

**CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON
RESOLUTION NO. 07-107**

**A RESOLUTION INITIATING THE DISCUSSION OF A VACATION OF A PORTION OF
GEORGE GEE AVENUE; A PUBLIC RIGHT-OF-WAY WITHIN
THE CITY OF LIBERTY LAKE**

WHEREAS, the adjacent property owner has requested vacation of a portion of George Gee Avenue, lying North of Interstate 90 and South of Mission in Section 16, Township 25N, Range 45E, W.M.;

WHEREAS, the request is consistent with the future traffic circulation plans and street improvement plans for the City of Liberty Lake; and

WHEREAS, the property owner will dedicate and build an offset cul-de-sac at the west property line; and

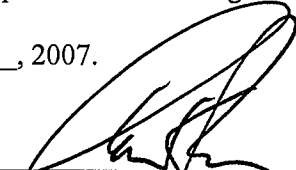
WHEREAS, the City of Liberty Lake pursuant to Chapter 35.79 RCW may initiate by resolution the vacation of any street or alley or any part when it is in the public interest and; and

WHEREAS, the Liberty Lake City Council finds it is in the public interest to vacate the street as illustrated in attachment "A";

NOW THEREFORE, the City of Liberty Lake City Council resolves as follows:

The hearing on the petition to vacate portion of George Gee Avenue will be held on September 4, 2007, before the City Council at 7:00 p.m. or as soon thereafter as possible and the City Clerk for the City of Liberty Lake is instructed to proceed with all proper notice according to state law.

Adopted this 7th day of August, 2007.



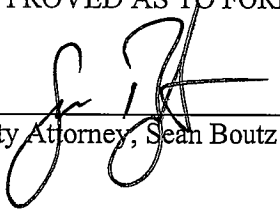
Mayor, Steve Peterson

ATTEST:



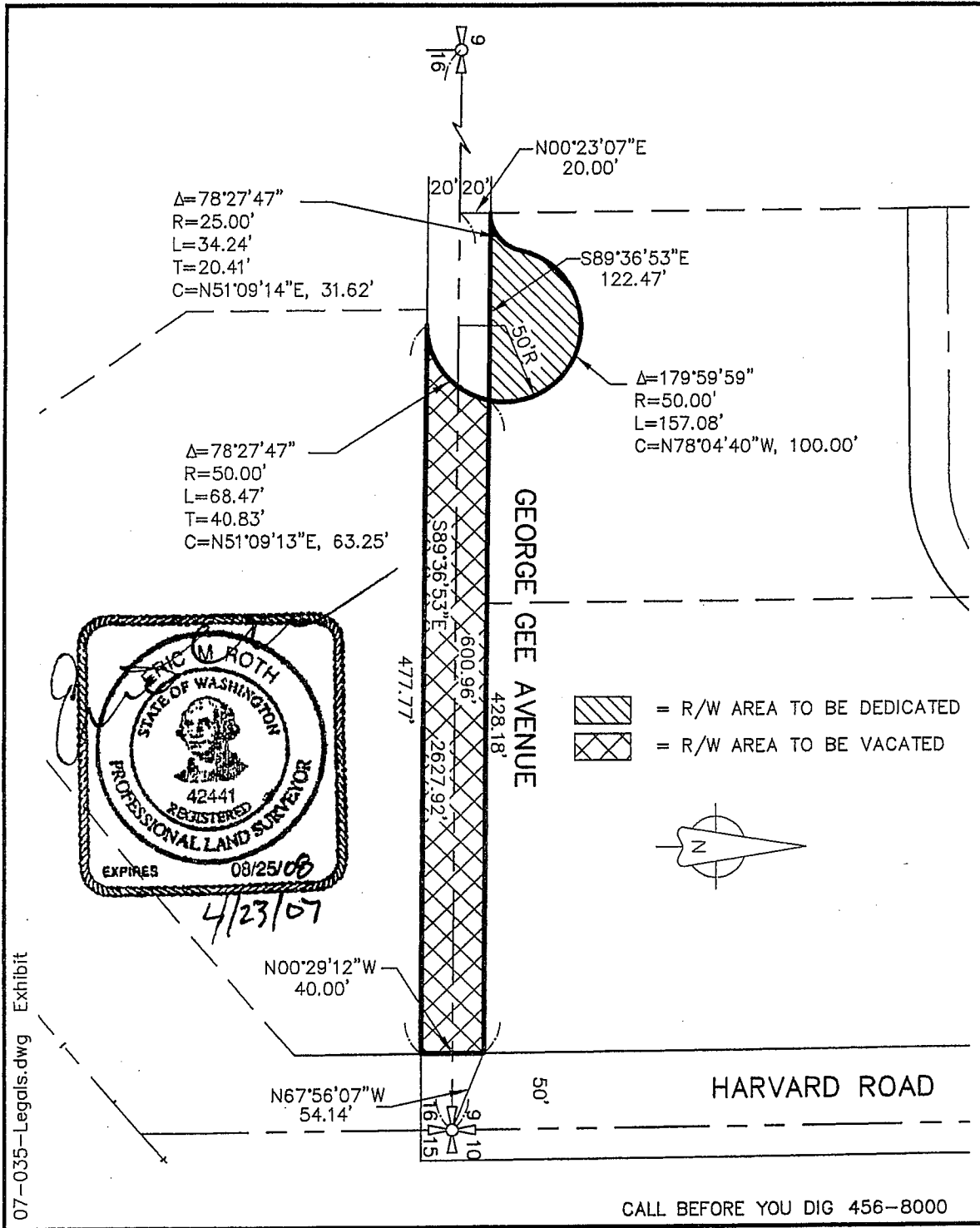
City Clerk, Arlene Fisher

APPROVED AS TO FORM:



City Attorney, Sean Boutz

ATTACHMENT A



07-035-Legals.dwg Exhibit

CALL BEFORE YOU DIG 456-8000

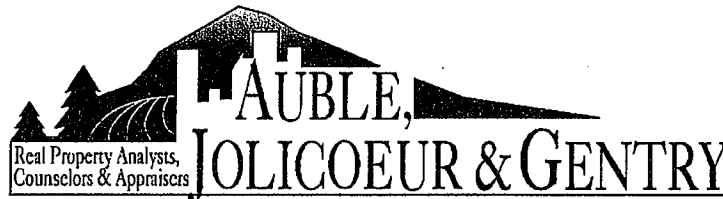
STORHAUG ENGINEERING CIVIL ENGINEERING AND PROJECT MANAGEMENT 510 EAST THIRD AVE. SPOKANE, WA 99202 PHONE 509-242-1000 FAX 509-242-1001			R/W VACATION/DEDICATION EXHIBIT SPOKANE, WA.	
DRAWN EMR CHECKED EMR	DATE 4/20/07 SCALE 1" = 100'		PROJECT 07-035	

PRINCIPALS

Scot D. Auble, MAI, President
Bruce C. Jolicoeur, MAI
J. Michael Gentry, MAI
Vicki K. Mundlin, MAI*

ADVISOR

David C. Auble, MAI



APPRAISAL ASSOCIATES

Karen K. Meek, MAI
Mark F. Noble
Carl C. Durkoop
Gary H. Zahller, CPA*
David K. Adamson
J. Andrew Hoye
Jason J. Kostelecky
Kari J. Collins*
Hunter S. Vissotzky
Keven A. Russell

August 6, 2007

Mr. Eric Iversen, AICP
Project Manager
Lithia Corp.

RE: Street Vacation
George Gee Avenue
Liberty Lake, WA.

Dear Mr. Iversen:

At your request, I briefly reviewed documents depicting the proposed vacation of a portion of George Gee Avenue in Liberty Lake to form an opinion about the valuation issues for property of this nature. I understand that you, and Lithia Motors Inc., as client, intend to use the results of this analysis to assist in arriving at a price for the vacated right-of-way. The following discussion summarizes my observations and opinions. I have not appraised the property and the following is not an appraisal report. I have not formed an opinion of the market value of George Gee Avenue.

The proposed right-of-way vacation is a 40' wide $\pm 250'$ long strip extending due westward from Harvard Road. According to a an April 23, 2007 survey by Eric M. Roth, Professional Land Surveyor, the parcel contains 17,631.96 square feet or 0.41 acres. Although dedicated, the right-of-way is not currently improved above grade but reportedly has water and sewer lines installed underground.

Rights of way such as the property described above do not sell in open-market transactions, consequently, it is not possible to use direct market sales to help determine market value. As a narrow strip encumbered by utilities, the property has no independent private economic use; it could not be practicably developed as a separate parcel. Even if joined to adjoining properties, the underground utilities would remain, reducing functional utility the parcel contributes to the adjoining parcels.

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Mr. Eric Iversen
RE: Vacated George Gee Avenue
August 6, 2007
Page 2 of 2

The City of Spokane prices vacated rights-of-way at the assessed value of the land adjoining the right-of-way. Spokane County has no formal pricing structure but, if the vacated property is substantial, will have its appraised as the basis for pricing.

The vacated right-of-way has a very limited market; the adjoining property owner. This limitation makes appraising the property very difficult. Rarely is an appraiser asked to form an opinion of the value of a property to a specific buyer. In such cases, the value is termed Investment Value rather than market value since "market value" assumes that the property is openly marketed which is rarely done with vacated right-of-way. It would be equally inappropriate to price the land based on the price the buyer could afford to pay as it would be to price the land as if the adjoining owner had no interest in the property. An appropriate methodology would view the property with all its restrictions, easements, and limitations.

I hope that this brief discussion addresses your questions. Please contact me if you have any additional questions.

Respectfully submitted,



Bruce C. Jolicoeur, MAI
Washington State Certified General Appraiser
Cert. No.: 1100633



AMERICA'S CAR & TRUCK STORE
Since 1946

August 6, 2007

City of Liberty Lake City Council
22710 E Country Vista Blvd.
Liberty Lake, WA 99019

Dear Sirs and Madams:

Lithia Motors Inc. is excited about the opportunity to move our Mercedes of Spokane to a new facility in Liberty Lake and become part of your community. We are in the process of completing plans for the Mercedes facility and have plans for a second dealership facility on the same site that would bring our total investment in Liberty Lake to approximately \$13 million.

To accommodate the proposed site plan for Mercedes, we have requested the vacation of the portion of George Gee Avenue that runs through the site. Due to existing utilities within the right-of-way, we anticipate the City of Liberty Lake maintaining a utility easement on the vacated right-of-way. Vacating of the right-of-way will allow us to construct the vehicle display lot and parking areas over the remaining utility easement, as well as permit us to control and secure access to the site. We understand that we will not be able to construct a building over any portion of the vacated right-of-way.

We understand that Washington State Law requires payment for the right-of-way per RCW 35.79. In an e-mail dated July 16, Doug Smith, Liberty Lake Planning Director, suggested a value for the 17,631.96 square foot parcel of \$9 per square foot. The \$9 per square foot represents current asking prices of properties in the area. Subsequent to that e-mail we retained the appraisal firm of Auble, Jolicoeur, & Gentry. According to Bruce Jolicoeur (see attached letter), utilizing direct market sales is not an appropriate way to determine the value of the right-of-way. Additionally, he states since the vacated right-of-way would be fully encumbered with a utility easement, the parcel is not marketable as an independent parcel and its functional utility has been reduced.

In summary, it is our opinion that the value of vacated right-of-way is substantially impacted by the remaining utility easement resulting in a value of approximately \$4.50 per square foot. I am unable to attend the City Council meeting scheduled for August 7, 2007. Jason Burns, with Garco Construction, our general contractor for the project, will be at the meeting representing Lithia Motors, Inc.

Sincerely,

August 7, 2007

(transmitted via e-mail)

Eric Iversen
Project Manager