

Client and Intended Use of the Appraisal:

*This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others 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)

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

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. [1961 c 15 §84.36.005]

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. [1989 c 246 § 4]

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 a 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 definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the 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.*

Joe Arnold, Appraiser II

Analysis Process

Effective Date of Appraisal: January 1, 2008

Date of Appraisal Report: 4/30/2008

The following appraiser did the valuation for this geographic area:

Joe Arnold – Appraiser II

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 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 token value of \$1,000.00 is assigned to the improvements.

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

The use to which the site is put until it is ready for its future highest and best use is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in a relatively short time.

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

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/2005 to 1/2008 (at minimum) were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Area 35 - SODO/Duwamish Industrial District

Boundaries:

North Boundary – S. Washington St. from Puget Sound to Alaskan Way S. South along Alaskan Way S. to Railroad Way S. South on Railroad Way S. to Occidental Ave S. North on Occidental Ave S. to S. King St. East on S. King St. to 4th Ave S. South on 4th Ave S. to Airport Way S. Southeast on Airport Way S. to S. Dearborn St. East on S. Dearborn St. to I-5.

West Boundary – Elliott Bay and the Duwamish Waterway from S. Washington St. in the north, to S. Boeing Access Rd. in the south.

East Boundary – Starting in the north at S. Dearborn St., south on I-5 to S. Boeing Access Rd.

South Boundary – Starting on the west, at the Duwamish Waterway, east on S. Boeing Access Rd. to I-5.

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 35 falls mostly inside the city limits of Seattle and partially in the northern portion of the city limits of Tukwila. The SODO/Duwamish Industrial District is the northeastern most portion of the industrial corridor that extends from downtown Seattle southward toward Kent. This area is within what is commonly referred to as the "Close-In" Industrial Market. Area 35 represents the oldest industrial location in the Puget Sound region. Development started close to downtown Seattle at the turn of the twentieth century and has expanded to the south over the years, incorporating what are now the Port of Seattle and the areas surrounding the Duwamish Waterway. Consequently, in the

north portion of this industrial market are many older properties in need of renovation and redevelopment. Moving south there are more recently constructed manufacturing and warehouse facilities ranging in age from 60 years old to brand new.

Several factors have influenced the growth of industrial development in the SODO and Duwamish industrial market:

1. The Duwamish Waterway and the Port of Seattle;
2. The Boeing Company, Seattle's largest industrial employer, plus the presence of the King County Airport;
3. The presence of two major railroad lines;
4. The area's location between downtown Seattle and the Sea-Tac Airport;
5. A highly developed system of ground transportation with excellent access to the rail and freeway networks.

There is a wide range of activity found in this industrial area. Manufacturing and wholesaling are the most common firm types, while transportation, communication and utility firms are common as well. A concentration of metal fabricators is present while services form an important minority of firms. Other firms commonly found in the area include trucking and warehousing firms, apparel manufacturing, and non-durable goods wholesalers such as paper, clothing, alcoholic beverages and petroleum product suppliers.

The median firm in this industrial area occupies about an acre of land, has about 20,000 square feet of building space and employs 25 people. With its substantial working population, this area is recognized as a major regional employment center.

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

Neighborhood 35-10:

Boundaries:

North end of Quest Field, south to S. Spokane St., east of the Duwamish waterway and west of I-5.

Neighborhood Description:

This is the oldest, most northerly neighborhood of area 35. It is located just south of the 'Pioneer Square' and 'International District' neighborhoods. This neighborhood is characterized by the oldest buildings in this industrial district which includes the old turn-of-the-century, multi story, masonry warehouses, as well as the new football and baseball stadiums. Also present are significant amounts of publically owned property allocated for "Port of Seattle" use and Railroad Operating property.

Neighborhood 35-30:

Boundaries:

From S. Spokane St in the north, to S. Michigan St. in the south, less the Industrial Business Park area and old downtown Georgetown area). Also east of the Duwamish waterway and west of I-5.

Neighborhood Description:

This neighborhood has newer industrial / commercial buildings, on average, than neighborhood '10', as the development here occurred after the development to the north. The neighborhood is characterized by heavy industrial use along the Duwamish Waterway as well as significant railroad operating property, in addition to some commercial development between 1st Ave S. and 4th Ave S. in the northeast portion of the Georgetown area.

Neighborhood 35-50:

Boundaries:

Industrial park area, north of S. Michigan St., east of 4th Ave S., south of S. Dawson St and Denver Ave S., and west of Airport Way S., Corson Ave S., &th Ave S. and the Georgetown Center.

Neighborhood Description:

This area is the smallest of the area 35 neighborhoods. It is characterized by the old 'Benaroya Business Park'. Consequently, its buildings, on average, are newer than any of the other areas and come the closest to being "Institutional Grade" industrial properties. Commercial development exists along the east side of 4th Ave S.

Neighborhood 35-60:

Boundaries:

Old downtown Georgetown area and the residential area to the south but north of the King County Airport and S. Willow St., west of I-5, south of Corson Ave S and S. Homer St., and east of 7th Ave S. and the Georgetown Center.

Neighborhood Description:

This neighborhood is characterized by the relatively new 'Georgetown Center' in its northwest section, by the old downtown Georgetown area which originated at the turn of the 20th Century in its northeast section and the residential area to the south which is intermingled with commercial/industrial properties.

Neighborhood 35-65:

Boundaries:

South of S. Michigan St., west of I-5, north of the S. Boeing Access Rd, and east of the Duwamish waterway, less the King County Airport.

Neighborhood Description:

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

Neighborhood 35-70:**Boundaries:**

King County Airport and Boeing Field.

Neighborhood Description:

This neighborhood consists of the publically and privately owned airfield hangars and airfield administrative offices located on the east side of the Airport, and the Boeing buildings plus some public hangars and the Museum of Flight, on the west side of the Airport.

Physical Inspection Identification

Physical inspection took place this year in the southern half of Area 35-30.

Preliminary Ratio Analysis

A ratio study was completed prior to the application of the 2008 recommended values. This study benchmarks the current assessment level using the 2007 posted values. A ratio study was repeated after the application of the 2008 recommended values. The results are included in the validation section of this report, showing an improvement in the Coefficient of Variation (COV) from 19.92% to 12.34%, Coefficient of Dispersion (COD) from 14.51% to 9.92%. The weighted mean ratio, which is a statistical measure of assessment level, went from 83.2% to 98.3%, and the Price-related Differential (PRD) improved from 1.05 to 1.01.

Scope of Data

Land Value Data:

Vacant sales that closed from 01/2005 through 12/2007 were given primary consideration for valuing the land parcels in Area 35. The primary unit of comparison is price per square foot of land area. "Shell" sales, "interim use" sales, "tear down" sales, and land transactions that include plans and permits are considered in the analysis of the land value. The comparative sales approach is considered the most reliable method of land valuation. Location and Zoning were the primary variables considered in the land valuation process.

Improved Parcel Total Value Data:

Improved sales that closed from 1/01/2005 through 12/31/2007, were given primary consideration for establishing total value estimates. Sales information within this period was deemed adequate. It was not necessary to go outside the area for improved parcel sales. Sale information was obtained from excise tax affidavits. The sales were investigated and analyzed by the appraiser in the process of revaluation. All sales were verified, if possible, by talking to either the purchaser or seller or real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the 'Sales Used' and 'Sales Not Used' sections of this report.

Land Value

There were nine land sales that took place in this last year of 2007, five land sales in 2006 and four land sales in 2005 that are considered to be arms-length transactions. These eighteen land sales, within the last three years, were given primary consideration in valuing the land for this year in area 35.

Of these eighteen sales, two were for railroad spurs and two were of the same parcel, located on the sloped land leading to the Interstate 5 freeway. These four sales were helpful in predicting the value of only a handful of similarly situated properties in this area. Two sales were for IC zoned land located close to the sports stadiums. These two sales were instrumental in valuing the IC-65 and IC-85 zoned land around the sport stadiums.

Three sales from 2005 and 2006 came to be called land sales after initially being categorized as improved property sales or transfers from residential or other specialty property assignments. There was also increased land sales activity in the south end of area 35 in 2007.

The substantial increase in value that these new land sales represent plus the increase in sale prices of improved properties in the entire area in 2007 continue to show that property value is still on the rise. Because of the substantially increased sale price levels of vacant as well as improved properties, land values in area 35 have been increased across the board. The basic, most common, industrially zoned land value, for this predominantly industrial area, had been \$24 per square foot. With a 20.8% increase, the basic, most common, industrially zoned land value is now \$29 per square foot.

The following tables represent the 2008 estimated land value for each zone in each neighborhood of area 35.

Neighborhood 35-10:

Zoning	\$ per Sq Ft Range or \$ per Sq Ft
IG1 U/85'	\$21.50 to \$52.00
IG2 U/85'	\$9.50 to \$88.00
PSM 85'-120'	\$160.00
IC-65'	\$100.00 to \$130.00
IC-85'	\$145.00
C2-85'	\$72.00

Neighborhood 35-30:

Zoning	\$ per Sq Ft Range or \$ per Sq Ft
IG1 U/85'	\$11.50 to \$36.00
IG2 U/85'	\$3.70 to \$36.00
C1-65'	\$29.00 to \$36.00

Neighborhood 35-50:

Zoning	\$ per Sq Ft Range or \$ per Sq Ft
IG2 U/85'	\$11.50 to \$36.00
IB U/65'	\$26.00 to \$29.00

Neighborhood 35-60:

Zoning	\$ per Sq Ft Range or \$ per Sq Ft
IG2 U/85'	\$3.70 to \$36.00
IB U/65'	\$21.00 to \$36.00
C2-40'	\$25.00 to \$30.00
NC3-40'	\$30.00
L-1, L-2, & L-2 RC	\$23.00 to \$28.00
SF 5000	\$21.00

Neighborhood 35-65:

Zoning	\$ per Sq Ft Range or \$ per Sq Ft
IG1 U/85'	\$9.00 to \$22.00
IG2 U/85'	\$3.70 to \$36.00
C1-40'	\$30.00
IB U/65'	\$18.00 to \$22.00
I	\$18.00
MIC/H	\$18.00
L-1 & L-2	\$23.00 & \$28.00
SF 5000	\$21.00

Neighborhood 35-70:

Zoning	\$ per Sq Ft Range or \$ per Sq Ft
IG2 U/85'	\$18.00
MIC/H	\$18.00

The total assessed land value in area 35, for the 2007 assessment year was \$2,362,371,200 and the 2008 recommended assessed land value is \$3,032,892,100. Application of these recommended values for the 2008 assessment year (taxes payable in 2009) results in an increase of 28.38%.

A list of vacant sales used and sales not used, those considered not reflective of the market, are included in the following sections.

Improved Parcel Total Values:

Sales comparison approach model description

The sales presented in the 'Improved Sales Used' list range in date from 1/03/2005 to 12/20/2007. There are 92 improved sales in Area 35 considered as good and fair market transactions reflective of the market conditions at the time of their transaction. Of the 92 sales, 14 are not being used in the ratio studies presented, as each of the 14, have either been remodeled, renovated, had a change of use or been segregated into multiple lots since their purchase. Because these changes occurred after their purchase, the current assessed values no longer reflect the characteristics of the properties that existed at the time they were purchased. Properties with buildings over 21,000 square feet in size, were often valued individually using the market approach in order to achieve market values.

Sales comparison calibration

High Rise Industrial Properties – are limited primarily to the north end of neighborhood 10, are the older properties in the area and make up a small segment of this area's market. They sell infrequently on the open market so are a bit problematic to value. We did, however, have 5 sell in a 16 month period ending the first part of March 2007. They ranged in condition from 'Fair' to 'Good' and sold for a low of \$97 per square foot to high of \$159 per square foot.

Office Properties - make up a small portion of this area. There were five office property sales in the last three years; the range was from \$145 to \$235 per square foot of net building area. The small single user, office properties sell for the most per square foot while the multi-tenant, multi-story office properties sell for the least per square foot. Type and quality of construction as well as condition are also factors in determining sale price levels.

Restaurant / Nightclubs – trade hands infrequently but in a 20 month period ending on 7/30/2007, eight have sold. The raw sales prices ranged from a low of \$115 to a high \$428 per square foot of building. The \$428 sale included a very large amount of land in comparison to the size of the building. At a more reasonable land-to-building ratio of 3:1, the sale price would be \$204 per square foot. The highest sale price then becomes \$235 per square foot.

Warehouses and Industrial Properties - make up the major portion of the properties in area 35. The overall area sales range from \$49.68 to \$266.61 per rentable square foot. The low sale of \$49.68 per square foot was for a 1937 built, 2-story, wood framed warehouse. The \$266.61 sale had excess land. When adjusted to a normal 2:1 Land-to-Building ratio, the sale price was still the highest industrial property sale at almost \$205 per square foot.

The table below indicates the price per square foot range sorted by the size of building area:

<u>Rentable Square Feet Range</u>	<u>Price per Square Foot Range</u>
1,104 sf - 10,000 sf	\$75.30 - \$427.78
10,001 sf - 20,000 sf	\$62.78 - \$266.61
20,001 sf - 30,000 sf	\$57.29 - \$188.19
30,001 sf - 60,000 sf	\$49.68 - \$156.57
60,001 sf - 425,108 sf	\$97.40 - \$182.12

These sale prices served to help establish the market range for the various property types within area 35 and were useful, along with market surveys, to help set the income parameters used in the income models. These sales ranges, together with the income and cost models, provide the basis for assessed values in area 35.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property application. Cost estimates were relied upon for valuing special-use properties where comparable sales data and/or income/expense information is not available. These properties are typically exempt properties such as schools, churches, fire stations and public utility buildings. Cost estimates also served as value indicators for accessory buildings, airplane hangers, and new construction projects.

Cost calibration

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

Income capitalization approach model description

The income approach was considered a reliable approach to valuation throughout Area 35 for improved properties where income and expense data was available. The income approach was the preferred approach to value for most of the properties with buildings under 21,000 square feet in size.

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

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

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

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 determines the capitalization rate used by the appraiser. For example; a building with a lower effective age of lesser condition will typically warrant a higher capitalization rate and a building in better condition with a higher effective age will warrant a lower capitalization rate.

Cap rate summary of various published sources:

Source	Date	Location	Office	Industrial	Retail	Multifamily	Remarks
Colliers Private Capital News	Summer 2007	Puget Sound	6.70%	6.52%	6.37%	5.5%	Transaction size \$1-15M except multifamily
CBE Outlook 2007 in Review	1Q 2008	Puget Sound	6.00%-6.30%		6.50%		Transactions greater than \$5 million
Boulder Net Lease Funds LLC	2Q 2007	State	7.09%	7.71%	7.69%		
Real Capital Analytics	January 2008	National	5.46%	6.46%	6.31%		Weighted Average
Korpacz: PWC	4Q 2007	National	6.64%-7.24%	6.48%-7.60%	6.68%-7.24%	5.75%	
Puget Sound Business Journal	December 2007	Seattle	5.5%	6.3%	6.0%	5.6%	From Real Capital Analytics, Inc.
IRR Viewpoint for 2008	January 2008	Seattle	6.00%-6.25%	6.25%-7.25%	6.00%-6.25%	4.00%	Institutional Grade Properties
Emerging Trends in Real Estate 2008	October 2007	National	5.60%-6.52%	6.25%-6.71%	5.56%-6.36%	5.26%-5.70%	Rates as of July 2007
Dupree & Scott	February 2008	Tri-County				4.51%-4.95%	From RHA Update
Grubb & Ellis Forecast 2008	1Q 2008	Seattle	5.60%-5.90%	6.50%	6.60%	5.50%	Transactions greater than \$5 million- from Real Capital Analytics

In this area many of the properties are considered to be non-institutional grade. They may present a higher risk to investors and therefore should be valued at a higher capitalization rate. The following table shows ranges of capitalization rates for institutional and non-institutional grade properties per a survey conducted in January 2008 by PricewaterhouseCoopers LLP.

Institutional		Noninstitutional
Market	OAR Range	OAR Range
National Regional Mall	5.00%-9.50%	5.00%-12.00%
National Strip Shopping Ctr	5.80%-9.00%	7.00%-11.00%
National CBD Office	4.50%-9.00%	5.50%-10.00%
National Suburban Office	5.00%-10.50%	5.50%-11.75%
Pacific NW Office	5.00%-11.00%	7.75%-12.00%
National Flex and R&D	5.50%-9.00%	8.00%-10.00%
National Warehouse	5.00%-8.00%	6.00%-9.50%
National Apartment	3.50%-8.00%	4.50%-11.00%

The preceding tables demonstrate 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 to develop the income model. The range of capitalization rates in the income model reflects the variety of properties in this area.

Income approach calibration

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.

Neighborhoods 10, 30, 50, 60, and 65

Stratification of these parameters for the various property uses and types show:

(Note: all rents are annual, triple net)

Office-(building, open, medical & mixed use), Mezzanines-(office display), Retail-(line, restaurant, tavern/bar), Showroom-(warehouse & auto), Apartment, Bank, Basement-(finished, office, & retail), Barber Shop, Cold Storage, Convenience Market, Discount Store, Laboratories, Laundromat, Market and Rooming Houses:

Annual Rental Rate Per RSF Range	Vacancy Rate Range	Expense Rate Range	OAR Range
\$8.42 to \$15.33	6.5%	10%	5.20 to 7.85%

Sheds (material storage & equipment), Mezzanines (storage & balcony) Basements (semi finished, unfinished, parking & storage):

Annual Rental Rate Per RSF	Vacancy Rate	Expense Rate	OAR Range
\$2.40	6.5%	7.5%	5.20% to 7.85%

Garages – (storage & service repair), Loft, Material Storage Building, Industrial Buildings - (engineering, flex, light and heavy manufacturing), Warehouse (storage, distribution, discount store), Automotive Center, Equipment (Shop) Building:

Annual Rental Rate Per RSF Range	Vacancy Rate Range	Expense Rate Range	OAR Range
\$5.43 to \$8.74	6.5%	7.5%	5.20% to 7.85%

Transit Warehouse:

Annual Rental Rate Per RSF	Vacancy Rate	Expense Rate	OAR Range
\$9.70	6.5%	7.50%	6.75%

Offices and Warehouses Over 21,000 SF – were often valued individually using the market approach in order to achieve market values.

Neighborhood 70

This neighborhood consists mostly of the King County Airport. The 66, non Boeing, buildings, at the airport were valued using the cost approach.

Reconciliation and/or validation study of calibrated value models including ratio study of hold out samples.

The models were calibrated, after setting base rents, by using adjustments for size, quality of construction, and effective age. When the value of the property, by the Income Approach, was less than the land value, for properties with typical land-to-building ratios, a minimal \$1,000 was often allocated to the improvements. For properties where sales and income/expense data was not available, the Cost Approach was utilized.

The market indicates, the industrial and warehouse properties that consist of buildings under 21,000 square feet differentiated themselves in value from the industrial properties that exceeded 21,000 square feet. The Income Approach was not always considered the most reliable approach to valuation, for the current revalue cycle, for those properties over 21,000 square feet. . The Sales Comparison Approach was often given the greatest weight in the final analysis for the property types of these sizes. Adjustments were also made for age, size, condition, quality of construction, and location.

Before a final value was selected, the area appraiser, for correctness of the model application, individually reviewed all of the parcels in Area 35. The area appraiser can adjust any or all of the factors used to establish value by the model. The market rents in the income model were used as a guide in applying the economic rental rates used in the income approach to value.

Model Validation

Total Value Conclusions, Recommendations and Validation:

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

A ratio study was completed after application of the 2008 year recommended values in order to determine what difference the newly recommended values would have on the assessment level and uniformity. The application of the value changes described above resulted in the following changes; under Assessment Level, the Weighted Mean increased from 83.2% to 98.3%; under Uniformity, the Coefficient of Dispersion tightened from 14.51% to 9.92%, the Coefficient of Variation also tightened from 19.92% to 12.34%, and the remaining measure of uniformity, the Price-Related Differential improved from 1.05 to 1.01.

The total assessed values for Area 35 for the 2007 assessment year was \$4,656,043,950 and the total recommended values for the 2008 assessment year are \$5,409,362,075. Application of these recommended values for the 2008 assessment year (taxes payable in 2009) results in a total change from the 2007 assessment year of + 16.18%.

Area 035 - SODO INDUSTRIAL DISTRICT
2007 Assessment Year

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:
Central Crew	1/1/2007	4/29/2008	1/7/05 - 12/20/07
Area	Appr ID:	Prop Type:	Trend used?: Y / N
35	JARL	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	78		
Mean Assessed Value	2,772,000		
Mean Sales Price	3,330,400		
Standard Deviation AV	5,504,466		
Standard Deviation SP	7,345,671		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.872		
Median Ratio	0.893		
Weighted Mean Ratio	0.832		
UNIFORMITY			
Lowest ratio	0.3301		
Highest ratio:	1.3338		
Coefficient of Dispersion	14.51%		
Standard Deviation	0.1738		
Coefficient of Variation	19.92%		
Price-related Differential	1.05		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.851		
Upper limit	0.925		
95% Confidence: Mean			
Lower limit	0.834		
Upper limit	0.911		
SAMPLE SIZE EVALUATION			
N (population size)	875		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1738		
Recommended minimum:	46		
Actual sample size:	78		
Conclusion:	OK		
NORMALITY			
Binomial Test			
# ratios below mean:	34		
# ratios above mean:	44		
z:	1.019049331		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

Ratio Frequency

Ratio Bin	Frequency
0.0 - 0.1	0
0.1 - 0.2	0
0.2 - 0.3	0
0.3 - 0.4	0
0.4 - 0.5	1
0.5 - 0.6	2
0.6 - 0.7	2
0.7 - 0.8	7
0.8 - 0.9	10
0.9 - 1.0	18
1.0 - 1.1	22
1.1 - 1.2	11
1.2 - 1.3	3
1.3 - 1.4	1
1.4 - 1.5	1
1.5 - 1.6	0

These figures reflect measurements before posting new values.

Area 035 - SODO INDUSTRIAL DISTRICT
2008 Assessment Year

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:
Central Crew	1/1/2008	5/13/2008	1/7/05 - 12/20/07
Area	Appr ID:	Prop Type:	Trend used?: Y / N
35	JARL	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	78		
Mean Assessed Value	3,274,000		
Mean Sales Price	3,330,400		
Standard Deviation AV	7,092,347		
Standard Deviation SP	7,345,671		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.997		
Median Ratio	0.995		
Weighted Mean Ratio	0.983		
UNIFORMITY			
Lowest ratio	0.7297		
Highest ratio:	1.2682		
Coefficient of Dispersion	9.92%		
Standard Deviation	0.1229		
Coefficient of Variation	12.34%		
Price-related Differential	1.01		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.955		
Upper limit	1.013		
95% Confidence: Mean			
Lower limit	0.969		
Upper limit	1.024		
SAMPLE SIZE EVALUATION			
N (population size)	874		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1229		
Recommended minimum:	24		
Actual sample size:	78		
Conclusion:	OK		
NORMALITY			
Binomial Test			
# ratios below mean:	40		
# ratios above mean:	38		
z:	0.113227703		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

Ratio Frequency

Ratio Range	Frequency
0.0 - 0.1	0
0.1 - 0.2	0
0.2 - 0.3	0
0.3 - 0.4	0
0.4 - 0.5	0
0.5 - 0.6	0
0.6 - 0.7	0
0.7 - 0.8	0
0.8 - 0.9	2
0.9 - 1.0	18
1.0 - 1.1	22
1.1 - 1.2	20
1.2 - 1.3	11
1.3 - 1.4	5
1.4 - 1.5	0

These figures reflect measurements after posting new values..

Improvement Sales for Area 035 with Sales Used

05/13/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	010	132730	0020	19,592	2159422	\$2,950,000	09/29/05	\$150.57	MARKEY BLDG	IG1 U/8	1	Y	
035	010	132730	0050	5,360	2234514	\$700,000	08/24/06	\$130.60	NW SPEEDOMETER	IG1 U/8	1	Y	
035	010	766620	2700	16,200	2254689	\$2,695,000	12/05/06	\$166.36	DWINELL VISUAL SYSTEMS	C2-85	1	Y	
035	010	766620	2865	9,850	2115361	\$1,500,000	04/15/05	\$152.28	VECA ELECTRIC	IG2 U/8	2	29	Seg/merge after sale; not in ratio
035	010	766620	2880	7,709	2309679	\$1,475,000	08/30/07	\$191.33	OLD CHARTER CONST/OCS	IG2 U/8	1	Y	
035	010	766620	2880	7,709	2114891	\$1,175,000	04/11/05	\$152.42	CHARTER CONST/OCS	IG2 U/8	1	Y	
035	010	766620	3000	20,724	2311156	\$3,900,000	09/18/07	\$188.19	PHELPS TIRE CO	IG2 U/8	1	Y	
035	010	766620	3170	9,877	2301912	\$1,500,000	07/26/07	\$151.87	EMERALD CITY PRE-PACK INC	IG2 U/8	1	Y	
035	010	766620	3380	20,600	2196337	\$2,000,000	03/16/06	\$97.09	ROMAINE ELECTRIC CO	IG2 U/8	1	Y	
035	010	766620	3660	28,800	2269733	\$1,650,000	02/28/07	\$57.29	CANAL BOILER WORKS	IG1 U/8	1	Y	
035	010	766620	3720	8,730	2201029	\$1,000,000	04/17/06	\$114.55	BRUNING POTTERY	IG2 U/8	1	26	Imp changed after sale; not in ratio
035	010	766620	4256	25,412	2316036	\$3,600,000	10/18/07	\$141.67	OVERALL LAUNDRY	IG1 U/8	1	Y	
035	010	766620	4780	78,540	2167238	\$7,650,000	10/31/05	\$97.40	NORDAN INC	IG2 U/8	2	26	Imp changed after sale; not in ratio
035	010	766620	5175	1,830	2305078	\$525,000	08/16/07	\$286.89	VETERINARY CLINIC	IG1 U/8	1	Y	
035	010	766620	5460	16,960	2287496	\$3,000,000	05/25/07	\$176.89	SCHUCKS	IG1 U/8	1	Y	
035	010	766620	5945	14,100	2302385	\$2,200,000	07/30/07	\$156.03	SODO DELI / BODY ZONE	IG2 U/8	1	Y	
035	010	766620	5975	26,168	2108788	\$2,000,000	03/17/05	\$76.43	GORLICK'S DIST CTR	IG2 U/8	1	26	Imp changed after sale; not in ratio
035	010	766620	6040	20,460	2176340	\$1,280,000	12/16/05	\$62.56	COLUMBIA PRINTING	IG2 U/8	1	Y	
035	010	766620	6055	8,760	2308876	\$1,315,885	09/04/07	\$150.22	BANK OF AMERICA	IG2 U/8	1	Y	
035	010	766620	6220	109,820	2255698	\$20,000,000	12/12/06	\$182.12	ZARRETT'S OFFICE BUILDING - OLD	IG2 U/8	1	Y	
035	010	766620	6676	65,960	2253521	\$8,900,000	12/01/06	\$134.93	PALMER BLDG	IG2 U/8	2	Y	
035	010	766620	6690	41,800	2203775	\$4,250,000	04/20/06	\$101.67	OLYMPIC REPROGRAPHICS	IG2 U/8	1	Y	
035	010	766620	7160	29,394	2270223	\$4,000,000	03/03/07	\$136.08	Weleno Bldg. - Cork Insulation	IG2 U/8	1	Y	
035	010	766620	7271	4,440	2208070	\$640,000	05/18/06	\$144.14	F P ROGERS & CO	IG2 U/8	1	Y	
035	010	766620	7340	31,200	2168116	\$1,550,000	11/01/05	\$49.68	EDERER	IG1 U/8	1	26	Imp changed after sale; not in ratio
035	010	766620	7345	9,960	2096479	\$750,000	01/12/05	\$75.30	ST.VINCENT DE PAUL MATTRESS F	IG1 U/8	1	26	Imp changed after sale; not in ratio
035	010	766620	7420	10,080	2248230	\$2,500,000	11/02/06	\$248.02	K.R. TRIGGER BLDG	IG2 U/8	1	Y	
035	030	172280	1415	3,200	2291903	\$720,000	06/08/07	\$225.00	MARCO POLO TAVERN	C1-65	1	Y	
035	030	172280	1785	6,446	2271923	\$890,000	03/16/07	\$138.07	MUZAK	IG2 U/8	1	Y	
035	030	172280	1965	1,104	2102837	\$260,000	02/11/05	\$235.51	OFFICE BLDG	IG2 U/8	1	Y	
035	030	172280	2135	3,824	2285194	\$575,000	05/18/07	\$150.37	MARTIN SIGNS & FABRICATION	IG2 U/8	1	Y	
035	030	182404	9011	15,632	2117233	\$1,300,000	04/20/05	\$83.16	Seattle Dye Works	IG1 U/8	1	Y	
035	030	182404	9047	18,715	2188376	\$1,175,000	02/24/06	\$62.78	AUSTRALIA UNLIMITED IMPORTERS	IG1 U/8	2	Y	
035	030	182404	9074	53,200	2313229	\$5,200,000	09/26/07	\$97.74	Blue Operations	IG1 U/8	2	29	Seg/merge after sale; not in ratio

Improvement Sales for Area 035 with Sales Used

05/13/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	030	202404	9051	6,512	2159368	\$1,350,000	10/03/05	\$207.31	CHRISTFERSON RABER & KIEF	IG2 U/8	1	Y	
035	030	273810	0255	10,409	2276778	\$2,100,000	04/06/07	\$201.75	KETTELLS CORNER	C1-65	1	Y	
035	030	357320	0920	25,881	2299674	\$1,800,000	06/26/07	\$69.55	LIQUID CARBONIC CO	IG2 U/8	1	Y	
035	030	357370	0408	40,238	2186004	\$6,300,000	02/06/06	\$156.57	OFFICE BUILDING	IG2 U/8	1	Y	
035	030	395890	0786	49,199	2255744	\$4,700,000	11/27/06	\$95.53	VAC WHSE	IG1 U/8	1	Y	
035	030	508440	0070	37,960	2303501	\$4,400,000	08/09/07	\$115.91	MERLINO FOODS	IG1 U/8	1	Y	
035	030	526330	0185	8,398	2133270	\$1,590,000	06/22/05	\$189.33	GOLDWELL BLDG	C1-65	2	Y	
035	030	526330	0280	5,808	2311695	\$895,000	09/17/07	\$154.10	FORMERLY ACE RADIATOR AND SH	IG2 U/8	1	Y	
035	030	526330	0330	8,000	2099010	\$1,075,000	01/26/05	\$134.38	THE CATHOLIC PRINTERY	C1-65	1	Y	
035	030	526330	0375	5,000	2271629	\$825,000	02/14/07	\$165.00	BROWN BEARING CO	C1-65	1	Y	
035	030	526330	0420	7,296	2184646	\$930,000	01/27/06	\$127.47	RED WASHINGTON SALES/FLAJOL	IG2 U/8	1	Y	
035	030	526330	0750	7,220	2172900	\$1,095,000	12/01/05	\$151.66	MCGUIRE BEARING	IG2 U/8	1	26	Imp changed after sale; not in ratio
035	030	526330	0880	6,400	2191326	\$710,000	03/03/06	\$110.94	DRIVE LINE SERVICE	IG2 U/8	1	Y	
035	030	526330	0910	30,600	2179530	\$2,250,000	01/03/06	\$73.53	MODINE	IG2 U/8	1	Y	
035	030	526330	1035	6,103	2132198	\$1,095,793	06/17/05	\$179.55	Sea Freight	IG2 U/8	2	26	Imp changed after sale; not in ratio
035	030	526330	1305	4,415	2166939	\$485,000	11/02/05	\$109.85	MARITIME EMPLYMT SVCS/SUNSHI	IG2 U/8	1	Y	
035	030	536720	0025	6,733	2326644	\$1,050,000	11/27/07	\$155.95	SEATTLE TRUCK REPAIR	IG1 U/8	1	Y	
035	030	536720	4560	10,400	2170376	\$887,500	11/21/05	\$85.34	BURGESS ENTERPRISES	IG1 U/8	1	Y	
035	030	617290	0300	31,360	2094376	\$1,765,000	01/03/05	\$56.28	DANIEL SMITH-FINE ART MATERIAL	IG1 U/8	1	26	Imp changed after sale; not in ratio
035	030	766620	3935	13,128	2184261	\$3,500,000	01/27/06	\$266.61	ARMADILLO MACHINERY	IG2 U/8	1	Y	
035	030	766670	0281	24,688	2255892	\$1,325,000	12/15/06	\$53.67	PRAXAIR	IG1 U/8	1	26	Imp changed after sale; not in ratio
035	030	766670	0285	26,146	2196363	\$1,450,000	03/13/06	\$55.46	ANDREWS MACHINERY	IG1 U/8	1	Y	
035	030	788610	0210	33,720	2315976	\$5,064,782	10/18/07	\$150.20	E & E MEATS	IG2 U/8	1	Y	
035	030	788610	0365	33,600	2094957	\$2,400,000	01/07/05	\$71.43	STUSSER ELECTRIC CO	IG2 U/8	1	Y	
035	030	788610	0540	8,877	2168868	\$1,000,000	11/10/05	\$112.65	FABRIFORM PLASTICS INC	IG2 U/8	1	26	Imp changed after sale; not in ratio
035	030	788610	0615	4,800	2260358	\$650,000	01/08/07	\$135.42	BARR TRANSMISSIONS	IG2 U/8	1	Y	
035	030	788610	1011	10,140	2325922	\$2,100,000	12/20/07	\$207.10	PUGET SOUND FREIGHT - OFFICES	IG2 U/8	1	Y	
035	030	788610	1215	25,142	2160720	\$2,150,000	10/07/05	\$85.51	VACANT BLDG	IG2 U/8	1	Y	
035	030	788610	1215	25,142	2218544	\$2,550,000	06/21/06	\$101.42	VACANT WHSE	IG2 U/8	1	Y	
035	030	788610	1315	9,852	2113215	\$1,100,000	03/23/05	\$111.65	UNITED PARTS CORP	IG2 U/8	1	Y	
035	050	202404	9068	20,498	2119842	\$2,975,000	04/28/05	\$145.14	OFFICE BLDG BLDG "J"	IG2 U/8	1	Y	
035	050	273810	0010	425,108	2293099	\$56,651,000	06/14/07	\$133.26	SEATTLE DESIGN CENTER II	IG2 U/8	2	Y	
035	050	386840	0175	14,160	2297889	\$1,450,000	07/12/07	\$102.40	JINS TRADING & DISTRIBUTING	IG2 U/8	1	Y	
035	050	508440	0065	6,126	2124553	\$600,000	05/19/05	\$97.94	SME QUALITY GARAGE	IG2 U/8	1	Y	

Improvement Sales for Area 035 with Sales Used

05/13/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	050	536720	0610	223,354	2097758	\$28,983,200	01/21/05	\$129.76	Bay West Gift Center	IG2 U/8	5	Y	
035	050	536720	4756	53,250	2301871	\$6,500,000	07/27/07	\$122.07	PACIFIC RIM	IG2 U/8	1	Y	
035	060	090100	0015	4,598	2317930	\$920,000	10/05/07	\$200.09	SEA-WASH KOREAN ASSOCIATION	C2-40	1	Y	
035	060	090100	0015	4,598	2319106	\$1,080,000	11/03/07	\$234.88	SEA-WASH KOREAN ASSOCIATION	C2-40	1	Y	
035	060	141630	0025	9,775	2209544	\$1,000,000	05/25/06	\$102.30	AL BRITTAN & ASSOC.'S, INC.	IG2 U/8	1	Y	
035	060	230890	0105	10,276	2257235	\$925,000	12/19/06	\$90.02	WHSE & SHOPS	IB U/65	1	Y	
035	060	273410	0175	4,026	2263103	\$500,000	01/26/07	\$124.19	CARLTON AVENUE GROCERY	L-2	1	Y	
035	060	273810	0175	73,775	2218454	\$10,100,000	06/22/06	\$136.90	AMERICAN POWER INC	IB U/65	2	Y	
035	060	346680	0210	5,815	2184534	\$1,200,000	01/31/06	\$206.36	UFCW LOCAL 1105	NC3-40	1	Y	
035	060	346780	0052	2,622	2257751	\$429,000	12/27/06	\$163.62	BEST TERIYAKI	C2-40	1	Y	
035	060	535420	0080	19,886	2225825	\$2,350,000	07/31/06	\$118.17	CONTOUR LAMINATES	IG2 U/8	2	Y	
035	060	535420	0260	5,250	2246826	\$860,000	10/24/06	\$163.81	INDUSTRIAL BLDG	IG2 U/8	1	26	Imp changed after sale; not in ratio
035	060	554430	0175	5,393	2255851	\$750,000	12/05/06	\$139.07	INDUSTRIAL BLDG	IG2 U/8	5	Y	
035	065	042304	9051	1,800	2205457	\$770,000	05/04/06	\$427.78	The Voyeur	MIC/H	1	Y	
035	065	175370	0282	35,585	2167134	\$2,450,000	11/04/05	\$68.85	POSTAL SERVICES INC	IG2 U/8	2	Y	
035	065	175370	0330	27,000	2175061	\$2,800,000	12/13/05	\$103.70	AUDIO VISUAL FACTORY	IG2 U/8	1	Y	
035	065	273410	0260	4,081	2173883	\$470,000	11/30/05	\$115.17	T21 NIGHT CLUB	IG1 U/8	1	26	Imp changed after sale; not in ratio
035	065	536720	1430	6,840	2217261	\$1,150,000	06/20/06	\$168.13	RETAIL & RESTAURANT	IG2 U/8	1	Y	
035	065	536720	1545	15,960	2301866	\$2,750,000	07/30/07	\$172.31	MICHELANGELO'S	IG2 U/8	1	Y	
035	065	536720	1865	27,654	2144593	\$3,300,000	08/03/05	\$119.33	STROM BUILDING	IG2 U/8	1	Y	
035	065	536720	2085	3,245	2240148	\$440,966	09/26/06	\$135.89	COPPER DOOR TAVERN	IG1 U/8	1	Y	
035	065	536720	2135	3,916	2322342	\$1,155,000	11/28/07	\$294.94	LOUIE'S 4TH AVENUE	IG2 U/8	2	Y	
035	065	536720	2135	3,916	2236270	\$920,000	09/08/06	\$234.93	LOUIE'S 4TH AVENUE	IG2 U/8	2	Y	
035	065	536720	4160	0	2147043	\$135,000	08/02/05	\$0.00	RAINIER PETROLEUM	IG1 U/8	1	Y	

Improvement Sales for Area 035 with Sales not Used

05/13/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	010	132730	0007	32,212	2276852	\$1,400,000	04/06/07	\$43.46	FOUNDRY	IG1 U/85	1	51	Related party, friend, or neighbor
035	010	766620	2740	41,440	2189912	\$2,500	02/13/06	\$0.06	PERFORMANCE RADIATOR/SEABOARD	IG2 U/85	1	18	Quit claim deed
035	010	766620	3120	208,440	2339846	\$1,800,000	04/01/08	\$8.64	TULLY'S COFFEE	IG2 U/85	1	0	Sale occurred after lien date
035	010	766620	3450	31,096	2335393	\$6,300,000	03/03/08	\$202.60	PACIFIC ALASKA FORWARDING	IG1 U/85	1	0	Sale occurred after lien date
035	010	766620	4130	39,600	2343408	\$4,350,000	04/15/08	\$109.85	ABBOT/NEWSOM TALLAHAN	IG1 U/85	1	0	Sale occurred after lien date
035	010	766620	4165	64,092	2278179	\$16,000,000	04/16/07	\$249.64	PACIFIC INDUSTRIAL SUPPLY	IG1 U/85	2	11	Corporate affiliates
035	010	766620	4189	6,320	2109818	\$1,975,261	03/17/05	\$312.54	PARKER PAINTS	IG1 U/85	1	11	Corporate affiliates
035	010	766620	4280	23,750	2109817	\$1,463,426	03/17/05	\$61.62	SEATTLE CONSERVATION CORP/CLARK	IG1 U/85	1	11	Corporate affiliates
035	010	766620	4565	9,960	2109826	\$3,452,980	03/17/05	\$346.68	CASH & CARRY GROCERS	IG2 U/85	2	11	Corporate affiliates
035	010	766620	4856	0	2218674	\$3,938,000	06/28/06	\$0.00	ALLRIGHT PARKING	IC-65	1	31	Exempt from excise tax
035	010	766620	5150	10,392	2234966	\$1,650,000	08/31/06	\$158.78	DRIVE LINES NORTHWEST	IG1 U/85	1	36	Plottage
035	010	766620	5325	6,092	2109827	\$1,433,099	03/17/05	\$235.24	ELEPHANT CAR WASH	IG1 U/85	4	11	Corporate affiliates
035	010	766620	5475	9,792	2109868	\$1,650,000	03/17/05	\$168.50	FULLER OBRIEN/SEATTLE PAINT SUPPLY	IG1 U/85	1	11	Corporate affiliates
035	010	766620	5505	10,415	2342736	\$2,041,920	04/22/08	\$196.06	ANDY'S DINER	IG1 U/85	1	0	Sale occurred after lien date
035	010	766620	5655	6,919	2109822	\$479,051	03/17/05	\$69.24	RETAIL STORES	IG1 U/85	1	11	Corporate affiliates
035	010	766620	5882	14,488	2211051	\$1,029,000	05/19/06	\$71.02	HALF-WAY HOUSE	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	010	766620	6440	51,700	2332996	\$9,500,000	02/15/08	\$183.75	MC KINNON FURNITURE	IC-85	1	0	Sale occurred after lien date
035	010	766620	6678	2,250	2253526	\$445,000	12/01/06	\$197.78	SPORTS BAR	IG2 U/85	1	5	Full sales price not reported
035	010	766620	7045	20,054	2341944	\$11,000,000	04/16/08	\$548.52	OLD COAST CRANE & BULLPEN PKG	IG1 U/85	1	0	Sale occurred after lien date
035	010	766620	7090	18,960	2200254	\$165,417	04/14/06	\$8.72	FOUR TENANT WAREHOUSE	IC-85	1	22	Partial interest (1/3, 1/2, etc.)
035	010	766620	7090	18,960	2200253	\$330,833	04/14/06	\$17.45	FOUR TENANT WAREHOUSE	IC-85	1	22	Partial interest (1/3, 1/2, etc.)
035	010	766620	7190	20,970	2301576	\$3,000,000	07/21/07	\$143.06	MULTI-TEN WHSE	IG2 U/85	1	15	No market exposure
035	010	766620	7250	8,800	2310419	\$1,500,000	09/14/07	\$170.45	SIR PLUS/ LEMEIX RESTAURANT	IG2 U/85	1	51	Related party, friend, or neighbor
035	010	766620	7350	7,740	2133404	\$1,500,000	06/22/05	\$193.80	ALL METALS FABRICATORS	IG1 U/85	1	36	Plottage
035	010	766620	7360	92,463	2307065	\$13,750,000	08/28/07	\$148.71	WASHINGTON CHAIN SUPPLY	IG1 U/85	1	51	Related party, friend, or neighbor
035	010	766620	7400	22,676	2192553	\$2,399,723	03/15/06	\$105.83	EDERER CRANE	IG2 U/85	3	22	Partial interest (1/3, 1/2, etc.)
035	010	766620	7405	7,020	2130009	\$650,000	06/10/05	\$92.59	WAREHOUSE	IG2 U/85	1	51	Related party, friend, or neighbor
035	010	766620	7405	7,020	2227118	\$1,100,000	08/02/06	\$156.70	WAREHOUSE	IG2 U/85	1	51	Related party, friend, or neighbor
035	010	766620	7425	3,552	2228804	\$1,100,000	08/09/06	\$309.68	VERTIGO BLDG	IG2 U/85	1	46	Non-representative sale
035	010	766620	7426	19,620	2180131	\$1,100,000	01/01/06	\$56.07	LEIENDECKER BLDG	IG2 U/85	1	51	Related party, friend, or neighbor
035	030	172280	1375	9,670	2304790	\$1,300,000	08/14/07	\$134.44	NW SHIPPING ROOM SUPPLY	IG2 U/85	1	51	Related party, friend, or neighbor
035	030	172280	1690	11,176	2282425	\$700,000	05/01/07	\$62.63	A J HANSON & CO	IG2 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	030	172280	1815	11,732	2334316	\$2,100,000	02/13/08	\$179.00	QUALITY PRESS	IG2 U/85	1	0	Sale occurred after lien date
035	030	172280	1870	0	2172460	\$260,000	11/21/05	\$0.00	WESTERN DUPLICATING & 2 SFR'S	IG2 U/85	1	15	No market exposure
035	030	172280	1910	2,400	2180168	\$634,955	01/01/06	\$264.56	DON'S RADIATOR	IG2 U/85	1	51	Related party, friend, or neighbor

Improvement Sales for Area 035 with Sales not Used

05/13/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	030	172280	2010	3,360	2180140	\$436,765	01/01/06	\$129.99	LITTLE DELI-MART	IG2 U/85	1	51	Related party, friend, or neighbor
035	030	172280	2035	7,850	2148433	\$176,886	07/15/05	\$22.53	ALKI BAKERY	IG2 U/85	1	52	Statement to Dept.Of Revenue
035	030	182404	9058	62,328	2190382	\$4,139,436	03/03/06	\$66.41	RAINIER COLD STG/'E' & 'E' MEATS	IG1 U/85	1	15	No market exposure
035	030	202404	9031	3,000	2309388	\$333,150	09/06/07	\$111.05	SEATTLE BARREL	IG2 U/85	2	51	Related party, friend, or neighbor
035	030	357320	0130	280,800	2228619	\$20,000,000	08/10/06	\$71.23	REHAB"D GOV"T WAREHOUSE	IG1 U/85	1	51	Related party, friend, or neighbor
035	030	357320	0250	99,482	2173655	\$7,950,000	12/05/05	\$79.91	SOUTH SEATTLE INDUSTRIAL PARK	IG1 U/85	1	52	Statement to Dept.Of Revenue
035	030	395890	0350	8,310	2228309	\$1,000,000	08/08/06	\$120.34	THE PAINTERS INC/PROSPECT MOTORS	IG2 U/85	1	36	Plottage
035	030	526330	0700	868	2141453	\$185,000	07/19/05	\$213.13	SFR	IG2 U/85	1	12	Estate administrator, guardian, or
035	030	526330	0770	4,032	2194938	\$405,000	03/01/06	\$100.45	J D OTT COMPANY	IG2 U/85	1	51	Related party, friend, or neighbor
035	030	766620	4090	3,721	2109821	\$1,280,996	03/17/05	\$344.26	STORAGE WAREHOUSE	IG1 U/85	1	11	Corporate affiliates
035	030	766620	5806	9,335	2183746	\$600,000	01/26/06	\$64.27	PACIFIC SHEET METAL	IG1 U/85	2	51	Related party, friend, or neighbor
035	030	788610	0475	35,836	2344699	\$3,864,566	05/05/08	\$107.84	LAIRD PLASTICS	IG2 U/85	1	0	Sale occurred after lien date
035	030	788610	0605	1,488	2292016	\$565,000	06/07/07	\$379.70	FLYNN'S CAFE	IG2 U/85	1	36	Plottage
035	050	536720	0820	44,476	2097761	\$2,683,200	01/21/05	\$60.33	AIR EXPRESS/INDUST AUTOMOTIVE	IG2 U/85	3	19	Seller's or purchaser's assignment
035	050	536720	0820	44,476	2337361	\$7,600,000	03/17/08	\$170.88	AIR EXPRESS/INDUST AUTOMOTIVE	IG2 U/85	3	0	Sale occurred after lien date
035	060	141630	0005	3,566	2106420	\$500,000	02/07/05	\$140.21	GEORGETOWN TIRE CO	IG2 U/85	1	36	Plottage
035	060	141630	0009	4,060	2149687	\$700,000	08/25/05	\$172.41	KANE CO.	IG2 U/85	1	36	Plottage
035	060	172280	0985	27,680	2181946	\$3,500,000	01/18/06	\$126.45	OFFICE/WAREHOUSE	IB U/65	1	31	Exempt from excise tax
035	060	273410	0343	2,621	2307526	\$359,000	08/27/07	\$136.97	TOWNHOUSE DUPLEX & SFR	L-2	1	8	Questionable per appraisal
035	060	273610	0010	14,400	2341058	\$2,250,000	04/08/08	\$156.25	LAUCKS LABORATORIES	IG2 U/85	2	0	Sale occurred after lien date
035	060	346680	0065	110,865	2242069	\$9,865,000	10/03/06	\$88.98	RAINIER ICE & STORAGE	IG2 U/85	1	34	Change of use
035	060	346780	0005	31,900	2148500	\$1,920,000	08/19/05	\$60.19	RUNG WAREHOUSE	C2-40	1	51	Related party, friend, or neighbor
035	060	692070	0010	8,624	2338259	\$1,290,000	03/19/08	\$149.58	OWENS PROPERTIES/ LAUCKS LABS	IB U/65	1	0	Sale occurred after lien date
035	065	213620	0005	3,400	2344939	\$630,000	05/05/08	\$185.29	CASCADE TRANSMISSION	IB U/65	1	0	Sale occurred after lien date
035	065	346880	0475	3,480	2295291	\$475,000	06/27/07	\$136.49	COLEMAN MEXICAN RESTAURANT	C1-40	1	51	Related party, friend, or neighbor
035	065	536720	1295	10,435	2221790	\$3,500,000	07/14/06	\$335.41	OLD PENNINSULA TRUCK LINES PROPERTY	IG2 U/85	1	34	Change of use
035	065	536720	2000	6,200	2227571	\$552,340	07/31/06	\$89.09	TRUCKING WAREHOUSE	IG2 U/85	1	44	Tenant
035	065	536720	2120	2,621	2179904	\$1,240,000	01/04/06	\$473.10	MONEY TREE	IG2 U/85	1	46	Non-representative sale
035	065	536720	2145	9,041	2119877	\$693,196	04/29/05	\$76.67	PACIFIC COAST MARBLE & GRANITE	IG1 U/85	1	51	Related party, friend, or neighbor
035	070	282404	9007	1,895,641	2296422	\$4,000,000	07/03/07	\$2.11	KING CO AIRPORT	IG2 U/85	1	33	Lease or lease-hold
035	070	282404	9007	1,895,641	2341080	\$9,750,000	04/10/08	\$5.14	KING CO AIRPORT	IG2 U/85	1	0	Sale occurred after lien date

Vacant Sales for Area 035 with Sales Used

01/10/2008

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	010	567950	0480	28,075	2212436	\$800,000	06/05/06	\$28.50	JEMCO INC	IG2 U/85	1	Y	
035	010	766620	3241	1,800	2323127	\$43,680	10/08/07	\$24.27	LEASE	IG2 U/85	1	Y	
035	010	766620	5960	9,000	2240117	\$585,000	09/29/06	\$65.00	OLD CCI INDUSTRIAL SUPPLY	IG2 U/85	1	Y	
035	010	766620	6970	166,360	2278069	\$23,984,000	04/13/07	\$144.17	DOT Land - Former WOSCA Terminal	IC-65	1	Y	
035	010	766620	7085	26,640	2235208	\$4,400,000	09/06/06	\$165.17	SEATTLE SUN SYSTEMS	IC-85	1	Y	
035	030	172280	1874	4,000	2158897	\$189,950	09/30/05	\$47.49	OLD WESTERN DUPLICATING/SFR	IG2 U/85	1	Y	
035	030	182404	9003	231,030	2252442	\$5,150,000	11/29/06	\$22.29	NICHOLSON MFG CO INC	IG1 U/85	1	Y	
035	030	386940	1235	10,989	2322991	\$91,300	11/06/07	\$8.31	VACANT LAND	IG2 U/85	1	Y	
035	030	386940	1235	10,989	2239961	\$15,000	09/14/06	\$1.37	VACANT LAND	IG2 U/85	1	Y	
035	030	617290	0340	28,425	2306698	\$663,300	08/17/07	\$23.34	OPERATING PROPERTY	IG1 U/85	1	Y	
035	060	273410	0343	3,145	2120837	\$89,000	05/02/05	\$28.30	VACANT	L-2	1	Y	
035	060	273510	0060	16,800	2135335	\$567,504	06/24/05	\$33.78	VACANT	IG2 U/85	1	Y	
035	060	700620	0600	14,807	2299317	\$1,150,000	07/19/07	\$77.67	VACANT	C2-40	1	Y	
035	065	000180	0089	51,999	2103189	\$900,000	02/18/05	\$17.31	SEG FROM 00018000870	IG1 U/85	1	Y	
035	065	000340	0015	2,407,440	2278932	\$91,000,000	04/19/07	\$37.80	ASSOCIATED GROCERS	MIC/H	25	Y	
035	065	042304	9015	296,577	2299158	\$6,500,000	07/19/07	\$21.92	TRIMLINE TRANSMISSION	MIC/H	3	Y	
035	065	536720	2105	2,240	2280451	\$325,000	04/24/07	\$145.09	VACANT RESIDENCE	IG1 U/85	1	Y	
035	065	542260	0020	281,732	2268437	\$7,000,000	02/28/07	\$24.85	VACANT LOT - MUSEUM OF FLIGHT	MIC/H	1	Y	

Vacant Sales for Area 035 with Sales not Used

01/09/2008

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	010	149830	0095	50	2317039	\$419,950	10/11/07	\$8,399.00	VACANT	IG2 U/85	1	46	Non-representative sale
035	030	172280	1320	6,006	2293100	\$120,000	06/14/07	\$19.98	VACANT LAND	C1-65	1	19	Seller's or purchaser's assignment
035	050	536720	1000	16,000	2292777	\$320,000	06/14/07	\$20.00	VACANT LAND	IG2 U/85	2	15	No market exposure
035	060	700620	0365	9,302	2278270	\$158,000	04/16/07	\$16.99	ACKERLY COMMUNICATIONS	IG2 U/85	1	15	No market exposure
035	065	032304	9062	152,900	2299157	\$2,886,000	07/19/07	\$18.88	NW AUTO WRECKING STORAGE YARD	IG2 U/85	1	19	Seller's or purchaser's assignment