

**SUPPLEMENT NO. 4
CONTRACT FOR SERVICES
Allen Brackett Shedd with the City of North Bend**

THIS Supplement No. 4, to the Contract for Services entered into between the City of North Bend, Washington, hereinafter referred to as "the City", and Allen Brackett Shed, hereinafter referred to as "the Consultant", is made in consideration of the mutual benefits, terms, and conditions hereinafter specified.

1. **Project Designation.** No change to the original Agreement
2. **Scope of Services.** Prepare amended appraisals and final assessment roll for ULID No 6 per the attached proposal.
3. **Time for Performance.** Work under this contract shall be extended from the completion date of December 31, 2009 to April 30, 2011.
4. **Compensation and Method of Payment.** No change in the Method of Payment. Compensation is increased from the authorized amount of \$63,945 to \$126,345.
5. **Notices.** No change to the original Agreement

All other terms and conditions remain as provided in the original agreement dated April 5, 2006.

DATED this ____ day of _____, 2010.

CITY OF NORTH BEND

CONSULTANT

By: _____
Its: _____

By: _____
Its: _____

Attest/Authenticated

Approved as to Form:

City Clerk

City Attorney, Michael R. Kenyon

Allen - Brackett - Shedd

Real Estate Appraisers and Consultants

S. Murray Brackett, MAI, Principal
Michael Murray, MAI, CCIM
Deborah Foreman
Matt Sloan
Jessica Stokesberry
Diane Quinn

Darin A. Shedd, MAI, Principal
Greg Goodman, MAI
Robert Chamberlin
David Coleman
Chris McGarvey
Heidi Klansnic

July 6, 2010

Mr. Ronald Garrow, P.E.
Public Works Director
City of North Bend
1155 E. North Bend Way
P.O. Box 896
North Bend, Washington 98045

**RE: FINAL SPECIAL BENEFITS STUDY/ CONSULTING ASSIGNMENT FOR
NORTH BEND SEWER ULID PROJECT, KING COUNTY, WASHINGTON**

Dear Mr. Garrow:

As requested, we have reviewed property information relating to the project referenced above for the purpose of estimating fees and timing for completion of a *Final Special Benefits Study/Consulting Assignment*. This is for the North Bend Sewer ULID Project in the North Bend Way corridor through the Tanner and Trucktown Areas, in King County, Washington. From 2006 to 2008, we completed the *Preliminary Special Benefits Study/Consulting Assignment* related to the ULID formation.

Scope of Work - Final Special Benefits Study/ Final Assessment Roll Hearing

We are prepared to complete the following through the final assessment roll hearing and approval of assessments by the City. This assumes a maximum of 10 client meetings and round trips for neighborhood/ property review/ hearing(s) from Bellevue to North Bend.

- Participate in City's ULID Team meetings, as requested by City.
- Review with City the completed sewer project improvements and costs; review our understanding of the level of service and costs for properties within the ULID.
- Reinspect neighborhoods and properties within project area; review City's existing zoning and development and/or redevelopment conditions, especially related to density and sanitation conditions.
- Review and update previous spreadsheet of ULID properties, including property characteristics and assessed valuations.

- Reevaluate highest and best use of properties in “before” condition, without sewer project, and in “after” condition, with project completion assumed.
- Update area property transactions, both land and improved properties, and other surrounding area transactions where properties are on septic or are served by sewer.
- Analyze, on a final basis, the extent and intensity of influence on property values of the ULID, and develop map reflecting same.
- Complete a comparison with our prior special benefits analysis, and document reasons for significant changes, if any.
- Consult with the City and legal counsel regarding our findings and recommendations, and determine reporting needs for a final assessment roll hearing.
- Complete a *Final Special Benefits Study*, indicating the “before” and “after” valuations of each property within the ULID, for the final assessment roll hearing, and other documentation, as directed by the City.
- Participate in a final assessment roll process/ hearing regarding the project, including project open houses and meetings with individual property owners, as requested by the City.

Fees and Timing

We work on projects of this nature by establishing a fee (the “Budget”) with the client, then identifying elements as work progresses, and allocating portions of the Budget to the individual elements. Our time is accounted for on an hourly basis and periodically reviewed with the client. This assignment is anticipated to be completed with some of all of the consultants and related fees identified below.

Deborah A. Foreman, Senior Associate	\$200.00 per hour
Matthew Sloan, Senior Associate	\$140.00 per hour
Other staff, as needed	\$65.00 - \$140.00 per hour

We recommend a Budget for this project through the ULID final assessment roll hearing and City approval of \$62,400. This assumes a maximum of ten (10) client meetings and round trips for neighborhood/ property review from Bellevue to North Bend area. There are approximately 400 tax parcels within the ULID, including vacant land, commercial, industrial, and residential uses. A number of the properties’ improvements are considered interim uses and many properties have “excess land” with development potential. Due to market and project changes since the formation of the ULID, we recommend the City consider an informal property owners meeting at least six to eight weeks prior to the final assessment roll hearing, and/ or be generous in its approval of consultant meetings/ emails/ calls with individual property owners.

• 400 parcels x \$65.00/parcel average, includes property inspections, updates of property information, larger parcel analyses, “before” and “after” valuations	\$26,000
• Zoning, development conditions, comparable sales	6,000
• GIS Arcview or other proposed mapping	4,000

• Final report, owners meeting(s)/ emails/ calls, hearing preparation, and other documentation	12,000
• Client meetings, formation hearing	4,000
• Contingency (20%)	<u>10,400</u>
Total Budget, ULID Final Stage	\$62,400
Per Parcel	\$156

We are available to further discuss and refine your needs for this project. For a project this size, we typically recommend our efforts commence at least 6 months prior to the final assessment roll hearing, which we understand the City proposes for about February 2011. With a near term notice to proceed, this assignment will allow us adequate time to complete our final special benefits analysis; meet with City/ legal counsel to discuss findings; conduct an informational process with property owners; finalize our analysis, and allow for adequate notification to property owners for the final assessment roll hearing. We propose timing issues be mutually determined and agreed to in writing by the parties. This fee quote and timing is valid for twenty days from the date of this letter. Relevant consultant experience and qualifications are available upon request.

In order to proceed with this assignment, we need a signed copy of the enclosed contract returned to us. Similar to the formation process, we will be relying upon the City to provide information relating to the sewer project, critical site areas, usable site areas, zoning code, and other.

Thank you for your consideration of our firm for this project. We look forward to the opportunity of working with you. Please call if you have any questions.

Sincerely,

ALLEN BRACKETT SHEDD



Deborah A. Foreman, Senior Associate

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Enclosures

CONTRACT FOR CONSULTING/APPRaisal SERVICES

ALLEN BRACKETT SHEDD, herein referred to as the "Consultant," and CITY OF NORTH BEND, herein referred to as the "Client," hereby agree and contract as follows:

I. Contract Work

The Consultant will provide a *Final Special Benefits Study/ Consulting* as detailed in letter of July 6, 2010, for the City of North Bend Sewer ULID Project in the North Bend Way corridor through the Tanner and Trucktown Areas in King County, Washington. Consultant will develop and report its services in conformity with and subject to the requirements of the Code of Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

The purpose of the assignment is to provide consulting services to the Client. The Study/ Consulting services can be completed by February 2011, with authorization to proceed by August 1, 2010, with other timing issues to be mutually determined and agreed to in writing by the parties.

II. Contract Sum

The Consultant will perform the services outlined above on an hourly fee basis not to exceed \$62,400 (the "Budget").

III. Time of Payment

The Consultant shall submit a periodic statement for services. Payment shall be due on the date of the statement and shall be deemed delinquent if not made within 30 days of the due date. Delinquent payments shall accrue interest at the rate of 18% per annum from the due date. Should it be necessary for the Consultant to employ the services of an attorney or begin legal proceedings to collect any delinquent payments, the Client shall be liable to the Consultant for a reasonable attorney's fee and the court costs incurred.

IV. Termination

In the event the consulting services are stopped by the Client at any time, the Consultant's fee shall be calculated, due and payable on the basis of the Consultant's fee schedule in effect on the date of the contract, and the actual hours and direct non-salary expenses incurred to the date of termination.

July 6, 2010

DATE

By:

ALLEN BRACKETT SHEDD



By:

DATE

(CLIENT)

QUALIFICATIONS

DEBORAH A. FOREMAN

Experience

Ms. Foreman has over 30 years experience in real estate acquisitions, appraisals, development, asset management, and brokerage for all property types. She also has broad experience in valuation and feasibility analysis, and structuring, negotiating and closing large transactions.

Allen Brackett Shedd (formerly Bruce C. Allen & Associates, Inc.), Bellevue, Washington

1990 to Present – Senior Associate

Specializing in valuation and consulting services for major real estate investments in the Pacific Northwest. Major projects, primarily in Washington State, include:

City of Seattle. Special benefits, feasibility analysis, and consulting, including public hearing activities, from 2004 to present: (1) *South Lake Union Streetcar Project*, a \$50 million streetcar project from downtown Seattle to Fred Hutchinson Cancer Research Center, funded in part with a \$27 million LID affecting over 1,200 parcels with property values in excess of \$5 billion and special benefits over \$60 million; (2) *Alaskan Way Tunnel*, a proposed \$4.0 billion replacement of existing Viaduct along Seattle's Central Waterfront; over 5,000 parcels analyzed with preliminary special benefits of \$400 to \$600 million; development potential in area of 8.6 million square feet and \$3.0 billion in additional building value potential; historical absorption analysis of several downtown neighborhoods; and (3) other preliminary feasibility analysis for LIDs in South Lake Union and Interbay neighborhoods.

SoundTransit. Appraisal project manager of subconsultant services, appraisals, consulting and condemnation services for, from 1998 through 2003: (1) *Commuter Rail*, for 6 stations from Seattle to Tacoma, over 50 appraisals completed by team; (2) *LINK*, for market estimates for over 2,000 parcels in the *Central LINK* DEIS process; market analysis, appraisals, occupancy and employment analysis for *Central* and *Tacoma LINK*, over 300 appraisals completed by *LINK* team; and (3) appraisal project manager for *REX*, over 40 appraisals completed.

Port of Seattle. Appraisals, consulting and condemnation trial services for: (1) Pier 48, 2006, analysis of market value, including mitigation value of existing pier; (2) Pier 66, 2005, financial analysis of various income sources, expenses, including DNR ground lease; (3) from 1992 to 1997, Terminals 5, 91, and 105 properties in Seattle, and Birmingham Steel site in Kent; (4) from 1995 to 1999, Terminal 18 expansion (over 35 industrial properties) in Seattle; and (5) in 1992 and 1993, South SeaTac Satellite expansion in SeaTac.

City of SeaTac. 28th/24th Avenue S. Arterial Project; from 1996 to 1999, consulting, right-of-way appraisals, special benefits studies, and public hearing activities for over 30 properties affected by \$24 million road project.

Port of Everett. Riverside Industrial Park, from 1997 to 1998, consulting team with Trammell Crow Company for the feasibility analysis and site planning for 175-acre marine industrial facility on the Snohomish River, near I-5, with a variety of access issues and sensitive area limitations.

City of Kent. S. 196th/200th and S. 228th/224th Street Corridor projects in Kent; from 1992 to 2003, LID special benefits studies and appraisals and condemnation trial work for over 2,000 parcels in Kent.

DEBORAH A. FOREMAN (cont.)

City of Bellevue. NE 10th Street LID #280 in downtown Bellevue; from 1993 to 1996, consulting, special benefits study, and public hearing activities for about 365 properties specially benefited by \$19 million road project.

Hickel Investment Company. University Center Shopping Center in Anchorage, Alaska; in 1991 and 1992, mortgage broker services for owner related to expiration of \$20 million loan, including negotiations for new permanent financing and due diligence.

Development Services of America. Valuation analyses and buy/sell recommendations for: (1) 1991, city block in downtown Omaha, Nebraska; and (2) in 1992, for industrial warehouses, subject to impacts of Free Trade Agreement, in Nogales, Arizona.

Equitable Real Estate Investment Management, Inc., Seattle, Washington

1984 to 1990 – Senior Investment Analyst; Director-Appraisal; Designated Broker, Oregon; Associate Broker, Washington.

Responsibilities in equity and debt transactions in Pacific Northwest Division included: analysis of all proposed and existing real estate investments; acquisitions and sales of investments; supervision and training of production/appraisal staff; and participation in asset management decisions for portfolio accounts. Portfolio assets in 1990 totaled approximately \$600 million in equities, \$350 million in debt.

Investments. Responsible for negotiating and closing up to \$40 million annually, including coordination of property management, construction, and appraisal personnel. Major transactions included: (1) 1990 earnout acquisitions of Corporate Parks 216/ 234, \$13.0 and \$11.5 million industrial projects in Kent; (2) 1990 contiguous industrial redevelopment projects acquired for \$11 million total in Beaverton, Oregon; (3) in 1988, \$22 million financing of properties in four market areas in Oregon and Washington; (4) sale of six industrial projects in Portland, Oregon in 1987 for \$15 million; (5) \$22.5 million acquisition of Parkfund Two in 1987 in three market areas in Seattle; and (6) In 1986, \$22 million financing of University Center Shopping Center in Anchorage, Alaska.

Appraisal. Annually supervised the completion of about 75 portfolio valuations and 15 narrative appraisal reports; assisted in sale recommendations; conducted appraisal reviews of annual budgets and monthly updates with finance and property managers.

Benaroya Portfolio, 1984. \$315 million acquisition of 8 million square feet in 98 buildings, industrial, retail, office, and mart portfolio in Oregon and Washington. Lead investment analyst;; prepared investment memorandum for California PERS; coordinated due diligence and closing with joint venture partners.

Other, Portland, Oregon

1974 to 1984 – Appraiser; Broker; developer and general contractor for small residential subdivisions and property rehabilitation projects

Education

Appraisal Institute. Completion of numerous courses over 20+ years
University of Oregon; 1974; B.A. Political Science

Professional/Community Affiliations

Appraisal Institute. Associate. Editor, “Field Notes, News from Chapter 14 of the AIREA,” 1982-1984; Annual Conferences, Chapter 11, committee member with major responsibility for program agenda and speakers, 1986-1993

State Cert. – General Appraiser: 27011-1100302

Expiration: 03/10/11

WA State Designated Broker: 270-06 BR-UC-EC-A060D1

(Revised 03/20/09)

Expiration: Inactive

QUALIFICATIONS

MATTHEW C. SLOAN

Experience

Senior Associate – Allen Brackett Shedd (formerly Bruce C. Allen & Associates)

Involved in the real estate field since April 2000. Appraisal experience includes a wide variety of appraisal assignments, including commercial, industrial and residential real estate, easements, condemnation, and sensitive properties. Appraisal assignments include work throughout the Puget Sound Region, including King, Pierce, Snohomish, and Kitsap Counties.

Education

University of Washington, Seattle, Washington:

Commercial Real Estate Certificate, a nine-month interdisciplinary program of specialized subject study including commercial real estate development, valuation, insurance, risk management, and business and real estate law. Completed June 2006.

City University, Seattle, Washington:

Bachelor of Science in Business Administration, emphasis in project management. Completed June 2005.

Appraisal Institute/North Seattle Community College, Seattle, Washington:

Completion of various appraisal and other real estate courses required for state licensing and towards MAI designation.

Representative Client List:

Government

City of Federal Way	Snohomish County
City of Kent	Sound Transit
City of Redmond	Community Transit
City of Seattle	Port of Seattle
City of Leavenworth	City of North Bend
King County	Washington State Department of Transportation
Pierce County	Seattle Public Schools

Private Sector

Graham & Dunn	Preston Gates & Ellis
Foster Pepper	CH2M Hill
Pharos Corporation	LaBonde Land
David Evans and Associates	Universal Field Services
Puget Sound Energy	Perteet Engineering
Parametrix	Overland, Cutler & Pacific

State Certification Number – General: 27011-1101655

Expiration: 03/04/12

(Revised 03/05/08)

