ORDINANCE NO. 3997

AN ORDINANCE of the City Council of the City of Kent, Washington, approving and confirming the assessments and assessment roll of Local Improvement District No. 362 for construction of improvements along East Valley Highway (84th Avenue South) from SR 167 to South 212th Street as provided by Ordinance No. 3833, and levying and assessing a part of the costs and expenses thereof against the lots, tracts, parcels of land and other property as shown on the assessment roll.

RECITALS

A. The assessment roll levying the special assessments against the property located in Local Improvement District No. 362 in the City of Kent, Washington (the “City”) has been filed with the City Clerk as provided by law.

B. The City Council delegated under RCW 35.44.070, a special committee of the Council composed of the members of the Public Works Committee (the “Committee”) to act as a Board of Equalization and conduct a hearing on the assessment roll.
C. Notice of the time and place of the hearing on the assessment roll and for making objections and protests to the roll was published within the time and in the manner provided by law, fixing the time and place of the hearing before the Committee for October 8, 2010, in the Council Chambers in the City Hall, Kent, Washington. In addition, the City Clerk mailed written notice to each property owner shown on the roll.

D. At the time and place fixed and designated in the notice, the Committee held the hearing and received all written protests. The Committee continued the hearing to November 29th, as to certain affected parcels, and concluded its hearing on that date. All persons appearing at the hearing who wished to be heard were heard, and the Committee, sitting and acting as the Board of Equalization for the purpose of considering the roll and the special benefits to be received by each lot, parcel, and tract of land shown upon such roll, including the increase and enhancement of the fair market value of each parcel of land by reason of the improvement, considered all protests.

E. After considering the entire record pertaining to the assessment roll, the Committee entered its Findings, Conclusions, and Recommendations ("Findings") regarding LID No. 362 on April 4th, 2011.

F. The City Council has considered the record and the Findings, based upon the record considered by the Committee.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:
ORDINANCE

SECTION 1. - Roll Confirmation. The assessments and assessment roll of Local Improvement District No. 362, established for the purpose of constructing improvements along East Valley Highway (84th Avenue South) from SR 167 to South 212th Street, shall be and the same are approved and confirmed in all things and respects in the total amount of $2,412,942.02, for improvements including road widening to seven lanes to include three lanes each direction with a center turn lane; installation of cement concrete sidewalks; removal and replacement of deteriorated portions of existing roadway pavement; asphalt overlay; catch basins and storm drains; driveway approach aprons and curb and gutter replacement where necessary; traffic signal modification improvements; existing utilities and other improvements including fire hydrants, power poles, street light poles, mailboxes, fences and sign relocation and adjustments as necessary; new channelization; traffic signing; additional storm drainage including storm water detention and water quality facilities; street trees; and sewer and water extensions and/or stubs where necessary.

SECTION 2. - Special Benefit. Each of the lots, tracts, parcels of land, and other property shown upon the assessment roll is determined and declared to be specially benefited by this improvement in at least the amount charged against the same, and the assessment appearing against the same is in proportion to the several assessments appearing upon the roll. There is levied and assessed against each lot, tract, or parcel of land and other property appearing upon the roll the amount finally charged against them as shown on the roll.

SECTION 3. - Findings. The Findings attached as Exhibit “A” are adopted by the Council and incorporated by this reference.
SECTION 4. - **Notice of Roll.** The assessment roll as approved and confirmed shall be filed with the Finance Director of the City for collection, and the Finance Director is authorized and directed to publish notice as required by law stating that the roll is in the Director's hands for collection and that payment of any assessment or any portion of such assessment can be made at any time within thirty (30) days from the date of first publication of that notice without penalty, interest or cost and that, thereafter, the sum remaining unpaid may be paid in fifteen (15) equal installments of principal together with accrued interest. The estimated interest rate is stated to be 5.5% per annum, with the exact interest rate to be fixed in the ordinance authorizing the issuance and sale of the local improvement bonds for Local Improvement District No. 362. The first installment of assessments on the assessment roll shall become due and payable during the thirty (30) day period commencing one year after the date of first publication by the Finance Director of notice that the assessment roll is in his hands for collection, and annually thereafter each succeeding installment shall become due and payable in like manner. If the whole or any portion of the assessment remains unpaid after the first thirty (30) day period, interest upon the whole unpaid sum shall be charged at the rate as determined above, and each year thereafter one of the installments, together with interest due on the unpaid balance, shall be collected. Any installment not paid prior to expiration of the thirty (30) day period during which such installment is due and payable shall be delinquent. Each delinquent installment shall be subject, at the time of delinquency, to a charge under Kent City Code Section 3.22.030 of a penalty levied on both principal and interest due upon that installment equal to the rate fixed in the ordinance authorizing the issuance and sale of the local improvement bonds for Local Improvement District No. 362 plus five (5) percent. All delinquent installments also shall be charged
interest at the rate as determined above. The collection of delinquent installments shall be enforced in the manner provided by law.

**SECTION 5.** - **Severability.** Should any section, subsection, paragraph, or sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect their validity of the remaining portions of this Ordinance or its application to other persons or circumstance.

**SECTION 6.** - **Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

**SECTION 7.** - **Effective Date.** This ordinance shall be published in the official newspaper of the City, and shall take effect and be in force five (5) days after the date of publication.

ATTEST:

SUZETTE COOKE, MAYOR

BRENDA JACOBER, CITY CLERK

LID 362

Final Assessment Roll
I hereby certify that this is a true copy of Ordinance No. 3977 passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

BRENDA JACOBER, CITY CLERK

P:\Civil\Ordinance\LID 362 Final Assessment Roll.docx
Exhibit A
FINDINGS OF FACT, CONCLUSIONS AND RECOMMENDATIONS
REGARDING LID 362
(EAST VALLEY HIGHWAY)

Pursuant to notice, the final assessment roll hearing on LID 362 was held on October 18, 2010 and on November 29, 2010 at Kent City Hall. The hearing was conducted by the City Council’s Public Works Committee consisting of Debbie Raplee, Dennis Higgins and Ron Harmon. Following the conclusion of the hearing, and consideration of the testimony and evidence received, the Committee hereby submits the following Findings of Fact, Conclusions, and Recommendations.

I. FINDINGS OF FACT

A. General Findings

1. LID 362 was formed pursuant to Ordinance 3833, passed by the City Council on April 17, 2007.

2. The LID was created to construct improvements to East Valley Highway. The project was designed to improve and rehabilitate East Valley Highway to the City’s principal arterial standards.

3. The project limits are from SR 167 to the south and South 212th Street to the north.

4. East Valley Highway is a principal arterial with an average daily traffic volume of over 21,000 vehicles. Traffic studies reveal that this volume will continue to increase in the future.

5. East Valley Highway was three lanes in some areas, but only two lanes in others, resulting in congestion. A third lane was needed to relieve congestion. Consequently, the project has been included in the City’s Six Year Transportation Improvement Program for a number of years.

6. In addition, the sidewalk system was incomplete and additional sidewalks were needed for pedestrian safety and to meet City standards. Utility extensions were also needed to provide a connection point outside of the new roadway section for unserviced properties.
Exhibit A

7. A more detailed explanation of the project and the improvements is set forth in the staff report from the City Engineer to the Public Works Committee, dated August 5, 2010, attached hereto as Exhibit 1 to this document.

B. Findings as to specific properties

1. Fifty properties were included within the boundaries of the LID. A list of the properties, property owners, and individual property assessments is attached hereto as Exhibit 2 to this document.

2. Notices of objection to the LID final assessment roll were filed by six parties identified in paragraph 3, below.

3. Objections were filed by the following persons:

   a. **Caraccioli.** Assessment no. 1. Carlo Caraccioli, adult son of the property owner, raised questions concerning the accident history in the vicinity of his mother’s property, which serves as her residence, and asked how the improvements would provide a benefit to the property since there was a low accident history in front of the property. Mr. Caraccioli acknowledged that there were some benefits derived from the LID, but disagreed with the approach and conclusions of the City’s appraisers. He also stated that the City increased the assessment for the property from the time of the preliminary assessment to the time when the final assessment roll was completed. He further stated that change orders for the project further increased the amount of the assessment.

      John Trueman, an MAI appraiser hired by the owner, provided a written report and oral testimony concerning the subject property. Mr. Trueman stated that a lack of sales data made appraisal of the property difficult. He agreed with the valuation determination made by the City’s appraiser regarding the “before” value of the property, but disagreed with the City’s appraiser in regard to the “after” value of the property. In Mr. Trueman’s view, the sales information that was available indicated a property value of $10 per square foot, not the $15 per square foot value determined by the City’s appraiser.

      In response to Mr. Caraccioli’s testimony, City Engineer, Chad Bieren, testified that, because federal funds were used to pay for part of the project, the City had an initial MAI appraisal performed on the LID properties later followed by a review appraisal. Mr. Bieren stated that the preliminary and final assessment amounts were identical and that the change orders for the project did not affect the amount of the property assessments.
Robert Macaulay, an MAI appraiser, performed the review appraisals for the City. Mr. Macauley presented oral testimony and a written report on the subject property. His report explained that a single-family residence is currently located on the subject property and that the building and improvements on the property were near the end of their economic life. He noted that the current, residential use was nonconforming in that the land is zoned Gateway Commercial. The highest and best use of the property, he stated, was for commercial development. He further stated that redevelopment of the property would be contingent on construction of road infrastructure, including a sidewalk and a third traffic lane. In addition, extension of utilities would be necessary. According to Mr. Macauley, if the property owner had to construct frontage improvements on their own, the cost would be approximately $90,000. The assessment to the property, however, was $65,000. Also, he stated that, without the LID project, the neighborhood would not have the aesthetic appeal and continuity the improvements provide. Mr. Macauley concluded that the market value of the property would increase at least as much as the LID assessment amount.

b. Smith. Assessments no. ’s 2 – 6. Testimony was presented by: owner, John Smith; realtor, Scott Carter, and attorney, Michael Reynolds.

Mr. Smith testified that parcels 3, 4, 5 and 6 had recently been sold at a foreclosure sale to Sterling Bank. Only parcel no. 2 remains in his ownership.

Mr. Carter testified that he is a real estate broker who has worked with Mr. Smith for a little over a year to market the properties. In his view, the LID assessment had devalued the properties. On cross-examination, he acknowledged that he is not a licensed appraiser, did not perform an appraisal of the property, nor comply with the requirements of state law (RCW 18.140.020) necessary to give a broker’s opinion.

The owner’s attorney, Michael Reynolds, presented oral and written argument challenging the Committee’s and the City Council’s authority to decide the final assessment role. Mr. Reynolds stated that the City has budget problems and that the decision-makers on the City budget are the Council members. He said that, if the City pays less toward the cost of the LID improvements then the property owners would have to pay more. Therefore, in Mr. Reynolds’ view, the party responsible for the budget should not be making a decision on the LID that may benefit the City. He stated that to do so would violate the State Appearance of Fairness Law (RCW Chapter 42.36).1

1 State law, RCW Chapter 35.44, expressly authorizes the City Council, or a committee of the Council, to conduct the hearing on the final assessment roll.
Exhibit A

Robert Macaulay, the City’s appraiser, was called to testify in rebuttal. Mr. Macaulay had prepared a written report on parcels 2 - 6 and offered oral testimony regarding those properties. He noted that parcel 6 was the only improved parcel, with an office-warehouse located upon it. He stated that the remaining parcels would sell either as access land or in conjunction with the redevelopment or expansion of parcel 6. Mr. Macaulay stated that he performed a special benefits analysis on the property and determined that the City’s LID assessment amount was reasonable.

c. Tan. Assessment no. 14. At the October 8th hearing, the daughter of the property owners, Roger and Narden Tan, appeared and requested a continuance of the hearing due to the fact that her parents were out of the country. The Committee agreed to grant a continuance to the Tans so that they could be present to provide testimony on November 29th. At the November 29th hearing, the Chair called for the owners to provide their testimony. The Tans were not present at the hearing and no one appeared on their behalf. It was also noted that no written submittals had been received from the Tans.

d. RSD Knight, LLC. Assessment no. 26. Property owner, John Phillips and his appraiser, Jim Price, presented testimony.

Mr. Phillips stated that there were two issues of concern to him: he did not see any increase in value to his property as a result of the LID improvements; and he was assessed for a sidewalk even though a previously existing sidewalk had been removed by the City some years earlier.

Mr. Price, a MAI appraiser, presented oral testimony and a written report. Mr. Price stated that he had reviewed a number of comparable land sales and concluded that there was a benefit to the property in the amount of $10,000 — which was $23,477 less than the assessment amount. He also stated that, given the location of the property, a primarily industrial area, the sidewalk did not provide a benefit to the property.

On cross-examination, it was pointed out to Mr. Price that, across 84th Street, there were some shops and a restaurant. In reply, Mr. Price stated: in that case, there might be some benefit provided by the sidewalk.

Robert Macaulay, the City’s appraiser, presented oral testimony and a written report on the subject property. He noted, in his report and testimony, that any expansion or significant renovation of the property would require construction of the types of improvements constructed by the LID. He stated that the fact that the improvements were already
Exhibit A

constructed would be taken into account by a purchaser. Mr. Macauley concluded that the LID assessment for the property was appropriate.

e. Holm. Assessment no.’s 31, 32, 33, 34 and 35. Susan Cole, a tenant of the property, presented testimony in opposition to the LID assessment. The owner of the property, Terry Holm, did not appear at the hearing or present any written testimony.

Under the terms of Ms. Cole’s lease, she is responsible for payment of any property assessments. She testified that the LID improvements provide no benefit to her business (Bubba’s Place restaurant) but, instead, resulted in a loss of business due to the LID construction limiting access to the property resulting in customers going elsewhere.

Ms. Cole did not present testimony or a report from an appraiser.

On cross-examination, Ms. Cole was asked whether she was aware that the property owner had been compensated for the loss of access and parking. She stated that her lease was for the building only, not parking.

Robert Macaulay, the City’s appraiser, presented oral testimony and a written report on the subject property. He concluded that the LID assessment was appropriate.

f. MV Motels, Inc. Assessment no. 52. Testimony in opposition to the LID assessment was presented by the owner, Vasram Limbasia, and his appraiser, Mr. John Trueman, MAI.

Mr. Trueman performed an appraisal of the property and his findings were set forth in a written report dated October 1, 2010. Based on his review of property sales in the area, he felt there was not enough information to provide a paired sales analysis to determine the value increase attributable to the LID improvements. He stated, however, that the subject property and neighborhood had experienced an increase both in current value and in appeal due to the LID project. He estimated the increase in value by using a national cost estimate handbook issued by Marshall Valuation Service. It was his opinion that a fair assessment for the property was $33,600 rather than the LID assessment of $82,094.55.

Robert Macaulay, the City’s appraiser, presented oral testimony and a written report on the subject property. In carrying out his review of the property, Mr. Macauley testified that he primarily looked at the land value and made an estimate of the market value for the property before and after the LID improvements were constructed. He also looked at land sales in the area. He stated that the frontage improvements constructed would be necessary if the property owner were to renovate, expand or redevelop the...
Exhibit A

property; and that is something the market looks at and considers when property is purchased. He further stated that the amount of the LID assessment was lower than the cost of the improvements if constructed today. In his opinion, the fact that the entire project was completed at the same time enhanced the market appeal of the property.

Mr. Macauley concluded that the LID assessment was appropriate.

II. CONCLUSIONS

A. General conclusions

1. Any conclusion deemed to be a finding shall be considered as such. Any finding deemed to be a conclusion shall be considered as such.

2. LID assessments must be based on the special benefits that properties acquire as a result of improvements to the area. RCW 35.44.010. Special benefits are determined by comparing the fair market value of each property before and after the improvements are made. *Tiffany Family Trust Corp. v. City of Kent*, 155, Wash. 2d 225 (2005). Once it is determined that a property is specially benefited, any LID assessment must be logically related to, and cannot exceed, the special benefit amount. RCW 35.44.010; RCW 35.51.030(2). The property owner has the burden of proof of producing evidence to rebut these presumptions.

3. If the property owner presents sufficient evidence to rebut the presumptions, generally through appraisal testimony or other evidence of property value, the City has the burden of showing special benefits to the property. *Bellevue Plaza v. Bellevue*, 121 Wash. 2d 397 (1993).

4. The special benefit analysis performed by the City more fairly represents the special benefits to the properties within the LID boundaries than the zone and termini valuation method.

5. The City followed the applicable legal requirements for providing notice to the affected property owners.

B. Conclusions as to particular properties

The following property owners have failed to overcome the presumptions in favor of the City’s final assessment roll: Caraccioli, assessment no. 1; Smith, assessment no.’s 2, 3, 4, 5, 6; Tan, assessment no. 14; Holm, assessment no.’s 31, 32, 33, 24 and 35; and MV Motels, Inc., assessment no. 52.
Exhibit A

1. **Caraccioli**

   a) Ms. Caraccioli’s appraiser stated, in his report, that the subject site and neighborhood had experienced an increase in current value and appeal based upon information contained in a national cost estimate handbook, whereas the City’s review appraiser considered local conditions when calculating value. The latter is more persuasive.

   b) Ms. Caraccioli may be entitled to an exemption from payment of the assessment and the Committee recommends that the City Attorney provide Ms. Caraccioli with information regarding the process for claiming an exemption.

2. **Smith**

   a) Mr. Smith is the owner of a single property, assessment no. 2, due to foreclosure on his other properties.

   b) Mr. Smith’s argument that the City Council was barred from making a decision on the final assessment roll due to the Appearance of Fairness law is dismissed. State law, RCW Chapter 35.44, expressly authorizes Council to participate in the decision-making process.

   c) Mr. Smith failed to provide valuation testimony from a licensed appraiser, as directed by the Committee.

3. **Tan**

   The property owners failed to appear at the hearing or provide any information concerning their property.

4. **Holm**

   Mr. Holm, the property owner, did not protest the assessment of his property nor appear at the hearing.

   Susan Cole, the tenant renting the building on the property, was the sole person to appear at the hearing and provide testimony concerning the property. Ms. Cole failed to provide valuation testimony from a licensed appraiser, as directed by the Committee.

5. **MV Motels, Inc.**

   The property owner’s appraiser incorporated generic data into his valuation making it less persuasive than the data compiled by the City’s appraisers. In addition, the City’s valuation took into better account the market
Exhibit A

forces that have reduced the value of the property from $15 per square foot to $9.25 per square foot.

The following property owner is entitled to partial relief: RSD Knight, LLC, assessment no. 26.

6. RSD Knight, LLC

A sidewalk serving the property did exist at one time and it was removed by the City. The cost of a new sidewalk should be the responsibility of the City, not the owner.

III. RECOMMENDATIONS

Based upon the record before the Committee, and the foregoing findings and conclusions, the Committee makes the following recommendations:

1. All assessments should remain as set forth on the Final Assessment Roll except the assessment for RSD Knight, LLC.

2. All protests should be denied, except that of RSD Knight, LLC.

3. The assessment for RSD Knight, LLC should be reduced by the amount attributable to the cost of the new sidewalk, i.e., $9,994.01.

DATED this 4th day of April, 2011.

CITY OF KENT PUBLIC WORKS COMMITTEE

Debbie Raplee, Chair
Dennis Higgins
Ron Harmon
Date: August 5, 2010

To: Chair Debbie Raplee and Public Works Committee Members
   PW Committee Meeting Date: August 16, 2010

From: Chad Bieren, City Engineer

Through: Timothy J. LaPorte, P.E., Public Works Director

Subject: Local Improvement District (LID) 362: Set Hearing Date for Confirmation of Final Assessment Roll/East Valley Highway (SR 167 to S. 212th Street)

Motion:
Move to recommend that the City Council set October 5, 2010 at 3:00 p.m. in the Kent City Council chambers, as the date, time and place for the public hearing to confirm the final assessment roll for Local Improvement District No. 362, and to designate the Public Works Committee to act as the Board of Equalization for that hearing.

Summary:
The East Valley Highway project was on our 6-year Transportation Improvement Program for some time for widening and rehabilitation of the pavement. The City Engineering Section was very successful in obtaining grants for the project and received 6 grants totaling just over 4 million dollars from 4 funding partners. Also, properties representing 37 percent of the assessment had signed no protest L.I.D. Covenants and Environmental Mitigation Agreements for road improvements.

The preliminary L.I.D. hearing was held on March 20, 2007 and the City Council passed the ordinance forming the L.I.D. and directed staff to proceed with the project. The project is now nearly complete and the Public Works Department would like to close out the L.I.D. Sidewalks, acceleration / deceleration lanes and utilities are considered a special benefit to the local properties and provided the basis for the L.I.D assessments.

Budget Impact:
The construction is near completion and we are ready to finalize the L.I.D. The total final assessment is $2,422,936.03 which is the same as the preliminary assessment. The next step is to schedule the public hearing on the confirmation of the final assessment roll.

For additional information and details about the project and the L.I.D., see Attachment 'A'.
Exhibit 1
ATTACHMENT 'A'

IMPROVEMENTS FOR EAST VALLEY HIGHWAY:

East Valley Highway was a 5 lane road with 2 lanes in each direction and a center turn lane. A third through lane existed at some locations but tapered back to 2 lanes. The project improved and rehabilitated East Valley Highway to the City principal arterial standard. The overall project limits are SR 167 to the south and S. 212th Street to the north. See the attached project map. The roadway improvements included:

- Widening to 7 lanes (3 lanes each direction with a center turn lane).
- Installation of cement concrete sidewalks where sidewalks did not exist and replacement of existing sidewalks where the road was being widened. Included was sidewalk installation on the north side of S. 216th Street from East Valley Highway to approximately 565 feet west of the center line of East Valley highway to connect to the existing sidewalk on S. 216th Street.
- Deteriorated portions of the existing roadway pavement were removed and replaced.
- The entire roadway area received an asphalt overlay.
- Catch basins and storm drains, driveway approach aprons and curb and gutter were replaced where necessary.
- Traffic signals were modified and upgraded to accommodate the widened road.
- Existing utilities and other improvements such as fire hydrants, power poles, street light poles, mailboxes, fences and signs were relocated or adjusted as necessary.
- New channelization
- New traffic signing
- New illumination system.
- Additional storm drainage including storm water detention and water quality facilities.
- Street trees and hydroseeding of unpaved areas.
- Nine properties received sewer and or water extensions and or stubs.
- Temporary erosion and sedimentation control facilities during construction.

NEED FOR THE IMPROVEMENTS:

East Valley Highway is a principal arterial with an average daily traffic volume of over 21,000 vehicles. Based on traffic studies this volume is expected to continue to increase in the future. There was a third lane in some areas (installed by the adjacent property owners upon development), however, it narrowed back to two lanes in places creating congestion. The third lane is needed throughout the project limits. Because of this need, this project was included in the City’s Six Year Transportation Improvement Program for a number of years. The sidewalk system was incomplete; therefore additional sidewalk was needed for pedestrian traffic and to meet City standards.
Exhibit 1

Utility extensions were needed to provide a connection point outside of the new roadway section for unserviced properties. This eliminated the need to cut into the roadway section in the future when utility connections are needed. This will also reduce future connection costs for those properties.

The project:
- Provided needed north-south capacity to the existing traffic system along the East Valley highway corridor.
- Improved movement of freight through the corridor.
- Improved ingress and egress for the adjacent properties.
- Provided a safer route for pedestrians and bicycles.
- Encourages increased use of transit.
- Adds additional service life to the roadway pavement.
- Improves the road to City principal arterial standards.
- Provides the improvements specified in previously executed L.I.D. covenants and EMA’s and will provide the improvements that will be required of future developments along East Valley Highway.
- Provides utility access for unserviced properties.

FUNDING:

The L.I.D. component assessments are as follows:

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<th>Component</th>
<th>Assessment</th>
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<td>Third Lane</td>
<td>$ 1,600,000.00</td>
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<tr>
<td>Sidewalk</td>
<td>$ 411,711.00</td>
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<tr>
<td>Utility Extensions</td>
<td>$ 191,621.04</td>
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<tr>
<td>Overlay Agreements</td>
<td>$ 219,603.99</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 2,422,936.03</strong></td>
</tr>
</tbody>
</table>

The City purchased a vacant property within the project to construct the storm water detention and treatment facilities. The assessment for this property is $19,644.39 which the City will pay.

ASSESSMENT METHOD:

The assessments take into consideration the entire project, including the additional lane and sidewalk. Some properties within the L.I.D. boundary are assessed for the third lane and sidewalk improvements, some for only one if the lane or sidewalk already exist, and some properties receive a zero assessment where the street frontage already has both the additional lane and sidewalk. If the improvements exist across a portion of the property, only the portion without the improvement is included in the assessment calculation. Properties without street frontage are not assessed for sidewalk. There are properties along East Valley Highway within the project limits that are not within the proposed L.I.D. boundary. These properties are to the north and south of the L.I.D. area and already have the additional lane and sidewalk so these properties cannot be assessed for these improvements. Several properties are also assessed for utility work or asphalt overlay of the existing roadway.
Exhibit 1

The total L.I.D. amount for each assessment category is distributed to the benefiting properties based on a square footage formula. The rate per square foot is reduced with distance into the property (away from the roadway) and is the lowest at the rear. The rate decreases with each 100 feet of property depth from the future frontage property line. This method is included in the state law governing L.I.D. assessments.

Utilities (water and sewer), where required, are assessed at 100 percent of the estimated cost to the property serviced. The grants do not cover utilities.

Three properties have executed asphalt overlay agreements with the City to share a cost of the asphalt overlay portion of the project. These assessments are based on the agreement and the estimated cost for the work.

**SPECIAL BENEFIT TO L.I.D. PROPERTIES:**

When discussing L.I.D. projects, benefit received is an important issue, since benefit is the basis for the L.I.D. assessment. Benefit is defined as the increase in property value brought about as a direct result of the L.I.D. improvements. L.I.D. assessments can be less than or equal to the benefit received.

Street frontage improvements benefit the property and are necessary for development or redevelopment. These improvements provide the basis for the L.I.D. assessments. The City requires street frontage improvements in accordance with City ordinance as a condition of development and or redevelopment for properties located on streets where improvements are planned.

Previously, various properties within the project area have executed No Protest L.I.D. Covenants for road improvements in conjunction with their seeking a development permit in lieu of actually constructing the improvements. However, others have actually constructed improvements at the time of development. The proposed project and local improvement district will provide the necessary improvements to satisfy future street improvement requirements.

The City has taken the lead on improving East Valley Highway and placed the project on the City’s Six Year Transportation Improvement Program. This allowed the City to obtain grant funds to pay for a large portion of the roadway improvement costs. The grant funds help to reduce the cost of the improvements to the property owners and lower the L.I.D. assessments. Without the grant funding, the properties would be faced with a larger cost for the frontage improvements.

The grant funding mentioned represents the benefit to the City and general public. The L.I.D assessment however, is for the special benefit to the local properties.

**PAYMENT OF ASSESSMENT:**

Upon Council passing the Ordinance confirming the Final Assessment Roll, there is a 30-day period in which any portion or all of the assessment can be paid without
Exhibit 1

interest charges. After the 30-day period, the balance is paid over a fifteen-year period wherein each year’s payment is one-fifteenth of the principal plus interest on the unpaid balance. The first yearly payment is due one year after the 30 day period. The property owner will receive a billing notice from the City each year.
## Exhibit 2

### LID 362 ASSESSMENTS PER PARCEL

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<th>Tax Payer Name</th>
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<th>UTILITIES $</th>
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