

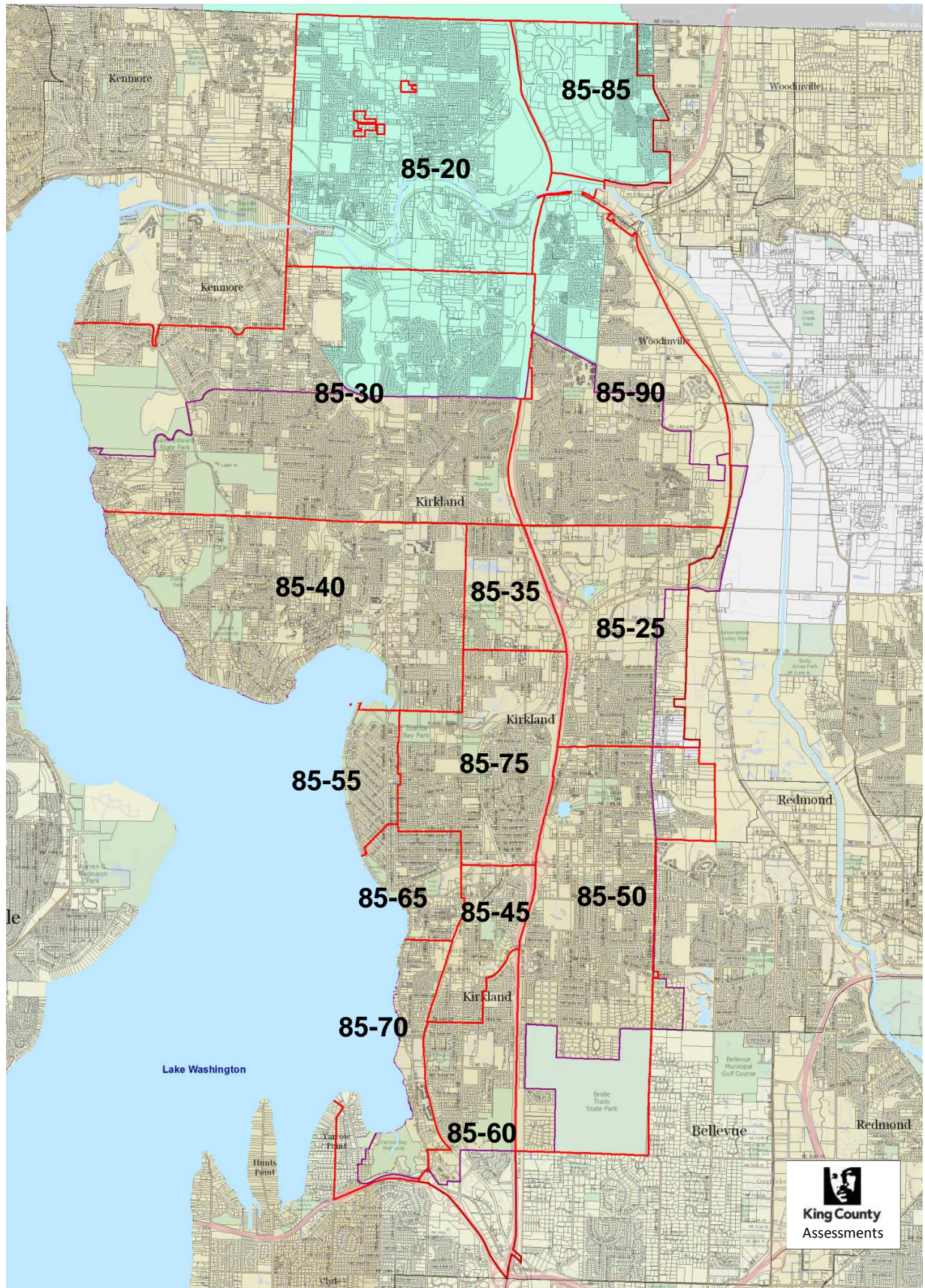
**Commercial Revalue  
2015 Assessment Roll  
Area 85**

**Bothell, Kirkland,  
NE Lake Washington Corridor**

**King County, Department of Assessments,**

**Seattle, WA**

**Lloyd Hara, Assessor**





## King County

### Department of Assessments

King County Administration Bldg.  
500 Fourth Avenue, ADM-AS-0708  
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## Lloyd Hara *Assessor*

As we start preparations for the 2015 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Lloyd Hara  
King County Assessor



## King County

Department of Assessments

Accounting Division

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***Lloyd Hara***  
***Assessor***

Dear Property Owners:

Property assessments for the 2015 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2015 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

Please feel welcome to call my staff if you have questions about the property assessment process and how it relates to your property.

Sincerely,

Lloyd Hara  
Assessor



# Executive Summary Report

**Appraisal Date 1/1/15**

## Geographic Appraisal Area:

- Area 85: Bothell/Kirkland - NE Lake Washington Corridor

## Sales – Improved Summary

- Number of Sales: 42
- Range of Sales Dates: 01/04/2012– 12/19/2014

## Sales – Ratio Study Summary

Sales--Improved Valuation Change Summary				
	Mean Assessed Value	Mean Sale Price	Ratio	COD*
2014 Value	\$2,643,300	\$3,021,400	87.50%	12.86%
2015 Value	\$2,761,600	\$3,021,400	91.40%	9.42%
Abs. Change	\$118,300		3.90%	-3.44%
% Change	4.48%		4.46%	-26.75%

\*COD is a measure of uniformity, the lower the number the better the uniformity

Sales used in analysis: All improved sales that 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 had major renovation after sale, or have been segregated or merged since being purchased.

Total Population - Parcel Summary Data			
	Land	Improvements	Total
2014 Value	\$1,138,196,526	\$1,164,056,981	\$2,302,253,507
2015 Value	\$1,141,386,872	\$1,183,711,543	\$2,325,098,415
% Change	0.28%	1.69%	0.99%

Number of Parcels in the Ratio Study Population: **1,199**, excluding specialties and government-owned properties.

## Conclusion and Recommendation:

Total assessed values for the 2015 revalue have increased 0.99%.

The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2015 Assessment Year.

## **Analysis Process**

**Effective Date of Appraisal:** January 1<sup>st</sup>, 2015

**Date of Appraisal Report:** April 16, 2015

### **Highest and Best Use Analysis**

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

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing 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 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 that the land should be developed in a few years. Similarly, there may not be enough demand for office space to justify the construction of a multistory office building at the present time, but increased demand may be expected within five 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 put until it is ready for its future highest and best use is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in 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 01/01/2012 to 12/31/2014 (at minimum) were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## **Identification of the Area**

### **Name or Designation**

- **Area 85 (Bothell/Kirkland - NE Lake Washington Corridor)**

### **Boundaries**

- West – Lake Washington and the western-most Bothell city limits
- North – Snohomish County
- East – Kirkland city limits
- South – Highway 520

### **Maps**

A general map of the area is included at the beginning of this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

### **Area Description**

Geographic Area 85 consists of cities and neighborhoods located northeast of Lake Washington, which boundaries are generally defined as the King/Snohomish County line to the north, State Route 520 to the south, the Kirkland city limits to the east, and Lake Washington/western-most Bothell city limits to the west.

Within the Geographic Area 85, there are fourteen distinct neighborhoods that have been established for valuation purposes, totaling 1,118 parcels.

The City of Bothell is located in the northern sector of Area 85, while the City of Kirkland encompasses Area 85's southern end. In addition, the northwest portion of Area 85 also includes a small area that is within the City of Kenmore.

Located between the City of Bothell to the north and the City of Kirkland to the south are three neighborhoods known as North Juanita, Finn Hill, and Kingsgate.

Located furthest south in Area 85 is a small cluster of commercial properties that are within the City of Bellevue. These parcels are located just north of SR-520 and west of I-405.

### **City of Bothell: Area 85-20**

**Boundaries:** The City of Bothell is located at the north end of Lake Washington at the crossroads of State Highways 522 and 527, and Interstate 405.

- North – Snohomish County
- South – NE 165<sup>th</sup> Street
- East – Interstate 405
- West – City of Kenmore



**Neighborhood Description:** Bothell was incorporated in 1909 and still retains its historic charm with a small hometown feel - complete with family neighborhoods and parks, churches, educational facilities, and growing businesses. Residents may commute from Bothell to either Seattle or Everett, both of which are approximately 20 minutes away.

About half of Bothell is located in King County, with the remaining located within Snohomish County. The area offers unique regional shopping, such as Bothell's Country Village. Further, the University of Washington at Bothell, and Cascadia Community College, share a 124-acre campus located just northwest of the intersection of I-405 and SR-522.

Bothell's Technology Corridor is a series of four modern business parks home to numerous producers of the fast growing high technology industries that makes Bothell more than a suburb. These developments are located in Area 85-85, discussed later in this report.









### **East Totem Lake (East of I-405): Area 85-25**

**Boundaries:** Area 85-25 is all vacant and improved commercial properties located proximate to Totem Lake Blvd., NE 124<sup>th</sup> Street, and NE 116<sup>th</sup> Street.

- North – NE 132<sup>nd</sup> Street
- South – NE 104<sup>th</sup> Street
- East – 136<sup>th</sup> Avenue NE
- West – Interstate 405



**Neighborhood Description:** The predominant land uses within this neighborhood include a mixture of retail, industrial, multi-family, and low-rise medical office buildings. The northern sector of this neighborhood is dominated by medical office buildings choosing to be close to Evergreen Hospital, whereas, the central and southern portions of this neighborhood include retail oriented businesses, such as, Totem Lake Mall, line retail, restaurants, and car dealerships. The primary land uses in the eastside of this neighborhood include light-industrial service buildings, multi-family/condominium development, and Lake Washington Institute of Technology.

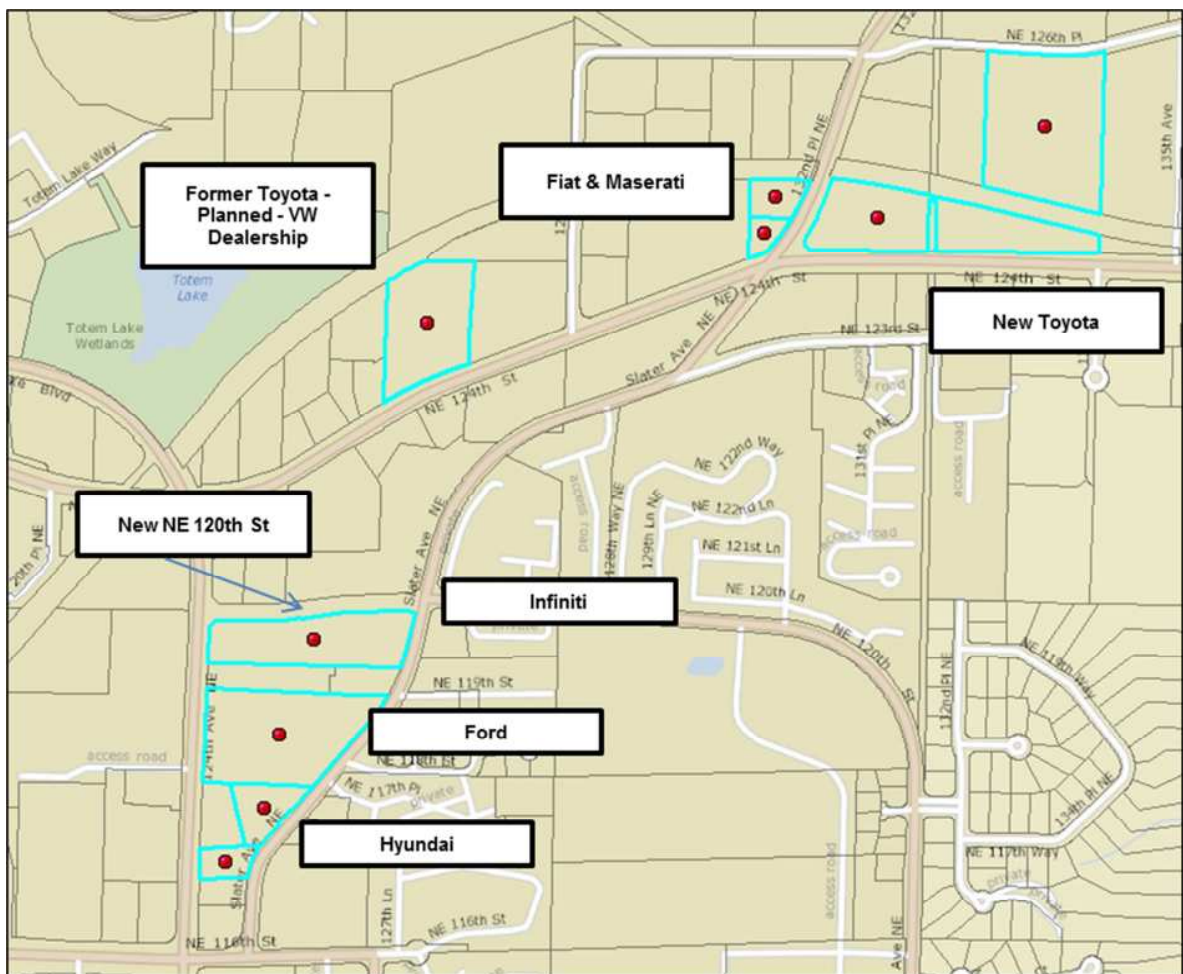
New construction within the East Totem Lake market area includes the recently completed 61-unit Francis Village affordable housing project on NE 124<sup>th</sup> St, and completion of Slater 116, a 108-unit mixed use apartment building that is nearing completion on NE 116<sup>th</sup> St near I-405.



In 2014 the car dealership market evolved in this neighborhood. Toyota of Kirkland neared completion of its new dealership at the former Graham Steel site. In so doing, Toyota vacated its former site which is now being permitted for use as a Volkswagen dealership. Ford of Kirkland combined with Hyundai and built a new and used car servicing center. Further, in 2014 Infiniti of Kirkland was permitted to add to its improvements, and Fiat of Kirkland is adding a showroom for sales of Maserati vehicles.



To accommodate increased traffic through this area, NE 120<sup>th</sup> Street was opened up to connect 124<sup>th</sup> Ave Ne and Slater Avenue NE.





### **Finn Hill/North Juanita: Area 85-30**

**Boundaries:** Area 85-30 is all vacant and improved commercial properties located proximate to 100<sup>th</sup> Avenue NE and Juanita Drive. 100<sup>th</sup> Avenue NE is the primary north/south neighborhood thoroughfare that connects the City of Kirkland to the City of Bothell, while Juanita Drive is the primary north/south neighborhood thoroughfare connecting the City of Kirkland to the City of Kenmore. On June 1<sup>st</sup>, 2011 the City of Kirkland completed annexation of the areas known as Finn Hill, North Juanita, and Kingsgate. As a result, much of area 85-30 that was previously within unincorporated King County is now within the City of Kirkland's jurisdiction.

- North – NE 155<sup>th</sup> Street
- South – NE 132<sup>nd</sup> Street
- East – Interstate 405
- West – Lake Washington



**Neighborhood Description:** The predominant land uses within this neighborhood include a mixture of retail, multi-family and low-rise office buildings. Within this neighborhood are St. Edwards State Park and Bastyr University.

Bastyr University is recognized as one of the leading naturopathic universities in the country. In 2012 the university completed construction of a new student housing village consisting of 11 individual LEED-built cottages, each housing 12 students.

Each cottage is three-stories tall and incorporates a common living area, kitchen, study/laundry, and private bedrooms and baths.







In 2014 Fairfax Hospital completed its building additions. The psychiatric care facility added a new two-story, 68-bed building. They continue to expand their parking along back (north) end of the site, after purchasing a portion of the neighboring GTE site and merging that portion into the existing Fairfax parcel.

### **West Totem Lake (West of I-405): Area 85-35**

**Boundaries:** Area 85-35 is all vacant and improved commercial properties located proximate to NE 124<sup>th</sup> Street and NE 120<sup>th</sup> Avenue NE. Within Area 85-35, NE 124<sup>th</sup> Street is the primary east/west commercial thoroughfare, whereas NE 120<sup>th</sup> Avenue NE is the primary north/south commercial thoroughfare.

- North – NE 132<sup>nd</sup> Street
- South – NE 116<sup>th</sup> Street
- East – Interstate 405
- West – 108<sup>th</sup> Avenue NE



**Neighborhood Description:** The predominant commercial land uses within this neighborhood include a mixture of retail, industrial, multi-family, and low/mid-rise medical/office buildings. West Totem Lake is best known for its retail service core which includes line-retail, restaurants, and the Fred Meyer Shopping Complex. The area is also home to the Kirkland 405 Corporate center, a multi-building suburban office park home to numerous companies.

The city of Kirkland has converted the former Costco Furniture Warehouse into the Kirkland Public Safety Building, which is home to the city's police, corrections, and court services.







Fred Meyer Fuel Center.

The Totem Lake Fred Meyer completed a store remodel and addition in 2011. In 2014 the Portland-based superstore negotiated a land lease with the owners of the neighboring Totem Hill Plaza line retail center.

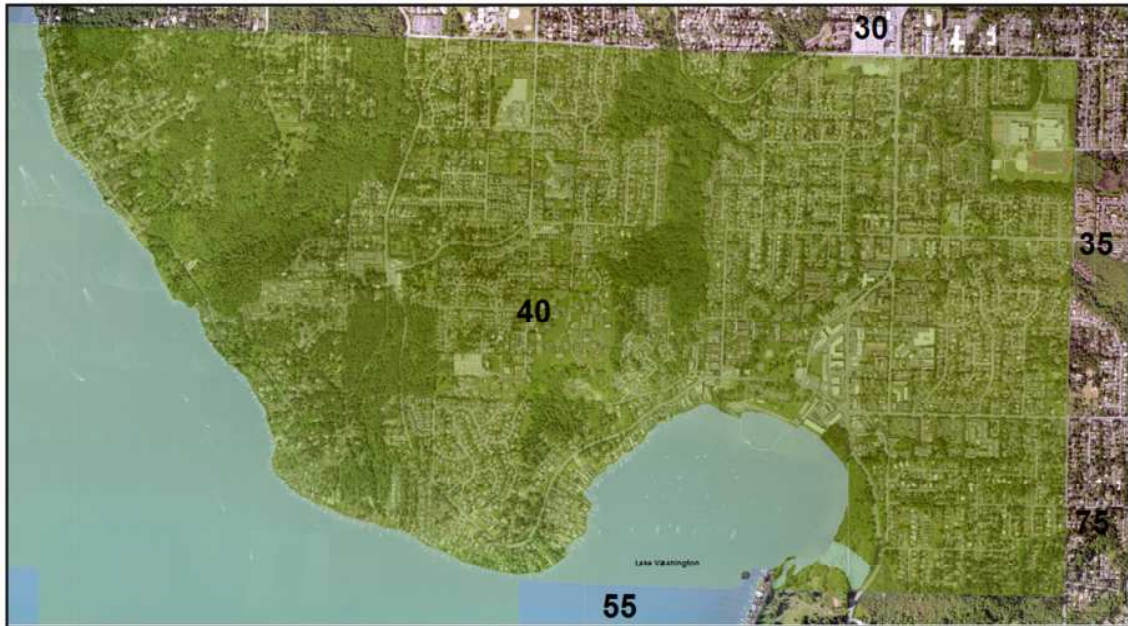
The eastern section of that site formerly featured a stand-alone restaurant which has been razed and has been re-developed with a



### **Juanita: Area 85-40**

**Boundaries:** Area 85-40 is all vacant and improved commercial properties located proximate to 98<sup>th</sup> Avenue NE and 100<sup>th</sup> Avenue NE. 98<sup>th</sup> Avenue NE and 100<sup>th</sup> Avenue NE are the primary north/south neighborhood commercial thoroughfares.

- North – NE 132<sup>nd</sup> Street
- South – NE 108<sup>th</sup> Street
- East – 108<sup>th</sup> Avenue NE
- West – Lake Washington



**Neighborhood Description:** The predominant commercial land uses within this neighborhood include a mixture of retail buildings, apartments, condominiums, and professional low rise office buildings. Juanita Village is a modern take on the traditional mixed-use residential/commercial urban neighborhood center that also serves as the heart of the community.



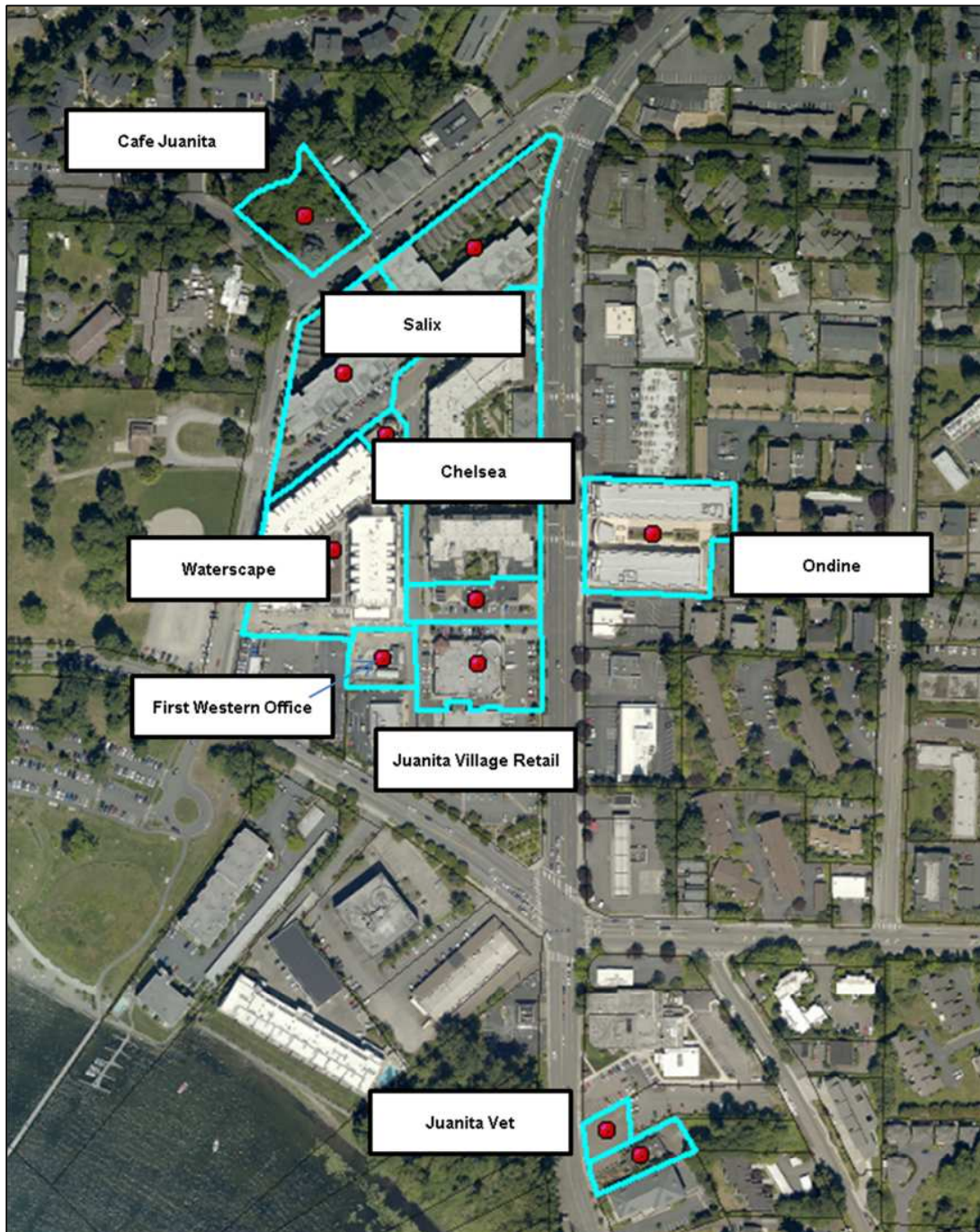
Chelsea Apartment Community, the Salix apartments, and most recently the Waterscape apartments, a 196-unit mixed-use building with 18,000 square feet of commercial space. The Village also contains dedicated retail and business areas. Additional recent development

The most significant development in this neighborhood is Juanita Village, a master-planned mixed-use residential and retail urban village located adjacent to the Juanita Bay of Lake Washington. Juanita Village features the





has occurred around the Village, as it serves as the major commercial hub. Across the street from the Village is the Ondine at Juanita Bay, a 102-unit apartment building on 98<sup>th</sup> Ave NE. In 2014 the Juanita Bay Veterinary Hospital razed its previous improvements and completed a new building, with an additional office space on the second floor. Currently, there are construction permits open for a new First Western Real Estate Office at Juanita Village, and the popular nearby Juanita Café is about to begin a remodel of their restaurant.

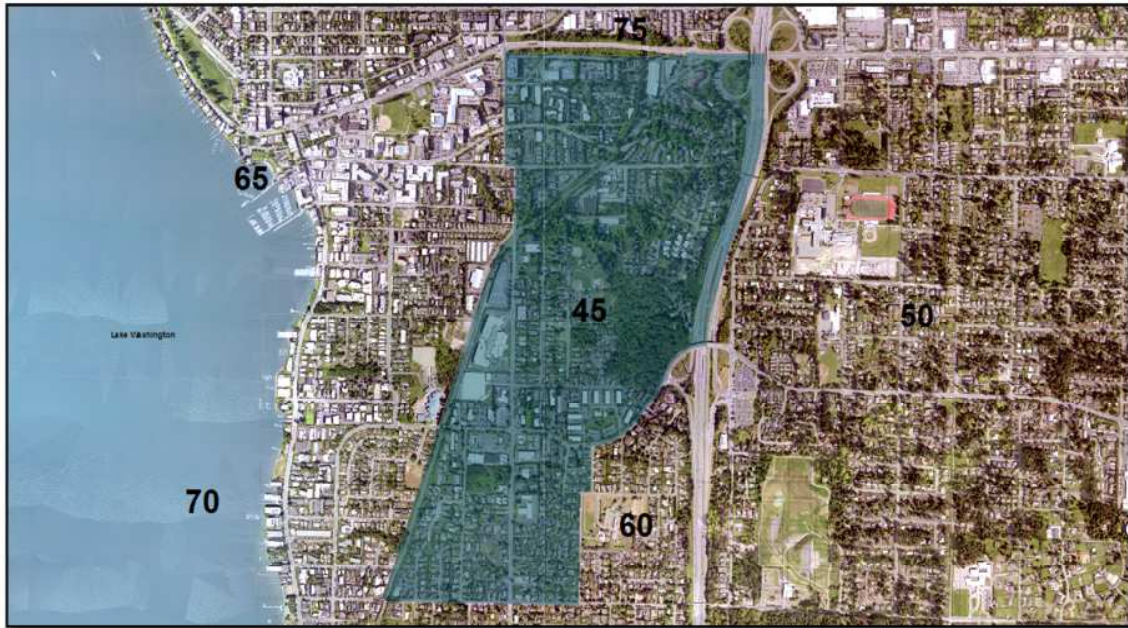




### **Houghton/South Kirkland: Area 85-45**

**Boundaries:** Area 85-45 is all vacant and improved commercial properties located proximate to 108<sup>th</sup> Avenue NE/6<sup>th</sup> Street S. and NE 68<sup>th</sup> Street. 108<sup>th</sup> Avenue/6<sup>th</sup> Street S. is the primary north/south neighborhood commercial thoroughfare, while NE 68<sup>th</sup> Street is the primary east/west neighborhood thoroughfare.

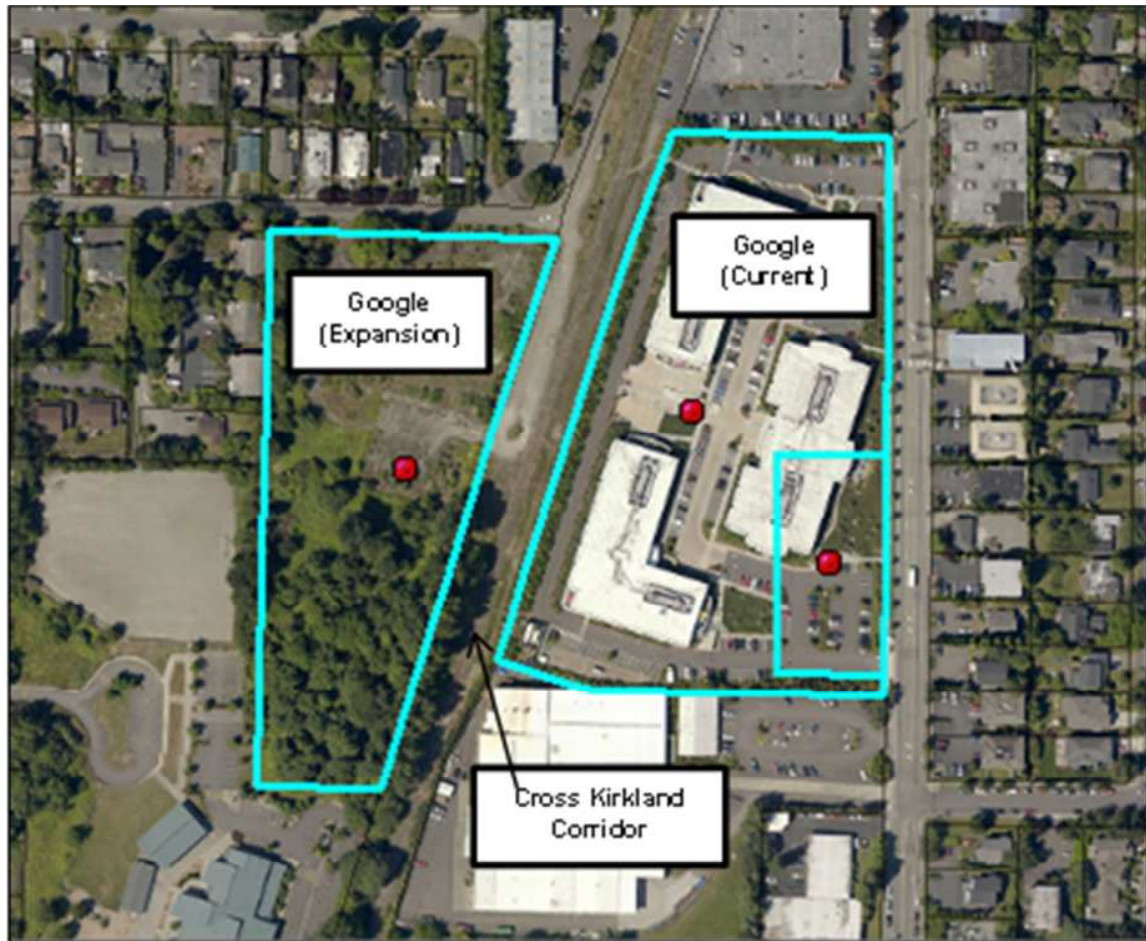
- North – NE 85<sup>th</sup> Street
- South – NE 60<sup>th</sup> Street
- East – Interstate 405
- West – Burlington Northern Railroad (Cross Kirkland Corridor)



**Neighborhood Description:** The predominant commercial land uses within this neighborhood include a mixture of retail buildings, low to mid-rise office buildings, and industrial properties. This area is home to Google's 195,000 square foot Kirkland campus.



Google's plans to double the size of their Kirkland campus with the addition of two new office buildings, containing 160,000 square feet of office area, began to materialize in 2013 when the company which built the current campus for Google purchased the long-vacant Pace Chemical Co. site, immediately west of the current campus.



In order to achieve the feel and convenience of a single campus, plans include connecting the two sites via surface-level and aerial walkways between the existing and proposed improvements.





To this end, Google's construction team acquired an easement for the crossing/use of that portion of the BNSF railroad corridor which passes between the two sites. This corridor, now owned by the City of Kirkland, no longer carries train traffic. In 2013 the City contracted for the removal of all rails, iron and ties from the Kirkland portion of the rail bed. This is in preparation for development of the Cross Kirkland Corridor (CKC), discussed later in this report. In exchange for the easement, the campus owners/developers have agreed pay for and develop a trail and other public amenities along that portion of the CKC which passes between the two sites. Proposed improvements include pathways, open picnic areas and recreational courts. Construction on the campus expansion, as well as Corridor improvements, continued in earnest in 2014



While Google is a major presence in this area, they are not the only focus of real estate activity. Historically, the stretch of 6<sup>th</sup> Street S, between NE 68<sup>th</sup> Street and just north of 5<sup>th</sup> Avenue S, has been developed with single-family residences and small offices. While most improvements date to the 1950s and 1960s, there are houses from the 1910s, as well as some re-builds from the 1980s. Many of these structures have been repurposed as home-based business offices. Further, some of the older small office buildings have been repurposed, such as with the Lakeview

Montessori. This building was originally a warehouse and office which, in 2010, was converted to school use. The success of this conversion at this location led the owners to begin construction in 2014 of an additional daycare building on the site.



Additionally, the McDonald Insurance building, constructed in 1974, was purchased in 2012 and substantially re-modeled in 2013 as the Nytec design and engineering office.

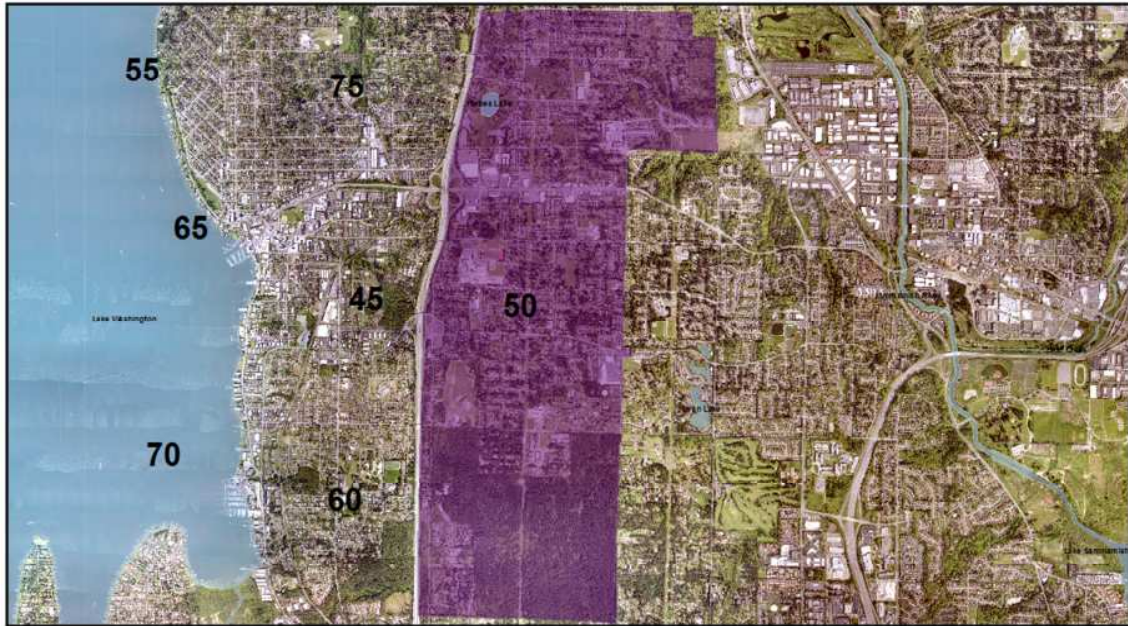
Another small office along 6<sup>th</sup> Street S., dating to 1949, was torn down and the site was re-developed with the 6<sup>th</sup> Street Office.



### **East Kirkland (East of I-405): Area 85-50**

**Boundaries:** Area 85-50 is all vacant and improved commercial properties located proximate to NE 85<sup>th</sup> Street. NE 85<sup>th</sup> Street is the primary east/west commercial thoroughfare connecting downtown Kirkland to Redmond.

- North – NE 104<sup>th</sup> Street
- South – NE 40<sup>th</sup> Street
- East – 132<sup>nd</sup> Place NE
- West – Interstate 405



**Neighborhood Description:** The predominant land uses within this neighborhood include a mixture of retail, low-rise office buildings, and some multi-family units. The retail oriented businesses include neighborhood shopping centers, line retail, restaurants, and car dealerships, mostly occurring along NE 85<sup>th</sup> Street, east of I-405.

Recent construction activity includes the completion, in 2013, of a new Taco Time at the corner of NE 85<sup>th</sup> St & 120<sup>th</sup> Ave NE, at the site of a former gas station.

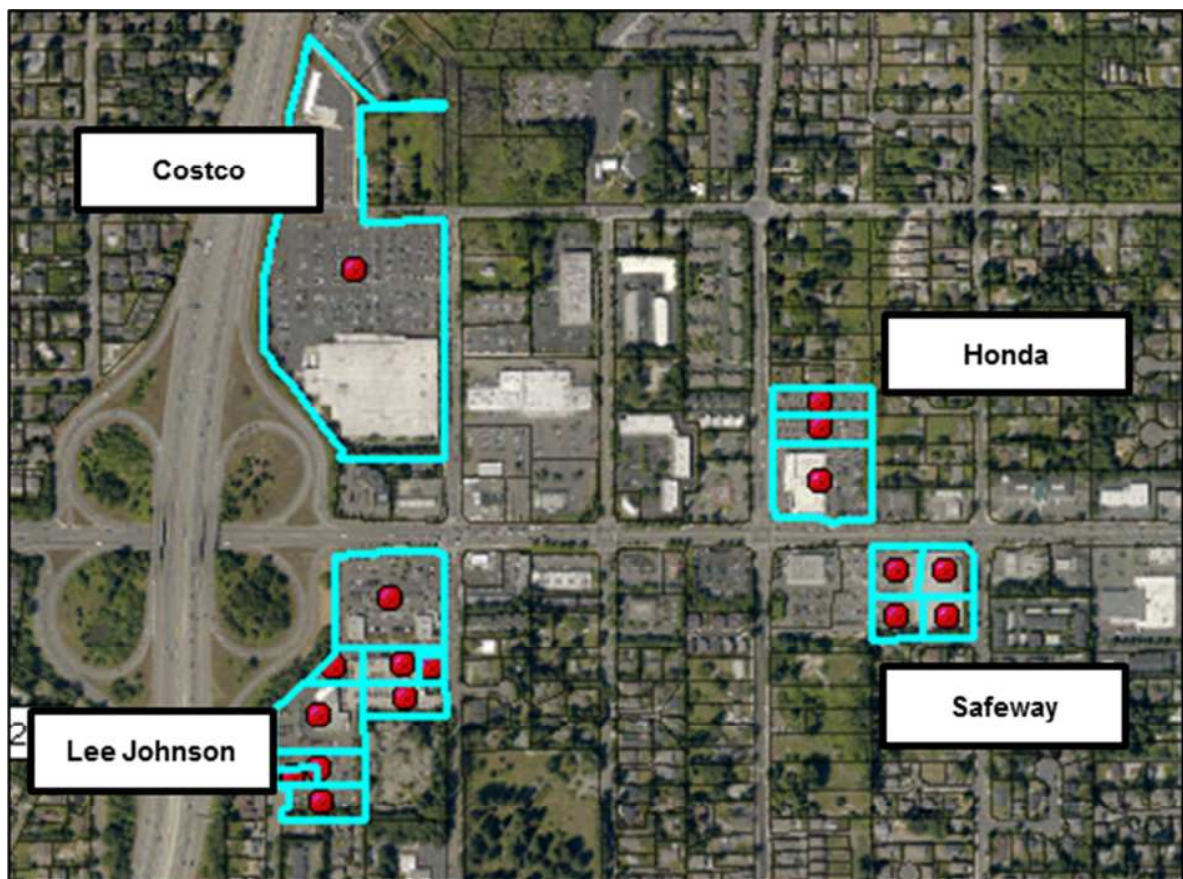
In 2014, construction began on a 3,000 square foot office just south of NE 85<sup>th</sup> Street, in a predominately residential area. A single family residence, built in 1955, had recently been converted to commercial office use. This structure was razed to make place for the new office.







The four major businesses within this neighborhood include Costco, Lee Johnson Chevrolet / Mazda/KIA, Honda of Kirkland, and Safeway.





### **NW Kirkland (Market Street): Area 85-55**

**Boundaries:** Area 85-55 is all vacant and improved commercial properties located proximate to Market Street. Market Street is the primary north/south neighborhood thoroughfare connecting downtown Kirkland to the neighborhood of Juanita.

- North – NE 108<sup>th</sup> Street
- South – 3<sup>rd</sup> Street W
- East – 1<sup>st</sup> Street
- West – Lake Washington



**Neighborhood Description:** The predominant land uses within this neighborhood include small neighborhood retail businesses and low-rise office buildings, sometimes of the single-family residential conversion variety.



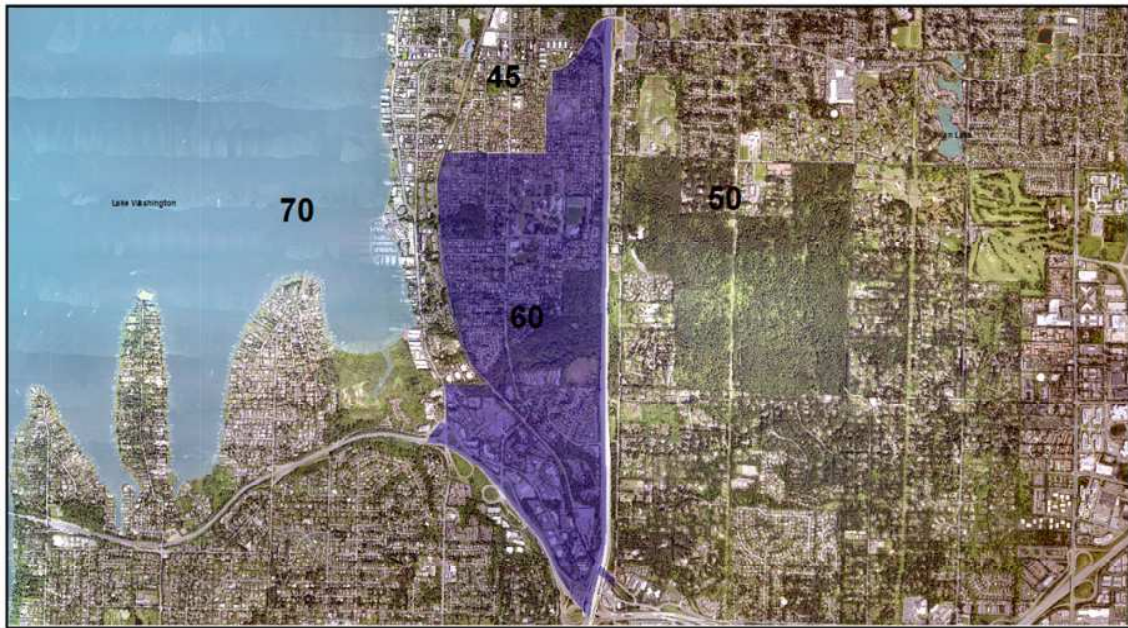
Recent land sales and above-market sales of single-family residences, previously converted for commercial use, indicate that this area could be slowly entering a revitalization stage, with possible re-development activity of a residential (e.g., townhome) nature on the horizon. Along Market Street, a small 4-plex residence, built in 1960, was purchased in 2012. In 2013, those improvements were razed, and in 2014, construction was concluded on a new duplex/office building. Just south of this site, the cornerstone parcel of a larger assemblage was purchased in late 2013. This parcel, improved with a converted single-family residence, is slated, along with the two parcels to the south of it, for re-development as townhomes. As of the date of this report, construction has yet to begin.



### **SE Kirkland: Area 85-60**

**Boundaries:** Area 85-60 is all vacant and improved commercial properties located proximate to 108<sup>th</sup> Avenue NE and Northup Way. Within Area 85-60, 108<sup>th</sup> Avenue NE is the primary north/south neighborhood thoroughfare, while Northup Way is the primary east/west commercial thoroughfare. The commercial properties located along Northup Way are located within the City of Bellevue. These parcels are located just north of SR-520 and west of I-405.

- North – NE 68<sup>th</sup> Street
- South – SR 520
- East – Interstate 405
- West – Lake Washington Blvd.



**Neighborhood Description:** The predominant land uses within this neighborhood include mid-rise office buildings and small light industrial warehouse buildings. The majority of commercial development is located proximate to Northup Way. In addition, Northwest University and Eastside Preparatory School, an independent college-preparatory school for grades 5-12, are located in the northern part of this area.

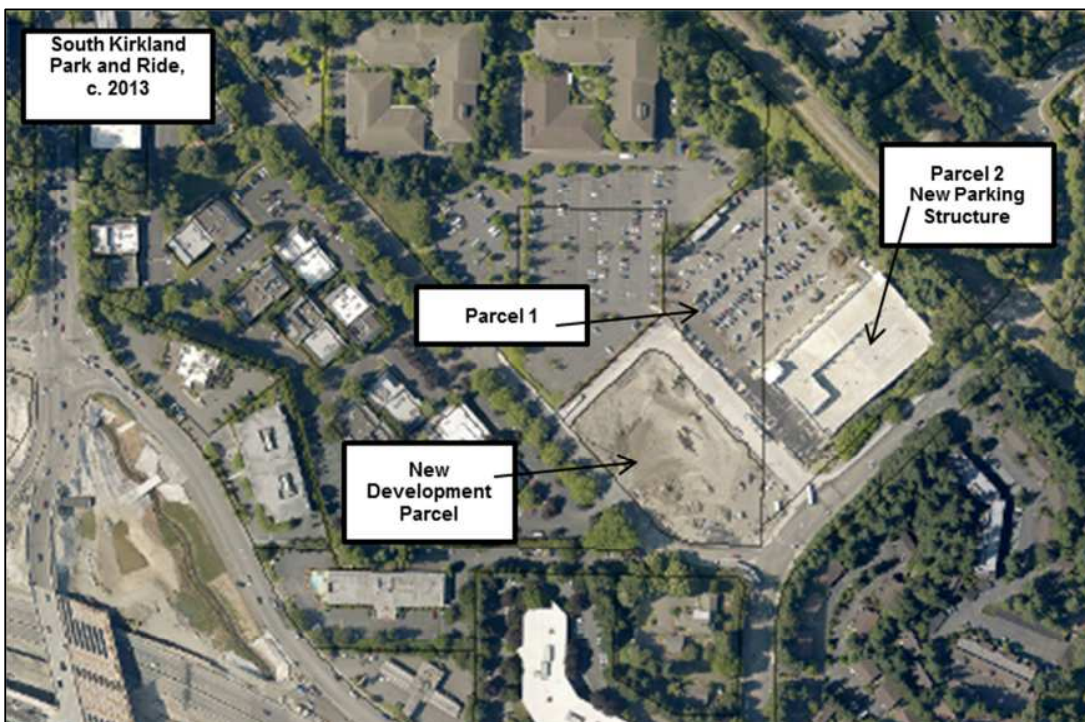
Construction in this area has been scarce in recent years; however, in 2014 the Kirkland Children's School, a pre-school and Kindergarten serving the Eastside, completed construction of new classroom buildings.

The South Kirkland Park and Ride, at the south end of this neighborhood, is undergoing transformation. This previously three-parcel, 6.91A site underwent a revision in 2012 and 2013, which consisted of construction of a 535-





stall multi-story parking garage and revision to ingress/egress and bus routing. The concentration of parking into one of the parcels made way for the sale of the third parcel, in 2013, to a joint-development team which will create two components: a 58-unit affordable housing building with four floors; and a 185-unit mixed use development on a two story parking podium. The more efficient park and ride is now 2 parcels and 5.1 acres. Construction began in 2014.

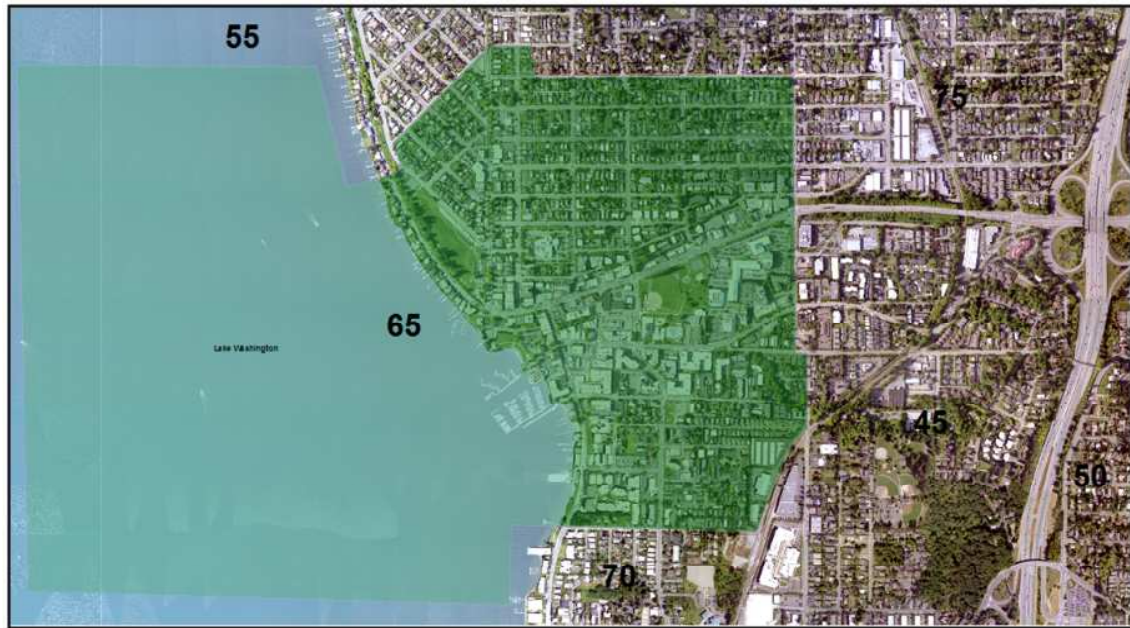


Eastside Preparatory is adding a 30,000-SF science building. Construction began in 2014.

### **Kirkland CBD: Area 85-65**

**Boundaries:** Area 85-65 is all vacant and improved commercial properties located proximate to Central Way and Lake Street S.

- North – 10<sup>th</sup> Avenue
- South – 7<sup>th</sup> Avenue S.
- East – 6<sup>th</sup> Street S.
- West – Lake Washington



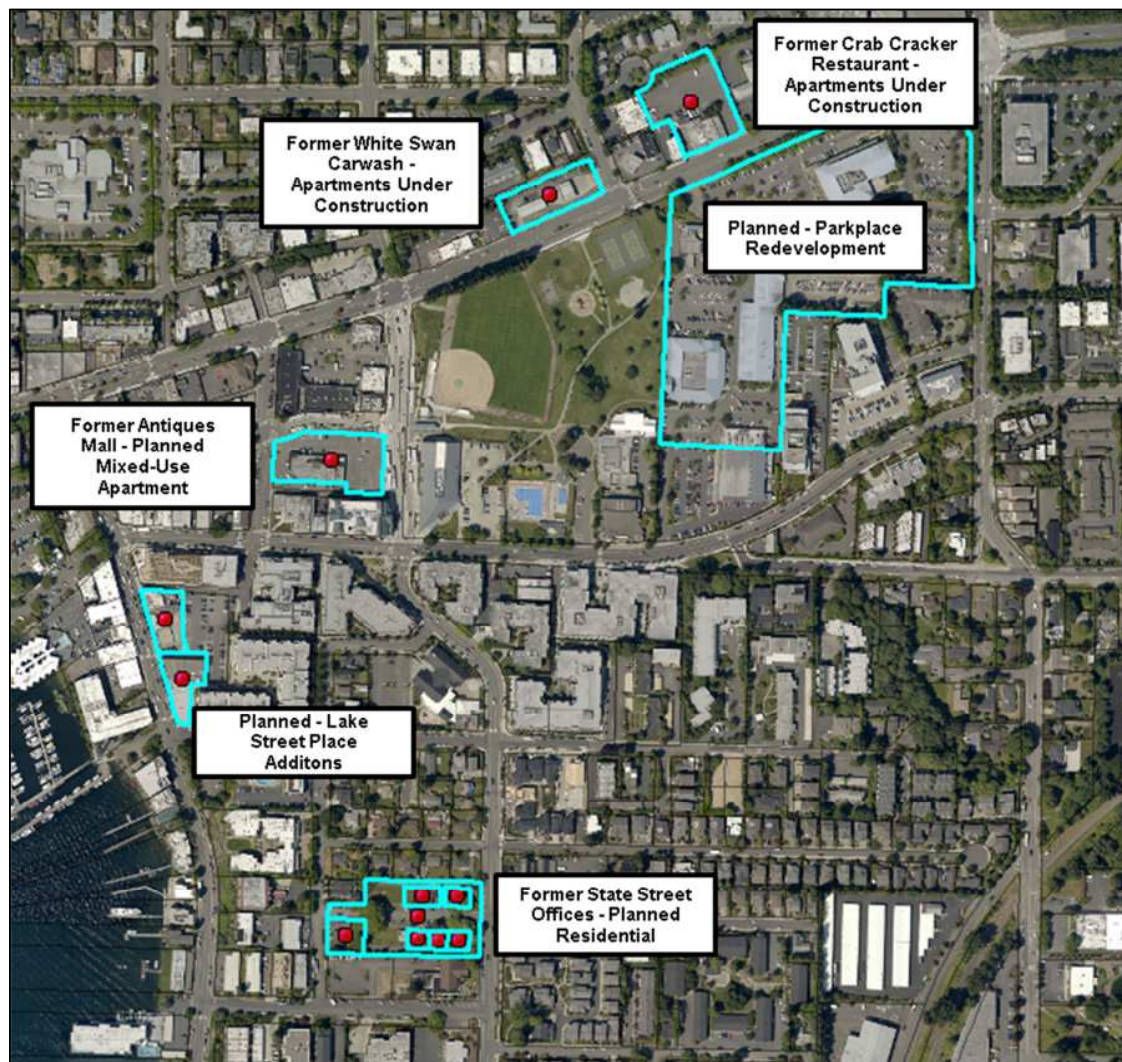
**Neighborhood Description:** The City of Kirkland is located on the eastern shore of Lake Washington, just north of Bellevue and west of Redmond. Kirkland is at once charming and modern. In a half-square mile, it boasts one of the most dynamic downtowns in the state. New office and condominium projects continue to be built at a moderate pace, with older retail buildings being renovated into art galleries, restaurants, and boutiques along Lake Street, Park Lane, and Central Way. They truly reflect the vitality and strength of the immediate area and the region. A healthy mix of small business, corporate headquarters, light industrial and manufacturing, and a growing base of high-tech and home-based businesses characterize Kirkland's local economy. A competitive business climate, with no local Business and Occupation (B&O) Tax, and high quality of life make Kirkland a desirable location for both local and world-class enterprises.

Two high-density residential projects are currently under way along Central Way. At the site of the former White Swan Car Wash, an apartment building is nearing completion. Just a couple hundred feet up the street, at the site of the former Crab Cracker Restaurant, the Arete apartments are being built. The Crab Cracker has moved temporarily to Parkplace, just across the street.

Kirkland Parkplace is the most significant re-development project being proposed for downtown Kirkland area. Parkplace sits on 11.7 acres adjacent to Peter Kirk Park, and features a thirty-year-old retail and office complex. A significant re-development plan has been in the works since at least 2007, with various entities partnering to deliver the project. Touchstone Corporation, who had been in a partnership with Prudential Real Estate Investors of New Jersey, had announced



their intention to move forward with 1.2 million square feet of office/technology space, 300,000 square feet of retail, a hotel, 3,500 underground parking stalls, and 3.5 acres of public space. Touchstone, however, in November 2013, sold its interest in the project after the partners could not come to an agreement on how to develop the project. Prudential is now teamed with Talon Private Capital. The new partnership has proposed a scaled-back re-development, calling instead for 650,000 square feet of office, 225,000 square feet of retail/commercial space, and 300 residential units, to be contained within 300,000 square feet. Talon also wishes to create about two acres of public space, with plazas, outdoor art and walkways. The proposed multi-phase rebuild was submitted to the City of Kirkland as a master plan in late 2014. The city would then need to consider the plans compliance with current codes, especially zoning, which likely would need to be amended for the specific parcel, to accommodate residential improvements.



Also on the horizon for the Kirkland CBD: the State Street Medical Offices, a grouping of low-rise 1950s structures and associated parking, was purchased for re-development as a townhome community, which is currently under permitting review. Also in permitting review are the proposed additions to the Lake Street Place retail/office complex.

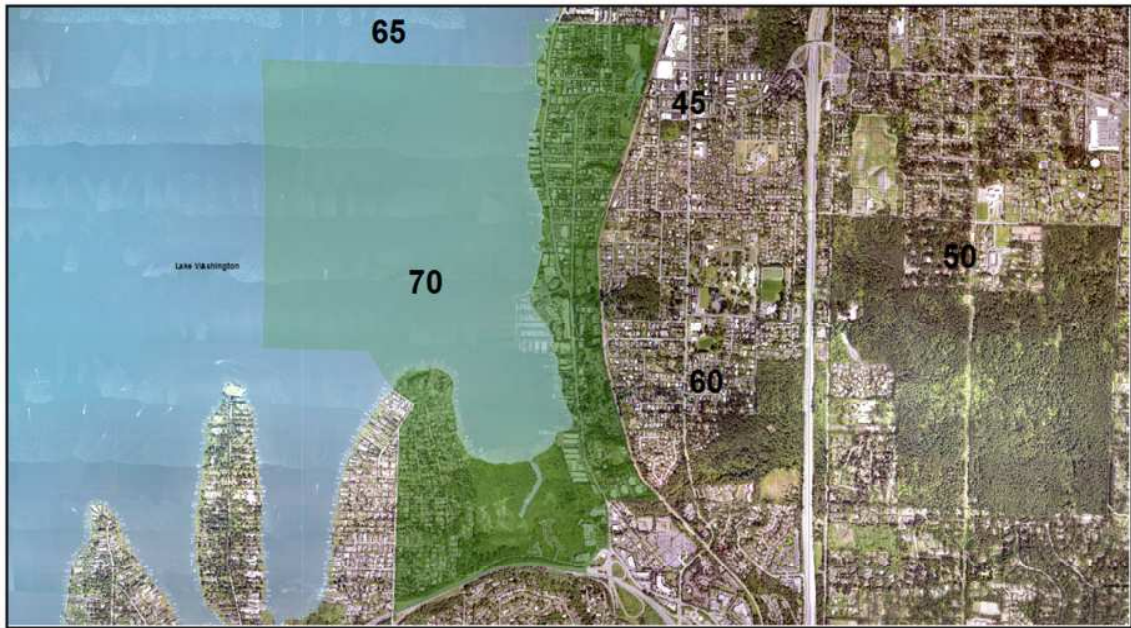
The nearly one-acre site of the Antiques Mall, long valued as land-only, went up for sale in late 2014 with no asking price. Reports indicate that a buyer was attempting to close in December. The most likely re-development project here will be multi-family residential.



### **SE Kirkland (Lake Washington Corridor): Area 85-70**

**Boundaries:** Area 85-70 is all vacant and improved commercial properties located proximate to Lake Washington Blvd.

- North – 7<sup>th</sup> Avenue S
- South – State Route 520
- East – Burlington Northern Railroad (Cross Kirkland Corridor)
- West – Lake Washington



**Neighborhood Description:** The predominant commercial land uses within this neighborhood include a mixture of neighborhood retail buildings, mid-rise professional office buildings, apartments, and condominiums. Major “Class A” office developments within this area include Carillon Point, Lake Washington Park, The Plaza at Yarrow Bay, and Waterfront Place office.







Waterfront Place is a marquee property in Area 85-70. This three-story office was built in 2008 and features 52,948 square feet of net rentable area, with a two-story underground parking garage, adjacent to a marina, along the waterfront of Lake Washington. Each floor affords excellent views of the Cascades, downtown Seattle and the lake. This has been called a “jewel-box” building, with high-end finishes and all-around views, located in what has become known as Kirkland’s “Gold Coast”. The property sold in 2014 for over \$600 per square foot.

There has been little new construction activity in this area in the last few years, but some new projects are starting to come on line. As presented in the previous discussion of Area 85-45, Google Kirkland is expanding into a second campus. The proposed campus occurs at the northeast boundary of Area 85-70 (while the existing campus is in Area 85-45).



Potala Village Kirkland is a proposed mixed-use project, originally planned to consist of 143 luxury apartment units, with secured parking, guest parking, and 6,000 square feet of retail space plus retail parking. This proposed 100% smoke free LEED silver certified building is to be located in the northwest of Area 85-70, along Lake Street S, at 10<sup>th</sup> Avenue S., near the Kirkland waterfront.

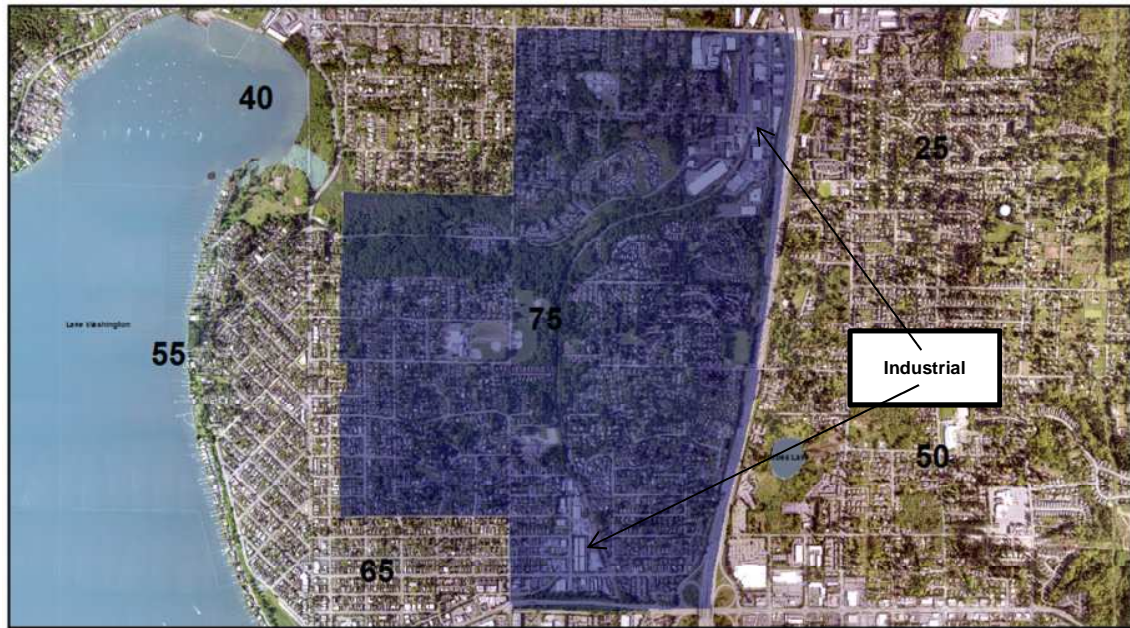
The previous retail improvements on the site have already been razed. However, a recent zoning-related ruling permits the developer to build fewer than half of the planned unit count. To date, this project has stalled and there is no indication as to when or if it will re-gain speed.



### NE Kirkland: Area 85-75

**Boundaries:** Area 85-70 is all vacant and improved commercial properties located north of NE 85<sup>th</sup> Street and South of NE 116<sup>th</sup> Street.

- North – NE 116<sup>th</sup> Street
- South – NE 85<sup>th</sup> Street
- East – Interstate 405
- West – 9<sup>th</sup> Street (South)/108<sup>th</sup> Avenue NE (North)



**Neighborhood Description:** The predominant commercial land uses within this neighborhood include a mixture of small neighborhood low-rise office buildings and light industrial manufacturing buildings. Very little new construction has occurred in this neighborhood recently however sales of industrial properties have been relatively high.



Area 85-75 contains two distinct industrial areas, both of which align along the former BNSF railway. The first, and most prominent, is at the northeast of the area. This area features larger business-park style industrial developments. The second, smaller area is a triangle at the south end of the neighborhood (shown at the left). This area features smaller-scale, oftentimes owner-user light industrial and warehouse buildings. This area is adjacent to an older residential neighborhood, some of the parcels of which actually occur in the LIT (light industrial) zoned triangle (inscribed in the orange circle). As such, some of these older homes have been purchased over the last 6 years for re-development to a more conforming use.



One such example is the D.R. Strong engineering building, completed in 2013 (the large white square in the orange circle).

According to the City of Kirkland, building permits for a 6,950 square foot warehouse are currently under review. This new space would be added to a mostly vacant residential yard along 8<sup>th</sup> Avenue, zoned LIT, in the small triangle of industrial properties discussed on the previous page.

This small industrial area also contains a large piece of history for the City of Kirkland. The Kirkland Cannery, also located on 8<sup>th</sup> Avenue, was built in 1935. It was owned by the City of Kirkland and let out to the public for free canning of fruits and vegetables for the first ten years of its existence. In 1946, the City agreed to lease it solely to the Pound family, who operated the Kirkland Custom Cannery. The Pound family then purchased the property in 1974 and continued to operate the business until around the year 2000. Since then, the Pounds have attempted to restore it to near original condition, so that a future buyer would be tempted to purchase with the intention of tearing it down. Though the restoration never fully took place, an earnest buyer purchased the property in 2014, with the stated intention of renovating the interior for private office and philanthropic event use. This local Kirkland non-profit owner will keep and restore some of the original canning equipment to create a stylized event space.



### **North Creek: Area 85-85**

**Boundaries:** Area 85-85 is all vacant and improved commercial properties within the City of Bothell's North Creek planning district east of I-405 and north of SR-522.

- North – King/Snohomish County Line
- South – SR-522
- East – 130<sup>th</sup> PI NE
- West – Interstate-405



**Neighborhood Description:** The prominent commercial land uses within this neighborhood primarily consist of business parks or regional development with office, warehouse, retail, and high-tech/flex buildings. Most of the improvements in this area have been constructed within the last 25 years. The Seattle Times printing plant is also located in this area.

This area is home to Bothell's Technology Corridor – a series of four modern business parks home to numerous producers of the fast growing high technology. These developments – Canyon Park Business Center, North Creek, Quadrant North Creek and Quadrant Monte Villa Center – provide millions of square feet of office and production space to a wide range of companies. Recently, Google has expanded their presence and established a satellite office – 58,000 square feet of space – within Schnitzer North Creek. Quadrant and Schnitzer Northwest are two of the major owners/developers in the area. Recently, however, Schnitzer has sold nearly all of its North Creek properties in several separate bulk portfolio sales.



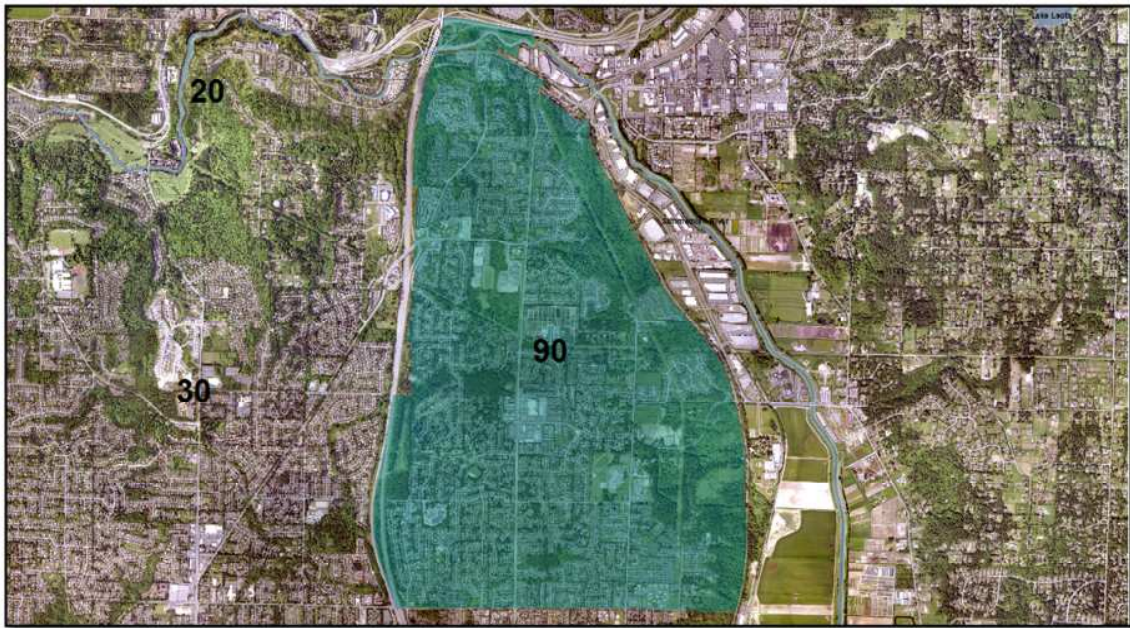
Bothell now has a new 24-HR Fitness. This long-vacant site, near Home Depot and Staples, has featured several proposals for development over the last several years. The downturn of the economy in years past stalled some projects and prevented the sale of the site for development. With the economy in recovery mode, the site sold in 2013, and site work began the same year. The improvements were completed on the main portion of the parcel in 2014. This “Super Sport” location features a full sized basketball court, indoor lap pool, a kids' club, pro shop and free- and machine-weight and cardio training areas.



### **Kingsgate: Area 85-90**

**Boundaries:** Area 85-90 is all vacant and improved commercial properties located east of Interstate-405 and north of NE 132<sup>nd</sup> Street. On June 1<sup>st</sup>, 2011 the City of Kirkland completed annexation of the areas known as Finn Hill, North Juanita, and Kingsgate. As a result, much of area 85-90 that was previously within unincorporated King County is now within the City of Kirkland's jurisdiction.

- North – SR-522
- South – NE 132<sup>nd</sup> Street
- East – Eastside Rail Corridor
- West – Interstate 405



**Neighborhood Description:** The commercial land uses within this neighborhood are a mixture of retail, office, and multi-family uses. The improvements built in neighborhood 85-90 are generally older, with most buildings constructed between 1965 and 1985. The Kingsgate shopping center is the major commercial retail area in the neighborhood.



In 2012, Friends of Youth – a non-profit organization providing services for youth and their families, began converting a church into a group home and office. Those efforts were completed recently, in 2014. The group has also commenced with expanding the site for development of some single-family residences. As of the date of this report, several of these homes were completed.



## **Physical Inspection Area**

WAC 458-07-015 requires each property to be physically inspected at least once during a 6 year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection. That portion of Area 85-20 located north of SR-522 was physically inspected for the 2015 assessment year. This inspection area comprises 213 parcels, or 19.05% of the 1,118 total parcels located in Area 85 (not including specialties and government-owned properties). A list of the physically inspected parcels and an identifying map are included in the addendum of this report.

## **Scope of Data**

**Land Value Data:** Vacant sales from 1/01/2012 to 12/31/2014 were given primary consideration for valuing land. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales. Since January of 2012, there were 40 land sales that were considered in Area 85. The sales verified as “good” were coded “Y” in the Assessor’s records. There were 17 such sales.

**Improved Parcel Total Value Data:** Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales considered were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Sales are listed in the “Sales Used” and “Sales Not Used” sections of this report. Additional information resides on the Assessor’s website.

## **Land Value**

### **Land Sales, Analysis, Conclusions**

Within Geographic Area 85, there are approximately 17 verified commercial land sales that occurred during the last three years that were utilized for the 2015 revalue. This is slight decrease from the 21 verified sale transactions utilized for the 2014 revalue. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. For land valuation purposes, the assessor used GIS (Geographic Information System) as the primary tool to establish new assessed land values. The new land values are based on neighborhood land sales that are equalized with adjacent and similarly zoned properties. In some neighborhoods, new commercial development sites are being created through the demolition of existing single family residences located on commercially zoned lots and through the demolition of older commercial and multi-family buildings.

A Floor Area Ratio (FAR) analysis to land valuation is considered to be appropriate and meaningful in an urban area though it was not utilized in the Kirkland Central Business District for this revalue. This method allows for a better comparison of a parcel’s development potential, however parcel-specific adjustments are required to recognize limitations due to site configuration, which limits this method’s effectiveness for mass appraisal purposes.

Every effort was made to equalize the assessed land values of similarly zoned land between adjacent areas. Assessed land values are based on land sales of properties with the same zoning or with similar development potential.

The total recommended assessed land value for the 2015 assessment year is \$1,141,386,872. Overall land values in Area 85 increased 0.28%. The strongest increases occurred in NE Kirkland (Area 85-75 : 2.35%), Finn Hill / North Juanita (Area 85-30 : 2.24%), and the Kirkland CBD (85-65 : 1.62%). The preceding totals include all taxable and nontaxable parcels in Area 85, excluding government owned parcels.

<b>Change in Assessed Land Value by Area</b>			
<b>Neighborhood</b>	<b>2014 Land Value</b>	<b>2015 Land Value</b>	<b>% Change</b>
85-20	\$122,518,300	\$122,621,900	0.08%
85-25	\$134,723,700	\$134,723,700	0.00%
85-30	\$57,167,100	\$58,446,900	2.24%
85-35	\$44,558,800	\$42,461,000	-4.71%
85-40	\$51,504,600	\$51,438,200	-0.13%
85-45	\$98,806,900	\$98,799,500	-0.01%
85-50	\$117,284,200	\$118,388,800	0.94%
85-55	\$32,078,400	\$32,054,800	-0.07%
85-60	\$109,672,100	\$109,672,100	0.00%
85-65	\$129,862,600	\$131,970,500	1.62%
85-70	\$87,385,300	\$87,328,300	-0.07%
85-75	\$43,645,500	\$44,669,300	2.35%
85-85	\$81,089,126	\$80,610,872	-0.59%
85-90	\$27,899,900	\$28,201,000	1.08%
<b>Total</b>	<b>\$1,138,196,526</b>	<b>\$1,141,386,872</b>	<b>0.28%</b>

## Neighborhoods and Sales

The following is a breakdown of each neighborhood and a summary of the land sales considered. The Assessor considered these and historic sales as the primary method of establishing new assessed land values for each neighborhood.

## Area Overview

Since 2012, there have been a total of seventeen (17) commercial land sales throughout Area 85 that meet the requirements of a fair market transaction.

## Area 85-20 – Bothell

Area 85-20 is the downtown core and primary business district of the City of Bothell. This neighborhood experienced a modest increase in land values. Since 2012, there have been a total of two land sales in the Bothell neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	20	052605	9095	12,242	2556250	\$237,000	07/23/12	\$19.36	GDC	\$FR of commercial land. Sold for land value
85	20	082605	9300	74,250	2700740	\$1,950,000	11/13/14	\$26.26	GDC	Vacant Land



### Area 85-25 – East Totem Lake

Area 85-25 is the eastern portion of the Totem Lake business district of Kirkland. Since 2012, there have been a total of two land sales in this neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	25	272605	9043	207,781	2568517	\$4,000,000	10/03/12	\$19.25	TL 7	Future industrial development site
85	25	272605	9061	259,437	2621194	\$4,100,000	07/31/13	\$15.80	TL 7	Future commercial service dev site

### Area 85-30 – Finn Hill/North Juanita

Area 85-30 is a primarily residential area of north Kirkland and south Bothell, featuring neighborhood and small commercial properties. Since 2012, there has been a total of one land sale in the Finn Hill/North Juanita neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	30	357980	0549	45,000	2536794	\$325,000	03/29/12	\$7.22	RMA 3.6	Vacant multi-family site

### Area 85-35 – West Totem Lake

Area 85-35 is the western portion of the Totem Lake business district of Kirkland. Since 2012, there have been no land sales in this neighborhood.

### Area 85-40 - Juanita

Area 85-40 is a primarily residential area of northwest Kirkland, with waterfront sites, neighborhood and small commercial properties. Since 2012, there has been a total of three land sale in Juanita.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	40	607650	0101	95,103	2601908	\$1,935,416	04/22/13	\$20.35	PR 2.4	Vacant land sale, multi-fam development
85	40	376050	0010	27,400	2610545	\$2,100,000	06/05/13	\$76.64	RMA 1.8	Future condo development
85	40	375790	0036	13,387	2644778	\$500,000	12/09/13	\$37.35	JBD 1	Vacant land sale, office development

### Area 85-45 – Houghton/South Kirkland

Area 85-45 is adjacent to the Kirkland CBD and features a variety of office developments. Since 2012, there have been a total of two land sales in this neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	45	250550	0135	8,594	2526705	\$490,000	01/09/12	\$57.02	PR 5.0	New office bldg under construction
85	45	123890	0115	17,692	2632069	\$1,995,000	09/19/13	\$112.76	PLA 5C	To be redeveloped as apartment

### Area 85-50 – East Kirkland

Area 85-50 is the southeastern most portion of the City of Kirkland, with neighborhood retail, a variety of office, and regional retail uses. Since 2012, there have been no land sales here.

### Area 85-55 – NW Kirkland

Area 85-55 is a small commercial corridor along Market Street in Kirkland, leading directly to the CBD to the south, and to the residential neighborhoods to the north. This area features smaller scale commercial and office properties, SFR conversions, and recent townhome developments. Since 2012, there has been a total of one land sale in this neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	55	124500	1060	7,650	2607655	\$640,000	05/24/13	\$83.66	MSC 1	Sold for land value, hold for re-dev

### Area 85-60 – SE Kirkland

Area 85-60 is at the southern end of Kirkland and features several office and industrial properties in the northwest end of the City of Bellevue. Since 2012, there have been no land sales in this neighborhood.

### Area 85-65 – Kirkland CBD

Area 85-65 is the Commercial Business District of the City of Kirkland. Major office and retail developments are prevalent. Since 2012, there have been no land sales in this neighborhood.

### Area 85-70 – SW Kirkland

Area 85-70 is the southwestern-most neighborhood of Kirkland, along Lake Washington Boulevard. The predominant land uses are office and medium to high density residential, many with Lake Washington views and access. Since 2012, there have been a total of four land sales in this neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	70	082505	9187	7,200	2609059	\$507,000	05/29/13	\$70.42	RM 3.6	Sold for land value
85	70	082505	9251	17,820	2610781	\$1,214,400	06/03/13	\$68.15	RM 3.6	Purchased for redevelopment
85	70	788260	0120	221,025	2629978	\$7,833,000	09/10/13	\$35.44	PLA 6G	Google Campus Expansion Site
85	70	265000	0100	42,787	2691313	\$7,550,000	09/17/14	\$176.46	WD I	Waterfront redevelopment site

### Area 85-75 – NE Kirkland

Area 85-75 is a varied neighborhood, with multi-family, large office, and industrial developments. Since 2012, there has been a total of one land sale in this neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	75	388580	7343	11,253	2652985	\$475,000	02/10/14	\$42.21	LIT	To be redeveloped as warehouse

### Area 85-85 – North Creek

Area 85-85 is in the northeast of the City of Bothell, and features multi-family, office-park, and major retail developments. Since 2012, there has been a total of one land sale in this neighborhood.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
85	85	092605	9129	178,596	2618206	\$2,700,000	06/25/13	\$15.12	R-AC	Vacant, future commercial development



### **Area 85-90 – Kingsgate**

Area 85-90 is a primarily residential area in northeastern Kirkland. It features neighborhood-scale retail and multi-family developments. Since 2012, there have been no land sales in this neighborhood.

The following table summarizes the land valuation model as it was applied to the properties in Area 85. All dollar amounts are stated as a price per square foot of land area. The table is intended as a guide to “typical” land values with additional adjustments made for individual site variations. Included after this table are descriptions of the zoning designations.

<b>Typical Land Value Ranges</b> By Neighborhood and Land Use 2015 Revaluation						
Area 85 Neighborhoods	Multi-Family Land Uses		Commercial Land Uses		Industrial Land Uses	
	Zoning Designation	\$/SF Range	Zoning Designation	\$/SF Range	Zoning Designation	\$/SF Range
85-20 Bothell	R-2800, R-2800/OP, R-4000, R-5400a OP, R-7200 R-8400, R-9600, R-9600 SSHO	\$17 - \$30 \$7 - \$18 \$6 - \$22	522, GDC, R-2800/OP DC, DN DT, GC	\$16 - \$30 \$20 - \$38 \$10 - \$28		
85-25 East Totem Lake	RSX 7.2 RM 1.8, RM 2.4, RM 3.6, RM 5.0, R4	\$12 - \$13 \$17 - \$26	TL 3A, 3B, 3C, 3D TL 1A, 1B, 2, 4A, 5, 6A, 8 NRH 1A, 1B, 2, 3, 4, 5 PR 1.8	\$15 - \$23 \$17 - \$30 \$14 - \$26 \$17 - \$17	TL 7 TL 9A	\$10 - \$25 \$15 - \$17
85-30 Finn Hill/ North Juanita	RMA 1.8, 2.4, 3.6, 5.0; PRA 1.8 RSA 4, 6, 8; R-AC.OP,NB R 7200, R 9600 R5400a, R2800, R12, R18	\$13 - \$25 \$5 - \$14 \$5 - \$7 \$9 - \$22	BNA, BC 1 PRA 1.8 NB R-AC,OP,NB	\$18 - \$28 \$13 - \$24 \$17 - \$22 \$11 - \$11		
85-35 West Totem Lake	PR 1.8, 3.6, RM 1.8, 3.6, 5.0	\$14 - \$24	TL 4B, 4C, 6B TL 10A, B, TL 11	\$17 - \$32 \$15 - \$26		
85-40 Juanita	RM 1.8, 2.4, 3.6, RMA 1.8, 3.6, 5.0 RS 8.5 RSA 4, 6, 8 RSX 7.2 PR 2.4, 3.6	\$22 - \$40 \$20 - \$22 \$9 - \$16 \$13 - \$17 \$18 - \$24	BNA JBD 1, 4, 5 JBD 2 JBD 3, 6 PR 2.4, 3.6	\$17 - \$22 \$45 - \$55 \$32 - \$40 \$22 - \$35 \$18 - \$24		
85-45 Houghton/ South Kirkland	PLA 5A, 5D, 5E RM 3.6, 5.0	\$65 - \$65 \$40 - \$65	BC PLA 5B, 5C PO, PR 3.6, 5.0	\$35 - \$65 \$65 - \$80 \$55 - \$60	LIT	\$22 - \$26
85-50 East Kirkland	PLA 16 PLA 17, 17A RM 1.8, 2.4, 3.6 RS 12.5, 7.2, 8.5, RSX 35, 7.2	\$5 - \$11 \$33 - \$33 \$18 - \$35 \$6 - \$17	BCX, BN, NC/C PR 3.6 RH 1A, 1B, 2A, 2B 2C RH 3, 5A, 5B, 5C, 7, 8	\$22 - \$25 \$25 - \$40 \$18 - \$45 \$35 - \$45	LIT	\$20 - \$25
85-55 NW Kirkland	RS 5.0, 7.2	\$40 - \$75	MSC 1, 2, 3, 4	\$55 - \$68		
85-60 SE Kirkland	PLA 1 R-15, R-20 RM 3.6 RS 8.5, 12.5	\$13 - \$13 \$10 - \$20 \$42 - \$55 \$13 - \$35	FC III GC OLB PO	\$50 - \$90 \$60 - \$60 \$16 - \$30 \$45 - \$45	LI	\$13 - \$25
85-65 Kirkland CBD	PLA 6A PLA 6C, 6D, 6E, 6J, 7A, 7B, 7C, RM 3.6 RS 5.0, 7.2 **WD I	\$90 - \$105 \$50 - \$70 \$43 - \$43 \$20 - \$80	CBD 1, 1B, 2, 3, 4 CBD 5, 6, 7 CBD 8 PLA 6B, MSC 4 PR 2.4	\$90 - \$105 \$70 - \$90 \$80 - \$105 \$55 - \$70 \$70 - \$80	PLA 6G	\$23 - \$24
85-70 SW Kirkland	PLA 2, PLA 15B, 3B, 6F RM 3.6, RS 12.5, PR 3.6 **WD I, WD III	\$22 - \$65 \$40 - \$105 \$20 - \$160	BN, PR 3.6, PR 8.5 PLA 3A, PR 8.5 PLA 3B	\$70 - \$105 \$55 - \$60 \$45 - \$45	PLA 6G	\$25 - \$25
85-75 NE Kirkland	PLA 9 RM 3.6 RS 7.2, 8.5, RSX 7.2	\$2 - \$8 \$40 - \$53 \$14 - \$17	TL 10C, 10D, 10E	\$15 - \$18	LIT	\$20 - \$25
85-85 North Creek	R-2800 OP	\$15 - \$15	R-AC, OP, CB, LI	\$18 - \$22	R-AC, OP, CB, LI	\$18 - \$22
85-90 Kingsgate	R-AC,OP,NB RMA 1.8, RMA 2.4, RMA 3.6, RSA 4, RSA 6	\$18 - \$30 \$8 - \$18 \$5 - \$8	BC 2; R-AC,OP,NB	\$18 - \$30		

\*Please note that this table is a summary of "typical" land values and is therefore not all inclusive

\*\*The unit of value measure for WD I and WD III sites is typically \$/SF of DRY area, and/or \$/front foot, producing a wide array of S/SF TOTAL area indication



ZONING DESIGNATIONS		
PER JURISDICTION OF AREA 85		
Residential Land Uses		
Jurisdictions	Zoning Designation	Description
City of Bothell	R-2800	1DU per 2800SF NRA Bld
	R-2800/OP	1DU per 2800SF NRA Bld / Office
	R-4000	1DU per 4000SF NRA Bld
	R-5400a OP	1DU per 5400SF NRA Bld / Office
	R-7200	1DU per 7200SF NRA Bld
	R-8400	1DU per 8400SF NRA Bld
	R-9600	1DU per 9600SF NRA Bld
	R-9600 SSHA R-AC,OP,NB	1DU Per 9600SF NRA Bld/Senior Housing Res, Office, Neighborhood Business
City of Kirkland	RM / RMA 1.8	Res Multi Family, min 1800SF Lot
	RM / RMA 2.4	Res Multi Family, min 2400SF Lot
	RM / RMA 3.6	Res Multi Family, min 3600SF Lot
	RM / RMA 5.0	Res Multi Family, min 5000SF Lot
	PR / PRA 1.8	Professional Office / Res , min 1800SF Lot
	PR / PRA 2.4	Professional Office / Res , min 2400SF Lot
	PR / PRA 3.6	Professional Office / Res , min 3600SF Lot
	RSA 4	Res Single Family, min 4000SF Lot
	RS 5.0	Res Low Density, min 5000SF Lot
	RS 7.2	Res Low Density, min 7200SF Lot
	RSA 6	Res Single Family, min 6000SF Lot
	RS/RX 7.2	Res Single Family, min 7200SF Lot
	RSA 8	Res Single Family, min 8000SF Lot
	RS 8.5	Res Low Density, min 8500SF Lot
	RSA 8.5	Res Single Family, min 8500SF Lot
	RS 12.5	Res Single Family, min 12500SF Lot
	PLA 2	Planned Area 2 - Med Density Res
	PLA 3B	Planned Area 3B - Med Density Res
	PLA 6A	Planned Area 6A - High Density Res
	PLA 6C	Planned Area 6C - Low Density Res
	PLA 6D	Planned Area 6D - High Density Res
	PLA 6E	Planned Area 6E - High Density Res
	PLA 6F	Planned Area 6F - Med Density Res
	PLA 6J	Planned Area 6J - High Density Res
	PLA 7A	Planned Area 7A - High Density Res
	PLA 7B	Planned Area 7B - High Density Res
	PLA 7C	Planned Area 7C - Med Density Res
	PLA 5A	Planned Area 5A - High Density Res
	PLA 5D	Planned Area 5D - High Density Res
	PLA 5E	Planned Area 5E - High Density Res
	PLA 9	Planned Area 9 - Med Density Res
	PLA 15B	Planned Area 15B - Med Density Res
	PLA 16	Planned Area 16 - Low Density Res
	PLA 17 / 17A	Planned Area 17(A) - Low Density Res
	WD I	Waterfront District I - Med Density Res
	WD III	Waterfront District III - Med Density Res
City of Redmond	R4	Low-Moderate Density Res, 4 DU per acre
City of Bellevue	R-15, R-20	Multifamily Res, 15 or 20 DU per acre
City of Kenmore	R12, R18	Residential, 12 or 18 DU per acre

ZONING DESIGNATIONS		
PER JURISDICTION OF AREA 85		
Commercial Land Uses		
Jurisdictions	Zoning Designation	Description
City of Bothell	522	Highway 522
	GC	General Commercial
	GDC	General Downtown Corridor
	DC	Downtown Commercial
	DN	Downtown Neighborhood
	DT	Downtown Transition
	R-AC, OP, CB, LI	Res, Office, Comm'l Business, Light Ind
City of Kirkland	R-AC, OP, NB	Res, Office, Neighborhood Business
	CBD 1	Central Business District 1
	CBD 1B	Central Business District 1B
	CBD 2 - 8	Central Business District 2 - 8
	JBD 1 - 8	Juanita Beach District 1 - 8
	MSC 1	Market Street Corridor 1 - Office
	MSC 2	Market Street Corridor 2 - Commercial
	MSC 3	Market Street Corridor 3 - Commercial
	MSC 4	Market Street Corridor 4 - Office
	NRH 1A, 1B, 4	North Rose Hill 1A, 1B, 4 - Commercial
	NRH 2, 3, 5, 6	North Rose Hill 2, 3, 5, 6 - Office
	PLA 3B	Planned Area 3B
	PLA 5B	Planned Area 5B
	PLA 5C	Planned Area 5C
	PLA 6B	Planned Area 6B
	RH 1A, 1B, 2A, 2B, 2C, 3, 5A, 5B, 5C, 7	Rose Hill 1A, 1B, 2A, 2B, 2C, 3, 5A, 5B, 5C, 7 - Commercial
	RH 4, 8	Rose Hill 4, 8 - Office
	TL 1A	Totem Lake 1A - Office
	TL 1B	Totem Lake 1B - Office
	TL 2	Totem Lake 2 - Commercial
	TL 3A, 3B, 3C, 3D	Totem Lake 3A, 3B, 3C, 3D - Institutions
	TL 4A, 4B, 4C, 5, 6A, 6B, 8	Totem Lake 4A, 4B, 4C, 5, 6A, 6B, 8 - Commercial
	TL 10A, 10B, 10C, 10D, 10E, 11	Totem Lake 10A, 10B, 10C, 10D, 10E, 11 - Office
	BC/BCX	Business - Commercial
	BC 1	Business - Commercial 1
	BC 2	Business - Commercial 2
	BN/BNA	Neighborhood Business
	PO	Professional Office
	PR / PRA 1.8	Professional Office / Res , min 1800SF Lot
	PR 2.4	Professional Office / Res , min 2400SF Lot
	PR 3.6	Professional Office / Res , min 3600SF Lot
	PR 5.0	Professional Office / Res , min 5000SF Lot
	PR 8.5	Professional Office / Res , min 8500SF Lot
City of Redmond	NC/C	Neighborhood Commercial
City of Bellevue	OLB	Office / Limited Business
City of Kenmore	NB	Neighborhood Business

ZONING DESIGNATIONS		
PER JURISDICTION OF AREA 85		
Industrial Land Uses		
Jurisdictions	Zoning Designation	Description
City of Bothell	R-AC, OP, CB, LI	Res, Office, Comm'l Business, Light Ind
City of Kirkland	LIT	Light Industrial
	PLA 6G	Industrial
	TL 7	Totem Lake 7 - Industrial
City of Bellevue	TL 9A	Totem Lake 9A - Industrial
	LI	Light Industrial



## Preliminary Ratio Analysis

The sales ratio study is an important assessment tool to ensure that properties are uniformly assessed 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. This data can be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development. A Preliminary Ratio Study was done just prior to the application of the 2015 recommended values. This study benchmarks the current assessment level using 2014 posted assessment values.

The preliminary ratio analysis showed a weighted mean ratio, or appraisal level, of .875; a Coefficient of Dispersion (COD) of 12.86%; and a price-related differential (PRD) of 1.02. Compare these preliminary results to the International Association of Assessing Officers (IAAO) ratio study standards below.

RECOMMENDED IAAO STANDARDS ON RATIO STUDIES	
Appraisal Level	.90 to 1.10
Coefficient of Dispersion (COD)	5.0 to 20.0
Price Related Differential (PRD)	.98 to 1.03

The preliminary appraisal level falls just below the IAAO standard, though the COD and PRD both fall within the acceptable range. COD is a measure of assessment uniformity, where the lower the number is, the greater the uniformity. PRD measures the differential between the arithmetic mean of ratios, and the weighted mean of ratios, where the sales prices themselves represent the weight. As the PRD approaches 1.0, there 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, property-specific assessment level is being measured. These preliminary results indicated that the assessment level needed to be raised slightly, but that overall uniformity and property-specific assessment modeling were in line.

## Improved Parcel Total Values

### Current Economic Conditions

The regional economy, including the Eastside Market Area, has been steadily improving. Employment growth has outpaced the national economy, with the strongest gains in construction and manufacturing. Commercial real estate sales transaction volume has increased and underlying economic fundamentals have improved. Fueled by the spike in demand for apartment housing, and the consequential tightening of vacancy rates and upward pressure on rental rates, development of new multi-family apartment projects is continuing at a fast pace. Much of the new construction in Area 85 over the last few years has been multi-family apartment projects. An improvement in investor sentiment is also putting downward pressure on Capitalization Rates for other market segments such as industrial and office. As regional employment growth continues to be healthy, the office market has continued to strengthen with a number of sale transactions over the year. In addition, strong activity at the regional ports, coupled with an improvement in consumer demand, has made the industrial market one of the strongest commercial real estate markets in the area. With present low interest rates, many smaller companies are finding that it is financially advantageous to become an owner/user and purchase property for their business. As a result, there has been an increase in sales activity in the smaller industrial properties.

2014 Year End Metrics			
	Office	Retail	Industrial
Vacancy	↘ (slight decrease)	↘ (slight decrease)	↔ (stable)
Rental Rate	↗ (slight increase)	↔ (stable)	↔ (stable)
Capitalization Rate	↘ (slight decrease)	↘ (slight decrease)	↔ (stable)
Improved Property Values	↗ (slight increase)	↗ (slight increase)	↔ (stable)
Land Values	↔ (stable)	↔ (stable)	↗ (slight increase)

### Construction Activity – Geographic Area Trends

Previously in this report, in the discussion of each of Geographic Area 85's fourteen distinct neighborhoods, specific current, recently completed, or recently permitted construction activity was discussed for each neighborhood. What follows here is a synopsis of major construction activity and trends for each major municipality (Bothell and Kirkland).

#### Bothell

Over the last near-decade, the City of Bothell has taken a pro-active approach to rejuvenating its economy by creating projects aimed at physically transforming its downtown area. The City has purchased multiple acres of downtown land, and shifted the main thoroughfare, SR-522, to the south, thereby creating a distinct old-town (Main Street), as well as the incubator for a modernized downtown business core no longer awkwardly bisected, but still easily accessed, by the highway. The shifting of the highway necessitated the City to acquire, through eminent domain, multiple properties that were previously fronted by the highway and were left essentially



obsolesced after the shift. The overall result has been the creation of numerous vacant City-owned parcels, which the City has been gradually selling to those private investors willing to develop projects that are in keeping with Bothell's vision, as spelled out in its *Downtown Revitalization Plan*.

Bothell has a program in place to seek out approximately \$650 million in private investment dollars over the next two decades. To date, they have procured a little over \$200 million of that target, and have invested about \$150 million of its own dollars (such as toward a new city hall building) towards the *Plan*. Investment dollars have come in the form of re-development projects, mostly mixed-use residential/commercial buildings in the downtown core.

As investors purchase sites for re-development and complete new projects, the effect is the slow transformation of Bothell, which in turn, appears to be increasing the appeal to other prospective investors to do business there or simply to prospective residents to make Bothell, a city of 42,000, their home. Recently, McMenamins chose downtown Bothell's historic Anderson School building complex, a 76-year old former school, as a site to be transformed into a 70-room hotel with accompanying spa, pub, restaurant, and cinema. As representative of the type of partnering that Bothell is seeking in these ventures, the former pool at the school will be refurbished by McMenamins, and Bothell residents will be granted free access thereto for 15 years.

Not just a small old-town suburb of Seattle, Bothell also boasts the combined campuses of the University of Washington Bothell, and Cascadia College, at the outskirts of downtown. UW Bothell, opened in 1990, will soon add its own dormitory building, initiated recently with the purchase of a long-vacant site between downtown and the campus. The school is expected to increase from 5,000 to 7,500 students by 2020, and the dorms are set to open sometime in 2018.

### **Kirkland**

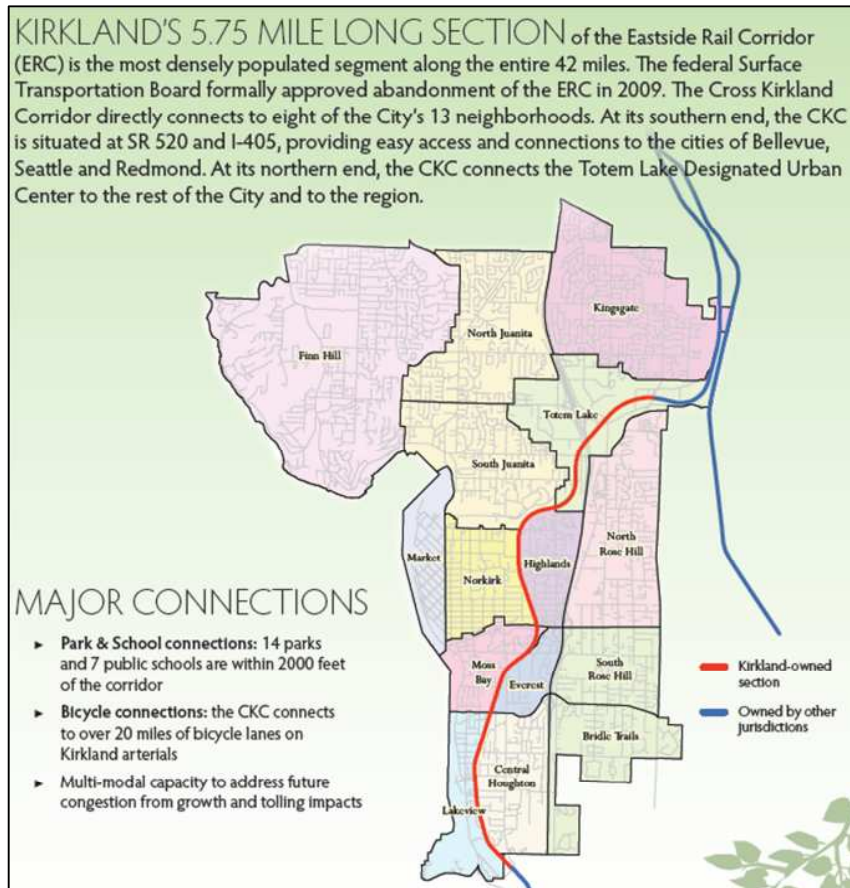
This once smallish town boasts the only Eastside downtown frontage along Lake Washington's shoreline. The city council sought to boost its size and stature and did so in 2011, with the annexation, along the northern boundary, of the previously unincorporated census-designated-places Finn Hill and Juanita. By 2012, Kirkland nearly doubled its population from about 55,000 residents to approximately 85,000.

With an increased population and tax base came the opportunity and obligation to increase livability and access within the city. Over the past few years, Kirkland's Department of Public Works has completed several capital improvement projects, with the aim of improving infrastructure. These include addition of bike lines on 100<sup>th</sup> Avenue NE, which is a major connector street between Bothell, Kirkland and Bellevue, between NE 124<sup>th</sup> St and NE 132<sup>nd</sup> Street; sewer main replacements in the Market Street Corridor; and the adoption of a Juanita Drive Corridor Study. This study intends to identify safety and efficiency initiatives in both the natural and man-made realm along this ever-popular route along the northwest edge of Kirkland (passing through the recently annexed area of Finn Hill), which funnels traffic off SR-522 in Kenmore, through Kirkland, and on to Bellevue. This route has grown in usage as motorists seek alternatives to travelling along SR-520, which is now a tolled route.

Capital Improvement Projects currently in progress include the NE 85<sup>th</sup> Street Corridor improvements, which encompass replacement of a 50-year old water main, improved safety and access at intersections and sidewalks, and the undergrounding of currently overhead power lines. Another project underway is the suite of improvements to Park Lane in downtown. This is a semi-pedestrian promenade (with limited vehicle access and parking), which has seen an erosion of walkability due to the buckling of sidewalks by tree roots. Aside from efforts to correct

aesthetic and safety issues, the project replaces a 70-year-old water main and an ineffective storm water system that directs polluted water into Lake Washington.

A particularly noteworthy 2014 ground-breaking is the Google Kirkland expansion campus. As introduced in the discussions of Area 85-45 and 85-70, earlier in this report, the development of this new campus includes features of another Kirkland-wide project aimed at increasing intra-city mobility – the Cross Kirkland Corridor (CKC). Google's involvement with the CKC concerns only that portion of the corridor adjacent to the campuses, but the City of Kirkland has embarked upon the creation of this new trail, the intention of which is to use a pre-existing transportation corridor for better city access.



The Cross Kirkland Corridor traverses Kirkland, from the South Kirkland Park and Ride to the Totem Lake Business District. In 2012, the City of Kirkland purchased a 5.75 mile segment of the 41-mile Eastside Rail Corridor. The plan is to develop a multi-modal transportation corridor.

The CKC occupies the former BNSF rail bed, which no longer carries train traffic. Removal of the rails, iron and ties from the CKC was completed in October 2013. The Final Master Plan

was adopted in June 2014. The plan calls for the construction of an interim trail, which was completed in late 2014, with a schedule opening to the public for January 2015. This interim trail will be ADA compliant and will feature all-weather new crushed gravel surface within the existing rail bed. The trail will extend from 108th Avenue Northeast (south end) to 132nd Avenue Northeast (north end).

In recent years two areas of Kirkland have been the focus of major development and planning which could be considered to be transformative to Kirkland: the Central Business District (CBD) and Totem Lake. In the CBD and adjacent surrounds, Kirkland Parkplace appears to be approaching a final and permitted master plan. Meanwhile, construction continues on Phase II of Google, and mixed-use high-density residential development projects abound, with more on the way as the last major available development parcel, the former Antiques Mall, has been sold and is being planned for re-development.

Perhaps more quietly, but no less importantly, the Totem Lake Business District of Kirkland is transforming into a more livable, accessible area, while continuing to grow as a regional commercial area. The Cross Kirkland Corridor traverses Totem Lake, and multi-family housing continues to be built, such as Slater 116, a 108-unit mixed use apartment building. Meanwhile, the district is strengthening its profile as a regional auto sales hub, with a brand new Toyota of Kirkland, plus expansion to the Ford/Hyundai sites, as well as to the Infiniti, and Fiat/Maserati sites. Volkswagen is increasing its presence as well as it is setting out to occupy the former Toyota site. The area also includes a Subaru dealership as well as Chrysler, and some smaller used-car sales lots.

A major transformation to Totem Lake has been poised to take shape for years in the form of a redevelopment agreement for the Totem Lake Mall. Kirkland first entered into such an agreement in 2006 with an out-of-state partnership that purchased the mall site in 2004. While the plan was not fulfilled, the agreement remained in place, though it is set to expire in 2016. Late 2014 brought renewed talks between the City of Kirkland and a prospective developing entity. The City would need to approve any proposed changes and grant an extension of the agreement. Both of these seem highly likely heading into 2015. The scale of re-development to this 1970s mall would be on the order of that proposed for Parkplace, and would truly establish Totem Lake as a regional shopping area.

The City of Kirkland recognizes the transformation potential for Totem Lake and is preparing itself to fulfill portions of its Totem Lake Park Master Plan. To that end, in early 2014 the City of Kirkland purchased a parcel adjacent to Totem Lake, along the northwestern shore, intended for re-development as an entry point to the proposed upgraded Park at the lake. The site will feature a restroom, info kiosk, seating, etc.

## **Market Sectors**

Below follow discussion of individual market sector conditions. These are synopses of economic income parameters that are useful to the Assessor in valuation of improved properties in Area 85.

**Office Market Conditions:** The regional office market continues to improve to a point of relative stabilization, as evidenced by positive, but slowing overall absorption. The slowing absorption, along with lower overall vacancy rates, has helped to spike overall asking rates as well. In general, rental rates in the Eastside market area increased slightly while the vacancy rate is slightly declined. It's reported that the continued improvements in vacancy rates and rental rates has caused leasing concessions to decline both in frequency and value.

Surveyed market reports indicate that Eastside "Class A" office space had reported asking rents ranging from \$22.00/SF to \$48.00/SF (full service), while reported "Class B" asking rents ranged from \$19.00/SF to \$37.00/SF (full service). The SR-520 corridor market reported "Class A" asking rents ranging from \$24.00/SF to \$33.00/SF, while the "Class B" office asking rates were reported between \$23.00/SF to \$30.00/SF. Within the Kirkland market area, the reported asking rents for "Class A" office space ranged from \$25.00/SF to \$40.00/SF, while reported asking rents for "Class B" office space ranged from \$23.00/SF to \$34.00/SF. The Bothell market reported "Class A" asking rents ranging from \$22.00/SF to \$30.00/SF, while the "Class B" office asking rates were reported between \$19.00/SF to \$24.00/SF.

The eastside market area total (direct and sublet) office vacancy rate decreased from 14.2% to 11.0% from Q4 2013 to Q4 2014. The SR-520 submarket total vacancy rate increased by 2.5%. The Kirkland and Bothell submarkets declined in total vacancy rate, (-21.4% and -36.6%, respectively).



Office Market Statistics						
	Market Size (SF)	Total Vacancy %	Vacancy Change	Class A Avg. Asking Rate *	Rent Change	2014 Net Absorption (SF)
SR-520	2,579,812	10.9%	2.5%	\$28.74	3.4%	(28,864)
Kirkland	1,465,805	4.5%	-21.4%	\$35.94	-12.1%	1,787
Bothell	2,787,948	11.6%	-36.6%	\$26.47	5.0%	(6,557)
Eastside (all)	29,984,404	11.0%	<b>-22.5%</b>	\$31.61	<b>3.9%</b>	110,498

Source: 4th Qtr 2014 CBRE Puget Sound Office - Marketview, and Eastside Marketview Snapshot

\*Full Service

**Retail Market Conditions:** The Seattle/Puget-Sound Region again experienced positive net absorption and the overall vacancy rate dropped to 4.9%, down from 5.5% at year-end 2013. The Eastside submarket general retail market showed positive absorption this year, rents increased slightly, and the total vacancy rate decreased slightly. Within Area 85 submarkets, quoted rates increased modestly in the 520 Corridor, Bothell/Kenmore, and Kirkland submarkets. These increases are balanced by slight overall increases in vacancy rates for the 520 Corridor and Bothell, though Kirkland vacancy dropped. The table below summarizes vacancy rates and quoted rent rates for general retail properties in market areas within Area 85.

General Retail Market Statistics*					
	Market Size (SF)	Total Vacancy %	Vacancy Change	Quoted Rent Rates**	Rent Change
520 Corridor	1,176,276	1.1%	22.2%	\$25.59	<b>11.9%</b>
Bothell/Kenmore	1,966,850	2.2%	100.0%	\$24.16	<b>28.6%</b>
Kirkland	1,651,127	1.3%	-35.0%	\$24.48	<b>4.9%</b>
Eastside (all)	10,626,951	3.0%	<b>-16.7%</b>	\$21.38	<b>7.1%</b>

Source: The COSTAR Retail Report, Year-End 2014

\*Excludes malls, power centers, shopping centers and specialty shopping centers

\*\*NNN

The Eastside features 222 shopping centers, many of which are included in Area 85; therefore, a brief discussion of trends is warranted. These are properties excluded from the general retail statistics previously discussed. From Q4 2013 to Q4 2014, the quoted rate increased from \$23.68 to \$24.10. Total vacancy dropped from 6.3% to 5.5% and net absorption remained positive.

**Industrial Market Conditions:** The regional industrial market has continued strong growth. Total vacancy is down, from 6.6% in 2013 to 5.5% in 2014. Direct lease rates are up, from \$0.54 in 2013 to \$0.56 in 2014. Net absorption is still positive, but has slowed year over year. Completions have also slowed, to 731,216SF in 2014, down from 1,172,323SF of completions in 2013.

The Eastside market area constitutes approximately 9.8% of the region's gross leasable area. Vacancy rates are currently at 9.2%, down from 11.2% last year. Further, average direct asking rates increased slightly from \$0.90/SF/Mon to \$0.97/SF/Mon (the highest in the region). The Eastside had negative net absorption over the previous four quarters, and no new construction.

Industrial Market Statistics						
	Market	Total	Vacancy	Direct	Rent	4 Quarters
	Size (SF)	Vacancy %	Change	Asking Rates*	Change	Absorption (SF)
Eastside Market	25,273,052	9.2%	-17.9%	\$0.97	7.8%	-57,566

Source: 4th Qtr 2014 CBRE Puget Sound Industrial / Eastside, Northend MarketView Snapshot

\*NNN/Month

### Sales comparison approach model description

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 and net rentable area. Sales with characteristics most similar to the subject properties were considered.

The improved sales used range in sale dates from 1/04/2012 to 12/19/2014. There were 67 improved sales in Area 85 that were considered as fair market transactions and used in the overall analysis. Of these, 43 were included in the ratio study. 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; non-representative specialty properties (e.g., churches, etc.); sales that had major renovation after sale, or have been segregated or merged since being purchased. Another major, emerging, group of sales in Area 85 that are considered to be good sales, but are not included in the ratio study, are sales of certain Class A office buildings. These are sales of multi-tenant office buildings with high credit-ranked tenants, representing higher than normal net-operating incomes, and lower than normal capitalization rates, where "normal" is what is demonstrated by most good sales in the geographic area. These sales could be considered a variation on the net-lease sales seen in the retail sector. These offices, therefore, sell for considerably higher prices per square foot.

These sales were organized into market segments based on predominant use. The sale price unit value ranges serve to establish a general upper and lower market boundary for the various property types within the subject area and were useful when analyzing the income parameters and capitalization rates used in the income models for the various neighborhoods. Location, quality, and effective age were factors considered for adjustment. Stratification of these sales shows the following market ranges:

- |    |   |                            |
|----|---|----------------------------|
| 1) | Offices (under 25,000 SF rentable):     | \$154 to \$623 per sq. ft. |
| 2) | Offices (25,000 SF rentable or larger): | \$176 to \$594 per sq. ft. |
| 3) | Medical Office                          | \$240 to \$333 per sq. ft. |
| 4) | Retail                                  | \$166 to \$710 per sq. ft. |
| 5) | Warehouse/Industrial                    | \$106 to \$222 per sq. ft. |
| 6) | Service building / garages              | \$100 to \$293 per sq. ft. |
| 7) | Commercial Condominium Units            | \$392 to \$447 per sq. ft. |

The four property types listed below were typically valued by the sales comparison approach when there were sufficient comparable sales available. The list presents the property type and the typical value per square foot range. The range is a function of property size, age, condition and specific neighborhood.

- |    |                                    |                            |
|----|------------------------------------|----------------------------|
| 1) | Single-family residence conversion | \$165 to \$305 per sq. ft. |
| 2) | Service building / garages         | \$105 to \$176 per sq. ft. |
| 3) | Offices (under 25,000 SF rentable) | \$145 to \$360 per sq. ft. |
| 4) | Daycare Centers                    | \$142 to \$190 per sq. ft. |

## **Sales comparison calibration**

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established via an analysis of sales within each neighborhood. Neighborhoods were treated independent of one another as dictated by the market. Individual prices were applied based on various characteristics deemed appropriate by each market. Specific variables and prices for each neighborhood are discussed in more detail above.

## **Cost approach model description**

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. Cost figures were adjusted to the western region and the Seattle area. Cost estimates were relied upon for valuing special use properties where comparable sales data and/or income and expense information is not available. These properties are typically exempt properties such as churches, schools, public utility buildings, and park improvements. Non-exempt buildings that are valued by the Cost method might be fraternal halls, daycares, and new or on-going construction.

## **Cost calibration**

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

## **Income capitalization approach model description**

The Income Approach using direct capitalization was considered a reliable approach to valuation throughout Area 85 for most improved property types since income and expense data was available to ascertain market rates. During the sales verification process, an attempt is made to obtain income and expense data from the parties involved in the transactions through interviews or via mail. The information requested includes current and anticipated future rents, operating expense breakdown and assigned responsibility for the expenses, and estimated Capitalization Rates associated with a sale. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. The return rate of mail surveys varies and the data can be incomplete. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Interviews with tenants in the field usually yield rental and expense information only. As a supplement, lease information is gathered from Costar, the Commercial Brokers Association, and other relevant online sources. In order to calibrate a credible income model, it is necessary to consider data from recognized published sources to assist in developing capitalization rates. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate. Since property taxes are considered to be an allowable operating expense, no effective tax rate is included in the following capitalization rate data.

Income: Income data was derived from the market place from landlords and tenants, market sales, as well as through published sources (i.e. officespace.com, Commercial Brokers Association, Co-Star, and real estate websites such as CBRE, Colliers, Kidder Mathews, etc.), 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 the appraiser's knowledge of the area's rental practices. Within the income valuation models for



Area 85, the Assessor used triple net expenses for retail/mixed-use and industrial type uses. For typical office/medical buildings, the assessor used full service/gross expenses.

Capitalization Rates: When market sales are available an attempt is made to ascertain the capitalization rate on the sale or a pro-formal cap rate on the first year performance, during the sales verification process. Also, capitalization rate data was collected from published market surveys, such as Co-Star, Real Capital Analytics, The American Council of Life Insurance (Commercial Mortgage Commitments), Integra Realty Resources, Korpacz Real Estate Investor Survey (PWC), CBRE – National Investor Survey, etc. These sources typically have capitalization rates or ranges based on surveys or sales, and they usually include rates for both the Seattle Metropolitan area and the nation.

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 (1965, 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.

The following tables recap the rates as reported by the industry publications.

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: Capital Markets Cap. Rate survey.	2 <sup>nd</sup> Half (2014)					CBRE professional's opinion of where cap rates are likely to trend in the 2 <sup>nd</sup> ½ of 2014 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	4.75% - 5.25%	-	-	CBD - Class A
			6.25% - 6.75%	-	-	CBD - Class A – Value Added
			6.75% - 6.25%	-	-	CBD - Class B
			7.00% - 7.50%	-	-	CBD - Class B – Value Added
			7.00% - 7.50%	-	-	CBD - Class C
			8.00% - 8.75%	-	-	CBD - Class C – Value Added
			5.50% - 6.00%	-	-	Suburban - Class A
			6.75% - 7.50%	-	-	Suburban - Class A – Value Added
			6.25% - 6.75%	-	-	Suburban - Class B
			7.50% - 8.25%	-	-	Suburban - Class B – Value Added
			7.25% - 8.50%	-	-	Suburban - Class C
			8.25% - 9.00%	-	-	Suburban - Class C – Value Added
			-	5.00% - 5.50%	-	Class A
			-	6.50% - 7.00%	-	Class A - Value Added
			-	5.50% - 6.00%	-	Class B
			-	7.00% - 7.50%	-	Class B - Value Added
			-	5.50% - 6.00%	-	Class C
			-	7.00% - 7.50%	-	Class C - Value Added
			-	-	5.00% - 5.75%	Class A (Neigh./Comm. w/Grocery)
			-	-	6.50% - 6.75%	Class A (Neigh./Comm.) – Value Added
			-	-	6.25% - 7.25%	Class B (Neigh./Comm. w/Grocery)
			-	-	7.00% - 8.00%	Class B (Neigh./Comm.) – Value Added
			-	-	7.50% - 9.00%	Class C (Neigh./Comm. w/Grocery)
			-	-	8.50% - 9.00%	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% - 7.25%	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
			-	-	4.50% - 5.00%	High Street Retail (Urban Core)
						<u>Institutional Grade Properties”</u>
IRR: Viewpoint for 2015	Yr. End 2014	Seattle	5.25%	-	-	CBD Office – Class A
			6.00%	-	-	CBD Office – Class B
			6.00%	-	-	Suburban Office – Class A
			7.00%	-	-	Suburban Office – Class B
			-	5.00%	-	Industrial – Class A
			-	7.25%	-	Flex Industrial – Class A
			-	-	5.00%	Reg. Mall – Class A
			-	-	6.00%	Community Retail – Class A
			-	-	6.25%	Neighborhood Retail – Class A
		West Region	6.23%	-	-	CBD Office – Class A
			6.79%	-	-	CBD Office – Class B
			6.73%	-	-	Suburban Office – Class A
			7.26%	-	-	Suburban Office – Class B
			-	6.29%	-	Industrial – Class A
			-	7.04%	-	Flex Industrial – Class A
			-	-	6.22%	Reg. Mall – Class A
			-	-	6.52%	Community Retail – Class A
			-	-	6.67%	Neighborhood Retail – Class A
CoStar	Yr. End 2014	King Co.	6.22%	-	-	Sales Price Under \$5 Million
			5.27%	-	-	Sales Price Over \$5 Million
			-	6.24%	-	Sales Price Under \$5 Million
			-	6.57%	-	Sales Price Over \$5 Million
			-	-	5.58%	Sales Price Under \$5 Million
			-	-	5.18%	Sales Price Over \$5 Million

<b>SEATTLE / REGIONAL CAP RATES</b>						
<b>Source</b>	<b>Date</b>	<b>Location</b>	<b>Office</b>	<b>Industrial</b>	<b>Retail</b>	<b>Remarks</b>
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2014					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location; 2 <sup>nd</sup> Tier properties are defined as aging, former 1 <sup>st</sup> tier in good to average locations; 3 <sup>rd</sup> Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.90%	-	-	Office CBD – 1 <sup>st</sup> Tier Properties
			6.50%	-	-	Suburban Office – 1 <sup>st</sup> Tier Properties
			-	6.10%	-	Warehouse – 1 <sup>st</sup> Tier Properties
			-	6.80%	-	R&D – 1 <sup>st</sup> Tier Properties
			-	6.70%	-	Flex – 1 <sup>st</sup> Tier Properties
			-	-	5.70%	Regional Mall – 1 <sup>st</sup> Tier Properties
			-	-	6.30%	Power Center – 1 <sup>st</sup> Tier Properties
			-	-	6.40%	Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties
		West Region	6.50%	-	-	Office CBD – 1 <sup>st</sup> Tier Properties
			7.10%	-	-	Office CBD – 2 <sup>nd</sup> Tier Properties
			7.90%	-	-	Office CBD – 3 <sup>rd</sup> Tier Properties
			6.90%	-	-	Suburban Office – 1 <sup>st</sup> Tier Properties
			7.40%	-	-	Suburban Office – 2 <sup>nd</sup> Tier Properties
			8.10%	-	-	Suburban Office – 3 <sup>rd</sup> Tier Properties
			-	6.50%	-	Warehouse – 1 <sup>st</sup> Tier Properties
			-	7.10%	-	Warehouse – 2 <sup>nd</sup> Tier Properties
			-	7.90%	-	Warehouse – 3 <sup>rd</sup> Tier Properties
			-	7.00%	-	R&D – 1 <sup>st</sup> Tier Properties
			-	7.40%	-	R&D – 2 <sup>nd</sup> Tier Properties
			-	8.10%	-	R&D – 3 <sup>rd</sup> Tier Properties
			-	6.90%	-	Flex – 1 <sup>st</sup> Tier Properties
			-	7.50%	-	Flex – 2 <sup>nd</sup> Tier Properties
			-	8.20%	-	Flex – 3 <sup>rd</sup> Tier Properties
			-	-	6.40%	Regional Mall – 1 <sup>st</sup> Tier Properties
			-	-	7.10%	Regional Mall – 2 <sup>nd</sup> Tier Properties
			-	-	7.80%	Regional Mall – 3 <sup>rd</sup> Tier Properties
			-	-	6.60%	Power Center – 1 <sup>st</sup> Tier Properties
			-	-	7.20%	Power Center – 2 <sup>nd</sup> Tier Properties
			-	-	8.00%	Power Center – 3 <sup>rd</sup> Tier Properties
			-	-	6.70%	Neigh/Comm. Ctr. – 1 <sup>st</sup> Tier Properties
			-	-	7.20%	Neigh/Comm. Ctr. – 2 <sup>nd</sup> Tier Properties
			-	-	8.00%	Neigh/Comm. Ctr. – 3 <sup>rd</sup> Tier Properties
PWC / Korpaz	4Q 2014	Seattle	6.38%	-	-	Overall - 4.00% to 9.00%
			5.85%	-	-	CBD Office
			6.90%	-	-	Suburban Office
		Pac. NW	6.31%	-	-	Overall - 4.00% to 9.00%
			5.74%	-	-	CBD Office
			6.89%	-	-	Suburban Office
			-	5.58%	-	Warehouse – (4.00% - 7.00%)
ACLI	Yr. End 2014	Seattle MSA	6.52%	6.66%	5.52%	
		Pacific Region	5.94%	6.08%	6.57%	



NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2014					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location
		National	6.90% 7.40% - - - - -	- - 7.20% 7.60% 7.60% - -	- - - - - 6.90% 7.20% 7.20%	Office CBD – 1 <sup>st</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties Warehouse – 1 <sup>st</sup> Tier Properties R&D – 1 <sup>st</sup> Tier Properties Flex – 1 <sup>st</sup> Tier Properties Regional Mall – 1 <sup>st</sup> Tier Properties Power Center – 1 <sup>st</sup> Tier Properties Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties
IRR: Viewpoint for 2015	Yr. End 2014	National	7.05% 7.84% 7.43% 8.06% - - - - -	- - - - 7.11% 7.79% - - -	- - - - - - 6.83% 7.17% 7.33%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial – Class A Flex Industrial – Class A Reg. Mall – Class A Community Retail – Class A Neighborhood Retail – Class A
ACLI	Yr. End 2014	National	5.90% 7.50% 6.09% - 6.83% 5.67%	6.90% 7.49% 6.96% - 7.49% 6.74%	6.46% 7.17% 6.11% - 6.44% 6.20%	Overall Sq.Ft. - <50k Sq.Ft. - 50k-200k Sq.Ft. - 200K+
PWC / Korpaz	4Q 2014	National	6.16% 6.66% 7.27% - - - - -	- - - 7.53% 5.82% - - -	- - - - - 6.21% 6.60% 7.05%	CBD Office - (3.75% - 8.00%) Sub. Office - (5.00% - 9.00%) Medical Office - (4.25% - 10.00%) Flex/R&D - (6.00% - 10.00%) Warehouse - (4.50% - 7.00%) Mall- A+ = .4.88%; A = 5.47%; B+ = 6.67% Power Center - (5.50% - 8.00%) Neigh. Strip Ctrs. - (5.00% - 10.00%)
The Boulder Group: Net Lease Market Report	4Q 2014	National       West Region	7.31% - - - - - -	8.03% - - - - - -	6.50% 6.71% 6.00% 7.00% 6.78% 6.72% 6.48% 5.75%	Overall (Average) Big Box "Overall" Big Box "Investment Grade" Big Box "Non-Investment Grade" Jr. Big Box - (20,000/SF – 39,999/SF) Mid. Big Box - (40,000/SF – 79,999/SF) Mega Big Box - (80,000/SF +) Overall (Average)

The preceding tables summarize various ranges of capitalization rates and trends that are compiled and collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in Area 85 to develop the income model. The range of capitalization rates in the income model for Area 85 reflects the variety of properties in this area.

### Income Approach Calibration

Income tables were developed for each of the fourteen neighborhoods that comprise Area 85. The tables pertain to the following property types: Retail, Industrial Engineering Buildings, Medical and Dental Offices, Discount Stores, Storage Garage, Basement Finish, Restaurant, Storage Warehouse, and Office, in addition to an exclusion table indicating property uses not covered by an income table. Properties which contain differing section uses may have multiple tables that are applicable to the property as a whole. All tables are included in the addendum of this report.

The tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates by using adjustments based on size, quality of construction, and the effective age. When the

value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements.

Typical income model parameters for the various markets that make up Area 85 are summarized in the following table. It should be noted that due to the nature of commercial real estate, not all properties fall within the typical parameters.

#### Area 85-20 – Bothell

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$19.75 to \$27.75	7%	to 10%	\$7.25	6.50% to 8.50%
Retail/Mixed Use	\$11.75 to \$18.00	6%	to 7%	7.5% to 8.5%	7.00% to 9.00%
Industrial/Whse.	\$3.00 to \$8.40	5%	to 8%	7.50%	6.75% to 8.75%

Office property rents in Bothell are slightly up from the previous assessment year, while vacancy is down, as are capitalization rates. Retail properties experienced increased asking rates, but overall vacancy is up and capitalization rates are stable. Industrial properties are not prolific in this area and economic income parameters have remained stable. For all property types, operating expenses have increased.

#### Area 85-25 – East Totem Lake (East of I-405)

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$17.75 to \$31.25	6.5%	to 12%	\$7 to \$7.75	6.50% to 8.25%
Retail/Mixed Use	\$12.00 to \$24.25	7% to 8%		7.75%	6.75% to 8.50%
Industrial/Whse.	\$4.80 to \$9.15	6.5%	to 7%	7.75%	6.25% to 8.00%

Rental rates for office properties in East Totem Lake are slightly up from the previous assessment year, while overall vacancy is down, as are capitalization rates. Retail properties experienced increased asking rates, but overall vacancy is up and capitalization rates are stable. Industrial properties showed stable lease rates, decreased vacancy, and lowered capitalization rates. For all property types, operating expenses have increased.

#### Area 85-30 - Finn Hill/North Juanita

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$18.50 to \$27.00	5%	to 13%	\$6.25	6.75% to 9.00%
Retail/Mixed Use	\$14.25 to \$22.25	7% to 7.5%		7.75%	6.75% to 8.50%
Industrial/Whse.	\$4.35 to \$9.15	7%	to 8%	7.5% to 7.75%	6.75% to 9.00%

Office property income parameters have remained mostly stable in this neighborhood of Kirkland, with some increase in lease rates. Retail properties also remained relatively stable, with increased vacancy but decreased capitalization rates. Industrial properties are not prolific in this

area and economic income parameters have remained stable. For all property types, operating expenses have increased.

#### Area 85-35 - West Totem Lake (West of I-405)

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$22.00 to \$30.00	6.50% to 12%	\$7.00 to \$7.75	6.50% to 8.25%
Retail/Mixed Use	\$15.00 to \$24.25	7%	7.75%	6.75% to 8.50%
Industrial/Whse.	\$3.80 to \$8.60	7% to 7.25%	7.75%	6.25% to 8.00%

Rental rates for office properties in West Totem Lake are slightly up from the previous assessment year, while overall vacancy is down, as are capitalization rates. Retail properties experienced increased asking rates, but overall vacancy is up and capitalization rates have dipped. Industrial properties showed stable lease rates, decreased overall vacancy, and lowered capitalization rates. For all property types, operating expenses have increased.

#### Area 85-40 - Juanita

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$20.25 to \$30.25	6.50% to 12%	\$7.00 to \$7.50	6.75% to 8.50%
Retail/Mixed Use	\$11.75 to \$29.00	7% to 8%	7.75%	6.50% to 8.25%
Industrial/Whse.	\$3.60 to \$9.15	7% to 7%	7.75%	6.75% to 8.50%

Office property rents have increased over the previous assessment year, while vacancy is relatively stable, as are office capitalization rates. Retail rents and vacancy have stabilized, through capitalization rates have dropped. Industrial properties are not prolific in this area and economic income parameters have remained stable. For all property types, operating expenses have increased.

#### Area 85-45 – Houghton/South Kirkland

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$19.50 to \$30.00	7% to 13%	\$7.50 to \$8.25	6.25% to 8.25%
Retail/Mixed Use	\$12.00 to \$25.00	8%	7.75%	6.75% to 8.50%
Industrial/Whse.	\$4.35 to \$9.55	6.5% to 8%	7.75%	6.50% to 8.25%

Office property rents have stabilized in the Houghton area, with slightly lower vacancy, and stable capitalization rates. Retail property rents are up, with slightly increased vacancy and lowered capitalization rates. Industrial property income parameters are relatively stable, with a decrease in capitalization rates. For all property types, operating expenses have increased.



#### Area 85-50 – East Kirkland (East of I-405)

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$22.00 to \$30.00	8%	to 15%	\$7.25 to \$7.75	6.75% to 8.50%
Retail/Mixed Use	\$12.00 to \$24.50	7% to 8%		7.75%	6.75% to 8.50%
Industrial/Whse.	\$4.20 to \$9.60	6.5%	to 7%	7.75%	6.75% to 8.50%

Office property rents in East Kirkland are slightly up from the previous assessment year, though vacancy and capitalization rates are relatively unchanged. The picture is similar for retail properties, though capitalization rates have dropped. Industrial properties are not prolific in this area and economic income parameters have remained stable. For all property types, operating expenses have increased.

#### Area 85-55 - NW Kirkland

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$19.75 to \$28.25	6%	to 7%	\$7.50	6.50% to 8.25%
Retail/Mixed Use	\$18.00 to \$23.75	7%		7.75%	6.50% to 8.50%
Industrial/Whse.	\$6.00 to \$9.00	6.5%		7.75%	6.50% to 8.50%

The office market has stabilized in this neighborhood along Market Street in Kirkland. Retail uses, mostly featured within mixed-use properties, have seen an increase in rental rates, with vacancy adjusted upward and capitalization rates downward. Industrial properties are not prolific in this area and economic income parameters have remained stable. For all property types, operating expenses have increased.

#### Area 85-60 - SE Kirkland

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$19.00 to \$28.75	6%	to 14%	\$7.50 to \$7.75	6.25% to 8.50%
Retail/Mixed Use	\$14.00 to \$25.00	7% to 8%		7.75%	6.75% to 8.50%
Industrial/Whse.	\$4.35 to \$9.75	8%	to 10%	7.75%	6.50% to 8.25%

Office properties are prevalent in this south Kirkland and north Bellevue area. Rents are slightly up and vacancy has remained relatively unchanged, with decreased capitalization rates. Retail uses are not well-represented here thus there is mostly no change. The industrial market is similar to the office properties, though overall vacancy is slightly up. For all property types, operating expenses have increased.

### Area 85-65 - Kirkland CBD

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$21.00 to \$33.00	6%	to 13%	\$7.25 to \$8.75	6.00% to 8.25%
Retail/Mixed Use	\$19.25 to \$30.00	7% to 7.5%		7.75% to 9%	6.75% to 8.50%
Industrial/Whse.	\$3.60 to \$9.45	7%	to 7.5%	7.75%	6.50% to 8.50%

Downtown Kirkland continues to see market strengthening in all property types. Office, retail and industrial lease rates are up. Vacancy is slightly down for all property types, and the central business district continues to see the lowest capitalization rates in Kirkland. For all property types, operating expenses have increased.

### 85-70 – SW Kirkland

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$21.00 to \$35.00	5%	to 12%	\$7.25 to \$8.50	6.25% to 8.25%
Retail/Mixed Use	\$23.00 to \$24.00	7%		7.75%	6.75% to 8.50%
Industrial/Whse.	\$4.35 to \$9.15	6.5%		7.75%	6.50% to 8.50%

Office properties are prevalent in this south Kirkland neighborhood. Rents are up, vacancy is down, and capitalization rates have decreased. Retail uses are not well-represented here thus there is mostly no change. The industrial market is also scarce here and has seen no real change. For all property types, operating expenses have increased.

### 85-75 – East Kirkland (West of I-405)

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %		Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$18.00 to \$30.25	7.25%	to 13%	7% to 7.50%	6.50% to 8.25%
Retail/Mixed Use	\$16.00 to \$24.00	7%		7.75%	6.75% to 8.50%
Industrial/Whse.	\$4.20 to \$9.35	6%	to 7.5%	7.75%	6.25% to 8.00%

Office income parameters have stabilized here, with a slight drop in capitalization rates. Retail properties are not well-represented here and there is no noted change. Industrial properties are the most prevalent in this neighborhood, where rents and vacancy have stabilized, with an increase in capitalization rates. For all property types, operating expenses have increased.

## 85-85 – North Creek

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$16.00 to \$18.00	8% to 12%	\$7.25 to \$7.50	6.75% to 8.75%
Retail/Mixed Use	\$15.00 to \$21.00	6%	8.00%	7.00% to 8.75%
Industrial/Whse.	\$3.60 to \$8.40	8.0%	7.50%	7.00% to 8.75%

The office market has stabilized in this area of Bothell. Retail rents are up, with a slight increase in capitalization rates. Industrial properties are not prolific in this area and economic income parameters have remained stable.

## 85-90 – Kingsgate

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %
Office/Medical Office	\$19.50 to \$29.75	8% to 13%	\$7 to \$7.75	7.00% to 9.00%
Retail/Mixed Use	\$13.75 to \$22.00	7% to 8%	7.75%	7.00% to 8.75%
Industrial/Whse.	\$6.60 to \$7.20	7.0%	7.75%	6.75% to 8.50%

The office market in Kingsgate has improved, with increased rents and lowered vacancy and capitalization rates. The retail lease rate has been adjusted upward and so too has the vacancy rate, with a mostly stable capitalization rate. The industrial market is stable here. For all property types, operating expenses have increased.

## Reconciliation

All parcels were individually reviewed for correct application of the model before final value selection. All of the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when ample comparable sales were available, however the income approach was applied to most parcels in order to better equalize comparable properties. Whenever possible, market rents, expenses, and cap rates were ascertained from sales, and along with data from surveys and publications these parameters were applied to the income model.

The income approach to value was considered to be a reliable indicator of value in most instances. 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. An administrative review of the selected values was made by Ruth Peterson, Senior Appraiser for quality control purposes.



## Model Validation

### Total Value Conclusions, Recommendations and Validation

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

In this valuation model, the income approach is used to value the majority of the income producing properties that aren't obsolesced (land value is greater than value by income method) because 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.

Comparison of the 2014 Ratio Study Analysis with the 2015 Ratio Study Analysis indicates that the weighted mean ratio, or assessment level, improved from 87.50% to 91.40%. The Coefficient of Dispersion (COD) went down from 12.86% to 9.42%, the Coefficient of Variation (COV) went down from 16.60% to 12.43%, and the Price-related Differential (PRD) went from 1.02 to 1.01. All of these changes represent improvements of the statistical measurements to within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity. The ratio study presented in this report indicates improvement in uniformity

For this revalue period, land values have remained fairly stable with some minor increases in select areas and zonings. Medium-density residential sites, as well as industrial sites, in some areas, saw an increase in value. Income parameters have remained relatively stable over the recent term slight downward pressure on capitalization rates, as well as improved (lowered) vacancy and improved (increased) rents in all property types.

The total assessed values for Area 85 for the 2014 assessment year was \$2,302,253,507 and the total recommended value for the 2015 assessment year is \$2,325,098,415. This does not include specialty properties but it does include commercial condos (not multi-family units). In addition the 2015 total does not include the value of new construction parcels which will be determined later, and it does not reflect the downward contamination adjustments that will be applied later to several parcels by the contamination specialist appraiser. Application of these recommended values for the 2015 assessment year (taxes payable in 2016) results in a total value change of +0.99% from the previous year.

Change in Total Assessed Value			
2014 Total Value	2015 Total Value	\$ Change	% Change
\$2,302,253,507	\$2,325,098,415	\$22,844,908	0.99%

# 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, 3<sup>rd</sup> Addition, Appraisal Institute.**

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

**Assumptions and Limiting Conditions:**

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the Assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.

13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

### **Scope of Work Performed:**

Research and analyses performed are identified in the body of the revaluation report. The Assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. Disclosure of interior 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 in the Revaluation Plan and as budgeted. The scope of work performed and disclosure of research and analyses not performed are identified throughout the body of the report.

### **CERTIFICATION:**

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

- *The statements of fact contained in this report are true and correct*
- *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *Services that I provided within the prior three years include physical inspection, revaluation, appeal response preparation, attendance and participation in hearings, data collection, sales verification, and identifying new construction and recording the corresponding data.*

Area 085 - Kirkland and Bothell  
2015 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
012000-0170	3,498,100	3,945,000	11/26/2012	0.8867	0.0030
062505-9020	2,478,600	2,490,000	5/16/2013	0.9954	0.1057
062505-9029	5,355,900	5,650,000	8/17/2012	0.9479	0.0582
062605-9032	1,458,700	1,875,000	10/23/2013	0.7780	0.1118
072605-9204	979,700	900,000	7/2/2012	1.0886	0.1988
072605-9342	1,800,000	1,800,000	7/15/2013	1.0000	0.1103
072605-9444	2,123,000	2,350,000	4/26/2012	0.9034	0.0137
082505-9035	4,542,400	6,550,000	12/19/2014	0.6935	0.1963
082505-9097	4,271,800	6,670,000	10/14/2014	0.6404	0.2493
082505-9315	530,100	510,000	1/4/2012	1.0394	0.1497
082605-9160	2,923,400	2,610,000	1/13/2012	1.1201	0.2303
096700-0230	340,600	650,000	9/16/2014	0.5240	0.3657
096700-0431	405,200	360,000	4/24/2012	1.1256	0.2358
096700-0445	582,600	722,000	8/27/2012	0.8069	0.0828
123850-0165	8,738,400	8,500,000	9/28/2012	1.0280	0.1383
124450-0230	1,573,400	1,850,000	1/5/2012	0.8505	0.0393
124870-0160	2,969,100	3,500,000	7/13/2012	0.8483	0.0414
162605-9153	1,325,300	1,200,900	1/24/2013	1.1036	0.2138
172505-9236	3,819,900	4,200,000	12/21/2012	0.9095	0.0198
202505-9028	4,110,800	5,500,000	11/24/2014	0.7474	0.1423
250550-0151	844,300	950,000	1/31/2014	0.8887	0.0010
282605-9008	2,096,700	2,050,000	11/26/2012	1.0228	0.1330
282605-9091	1,774,900	2,100,000	12/17/2012	0.8452	0.0446
292605-9125	11,302,700	13,849,900	11/2/2012	0.8161	0.0737
329140-0020	2,844,500	3,275,000	1/10/2014	0.8685	0.0212
329140-0030	5,216,600	6,050,000	11/13/2013	0.8622	0.0275
332605-9080	2,608,800	3,975,000	9/12/2014	0.6563	0.2334
332605-9206	1,320,000	1,450,000	12/24/2012	0.9103	0.0206
364910-0513	433,400	400,000	11/19/2014	1.0835	0.1938
376250-0020	305,500	531,000	12/27/2013	0.5753	0.3144
384850-0705	4,016,800	3,984,475	12/28/2012	1.0081	0.1184
388580-0180	574,200	850,000	1/31/2014	0.6755	0.2142
388580-3370	755,400	890,000	11/25/2013	0.8488	0.0410
388580-3875	1,789,700	1,800,000	4/5/2013	0.9943	0.1045
388580-5760	620,900	840,000	3/12/2012	0.7392	0.1506
388580-6375	627,000	605,000	1/9/2012	1.0364	0.1466
388690-1180	1,129,500	1,285,000	2/13/2014	0.8790	0.0108
389310-0925	2,004,200	2,250,000	12/27/2012	0.8908	0.0010
392700-0095	7,573,200	8,000,000	2/15/2013	0.9467	0.0569
392700-0300	6,406,100	6,830,000	2/15/2013	0.9379	0.0482
431500-0050	1,267,200	1,450,000	12/19/2012	0.8739	0.0158
857905-0010	1,680,000	1,650,000	11/27/2012	1.0182	0.1284



Area 085 - Kirkland and Bothell  
2015 Assessment Year

Quadrant/Crew:		Appr date :		Date:		Sales Dates:	
East Crew		1/1/2014		4/6/2015		1/1/12 - 12/31/14	
Area		Appr ID:		Prop Type:		Trend used?: Y / N	
85		TBRA		Improvement		N	
SAMPLE STATISTICS							
Sample size (n)		42					
Mean Assessed Value		2,643,300					
Mean Sales Price		3,021,400					
Standard Deviation AV		2,434,227					
Standard Deviation SP		2,824,347					
ASSESSMENT LEVEL							
Arithmetic mean ratio		0.891					
Median Ratio		0.890					
Weighted Mean Ratio		0.875					
UNIFORMITY							
Lowest ratio		0.5240					
Highest ratio:		1.1256					
Coefficient of Dispersion		12.86%					
Standard Deviation		0.1479					
Coefficient of Variation		16.60%					
Price-related Differential		1.02					
RELIABILITY							
95% Confidence: Median							
Lower limit		0.850					
Upper limit		0.948					
95% Confidence: Mean							
Lower limit		0.846					
Upper limit		0.936					
SAMPLE SIZE EVALUATION							
N (population size)		1199					
B (acceptable error - in decimal)		0.05					
S (estimated from this sample)		0.1479					
Recommended minimum:		34					
Actual sample size:		42					
Conclusion:		OK					
NORMALITY							
Binomial Test							
# ratios below mean:		22					
# ratios above mean:		20					
z:		0.15430335					
Conclusion:		Normal*					
*i.e., no evidence of non-normality							

Ratio Frequency

Ratio	Frequency
0.6-0.7	2
0.7-0.8	4
0.8-0.9	3
0.9-1.0	13
1.0-1.1	9
1.1-1.2	8
1.2-1.3	3
1.3-1.4	0
1.4-1.5	0

Ratio

These figures reflect measurements before posting new values.

Area 085 - Kirkland and Bothell  
2015 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>	
012000-0170	3,482,700	3,945,000	11/26/2012	0.8828	0.0259	
062505-9020	2,507,500	2,490,000	5/16/2013	1.0070	0.0983	
062505-9029	5,445,700	5,650,000	8/17/2012	0.9638	0.0551	
062605-9032	1,459,700	1,875,000	10/23/2013	0.7785	0.1302	
072605-9204	999,600	900,000	7/2/2012	1.1107	0.2019	
072605-9342	1,800,600	1,800,000	7/15/2013	1.0003	0.0916	
072605-9444	2,124,500	2,350,000	4/26/2012	0.9040	0.0047	
082505-9035	5,366,600	6,550,000	12/19/2014	0.8193	0.0894	
082505-9097	6,017,000	6,670,000	10/14/2014	0.9021	0.0066	
082505-9315	529,500	510,000	1/4/2012	1.0382	0.1295	
082605-9160	2,946,300	2,610,000	1/13/2012	1.1289	0.2201	
096700-0230	519,500	650,000	9/16/2014	0.7992	0.1095	
096700-0431	405,700	360,000	4/24/2012	1.1269	0.2182	
096700-0445	588,700	722,000	8/27/2012	0.8154	0.0934	
123850-0165	8,746,700	8,500,000	9/28/2012	1.0290	0.1203	
124450-0230	1,589,200	1,850,000	1/5/2012	0.8590	0.0497	
124870-0160	3,005,700	3,500,000	7/13/2012	0.8588	0.0500	
162605-9153	1,343,400	1,200,900	1/24/2013	1.1187	0.2099	
172505-9236	3,824,900	4,200,000	12/21/2012	0.9107	0.0019	
202505-9028	4,716,800	5,500,000	11/24/2014	0.8576	0.0511	
250550-0151	884,900	950,000	1/31/2014	0.9315	0.0227	
282605-9008	2,113,500	2,050,000	11/26/2012	1.0310	0.1222	
282605-9091	1,880,600	2,100,000	12/17/2012	0.8955	0.0132	
292605-9125	11,701,300	13,849,900	11/2/2012	0.8449	0.0639	
329140-0020	2,967,000	3,275,000	1/10/2014	0.9060	0.0028	
329140-0030	5,441,200	6,050,000	11/13/2013	0.8994	0.0094	
332605-9080	2,849,900	3,975,000	9/12/2014	0.7170	0.1918	
332605-9206	1,314,400	1,450,000	12/24/2012	0.9065	0.0023	
364910-0513	399,600	400,000	11/19/2014	0.9990	0.0903	
376250-0020	305,500	531,000	12/27/2013	0.5753	0.3334	
384850-0705	4,135,800	3,984,475	12/28/2012	1.0380	0.1292	
388580-0180	782,000	850,000	1/31/2014	0.9200	0.0113	
388580-3370	755,400	890,000	11/25/2013	0.8488	0.0600	
388580-3875	1,789,700	1,800,000	4/5/2013	0.9943	0.0855	
388580-5760	623,600	840,000	3/12/2012	0.7424	0.1664	
388580-6375	627,000	605,000	1/9/2012	1.0364	0.1276	
388690-1180	1,185,975	1,285,000	2/13/2014	0.9229	0.0142	
389310-0925	2,040,300	2,250,000	12/27/2012	0.9068	0.0019	
392700-0095	7,488,100	8,000,000	2/15/2013	0.9360	0.0273	
392700-0300	6,334,100	6,830,000	2/15/2013	0.9274	0.0186	
431500-0050	1,267,200	1,450,000	12/19/2012	0.8739	0.0348	
857905-0010	1,680,000	1,650,000	11/27/2012	1.0182	0.1094	

Area 085 - Kirkland and Bothell  
2015 Assessment Year

Quadrant/Crew:		Appr date :		Date:		Sales Dates:	
North Crew		1/1/2015		4/2/2015		1/1/12 - 12/31/14	
Area		Appr ID:		Prop Type:		Trend used?: Y / N	
85		TBRA		Improvement		N	
SAMPLE STATISTICS							
Sample size (n)		42					
Mean Assessed Value		2,761,600					
Mean Sales Price		3,021,400					
Standard Deviation AV		2,531,857					
Standard Deviation SP		2,824,347					
ASSESSMENT LEVEL							
Arithmetic mean ratio		0.923					
Median Ratio		0.909					
Weighted Mean Ratio		0.914					
UNIFORMITY							
Lowest ratio		0.5753					
Highest ratio:		1.1289					
Coefficient of Dispersion		9.42%					
Standard Deviation		0.1148					
Coefficient of Variation		12.43%					
Price-related Differential		1.01					
RELIABILITY							
95% Confidence: Median							
Lower limit		0.896					
Upper limit		0.964					
95% Confidence: Mean							
Lower limit		0.889					
Upper limit		0.958					
SAMPLE SIZE EVALUATION							
N (population size)		1199					
B (acceptable error - in decimal)		0.05					
S (estimated from this sample)		0.1148					
Recommended minimum:		21					
Actual sample size:		42					
Conclusion:		OK					
NORMALITY							
Binomial Test							
# ratios below mean:		24					
# ratios above mean:		18					
z:		0.77151675					
Conclusion:		Normal*					
*i.e., no evidence of non-normality							

Ratio Frequency

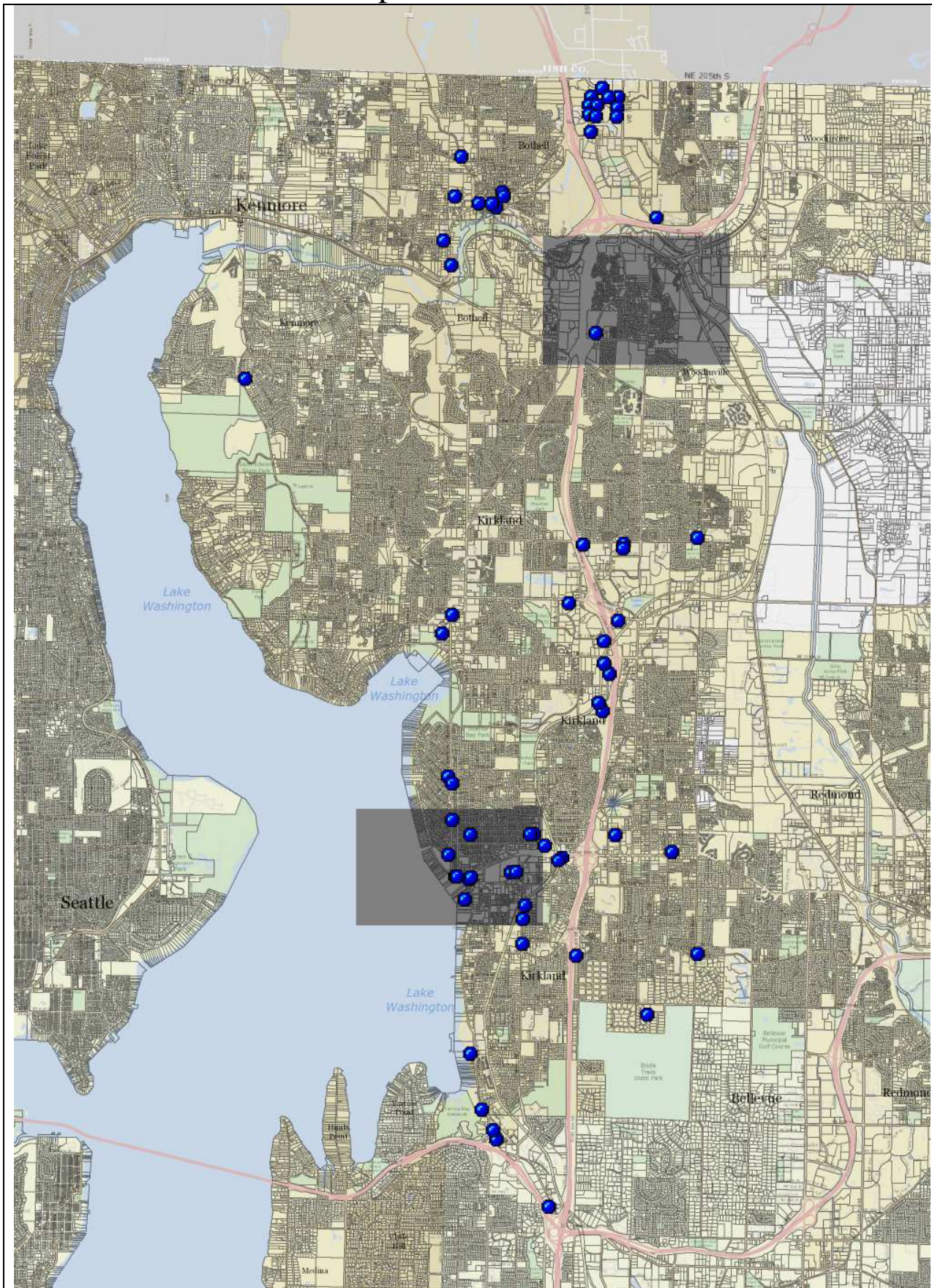
Ratio	Frequency
0.6-0.7	1
0.7-0.8	4
0.8-0.9	11
0.9-1.0	14
1.0-1.1	8
1.1-1.2	4
1.2-1.3	0
1.3-1.4	0

Ratio

These figures reflect measurements after posting new values.



## Area 85 Improved Sales – 2015 Revaluation



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**King County**  
Assessments  
7/27/15

Improvement Sales for Area 085 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
085	020	062605	9032	6,712	2638826	\$1,875,000	10/23/13	\$279.35	COLLIER-VINE PROF BLDG	GDC	1	Y	
085	020	072605	9204	5,400	2553455	\$900,000	07/02/12	\$166.67	NAPA AUTO PARTS	522	1	Y	
085	020	072605	9342	12,249	2618385	\$1,800,000	07/15/13	\$146.95	NORTHLAKE MONTESSORI	GC	1	Y	
085	020	072605	9444	9,769	2541348	\$2,350,000	04/26/12	\$240.56	BOTHELL PROFESSIONAL PLAZA	DN	2	Y	
085	020	082605	9160	13,574	2528804	\$2,610,000	01/13/12	\$192.28	MOSS HERITAGE BUILDING	DC	1	Y	
085	020	096700	0070	10,620	2702627	\$2,250,000	11/21/14	\$211.86	MERCANTILE BLDG RETAIL STORES	DC	2	34	Use-change after sale; not in ratio
085	020	096700	0230	2,717	2691223	\$650,000	09/16/14	\$239.23	ATTORNEYS OFFICE	DC	1	Y	
085	020	096700	0431	2,332	2541131	\$360,000	04/24/12	\$154.37	OFFICE BUILDING	DN	1	Y	
085	020	096700	0445	2,800	2562969	\$722,000	08/27/12	\$257.86	Insurance Office (Converted SFR)	DN	1	Y	
085	025	282605	9008	11,142	2576589	\$2,050,000	11/26/12	\$183.99	TOTEM LAKE CENTER	TL 1B	1	Y	
085	025	282605	9068	49,260	2621442	\$13,050,000	06/27/13	\$264.92	LA Fitness	TL 4A	1	Y	Net Lease Sale; not in ratio
085	025	329140	0020	9,831	2649645	\$3,275,000	01/10/14	\$333.13	EVERGREEN PLACE MEDICAL BUILDING	TL 1B	1	Y	
085	025	329140	0030	19,623	2641190	\$6,050,000	11/13/13	\$308.31	EVERGREEN MEDICAL CENTER	TL 1B	1	Y	
085	030	364910	0513	3,475	2704370	\$400,000	11/19/14	\$115.11	EURO-TECH AUTO SERVICE	NB	1	Y	
085	035	282605	9091	17,920	2581640	\$2,100,000	12/17/12	\$117.19	EASTSIDE SPRAYING SERVICE	TL 10B	1	Y	
085	035	292605	9125	74,747	2572615	\$13,849,900	11/02/12	\$185.29	OFFICE BUILDING	TL 10A	2	Y	
085	040	375790	0015	2,533	2602945	\$1,800,000	04/26/13	\$710.62	STARBUCK'S AT JUANITA VILLAGE	JBD 1	1	Y	Net Lease Sale; not in ratio
085	040	376250	0020	1,186	2648226	\$531,000	12/27/13	\$447.72	JUANITA PROFESSIONAL PLAZA CONDO	JBD 6	1	Y	
085	045	012000	0170	17,760	2577760	\$3,945,000	11/26/12	\$222.13	McDonald Insurance	LIT	2	Y	
085	045	082505	9315	2,744	2525930	\$510,000	01/04/12	\$185.86	Tutmark Realty (Office/Apartment	PR 5.0	1	Y	
085	045	123510	0024	29,646	2679784	\$12,000,000	07/16/14	\$404.78	KIRKLAND GATEWAY BUILDING	LIT	1	Y	
085	045	123510	0025	79,971	2536970	\$7,325,000	04/02/12	\$91.60	KIRKLAND WAY STORAGE	LIT	2	34	Use-change after sale; not in ratio
085	045	250550	0151	2,916	2651999	\$950,000	01/31/14	\$325.79	OFFICE	PR 5.0	1	Y	
085	050	082505	9035	21,561	2706787	\$6,550,000	12/19/14	\$303.79	LAKEVIEW PLACE	PR 3.6 (1)	1	Y	
085	050	123850	0165	47,840	2566720	\$8,500,000	09/28/12	\$177.68	FORBES LAKE BUILDING	LIT	1	Y	
085	050	124190	0014	2,501	2690184	\$1,300,000	09/08/14	\$519.79	7-11 STORE	RH 8	1	Y	Use-change after sale; not in ratio
085	050	384850	0705	20,229	2582517	\$3,984,475	12/28/12	\$196.97	RETAIL & 9 UNIT	NC/C	1	Y	
085	050	389250	0210	33,029	2697777	\$3,800,000	10/28/14	\$115.05	KIRKLAND HUNT CLUB	PLA 16	2	Y	Not in ratio
085	055	388580	0180	3,068	2651859	\$850,000	01/31/14	\$277.05	JENSEN BUILDING	MSC 4	2	Y	
085	055	388580	3370	2,703	2643284	\$890,000	11/25/13	\$329.26	MARKET STREET DENTAL OFFICES	MSC 1	1	Y	
085	055	388580	3875	7,500	2598757	\$1,800,000	04/05/13	\$240.00	MARKET SQUARE BUILDING	MSC 1	1	Y	
085	055	857905	0010	4,200	2575997	\$1,650,000	11/27/12	\$392.86	1010 BUILDING, THE	MSC 1	1	Y	
085	060	202505	9028	28,857	2703527	\$5,500,000	11/24/14	\$190.60	SPECTRA TECHNOLOGY	OLB	4	Y	
085	060	202505	9228	47,633	2614161	\$17,300,000	06/27/13	\$363.19	YARROW BAY PLAZA OFFICE	YBD 3	1	Y	
085	060	431500	0050	3,520	2581149	\$1,450,000	12/19/12	\$411.93	LINBROOK OFFICE (#5)	YBD 3	1	Y	
085	065	062505	9020	12,728	2606058	\$2,490,000	05/16/13	\$195.63	FLAME BUILDING	CBD 2	1	Y	
085	065	062505	9029	20,649	2559665	\$5,650,000	08/17/12	\$273.62	MARINA PARK BUILDING	CBD 2	1	Y	
085	065	082505	9097	5,876	2696240	\$6,670,000	10/14/14	\$1,135.13	Residential Unit w/Retail	CBD 2	1	Y	
085	065	124450	0176	6,837	2647591	\$3,750,000	12/20/13	\$548.49	RETAIL	CBD 1	2	Y	Net Lease Sale; not in ratio
085	065	124450	0230	4,888	2525820	\$1,850,000	01/05/12	\$378.48	RETAIL	CBD 1	1	Y	
085	065	124870	0135	75,753	2615565	\$24,500,000	06/28/13	\$323.42	CONTINENTAL PLAZA	CBD 5	1	Y	
085	065	124870	0160	11,700	2554097	\$3,500,000	07/13/12	\$299.15	OFFICE BUILDING	CBD 5	1	Y	

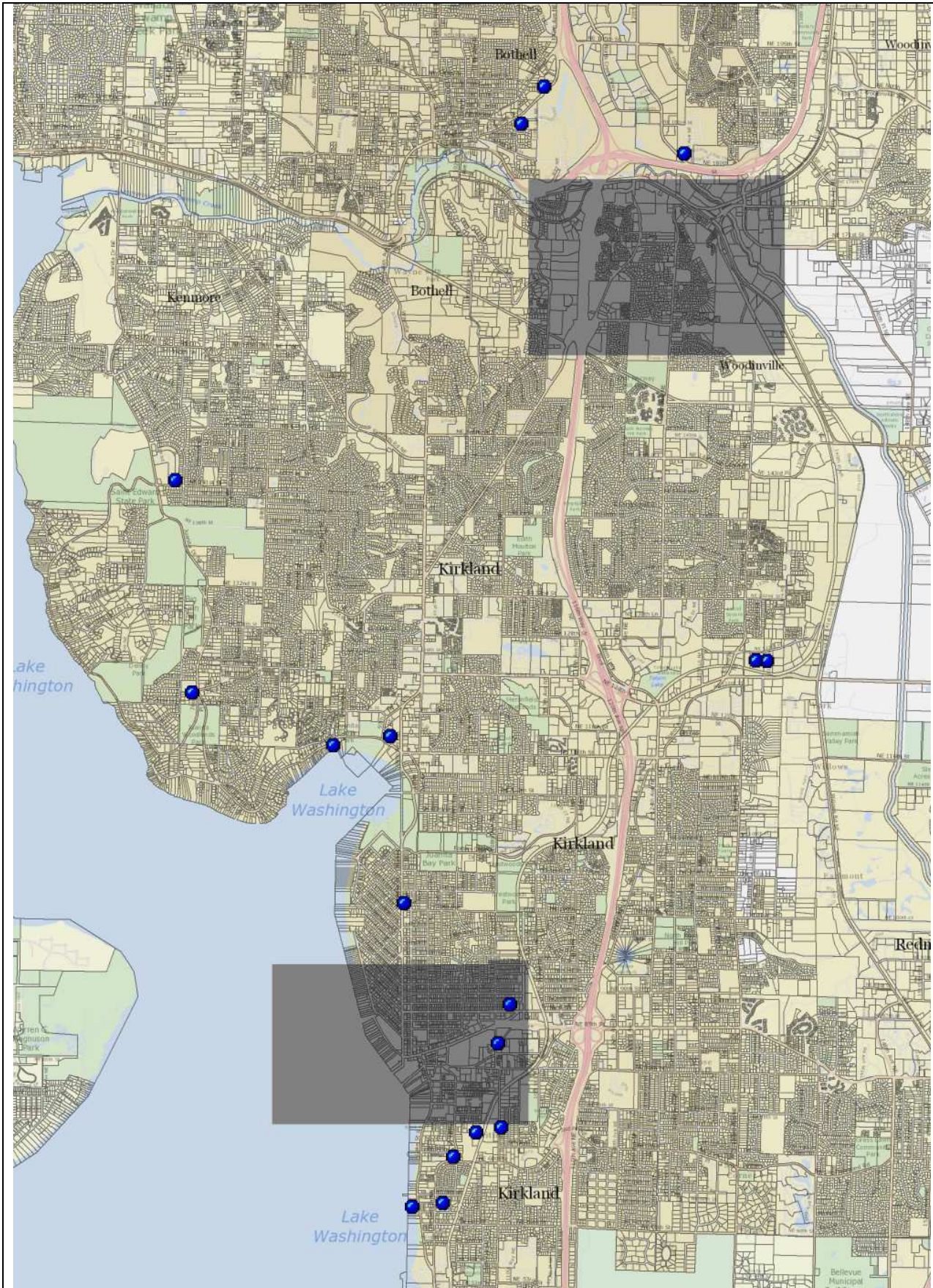


Improvement Sales for Area 085 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
085	065	388580	6375	3,800	2525997	\$605,000	01/09/12	\$159.21	DAYCARE	RS 7.2	1	Y	
085	065	388580	8330	1,920	2571249	\$450,000	10/25/12	\$234.38	Church (St. Katherine The Great Martyr Orthodox Church)	PLA 7A	1	Y	Not in ratio
085	070	172505	9114	52,948	2685758	\$31,455,000	08/19/14	\$594.07	WATERFRONT PLACE	PLA 15A	1	Y	
085	070	172505	9236	16,702	2582266	\$4,200,000	12/21/12	\$251.47	YARROW SHORES OFFICE BUILDING	YBD 2	1	Y	
085	075	332605	9080	27,294	2690335	\$3,975,000	09/12/14	\$145.64	HASSETT BUSINESS PARK - SOUTH	TL 10E	2	Y	
085	075	332605	9206	7,920	2582587	\$1,450,000	12/24/12	\$183.08	SUNMARK	TL 10E	1	Y	
085	075	388580	5760	4,000	2533497	\$840,000	03/12/12	\$210.00	Progressive Finishes Inc.	LIT	1	Y	
085	075	388580	5765	10,904	2704589	\$2,174,990	12/09/14	\$199.47	KIRKLAND CUSTOM CANNERY	LIT	1	34	Use-change after sale; not in ratio
085	075	388690	1180	11,295	2653676	\$1,285,000	02/13/14	\$113.77	OFFICE & SHOP (Assoc. pkng. on lot #1220)	LIT	2	Y	
085	075	389310	0921	60,209	2646072	\$4,200,000	12/14/13	\$69.76	Former Costco HQ	TL 10E	1	Y	Use-change after sale; not in ratio
085	075	389310	0925	21,040	2582389	\$2,250,000	12/27/12	\$106.94	DURKIN CHEMICAL INC	TL 10E	1	Y	
085	085	092605	9129	43,147	2698588	\$13,331,000	10/27/14	\$308.97	24-HOUR FITNESS	R-AC, OP,	1	Y	Net Lease Sale; not in ratio
085	085	392700	0095	40,475	2589375	\$8,000,000	02/15/13	\$197.65	NORTH CREEK BLDG "I"	R-AC, OP,	1	Y	
085	085	392700	0130	95,385	2635845	\$24,127,250	10/15/13	\$252.95	NORTH CREEK BUSINESS CAMPUS 2 - BLDG "O"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0150	60,500	2635843	\$14,594,000	10/15/13	\$241.22	NORTH CREEK TECH CAMPUS 2 - BLDG "N"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0160	51,700	2635842	\$14,760,136	10/15/13	\$285.50	NORTH CREEK TECH CAMPUS 1 - BLDG "F "	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0170	40,500	2635841	\$11,780,750	10/15/13	\$290.88	NORTH CREEK TECH CAMPUS 1 - BLDG "G"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0180	59,900	2635840	\$16,832,106	10/15/13	\$281.00	NORTH CREEK TECH CAMPUS 1 - BLDG "F"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0190	40,200	2635838	\$7,249,832	10/15/13	\$180.34	NORTH CREEK TECH CAMPUS 1 - BLDG "D"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0200	59,900	2635839	\$10,546,819	10/15/13	\$176.07	NORTH CREEK TECH CAMPUS 1 - BLDG "E"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0210	60,500	2635846	\$14,574,358	10/15/13	\$240.90	NORTH CREEK BUSINESS CAMPUS 2 - BLDG "P"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0230	66,084	2635844	\$17,033,888	10/15/13	\$257.76	NORTH CREEK BLDG. "Q"	R-AC, OP,	1	Y	Bulk Sale; not in ratio
085	085	392700	0300	35,275	2589379	\$6,830,000	02/15/13	\$193.62	SCHNITZER NORTH CREEK OFFICE CENTER	R-AC, OP,	1	Y	
085	090	162605	9153	7,600	2586704	\$1,200,900	01/24/13	\$158.01	OFFICE BLDG	NB	1	Y	
085	090	212605	9100	6,087	2528249	\$1,399,875	01/30/12	\$229.98	GRACE CHAPEL	RSA 6	1	Y	Not in ratio



## Area 85 Vacant Sales – 2015 Revaluation



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**King County**  
Assessments  
7/27/15

Vacant Sales for Area 085 with Sales Used

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
085	020	052605	9095	12,242	2556250	\$237,000	07/23/12	\$19.36	SFR on commerical zoned land	GDC	1	Y	
085	020	082605	9300	74,250	2700740	\$1,950,000	11/13/14	\$26.26	VACANT LAND	GDC	2	Y	
085	025	272605	9043	207,781	2568517	\$4,000,000	10/03/12	\$19.25	PUGET WESTERN BLDG	TL 7	1	Y	
085	025	272605	9061	259,437	2621194	\$4,100,000	07/31/13	\$15.80	EASTSIDE DISPOSAL	TL 7	1	Y	
085	030	357980	0549	45,000	2536794	\$325,000	03/29/12	\$7.22	VACANT	RMA 3.6	1	Y	
085	040	607650	0101	95,103	2601908	\$1,935,416	04/22/13	\$20.35	Vacant Land	PR 2.4	3	Y	*R land. Multi-parcel, multi-zone, future multi-family.
085	040	376050	0010	27,400	2610545	\$2,100,000	06/05/13	\$76.64	SFR - Teardown	RMA 1.8	1	Y	*R land, future condos
085	040	375790	0036	13,387	2644778	\$500,000	12/09/13	\$37.35	VACANT - SEG FROM WATERSCAPE	JBD 1	1	Y	
085	045	123890	0115	17,692	2632069	\$1,995,000	09/19/13	\$112.76	HART ASSOC	PLA 5C	1	Y	
085	045	250550	0135	8,594	2526705	\$490,000	01/09/12	\$57.02	6th Street Site	PR 5.0	1	Y	
085	055	124500	1060	7,650	2607655	\$640,000	05/24/13	\$83.66	Commercial SFR	MSC 1	1	Y	
085	070	082505	9187	7,200	2609059	\$507,000	05/29/13	\$70.42	SFR - Teardown	RM 3.6	1	Y	*R land, to be segged into 2 lots, with 2 townhomes
085	070	788260	0120	221,025	2629978	\$7,833,000	09/10/13	\$35.44	Future Google campus expansion	PLA 6G	1	Y	
085	070	082505	9251	17,820	2610781	\$1,214,400	06/03/13	\$68.15	MOSS BAY SUNSET CLUB II	RM 3.6	1	Y	
085	070	265000	0100	42,787	2691313	\$7,550,000	09/17/14	\$176.46	SFR - Teardown	WD I	1	Y	*R land. Re-dev as condos
085	075	388580	7343	11,253	2652985	\$475,000	02/10/14	\$42.21	SFR - Teardown	LIT	2	Y	*R land, future warehouse/auto storage
085	085	092605	9129	178,596	2618206	\$2,700,000	06/25/13	\$15.12	VACANT	R-AC, O	1	Y	



Improvement Sales for Area 085 with Sales not Used

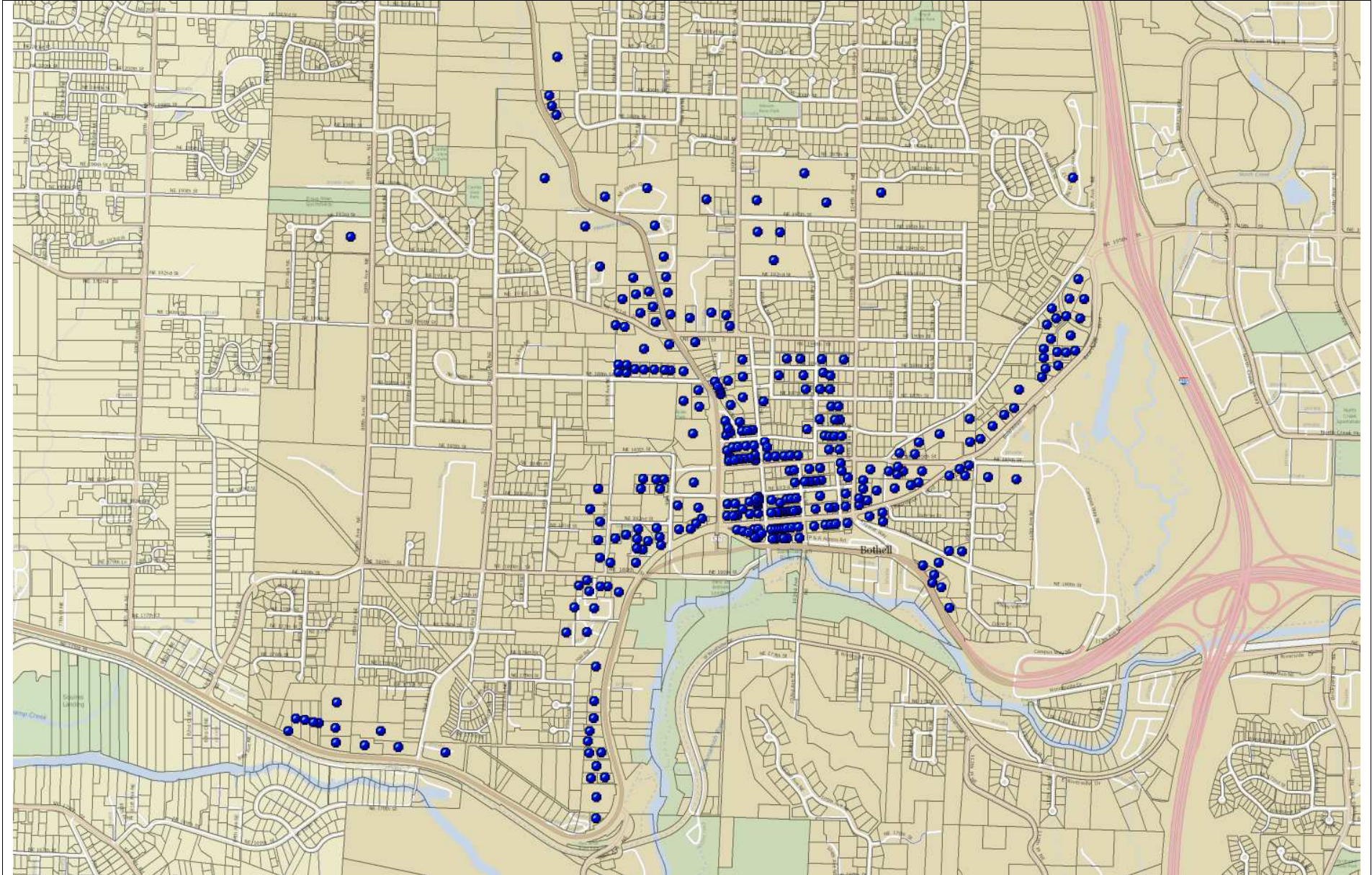
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
085	020	072605	9003	4,104	2532118	\$450,000	02/28/12	\$109.65	CLEANERS AND LAUNDROMAT	DC	1	63	Sale price updated by sales id group
085	020	072605	9203	1,479	2648731	\$1,550,000	12/27/13	\$1,048.01	Car Sales Office (Dream City Sport Cars)	522	3	61	Financial institution resale
085	020	082605	9040	2,704	2561876	\$200,000	08/30/12	\$73.96	HILLCREST BAKERY	DC	1	52	Statement to dor
085	020	082605	9096	2,484	2540064	\$27,090	03/07/12	\$10.91	BASKIN-ROBBINS	DC	1	24	Easement or right-of-way
085	020	082605	9207	0	2649510	\$430,000	01/03/14	\$0.00	General Office (ASSOC. PKNG. ON MINOR #9123)	DC	2	44	Tenant
085	020	082605	9307	720	2604425	\$155,000	05/06/13	\$215.28	OFFICE	522	1	51	Related party, friend, or neighbor
085	020	096700	0415	1,160	2641593	\$450,000	11/13/13	\$387.93	Episcopal Thrift Store	DN	1	44	Tenant
085	025	282605	9026	6,016	2643921	\$1,050,000	12/03/13	\$174.53	Office Building	NRH 6	1	44	Tenant
085	025	282605	9051	1,940	2565168	\$359,341	09/13/12	\$185.23	Commercial SFR	TL 6A	1	51	Related party, friend, or neighbor
085	025	282605	9079	1,350	2570898	\$750,000	10/25/12	\$555.56	OFFICE	TL 6A	1	51	Related party, friend, or neighbor
085	025	282605	9113	1,210	2695018	\$454,283	08/20/14	\$375.44	Old SFR	NRH 5	1	18	Quit claim deed
085	025	282605	9128	10,376	2571041	\$2,040,000	10/26/12	\$196.61	OFFICE INDUSTRIAL	TL 9A	1	15	No market exposure
085	025	389310	0992	21,098	2635803	\$4,250,000	10/09/13	\$201.44	SUN COAST BUILDING	NRH 2	1	44	Tenant
085	025	445879	0010	4,894	2554126	\$1,200,000	07/16/12	\$245.20	LUNA SOL COMMERCIAL	NRH 1A	2	11	Corporate affiliates
085	025	692840	0015	41,348	2654174	\$1,603,161	02/03/14	\$38.77	EVERGREEN PROFESSIONAL (BLDGS. A - F)	TL 1A	1	51	Related party, friend, or neighbor
085	025	692840	0032	7,000	2653963	\$2,340,000	02/05/14	\$334.29	Retail Building	TL 8	1	64	Sales/leaseback
085	030	192605	9075	0	2574676	\$1,224,413	11/16/12	\$0.00	JUANITA AUTO REBUILD	BC 1	2	11	Corporate affiliates
085	030	192605	9199	2,800	2584564	\$1,650,000	01/14/13	\$589.29	CONVENIENCE MARKET (7-11)	BC 1	1	15	No market exposure
085	030	364910	0510	2,500	2611071	\$610,000	06/08/13	\$244.00	ROCKY MARKET	NB	1	60	Short sale
085	035	292605	9280	6,000	2658329	\$2,500,000	03/20/14	\$416.67	RETAIL PAD - TOTEM LAKE QFC	TL 6B	1	15	No market exposure
085	040	302605	9271	3,344	2692972	\$985,000	09/30/14	\$294.56	CAFE JUANITA	JBD 6	1	44	Tenant
085	040	376245	0090	1,452	2645479	\$325,000	12/13/13	\$223.83	JUANITA PROFESSIONAL CENTER CONDOMINIUM	JBD 6	1	44	Tenant
085	040	376250	0030	1,546	2538827	\$600,000	03/26/12	\$388.10	JUANITA PROFESSIONAL PLAZA CONDOMINIUM	JBD 6	1	44	Tenant
085	040	607650	0462	3,133	2617155	\$475,000	07/01/13	\$151.61	Juanita Retail	BNA	2	60	Short sale
085	045	012000	0330	40,330	2583135	\$2,200,000	12/31/12	\$54.55	PROCTOR PRODUCTS CO	LIT	1	51	Related party, friend, or neighbor
085	045	052505	9064	10,800	2592462	\$3,050,000	02/26/13	\$282.41	911 KIRKLAND PLACE	PLA 5C	1	64	Sales/leaseback
085	050	123310	0750	19,263	2532907	\$3,215,000	03/06/12	\$166.90	ROSE HILL RETAIL	RH 5B	1	63	Sale price updated by sales id group
085	050	123310	0872	2,732	2531457	\$4,725	01/17/12	\$1.73	KIRKLAND HONDA	RH 5A	1	24	Easement or right-of-way
085	050	388810	0220	7,420	2542392	\$325,000	03/16/12	\$43.80	SFR HOUSE & GAR SVCS/WHSE	RSX 7.2	1	52	Statement to dor
085	055	388580	4670	2,200	2547137	\$533,000	05/23/12	\$242.27	Small Office (Conv. SFR)	MSC 1	1	61	Financial institution resale
085	060	389810	0280	29,576	2645944	\$4,973,000	12/15/13	\$168.14	Buchan Building	OLB	1	51	Related party, friend, or neighbor
085	065	390010	1510	8,535	2656523	\$2,750,000	02/27/14	\$322.20	THE CRAB CRACKER	CBD 7	1	22	Partial interest (1/3, 1/2, etc.)
085	070	172505	9114	52,948	2685870	\$357,123	08/19/14	\$6.74	WATERFRONT PLACE	PLA 15A	1	15	No market exposure
085	070	347180	0070	3,078	2665530	\$1,075,000	04/28/14	\$349.25	OFFICE (SFR CONV)	PR 3.6	1	15	No market exposure
085	075	332605	9206	7,920	2582586	\$1,450,000	12/28/12	\$183.08	SUNMARK	TL 10E	1	63	Sale price updated by sales id group
085	075	388580	5550	10,092	2608977	\$1,750,000	05/31/13	\$173.40	EWING IRRIGATION	LIT	2	23	Forced sale
085	075	389310	0921	60,209	2532106	\$3,900,000	02/28/12	\$64.77	COSTCO HOME OFFICE BLDG #1	TL 10E	1	61	Financial institution resale
700	370	347297	0010	0	2617649	\$1,771,000	06/26/13	\$0.00	HOUGHTON 6TH STREET	PR 5.0	3	44	Tenant

Vacant Sales for Area 085 with Sales not Used

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
085	020	062605	9005	57,063	2543918	\$188,000	05/10/12	\$3.29	Vacant	R 5400a	1	63	Sale price updated by sales id group
085	020	072605	9004	24,640	2670355	\$506,404	05/29/14	\$20.55	DENTAL OFFICE	DN	2	51	Related party, friend, or neighbor
085	020	072605	9194	84,604	2548183	\$1,963,013	06/13/12	\$23.20	VAC SPECIALISTS	522	3	63	Sale price updated by sales id group
085	020	082605	9296	4,212	2554622	\$190,000	07/02/12	\$45.11	Assoc. Parking for 390610-0105	DN	1	51	Related party, friend, or neighbor
085	020	096700	0370	21,606	2681676	\$652,000	07/18/14	\$30.18	VACANT LAND	DN	1	63	Sale price updated by sales id group
085	020	192480	0065	11,770	2700737	\$650,000	11/06/14	\$55.23	Office	DN	2	36	Plottage
085	025	282605	9004	162,914	2636647	\$100,000	10/08/13	\$0.61	VACANT	TL 9B	1	51	Related party, friend, or neighbor
085	025	282605	9110	23,630	2673680	\$255,000	06/13/14	\$10.79	VACANT	TL 7	1	51	Related party, friend, or neighbor
085	025	282605	9113	13,000	2625310	\$430,000	08/20/13	\$33.08	Old SFR	NRH 5	1	15	No market exposure
085	030	202605	9142	35,687	2672018	\$428,226	06/04/14	\$12.00	GENERAL TELEPHONE EXCHANGE	RMA 3.6	1	51	Related party, friend, or neighbor
085	030	357980	0549	45,000	2706872	\$475,000	12/18/14	\$10.56	VACANT	RMA 3.6	1	56	Builder or developer sales
085	055	388580	8230	5,610	2648646	\$799,000	12/23/13	\$142.42	SOZO HAIR STUDIO (SFR CONV)	MSC 4	1	15	No market exposure
085	060	202505	9277	78,628	2640627	\$3,000,000	11/12/13	\$38.15	Park and Ride Lot	YBD 1	1	54	Affordable housing sales
085	065	082505	9014	51,267	2674473	\$3,500,000	06/06/14	\$68.27	VACANT LAND (PARKING LOT FOR STATE STREET MEDICAL OFFICES)	PLA 6B	1	59	Bulk portfolio sale
085	065	082505	9226	3,570	2674459	\$1,000,000	06/04/14	\$280.11	STATE STREET MEDICAL BUILDINGS	PLA 6B	1	59	Bulk portfolio sale
085	065	082505	9227	5,100	2674462	\$1,000,000	06/04/14	\$196.08	STATE STREET MEDICAL BUILDINGS	PLA 6B	1	59	Bulk portfolio sale
085	065	082505	9228	3,060	2674464	\$500,000	06/05/14	\$163.40	STATE STREET MEDICAL BUILDINGS	PLA 6B	1	59	Bulk portfolio sale
085	065	082505	9229	2,550	2674466	\$500,000	06/03/14	\$196.08	STATE STREET MEDICAL BUILDINGS	PLA 6B	1	59	Bulk portfolio sale
085	065	082505	9230	3,060	2674472	\$500,000	06/04/14	\$163.40	STATE STREET MEDICAL BUILDINGS	PLA 6B	1	59	Bulk portfolio sale
085	070	082505	9233	32,600	2686897	\$4,300,000	08/22/14	\$131.90	PARKING LOT	BN	1	51	Related party, friend, or neighbor
085	070	788260	0512	14,090	2529974	\$525,000	02/13/12	\$37.26	VACANT LAND	RM 3.6	1	61	Financial institution resale
085	025	282605	9249	32,181	2543519	\$2,750,000	05/10/12	\$85.45	Vacant Lot (Future 61 unit mixe	TL 6A	1	56	Builder or developer sales
410	000	390010	1275	27,459	2629020	\$4,500,000	09/09/13	\$163.88	CHEVRON/BROWN BEAR	CBD 7	1	15	No market exposure



## Area 85 Physically Inspected Parcels – 2015 Revaluation



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<u>Major</u>	<u>Minor</u>	<u>AddrLine</u>	<u>PropName</u>
072605	9455	<i>No Situs Address</i>	Vacant
072605	9080	17321 BOTHELL WAY NE	YAKIMA FRUIT MARKET (Imps on minor -9230)
072605	9188	<i>No Situs Address</i>	Vacant
072605	9094	17231 BOTHELL WAY NE	VACANT
072605	9086	17317 BOTHELL WAY NE	YAKIMA FRUIT MARKET (IMPS ON -9230)
072605	9081	17300 BOTHELL WAY NE	VACANT
072605	9079	17409 BOTHELL WAY NE	VACANT
097000	0171	18612 BOTHELL WAY NE	VACANT
062605	9077	18708 BOTHELL WAY NE	VACANT LAND
237420	0092	<i>No Situs Address</i>	VACANT
072605	9111	18317 98TH AVE NE	Vacant
052605	9160	<i>No Situs Address</i>	VACANT (HERITAGE CHRISTIAN ACADEMY AND CROSSPOINTE CHURCH
062605	9134	19109 BOTHELL WAY NE	PARKING LOT FOR RITE AID DRUGSTORE
062605	9038	9611 NE 191ST ST	VACANT
062605	9146	18800 BOTHELL WAY NE	VACANT LAND
255750	0140	<i>No Situs Address</i>	VACANT
192480	0070	18110 97TH AVE NE	PARKING LOT
237420	0091	<i>No Situs Address</i>	VACANT
062605	9102	18714 BOTHELL WAY NE	VACANT LAND
192480	0075	18104 97TH AVE NE	PARKING LOT
062605	9369	<i>No Situs Address</i>	MCMENAMINS (FUTURE)
062605	9287	19511 100TH AVE NE	PSE NORTH BOTHELL SUBSTATION
255750	0130	<i>No Situs Address</i>	VACANT
062605	9288	9605 NE 191ST ST	VACANT
072605	9443	<i>No Situs Address</i>	Vacant
255750	0100	<i>No Situs Address</i>	VACANT
237420	0090	<i>No Situs Address</i>	SHUCKS AUTO SUPPLY
062605	9078	<i>No Situs Address</i>	VACANT
062605	9005	<i>No Situs Address</i>	Vacant
097000	0045	10120 NE 185TH ST	PARKING (LAKESHORE BOTHELL CLINIC)
096700	0210	FIR ST	PARKING (MUSIC & ARTS)
096700	0335	PINE ST	PARKING LOT (FIRST CHURCH OF CHRIST SCIENCE)
097000	0036	<i>No Situs Address</i>	PARKING (LAKESHORE BOTHELL CLINIC)
062605	9031	18512 BOTHELL WAY NE	VACANT LAND (Imps. carried on 072605-9180)
096700	0370	10201 NE 185TH ST	VACANT LAND
096700	0206	<i>No Situs Address</i>	PARKING (MAIN STREET MALL)
082605	9122	101ST AVE NE	ASSOC PARKING FOR MINOR #9111
096700	0200	101ST AVE NE	PARKING (BOTHELL FURNITURE)
097000	0015	<i>No Situs Address</i>	PARKING (LAKESHORE BOTHELL CLINIC)
096700	0330	PINE ST	PARKING LOT (FIRST CHURCH OF CHRIST SCIENCE)
082605	9037	10016 MAIN ST	(Assoc. Pkng. for bank on minor #9124)
097000	0050	10130 NE 185TH ST	PARKING (LAKESHORE BOTHELL CLINIC)
097000	0040	<i>No Situs Address</i>	PARKING (LAKESHORE BOTHELL CLINIC)
097000	0055	10140 NE 185TH ST	VACANT - Imps. carried on 072605-9180
097000	0010	<i>No Situs Address</i>	Assoc. Pkng. for parcel 072605-9180
096700	0220	102ND AVE NE	PARKING (LOGSDON)
082605	9312	10622 WOODINVILLE DR	VACANT LAND
082605	9350	<i>No Situs Address</i>	Vacant Lot (Seg from 08260592430)
096700	0055	10116 BOTHELL-WOODINVILLE RD	PARKING
052605	9134	<i>No Situs Address</i>	Future mixed-use project (imp. obsol.)
082605	9301	PINE ST	PARKING LOT
052605	9081	<i>No Situs Address</i>	Future Med./Office Building
390610	0120	18412 LINDA LN	PARKING LOT
082605	9024	VALLEY VIEW ST	VACANT LAND
082605	9123	10090 WOODINVILLE DR	ASSOC. PKNG. FOR IMPS ON MINOR #9207

<u>Major</u>	<u>Minor</u>	<u>AddrLine</u>	<u>PropName</u>
082605	9374	<i>No Situs Address</i>	Vacant Lot for Imp. located on #9128.
082605	9373	<i>No Situs Address</i>	Vacant Lot (Assoc. Pkng. for Imp. located on #9373)
052605	9254	<i>No Situs Address</i>	Future mixed-use project (imp. obsol.)
052605	9271	<i>No Situs Address</i>	Future mixed-use project
390610	0060	10608 BEARDSLEE BLVD	VACANT LAND
052605	9060	<i>No Situs Address</i>	Vacant Lot
052605	9256	<i>No Situs Address</i>	Future mixed-use project
096700	0095	10300 MAIN ST	FRONTIER TELEPHONE EXCHANGE
096700	0065	10100 BOTHELL-WOODINVILLE RD	PARKING
096700	0040	10130 BOTHELL-WOODINVILLE RD	Assoc. Pkng. for #0036
082605	9300	10816 NE 185TH ST	VACANT LAND
052605	9147	<i>No Situs Address</i>	Future right of way
096700	0085	<i>No Situs Address</i>	VACANT LAND
096700	0050	10120 BOTHELL-WOODINVILLE RD	PARKING
390610	0125	PINE ST	PARKING LOT
096700	0060	10110 BOTHELL-WOODINVILLE RD	Assoc. Parking for #0006
082605	9298	PINE ST	PARKING LOT
082605	9162	18227 101ST AVE NE	LOVELY NAILS
096700	0415	10216 FIR ST	MAXX SALON & SPA (SFR CONV)
096700	0410	10222 NE 183RD ST	OFFICE (SFR CONV.)
082605	9124	10015 NE 183RD ST	WASHINGTON FEDERAL SAVINGS (Assoc. Pkng. on minor #9037)
082605	9171	18221 101ST AVE NE	Retail
082605	9216	10038 MAIN ST	PHILLIPS CENTER RETAIL (1)
082605	9160	10024 MAIN ST	MAIN BUILDING (MOSS HERITAGE BUILDING)
082605	9231	10035 183RD ST	WORTHINGTON VEHICLE LICENSE
097000	0061	18516 101ST AVE NE	OFFICE & RETAIL
082605	9183	18225 101ST AVE NE	NAIL SALON
082605	9119	10021 183RD ST	PHILLIPS CENTER RETAIL (2)
096700	0420	10208 NE 183RD ST	OFFICE
096700	0445	10308 NE 183RD ST	HUGG & ASSOC (SFR CONV)
082605	9040	10010 MAIN ST	HILLCREST BAKERY
096700	0160	10234 MAIN ST	BOTHELL FOE (SFR CONV)
082605	9187	18223 101ST AVE NE	PRO HAIR DESIGN
072605	9180	18504 BOTHELL WAY NE	BOTHELL PEDIATRIC AND HAND THERAPY
096700	0251	10105 MAIN ST	BOTHELL FURNITURE
097000	0006	18518 BOTHELL WAY NE	OFFICE BUILDING (SFR CONV)
097000	0035	18500 101ST AVE NE	BOTHELL DENTAL CARE
956780	0025	10316 NE 185TH ST	OFFICE
096700	0175	10210 MAIN ST	WELLS FARGO BANK
956880	0050	10116 NE 185TH ST	LODGE
096700	0475	10304 MAIN ST	UNION BANK
096700	0130	10207 NE 183RD ST	FIRST LUTHERAN CHURCH
096700	0225	18221 102ND AVE NE	PROFESSIONAL BUILDING
956880	0015	10202 NE 185TH ST	BOTHELL VISION CENTER (SFR CONV)
052605	9189	18623 BEARDSLEE BLVD	SFR on commercial zoned land
082605	9165	18404 104TH AVE NE	SFR CONV NORTHSORE DENTAL CENTER
052605	9108	18605 BEARDSLEE BLVD	SFR on commerical zoned land
390610	0080	10500 BEARDSLEE BLVD	UNITED STATES POST OFFICE
052605	9074	10515 ROSS RD	KIDS CORNER DAYCARE
052605	9095	18821 BEARDSLEE BLVD	SFR on commercial zoned land
082605	9100	10610 WOODINVILLE DR	OFFICE
082605	9201	10412 BEARDSLEE BLVD	DJ'S LOAN & SPORT
052605	9125	18807 BEARDSLEE BLVD	MEDICAL/DENTAL OFFICES
096700	0070	10201 MAIN ST	MERCANTILE BLDG RETAIL STORES
096700	0025	10121 MAIN ST	EVERGREEN KARATE



<u>Major</u>	<u>Minor</u>	<u>AddrLine</u>	<u>PropName</u>
082605	9307	10600 WOODINVILLE DR	OFFICE
052605	9142	18705 BEARDSLEE BLVD	SFR on commerical zoned land
052605	9186	18827 BEARDSLEE BLVD	SFR on commerical zoned land
082605	9214	18214 104TH AVE NE	SFR CONV OFFICE
052605	9180	18829 BEARDSLEE BLVD	SFR on commerical zoned land
096700	0021	10117 MAIN ST	RETAIL
082605	9177	10404 BEARDSLEE BLVD	Dental Office
082605	9113	10015 MAIN ST	GALLO DE ORO RESTAURANT
096700	0015	10109 MAIN ST	THREE LIONS PUB
082605	9025	10700 WOODINVILLE DR	WAREHOUSE AND OFFICES
082605	9020	18222 104TH AVE NE	Law Offices
390610	0105	10414 BEARDSLEE BLVD	HealthPoint - Bothell Community Health Clinic
096700	0036	10137 MAIN ST	BOTHELL MALL
605760	0101	10415 BEARDSLEE BLVD	LYON'S DEN RETAIL STORE
052605	9052	<i>No Situs Address</i>	GATEWAY RETAIL - NORTH
082605	9207	10029 MAIN ST	OFFICES (ASSOC. PKNG. ON MINOR #9123)
096700	0020	10115 MAIN ST	ALEXA'S ON MAIN
072605	9230	17321 BOTHELL WAY NE	YAKIMA FRUIT MARKET
062605	9052	18607 BOTHELL WAY NE	MCMENAMINS (FUTURE - FORMER NORTH SHORE SCHOOL)
072605	9091	17909 BOTHELL WAY NE	BROOKS BIDDLE AUTOMOTIVE
062605	9370	18709 BOTHELL WAY NE	MCMENAMINS (FUTURE - FORMER NORTHSHORE POOL)
072605	9406	17111 BOTHELL WAY NE	BOTHELL COLLISION CENTER
072605	9176	8826 NE BOTHELL WAY	STORES
097000	0060	18520 101ST AVE NE	FAMILY DENTISTRY (SFR CONV)
097000	0030	18525 101ST AVE NE	OFFICES
097000	0020	10025 NE 186TH ST	Lakeshore Bothell Clinic (Assoc. Pkng. on #0015, #0036, #0040, #0045, #0050)
072605	9179	8520 NE BOTHELL WAY	SF RES W/COM'L REPAIR SHOP
072605	9083	17207 BOTHELL WAY NE	PRESERVATION KITCHEN / MAIN ST ALE HOUSE (SFR CONV)
096700	0246	10114 MAIN ST	HANA SUSHI
062605	9075	18728 BOTHELL WAY NE	EDWARD JONES INVESTMENTS OFFICE (SFR-CONV)
062605	9017	19215 88TH AVE NE	CHURCH OF LATTER DAY SAINTS
062605	9037	19419 BOTHELL WAY NE	DELANDA DOG INN
072605	9240	18119 98TH AVE NE	Future Mixed-Use Apartment
052605	9067	19528 104TH AVE NE	EMMANUEL PRESBYTERIAN
072605	9120	18107 98TH AVE NE	Future Mixed-Use Apartment
062605	9023	9700 NE 191ST ST	RITE AID
097000	0170	18606 BOTHELL WAY NE	BOTHELL PROFESSIONAL BUILDING
052605	9011	10100 NE 192ND ST	ST BRENDAN CATHOLIC CHURCH
062605	9088	19110 BOTHELL WAY NE	ROMERO PROFESSIONAL BUILDING
072605	9004	18315 98TH AVE NE	DENTAL OFFICE
072605	9151	18041 BOTHELL WAY NE	MPI Insurance Bldg. - Future Mixed-use Apartment
096700	0026	10133 MAIN ST	RETAIL AND OFFICES
096700	0005	10101 MAIN ST	TSUGA ART GALLERY ET AL
082605	9159	10709 BEARDSLEE BLVD	OFFICE
096700	0090	10205 MAIN ST	FRONTIER TELEPHONE EXCHANGE
096700	0535	10037 MAIN ST	RETAIL & LODGE
605760	0100	10413 BEARDSLEE BLVD	RETAIL & OFFICE
096700	0500	10303 MAIN ST	BOTHELL DELI & GROCERY
052605	9055	18819 BEARDSLEE BLVD	SFR on commercial zoned land
052605	9218	18823 BEARDSLEE BLVD	SFR on commercial zoned land (Mulberg CPA)
082605	9111	10042 MAIN ST	RETAIL STORES (Assoc. Pkng. on minor #9122)
390610	0050	10612 BEARDSLEE BLVD	PROFESSIONAL OFFICE
052605	9059	<i>No Situs Address</i>	GATEWAY RETAIL - SOUTH
052605	9248	10600 NE 185TH ST	NORTHSHORE MONTESSORI CHILDCARE CENTER
096700	0236	10130 MAIN ST	BOTHELL JEWELERS AND COLLECTIBLES



<u>Major</u>	<u>Minor</u>	<u>AddrLine</u>	<u>PropName</u>
096700	0245	10116 MAIN ST	MAIN STREET MALL (ASSOC. PKNG. ON #0206)
072605	9109	18218 BOTHELL WAY NE	RANCH DRIVE IN
052605	9190	18825 BEARDSLEE BLVD	SFR on commerical zoned land
096700	0006	10107 MAIN ST	PEN THAI RESTAURANT
096700	0235	10124 MAIN ST	LOGSDON BLDG RETAIL STORES
082605	9128	10027 MAIN ST	MARKETPLACE - BANK OF BARGAINS
082605	9096	10005 MAIN ST	BASKIN-ROBBINS
052605	9240	18607 BEARDSLEE BLVD	SFR on commercial zoned land
956880	0030	10132 NE 185TH ST	OSC VOCATIONAL SYSTEMS (SFR CONV)
096700	0340	18301 102ND AVE NE	FIRST CHURCH OF CHRIST SCIENCE
072605	9401	18206 BOTHELL WAY NE	SPEEDI-GLASS
052605	9089	19510 100TH AVE NE	CHURCH OF THE LIVING GOD
052605	9080	19507 104TH AVE NE	HERITAGE CHRISTIAN ACADEMY AND CROSSPOINTE CHURCH
062605	9238	19103 BOTHELL WAY NE	PASION TEQUILA RESTAURANT
605760	0102	10500 VALLEY VIEW RD	SOUNDTel OFFICE BLDG
062605	9274	19215 BOTHELL WAY NE	ALYSSA BURNETT ADULT LIFE CENTER/SEATTLE CHILDRENS
052605	9084	10031 NE 195TH ST	ST BRENDAN CATHOLIC SCHOOL
237420	0030	18215 BOTHELL WAY NE	SAFeway MARKET
237420	0065	18107 BOTHELL WAY NE	BOTHELL SERVICE CENTER
097000	0120	18610 BOTHELL WAY NE	CAFFE LADRO
192480	0065	18120 97TH AVE NE	Office
072605	9435	9708 ORMBREK ST	BOTHELL PET HOSPITAL
062605	9176	9500 NE 191ST ST	LIVING HOPE FREE METHODIST CHURCH
062605	9096	19300 BOTHELL WAY NE	HORSE CREEK PROFESSIONAL CENTER
193980	0019	18920 BOTHELL WAY NE	KAUFMAN BUILDING
072605	9318	9606 NE 180TH ST	OFFICE (SFR-CONV)
062605	9032	19020 BOTHELL WAY NE	COLLIER-VINE PROF BLDG
072605	9368	8516 NE BOTHELL WAY	CHAIN SAWS PLUS
096700	0230	10134 MAIN ST	ATTORNEYS OFFICE
096700	0430	18414 103RD AVE NE	Center for Human Services
072605	9342	17511 BOTHELL WAY NE	NORTHLAKE MONTESSORI
072605	9371	18033 BOTHELL WAY NE	Future Mixed-Use Apartment
052605	9130	10049 NE 195TH ST	ST BRENDAN NUNNERY
051600	0055	18321 98TH AVE NE	BOTHELL PROFESSIONAL PLAZA
062605	9030	18704 BOTHELL WAY NE	Hillcrest Professional Offices
072605	9310	17331 BOTHELL WAY NE	CARRIAGE REBUILD
096700	0425	18404 102ND AVE NE	QUALITY CARE PHYSICAL THERAPY
096700	0165	10228 MAIN ST	SUNDANCE ENERGY SERVICES (SFR CONV)
096700	0431	18422 103RD AVE NE	GABBERT ARCHITECTS
062605	9120	18803 BOTHELL WAY NE	BOTHELL COURT (RETAIL)
062605	9199	18720 BOTHELL WAY NE	RETAIL & 2ND FL. APT.
096700	0460	18224 103RD AVE NE	BOTHELL FUNERAL HOME
062605	9239	19105 BOTHELL WAY NE	SUPER LUCKY
062605	9240	18925 BOTHELL WAY NE	CHASE BANK/OFFICES
072605	9444	18323 98TH AVE NE	BOTHELL PROFESSIONAL PLAZA
096700	0385	10309 NE 185TH ST	NORTHSHORE YOUTH FAMILY SERVICES (SFR CONV)
096700	0250	10110 MAIN ST	RETAIL STORES
096700	0240	10120 MAIN ST	MUSIC & ARTS STORE