Memo

To: Mayor McCarthy, City Council
From: Jeff Arango, AICP – Director of Community Planning
Date: June 26, 2013

Re: Appraisal of Noble Creek Property

The city has been awarded up to $175k to purchase a conservation easement for the stream, wetlands and buffer on the Noble Creek property between Edgecliff Drive and Sandy Point Way along with the fee simple acquisition of the undevelopable lot to the north of Edgecliff Drive. Before the contract can be approved Island County is requiring an appraisal be performed on the property.

The city requested quotes from appraisers on the MRSC consultant roster in 2012 and received only one response at a rate of $7,000. The city did not have the funding at that time to proceed with the cost of the appraisal with no guarantee the conservation futures application would be approved. Now that the funding has been approved the city is required to proceed with the appraisal, but once the contract is approved the funding will reimburse the city for half the cost of the appraisal. The property owner has agreed to pay for the other half of the cost of the appraisal. Therefore, while the city is initially paying for the appraisal ultimately the city will be reimbursed for the entire cost of the appraisal.

The city asked for a revised quote from the one appraiser that submitted a proposal in response to our request in 2012. As a result of the reduction in the scope of the appraisal the cost is now $6300. The city also obtained a quote from one other appraiser to perform the work based on their experience and expertise in similar type appraisals, but the quote was significantly more expensive at $7,500.

Recommendation

Staff recommends the city council approve the contract with MaCaulay and Associates in the amount of $6,300 for the appraisal of the Noble Creek Property.
June 26, 2013

Jeff Arango, AICP
Director of Public Planning
City of Langley
112 2nd Street
PO Box 366
Langley, WA 98260

RE: Proposal for appraisal of two parcels of vacant residentially zoned land located on the north and south sides of Edgecliff Drive, just east of Camano Avenue, Langley, WA.

Dear Mr. Arango:

As requested, we have prepared a time and fee estimate for completion of two summary appraisal reports of the above referenced properties. The purpose of the appraisals is to estimate the market value of the fee simple interest in the subject properties for potential acquisition by the City of Langley.

The property to be appraised is located south of Edgecliff Drive and consists of two tax parcels to be valued as a single economic entity for potential conservation easement acquisition. The appraisal scope will be to estimate market value before and then again after acquisition of conservation easement rights. The market value difference will reflect the loss of value associated with any development density decrease due to the conservation easement area acquisition.

The second property is situated on the north side of Edgecliff Drive. Based on information provided, it has no development potential.

The appraisals will be developed and the reports prepared in conformity with and subject to requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Code of Professional Ethics of the Appraisal Institute. This proposal does not include time or cost estimates for studies of hazardous materials and/or other conditions unless they are specifically itemized.

Based on the complexity of the two appraisals and time involved, our estimated fees for the appraisals are $3,800 for the first property and $2,500 for the second, for a total fee for the assignment of $6,300.

Assuming we have authorization to proceed by July 15th our estimated report completion time is at 6 to 8 weeks. Please feel free to contact me if you have any questions or need additional information.

Respectfully submitted,
MACAULAY & ASSOCIATES, LTD.

Robert J. Macaulay, MAI
WA State Certified - General Appraiser No. 1100557