

**Commercial Revalue**

**2017 Assessment roll**

**BOEING**  
**AREA 625**

**King County, Department of Assessments**  
**Seattle, Washington**

**John Wilson, Assessor**



## King County

### Department of Assessments

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***John Wilson***  
***Assessor***

Dear Property Owners,

Our field appraisers work hard throughout the year to visit properties in neighborhoods across King County. As a result, new commercial and residential valuation notices are mailed as values are completed. We value your property at its “true and fair value” reflecting its highest and best use as prescribed by state law (RCW 84.40.030; WAC 458-07-030).

We continue to work hard to implement your feedback and ensure we provide accurate and timely information to you. We have made significant improvements to our website and online tools to make interacting with us easier. The following report summarizes the results of the assessments for your area along with a map. Additionally, I have provided a brief tutorial of our property assessment process. It is meant to provide you with the background information about the process we use and our basis for the assessments in your area.

Fairness, accuracy and transparency set the foundation for effective and accountable government. I am pleased to continue to incorporate your input as we make ongoing improvements to serve you. Our goal is to ensure every single taxpayer is treated fairly and equitably.

Our office is here to serve you. Please don't hesitate to contact us if you ever have any questions, comments or concerns about the property assessment process and how it relates to your property.

In Service,

John Wilson  
King County Assessor

# How Property Is Valued

King County along with Washington's 38 other counties use mass appraisal techniques to value all real property each year for property assessment purposes.

## What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 700,000 residential, commercial and industrial properties. More specifically for commercial property, the Assessor breaks up King County into geographic or specialty (i.e., office buildings, warehouses, retail centers, etc.) market areas and annually develops valuation models using one or more of the three standard appraisal indicators of value: Cost, Sales Comparison (market) and Income. For most commercial properties the income approach is the primary indicator of value. The results of the models are then applied to all properties within the same geographic or specialty area.

## Are Properties Inspected?

All property in King County is physically inspected at least once during each six year cycle. Each year Assessor's appraisers inspect a different geographic area. An inspection is frequently an external observation of the property to confirm whether the property has changed by adding new improvements or shows signs of deterioration more than normal for the property's age. For some larger or complex commercial properties an appraiser may need to also conduct an interior inspection of the buildings or property. From the property inspections we update our property assessment records for each property.

## How are Individual Commercial Properties Valued?

The Assessor collects a large amount of data regarding commercial properties: cost of construction, Sales of property, and prevailing levels of rent, operating expenses, and capitalization rates. Statistical analysis is conducted to establish relationships between factors that might influence the value of commercial property. Lastly valuation models are built and applied to the individual properties. For income producing properties, the following are the basic steps employed for the income approach:

1. Estimate potential gross income
2. Deduct for vacancy and credit loss
3. Add miscellaneous income to get the effective gross income
4. Determine typical operating expenses
5. Deduct operating expenses from the effective gross income
6. Select the proper capitalization rate
7. Capitalize the net operating income into an estimated property value

## How is Assessment Uniformity Achieved?

The Assessor achieves uniformity of assessments through standardization of rate tables for incomes, operating expenses, vacancy and credit loss collections and capitalization rates which are uniformly applied to similarly situated commercial properties. Rate tables are generated annually that identify specific rates based on location, age, property type, improvement class, and quality grade. Rate

tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results to properties based on their unique set of attributes.

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure for and show the uniformity of predicted property assessments. We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers (aka IAAO) that may be reviewed at [www.IAAO.org](http://www.IAAO.org). The following are target CODs we employ based on standards set by IAAO:

Type of Commercial Property	Subtype	COD Range
Income Producing	Larger areas represented by large samples	5.0 to 15.0
Income Producing	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant Land		5.0 to 25.0
Other real and personal property		Varies with local conditions

Source: IAAO, *Standard on Ratio Studies*, Table 2-3. [www.IAAO.org](http://www.IAAO.org)

More results of the statistical testing process is found within the attached area report.

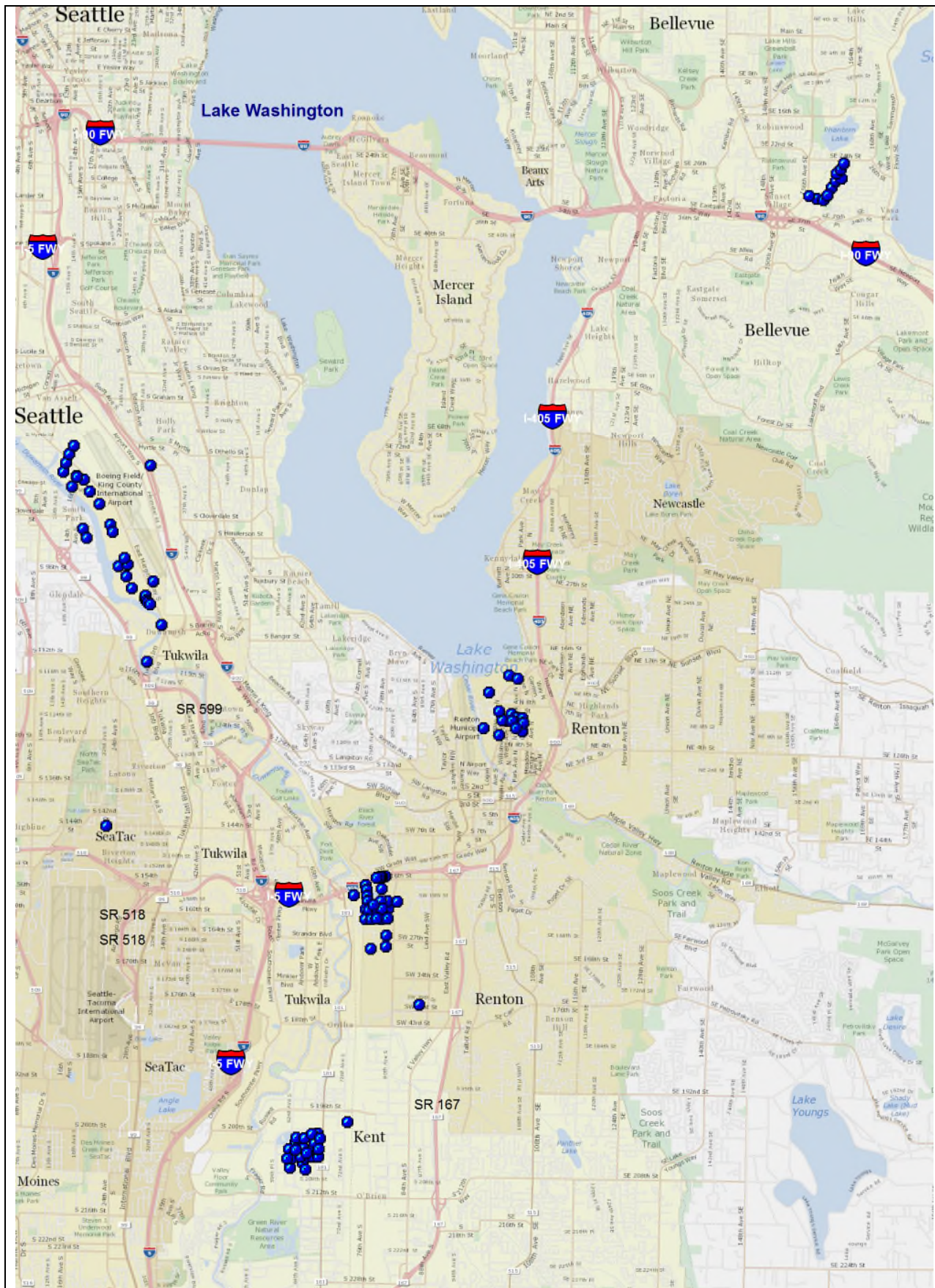
## Requirements of State Law

Within Washington, property is required to be revalued each year to market value based on its highest and best use. (RCW 8441.030; 84.40.030; and WAC 458-07-030). Washington Courts have interpreted fair market value as the amount of money a buyer, willing but not obligated to buy, would pay to a seller willing but not obligated to sell. Highest and Best Use is simply viewed as the most profitable use that a property can be legally used for. In cases where a property is underutilized by a property owner, it still must be valued at its highest and best use.

## Appraisal Area Reports

The following area report summarizes the property assessment activities and results for a general market area. The area report is meant to comply with state law for appraisal documentation purposes as well as provide the public with insight into the mass appraisal process.

# Boeing Specialty 625 Properties



The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representation or warranties, express or implied, as to the accuracy, completeness, timeliness, or rights to the use of such information. King County shall not be liable for any general, special, indirect, incidental, or consequential damages including, but not limited to, lost revenues or lost profits resulting from the use or misuse of the information contained on this map. Any sale of this map or information on this map is prohibited except by written permission of King County.



## Executive Summary Report

**Appraisal Date 1/1/2017**

### **Specialty Assignment**

- Boeing

### **Numerical Designation**

- 625

### **Population Summary**

	<b>Land*</b>	<b>Improvements</b>	<b>Total</b>
<b>2016 Value</b>	\$840,598,100	\$780,900,500	\$1,621,498,600
<b>2017 Value</b>	\$906,307,300	\$757,197,200	\$1,663,504,500
<b>Percent Change</b>	+7.82%	-3.04%	+2.59%

\* Land values represent values prior to any adjustment for contamination

**Population:** There are 131 tax parcels in the Boeing specialty.

### **Conclusion and Recommendation:**

The values recommended in this report improve uniformity of values. We recommend posting them for the 2017 Assessment Year.

## **Identification of the Area**

### **Name or Designation**

- Boeing Specialty- 625
- The Boeing Company owns 131 tax parcels in King County

## Identification of the Area

### Area 625 Neighborhoods

- **625-10** Renton
- **625-11** Duwamish
- **625-25** Longacres
- **625-30** Kent
- **625-33** Bellevue
- **625-35** Spares Distribution Center
- **625-52** Industrial

### Boundaries

All of the Boeing owned properties covered by this report lie within King County, Washington

### Maps:

General maps of the area are included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building or the King County Assessor's website.

### Specialty Description:

Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft combined. The company is organized into two business units: Boeing Commercial Airplanes and Boeing Defense, Space & Security. Boeing Commercial Airplanes (BCA), headquartered in Renton, is organized into the following areas: airplane programs, VIP-derivative airplanes, extensive fabrication and assembly facilities, and a customer support division. The major commercial airplane facilities in King County are located in Seattle, Renton, and Auburn. The Kent Space Center and work groups at the Developmental Center Campus and Thompson site are part of the Boeing Defense, Space & Security (BDS) business unit, which is headquartered in St. Louis, Missouri.

The Renton site began manufacturing operations in 1941. It has been home to many of commercial aviation's most renowned airplanes. Renton currently produces The Next-Generation 737 airplanes, which includes the Boeing Business Jet and the company's newest 737 MAX. The 737 is the world's most popular and reliable commercial jet. Approximately 25% of the commercial planes flying today are 737's. Roughly every five seconds a 737 either lands or takes to the skies.<sup>1</sup> It is not surprising that Boeing has had to ramp up production in Renton. For the month of June 2017, Boeing delivered 75 and for the first six months of the year 352 737 aircraft.

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<sup>1</sup> Wikipedia 2017

Some of the best employment news for the area is that there is a current backlog of 5,744 airliners.<sup>2</sup>

Renton is also home to the headquarters for Boeing Commercial jet sales, located at Longacres Industrial Park.

The Auburn plant, opened in 1966, is the headquarters for Boeing's Fabrication Division. It is the largest airplane parts plant in the world with 265,000 part numbers currently manufactured here. This location is considered Commercial Airplanes' area of excellence for emergent operations, complex precision machining, and specialty production focused on advanced metal structures.

The P-8 aircraft facility opened in 2010 at the Thompson Site in Seattle along the Duwamish River. BCA employees assemble the P-8 aircraft in Renton then fly them to Seattle where BDS employees install mission systems and conduct testing prior to customer delivery. The Thompson Site and the Developmental Center handle military contracts. The P-8A is a long-range anti-submarine warfare, anti-surface warfare, intelligence, surveillance, and reconnaissance aircraft that is being developed for the U.S. Navy by a Boeing-led team. A derivative of the Next-Generation 737-800, the P-8A had its first test flight from Renton Field on June 5, 2009 and the ceremonial roll out was on July 30, 2009.

Although BDS is headquartered in St. Louis, the Kent Space Center supports the Defense and Space Group and the Information and Communications Systems. This group provides communication networks with air, land, sea and space-based platforms for military, government and commercial customers. Boeing designs and manufactures rotorcraft, electronic and defense systems, missiles, satellites, launch vehicles and advanced information and communication systems.

As of June 2017, Boeing employs over 145,000 people in the United States and Washington State remains Boeing's largest center of employment with approximately 67,000 workers.<sup>3</sup>

### **Boeing Market Overview**

Boeing is actively working to reduce overhead and increase its productivity in the highly competitive aerospace and defense industry. Boeing sold several parcels of land at its Kent location where it continues to reduce its need for space. About 1,000 defense-side workers will be moved from the company's Kent site to Tukwila this year.

*Boeing said Tuesday<sup>4</sup> it will cut 500 jobs in its defense division nationwide, close facilities in Texas and Virginia, and consolidate some other sites over the next four years.*

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<sup>2</sup> [boeing.com/commercial/#/orders-deliveries](http://boeing.com/commercial/#/orders-deliveries)

<sup>3</sup> [boeing.com/company/general-info](http://boeing.com/company/general-info) 8/2017

<sup>4</sup> Seattle Times January 10, 2017 by aerospace reporter Dominic Gates



*The site consolidation will reduce its overall footprint by approximately 4.5 million square feet nationwide and relocate the work of more than 3,500 employees.*

*In Washington State, Boeing expects “few if any job losses from today’s announcement,” said spokesman Ken Smith.*

Boeing has occupied several office buildings in Bellevue’s Eastgate neighborhood. They have been consolidating space and relocating workers. Boeing has four Bellevue office buildings available for sale and open for offers. Boeing has not listed an asking price and has received at least one Letter Of Intent to purchase all four buildings. Frequently, when making a portfolio purchase, a buyer pays less for the package compared with individual purchasers for each office building. In spite of a typical discount for portfolio sales, it is likely that the buyer will need to pay close to market as Seattle- Bellevue office buildings are in high demand. Marcus & Millichap recently upgraded the Seattle office market from # 3 to # 2 nationally. They stated, “With prices reaching new highs and buyer interest intense, owners who don’t want to hold through another cycle may find this a good time to market assets.”<sup>5</sup>

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<sup>5</sup> Marcus & Millichap 2017 Office Investor Forecast

## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2017

**Date of Appraisal Report:** April 12, 2017

## **Highest and Best Use Analysis**

**As if vacant:** Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial or industrial use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing improvements represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000.00 is typically assigned to the improvements.

## **Special Assumptions, Departures and Limiting Conditions**

The economic income and cost approaches to value were considered for this mass appraisal valuation. Land sales were used by the geographic appraiser to establish land values.

- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6

## **Physical Inspection Identification:**

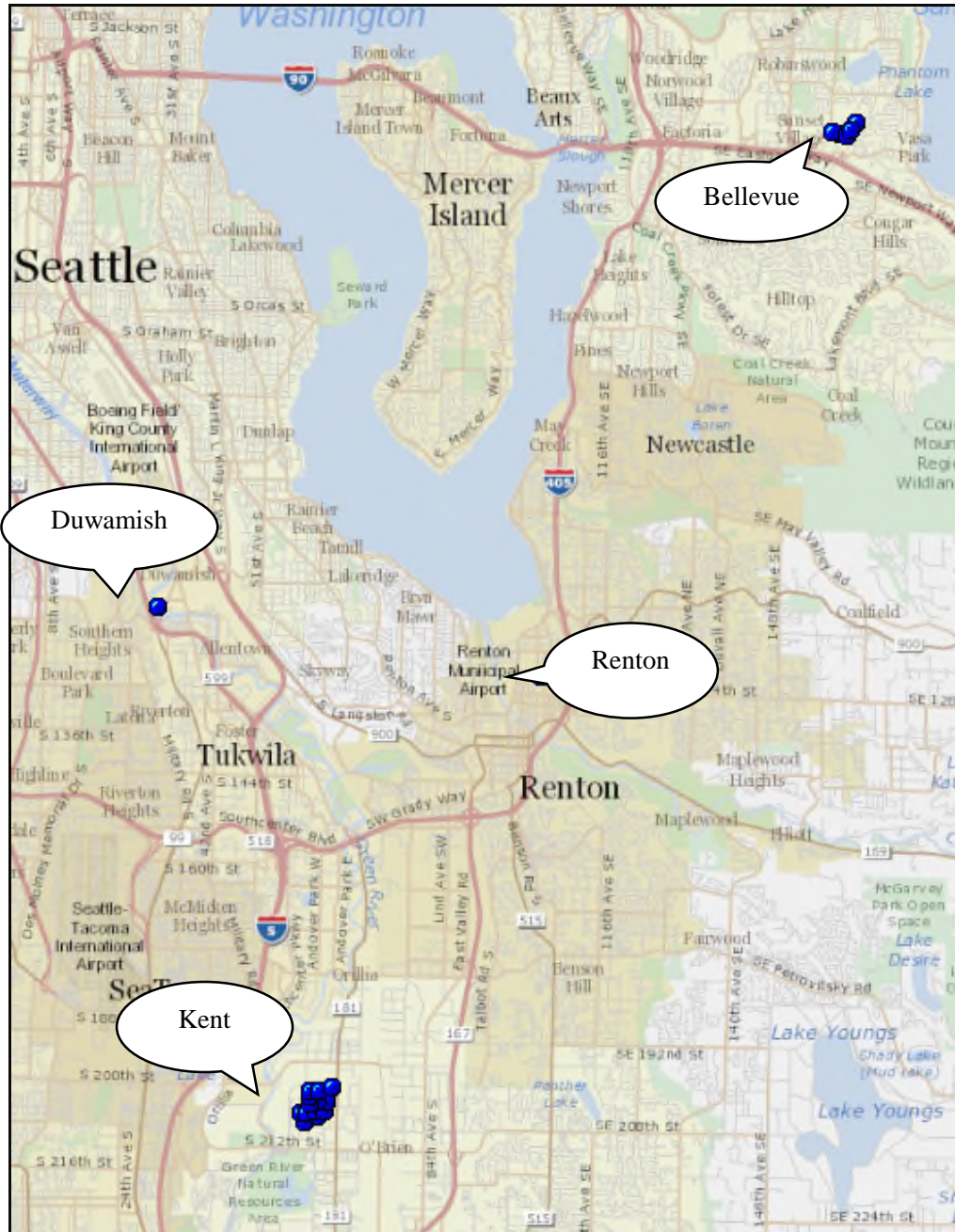
WAC 458-07-015 requires each property to be physically inspected at least once during a 6 year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection. The inspection comprised 20 parcels, or approximately 15% of the 131 total parcels located in the specialty (not including government-owned properties). A list of the physically inspected parcels and an identifying map are included in the addendum of this report.

## Physical Inspection

The following properties were physically inspected for the 2017 assessment year:

Major	Minor	Property Name	Situs Address	Juris
756460	0055	BOEING RENTON OFFICE & GARAGE 10-13, 10-	535 GARDEN AVE N	RN
092304	9155	BOEING DUWAMISH BLDG 11-14	2925 S 112TH ST	TU
660007	0090	Boeing	20403 68TH AVE S	KE
660007	0130	Boeing	20403 68TH AVE S	KE
660007	0220	Boeing	20403 68TH AVE S	KE
660007	0230	Boeing	20403 68TH AVE S	KE
112405	9004	BOEING COMPUTER SERVICES 33-01	2800 160TH AVE SE	BE
112405	9124	Boeing Building 33-12	No Situs Address	BE
112405	9126	OFFICE BUILDING 33-11	No Situs Address	BE
112405	9130	OFFICE BUILDING 33-14	3150 160TH AVE SE	BE
112405	9131	OFFICE BUILDING 33-15	3070 160TH AVE SE	BE
022204	9064	BOEING KENT SPACE CENTER	No Situs Address	KE
660007	0120	Boeing	20403 68TH AVE S	KE
660007	0140	Boeing Lab 18-61	20403 68TH AVE S	KE
660007	0150	Boeing	20403 68TH AVE S	KE
660007	0190	Boeing	20403 68TH AVE S	KE
660007	0200	Boeing	20403 68TH AVE S	KE
660007	0210	Boeing	20403 68TH AVE S	KE
660007	0240	Boeing	20403 68TH AVE S	KE
660007	0260	Boeing	20403 68TH AVE S	KE

## Map of Boeing Properties Physically Inspected for 2017



The following are aerial photos of all Boeing parcels in King County:



## Boeing Bellevue



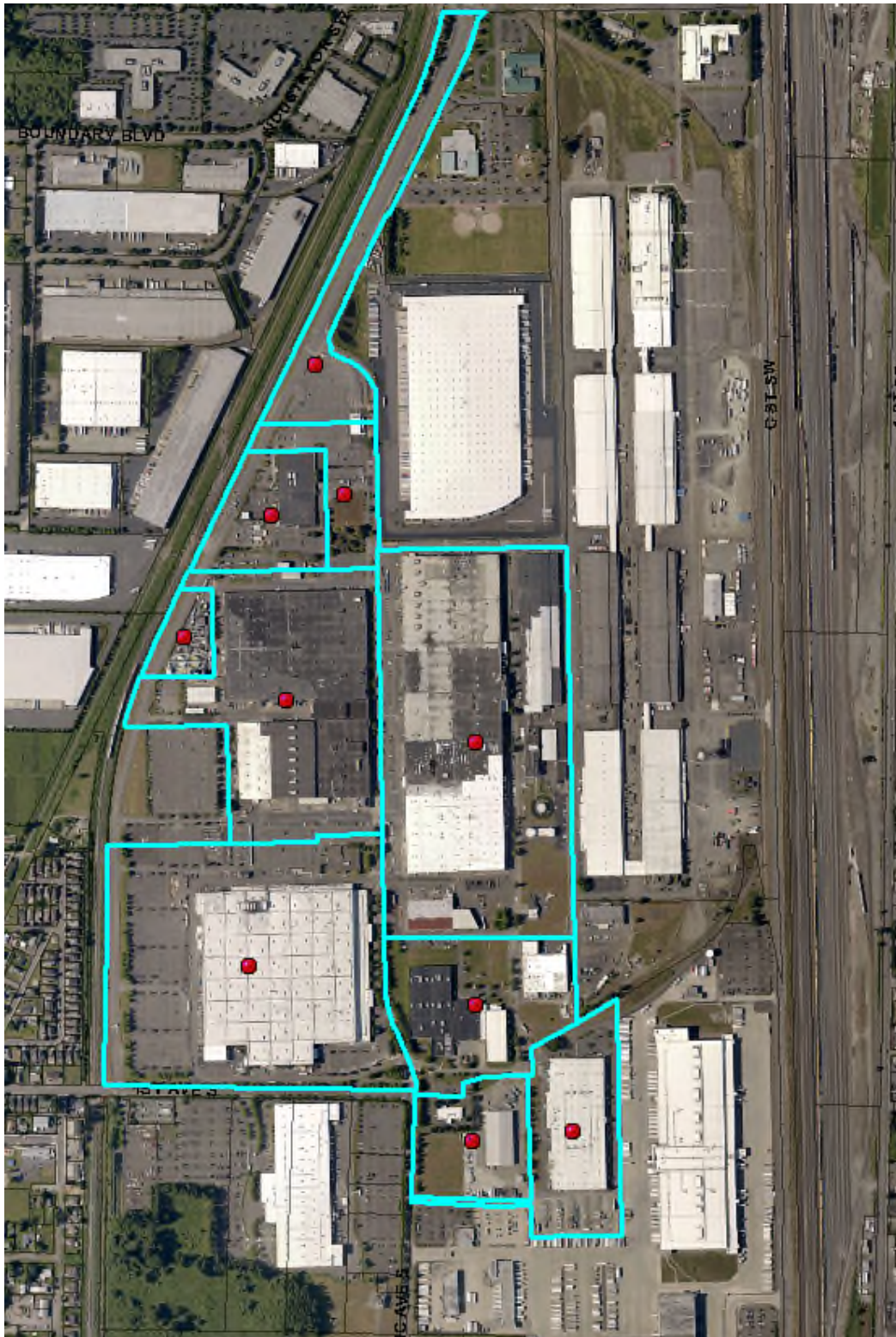


## Boeing Spares Distribution Center





## Boeing Auburn



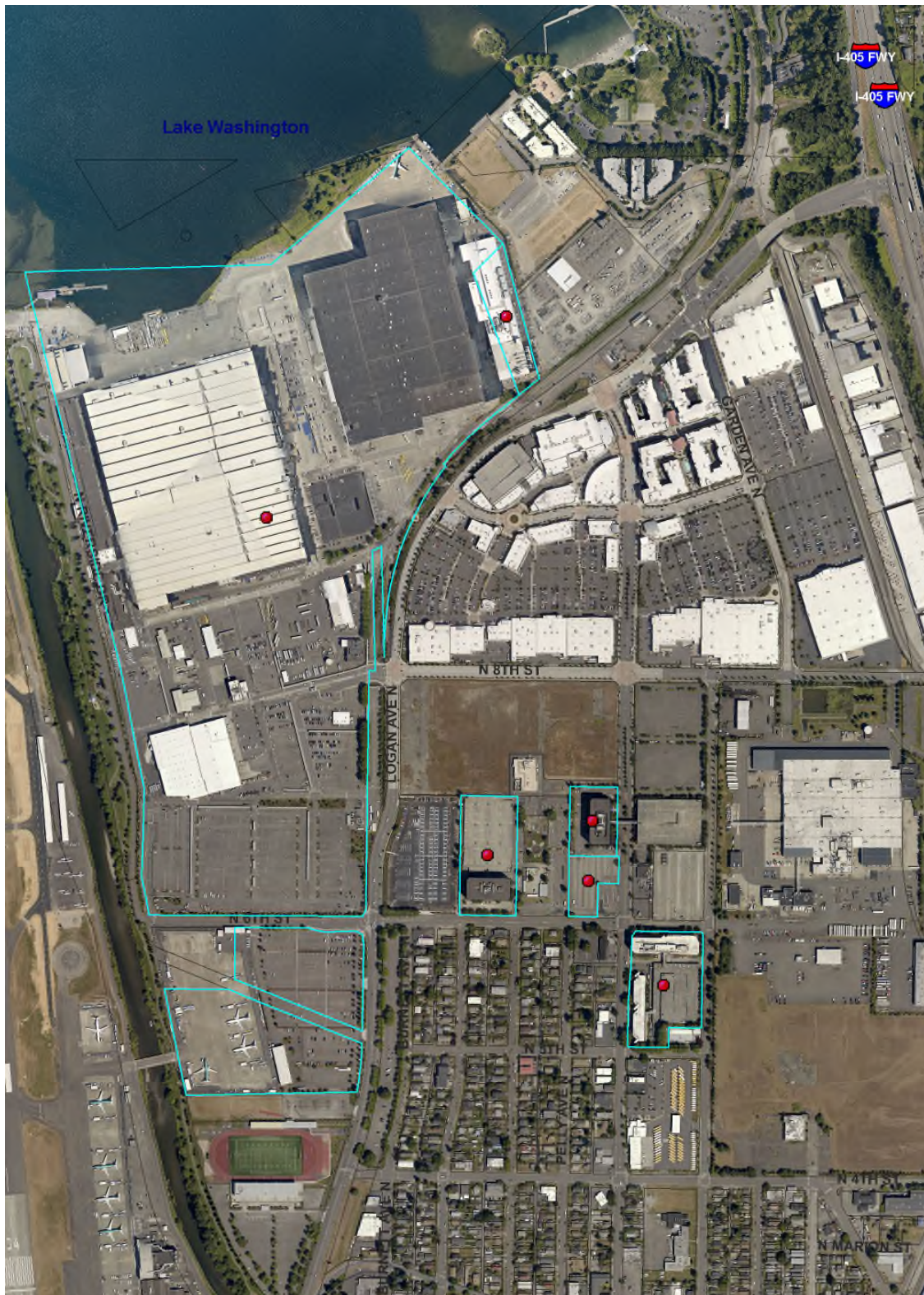


## Boeing Plant 2





## Boeing Renton





## Boeing South Park





## Boeing Developmental Center



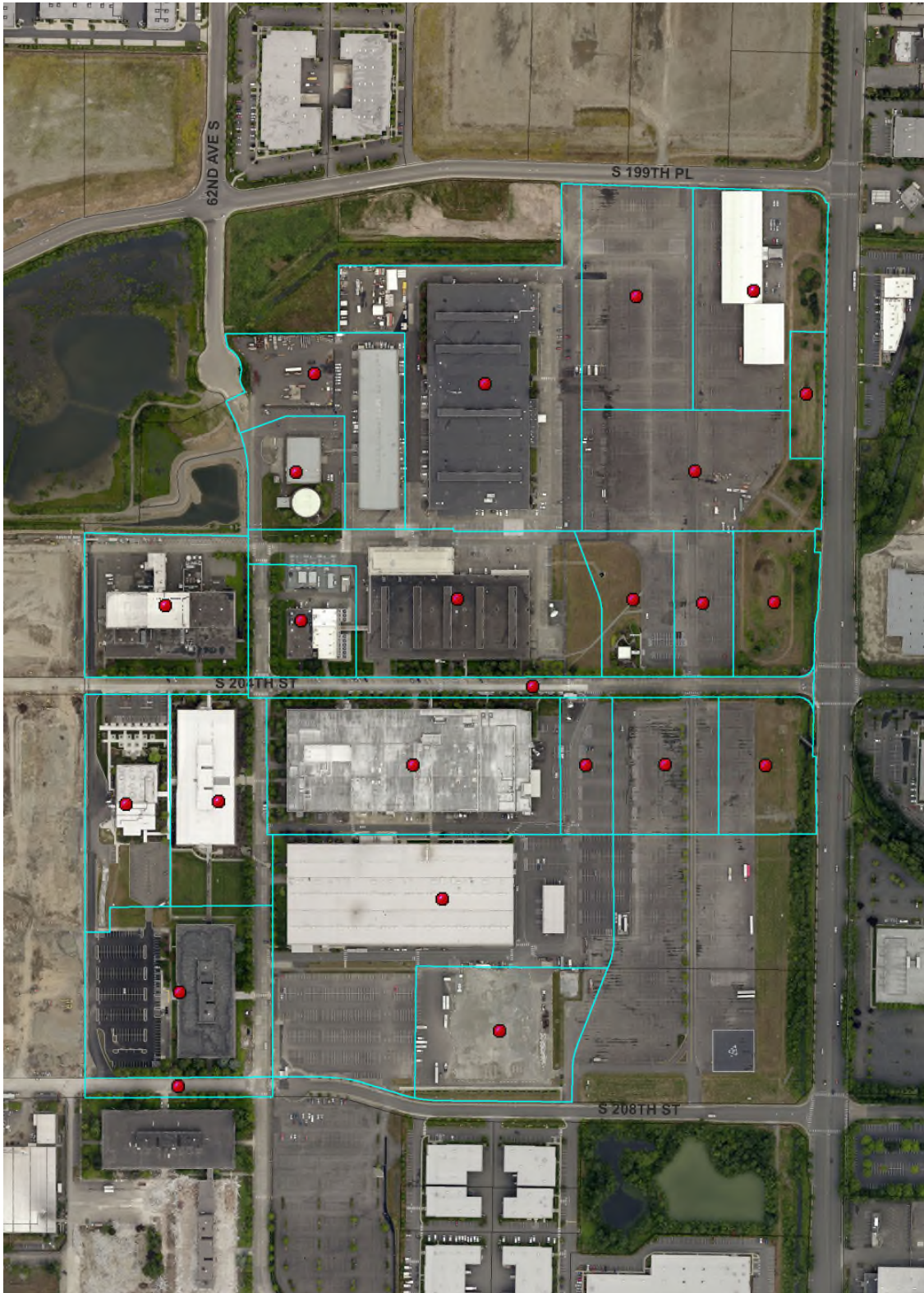


## Boeing Longacres Park





## Boeing Kent





Boeing at King County Airport



## **Scope of Data**

### **Land Value Data:**

The geographic appraiser for each area in which a Boeing property is located is responsible for the land valuation model used for the Boeing parcels. A list of land sales used to establish the current land values and those considered not reflective of market are included in the geographic appraiser's reports.

## **Improved Parcel Total Values**

### **Sales comparison approach model description:**

The sales comparison approach was not utilized because there are too few quality sales to form an efficient market. In general, these properties are useful for a specific purpose and rarely sell for investment purposes. Sales that have occurred have been for the future development of the land and not the continued use of the respective improvements on site at the time of sale.

### **Cost approach model description:**

The cost approach was the primary valuation methodology for Boeing industrial properties. The Marshall & Swift Commercial Estimator was utilized which calculates the reproduction cost of an improvement and deducts the appropriate depreciation. The Marshall & Swift Valuation Service adjusts costs to the western United States region and the Seattle area. All of Boeing manufacturing, industrial engineering buildings and most warehouses were valued via the cost approach. Many of the Boeing buildings have very specialized functions and therefore, the cost approach is the most reliable method of valuation.

### **Cost calibration:**

The Marshall & Swift cost modeling system, built in to the Real Property Application, is calibrated to the region and the Seattle area.

### **Income capitalization approach model description:**

The income approach to value was considered and used for Boeing owned or occupied office buildings. Lease rates, vacancy and collection loss statistics, typical expense amounts, and capitalization rates appropriate to the subject property's geographic area were utilized. The majority of Boeing office properties were valued using the income approach. The economic income models developed by the geographic appraiser and the office specialist were considered. The Boeing office model for Bellevue offices (625-33) is most closely based on the income models developed by the office specialty appraiser. Bellevue lease rates reflect full service tenancy.

Office building values are on the rise again and the following table reflects the parameters that influence this trend:

2016 Year end Metrics for Offices	
<b>Vacancy</b>	↗ (slight increase)
<b>Rental Rate</b>	↔ (stable)
<b>Capitalization Rate</b>	↘ (slight decrease)
<b>Improved Property Values</b>	↗ (slight increase)
<b>Land Values</b>	↗ (increase)

Similar to the office specialty, the Boeing offices valued by the economic income model typically have in excess of 100,000 square feet of net rentable area and are considered to be class A or B investment grade properties. The single tenancy nature of the office buildings was also considered in valuation. The largest concentration of Boeing offices is in Bellevue followed by Renton and Duwamish. Rents and expenses are based on the income models developed by the geographic appraisers. Bellevue and Duwamish have full service office rents and expenses and the other neighborhoods feature triple-net rents where the tenant pays all of the expenses.

The following table represents the office space income parameters for used for each office neighborhood:

Economic Income Parameters				
Boeing Location	Rent	V&CL	Expenses	CAP Rate
<b>Renton 625-10</b>	\$10.50-\$12.50	20%	10%	7.00%
<b>Duwamish 625-11</b>	\$19.00	20%	35%	6.50%
<b>Longacres 625-25</b>	\$16.50	15%	10%	7.25%
<b>Kent 625-30</b>	\$10.00-\$12.00	10%	10%	7.50%
<b>Bellevue 625-33</b>	\$27.00-\$30.00	20%	35%	7.00%
<b>Spares 625-50</b>	\$9.25	4%	10%	6.75%

**Income approach calibration:**

Income models developed by the geographic and office specialty appraisers were analyzed, reconciled, and applied when appropriate to office properties. Neighborhood 625-52 is the designation for the Boeing industrial properties. The income model was not used for industrial properties.

**Reconciliation:**

All parcels were individually reviewed by the specialty appraiser for correctness before the final value was selected. Extraordinary obsolescence was considered on a case-by-case basis.

**Model Validation****Total Value Conclusions, Recommendations and Validation:**

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel in the physical inspection neighborhood was field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Application of the recommended values for 2017 improves uniformity among the Boeing properties. A majority of the improved Boeing properties are valued based on reconstruction cost new less depreciation plus the land value assigned by the geographic appraiser. The total 2017 Boeing assessment increased from the 2016 assessment by +2.59%. Recommend application of the new values.

# **USPAP Compliance**

## **Client and Intended Use of the Appraisal:**

This mass appraisal report is intended for use by the public, King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others for other purposes is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP SR 6-8. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

The purpose of this report is to explain and document the methods, data and analysis used in the revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The Revaluation Plan is subject to their periodic review.

## **Definition and date of value estimate:**

### **Market Value**

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65).

The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65, 66, No. 65, 12/31/65)

Retrospective market values are reported herein because the date of the report is subsequent to the effective date of valuation. The analysis reflects market conditions that existed on the effective date of appraisal.



## **Highest and Best Use**

### **RCW 84.40.030**

All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

An assessment may not be determined by a method that assumes a land usage or highest and best use not legally permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.

### **WAC 458-07-030 (3) True and fair value -- Highest and best use.**

Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Samish Gun Club v. Skagit County, 118 Wash. 578 (1922))

The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922))

The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Samish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

## **Date of Value Estimate**

### **RCW 84.36.005**

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January

at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law.

**RCW 36.21.080**

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year.

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date of valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

**Property Rights Appraised: Fee Simple**

**Wash Constitution Article 7 § 1 Taxation:**

All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class.

**Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914)**

...the entire [fee] estate is to be assessed and taxed as a unit...

**Folsom v. Spokane County, 111 Wn. 2d 256 (1988)**

...the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee...

**The Dictionary of Real Estate Appraisal, 3<sup>rd</sup> Addition, Appraisal Institute.**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**Assumptions and Limiting Conditions:**

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

**Scope of Work Performed:**

Research and analyses performed are identified in the body of the revaluation report. The assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. Disclosure of interior features and, actual income and expenses by property owners is not a requirement by law therefore attempts to obtain and analyze this information are not always successful. The mass appraisal performed must be completed in the time limits indicated in the Revaluation Plan and as budgeted. The scope of work performed and disclosure of research and analyses not performed are identified throughout the body of the report.

**CERTIFICATION:**

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

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest 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.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- Jean Platt and Ruth Peterson made the physical inspection of the Boeing properties identified within the report

## List of Boeing Properties

Major	Minor	Property Name	Situs Address	Juris
756460	0055	BOEING RENTON OFFICE & GARAGE 10-13, 10-	535 GARDEN AVE N	RN
092304	9155	BOEING DUWAMISH BLDG 11-14	2925 S 112TH ST	TU
660007	0090	Boeing	20403 68TH AVE S	KE
660007	0130	Boeing	20403 68TH AVE S	KE
660007	0220	Boeing	20403 68TH AVE S	KE
660007	0230	Boeing	20403 68TH AVE S	KE
112405	9004	BOEING COMPUTER SERVICES 33-01	2800 160TH AVE SE	BE
112405	9124	Boeing Building 33-12	No Situs Address	BE
112405	9126	OFFICE BUILDING 33-11	No Situs Address	BE
112405	9130	OFFICE BUILDING 33-14	3150 160TH AVE SE	BE
112405	9131	OFFICE BUILDING 33-15	3070 160TH AVE SE	BE
022204	9064	BOEING KENT SPACE CENTER	No Situs Address	KE
660007	0120	Boeing	20403 68TH AVE S	KE
660007	0140	Boeing Lab 18-61	20403 68TH AVE S	KE
660007	0150	Boeing	20403 68TH AVE S	KE
660007	0190	Boeing	20403 68TH AVE S	KE
660007	0200	Boeing	20403 68TH AVE S	KE
660007	0210	Boeing	20403 68TH AVE S	KE
660007	0240	Boeing	20403 68TH AVE S	KE
660007	0260	Boeing	20403 68TH AVE S	KE