MEMORANDUM OF AGREEMENT

BETWEEN

SEATTLE PUBLIC UTILITIES

AND

SEATTLE PARKS AND RECREATION

FOR

JOINT USE OF CITY-OWNED PROPERTY

Effective: _____

Approval and Agreement by:

SEATTLE PUBLIC UTILITIES

Ray Hoffman

DIRECTOR

Date: 10/5/15

Approval and Agreement by:

SEATTLE PARKS AND RECREATION

Jesús Aguirre

SUPERINTENDENT

Date: 10/05/15

Seattle Parks and Seattle Public Utilities
Joint Property Use Master Agreement
Sept 10, 2015

This **MEMORANDUM OF AGREEMENT** (hereinafter referred as "Agreement") is entered into between Seattle Public Utilities (hereinafter referred as "SPU") and the Seattle Department of Parks and Recreation (hereinafter referred as "Parks") to govern the joint use of The City of Seattle ("City")-owned property ("City Property") between SPU and Parks, which is under the jurisdiction of the respective Departments. "Departments" or "Parties" in this Agreement shall mean SPU and Parks collectively.

WHEREAS, Parks and SPU desire to create a clear, consistent and fair policy framework to guide site specific property agreements for the joint use of City Property by SPU and Parks, including SPU's use of property under Parks' jurisdiction, Parks' use of City Property under SPU jurisdiction, or City Property under shared jurisdiction; and

WHEREAS, it is the intent of the Parties to reflect in this Agreement and in future joint use agreements the general City-wide value and importance of maximizing use of City Property for municipal purposes, while recognizing that joint uses of City Property must be conducted in a specific manner consistent with Departmental responsibilities and in accordance with applicable legal considerations, which includes without limitation, RCW 43.09.210 (known as the Accountancy Act), and Seattle City Ordinance 118477 (known and identified herein as "Initiative 42"); and

WHEREAS, this Agreement clarifies and resolves outstanding issues between Parks and SPU by acknowledging legal obligations and setting forth an agreed upon compensation framework for the ongoing joint use of City Property between Parks and SPU that accounts for the applicable legal considerations, operational requirements and Departmental priorities; and

WHEREAS, this Agreement further contemplates that the compensation framework will be applied to future joint use agreements between the Departments involving City Property subject to the approval of City Council authorization as required for any agreed upon compensation owed by, or to be paid between, the Departments; and

WHEREAS, SPU and Parks intend for this Agreement, the Appendices and any amendments thereto, or any future joint use agreements between the Parties, to be interpreted and implemented together in a spirit of coordination, collaboration, and cooperation between the Departments.

Now therefore, the Parties mutually agree to the following general principles, and terms and conditions related to the Joint Use Properties:

1) General Principles and Conditions for SPU and Parks Joint Use of City Property

a) SPU and Parks agree to explore joint use agreements when it is in the mutual best interest of the City or Departments, or if the City Council or Executive shall direct the Departments to utilize jointly City property. The terms of this Agreement shall apply to all future Joint Use property agreements between

SPU and Parks except: a.) where both Departments are jointly participating in a project and have agreed there are mutual and offsetting benefits of the project to each Department (e.g. creek restoration on a Park property); and b.) if either SPU or Parks agrees to transfer property under its jurisdiction that has been deemed as excess or surplus to its departmental needs to the other department in lieu of a joint use agreement; or c.) where the Department heads specifically agree to another framework for a particular joint use.

b) SPU and Parks agree that this Agreement, the Appendices and any amendments thereto, or any future joint use agreements between the Parties, shall be interpreted and implemented together in good faith, and in a spirit of coordination, collaboration, and cooperation between the Departments.

c) SPU and Parks staff will coordinate appropriately to ensure that applicable public processes (e.g., SEPA), project documentation and communications are consistent with the intent of this Agreement to allow for a robust and collaborative decision making process that honors and balances from a City wide perspective each Department's respective legal obligations and requirements (including Initiative-42) in order to prevent premature conclusions on reasonableness or compatibility.

2) Special Principles and Conditions for Joint Use of City Property under SPU's or Parks' Jurisdiction

a) <u>City Property under SPU Jurisdiction</u>:

i. The Departments understand and acknowledge that SPU is charged with operating the water, wastewater and solid waste utilities within and without the City of Seattle, and is responsible for the proper use and management of ratepayer funds for utility purposes.

ii. The Departments understand and agree that joint use by Parks of City Property under SPU jurisdiction is subject to regulatory and other legal restrictions that may impact the types of uses and conditions that can occur on the property. Utility related restrictions serve to preserve the integrity of municipal utility systems (e.g., water quality regulations) and protect the use of ratepayer fees for municipal utility purposes (e.g. RCW 35.92 and 43.09.210).

iii. Parks understands and agrees that these utility related legal restrictions include (a) that any permitted joint use of City property acquired by SPU ratepayer funds does not make such property subject to Initiative 42 absent an express intention by both Departments and the City Council; and (b) that any joint use of City Property under SPU jurisdiction by Parks must comply with all applicable law, including without limitation, RCW 43.09.210.

iv. The Departments agree to meet and confer to determine the various legal and operation considerations of a particular joint use by Parks of City Property under SPU jurisdiction. Parks agrees to present and share information with SPU to, at minimum, demonstrate how any Parks proposal or joint use is consistent with SPU operations and legal obligations, and how Parks plans to ensure that Parks' use of recreational funding from external sources will not include any property covenants or legal conditions to preserve such property for recreational purposes. Similarly, SPU agrees to timely present any concerns, factors, circumstances and considerations that it wishes Parks to consider and address, and shall also provide timely response to information requested by Parks where appropriate

b) **City Property under Parks Jurisdiction:**

i. The Departments understand and acknowledge that the City has established Parks to be a steward of City property held for park and recreational purposes, and is responsible for preserving and protecting Seattle's park system, park boulevards and open spaces to preserve the public character and public use and enjoyment of such City property.

ii. The Departments agree that Ordinance 118477, Initiative 42, governs City Property under Parks jurisdiction. Initiative 42 specifically requires the City to preserve all lands and facilities held for parks and recreation purposes, and no such land or facility shall be sold, transferred, or changed from park use to another usage without adhering to the requirements and conditions set forth in Ordinance 118477.

iii. SPU understands and agrees that all joint uses of City Property by SPU under Parks' jurisdiction is presumptively subject to the requirements of Ordinance 118477.

iv. The Departments agree to meet and confer in good faith to assess the application and implementation of the requirements of Initiative-42 in all instances involving SPU's joint use of City Property under Parks' jurisdiction. During consultation and collaborative meetings, SPU agrees to present and share information with Parks to, at minimum, demonstrate why SPU's joint use of City Property under Parks' jurisdiction is necessary and without other reasonable and practical alternatives, and how any SPU proposal or joint use reasonably maximizes compatibility with park uses in the project location and community, and how such joint use is otherwise consistent with Initiative 42. Similarly, Parks agrees to timely present any concerns, factors, circumstances and considerations that it wishes SPU to consider and address, and shall also provide timely response to information requested by SPU where appropriate.

v. The Departments agree to meet early and often to draw upon the expertise and stewardship of Parks over City property under Parks' jurisdiction, and to facilitate and promote reasonable steps by both Departments to facilitate a collaborative and robust decision-making process, which balances the relevant City priorities while implementing Initiative 42 for any particular joint use.

vi. Both Departments recognize that in certain circumstances a City Council public hearing and City ordinance is required by Initiative 42, and will therefore endeavor to bring a mutual recommendation for an ordinance to City Council, upon opportunity to consult and collaborate.

vii. The Departments agree to consult with the Law Department as needed to consider the application and implementation of Initiative 42 to any particular proposed joint use, and to review any draft documentation, agreements or legislation resulting from collaboration between the Departments under this section.

viii. The Departments agree to meet to develop mutually agreed upon: (a) considerations and criteria for consistent analysis and use between the Departments regarding Initiative 42 in order to facilitate the consultation and collaborative process set forth in this Section 2(b); and (b) specific scenarios or circumstances of property use that the Departments may mutually agree to be inapplicable or exempt from the Initiative 42 analysis.

3. Compensation Framework for Joint Use Situations

Joint property use situations and related agreements will provide for compensation or consideration made to the Site Owner by the Site User based upon four possible elements: 1) temporary use; 2) project design, construction and site restoration; 3) ongoing Operations & Maintenance (O&M); and 4) on-going (i.e. long-

term) joint use presence. The applicable compensatory elements, method of agreement, payment formula(s) and payment logistics will vary depending upon the project/joint use and are described in the table below. For purposes of this Agreement, Site Owner is the department with primary jurisdiction of the property to be jointly used. Site User is the department that wishes to use the property pursuant to some authorization from the Site Owner, e.g. permit, memorandum of agreement, partial transfer of jurisdiction, etc.

Compensatory Element	**Method of Agreement**	**Payment Formula**	**Payment Logistics** *(who pays & timing)*
1. Temporary Use *(Events, Construction, Staging)*	RUP	a. Parks Jurisdiction – Payment amount determined by Park's Council Adopted Revocable Use Permit (RUP) Formula as amended from time to time. Currently defined as *($hr/day) for the first <= 90 days plus Value x Area x Barrier x Return (VxAxBXR) Formula for all time > 90 days.* b. SPU Jurisdiction – Payment amount determined by SPU's Council Adopted Revocable Use Permit (RUP) Formula, if any.	• One time compensation. • Paid by Site User to Site Owner. • Paid (in money or equivalent value in-kind) prior to use and pro-rated, if needed, at the close of use, unless otherwise mutually agreed.
2. Project Design, Construction and Site Restoration	RUP, PTOJ, MOA	a. Project design = Design must be compatible, blend with surroundings, and/or protect infrastructure concerns. b. Project Site Restoration = Any site restoration requirements must have direct nexus to the impacted area and nature of impacts and minimally restore the impacted area to leave no trace of construction and be compatible with the joint use environment. c. Improvements Beyond the Project Site - Any agreed to enhancements or improvements that go beyond the project site or related restoration shall be counted as "in lieu payment" towards ongoing joint use presence payment responsibilities in part 4 below.	• Paid by Site User • Cost embedded in User's approved CIP Project Design & Construction
3. Ongoing O&M, Utilities	PTOJ, MOA	The Site User is responsible for maintaining both: a) its project's physical assets; and b) defined use areas per any agreed to terms. The Site User is also responsible for paying for all utility services associated with its uses. For drainage fees, the Site Users shall be responsible for paying for any increases to the Site Owners drainage fees specifically triggered by their use (if any). Increases shall be determined by the difference in drainage costs for the property with Site User's new use versus the costs without the Site User's use and in the prior state of use.	• Ongoing • Paid by the Site User. • Cost embedded in Site User's asset O&M budget
4. Ongoing Joint Use Presence	PTOJ, MOA	a. Parks and SPU Jurisdictions – Payment amount determined by: Value x Area x Shares (VAS) Formula. Payment can take the form of money or equivalent value in kind, e.g. agreed to improvements in lieu of payment.	• One time compensation • Paid by Site User to Site Owner • Paid at the close of construction.

			• Pay schedule may be negotiated.

4. Method of Agreement for Joint Use Situations

For temporary site uses (e.g. construction staging), Revocable Use Permits (RUPs) will be used as the vehicle for agreement and will include the Minimum Content Requirements outlined in the table below. For the on-going joint use presence, a Council-enacted partial transfer of jurisdiction ordinance (PTOJ) or interdepartmental (or Council-approved) memorandum of agreement (MOA) will be used, and will also include the Minimum Content Requirements outlined in the table below. The use of a PTOJ vs. a MOA is at the discretion of the Site Owner and will be determined based upon the circumstances of the joint use situation and the procedural preference of the Site Owner and may require Council approval as appropriate.

Property Use Type	Method of Agreement	Minimum Content Requirements
Temporary Use	**Revocable Use Permits** ***(RUP)***	• Temporary site use description *(Length of Time, Area, Nature of Use)* • Temporary use compensation Formula and Inputs Description • Construction conditions and post construction site restoration requirements
Ongoing Joint Use Presence	**Partial Transfer of Jurisdiction Ordinance** ***(PTOJ)*** ***Or*** **Memorandum of Agreement** ***(MOA)***	• *Recitals describing current jurisdiction, proposal, process followed, satisfaction of requirements* • Permanent use area description *(including legal description)* • Allowed project and use description and expectations • Documentation of I-42 and RCW 43.09.210 issues *(as appropriate)* • Ongoing O&M Expectations • Ongoing joint use presence compensation Formula and Inputs Description • Dispute Resolution • Term of Agreement • Effective Date

5. Determining '*Compensation for Temporary Use*' – Formulas & Definitions

For properties under Parks' jurisdiction, one-time 'compensation for temporary use' (e.g. construction staging) will be determined using Parks' Council-adopted Revocable Use Permit formulas for Non-park Use in effect at the time of the joint use. This formula is currently defined as an $x/day rate for temporary uses of 90 days or less or an established Value x Area X Barrier X Rate (**VxAxBxR)** formula described in the table below for temporary uses over 90 days. For properties under SPU jurisdiction, the parties agree to amend this section to include any future Council-adopted formula. For temporary use compensation, both parties agree to use the formula and charges that are in place at the time of the proposed use. Where a joint use situation involves both temporary and on-going uses, the parties also agree to use the same land Value (V) established for the purposes of temporary use calculations as the land Value (V) used for purposes of the ongoing joint use presence compensation calculation described in section 6 below. Payment for temporary use will be made prior to use and then pro-rated to actual time used, unless otherwise mutually agreed. Any over-payment shall be refunded, except in cases of failure to comply with terms and conditions of the permit.

Variables		Inputs
V	Value/sf	Use ***Assessed developed land value*** per square foot determined by averaged assessed land values of comparable and reasonable (similarly zoned, amenity) nearby non-park property.
A	Area (sf)	Total square feet of park land used or occupied being subject to barrier to public use or enjoyment.
B	Barrier	Assign barriers as follows. If two or more barriers apply then the greater factor shall be used: 1 – full use and occupancy of area; preventing public use/occupancy or denying access 0.7 – perceptual barrier that captures public space. 0.35 – inconsistency with park design/park character.
R	Return	The rate of return is set at 10% and is used to annualize the continuing use permit fee.

6. Determining *'Compensation for Ongoing Joint Use Presence'* – Formula & Definitions

For properties under either Parks' or SPU's jurisdiction, one-time compensation for ongoing joint use presence will be established by the formula Value x Area X Share (**VxAxS)** as defined below. This one-time payment is intended to be consistent with RCW 43.09.210 accountancy act requirements and shall be made by the Site User to the Site Owner. SPU and Parks may mutually agree to accept in-kind payment or payments on a negotiated schedule. Detailed definitions, derivations and calculation examples of the VxAxS formula are provided in *Appendix 1.*

Variables		Inputs
V	Value/sf	1. Use ***Assessed developed land value*** per square foot for ***building areas*** in joint use 2. Use ***Assessed raw land value*** per square foot for ***non-building areas*** in joint use
A	Area (sf)	1. Use only ***Active use areas (building + non-building areas)*** in joint use, by square feet
S	Share	1. Use only the ***Site user's share*** in joint use.

7. Site Specific Application of Compensation for Current Joint use of City Property

The compensation provisions of this Agreement are intended to guide all future site specific joint use agreements between SPU and Parks, unless otherwise agreed to by the Department heads or as directed by Council or Executive. This Agreement further applies the compensation framework and applicable legal considerations and requirements for current and ongoing joint use of specific City Property, as summarized in **Appendix 2**, subject to the approval of City Council authorization as required for any agreed upon compensation owed by, or to be paid between, the Departments. As part of this general Agreement, the parties also agree to specifically apply these provisions to uniformly address and resolve known outstanding issues related to existing site specific joint use situations associated with recent and/or in progress SPU and Parks projects. These projects include Parks use of SPU reservoir property and SPU use of Parks' property for recent stormwater and combined sewer control projects. Appendix 2 details Parks and SPU's agreed to site specific joint use compensation values consistent with the terms of this Agreement. This Agreement is intended to resolve all outstanding consideration issues relating to the joint use of property between the Departments, unless otherwise agreed to by the Department heads and excepting unique circumstances related to Volunteer and Roosevelt reservoir uses, which will be handled in separate agreements.

8. Compensation and Payment Between SPU and Parks for Current Joint Use of City Property

SPU and Parks mutually agree that, based on the site specific joint use situations detailed in **Appendix 2** and as of the date of this Agreement, the following payments are owed to the respective Departments as a one-time payment as follows:

Department	Fund	Amount Owed to Parks	Amount Owed to SPU	Joint Use Situation
Seattle Public Utilities	Drainage & Wastewater	$5,191,804		Washington Park Playfield, Magnuson, Genessee, Seward Park CSO/Stormwater Uses
Seattle Public Utilities	Water	$203,570		Bobby Morris portion of Lincoln
Parks			$5,529,211	Beacon, Bitterlake, Lincoln, Magnolia, Maple Leaf , Myrtle, West Seattle Park uses at Reservoir sites

Payments shall represent one-time, in full compensation for these specific joint uses at these specific sites and shall resolve all outstanding joint use situations unless otherwise agreed upon. The Departments agree to process these payments in full as part of a Quarterly Budget Supplemental process before the first quarter of 2016, and is subject to approval by City Council.

Any compensation for Site Specific Joint Uses not included in **Appendix 2** will be pursuant to further agreement by SPU and Parks consistent with this Agreement, and any approval as necessary by City Council.

9. Determination and Agreement on Joint Use Compensation Values

Real property and project management staff at each department will agree on compensation values for specific joint use projects based on the provisions of this Agreement prior to project approval and construction. Documentation of compensation values will follow the documentation requirements outlined in the table below and be kept in the respective Department's project and real property related files. Compensation values and accompanying agreements (eg RUP, MOA or PTOJ) and any supporting documentation must be approved by the Superintendent of Parks and the Director of SPU or their designees and Council, if necessary.

Documentation Requirements Site Specific Joint Use Compensation

1. **Use Area and Allowed Use Documentation**
   a. Limits of Construction Area for Temporary Use (RUP) Map
   b. Extent of On-going Use Presence Area Map
   c. On-going Use area Legal Description
   d. Design Documents/Diagram showing use areas and describing uses
   e. Overlay or diagram with current uses, as needed

2. **Compensation Calculations**
   a. Excel Sheet and Map of Comparables Used for Land Valuation Determination
   b. Temporary Use (RUP) Calculation, if appropriate
   c. On-Going Joint Use Presence (VAS) Calculation, if appropriate

10. Dispute Resolution

The Real Property managers in each department will be responsible for the implementation of this Agreement, including any ongoing training of real property staff and project staff who must consider joint property use situations, the special conditions under Section 2, and the application of the compensation formulas in project planning and implementation. Any disputes arising out of understanding or application of this Agreement shall be resolved by the parties at the lowest possible level and if necessary, elevated to their respective managers and then Department heads or their designees as appropriate.

11. Precedence

The Parties agree this Agreement should take precedence over any prior inconsistent agreement between the Departments to the extent any prior agreements exist. Therefore, this Agreement and any Appendices hereby supersedes, where inconsistent, conflicting or uncertain, or any other provision of any existing prior agreements between SPU and Parks related to the joint use of the Departments of City Property. Both Departments agree that nothing in this Agreement or the Appendices shall be interpreted or implemented in a manner inconsistent with City Ordinances, the Seattle Municipal Code, or applicable law.

12. Term of Agreement

The Parties agree that the term of this Agreement shall begin on the date of mutual execution by the Departments, and shall remain in effect from the date of mutual execution until Parks or SPU terminates such agreement in writing, or until terminated by mutual written agreement between the Departments. The Parties will conduct periodic reviews to update this Agreement, and the Director of SPU, or designee, and the Superintendent of Parks, or designee, may mutually agree to amend the terms, or attachments or appendices. The parties intend this Agreement to govern all future joint use of property by Parks and SPU until terminated, as set forth above.

13.Appendices

The following appendices are incorporated by reference to this Agreement.

Appendix 1 – Compensation for Ongoing Joint Use Presence, Definitions, Derivations and Calculation Examples (3 pages)

Appendix 2 – Parks and SPU Agreed to Site Specific Applications (2 pages)

Appendix 1
Compensation for Ongoing Joint Use Presence
Definitions, Derivations and Calculation Examples

	Definitions and Derivations
Value (V)	The **Value (V)** is the average per square foot value determined from "across the fence" King County Assessor's Current Year Value for Land **Only** for mutually agreed to comparable properties in the surrounding neighborhood. ***Comparable properties*** will be selected from developed or development ready parcels contiguous or "across the fence" from the joint use area that best reflect the characteristics of that area *(e.g. proximity to water, views, typical lot size, zoning)*. The assessed developed land value shall reflect a ***weighted average*** of all agreed to comparable properties derived from *the sum of all assessed land only values divided by the sum of all parcel size rounded to the nearest cent.* Appraised land values will not be used. If the active use area is a "building", the fully ***developed land value (dlv)*** will be used in the calculation for the use's respective area. If the active use area is a non-building, a ***"raw" land value*** (rlv) will be used which is 1/3 of the developed value. To establish valuation, a minimum of 10 property values should be used with an understanding that more is better than fewer. **Application:** The ***assessed developed land value (dlv)*** per square foot will be applied to **all building areas** per square foot in joint use that are also included in the area determination below The ***assessed raw land value (rlv)*** per square foot will be applied to **all non-building areas** per square foot in joint use that are also included in the area determination below. An exception will be made for passive benefit areas (pb) defined under Area (A) below. These lands will be assigned a valuation of zero in recognition of the offsetting maintenance and monitoring value and benefits to the site owner being provided by the site user.
Area (A)	The **Area (A)** consists of the actual square footage being used as determined by ArcGIS, as-built documents, survey, etc. For valuation purposes, use areas are then broken down into distinct types as follows. ***Active use areas (au)*** are defined as the total square footage of ***building areas*** + ***non-building areas*** in joint use characterized by permanent, fixed, structured, impact intensive, or programmed utilization for agreed to purposes and where removal from the joint use area would be very difficult to replicate or replace. ***Building areas*** are defined as above- or below- ground structures (including required set-backs) requiring development ready land with full utility services to operate *(e.g. community centers, bathrooms, pavilions, fountains, wading pools, picnic shelters, operational storage tanks and utility facilities)*. ***Non-building areas*** are defined as above- or below ground joint use areas and facilities that are in active use but don't require development ready land with full utility services to operate *(e.g. play areas, formalized play fields and facilities, parking, skate parks, tennis courts, sports courts, rain gardens, baseball diamonds, public art, swales, isolated pipe easements)*. The Driving range building and range footprint with lighted poles are considered a half building and half non-building hybrid. ***Passive benefit areas (pb)*** are defined as the total square footage of open landscaped areas, pathways, community gardens and gathering areas that are easily removable or replaceable **and** where the joint site user is taking responsibility for liability, monitoring and maintenance consistent with the area's enhanced service and use level (e.g. access drives, off leash areas, lawn bowling lawns. **Application:** Only ***active use area (au)*** square footage in joint use will be used for the area value. ***Passive benefit areas (pb)*** will be omitted in recognition of the maintenance and monitoring value and benefits to the site owner being provided by the site user.
Share (S)	The **Share (S)** represents the adjusted percentage of use available to both departments at each joint use site. Shares will be defined for the joint use area for both the ***site owner*** and ***site user***. The ***site owner*** is defined as the Department with all or majority jurisdiction. The ***site user*** is defined as the Department with no or minority

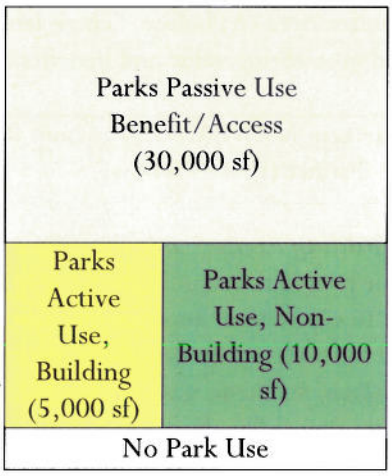
jurisdiction. Jurisdiction is defined by the most recent source of City funds to pay for property purchase. Share calculations assume the ***site owner*** and ***site user*** begin with 100% site use *(or 200% combined joint site use)*. Any ***reductions (or additions) to <u>maximum</u> site use %*** are defined by ***barriers*** to the site owner or user imposed thru joint use, which may occur despite overall use compatibility. Barriers include: maintenance closures, constraints on future flexibility/programming, environmental losses, perceived disturbances (noise, odor), asset risks, revenue generation factors, instigating requirements, and responsibilities. Any agreed to reductions lower respective site owner or site user site use % *(as well as the overall combined joint use total)* for calculations purposes. The ***Site owner and site user's shares*** are then derived by taking each individual site use % (less barriers) divided by the total overall combined use % (less barriers).

<u>Application:</u>
Only the ***site user's share*** will be used in the compensatory calculation. Compensation will be made only to the site owner.

VxAxS Calculation Examples

#1 - Parks Facilities on SPU Reservoir Property

SPU Property - Uses



5 Comparables: Across the Fence (ATF) Values

Assessed Land Value	Parcel sq ft
$330k	8,000
$340k	8,000
$340k	8,000
$340k	8,000
$330k	8,000
$1,680,000	**40,000**

Value Applied To: 1) Parks Active Use, Building = ($1,680,000/40,000 sf) = $42.00/sf
2) Parks Active Use, Non-Building = ($42.00/3) = $14.00/sf

Areas Affected: 1) Parks Passive Use Benefit 30,000 sf (Gravel paths and landscaping within SPU parcel)
2) Parks Active Use, Non-Building 10,000 sf (Parks playground area)
3) Parks Active Use, Building 5,000 sf (Parks office and rest rooms)

Shares: SPU Share of effective use: 100% (No limitation on SPU designed function)
Parks Share of effective use: 60% (Limited by non-permanent rights and size limit)
<u>Parks Use Share</u>: 60%/(100% + 60%) = **37.5%**

Compensation by Parks: **V*A*S** = ((30,000 * $0.00) + (10,000 * $14.00) + (5,000 * $42.00)) * 37.5% = **$131,250**

#2 - SPU Underground Tank on Parks Property

Parks Property - Uses

SPU Active Use, Non Building (2,000 sf)	SPU Active Use, Building (30,000 sf)
Other Area Unaffected by SPU	

5 Comparables: Across the Fence (ATF) Values

Assessed Land Values	*Parcel sq ft*
$500k	10,000
$425k	10,000
$400k	10,000
$425k	10,000
$500k	10,000
$2,250,000	**50,000**

Value Applied to: 1) SPU Active Use, Building = ($2,250,000/50,000 sf) = $45.00/sf
2) SPU Active Use, Non-Building = ($45.00/3) = $15.00/sf

Areas Affected: 1) SPU Active Use, Non-building 2,000 sf (Unpaved access driveway)
2) SPU Active Use, Building 30,000 sf (Underground tank and pipe, including set-backs)

Shares: SPU Share of effective use: 100% (No limitation on SPU designed function)
Parks Share of effective use: 80% (Limited by programming limitations & maintenance)
SPU Use Share: 100%/(100% + 80%) = **55.6%**

Compensation by SPU: **V*A*S** = ((2,000 * $15.00) + (30,000 * $45.00)) * 55.6% = **$767,280**

Appendix 2

Parks and SPU Site Specific Applications