

Commercial Revalue

2014 Assessment roll

AREA
36

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

Lloyd Hara, Assessor



King County

Department of Assessments

Accounting Division

500 Fourth Avenue, ADM-AS-0740
Seattle, WA 98104-2384

(206) 205-0444 FAX (206) 296-0106

Email: assessor.info@kingcounty.gov

<http://www.kingcounty.gov/assessor/>

Lloyd Hara
Assessor

Dear Property Owners:

Property assessments for the 2014 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

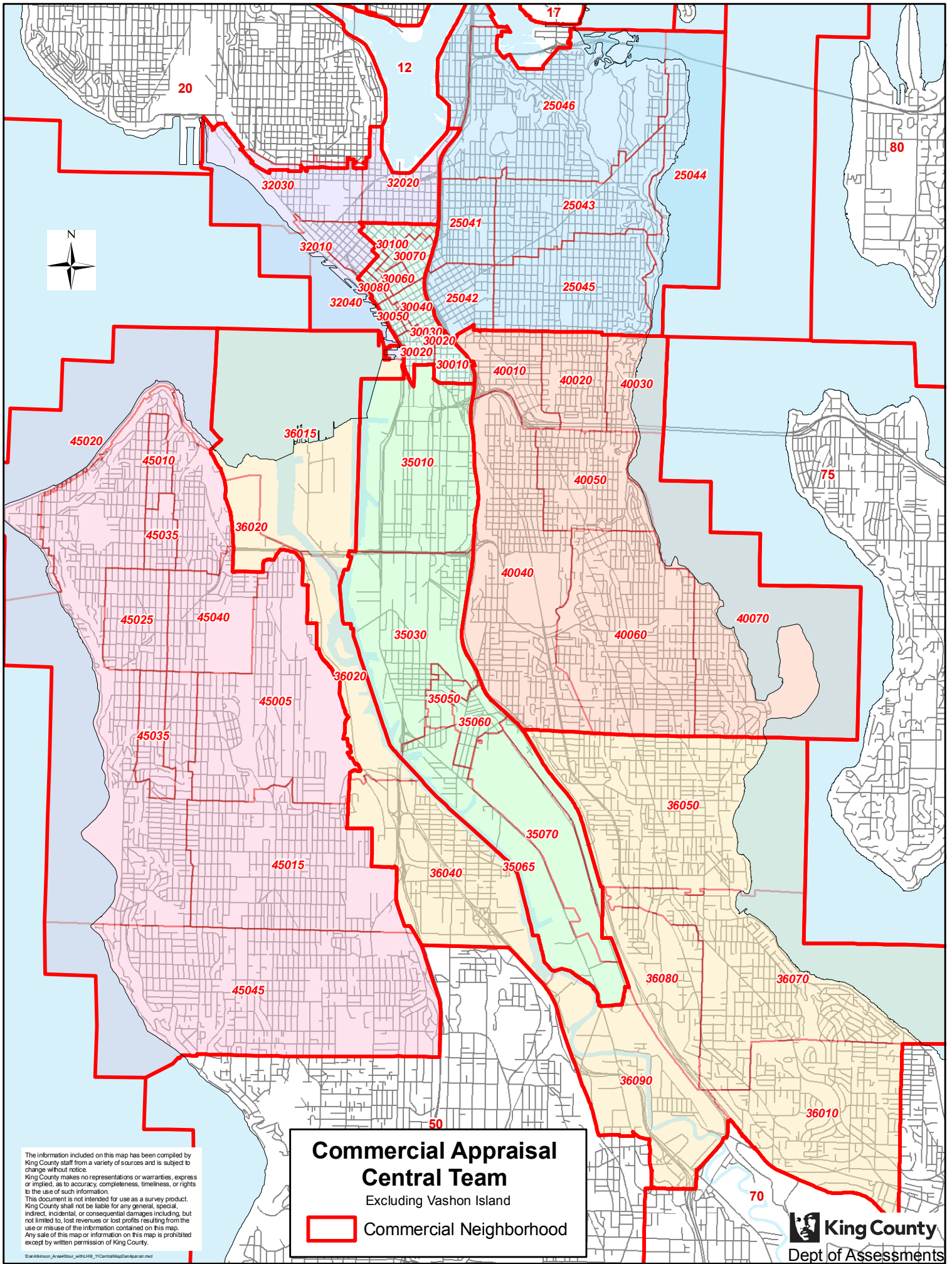
We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2014 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

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

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

Sincerely,

Lloyd Hara
Assessor



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

Commercial Appraisal Central Team

Excluding Vashon Island



Commercial Neighborhood

Executive Summary Report

Appraisal Date 1/1/2014- 2014 Assessment Year

Area 36 Name: West Duwamish

Physical Inspection: Neighborhood 36-20

Sales – Improved Summary:

Number of Sales: 21

Range of Sales Dates: 02/25/2011– 12/19/2013

Sales – Ratio Study Summary:

	Improved Value	Sale Price	Ratio	COD
2013 Average Value	\$2,157,900	\$2,400,600	89.9%	12.97%
2014 Average Value	\$2,229,100	\$2,400,600	92.9%	12.94%
Change	+\$71,200		+3.00%	-0.03%
% Change	+3.30		+3.34	-0.23

*COD is a measure of uniformity, the lower the number the better the uniformity. A negative change of -0.03% and -0.23% implies an improvement in uniformity, and a COD of 12.94% is well within appropriate levels as determined by the IAAO (15% and lower). Also, sale dispersion reflects more current activity (ten sales occurred in 2013, six in 2012, and five in 2011), but sample size was still considered inadequate for a statistically significant result, reflecting a market still in transition.

Sales used in Analysis: All improved sales which were verified as “Used” and did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis.

Population - Parcel Summary Data:

	Land	Imps	Total
2013 Value	\$ 990,994,100	\$ 494,510,100	\$1,485,504,200
2014 Value	\$1,011,385,200	\$ 540,824,060	\$1,552,209,260
Percent Change	+ 2.06%	+ 9.37%	+ 4.49%

Number of Parcels in the Population: 1374, includes vacant and improved parcels; excluding specialty parcels and exempt properties by ownership.

Conclusion and Recommendation:

The values in this report improve Assessment Level as indicated by the Ratio Study. Uniformity and equality are also improved over the previous year. Considering the level of market recovery within the West Duwamish Area, and with Assessment Level, Uniformity, and Equality falling within benchmark guidelines of the IAAO, we recommend posting these values for the 2014 assessment year.

Analysis Process

Effective Date of Appraisal: January 1, 2014

Date of Appraisal Report: April 1, 2014

Highest and Best Use Analysis

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

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

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

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

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

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/2011 thru 12/2013 were considered in all analyses.
- The intention of this report is to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6 (USPAP compliant).

Identification of the Area

Name or Designation: *Area 36: West Duwamish*

Boundaries:

Northern: Harbor Island

Eastern: Harbor Island and Duwamish River to the Boeing Access Rd., then along Lake Washington at S. Graham St. South to SE 1-23-4 Perry St. and the Eastern boundary of Section 3-23-4 and 12-23-4 to 134th St. S.

Western: W. Marginal Way and Pacific Hwy S.

Southern: 134th St. S. in Tukwila & Martin Luther King Jr. WY S. to the Northern city limits of Renton.

Parcel Count:

1,374 parcels under Commercial Assignment

Maps:

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

Area Description:

Area 36, or West Duwamish is considered to fall within the close-in industrial market of Seattle, and several of its neighborhoods comprise part of the Duwamish Manufacturing Industrial Center (MIC), or Duwamish Corridor. This manufacturing corridor is considered a finite and limited resource, and a major contributor to the Seattle/Metro economic base. Broadly defined, activities include all types of manufacturing, wholesale, warehousing, construction support, communications, utilities, and transportation. The area is considered to be transitional, as a majority of the facilities reflect an obsolesced manufacturing infrastructure and the area steadily evolves through redevelopment of industrial activity. The Port of Seattle has been and continues to be a significant influence in driving this redevelopment. Buildings tend toward older age, with many over 40 years old, compared to other industrial areas of the region which have higher proportions of more modern tilt-up structures. Specialized facilities are common, due to harbor/port proximity (Port of Seattle), aircraft production (Boeing), and rail infrastructure. Challenges to area redevelopment include ongoing environmental contamination with associated cleanup efforts, transportation conflicts as increased container shipping activity impacts truck and rail traffic, fragmented ownership which has created numerous small parcels making assemblage more difficult for

large development, and the continued pressure of encroachment from competing interests upon this industrial sector as the region's economy steadily grows. The West Duwamish Commercial Geographical Area is divided into eight neighborhoods spanning three municipalities as well as Unincorporated King County, and is generally distinguished by zoning jurisdictions and geographic characteristics. Within this broad geographic area are included 1,374 tax parcels assigned for commercial valuation under this report. The following is a brief description of each neighborhood with a general reference to zoning breakdown.

Neighborhood 36-10 – Skyway

**Zoning: 45% Commercial
55% Multi-Family/Residential**

Boundaries:

Skyway is located at the Southeast corner of Area 36, south of S 112th St, with most commercial properties concentrated along the Renton Ave. S corridor.

Neighborhood Description:

The Skyway neighborhood is located within unincorporated King County, and occupies an area which extends into Seattle, Renton, and Tukwila. The neighborhood name historically stems from its proximity on a hill between the Renton Airport and the King County International Airport (Boeing Field). Primary access is via Renton Ave. S, Beacon Ave. S. and Martin Luther King Jr. Way S. The neighborhood is considered mature with commercial improvements ranging in age from 1 to 81 years, with 55 as median. Commercial uses are predominantly retail, service, and apartment, and are concentrated along Renton Ave S, the major commercial corridor which meanders through this neighborhood. Newer construction has been limited to public school and administration buildings, and private development of multi-family housing along Martin Luther King Jr. Way S. in the southwest corner of the neighborhood. The multi-family development is located near the I-5 freeway which provides access to close-in Seattle, SODO, and Tukwila/Southcenter employment centers. The eastern terminus of Renton Ave is Rainier Avenue South, providing access to the Renton employment centers and the Renton Airport with its associated Boeing manufacturing activity.



Skyway has a much lower level of commercial and retail activity compared to surrounding areas, with few national retailers or service providers as are located in adjacent neighborhoods (Rainier Valley, Renton, SODO, and Tukwila). Storefronts are typically owner occupied or leased at nominal rent levels by small businesses, i.e. barber shops, sewing shops, thrift shops, auto service and parts stores, neighborhood churches and small grocery stores. The commercial neighborhood is also predominantly surrounded by residential communities: Bryn Mawr, Lakeridge, Skyway, Earlington, Campbell Hill, Panorama, Skycrest, and Top Hill. A Westhill annexation effort to the city of Renton was voted down by Skyway residents a year ago last November. Subsequently, the area will continue to rely on services provided by unincorporated King County, and have limited commercial development or backfilling as experienced in surrounding neighborhoods.



Neighborhood 36-15 – Harbor Island

Zoning: All parcels are industrially zoned

Boundaries:

The Harbor Island neighborhood is located at the northern most section of Area 36, and includes Harbor Island proper along with a surrounding mainland area west/southwest of the island and across the West Waterway of the Duwamish River. The mainland strip is bordered by Harbor Ave S. on the north and S. Spokane St. to the south.

Neighborhood Description:



Harbor Island sits on the Duwamish River Delta in Elliott Bay, and covers approximately 420 acres of fill held with piling. The island is man-made, comprised of fill from the Jackson and Dearborn Street regrades as well as the Duwamish River as it was dredged and straightened to accommodate Seattle industrial growth in the early 1900s. Predominant use involves containerized cargo shipping, shipbuilding and repair, bulk petroleum storage, metal fabrication, and marine services. Predominant use continues to change from heavy industrial to container shipping, the Port being the only participant with the Port's largest and newest facility - APL's Terminal 5, along with Terminal 18, and 102. Terminals 5 and 18 are also major container shipping terminals, and terminal 102 was developed with marina and office/warehouse facilities. The Port is also the major land owner, with the remaining controlled by rail right-of-way, petroleum tank farms, and Vigor Shipyards. The island is also classified as a Federal "Superfund" site, as most all parcels within this neighborhood experience contamination associated liability and/or stigma, which negatively affect land and improvement values. Improvement age ranges from seven to 110 years, with a median age of 44 years.



Neighborhood 36-20

Zoning: 95% Industrial
5% Multi-Family/Residential

Boundaries:

This neighborhood borders Harbor Island on the north and follows a narrow industrial corridor in a south-southeasterly direction between the Duwamish River to the east and West Marginal Way South on the west. The southern boundary is SW Myrtle St in the vicinity of the First Avenue South Bridge and SW Michigan St.



Neighborhood Description:

An industrial area immediately south of Harbor Island. Values reflect “Superfund” influence due to proximity to Harbor Island and the Duwamish Waterway. Improvement age ranges from one to 110 years, with a median age of 44 years. West Marginal Way S. is the primary transportation corridor through this neighborhood, and most heavy industrial uses are located to the east along the Duwamish River with its associated access. The hillside immediately west of Marginal Way is subject to slide instability, but is also backfilled with small manufacturing businesses, many of which are owner occupied. The Port remains a major influence here as land use continues to change from heavy industrial to Port related container shipping. The neighborhood contains rail infrastructure supporting APL Terminal 5 at the north, and Terminal 115 at the southern end, where Lineage Logistics has its Sea Freeze processing facility. It is home to Alaska Marine Lines and its associated container shipping activity, the Nucor Steel plant, a Gray Line bus maintenance facility, a large scrap metal recycling operation owned by General Recycling, and the LaFarge concrete manufacturing plant. It is also home to the Duwamish Longhouse and Cultural Center, a newer facility completed in 2009. Land use continues a slow transition from heavy industrial to light manufacturing, and container related activity. Land values remain influenced by geographical restrictions and stigma associated toxic waste issues associated with Duwamish River clean-up efforts, however the trend continues a steady increase as reflected in Duwamish MIC industrial activity.



Neighborhood 36-40: South Park

Zoning: 73% Industrial
12% Multi-Family/Residential
15% Commercial

Boundaries:

This neighborhood lies at the midpoint of Area 36, and has the largest parcel count within this geographic appraisal area. Its northern boundary is SW Myrtle St. just south of SW Michigan St and the First Avenue South Bridge. The eastern boundary is the Duwamish River down to SW 98th St. (southern boundary). The eastern boundary meanders along a line which runs from a southeasterly to northwesterly direction along the hillside to the west of SR 509 to the south, and Detroit Ave SW towards the north.



Neighborhood Description:

South Park has a wide variety of industrial and warehouse use with some commercial. It has a distinct identity similar to that of Georgetown with an active residential community, lies within the municipalities of Seattle, Tukwila, and unincorporated King County, and includes the South Park Residential Urban Village. The neighborhood made a rapid transition to industrial use from farming with development along the Duwamish River. Boeing plants are a significant influence here, as is proximity to Boeing Field. The neighborhood is home to Delta Marine Industries, MacDonald Miller Facility Solutions, SeaMar Community Care Centers, and the Sea King, Kenyon, and Cloverdale industrial/business parks. Other significant land users include City Light (major substation), the US post office complex at the Oxbow Corporate Park as well as many small owner-occupied businesses throughout this neighborhood.

Significant traffic corridors are SR 99, SR 509, S Cloverdale St, W Marginal Way S, and 14th Ave S. 14th Ave S is considered a particularly critical route in this area, as it links East Marginal Way and SR 99, two important north-south arterials within the Duwamish industrial transportation network. This street also runs through the South Park business district, and has recently been repaved to include sidewalks. The South Park Bridge, however, at 14th Ave S and East Marginal Way S, has been closed to traffic, blocking one end of this traffic corridor. Nearing the end of its physical life (79 years), the structure was in poor condition. New construction for replacement (estimated at \$167 Million) includes a revised design along and removal of the existing bridge. Construction continues to move forward, and summer of this year (2014) has been estimated for projected completion. Upon completion, the new bridge

will be a significant improvement for this neighborhood, and by re-opening a critical traffic corridor, commercial and industrial properties will benefit from improved linkage.



RENDERING OF NEW SOUTH PARK BRIDGE

King County Department of Transportation



SOUTH PARK TRANSFER STATION

Seattle Public Utilities

A second major improvement for this neighborhood is the completion of the City of Seattle's new 140,500 square foot waste disposal and recycling facility. The \$78 Million South Park Transfer Station, located at 130 South Kenyon Street, attained a LEED Gold Environmental Status award, has completed its Startup Testing Phase, and opened to the public on May 30th 2013. Thirteen years of planning and construction have produced a "state of the art" facility, capable of processing 120 tons of waste per hour in support Seattle's 55% recycling rate for this area.

Historically, sales in this neighborhood have been most numerous within the West Duwamish Area, and provided a primary basis for value adjustment, particularly for small warehouses and light manufacturing buildings. This remains the pattern, as ten improved sales from this neighborhood (39% of total “Sales Used”) were used in support of value for the 2014 Assessment Year. The neighborhood is also affected by stigma associated with environmental contamination resulting from industrial use over past years, both from river influence and site specific sources. Improvement age ranges from three to 110 years, with a median age of 38 years. Values here are also expected to increase with the broader influence of industrial activity within the Duwamish MIC.



Neighborhood 36-50: Rainier Valley

**Zoning: 48% Multi-Family/Residential
52% Commercial**

Boundaries:

This neighborhood is immediately north of neighborhood 36-70 (S Trenton St) and south of Area 40 (S Graham St) to the North. It lies between the I-5 Freeway to the West and Lake Washington to the East.

Neighborhood Description:

As indicated by the above referenced zoning, this neighborhood is primarily residential in use with two commercial corridors. It includes the Rainier Valley between Columbia City and Rainier Beach, and commercial use is characterized by small sole proprietorships such as auto repair, convenience stores, small shops and food service facilities located along the two major north-south traffic arterials which



serve this area – Rainier Ave South and Martin Luther King Jr Way South. Improvement age ranges from one to 110 years, with a median age of 38 years. Significant improvements

impacting this neighborhood include the newly developed New Holley Neighborhood Campus, and development of both commercial and residential projects at the S Othello St and Martin Luther King Jr. Way S intersection at Othello Station. This intersection is a key location for this particular neighborhood, and has been the object of significant development with completion of the Light Rail system. Union Gospel Mission completed a five story 102 unit care facility at the site of their mission offices. Across the intersection, Othello Partners completed construction of a 367 residential unit complex with 25,000 sq. ft. of retail space. Immediately north of this location, another parcel known as “The Citidal”, a well-known property in this community, recently sold with similar plans for residential and commercial development. Vacant parcels are being developed into small retail and/or office type buildings, and improved sales tend towards re-development as building improvements are razed in favor of new construction for both residential and commercial uses. Property values are expected to increase as a result of the Light Rail improvement, proximity to the Seattle Core and its associated economic activity.



Neighborhood 36-70: Rainier Beach

Zoning: 77% Commercial
33% Multi-Family/Residential

Boundaries:

This neighborhood lies between neighborhood 36-50 to the North and neighborhood 36-10 to the South, with East and West boundaries generally defined by Lake Washington and 51st Ave South, respectively.

Neighborhood Description:

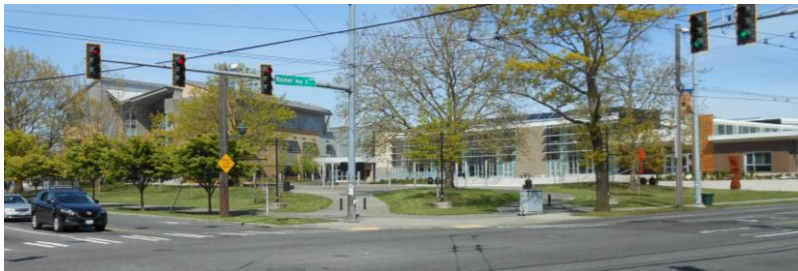
Known as the Rainier Beach neighborhood, the area has been economically depressed in past years but continues to show signs of renewed market interest. Similar to Neighborhood 36-50, use is characterized by small sole proprietorship businesses such as auto repair, convenience stores, small shops and food services located along the two major north-south traffic arterials which also serve this area – Rainier Ave South and the reconstructed Martin Luther King Jr Way South. The neighborhood is differentiated in that significant development has occurred along a major



east-west traffic corridor – S Henderson St, which links the newly completed Sound Transit Link Light Rail Rainier Beach Station at Martin Luther King Jr Way S to Rainier Ave S. This corridor, associated with the general area eastward to the lake along Rainier Avenue has seen more significant development over recent years. Newer retail complexes continue to be developed within immediate proximity of the Henderson-Rainier intersection. The former Lake Washington Shores housing project has been rebuilt, as well as the Rainier Beach Library. Office buildings continue to be constructed or remodeled, and a new community health care clinic just opened this year. All signs point to continued improvement, supported by construction of a new High School, Middle School, and recent completion of the Rainier Beach Community Center by the Seattle Parks Department. Development and rezone requests continue for multi-family housing within the Rainier Beach Urban Village, and lake influence is prominent, with the Atlantic City Park and associated public boat ramp facilities off Seward Park Ave S.



From a broader perspective, significant construction occurred during the mid-1960s in this neighborhood. Improvement age ranges from one to 103 years, with a median age of 45 years. The neighborhood's commercial center comprises a major part of the Rainier Beach



Residential Urban Village. Similar to Neighborhood 036-050, redevelopment follows a similar pattern with substantial remodeling or razing of improvements in favor of new construction.

Property values are also expected to increase with general Seattle Metro economic activity, supported by close proximity to the Seattle Core, and improved linkage provided by the Light Rail system.

Neighborhood 36-80

Zoning: 53% Industrial
21% Commercial
26% Multi-Family/Residential

Boundaries:

This neighborhood is triangularly shaped, and bordered by the I-5 Freeway to the W/SW, 51st Ave S to the East, and meanders through S Barton St on the North and a southern boundary of Neighborhood 36-70.

Neighborhood Description:



This neighborhood is comprised of a small pocket of industrial properties not contiguous with other industrial areas, but considered within the Duwamish MIC just east of the I-5 Freeway and north of the Boeing Access Road. Major transportation corridors include the I-5 Freeway, the newly improved Martin Luther King Jr Way South and the Boeing Access Road, which connects this neighborhood with I-5 and the rest of the Duwamish MIC. This neighborhood is the southern-most point of Light Rail presence along Martin Luther King Jr. Way South, as it crosses the I-5 Freeway at the Boeing Access Road on its way south. The properties are predominantly owner-occupied, and considered comparable to the broader south Seattle industrial market. Uses are primarily warehouse and light manufacturing, along with associated equipment storage. Prominent users include Coluccio Construction, the Northwest Kidney Center, Raisbeck Engineering, Pape' Material Handling, the Lindal Corporate Park, and Nelson Trucking. Improvement age ranges from one to 82 years, with a median age of 36 years. Valuation is supported by South Park, South Seattle and Tukwila, which are considered similar and competing areas. Values are expected to increase in concert with Seattle's industrial market, particularly in view of linkage to Port facilities and the industrial core.

Neighborhood 36-90

Zoning: 41% Industrial
37% Commercial
22% Multi-Family/Residential

Boundaries:

Occupying the Southeastern most portion of Area 36, the neighborhood lays east of SR 99 and SR 599 and west of I-5, with its northerly border at the Boeing Access Road and S 104th St. The southerly border runs irregularly along S 129th St, then S 136th St, and 51st Ave S into Tukwila.

Neighborhood Description:

Characteristics of this neighborhood are more specifically defined by the Duwamish River, as the northern boundary of 36-90 marks the end point of the River's deep water access and contribution to industrial use. From this point southward, the River meanders back and forth across the east/west boundaries of this neighborhood and splits it into two distinct industrial areas as it flows from South Park into Tukwila. In this respect the neighborhood is transitional, as it is part of the Duwamish MIC, but also influenced by Tukwila, Southcenter Mall retail, as well as the Kent Valley industrial uses.

The northern portion is served by the Boeing Access Road/I-5, East Marginal Way S, and the Tukwila International Blvd, which provides excellent linkage and visibility. Predominant users include the Intergate III High Tech Office/Industrial Park which now occupies the old



Boeing military complex. Newer office buildings have been built on the site, which has expanded west, to Tukwila International Blvd and north to 128th St. Group Health operations center is in this area as well as newly constructed offices for the Office of Homeland Security. Metro's maintenance and training facility, the Seattle Police training complex, Gateway

North's warehouse/office park, as well a major Burlington Northern switchyard, are located here.

The southern portion is served by SR 599 which runs into SR 99 and the South Park neighborhood, Interurban Ave S, and I-5. Located here is the City of Tukwila's community center, the Gateway Corporate Center, Boeing Credit Union offices, and the Tukwila Commerce Park.

Overall, predominant uses include all types of warehouse space (office, distribution, storage, and transit) with some light manufacturing. Improvement age ranges from 3 to 110 years, with a median age of 35 years. Values are expected to increase with anticipated growth in Seattle industrial activity.

Physical Inspection Identification:

Neighborhood 36-20 was physically inspected for this 2014 revalue report.

Preliminary Ratio Analysis

A Ratio Study was completed just prior to the application of the 2014 recommended values, and benchmarks the current assessment level using 2013 posted values. The study was then repeated after application of the 2014 recommended values, the results of which are included in the validation section of this report.

Scope of Data

Land Value Data:

Twenty four sales within the area occurred between 03/07/2011 through 12/10/2013 and were given primary consideration for land valuation. These specific sales indicated value ranges of \$9.59 to \$31.95 for industrial zoning and \$7.54 to \$59.67 for commercial zoning. Two multi-family zoned sales indicated values of \$2.74 and \$20.11 per square foot. Fourteen of these sales occurred in 2013, three in 2012 and seven in 2011. Seven sales were based upon a Land Residual Indication, as the properties were improved, but with buildings contributing to a minor portion of overall property value. In these instances, the depreciated value of improvements was deducted from each respective sales price in arriving at an indicated site value. From a broader perspective, the frequency of sales during the 2013 calendar year is significant, as it is a reflection of market recovery over the spectrum of all land use within this area. One sale in particular, within the South Park neighborhood, was a transfer of three large parcels of vacant land previously used for container storage. The purchaser, Panattoni Development Company, immediately started construction of two speculative tilt-up warehouses totaling 196,610 SF. The fact that a major developer was willing to take on a

significant project without a tenant demonstrates market optimism for the industrial sector as the Seattle MIC continues on its recovery path.

Based upon examination of historical and current sales activity within this and surrounding areas of similar land use, land values overall were considered to have remained level, including residentially zoned parcels. Frequency of sale, however, has increased significantly over the previous year (2013), lending additional support to existing levels. Commercial Land sales within Areas 35 (Duwamish Industrial District), 40 (Rainier Valley), 45 (West Seattle), and 70 (Tukwila) were also reviewed for relative comparison. Examination of the thirteen "Sales not Used" in Area 36 shows four involved property transfer via Quit Claim Deed, one involved a lease or leasehold, two involved corporate affiliates, four involved government agencies, and two were considered distressed sales. Listings within the general area were also reviewed as a comparison to existing levels, in addition to examination of residentially zoned overlays for purposes of adjustment and equalization with predominantly residential valuation patterns.

The West Duwamish Area is considered primarily an owner-user market as compared to an investor market. Accordingly, valuation is predominantly use-driven as opposed to investment-driven. Expansion potential, contamination control, industrial/commercial zoning, as well as CBD proximity, are factors that influence this market and impact corresponding valuation. The area is characterized with numerous environmental influences which tend to a site specific valuation, such as wetlands, fish and wildlife habitat, steep slopes and associated erosion, and exposure to geologic hazards such as liquefaction and landslide prone areas.

Improved Parcel Total Value Data:

Twenty one improved sales which occurred between 2/25/11 and 12/19/13 were given primary consideration for establishing value estimates.

Seven additional sales of condominium moorage slips, along with sales of seven improved properties reflecting a change in use (characteristic changes at time of / or subsequent to sale), were included on the Improvement Sales Used List. These sales were not applied in ratio analysis as they were not considered representative for purposes of broad consideration in value placement and statistical analysis, but are used as market value indications based upon existing property characteristics at the time of sale. Improved commercial sales within Areas 35 (Duwamish Industrial District), 40 (Rainier Valley), 45 (West Seattle), and 70 (Tukwila) were also reviewed for relative comparison.

Sales information was obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information was then analyzed and investigated by the appraiser during the process of revaluation. All sales were verified if possible by calling either the purchaser or seller, inquiring in the field or calling real estate agents. Property characteristic data is also re-verified at the time of sale, if possible. Due to

time constraints, interior inspections were limited. Sales are subsequently listed in the “Sales Used” or “Sales Not Used” sections of this report. Similar to the Land Value Data referenced above, listings within the area of improved parcels were also reviewed as a general comparison to existing levels. Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

Land Value

Land Sales, Analysis, Conclusions

As referenced above, useable area, utility (as impacted by shape, topography, wetland or slide areas, etc.) expansion potential, contamination control and zoning were factors considered to influence corresponding valuation. Proximity and location are also considered. Given the large geographical dispersion of this area, along with the wide range of land characteristics within each of the neighborhoods, the corresponding valuation applied may vary substantially. Below are zoning breakdowns for the range of land value applied within the eight neighborhoods of West Duwamish, and reflect adjustment applied predominantly to residentially zoned parcels for equalization purposes. Zoning has been grouped into similar use due to the large number of classifications within Seattle, Tukwila, Renton, and unincorporated King County areas. The indicated ranges below reflect valuation applied using both total site and \$ per square foot methodology for purposes of value allocation.

Neighborhood 36-10

Land values within this neighborhood continue to stabilize over previous levels. Consideration was given to surrounding neighborhoods in support of valuation applied, but current levels are still considered conservative. Two multi-family land sales occurred for purposes of determining valuation (in 2012 and 2013), and two additional sales occurred which were not considered representative market transactions (Govt. entity and a leasehold).

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
CB, CBSO	\$10.00 - \$20.00
NB (1), NC1-30 (1)	\$2.89 - \$15.00
R-6P, R8P (1), R8PS0 (1)	\$10.00 - \$12.00
R-12, R-14, R-18 (1), R-24, R-24P (1)	\$2.48 - \$15.00
R-48	\$9.33 - \$16.00

Neighborhood 36-15

Land sales within this neighborhood typically involve the Port of Seattle, and are not considered reflective of market value due to compensation for intangible services. This may

reflect relocation expense, improvements to a new property and/or site, the purchase of business goodwill, premiums paid for takings, indemnification for contamination liability, or compensation for hardship. Financial value of these services cannot be easily isolated, so resulting sales are not typically considered reliable as market indications of value. The Port is also the only active participant in this neighborhood. Except for Vigor Shipyards, a business park and petroleum tank farms, Harbor Island is almost completely owned by the Port. The land is comparable to that along the Duwamish Waterway in that industrial and shipping uses are similar. Large parcels are common in this area and deep water frontage is typically required. Nearby waterway and water access sales in neighborhoods 36-40 and 36-20 and Area 35 are also considered for purposes of valuation. No market sales in support of land value have occurred over the past three years within this area. One Quit Claim transfer of an operating property occurred in 2013, but was not used for valuation.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
IG1-U/85	\$5.92 - \$33.33
IG2-U/85	\$8.50 - \$15.00

Neighborhood 36-20

The cleanup efforts on the Duwamish Waterway and associated parcels are on-going. Port influence is also significant within this neighborhood similar to that of Harbor Island. Three sales occurred of improved parcels which were adjusted to provide residual land value indications. One Quit Claim transfer of an Operating Property was not used for valuation. Sales from Area 035 were considered for purposes of valuation.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
IB U/85	\$7.00 - \$18.00
IG1 U/65(2), IG1 U/85, IG2 U/85	\$3.55 - \$18.00
LR-1 (1)	\$16.00
SF 7200	\$1.00 - \$7.50

Neighborhood 36-40

Neighborhood 40 had ten land sales in support of South Park industrial and commercial uses. Four of these sales occurred in 2013, two occurred in 2012, and four in 2011. Nine sales had industrial zoning, and one had commercial zoning. Of the ten sales used, three were based upon land residual calculations. Values tend to be higher towards the north due to closer proximity to the Seattle CBD. Sales from Area 035 were considered for purposes of valuation.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C1/40 (3), C2/40, C2/65	\$17.79 - \$18.00
NC2/40, NC3/40	\$20.00

I, IB U/45, IB U/85	\$4.79 - \$20.00
IG1 U/65, IG2 U/65, IG2 U/85	\$4.75 - \$19.12
MIC/H (2)	\$16.00
LR-1(2), LR-2, L-2RC(2), LR-3	\$2.11 - \$20.00
R-18, RB, R-4(1)	\$2.38 - \$20.00
SF 5000, SF 7200	\$1.50 - \$8.62

Neighborhood 36-50

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C1-40, NC1-30	\$24.99 - \$40.00
NC2P-40 (1), NC2-40	\$12.53 - \$50.00
NC3-40, NC3-65, NC3P-65(1), NC3P-85	\$29.99 - \$90.00
LR-1, L-2(2), LR-2, LR-3, LR-3RC	\$20.00 - \$45.00
SF 5000, SF 7200 (2)	\$9.00 - \$25.00

Neighborhood 36-70

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C1-40 (1), C1-65 (3)	\$25.00 - \$35.00
NC1-30, NC1-40	\$7.50 - \$35.00
NC2-30, NC2-40, NC2P-40	\$13.62 - \$35.00
NC3-40, NC3P-40	\$15.00 - \$40.00
LR-1 (1), LR-2 , LR-3	\$20.00 - \$30.00
R6P (1), SF 5000, SF 7200, SF 9600 (1)	\$11.58 - \$67.14

Neighborhood 36-80

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
LI (2), C/LI (1), C2-65, RCC (2)	\$7.99 - \$18.00
IB U/65 (1), IG2 U/65, IG2 U/85	\$6.00 - \$18.00
MIC/H	\$0.07 - \$18.00
HDR	\$1.99 - \$16.11
LDR (2)	\$8.38 - \$15.00
SF5000 (2), SF7200 (2)	\$6.00 - \$8.00

Neighborhood 36-50 had three sales in support of commercial uses, and one sale in support of low density residential use. Neighborhood 36-70 had four land sales in support of neighborhood commercial uses. Additionally, neighborhoods 36-50, 36-70, and 36-80 had seven sales not considered in support of land valuation.

Neighborhoods 36-50, 36-70, and 36-80 continue to see development activity resulting from the Central Puget Sound Regional Transit Authority now that construction is complete along this light rail route. With completion of this system, light rail service is provided between the Seattle CBD retail core and the Seattle Tacoma International Airport. Two stations along this line – one at S. Othello St. (Othello Station/Neighborhood 36-50), and one at S. Henderson St. (Rainier Beach Station/Neighborhood 36-70) fall within the Rainier Valley Segment of this line and provide rail access from within these neighborhoods.

Neighborhood 36-90

This area includes a high-end industrial park with class “A” office space, a newer refurbished high tech park, the Group Health Office Campus, and recent construction of DSHS and Federal Homeland Security office buildings. All are a reflection of continued market interest in support of development within relatively close proximity to the Seattle CBD. One sale of an industrial property occurred during 2011 in support of land valuation. Two sales occurred over the 2011 – 2012 period which involved a Quit Claim transfer and a government agency, and were not considered for purposes of land valuation.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C/LI, O(1)	\$0.04 - \$25.00
MIC/H, MIC/L, HI (1)	\$0.07 - \$20.00
LDR, MDR (2), RM-18 (2)	\$0.68 - \$16.00
RS 7200 (2), RM-18 (2), RCC (2)	\$3.24 - \$16.00

Land Value Comparisons and Recommended Conclusion:

In terms of land valuation allocated within this area, recent and relatively frequent sales provide additional support for the benchmark values applied. And from a broad perspective, land values remained relatively unchanged for the 2014 Assessment Year. The total assessed land value in Area 36 for the 2013 assessment year was \$ 990,994,100. The 2014 total recommended assessed land value is \$ 1,011,385,200. Application of these recommended values for the 2014 assessment year results in an overall increase of 2.06%.

A list of both vacant sales used and vacant sales not used (those considered not reflective of the market) are included in subsequent sections.

Improved Parcel Total Sales

Sales comparison approach model description

Generally speaking, the West Duwamish geographic area is comprised predominantly of owner-occupied warehouse type properties. These warehouses are used in distribution, light manufacturing, storage, shop area and open office space. A Land to Building Ratio of 2:1 is applied to improved properties as a guideline based upon appraiser judgment in order to maximize highest and best use of properties as reflected by the market. The Land to Building Ratio guideline is supported by an average F.A.R. of .47 for all of urban King County commercial and mixed use zones, and .46 for industrial zones (11/23/2009 Buildable Lands Presentation reflecting Commercial/Industrial Development Activity: 1996 – 2000). Age and utility are an influence on value for a given use, and are also reflected in the valuation process. Quality tends to the low side and improvement age ranges from 1900 to the present, in a fairly even distribution.

Between January 1 of 2011 and December 31 of 2013, fifteen sales provided an indicated range of \$63 to \$209 per sq. ft. for warehouse type buildings; six sales provided an indicated range of \$69 to \$476 per sq. ft. for office buildings; and seven sales providing an indicated range of \$107 to \$321 per sq. ft. for retail buildings. Reflecting the predominance of owner occupancy within the West Duwamish Area, 82%, or twenty three of the twenty eight sales were considered owner/occupant purchasers. At the low end are typically older properties offering less utility to the market. Warehouse buildings are generally of poorer quality and condition in comparison with the East side of the Duwamish (Area 35). At the high end are newer properties offering greater utility, efficiency, quality of construction and appearance to the market, although excess land often distorts broad comparisons. The retail and office markets are not significant in neighborhoods 15, 20, 40 and 80, as they tend to be secondary and in support of warehouse type uses. Retail areas within Neighborhoods 10, 50 and 70 are comprised of older improvements with minimal updating. The vast majority of these properties are occupied by small sole proprietorships, with an absence of national chains, and if tenant occupied, tend to be marginally maintained as an interim use. There are many single-street, three to six block long retail areas, in South Park, Rainier Beach and Skyway. These areas tend towards relatively higher vacancy and lower rents due to an absence of primary retail activity, and offer a limited mix of products and services to the customer base. Neighborhoods 50, 70, 80, and 90 are also influenced by Light Rail presence referenced earlier (See comments under Land 36-80).

Sales were most numerous in neighborhoods 36-40 (12) and in 36-50 and 36-90 (with 4 each). Given the small sample size, these sales were not representative of all property types, but were used in support of income, market, and cost methodologies applied to valuation models. These sales, along with examination of the surrounding Geographical Area sales patterns, and review of surveys and forecasts referenced herein, support the assumption of improving market conditions for valuation adjustment.

Sales Comparison Calibration

Neighborhoods were valued independently of each another as reflected by the market. Parcel values were applied based on characteristics deemed appropriate within each market on a dollar value per square foot of improved net rentable area. Many small owner-occupied warehouses do not fall within normal income capitalization model assumptions, and were valued within the indicated sales range. The prices paid by owners often reflect a premium in value when compared to an income generated value from investment perspectives. Accordingly, many smaller industrial buildings were valued using a market approach on a price per square foot basis rather than a modeled income approach. In another instance, a marina, (Parkshore) with a large population of individual condominium boat slips, was valued on a dollar per lineal foot basis, based upon sales referenced earlier in this report. In this instance, seven sales provided an indicated range of \$1,100 to \$2,125 per lineal foot, depending upon slip length and whether or not the slip was covered. Other variables and price ranges for neighborhoods were discussed in general detail above. Applicability of the Sales Comparison, or Market Approach, is considered more reliable for smaller properties which were not supported by income methodology.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies completed by Marshall & Swift Valuation Service. Cost estimates were adjusted to both the western region and the Seattle area. Marshall & Swift cost calculations are then automatically calibrated to the data in place within the Real Property Application. Cost estimates were relied upon in most instances of special use and exempt properties, to include schools, churches, fire stations and public utility buildings, where sales data and/or income/expense information is not available. Cost estimates also serve as a value indicator for newly constructed projects, properties under construction, or for additional support to the other approaches to value.

Cost calibration

The Marshall & Swift cost modeling system built within the Real Property Application is calibrated to the region as well as the Seattle area on an annual basis.

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).

Income: Income parameters were derived from the market place from listings, market sales, as well as published sources (i.e. Office Space Dot.Com, Commercial Brokers Association, Costar, Multiple Corporate Real Estate Websites), opinions expressed by real estate professionals active in the market, and through direct inquiry with property owners and tenants.

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

Expenses: Expense ratios were estimated based on industry standards, published sources, and personal knowledge of the area's rental practices. Within our income valuation models, the assessor used triple net expenses for retail/mixed-use & industrial type uses. For office/medical buildings, the assessor applied full service expense assumptions within the valuation model.

Capitalization Rates: Capitalization rates were determined by local published market surveys, such as CoStar, Real Estate Analytics, The American Council of Insurance Adjustors, Colliers International, Integra Realty Resources, and Korpaz. Other national reports include; Grubb & Ellis Capital Mkt. Update, Emerging Trends in Real Estate, Urban Land Institute, and Cushman & Wakefield – 16th Annual Real Estate Trends. 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 built (1930, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year built (2010, for example) will warrant a lower capitalization rate. Parcel locations within the Duwamish MIC also tend to reflect lower rates due to close-in Seattle proximity, high percentage of owner/occupancy, and limited availability.

Cap rate summary of various published resources:

SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2013	Seattle MSA	5.83%	7.05%	7.16%	
		Pacific Region	6.21%	6.93%	6.37%	
PWC / Korpaz	4Q 2013	Seattle Pac. NW	6.61% 6.10% 7.13%	- - -	- - -	Range = 4.20% to 9.00% CBD Office Suburban Office
CBRE: Capital Markets Cap. Rate survey.	2 nd Half (2013)					CBRE professional's opinion of where cap rates are likely to trend in the 2 nd ½ of 2013 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	5.00% - 5.75% 6.00% - 6.50% 6.00% - 6.75% 7.00% - 8.00% 6.00% - 6.50% 7.50% - 8.50% 6.50% - 7.50% 8.25% - 9.25% - - - - - - - - - - - - - -	- - - - - - - - 5.00% - 5.50% 6.50% - 7.00% 5.50% - 6.00% 7.00% - 7.50% - - - - - - - - - - -	- - - - - - - - - - - 5.00% - 5.75% 6.00% - 7.50% 6.00% - 6.75% 7.00% - 8.50% 6.00% - 7.00% 7.00% - 9.00% 6.75% - 7.50% 8.50% - 10.00% 5.25% - 5.75%	CBD - Class A CBD - Class A – Value Added CBD - Class B CBD - Class B – Value Added Suburban - Class A Suburban - Class A – Value Added Suburban - Class B Suburban - Class B – Value Added Class A Class A - Value Added Class B Class B - Value Added Class A (Neigh./Comm. w/Grocery) Class A (Neigh./Comm.) – Value Added Class B (Neigh./Comm. w/Grocery) Class B (Neigh./Comm.) – Value Added Class A (Power Centers) Class A (Power Centers) – Value Added Class B (Power Centers) Class B (Power Centers) – Value Added High Street Retail (Urban Core)
IRR: Viewpoint for 2014	Yr. End 2013	Seattle	5.50% 6.50% 6.00% 7.50% - - - - - - - - -	- - - - 5.25% N/A 7.25% N/A - - - - -	- - - - - - - - 5.25% N/A 6.00% 6.50% 6.25% 6.72%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial – Class A Industrial – Class B Flex Industrial – Class A Flex Industrial – Class B Reg. Mall – Class A Reg. Mall – Class B Community Retail – Class A Community Retail – Class B Neighborhood Retail – Class A Neighborhood Retail – Class B
RERC-CCIM: Investment Trends Quarterly	4Q 2013	West Region	8.00% 7.50% - - -	- - 7.30% 7.30% -	- - - - 7.20%	Office CBD Office Suburban Industrial Warehouse Flex Retail
Colliers Office Highlights	Q4 2013	Seattle/PS	8.00% 8.00%	- -	- -	CBD Office Suburban Office
Costar	Yr. End 2013	King County	5.11% 6.14%	- -	- -	SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10% SP=\$5mil. +; Cap. Rate = 1%-10%

SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			-	6.02%	-	SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10%
			-	6.60%	-	SP=\$5mil. +; Cap. Rate = 1%-10%
			-	-	6.71%	SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10%
			-	-	6.75%	SP=\$5mil. +; Cap. Rate = 1%-10%
The Boulder Net Lease Report	4Q 2013	Pacific Region	-	-	6.63%	Big Box "Overall"
Chainlinks Realty Advisors	Q4 2013	Pacific Region	-	-	6.60%	Shopping Centers All Types
			-	-	6.60%	Shopping Center (Neigh. & Comm. Cntrs.)
			-	-	6.00%	Drug Store
			-	-	5.70%	Quick Service Rest.
			-	-	6.00%	Jr. Big Box - (20,000/SF - 39,999/SF)
			-	-	7.30%	Mid. Big Box - (40,000/SF - 79,999/SF)
			-	-	7.20%	Mega Big Box - (80,000/SF +)
NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2013	National	6.26%	7.10%	6.65%	Overall
			7.28%	7.94%	7.28%	Sq.Ft. - <50k
			7.09% - 7.23%	7.61% - 7.99%	7.09% - 7.23%	Sq.Ft. - 50k-200k
			6.10%	6.73%	6.20%	Sq.Ft. - 200K+
PWC / Korpaz	4Q 2013	National	6.45%	-	-	CBD Office - (4.00% - 9.00%)
			6.98%	-	-	Sub. Office - (5.00% - 9.50%)
			7.71%	-	-	Medical Office - (5.50% - 11.00%)
			-	7.83%	-	Flex/R&D - (6.25% - 10.00%)
			-	6.22%	-	Warehouse - (5.00 - 7.75%)
			-	-	6.56%	A+ = 5.46%; A = 5.92%; B+ = 6.71%
			-	-	6.67%	Power Center - (5.50% - 8.00%)
			-	-	6.98%	Neigh. Strip Ctrs. - (5.00% - 10.00%)
IRR: Viewpoint for 2014	Yr. End 2013	Seattle	7.37%	-	-	<u>Institutional Grade Properties"</u>
			8.01%	-	-	CBD Office – Class A
			7.68%	-	-	CBD Office – Class B
			8.23%	-	-	Suburban Office – Class A
			-	7.50%	-	Suburban Office – Class B
			-	8.09%	-	Industrial – Class A
			-	8.01%	-	Industrial – Class B
			-	8.53%	-	Flex Industrial – Class A
			-	-	-	Flex Industrial – Class B
			-	-	7.01%	Reg. Mall – Class A
			-	-	N/A	Reg. Mall – Class B
			-	-	7.26%	Community Retail – Class A
			-	-	7.72%	Community Retail – Class B
			-	-	7.41%	Neighborhood Retail – Class A
			-	-	7.93%	Neighborhood Retail – Class B
RERC-CCIM: Investment Trends Quarterly	4Q 2013	National	7.70%	-	-	Office CBD
			8.00%	-	-	Office Suburban
			-	7.80%	-	Industrial Warehouse
			-	7.90%	-	Flex
			-	-	7.50%	Retail
Colliers International Office/Industrial Highlights	Q4 2013	National	7.27%	-	-	CBD Office
			7.81%	-	-	Suburban Office\
			-	7.50%	-	U.S. Total
			-	6.10%	-	Seattle/Puget Sound
			-	7.22%	-	West Region
IAAO Webinar Cap. Rate Report	Yr End 2013	National	-	-	-	<u>"Transactions over \$2.5mil"</u>
			7.20%	-	-	<u>(Real Cap Anal)</u>
			-	-	7.40%	Single Tenant Office
			-	-	7.20%	Big Box
			-	-	7.40%	Grocery/Supermarket
			-	-	7.50%	Anchored Strip Malls
			-	-	7.20%	Unanchored Strip Malls
			-	-	6.70%	Power Center
			-	-	-	Drug Stores

SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			- -	- -	6.40% 7.00%	Malls Average – All Subcategories
Calkain: Net Lease Economic Report	Yr End 2013	National	- - - - -	- - - - -	6.70% 7.10% 6.60% 7.30% 7.45% 5.95%	Overall (Average) Drug Store Quick Service Rest. Restaurant Big Box Banks
The Boulder Group: Net Lease Market Report	4Q 2013	National	7.70% - - - - - -	8.00% - - - - - -	7.02% 7.10% 6.25% 7.50% 7.05% 7.18% 7.58% 6.63%	Overall (Average) Big Box “Overall” Big Box “Investment Grade” Big Box “Non-Investment Grade” Jr. Big Box - (20,000/SF – 39,999/SF) Mid. Big Box - (40,000/SF – 79,999/SF) Mega Big Box - (80,000/SF +) Overall (Average)
Cassidy/Turley: Single Tenant Net Lease Overview	3Q 2013	National	- - - - -	7.60% - - - - -	- 6.90% 6.90% 7.60% 7.90% 7.50%	Industrial Drug Store Quick Service Rest. Jr. Big Box - (20,000/SF – 39,999/SF) Mid. Big Box - (40,000/SF – 79,999/SF) Mega Big Box - (80,000/SF +)

The preceding table demonstrates ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in development of the income model. The range of capitalization rates of the model reflects the range of property characteristics within each area.

Income approach calibration

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

The predominant property type is warehouse, which includes distribution, light industrial and storage warehouses, storage buildings of all types, service buildings, utility buildings and machine shops. Rents applied are lowest for older properties in poor condition, and range typically from \$4.70/sq. ft. for poor quality, to \$6.00/sq. ft. for average to good quality buildings of all ages. There are no warehouses with excellent building quality and those of good quality are rare. The vast majority of rents fall within the average to low-cost classifications. Capitalization rates applied to these properties also reflect investment risk,

being higher for older, poorer quality buildings (9.75%) and lower for newer, better quality buildings (6.75%).

Income tables were developed to represent each neighborhood within the area for purposes of direct income capitalization. Tables created were for all warehouse, light industrial, service, storage, shop, retail, restaurant/tavern and office uses. A “No Income” table was also created for those properties where the income approach is not considered applicable such as exempt properties including schools, fire stations, churches and public utility buildings, and other special use properties where income/operating information is not available, or is considered less reliable.

The following tables are the result of an analysis of this information. The tables stratify the major property types for each area and the income parameters that were typically used.

Neighborhoods 10, 15, 20, 40, 50, 70, 80, and 90

Stratification for the various property uses and types are generalized and listed below: (Rents are typically expressed as annual and triple net, unless otherwise noted)

Office Buildings: includes medical, dental and mixed use properties.

Annual Rental Rate Per RSF Range	Vacancy Rate Range	Expense Rate Range	OAR Range
\$6.00 to \$22 Gross	10.00% to 30.00%	25% to 30%	6.50% to 9.25%
\$6.00 to \$16 Net	5% to 12%	7.50 Net	7.75% to 9.25%

Industrial Buildings - (engineering, flex, light and heavy manufacturing), warehouse buildings (storage, distribution, and discount store), equipment/shop buildings, garages – (storage & service repair), lofts, and material storage buildings:

Annual Rental Rate Per RSF Range	Vacancy Rate Range	Expense Rate Range	OAR Range
\$4.25 to \$6.50	5.00% to 12.00%	7.50% Net	6.75% to 9.75%

Retail Buildings: Retail stores, convenience markets, mixed use retail, supermarkets, line retail, and restaurants.

Annual Rental Rate Per RSF	Vacancy Rate	Expense Rate	OAR Range
\$7.00 to \$19.00 Gross	10%	25.00%	8.00% to 9.25%
\$6.00 to \$16.00 Net	5.00% to 12.00%	7.50% Net	7.75% to 9.75%

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records.

Reconciliation

All parcels were individually reviewed by the area appraiser for correctness of the model application before a final value is selected. Each appraiser can adjust any or all of the factors used to establish value by the model.

Primary consideration in valuation was based on an Income Approach Model using a Direct Capitalization technique. Market rents collected for the income model were used as a guide in establishing market rental rates. The rates applied vary somewhat but fall within an acceptable range of variation from the established guidelines. Capitalization rates were based upon historical levels, and adjusted to reflect recent current market conditions referenced by national and local surveys of the greater Seattle/Puget Sound region and Duwamish MIC. Similarly, the commercial and retail markets within the non-industrial areas (Skyway and Rainier Valley/Beach neighborhoods) reflect market rents, vacancy, and capitalization rates of the South Seattle market.

Due to the significant proportion of occupant owners within the West Duwamish Area, as reflected in sales data, the Market Approach was also applied, as abstraction of rents, vacancy, and or capitalization rates from owner-occupant sales tends to be a less reliable indicator compared to properties exchanged and held for investment purposes. However, in many cases, the Sales Comparison Approach (Market Approach) was de-emphasized in favor of the Income Approach where modeling reflected a valuation level within indicated market ranges. Historical levels were reviewed and adjusted in support of Cost and Income indications whenever applied.

The Cost Approach was commonly applied to many large parcels where the land component comprises a significant proportion of overall property value. Harbor Island (036-15), and a major portion of neighborhood 036-020 immediately south, have very large site areas and were valued using the Cost Approach. West Duwamish also has many industrial properties with excess or surplus land, which may impact either the Income or Market approach applied to the respective parcels.

Commercial land/site value remained constant in the non-industrial Rainier Valley (036-050) along the ML King corridor as retail and residential/multifamily build out continues, particularly along the Light Rail line at Othello Station. Land /site values also remained stable for residential uses in 036-010, 036-050, and 036-070. All land and/or site valuation was based upon Market Approach methodology.

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

Final value selects were reviewed by the Senior Appraiser before posting. With application of the recommended values, the standard statistical measures for valuation performance have improved within IAAO standards.

Model Validation

Total Value Conclusions, Recommendations and Validation:

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

With application of the total Value Model described above, Ratio Analysis results indicate an increase in equalization among properties, as evidenced by movement of the COD from 12.97% to 12.94%. An additional measure of uniformity, the price related differential (PRD), improved from 0.97 to 0.99. Both of these indicators fall well within ratio study performance standards for income properties in larger urban jurisdictions, as recommended by the IAAO. The weighted mean of assessment level improved from 89.9% to 92.9%, and also falls within above referenced performance standards. Improved sales used for purposes of calculating the Ratio Results originate from a three year period prior to the Appraisal Date, as referenced earlier in this report. Of these sales, six occurred in 2011, eight occurred in 2012, and fourteen occurred in 2013. In view of using the Ratio Model as a sales' based tool for measuring relative appraisal level and parcel equalization, the frequency pattern exhibited by sales prior to the Appraisal Date, and the minimum sample size required for statistical significance, the above results are considered reasonable.

The total assessed value for Area 36 for the 2013 assessment year was \$1,485,504,200. Recommended values for the 2014 assessment year total \$1,552,209,060. Application of these recommended values for the 2014 assessment year results in a slight increase from the 2013 assessment level of 4.49% for all of Area 36.

A list of both improved sales used and those considered not reflective of market are included in subsequent sections.

USPAP Compliance

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

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

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

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

Highest and Best Use

RCW 84.40.030

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

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

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

Property Rights Appraised: Fee Simple**Wash Constitution Article 7 § 1 Taxation:**

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

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

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

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

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

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

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

Assumptions and Limiting Conditions:

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

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

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

Scope of Work Performed:

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

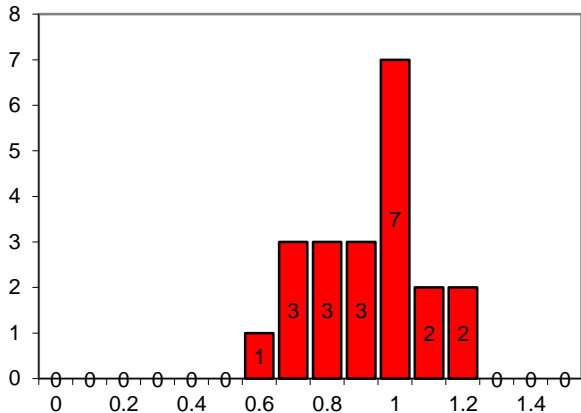
- *The statements of fact contained in this report are true and correct*
- *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no 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.*
- *No other significant real property assistance was provided in this mass appraisal, as determined by the undersigned. All services as may be variously defined significant or otherwise, and performed by duly authorized and qualified King County Assessment staff employed in the areas of Public Information, Accounting/Abstract, Commercial, Residential, Information Services, Personal Property, Accounting/Mapping, Accounting/Support, Accounting/Appeals, Chief Appraiser, Accounting/Exemptions, Accounting/Levy Administration, who may have involvement in physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time, is made part of each real property parcel as a matter of public record and this certification by reference.*
- *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: Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.*

Area 036 - WEST DUWAMISH
2013 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
000480-0013	15,754,100	15,725,000	7/27/2011	1.0019	0.0998
023100-0030	334,400	350,000	9/19/2012	0.9554	0.0534
032304-9207	1,336,600	2,297,440	9/6/2013	0.5818	0.3202
032304-9219	2,239,700	3,025,000	11/23/2013	0.7404	0.1616
164670-0020	3,720,700	3,700,000	2/25/2011	1.0056	0.1036
243370-0075	1,513,000	2,256,000	4/5/2013	0.6707	0.2314
333600-0085	1,937,100	1,675,000	2/15/2012	1.1565	0.2545
335240-2221	916,200	1,065,000	7/16/2013	0.8603	0.0417
732790-1605	386,300	400,000	7/29/2011	0.9658	0.0637
732790-4170	357,900	325,000	4/19/2011	1.1012	0.1992
732790-4920	651,100	975,000	5/7/2013	0.6678	0.2342
732790-5775	2,231,400	2,400,000	12/3/2012	0.9298	0.0277
732790-6585	1,278,000	1,600,000	12/19/2013	0.7988	0.1033
732840-0445	579,300	700,000	11/2/2012	0.8276	0.0744
732840-1005	892,500	900,000	9/27/2011	0.9917	0.0897
754730-0750	367,400	400,000	9/27/2013	0.9185	0.0165
754780-0525	304,200	335,000	12/10/2013	0.9081	0.0060
766670-3680	7,216,100	8,000,000	10/24/2013	0.9020	0.0000
788360-0005	2,184,000	2,745,000	12/3/2012	0.7956	0.1064
788360-8511	873,800	1,250,000	4/23/2013	0.6990	0.2030
807000-0035	242,200	290,000	4/4/2012	0.8352	0.0668

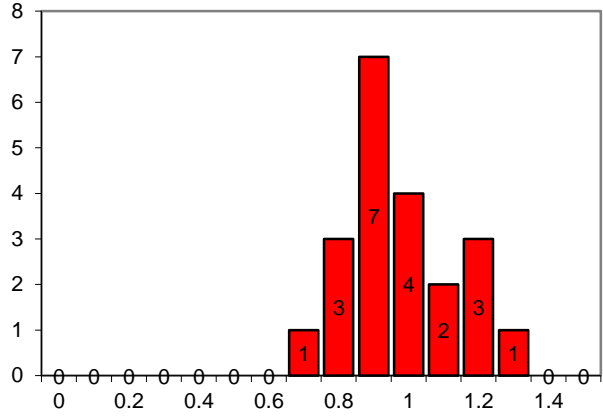
Area 036 - WEST DUWAMISH
2013 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:	
Central Crew	1/1/2013	2/4/2014	2/25/11 - 12/19/13	
Area	Appr ID:	Prop Type:	Trend used?: Y / N	
36	BZEL	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	21	<div>Ratio Frequency</div> 		
Mean Assessed Value	2,157,900			
Mean Sales Price	2,400,600			
Standard Deviation AV	3,495,573			
Standard Deviation SP	3,520,028			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.872			
Median Ratio	0.902			
Weighted Mean Ratio	0.899			
UNIFORMITY				
Lowest ratio	0.5818			
Highest ratio:	1.1565			
Coefficient of Dispersion	12.97%			
Standard Deviation	0.1474			
Coefficient of Variation	16.90%			
Price-related Differential	0.97			
RELIABILITY		These figures reflect measurements <u>before</u> posting new values.		
95% Confidence: Median				
Lower limit	0.796			
Upper limit	0.966			
95% Confidence: Mean				
Lower limit	0.809			
Upper limit	0.935			
SAMPLE SIZE EVALUATION				
N (population size)	743			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1474			
Recommended minimum:	33			
Actual sample size:	21			
Conclusion:				
NORMALITY				
Binomial Test				
# ratios below mean:	10			
# ratios above mean:	11			
z:	0			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				

Area 036 - West Duwamish
2014 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
000480-0013	15,761,400	15,725,000	7/27/2011	1.0023	0.1204
023100-0030	346,200	350,000	9/19/2012	0.9891	0.1073
032304-9207	1,451,000	2,297,440	9/6/2013	0.6316	0.2503
032304-9219	2,451,700	3,025,000	11/23/2013	0.8105	0.0714
164670-0020	4,105,700	3,700,000	2/25/2011	1.1096	0.2278
243370-0075	1,656,400	2,256,000	4/5/2013	0.7342	0.1477
333600-0085	2,049,500	1,675,000	2/15/2012	1.2236	0.3417
335240-2221	905,100	1,065,000	7/16/2013	0.8499	0.0320
732790-1605	407,500	400,000	7/29/2011	1.0188	0.1369
732790-4170	383,400	325,000	4/19/2011	1.1797	0.2978
732790-4920	686,000	975,000	5/7/2013	0.7036	0.1783
732790-5775	2,111,200	2,400,000	12/3/2012	0.8797	0.0022
732790-6585	1,411,000	1,600,000	12/19/2013	0.8819	0.0000
732840-0445	605,900	700,000	11/2/2012	0.8656	0.0163
732840-1005	997,500	900,000	9/27/2011	1.1083	0.2265
754730-0750	369,600	400,000	9/27/2013	0.9240	0.0421
754780-0525	307,200	335,000	12/10/2013	0.9170	0.0351
766670-3680	7,200,100	8,000,000	10/24/2013	0.9000	0.0181
788360-0005	2,410,000	2,745,000	12/3/2012	0.8780	0.0039
788360-8511	942,300	1,250,000	4/23/2013	0.7538	0.1280
807000-0035	252,200	290,000	4/4/2012	0.8697	0.0122

Area 036 - West Duwamish
2014 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:
Central Crew	1/1/2014	3/25/2014	2/25/11 - 12/19/13
Area	Appr ID:	Prop Type:	Trend used?: Y / N
36	BZEL	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	21	<div>Ratio Frequency</div> 	
Mean Assessed Value	2,229,100		
Mean Sales Price	2,400,600		
Standard Deviation AV	3,495,412		
Standard Deviation SP	3,520,028		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.916		
Median Ratio	0.882		
Weighted Mean Ratio	0.929		
UNIFORMITY			
Lowest ratio	0.6316		
Highest ratio:	1.2236		
Coefficient of Dispersion	12.94%		
Standard Deviation	0.1536		
Coefficient of Variation	16.77%		
Price-related Differential	0.99		
RELIABILITY		These figures reflect measurements <u>after</u> posting new values.	
95% Confidence: Median			
Lower limit	0.850		
Upper limit	1.002		
95% Confidence: Mean			
Lower limit	0.850		
Upper limit	0.981		
SAMPLE SIZE EVALUATION			
N (population size)	743		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1536		
Recommended minimum:	36		
Actual sample size:	21		
Conclusion:			
NORMALITY			
Binomial Test			
# ratios below mean:	12		
# ratios above mean:	9		
z:	0.43643578		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

Improvement Sales for Area 036 with Sales Used

02/04/2014

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	010	023100	0030	5,050	2565703	\$350,000	09/19/12	\$69.31	A V APPLIANCE / MOSS ROOFING	CBSO	1	Y	
036	020	754730	0750	840	2632677	\$400,000	09/27/13	\$476.19	KRUSE BROS. CONSTRUCTION	IG2 U/8	2	Y	
036	020	754780	0525	1,020	2645352	\$335,000	12/10/13	\$328.43	ZOOK AND OLESON GARDENING	IB U/85	3	Y	
036	020	766670	3680	41,389	2638606	\$8,000,000	10/24/13	\$193.29	GRAYLINE/EVERGREEN	IG1 U/8	1	Y	
036	040	164670	0020	50,460	2480328	\$3,700,000	02/25/11	\$73.33	WAREHOUSE	I	1	Y	
036	040	243370	0075	22,176	2597874	\$2,256,000	04/05/13	\$101.73	JACK HOZACK INC	IG2 U/6	1	Y	
036	040	732790	1605	3,424	2503397	\$400,000	07/29/11	\$116.82	PENNINGTON METALS - AUTO RECYC	IG2 U/6	1	Y	
036	040	732790	4170	5,149	2487982	\$325,000	04/19/11	\$63.12	CAIN BOLT AND GASKET	IG1 U/6	1	Y	
036	040	732790	4920	10,560	2606289	\$975,000	05/07/13	\$92.33	J&M/M&M	IG2 U/6	1	Y	
036	040	732790	5775	17,292	2581130	\$2,400,000	12/03/12	\$138.79	MILLS MOVERS INC	IG1 U/6	2	Y	
036	040	732790	6585	16,966	2648072	\$1,600,000	12/19/13	\$94.31	FERGUSON CONSTRUCTION	IG1 U/6	2	Y	
036	040	732840	0445	5,320	2573192	\$700,000	11/02/12	\$131.58	CUSTOM ROOFING	IG2 U/6	1	Y	
036	040	732840	1005	10,500	2512127	\$900,000	09/27/11	\$85.71	ELLIOT BAY INDUSTRIES INC- PARCE	IG2 U/6	1	Y	
036	040	788360	0005	29,619	2578094	\$2,745,000	12/03/12	\$92.68	LONG PAINTING	IG2 U/6	1	Y	
036	040	788360	8511	7,387	2602361	\$1,250,000	04/23/13	\$169.22	SOUTH PARK FOOD CENTER	C2-40	1	Y	
036	050	333300	1610	4,896	2602255	\$625,000	04/30/13	\$127.66	SERVICE REPAIR GARAGE	C1-40	1	26	Imp changed after sale; not in ratio
036	050	333600	0085	15,582	2530167	\$1,675,000	02/15/12	\$107.50	APT & RETAIL	LR3 RC	1	Y	
036	050	352404	9165	2,078	2537932	\$300,000	04/08/12	\$144.37	CHURCH-UNDER CONSTRUCTION	NC2-40	1	34	Use-change after sale; not in ratio
036	050	941240	0046	2,928	2624587	\$942,000	08/15/13	\$321.72	VACANT RESTAURANT	NC2-40	1	34	Use-change after sale; not in ratio
036	070	335240	2221	6,563	2618159	\$1,065,000	07/16/13	\$162.27	NW BLACK PIONEERS - TODDLER'S T	NC1-30	1	Y	
036	070	807000	0035	1,880	2537488	\$290,000	04/04/12	\$154.26	ESCROW AFFAIRS	NC1-40	1	Y	
036	070	807000	0055	830	2555430	\$190,000	07/17/12	\$228.92	OFFICE AND APT.	NC1-40	1	34	Use-change after sale; not in ratio
036	080	032304	9207	19,590	2629428	\$2,297,440	09/06/13	\$117.28	JANUARY CO	IG2 U/6	1	Y	
036	080	032304	9219	30,375	2642943	\$3,025,000	11/23/13	\$99.59	WALL & CEILING SUPPLY CO	IG2 U/6	1	Y	
036	090	000480	0013	79,540	2502581	\$15,725,000	07/27/11	\$197.70	TIME DC / ALLIED BODY	C/LI	1	Y	
036	090	017900	1940	1,860	2607410	\$390,000	05/24/13	\$209.68	IRONCLAD	MIC/H	2	26	Imp changed after sale; not in ratio
036	090	102304	9044	37,485	2636588	\$4,100,000	10/14/13	\$109.38	GATEWAY NORTH BUILDING 7	MIC/L	1	34	Use-change after sale; not in ratio
036	090	334740	0005	2,400	2505061	\$413,000	08/11/11	\$172.08	KENT DESIGN AND DEVELOPMENT	RCC	1	34	Use-change after sale; not in ratio
Parkshore Marina Condominium Boat Slip Sales													
				LF				SP/LF					
036	070	666780	0780	40	2479455	\$55,000	02/05/11	\$1,375	PARKSHORE MARINA 40' COVERED	NC2-30	1	Y	
036	070	666780	0780	40	2533595	\$85,000	02/28/12	\$2,125	PARKSHORE MARINA 40' COVERED	NC2-30	1	Y	
036	070	666780	0880	35	2480456	\$57,500	02/14/11	\$1,643	PARKSHORE MARINA 35' COVERED	NC2-30	1	Y	

Improvement Sales for Area 036 with Sales Used

02/04/2014

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	070	666780	0150	30	2600906	\$45,000	04/18/13	\$1,500	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	
036	070	666780	0800	30	2615040	\$37,500	06/27/13	\$1,250	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	
036	070	666780	1200	30	2546945	\$33,000	05/29/12	\$1,100	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	
036	070	666780	1300	30	2610314	\$45,000	06/03/13	\$1,500	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	

Vacant Sales for Area 036 with Sales Used

12/11/2013

[illegible]

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks	
036	010	023100	0035	1,149	2533906	\$400,000	03/15/12	\$348.13	GREEN STONE PROPERTIES	CBSO	1	16	Government agency	
036	010	122304	9032	40,459	2479338	\$1,700,000	02/16/11	\$42.02	SKYWAY PARK BOWL & CASINO	CBSO	2	23	Forced sale	
036	010	122304	9032	40,459	2639379	\$1,950,000	10/12/13	\$48.20	LUCKY DRAGONZ CASINO	CBSO	2	46	Non-representative sale	
036	010	122304	9032	40,459	2524963	\$2,300,000	12/28/11	\$56.85	LUCKY DRAGONZ CASINO	CBSO	2	44	Tenant	
036	010	758020	0431	2,144	2519985	\$3,500	11/15/11	\$1.63	RENTON AREA YOUTH AND FAMILY SER	CBSO	1	24	Easement or right-of-way	
036	020	766670	3464	29,639	2524510	\$2,596,020	12/23/11	\$87.59	PACIFIC RENDERING	IG1 U/8	1	37	Securing of debt	
036	040	562420	0351	28,050	2571434	\$1,714,764	10/26/12	\$61.13	CLARKLIFT OF WASHINGTON	I	1	12	Estate administrator, guardian, or e	
036	040	732790	1590	2,800	2508025	\$100,000	08/29/11	\$35.71	WESTEEL COMPANY	IB U/45	1	22	Partial interest (1/3, 1/2, etc.)	
036	040	732790	4770	11,294	2531185	\$800,000	02/22/12	\$70.83	GLOBAL, INC.	IG2 U/6	4	63	Sale price updated by sales id group	
036	040	732790	4975	2,480	2561010	\$10,000	08/20/12	\$4.03	SEATTLE FORGE & TOOL WORKS	IG2 U/6	1	51	Related party, friend, or neighbor	
036	040	732840	1010	1,116	2548783	\$1,454,988	06/15/12	\$1,303.75	ELLIOT BAY INDUSTRIES - PARCEL B	IG2 U/6	2	63	Sale price updated by sales id group	
036	040	732840	1020	16,752	2606533	\$1,141,250	04/23/13	\$68.13	ELLIOT BAY INDUSTRIES - PARCEL C	IG2 U/6	2	61	Financial institution resale	
036	050	110800	0293	1,798	2612587	\$650,000	06/18/13	\$361.51	AUTO FITNESS-DETAILING	NC3-40	3	63	Sale price updated by sales id group	
036	050	144350	0030	3,060	2610616	\$345,000	05/06/13	\$112.75	SOMALI BANADIR COMMUNITY SERVICE	LR3 RC	2	12	Estate administrator, guardian, or e	
036	050	144350	0045	2,160	2530918	\$335,269	01/18/12	\$155.22	VACANT SINGLE FAMILY RESIDENCE	LR3 RC	1	63	Sale price updated by sales id group	
036	050	144350	0045	2,160	2533059	\$165,000	03/05/12	\$76.39	VACANT SINGLE FAMILY RESIDENCE	LR3 RC	1	63	Sale price updated by sales id group	
036	050	212370	0220	1,521	2571326	\$50,000	10/25/12	\$32.87	SURVIVAL COGIC CHURCH	SF 5000	1	55	Shell	
036	050	333300	1625	2,616	2579156	\$205,000	12/12/12	\$78.36	DOWNVONE STORE AND DUPLEX	C1-40	1	N		
036	050	381240	0010	5,358	2545151	\$480,000	05/24/12	\$89.59	TIN TIN LAUNDROMAT PLUS RETAIL F	NC2-40	1	13	Bankruptcy - receiver or trustee	
036	050	381240	0035	3,600	2524616	\$460,000	12/27/11	\$127.78	STRIP RETAIL - 5 FRONTS	NC2-40	1	61	Financial institution resale	
036	050	880000	0005	24,200	2557402	\$4,300,000	08/03/12	\$177.69	MIRICLE TEMPLE OF GOD	NC3-65	1	17	Non-profit organization	
036	050	884240	0095	3,518	2568725	\$95,000	10/02/12	\$27.00	COMMUNITY CENTER	LR2	1	37	Securing of debt	
036	070	806600	0140	2,400	2578015	\$249,900	12/07/12	\$104.13	OFFICE	LR2	1	60	Short sale	
036	090	000300	0046	27,600	2489794	\$2,600,000	05/02/11	\$94.20	PSF MECHANICAL	C/LI	1	61	Financial institution resale	
036	090	032304	9152	45,349	2548674	\$2,700,000	06/15/12	\$59.54	EASTERN ELECT APPARATUS REPAIR	MIC/H	2	44	Tenant	
036	090	334740	0215	1,398	2533852	\$154,000	03/09/12	\$110.16	DUWAMISH COMMUNITY PRESBYTERIAI	LDR	1	17	Non-profit organization	
036	090	734560	0565	5,552	2555169	\$487,000	07/23/12	\$87.72	F & L CAFE	MIC/L	4	15	No market exposure	
Condominium Boat Slip Sales														
				LF				Sp/LF						
036	070	666780	0740	40	2619270	\$35,000	07/22/13	\$875.00	PARKSHORE MARINA 40' Covered	NC2-30	1	48	Condo with garage, moorage, or stora	
036	070	666780	0800	30	2588685	\$6,600	12/31/12	\$220.00	PARKSHORE MARINA 30' Uncovered	NC2-30	1	22	Partial interest (1/3, 1/2, etc.)	
036	070	666780	0810	30	2628567	\$32,000	09/01/13	\$1,067.00	PARKSHORE MARINA 30' Uncovered	NC2-30	1	18	Quit claim deed	

Vacant Sales for Area 036 with Sales not Used

12/10/2013

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	010	023100	0040	16,182	2532404	\$430,000	03/01/12	\$26.57	VACANT COMMERCIAL	CBP	1	31	Exempt from excise tax
036	010	122304	9178	95,832	2546956	\$10,000	06/01/12	\$0.10	MARKET PLACE FOODS	CBSO	1	52	Statement to dor
036	015	766670	5471	192,247	2637023	\$22,386	10/16/13	\$0.12	BURLINGTON NORTHERN	IG2 U/8	1	18	Quit claim deed
036	020	766670	5040	707,863	2564115	\$7,300,000	09/11/12	\$10.31	BURLINGTON NORTHERN	IG1 U/8	3	18	Quit claim deed
036	050	941240	0015	38,682	2559392	\$561,028	08/17/12	\$14.50	VACANT COMMERCIAL	NC2-40	3	15	No market exposure
036	050	941240	0015	38,682	2559393	\$561,028	08/17/12	\$14.50	VACANT COMMERCIAL	NC2-40	3	15	No market exposure
036	050	941240	0015	38,682	2562950	\$6,500	08/31/12	\$0.17	VACANT COMMERCIAL	NC2-40	3	52	Statement to dor
036	070	352404	9128	12,500	2622102	\$300,000	07/30/13	\$24.00	PAVED LOT	NC2P-40	3	60	Short sale
036	070	712930	5315	11,820	2599068	\$6,000	03/05/13	\$0.51	VAC LD	L-3	1	24	Easement or right-of-way
036	070	712930	5315	11,820	2599069	\$500	04/05/13	\$0.04	VAC LD	L-3	1	24	Easement or right-of-way
036	080	687420	1040	49,140	2603235	\$90,000	04/28/13	\$1.83	SEG FROM 68742010450	HDR	9	61	Financial institution resale
036	090	042304	9189	597,445	2496874	\$25,875	06/10/11	\$0.04	OXBOW CORPORATE PARK	MIC/H	2	18	Quit claim deed
036	090	102304	9085	76,310	2560752	\$1,020,000	08/10/12	\$13.37	VACANT INDUSTRIAL	MIC/L	1	52	Statement to dor

Area	Neighborhood	Major	Minor
36	20	021300	0005
36	20	021300	0010
36	20	021300	0020
36	20	182404	9018
36	20	182404	9044
36	20	182404	9046
36	20	182404	9078
36	20	182404	9083
36	20	182404	9096
36	20	192404	9004
36	20	192404	9008
36	20	192404	9014
36	20	192404	9016
36	20	192404	9026
36	20	192404	9044
36	20	192404	9049
36	20	192404	9050
36	20	192404	9072
36	20	192404	9073
36	20	192404	9081
36	20	192404	9089
36	20	192404	9090
36	20	192404	9093
36	20	192404	9115
36	20	244510	0140
36	20	284020	0490
36	20	284020	0570
36	20	284020	0605
36	20	284020	0606
36	20	284020	0630
36	20	284020	0640
36	20	284020	0650
36	20	284020	0670
36	20	284020	0680
36	20	284020	0690
36	20	284020	0700
36	20	284020	0705
36	20	284020	1450
36	20	284020	1455
36	20	284020	1470
36	20	284020	1475
36	20	284020	1500
36	20	284020	1575
36	20	292404	9090
36	20	292404	9108
36	20	302404	9003
36	20	302404	9005

Area	Neighborhood	Major	Minor
36	20	302404	9082
36	20	302404	9169
36	20	302404	9172
36	20	536720	2505
36	20	536720	2506
36	20	543930	0004
36	20	719280	0050
36	20	754730	0520
36	20	754730	0530
36	20	754730	0545
36	20	754730	0570
36	20	754730	0595
36	20	754730	0615
36	20	754730	0625
36	20	754730	0645
36	20	754730	0666
36	20	754730	0667
36	20	754730	0750
36	20	754730	0950
36	20	754730	0960
36	20	754730	1700
36	20	754780	0510
36	20	754780	0520
36	20	754780	0525
36	20	754780	0565
36	20	754780	0575
36	20	754780	0585
36	20	754780	0615
36	20	764340	0005
36	20	766670	3290
36	20	766670	3320
36	20	766670	3321
36	20	766670	3442
36	20	766670	3462
36	20	766670	3464
36	20	766670	3530
36	20	766670	3540
36	20	766670	3630
36	20	766670	3680
36	20	766670	3805
36	20	766670	3835
36	20	766670	3845
36	20	766670	3855
36	20	766670	3865
36	20	766670	3870

Area	Neighborhood	Major	Minor
36	20	766670	3875
36	20	766670	3876
36	20	766670	3885
36	20	766670	3895
36	20	766670	3900
36	20	766670	3905
36	20	766670	3910
36	20	766670	3915
36	20	766670	3920
36	20	766670	4040
36	20	766670	5001
36	20	766670	5040
36	20	798740	0005
36	20	798740	0060
36	20	798740	0090
36	20	798740	0100
36	20	934990	0331