

Commercial Revalue

2017 Assessment roll

AREA
20

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

John Wilson, Assessor



King County

Department of Assessments

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John Wilson
Assessor

Dear Property Owners,

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

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

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

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

In Service,

John Wilson
King County Assessor

How Property Is Valued

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

What Are Mass Appraisal Techniques?

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

Are Properties Inspected?

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

How are Individual Commercial Properties Valued?

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

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

How is Assessment Uniformity Achieved?

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

collection of data from local real estate brokers, professional trade publication, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results back to properties base on their unique set of attributes.

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

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

Source: IAAO, *Standard on Ratio Studies*, Table 1-3. www.IAAO.org

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

Requirements of State Law

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

Appraisal Area Reports

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

Executive Summary Report

Appraisal Date

1/1/2017

Geographic Area

Area 20 – Uptown, Upper Queen Anne, West Lake Union, Magnolia, Interbay, Nickerson & Fremont

Improved Sales Summary

There were 78 improved sales used for analysis and they occurred from 1/2/14 to 12/30/15; 75 sales were considered in the ratio study. The COD was higher than usual primarily due to a number of owner/user sales of smaller office, retail and warehouse buildings that sold for premiums. Owner/users often are willing to pay a substantial premium for a building that suites their business model however, the sales are still considered as they were arm's length transactions.

Sales Ratio Summary

Sales - Improved Valuation Change Summary				
	Mean Assessed Value	Mean Sales Price	Ratio	COD*
2016 Value	1,478,800	1,791,100	82.60%	19.20%
2017 Value	1,716,900	1,791,100	95.90%	17.08%
Change	238,100		13.30%	-2.12%
% Change	16.10%		16.10%	-11.04%

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

Sales Used Analysis

All improved sales which were verified as good market transactions were used in the analysis. Note that time adjustments were not made due to lack of ample sales activity needed in order to make a meaningful time trend analysis.

Total Population - Parcel Summary Data			
	Land	Improvements	Total
2016 Value	1,661,845,800	639,782,600	2,301,628,400
2017 Value	1,940,544,400	563,431,800	2,503,976,200
% Change	16.77%	- 11.93%	8.79%

Number of Parcels in the Population: 1,167 including vacant and improved parcels; excludes specialty and government owned parcels.

Conclusion and Recommendation

Total assessed values for the 2017 revalue rose 8.79%.

The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2017 Assessment Year.

Note that the year over year value change can be influenced by several factors as follow:

1. New construction or remodeling projects being completed (which can add significant value).
2. Variations in the Marshall & Swift Cost Estimator when using the cost approach to value.
3. Residential to commercial use conversions.
4. Parcel transfers between the commercial and residential divisions.
5. Zoning changes.
6. Segregations or mergers of parcels which change the overall size and valuation basis for a parcel.

Identification of the Area

Name or Designation

- **Area 20:** Uptown, Magnolia & Upper Queen Anne to Central Fremont

Area 20 Neighborhoods

- **20-10** Uptown
- **20-20** Magnolia
- **20-30** Upper Queen Anne
- **20-40** Nickerson
- **20-50** Interbay
- **20-60** West Lake Union
- **20-80** Fremont

Area 20 Boundaries

- **North:**
- **East:** Lake Union & Aurora (at Galer)
- **South:** Denny Way
- **West:** Elliot Bay

Maps

A general map of the area is included in this report.

Area Overview

Area 20 is centrally located starting at Uptown (lower Queen Anne) at Denny Way and extending north and northwest through upper Queen Anne, Interbay, Magnolia and Nickerson, over to West Lake Union and up through central Fremont. With excellent transportation, stunning city, mountain and water views, the area is very desirable from a real estate perspective. This location is where you can find port oriented industrial assets, technology core areas and several high density metro areas containing apartments, retail buildings, office buildings, work lofts and residential/commercial condominium units. The neighborhoods are primarily residential in nature with neighborhood shopping districts that include restaurants, grocery stores and small outlets with Uptown being more dense and commercial in nature. Several of these are established historic Seattle neighborhoods including Magnolia, Uptown, Upper Queen Anne & Fremont. They are known as some of the most popular and charming neighborhoods in Seattle.

Area 20 has excellent access to downtown Seattle, the Seattle Waterfront, Interstate 5, Highway 99, Ballard, Seattle Pacific University and South Lake Union. Most of the industrial properties in area 20 are in the Interbay neighborhood west of Fisherman's Terminal and southeast of the Ballard Bridge heading eastward along Nickerson.

The continued growth of those seeking to live in newer low-rise and mid-rise apartments or condos continues and can have a trickle-down effect on urban neighborhood businesses and real estate. The office market in downtown Seattle has also continued to strengthen and is beginning to trend northward with Amazon, F5 and Expedia leasing or buying significant office space along Elliot Avenue.

Overall, the seven neighborhoods that make up Area 20 are growing in value from a market perspective given their location in the city core and given strengthening commercial real estate metrics. Of the seven, Area 20-20, Magnolia, has had the least appreciation as the market sales and rents haven't risen in line with Queen Anne, Fremont and West Lake Union. The strongest area by far is 20-10, Uptown, followed by 20-30, Upper Queen Anne.

The city of Seattle is currently engaged in an ambitious citywide plan to address housing affordability. The mayor has commissioned a Housing Affordability and Livability Agenda (HALA) advisory committee. The 28-member HALA committee brought together perspectives from affordable housing advocates, developers, land-use experts, tenants, business owners and nonprofit organizations in order to develop a comprehensive action plan.

The action plan is a multi-pronged approach that calls for innovative changes in how Seattle plans and accommodates housing, as well as a shared commitment between taxpayers, businesses and nonprofits to support the construction and preservation of affordable housing. It requires market-rate developers to build affordable units in their apartment buildings, and commercial developers to contribute to the production and preservation of affordable housing. It also identifies changes to outdated zoning laws to spur the construction of more affordable housing.

The HALA plan calls for significant zoning changes in Area 20-10, Uptown. The zoning enhancements will affect all zoning categories and will be mainly centered on urban

villages and transit overlay districts. The HALA committee is currently seeking input regarding draft zoning changes for specific neighborhoods based on Mandatory Housing Affordability principles. The next step in this process is the release of the Draft Environmental Impact Statement (DEIS), which will be available for public comment in 2017.

There were a number of land sales in Uptown, Area 20-10, over the last three years. The sales there continued to show strength for commercial development as some of the older properties are being replaced with new 40' to 65' high mixed use or office buildings by area developers. There were a good number of land sales in the other five neighborhoods showing a trend of increased prices.

Land in Area 20-10 will likely continue to increase in value as the development trend continues. Land in Area 20-50 along Elliot northward through Interbay will be watched closely for increased development activity going forward. Finally, Area 20-60 between Aurora and Westlake Ave along the western portion of South Lake Union, had several sales of mixed use buildings that are to be redeveloped. This area will also be watched closely as development moves northward. Several land sales in this neighborhood are showing very strong value trends.

Improved sales volume remained steady from the prior year but showed values are continuing to increase in nearly all of Area 20. One property type that is trending upward are small to medium sized warehouses in the Interbay sub-market which starts along Elliot south of the Magnolia bridge and continues northward and includes the land east and west of Fisherman's Terminal. These property types, along with apartments, had value increases in Area 20. Most offices, retail, restaurants and apartments also had value increases in Area 20.

Analysis Process

Effective Date of Appraisal: January 1, 2017

Date of Appraisal Report: April 18, 2017

Highest and Best Use Analysis

As if Vacant

Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial. 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 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.

Standards and Measurement of Data Accuracy

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

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal

- Sales from 1/1/2014 to 12/31/16 were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

height are set by maximum building heights of 40, 65, and 85 feet. The SM zoning is located in the corridor north of Denny Way and east of the Seattle Center.

Multi-family residential classifications include Lowrise 3 (LR3) which permits 3-story low-rise apartment buildings or townhouses with a density limit of 1 unit/800 site square feet, and Mid-rise (MR) which permits a maximum building height of 85 feet with no limit on density. These properties are generally located north of Roy Street and the commercial business area, with many of them offering good city and Elliott Bay views.

Commercial/Industrial designations are generally located along the Elliott Way Corridor. They include Commercial 2 (C2) and Industrial Commercial (IC). Building height is limited to 40 and 45 feet and residential use would require a conditional use permit even when provided as part of a mixed use building.

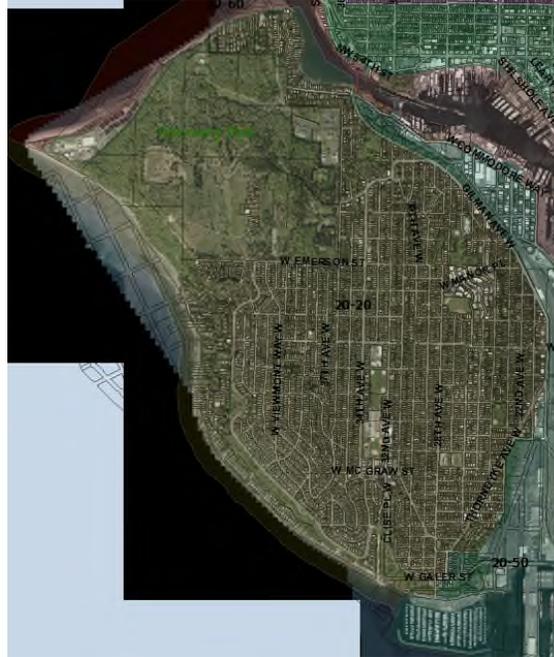
Current development primarily consists of multi-family apartment complexes. The campus development of twelve acres of land adjacent the Seattle Center for the Bill and Melinda Gates Foundation headquarters and the rapid growth of Amazon in South Lake Union and Denny Regrade should result in the continued demand for multi-family mixed-use development in Uptown.

A 75,000/SF mixed use building in the heart of Uptown called 11 Mercer West was completed. There is CVS Pharmacy on the ground floor with 34 units of residential on the two levels above and 65 underground parking spaces. Martin Selig completed an exciting half block sized office project on 450 3rd Avenue West in Uptown. It is be an 184,000 SF building with two levels of underground parking and is projected for a summer 2017 completion.

20-20 Magnolia

Boundaries

The North border is Salmon Bay, west border is Magnolia Blvd along Puget Sound, the south border is West Galer St. along Elliot Bay Marina and east border is Thorndyke Ave West and Gilman Ave West. Each blue dot on the map insets in this report identifies the location of a commercial property.



Neighborhood Description

Magnolia is separated from other parts of Seattle by its geographical terrain. It is a hilly peninsula northwest of downtown Seattle. The neighborhood is only accessible by bridges from the north, the east, and the Magnolia Bridge in the south. The area's development started in 1853. It is the second largest neighborhood geographically in Seattle. Magnolia maintains a suburban type atmosphere and mostly consists of low-density single-family housing. The population in Magnolia is stable and housing in this area commands very high sales prices given little turnover in the housing inventory here. The famous Magnolia Park overlooks Puget Sound with views of Mount Rainier and the city skyline. Magnolia Park is located on a bluff at 1461 Magnolia Blvd.

Also within the Magnolia neighborhood is Discovery Park, which encompasses 534 acres and is Seattle's largest park with seven miles of trails. The Capehart housing (66 improvements) in the center of the park have been demolished and are now open space. Also located in the park is the West Point Lighthouse that was built in 1818 and is the oldest lighthouse in the Puget Sound area. Renovation of the lighthouse was completed in October 2013.

Adjacent to Discovery Park is Fort Lawton, where the US Army recently discontinued the military use. The Army has named the City of Seattle as the reuse authority for

redevelopment of Fort Lawton. The City of Seattle plans to include open space, heron habitat, market rate housing and housing for formerly homeless individuals and families in future reuse plans.

In the historic part of the park, there are 26 former officer quarters built in 1904 that are adjacent to several miles of protected tidal beaches and open meadows. The city sold the property to a developer and the homes are being renovated with their historic charm intact and sold to the public as residences. The existing townhouses have 2-5 bedrooms and the single-family houses each have four bedrooms. This land was not part of the land the federal government transferred to the city for Discovery Park.

Vacant, buildable land is scarce in this district, and commercial areas are mostly limited to major commercial arterials such as Wheeler Street, West McGraw Street, Government Way and 32nd Ave W. The main commercial district of Magnolia, which has been referred to as “The Village” runs along West McGraw Street. It has expanded on the south to West Lynn Street, north to West Ray Street, west to 35th Ave W and east to 28th Ave W. The Village has grown over the years and now contains many retail stores and restaurants. The smaller retail buildings are often owner occupied or occupied by a single tenant. According to a study of the National Trust for Historical Preservation, commercial buildings with a mix of older, smaller buildings make a more vibrant, walkable community. They also perform better for the local economy than areas with newer buildings that stretch an entire block.

Area 20-20 has a neighborhood feel where many people want to work within their homes, whether telecommuting or self-employed. There wasn't much new development in Magnolia in 2016 however there were a few projects.

At 2301 W Newton Street (just west of Thorndyke Ave W & W Newton) there is a land use application for a 9-unit residential structure with 17 below grade parking spaces.

Further northwest in Magnolia Village, an exciting new project has been proposed. It will be a 24-unit residential structure with 6,392/SF of commercial space at the street level and 32 below grade parking spaces. Currently, several older boarded up retail buildings reside on the two adjacent parcels and will be demolished.

20-30 Queen Anne

Boundaries

The north boundary is West Dravus Street, the west boundary is 14th Avenue West, the south boundary is Aloha Street and the East boundary is 6th Avenue North.



Neighborhood Description

Queen Anne Hill, with its commanding view of downtown Seattle, rises 456 feet above sea level between Lake Union and Elliott Bay and is known as the highest named hill in Seattle. Real estate developer George Kinnear developed much of Queen Anne in the late 19th century. Late Victorian, Queen Anne style of architecture distinguishes this area. There were three cable car lines to the top of the hill in 1902. The high television towers on Queen Anne Hill, originally built in 1948, are considered landmarks. Outdoor eating and drinking establishments are along the street level restaurants.

The commercial development in Queen Anne sprang up along the old streetcar line along Queen Anne Ave. N. in the area that is now called Upper Queen Anne. In 1998, the City of Seattle established the Queen Anne Neighborhood Plan. The Queen Anne neighborhood guidelines were established in 2007 for the Upper Queen Anne Commercial areas. These guidelines contain the vision of an urban village with a mixture of housing, commercial and destination retail stores and shops. Four blocks to the west of Upper Queen Anne is the West McGraw commercial area which features retail stores, a grocery store and a long-standing hardware store.

A number of single family homes in the area have been converted to commercial businesses, which typically sell for more than commercial retail buildings. Many older storefronts have been remodeled with upscale boutique shops or restaurants along Queen Anne Avenue North, the main thoroughfare.



There are a number of townhome and small apartment developments occurring throughout this neighborhood. The following are some of the larger commercial projects in the area that have been recently announced, are under way or are completed.

The newest addition to Queen Anne is a recently opened mix-use building/plaza called Queen Anne Towne which has 108-units of apartments, Trader Joe's grocery store and retail space totaling 43,221 square feet. There is underground parking for 205 cars. Trader Joe's has relocated from West Galer St. and is now located at 1900 Queen Anne Ave. N. Shortly after completion, it sold for \$51 million. The developer incorporated the public comments in their design. It has a green roof and was designed to LEED silver standards and uses 17.5% less energy and 20% less water than similar buildings.

Also in this area, two assisted-living buildings are in the planning stages. They are being built by Aegis Senior Communities, LLC. One planned project at 223 W. Galer Street will be a four-story building with 60 assisted living units, 509 square feet of retail and underground parking for 21 cars. They have just started clearing of the land. The second project is located at 2900 3rd Ave W. and will have 128 assisted living units with parking for 47 cars below.

Construction is underway for a residential development with 15, three story townhouse and row house buildings with a total of 58 units. Parking for 103 vehicles will be provided within the structures and the existing residential building (McGraw Cottage located at 10th Avenue West and West McGraw Street) will remain; the other five structures will be demolished

At 1021 6th Ave. N. (at 6th & Prospect nearby Highway 99), construction is under way for a four story, 19 unit apartment building. It will have 19 below grade parking spaces.

Area 20-40 Nickerson

Boundaries

The North border is the Ship Canal, west border is 14th Ave. West, south border is West Dravus St. and east border is Fremont Ave. North.



Neighborhood Description

The main commercial district in this neighborhood extends along Nickerson Street. The Nickerson Street corridor is along the north base of Queen Anne Hill and is home to Seattle Pacific University

The Lake Washington Ship Canal is the northern border of this area. This area consists of residential, light industrial and small office uses. Several parcels have views over the Salmon Bay Ship Canal. The Nickerson area is connected to the Fremont area by the Fremont Bridge, which is the main throughway to many area neighborhoods. Traffic is heavy along West Nickerson Street.

Seattle Pacific University was established in 1891 and covers 43 acres. The University over the years has purchased several residential homes and demolished them to make room for residence halls. There are several building permits issued to SPU for a new performance hall, shop and classroom building, but construction has not yet started.

The most exciting project in this neighborhood is a large mixed use project by Daly Partners called N-Habit Etruria at 22 Etruria Street (east of QA Ave & west of Nickerson). It is a 100-unit, five-story building with 96 apartment units, four live/work units and 94 below grade parking spaces. It was completed in late 2016.

Area 20-50 Interbay

Boundaries

The North border of this area is West Commodore Way. The west border is Thorndyke Ave West and Gilman Ave West. The south border is W Galer St, and the east border is 15th Ave West.



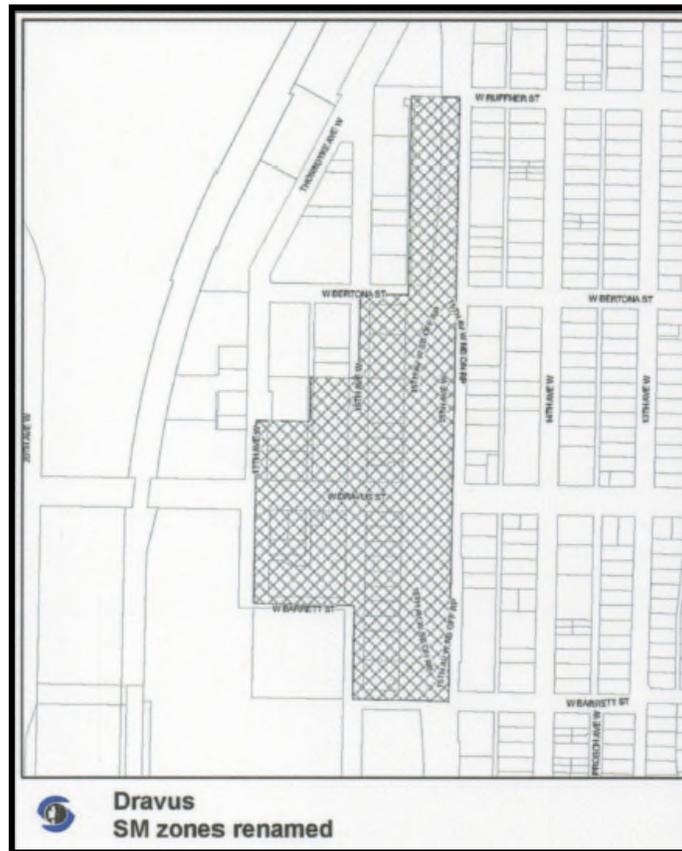
Neighborhood Description

Interbay is an industrial/retail/office area between the Magnolia and Queen Anne areas. Fifteenth Ave West is the main commercial street in this area. Light manufacturing complexes, a railroad yard, fenced off storage yards, marine industries, clustered retail stores, and the Interbay Golf Center are among the many varied uses located here. The area that is now playfields, the Interbay Stadium, and a 9-hole golf course was once marshlands that were filled in by the City of Seattle.

Burlington Northern Santa Fe (BNSFE) railway runs through this neighborhood. The western terminus of the transcontinental route is considered by the city of Seattle to be part of the Ballard-Interbay-North Manufacturing and Industrial Center, known as BINMIC. The BNSF Railway is going to spend \$189 million to improve the track system between Vancouver and Seattle and the Columbia River Gorge area. The money will pay for resurfacing and repairing tracks. An Army National Guard Armory is also

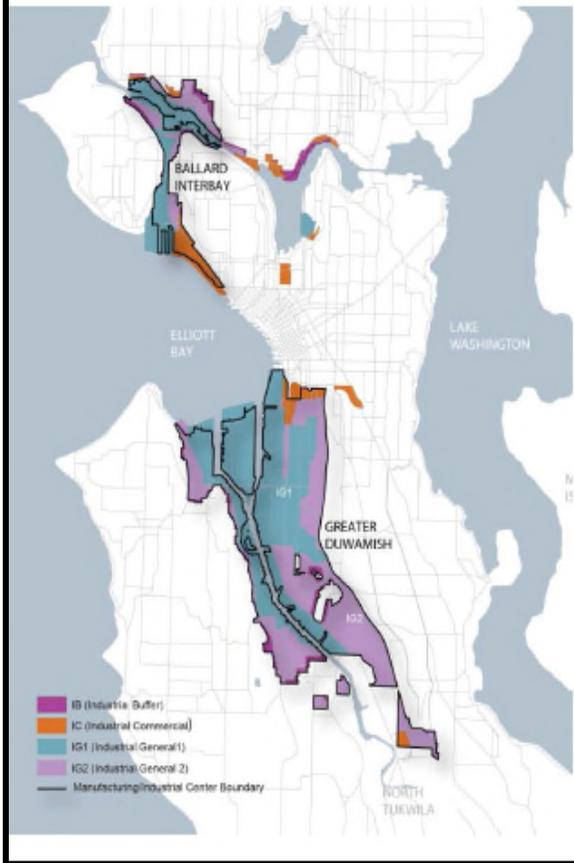
located here. The Port of Seattle has property located at Terminal 91 on Smith Cove and Fisherman's Wharf.

In recent years there were zoning changes in this area to allow investors to rebuild neighborhood structures to standards that are consistent with the prestigious Leadership in Energy and Environmental Design Neighborhood Development (LEED ND) designation. There is a movement by developers to locate projects closer to mass transit facilities in this area. The 15th Avenue West corridor now has express bus lines and more transit options are planned.

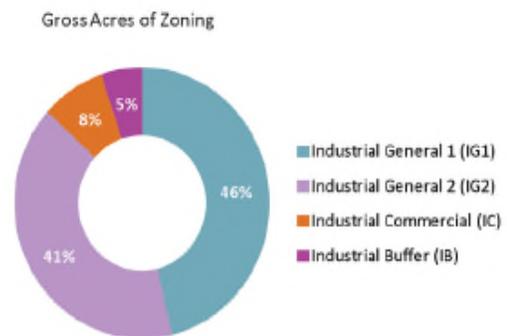


The Seattle Department of Planning and Development is doing a land-use study of this area to accommodate proposals for any required changes to the Comprehensive Land Use Code to support the vision of heavily traveled routes in the area. The above map describes the area of a recent renamed zoning code for the Dravus area. The following map describes the proposal by the City of Seattle Industrial Lands Policy.

Seattle's Industrial Lands MICs and Zoning



- Almost all of the city's 6,000 acres of industrially zoned land is in the Ballard/Interbay and Greater Duwamish M/ICs
- Duwamish is much larger (4,900 acres vs. 900) than Ballard/Interbay
- Land use code has 4 zoning designations – IG1, IG2, IC and IB



If the City of Seattle land use policies are approved, all M/IC lands would have no new Industrial Commercial zoning in a designated M/IC and land could not be removed from a designated Manufacturing/Industrial Center zoning unless:

- the proposed use would not displace an existing industrial use
- not adversely affect nearby industrial operations
- use would be identified
- there is insufficient zoned land elsewhere in the city for the proposed use

Interbay has seen increased development activity in recent years. Starting at the southern boundary of the neighborhood, there is a new 207,108 gross square foot self-storage project proposed at 1634 15th Ave. W. It will consist of two 4-story buildings with 76 below grade parking spaces and 16 surface parking spaces for a total of 92 spaces. Building A will contain 102,331 SF of warehouse storage space and Building B will contain 33,150 SF of warehouse storage space.

A partnership of Kauri Investments and Ariel Development called Port 106 LLC a 25,000 SF retail building for Total Wine & More at 1600 Armory Way in Interbay that opened in October, 2016. It is the first tenant on a 7.7 acres site that Port 106 is developing and a number of future retail buildings are expected to be built.

At 2300 W. Newton St. there is a land use application to allow a residential structure (total of nine units) in an environmentally critical area. Parking for 17 vehicles will be provided within the structure below grade.

Farther north at 3047 17th Ave. W. there is a land use application to allow a 7-story apartment building with 59 small efficiency dwelling units and retail at the ground level. Parking for 17 vehicles will be provided.

There is another project several hundred feet east at 1518 W Dravus St (15th & W. Dravus). It is a land use application for a 7-story structure with 38 residential units and 19 parking spaces.

Farther north at 3230 16th Ave W., a land use application has been made to allow a 7-story apartment building with 230 units and 156 below grade parking spaces.

Finally, the biggest story for Interbay was Expedia's purchase of the 40-acre Seattle waterfront campus formerly owned by Amgen in 2015. The Daily Journal of Commerce had an excellent article detailing the plans.

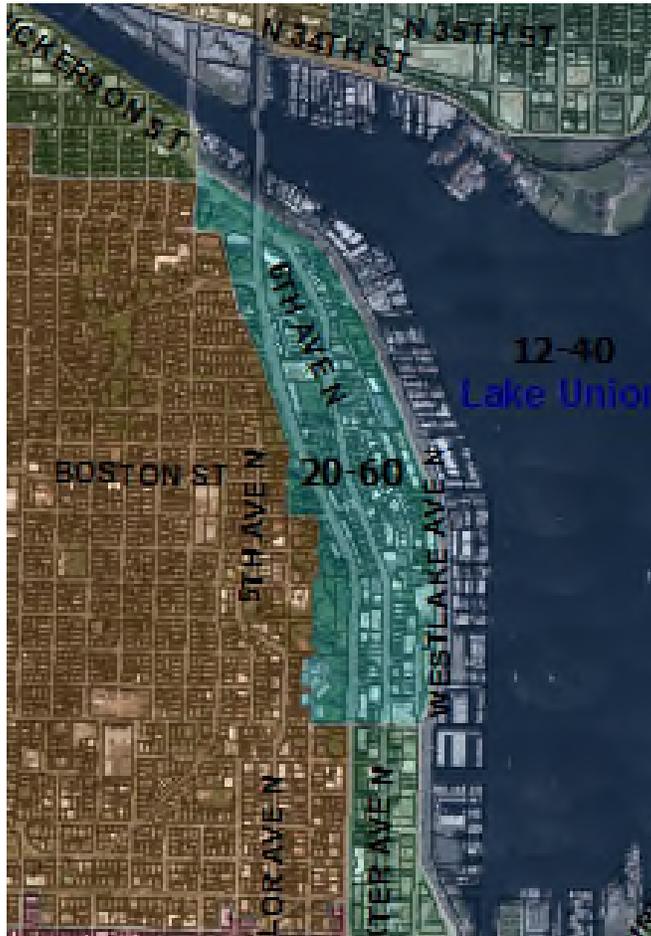
Expedia planned to begin construction on its first phase of expansion of the campus by the end of 2016 for the expected move from Bellevue in 2019. Phase one involves renovating four existing buildings, expanding three and constructing a new four-story building. The circular structure will have 600,000 SF.

In total, Expedia will have 1.2 million square feet of office space there and the goal is to keep 40 percent of the site as open space including an exterior courtyard, lawns, outdoor work areas and recreational space. They will also add 1,440 parking spaces which will bring the total to 2,670. Future phases could expand the campus to 1.9 million square feet.

20-60 Westlake/Dexter

Boundaries

The north and east border is Lake Union. The west border is 6th Ave. N. and the south border is W. Galer St.



Neighborhood Description

This neighborhood includes Dexter Ave N, Aurora Ave N, and a portion of Westlake Ave. It encompasses a mix of mostly multi-family residences, some retail stores and major office buildings. This area also contains several very steep sites. Recent construction along Westlake included a \$14 million improvement project by Seattle for drainage, streets, sidewalks, and parking. This neighborhood has a 1.6 mile multi-use pathway that links Fremont with South Lake Union. South Lake Union view properties can also be found in this area.

This area has been impacted by the development in the adjacent area 30-110, the South Lake Union Hub Urban Village area. This adjacent area has the most ambitious redevelopment in the nation. Cranes fill the skyline as recently approved higher density and higher height limit allowances have attracted several companies. These projects have provided for affordable housing and new infrastructure investments in roads, sidewalks and other neighborhood amenities. The South Lake Union Trolley brings pedestrians to the Westlake and Dexter area from the downtown area.

Another issue affecting area 20 is the introduction of micro-housing regulations, which were approved by the Seattle City Council in 2014. Micro housing is defined as a group of up to eight residences within a household that share a common kitchen. The units

average 70 to 285 square feet including a kitchenette and bathroom and are only allowed in multi-family zoning area. The regulations will require design review for projects over 5,000 square feet and most include bicycle parking requirements. The Department of Planning and Development also would require one parking space for every four micro units in the area that require parking for residents.

This area consists of just 69 properties and is the smallest sub area of area 20. There are four projects in the works for this area (20-60).

At 1701 Dexter Ave N, Daly Partners have started a 4-story, 62-unit apartment building with four additional live-work units at ground level. The project will also have parking for 44 cars and 60 bicycles.

A 6-story, 68-unit multifamily building with 3 live-work units on the ground floor has been proposed. It will have 14 below grade parking stalls and 16 surface parking spaces and is located at 1511 Dexter Ave North. This project is contingent on the developer being able to obtain a rezone from the existing NC3-40 to an NC3-65 designation.

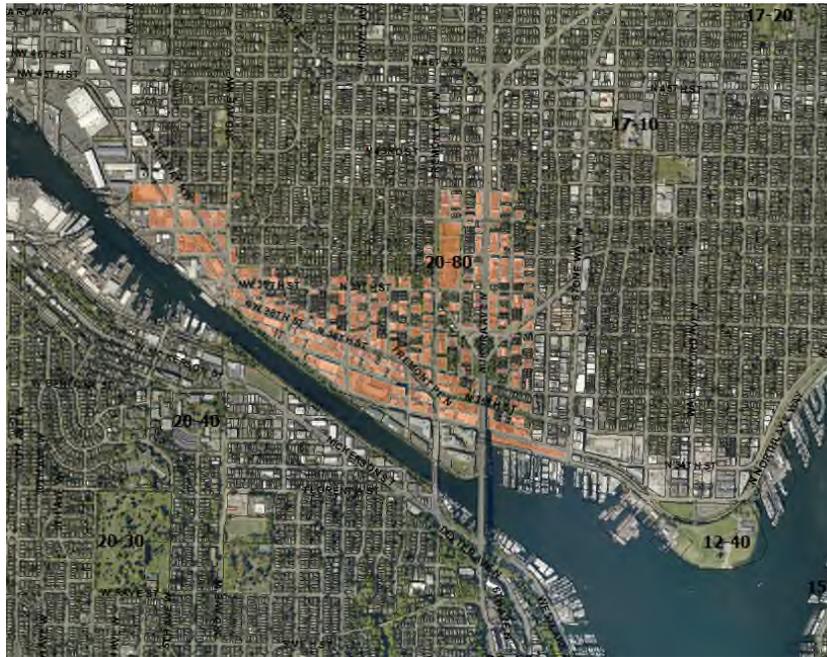
At 2031 Westlake Ave. N. there is a design review of a proposed 6-story structure that will contain 77 residential units and below grade parking for 80 vehicles.

Lastly, at 1622 Aurora Ave. N. there is a streamlined design review application is just underway for a 5-story, 42-unit apartment building that will also have three work-live units and below grade parking for 30 vehicles.

20-80 Fremont

Boundaries

The north border is North 42nd Street, the east border is Woodland Park Avenue North, the south and west borders are Salmon Bay.



Neighborhood Description

Fremont is a mix of restaurants, galleries, studios, retail shops, and older mixed-use properties. It is considered by some to be the bike shop center of Seattle with five bike shops in just a 15-block area. New bicycle lanes now run up and down Fremont Ave N and N 34th Street. The city has added “Advisory Bike Lanes” which have dotted instead of solid lines and no painted centerline for two-way streets. Vehicles are to use the center of the road when cyclists are present. The Burke-Gilman bicycle and pedestrian trail traverses through all of Fremont, mostly along Salmon Bay and continues toward Ballard. In 1988, Thomas Burke and Daniel Gilman assembled a large track of land that would become the widely used Burke-Gilman Trail.

Redevelopment of some of the Fremont landmark properties has recently occurred. This neighborhood is renowned for the Fremont Bridge, a drawbridge which opens to accommodate boat traffic in the Ship Canal. A statue of Lenin, which was salvaged from Slovakia, is located at Fremont’s center. Fremont’s most famous attraction is the Fremont Troll, an artist depiction of a car-munching troll that sits beneath the Aurora Bridge.

The Fremont area has seen a transition in recent years with the addition of many new condominiums, restaurants and microbreweries. Several tech companies including Adobe, Tableau and Google have sizeable office footprints in the neighborhood. With regards to new development, one of the larger new projects is a new five-story office building that is underway at 744 N. 34th St. across the street from the Tableau Software headquarters and just south of the Fremont branch of the Seattle Public Library. It will be a 105,432 square foot building with underground parking for 258 cars and 62 bikes. Otherwise, there are some smaller sub \$1M projects being built, primarily smaller apartment or office buildings.

Physical Inspection Identification

A portion of area 20-80, Fremont, was physically inspected for the 2017 Assessment Year. A total of 48 parcels were inspected including specialty properties.

WAC 458-07-015 requires each property to be physically inspected at least once during a six 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. 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 that closed between 1/1/2014 to 12/31/16 were given primary consideration for valuing the land parcels in Area 20.

The primary unit of comparison considered was based on price per square foot of land area. "Shell" sales, interim use sales, tear down sales, and land transactions that included plans and permits were considered in the analysis of the land values. The market approach to value (sales comparative approach) is generally considered the most reliable method for land valuation. Zoning, location and utility of the site were the primary variables considered in the valuation process.

Improved Parcel Total Value Data

Improved sales that closed from 1/2/14 to 12/30/16 were included in the analysis and there were 78 improved sales during this period. However, the more recent 2015 and 2016 sales were given the greatest consideration for establishing total value estimates. 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 were verified, if possible, by contacting either the purchaser or seller, inquiring in the field or contacting the real estate broker. Characteristic data is verified for all sales when possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report.

Land Value

Land Sales, Analysis, and Conclusions

There were 49 land sales considered throughout the neighborhoods in Area 20 during the 2014 to 2016 period. The neighborhoods are typically distinguished by their predominant zone classification. In analyzing the sales in Area 20 the following factors were considered: neighborhood, location within the neighborhood, zoning and height limit availabilities and utility. In Uptown and Upper Queen Anne, Areas 20-10 and 20-30, land views were considered for land parcels with LR3 and single family zoning.

When recent sales were unavailable, sales from other neighborhoods were considered. A list of vacant sales is listed in the Sales Used and Sales Not Used sections of this report.

The Area 20 total assessed land values, including specialty parcels, for the 2016 Assessment Year were \$4,487,209,900. The recommended land values for the 2017 Assessment Year are \$5,355,011,200. The application of these recommended values for the 2017 Assessment Year (taxes payable in 2016) results in an overall land value increase of 19.34%.

CHANGE IN ASSESSED LAND VALUE BY AREA

Neighborhood	2016 Land Value	2017 Land Value	% Change
20-10	\$1,887,522,600	\$2,246,195,800	19.00
20-20	\$310,440,300	\$376,088,000	21.15
20-30	\$699,833,100	\$870,655,300	24.41
20-40	\$352,993,700	\$419,056,900	18.72
20-50	\$647,764,600	\$762,390,200	17.70
20-60	\$234,054,500	\$282,919,600	20.88
20-80	\$354,601,100	\$397,705,400	12.16
Total	\$4,487,209,900	\$5,355,011,200	19.34

Neighborhoods and Sales

Uptown & Elliot Ave: Area 20-10

Uptown and the Elliot Avenue corridor had 21 land sales over the three year period. Land sales in this submarket support an upward adjustment to the land values in many of the various zoning designations.

The range of values for certain zone designations reflects location, size, utility, view potential, and topography of individual parcels within the sub-area.

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
198920	0660/ 0665	14,400	2826612	\$6,100,000	10/04/16	\$423.61	OFFICE BUILDING & TEAR DOWN FOURPLEX	NC3-65	2	New mixed use development going in.
198920	1430	28,800	2788087	\$14,450,000	03/10/16	\$501.74	TINI BIGS & PARKING LOT (164 UNIT REDEVELOPMENT COMING)	NC3-65	1	164 unit mixed use development w/ground floor retail. Demo after 1/1/17, corner of Denny & 1st Ave.
198920	1100	14,400	2765970	\$4,800,000	11/10/15	\$333.33	FUTURE DEVELOPMENT (FMR KASPAR'S RESTAURANT)	NC3-65	1	New mixed use development going in.
198920	1265	7,200	2765909	\$2,300,000	10/30/15	\$319.44	SMALL OFFICE BUILDING (FUTURE DEVELOPMENT)	NC3-65	1	New mixed use development going in, working on plans at time of purchase.
198920	1090	7,200	2762962	\$2,968,750	10/23/15	\$412.33	ELAN UPTOWN FLATS (FMR WA STATE LABOR COUNCIL BDLG)	NC3-65	1	Elan Uptown Flats development site.
198920	1070	28,800	2762989	\$11,031,250	10/23/15	\$383.03	ELAN UPTOWN FLATS (FMR ELKS LODGE)	NC3-65	3	Elan Uptown Flats development site.

198920	1415	14,160	2762509	\$7,000,000	10/21/15	\$494.35	NEW DEVELOPMENT (FMR CHAMPION PARTY SUPPLY)	NC3-65	1	New mixed use development going in.
198920	0680	18,000	2725938	\$6,600,000	04/23/15	\$366.67	OFFICE DEVELOPMENT SITE	NC3-65	1	1/2 block office development by Martin Selig.
198920	0715	7,200	2714530	\$4,440,000	02/19/15	\$616.67	OFFICE DEVELOPMENT SITE	NC3-65	1	1/2 block office development by Martin Selig.
198920	0695	3,600	2714526	\$840,000	02/19/15	\$233.33	OFFICE DEVELOPMENT SITE	NC3-65	1	1/2 block office development by Martin Selig.
198920	0655	7,200	2714523	\$1,440,000	02/19/15	\$200.00	PARKING LOT	NC3-65	1	1/2 block office development by Martin Selig.
198920	0880	14,314	2714638	\$5,146,000	02/17/15	\$359.51	SKWG OFFICE BUILDING (REDEVELOPMENT SITE)	NC3-65	1	At John & Elliot. No plans in place but likely an 85 unit multifamily over ground floor retail to start 18 months out. UV = no parking requirement.
198920	0705	7,200	2697636	\$2,258,400	10/24/14	\$313.67	SMALL OFFICE BUILDING (REDEVELOPMENT SITE)	NC3-65	1	1/2 block office development by Martin Selig.
198820	0050	14,400	2727342	\$3,200,000	04/29/15	\$222.22	WSLS FLOYD'S CHUTNEY'S ET AL	NC3P-40	1	Mixed use redevelopment beginning in 2016.
199020	0443	12,480	2688362	\$4,300,000	08/28/14	\$344.55	KIDD VALLEY (DEVELOPMENT SITE)	NC3P-40	1	Planned 3-story 34 unit residential structure with 16,200 square feet of commercial use at grade and 65 below-grade parking spaces.
199020	0455	4,800	2688365	\$1,510,000	08/28/14	\$314.58	THE SPECTATOR (DEVELOPMENT SITE)	NC3P-40	1	Planned 3-story 34 unit residential structure with 16,200 square feet of commercial use at grade and 65 below-grade parking spaces.
199020	0150	12,000	2747094	\$3,666,000	07/29/15	\$305.50		MR	1	Tear down site.
545780	1470	10,800	2736920	\$2,200,000	06/10/15	\$203.70	PARKING LOT (REDEVELOPMENT SITE FOR 400 ROY ST)	LR3	2	Redevelopment site. Part of 400 Roy Street development with two parcels to the south.
387990	1245	6,400	2720243	\$940,000	03/20/15	\$146.88	TEAR DOWN (6 NEW TOWNHOMES GOING IN)	LR3	1	West Uptown area, good views. Tear down, new townhomes going in.
387990	1250	6,400	2720241	\$940,000	03/20/15	\$146.88	TEAR DOWN (6 NEW TOWNHOMES GOING IN)	LR3	1	West Uptown area, good views. Tear down, new townhomes going in.
545780	0420	16,600	2667818	\$2,595,000	05/09/14	\$156.33	8 UNIT APT & 2 HOUSES (TEAR DOWN)	LR3	1	16 proposed townhome units. Land is at \$162K per unit.

Magnolia: Area 20-20

There were two sales in the Magnolia area during the three year period. One was a condominium land sale of a small 2,245 SF parcel next to a new live/work project and sold quite low for Industrial zoning. The second was an LR1 sale and townhomes are being developed on the parcel. It remains to be seen as to whether the vacant auto shop building will be developed into townhomes or will remain.

Land sales of RC (Residential Improvements on Commercial Zoned Land) properties and sales from neighboring areas were also considered as a basis for determining land values.

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
277110	1140	13,321	2764237	\$2,075,000	10/27/15	\$155.77	FORMER AUTO SHOP & RESIDENCES	LR1	3	New townhomes, transferred to residential division.
664935	0050	2,245	2764490	\$70,000	10/23/15	\$31.18	Small Land Condo	IG1 U/45	1	Small parcel of condominium land next to a newer live/work building in Magnolia.

Queen Anne: Area 20-30

There were two sales in the Upper Queen Anne area during the three year period. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties and sales from neighboring areas were also considered as a basis for determining land values.

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
186110	1075	4,446	2773697	\$1,000,000	12/17/15	\$224.92	TEAR DOWN; NEW LIVE/WORK & TOWNHOME DEVELOPMENT	NC1-40	1	West slope upper Queen Anne area. New development will be a mix of live/work and townhome units.
701120	0200	107,984	2707738	\$14,041,000	12/29/14	\$130.03	59 UNIT DEVELOPMENT (FORMER SEATTLE CHILDRENS HOME)	LR1	1	Tear down for a 59 unit development.

Nickerson: Area 20-40

Seattle Pacific University is located in this area and owns several parcels. There were two sales during the three year period. One is the Bleitz Funeral Home just southwest of the Fremont Bridge and it may remain as a Landmark designated building but be converted to office space. The other is a sizeable parcel just east of SPU and will be a mixed use residential project.

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
197320 & 524480	0006 & 0004	32,147	2842233	\$4,200,000	12/29/16	\$130.65	BLEITZ FUNERAL HOME & PARCEL TO SOUTH	C2-40	2	Just south of Fremont Bridge and bought by Talon Private Capital & Waddell Properties.
197220	5885	28,320	2726829	\$4,532,000	04/27/15	\$160.03	WHOLESALE FURNITURE	C2-40	1	Nickerson area, east of SPU. Teardown for new mixed use residential project.

Interbay: Area 20-50

This area is primary industrial and may begin to shift with the coming relocation. There were nine sales during the three year period with four 2016 sales: one SM/D 40-85, one NC3-40 and two Industrial zoned sales.

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
277060	0001	36,000	2789890	\$7,000,000	04/13/16	\$194.44	225 UNIT LENNAR DEVELOPMENT SITE	SM/D 40-85	2	Off Dravus at 16th Ave W. just east of the QFC
277060	3060	4,569	2759034	\$884,900	09/25/15	\$193.67	STATE FARM INSURANCE (LIKELY TEAR DOWN)	SM/D 40-85	1	Developer purchase, likely to be redeveloped in the near future.
277060	3065	7,431	2706174	\$1,375,000	12/12/14	\$185.04	VACANT RETAIL (7 STORY MIXED USE PROPOSED)	SM/D 40-85	1	Mixed use development nearly approved as of 1/1/16.
277060	3451/ 3460/ 3470	11,471	2819655	\$1,200,000	08/29/16	\$104.61	ISOLA HOMES TEAR DOWNS & VACANT LOTS	NC3-40	3	Along 15th, sloped but developing to full lot potential.
277060	3475	5,650	2819651	\$600,000	08/25/16	\$106.19	ISOLA HOMES VACANT LOT	NC3-40	1	Along 15th, sloped but developing to full lot potential.
277060	3480	5,650	2661692	\$270,000	04/07/14	\$47.79	VACANT	NC3-40	1	Vacant land sale, no permits yet.
365770	0005/0 015/00 50/006 0	87,794	2829138	\$7,300,000	10/20/16	\$83.15	E-Z MIN STORAGE (TEAR DOWN)	IC-45	4	Adjacent to Magnolia Bridge Exit on 15th Ave W in Interbay. Tear down of all structures, new 219,000 SF storage facility to be built.
277060	0006	11,475	2842128	\$750,000	12/22/16	\$65.36	VACANT INDUSTRIAL LAND	IG2 U/65	1	2300 W Elmore St; Warehouse area west of Fisherman's Terminal; triangular lot w/some topography.
277160	0995	9,100	2735238	\$700,000	06/03/15	\$76.92	VACANT	C1-40	2	Steeper site, tear down imp on it at time of sale.

Westlake/Dexter: Area 20-60

This neighborhood consists of very dense development. There have been several landslides over the years along Westlake on the west side of the street. This is the location in Area 20 with the most topographical issues for development. There were five sales during the three year period including two new NC3P-40 zoned parcels near Dexter.

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
880790	0226	2,640	2796024	\$505,000	05/11/16	\$191.26	VACANT LAND (SEGGED FROM DEXTER HAYES BUILDING)	NC3P-40	1	Off Dexter on Hayes, sold as a vacant developable parcel.
880790	0210	4,600	2774658	\$1,225,000	01/04/16	\$266.30	TEARDOWN (NEW MIXED USE PROJECT)	NC3P-40	1	Mixed use redevelopment going in.
880790	0200	9,179	2772727	\$2,100,000	12/21/15	\$228.78	1600 DEXTER BLDG (NEW MIXED USE DEVELOPMENT)	NC3P-40	1	May lease for one year will getting plans set. Building in poor shape per buyer.

352890	1187	5,763	2681740	\$85,000	07/25/14	\$14.75	TEAR DOWN SFR	C1-40	1	Steep Aurora Ave site southwest of Canlis at Smith; has some challenges, see appraiser notes.
880790	0315	7,448	2731832	\$1,175,000	05/07/15	\$157.76	VACANT LAND	C1-65	2	Vacant parcels along Aurora, no permits yet.

Fremont: Area 20-80

This neighborhood consists of mostly one and two story retail development in the Fremont core and industrial properties along Leary Way. There were six sales during the three year period.

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
197220	4235	3,000	2759374	\$740,000	09/15/15	\$246.66	TEAR DOWN (NEW OFFICE BUILDING GOING IN)	IG2 U/65	1	Along 35th Street at Canal St. in Fremont, permit in place for \$695K for a new office building.
197220	4235	3,000	2759374	\$740,000	09/15/15	\$246.66	TEAR DOWN (NEW OFFICE BUILDING GOING IN)	IG2 U/65	1	Along 35th Street at Canal St. in Fremont, permit in place for \$695K for a new office building.
197220	3620	5,280	2657857	\$795,000	03/11/14	\$150.57	LAND ONLY	IB U/45	1	Along N. 36th in the heart of Fremont. A parking lot at this time & has a 10' or so drop from 36th down to the alley like most do along 36th on that block.
197220	0555/0060/0065	5,382	2801877	\$800,000	06/03/16	\$148.64	ED BOULTON INSULATING, TRIPLEX & DUPLEX (TEAR DOWN)	C1-40	3	3611 2nd Ave NW (at junction of N 36th St & Leary Way NW)
197220	1700	12,271	2787294	\$1,500,000	03/28/16	\$122.24	SYSTEMS ENGINEERING INC (REDEVELOPMENT SALE)	C1-40	1	On Aurora at N 39th. Now listed for \$247/SF as a redevelopment parcel along with the two parcels to the north.
197220	1695	3,083	2736670	\$450,000	06/09/15	\$145.96	APTS (TEAR DOWN)	C1-40	1	On Aurora at N 39th. Now listed for \$247/SF as a redevelopment parcel along with the parcels to the north & south.
197220	1675	12,392	2716264	\$1,130,000	02/25/15	\$91.19	VACANT PARCEL	C1-40	1	On Aurora at N 39th. Now listed for \$247/SF as a redevelopment parcel along with the two parcels to the south.
197220	1050	3,360	2787765	\$719,500	03/24/16	\$214.14	OFFICE /APT /SHOP (REDEVELOPMENT COMING)	LR3	1	On Fremont Ave N just north of 36th. Fremont proper.

A list of Area 20 vacant land sales that were used along with those that were considered not reflective of current market conditions is included in the following sections.

The following table represents the land valuation for geographic area 20. All values are based on dollars per square foot of land for the typical land parcel.

**TYPICAL LAND VALUES BY NEIGHBORHOOD AND LAND USE
2016 REVALUE**

ZONING	20-10 UPTOWN/ ELLIOT	20-20 MAGNOLIA	20-30 QUEEN ANNE	20-40 NICKERSON 20-50 INTERBAY	20-60 WESTLAKE / DEXTER
<i>Multi-family</i>					
L-1, L-2		\$85-\$90	\$90-\$110	\$85-\$90	\$125
L-3	\$115-\$165	\$100	\$100-\$125	\$100	\$115
MR	\$120-\$160		\$175		
<i>Industrial</i>					
IG1,IG2 IB, IC	\$40-\$110	\$65-\$70		\$40-\$70	
<i>Commercial</i>					
C1-40, C1-30,C1- 65	\$80-\$180	\$95	\$200	\$85-\$95	\$115-\$130
NC1-30, NC1-40			\$120-\$125	\$85	
NC2-30, NC2-40, NC2-65	\$150	\$90-\$95	\$120-\$150	\$95	\$130
NC3-40, NC3-65, NC3-85 SM/D 40-85	\$200-\$280			\$95	\$140-155
SM/D 40- 85; NC3-85, SM-85	\$240-\$325			\$100	

SEATTLE'S COMMERCIAL ZONES

IMPORTANT NOTE: Some areas have neighborhood-specific regulations that are not reflected here. Please consult with DPD staff for individual projects.

THIS ZONING CHART IS FOR ILLUSTRATIVE PURPOSES ONLY

General standards are shown. Please refer to the Land Use Code for exceptions and specific regulations. Due to the complexity of the code, zoning questions cannot be answered by phone. If you have questions about commercial zoning, please visit the Department of Planning and Development, located on the 20th floor of Seattle Municipal Tower at 700 Fifth Ave.

Regulations common to all Commercial zones

Green Factor Landscaping

Landscaping is required to achieve a Green Factor score of 0.30 or higher (functionally equivalent to landscaping 30% of the lot). Credit is awarded for planting areas, green roofs, vegetated walls, permeable paving, and other features.

Planting strips and/or screening is required along a street to screen parking areas from the street and abutting residential lots, and to lessen the impact of blank facades; street trees are also generally required.

Residential Amenities

5% of residential floor area, open to the outdoors.

Parking Quantity

Depends on land use. Required amounts for all land uses are listed in section 23.54.015 of the Land Use Code. No parking is required for the first 1,500 square feet of any business. No parking is required in Urban Centers or in Urban Villages with light rail station area overlay districts, except for hospitals. Also, no parking is required in Urban Villages as long as frequent transit service is available within 1/4 mile.

Height Limits

Applied independent of zone designations. Height limits may be 30', 40', 65', 85', 125', 160' dependent on locational criteria. Refer to the Zoning Map for site-specific limits. Changes to height limits require a rezone.

Design Review

Projects that undergo Design Review may be granted departures from certain development standards.

Floor Area Ratio

Applied by height limit and land use mix as per the FAR Chart below. An FAR of 2 allows a building with gross floor area equal to 2 times the area of a lot. Higher FARs are allowed in Light Rail Station Area Overlay district.

FAR Chart

Type of Development	Height Limit					
	30'	40'	65'	85'	125'	160'
	Maximum FAR					
Residential-only or nonresidential-only	2.25	3.00	4.25	4.50	5.00	5.00
Single use within mixed-use development	n/a	n/a	4.25	4.50	5.00	5.00
Mix of residential and nonresidential uses	2.50	3.25	4.75	6.00	6.00	7.00



City of Seattle
**Department of Planning
 & Development**
 Diane Sugimura, Director
 Michael McGinn, Mayor

NC1

Neighborhood Commercial 1

A small shopping area that provides primarily convenience retail sales and services to the surrounding residential neighborhood

Typical Land Uses

Small grocery store, hair salon, coffee shop, and apartments above.

Building Types

Small commercial structures, multi-story mixed-use and residential structures. Non-residential uses typically occupy the street front.



Street-level Uses

Non-residential uses required at street-level on arterial streets. Residential uses are limited to 20% of the facade on an arterial street, but may occupy 100% of the facade on non-arterial streets.

Street-level Non-residential Design

Transparency required for 60% of a street-facing facade. Nonresidential uses at street level must have an average depth of 30', and have a minimum height of 13'.

Street-level Residential Design

Must contain at least one visually prominent pedestrian entry for residential uses. Dwelling units must be at least 4' above, or 10' back, from a sidewalk, unless conversion of a nonresidential space to a residential use is authorized.

Maximum Size of Commercial Use

10,000 square feet for most uses.

Parking Location

At the rear or side of a building, within a structure, or off-site within 800'. Parking between a building and a street is not allowed. Parking between buildings along the street is limited to 60'. Within a structure, street level parking must be separated from the facade by another permitted use.

Parking Access

Must be from the alley if feasible. Curbcuts are limited.

Parking Quantity

Depends on land use and location. No minimum parking is required in Urban Centers, and portions of Urban Villages with frequent transit service within 1/4 mile.

NC2

Neighborhood Commercial 2

A moderately-sized pedestrian-oriented shopping area that provides a full range of retail sales and services to the surrounding neighborhood

Typical Land Uses

Medium-sized grocery store, drug store, coffee shop, customer service office, or medical/dental facility, and apartments.

Building Types

Single purpose commercial structures, multi-story mixed-use and residential structures. Non-residential uses typically occupy the street front.

Street-level Uses

No limit on mix of residential and nonresidential uses, except where P zones or other mapped areas limit residential presence at street level, similar to the NC1 zone.



Street-level Non-residential Design

Same as NC1 zone.

Street-level Residential Design

Same as NC1 zone.

Maximum Size of Commercial Use

25,000 square feet for most uses; 50,000 square feet for multipurpose retail sales facilities.

Parking Location and Quantity

Same as NC1 zone.

Parking Access

Same as NC1 zone.

NC3

Neighborhood Commercial 3

A larger pedestrian-oriented shopping district serving the surrounding neighborhood and a larger community, citywide or regional clientele; allowing comparison shopping among a range of retail businesses

Typical Land Uses

Supermarkets, restaurants, offices, hotels, clothing shops, business support services, and residences that are compatible with the area's mixed-use character.

Building Types

Single purpose commercial structures office buildings, multi-story mixed-use and residential structures. Non-residential uses typically occupy the street front.

Street-level Uses

Same as NC2 zone.

Street-level Non-residential Design

Same as NC1 zone.



Street-level Residential Design

Same as NC1 zone.

Maximum Size of Commercial Use

No size limits for most uses; 25,000 square feet for wholesaling, light manufacturing and warehouse uses.

Parking Location

Same as NC1 zone.

Parking Access

Same as NC1 zone.

Parking Quantity

Same as NC1 zone.

P

Pedestrian-Designated Zones

P designations are applied to NC zones along pedestrian-oriented commercial streets

The P designation preserves and encourages an intensely pedestrian-oriented, retail shopping district where non-auto modes of transportation, both to and within the district, are strongly favored.

Street-level Uses

Limited to pedestrian-oriented nonresidential uses that have the potential to animate the sidewalk environment, such as retail, entertainment, restaurants, and personal services. Drive-in or drive-thru businesses are prohibited.

Parking Quantity

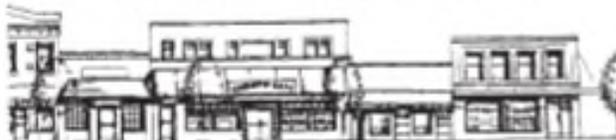
Depends on land use and location. No parking is required for the first 4,000 to 5,000 square feet of retail businesses. Or, no minimum parking may be required in Urban Centers, and portions of Urban Villages with frequent transit service within 1/4 mile.

Parking Location

In addition to NC zone standards, surface parking is prohibited adjacent to principal pedestrian streets.

Parking Access

Must be from alley or side-street if feasible, otherwise a two-way curbcut on the principal pedestrian street is allowed.



C1

Commercial 1

An auto-oriented, primarily retail/service commercial area that serves surrounding neighborhoods as well as a citywide or regional clientele

Typical Land Uses

Large supermarkets, building supplies and household goods, auto sales and repairs, and apartments.

Building Types

A variety of commercial building types and site layouts including one-story commercial structures with extensive surface parking, and multi-story office or residential buildings.

Street-level Uses

Same as NC1 zone.

Street-level Non-residential Design

Same as NC1 zone for structures containing residential uses, or when across a street from a residential zone. No requirements for non-residential structures, or when not across from a residential zone.

Street-level Residential Design

Same as NC2 zone, except residential use limits explained for NC1 zones apply in some locations, such as Bitter Lake and Lake City Urban Villages and Northgate Overlay District.

Maximum Size of Commercial Use

No size limits for most uses; 25,000-40,000 square feet for warehouse and wholesale showroom uses; 35,000 square feet or size of lot, whichever is greater, for office uses.

Parking Location

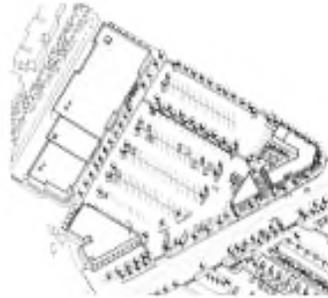
No restrictions generally. When a development contains residential uses or is across a street from a residential zone, it must meet NC1 zone standards.

Parking Access

No restrictions generally. When a development contains residential uses or is across a street from a residential zone, it must meet NC1 zone standards.

Parking Quantity

Same as NC1 zone.



C2

Commercial 2

An auto-oriented, primarily non-retail commercial area, characterized by larger lots, parking, and a wide range of commercial uses serving community, citywide or regional markets

Typical Land Uses

Warehouses, wholesale, research and development, and manufacturing uses. Residential use is generally not allowed, but exceptions meeting specific criteria may be considered through a conditional use process.

Building Types

A variety of building types and site layouts, including single-story warehouse or manufacturing structures with extensive surface parking and loading areas, and multi-story buildings containing office or other non-retail uses.

Street-level Uses

Residential uses anywhere in a structure are conditional uses. When conditional use criteria are met, same as NC1 zone. Otherwise, 100% of street-level space must be in non-residential use.

Street-level Non-residential Design

Same as C1 zone.

Maximum Size of Commercial Use

No size limits for most uses; 35,000 square feet or size of lot, whichever is greater, for office uses.

Parking Location

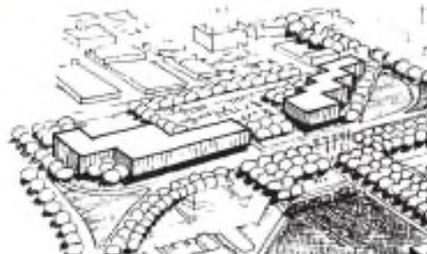
Same as C1 zone.

Parking Access

Same as C1 zone.

Parking Quantity

Same as C1 zone.



INDUSTRIAL ZONING

SEATTLE'S INDUSTRIAL ZONES

THIS ZONING CHART IS FOR ILLUSTRATIVE PURPOSES ONLY

General standards are shown. Refer to the Land Use Code for exceptions and specific regulations, or call DPD Zoning Information at (206) 684-8850.

Requirements Common To All Industrial Zones

Residential Use

Residential uses are prohibited in all industrial zones, except for caretaker's quarters, and artist studio/dwellings in structures existing as of October 5, 1987 subject to conditional use approval.

Landscaping

Landscaping is generally required for uses that are located adjacent to residentially zoned lots. Landscaping is also required along designated streets, as provided by the Industrial Streets Landscaping Plan, shown in SMC 23.50.016, Exhibits A and B.

Exceptions to Height

Exceptions to structure height for such items as solar collectors, rooftop features including radio and receiving antennae and parapets or firewalls are permitted.

Parking

Parking is required for all uses according to 23.54.015, Chart A.

Venting

Venting of odors, vapors, smoke, clinders, dust, gas, and fumes must be vented a minimum of 10' above grade and away from residential uses.

Transportation Concurrence

Proposed uses in industrial zones must meet transportation concurrence level-of-service standards prescribed in Chapter 23.52.

View Corridors

Lots within the shoreline district are generally required to provide a view corridor in accordance with the Shoreline Master Program. For lots partially within the shoreline district, a view corridor is required for that portion of the lot outside the shoreline district, if the shoreline portion of the lot is required to provide a view corridor under the Shoreline Master Program.



City of Seattle
Department of Planning &
Development

IG1

General Industrial 1 (IG1)

The intent of the IG1 zone is to protect marine and rail-related industrial areas from an inappropriate level of unrelated retail and commercial uses by limiting these uses to a density or size limit lower than that allowed for industrial uses.

Typical Land Uses

General and heavy manufacturing, commercial uses, subject to some limits, high impact uses as a conditional use, institutional uses in existing buildings, entertainment uses other than adult, transportation and utility services, and salvage and recycling uses.

Height

No maximum height limit, except retail, office, entertainment, research and development, and institution uses which are limited to 30', 45', 65', 85' as designated on the Official Land Use Map.

Maximum size of use

Retail sales and service and entertainment uses: 10,000 square foot.

Office uses: 10,000 square foot.

Some exceptions apply to maximum size of use limits (23.50.027.B).



FAR

2.5

Setbacks

A setback may be required in order to meet street improvement requirements.

Screening and landscaping may be required.



IG2

General Industrial 2 (IG2)

The intent of the IG2 zone is to allow a broad range of uses where the industrial function of an area is less established than in IG1 zones, and where additional commercial activity could improve employment opportunities and the physical condition of the area, without conflicting with industrial activity.

Typical Land Uses

Same as IG1

Height

Same as IG1

Maximum size of use limits

Lodging and entertainment uses: 10,000 square foot.

Office and retail uses: 25,000 square foot. Some exceptions apply to maximum size of use limits (23.50.027.B).

FAR

2.5

Setbacks

A setback may be required in order to make street improvements.

Screening and landscaping may be required.

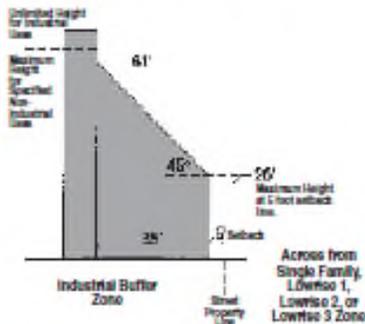


IB Industrial Buffer (IB)

The intent of the Industrial Buffer is to provide an appropriate transition between industrial areas and adjacent residential zones, or commercial zones having a residential orientation and/or a pedestrian character.

Typical Land Uses: Light and general manufacturing, commercial use subject to some limits, some transportation services, entertainment uses other than adult, institutions generally in existing buildings, salvage and recycling uses.

Height: Same as IG1 and 2, except that on lots across a street from SF or Lowrise zones the following limits apply:



Similar but modified rules apply when across an alley from or abutting SF or Lowrise zones, or abutting MR, HR, and Commercial zones.



Maximum size of use: Retail sales and service and entertainment uses: 75,000 square foot. Office uses: 100,000 square foot. The total area of all the foregoing uses on a lot may not exceed two and one-half times the area of the lot. Some exceptions apply to maximum size of use limits (23.50.027B).

FAR: 2.5

Setbacks: Same as IG1 and IG2, plus

- 5' from street property lines when across from SF or Lowrise zones (see diagram)
- 5' for parking and loading facilities and storage and recycling collection facilities when across a street from MR, HR, or RC zones, or across an alley from any residential zone
- 5' for parking lots and structures or drive-in businesses when any lot line abuts a residential zone
- 15' for outdoor loading, recycling collection or storage facilities when any lot line abuts a residential zone
- 50' from any lot in a residential zone for outdoor manufacturing, recycling or refuse compacting
- 5' for all windows or openings that face an abutting residentially zoned lot, unless the opening is translucent or perpendicular to lot line or screened

Screening and Landscaping: Street trees and screening required for rooftop areas, parking, loading, outdoor sales and storage, and drive-in businesses when lot abuts or is across right-of-way from residential or Neighborhood Commercial areas.

Access to Parking and Loading: No limits to parking and loading location except as provided under setbacks. Parking and loading access is prohibited across streets or alleys from residentially zoned lots, except in limited circumstances.

Major Odor Sources: Uses which involve designated odor-emitting processes may be called a major odor source. A major odor source may be required to take measures to reduce odorous emissions and airborne pollutants.

Light and Glare: Exterior lighting must be shielded away from residential zones. Facade materials which may result in glare may be required to be modified.

IC Industrial Commercial (IC)

The intent of the Industrial Commercial zone is to promote development of businesses which incorporate a mix of industrial and commercial activities, including light manufacturing and research and development, while accommodating a wide range of other employment activities.

Typical Land Uses:

Light and general manufacturing, commercial uses, transportation facilities, entertainment other than adult, institutions generally in existing buildings, utilities, and salvage and recycling uses.

Height:

The maximum structure height for all uses is 30', 45', 65', or 85' as designated on the Official Land Use Map. Along the central wall/lot front special limitations apply.

Maximum size of use:

Retail sales and service and entertainment uses: 75,000 square foot.

Office uses: no maximum size limit. The total area of all the foregoing uses on a lot may not exceed two and one-half times the area of the lot, or three times the size of the lot in the South Lake Union area. Some exceptions apply to maximum size of use limits (23.50.027B).

FAR:

2.5, except in South Lake Union where FAR is variable depending on the height limit (Table A for 23.50.026).

Setbacks:

Same as IG1 and IG2, plus: When abutting a residentially zoned lot, setback varies with the height of the structure and when street trees are

required. No openings permitted within 5' of residential zoned lot.

Screening and Landscaping:

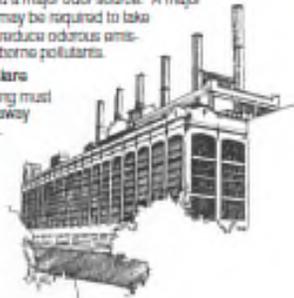
Street trees, screening and landscaping required for blank facades, parking and loading, outdoor sales, rental and storage, drive-in businesses.

Major Odor Sources:

Uses which involve designated odor-emitting processes may be called a major odor source. A major odor source may be required to take measures to reduce odorous emissions and airborne pollutants.

Light and Glare:

Exterior lighting must be shielded away from residential zones. Facade materials which may result in glare may be required to be modified.



MULTI-FAMILY ZONING

Housing Types:

Development standards apply according to the following housing types: cottage housing, rowhouses, townhouses or apartments.

See SMC 23.44.030 for complete housing type definitions.

Cottage Housing



Individual cottage house structures are arranged around a common open space. 950 SF is the maximum size allowed for each cottage.

Rowhouse



Rowhouses are attached side by side along common walls. Each rowhouse directly faces the street with no other principal housing units behind the rowhouses. Rowhouses occupy the space from the ground to the roof. Units can not be stacked.*

Townhouse



Townhouses are attached along common walls. Townhouses occupy the space from the ground to the roof. Units can not be stacked. Principal townhouse units may be located behind other townhouses units as seen from the street.**

Apartments



Multifamily housing that is not cottage housing, rowhouses, or townhouses is considered apartments. Apartment units may be stacked.

LR1 - Lowrise 1

The LR1 zone provides a transition between single-family zoned areas and more intense multifamily and commercial areas. LR1 is most appropriate for areas outside of Growth Areas***. A mix of housing types similar in scale to single family homes such as cottages, rowhouses and townhouses are encouraged.

Floor Area Ratio (FAR)**	1.1	1.0 or 1.2	2.0 or 1.1	1.0
Density Limit**	1 unit / 1,600 SF lot area	No Limit	1 unit / 2,000 SF or 1 unit / 1,600 SF lot area	1 unit / 2,000 SF lot area (buses and bicycles only)
Building Height	15' + 7' for a roof with minimum 6:12 pitch	30' + 5' for roof with minimum 6:12 pitch	30' + 5' for roof with minimum 6:12 pitch	30' + 5' for roof with minimum 6:12 pitch
Building Setbacks	Front: 7' Average, 5' minimum Rear: 0' with Alley, 7' no Alley Side: 5' minimum	Front: 5' minimum Rear: 0' with Alley, 7' Average, 5' minimum Side: 0', 5' on lots next to single family zones	Front: 7' Average, 5' minimum Rear: 7' Average, 5' minimum Side: 5' if building is 40' or less in length, or 7' Average 5' min.	Front: 5' minimum Rear: 10' minimum with Alley, 15' minimum no Alley Side: 5' if building is 40' or less in length, or 7' Average 5' min.
Building Width Limit	60'	60'	60'	40'
Max. Facade Length	Applies to all: 65% of lot depth for portions within 15' of a side lot line that is not a street or alley lot line, and 40' for a rowhouse unit located within 15' of a lot line that abuts a lot in a single family zone.			
SDR	Optional	Optional	Required for 3 or more units	Optional

LR2 - Lowrise 2

The LR2 zone provides for a variety of multifamily housing types in existing multifamily neighborhoods and along arterial streets. LR2 is most appropriate for areas within Growth Areas***. A mix of small scale to multifamily housing such as townhouses, rowhouses and apartments are encouraged.

Floor Area Ratio (FAR)**	1.1	1.1 or 1.3	1.0 or 1.2	1.1 or 1.3
Density Limit**	1 unit / 1,600 SF lot area	No Limit	1 unit / 1,600 SF lot area or No Limit	1 unit / 1,000 SF or No Limit
Building Height	15' + 7' for a roof with minimum 6:12 pitch	30' + 5' for roof with minimum 6:12 pitch	30' + 5' for roof with minimum 6:12 pitch	30' + 5' for roof with minimum 6:12 pitch or 30' + 4' for partially below grade floor
Building Setbacks	Same as LR1	Same as LR1	Same as LR1	Same as LR1
Building Width Limit	Not applicable	No Limit	60'	60'
Max. Facade Length	Applies to all: 65% of lot length for portions of facades within 15' of a lot line that is not a rear, street or alley lot line, and 40' for a rowhouse unit located within 15' of a lot line that abuts a lot in a single family zone.			
SDR	Optional	Optional	Required for 3 or more units	Optional

LR3 - Lowrise 3

The LR3 zone provides for a variety of multifamily housing types in existing multifamily neighborhoods of moderate scale. LR3 accommodates residential growth primarily within Growth Areas***. A mix of small to moderate scale multifamily housing is encouraged including apartments, townhouses and rowhouses.

Floor Area Ratio (FAR)**	1.1	1.2 or 1.4	Growth Areas*** Outside Growth Areas***		Growth Areas***	Outside Growth Areas***
Building Height	15' + 7' for a roof with minimum 6:12 pitch	Rowhouses and Townhouses: 30' + 5' for roof with min. 6:12 pitch and +4' for partially below grade floor, or +10' for roof with min. 6:12 pitch (no height added for below-grade floor). Note: In some cases development is limited to 3 or 4 stories above grade in addition to the height limit (also applies to apartments).	1.2 or 1.4	1.1 or 1.3	1.5 or 2.0	1.3 or 1.5 (1.5 on a street with frequent transit)
Density Limit**	1 unit / 1,600 SF lot area	No Limit	1 unit / 1,600 SF for area or No Limit	1 unit / 1,600 SF for area or No Limit	1 unit / 1,600 SF for area or No Limit	1 unit / 1,600 SF for area or No Limit
Building Setbacks	Same as LR1	Same as LR1	Same as LR1	Same as LR1	Same as LR1	Same as LR1
Building Width Limit	No Limit	No Limit	120' Outside growth areas, 150' Inside growth areas	120' Outside growth areas, 150' Inside growth areas	120' Outside growth areas, 150' Inside growth areas	120' Outside growth areas, 150' Inside growth areas
Max. Facade Length	Applies to all: 65% of lot depth for portions within 15' of a side lot line that is not a street or alley lot line, and 40' for a rowhouse unit located within 15' of a lot line that abuts a lot in a single family zone.					
SDR	Optional	Optional	Required for 3 or more units	Required for 3 or more units	Optional	Optional

* Accessory Dwelling Units (ADUs) are allowed and don't count against the density limit that applies to these housing types.

** The higher FAR and density limits apply if the project meets additional standards regarding parking location and access, alley paving, and green building performance (SMC 23.45.010.C).

*** Growth Areas include urban centers, urban villages, and station area overlay districts.

Zoning Descriptions

The following is a table with basic zoning definitions. Beyond this, there are often a series of numbers following a zone. For example an SM-85 zone means Seattle Mixed and can be built up to 85 feet in height. If a zone is listed as SM 85/160-240 it means that the zone is Seattle Mixed up to 85 feet in height however, it can be as high as 160 feet to 240 feet if a certain mix of residential units is put into place.

Zones	Abbreviated
Residential, Single-family 9,600	SF 9600
Residential, Single-family 7,200	SF 7200
Residential, Single-family 5,000	SF 5000
Residential Small Lot	RSL
Residential, Multifamily, Lowrise 1	LR1
Residential, Multifamily, Lowrise 2	LR2
Residential, Multifamily, Lowrise 3	LR3
Residential, Multifamily, Midrise	MR
Residential, Multifamily, Highrise	HR
Residential-Commercial	RC

Neighborhood Commercial 1	NC1
Neighborhood Commercial 2	NC2
Neighborhood Commercial 3	NC3
Master Planned Community - Yesler Terrace	MPC-YT
Seattle Mixed	SM
Commercial 1	C1
Commercial 2	C2
Downtown Office Core 1	DOC1
Downtown Office Core 2	DOC2
Downtown Retail Core	DRC
Downtown Mixed Commercial	DMC
Downtown Mixed Residential	DMR
Pioneer Square Mixed	PSM
International District Mixed	IDM
International District Residential	IDR
Downtown Harborfront 1	DH1
Downtown Harborfront 2	DH2
Pike Market Mixed	PMM
General Industrial 1	IG1
General Industrial 2	IG2
Industrial Buffer	IB
Industrial Commercial	IC

Preliminary Ratio Analysis

The sales ratio study is an assessment tool to help 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.

The two major aspects of appraisal accuracy; appraisal level and appraisal uniformity are measured and evaluated using the ratio study. Appraisal level is a measure of the ratio of assessed value to sales price, while appraisal uniformity refers to the degree to which properties are appraised at equal percentages of market value. The International Association of Assessing Officers (IAAO) has developed performance standards to evaluate both the appraisal level and uniformity.

There are three key metrics that are tested in the ratio studies, the Weighted Mean, the Coefficient of Dispersion and the Price Related Differential.

Appraisal (Assessment Level): Estimates of appraisal level are based on measures of central tendency. The Weighted Mean (WM) is a measure of central tendency which is computed by taking the summary of assessed values of parcels in the “sales used” list, divided by the summary of the sales. It is a measure of the total assessment level and is also known as the aggregate ratio.

The weighted mean ratio is the value-weighted average of the arithmetic mean and median ratios in which the weights are proportional to the sales prices. The weighted mean is the sum of the assessed values divided by the sum of the sale prices. The weighted mean gives equal weight to each dollar of value in the sample, whereas the median and mean give equal weight to each parcel. The weighted mean is an important statistic in its own right and also used in computing the price related differential (PRD), a measure of uniformity between high value and low value properties.

The acceptable range per IAAO Standards is a .90 to 1.10. The preliminary ratio study for Area 20 shows a Weighted Mean of 82.60% which is below the guidelines.

Appraisal (Assessment) Uniformity: Measures of dispersion or variability relate to the uniformity of the ratios. The most generally useful measure of uniformity is the Coefficient of Dispersion (COD). The COD measures the average percentage deviation of the ratios from the median ratio.

The next metric is a measure of dispersion and is called the Coefficient of Dispersion (COD). Measures of dispersion look are helpful in identifying extremes and the COD is the most common measure of appraisal uniformity. The way it is calculated is by taking calculating the array of sales ratios, finding the median, subtracting the median from each value, taking the absolute value of the differences, summarizing the absolute differences, dividing by the number of sales (giving the average absolute deviation), dividing that answer by the median and multiplying by 100 to show the result as a percentage.

The acceptable range per IAAO standards for large urban jurisdictions for income properties is a 5.0 to 15.0. The preliminary ratio study for Area 20 shows a COD of 19.20%, indicating the current level of assessment uniformity as measured by recent sales, is above the acceptable range. This is primarily due to a number of owner/user sales of smaller office, retail and warehouse buildings that sold for substantially higher than the typical amount.

The second measure of uniformity is a measure of equity among property groups and is a measure of vertical equity. It is called the Price Related Differential (PRD) and relates to equality in the appraisal of low value and high value parcels and whether there is regressive or progressive trend for the assessed values. It is calculated by dividing the mean ratio over the weighted mean ratio. It is considered regressive if high value properties are under appraised relative to low value properties and progressive if high value properties are over appraised.

The acceptable range per IAAO Standards is a .98 to 1.03. A PRD over a 1.00 suggests regressive values where assessment levels decrease with increases in sales prices. A PRD under a 1.00 suggests progressive values where assessment levels increase with increasing sales prices. The preliminary ratio study for Area 20 shows a PRD of 1.00 which is within the acceptable range.

Only the PRD falls within IAAO guidelines and preliminary ratio results indicate the appraisal level should be increased. However, these results are based on a limited sales sample which is heavily weighted with live/work townhomes as well as a number of owner/user sales as mentioned above. These properties are not representative of the entire geo-area population and sway the statistical data. The live/work townhomes were valued by the market approach, while the majority of the remaining parcels were valued by the income approach. All of the recent sales are used for guidance, and as a test for the income model.

There are several factors that can influence the ratio studies and make them less reliable as follow:

1. The sampling of sales is relatively small compared to the population being valued.
2. There aren't enough sales of a particular property type.
3. A certain property type makes up a high percentage of sales in a given area thereby influencing the statistics (the live-work units in the case of Area 20).
4. Even one or two high valued sales can have a drastic effect on the final statistics.

Improved Parcel Total Values

Sales Comparison Approach Model Description

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 1/2/14 to 12/30/16. There were 78 improved sales in Area 20 that were considered as fair market transactions and used in the overall analysis process. Of these, 75 were included in the ratio study. Sales with parcels that were segregated, killed or where the improvements changed after the sale, were not included in the ratio study.

Commercial condominium units and live/work townhome units were typically valued by the sales comparison approach since sufficient comparable sales were available. Other non-specialty commercial properties were typically valued using the income approach as fewer comparable sales of each property type were available. The improved sales used were referenced when developing the economic income parameters and capitalization rates for the income models used within each neighborhood and property type. When necessary, sales of similar property types from other market areas were considered.

The following table summarizes the value parameters used for valuation in Area 20. Some properties require deviation from the typical value range due to issues including, but not limited to, location, size and condition and appraiser judgment.

Typical Value Parameters	
Property Type	Value Range Per SF
Live/Work Townhomes	\$300.00 - \$400.00
Commercial Condominiums	\$200.00 - \$500.00

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. Location, quality, and effective age were factors considered for adjustment. The majority of commercial properties in Area 20 were valued by the income method because there was sufficient market income data available.

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. The cost was 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/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 on-going new construction. Also, RCNLD (replacement cost less depreciation) might be applied to interim use properties where the greater portion of the value is in the land.

Cost Calibration

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

Income Capitalization Approach Model Description

Three basic models were developed for income capitalization; those being retail, office and warehouse. Income tables were developed and then applied to the population. The tables were derived from market surveys and studies and subsequently applied to property data. A majority of properties in this area were valued utilizing an income approach (Direct Capitalization method).

The valuation model includes the following steps:

1. The program multiplies the property's net rentable area by the market rent to derive potential gross income (PGI).
2. The program subtracts allowances for vacancy and operating expenses to derive net operating income (NOI).
3. The program capitalizes NOI (divides it by the overall rate) to produce the value estimate.

The Income Approach using direct capitalization was considered a reliable approach to valuation throughout Area 20 for most improved property types since income and expense data was available to ascertain market rates.

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, Costar, multiple corporate real estate websites such as CBRE, Colliers, GVA Kidder Mathews, Grubb & Ellis, etc.), and opinions expressed by real estate professionals active in the market. Additional rental rates were drawn from the neighboring areas when necessary.

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 20, the assessor used triple net expenses for retail/mixed-use and industrial type uses. For office/medical buildings, the assessor used full service/gross expenses within the valuation models.

Capitalization Rates: When market sales are available an attempt is made to ascertain the capitalization rate on the sale or a pro-format 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 usually include 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 (1930, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year (2016, for example) will warrant a lower capitalization rate.

The following 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 20 to develop the income model. The range of capitalization rates in the income model for Area 20 reflects the variety of properties in this area.

SEATTLE / REGIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2016					1 st Tier properties are defined as new or newer quality const. in prime to good location; 2 nd Tier properties are defined as aging, former 1 st tier in good to average locations; 3 rd Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.40% 5.90%	- -	- -	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties
			-	5.50%	-	Warehouse – 1 st Tier Properties
			-	6.30%	-	R&D – 1 st Tier Properties
			-	6.40%	-	Flex – 1 st Tier Properties
			-	-	5.80%	Regional Mall – 1 st Tier Properties
			-	-	6.30%	Power Center – 1 st Tier Properties
			-	-	5.90%	Neigh/Comm. Ctrs. – 1 st Tier Properties
		West Region	4.50% - 7.50%	-	-	Office CBD – 1 st Tier Properties
			5.00% - 8.00%	-	-	Office CBD – 2 nd Tier Properties
			5.80% - 9.00%	-	-	Office CBD – 3 rd Tier Properties
			5.00% - 8.00%	-	-	Suburban Office – 1 st Tier Properties
			5.50% - 8.50%	-	-	Suburban Office – 2 nd Tier Properties
			6.00% - 9.30%	-	-	Suburban Office – 3 rd Tier Properties
			-	4.00% - 8.50%	-	Warehouse – 1 st Tier Properties
			-	4.00% - 9.00%	-	Warehouse – 2 nd Tier Properties
			-	5.50% - 9.50%	-	Warehouse – 3 rd Tier Properties
			-	5.30% - 8.00%	-	R&D – 1 st Tier Properties
			-	5.50% - 8.50%	-	R&D – 2 nd Tier Properties
			-	5.50% - 9.50%	-	R&D – 3 rd Tier Properties
			-	6.00% - 8.00%	-	Flex – 1 st Tier Properties
			-	5.00% - 8.50%	-	Flex – 2 nd Tier Properties
			-	5.50% - 9.50%	-	Flex – 3 rd Tier Properties
			-	-	4.80% - 8.00%	Regional Mall – 1 st Tier Properties
			-	-	4.50% - 8.30%	Regional Mall – 2 nd Tier Properties
			-	-	6.00% - 9.00%	Regional Mall – 3 rd Tier Properties
			-	-	6.00% - 8.00%	Power Center – 1 st Tier Properties
			-	-	6.00% - 8.30%	Power Center – 2 nd Tier Properties
			-	-	6.00% - 9.00%	Power Center – 3 rd Tier Properties
			-	-	4.00% - 8.00%	Neigh/Comm. Ctr. – 1 st Tier Properties
			-	-	4.50% - 8.50%	Neigh/Comm. Ctr. – 2 nd Tier Properties
			-	-	5.00% - 9.00%	Neigh/Comm. Ctr. – 3 rd Tier Properties
PWC / Korpaz	4Q 2016	Seattle	5.79% 5.45%	- -	- -	Overall – 4.50% - 8.00% CBD Office – 4.50% - 8.00%
			6.13%	-	-	Suburban Office – 5.00% - 7.00%
		Pac. NW	6.00%	-	-	Overall - 4.00% to 9.00%
			5.60%	-	-	CBD Office – 4.50% - 8.00%
			6.41%	-	-	Suburban Office – 5.00% - 7.75%
			-	5.10%	-	Warehouse – 3.75% - 7.00%
ACLI	4Q 2016	Seattle – Bellevue - Everett MSA	5.72%	7.30%	5.64%	All Classes
		Pacific Region	5.38%	5.77%	5.61%	All Classes

SEATTLE / REGIONAL CAP RATES

Source	Date	Location	Multifamily	Hospitality	Remarks
CBRE: Capital Markets Cap. Rate survey.	2 nd Half (2016)	Seattle	4.25% - 4.75%	-	Infill – Class A
			4.50% - 5.00%	-	Infill – Class A – Value Added
			4.75% - 5.25%	-	Infill – Class B
			5.00% - 5.50%	-	Infill – Class B – Value Added
			5.50% - 6.00%	-	Infill – Class C
			5.25% - 6.25%	-	Infill – Class C – Value Added
			4.75% - 5.25%	-	Suburban – Class A
			4.75% - 5.25%	-	Suburban – Class A – Value Added
			5.00% - 5.50%	-	Suburban – Class B

SEATTLE / REGIONAL CAP RATES

Source	Date	Location	Multifamily	Hospitality	Remarks
			5.25% - 5.75%	-	Suburban – Class B – Value Added
			5.75% - 6.25%	-	Suburban – Class C
			5.75% - 6.25%	-	Suburban – Class C – Value Added
			-	5.75% - 6.25%	CBD – Luxury
			-	6.00% - 6.50%	CBD – Full-Service
			-	6.25% - 6.75%	CBD – Select-Service
			-	8.00% - 9.00%	CBD – Economy
			-	6.50% - 7.50%	Suburban – Luxury
			-	7.50% - 8.50 %	Suburban – Full-Service
			-	7.50% - 8.50%	Suburban – Select-Service
			-	9.25% - 10.25%	Suburban – Economy
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2016	Seattle	4.90%	-	Apartments – All Classes
			-	7.40%	Hotels – All Classes
		West Region	4.00% - 7.80%	-	Apartments – 1 st Tier Properties
			4.00% - 8.30%	-	Apartments – 2 nd Tier Properties
			4.50% - 8.80%	-	Apartments – 3 rd Tier Properties
			-	7.00% - 8.50%	Hotels – 1 st Tier Properties
			-	7.00% - 10.00%	Hotels – 2 nd Tier Properties
			-	7.00% - 11.00%	Hotels – 3 rd Tier Properties

NATIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2016					1 st Tier properties are defined as new or newer quality const. in prime to good location
		National	4.30% - 9.00%	-	-	Office CBD – 1 st Tier Properties
			4.80% - 10.0%	-	-	Suburban Office – 1 st Tier Properties
			-	4.00% - 10.0%	-	Warehouse – 1 st Tier Properties
			-	5.00% - 9.50%	-	R&D – 1 st Tier Properties
			-	5.30% - 10.0%	-	Flex – 1 st Tier Properties
			-	-	4.00% - 9.00%	Regional Mall – 1 st Tier Properties
			-	-	5.00% - 9.00%	Power Center – 1 st Tier Properties
			-	-	4.00% - 9.50%	Neigh/Comm. Ctrs. – 1 st Tier Properties
IRR: Viewpoint 2017 Commercial Real Estate Trends report	Yr. End 2016	National	6.73%	-	-	<u>Institutional Grade Properties*</u>
			7.57%	-	-	CBD Office – Class A
			7.07%	-	-	CBD Office – Class B
			7.81%	-	-	Suburban Office – Class A
			-	-	-	Suburban Office – Class B
			-	6.75%	-	Industrial
			-	7.47%	-	Flex Industrial
			-	-	6.57%	Regional Mall
			-	-	6.77%	Community Retail
			-	-	6.94%	Neighborhood Retail
			-	-	7.86%	Hotel - Full Service
			-	-	8.52%	Hotel - Limited Service
ACLI	4Q 2016	National	5.43%	6.00%	5.89%	Overall
			6.10%	7.29%	6.65%	Sq.Ft. - <50k
			5.90%	6.92%	6.39%	Sq.Ft. - 50k – 100k
			5.96%	6.65%	6.28%	Sq.Ft. – 100,001 – 200k
			5.22%	5.78%	5.34%	Sq.Ft. – 200k+
PWC / Korpaz	4Q 2016	National	5.57%	-	-	CBD Office
			6.63%	-	-	Suburban Office
			6.76%	-	-	Medical Office
			7.36%	-	-	Secondary Office
			-	7.05%	-	Flex/R&D - (5.75% - 9.00%)
			-	5.27%	-	Warehouse - (3.00% – 7.00%)
			-	-	6.10%	Regional Mall
			-	-	6.37%	Power Center
			-	-	6.18%	Neigh. Strip Centers
PWC / Korpaz	Latter Reports 4Q 2016	National	5.57%	-	-	U.S. CBD Office – 3.50% - 7.50%
			6.43%	-	-	U.S. Suburban Office – 4.50% - 9.00%
			6.78%	-	-	Medical Office – 4.50% - 10.00%
			-	5.21%	-	U.S. Warehouse – 3.00% - 7.00%
			-	7.10%	-	U.S. Flex/R&D – 5.50% - 9.00%
			-	-	6.24%	U.S. Strip Shop Ctrs – 4.50% - 9.50%

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			-	-	6.35%	U.S Power Centers – 5.00% - 8.00%
			-	-	6.05%	U.S. Regional Malls – 4.00% - 9.00%
The Boulder Group: Net Lease Market Report	4Q 2016	National	7.08%	7.14%	6.10%	Overall (Average)

The preceding tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or regional scale. This information is reconciled with data specific to Area 20 commercial real estate market and sales data to develop the income model. The range of capitalization rates in the income model reflects the variety of properties in this area.

Income approach calibration

Income tables were developed for each of the six neighborhoods that comprise Area 20. The tables pertain to the following general property types: Retail, Industrial Buildings, Medical and Dental Offices, 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 40 are summarized in the following tables. It should be noted that due to the nature of commercial real estate, not all properties fall within the typical parameters. Stratification adjustments for the parameters listed in the following tables were based on quality of construction, effective year, size of net rentable area and location.

The following tables are the results of an analysis of this information. These tables stratify the major property types for each area and the income parameters that were typically used. The capitalization rates include the property taxes.

Neighborhood 20-10, Uptown

Typical Income Parameters								
Land Use	Rent Range		Vacancy/		Expenses		Capitalization	
	per SF		Coll. Loss %		per SF or % of EGI		Rate %	
Office/Medical Office	\$20.00	- \$33.00	10%		35%		5.50% - 7.25%	
Retail/Mixed Use	\$13.50	- \$35.00	5%	- 10%	5% - 10%		5.75% - 7.50%	
Industrial/Whse.	\$7.50	- \$18.00	5%	- 10%	5% - 10%		6.00% - 7.50%	

Neighborhood 20-20, Magnolia

Typical Income Parameters								
Land Use	Rent Range		Vacancy/		Expenses		Capitalization	
	per SF		Coll. Loss %		per SF or % of EGI		Rate %	
Office/Medical Office	\$15.00	- \$27.00	10%		10% - 25%		6.25% - 7.75%	
Retail/Mixed Use	\$15.00	- \$24.50	5%	- 6%	10%		6.25% - 7.75%	
Industrial/Whse.	\$6.00	- \$19.25	5%		10%		6.25% - 7.75%	

Neighborhood 20-30, Upper Queen Anne

Typical Income Parameters								
Land Use	Rent Range		Vacancy/		Expenses		Capitalization	
	per SF		Coll. Loss %		per SF or % of EGI		Rate %	
Office/Medical Office	\$21.00	- \$33.00	10%		35%		5.50% - 7.00%	
Retail/Mixed Use	\$17.00	- \$29.00	5%		5%		6.00% - 7.75%	
Industrial/Whse.	\$7.50	- \$14.00	5%	- 10%	5% - 10%		6.00% - 7.50%	

Neighborhood 20-40, Nickerson

Typical Income Parameters								
Land Use	Rent Range		Vacancy/		Expenses		Capitalization	
	per SF		Coll. Loss %		per SF or % of EGI		Rate %	
Office/Medical Office	\$15.00	- \$31.50	10%		10% - 35%		5.50% - 7.50%	
Retail/Mixed Use	\$17.00	- \$25.00	5%		5%		6.25% - 8.25%	
Industrial/Whse.	\$6.50	- \$20.00	5%		10%		6.00% - 8.00%	

Neighborhood 20-50, Interbay

Typical Income Parameters								
Land Use	Rent Range		Vacancy/		Expenses		Capitalization	
	per SF		Coll. Loss %		per SF or % of EGI		Rate %	
Office/Medical Office	\$15.50	- \$31.50	10%		10% - 35%		5.50% - 7.50%	
Retail/Mixed Use	\$15.00	- \$24.50	5%	- 6%	10%		6.25% - 8.25%	
Industrial/Whse.	\$6.50	- \$20.50	5%		10%		6.00% - 8.00%	

Neighborhood 20-60, Westlake/Dexter

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 - \$33.00	10%	35%	5.50% - 7.25%
Retail/Mixed Use	\$17.00 - \$33.00	5%	10%	5.75% - 7.75%
Industrial/Whse.	\$6.50 - \$21.00	5%	10%	6.00% - 7.75%

Neighborhood 20-80, Fremont

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 - \$31.00	10%	10% - 35%	5.75% - 7.50%
Retail/Mixed Use	\$17.00 - \$28.00	5%	10%	6.00% - 8.00%
Industrial/Whse.	\$6.50 - \$21.00	5%	10%	6.00% - 7.75%

Parking Income Analysis

On properties where income from parking was valued, a separate income approach was utilized. Typically the Assessor included the income component from parking on office buildings with over 25,000 square feet of rentable area. The parking income calculation was developed using data from the 2013 Central Puget Sound Region Parking Survey prepared by the Puget Sound Regional Council. This is the most recent parking survey available and a new survey is generated every two to three years.

The non-reserved monthly and daily rates and occupancy rates for various areas were based on this data. Typically the assessor assigned 2/3rds of the stalls a monthly rate and 1/3rd a daily rate. A five day work week and no turnaround on parking were considered in the model. The monthly rates in Area 20 ranged from \$139 to \$230/stall and the daily rates ranged from \$11.00 to \$23.00/stall depending on the location. The occupancy range was 39% to 67% and the annual expense rate range applied was typically 15%.

Reconciliation

All parcels were individually reviewed for correctness of the model application 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 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 market rental rate applied to a few properties varied from the model but fell within an acceptable range of variation from the established guideline. 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 Dan Atkinson, 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 in the physical inspection neighborhood was field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

In the 2015 valuation model, the income approach is used to value the majority of the income producing properties that are not obsolesced (where land value is greater than the value produced by the income method), as there are an insufficient number and variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values. With improving market fundamentals, values by the income method are generally increasing although they sometimes are below the value of the sales. This may be that some of these properties are purchased by owner-users. In the case of interim use properties, they might be purchased for investment value or future income rather than current income.

The standard statistical measures of valuation performance are presented in the Executive Summary and the 2016 and 2017 Ratio Analysis charts included in this report. Comparison of the 2016 and 2017 Ratio Study Analysis indicates that the Weighted Mean statistical measure of assessment level improved from 82.60% to 95.90%. The Coefficient of Dispersion (COD) changed from 19.20% to 17.08%; the Coefficient of Variation (COV) changed from 25.19% to 20.42%. The Price-related Differential (PRD) went from 1.01 to 0.98. These values are within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity with the exception of the COD. The ratio study presented in this report indicates substantial improvement in uniformity. However with a sample size of only 78 improved sales for many different commercial types, the weight given to the ratio study should be tempered.

The 2017 Assessment Year revalue of Area 20 is based on commercial real estate data available in 2014, 2015 and 2016 that support the fee simple value of the non-specialty properties in these submarkets as of the valuation date of 1/01/2017. This valuation has occurred during a period of market growth and market expansion following the severe

global, national, and regional economic downturn which had impacted local supply and demand dynamics.

Land sales (vacant and obsolesced properties) increased year over year for the most part. The land sales support an increase for most of the zoning designations in the 2017 revalue and support an overall year over year land value increase of 19.34% as further detailed on Page 22.

A review of market income data for the 1/01/2017 valuation indicates increasing income fundamentals for most properties with rental rates increasing for office, retail and warehouse properties in most submarkets. The total assessed value in area 20, for the 2016 Assessment Year, was \$2,301,628,400 and the total recommended assessed value for the 2017 Assessment Year is \$2,503,976,200. Application of these recommended values for the 2017 Assessment Year results in an average total change of 8.79% from the 2016 Assessment Year.

Change in Total Assessed Value			
2016 Total Value	2017 Total Value	\$ Change	% Change
\$2,301,628,400	\$2,503,976,200	\$202,347,800	8.79%

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, Assessor's Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

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

Definition and date of value estimate:

Market Value

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

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

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

Highest and Best Use

RCW 84.40.030

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

An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under

existing zoning or land use planning ordinances or statutes or other government restrictions.

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law.

RCW 36.21.080

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

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

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:

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

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

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

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

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

The Dictionary of Real Estate Appraisal, 3rd Addition, Appraisal Institute.

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

Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.

5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.

15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

Scope of Work Performed:

Research and analyses performed are identified in the body of the revaluation report. The assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. Disclosure of interior home features and, actual income and expenses by property owners is not a requirement by law therefore attempts to obtain and analyze this information are not always successful. The mass appraisal performed must be completed in the time limits indicated 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 are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below:

Physical inspection revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification and new construction evaluation.

Area 20 Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

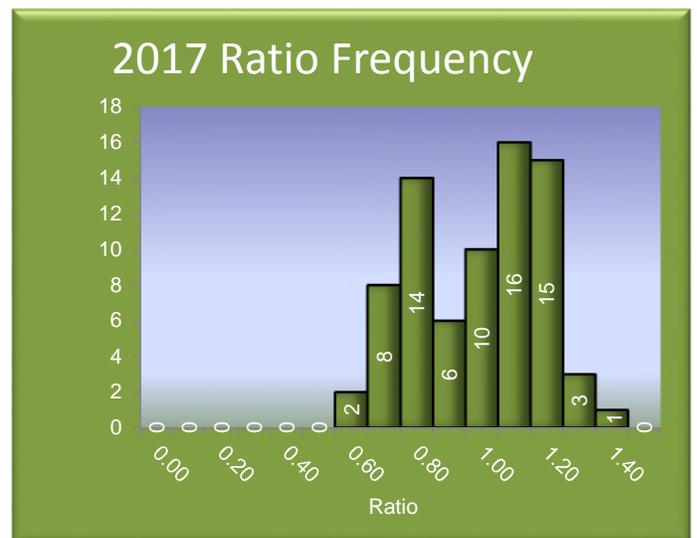
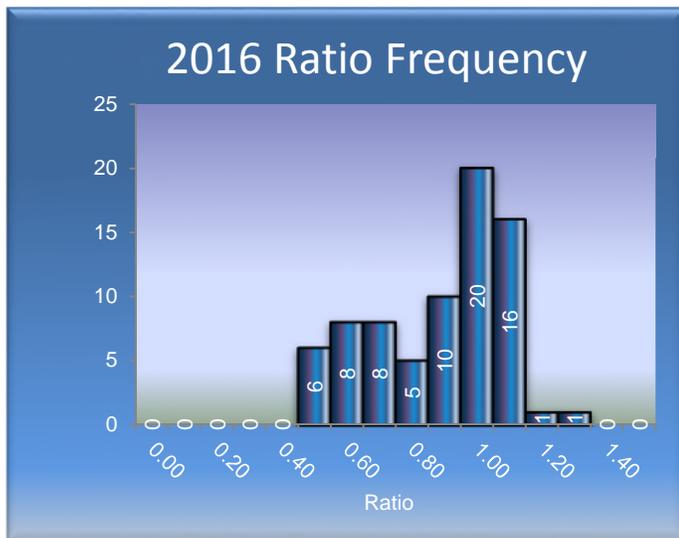
Pre-revalue ratio analysis compares sales from 2014 through 2016 in relation to the previous assessed value as of 1/1/2016.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	75
Mean Assessed Value	\$1,478,800
Mean Adj. Sales Price	\$1,791,100
Standard Deviation AV	\$1,813,304
Standard Deviation SP	\$1,881,513
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.837
Median Ratio	0.903
Weighted Mean Ratio	0.826
UNIFORMITY	
Lowest ratio	0.4032
Highest ratio:	1.2718
Coefficient of Dispersion	19.20%
Standard Deviation	0.2108
Coefficient of Variation	25.19%
Price Related Differential (PRD)	1.01

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares sales from 2014 through 2016 and reflects the assessment level after the property has been revalued to 1/1/2017

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	75
Mean Assessed Value	\$1,716,900
Mean Sales Price	\$1,791,100
Standard Deviation AV	\$2,160,009
Standard Deviation SP	\$1,881,513
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.942
Median Ratio	0.970
Weighted Mean Ratio	0.959
UNIFORMITY	
Lowest ratio	0.5836
Highest ratio:	1.3351
Coefficient of Dispersion	17.08%
Standard Deviation	0.1924
Coefficient of Variation	20.42%
Price Related Differential (PRD)	0.98



Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP/NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
20	10	387990	2020	2,800	2841965	450,000	12/27/2016	185	WAREHOUSE BUILDING	C2-40	1	Y	On Elliott and appears to be bought by neighboring property to the north.
20	10	224900	0210 & 0230	17,046	2832765	6,800,000	10/25/2016	399	GIRL SCOUTS OF AMERICA & PARKING LOT	NC3-40	2	Y	Office building + parking lot. At 6th & Valley in Uptown. Buyer will likely lease out however it is \$429/SF on a land basis so worth watching for redevelopment.
20	10	545830	0210	6,720	2826410	2,200,000	10/4/2016	328	WAREHOUSE & RETAIL BUILDING	LR3 RC	1	Y	1/3 retail, 2/3 warehouse w/office & sales area. In the heart of Uptown just blocks NE from Seattle Center.
20	10	198920	0015	1,120	2791630	700,000	4/19/2016	625	SHANTY CAFÉ	C2-40	1	Y	On Elliott at Harrison. Former Shanty Café and will become El Charro Mexican Food & Cantina
20	10	769540	0010 & 0020	2,944	2787613	985,000	3/26/2016	335	SERANA CONDO - COMMERCIAL OFFICE CONDOS	NC3-40	2	Y	Two street level office condos that are adjacent, one facing Roy, one facing 5th and seven deeded surface parking spaces total. 1999 Avg/Good building.
20	10	198920	0505	3,200	2747036	1,300,000	7/27/2015	406	APARTMENTS & OFFICE	NC3-65	1	Y	Converted home, remodeled post sale.
20	10	199020	0053		2717253	548,000	2/26/2015	N/A	RESIDENCE ON COMMERCIAL LAND	C2-40	1	Y	Residence, turn key and used as an occupied home.
20	10	199220	0005	5,625	2710957	1,910,000	1/16/2015	340	GOODYEAR TIRE	C2-40	1	Y	Auto garage building sale.
20	10	199020	0410	6,120	2691456	1,750,000	9/8/2014	286	OFFICE BUILDING	NC3-40	1	Y	Small office building sale.
20	10	198920	1020	64,927	2681962	10,200,000	7/30/2014	157	FIRST WEST BUILDING	NC3-65	1	Y	Value add office building sale.
20	10	224900	0405	1,408	2658775	429,000	3/19/2014	305	LIVE/WORK TOWNHOUSE UNIT - ALOHA LOFTS	C1-65	1	Y	Live/work unit
20	10	224900	0406	1,408	2658630	399,999	3/19/2014	284	LIVE/WORK TOWNHOUSE UNIT - ALOHA LOFTS	C1-65	1	Y	Live/work unit
20	20	277110	4030	3,300	2834396	900,000	11/15/2016	281	CONVENIENCE STORE & RETAIL	LR3 RC	1	Y	Mix of retail and a small restaurant, four spaces total. In East Magnolia off Thorndyke.
20	20	222503	9115	9,389	2826633	3,450,000	10/4/2016	311	MAGNOLIA COURT MEDICAL/DAYCARE	NC2-40	1	Y	Magnolia Village. Represented by brokers on both sides. Cap of 5.94%\$ (indicating a \$204K NOI and \$18.46/SF rent rate).
20	20	137080	4593 & 4594	5,082	2791143	1,090,000	4/19/2016	215	THAI RESTAURANT, RETAIL & TWO SMALL OFFICES	NC2P-40	2	Y	8.44% cap rate per listing. Located in the heart of Magnolia village. Thai & Retail face McGraw and two small office buildings face Lynn. Possible contamination on site.
20	20	232503	9070	4,914	2775543	1,170,000	1/11/2016	238	DENTAL OFFICES	NC2P-40	1	Y	Dental offices w/basement offices in downtown Magnolia.
20	20	682110	0632	1,416	2772609	455,710	12/14/2015	322	WORK LOFT	NC1-30	1	Y	Live/work unit
20	20	222503	9042	7,200	2751425	1,800,000	8/5/2015	250	RETAIL BUILDING	NC2P-40	1	Y	Retail in Magnolia Village
20	20	137850	0010	2,381	2734365	870,000	5/26/2015	365	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	066240	0020	1,608	2734424	380,000	5/19/2015	236	BELLAGIO CONDOMINIUM	NC2-40	1	Y	Commercial condo. Retail unit. 2003/2003 building.
20	20	682110	1240	3,212	2730716	840,000	5/14/2015	262	RESTAURANT	NC1-30	1	Y	North Magnolia
20	20	222503	9036	17,211	2728812	3,670,000	5/5/2015	213	OFC/RETAIL	NC2-40	1	Y	Office building in Magnolia Village
20	20	137850	0070	2,814	2727437	795,000	4/24/2015	283	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	137850	0060	2,814	2727063	840,000	4/15/2015	299	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	682110	1245	2,332	2726127	950,000	4/14/2015	407	DRY CLEANER (RETAIL)	NC1-30	1	Y	North Magnolia

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20	20	137850	0030	2,814	2719273	838,000	3/13/2015	298	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	137850	0100	2,814	2719071	830,000	3/12/2015	295	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	137850	0040	2,814	2716001	835,000	2/9/2015	297	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	137850	0050	2,814	2711277	838,000	1/21/2015	298	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	137850	0020	2,814	2693504	815,000	9/17/2014	290	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	721261	0020	232	2680677	45,000	7/17/2014	194	REGENCY WEST NO. 02 CONDOMINIUM	LR3 RC	1	Y	Commercial condo
20	20	137850	0130	3,399	2677715	1,000,000	6/26/2014	294	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	682110	0633	1,416	2672587	395,000	6/5/2014	279	WORK LOFT	NC1-30	1	Y	Live/work unit
20	20	137850	0090	2,814	2671617	830,000	6/2/2014	295	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	137850	0110	2,814	2672404	825,000	6/2/2014	293	WORK LOFT	NC2-40	1	Y	Live/work unit
20	20	423540	0790	9,808	2659294	760,000	3/26/2014	77	CHURCH	SF 5000	1	Y	Church on single family zoned land
20	30	423290	0980	3,600	2815308	1,734,400	8/12/2016	516	OFFICES & APARTMENT	NC2P-40	1	Y	Upper QA, converted home. Three office suites, one apartment and a detached garage. Modern, updated interior and rents in the low 20's NNN.
20	30	423290	1020	3,021	2789627	1,855,000	4/5/2016	614	LA REVE BAKERY & CAFÉ + APARTMENT	NC2P-40	1	Y	Upper QA on QA at Blaine. Converted craftsman home.
20	30	894350	0080	1,232	2764990	450,000	10/28/2015	365	VIKUR HEIM CONDOMINIUM	NC1-40	1	Y	Commercial condo. Office unit, 1979/1995 building.
20	30	177635	0040	1,375	2687363	570,000	8/22/2014	415	COTTAGES ON 7TH AVENUE	NC1-30	1	Y	
20	30	173280	0200	2,338	2685329	800,000	8/6/2014	342	WORK LOFT - GATEWAY ON GALER	NC2-30	1	Y	
20	30	080900	0930	2,051	2682003	960,000	7/28/2014	468	SYLVIAS BEAUTY SHOP & HOUSE	SF 5000	1	Y	Converted home.
20	30	532920	0005	6,650	2682431	3,099,990	7/24/2014	466	TRINITY BUILDING	NC1-30	1	Y	Half office, half apartments, strong Upper QA location at McGraw & 7th.
20	30	173280	0201	2,338	2670100	850,000	5/23/2014	364	WORK LOFT - GATEWAY ON GALER	NC2-30	1	Y	Live/work unit
20	40	197220	0006 & 0004	14,138	2842233	4,200,000	12/29/2016	297	BLEITZ FUNERAL HOME & EXTRA PARCEL	C2-40	2	Y	Just north of Nickerson Street Saloon and close to the Fremont Bridge. Likely plan is to remodel existing building, add footage and possibly develop 4,427 SF parcel across the street to the south. Property to south may have a 14' setback due to powerlines.
20	40	197220	6145	2,000	2835347	1,162,000	11/14/2016	581	WAREHOUSE	C2-40	1	Y	Nickerson area. At \$169/SF as a land sale. Owner/user purchase may be reason for high price.
20	40	524480	0014 & 0030	7,438	2819865	2,500,000	9/1/2016	525	NICKERSON STREET SALOON & OFFICES	C2-40	2	Y	Owner/user purchase. Offices above last rented for \$19.64/SF Gross.
20	40	197320	0085	5,732	2808793	3,954,000	7/12/2016	627	ELKS LODGE #92 (FORMER PONTI SEAFOOD GRILL)	C2-40	1	Y	Owner/user purchase. Purchased by the Elks Lodge #92 who sold their Uptown location for redevelopment. Not in ratio.
20	40	197220	6100	4,080	2727575	1,225,000	4/19/2015	300	GARAGE SERVICE	C2-40	1	Y	
20	40	197220	5524	1,240	2671443	552,000	5/27/2014	445	SINGLE FAMILY	LR2	1	Y	Not in ratio.
20	50	277110	0215	4,300	2842500	2,250,000	12/30/2016	401	OFFICE BUILDING	IG2 U/65	1	Y	Small office building in the warehouse area west of Fisherman's Terminal. Owner/user purchase w/seller financing but in the range for small office sales.
20	50	277060	6580	7,000	2827967	1,655,000	10/14/2016	213	GREAVES BUILDING	IG2 U/65	1	Y	Small office/warehouse building in the warehouse area west of Fisherman's Terminal. Owner/user purchase. .

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP/NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
20	50	277110	0015	3,572	2819339	1,270,000	8/30/2016	356	R.H. PHILLIPS OFFICE BUILDING	IG2 U/65	1	Y	Small two story office building built in 2003. Due west of Fisherman's Terminal.
20	50	277110	8020	10,500	2817308	1,950,000	8/19/2016	317	CAPTAIN'S NAUTICAL SUPPLY	C1-40	1	Y	Two level retail building in the heart of Interbay. Estimated 7.5-7.8% cap rate.
20	50	277060	2690	26,389	2774073	5,700,000	12/28/2015	216	TREY BUILDING (OFFICES & DENALI FITNESS CLUB)	IG2 U/45	1	Y	
20	50	277060	5970	8,542	2774309	2,200,000	12/18/2015	151	WAREHOUSE	IG2 U/65	1	Y	
20	50	277060	6180	4,375	2754091	1,254,500	9/1/2015	287	WAREHOUSE	IG2 U/65	1	Y	
20	50	277060	3315	15,591	2737195	3,700,000	6/17/2015	237	CANAL 3600 OFFICE BLDG	C2-40	1	Y	
20	50	277110	2200	16,664	2730598	3,255,000	5/13/2015	195	GARAGE REPAIR	IG2 U/45	1	Y	24,972 SF of excess land that had contamination. The land was segged off and a new two story warehouse is being built on that site. Sale not included in ratio.
20	50	277060	0125	2,050	2691450	950,000	9/17/2014	463	OFFICE	IG2 U/65	1	Y	
20	50	766620	1640	7,696	2688051	1,400,000	8/27/2014	182	WINKLER NW INC	IC-45	1	Y	Industrial light manuf; 78 eff yr, Avg quality
20	50	277160	5305	23,169	2681768	3,550,000	7/22/2014	153	OFFICE BUILDING	IG1 U/45	1	Y	
20	50	277060	2705	4,015	2675402	800,000	6/25/2014	199	PANDA RESTAURANT	SM/D 40-85	1	Y	
20	50	277060	3050	8,640	2648392	1,400,000	1/2/2014	162	J & L HOUSTON INC	SM/D 40-85	1	Y	
20	60	192504	9038	6,928	2834141	3,462,000	11/10/2016	500	RUSHFORTH BUILDING	NC3P-40	1	Y	Class C office buidling on Dexter in the northern tip of the SLU market. Owner/user purchase.
20	60	880790	0355 & 0350	3,028	2834141	2,190,000	9/7/2016	723	OFFICE BUILDING (ASSOC W/0350)	C1-65	2	Y	Small, updated office building w/small parking parcel at the edge of the NW corner of the SLU neighborhood. Has Lake Washington views. Pencils to \$476/SF as a land sale. It is an owner/user sale.
20	60	880790	0225	3,350	2755670	1,339,750	8/27/2015	400	TAVERN/APTS	NC3P-40	1	Y	
20	80	197220	3665	2,640	2815812	1,500,000	8/11/2016	313	NUNA RAMEN	IB U/45	1	Y	On 36th in downtown Fremont, has a basement space in the back. Brokers on both sides of the deal, all cash and a 4.73% cap.
20	80	197220	0050	640	2798658	225,000	5/25/2016	352	ALBERONA'S PIZZA & PASTA	C1-40	1	Y	On Leary. Small parcel & building (lot is 900 SF).
20	80	744200	0400	1,920	2765328	820,000	11/3/2015	427	FRELARD BUILDING	IB U/45	1	Y	Small retail building off Leary. Sold at a 4.16% cap rate.
20	80	775990	0090	2,088	2753505	930,000	9/1/2015	445	SHIP CANAL OFFICE CENTER	IG2 U/65	2	Y	
20	80	775990	0080	1,240	2741484	620,000	7/6/2015	500	SHIP CANAL OFFICE CENTER	IG2 U/65	1	Y	
20	80	775990	0010	21,132	2728200	8,150,000	5/4/2015	386	SHIP CANAL OFFICE CENTER	IG2 U/65	7	Y	
20	80	197220	3760	9,568	2699093	1,887,500	10/28/2014	197	DIAMOND MACHINE WORKS	IB U/45	3	26	Imp changed after sale; not in ratio
20	80	197220	2635	26,291	2688872	7,300,000	9/4/2014	278	NORTHLAKE PLAZA	C1-65	1	Y	
20	80	197220	0120	12,530	2672001	3,350,000	6/2/2014	267	RETAIL/OFFICE/APARTMENT	C1-40	1	Y	
20	80	197220	0283	1,070	2660750	399,800	3/26/2014	374	WORK LOFT	C1-40	1	Y	
20	80	197220	0282	1,193	2650254	410,000	1/14/2014	344	WORK LOFT	C1-40	1	Y	

Vacant Frozen Sales Calc For 020 with Sales Used Report

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
198920	0660/0665	14,400	2826612	\$6,100,000	10/04/16	\$423.61	OFFICE BUILDING & TEAR DOWN FOURPLEX	NC3-65	2	New mixed use development going in.
198920	1430	28,800	2788087	\$14,450,000	03/10/16	\$501.74	TINI BIGS & PARKING LOT (164 UNIT REDEVELOPMENT COMING)	NC3-65	1	164 unit mixed use development w/ground floor retail. Demo after 1/1/17, corner of Denny & 1st Ave.
198920	1100	14,400	2765970	\$4,800,000	11/10/15	\$333.33	FUTURE DEVELOPMENT (FMR KASPAR'S RESTAURANT)	NC3-65	1	New mixed use development going in.
198920	1265	7,200	2765909	\$2,300,000	10/30/15	\$319.44	SMALL OFFICE BUILDING (FUTURE DEVELOPMENT)	NC3-65	1	New mixed use development going in, working on plans at time of purchase.
198920	1090	7,200	2762962	\$2,968,750	10/23/15	\$412.33	ELAN UPTOWN FLATS (FMR WA STATE LABOR COUNCIL BDLG)	NC3-65	1	Elan Uptown Flats development site.
198920	1070	28,800	2762989	\$11,031,250	10/23/15	\$383.03	ELAN UPTOWN FLATS (FMR ELKS LODGE)	NC3-65	3	Elan Uptown Flats development site.
198920	1415	14,160	2762509	\$7,000,000	10/21/15	\$494.35	NEW DEVELOPMENT (FMR CHAMPION PARTY SUPPLY)	NC3-65	1	New mixed use development going in.
198920	0680	18,000	2725938	\$6,600,000	04/23/15	\$366.67	OFFICE DEVELOPMENT SITE	NC3-65	1	1/2 block office development by Martin Selig.
198920	0715	7,200	2714530	\$4,440,000	02/19/15	\$616.67	OFFICE DEVELOPMENT SITE	NC3-65	1	1/2 block office development by Martin Selig.
198920	0695	3,600	2714526	\$840,000	02/19/15	\$233.33	OFFICE DEVELOPMENT SITE	NC3-65	1	1/2 block office development by Martin Selig.
198920	0655	7,200	2714523	\$1,440,000	02/19/15	\$200.00	PARKING LOT	NC3-65	1	1/2 block office development by Martin Selig.
198920	0880	14,314	2714638	\$5,146,000	02/17/15	\$359.51	SKWG OFFICE BUILDING (REDEVELOPMENT SITE)	NC3-65	1	At John & Elliot. No plans in place but likely an 85 unit multifamily over ground floor retail to start 18 months out. UV = no parking requirement.
198920	0705	7,200	2697636	\$2,258,400	10/24/14	\$313.67	SMALL OFFICE BUILDING (REVELOPMENT SITE)	NC3-65	1	1/2 block office development by Martin Selig.
545830	0270	9,600	2782707	\$2,875,000	02/24/16	\$299.47	7-ELEVEN (NEW 13 UNIT LIVE/WORK & TOWNHOME PROJECT COMING)	NC2-40	1	At 5th Ave N & Valley in Uptown. Ten 3-story live/work units and three 3-story townhomes w/no parking proposed.
198820	0050	14,400	2727342	\$3,200,000	04/29/15	\$222.22	WSLS FLOYD'S CHUTNEY'S ET AL	NC3P-40	1	Mixed use redevelopment beginning in 2016.
199020	0443	12,480	2688362	\$4,300,000	08/28/14	\$344.55	KIDD VALLEY (DEVELOPMENT SITE)	NC3P-40	1	Planned 3-story 34 unit residential structure with 16,200 square feet of commercial use at grade and 65 below-grade parking spaces.
199020	0455	4,800	2688365	\$1,510,000	08/28/14	\$314.58	THE SPECTATOR (DEVELOPMENT SITE)	NC3P-40	1	Planned 3-story 34 unit residential structure with 16,200 square feet of commercial use at grade and 65 below-grade parking spaces.
199020	0150	12,000	2747094	\$3,666,000	07/29/15	\$305.50		MR	1	Tear down site.

Vacant Frozen Sales Calc For 020 with Sales Used Report

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545780	1470	10,800	2736920	\$2,200,000	06/10/15	\$203.70	PARKING LOT (REDEVELOPMENT SITE FOR 400 ROY ST)	LR3	2	Redevelopment site. Part of 400 Roy Street development with two parcels to the south.
387990	1245	6,400	2720243	\$940,000	03/20/15	\$146.88	TEAR DOWN (6 NEW TOWNHOMES GOING IN)	LR3	1	West Uptown area, good views. Tear down, new townhomes going in.
387990	1250	6,400	2720241	\$940,000	03/20/15	\$146.88	TEAR DOWN (6 NEW TOWNHOMES GOING IN)	LR3	1	West Uptown area, good views. Tear down, new townhomes going in.
545780	0420	16,600	2667818	\$2,595,000	05/09/14	\$156.33	8 UNIT APT & 2 HOUSES (TEAR DOWN)	LR3	1	16 proposed townhome units. Land is at \$162K per unit.
277110	1140	13,321	2764237	\$2,075,000	10/27/15	\$155.77	FORMER AUTO SHOP & RESIDENCES	LR1	3	New townhomes, transferred to residential division.
664935	0050	2,245	2764490	\$70,000	10/23/15	\$31.18	SMALL LAND CONDO	IG1 U/45	1	Small parcel of condominiumized land next to a newer live/work building in Magnolia.
186110	1075	4,446	2773697	\$1,000,000	12/17/15	\$224.92	TEAR DOWN; NEW LIVE/WORK & TOWNHOME DEVELOPMENT	NC1-40	1	West slope upper Queen Anne area. New development will be a mix of live/work and townhome units.
701120	0200	107,984	2707738	\$14,041,000	12/29/14	\$130.03	59 UNIT DEVELOPMENT (FORMER SEATTLE CHILDRENS HOME)	LR1	1	Tear down for a 59 unit development.
197320 & 524480	0006 & 0004	32,147	2842233	\$4,200,000	12/29/16	\$130.65	BLEITZ FUNERAL HOME & PARCEL TO SOUTH	C2-40	2	Just south of Fremont Bridge and bought by Talon Private Capital & Waddell Properties.
197220	5885	28,320	2726829	\$4,532,000	04/27/15	\$160.03	WHOLESALE FURNITURE	C2-40	1	Nickerson area, east of SPU. Teardown for new mixed use residential project.
277060	0001	36,000	2789890	\$7,000,000	04/13/16	\$194.44	225 UNIT LENNAR DEVELOPMENT SITE	SM/D 40-85	2	Off Dravus at 16th Ave W. just east of the QFC
277060	3060	4,569	2759034	\$884,900	09/25/15	\$193.67	STATE FARM INSURANCE (LIKELY TEAR DOWN)	SM/D 40-85	1	Developer purchase, likely to be redeveloped in the near future.
277060	3065	7,431	2706174	\$1,375,000	12/12/14	\$185.04	VACANT RETAIL (7 STORY MIXED USE PROPOSED)	SM/D 40-85	1	Mixed use development nearly approved as of 1/1/16.
277060	3451/3460/34	11,471	2819655	\$1,200,000	08/29/16	\$104.61	ISOLA HOMES TEAR DOWNS & VACANT LOTS	NC3-40	3	Along 15th, sloped but developing to full lot potential.
277060	3475	5,650	2819651	\$600,000	08/25/16	\$106.19	ISOLA HOMES VACANT LOT	NC3-40	1	Along 15th, sloped but developing to full lot potential.
277060	3480	5,650	2661692	\$270,000	04/07/14	\$47.79	vacant	NC3-40	1	Vacant land sale, no permits yet.
365770	0005/0015/0050/0060	87,794	2829138	\$7,300,000	10/20/16	\$83.15	E-Z MIN STORAGE (TEAR DOWN)	IC-45	4	Adjacent to Magnolia Bridge Exit on 15th Ave W in Interbay. Tear down of all structures, new 219,000 SF storage facility to be built.
277060	0006	11,475	2842128	\$750,000	12/22/16	\$65.36	VACANT INDUSTRIAL LAND	IG2 U/65	1	2300 W Elmore St; Warehouse area west of Fisherman's Terminal; triangular lot w/some topography.
277160	0995	9,100	2735238	\$700,000	06/03/15	\$76.92	VACANT	C1-40	2	Steeper site, tear down imp on it at time of sale.

Vacant Frozen Sales Calc For 020 with Sales Used Report

Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
880790	0226	2,640	2796024	\$505,000	05/11/16	\$191.26	VACANT LAND (SEGGED FROM DEXTER HAYES BUILDING)	NC3P-40	1	Off Dexter on Hayes, sold as a vacant developable parcel.
880790	0210	4,600	2774658	\$1,225,000	01/04/16	\$266.30	TEARDOWN (NEW MIXED USE PROJECT)	NC3P-40	1	Mixed use redevelopment going in.
880790	0200	9,179	2772727	\$2,100,000	12/21/15	\$228.78	1600 DEXTER BLDG (NEW MIXED USE DEVELOPMENT)	NC3P-40	1	May lease for one year will getting plans set. Building in poor shape per buyer.
352890	1187	5,763	2681740	\$85,000	07/25/14	\$14.75	TEAR DOWN SFR	C1-40	1	Steep Aurora Ave site southwest of Canlis at Smith; has some challenges, see appraiser notes.
880790	0315	7,448	2731832	\$1,175,000	05/07/15	\$157.76	VACANT LAND	C1-65	2	Vacant parcels along Aurora, no permits yet.
197220	4235	3,000	2759374	\$740,000	09/15/15	\$246.66	TEAR DOWN (NEW OFFICE BUILDING GOING IN)	IG2 U/65	1	Along 35th Street at Canal St. in Fremont, permit in place for \$695K for a new office building.
197220	3620	5,280	2657857	\$795,000	03/11/14	\$150.57	LAND ONLY	IB U/45	1	Along N. 36th in the heart of Fremont. A parking lot at this time & has a 10' or so drop from 36th down to the alley like most do along 36th on that block.
197220	0555/0060/0065	5,382	2801877	\$800,000	06/03/16	\$148.64	ED BOULTON INSULATING, TRIPLEX & DUPLEX (TEAR DOWN)	C1-40	3	3611 2nd Ave NW (at junction of N 36th St & Leary Way NW)
197220	1700	12,271	2787294	\$1,500,000	03/28/16	\$122.24	SYSTEMS ENGINEERING INC (REDEVELOPMENT SALE)	C1-40	1	On Aurora at N 39th. Now listed for \$247/SF as a redevelopment parcel along with the two parcels to the north.
197220	1695	3,083	2736670	\$450,000	06/09/15	\$145.96	APTS (TEAR DOWN)	C1-40	1	On Aurora at N 39th. Now listed for \$247/SF as a redevelopment parcel along with the parcels to the north & south.
197220	1675	12,392	2716264	\$1,130,000	02/25/15	\$91.19	VACANT PARCEL	C1-40	1	On Aurora at N 39th. Now listed for \$247/SF as a redevelopment parcel along with the two parcels to the south.
197220	1050	3,360	2787765	\$719,500	03/24/16	\$214.14	OFFICE/APT/SHOP (REDEVELOPMENT COMING)	LR3	1	On Fremont Ave N just north of 36th. Fremont proper.

Improvement Sales for Area 020 with Sales not Used

04/20/2017

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
020	010	387990	0450	11,090	2756187	\$5,080,000	09/15/15	\$458.07	PESOS KITCHEN /RETAIL	NC3P-40	1	15	No market exposure
020	010	029420	0010	1,328	2731580	\$300,000	05/19/15	\$225.90	ATHENA CONDOMINIUM	NC3-65	1	18	Quit claim deed
020	010	198920	1415	18,000	2717727	\$958,781	03/09/15	\$53.27	CHAMPION PARTY SUPPLY	NC3-65	1	15	No market exposure
020	010	944860	0010	4,597	2714319	\$1,500,000	02/17/15	\$326.30	WILSON COURT CONDOMINIUM	NC2-40	8	N	No market exposure
020	010	199020	0460	7,090	2705860	\$37,500	12/09/14	\$5.29	UPTOWN BAKERY/ESPRESSO	NC3P-40	1	24	Easement or right-of-way
020	010	545830	0220	8,300	2669440	\$3,000,000	05/14/14	\$361.45	517 ARSCENTIA	LR3 RC	1	44	Tenant
020	010	199020	0480	13,281	2665538	\$2,670,000	04/23/14	\$201.04	UPTOWN THEATRE (SIFF)	NC3P-40	1	44	Tenant
020	010	387990	0435	20,884	2661731	\$1,462,000	04/07/14	\$70.01	BUNGELow APTS & REST/RETAIL	NC3P-40	1	15	No market exposure
020	010	198920	1005	0	2654689	\$1,000,000	02/10/14	\$0.00	TRIPLEX	NC3-65	1	15	No market exposure
020	020	664935	0040	1,217	2822009	\$280,000	09/14/16	\$230.07	PARKSIDE LOFTS	IG1 U/45	1	15	No market exposure
020	020	156230	0010	900	2783206	\$360,000	03/03/16	\$400.00	CHEZ NOUS CONDOMINIUM	LR3	1	15	No market exposure
020	020	277110	2972	14,335	2695881	\$105,200	10/14/14	\$7.34	WAREHOUSE & retail	IB U/45	1	51	Related party, friend, or neighbor
020	020	277110	1140	2,440	2669937	\$550,000	05/19/14	\$225.41	JOHN GORMAN AUTO REPAIR	LR1	1	12	Estate administrator, guardian, or executor
020	030	780432	0010	4,850	2791759	\$1,300,000	04/22/16	\$268.04	1629 CONDOMINIUM	NC2P-40	1	15	No market exposure
020	030	097600	0695	3,640	2787073	\$2,166,000	03/04/16	\$595.05	2 SINGLE FAM RES	LR2	1	15	No market exposure
020	030	639100	0030	198	2689341	\$74,200	09/09/14	\$374.75	ONE ELEVEN THE CONDOMINIUM	MR	1	18	Quit claim deed
020	030	639100	0020	248	2689339	\$94,400	09/05/14	\$380.65	ONE ELEVEN THE CONDOMINIUM	MR	1	18	Quit claim deed
020	050	277110	2300	3,123	2740594	\$480,000	06/26/15	\$153.70	WAREHOUSE	IG2 U/45	1	56	Builder or developer sales
020	050	277060	2935	11,863	2700362	\$101,780	10/31/14	\$8.58	FRIEDMAN & BRUYA	SM/D 40-	1	24	Easement or right-of-way
020	050	277110	0905	9,260	2668106	\$1,105,000	05/13/14	\$119.33	OFFICE/WAREHOUSE	IG2 U/65	1	51	Related party, friend, or neighbor
020	060	880790	0260	6,647	2696717	\$9,196	10/22/14	\$1.38	OFFICE/RETAIL/WAREHOUSE	NC3-40	1	24	Easement or right-of-way
020	060	880790	0260	6,647	2696716	\$9,196	10/22/14	\$1.38	OFFICE/RETAIL/WAREHOUSE	NC3-40	1	24	Easement or right-of-way
020	060	086100	0010	1,607	2691588	\$30,000	09/22/14	\$18.67	BLOCK, THE	NC3-40	1	24	Easement or right-of-way
020	060	086100	0010	1,607	2691692	\$30,000	09/22/14	\$18.67	BLOCK, THE	NC3-40	1	24	Easement or right-of-way
020	080	744200	0425	1,120	2797440	\$577,000	05/20/16	\$515.18	RESTAURANT	IG2 U/45	1	51	Related party, friend, or neighbor
020	080	264370	0010	42,542	2696526	\$10,859,000	10/13/14	\$255.25	FREMONT CONDOMINIUM	NC3-40	1	61	Financial institution resale
020	080	744200	0755	16,338	2672185	\$1,155,000	06/04/14	\$70.69	INDUSTRIAL CHEMICAL ETC	IG2 U/45	1	51	Related party, friend, or neighbor

Vacant Sales for Area 020 with Sales not Used

04/20/2017

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
020	010	198920	0880	14,314	2790358	\$80,000	04/12/16	\$5.59	SKWG OFFICE BUILDING (REDEVEL	NC3-65	1	24	Easement or right-of-way
020	030	097600	0694	3,756	2832666	\$450,000	10/30/16	\$119.81	VACANT LAND	LR2	1	15	No market exposure
020	030	692670	0910	1,075	2658037	\$28,000	03/11/14	\$26.05	VACANT LAND	LR3	2	18	Quit claim deed
020	040	197220	5874	32,820	2724470	\$10,000	04/10/15	\$0.30	SEG FROM 1972205875	LR3	3	24	Easement or right-of-way
020	040	132503	9034	49,296	2705737	\$200,000	11/13/14	\$4.06	BNSF INDUSTRIAL LAND	IG1 U/45	2	31	Exempt from excise tax
020	040	744300	0060	18,800	2680670	\$2,600,000	07/22/14	\$138.30	VACANT	IB U/45	2	36	Plottage
020	050	277060	3480	5,650	2841913	\$310,000	12/28/16	\$54.87	VACANT	NC3-40	1	15	No market exposure
020	050	277060	0006	11,475	2842128	\$750,000	12/22/16	\$65.36	FENCED-VAC LAND	IG2 U/65	1	15	No market exposure
020	050	277060	2715	6,000	2740602	\$480,000	06/26/15	\$80.00	VACANT	SM/D 40-85	1	21	Trade
020	060	880790	0051	3,800	2829392	\$305,452	10/21/16	\$80.38	MIXED USE DEVELOPMENT COMING	NC3-65	1	15	No market exposure
020	060	168940	0255	1,600	2812952	\$148,800	07/03/16	\$93.00	VACANT LAND	C1-65	1	15	No market exposure
020	080	197220	3730	5,280	2741699	\$800,000	07/08/15	\$151.52	RESTAURANT	IB U/45	1	36	Plottage

Area 20-80 Parcels Inspected

Major	Minor	PropName	AddrLine
193130	1005	4 PLEX	4038 LINDEN AVE N
193130	1145	B F DAY ELEMENTARY SCHOOL	3921 LINDEN AVE N
193130	1175	SCHOOL PLAYGROUND	4001 LINDEN AVE N
197220	0004	vacant	
197220	0005	VACANT LAND	3616 3RD AVE NW
197220	0360	6 UNIT APT	3630 GREENWOOD AVE N
197220	1440	vacant-multifamily	FREMONT WAY N
197220	1625	OFFICE	3829 AURORA AVE N
197220	1675	VACANT PARCEL	3838 AURORA AVE N
197220	2170	5 UNIT APARTMENT	3625 ALBION PL N
197220	2775	VACANT LAND	711 N 35TH ST
197220	2785	park	723 N 35TH ST
197220	2795	SEATTLE PUBLIC LIBRARY	731 N 35TH ST
197220	3565	Retail/shop	3509 EVANSTON AVE N
197220	3604	VACANT	419 N 36TH ST
197220	3620	LAND ONLY	427 N 36TH ST
197220	3850	Vacant	112 N 35TH ST
197220	3935	UNI-HEARTOUS PARKING	162 N 35TH ST
197220	3965	VACANT LAND	115 N 35TH ST
197220	3981	Vacant	
197220	4070	Parking Lot	171 N 35TH ST
197220	4260	burke-gilman tail on portion	217 NW 36TH ST
197220	4281	GENERAL WELDING	215 NW 36TH ST
197220	4315	CITY OF SEATTLE	226 NW 36TH ST
437800	0000	LIVE FREMONT CONDOMINIUM	3636 EVANSTON AVE N
744200	0146	HANSEN & MILLER SERVICE CO	4101 LEARY WAY NW
744200	0158	vacant-industrial	606 NW 41ST ST
744200	0185	BG TRAIL	604 NW 41ST ST
744200	0190	CHAS WATTS CO - SEE MI 0165	4121 6TH AVE NW
744200	0210	RR RIGHT OF WAY	612 NW 41ST ST
744200	0211	VACANT	
744200	0220	RR RIGHT OF WAY/Burke Gilman trail	601 NW 41ST ST
744200	0221	WESTERN TOWBOAT	624 NW 40TH ST
744200	0301	VACANT	4020 6TH AVE NW
744200	0311	Vacant parking 0316	4013 LEARY WAY NW
744200	0312	Live work loft	611 NW 41ST ST
744200	0360	new apt	

Area 20-80 Parcels Inspected

Major	Minor	PropName	AddrLine
744200	0390	UNICRAB INDUSTRIES	310 NW 40TH ST
744200	0400	Frelard Building	312 NW 40TH ST
744200	0460	DORIAN METAL FABRICATING	324 NW BOWDOIN PL
744200	0465	BG TRAIL	525 NW 40TH ST
744200	0740	vacant access rd	510 NW 39TH ST
744200	0750	VACANT LAND	
744200	0836	BG TRAIL	501 NW 39TH ST
744600	0020	NORTHWEST MARBLE & TERRAZZO	625 NW 42ND ST
744600	0070	VACANT LAND	623 NW 42ND ST
744600	0155	ACE GALVANIZING	625 NW 41ST ST
860226	0000	3813 FREMONT AVE N CONDOMINIUM	3813 FREMONT AVE N