

Commercial Revalue

2016 Assessment roll

AREA

35

King County, Department of Assessments
Seattle, Washington

John Wilson, Assessor



King County

**Department of Assessments
Accounting Division**

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***John Wilson
Assessor***

Dear Property Owners:

Property assessments are being completed by our team throughout the year and valuation notices are being mailed out as neighborhoods are completed. We value your property at fee simple, reflecting property at its highest and best use and following the requirements of state law (RCW 84.40.030) to appraise property at true and fair value.

We are continuing to work hard to implement your feedback and ensure we provide accurate and timely information to you. This has resulted in significant improvements to our website and online tools for your convenience. The following report summarizes the results of the assessments for this area along with a map located inside the report. It is meant to provide you with information about the process used and basis for property assessments in your area.

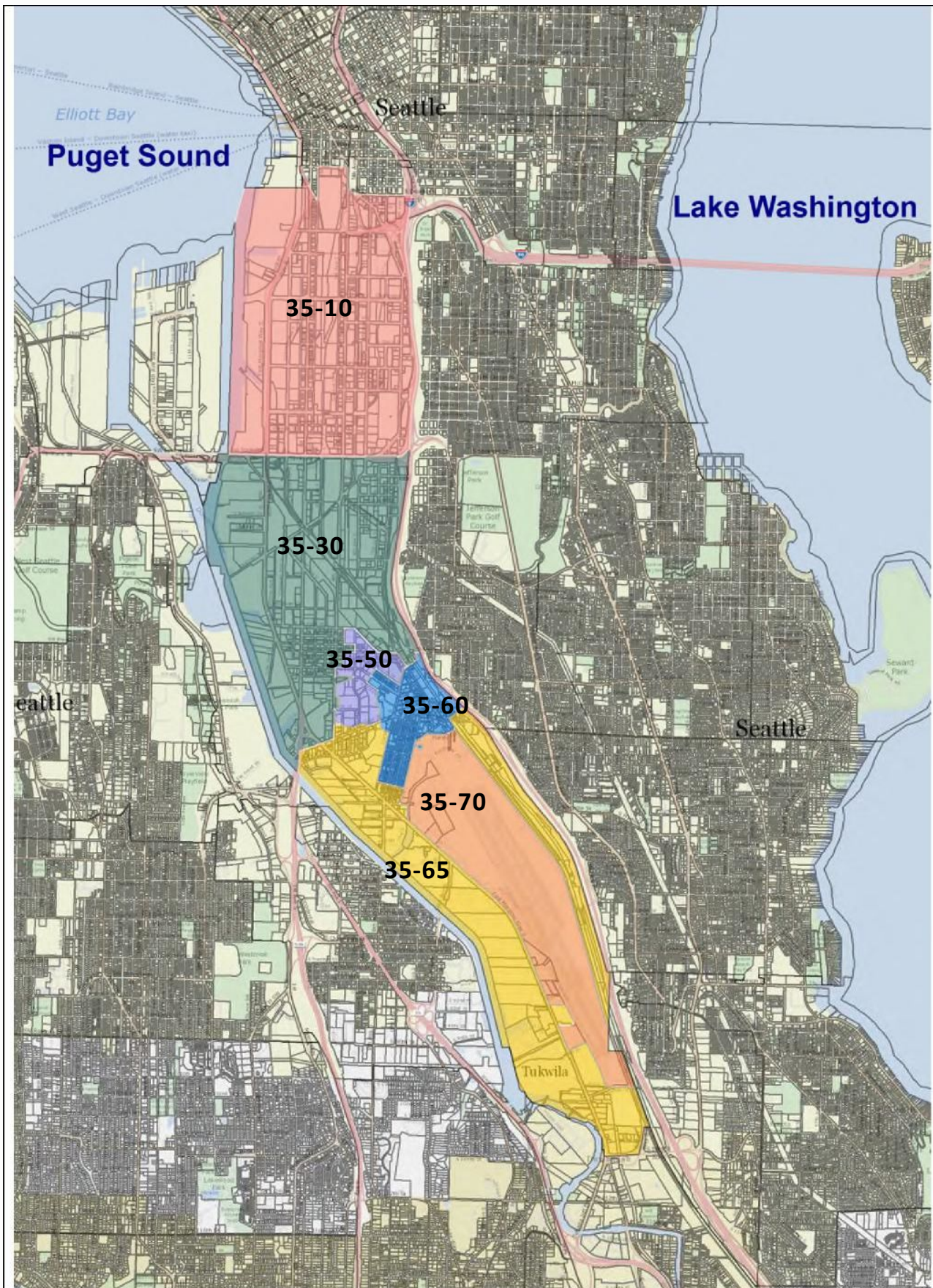
Fairness, accuracy, and uniform assessments set the foundation for effective government. I am pleased to incorporate your input as we make continuous and ongoing improvements to best serve you. Our goal is to ensure every taxpayer is treated fairly and equitably.

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

In Service,

John Wilson
King County Assessor

AREA 35 NEIGHBORHOODS



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.



King County
Assessments
8/23/16

Executive Summary Report

Appraisal Date 1/1/2016- 2016 Assessment

Year Geographic Appraisal Area

- ☐ **Commercial Area 35: East Duwamish MIC
(Manufacturing Industrial Center)**

Sales – Improved Summary

Sales Included in Ratio Study Summary: 27

Range of Sales Dates: 2/13/2013-12/14/2015

Sales – Ratio Study Summary

Sales--Improved Valuation Change Summary				
	Mean Assessed Value	Mean Sale Price	Ratio	COD
2015 Average Value	\$2,392,700	\$3,222,200	74.3%	10.05%
2016 Average Value	\$2,986,000	\$3,222,200	92.7%	4.65%
Absolute Change	+\$593,300		+18.40%	-5.40%
% Change	+24.80%		+24.76%	-53.73%

*Coefficient of Dispersion (COD) is a measure of uniformity. A low COD indicates better uniformity.

Sales used in analysis: All improved sales, which were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are sales that are leased back to the seller; sold as a portion of a bulk portfolio sale; net lease sales; sales that have had major renovations after the sale, or have been segregated or merged since being purchased.

Population - Parcel Summary Data

Total Population - Parcel Summary Data			
	Land	Improvements	Total
2015 Value	\$2,909,312,400	\$2,083,158,700	\$4,992,471,100
2016 Value	\$3,122,050,800	\$2,081,659,799	\$5,203,710,599
% Change	7.31%	-0.07%	4.23%

Number of Parcels in the Population: 1,248; which includes vacant and improved parcels, excluding specialty and exempt parcels with government ownership.

Conclusion and Recommendation

Total assessed values for the 2016 revalue have increased 4.23%.

The values recommended in this report improve uniformity and equity; therefore, we recommend posting these values for the 2017 Assessment Year.

Identification of the Area

Name or Designation

- **Area 35-East Duwamish MIC (Manufacturing Industrial Center)**

Boundaries

Broadly defined, Area 35's boundary delineation is the eastern bank of the Duwamish River south of the downtown Seattle central business district, southbound Interstate 5, and the northern tip of Tukwila and unincorporated King county. The comprehensive boundaries are outlined below.

North Boundary – Beginning at South Jackson Street from the Puget Sound to Alaskan Way South. South along Alaskan Way South to Railroad Way South. South on Railroad Way South to 1st Avenue South. Continuing south on 1st Avenue South to Occidental Avenue South. North on Occidental Avenue South to northern boundary of Seahawk's Stadium/Century Link Field. East on Airport Way South to South Charles Street and east to Interstate 5.

West Boundary – Starting at Elliott Bay and the Duwamish Waterway from South Washington Street in the north, to the South Boeing Road in the south.

East Boundary – Beginning in the north at South Dearborn Street, and south along Interstate 5 to the South Boeing Road.

South Boundary – Starting at the Duwamish Waterway on the western edge and South Boeing Road to Interstate 5 on the eastern edge.

Maps

A general map of the area is included in this report. More detailed Assessor's maps are located on the seventh floor of the King County Administration Building.

Area Overview

Area 35 is a well-established, high demand industrial district referred to as the East Duwamish Manufacturing Industrial Center. Zoning is predominantly general industrial, with small pockets of industrial commercial, industrial buffer, and automobile oriented commercial zoning. Within recent history, land transactions of industrial zoned land have primarily occurred in northern portion of Area 35 closest to the Seattle CBD. Land sale activity is now expanding southward due to pressures associated with density and increasing sales prices.

The East Duwamish MIC is a high density, high demand industrial area. Typical land to building ratios are among the lowest in King County (under 2:1,) with many sites under one acre. The availability of vacant, undeveloped land is increasingly rare. In order to obtain viable sites to accommodate new development, functionally obsolesced buildings are frequently considered

teardowns. Traditional one story industrial development is evolving with multi-story solutions due land constraints sizes.

Due to Area 35's locational desirability (based on accessibility through multiple modes of transportation,) many businesses are willing to purchase buildings at a premium despite the need for substantial renovations to modernize, modify and customize use for their individual operations. Capitalization rates for improved transactions continue to fall, with published rates recorded in the low fours. Single digit vacancy rates are at an all-time low. Overall, the East Duwamish MIC's market is strong with limited supply available. Sales within particular market segments have experienced increases at a greater rate than the population as a whole, which is reflected in the average value increase of the ratio study summary.

Economic growth is occurring through replacement of obsolete buildings, the efficient use of available land with expansion of existing facilities, and the introduction of new manufacturing and industrial technology.

Overall valuation changes to the total population for the 2016 Assessment Year are primarily driven by land increases in industrial zoned land. The increases are reflected by a number of factors, such as valuation changes in land values in the overall population; raising contaminated land to market value levels; adjustment for excess/surplus land (industrial parcels utilizing the Income Approach;) and the application of the Cost Approach to parcels within the East Duwamish Area.

Analysis Process

Effective Date of Appraisal: January 1, 2016

Date of Appraisal Report: March 21, 2016

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 of the majority of the appraised parcels as industrial or commercial use. Any opinion that is not consistent with this is 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 buildings 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.

Interim Use: In many instances, a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest land development in five or ten years. Similarly, there may not be enough demand for office space to justify construction of a multi-story office building as of the valuation date, but increased demand may be expected within five or ten years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

The use to which the site is utilized until it is ready for its future highest and best use is referred to as an interim use. Thus, interim use becomes the highest and best use, in anticipation of change over a relatively short time.

Standards and Measurement of Data Accuracy

Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

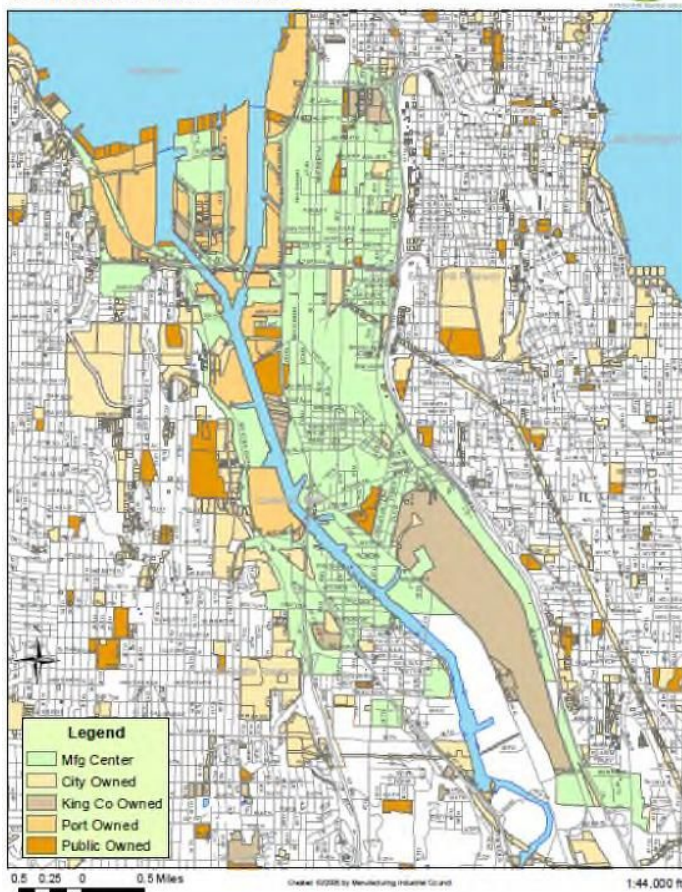
- ☐ Sales from 1/1/2013 through 12/31/2015 (at minimum) were considered in all analyses.
- ☐ The intention of this report is to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Area and Neighborhood Descriptions

Area 35

Primarily situated inside the city limits of Seattle (with a small section falling within the northeastern portion of city limits of Tukwila and unincorporated King County,) Area 35 is comprised of the portion of the Greater Duwamish MIC along the eastern bank of the Duwamish River south of the downtown Seattle central business district. The East Duwamish Manufacturing Industrial Center, more specifically the SODO subarea of the East Duwamish MIC, forms the northeastern most portion of an industrial corridor that extends from

Duwamish M&I Center



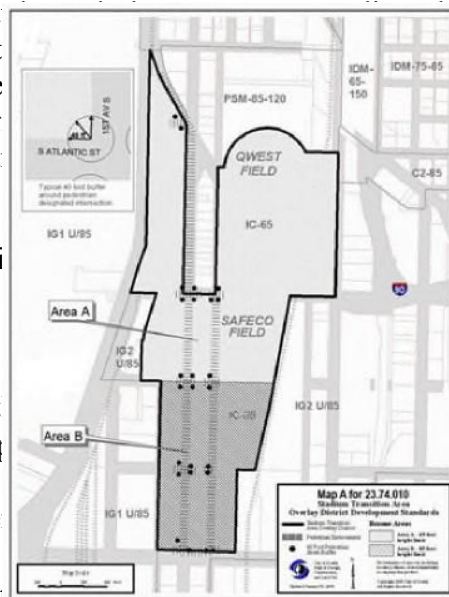
downtown Seattle southward toward Kent and the adjacent industrial areas in southeast King county. The original meaning for acronym SODO was *South of the (King)Dome*; however, with the demolition of the Kingdome stadium in 2000, the connotation has been adapted to mean the *South of Downtown Area*. The East Duwamish MIC, including the SODO subarea, is considered part of the Seattle “Close-In” Industrial Market. Seventy seven percent of Seattle’s industrial zoned land is located in the Duwamish MIC (including land both east and west of the Duwamish Waterway.)

Area 35 represents the oldest industrial location in the Puget Sound region, and is located adjacent to the southern portions of historic Pioneer Square (the original section of downtown Seattle) and the International District, both of which harken back to the 1800’s. Industrial development in SODO started

close to downtown Seattle near the turn of the twentieth century and over the years expanded to the south, incorporating what are now the Port of Sea Duwamish Waterway. Consequently, in the northern port older properties are in need of renovation and redevelopment. Properties consist of more recently constructed manufacturing in age from new to 60 years old. Overall, the East Duwamish is a high demand industrial district.

Manufacturing Industrial Centers (MIC) are typically unimodal regional highways. The growth of industrial development market is influenced by the following factors:

- The area's location between downtown Seattle and Tacoma
- The Boeing Company, Seattle's largest industrial employer, and King County International Airport (convenient access to airfreight ;)
- The Duwamish Waterway and the Port of Seattle (berths for cargo ships)
- The presence of two major railroad lines;
- A highly developed system of ground transportation (including spur lines with direct access to marine terminals) and freeway networks (I-5, SR-99, and SR-509.) An efficient transportation system within the Duwamish MIC plays a crucial role in the movement of goods and services, as well as holding economic implications for not only the Pacific Northwest Region but also Washington State as a whole.



The city of Seattle policies for the portion of the East Duwamish MIC that falls within the city limits, call for clearly defined geographic boundaries, buffers around the industrial center, an assembly of parcels suitable for industrial activity, and provision of access to regional highway, rail, air, and waterway systems for the movement of goods.

Seattle's "Basic Industries" are composed of a wide range of established business activities that occur within the Area 35 industrial district, including manufacturing (such as metal fabrication,) warehousing, wholesaling (non-durable goods such as paper products, apparel, alcoholic beverages, and petroleum products,) and transportation (such as trucking firms.) The area also houses communication and utility companies. These industries have consistently offered job growth potential; provide accessible, family wage jobs; fit with Seattle's comparative advantages; and contribute significantly to the City's tax base. A map of Seattle's industrial zoned land along the Duwamish indicating the primary parcels uses is located on the following page.

The central Puget Sound region gained 54,300 jobs in 2015, marking the fifth consecutive year of job growth. The region added 241,300 wage and salary jobs over the past five years. According to the Puget Sound Regional Council, the Duwamish MIC maintains the role of a major regional employment center by providing the largest concentration of family wage jobs in the Puget Sound region, and is second only to downtown Seattle in regards to total employment figures. The Duwamish Manufacturing/Industrial Employment Center is a key component of the regional economy. Given the current low vacancy rates in the Duwamish and very strong employment growth forecasted for core industrial lands in this area, strategies will need to

Lands Analysis for the Central Puget Sound Region by the Puget Sound Regional Council.)

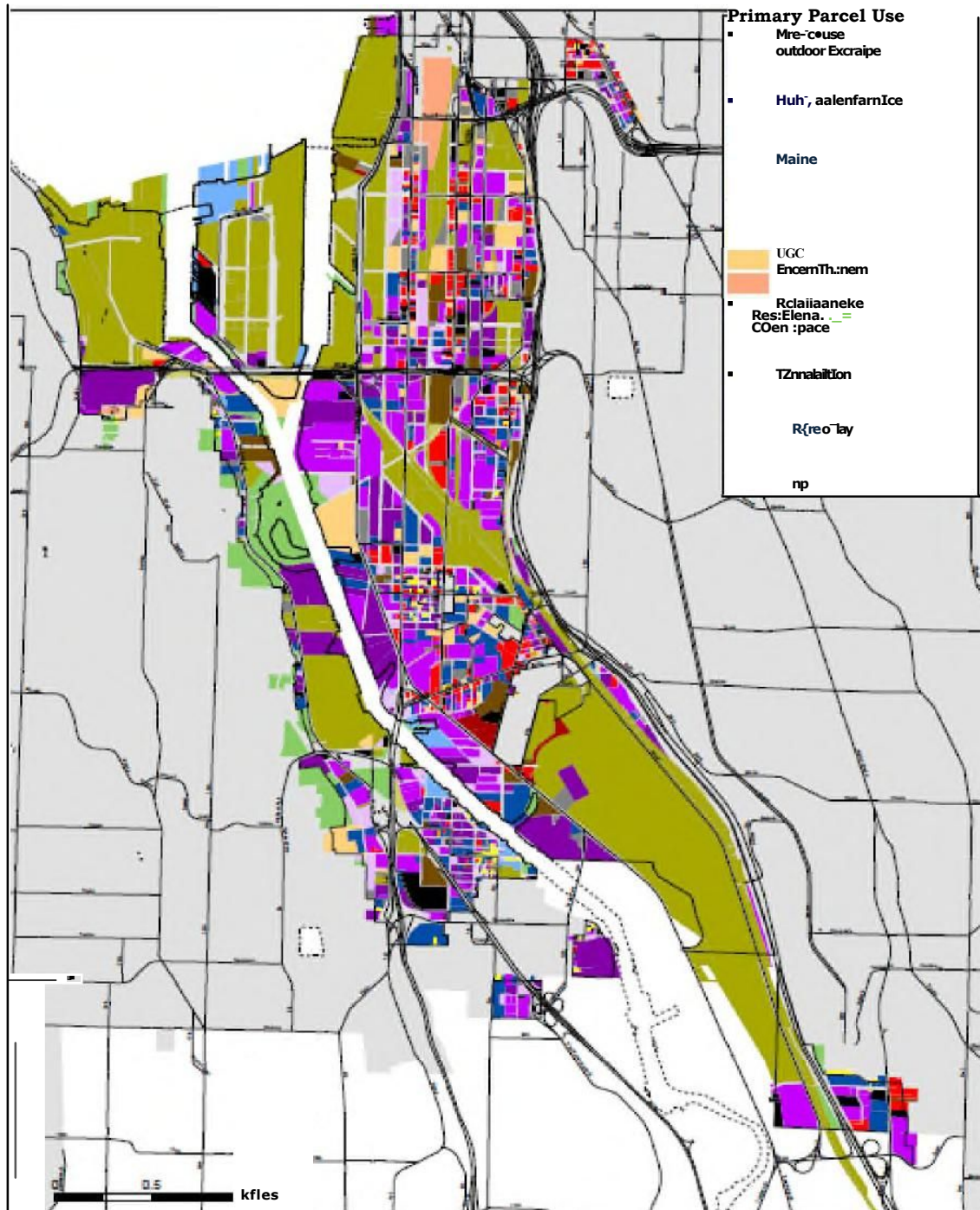
The city of Seattle zoning has attempted to address the ever-growing desire to develop non-industrial uses adjacent to industrial lands, which in turn can create adverse economic pressures. In 2007, The City of Seattle passed Ordinance 122601 to reduce the size limits for particular non-industrial uses in industrial zones to preserve the integrity of industrial zoning (IG1 and IG2.) Seattle added Ordinance 123266 to allow limited adaptive reuse of existing buildings on industrially zoned land in 2009. The creation of a stadium overlay district in the immediate vicinity of the large sports facilities in the northern portion of SODO district discourages encroachment or shifting the boundary of non-industrial uses further into the nearby industrial uses to the south.

The Stadium Transition Area, centering around the large sports facilities, allows provisions for complementary uses and development standards designed to create a pedestrian connection with downtown, including transit service. The intention is to contribute to a safer pedestrian environment for those attending events and permit a mix of uses to support the pedestrian-oriented character of the area as well as the surrounding industrial zone, while minimizing conflicts and discouraging encroachment with nearby industrial uses. Allowing a mix of uses as permitted under Industrial Commercial zoning, including office development, would encourage redevelopment and assist in maintaining the health and vibrancy of the area during times when the sports facilities are not in operation. The stadium area is surrounded by land with widely varying development patterns and land use characteristics, including the mixed-use urban development of the south downtown areas of Pioneer Square, the working waterfront, and the industrial area. One of the desired relationships of the Stadium Transition Area is with Pioneer Square and First Avenue, permitting strong pedestrian and transit links to the north. The stadium overlay area intended to create well-defined edges between the pedestrian activity of the Stadium Transition Area and industrial activity of the surrounding the area.

Many of the factors that first attracted industrial development to Area 35, and continue to sustain the area's advantage for industrial activity, are also responsible for some of the problems the area now faces. The reclaimed flat lands, which were well suited to industrial development, have drainage problems making it difficult to maintain streets in good condition. While the waterway, airports, rail lines, and major arterials provide excellent linkage to the region, they also impede movement within the area and tend to isolate locations from each other. The unguided expansion of industrial development in the past into areas not specifically platted for industrial needs has also resulted in inefficient land use, poor traffic circulation and conflicts with non-industrial property uses within the area. Changes in the nature of industrial activity itself have also rendered certain facilities and locations obsolete according to current demands for space and access. Despite constraints, the area remains a vital part of this region's industrial activity. Potential for economic growth exists through replacement of obsolete buildings, the efficient use

of available land with expansion of existing facilities, and the introduction of new manufacturing and industrial technology.

Seattle's industrial Zoned Land Primary Parcel Uses



Source: Manufacturing Industrial Council

Neighborhood 35-10



Boundaries:

The neighborhood boundaries of 35-10 are delineated by the Mariners Safeco Field, Seahawk's and Sounders Century Link Field and the Exhibition Hall to the north, South Spokane Street to the south, and the area between the Duwamish waterway to the west and I-5 to the east.

Neighborhood Description:

Neighborhood 35-10 is the oldest, most northerly neighborhood of Area 35, and is located just south of two neighborhoods historic in nature, the Pioneer Square and International District neighborhoods of downtown Seattle. The neighborhood character exemplifies both ends of the spectrum, ranging from some of the oldest buildings in SODO/North and East Duwamish MIC, including turn of the twentieth century, multi-story, masonry warehouses, to newer development of modern football and baseball stadiums. A significant amount of publically owned property allocated for Port of Seattle use and Railroad Operating property is located in neighborhood 35-10. Due to the age of many of the structures in this neighborhood, much of the economic growth is occurring through replacement and/or renovation of obsolete industrial properties.

BMW Seattle auto sales showroom and service facility opened in 2010 in the northeast portion of neighborhood 10. The Mercedes Benz of Seattle dealership constructed a



new facility on the site of their former used auto sales showroom in SODO in 2013, and subsequently moved all their operations, including new car sales, to Area 35. Prior to moving to SODO, both BMW Seattle and Mercedes Benz of Seattle had been located on Capitol Hill. The Pike-Pine corridor on Capitol Hill was the home of Seattle's original "auto row," which is currently transitioning to higher density mixed use residential development. Honda and Toyota of Seattle completed their new dealership in SODO in 2014, and relocated their operations from Seattle's CBD. Amazon is in the process of planning a campus development in the downtown core with three office towers in the block at Eighth Street and Westlake Avenue, which would encompass the former location of Toyota of Seattle. Density driven development of mixed-use commercially zoned sites in Capitol Hill and the downtown Seattle CBD have superseded auto sales businesses, which generally have more ground level space requirements. In 2015, a Ford dealership purchased land to the south of the existing dealership, for development in the near future.

The Greyhound Bus Station, displaced from their location of over 85 years in the Seattle CBD for a two-tower hotel, office, and housing development, relocated in 2014 to neighborhood 10 at 6th Avenue South and Royal Brougham Way near the stadiums and adjacent a light rail stop.



A sports arena, predominantly for basketball use, is conditionally proposed in the immediate vicinity of the existing sport stadiums in the event that Seattle is able to acquire a NBA franchise. The possible future siting of the arena is located within the Stadium Overlay zoning in the northern portion of neighborhood 10, just to the south of Century Link and Safeco Fields. On September 3, 2015, the Seattle Design Commission approved the public benefit package of the proposed vacation, with several conditions and recommendations. The request to vacate (close) the block of Occidental Ave S to construct the Arena would increase the developable area 17.5%. A basketball team had not been acquired as of the date of this report, January 1, 2016

One of the newest uses in the Duwamish MIC permitted by the city of Seattle Department of Planning and Development is business involving the growing, processing (food processing and light manufacturing,) selling, or delivery of marijuana. Since federal law requirements prohibits production and distribution of controlled substances within 1,000 feet of a school, playground, public housing, industrial areas with industrial oriented zoning readily lend itself to marijuana affiliated uses. In designated MIC centers within the city of Seattle, which includes portions of the Duwamish Valley, urban farm uses are specifically limited to rooftop and indoor agriculture operations. Other limitations include exclusion of siting any marijuana use within the Stadium Transition Overlay District, and no additional indoor agriculture operations within the IG1 zones, unless they were established prior to November 2013 and not more than 5,000 square feet in size.

The first fully-permitted Seattle grow operation for medical marijuana was located within neighborhood 10 in 2013, just when the city was starting to consider rules for marijuana zoning. The operation is a state-of-the-art medical cannabis cultivation facility completely to code. After the passage of the legal recreational pot initiative, Seattle's first state licensed store opened in SODO during April 2015, as recreational sales began statewide. Additional urban farms and retail sales operations have been permitted in SODO since the opening of the first two landmark businesses.

Washington State leads a growing craft distillery industry with approximately 87 licensed distilled spirit plants, almost one fifth of the 450 distilleries licensed in the United States, with applications pending for 30 more. Small craft distilleries sanctioned by the state's legislature in 2008. A combination of the authorization to increase in allowable production to 150,000 gallons in 2014, and the discontinuing limitations of on premise sales, bode well for the expansion of the industry. Neighborhood 10 is the home of a number of distilleries, including Glass Distillery and 2bar Spirits, both opened in 2012, and Westland Distillery in 2013. Additionally, local brewers are also located in Area 35, within neighborhoods 10, 30 and 50.

Neighborhood 35-30



Boundaries:

The neighborhood boundaries of 35-30 are delineated by South Spokane Street to the north, South Michigan Street to the south (not including the showroom area adjacent to the former Seattle Design Center north of South Michigan Street and old downtown Georgetown area,) the Duwamish Waterway to the west and Interstate 5 to the east.

Neighborhood Description:

Area 35-30 is located to the south of 35-10. Historically, the pattern of industrial development began closest to downtown Seattle in 35-10 and traveled southbound to 35-30. Approximately 85% of the buildings in Area 35-30 were constructed after 1960. The neighborhood is characterized by heavy industrial activity along the Duwamish Waterway, as well as a significant presence of railroad operating properties. Additionally, commercial development exists between 1st Ave South and 4th Ave South in the northeastern portion of the Georgetown area. This neighborhood is starting to experience land transactions equivalent to those occurring to the

north in neighborhood 10 over the past five years. The largest number of improved transactions within Area 35 occurred in neighborhood 30 within the past three years. Some of the buildings will undergo a change of use to customize the facility for the new owner. The East Duwamish MIC is a highly desirable location; therefore, many businesses are willing to purchase buildings that will need to undergo substantial renovations to modify and customize the use for their individual operations.

Neighborhood 30 houses a number of craft brewers, including the two pre-eminent brands in Washington, the Georgetown Brewery, founded in 2002, and the Elysian Brewery, a twenty one-year-old local craft brewing company. Elysian opened a new manufacturing operation in this neighborhood in 2011. They have outgrown their existing facility will finalize their expansion to a newly constructed 33,000 square foot building in 2016. The new facility will dedicate 14,000 square feet of capacity to their wood-aged beer program, increased storage, and office use. In January 2015, Anheuser-Busch, a subsidiary of the Belgian-Brazilian company InBev (owner of 47.2% of the U.S. beer market) purchased Elysian. The sales of the national beer brands have been declining in recent years, and the acquisition is an example of a national brand trying to counter declining sales by growing its craft-beer portfolio.



The Brewers Association reported that the craft brewing industry has grown from a niche market to contributing \$55.7 billion to the U.S. economy in 2014. Washington State ranked second with 256 craft brewers in 2014, increasing from 136 in 2011. The economic impact to Washington is \$1,654 billion (2014.)

An extraordinarily rare, large developable site of almost 14 acres marketed and sold immediately to Prologis, a San Francisco based company that is an owner, operator and developer of industrial real estate focused on both global and regional markets across the Americas, Europe, and Asia. Due to land constraints in the East Duwamish MIC, even for a development on a larger site, the buyer is seeking permits to construct two multi-story warehouse structures rather than the typical one-story warehouse developments elsewhere in King County.

The King County Wastewater Treatment Division is in the early stages of planning the development of the Georgetown Wet Weather Treatment Facility with conveyor outfall to the Duwamish and combined sewer overflow. The project is in response to a Consent Decree by the United States Department of Ecology.

Neighborhood 35-50



Boundaries:

The neighborhood boundaries of 35-50 are delineated by South Dawson Street and Denver Avenue South to the north, South Michigan Street to the south, 4th Ave South to the west, with Airport Way South and Corson Avenue South to the east.

Neighborhood Description:

Area 35-50 is the smallest neighborhood within the Area 35 industrial district. The old ‘Benaroya Business Park’ development was a catalyst to the low-rise warehouse, warehouse showroom, and warehouse office developments in this neighborhood. The buildings were primarily constructed between the 1950s and the 1970s and the area overall has improvements closest to being considered “Institutional Grade” industrial properties. One of the larger institutional grade buildings is the Seattle Design Center complex, which opened the Atrium Building in 1973, and added the Plaza Building in 1982.

An institutional buyer purchased the complex at the end of 2014 with plans to consolidate the designer showroom space in the Atrium Building and reimagine the Plaza building by renovating over a quarter of a million square feet into creative/tech office space.



Neighborhood 35-60



Boundaries:

Neighborhood 35-60 is comprised of the old downtown Georgetown neighborhood and the adjoining residential area to the south. The area boundaries are the King County Airport and South Willow Street to the south, Corson Avenue South and South Homer Street to the north, and Interstate 5 to the east, and 7th Ave South to the west.

Neighborhood Description:

The Georgetown neighborhood, with settlement occurring in 1851, is considered the oldest neighborhood in Seattle. Historically, the area was home to saloons and breweries, and is said to have incorporated in 1904 largely as a defense against alcohol prohibitionism. Seattle annexed the city in 1910. More recently, the neighborhood has experienced a few signs of new construction and property renovation after years of little growth.

Located in the old downtown Georgetown, the buildings that comprise the landmarked original Seattle Brewing and Malt Company, which began operations in 1882, have been renamed the 'Rainier Center.' The complex houses many artists and small businesses. The influx of tenants to the Rainier Center has assisted in solidifying the neighborhood as an



emerging and thriving artist community, as well as a mecca to fledgling small businesses. The historic landmarked Brew House building underwent an extensive renovation in 2014, from a vacant structure to housing office and showroom space. The adjoining façade of the original Stock House was incorporated into the warehouse and light industrial addition to the Brew House. Fran's Chocolates production facility now occupies a portion of the original building and the new addition.



In 2015, the Charles Smith Wines Jet City opened manufacturing facility with a tasting room and sales on the southern edge of Georgetown in a former Dr. Pepper bottling plant. Their location has a view of the main runways of Boeing Field along with the iconic profile of

Washington's Mount Rainier. Charles Smith Winery has their headquarters in Walla Walla in eastern Washington.

Georgetown also encompasses a residential area to the south, which in part is intermingled with commercial/industrial properties from historical development patterns. Delineations to buffer residential uses from additional industrial development have been attempted through the implementation of zoning designations along the edges of the residential clusters within the MIC.

Neighborhood 35-65



Boundaries:

Area 35-65 is bounded by South Michigan Street to the north, South Boeing Access Road to the south, the Duwamish waterway to the west, and Interstate 5 to the east, not including the King County Airport.

Neighborhood Description:

This neighborhood is characterized by commercial property, to the north, along South Michigan Street, the Boeing plants to the south along the Duwamish Waterway, the railroad operating property to the south along I-5, and the commercial/industrial properties in the south around the Boeing Access Road. This neighborhood virtually surrounds the King County Airport.

The Raisbeck Aviation High School had its first graduating class in 2008 despite lacking a permanent home. Their new facilities, completed in 2013, are located proximate to both the King County Airport and the Museum of Flight. The unique design of the building features curved steel beams that mimic the form of a fuselage. Focus on “STEM” subjects, science, technology, engineering and math, within an interactive, project based learning environment facilitated by the building’s layout designed to encourage collaboration.



The Boeing Company is celebrating its’ 2016 centennial year. Boeing’s birthplace, the original factory known as The Red Barn, still stands in neighborhood 65 and houses exhibits at the Museum of Flight.



Neighborhood 35-70



airport.

Boundaries:

Neighborhood 35-70 encompasses the King County Airport and Boeing Field, which are bounded by South Albion Place to the north, Airport Way South to the east, East Marginal Way South to the west, and South Norfolk Street to the south.

Neighborhood Description:

The neighborhood is comprised of publically and privately owned airfield hangars and airfield administrative offices on the east side of the Airport, and Boeing buildings, as well as additional public hangars along the west side of the Airport. The photograph below depicts a newer hanger structure along the east side of the



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. During the current revalue year, inspections of neighborhoods 50, 60, 65 and 70 were conducted.

Scope of Data

Land Value Data

Vacant land sales with closed transactions occurring during the period ranging from January 1, 2013 through December 31, 2015, were given primary consideration in the valuation of commercial and industrial zoned land parcels for the 2016 revalue for Area 35. Since January 2013, 11 transactions were verified as “good,” which are coded as “Y” in the Assessor’s records. The actual dates of the good sales occurred between February 1, 2013 and December 9, 2015. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales. “Shell” sales, “interim use” sales, “tear down” sales, and land transactions that may include plans and permits would also be included in the analysis of land value. Sales information was obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information was then analyzed and investigated by the appraiser in the process of revaluation. All sales were verified, when possible, by contacting the purchaser, seller, or realtors involved in the transaction. The Comparative Sales Approach was considered the most reliable methodology for the valuation. Location and zoning were primary variables in the valuation process, and the price per square foot of land area was used for unit comparison and application. Appraiser judgment prevails in all decisions regarding individual parcel valuation. 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.

Improved Parcel Total Value Data

Improved sales that were closed transactions, occurring during the period ranging from January 1, 2013 through December 31, 2015, received primary consideration for establishing total value estimates. Forty-two improved sale transactions occurred during this period, ranging from February 13, 2013 to December 14, 2015, which were used to establish a market relationship for similar properties that were not sold. Sales information was obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information was then analyzed and investigated by the appraiser in the process of revaluation. All sales were verified, when possible, by contacting the purchaser, seller, or realtors involved in the transaction. Property characteristic data for the sales was re-verified when possible. Due to time constraints and access issues, interior inspections were limited. Sales are located in the “Improved Sales Used” and “Improved Sales Not Used” sections of this report. Additional information may reside in the Assessor’s website, Assessor’s Real Property Database, separate studies, and statutes.

Land Value

Land Sales, Analysis, Conclusions

The land parcels that make up Area 35 have a predominantly industrial influence, with the exception of the Stadium Transition Overlay Area. The current market is supported by historical valuation patterns showing higher values on the east side of the Duwamish (Area 35) than the west side of the Duwamish (Area 36,) as well as to the north as proximity to the Seattle Core and Port facilities increase.

Land Valuation Schedules for each neighborhood, based on the Vacant Land Sale Analysis, were created as the standard for valuing properties in the area. The land sale analysis indicates differentials in land values due to zone classification, and location. Initial sale analysis involved zoning classifications. Distinctions in location, time of sale, useable area, utility (as impacted by shape, topography, and tidelands) were factors considered to influence valuation and evaluated in the process of establishing the land valuation schedule. Every effort to equalize the assessed land values of similarly zoned land between adjacent areas was made. Additionally, equalization adjustments occur based upon surrounding similar land values as new parcels are created, or adjusted through reassignment, segregation, and/or mergers.

Market evidence has not supported diminishing returns on parcel size for valuation purposes in the Duwamish MIC. The supply of developable vacant land is limited; therefore, tear down of older industrial use buildings occurs to make way for newer development. Vacant land alone cannot accommodate the forecasted growth in industrial jobs; good land use management strategies are considered mandatory to maximize the area's growth potential.

In instances when no sale activity occurred or sales representation was limited, historical sales data and appraiser judgment was utilized in arriving at the "benchmark" price (referenced in Land Value Schedule chart.) The Assessor relied on sales of similarly zoned properties, with both higher and lower densities, to bracket the indicated values (referenced in Vacant Sales Used chart.) A list of vacant sales is listed in the "Sales Used" and "Sales Not Used" located in subsequent sections of this report.

The total assessed land value in area 35 for the 2015 assessment year was \$2,909,312,400. The 2016 recommended total assessed land value is \$3,122,050,800. Application of these recommended values for the 2016 assessment year represents an overall increase from the previous total assessed land value of 7.31%. The total land values include all taxable and nontaxable parcels in Area 35, with the exception specialty land and government owned parcels. Some of the increases are due to adjustments based on market sales, and is intended to improve uniformity and assessment levels for land within Area 35. Due to the large value adjustments applied to contaminated properties in Area 35, indicated changes in some instances may be misleading and reflect increases in land value of contaminated parcels to a market level of value prior to subsequent annual adjustment applied by the contaminated property specialist. From a broader perspective, even though the frequency of land sales has been limited during the 2013, 2014 and 2015 calendar years, land value is considered to reflect a market that has recovered.

Change in Assessed Land Value by Neighborhood			
Neighborhood	2015 Land Value	2016 Land Value	%Change
35-10	\$1,361,466,300	\$1,379,102,000	+1.30%
35-30	\$567,133,100	\$603,299,600	+6.38%
35-50	\$97,952,000	\$98,496,500	+0.56%
35-60	\$61,491,700	\$62,894,800	+2.28%
35-65	\$280,013,300	\$338,591,700	+20.92%
35-70	\$541,256,000	\$639,666,200	+18.18%
Total	\$2,909,312,400	\$3,122,050,800	+7.31%

Neighborhoods and Sales

The following is a summary of sales considered by neighborhood. The Assessor considered the sales, as well as historic sales, as a primary method of establishing new assessed values for each zoning classification within every neighborhood. Recent and historic commercial land sales within Areas 36 (West Duwamish,) and 70 (Tukwila) were also reviewed for relative comparison.

Neighborhood 35-10

Neighborhood 10 falls entirely within the city of Seattle and is located in the northern most portion of Area 35. Land sales have occurred within the two zoning categories in Neighborhood 10, Industrial General and Industrial Commercial. The Industrial Commercial zoning falls within the Stadium Transition Overlay Area, which allows uses that encourage redevelopment and assist in maintaining a pedestrian vibrancy in the Stadium's vicinity, as well as discourage encroachment into the adjacent industrial uses. The Industrial General zoning, which is located outside of the Stadium overlay area, comprises the remainder of Neighborhood 10. The trend of "tear-down" sales also occurs in the industrial general zoning due to the high demand location with limited capacity due to the existing high density with well-established industrial use. Many of the sales have older improvements that have either been demolished or awaiting demolition. The holding and redevelopment period is typically lengthier than other neighborhoods in Seattle with mixed- use zoning. Five additional sales occurred which were not considered representative of market transactions.

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP/SF Land Area	Property Name	Zone	Parcel Count	Remarks
766620	3450	108,900	2748399	\$8,400,000	7/30/15	\$77.13	PACIFIC ALASKA FORWARDING	IG1 U/85	1	Future Redevelopment
766620	3045	74,140	2770396	\$4,200,000	12/1/15	\$56.65	VACANT TRUCK/TRAILER STG	IG2 U/85	1	Future development of Auto dealership
766620	5930	42,343	2771169	\$2,800,000	12/9/15	\$66.13	PACIFIC COAST & CONTAINER	IG1 U/85	1	Future Redevelopment
766620	6425	45,000	2599814	\$9,024,600	4/16/13	\$200.55	MAC'S BBQ/DINER	IC-85	3	Future Redevelopment

Neighborhood 35-30

Neighborhood 30 is located on the southern border of Neighborhood 10. Zoning within this area is a continuation of the Industrial General classification found to the north, as well as pockets of Commercial Auto-Oriented Retail/Service zoning. Growth has historically followed a north to south pattern with Neighborhood 30 experiencing changes following those made in Neighborhood 10. The first two sales listed below have commercial zoning and are in the immediate vicinity of the Seattle Design Center, which is undergoing a transformation to creative/tech office space. The remaining sales listed below have industrial zoning and two of the four are resales of the same property. Four additional sales occurred which were not considered representative of market transactions.

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP/SF Land Area	Property Name	Zone	Parcel Count	Remarks
273810	0255	35,056	2587803	\$1,500,000	2/1/13	\$42.79	KETTLES CORNER	C1-65	1	Interim Use
526330	0115	21,128	2675131	\$950,000	6/23/14	\$44.96	VAC SHACK	C1-65	4	Interim Use
536720	0445	46,421	2661663	\$1,800,000	4/10/14	\$38.78	WINTER'S SURPLUS	IG2 U/85	1	Interim Use with Future Redevelopment
202404	9054	118,395	2730049	\$3,950,000	5/8/15	\$33.36	MOBILE CRANE	IG2 U/85	1	Future Redevelopment
536720	4646	596,454	2732841	\$24,500,000	5/27/15	\$41.08	CONSOLIDATED FREIGHT WAYS	IG2 U/85	1	Industrial Development
536720	0445	46,421	2766722	\$2,300,000	11/6/15	\$49.55	DUCKY'S WAREHOUSE	IG2 U/85	1	Development of Wastewater Treatment

Neighborhoods 35-50/60/65/70

Neighborhoods 50, 60, 65, and 70 have experienced negligible market activity from 2013 through 2016. Five sales that occurred during this period were not considered representative market transactions (refer to Vacant Sales not Used chart.) However, increases in assessed value within these neighborhoods have been influenced by sales in other portions of Area 35 (East Duwamish MIC,) and nearby Areas 36 (West Duwamish MIC) and 70 (Tukwila,) which demonstrated increasing demand within the close-in industrial areas.

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP/SF Land Area	Property Name	Zone	Parcel Count	Remarks
542260	0060	1,067,031	2703118	\$31,900,000	11/24/14	\$29.90	INSURANCE AUTO AUCTIONS	MIC/H	1	Future Redevelopment

Land Value Schedule

The Land Value Schedule summarizes the land valuation model as it applies to the parcels within the East Duwamish MIC (Area 35) broken down by neighborhood and zoning. The table demonstrates land value applied within Area 35, based on dollar per square foot of land area, as either a “benchmark” value or a range of land value. The table is intended as a guide to “typical” land values; therefore, individual parcel’s assessed value may deviate from the table resulting from additional adjustments for site variations as necessary.

Jurisdiction	Zoning	Description	Nhbd.	2016 \$/SF
Seattle				
	IG1 U/85'	General Industrial 1		
			10	\$50-\$75
			30	\$31-\$38
			65	\$24-\$26
	IG2 U/85'	General Industrial 2		
			10	\$50-\$80
			30	\$28-\$38
			50	\$33-\$38
			60/65	\$25-\$38
	IB U/65'	Industrial Buffer		
			50	\$33-\$38
			60	\$38
			65	\$26-\$31
	IC-65'	Industrial Commercial		
			10	\$160
	IC-85'	Industrial Commercial		
			10	\$180
	IC85-160'	Industrial Commercial		
			10	\$75
	C1-40'	Commercial 1		
		Auto-Oriented Retail/Service	65	\$35
	C1-65'	Commercial 1		
		Auto-Oriented Retail/Service	30	\$40-\$42
	C2- 40'	Commercial 2		
		Auto-Oriented Non-Retail Commercial	60	\$35
	NC3-40'	Neighborhood Commercial 3		
		Pedestrian-Oriented Retail	60	\$35
	LR1, LR2	Lowrise 1 and 2		
		Multifamily	60/65	\$30-\$39

Tukwila				
	LI	Light Industrial District		
			65	\$26
	MIC/H	Manufacturing/Industrial Center/Heavy District		
			65	\$26
King County				
	I	Industrial		
			65	\$25

Preliminary Ratio Analysis

The sales ratio study is an important assessment tool to ensure uniform assessment of properties based on market value. This analysis utilizes statistical methods to measure the relationship between a property's assessed value and its sale price by grouping individual sales according to property type and geographic area. The resulting data can be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development. The two major aspects of appraisal accuracy: appraisal level and appraisal uniformity are measured and evaluated using the ratio study. Appraisal level is a measure of the ratio of assessed value to sales price, while appraisal uniformity refers to the degree to which properties are appraised at equal percentages of market value. The International Association of Assessing Officers (IAAO) has developed performance standards to evaluate both the appraisal level and uniformity.

Recommended IAAO Standards on Ratio Studies	
Appraisal Level	0.90 to 1.10
Coefficient of Dispersion	Under 15.0
Price Related Differential	0.98 to 1.03

IAAO July 1990

A Preliminary Ratio Study was completed prior to the application of the 2016 recommended values that benchmarks the current assessment level using 2015 posted assessment values. The results are discussed in the Appraisal Level and Appraisal Uniformity sections.

Appraisal (Assessment) Level

Estimates of appraisal level are based on measures of central tendency. The weighted mean ratio is the value-weighted average of the arithmetic mean and median ratios where the weights are proportional to the sales prices. In addition, the weighted mean also is the ratio of the average assessed value to the average sales price value. The weighted mean gives equal weight to each

parcel. Although weighted mean is an important statistic in its own right, it has an integral role in the computation of the Price Related Differential (PRD,) a measure of uniformity between low and high value properties.

The IAAO performance standards state that the weighted mean ratio should be between 0.90 and 1.10. The preliminary ratio study for Area 35 shows a weighted mean ratio of 0.743, which falls well under the IAAO guidelines, indicating that the current assessment level, as measured using recent sales, is below the acceptable range.

Appraisal (Assessment) Uniformity

Measures of dispersion or variability relate to the uniformity of the ratios. Generally, the most useful measure of uniformity is the Coefficient of Dispersion (COD.) The COD measures the absolute average percentage deviation of the ratios from the median ratio within the sales ratio study and indicates how tightly the ratios are clustered around the median ratio.

The IAAO performance standards state that the COD should be between 5.0 and 20.0 for income producing property in smaller, rural jurisdictions and between 5.0 and 15.0 for larger, urban market jurisdictions. A lower number represents better uniformity. Area 35's preliminary ratio study shows a COD of 10.05%, which is within the IAAO guidelines, indicates that the current level of assessment uniformity, as measured using recent sales, falls well within the acceptable range.

A second measure of uniformity utilized in the ratio study is the Price Related Differential (PRD). The PRD provides a measure of price related bias, or the equity between low and high priced property. It is the differential between arithmetic mean of ratios, and the weighted mean of ratios, where the sales prices themselves represent the weight.

The IAAO performance standards state that the PRD should fall between 0.98 and 1.03. A value below 0.98 would indicate progressivity in the data where assessment levels increase with increasing sales prices. Values above 1.03 indicate regressivity in the data where assessment level decreases with increases in sales price. As the PRD approaches 1.0, it is a greater indication that specific property ratios of sale-price to assessment-level are falling within the acceptable range, rather than just the arithmetic mean of the entire population being in the acceptable range. Thus, it is a measurement of property-specific assessment level, as well as an indicator of the uniformity within the pool of recent sales.

The preliminary ratio study for Area 35 shows a PRD of 1.18, which is well above the recommended IAAO guidelines, giving an indication that the current level of assessment uniformity as measured using recent sales is regressive to the lower priced sales indicating that assessment level decreases with increases in value. Value related inequities between low and high value properties need correction since high value properties are under appraised relative to low valued properties.

The preliminary ratio study results fall within the IAAO standards for uniformity utilizing the COD to provide the measure of variation of individual assessments around the median. The PRD refers to assessment of property groups in relation to each other. It does not provide a solution to uniformity but identifies areas in need of correction. Since the two measures test

appraisal uniformity differently, the COD could be within the IAAO guidelines while the PRD could conceivably be outside guidelines.

Improved Parcel Total Values

Area 35 Industrial Market

Overall, the Seattle/Puget Sound Industrial market has demonstrated improvement over the last year, with the East Duwamish MIC performing better year over year. With a limited real estate inventory available for either sale or lease within the MIC, the market for the smaller industrial properties, which make up the bulk of the industrial population, is expected to remain strong. Present interest rates are low, and many smaller companies are finding it financially feasible to become an owner/user and purchase property for their businesses. Investor grade properties are in high demand; however, due to a limited inventory and lack of desire of current investors to divest their holdings, transactions are rare.

Economic influences from regional activity conducted at the Port of Seattle and King County and Sea-Tac Airports not only play an important role for the Duwamish MIC, which provides support services from a land use standpoint, but also underscores their importance as major economic drivers to the statewide economy. With strong activity at regional ports, and improvement in consumer demand, our industrial sector is among the strongest commercial real estate markets within this area.

The Duwamish-North Tukwila area is a “strong demand/limited capacity” area in terms of having limited capacity to accommodate and absorb growth with the confines of the area’s desirable, existing vacant land, and land physically available for infill and underutilized parcels for redevelopment. Parcels are smaller than elsewhere in the region due to the denser urban development patterns; however, as a result the employment density is also higher. (Industrial Land Analysis for the Central Puget Sound Region, March 2015.)

The Industrial Land Analysis for the Central Puget Sound Region, as of March 2015, has concluded that the “Duwamish-North Tukwila (sub)area requires strategies to accommodate growth forecasts, given the low vacancy rates today and the very strong employment growth forecasted for core industrial lands in the area.” The Duwamish-North Tukwila (sub)area has experienced the highest industrial employment over time when compared to other industrial sub-areas regionally (from 1995 to 2012) Forecasts for employment in the Duwamish-North Tukwila (sub)area from 2012 thru 2040 show that most of the growth is anticipated to occur in industrial jobs (59%).

According to Colliers International, the vacancy rate for Seattle close-in industrial in the 4th quarter 2015 was 1.1% for manufacturing space, and 1.9% for warehouse space. Current vacancy falls below pre-recession levels.

Rent increases have continued to rise since 2012. Colliers International indicates that within the industrial sector overall, rent increases for shell warehouse have grown between 6.7% to 14.2% as the market has tightened. The high end of the range represents the Seattle close-in market. However, due to the density and scarcity of available properties in comparison to other industrial

comparison to the Seattle close-in market in general.

The compression in the national average capitalization rate for the traditional industrial sector caused the capitalization rates to reach a new all-time low below those set pre-recession. CBRE forecasts yet further future decreases in the already low cap rates for the Seattle market, which have already hit a low point in the fours. The East Duwamish MIC has historically experienced capitalization rates lower than that elsewhere within the greater Seattle/Puget Sound market.

Sales Comparison Approach Model Description

Forty-two improved sales in the subject area, dating from February 13, 2013 to December 14, 2015 were considered good, fair market transactions, which were reflective of market conditions at the time of sale and considered in the overall analysis. Twenty-seven of the sales were considered in the “modeling-analysis” and included in the ratio study. Sale parcels where the improvements or use changed after the sale were not included in the ratio study. Because these changes occurred subsequent to purchase, a current assessed value would no longer accurately reflect property characteristics in existence at the time of sale for purposes of comparison; therefore, not considered representative for purposes of broad consideration in value placement and statistical analysis. However, they are utilized as market value indications based upon existing property characteristics at the time of sale.

All sales were verified with a knowledgeable party and inspected, when possible. The model for the Sales Comparison Approach was based on characteristics from the Assessor’s records including location, effective age, building quality, net rentable area, and use. Sales with location, characteristics and utility most similar to the subject properties generally received primary consideration. Improved commercial sales within Areas 36 (West Duwamish Industrial District,) 40 (Rainier Valley,) and 70 (Tukwila) were also reviewed for relative comparison.

Sales were most numerous in neighborhoods 35-10 (10) and 35-30 (16). Given the smaller sample size, these sales were not representative of all property types, but were used in support of income and cost methodologies applied to valuation models. These sales, with examination of the surrounding Geographical Area sale patterns, and review of surveys and forecasts referenced herein, support the assumption of improving market conditions for valuation adjustment.

Sales Comparison Calibration

Although a number of improved sales occurred from 2013 to 2016, the Sales Comparison Approach was primarily used as a guideline in broader support of assessed value due to limited sales within some property types and neighborhoods. Together with income and cost modeling, the Sales Comparison Approach provides the basis and support for assessed values in Area 35.

When utilizing the Income Approach, sale prices assist in establishing general upper and lower market boundary ranges for the various property types within the East Duwamish MIC. Neighborhoods were treated independent from one another when dictated by the market. In conjunction with market rent surveys, sale price per square foot of improved net rentable area help set the income parameters and capitalization rates driving the income models developed for the various neighborhoods.

The Sales Comparison, or Market Approach, was considered a more reliable value indicator for commercial condominium properties that are not supported by income modeling²⁷ | Page

assumptions.

Cost Approach Model Description and Cost Calibration

The Marshall & Swift cost modeling system, built into the Assessor's Real Property application, is calibrated to the Western Region and the Seattle area and adjusted on an annual basis. Depreciation was based on studies done by Marshall & Swift Valuation Service. The Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. In most instances, cost estimates were considered value indicators for valuing special use properties, due to the extremely limited market and/or lack of availability of income and expense information for many of the property types falling within this category. Additional consideration in utilizing the cost approach was based upon neighborhood and building utility. Cost estimates also served as value indicators for newly constructed properties, accessory buildings, airplane hangars, new construction projects, and in support to the other approaches to value.

Income Capitalization Approach Model Description

The East Duwamish geographic area is comprised predominantly of industrial properties. Warehouse structures house a variety of uses, including distribution, light manufacturing, storage, shop area and open office space. Many properties are occupied by small sole proprietorships, and if tenant occupied, can tend to be marginally maintained as an interim use, especially in the northern portions of Area 35. Age and utility influence value, and are reflected in the valuation process. At the high end are newer properties offering greater utility, efficiency, quality of construction and appearance to the market.

Retail and office uses do not comprise a significant portion of the market in Area 35 and tend to be secondary support of warehouse-based uses. The major exceptions are the northern portion of Neighborhood 10 within the Stadium Overlay Transition Area and along 1st Avenue South.

Values were applied based on various characteristics deemed appropriate within each market on a dollar value per square foot of improved net rentable area. Location, use, quality, effective age and net rentable area were among factors considered for adjustment. Since sales, in some cases, may not be sufficient in number, valuation may rely on sales with a change of use, older sales, and those in competing neighborhoods to complete. Some properties require deviation from the typical value range due to issues including, but not limited to, location, size and condition, as well as appraiser judgment.

Application of a Land to Building Ratio guideline of 2:1 to improved properties, based on appraiser judgment, was employed in the valuation of improved properties in order to maximize highest and best use as reflected by the market. The guideline is supported by the typical land to building ratios of properties located in Area 35. Further corroboration determined by the results a countywide study noted the average F.A.R. is .47 for all of urban King County commercial and mixed-use zones, and .46 for industrial zones (King County Buildable Lands Presentation reflecting Commercial/Industrial Development Activity: 1996-2000, 11/29/2009).

Three basic models were developed for income capitalization: storage warehouses/manufacturing, office, and retail/mixed use showroom. Income tables were developed and then applied to the population. Variables utilized within the tables were derived from multiple sources including direct inquiry, market surveys and studies, and then subsequently applied to property data. A majority of the properties in Area 35 were valued utilizing an income approach (Direct Capitalization method.) The Income Approach, with support from the sales approach, was considered a reliable approach to valuation throughout Area 35 for improved properties where income and expense data was available.

Income: Similar uses were grouped together with income rates that were correlated to the effective age and building quality of the commercial property.

Income parameters were derived from the market place through various methodology including direct inquiry with property owners and tenants, the sales verification process, as well as listings, and published sources (i.e. CBRE, Commercial Brokers Association, Colliers, Kidder Matthews, and Multiple Corporate Real Estate Websites), and opinions expressed by real estate professionals active in the market.

Vacancy: Vacancy rates used were derived mainly from published sources tempered by personal observation.

Expenses: Expense ratios were estimated based on industry standards, published sources, and personal knowledge of the area's rental practices. Within our income valuation models, the assessor used triple net expenses for typical industrial, retail/mixed-use showroom, and office type uses.

Capitalization Rates: During the verification process of market sales, an attempt was made to ascertain the capitalization rate. Additionally, capitalization rate data was collected from local and regional Pacific Northwest published market surveys (CBRE, IRR, CoStar.)

The effective age and condition of each building contributes to the capitalization rate applied in the model. For example, a building in poorer condition with a lower effective year (1930, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year (2010, for example) will warrant a lower capitalization rate. Parcel locations within the East Duwamish MIC tend to reflect lower rates due to close-in proximity, high percentage of owner occupancy, and limited availability.

The following tables demonstrate ranges of capitalization rates, lease rates, and trends compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in development of the income model. The range of lease and capitalization rates in the income model reflects the range of property characteristics in each area. In Area 35, properties that are considered non-institutional grade, with many purchased by owner users, may not be reflective of the capitalization rates found in published sources.

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: Capital Markets Cap. Rate survey.	2 nd Half (2015)					CBRE professional's opinion of where cap rates are likely to trend in the 2 nd 1/2 of 2015 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
						has an occupancy level below the local average under typical market conditions.
		Seattle	4.25% - 4.75%	-	-	CBD – Class AA
			4.50% - 5.25%	-	-	CBD – Class A
			5.75% - 7.00%	-	-	CBD – Class A – Value Added
			5.25% - 6.00%	-	-	CBD – Class B
			6.50% - 7.50%	-	-	CBD – Class B – Value Added
			6.50% - 7.00%	-	-	CBD – Class C
			7.50% - 9.00%	-	-	CBD – Class C – Value Added
			5.25% - 5.75%	-	-	Suburban – Class AA
			5.50% - 6.00%	-	-	Suburban – Class A
			6.50% - 7.50%	-	-	Suburban – Class A – Value Added
			6.25% - 6.75%	-	-	Suburban – Class B
			7.00% - 8.00%	-	-	Suburban – Class B – Value Added
			7.00% - 8.00%	-	-	Suburban – Class C
			7.50%- 8.50%	-	-	Suburban – Class C – Value Added
			-	4.25% - 5.00%	-	Class A
			-	5.50% - 6.25%	-	Class A – Value Added
			-	5.00% - 5.75%	-	Class B
			-	6.25% - 7.00%	-	Class B – Value Added
			-	5.75% - 6.50%	-	Class C
			-	7.50% - 8.50%	-	Class C – Value Added
			-	-	4.75% - 5.50%	Class A (Neigh./Comm. w/Grocery)
			-	-	6.50% - 6.75%	Class A (Neigh./Comm.) – Value Added
			-	-	6.50% - 7.25%	Class B (Neigh./Comm. w/Grocery)
			-	-	7.25% - 8.25%	Class B (Neigh./Comm.) – Value Added
			-	-	8.00% - 9.50%	Class C (Neigh./Comm. w/Grocery)
			-	-	9.00% - 10.50%	Class C (Neigh./Comm.) – Value Added
			-	-	6.00% - 6.50%	Class A (Power Centers)
			-	-	7.00% - 8.00%	Class A (Power Centers) – Value Added
			-	-	7.00% - 7.75%	Class B (Power Centers)
			-	-	8.00% - 9.00%	Class B (Power Centers) – Value Added
			-	-	7.75% - 9.50%	Class C (Power Centers)
			-	-	9.00% - 10.0%	Class C (Power Centers) – Value Added
			-	-	4.25% - 5.25%	High Street Retail (Urban Core)
IRR: Viewpoint for 2015	Year-end 2015	Seattle	5.50%	-	-	Institutional Grade Properties” CBD Office – Class A
			6.00%	-	-	CBD Office – Class B
			6.00%	-	-	Suburban Office – Class A
			6.50%	-	-	Suburban Office – Class B
			-	5.00%	-	Industrial – Class A
			-	7.30%	-	Flex Industrial – Class A
			-	-	6.00%	Community Retail – Class A
			-	-	6.30%	Neighborhood Retail – Class A
		West Region	6.03%	-	-	CBD Office – Class A
			6.63%	-	-	CBD Office – Class B
			6.41%	-	-	Suburban Office – Class A
			6.96%	-	-	Suburban Office – Class B
			-	6.00%	-	Industrial – Class A
			-	6.81%	-	Flex Industrial – Class A
			-	-	6.12%	Reg. Mall – Class A
			-	-	6.27%	Community Retail – Class A
			-	-	6.48%	Neighborhood Retail – Class A
Colliers	3 rd QTR 2015	Seattle Puget Sound	5.50% 7.10% -	- - 6.60%	- - -	CBD Office Suburban Office Industrial
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2015					1 st Tier properties are defined as new or newer quality const. in prime to good location; 2 nd Tier properties are defined as aging, former 1 st tier in good to average locations; 3 rd Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.50% 6.30% - -	- - 5.90% 6.40%	- - - -	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties Warehouse – 1 st Tier Properties R&D – 1 st Tier Properties

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
		West Region	-	6.60%	-	Flex-1 st Tier Properties
			-	-	5.90%	Regional Mall - 1 st Tier Properties
			-	-	6.00%	Power Center - 1 st Tier Properties
			-	-	5.90%	Neigh/Comm. Ctrs. - 1 st Tier Properties
			4.00% - 8.00%	-	-	Office CBD - 1 st Tier Properties
			4.50% - 8.50%	-	-	Office CBD - 2 nd Tier Properties
			5.50% - 9.50%	-	-	Office CBD - 3 rd Tier Properties
			5.50% - 8.50%	-	-	Suburban Office - 1 st Tier Properties
			5.50% - 9.00%	-	-	Suburban Office - 2 nd Tier Properties
			6.00% - 10.00%	-	-	Suburban Office - 3 rd Tier Properties
			-	4.50% - 8.00%	-	Warehouse - 1 st Tier Properties
			-	5.00% - 9.00%	-	Warehouse - 2 nd Tier Properties
			-	6.00% - 10.00%	-	Warehouse - 3 rd Tier Properties
			-	5.00% - 8.00%	-	R&D - 1 st Tier Properties
			-	5.50% - 9.00%	-	R&D - 2 nd Tier Properties
			-	6.30% - 10.00%	-	R&D - 3 rd Tier Properties
			-	6.00% - 8.00%	-	Flex - 1 st Tier Properties
			-	6.00% - 9.00%	-	Flex - 2 nd Tier Properties
			-	6.30% - 10.00%	-	Flex - 3 rd Tier Properties
			-	-	4.00% - 8.00%	Regional Mall - 1 st Tier Properties
			-	-	4.50% - 8.50%	Regional Mall - 2 nd Tier Properties
			-	-	6.00% - 9.50%	Regional Mall - 3 rd Tier Properties
			-	-	5.50% - 8.00%	Power Center - 1 st Tier Properties
			-	-	5.50% - 8.50%	Power Center - 2 nd Tier Properties
			-	-	6.00% - 9.00%	Power Center - 3 rd Tier Properties
			-	-	5.00% - 8.50%	Neigh/Comm. Ctr. - 1 st Tier Properties
			-	-	5.50% - 9.00%	Neigh/Comm. Ctr. - 2 nd Tier Properties
			-	-	6.00% - 10.00%	Neigh/Comm. Ctr. - 3 rd Tier Properties
PWC / Korpaz	4Q 2015	Seattle	6.10%	-	-	Overall - 4.00% to 9.00%
			5.50%	-	-	CBD Office
			6.60%	-	-	Suburban Office
		Pac. NW	6.08%	-	-	Overall - 4.00% to 9.00%
			5.52%	-	-	CBD Office
			6.64%	-	-	Suburban Office
ACLI	4Q 2015	Seattle-Bellevue - Everett MSA	5.34%	7.12%	6.60%	Warehouse - (3.75% - 7.00%)
		Pacific Region	5.56%	5.93%	4.73%	All Classes

Income Approach Calibration

Income tables were developed to represent each neighborhood within the area for purposes of direct income capitalization. Tables created were for all warehouse, light industrial, service, storage, shop, retail, restaurant/tavern and office uses. Properties containing a number of differing section uses may have multiple tables that contribute to the valuation of the property as a whole. A “No Income” table was also created for those properties where the income approach is not considered applicable such as exempt properties including public utility buildings, and other special use properties where income/operating information is not available, or is considered less reliable.

Many improved warehouse type properties also required excess land adjustment for land to building ratios above the 2:1 guideline referenced earlier in this report. The income model assumes a land to building ratio threshold based on the market (2:1.) The excess land calculation is performed after generating an income value, then adding usable land area in excess of the ratio, for estimating total parcel value. The result reflects value from the basic economic unit, plus additional contributing value from excess or surplus land as valued by the market. Land value is market based, while usable land area is property specific and subjectively determined by the appraiser.

The predominant property use is industrial, which includes distribution warehouses, light industrial and storage warehouses, storage buildings of all types, service buildings, utility buildings and machine shops. Rents applied are lowest for older properties in poor condition, and highest for modern structures with more desirable configurations. No warehouses are currently classified with excellent building quality and those of good quality are rare. The vast majority of rents fall within the average to low-cost classifications. Capitalization rates applied to these properties also reflect investment risk, being higher for older, poorer quality buildings and lower for newer, better quality buildings.

The following tables outline a summary of the typical income parameters for the major property types (before stratification,) used in the income tables, which in turn provided the basis for the income value estimate calculations. It should be noted that due to the nature of commercial real estate not all properties fall within typical parameters. The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using stratification of adjustments based on size, effective age, and construction quality as recorded in the Assessor’s records.

Neighborhoods 10, 30, 50, 60, and 65

Typical Income Parameters						
Ref. #	Land Use	Value	Cap Rate	Net Operating Income	Cap Rate	Cap Rate
	Industrial	\$4.50 - \$13.00	5% - 6%	7.5% - 10%	5%	to 8.5%
	Storage Sheds	\$2.40	5% - 6%	7.5%	6%	to 8.25%
	Transit Warehouse	\$9.50 - \$10.00	5% - 6%	7.5%	5%	to 7%
	Office/Retail	\$8.50 - \$18.00	5% - 6%	7.5% - 10%	5.5%	to 8.5%

*Note: All rents are expressed as annual and triple net.

Industrial: Includes, but not limited to: Garages (storage & service repair,) Loft, Material Storage Building, Industrial Buildings (engineering, flex, light & heavy manufacturing,) Warehouse (storage, distribution, discount store,) Automotive Center, Equipment (Shop) Building.

Storage Shed/Mezzanine: Includes: Sheds (material storage & equipment,) Mezzanines (storage & balcony,) Basements (semi-finished, unfinished, parking & storage.)

Office/Retail: Includes, but not limited to: Office (building, open, medical & mixed use,) Mezzanines (office display,) Retail (line, restaurant, & tavern/bar,) Showroom (warehouse & auto,) Apartment, Bank, Basement (finished, office, & retail,) Barber Shop, Cold Storage, Convenience Market, Discount Store, Laboratories, Laundromat, Market.

Neighborhood 70

The neighborhood primarily consists of the King County Airport. The airport buildings, many of which are located on exempt, leased land, were valued using the cost approach.

Reconciliation

All parcels were individually reviewed for correctness of model application before final value selection and reviewed by the senior appraiser prior to posting. The factors analyzed in the process of establishing value utilizing the model constructs were subject to adjustment by the appraiser.

Primary consideration in valuation was based on an Income Model with the application of the Direct Capitalization technique. Market rents (both in-place and asking) collected for income models were used as a guide in establishing the modeled economic parameters. The rents applied vary somewhat but fall within an acceptable range of established market indicators. Capitalization rates were based upon historical levels, and adjusted to reflect current market conditions referenced by local and national surveys of the greater Seattle/Puget Sound region and the Duwamish MIC.

In the 2016 valuation model, the income approach is used to value the majority of the income producing properties that are not obsolesced (where land value is greater than the value produced

by the income method,) as there are an insufficient number and variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values. In the case of interim use properties, they might be purchased for investment value or future income rather than current income.

The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal judgment prevailed when determining when to depart from the Assessor's table generated income model.

The Market Approach to value has been employed in circumstances where sales demonstrate the willingness of the market participants to exceed the income producing capability of the improvements or in cases where rental data is scarce. Adjustments were made for age, size, condition, quality of construction, and location.

The Market Approach was de-emphasized in favor of the Income Approach where modeling reflected a valuation level within indicated market ranges, with the major exception of basing all land and/or site valuation upon Market Approach methodology. The income approach was applied to most improved properties in order to ensure greater uniformity and equalization of values of comparable properties. With improving market fundamentals, values by the income method are generally increasing although they sometimes are below the value of the sales.

The East Duwamish also has many industrial properties with excess or surplus land, which may affect either Income or Market valuation applied to the respective parcels. When the value of the property by the income approach plus any excess land calculation, if warranted, was less than the land value, a minimal \$1,000 value was allocated to the improvements.

For property uses where sales and income data was either limited or unavailable, such as tax exempt properties, the Cost Approach to value was also utilized. The Cost Approach was commonly applied to larger parcels, which are more prevalent in the southern portions of Area 35, where the land component comprises a significant proportion of overall property value.

A review of historical levels was conducted in support of Cost and Income, and Market methods applied.

The final determination of appropriate methodology for value allocation to individual parcels was based upon a reconciliation of overall property characteristics to the specific approach (Income, Market, or Cost Approach) in order to generate the most reliable value indication, in the Appraiser's judgment.

With application of the recommended values, the standard statistical measures for valuation performance are improved and within IAAO standards.

Model Validation

Total Value Conclusions, Recommendations and Validation

Appraiser judgment prevails in all decisions regarding individual parcel valuation. For each parcel, a value was selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate and methodology is appropriate to individual parcels and may adjust particular parcel characteristics and conditions as they occur in the valuation area. The process and results were reviewed for quality control and administrative purposes by the Senior Appraiser, Dan Atkinson. Management has reviewed the standard statistical measures for valuation performance.

The standard statistical measures of valuation performance are presented in both the 2015 and 2016 Ratio Analysis charts included in this report. Improved sales used for purposes of calculating the Ratio Results originate from a three-year period prior to the Appraisal Date. Of these sales, thirteen occurred in 2013, sixteen occurred in 2014, and thirteen occurred in 2015. A list of both improved sales used and those considered not reflective of market are included in subsequent sections.

A preliminary Ratio Study was completed just prior to the application of the 2016 recommended values. This study benchmarks the current assessment level using 2015 posted values. The ratio study completed after application of the 2016 year recommended values determines the difference new values would have on assessment level and uniformity. Application of the values described above resulted in the following changes under Assessment Level: the Weighted Mean increased from 74.3% to 92.7%; under Uniformity: the Coefficient of Dispersion decreased from 10.05% to 4.65%, and the Coefficient of Variation, also decreased from 15.83% to 6.50%. The remaining measure of uniformity, the Price-Related Differential, decreased from 1.18 to 1.01. The PRD improved to 1.01, the assessment level for the Weighted Mean Ratio improved to 92.7%, and the COD improved to 4.65%. With the application of 2016 recommended values, all indicators fall within normal performance standards for income properties within larger urban jurisdictions, as recommended by the IAAO (International Association of Assessing Officers.) Overall, the indicators reflect an improved Assessment Level and Uniformity over previous levels.

The Assessor has applied the Ratio Model as a sale based tool for measuring relative appraisal level and parcel equalization. The above Ratio Study results are considered reasonable in view of the frequency pattern exhibited by sales prior to the Appraisal Date, and a ratio sample size great enough to provide statistical significance, particularly in view of the heterogeneous pattern of property characteristics within the West Duwamish area.

The total assessed value for Area 35 for the 2015 assessment year was \$4,992,471,100 and the total recommended value for the 2016 assessment year is \$5,203,710,599. Application of

recommended values for the 2016 assessment year (taxes payable in 2017) result in a total change from the 2015 assessment year of 4.23%.

Change in Total Assessed Value			
2015 Total Value	2016 Total Value	\$ Change	% Change
\$4,992,471,100	\$5,203,710,599	\$211,239,499	4.23%

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 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. (Sammish 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. (Sammish 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, 3rd 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 home 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

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 within the prior three years, as an appraiser or in any other capacity are listed below:

- Any and all activities required under the respective Certificates of Appointment, under sworn oath, appointing these appraisers to the position of true and lawful deputy in the Office of the King County Assessor, and authorized by the State of Washington, Department of Revenue under a Certificate of Accreditation. To Wit: all duties, responsibilities, and services associated with the position description of Senior and Commercial Appraiser I & II in the management and valuation of Commercial Area 35, or the SODO/Duwamish Industrial District. Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.
 - Any services regarding the subject area performed by _____, Commercial Appraiser II, within the prior two years, as an appraiser or in any other capacity are listed below: Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and be
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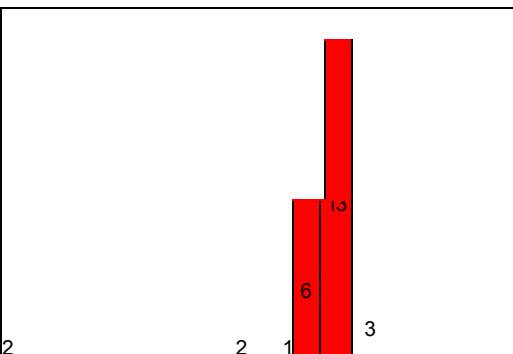
determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.

Date

Area 035 - East Duwamish MIC
2015 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
042304-9117	284,500	275,000	3/26/2013	1.0345	0.1041
042304-9117	284,500	295,000	3/12/2014	0.9644	0.0340
090100-0050	1,577,100	1,695,000	9/12/2014	0.9304	0.0000
172280-1885	1,385,500	1,485,000	6/13/2013	0.9330	0.0026
172280-2735	639,000	675,000	4/15/2015	0.9467	0.0162
273810-0425	5,310,600	5,230,000	8/28/2013	1.0154	0.0850
273810-0610	16,243,200	28,575,000	7/27/2015	0.5684	0.3620
339110-0060	399,300	395,000	2/13/2013	1.0109	0.0804
339110-0070	399,300	420,000	8/17/2015	0.9507	0.0203
357320-0845	8,739,000	10,625,000	9/29/2014	0.8225	0.1079
395790-0060	4,339,900	8,285,000	10/23/2015	0.5238	0.4066
526330-0375	728,200	850,000	11/27/2013	0.8567	0.0737
526330-0420	1,030,500	1,074,000	4/22/2013	0.9595	0.0291
526330-0770	604,800	719,047	11/18/2014	0.8411	0.0893
536720-1080	943,700	1,075,000	12/14/2015	0.8779	0.0526
536720-1705	1,055,200	1,384,000	10/1/2014	0.7624	0.1680
536720-1740	2,080,600	3,300,000	12/7/2015	0.6305	0.3000
536720-1810	1,351,300	1,380,000	2/9/2015	0.9792	0.0488
700620-0650	1,002,800	1,626,500	9/27/2014	0.6165	0.3139
737660-0005	2,199,700	2,600,000	9/12/2014	0.8460	0.0844
737660-0210	3,314,400	3,700,000	10/29/2013	0.8958	0.0347
766620-3186	2,331,500	2,475,000	2/10/2014	0.9420	0.0116
766620-4340	1,448,300	1,580,000	7/1/2013	0.9166	0.0138
766620-6270	1,382,700	1,500,000	11/11/2013	0.9218	0.0086
766620-7185	2,256,400	2,300,000	11/24/2015	0.9810	0.0506
788610-0450	2,431,700	2,600,000	7/26/2013	0.9353	0.0048
788610-1200	838,700	880,000	3/19/2014	0.9531	0.0226

Area 035 - East Duwamish MIC
2015 Assessment Year

Quadrant/Crew:	Appr date:	Date:		Sales Dates:
Central Crew	1/1/2015	2/25/2016		2/13/13 - 12/14/15
Area	Appr ID:	Prop Type:		Trend used?: Y/N
35	MLEC	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	27			
Mean Assessed Value	2,392,700			
Mean Sales Price	3,222,200			
Standard Deviation AV	3,317,040			
Standard Deviation SP	5,602,784	12		
ASSESSMENT LEVEL	10			
Arithmetic mean ratio	0.875	8		
Median Ratio	0.930			
Weighted Mean Ratio	0.743	6		
		4		
UNIFORMITY				
Lowest ratio	0.5238	2		
Highest ratio:	1.0345	2		
Coefficient of Dispersion	10.05%	0		
Standard Deviation	0.1385	0		
Coefficient of Variation	15.83%	0		
Price-related Differential	1.18	0		
RELIABILITY	These figures reflect measurements before posting new values.			
95% Confidence: Median				
Lower limit	0.846			
Upper limit	0.953			
95% Confidence: Mean				
Lower limit	0.822			
Upper limit	0.927			
SAMPLE SIZE EVALUATION				
N (population size)	892			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1385			
Recommended minimum:	30			
Actual sample size:	27			
Conclusion:				
NORMALITY				
Binomial Test				
# ratios below mean:	9			
# ratios above mean:	18			
z:	1.539600718			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				

Area 035 - East Duwamish MIC
2016 Assessment Year

Parcel Number	Assessed Value	Sale Price	Sale Date	Ratio	Di???: Median
042304-9117	281,500	275,000	3/26/2013	1.0236	0.0729
042304-9117	281,500	295,000	3/12/2014	0.9542	0.0035
090100-0050	1,605,100	1,695,000	9/12/2014	0.9470	0.0038
172280-1885	1,434,100	1,485,000	6/13/2013	0.9657	0.0150
172280-2735	639,000	675,000	4/15/2015	0.9467	0.0040
273810-0425	5,288,700	5,230,000	8/28/2013	1.0112	0.0605
273810-0610	26,800,700	28,575,000	7/27/2015	0.9379	0.0128
339110-0060	399,300	395,000	2/13/2013	1.0109	0.0602
339110-0070	399,300	420,000	8/17/2015	0.9507	0.0000
357320-0845	9,758,300	10,625,000	9/29/2014	0.9184	0.0323
395790-0060	7,060,300	8,285,000	10/23/2015	0.8522	0.0985
526330-0375	687,300	850,000	11/27/2013	0.8086	0.1421
526330-0420	1,030,500	1,074,000	4/22/2013	0.9595	0.0088
526330-0770	604,800	719,047	11/18/2014	0.8411	0.1096
536720-1080	1,003,300	1,075,000	12/14/2015	0.9333	0.0174
536720-1705	1,117,900	1,384,000	10/1/2014	0.8077	0.1430
536720-1740	2,845,900	3,300,000	12/7/2015	0.8624	0.0883
536720-1810	1,385,700	1,380,000	2/9/2015	1.0041	0.0534
700620-0650	1,567,400	1,626,500	9/27/2014	0.9637	0.0130
737660-0005	2,199,700	2,600,000	9/12/2014	0.8460	0.1047
737660-0210	3,322,800	3,700,000	10/29/2013	0.8981	0.0527
766620-3186	2,397,400	2,475,000	2/10/2014	0.9686	0.0179
766620-4340	1,543,400	1,580,000	7/1/2013	0.9768	0.0261
766620-6270	1,437,600	1,500,000	11/11/2013	0.9584	0.0077
766620-7185	2,256,400	2,300,000	11/24/2015	0.9810	0.0303
788610-0450	2,437,100	2,600,000	7/26/2013	0.9373	0.0134
788610-1200	837,500	880,000	3/19/2014	0.9517	0.0010

Area 035 - East Duwamish MIC
2016 Assessment Year

Quadrant/Crew:	Appr date:	Date:	Sales Dates:									
Central Crew	1/1/2016	2/25/2016	2/13/13 - 12/14/15									
Area	Appr ID:	Prop Type:	Trend used?: Y/N									
35	MLEC	Improvement	N									
SAMPLE STATISTICS												
Sample size (n)	27	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.934</td><td>7</td></tr><tr><td>0.951</td><td>16</td></tr><tr><td>0.927</td><td>4</td></tr></tbody></table>			Ratio	Frequency	0.934	7	0.951	16	0.927	4
Ratio	Frequency											
0.934	7											
0.951	16											
0.927	4											
Mean Assessed Value	2,986,000											
Mean Sales Price	3,222,200											
Standard Deviation AV	5,227,660											
Standard Deviation SP	5,602,784											
	14											
ASSESSMENT LEVEL	12											
Arithmetic mean ratio	0.934											
Median Ratio	0.951											
Weighted Mean Ratio	0.927											
	6											
UNIFORMITY	4											
Lowest ratio	0.8077											
Highest ratio:	1.0236											
Coefficient of Dispersion	4.65%											
Standard Deviation	0.0608											
Coefficient of Variation	6.50%											
Price-related Differential	1.01											
RELIABILITY	These figures reflect measurements after posting new values.											
95% Confidence: Median												
Lower limit	0.918											
Upper limit	0.966											
95% Confidence: Mean												
Lower limit	0.911											
Upper limit	0.957											
SAMPLE SIZE EVALUATION												
N (population size)	892											
B (acceptable error - in decimal)	0.05											
S (estimated from this sample)	0.0608											
Recommended minimum:	6											
Actual sample size:	27											
Conclusion:	OK											
NORMALITY												
Binomial Test												
# ratios below mean:	9											
# ratios above mean:	18											
z:	1.539600718											
Conclusion:	Normal*											
*i.e., no evidence of non-normality												

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par . Ct.	Ver. Code Y	Remarks
035	010	339110	0060	1,452	2589306	\$395,000	02/13/13	\$272.04	HOLGATE SQUARE CONDO	IG2 U/85	1	Y	
035	010	339110	0070	1,452	2750880	\$420,000	08/17/15	\$289.26	HOLGATE SQUARE CONDO	IG2 U/85	1	Y	
035	010	766620	3150	21,736	2596651	\$1,900,000	03/27/13	\$87.41	HIGHRISE CABINETS	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	010	766620	3186	20,016	2653700	\$2,475,000	02/10/14	\$123.65	JOHNSTONE SUPPLY	IG2 U/85	1	Y	
035	010	766620	3827	27,933	2716422	\$3,690,000	03/02/15	\$132.10	BLANCHARD AUTO ELECTRIC	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	010	766620	4340	16,296	2615652	\$1,580,000	07/01/13	\$96.96	NOLAN NW	IG1 U/85	1	Y	
035	010	766620	5175	1,830	2771476	\$525,000	12/10/15	\$286.89	Touch of Class Spa	IG1 U/85	1	26	Imp changed after sale; not in ratio
035	010	766620	5656	6,000	2602369	\$857,000	04/29/13	\$142.83	B B SALES	IG1 U/85	1	26	Imp changed after sale; not in ratio
035	010	766620	6270	7,810	2640963	\$1,500,000	11/11/13	\$192.06	ART WOLF GALLERY	IG2 U/85	1	Y	
035	010	766620	7185	52,110	2768256	\$2,300,000	11/24/15	\$44.14	MILLWORK SUPPLY CO	IG2 U/85	1	Y	
035	030	172280	1335	8,940	2656653	\$1,330,000	03/04/14	\$148.77	E F BAILEY CO	C1-65	1	26	Imp changed after sale; not in ratio
035	030	172280	1885	10,800	2612182	\$1,485,000	06/13/13	\$137.50	Columbia Fire	IG2 U/85	1	Y	
035	030	172280	2735	5,885	2724188	\$675,000	04/15/15	\$114.70	DEPT OF HEALTH	IG2 U/85	1	Y	
035	030	182404	9074	39,200	2727513	\$4,432,500	04/29/15	\$113.07	Habitat for Humanity	IG1 U/85	1	34	Use-change after sale; not in ratio
035	030	202404	9035	28,126	2606343	\$3,066,960	05/16/13	\$109.04	Copiers NW	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	030	357320	0845	58,447	2692733	\$10,625,000	09/29/14	\$181.79	REPUBLIC SERVICES	IG2 U/85	2	Y	
035	030	395790	0060	50,832	2763484	\$8,285,000	10/23/15	\$162.99	CASCADE DESIGNS	IG1 U/85	1	Y	
035	030	526330	0375	5,000	2644449	\$850,000	11/27/13	\$170.00	Emerald Market Supply	C1-65	1	Y	
035	030	526330	0420	7,296	2601671	\$1,074,000	04/22/13	\$147.20	RED WASHINGTON SALES/FLAJOL	IG2 U/85	1	Y	
035	030	526330	0425	14,800	2654180	\$2,050,000	02/18/14	\$138.51	MASTERCRAFT	IG2 U/85	1	34	Use-change after sale; not in ratio
035	030	526330	0770	4,032	2701400	\$719,047	11/18/14	\$178.34	AL-VAN EQUIP	IG2 U/85	1	Y	
035	030	737660	0005	14,366	2690159	\$2,600,000	09/12/14	\$180.98	MDE ENGINEERS	IG2 U/85	1	Y	
035	030	737660	0210	31,500	2638798	\$3,700,000	10/29/13	\$117.46	SCHWARTZ BROTHERS BAKERY	IG2 U/85	2	Y	
035	030	788610	0450	20,819	2620892	\$2,600,000	07/26/13	\$124.89	Image Visual Services	IG2 U/85	2	Y	
035	030	788610	1125	14,320	2704845	\$2,000,000	12/09/14	\$139.66	KANSAI COLLISION CENTER	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	030	788610	1200	5,594	2658211	\$880,000	03/19/14	\$157.31	BOGART'S CAFE AND COCKTAILS	IG2 U/85	2	Y	
035	050	273810	0415	5,120	2764280	\$1,617,000	10/16/15	\$315.82	POLLY MC ARTHUR AND ASSOCIA	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	050	273810	0425	50,200	2627808	\$5,230,000	08/28/13	\$104.18	PACIFIC PLUMBING	IG2 U/85	1	Y	
035	050	273810	0610	130,371	2745643	\$28,575,000	07/27/15	\$219.18	GEORGETOWN CENTER	IB U/65	2	Y	
035	060	090100	0050	8,675	2690058	\$1,695,000	09/12/14	\$195.39	Van Wild Interiors	C2-40	1	Y	
035	060	273610	0010	14,400	2652766	\$1,875,000	01/29/14	\$130.21	PACE ANALYTICAL	IG2 U/85	2	26	Imp changed after sale; not in ratio
035	060	346780	0005	31,900	2672727	\$2,875,000	06/09/14	\$90.13	RUNG WAREHOUSE	C2-40	1	26	Imp changed after sale; not in ratio
035	060	700620	0405	6,584	2649107	\$1,075,000	01/09/14	\$163.27	ALLIED TECHNICAL SVCS	C2-40	1	34	Use-change after sale; not in ratio
035	060	700620	0405	6,584	2708687	\$1,195,000	12/30/14	\$181.50	ALLIED TECHNICAL SVCS	C2-40	1	34	Use-change after sale; not in ratio
035	060	700620	0650	13,044	2692674	\$1,626,500	09/27/14	\$124.69	FABRIC SALES COMPANY	C2-40	1	Y	
035	065	042304	9117	1,765	2657677	\$295,000	03/12/14	\$167.14	CLUB 787	MIC/H	1	Y	
035	065	042304	9117	1,765	2597914	\$275,000	03/26/13	\$155.81	ANNEX TAVERN	MIC/H	1	Y	
035	065	536720	1080	4,567	2772014	\$1,075,000	12/14/15	\$235.38	OFFICE	IG2 U/85	1	Y	
035	065	536720	1705	9,573	2693485	\$1,384,000	10/01/14	\$144.57	PUENTES BROS.	IG2 U/85	1	Y	
035	065	536720	1740	18,480	2771261	\$3,300,000	12/07/15	\$178.57	PACKAGING SPECIALTIES	IG2 U/85	1	Y	
035	065	536720	1770	23,600	2713045	\$3,100,000	02/09/15	\$131.36	McKINNON FURNITURE	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	065	536720	1810	12,160	2713046	\$1,380,000	02/09/15	\$113.49	AMERICAN DETAIL	IG2 U/85	1	Y	

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code
035	010	766620	3045	74,140	2770396	\$4,200,000	12/01/15	\$56.65	VACANT (TRUCK/TRAILER STORAGE)	IG2 U/85	2	Y
035	010	766620	3450	108,900	2748399	\$8,400,000	07/30/15	\$77.13	PACIFIC ALASKA FORWARDING	IG1 U/85	1	Y
035	010	766620	5930	42,343	2771169	\$2,800,000	12/09/15	\$66.13	PACIFIC COAST CONTAINER (PCC LOGISTICS)	IG1 U/85	1	Y
035	010	766620	6055	27,000	2682372	\$1,854,500	07/28/14	\$68.69	BANK OF AMERICA	IG2 U/85	1	Y
035	010	766620	6425	45,000	2599814	\$9,024,600	04/16/13	\$200.55	MAC'S SMOKEHOUSE BBQ AND DINER	IC-85	3	Y
035	030	202404	9054	118,395	2730049	\$3,950,000	05/08/15	\$33.36	MOBILE CRANE CO	IG2 U/85	1	Y
035	030	273810	0255	35,056	2587803	\$1,500,000	02/01/13	\$42.79	KETTELLS CORNER	C1-65	1	Y
035	030	526330	0115	21,128	2675131	\$950,000	06/23/14	\$44.96	THE VAC SHACK	C1-65	4	Y
035	030	536720	0445	46,421	2661663	\$1,800,000	04/10/14	\$38.78	WINTER'S SURPLUS	IG2 U/85	1	Y
035	030	536720	0445	46,421	2766722	\$2,300,000	11/06/15	\$49.55	DUCKY'S WAREHOUSE	IG2 U/85	1	Y
035	030	536720	4646	596,454	2732841	\$24,500,000	05/27/15	\$41.08	CONSOLIDATED FREIGHT WAYS	IG2 U/85	1	Y
035	065	542260	0060	1,067,031	2703118	\$31,900,000	11/26/14	\$29.90	INSURANCE AUTO AUCTIONS	MIC/H	2	Y

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par . Ct.	Ver. Code	Remarks
035	010	766620	3050	8,154	2587142	\$599,900	01/25/13	\$73.57	J.R. ABBOTT CONST CO	IG2 U/85	1	57	Selling or buying costs affecting sale
035	010	766620	4385	11,280	2612242	\$975,000	05/28/13	\$86.44	WESTERN SAFETY BUILDING	IG1 U/85	1	57	Selling or buying costs affecting sale
035	010	766620	4460	16,440	2663855	\$3,050,000	04/22/14	\$185.52	PIUS KITCHEN AND BATH	IG1 U/85	1	3	Contract or cash sale
035	010	766620	4636	16,501	2706682	\$382,500	12/10/14	\$23.18	RESTORED WAREHOUSE	IG2 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	010	766620	5270	12,116	2584136	\$875,000	01/08/13	\$72.22	POSTAL STATION CENTER	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	030	617290	0300	30,990	2659143	\$3,485,000	03/21/14	\$112.46	IMPEX - OLD DANIEL SMITH-FINE ART	IG2 U/85	1	23	Forced sale
035	030	766620	3875	17,672	2688913	\$1,875,000	08/28/14	\$106.10	SKYLINE PACIFIC NW	IG2 U/85	1	57	Selling or buying costs affecting sale
035	050	172280	0115	7,094	2591472	\$1,050,000	02/26/13	\$148.01	OFFICE BUILDING	IG2 U/85	2	61	Financial institution resale
035	050	172280	0335	3,096	2759181	\$740,000	09/30/15	\$239.02	BALANCING SERVICE CO	IG2 U/85	1	11	Corporate affiliates
035	060	273410	0635	4,750	2704078	\$755,236	11/05/14	\$159.00	GEORGETOWN GOSPEL CHAPEL	LR1	2	52	Statement to DOR
035	060	535420	0260	5,250	2684706	\$1,100,000	08/12/14	\$209.52	KOLLMAR SHEET METAL	IG2 U/85	1	57	Selling or buying costs affecting sale
035	070	282404	9007	1,966,157	2762549	\$5,500,000	10/16/15	\$2.80	KING CO AIRPORT (imps)	IG2 U/85	1	33	Lease or lease-hold
035	070	282404	9007	1,966,157	2684296	\$1,726,700	08/11/14	\$0.88	KING CO AIRPORT (imps)	IG2 U/85	1	33	Lease or lease-hold
035	070	282404	9007	19,787	2747629	\$4,650,000	07/31/15	\$235.00	KING CO AIRPORT (imps)	IG2 U/85	1	33	Lease or lease-hold

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	010	377030	0192	4,400	2655333	\$180,125	01/09/14	\$40.94	RR RIGHT OF WAY	IG2 U/85	1	51	Related party, friend, or neighbor
035	010	766620	4449	61,419	2692937	\$3,800,000	09/30/14	\$61.87	WESCO	IG1 U/85	1	57	Selling or buying costs affecting sale
035	010	766620	4531	1,800	2757789	\$20,000	09/24/15	\$11.11	FMR RR ROW	IG2 U/85	1	15	No market exposure
035	010	766620	4875	1,061	2746465	\$63,000	07/23/15	\$59.38	PORTION OF RR ROW	IC-65	1	51	Related party, friend, or neighbor
035	030	172280	1300	6,006	2655829	\$185,000	02/26/14	\$30.80	SFR	C1-65	1	13	Bankruptcy - receiver or trustee
035	030	386840	0270	54,964	2710332	\$2,250,000	10/28/14	\$40.94	PRESERVATIVE PAINT CO	IG2 U/85	1	57	Selling or buying costs affecting sale
035	030	526330	0195	20,000	2651839	\$537,000	01/16/14	\$26.85	VACANT LAND	IG2 U/85	1	57	Selling or buying costs affecting sale
035	030	766620	4101	62,775	2596136	\$659,137	03/21/13	\$10.50	FMR RR ROW	IG1 U/85	2	51	Related party, friend, or neighbor
035	060	273410	1110	5,271	2598584	\$50,000	04/01/13	\$9.49	T W PUMPS	LR1	1	57	Selling or buying costs affecting sale
035	065	000180	0089	51,999	2672520	\$597,950	05/23/14	\$11.50	VACANT LAND	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	065	213620	0641	690,795	2663664	\$10,000,000	04/17/14	\$14.48	CROWLEY MARINE SERVICES	IG1 U/85	1	57	Selling or buying costs affecting sale
035	065	273410	0270	140,465	2769355	\$2,700,000	11/30/15	\$19.22	TRUCK STORAGE	IG1 U/85	1	57	Selling or buying costs affecting sale
035	065	542260	0015	8,521	2703114	\$3,500	11/24/14	\$0.41	PORTION OF RR ROW	MIC/H	1	51	Related party, friend, or neighbor

GeoArea	GeoNbhd	Major	Minor
35	70	000160	0019
35	70	000160	0049
35	70	000180	0018
35	60	000180	0020
35	60	000180	0021
35	60	000180	0024
35	65	000180	0028
35	65	000180	0033
35	65	000180	0039
35	65	000180	0046
35	65	000180	0058
35	60	000180	0063
35	65	000180	0087
35	65	000180	0089
35	65	000180	0090
35	65	000180	0091
35	60	000180	0100
35	65	000180	0104
35	65	000180	0128
35	65	000180	0137
35	60	000180	0139
35	65	000180	0159
35	65	000180	0161
35	65	000180	0170
35	65	000340	0015
35	65	000340	0024
35	65	000340	0029
35	65	000340	0041
35	65	000340	0042
35	65	000340	0046
35	65	000340	0049
35	65	000520	0022
35	65	000520	0029
35	65	000520	0031
35	65	000520	0032
35	65	000520	0036
35	65	000520	0056
35	65	000520	0110
35	60	000520	0121
35	65	000740	0005

GeoArea	GeoNbhd	Major	Minor
35	65	000740	0015
35	65	000740	0024
35	70	000740	0032
35	65	000740	0137
35	65	002200	0165
35	65	032304	9045
35	65	032304	9048
35	65	032304	9058
35	65	032304	9061
35	65	032304	9062
35	65	032304	9070
35	65	032304	9073
35	65	032304	9080
35	65	032304	9128
35	65	032304	9171
35	65	032304	9228
35	65	032304	9229
35	65	032304	9230
35	65	032304	9240
35	60	036000	0005
35	60	036000	0020
35	60	036000	0035
35	65	042304	9002
35	65	042304	9015
35	65	042304	9051
35	65	042304	9066
35	65	042304	9099
35	65	042304	9101
35	65	042304	9102
35	65	042304	9117
35	65	042304	9184
35	65	042304	9194
35	60	090100	0015
35	60	090100	0050
35	60	090100	0095
35	60	090100	0105
35	60	090100	0110
35	50	105000	0004
35	50	105000	0010
35	60	141630	0005

GeoArea	GeoNbhd	Major	Minor
35	60	141630	0009
35	60	141630	0025
35	60	141630	0035
35	60	141630	0040
35	60	141630	0060
35	60	141630	0075
35	60	141630	0084
35	60	141630	0114
35	60	141630	0130
35	60	141630	0170
35	50	148630	0005
35	50	172280	0065
35	50	172280	0073
35	50	172280	0095
35	50	172280	0115
35	50	172280	0120
35	50	172280	0140
35	50	172280	0145
35	50	172280	0223
35	50	172280	0315
35	50	172280	0320
35	50	172280	0325
35	50	172280	0335
35	50	172280	0515
35	50	172280	0525
35	50	172280	0570
35	50	172280	0585
35	50	172280	0590
35	50	172280	0620
35	60	172280	0985
35	50	172280	1079
35	50	172280	1080
35	50	172280	1081
35	65	175370	0235
35	65	175370	0282
35	65	175370	0330
35	65	175370	0395
35	50	202404	9036
35	60	202404	9044
35	50	202404	9059

GeoArea	GeoNbhd	Major	Minor
35	50	202404	9060
35	50	202404	9068
35	65	213620	0005
35	65	213620	0035
35	65	213620	0075
35	65	213620	0210
35	65	213620	0375
35	65	213620	0525
35	65	213620	0605
35	65	213620	0641
35	65	213620	0666
35	65	213620	0670
35	65	213620	0681
35	60	230890	0105
35	65	245590	0005
35	65	245590	1005
35	60	273410	0110
35	60	273410	0115
35	60	273410	0120
35	60	273410	0175
35	65	273410	0260
35	65	273410	0270
35	60	273410	0556
35	60	273410	0635
35	60	273410	0920
35	60	273410	1110
35	60	273410	1230
35	60	273410	1265
35	60	273510	0020
35	60	273510	0035
35	60	273510	0060
35	60	273510	0065
35	60	273610	0010
35	60	273710	0010
35	50	273810	0175
35	50	273810	0355
35	50	273810	0375
35	50	273810	0380
35	50	273810	0415
35	50	273810	0425

GeoArea	GeoNbhd	Major	Minor
35	50	273810	0500
35	50	273810	0610
35	50	273810	0620
35	70	282404	9007
35	65	292404	9043
35	65	292404	9045
35	65	292404	9062
35	65	292404	9083
35	65	292404	9091
35	65	292404	9110
35	65	292404	9112
35	70	332404	9011
35	65	332404	9019
35	60	346580	0035
35	60	346580	0045
35	60	346580	0050
35	60	346580	0055
35	60	346580	0070
35	60	346580	0085
35	60	346680	0005
35	60	346680	0030
35	60	346680	0033
35	60	346680	0037
35	60	346680	0040
35	60	346680	0050
35	60	346680	0060
35	60	346680	0063
35	60	346680	0065
35	60	346680	0076
35	60	346680	0077
35	60	346680	0110
35	60	346680	0130
35	60	346680	0175
35	60	346680	0210
35	60	346680	0235
35	60	346780	0005
35	60	346780	0035
35	60	346780	0042
35	60	346780	0052
35	60	346780	0054

GeoArea	GeoNbhd	Major	Minor
35	65	346880	0320
35	65	346880	0335
35	65	346880	0475
35	65	346880	0500
35	50	386840	0075
35	50	386840	0076
35	50	386840	0105
35	50	386840	0150
35	50	386840	0160
35	50	386840	0165
35	50	386840	0170
35	50	386840	0175
35	50	386840	0185
35	50	386840	0190
35	50	386840	0200
35	50	386840	0205
35	50	386840	0216
35	50	386840	0217
35	50	386840	0235
35	50	386840	0246
35	50	508440	0005
35	50	508440	0065
35	50	508440	0165
35	50	508440	0170
35	50	508440	0171
35	50	526330	0080
35	60	535420	0005
35	60	535420	0015
35	60	535420	0020
35	60	535420	0035
35	60	535420	0040
35	60	535420	0045
35	60	535420	0080
35	60	535420	0170
35	60	535420	0200
35	60	535420	0245
35	60	535420	0260
35	60	535420	0295
35	60	535420	0310
35	60	535420	0325

GeoArea	GeoNbhd	Major	Minor
35	50	536720	0610
35	50	536720	0620
35	65	536720	0725
35	50	536720	0820
35	50	536720	0875
35	65	536720	0890
35	65	536720	0892
35	50	536720	1000
35	50	536720	1010
35	50	536720	1020
35	50	536720	1040
35	65	536720	1060
35	65	536720	1080
35	50	536720	1155
35	65	536720	1270
35	65	536720	1275
35	65	536720	1295
35	65	536720	1430
35	65	536720	1445
35	65	536720	1465
35	65	536720	1475
35	65	536720	1495
35	65	536720	1500
35	65	536720	1545
35	65	536720	1565
35	65	536720	1595
35	65	536720	1610
35	65	536720	1635
35	65	536720	1670
35	65	536720	1695
35	65	536720	1705
35	65	536720	1725
35	65	536720	1740
35	65	536720	1770
35	65	536720	1810
35	65	536720	1837
35	65	536720	1850
35	65	536720	1865
35	65	536720	1900
35	65	536720	1920

GeoArea	GeoNbhd	Major	Minor
35	65	536720	1940
35	65	536720	1945
35	65	536720	1985
35	65	536720	2000
35	65	536720	2035
35	65	536720	2050
35	65	536720	2080
35	65	536720	2085
35	65	536720	2105
35	65	536720	2110
35	65	536720	2120
35	65	536720	2135
35	65	536720	2145
35	65	536720	2185
35	65	536720	2200
35	65	536720	2270
35	65	536720	2285
35	65	536720	2310
35	65	536720	2380
35	65	536720	2390
35	65	536720	2400
35	65	536720	3760
35	65	536720	3965
35	65	536720	3975
35	65	536720	3991
35	65	536720	4010
35	65	536720	4055
35	65	536720	4100
35	65	536720	4160
35	65	536720	4180
35	65	536720	4200
35	65	536720	4210
35	50	536720	4756
35	65	542260	0010
35	65	542260	0015
35	65	542260	0060
35	65	542260	0124
35	65	542260	0150
35	70	542260	0160
35	60	554430	0005

GeoArea	GeoNbhd	Major	Minor
35	60	554430	0010
35	60	554430	0030
35	60	554430	0045
35	60	554430	0080
35	60	554430	0095
35	60	554430	0115
35	60	554430	0125
35	60	554430	0150
35	60	554430	0175
35	60	554430	0210
35	60	554430	0230
35	60	554430	0231
35	65	562420	0992
35	65	572980	0010
35	65	572980	0020
35	65	573000	0010
35	65	573000	0020
35	60	692070	0010
35	60	692070	0060
35	60	700620	0005
35	60	700620	0035
35	60	700620	0045
35	60	700620	0050
35	60	700620	0085
35	60	700620	0100
35	60	700620	0105
35	60	700620	0281
35	60	700620	0345
35	60	700620	0365
35	60	700620	0405
35	60	700620	0430
35	60	700620	0450
35	60	700620	0465
35	60	700620	0510
35	60	700620	0540
35	60	700620	0570
35	60	700620	0600
35	60	700620	0625
35	60	700620	0630
35	60	700620	0650

GeoArea	GeoNbhd	Major	Minor
35	70	700670	0570
35	65	733840	3235
35	65	733840	3240
35	65	733840	3245
35	65	733840	3250
35	65	733840	3260
35	65	733840	3285
35	65	754980	2668
35	65	754980	2807
35	60	754980	2808
35	65	754980	2810
35	65	789630	1120
35	65	789630	1200
35	60	792510	0010
35	60	792510	0015
35	60	792510	0020
35	65	795200	0000
35	65	815910	0110
35	60	916610	0020