

King County Tabula: Task 1-Modification of Residential Right-of-Way Costs

TO: Mark Buscher/KC
Carl Slack/KC

COPIES: Dan Speicher/CH2M HILL

FROM: Dave Hedglin/CH2M HILL
Craig Moore/CH2M HILL

DATE: November 30, 2005

PROJECT NUMBER: 188312.09.01

This memo pertains to Work Order #9 of King County Wastewater Treatment Division for revisions and updates to their "Tabula" Cost Estimating Program. Specifically, this memo discusses the Right-of-Way costs in Task 1, Revise/Update Existing Wastewater Capital Construction Cost Estimates.

Right-of-way costs to update Tabula were examined by two methods. Detailed right-of-way costs were worked up for the SR 520 project along the SR 520 corridor by WSDOT Real Estate Services. These costs included urban and suburban residential costs and commercial properties. The other method to establish right of way costs was to examine the changes in property values in King County from 1999 to 2005. Using this information a percent increase in property values from 1999 was established and that percentage was applied to the 1999 Tabula costs. A separate percent growth for urban, suburban and rural property was calculated. The percent growth is based on King County Assessor Area Reports - Executive Summary Reports from 2000 and 2005. The increase in value between 1999 and 2005 was determined from property values shown on this report.

The original land values contained in Tabula were derived from a 1999 memo which gave some real estate costs. This 1999 acquisition memo was written by William Wilbert and indicated that for residential properties that a price of \$110,000/plot should be used. The land properties examined by Mr. Wilbert for his memo were for the submarkets of Snohomish County and North King County. Specifically he mentions Bothell, Woodinville and north to Snohomish. At \$22/sf shown in Tabula that means the average plot size used to determine square foot unit costs was 5,000 square feet or approximately 1/8 of an acre. In the 1999 Tabula program cost the \$22/sf value was then used for urban residential right-of-way costs where the full parcel would be taken. Suburban right-of-way costs were approximately 1/2 of the urban cost and rural markets 1/2 again the suburban property value.

Based on the locations indicated in the 1999 memo CH2M HILL feels that the \$22/sf property value for urban property may have been misapplied. The markets described in the memo indicate that these properties are located in mostly suburban locations. Thus it seems more reasonable to apply this cost to the suburban property value. Also, based on the current real estate environment we feel that it more accurate to state that suburban cost are

¾ of the urban cost and rural properties are ¾ of the suburban cost rather than a ½ factor currently used in Tabula. The reason for this is many suburban areas such as north King County and the Eastside communities have high property values. Below is a new King County Property value chart based on the percent growth and applying that cost to the original \$22/sf suburban property cost. It also shows the urban and rural costs based on the ¾ differential that we recommend for distinguishing urban and rural values. This would then change Table 4 located in the Task 1 memo. The right of way values for urban properties increases from \$44/sf to \$58/sf, while the rural properties values decrease from \$31/sf to \$24/sf.

King County Land Values

Area	2001 Acquisition Cost based on 1999 Value (\$/sf)	Increase from 1999	Current Acquisition Cost (\$/sf)	Permanent Easement (30% value) (\$/sf)
Industrial	\$15	+56.6%	\$23	\$7
Commercial	\$25	+47.0%	\$37	\$11
(Retail)	\$25	+81.5%	\$45	\$14
(Office)	\$25	+12.6%	\$28	\$9
Residential				
Urban	\$29	+98.6%	\$58	\$17
Suburban	\$22	+63.5%	\$36	\$11
Rural	\$17	+41.8%	\$24	\$7

Table 4 (Modified). Right-of-Way Acquisition & Easements

Area	Current Tabula Property Acquisition Cost (\$/SF) (Dec 1999 Dollars)	Current Tabula Permanent Easement Cost (\$/SF) (Dec 1999 Dollars)	Escalated Tabula Property Acquisition Cost (\$/SF) (Sept 2005 Dollars)	Escalated Tabula Permanent Easement Cost (\$/SF) (Sept 2005 Dollars)	Recommended Property Acquisition Cost (\$/SF)	Recommended Permanent Easement Cost (\$/SF)
Residential-Urban	\$22	\$7	\$26	\$8	\$58	\$17
Residential-Suburban	\$10		\$12		\$36	
Residential-Rural	\$5		\$6		\$24	
Industrial	\$15	\$3	\$18	\$4	\$23	\$7
Commercial	\$25	\$6	\$29	\$7	\$37	\$11