

Appraisal of
12.97 Acres

Located at
2070 Grandview Rd.
Ferndale, WA

As of
February 23, 2019

Prepared for
Cindy Snodgrass

Prepared by
Don A. Gustafson MAI, SRA, SRPA
Gustafson & Associates
1255 Barkley Blvd., Suite 107
Bellingham, WA

File No.: 11518

April 12, 2019

Cindy Snodgrass
Juanita Walters
3309 Stonecrop
Bellingham, WA 98226

Re: Appraisal of the 12.97 Acres Regional Retail Zoned Property located 2070
Grandview Rd., Ferndale, WA

Dear Ms. Snodgrass,

In compliance with your request, I have prepared an appraisal of the market value of the above-referenced property.

I have personally inspected the subject property and have performed an extensive market study to gather data on land sales. Based on my investigation and analysis, the market value of the subject property, as of February 23, 2019 is:

\$1,412,000
ONE MILLION FOUR HUNDRED AND TWELVE THOUSAND DOLLARS

Your attention is directed to the following pages from which, in part, this value conclusion was drawn. If you have any questions, or if further information is required, please do not hesitate to contact me.

Sincerely,



Don A. Gustafson, MAI, SRPA, SRA
License #1100649
File No.: 11518

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Summary of Important Facts and Conclusions

GENERAL

Subject: 2070 Grandview Rd., Ferndale, WA

Owner: Juan Carlos, II Family LP

Date of Value: February 23, 2019

Intended Use: The intended use is for estate tax and for establishing a new stepped up value basis.

Intended User(s): Cindy Snodgrass

Assessment: Real Estate Assessment & Taxes

Tax ID	Land	Impr.	Total	Taxes
390205-023075	\$847,460	\$0	\$847,460	\$7,718.21

Sale History: The subject has not sold in the last three years, according to public records.

Current Listing/Contract(s): The subject is not currently under contract or advertised for sale on the open market.

Land:**Land Summary**

Parcel ID	Gross Land Area (Acres)	Gross Land Area (SF)	Usable Land Area (Acres)	Usable Land Area (SF)	Topography
390205-023075	12.97	564,973	12.97	564,973	Level

Improvements:

The property is currently unimproved

Zoning:

Regional Retail - City of Ferndale

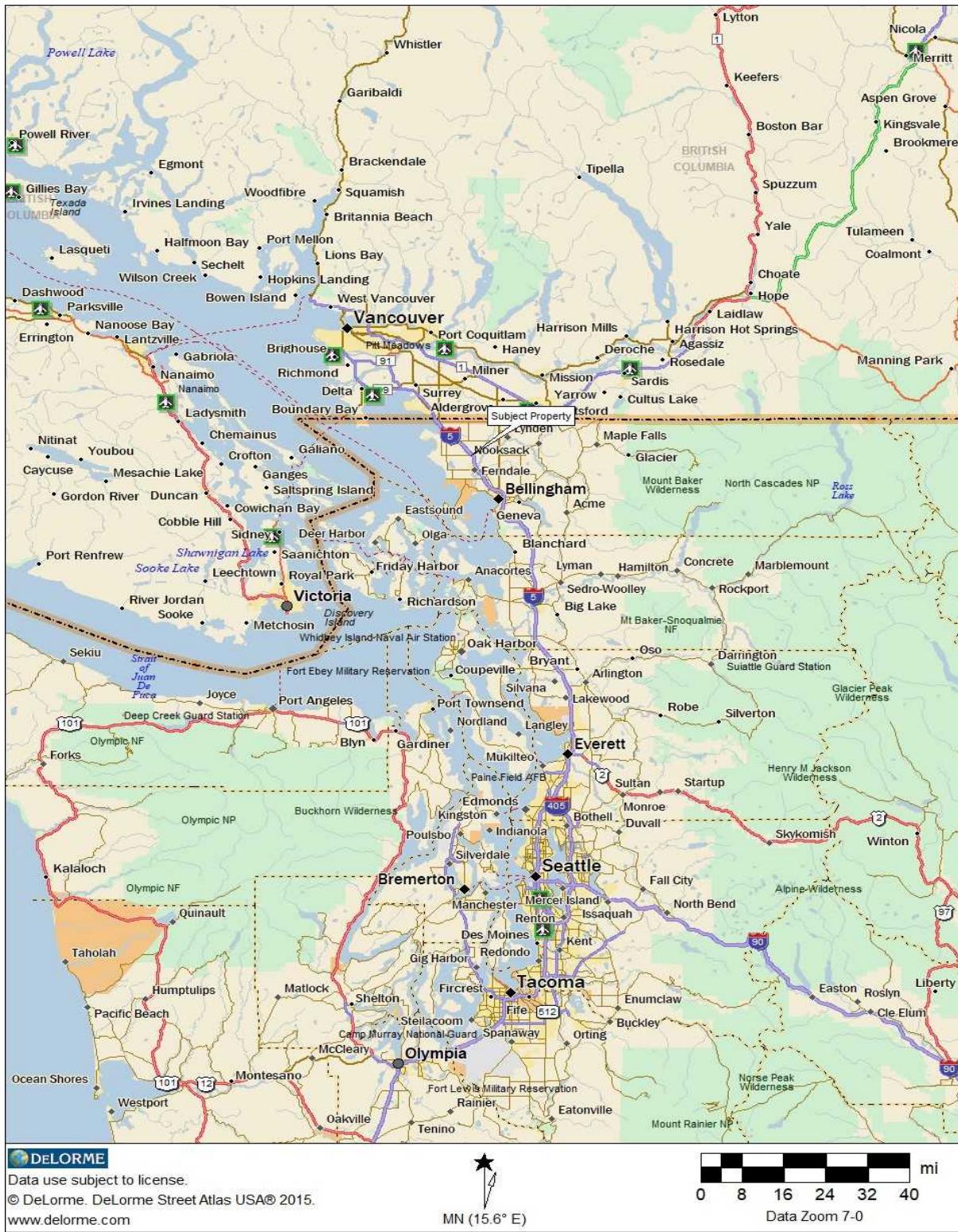
**Highest and Best Use
of the Site:**

Commercial/Industrial

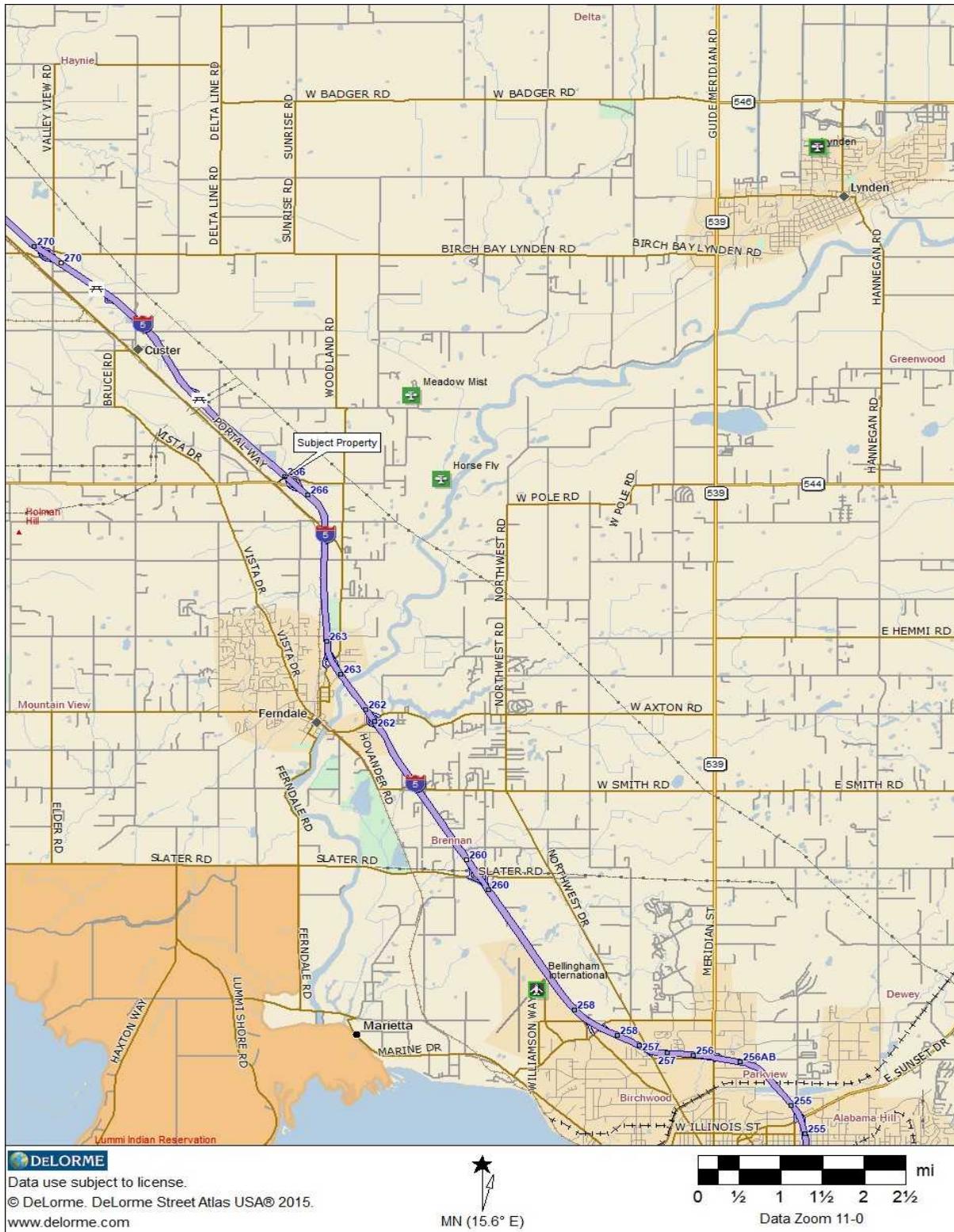
VALUE INDICATIONS

Land Value	\$1,412,000
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Regional Map



Location Map



Subject Photographs



**VIEW OF SUBJECT PROPERTY LOOKING NORTHERLY
FROM GRANDVIEW ROAD**



VIEW OF SUBJECT PROPERTY LOOKING WESTERLY



GRANDVIEW ROAD LOOKING WESTERLY



VIEW OF SUBJECT PROPERTY LOOKING EASTERLY



VIEW OF SUBJECT PROPERTY LOOKING SOUTHERLY



VIEW OF SUBJECT PROPERTY LOOKING SOUTHWESTERLY



VIEW OF GRANDVIEW ROAD LOOKING EASTERLY

Assumptions and/or Limiting Conditions

This appraisal report has been made after a personal inspection of the property identified in this report. The conclusions contained herein have been arrived at and are predicated upon the following conclusions.

No responsibility is assumed for matters which are legal in nature nor is any opinion rendered on title of land appraised.

Unless otherwise noted, the property has been appraised as though free and clear of all encumbrances.

Where the value of land improvements is shown separately, the value of each is segregated only as an aid to better estimate the value which lends to the whole parcel rather than the value of that particular item if it were by itself.

All maps, areas and other data furnished the appraiser(s) have been assumed to be correct. If any errors or omissions are found to exist, the appraiser(s) reserves the right to modify the conclusions.

There is no interest, present or contemplated, in the subject property or parties involved.

The appraisal assignment was not based upon a requested minimum valuation, specific valuation, or approval of a loan. Employment of the appraiser(s) was not conditioned upon the appraisal producing a specific value or value within a given range. Neither employment nor compensation is based upon approval of any related loan application.

To the best knowledge and belief of the appraiser(s), all statements and information in this report are true and correct; no important facts have been withheld or overlooked.

Possession of this report, a copy or any part thereof, does not carry with it the right or publication, nor shall the report or any part thereof, be conveyed to the public through advertising, public relations, news, sales or other media, without written consent of the author, including but not limited to the valuation conclusions, identity of the appraiser(s) or firm, and any reference made to the Appraisal Institute or any professional designation.

There shall be no obligation required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless satisfactory agreements are made in advance.

The intent of this report is to comply with the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Standards board of the Appraisal Foundation as of January 1, 2014. In addition, this appraisal has been made in accordance with rules of professional ethics of the Appraisal Institute.

No one other than the appraiser(s) prepared the analysis, conclusions and opinions concerning real estate set forth in this appraisal report.

No personal property is included in the subject valuation.

Identification of Property

The property being appraised consists of 12.97 acres of regional retail zoned property located at the northeast quadrant of Grandview Road, Interstate 5 freeway interchange. The property is 100% cleared.

Appraisal Report Type

It is recognized that the previously approved appraisal report type topics of “summary” and “self-contained” no longer exist. However, the “restricted appraisal” topic still exists. The appraisal report type is to be similar to the previously described “summary” appraisal report.

Scope of Work

The scope of work includes the following:

- Valuation of the property via the Land Valuation;
- Full compliance with USPAP & FIRREA requirements;
- Full Highest and Best Use Analysis;
- Correlation & Final Value Estimate;
- Addressing of the “As Is” and Discounted Values

Intended Use

The term Intended Use is defined in *Uniform Standards of Professional Appraisal Practice*, 2018-2019 edition as: “The use or uses of an appraiser’s reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.”

The intended use of this appraisal is to determine the estimated market value of the subject property for estate tax and for establishing a new stepped up value basis.

Intended User

The term Intended User is defined in *Uniform Standards of Professional Appraisal Practice*, 2018-2019 edition as: “The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.”

This report is intended for the use of Cindy Snodgrass and Juanita Walters as authorized by the client. Use of this report by others is not intended by the appraiser.

Ostensible Owner

The ostensible owner of the subject property is Juan Carlos, II Family LP.

Location

The property is located at the northeast quadrant of the Grandview Road, Interstate 5 freeway interchange in Ferndale, WA.

Address

The subject property has an address of 2070 Grandview Road, Ferndale, WA.

Assumptions and Limiting Conditions

Reference is made to the standard Assumptions and Limiting Conditions included in this report. In addition, it is further assumed that: (a) the site contains no significant amounts of asbestos materials, lead base paint and/or mold that would affect their value and/or marketability; (b) the subject property site is environmentally clean; (c) the valuation represents the unencumbered fee simple interest; (d) the property has no designated wetlands; (e) there are no latecomers, LID's, or other financial obligations against the property.

Extraordinary Assumptions & Hypothetical Conditions

There are no extraordinary assumptions or hypothetical conditions involved with this real estate appraisal.

Date of Valuation

The date of valuation is February 23, 2019.

Date of Inspection

The subject property was inspected on March 25, 2019.

Effective Date of Appraisal

The effective date of the appraisal is February 23, 2019.

Date of Report

April 12, 2019

Purpose of Appraisal

The purpose of the appraisal is to estimate the market value of the subject property as of February 23, 2019.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this

definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Legal Description

The property is known as a portion of the southwest one-quarter of the southwest one-quarter of Section 5, Township 39, N, Range WM, County of Whatcom, State of Washington.

The subject tax parcel number is 390205-023075.

A full copy of the legal description is included in the addenda of this report.

Subject Sales History

The subject property has not sold during the last three-year-time period.

Property Rights Appraised

The property rights being appraised represent the fee simple interest of the subject property.

Prior Appraisal Service

I certify that I have not appraised this property during the last three-year-time period.

USPAP Conformity

Every attempt has been made to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board (ASB) of the Appraisal Foundation. USPAP effectively regulates the Real Estate Appraisal industry and sets the standard for analysis and reporting. Revisions for USPAP take place in January of each even year. The last published revision was in January of 2018-2019. More information can be found on the topic at www.appraisalfoundation.org.

¹ <http://www.fdic.gov/regulations/laws/rules/2000-4300.html>

Competency Provision

This appraisal has been performed by Don A. Gustafson, MAI, SRA, SRPA, who has the knowledge and experience necessary to complete this assignment in accordance with the Competency Provision within the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and FIRREA.

As of the date of this report, I, Don A. Gustafson, have completed the continuing education program for Designated members of the Appraisal Institute.

As of the date of this report, I, Don Gustafson, a Certified General Real Estate Appraiser, have completed the requirements under the continuing education program of the State of Washington. The continuing education program with the State of Washington is mandatory to maintain certification and licensing in the State of Washington.

Exposure Period

The exposure period is the estimated time required for a sale of the subject property at the appraised value. Although exposure times were not obtained on all of the comparable sales, those analyzed indicated an exposure period of ten to twelve months, which would be a reasonable marketing time for the subject.

Neighborhood Description

The subject property is located in the northwest portion of Whatcom County, generally at the Grandview Road, I-5 interchange. The majority of the properties are industrial in character, the I-5 industrial park is located adjacent to the subject property on the west. The Grandview Industrial Park is located further to the west across Interstate 5 freeway and the Grandview Business Park is located just to the northwest of the subject property; again, across Interstate 5 freeway. There is also other scattered commercial and industrial uses, including the Delta Ring Industrial Park located approximately one mile to the west. There is also an Arco Gas Station located at the interchange. Other than that, the properties surrounding the area are more rural in character consisting of rural residential home sites generally ranging between five to ten acres in size and a majority of which are improved with single family residences. The subject property is within approximately four miles of the US Canadian border crossing. The general trend in the area is considered to be stable.

Market Analysis

Whatcom County Data

Whatcom County is a county located in the U.S. state of Washington. As of the 2017 census, the population was 221,404.[1] The county seat and largest city is Bellingham.[2] The county was created out of Island County by the Washington Territorial Legislature on March 9, 1854, and originally included present day San Juan and Skagit Counties.[3] Its name ultimately derives from the Lummi word Xwot'qom, meaning "noisy water." [4][5]

Whatcom County comprises the Bellingham, WA Metropolitan Statistical Area.

Whatcom County's northern border is the international boundary with the Canadian province of British Columbia; adjoining the county on the north are four of metropolitan Vancouver's suburbs, Delta, White Rock, Surrey, Langley, and, in the central Fraser Valley, Abbotsford, with several shopping malls and other services in Bellingham and elsewhere in the county geared to cross-border shopping and recreation. The five crossing points are two at Blaine (one at the Peace Arch, located on the Interstate 5 crossing, and the other a commercial and passenger crossing on the Pacific Highway at State Route 543, both to Surrey, British Columbia), as well as at Lynden (SR 539, to Aldergrove), Sumas (SR 9, to Abbotsford), and Point Roberts (Tyee Drive, to Tsawwassen).

As of the census[12] of 2000, there were 166,814 people, 64,446 households, and 41,116 families residing in the county. The population density was 79 people per square mile (30/km²). There were 73,893 housing units at an average density of 35 per square mile (13/km²). The racial makeup of the county was 88.41% White, 0.69% Black or African American, 2.82% Native American, 2.78% Asian, 0.14% Pacific Islander, 2.49% from other races, and 2.66% from two or more races. 5.21% of the population were Hispanic or Latino of any race. 15.5% were of German, 9.2% English, 8.2% Dutch, 7.9% Irish, 7.0% Norwegian and 6.6% United States or American ancestry.

There were 64,446 households out of which 30.40% had children under the age of 18 living with them, 51.20% were married couples living together, 8.80% had a female householder with no husband present, and 36.20% were non-families. 25.60% of all households were made up of individuals and 8.40% had someone living alone who was 65 years of age or older. The average household size was 2.51 and the average family size was 3.03.

In the county, the population was spread out with 24.10% under the age of 18, 14.20% from 18 to 24, 27.50% from 25 to 44, 22.50% from 45 to 64, and 11.60% who were 65 years of age or older. The median age was 34 years. For every 100 females there were 97.10 males. For every 100 females age 18 and over, there were 95.00 males.

The median income for a household in the county was \$40,005, and the median income for a family was \$49,325. Males had a median income of \$37,589 versus \$26,193 for females. The per capita income for the county was \$20,025. About 7.80% of families and 14.20% of the population were below the poverty line, including 14.20% of those under age 18 and 8.30% of those age 65 or over.

Whatcom County is the top producer of raspberries in the state. According to the Seattle Times, in 2004 Whatcom County growers produced 46 million pounds of raspberries, 85% of the state's crop. Given that the state itself is the #1 producer of raspberries in the country, with over 87.8% of the crop in 2002, this makes Whatcom County responsible for almost 75% of the nation's raspberry production.

Regional Context

Whatcom County is bordered to its north by British Columbia, Canada, Skagit County to its south and Okanagan County to its east. The Salish Sea lies to the west and the Cascade Mountains rise to the east. Whatcom County ranges in elevation from sea level to a high point at 10,781 feet at the active volcano Mount Baker, also known as Kulshan. In geological times past, the Fraser River in the lower mainland of British Columbia had one arm extending down to Bellingham Bay, creating the flat geography of a delta plain in that area that makes for productive farmland for dairies and berry growing.

Local Economy

For thousands of years, Whatcom County has been home to people of the Lummi, Nooksack, Samish and Semiahmoo tribal groups. Fur trappers and traders from the Hudson's Bay Company were the first non-native residents of the county. In the 1850s, Whatcom County experienced an economic and population boom propelled initially by coal mining, timber and agriculture.

Northwest Normal School, the predecessor to present day's Western Washington University (WWU) was established in Lynden in 1886. The Northwest's first high school was built in Whatcom County in 1890. This boom came to a halt in 1893 due to the national recession and the population in the Bellingham dropped to fewer than 50 individuals.

The 20th century brought in more prosperous times with increasing national demand for the abundant timber and salmon. Fish canning operations were a mainstay of the Whatcom County economy. The towns of Whatcom, Sehome, Bellingham and Fairhaven

joined together to form the county seat of Bellingham. Whatcom County is now a regional hub for northwest Washington. Bellingham is the biggest city (both by population and area) in the region.

Agriculture is a steady influence in the northern parts of the county. Today, Whatcom County produces the most raspberries of any county in the United States.

Like the national economy, Whatcom County's largest job-providing sector is in private services, with a 62.8 percent share of jobs. Following national trends and due to the recent recession, goods-producing jobs fell to a greater extent than private services. The county has some heavy industry at Cherry Point in the northwest corner of the county with crude oil refineries and an aluminum smelter. There is some niche manufacturing and a large variety of other small businesses that create a well-rounded economy.

Whatcom County is home to Western Washington University as well as two community and technical colleges. The university and colleges are in their own right major employers and Bellingham consistently draws a large student population which contributes to the local service economy.

The proximity to the Canadian border is a strong influence on the economy. When the Canadian dollar is strong, it creates demand for Canadian shoppers seeking retail bargains and real estate in Whatcom County.

Geographic Facts

(Source: U.S. Census Bureau, Washington Office of Financial Management)

	Whatcom County	Rank in state
Land area, 2010 (square miles)	2,106.9	12
Persons per square mile, 2015	99.6	10

Outlook

In the lead up to the recession (2003 to 2007), Whatcom County's annual employment growth rate averaged 3.3 percent. From peak to trough (2008 to 2010), 5,900 jobs (about 7 percent) were lost. Whatcom County's employment situation reached its low point in 2010—on track with much of Washington state. From 2010 to 2014, Whatcom County recovered 5,400 jobs.

Whatcom County has some favorable factors that aided early job recovery. In particular, the proximity of Whatcom County to Canada and the appreciated Canadian dollar during the jobs recession and early recovery created a draw for Canadian shoppers. Low cost flights to U.S. destinations has also created a draw for Canadian travelers. As the recovery has progressed, the value of the Canadian dollar relative to the U.S. dollar has slid, reducing the draw of cross-border retail.

Whatcom County generally has lower wage rates for many occupations compared to nearby counties along the I-5 corridor. This is partially due to the presence of a large

student population and arguably makes the county attractive to manufacturing and service-providing firms to relocate or expand in the county.

As the recovery has matured, most industries have gotten on board. Average annual employment in 2014 was only 500 jobs short of the pre-recession peak and most industries joined the recovery since 2012. From 2013 to 2014, all major industries reported year-to-year growth.

Labor Force & Unemployment

(Source: Employment Security Department)

Current labor force and unemployment statistics are available on the [**Labor area summaries page**](#).

Whatcom County's 2014 resident civilian labor force averaged 101,927, with an unemployment rate of 6.7 percent. Within this estimate, 95,092 county residents were counted among the employed and 6,835 were counted among the unemployed (i.e. active job seekers).

During the recent period of recession and recovery, the peak unemployment rate in Whatcom County (11.1 percent) was observed in February 2010. The average unemployment rate that year was 9.5 percent. The unemployment rate has been falling slowly but consistently since then. The unemployment rate in July 2015 was 6.0 percent. The size of the resident labor force in Whatcom County climbed steadily in the lead up to the recession. It then dipped from 2009 to 2011 and has been relatively flat since then.

Industry Employment

(Source: Employment Security Department)

Current industry employment statistics are available on the [**Labor area summaries page**](#).

Whatcom County averaged 85,300 nonfarm jobs in 2014, up from the 2013 approximation of 84,200. From 2013 to 2014, total employment increased an average of 1.3 percent. Washington state as a whole saw the addition of 77,600 jobs over the same time period, an increase of 2.6 percent.

- Goods-producers contributed an average of 15,000 jobs to the Whatcom County economy in 2014, up 200 jobs or 1.3 percent from 2013.
 - Manufacturing employment held steady over the year, bringing average annual employment just 200 jobs short of pre-recession peak levels reached in 2007.
 - Whatcom County's manufacturing base is diverse. The three largest manufacturing industries in terms of employment are food manufacturing, wood product manufacturing and transportation equipment manufacturing. Petroleum and coal products manufacturing is also a large industry.

- Construction employment tumbled from 2007 to 2010. Construction employment has more-or-less remained flat from 2010 to 2014, fluctuating by only about 200 jobs in any given year. The early indications from 2015 are encouraging. Year-over-year estimates in July 2015 show an increase of 900 construction jobs.
- Private service-providing employment averaged 53,600 in 2014. From 2013 to 2014, private service-providers added 500 jobs or 1.0 percent. From 2013 to 2014, all private sector service providing industries that are broken out in the nonfarm employment report (retail trade, financial activities, professional and business services and leisure and hospitality) expanded payrolls.
- Government employment in Whatcom County is concentrated in local and state government and includes public K-12 and higher education. Total government employment expanded by 300 or 2.0 percent from 2013 to 2014.

For historical industry employment data, [contact an economist](#).

Industry Employment by Age & Gender

(Source: The Local Employment Dynamics)

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data are presented by place of work, not place of residence. Some highlights:

In 2014, Whatcom County's labor market had a slightly younger workforce than the state. Nearly 15 percent of the employed workforce in Whatcom County was between age 14 and 24. Compare to just over 11 percent statewide. This is a reflection of the high student population in Bellingham.

Employment was split evenly between men and women in 2014.

- Male-dominated industries included mining (90.4 percent), construction (84.5 percent), manufacturing (73.7 percent) and wholesale trade (71.6 percent).
- Female-dominated industries included healthcare and social assistance (79.8 percent), finance and insurance (70.1 percent) and educational services (67.4 percent).

Wages & Income

(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)

In 2014, Whatcom County averaged 83,689 jobs covered by unemployment insurance, with a payroll of more than \$3.4 billion dollars.

The county's 2014 average annual wage was \$41,027. In 2013, the county's median hourly wage was \$19.06, lower than the state median of \$22.09 per hour.

Personal Income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

Average per capita personal income in 2013 was lower in Whatcom County (\$41,076) than either the state (\$47,717) or the U.S. as a whole (\$44,765), according to the Bureau of Economic Analysis.

According to the U.S. Census Bureau, Whatcom County's 2013 median household income was \$50,186, less than Washington state (\$58,405) and the U.S. (\$52,250).

In 2013, 17.0 percent of Whatcom County's resident population was living below the official poverty line, higher than the state at 14.1 percent and the U.S. as a whole at 15.8 percent.

Population

(Source: ***U.S. Bureau of Economic Analysis; Washington Office of Financial Management***)

Whatcom County's estimated population is 209,790 for 2015. Its total growth from 2005 to 2015 was 13.4 percent, higher than the 12.1 percent growth rate for Washington state over the same period.

The largest city in Whatcom County is Bellingham (83,580 in 2015, up 13.0 percent in 10 years). The next largest cities are Lynden, Ferndale, Blaine and Everson.

Population Facts

(Source: ***U.S. Bureau of Economic Analysis; Washington Office of Financial Management***)

	Whatcom County	Washington state
Population 2015	209,790	7,061,410
Population 2005	184,965	6,298,822
Percent change, 2005 to 2015	13.4%	12.1%

Age, Gender & Ethnicity

(Source: U.S. Census Bureau QuickFacts)

The proportion of very young children is less in Whatcom County than in the state.

Due to the presence of Western Washington University, the population of residents between the ages of 15 and 24 make up 17.5 percent of the total population in Whatcom County.

There were proportionately more residents 65 and older in Whatcom County than in the state.

Females made up 50.4 percent of the population, slightly higher than the state at 50.0 percent in 2014.

Whatcom County was less ethnically diverse than Washington state with the exception of a larger percentage of American Indian and Alaska Native residents.

Demographics

(Source: U.S. Census Bureau QuickFacts)

	Whatcom County	Washington state
Population by age, 2014		
Under 5 years old	5.5%	6.3%
Under 18 years old	20.2%	22.7%
65 years and older	15.4%	14.1%
Females, 2014	50.4%	50.0%
Race/ethnicity, 2014		
White	87.3%	80.7%
Black	1.2%	4.1%
American Indian, Alaskan Native	3.2%	1.9%
Asian, Native Hawaiian, Other Pacific Islander	4.6%	8.9%
Hispanic or Latino, any race	8.9%	12.2%

Educational Attainment

(Source: U.S. Census Bureau QuickFacts)

In the period 2010 - 2014, 91.0 percent of Whatcom County residents age 25 and older graduated high school compared to 90.2 percent for all Washington state residents.

Thirty-two point four percent of Whatcom County residents have bachelor's degrees or higher levels of education, matching the statewide number.

Population		
Population estimates, July 1, 2015, (V2015)	321,418,820	NA
Population estimates, July 1, 2014, (V2014)	318,857,056	

		208,351
Population estimates base, April 1, 2010, (V2015)		308,758,105
		NA
Population estimates base, April 1, 2010, (V2014)		308,758,105
		201,140
Population, percent change - April 1, 2010 (estimates base) to July 1, 2015, (V2015)		4.1%
		NA
Population, percent change - April 1, 2010 (estimates base) to July 1, 2014, (V2014)		3.3%
		3.6%
Population, Census, April 1, 2010		308,745,538
		201,140
<i>Age and Sex</i>		
Persons under 5 years, percent, July 1, 2014, (V2014)		6.2%
		5.5%
Persons under 5 years, percent, April 1, 2010		6.5%
		5.6%
Persons under 18 years, percent, July 1, 2014, (V2014)		23.1%
		20.2%
Persons under 18 years, percent, April 1, 2010		24.0%
		21.0%
Persons 65 years and over, percent, July 1, 2014, (V2014)		14.5%
		15.4%
Persons 65 years and over, percent, April 1, 2010		13.0%
		13.2%
Female persons, percent, July 1, 2014, (V2014)		50.8%
		50.4%
Female persons, percent, April 1, 2010		50.8%
		50.5%
<i>Race and Hispanic Origin</i>		
White alone, percent, July 1, 2014, (V2014) (a)		77.4%
		87.3%
White alone, percent, April 1, 2010 (a)		72.4%
		85.4%
Black or African American alone, percent, July 1, 2014, (V2014)(a)		13.2%
		1.2%
Black or African American alone, percent, April 1, 2010 (a)		12.6%
		1.0%
American Indian and Alaska Native alone, percent, July 1, 2014, (V2014) (a)		1.2%
		3.2%
American Indian and Alaska Native alone, percent, April 1, 2010(a)		0.9%

		2.8%
Asian alone, percent, July 1, 2014, (V2014) (a)		5.4%
		4.3%
Asian alone, percent, April 1, 2010 (a)		4.8%
		3.5%
Native Hawaiian and Other Pacific Islander alone, percent, July 1, 2014, (V2014) (a)		0.2%
		0.3%
Native Hawaiian and Other Pacific Islander alone, percent, April 1, 2010 (a)		0.2%
		0.2%
Two or More Races, percent, July 1, 2014, (V2014)		2.5%
		3.7%
Two or More Races, percent, April 1, 2010		2.9%
		3.8%
Hispanic or Latino, percent, July 1, 2014, (V2014) (b)		17.4%
		8.9%
Hispanic or Latino, percent, April 1, 2010 (b)		16.3%
		7.8%
White alone, not Hispanic or Latino, percent, July 1, 2014, (V2014)		62.1%
		79.9%
White alone, not Hispanic or Latino, percent, April 1, 2010		63.7%
		81.9%
<i>Population Characteristics</i>		
Veterans, 2010-2014		20,700,711
		14,187
Foreign born persons, percent, 2010-2014		13.1%
		11.1%
<i>Housing</i>		
Housing units, July 1, 2014, (V2014)		133,957,180
		92,466
Housing units, April 1, 2010		131,704,730
		90,665
Owner-occupied housing unit rate, 2010-2014		64.4%
		62.6%
Median value of owner-occupied housing units, 2010-2014		\$175,700
		\$273,000
Median selected monthly owner costs -with a mortgage, 2010-2014		\$1,522
		\$1,628
Median selected monthly owner costs -without a mortgage, 2010-2014		\$457
		\$477
Median gross rent, 2010-2014		\$920
		\$919
Building permits, 2014		

		1,046,363
		1,007
<i>Families and Living Arrangements</i>		
Households, 2010-2014		116,211,092
		79,837
Persons per household, 2010-2014		2.63
		2.50
Living in same house 1 year ago, percent of persons age 1 year+, 2010-2014		85.0%
		83.0%
Language other than English spoken at home, percent of persons age 5 years+, 2010-2014		20.9%
		12.3%
<i>Education</i>		
High school graduate or higher, percent of persons age 25 years+, 2010-2014		86.3%
		91.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2010-2014		29.3%
		32.4%
<i>Health</i>		
With a disability, under age 65 years, percent, 2010-2014		8.5%
		9.4%
Persons without health insurance, under age 65 years, percent		12.0%
		18.7%
<i>Economy</i>		
In civilian labor force, total, percent of population age 16 years+, 2010-2014		63.5%
		63.3%
In civilian labor force, female, percent of population age 16 years+, 2010-2014		58.7%
		58.2%
Total accommodation and food services sales, 2007 (\$1,000) (c)		613,795,732
		407,945
Total health care and social assistance receipts/revenue, 2007 (\$1,000) (c)		1,668,276,808
		862,869
Total manufacturers' shipments, 2007 (\$1,000) (c)		5,319,456,312
		11,809,690
Total merchant wholesaler sales, 2007 (\$1,000) (c)		4,174,286,516
		1,373,621
Total retail sales, 2007 (\$1,000) (c)		3,917,663,456
		2,556,022
Total retail sales per capita, 2007 (c)		\$12,990
		\$13,254
<i>Transportation</i>		
Mean travel time to work (minutes), workers age 16 years+, 2010-2014		25.7
		20.8
<i>Income and Poverty</i>		

Median household income (in 2014 dollars), 2010-2014	\$53,482
	\$53,025
Per capita income in past 12 months (in 2014 dollars), 2010-2014	\$28,555
	\$26,671
Persons in poverty, percent	14.8%
	15.7%
BUSINESSES	
Total employer establishments, 2013	7,488,353
	6,218
Total employment, 2013	118,266,253
	69,793
Total annual payroll, 2013	5,621,697,325
	2,803,487
Total employment, percent change, 2012-2013	2.0%
	1.4%
Total non-employer establishments, 2013	23,005,620
	14,229
All firms, 2007	27,092,908
	19,639
Men-owned firms, 2007	13,900,554
	9,030
Women-owned firms, 2007	7,792,115
	4,766
Minority-owned firms, 2007	5,759,209
	1,470
Nonminority-owned firms, 2007	20,100,926
	16,570
Veteran-owned firms, 2007	2,447,608
	1,855
Nonveteran-owned firms, 2007	22,627,611
	15,463
GEOGRAPHY	
Population per square mile, 2010	87.4
	95.5
Land area in square miles, 2010	3,531,905.43
	2,106.86
FIPS Code	00
	53073
This geographic level of poverty and health estimates are not comparable to other geographic levels of these estimates	

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info icon to the left of each row in TABLE view to learn about sampling error.

The vintage year (e.g., V2015) refers to the final year of the series (2010 thru 2015).
Different vintage years of estimates are not comparable.

- (a) Includes persons reporting only one race
- (b) Hispanics may be of any race, so also are included in applicable race categories
- (c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data

- D Suppressed to avoid disclosure of confidential information
- F Fewer than 25 firms
- FN Footnote on this item in place of data
- NA Not available
- S Suppressed; does not meet publication standards
- X Not applicable
- Z Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

WHATCOM		AVERAGE MONTHLY EMPLOYMENT AND TOTAL WAGES IN COVERED EMPLOYMENT - CY 2014										
Amount	Rank	Industry	Av. # of Employees	Percent of Total	Wages Paid	Percent of Total	Industry	Av. # of Employees	Percent of Total	Wages Paid	Percent of Total	
209,790	9	Agric. Forestry, Fishing & Hunting	3,512	4.2	\$97,827,988	2.8	Manufacturing	711	5.150	289,663,527	8.4	
89,788	8	Mining	1	0.1	53,173,477	15.6	Utilities	9,011	10.8	53,173,477	15.6	
120,002	9	Utilities	327	0.4	11,220	0.3	Wholesale/Retail Trade	13,538	16.2	419,820,599	12.2	
2,106,86	12	Construction	1,291	0.1	2,091	0.2	Transp. & Warehousing	2,091	2.5	86,146,217	2.5	
99,57	10	Manufacturing	711	5.150	289,663,527	8.4	Information	1,297	1.5	64,014,774	1.9	
\$22,933,654	8	Utilities	9,011	10.8	53,173,477	15.6	Fin., Ins. & Real Estate	3,624	3.6	159,835,122	4.5	
\$110,470	11	Construction	711	5.150	289,663,527	8.4	Professional & Tech. Services	593	3.131	198,040,578	5.8	
Total \$ in Thousands		Utilities	9,011	10.8	53,173,477	15.6	Mgmt. of Companies & Enterprises	27	0.482	26,162,644	0.8	
Per Capita in Person		Wholesale/Retail Trade	13,538	16.2	419,820,599	12.2	Administrative & Waste Services	338	0.6	114,316,353	3.3	
Per Capita in Person		Transp. & Warehousing	2,091	2.5	86,146,217	2.5	Administrative Services	93	0.816	11,010	0.3	
Per Capita in Person		Information	1,297	1.5	64,014,774	1.9	Health Care & Social Assistance	1,484	1.154	457,526,462	13.3	
Total \$ in Thousands		Fin., Ins. & Real Estate	3,624	3.6	159,835,122	4.5	Arts, Entertainment & Recreation	1,126	1.8	23,987,340	0.7	
Per Capita in Person		Professional & Tech. Services	593	3.131	198,040,578	5.8	Accommodation & Food Services	8,195	9.8	136,097,377	4.0	
Total \$ in Thousands		Mgmt. of Companies & Enterprises	27	0.482	26,162,644	0.8	Other Svcs. except Public Admin.	505	2.413	77,356,725	2.3	
Per Capita in Person		Administrative & Waste Services	338	0.6	114,316,353	3.3	Government	113	14.28	713,122,773	20.8	
Total Taxable Retail Sales -- See Table L101		Administrative Services	93	0.816	11,010	0.3	Not Elsewhere Classified	22	0.240	18,896,571	0.6	
		Health Care & Social Assistance	1,484	1.154	457,526,462	13.3	Total	6,891	83,691	100,0	\$3,433,520,368	100.0
		Arts, Entertainment & Recreation	1,126	1.8	23,987,340	0.7						
		Accommodation & Food Services	8,195	9.8	136,097,377	4.0						
		Other Svcs. except Public Admin.	505	2.413	77,356,725	2.3						
		Government	113	14.28	713,122,773	20.8						
		Not Elsewhere Classified	22	0.240	18,896,571	0.6						
		Total	6,891	83,691	100,0	\$3,433,520,368	100.0					
POPULATION - APRIL 2015		PUBLIC ASSISTANCE PROGRAMS IN STATE - FY 2015										
Components of Pop. Change	City/Town	Population	Persons Served	Total	Monthly Average	Rank	Program	Number of Districts	Total Grants	Rank by County Population	Rank by % of Pop.	
2010 to 2015	Bellingham	83,580	916	\$41,717,306	13,565	1	Basic Food	7	\$41,717,306	13,565	23	
Estimated Births	Blindham	4,905	1,297	3,644	0,003	2	CEAP	7	3,644	0,003	23	
Estimated Deaths	Everson	2,680	650	1,310,707	21	3	Disability/Lifeline	7	1,310,707	21	21	
Natural Increase	Female	3,859	1,297	92,436	0,267	4	Division Cash	22	92,436	0,267	24	
Net Migration	Lynden	13,920	1,297	18,195	0,010	5	Refugee Assistance	45	18,195	0,010	8	
Total Population Change	Nooksack	1,460	1,467	4,375	0,001	6	State Supplemental SSI	42	4,375	0,001	17	
Marriages in 2014	Sumas	8,650	1,467	7,886	0,449	7	AF	113	7,886	0,449	19	
Divorces in 2014		1,327	1,467	3,982	0,325	8	Total	53,987,675	\$3,987,675	0,325	20	
Per 1,000 Pop.		614	612									
Divorces in 2014		2.9	2.9									
POPULATION BY RACE AND HISPANIC ORIGIN		PUBLIC K-12 SCHOOLS										
Program	Total	White	Black	Asian	NHOPI	More	Number of Districts	Total	7	Rank by County Population	Rank by % of Pop.	
Total	165,384	165,038	1,818	5,081	468	2 or More	7	\$41,717,306	13,565	13,565	23	
2010 Census Non-Hisp.	15,756	15,756	344	1,173	922	5,834	7	3,644	0,003	0,003	23	
2010 Census Hispanic	192,222	186,309	1,955	5,337	528	7,006	8	1,310,707	21	1,310,707	21	
2015 Est. Non-Hisp.	18,570	18,570	395	1,381	261	1,175	9	92,436	0,267	92,436	0,267	
2015 Est. Hispanic	18,570	18,570	395	1,381	261	1,175	10	18,195	0,010	18,195	0,010	
ASIAN American Indian and Alaska Native (NHOPI) Native Hawaiian and Other Pacific Islander												
STATE COLLECTED REVENUES DISTRIBUTED TO COUNTY GOVERNMENT*		SCHOOL APORTIONMENT										
Year	2012	2013	2014	2015	Avg. An.	FTE Enroll	Avg. An.	FTE Enroll	7	State fiscal year: 2014-15	State fiscal year: 2015-16	
Federal Revenues	\$1,798,727	\$2,165,092	\$2,494,955	\$2,826,615	\$8,494,955	863,612	\$1,798,727	863,612	7	\$191,410,451	\$200,245,885	
Criminal Justice	1,028,769	918,550	937,401	937,401	918,550	771,314	1,028,769	771,314	8	\$191,410,451	\$200,245,885	
Forest Excise & Reclassified	976,632	840,814	892,686	892,686	840,814	626,684	976,632	626,684	9	\$191,410,451	\$200,245,885	
Hotel/Motel Tax	512,053	588,002	557,344	557,344	512,053	512,053	512,053	512,053	10	\$191,410,451	\$200,245,885	
Liquor Excise Tax	180,851	56,391	63,564	75,918	180,851	405,896	180,851	405,896	11	\$191,410,451	\$200,245,885	
Liquor Profits	451,533	406,085	405,896	405,896	451,533	17,810,474	451,533	17,810,474	12	\$191,410,451	\$200,245,885	
Local Sales & Use Tax/Interest	2,685,387	17,004,770	18,335,690	18,335,690	2,685,387	2,695,197	2,685,387	2,695,197	13	\$191,410,451	\$200,245,885	
Miscellaneous	2,658,197	2,658,197	3,281,576	3,281,576	2,658,197	3,281,576	2,658,197	3,281,576	14	\$191,410,451	\$200,245,885	
Motor Vehicle Fund	4,523,323	4,523,323	4,587,126	4,730,276	4,523,323	3,218,678	4,523,323	3,218,678	15	\$191,410,451	\$200,245,885	
Natural Resources Transfers	4,850,508	3,305,678	2,183,900	1,701,476	4,850,508	10,6274	1,701,476	11,665,1	16	\$191,410,451	\$200,245,885	
FUD Privilege Tax	104,870	104,870	116,651	112,849	104,870	339,331,303	104,870	423	17	\$191,410,451	\$200,245,885	
Total Revenues Distributed	\$39,747,273	\$38,995,566	\$39,007,423	\$39,007,423	\$39,747,273	\$19,275,940	\$39,747,273	\$19,275,940	18	\$191,410,451	\$200,245,885	
REAL ESTATE EXCISE TAX COLLECTIONS - 1% OF SALES		TRANSPORTATION REGISTRATIONS - CY 2014										
State Fiscal Year 2012-	\$12,965,591	State Fiscal Year 2014-	\$18,275,940	State Fiscal Year 2015-	\$19,257,676	156,497	Total Licensed Drivers:	136,665	146			
State Fiscal Year 2013-	\$16,771,503						Passenger	48,007	149			
							Trucks	18,102	224			
							Recreational	21,255	224			
							Trailers	21,255	224			
REVENUES AND EXPENDITURES - CY 2014		POPULATION BY AGE AND SEX - APRIL 1, 2015										
Revenues	Expenditures	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Property Taxes	\$46,986,747	\$26,221,830	11,259	5,778	5,488	13,110	6,700	6,221	6,221	6,221	6,221	
Retail Sales & Use	26,386,900	43,851,348	5,9	6,726	6,079	14,138	6,910	7,229	7,229	7,229	7,229	
All Other Taxes	5,071,192	6,154,111	10-14	5,753	5,647	55,59	55,59	55,59	55,59	55,59	55,59	
Licenses & Permits	2,419,487	19,100,342	15,180	6,047	6,047	13,739	6,605	7,134	7,134	7,134	7,134	
Intergovernmental Revenue	31,053,897	4,396,913	15-18	17,534	9,154	65,693	12,015	5,821	5,821	5,821	5,821	
Charges for Services	19,522,717	19,728,474	20-24	19,042	9,523	6,820	4,070	4,259	4,259	4,259	4,259	
Fines & Forfeits	2,579,175	4,098,082	25-29	13,665	7,198	6,467	7,759	5,445	5,445	5,445	5,445	
Miscellaneous Revenue	5,857,453	485,969	30-34	12,722	6,607	6,607	8,094	6,116	6,116	6,116	6,116	
Other Financing Resources	\$140,622,379	55,148,811	Capital Outlays	12,079	6,093	5,896	5,896	5,896	5,896	5,896	5,896	
Total Revenues	\$140,622,379											

Note: See Sources and Footnotes section for more information.

Site Data

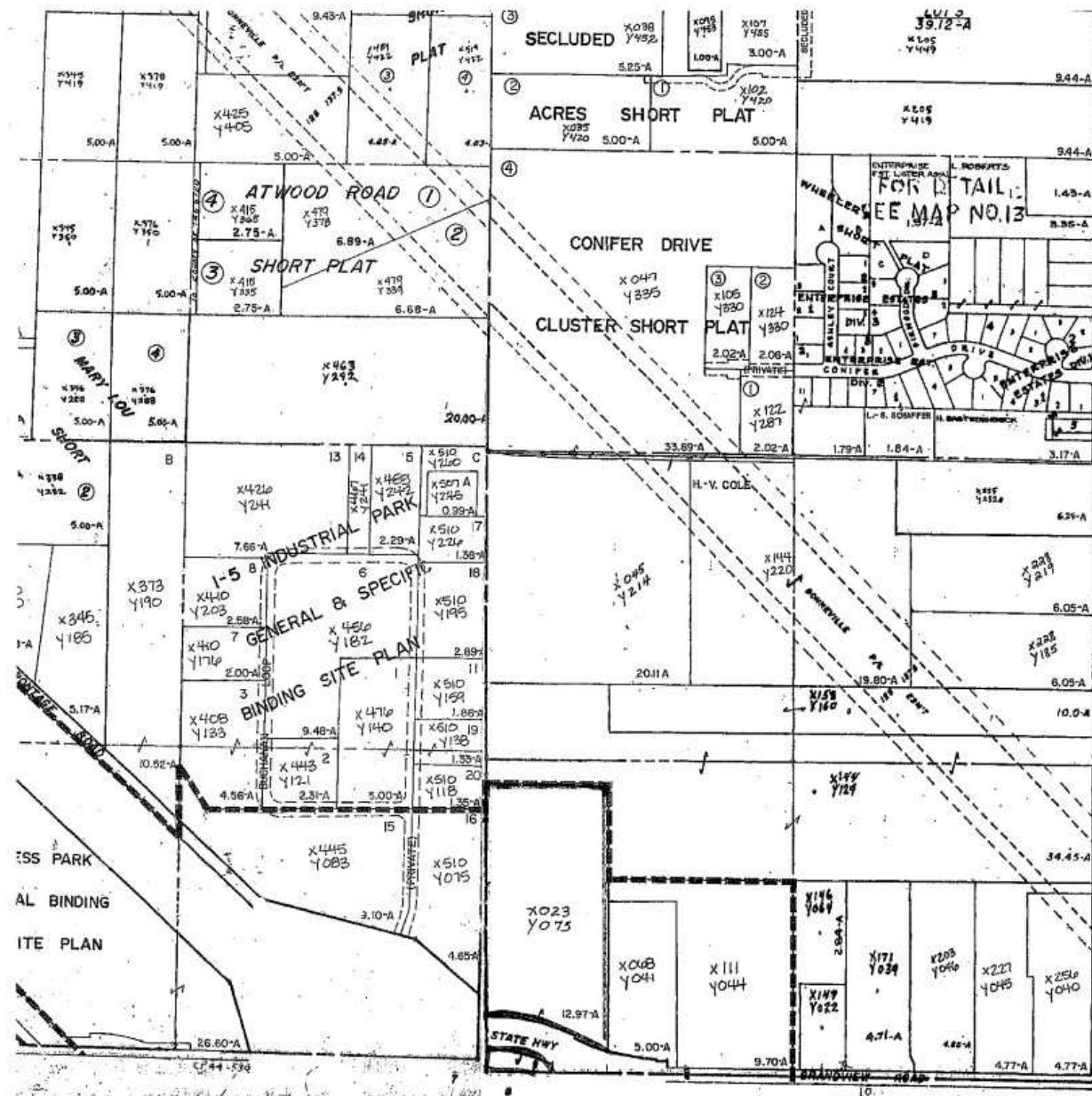
General Description of Property

Land - Slightly irregular - 12.97 acres - 564,973 SF

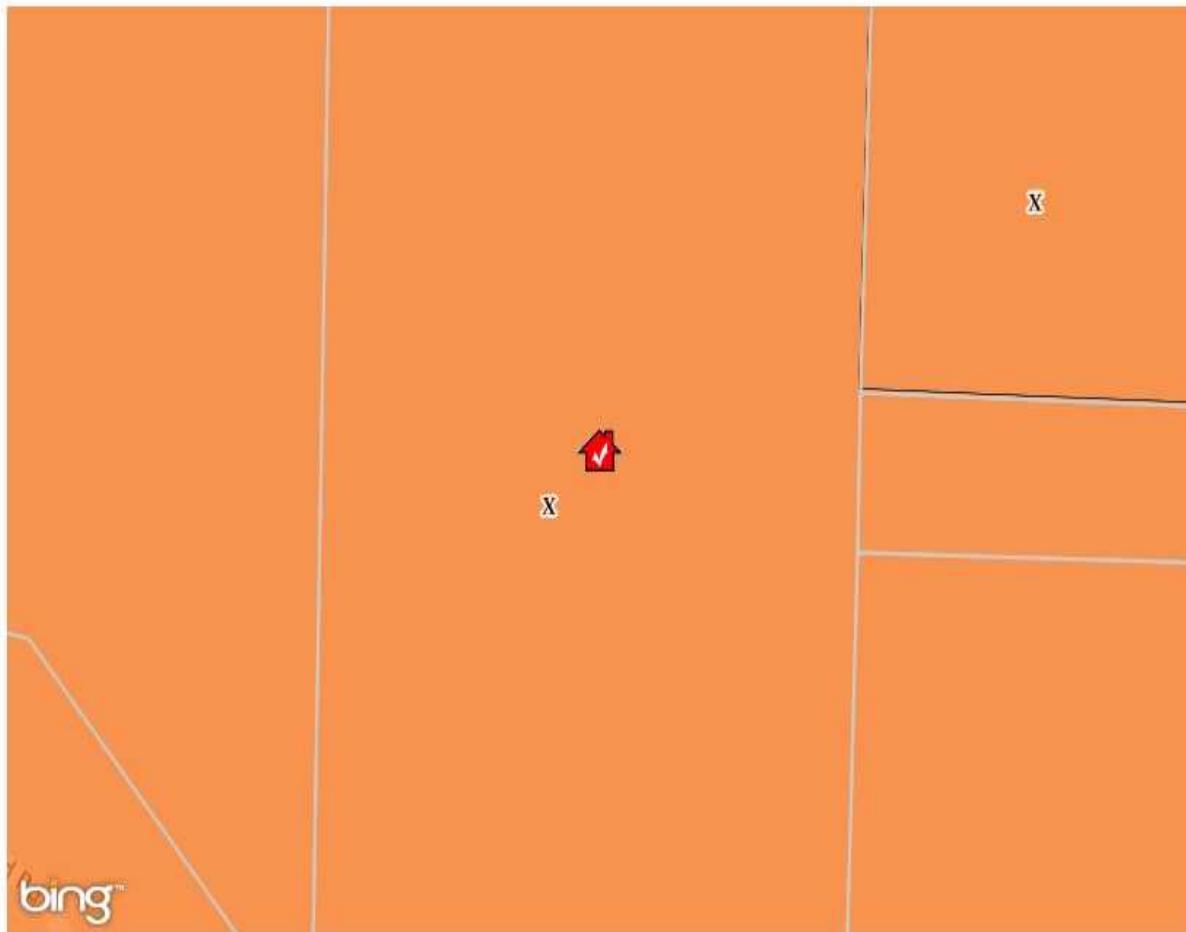
The subject property is a modified rectangular shaped parcel containing 12.97 acres according to the Whatcom County Assessor's office. The property lies slightly below grade of the adjacent Grandview Road and is totally level and cleared throughout. It is utilized for agricultural purposes at the present time. It has an average width of 480 feet and an average depth of approximately 900 feet. The property has satisfactory onsite drainage and is not located within the 100 year flood plain.

Reference is made to the subject site plan, flood zone map and aerial photograph located on the following pages, which delineates the subject's size, shape and dimensions.

Site Plan



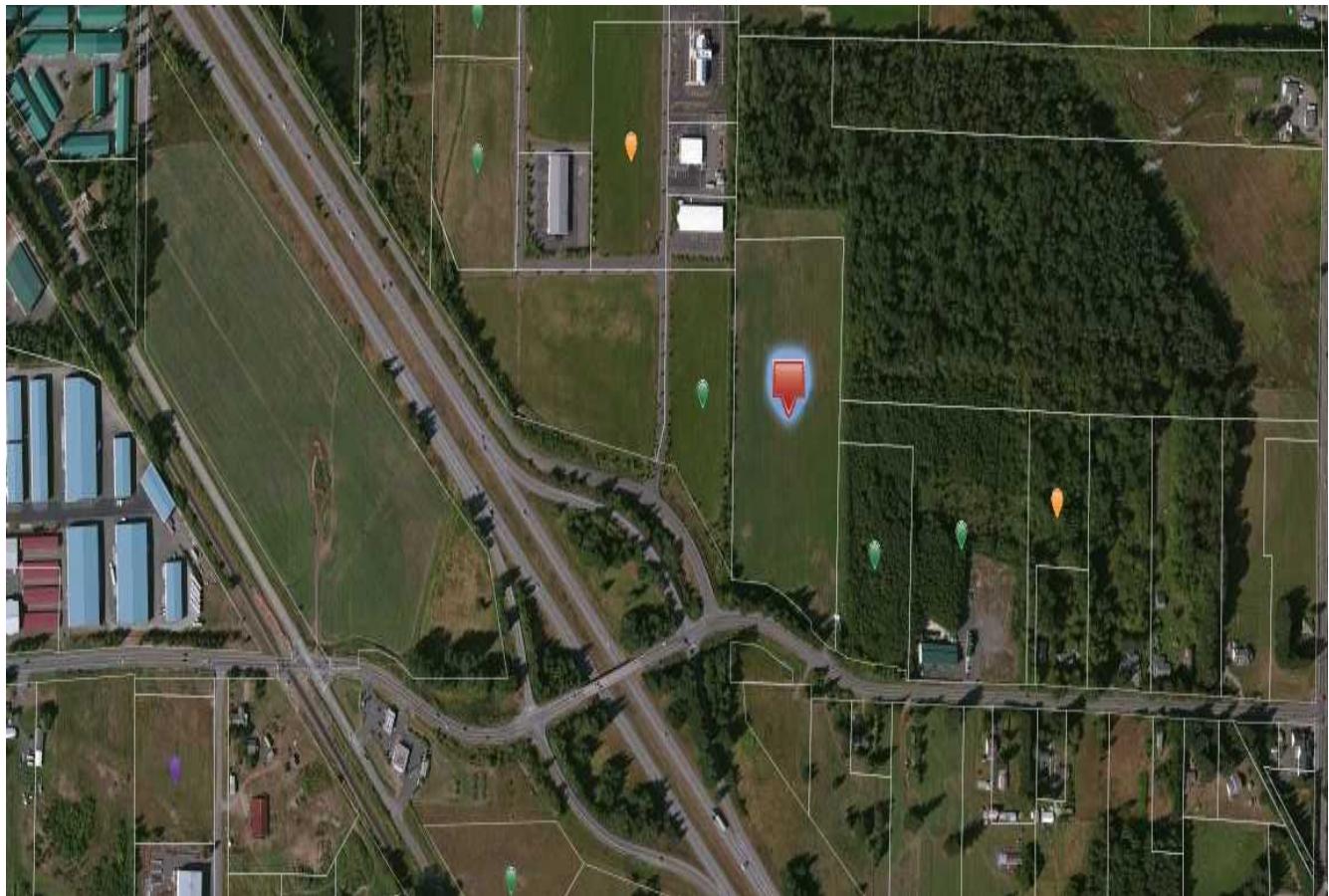
Flood Zone Map



Flood Zones

Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain incl. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

Aerial Photograph



Utilities

Available utilities directly available to the subject property include PUD potable and fire flow water, power and telephone along Grandview Road. Sanitary sewers are not available in the general area. Sewage disposal would be via septic tank and drain field.

Access

The subject property has approximately 480 feet of frontage on the north side of Grandview Road which is a two-lane asphalt paved county roadway with no curbs, gutters or sidewalks. There is a small segment in the subject property which is located on the south side of Grandview Road.

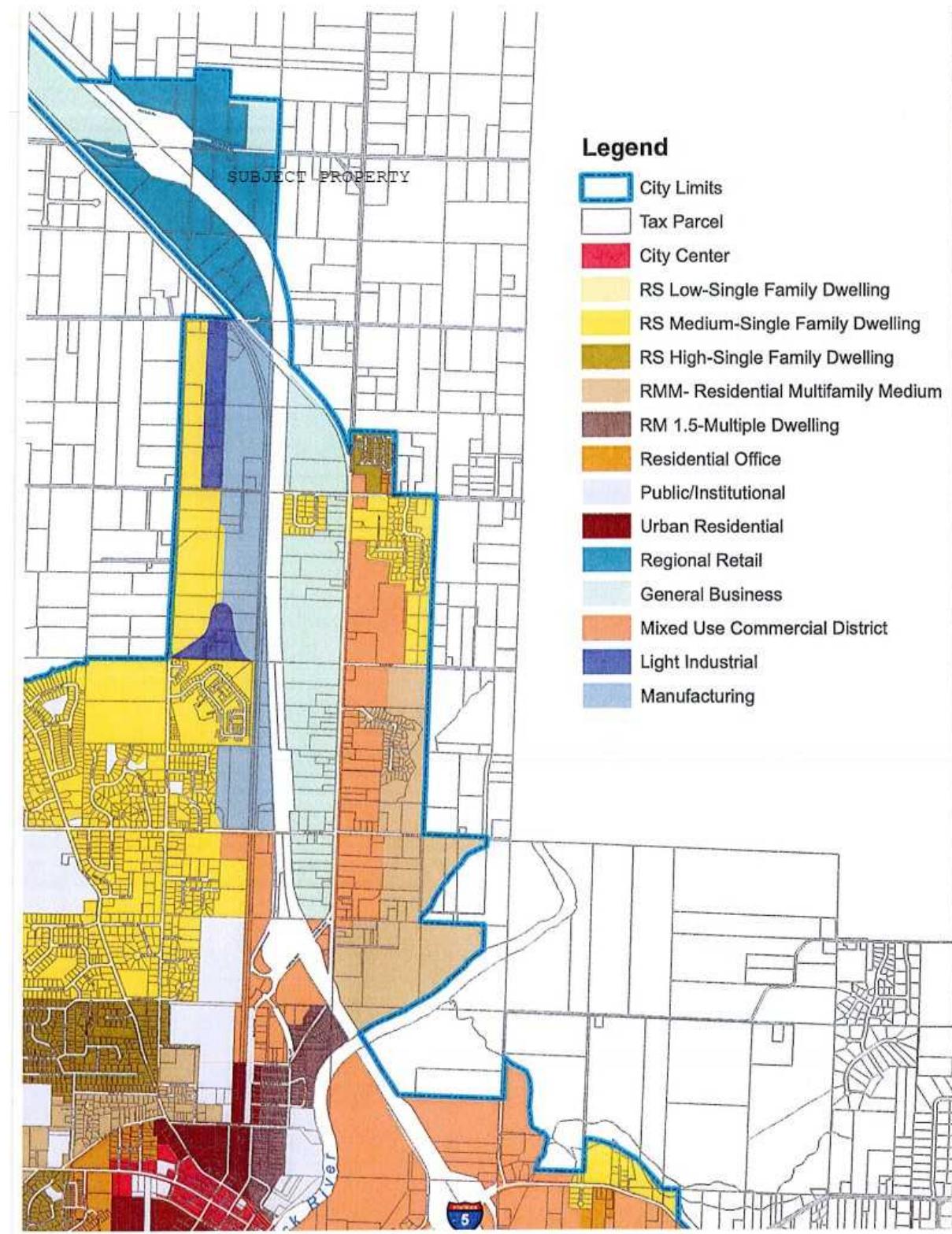
Assessed Valuation and Real Estate Taxes

Tax ID	Land	Impr.	Total	Taxes
390205-023075	\$847,460	\$0	\$847,460	\$7,718.21

Zoning

The subject property is currently zoned regional retail which allows a wide variety of uses, primarily related to commercial office and retail. A full copy of the City of Ferndale regional retail zoning is included on the following pages.

Zoning Map



Zoning Text

18.51.010 Purpose.

The regional retail zone is a zone which provides commercial and recreational uses which are intended to serve a wide geographic area beyond Ferndale's City limits and immediate area of influence. Such developments may include concentrated retail establishments with a variety of tenants, or a number of large tenants. It is the intent of the City to encourage large projects in this zone, and to require that such projects reflect a master plan developed by the applicant and approved by the City. The City may approve mixed use development, including accessory residential development, subject to the conditions contained within an approved master plan.

A wide range of accessory land uses are permitted in the regional retail zone, and may be developed as permitted uses if a master plan (general binding site plan, planned unit development, or planned action, as defined by WAC 197-11-164, 197-11-168 and 197-11-172) has been approved for the area, regardless of the size of the individual structure or use; provided, that the master plan identifies a minimum of 100,000 square feet of potential building area. However, if no master plan has been approved for the site, the City requires that the initial structure(s) on a site contain at least 100,000 square feet of gross floor area. Any accessory use may be considered a permitted use if it occupies at least 100,000 square feet of gross floor area. Once a large (100,000 square feet or greater) structure or combination of structures has been permitted, accessory uses and structures may be approved on the site, regardless of the size of the building or use.

Limited residential uses may be allowed when incidental to the primary retail and commercial uses. Residential uses cannot be considered primary uses, even if the total gross floor area exceeds 100,000 square feet. Developments within the regional retail zone shall be subject to the retail design standards (Chapter 18.58 FMC) and Ferndale EAGLE program, where applicable. This zone may be applied to some portions of the City that are designated commercial under the City of Ferndale Comprehensive Plan. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.020 Land use objectives.

- A. Provide ancillary development around clearly defined anchor uses, and/or provide a variety of small-scale uses through a coordinated master plan.
- B. Establish public or private connecting roads between parcels where practicable, in order to increase the efficiency of primary roadways in the area.
- C. Foster pedestrian and other nonmotor vehicle activity.

- D. Consolidate, to the greatest extent possible, the number of access points from the primary roadways in the area.
- E. Create shared parking and loading areas within and between retail developments.
- F. Minimize the use and appearance of large, freestanding signage, as well as establish a comprehensive sign plan when more than two uses are proposed.
- G. Create large commercial developments with a well-defined and coordinated sense of place and continuity within the project.
- H. Efficiently use available space through the use of combined or integrated parking, stormwater, and other infrastructure.
- I. Foster positive economic growth for Ferndale, as demonstrated through a market analysis provided by the applicant. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.025 Permitted uses.

- A. Automatic teller machines.
- B. General park M and O activities.
- C. Passive open space use.
- D. Public agency facilities.
- E. Public parks.
- F. Trail head facilities.
- G. Trails for equestrian, pedestrian, or nonmotorized vehicle use.
- H. Indoor cinema.
- I. Department store.
- J. Publicly owned community signs and public art.
- K. Uses similar to the above, in the judgment of the Zoning Administrator, following consultation with members of the Technical Review Committee (TRC). (Ord. 2006 § 3 (Att. 3), 2017; Ord. 1796 § 7, 2013; Ord. 1603, 2010)

18.51.030 Conditional uses.

- A. Micro brewery.
 - B. Religious facilities.
 - C. Cultural institutions.
 - D. Drive-in cinema.
 - E. Theater (outdoor).
 - F. Convention center, including banquet facilities and/or meeting halls.
 - G. Stadium, sports arena, auditorium or other place of assembly with fixed seats.
 - H. Transportation center.
 - I. Church.
1. Pursuant to Chapter 35A.21 RCW, outdoor, temporary encampments for the homeless shall be reviewed as a separate or amended conditional use from the authorizations originally granted to a church, subject to reasonable measures to ensure basic sanitation, life safety, and the minimization of negative public health and/or safety impacts to surrounding uses. See FMC 18.72.140 for specific conditions related to these uses.
- J. Uses similar to the above, in the judgment of the Zoning Administrator, following consultation with members of the Technical Review Committee (TRC). (Ord. 2066 § 1 (Exh. 1), 2018; Ord. 2006 § 3 (Att. 3), 2017; Ord. 1796 § 7, 2013; Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.035 Accessory uses.

- A. Automotive repair – minor.
- B. Automobile service station.
- C. Auto part sales.
- D. Gas/fuel station.
- E. Warehousing, wholesale use.

- F. Barber/beauty salon.
- G. Health spa.
- H. Hospital/clinic – small animal.
- I. Mailing service.
- J. Personal loan businesses.
- K. Personal service businesses.
- L. Photo processing, copying and printing services.
- M. Video rental store.
- N. Tattoo parlor.
- O. Cafeterias.
- P. Delicatessen.
- Q. Drinking establishments.
- R. Portable food vendors.
- S. Restaurants/drive-through.
- T. Restaurants/lounge.
- U. Restaurants/sit-down.
- V. Restaurants/take-out.
- W. Restaurants with entertainment/dancing facilities.
- X. Tavern.
- Y. Wineries – tasting room.
- Z. Financial institutions.

- AA. Medical, dental and other clinics.
- BB. Office – consulting services.
- CC. Office – corporate.
- DD. Office – general.
- EE. Real estate office.
- FF. Trade schools.
- GG. Art galleries.
- HH. Batting cages, racquetball and tennis courts, driving ranges, miniature golf, shooting range.
- II. Bowling alley.
- JJ. Commercial recreation, indoor.
- KK. Commercial recreation, outdoor.
- LL. Dance hall.
- MM. Dart/billiard room.
- NN. Health/fitness center with instructional classes.
- OO. Health/fitness center without instructional classes.
- PP. Theater (indoor).
- QQ. Video game arcade.
- RR. Apartment or condominium (three or more units).
- SS. Assisted living facility.
- TT. Day care center.

- UU. Hotels or motels with stays less than 15 days.
- VV. Hotels or motels with stays more than 15 days.
- WW. Mixed residential and commercial uses.
- XX. Multifamily development, above first floor.
- YY. Multifamily development, any/all levels.
- ZZ. Nursing school.
- AAA. Nursing or rest home.
- BBB. Recreational club.
- CCC. Senior housing/retirement community.
- DDD. Antique store.
- EEE. Apparel and accessory store.
- FFF. Auto parts supply store.
- GGG. Books, stationery and art supply stores.
- HHH. Building, hardware, garden supply stores.
- III. Convenience store without fueling facilities.
- JJJ. Convenience store with fueling facilities.
- KKK. Drug store/pharmacy.
- LLL. Electronic equipment stores.
- MMM. Supermarkets.
- NNN. Florist.
- OOO. Furniture, home furnishings and appliance stores.

PPP. Liquor store.

QQQ. Lumberyards.

RRR. Nursery, plant.

SSS. Office supply store.

TTT. Shopping center.

UUU. General retail.

VVV. Outdoor sales.

WWW. Park and ride.

XXX. Parking lot or structure.

YYY. Pet shop and pet supply store.

ZZZ. Specialty retail stores.

AAAA. Wholesale store.

BBBB. Bus station.

CCCC. Bus terminal.

DDDD. Storage in an enclosed building.

EEEE. Visitor or tourist information center.

FFFF. Uses similar in nature to the above, in the judgment of the Zoning Administrator, following consultation with members of the Technical Review Committee (TRC). (Ord. 2006 § 3 (Att. 3), 2017; Ord. 1796 § 7, 2013; Ord. 1603, 2010)

18.51.040 Minimum lot width.

Minimum lot width is as follows: none. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.050 Minimum lot size.

Minimum lot size is as follows: none. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.060 Maximum building height.

Maximum building height is as follows: 60 feet. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.070 Setbacks and lot coverage.

Setbacks and lot coverage are as follows:

A. Setbacks.

1. Front: none.
2. Rear: 15 feet, if rear of lot abuts side of residential property, otherwise none.
3. Sides: none.

B. Lot coverage: none. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.080 Parking.

For specific parking requirements, refer to Chapter 18.76 FMC. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.090 Accessory building and use regulations.

For specific regulations on accessory buildings or uses, refer to FMC 18.72.050. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.100 Sign regulations.

For specific regulations on signs, refer to Chapter 18.80 FMC. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.110 Development proposals.

The City of Ferndale has identified the regional retail zone as an area in which development shall make efficient use of total lot area by consolidating development to the greatest extent practical, and by utilizing shared infrastructure such as parking and stormwater facilities. In addition, proposals which are anticipated to result in phased development shall be required to identify the project scope on a master project application or, for commercial subdivisions, propose a general binding site plan which will guide the development and be binding upon the City and the applicant, but may be amended if necessary. Commercial subdivisions such as short plats are discouraged in this zone, unless no project is identified. Short plats shall be reviewed based on the

highest permitted use in the zone. (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

18.51.120 Site design.

Stormwater facilities such as ponds shall not be permitted adjacent to the primary street on the property, unless landscaping and fencing are provided pursuant to Chapter 18.74 FMC (landscaping). (Ord. 1603, 2010; Ord. 1576 § 1, 2010; Ord. 1573 § 1, 2010)

Improvements

Description of Improvements

The subject property is currently unimproved.

Highest and Best Use

The concept of highest and best use represents the premise upon which value is based. In the context of market value, it is the most reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. When specifically applied to the highest and best use of the land, it is that use from among reasonable probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in highest land value. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be different from the existing use. Implied within definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to maximizing the value to the individual property owners. The use must be legal, there must be a profitable demand for such use, and it must return to the land net return for the longest period of time. The highest and best use of the subject site as vacant will be analyzed in four steps:

- (1) Physical Adaptability
- (2) Legality
- (3) Financial Feasibility
- (4) Highest and Best Use

Physical Adaptability

The subject site, if vacant, would be physically adaptable to a myriad of uses including residential, multi-family, professional office, commercial, retail and industrial type development. As a result, from a physical standpoint, the property lends itself well to all of the above uses including retail and commercial development.

Legality

The subject property is currently zoned regional retail in the City of Ferndale which allows a wide variety of retail, commercial and office with uses.

Financial Feasibility

The subject property is located directly at the Grandview Road, I-5 interchange in northwest Whatcom County. The property is financially feasible commercial and retail utilization.

Highest and Best Use as Vacant

Considering the location, physical, legal, marketability, and economic feasibility factors which affect the site, the highest and best use is definitely for retail and commercial development.

Highest and Best Use of Subject Property as Improved

The subject property is unimproved.

Summation of the Appraisal Problem

The appraisal problem consists of 12.97 acres of regional retail zoned property. Given the unimproved nature of the property, only the land valuation will be utilized herein. As a result, the Cost, Income & Direct Sales Comparison Approaches to Value do not apply. The omission of cost, income and direct sales approaches would not produce a misleading value to the conclusion. The basic elements of the appraisal process consist of the following five items:

- (1) Supply and Demand:
The direct influence affecting the subject property's price; that which the buyer desires (demand) is directly affected by what is produced by the seller (supply). A greater demand with limited supplies results in higher prices, while a decrease in demand and an abundance of supplies results in lower prices. To determine demand, one must consider the potential number of users, purchasing power, tastes and preferences. To determine supply, one must consider existing properties, unsold or vacant, properties and properties demand or under construction.
- (2) Externalities:
Externalities are the physical surroundings that directly affect the value of the subject property; i.e., the quality of neighborhood up-keeping, street lighting, availability of schools, the general economic outlook, etc. Most of these influences are considered by adjustments for location.
- (3) Substitution:
The reasoning which allows a buyer to compare similar property prices to that of the subject property; and implies that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.
- (4) Balance:
Balance is the principle of attempted equilibrium in the market; i.e. the relationship between supply and demand and or land and improvements. Supply and demand for properties are continually changing, as is the balance between land and improvements for properties.
- (5) Anticipation:
The perception that value is created by the expectation benefits to be derived in the future.

Land valuation involves the analysis of unimproved land sales which are compared to the subject property in the appropriate modes of comparison.

Cost Approach

The Cost Approach takes into consideration the cost of production of a substitute property in the marketplace less the diminished utility as evidenced by depreciation. Under the theory of substitution, a potential purchaser has several alternative courses of action to consider in the purchase of a property. These alternatives include the purchase of an alternative competing investment which produces a similar income stream, or the construction of a similar property having the same utility. The Cost Approach deals with construction of a similar property, less the accrued depreciation, plus the landscaping and the value of the land.

Methodology

In the Land Sales Comparison Approach, the appraiser estimates the value of a property by comparing it with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify market value and price trends. The sold properties must be comparable to the subject in physical, location and economical characteristics. The basic steps of this approach are:

1. Research recent and relevant property sales and current offerings throughout the competitive area;
2. Select and analyze properties that are similar to the subject, giving consideration to the date of sale, any changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
3. Identify sales that include favorable financing and calculate the cash equivalent price;
4. Reduce the sales price to a common unit of comparison such as price per square foot of building area;
5. Make appropriate adjustments to the prices of the comparable properties; and
6. Interpret the adjusted sales data and draw a logical value conclusion.

Because the highest and best use of the subject site as if vacant is for retail and commercial development, sales of sites demonstrating a similar highest and best use were researched. In making comparisons, it is necessary to evaluate each comparable property's characteristics.

Unit of Comparison

All sales data has been analyzed on the basis of price per square foot. The price per square foot, unit of comparison is typically most useful if the sales data is located within relatively similar zoning classifications, which is the case of the subject. Furthermore, market data indicates that knowledgeable buyers do place significant consideration upon the price per square foot, unit of comparison. Therefore, the price per square foot, unit of comparison is utilized in this analysis.

Adjustments

No two properties are identical. As such, adjustments must be made when two properties are being compared to account for differences between the comparable properties and the subject property. Adjustments considered include plans and permits, property rights conveyed, financing, conditions of sale, market conditions (time adjustment), and differences in physical characteristics. During analysis of the sales data, two prices might be reported: the "Sale Price" which is the actual price agreed to at the time of sale, and the "Analysis Price" which reflects the sale analyzed as though vacant. Thus, additional costs such as demolition or site work which are anticipated by the buyer are added to the sale price. Alternately, the value of any non-real estate items such as permits, plans, or special equipment is deducted out to demonstrate analysis price.

Plans & Permits

Frequently, properties are sold with plans and permits in place. Thus, the sale price in such transactions will include additional consideration for these items. Permits are time sensitive documents; any value attributed to plans and permits cannot be included when analyzing land value.

Property Rights Conveyed

Accurate comparison between two property transactions cannot be if the realty interests transferred are not the same. For example: a partial interest (say 80%) is not comparable to a fee simple interest (100%).

Financing

Seller provided financing, low down payments or other financing that is not normal or not available to the typical buyer at the time of sale will likely contribute to a sales price in excess of that obtainable by an all cash or typically financed (by a disinterested third party) buyer. In order to analyze all properties on a comparable basis, those transactions with financing not typically available in the market for the property at the time of sale must be adjusted to typical terms or cash equivalency. Typical financing in the subject market for building sites is cash.

Conditions of Sale

Transactions between related parties (i.e. one family member to another) do not qualify as an arm's length transaction. This is mainly due to the fact that the property in such a sale is not listed by professional brokerage and thus does not receive adequate exposure to the market place. Hence, the cash flow in a non-arm's length transaction must be considered appropriately.

Market Conditions/Time of Sale

Unstable markets can result in dramatic value changes over a relatively short term of one to three years. Such conditions can be created when the supply/demand of suitable building sites changes quickly.

Physical Characteristics

Relevant differences in physical characteristics for land parcels in the subject market include site preparation costs such as demolition, filling/pre-loading, size, zoning, location, shape/utility, topography, and access/exposure. The physical characteristics and their relationship between each comparable and the subject are considered below.

Site Preparation Costs

This is a direct adjustment based upon the actual or estimated (expected) costs to prepare a site for development.

Size

The size of a building site is important since the amount of land area has a direct impact on the size of the improvements and its potential use.

Zoning

Zoning is important because it constrains and often defines the use of the site. Typically, the higher the development density or intensity of use, the higher is the site value.

Location

The location of a property does impact its value. The proximity of goods and services as well as amenities such as parks, views are of great importance to any well-informed investor or developer. Accordingly, such factors must be considered when comparing properties in any market.

Shape

The shape of a site affects building placement and how much of the site may be used.

Topography

Topography is important to site value because steeply sloping, or irregular terrain has a direct impact on site preparation costs. For example, a sloping site can make it easier to construct below grade parking and make it relatively easy to construct multiple level entrances.

Access

Access is very important and does impact market perceptions of a property. For example, a corner site can have superior access if the intersection is not too busy.

Visibility/Traffic

Exposure or visibility to auto traffic can impact value. For example, retail properties such as a fast food restaurant or an auto service station are typically located at or near major thoroughfare junctions such as a freeway interchange. Conversely, residential properties are typically located further away from busy locations due to the negative impact auto noise and pollution has on residential living. As a result, a positive factor benefiting a retail property (i.e., heavy traffic exposure) can be a detriment for a residential property.

Potential Use

All of the sales data considered were or are expected to be developed to the Highest and Best Use for each sale. As such, the data should be consistent with the conclusion for the subject site's highest and best use.

Land Valuation

The entire Whatcom County area was researched to discover sales of commercial and industrial properties which would be indicative of the estimated value of the subject property. A total of 20 sales and listings have been fully analyzed and are detailed on the following comparable sales summary chart together with a narrative description located on the following pages.

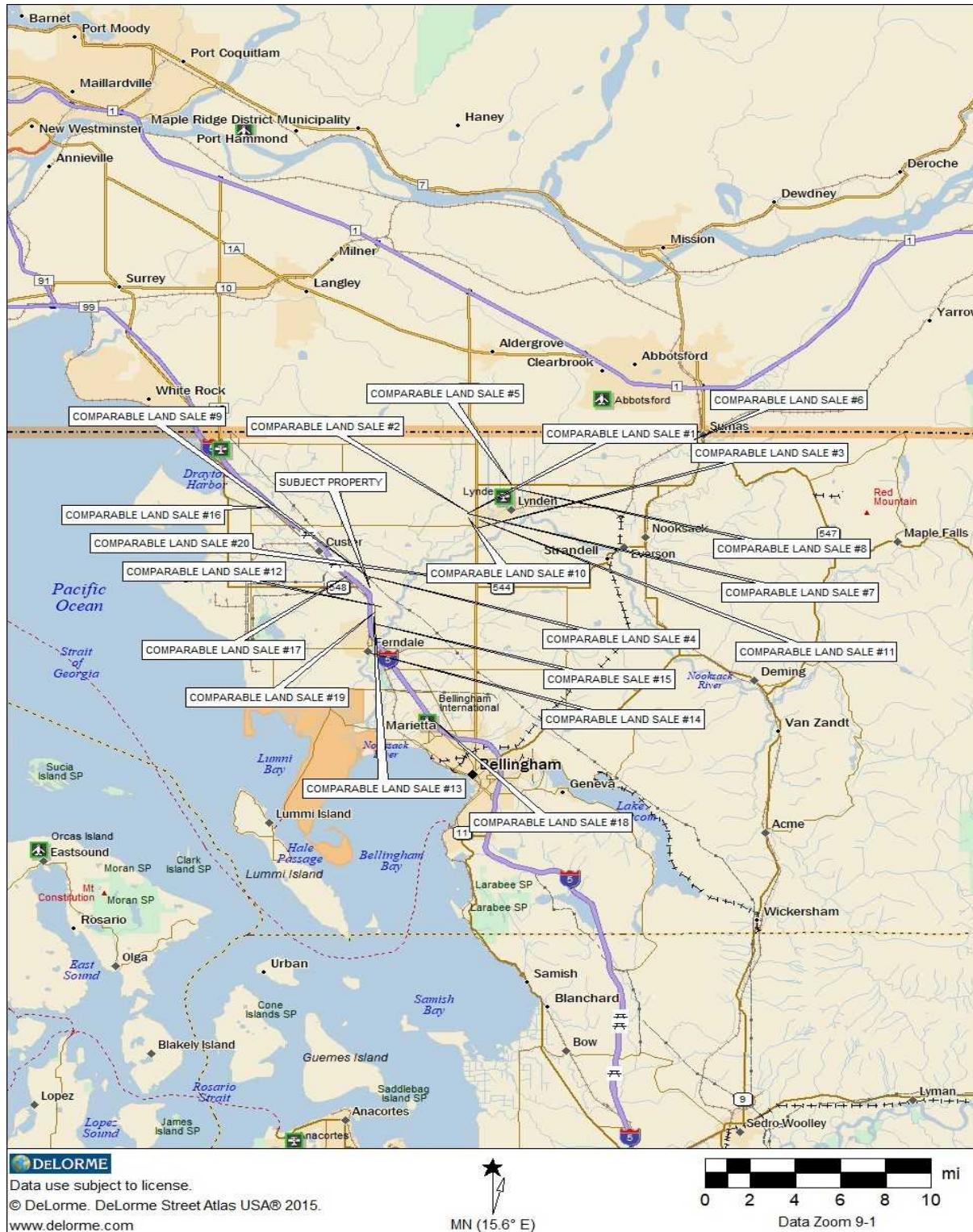
Chart

Land Sales Chart - Page 1 of 2 2070 Grandview Rd.										
Sale #	Location	Seller/Buyer	Sale Date	AF #	Tax Parcel #	Zoning	Size	Sale Price	\$/SF	Comments
1	E Side of Curt Maberry Rd, 330' S of W Main St (2249 W Main St) Lynden	West Main St Investments, LLC/ Chill Build Lynden, LLC	4/7/15	2015-0400662 0400224- 209330	IBZ	15.41AC 671,260SF	\$2,180,393	\$3.25	Level-cleared good drainage full street and utilities	
2	SWC of Curt Maberry Rd & W Main St (2249 Main St) Lynden	Americold Real Estate, LP Ellenbaas Agronomy, LLC	12/9/16	20161201271 400224- 165379	IBZ	5.09AC 221,720SF	\$1,000,000	\$451.00	Level cleared corner tract full street and utilities	
3	S Side of Kok Rd 600' E of Guide Meridian Rd (8064 Guide Meridian Rd) Lynden	Fishtrap Creek, LLC Hollander Properties, LLC	6/1/16	2016-090015 400330- 095523 400330- 061488	CSR	6.51AC 283,569SF 4.08AC (Usable) 174,240±SF	\$650,000	\$2.29 \$3.73 (usable)	Irregular shaped parcel located on Fishtrap Creek and creek setbacks full utilities and street	
4	2159 Buchanan Loop Ferndale	SIS Grandview, LLC Napoli Properties, LLC	8/24/16	2016- 08032903 90206- 456182	LII	9.48AC 413,104SF (Gross) 8.15AC	\$1,100,000	\$2.66 \$3.10 (Net)	Level cleared well drained off-site retention/detention private asphalt streets - no sanitary sewers available	
5	SWC of Depot Rd & E Badger Rd (685 E Badger Rd) Lynden	Dennis Holmstrom/ The Vandevegt 1986 Trust	11/10/16	2016-1101326 400317- 2500517 400317	CSL	3.14AC 136,778SF	\$810,000	\$5.95	Level corner site full utilities and street along west side	
6	W side of Bob Mitchell I Ave, 1/4 mile N of Hesselgrave Wy, S of BN Railroad Sumas	Desticon/ Jazz Forest Products USA, Inc.	7/11/2017	2017-0701667 400317- 225330	Ind	9.36AC 407,721SF	1,036,000	2.54	Level cleared triangular shaped full utilities, street minor wetlands	
7	W side of Curt Mayberry Rd 300's of Main St Lynden	West Main St Investments, LLC/ Listing	Listing	Listing 400224- 225330	IBZ	11.7AC 512,701SF	\$2,563,506	\$5.00	Level cleared full utilities and street	
8	SEC of Badger Rd & Depot Rd (8880 Depot Rd) Lynden	Greg Wood/ Sunset, Inc.	3/22/18	2018-030518 400317- 285493 400317	CSL	5.28AC 229,996SF	\$1,100,000	\$4.78	Level cleared corner site full utilities and street shop min. cont value	
9	NW side of Buchanan Lp Rd, (2195 Buchanan Rd Loop) Ferndale	Jansen Holdings	Listing	Listing 390206- 476140	LII	5.0AC 217,901SF 4.34AC 189,088SF	\$1,089,500	\$5.00 (\$Total) \$5.76 (Usable)	Level cleared private streets off-site retention - detention no sanitary sewers	
10	400'N of W Front St, 700'E of Tramp Rd Lynden	Dick Bedlington Real Estate Inc/ JD Bargen Industries, LLC	3/16/18	2018-0302193 400224- 347215	IBZ CSR	6.35AC 395,960SF 2.73 AC	\$1,260,000	\$318.00	Level cleared backland piped system access available-full utilities	
11	W & NW of Duffner Creek, 808N of W Front St Lynden	DNA Real Estate, LLC/ JD Bargen Industries, LLC	2/27/18	2018-0202859 400224- 492228	CSR	5.0AC 217,800SF 3.80AC 165,450SF (Usable)	\$450,000	\$2.07 (\$Total) \$2.72 (Usable)	Cleared backland site impacted by Duffner Creek no utilities or access	

Land Sales Chart - Page 2 of 2
 2070 Grandview Rd.

Sale #	Location	Seller/Buyer	Sale Date	AF #	Tax Parcel #	Zoning	Size	Price	\$/SF	Comments
12	W Side of Portal Way, 1/4 Mile S of Trigg Rd Ferndale	Estate of James T Takasaki/Brad McCracken	2/16/16	2016-0201930	390217-197415	GB	4.75 AC 206,910 SF	\$500,000	\$2.42	Level, partially cleared, water/sewer available, "L" shaped
13	SE Corner of KAS Rd and Portal Way Ferndale (6276 Portal Way)	Callory Land, LLC not available	Listed 7/1/15 Pending 7/19/18	390217-35023	50% Mixed use Com. Dist. 50% Residential Multi-Family Medium	18.02 AC 784,951 SF	\$1,825,000 (List Price) \$1,725,000 (Pending Price)	\$2.20	Level cleared corner site full utilities some minor wetlands	
14	South side of Main St (1537 Main St) Ferndale	Trust 40 JM-1 WA	Listing	Listing 7 Tax Parcel #5	Mixed use Commercial District	84.3 AC 3,142,108 SF 30.19 AC 1,310,076 SF (Usable)	\$3,890,000	\$1.06 (total)	Sloping tract full utilities 36% usable, street frontage, part cleared, part wooded	
15	E Side of Portal Way 800 NW of Newkirk Rd Ferndale (6170 Portal Way)	Major Singh/David Braithune	4/10/18	390217-306084	GB	3.84 AC 167,270 SF	\$560,000	\$3.35	Level cleared site - water & sewer available	
16	WEC of Portal Way & Loomis Trail Rd Blaine (8450 Portal Way)	Paul Sanchez/ Chong GS Brothers Holdings USA, Inc.	4/9/18	400121-43950	RIM	8.33 AC 362,855 SF	\$370,000	\$1.02	I-5 Freeway frontage, no water or sewer available!	
17	NE Side of Portal Way, 1/2 mile NW of Grandview Rd. Ferndale	Always, LLC Harbor Lywas, LP	10/11/2018	390206-115240	LL	2.29 AC 99,752 SF	\$410,000	4.11	Level cleared site, I-5 Freeway frontage water available, no sewers	
18	E Side of Pacific Hwy, 3/4 mile NW of West Bakerview Rd Bellingham (4240 Pacific Hwy)	Linaa Gardner/DCI Commercial, LLC	9/7/2018	380211-112198	Planned Industrial	3.41 AC 148,539	\$850,000	5.72	Level rectangular shaped parcel, water available no sewers improved with residence and shop	
19	W Side of Portal Way, 990's of Trigg Rd Ferndale	Rock Strickler/ Alpine Investments, LLC	8/17/15	21508021118	322,780	GB	\$550,000	\$1.70	Level, partially cleared commercial site w/I-5 frontage	
20	W Side of Portal Way, 630's of Trigg Rd (6445 Portal Way) Ferndale	Date Padgett/ B&D Francis Holdings	12/17/14	2141201874	294,466	HC	\$650,000	\$2.21	Level, primarily cleared, water/sewer available, I-5 freeway frontage & visibility	

Map



Land Sales Correlation

Comparable Sale No. 1 is located on the east side of Curt Maberry Road, 330 feet south of W Main Street in Lynden with an address of 2249 W Main Street in Lynden. This is the April 7, 2015 sale of 671,260 square feet of IBZ zoned property which is a quasi-industrial zoning classification for \$2,180,393 and is analyzed at \$3.25 per square foot. This is a large, level site which is fully serviced with a new city street known as Curt Maberry Road, and has been improved with a large cold storage plant. This sale is superior to the subject property in size of tract, as it is approximately 1/3 the size of the subject property. It also has direct frontage on Curt Maberry Road, and has all utilities directly available. This sale is similar in general location, size of site and zoning. It is inferior to specific location. It is substantially superior in utilities as it has sanitary sewers available where the subject property does not.

Comparable Land Sale No. 2 is located at the southwest corner of Curt Maberry Road and W Main Street in Lynden and is the December 9, 2016 sale of 221,720 square feet of IBZ zoned property for \$1,000,000 and is analyzed at \$4.51 per square foot. This is a 2-year-old sale and would require minor upward time adjustment. This sale is superior in size of site and having sanitary sewers available which the subject property does not. The sale is similar in general location as it has no proximity to I-5 Freeway. It is inferior in specific location with no proximity to the freeway.

Comparable Land Sale No. 3 is located on the south side of the Kok Road, 600' east of the Guide Meridian Road in Lynden and has an address of 8064 Guide Meridian Road. This is the June 1, 2016 sale of 283,569 square feet of CSR zoned property, however there is an estimated maximum of 174,240 square feet of net usable land area, because of the fact that Fishtrap Creek bisects the property. The sale therefore is analyzed at \$2.29 per usable \$3.73 per square foot of net usable land area. This is a 2 1/3-year-old sale and would require an upward time adjustment. This sale is inferior to the subject property in shape. It is similar in general location, is inferior to specific location; it is definitely superior in size of tract and utilities; as it has sanitary sewers available where the subject property does not.

Comparable Land Sale No. 4 is located at 2159 Buchanan Loop in Ferndale, this is located in the I-5 Industrial Park, which is situated at the northeast quadrant of the Grandview Road Interstate 5 Freeway Interchange. This is the August 24, 2016 sale for \$1,100,000 this consists of 413,104 square feet of light industrial zoned property. It is noted however, that the I-5 Industrial Park has private streets, and the legal descriptions of the properties extend into the middle of the street, and to the middle of the right of way. Therefore, there is significant land area which cannot be utilized as it is situated and

located where the roadway sections have been developed and constructed. Therefore, after deleting the adjacent rights of way which are encumbered with the streets, there is 354,874 square feet of net usable land area. Therefore, this sale is analyzed at \$2.66 per square foot based on gross land area, however, \$3.10 per square foot based on net usable land area. This sale is similar in specific and general location, size of tract and zoning. It is similar as it has PUD water directly available and superior off-site retention/detention installed.

Comparable Land Sale No. 5 is located at the southwest corner of Depot Road and E. Badger Road, and has an address of 685 E. Badger Road, Lynden, WA. This is the November 10, 2016 sale of 136,778 square feet of CSL zoned property for \$810,000 and is analyzed at \$5.92 per square foot. This sale is superior in general and specific location, size of tract and having sanitary sewers available.

Comparable Land Sale No. 6 is located on the west side of Bob Mitchell Avenue, $\frac{1}{4}$ mile north of Hesslegrave Way, and south of the Burlington Northern Railway in Sumas. This is the July 11, 2017 for \$1,037,000. This consisted of 9.36 acres of land area, 407,721 square feet, and is zoned Industrial. It is an extreme triangular shaped property, and the sale price is analyzed at \$2.54 per square foot. Discussions with the listing agent in regards to questions in regards to wetlands, indicated that were no wetland delineations or studies performed on the property; however, it is noted that there is a portion of the north central portion of the property, adjacent to the railroad right of way, and potentially the far westerly portion which appears to be slightly wet and potentially having wetland complications. It would require fill material prior to development. This sale is inferior in specific and general location as it is located in Sumas vs. the Ferndale/Blaine area along Interstate 5 freeway. It is similar in size of tract and zoning. It is superior in utilities as it has sanitary sewers directly available, whereas, the subject property does not.

Comparable Land Sale No. 7 is located on the west side of Curt Maberry Road, 300 feet south of Main Street in Lynden, and is a current listing of 11.77 acres. It is zoned IBZ and is listed for \$5.00 per square foot. This sale is similar in general location, size of tract and zoning. It is inferior as it is not located along Interstate 5 freeway. It is superior in utilities as it has sanitary sewers directly available, whereas, the subject property does not.

Comparable Land Sale No. 8 is located at the southeast corner of East Badger Road, and the Depot Road in Lynden, Washington. This is the March 22, 2018 sale of 5.28 acres of CLI zoned property, located at the corner of Badger Road and Depot Road located in a quasi-developed commercial area. It has frontage on the main state highway.

It is fully level, cleared, has corner access, full utilities available, and requires no fill material, whatsoever. This particular zoning allows a wide variety of retail, commercial, quasi-industrial, and also multi-family development. This sale is superior in specific and general location, size of tract and having sanitary sewers available, whereas, the subject property does not.

Comparable Land Sale No. 9 is located at the northwest corner of Buchanan Loop Road where the property turns, and heads westerly. This has an address of 2195 Buchanan Loop Road in Ferndale. This is the current listing of 5.0 acres of gross land area; however, 4.34 acres of net usable. The unusable land area is located within Buchanan Loop Road because the legal description of the parcel extends to the middle of the road where the road has been constructed, and the utilities have been installed. Therefore, that land area is classified as unusable. The property is zoned Light Impact Industrial and has an asking price of \$5.76 per square foot based on usable land area. This sale is superior in size of site, retention/detention installed off-site, is similar in having PUD water available and similar and general in specific location and zoning.

Comparable Land Sale No. 10 is located 400 feet north of West Front Street, 700 feet east of the Tromp Road in Lynden, and is the March 16, 2018 sale for \$1,260,000. This is an "L" shaped, pipe stem shaped property having approximately 2/3 zoned IBZ, and 1/3 being CSR. This is definitely a backland property. This sale is similar in size of tract, in general location and zoning. It is inferior in specific location as it has no proximity to Interstate 5 freeway. It is significantly superior in utilities; as it has sanitary sewers available where the subject property does not.

Comparable Land Sale No. 11 is located on the west and the northwest side of Duffner Creek, 808 feet north of West Front Street in Lynden. This is the February 27, 2018 sale of 5.0 acres of land area zoned CSR for \$450,000. This is a backland property as it is located on the far westerly end of the Scholten's Equipment facility having frontage directly on the Guide Meridian Road. The part that was sold was on the west side of Duffner Creek, and the only access to the property would be across Duffner Creek and through the frontage portion of Scholten's Equipment out to the Guide Meridian Road. There was a small culvert and filled area where you could actually cross the creek to gain access to the west side of the property which was the portion that was sold. This is definitely surplus land to the needs of Scholten's Equipment, and it was purchased by Borgen Industries which is Lynden Door for their future expansion. This sale is superior in size of site and similar in general location. It is inferior in being a backland parcel as it was purchased by the adjacent owner from the backland portion of the adjacent ownership. It is superior in having sanitary sewers available. It is similar in zoning.

Comparable Land Sale No. 12 is located on the west side of Portal Way, $\frac{1}{4}$ mile south of Trigg Road in Ferndale. This is the February 16, 2016 sale of 206, 901 square feet of General Business zoned property for \$500,000 and is analyzed at \$2.42 per square foot. This is primarily a backland parcel with frontage and exposure on Interstate 5 freeway, however minimal frontage or exposure on Portal Way. This sale is superior in size of site and in having sanitary sewers available. It is similar in specific and general location.

Comparable Land Sale No. 13 is located at the southeast corner of Kaas Rd. and Portal Way in Ferndale, WA this is a current pending sale as of July 19, 2018. The approximate pending price is \$1,725,000 which is analyzed at \$2.20 per square foot. This consists of 18.02 acres and the property is zoned 50% mixed use commercial district and 50% residential multifamily medium. The price is based on the assumption that there is less than 2 acres of wetlands. This sale is inferior in size of site, inferior in having some minor wetlands involved. It is similar in specific and general location. It is superior in having sanitary sewers available which is superior to the subject property.

Comparable Land Sale No. 14 is located on the south side of West Axton Rd. in Ferndale, WA with an address of 1537 Main St. This is a 84.3 acres of which 30.19 acres is classified as usable land area. This sale is located adjacent to the subject property on the east and is zoned mixed use commercial district. The list price is \$4,200,000 and is analyzed at \$1.16 per square foot of total land area and \$3.19 per square foot for net usable land area. This is a listing and not a sale. This sale is inferior in size of tract in regards to usable and total land area. It is similar in specific and general location. It is superior in having City of Ferndale sanitary sewers immediately available.

Comparable Land Sale No. 15 is located on the east side of Portal Way, 800' north of Newkirk Road in Ferndale and has an address of 6170 Portal Way in Ferndale. This is the sale of 3.84 acres, zoned general business for \$560,000 and is analyzed at \$3.35 per square foot. This is a level and cleared site with full water and sewer available. This is definitely similar in general location, specific location and zoning, It is superior in size of site and substantially superior in having sanitary sewers available; where the subject property does not.

Comparable Land Sale No. 16 is located at the northeast corner of Portal Way and Loomis Trail in Blaine with an address of 8450 Portal Way in Blaine. This is the April 9, 2018 sale of 8.33 acres of RIM zoned property for \$370,000. This sale is analyzed at \$1.02 per square foot. This has the I-5 freeway visibility and frontage. It has no public water or sanitary sewers available. By comparison this sale is inferior in specific location, similar in general location, size of tract and zoning. It is also inferior in having no public water available.

Comparable Land Sale No. 17 is located on the northeast side of Portal Way, one-half mile northwest of the Grandview Road and is the October 11, 2018 sale. This consists of 2.29 acres of light impact industrial zoned property, sold for \$410,000 or \$4.11 per square foot. This is a leveled cleared site with I-5 freeway visibility and frontage. It has public water available, however, no sanitary sewers. By comparison, this sale is definitely superior in size of site, and in having public water available. It is superior in having direct I-5 freeway frontage. It is similar in having public water available, general location, however, inferior in specific location.

Comparable Land Sale No. 18 is located on the east side of Pacific Highway, three-quarters of a mile northwest of West Bakerview in Bellingham with an address of 4240 Pacific Highway. This is the September 7, 2018 sale for \$850,000. This consists of 3.41 acres of planned industrial zoned property which is improved with residence and shop which have minor contributory value. This sale is analyzed at \$5.72 per square foot and consists of a level rectangular shaped parcel with water available, however, no sanitary sewers. This sale is substantially superior to the subject property in general location, specific location and size of tract. It is similar in having available utilities.

Comparable Land Sale No. 19 is located on the west side of Portal Way, 990 feet south of Trigg Road in Ferndale. This is the August 17, 2015 sale of 322,780 square feet of General Business zoned property for \$550,000 and is analyzed at \$1.70 per square foot. This sale is superior in general location, size of tract and having full utilities available, including sanitary sewers available.

Comparable Land Sale No. 20 is located on the west side of Portal Way, 630 feet south of Trigg Road with an address of 6445 Portal Way in Ferndale. This is the December 17, 2014 sale of 294,466 square feet of Highway Commercial zoned land area for \$650,000 which is analyzed at \$2.21 per square foot. This property has fairly level, rolling topography, has frontage both on Portal Way and fronts on Interstate 5 Freeway. It does require a time adjustment as it occurred in late 2014. This sale is superior in size of site, in general and specific location and having sanitary sewers available which the subject property does not.

As a result, considering all of the market data, the correlated value of the subject property considering all physical and locational characteristics is \$2.50 per square foot.

$$564,973 \text{ SF} \times \$2.50/\text{SF} = \$1,412,433$$

Indicated Land Value (Rounded)	\$1,412,000
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ADDENDA



2031205202
Page 1 of 2
12/30/2003 9:58 AM
DEED \$20.00
Whatcom County, WA

Request of: FIRST AMERICAN TITLE INSURANCE

AFTER RECORDING MAIL TO:

Juan Carlos 2nd Family LP
8785 Goshawk Road
Blaine, WA 98230

Filed for Record at Request of:
First American Title Insurance Company



First American Title
Insurance Company

STATUTORY WARRANTY DEED

File No: 4271-309980 (JBV)

Date: December 23, 2003

Grantor(s): Glen A. Devore and Madeline C. Devore

Grantee(s): Juan Carlos 2nd Family LP

Abbreviated Legal: Ptn SW SW 5-39-2E

Additional Legal on page:

Assessor's Tax Parcel No(s): 390205 023075 0000

THE GRANTOR(S) Glen A. Devore and Madeline C. Devore, husband and wife for and in consideration of Ten Dollars and other Good and Valuable Consideration and as part of an IRC Section 1031 Tax-Deferred Exchange, in hand paid, conveys, and warrants to Juan Carlos 2nd Family LP, the following described real estate, situated in the County of Whatcom, State of Washington.

Commencing at the Southwest corner of Section 5, thence East 32 rods; thence North 50 rods; thence West 32 rods; thence South 50 rods to the beginning, In Section 5, Township 39 North, Range 2 East of W.M., EXCEPT Road No. 32, and EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 890885. Also the South 5 acres of the West 10 acres of the following described tract:

Commencing 50 rods North of the Southwest corner of the Southwest quarter; thence East 160 rods; thence North 50 rods; thence West 160 rods; thence South 50 rods to the beginning. In Section 5, Township 39 North, Range 2 East of W.M., EXCEPT State Highway.

Whatcom County, Washington.

Subject To: This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.

Page 1 of 2

LPB-10 7/97

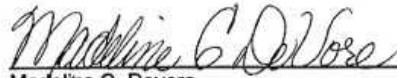
309216 90560 12/30/2003 14535.00 ***

APN: 390205 023075 0000

Statutory Warranty Deed
- continued

File No.: 4271-309980 (JBV)
Date: 12/23/2003


Glen A. Devore

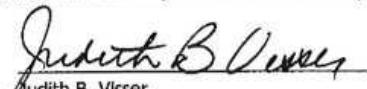

Madeline C. Devore

STATE OF Washington)
COUNTY OF Whatcom)-ss

I certify that I know or have satisfactory evidence that **Glen A. Devore and Madeline C. Devore**, is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 12-26-03




Judith B. Visser
Notary Public in and for the State of Washington
Residing at: Bellingham
My appointment expires: 3/31/07

Page 2 of 2

LPB-10 7/97
2031205202
Page: 2 of 2
12/23/2003 9:58 AM
DEED \$20.00
Whatcom County, WA
Request of: FIRST AMERICAN TITLE INSURANCE

Certification of Appraiser

I hereby certify that, to the best of my knowledge and belief:

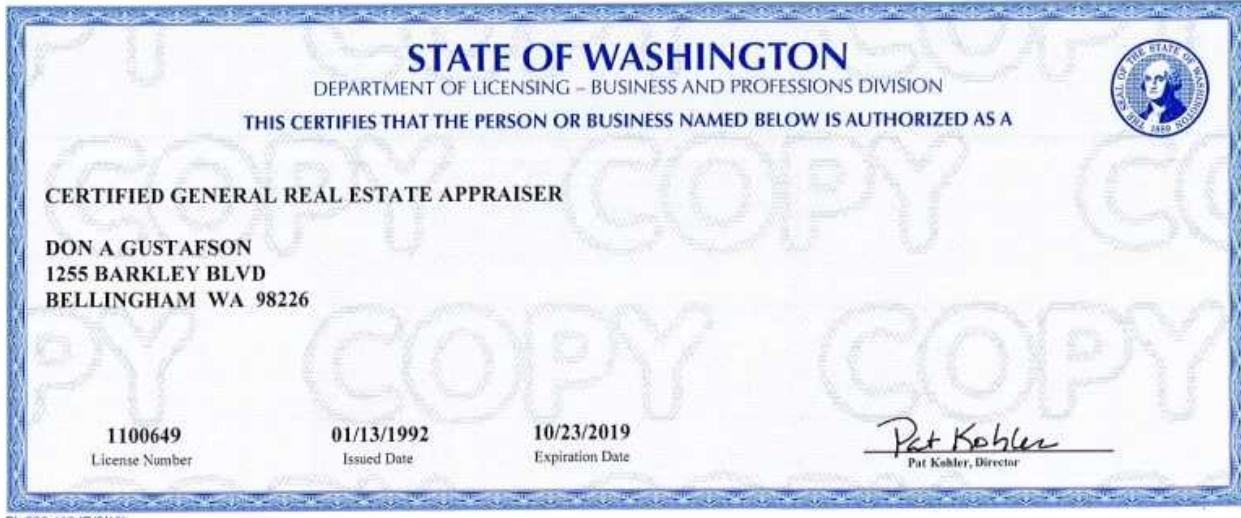
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and USPAP;
- The statements of fact contained in this report are true and correct;
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, professional analyses, opinions, and conclusions;
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My employment was not conditioned upon the appraisal producing a specific value or a value within a given range. Similarly, future employment prospects were not dependent upon the appraisal producing a specified value. Our employment and compensation were not based on whether a loan application was or is approved.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan. I certify that we are competent and qualified to perform the appraisal assignment.
- The use of this report is subject to requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I have made a personal inspection of the property that is the subject of this report;
- No one provided significant professional real property assistance to the persons signing this certification. I spent 100% of the time involved in contributing to the writing and production of this appraisal report and valuation analysis.
- This appraiser certifies the appraisal performed was not based on a minimum value, specific value or approval of a loan.
- As of the date of this report, Don A. Gustafson has completed the requirements of the continuing education program of the Appraisal Institute.
- That I have not appraised the property or any and all other services in regards to the property within the last 3 years.



MAI, SRA,

Don A. Gustafson, MAI, SRA, SRA
License #1100649 (Expires 10/23/19)

License



Summary of Qualifications

1255 Barkley Blvd., Suite 107, Bellingham, WA 98226•360-733-8101•don@gustafsonandassociates.com

Don Gustafson MAI, SRA, SRPA

Experience

1969-1973 King County Property Management Seattle, WA

Staff Appraiser

- Duties included appraisals on commercial, industrial and residential properties

1973-1977 Eastman Company Seattle, WA

Associate Appraiser

- Duties included appraisals on commercial, industrial and residential properties

1977-1998 Miller Real Estate, Inc. Bellingham, WA

Co-owner & Associate Appraiser

- Duties included appraisals on commercial, industrial and residential properties

1998-Present Gustafson & Associates Bellingham, WA

Owner

- Real estate appraisal company
- Specializes in commercial, industrial, multi-family and single family residential properties

Education

1964-1968 University of Puget Sound Tacoma, WA

Social Sciences, BS

Appraisal Courses

Appraisal Institute Courses

Highest & Best Use, Market Analysis
Partial Interest Valuation Divided
Partial Interest Valuation Undivided
USPAP Update, Standards and Ethics
Business Practices and Ethics
Uniform Standards of Professional Practice

Appraisal Courses and Seminars

SREA – R-2 Exams and Narrative Report
NAIFA – Testing Highest & Best Use
NAIFA – Fair Lending Requirements
Mykut – USPAP
AIREA – Basic Appraisal Principles
AIREA – Methods & Techniques
AIREA – Urban Property Analysis
AIREA – Investment Analysis - Mortgage Equity Technique
AIREA – Curriculum Overview General
AIREA – Curriculum Overview Residential

AIREA – Business Practices & Ethics
McKissock – IT and the Appraiser
McKissock – Income Capitalization
McKissock – Construction Details & Trends
McKissock – Appraising the Oddball
McKissock – National USPAP Update Course (2010-2011)
McKissock – National USPAP Update Course (2012-2013)
McKissock – National USPAP Update Course (2014-2015)
McKissock – Ad Valorem Tax Consultation
McKissock – Advanced Hotel Appraising – Full Service
McKissock – Appraisal of Fast Food Restaurants
McKissock – Business Practices & Ethics
McKissock – Expert Witness Testimony for Appraisers
McKissock – Land and Site Valuation
AIREA – Fall Real Estate Conference
McKissock – National USPAP Update Course 2016-2017
AIREA – Case Studies in Appraising Green Commercial Buildings

Clientele

Bank Northwest
Bank of America
Bank of the West
Canadian Imperial Bank of Commerce
City of Anacortes
City of Bellingham
City of Blaine
City of Mt. Vernon
City of Sedro Woolley
City of Seattle
City of Everett
First Federal Savings
Union Bank
Key Bank
J.P. Morgan Chase
North Coast Credit Union
Alaska USA Federal Credit Union
HCC Surety
Regal Financial Bank
Foundation Bank
Mountain Pacific Bank
Peoples Bank
Skagit State Bank
U.S. Bancorp
Wells Fargo Bank
Industrial Credit Union
Northview Bank

Eastside Commercial Bank
Northwest Farm Credit
Northwest Bank
Georgia Pacific Corporation
Internal Revenue Service
Bellingham Opportunity Council
Peace Health Medical Group
Lynden School District
Blaine School District
Whatcom County Facilities Management
Municipality of Metropolitan Seattle
Port of Bellingham
Port of Skagit County
Port of Friday Harbor
Skagit County
Whatcom County
Whatcom County Parks Department
Whatcom Transit Authority
Various corporations, attorneys and individuals
Meridian School District
Whatcom County Fire District No. 13
Bellingham School District
Whatcom County Public Works
Town of Friday Harbor
San Juan County Hospital District
Farm Service Agency
Upper Skagit Indian Tribe
San Juan & Lummi Island Preservation Trusts

Professional Affiliations

Appraisal Institute

Designated MAI, SRA, and SRPA Member

State of Washington DOL

Washington State License #1100649

Expert Witness Qualification

I have qualified as an expert witness for Superior Court of Whatcom & Skagit Counties, Queen's Court of Alberta, State Board of Tax Appeals, Federal Court, and various boards of equalization. I have also testified in numerous arbitrations and mediations.

Litigation Appraisal Assignment

Have been involved with numerous significant appraisal assignments on large litigation cases.

Dissolution Appraisal Assignment

Have been involved with many large litigation and significant cases involved with dissolutions, many of which involved multiple parcels. Have also testified in depositions, and court on many of the assignments.

Estate Appraisal

Have been involved with many large estate appraisals to determine estate tax requirements and to establish a new stepped up value basis for the surviving estate.

A few recent examples are itemized as follows; however, any specific details must remain confidential:

- Estate involving 3 properties including 2 improved industrial property, and 1 unimproved commercial tract;
- Estate involving 5 properties involving 5 improved industrial properties;
- Estate involving 13 properties consisting of a combination of residential, vacant land, agricultural land, and improved and unimproved industrial properties;
- Estate involving 18 properties including improved commercial, improved industrial, storage condominiums, unimproved commercial land, and residential condominium.