

SITE DESCRIPTION

Introduction:	The subject of this report is an undeveloped property with "C-3" zoning that is located on the western side of Center Parkway, south of Tapteal Drive, in southeastern Richland. The property is rectangular in shape and enjoys average visibility and access.
Address:	West side of Center Parkway, south of Tapteal Drive Richland, Benton County, WA 99352
Location:	The subject is located on the western side of Center Parkway, south of Tapteal Drive in southeastern Richland.
Shape:	The subject is rectangular in shape.
Topography:	The subject is level and at street grade.
Total Site Area:	64,033 square feet (1.47 acres)
Frontage:	The subject has direct frontage on Center Parkway.
Access:	Overall, access to the subject is rated as "average".
Visibility:	Overall, the visibility of the subject is rated as "average".
Adjacent Uses:	To the west and north of the subject is parcel 130994000033000, an undeveloped 3.36-acre parcel that is also zoned C-3. Further to the west is additional undeveloped commercial land and to the north, on the northern side of Tapteal Drive, is a Macy's Home store). To the east, on the eastern side of Center Parkway, is a Holiday Inn Express Hotel. To the south is a railroad right-of-way that is utilized by four railroad companies.
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support and proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Utilities:	All public utilities are available.
Site Improvements:	None
Land Use Restrictions:	We were not given a title report on the subject property to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the property's use. However, we recommend a title search to determine whether any adverse conditions exist.
Flood Zone:	FEMA flood zone C.

FEMA Map & Date:	535533 0015E, dated March 1, 1984
Flood Zone Description:	Areas outside of a 100-year flood hazard.
Wetlands:	We were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
Overall Site Utility:	Overall, the utility of the subject is rated as "average".
Location Rating:	<p>While enjoying good visibility from Interstate 204 the subject's location is rated as "below average" due to the difficulty of getting to it from the Columbia Center regional shopping mall that is located to the southeast, on the southern side of the railroad right-of-way that defines the southern boundary of the subject.</p> <p>The City of Richland plans to extend Center Parkway to the south to the Columbia Center mall, which will significantly increase the accessibility, and utility, of the subject, and it was reported that an agreement had been reached with all four of the railroad companies to allow for the extension but that one of the companies made additional demands at the last minute.</p> <p>There are rumors that the City of Richland may file a lawsuit which, in all likelihood, will forestall the extension of Center Parkway for an extended period of time.</p>

LOCAL AREA ANALYSIS

LOCATION

The subject property is located in the Richland Junction neighborhood of southeastern Richland, approximately ½ of a mile from the junction of State Route 240 and North Columbia Center Boulevard. The Richland Junction neighborhood is a part of the greater Columbia Center area, the Tri-Cities' primary retail and hospitality area. Encompassing land that is located within the city limits of Kennewick as well as Richland, the Columbia Center area is defined by Tapteal Drive to the north, Steptoe Street to the west, West Gage Boulevard and West Quinalt Avenue to the south and North Columbia Center Boulevard to the east (extending south to West Clearwater Avenue).

ACCESS

Local area accessibility is generally good, relying on the following transportation arteries:

Local: The primary north-south arterials in this area are North Columbia Center Boulevard, which defines the area's eastern border, and Leslie Road, which defines the area's western border. The primary east-west arterials are West Gage Boulevard and West Clearwater Avenue.

Regional: State Route 240 is of the two primary routes through the Tri-Cities (the other being Interstate 182 which runs north of the Columbia River through the city of Pasco). State Route 240 connects with State Route 395 in eastern Kennewick (which provides access to Interstate 90 and eastern Washington) and with Interstate 182 in central Richland. Interstate 182 then connects with Interstate 82 approximately four miles to the west of the Tri-Cities (which provides access to western Washington and northern Oregon).

The Tri-Cities Airport, which is located in northern Pasco and is easily accessed via State Route 240 and Interstate 182, provides direct service to several western airports as well as commuter service to the region's international airports.

PUBLIC TRANSPORTATION

Ben-Franklin Transit operates public bus service throughout the Tri-Cities and has stops near the subject.

LOCAL AREA CHARACTERISTICS

The Columbia Center area is the retail and entertainment hub for the Tri-Cities with the only regional mall (Columbia Center), the Tri-Cities coliseum, a large concentration of hotels, restaurants, and big box retailers (Lowe's ShopKo, Target, Costco, Wal-Mart), strip retail, and office development.

Development in the neighborhood has followed the boom and bust cycles over the past 20 years. Roughly 30% of the commercial properties in the immediate neighborhood were developed since 1990, when Hanford employment was surging and many national companies entered the Tri-Cities market. This rapid development in the retail and hospitality sectors has helped the Tri-Cities diversify, although Hanford employment still drives the service industry and makes up a majority of the highest paying jobs in the area.

Columbia Center Boulevard is primarily developed with intense commercial uses such as big box retailers, strip retail centers, hotels, restaurants, and a regional mall; there are some less intense uses such as apartments and used car lots located at the north and south fringes of the arterial. The area is anchored by the Columbia Center Mall, a regional enclosed shopping mall that is anchored by JC Penney, Sears, Bon Marche, and has over 100 specialty shops. In addition to the regional mall, the Tri-Cities Sports Coliseum also acts a major draw to the neighborhood. It is the home of the Tri-Cities Americans Hockey team and the Tri-Cities Chinooks Basketball team, as well as numerous concerts and events.

Other developments along North Columbia Center Boulevard include Kennewick Square, which was previously anchored by Best (now a new Bed, Bath and Beyond and Gateway Computer store) and contains several small retailers and restaurants, a shopping center anchored by Thriftway (currently vacant), and another shopping center (Tri-Cities Center) formerly anchored by K-Mart. In addition, there are several sit-down and fast food restaurants including Red Lobster, Applebee's, Arby's, Burger King, and Jack in the Box, and hotels including West Coast Columbia Center, Fairfield Inn, Silver Cloud Inn, Comfort Inn, Super 8, and Motel 6.

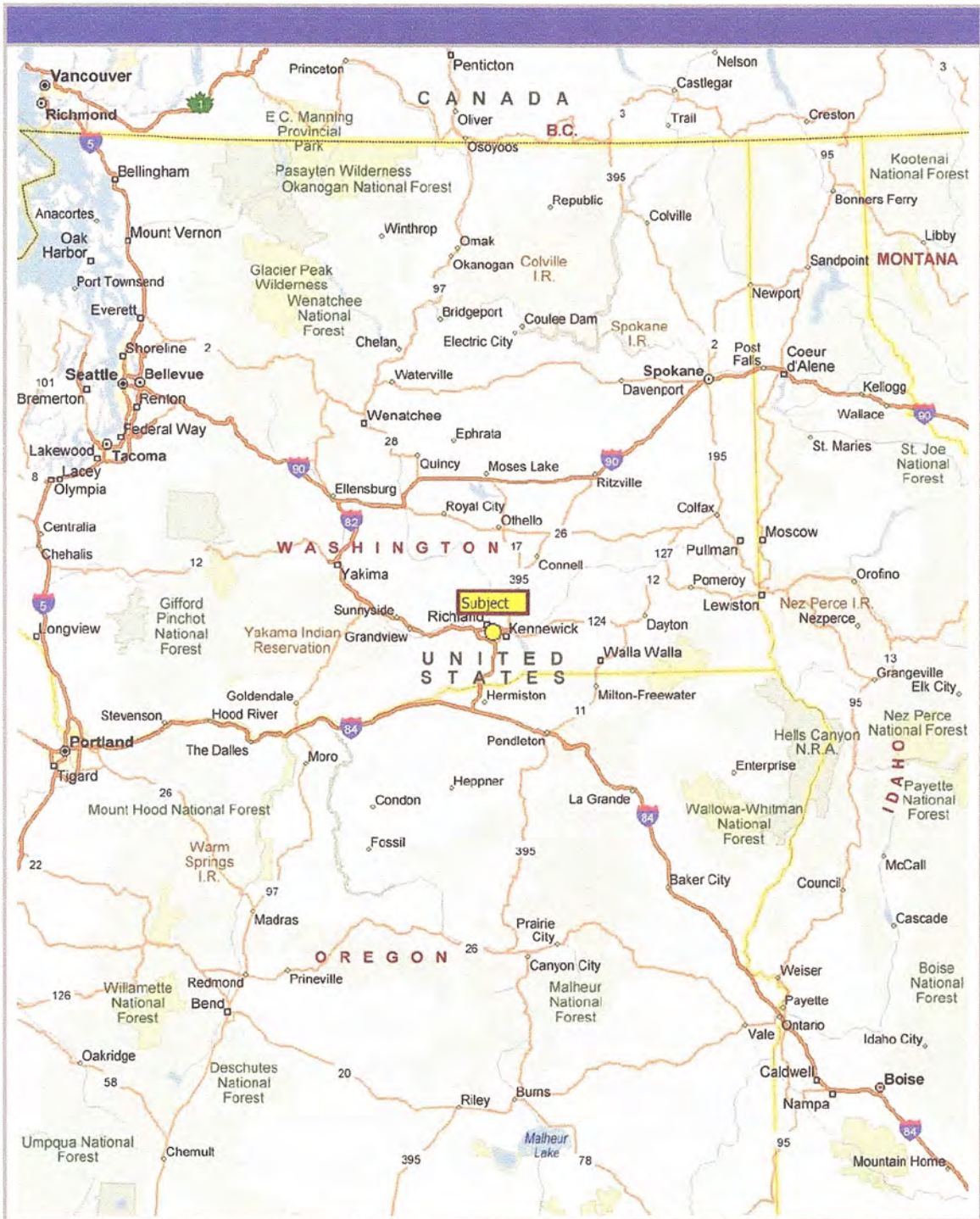
This area experienced significant development over the past decade, mostly concentrated around the Richland Junction (State Highway 240 and North Columbia Center Boulevard), east of North Columbia Center Boulevard and along Canal Drive. Approximately ten years ago, Smith's Home Furnishings constructed a large, good-quality retail outlet in the northwest quadrant of the State Highway 240 interchange while United Furniture, Cost Less Carpet and Smart & Final constructed average quality buildings at the northeast quadrant. Smith's has since filed bankruptcy and its building is currently occupied by the State of Washington DSHS and a Sears appliance warehouse.

CONCLUSION

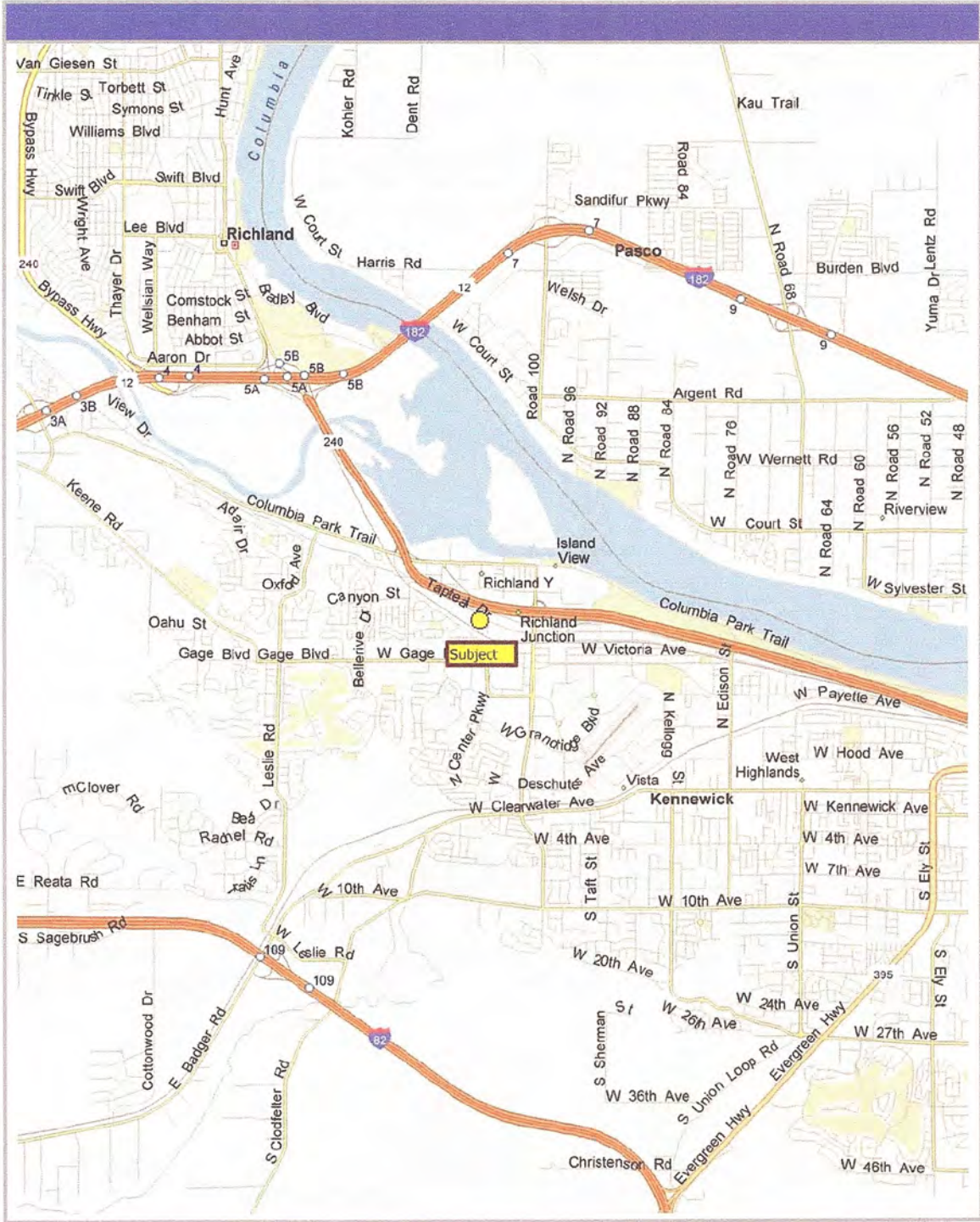
The subject neighborhood is characterized as a regional shopping district that is well located and does not have any significant competition in the Tri-Cities metropolitan area. It has seen a significant amount of new, good-quality development in the retail, hospitality, and office sectors within recent years and, as of the date of this appraisal, new development is ongoing.

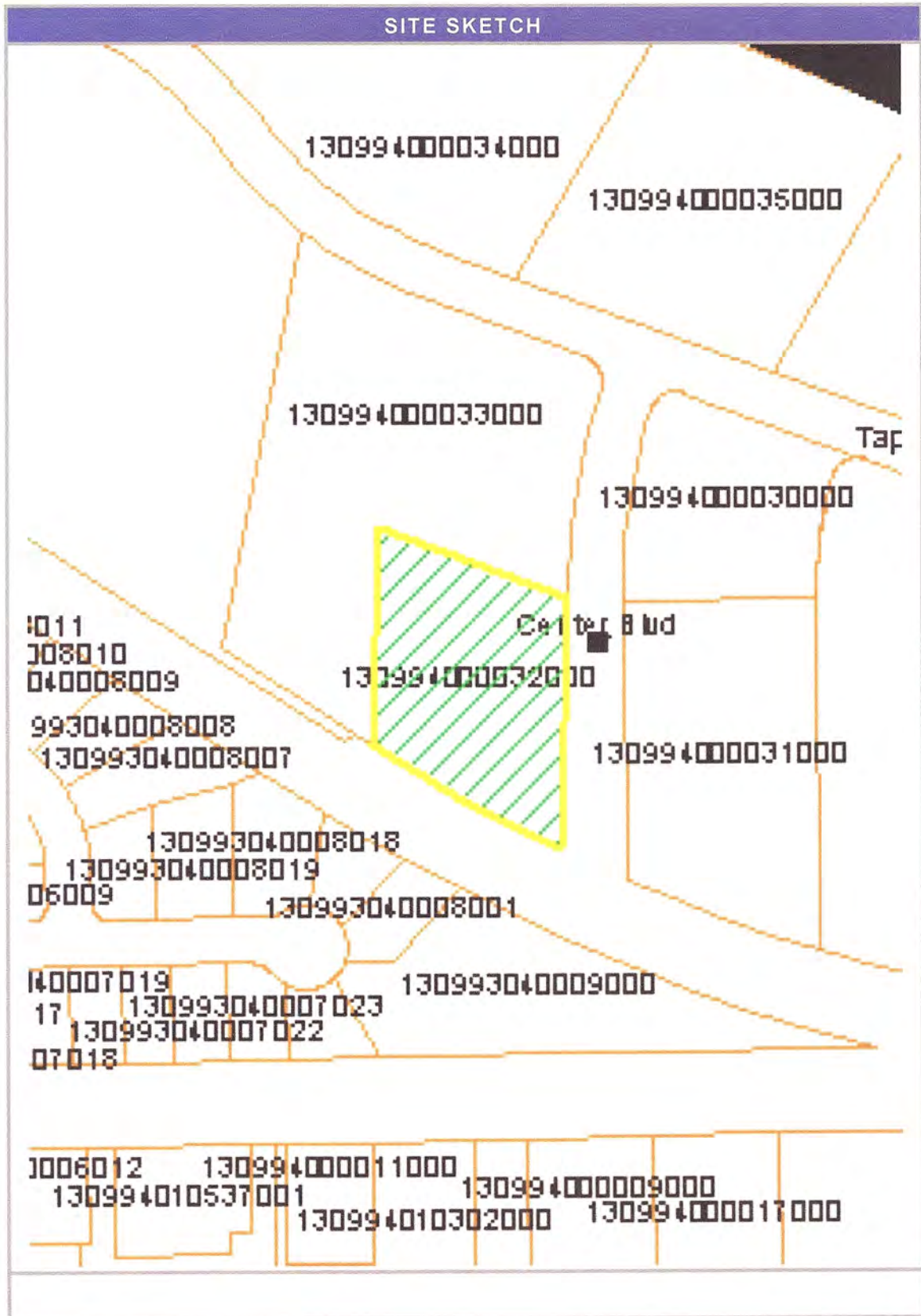
It is difficult to forecast neighborhood actions in the Tri-Cities area due to the highly cyclical nature of this market. This is attributable to its reliance on the Hanford Nuclear Reservation that has a long history of rapid changes in employment. Continued growth and stability are expected given the nature of the properties in the neighborhood, particularly the influence of the destination retail properties. Current uses will provide the catalyst for strength and stability in the neighborhood. Although there is limited land fronting on the arterials, there is sufficient vacant land in secondary locations for continued development of office and service related uses.

REGIONAL MAP

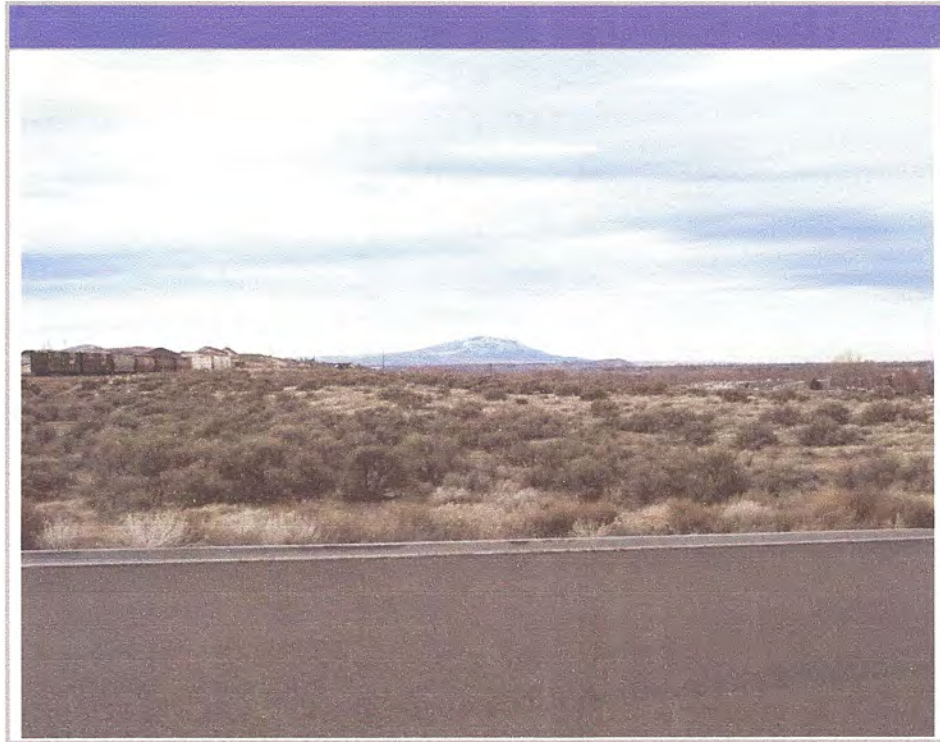


LOCAL AREA MAP

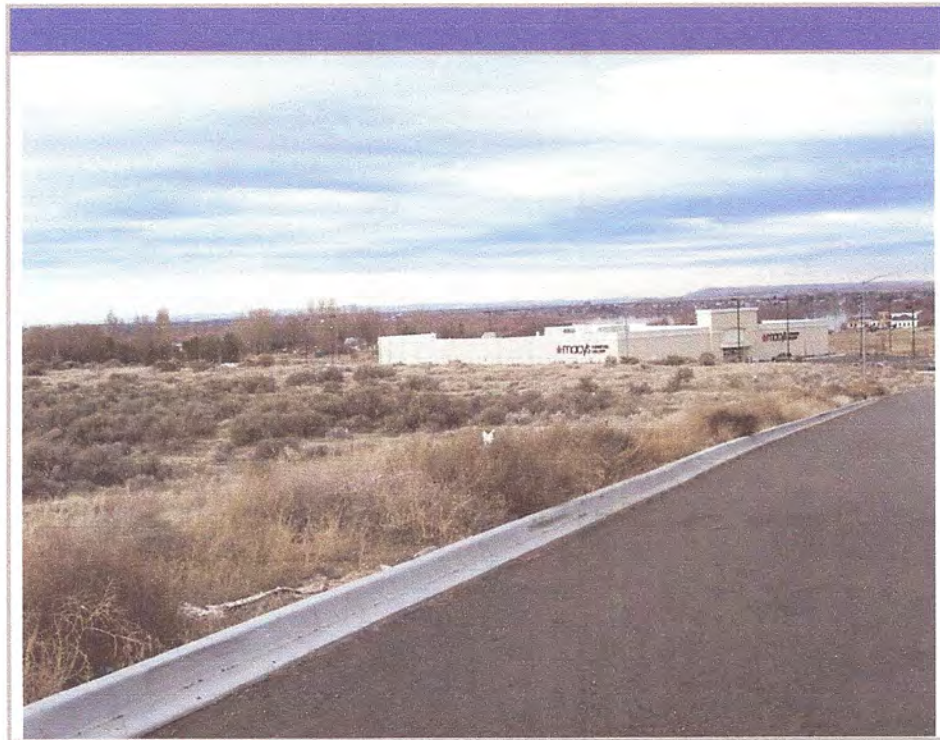








Subject (seen from Center Parkway)



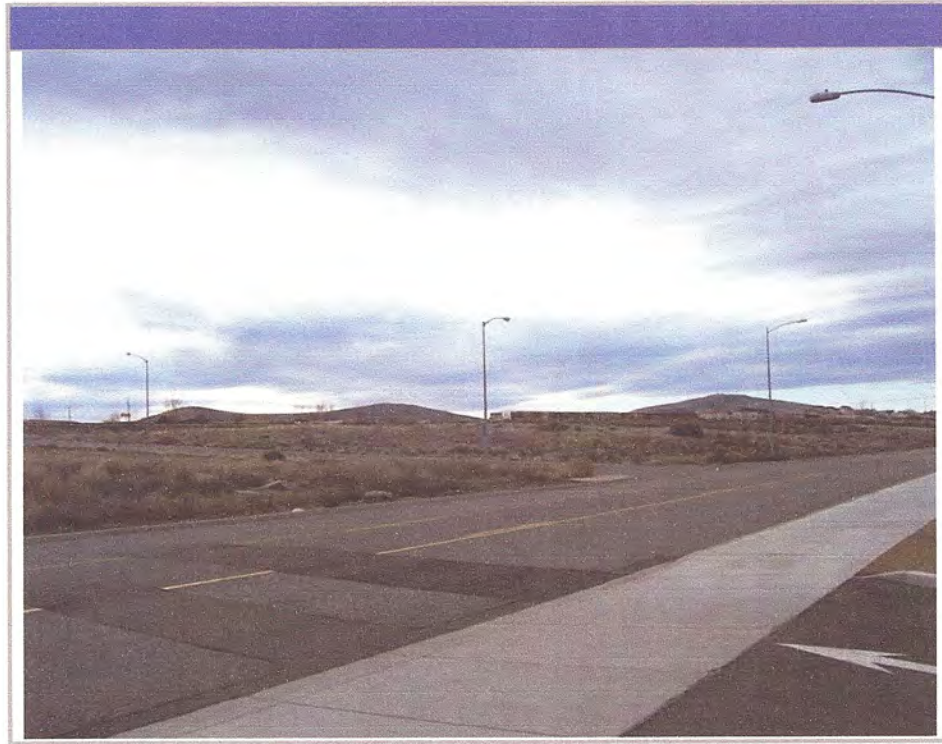
Another view of the subject from Center Parkway.



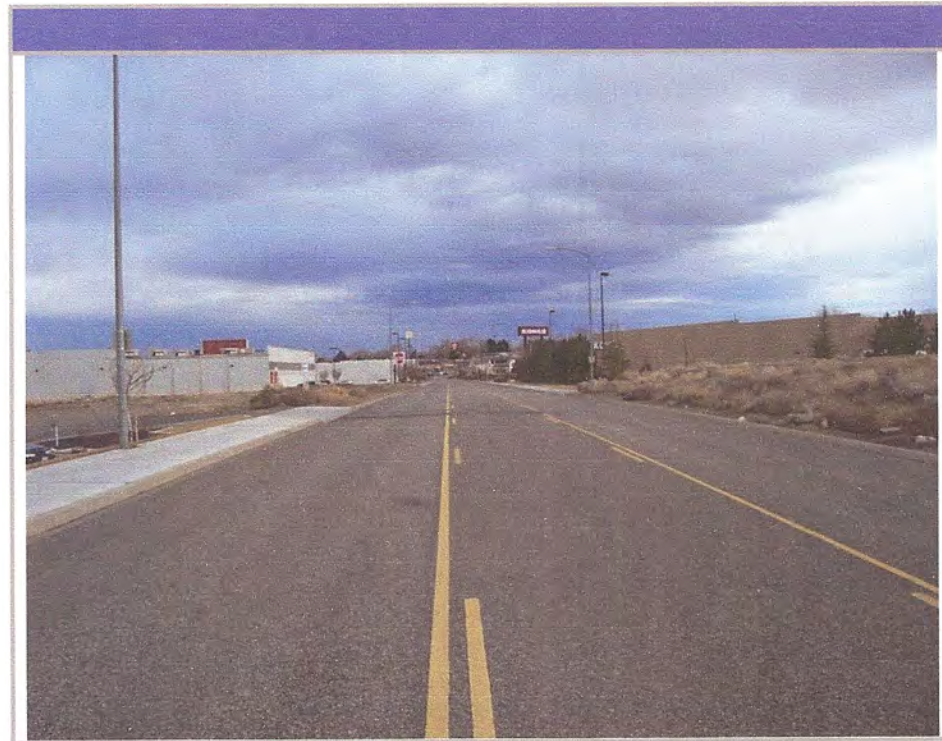
Looking north along Center Parkway (subject is to the left).



Holiday Inn Express that is located across Center Pkwy from the subject



Subject and parcel 130994000033000 as seen from Tapteal Drive.



Looking east along Tapteal Drive from Center Parkway.