

**Commercial Revalue**

**2015 Assessment Roll**

# **AREA**

# **35**

**King County, Department of Assessments**  
**Seattle, Wa.**

**Lloyd Hara, Assessor**



## King County

Department of Assessments

**Accounting Division**

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

Dear Property Owners:

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

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

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

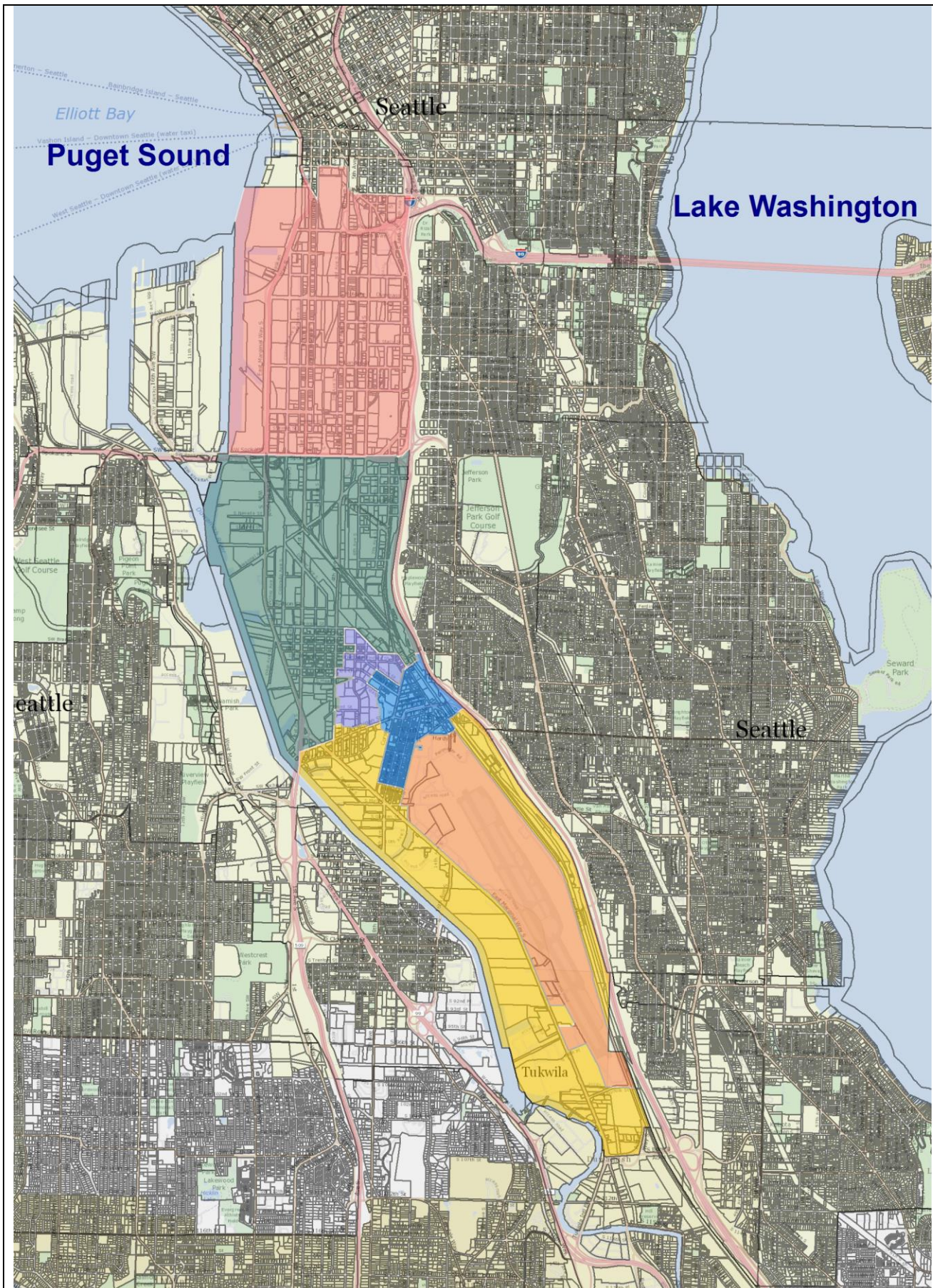
Please feel welcome to call my staff if you have questions about the property assessment process and how it relates to your property.

Sincerely,

Lloyd Hara  
Assessor



## AREA 35 NEIGHBORHOODS



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**King County**  
Assessments  
8/10/15



# Executive Summary Report

**Appraisal Date 1/1/2015- 2015 Assessment Year**

## Geographic Appraisal Area

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

## Sales – Improved Summary

Number of Sales: 44

Sales Included in Ratio Study Summary: 32

Range of Sales Dates: 3/29/2012-12/9/2014

## Sales – Ratio Study Summary

Sales--Improved Valuation Change Summary				
	Mean Assessed Value	Mean Sale Price	Ratio	COD
2014 Average Value	\$1,780,200	\$2,045,100	87.04%	13.36%
2015 Average Value	\$1,862,800	\$2,045,100	91.08%	8.09%
Absolute Change	+\$82,600		+4.04%	-5.27%
% Change	+4.64%		+4.64%	-39.45%

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

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

## Population - Parcel Summary Data

Total Population-Parcel Summary Data			
	Land	Improvements	Total
2014 Value	\$2,776,763,600	\$2,042,776,800	\$4,819,540,400
2015 Value	\$2,929,102,300	\$2,040,240,700	\$4,933,493,000
% Change	+5.49%	-0.12%	+2.36%

**Number of Parcels in the Population: 1,250;** which includes vacant and improved parcels, excluding specialty and exempt parcels with government ownership.

## **Conclusion and Recommendation**

Total assessed values for the 2015 revalue have increased 2.36%.

The values recommended in this report improve uniformity and equity; therefore, we recommend posting these values for the 2015 Assessment Year.

## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2015

**Date of Appraisal Report:** May 27, 2015

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

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

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

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

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

### **Standards and Measurement of Data Accuracy**

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

### **Special Assumptions and Limiting Conditions**

All three approaches to value were considered in this appraisal.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/1/2012 through 12/31/2014 (at minimum) were considered in all analyses.
- The intention of this report is to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## Identification of the Area

### Name or Designation

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

### Boundaries

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

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

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

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

### Maps

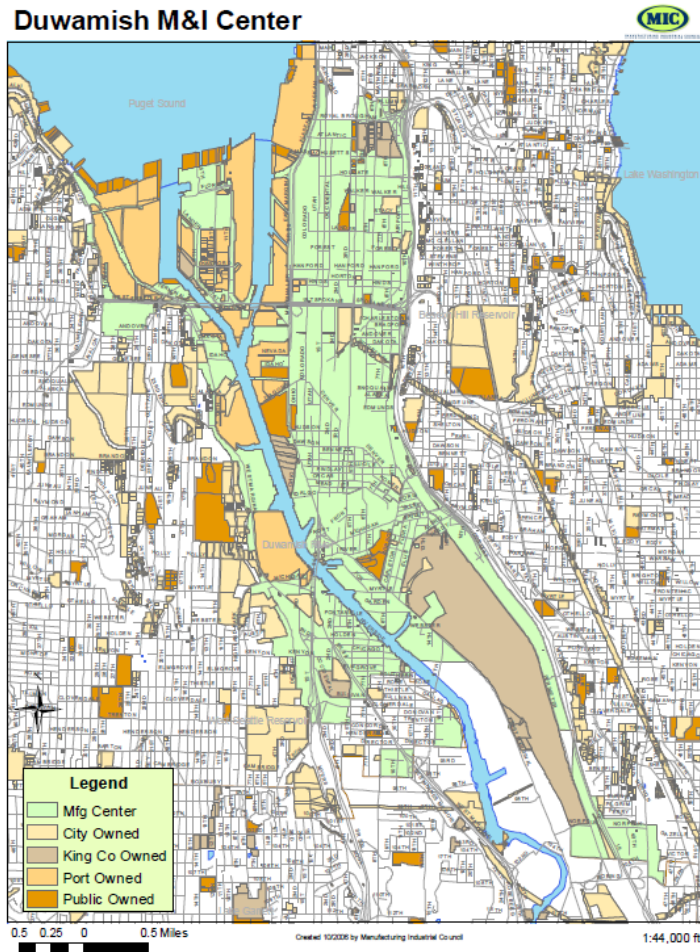
A general map of the area is included in this report. More detailed Assessor’s maps are located on the seventh floor of the King County Administration Building.

### Area Overview

Primarily situated inside the city limits of Seattle (with a small section falling within the northeastern portion of city limits of Tukwila and unincorporated King County,) Area 35 is comprised of the portion of the Greater Duwamish MIC along the eastern bank of the Duwamish River south of the downtown Seattle central business district. The East Duwamish Manufacturing Industrial Center, more specifically the SODO subarea of the East Duwamish MIC, forms the northeastern most portion of an industrial corridor that extends from downtown Seattle southward toward Kent and the adjacent industrial areas in southeast King county. The original meaning for acronym SODO was South of the (King)dome; however, with the demolition of the Kingdome stadium in 2000, the connotation has been adapted to mean the South of Downtown Area. The East Duwamish MIC, including the SODO subarea, is considered part of the Seattle “Close-In” Industrial Market. Seventy seven percent of Seattle’s industrial zoned land is located in the Duwamish MIC (including land both east and west of the Duwamish Waterway.)



## Duwamish M&I Center



Area 35 represents the oldest industrial location in the Puget Sound region, and is located adjacent to the southern portions of historic Pioneer Square (the original section of downtown Seattle) and the International District, both of which harken back to the 1800's. Industrial development in SODO started close to downtown Seattle near the turn of the twentieth century and over the years expanded to the south, incorporating what are now the Port of Seattle and the areas surrounding the Duwamish Waterway. Consequently, in the northern portion of this industrial district, many older properties are in need of renovation and redevelopment. Moving southbound, the properties consist of more recently constructed manufacturing and warehouse facilities ranging in age from new to 60 years old.

Manufacturing Industrial Centers (MIC) are typically uniquely accessible to water, rail and regional highways. The growth of industrial

development in the SODO/ East Duwamish MIC market is influenced by the following factors:

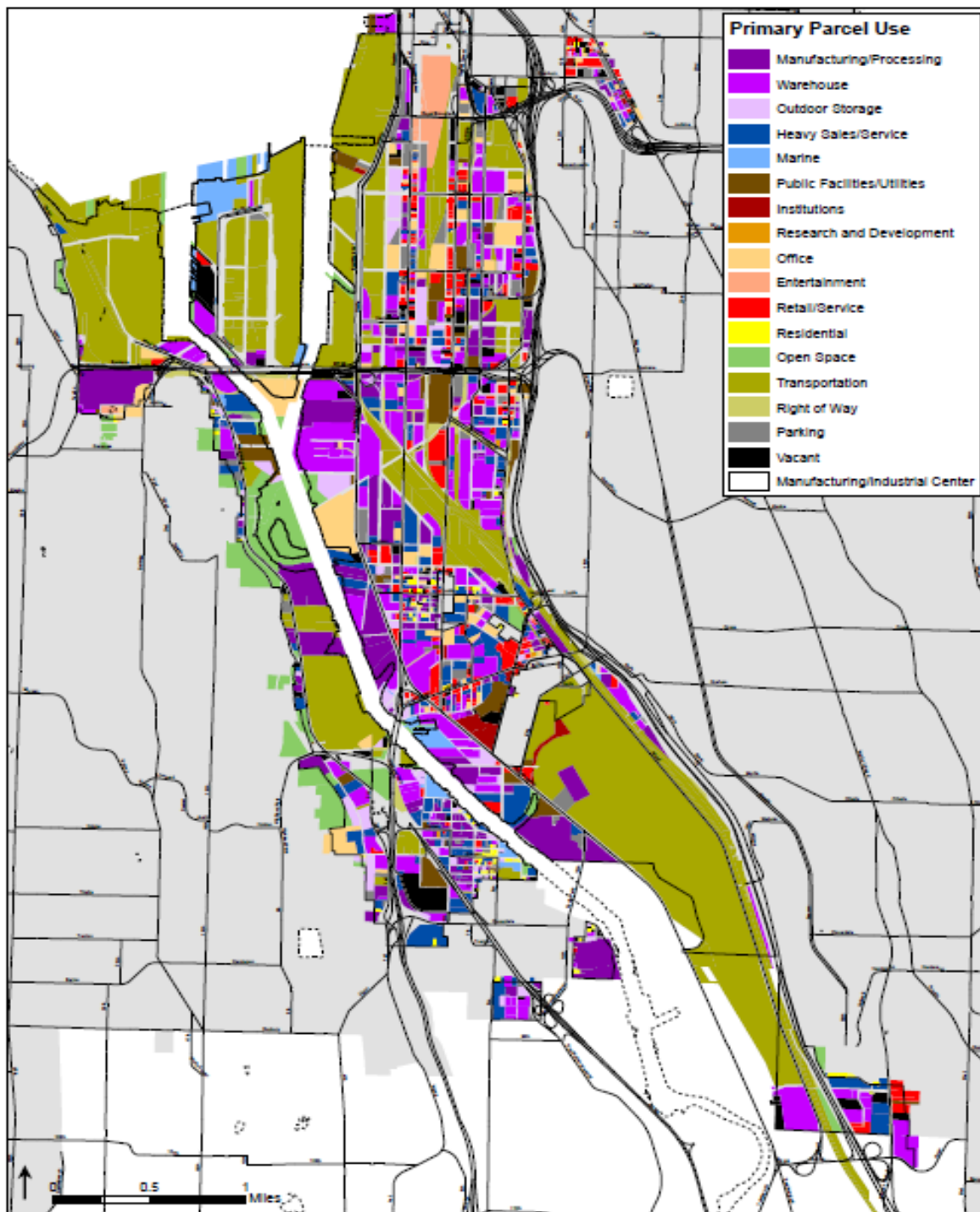
- The area's location between downtown Seattle and the Sea-Tac Airport;
- The Boeing Company, Seattle's largest industrial employer, plus the presence of the King County Airport (convenient access to airfreight ;)
- The Duwamish Waterway and the Port of Seattle (benefits of deep water marine access ;)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

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

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

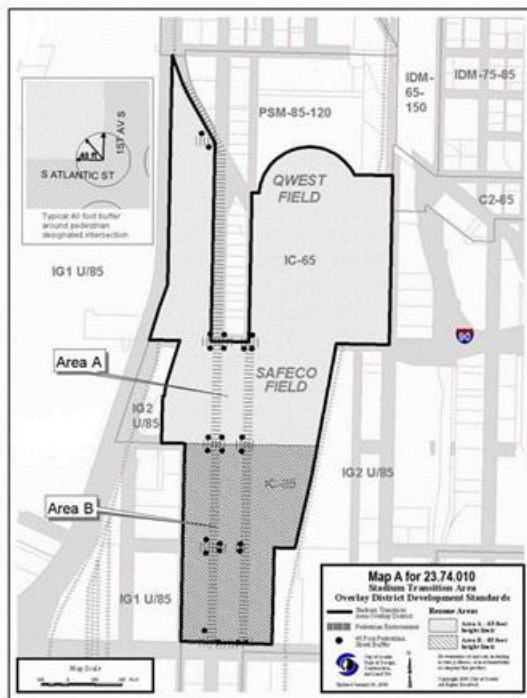
According to the Puget Sound Regional Council, the Duwamish MIC maintains the role of a major regional employment center by providing the largest concentration of family wage jobs in the Puget Sound region, and is second only to downtown Seattle in regards to total employment figures. The Duwamish Manufacturing/Industrial Employment Center is a key component of the regional economy. Given the current low vacancy rates in the Duwamish and very strong employment growth forecasted for core industrial lands in this area, strategies will need to address how to accommodate anticipated industrial and non-industrial jobs (Industrial Lands Analysis for the Central Puget Sound Region by the Puget Sound Regional Council.)

## Seattle's Industrial Zoned Land Primary Parcel Uses



Source: Manufacturing Industrial Council

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



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

Pioneer Square, the working waterfront, and the industrial area. One of the desired relationships of the Stadium Transition Area is with Pioneer Square and First Avenue, permitting strong pedestrian and transit links to the north. The stadium overlay area intended to create well-defined edges between the pedestrian activity of the Stadium Transition Area and industrial activity of the surrounding the area.

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



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

## Area 35-10



### Boundaries:

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

### Neighborhood Description:

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

BMW Seattle auto sales showroom and service facility opened in 2010 in the northeast portion of neighborhood 10. The Mercedes Benz of Seattle dealership constructed a new facility on the site of their former used auto sales showroom in SODO in 2013, and subsequently moved all their operations, including new car sales, to Area 35.



Prior to moving to SODO, both BMW Seattle and Mercedes Benz of Seattle had been located on Capitol Hill. The Pike-Pine corridor on Capitol Hill was the home of Seattle's original "auto row," which is currently transitioning to higher density mixed use residential development. Honda and Toyota of Seattle have recently completed their new dealership in SODO, and relocated their operations from Seattle's CBD. Amazon is in the process of planning a campus development in the downtown core with three office towers in the block at Eighth Street and Westlake Avenue, which would encompass the former location of Toyota of Seattle. Density driven development of mixed-use commercially zoned sites in Capitol Hill and the downtown Seattle CBD have superseded auto sales businesses, which generally have more ground level space requirements. The Greyhound Bus Station, displaced from their location of over 85 years in the Seattle CBD for a two-tower hotel, office, and housing development, relocated in 2014 to neighborhood 10 at 6<sup>th</sup> Avenue South and Royal Brougham Way near the stadiums and adjacent a light rail stop.



A sports arena, predominantly for basketball use, is conditionally proposed in the immediate vicinity of the existing sport stadiums in the event that Seattle is able to acquire a NBA franchise. The possible future siting of the arena is located within the Stadium Overlay zoning in the northern portion of neighborhood 10, just to the south of Century Link and Safeco Fields. As of January 1, 2015, and the date of this report, the arena is still in the "proposed phase," and a basketball team has not been acquired. In preparation, a Final Environmental Impact Statement for the proposed arena has been released and the backers of the arena are working toward obtaining construction permits

One of the newest uses in the Duwamish MIC permitted by the city of Seattle Department of Planning and Development is business involving the growing, processing (food processing and light manufacturing,) selling, or delivery of marijuana. Since federal law requirements prohibits production and distribution of controlled substances within 1,000 feet of a school, playground,

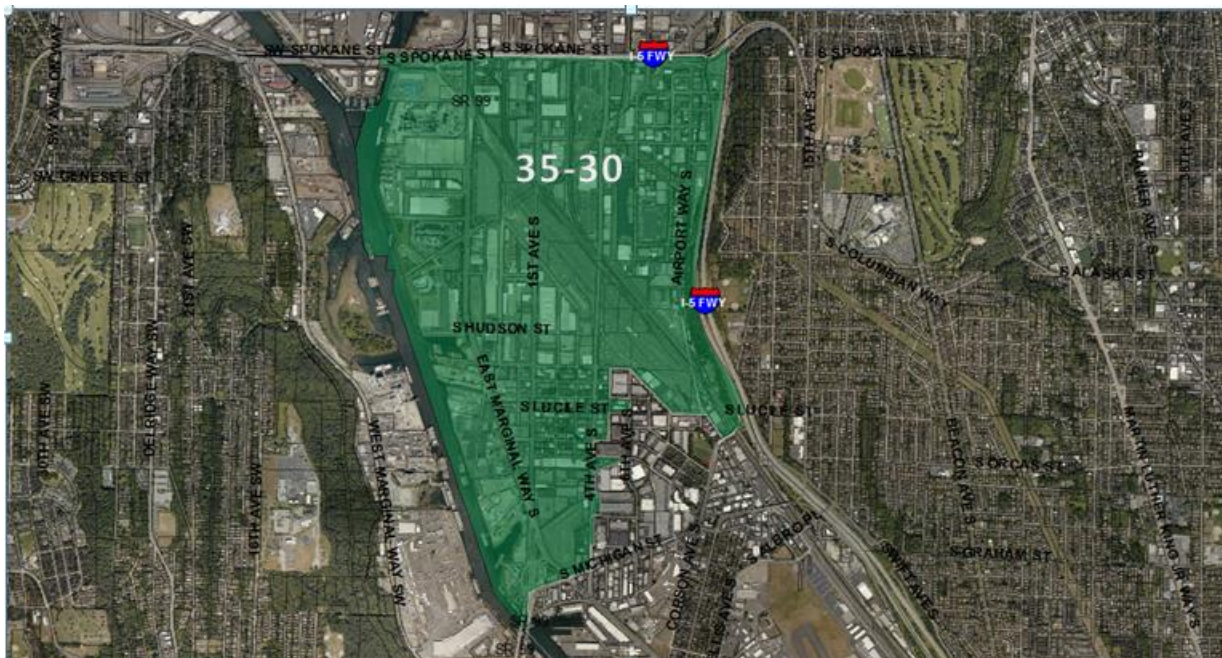


public housing, industrial areas with industrial oriented zoning readily lend itself to marijuana affiliated uses. In designated MIC centers within the city of Seattle, which includes portions of the Duwamish Valley, urban farm uses are specifically limited to rooftop and indoor agriculture operations. Other limitations include exclusion of siting any marijuana use within the Stadium Transition Overlay District, and no additional indoor agriculture operations within the IG1 zones, unless they were established prior to November 2013 and not more than 5,000 square feet in size.

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

Washington State leads a growing craft distillery industry with approximately 110 distilled spirit plants, the largest number in any one state. Twenty seven are located in King county, which is greater than any other county in the United States, and Seattle has seventeen, greater than any other city. Small craft distilleries were first allowed by the state's legislature in 2008. A combination of the increase in allowable production to 150,000 gallons in 2014, and the discontinuation of the limitations on premise sales, bode well for the expansion of the industry. Neighborhood 10 is the home of a number of distilleries including Glass Distillery and 2bar Spirits, both opened in 2012, and Westland Distillery in 2013. Additionally, local brewers are also predominantly located in Area 35, within neighborhoods 10, 30 and 50.

### Area 35-30:



## **Boundaries:**

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

## **Neighborhood Description:**

Area 35-30 is located to the south of 35-10. Historically, the pattern of industrial development began closest to downtown Seattle in 35-10 and traveled southbound to 35-30. Approximately 85% of the buildings in Area 35-30 were constructed after 1960. The neighborhood is characterized by heavy industrial activity along the Duwamish Waterway, as well as a significant presence of railroad operating properties. Additionally, commercial development exists between 1<sup>st</sup> Ave South and 4<sup>th</sup> Ave South in the northeastern portion of the Georgetown area. This neighborhood has not experienced the land transactions equivalent to those occurring in neighborhood 10; however, nineteen improved transactions occurred within the past three years with the predominant buyer an owner occupant. Some of the buildings will undergo a change of use to customize the facility for the new owner, such as the building in the photo to the right, transitioning from automotive repair to a food processing facility. The East Duwamish MIC is a highly desirable location; therefore, many businesses are willing to purchase buildings that will need to undergo substantial renovations to modify and customize the use for their individual operations.

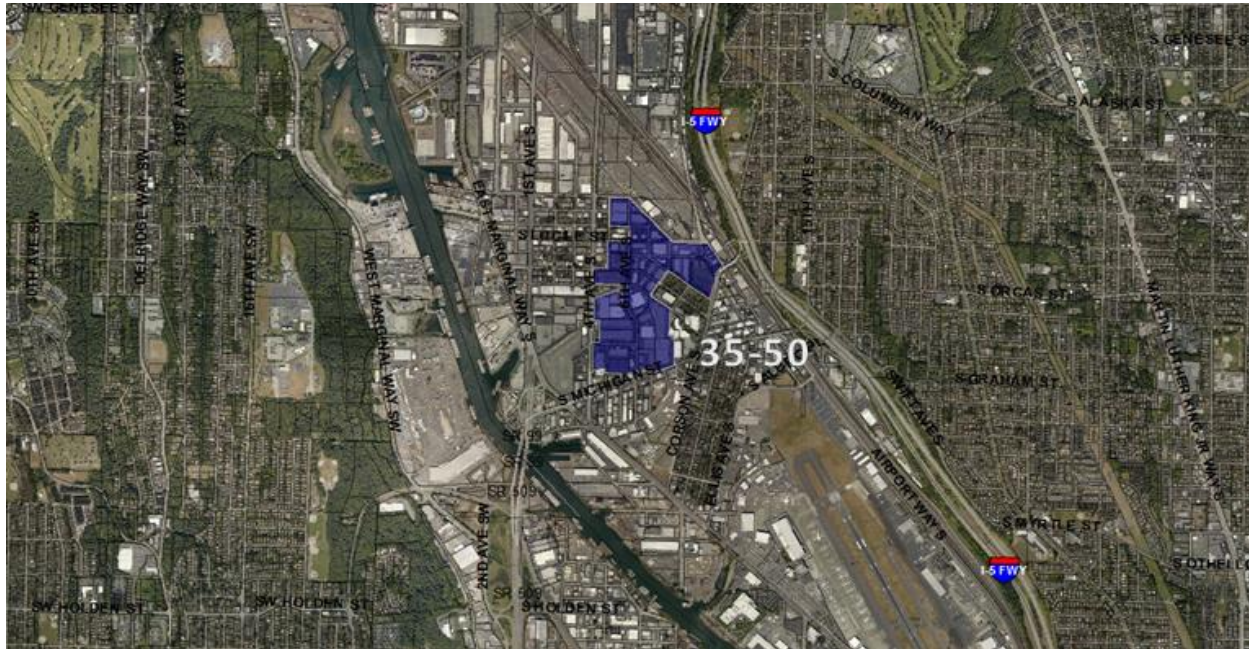


Neighborhood 30 houses a number of microbreweries, including the two pre-eminent brands in Washington. Georgetown Brewery, founded in 2002, is the largest microbrewery in Washington state and Elysian Brewery, a twenty-year-old local craft brewing company, ranking second. Elysian opened a new manufacturing operation in this neighborhood in 2011. They have outgrown their existing facility and are expanding with an additional industrial manufacturing building currently under construction nearby. In January 2015, Anheuser-Busch, a subsidiary of the Belgian-Brazilian company InBev (owner of 47.2% of the U.S. beer market) purchased Elysian. The sales of the national beer brands have been declining in recent years, and the acquisition is an example of a national brand trying to counter declining sales by growing its craft-beer portfolio. The Brewers Association reported that the craft-brewing industry has grown from a niche market to more than a \$14 billion industry in 2013. Local news reports that



Elysian's founders are staying with the company post-acquisition, and will continue production locally.

## Area 35-50:



### Boundaries:

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

### Neighborhood Description:

Area 35-50 is the smallest neighborhood within the Area 35 industrial district. The old 'Benaroya Business Park' development was a catalyst to the low-rise warehouse, warehouse showroom, and warehouse office developments in this neighborhood. The buildings were primarily constructed between the 1950s and the 1970s and the area overall has improvements closest to being considered "Institutional Grade" industrial properties. One of the larger institutional grade buildings is the Seattle Design Center complex, which opened the Atrium Building in 1973, and added the Plaza Building in 1982. An institutional buyer purchased the complex at the end of 2014 with plans to consolidate the designer showroom space in the Atrium Building and reimagine the Plaza building by renovating over a quarter of a million square feet into creative/tech office space.



**Area 35-60:**



**Boundaries:**

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

**Neighborhood Description:**



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

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



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



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

### **Area 35-65:**



**Boundaries:**

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

**Neighborhood Description:**

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

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

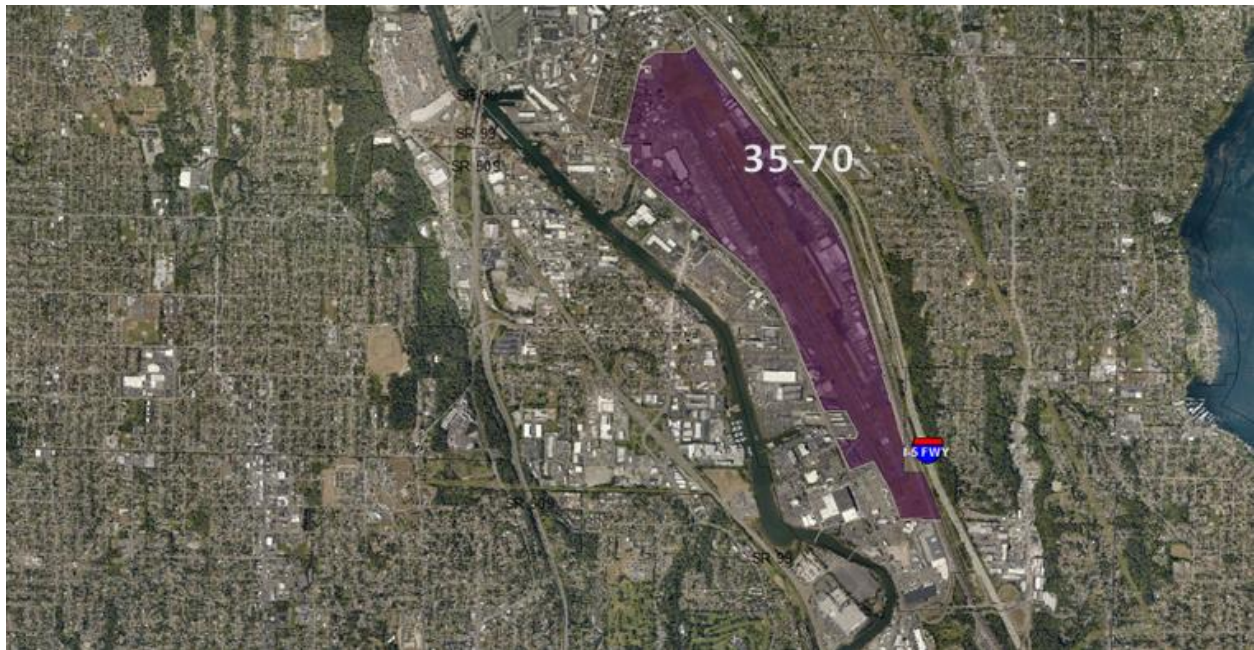


In 2012, the Museum of Flight opened their installation a full-scale shuttle training facility within the Charles Simonyi Space Gallery, originally constructed to house a display of a space-flown shuttle. The Museum of Flight has the only example of a training shuttle available outside of NASA. For the past thirty years, NASA used the full-scale shuttle fuselage mock-up to train astronauts.





## Area 35-70:



### Boundaries:

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

### Neighborhood Description:



The neighborhood is comprised of publically and privately owned airfield hangars and airfield administrative offices on the east side of the Airport, and Boeing buildings, as well as additional public hangars along the west side of the Airport. The photographs depict newer hanger structures along the east side of the airport.



## **Physical Inspection Identification**

WAC 458-07-015 requires each property to be physically inspected at least once during a 6-year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Inspections were not conducted during the current revalue year.

## **Scope of Data**

### **Land Value Data:**

Vacant land sales with closed transactions occurring during the period ranging from January 1, 2012 through December 31, 2014, were given primary consideration in the valuation of commercial and industrial zoned land parcels for the 2015 revalue for Area 35. Since January 2012, 15 transactions were verified as “good,” which are coded as “Y” in the Assessor’s records. The actual dates of the good sales occurred between February 8, 2012 and June 23, 2014. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales. “Shell” sales, “interim use” sales, “tear down” sales, and land transactions that may include plans and permits would also be included in the analysis of land value. Sales information was obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information was then analyzed and investigated by the appraiser in the process of revaluation. All sales were verified, when possible, by contacting the purchaser, seller, or realtors involved in the transaction. The Comparative Sales Approach was considered the most reliable methodology for the valuation. Location and zoning were primary variables in the valuation process, and the price per square foot of land area was used for unit comparison and application. Appraiser judgment prevails in all decisions regarding individual parcel valuation. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

### **Improved Parcel Total Value Data:**

Improved sales that closed transactions occurring during the period ranging from January 1, 2012 through December 31, 2015 received primary consideration for establishing total value estimates. Forty-four improved sale transactions occurred during this period, ranging from March 29, 2012 to December 9, 2014, which were used to establish a market relationship for similar properties that were not sold. Sales information was obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information was then analyzed and investigated by the appraiser in the process of revaluation. All sales were verified, when possible, by contacting the purchaser, seller, or realtors involved in the transaction. Property characteristic data for the sales was re-verified when possible. Due to time constraints and access issues, interior inspections were limited. Sales are located in the “Improved Sales Used” and “Improved Sales Not Used” sections of this report. Additional

information may reside in the Assessor's website, Assessor's Real Property Database, Assessor's Procedure Manual, Assessor's 'field' maps, Revalue Plan, separate studies, and statutes.

## **Land Value**

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

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

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

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

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

The total assessed land value in area 35 for the 2014 assessment year was \$2,776,763,600. The 2015 recommended total assessed land value is \$2,929,102,300. Application of these recommended values for the 2015 assessment year represents an overall increase from the previous total assessed land value of 5.49%. The total land values include all taxable and nontaxable parcels in Area 35, with the exception government owned parcels. Some of the increases are due to adjustments based on market sales, and is intended to improve uniformity and assessment levels for land within Area 35. Due to the large value adjustments applied to contaminated properties in Area 35, indicated changes in some instances may be misleading and reflect increases in land value of contaminated parcels to a market level of value prior to subsequent annual adjustment applied by the contaminated property specialist. From a broader

perspective, even though the frequency of land sales has declined during the 2013 and 2014 calendar years, land value is considered to reflect continued market recovery.

Change in Assessed Land Value by Neighborhood			
Neighborhood	2014 Land Value	2015 Land Value	%Change
35-10	\$1,313,082,800	\$1,375,141,300	+4.73%
35-30	\$566,126,900	\$568,332,700	+0.39%
35-50	\$84,294,400	\$89,980,300	+6.74%
35-60	\$61,234,600	\$69,783,300	+13.96%
35-65	\$259,974,000	\$284,608,700	+9.47%
35-70	\$492,050,900	\$541,256,000	+10.00%
<b>Total</b>	<b>\$2,776,763,600</b>	<b>\$2,929,102,300</b>	<b>+5.49%</b>

### Neighborhoods and Sales:

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

### Neighborhood 35-10:

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

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP/SF Land Area	Property Name	Zone	Parcel Count
766620	2905	12,100	2563428	\$650,000	8/28/12	\$53.72	OBERTO WHSE	IG2 U/85	1

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP/SF Land Area	Property Name	Zone	Parcel Count
766620	3250	61,855	2531036	\$3,700,000	2/15/12	\$59.82	FOOD SVC INT	IG2 U/85	1
766620	3255	45,394	2531059	\$2,900,000	2/8/12	\$63.89	OBERTO FACTORY	IG2 U/85	2
766620	3275	127,620	2536025	\$8,001,010	3/29/12	\$62.69	MERCEDES SVC CTR	IG2 U/85	2
766620	5960	9,000	2579840	\$750,000	12/10/12	\$83.33	VACANT LAND	IG2 U/85	1
766620	7135	26,640	2565785	\$3,200,00	9/24/12	\$120.12	PAPER ZONE	IG2 U/85	1
766620	6405	27,000	2554759	\$5,589,000	7/14/12	\$207.00	GLASS CRAFT DISTILLERY	IC-85	2
766620	6415	9,000	2563065	\$1,735,000	9/6/12	\$192.78	BILL THE BUTCHER	IC-85	1
766620	6425	45,000	2599814	\$9,024,600	4/16/13	\$200.55	MAC'S SMOKEHSE/ LINDA'S DINER	IC-85	3
766620	6455	18,000	2538038	\$4,250,000	4/10/12	\$236.11	BUDGET SALES	IC-85	1
766620	6460	31,500	2546720	\$9,450,000	5/31/12	\$300.00	SEATTLE CANINE CLUB	IC-85	2
766620	7110	10064	2582449	\$1,812,000	12/21/12	\$180.05	HDTV GUYZ	IC-85	1

### Neighborhood 35-30:

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

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP/SF Land Area	Property Name	Zone	Parcel Count
273810	0255	35,056	2587803	1,500,000	2/1/13	\$42.79	KETTLES CORNER	C1-65	1
526330	0115	21,128	2675131	\$950,000	6/23/14	\$44.96	VAC SHACK	C1-65	4
536720	0445	46,421	2661663	1,800,000	4/10/14	\$38.78	WINTER'S SURPLUS	IG2 U/85	1

## Neighborhoods 35-50/60/65/70:

Neighborhoods 50, 60, 65, and 70 have experienced negligible market activity from 2012 through 2014. Four sales that occurred during this time period were not considered representative market transactions (refer to Vacant Sales not Used chart.) However, increases in assessed value within these neighborhoods have been influenced by sales in other portions of Area 35 (East Duwamish MIC,) and nearby Areas 36 (West Duwamish MIC) and 70 (Tukwila,) which demonstrated increasing demand within the close-in industrial areas.

## Land Value Schedule:

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

Jurisdiction	Zoning	Description	Nhbd.	2015 \$/SF
<b>Seattle</b>				
	<b>IG1 U/85'</b>	<b>General Industrial 1</b>		
			10	\$45-\$65
			30	\$31-\$38
			65	\$22-\$24
	<b>IG2 U/85'</b>	<b>General Industrial 2</b>		
			10	\$45-\$75
			30	\$31-\$38
			50	\$32-\$30
			60	\$28
	<b>IB U/65'</b>	<b>Industrial Buffer</b>		
			50	\$32
			60	\$38
			65	\$24-\$31
	<b>IC-65'</b>	<b>Industrial Commercial</b>		
			10	\$160
	<b>IC-85'</b>	<b>Industrial Commercial</b>		
			10	\$180
	<b>IC85-160'</b>	<b>Industrial Commercial</b>		
			10	\$75
	<b>C1-40'</b>	<b>Commercial 1</b>		
		Auto-Oriented Retail/Service	65	\$35
	<b>C1-65'</b>	<b>Commercial 1</b>		



		Auto-Oriented Retail/Service	30	\$40-\$42
	<b>C2- 40'</b>	<b>Commercial 2</b>		
		Auto-Oriented Non-Retail Commercial	60	\$34
	<b>NC3-40'</b>	<b>Neighborhood Commercial 3</b>		
		Pedestrian-Oriented Retail	60	\$34
	<b>LR1, LR2</b>	<b>Lowrise 1 and 2</b>		
		Multifamily	60	\$24-\$30
<b>Tukwila</b>				
	<b>LI</b>	<b>Light Industrial District</b>		
			65	\$22
	<b>MIC/H</b>	<b>Manufacturing/Industrial Center/Heavy District</b>		
			65	\$22
			70	\$22
<b>King County</b>				
	<b>I</b>	<b>Industrial</b>		
			65	\$22

## Preliminary Ratio Analysis

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

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

IAAO July 1990

A Preliminary Ratio Study was completed prior to the application of the 2015 recommended values that benchmarks the current assessment level using 2014 posted assessment values. The results are discussed in the Appraisal Level and Appraisal Uniformity sections below,

#### **Appraisal (Assessment) Level:**

Estimates of appraisal level are based on measures of central tendency. The weighted mean ratio is the value-weighted average of the arithmetic mean and median ratios where the weights are proportional to the sales prices. In addition, the weighted mean also is the ratio of the average assessed value to the average sales price value. The weighted mean gives equal weight to each dollar of value in the sample, whereas the median and mean give equal weight to each parcel. Although weighted mean is an important statistic in its own right, it has an integral role in the computation of the Price Related Differential (PRD), a measure of uniformity between low and high value properties.

The IAAO performance standards state that the weighted mean ratio should be between 0.90 and 1.10. The preliminary ratio study for Area 35 shows a weighted mean ratio of 0.870, which falls under the IAAO guidelines, indicating that the current assessment level, as measured using recent sales, is below the acceptable range.

#### **Appraisal (Assessment) Uniformity:**

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

The IAAO performance standards state that the COD should be between 5.0 and 20.0 for income producing property in smaller, rural jurisdictions and between 5.0 and 15.0 for larger, urban market jurisdictions. A lower number represents better uniformity. Area 35's preliminary ratio study shows a COD of 13.36%, which is within the IAAO guidelines, indicates that the current level of assessment uniformity, as measured using recent sales, falls within the acceptable range.

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

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

The preliminary ratio study for Area 35 shows a PRD of 1.01, which is within the IAAO guidelines, giving a second indication that the current level of assessment uniformity as measured using recent sales is within the acceptable range.

## Improved Parcel Total Values:

### Area 35 Economic Considerations

The following table provides a general overview of market conditions of the Manufacturing Industrial Center as it pertains to Area 35:

East Duwamish 2014 Year End Metrics	
	Industrial
Vacancy Rate	↓ (decrease)
Rental Rate	↗ (slight increase)
Capitalization Rate	↘ (slight decrease)
Improved Property Values	↗ (slight increase)
Land Values	↗ (slight increase)

### Industrial Market Conditions:

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

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

The Duwamish-North Tukwila area is defined as a “strong demand/limited capacity” area in terms of having limited capacity to accommodate and absorb growth with the confines of area’s desirable, existing vacant land, and land physically available for infill and underutilized parcels for redevelopment. Parcels are smaller than elsewhere in the region due to the denser urban

development patterns; however, as a result the employment density is also higher. (Industrial Land Analysis for the Central Puget Sound Region, March 2015.)

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

The vacancy rate for the East Duwamish dropped from 2.54% to 2.09% 4<sup>th</sup> quarter 2013 over 4<sup>th</sup> quarter 2014 for manufacturing space, and 4.38% to 1.57% 4<sup>th</sup> quarter 2013 over 4<sup>th</sup> quarter 2014 for warehouse space according to Colliers International. Kidder Mathews Seattle Close-in vacancy rate is down to 2.58% from 3.04% from the previous year, which is lowest of western Washington’s submarkets. Current vacancy falls below pre-recession levels.

There has been a slight increase in rents since 2012. Rent increases appear to be modest, at a minimum to be mirroring the CPI (Consumer Price Index,) as the market has tightened. Due to the density and scarcity of available properties in comparison to other industrial areas in the region, the rental rates are higher overall in the East Duwamish MIC.

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

## **Sales Comparison Approach Model Description**

Forty-four improved sales in the subject area, dating from March 29, 2012 to December 9, 2014 were considered good, fair market transactions, which were reflective of market conditions at the time of sale and considered in the overall analysis. Thirty-two of the sales were considered in the “modeling-analysis” and included in the ratio study. Sale parcels where the improvements or use changed after the sale were not included in the ratio study. Because these changes occurred subsequent to purchase, a current assessed value would no longer accurately reflect property characteristics in existence at the time of sale for purposes of comparison; therefore, not considered representative for purposes of broad consideration in value placement and statistical analysis. However, they are utilized as market value indications based upon existing property characteristics at the time of sale.

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

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

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

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

Sales were most numerous in neighborhoods 35-10 (9) and 35-30 (19). Given the smaller 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, with examination of the surrounding Geographical Area sale patterns, and review of surveys and forecasts referenced herein, support the assumption of improving market conditions for valuation adjustment.

## **Sales Comparison Calibration**

Although an increase in the number of improved sales occurred from 2012 to 2014, the Sales Comparison Approach was primarily used as a guideline in broader support of assessed value due to limited sales within some property types and neighborhoods. Together with income and cost modeling, the in the Sales Comparison Approach provides the basis and support for assessed values in Area 35. In conjunction with market rent surveys, sale price per square foot of improved net rentable area help set the income parameters and capitalization rates driving the income models developed for the various neighborhoods.

The Sales Comparison, or Market Approach, was considered a more reliable value indicator for properties that are not supported by income modeling assumptions based upon the larger scale of improvements with leased fee investment objectives.

Sale prices assist in establishing general upper and lower market boundary ranges for the various property types within the East Duwamish MIC. Neighborhoods were treated independent from one another when dictated by the market. Values were applied based on various characteristics deemed appropriate within each market on a dollar value per square foot of improved net rentable area. Location, use, quality, effective age and net rentable area were among factors

considered for adjustment. Since sales are not representative of all property types, valuation may rely on sales with a change of use, older sales, and those in competing neighborhoods to complete.

The following table summarizes the value parameters used for valuation in Area 35. Some properties require deviation from the typical value range due to issues including, but not limited to, location, size and condition, as well as appraiser judgment.

General Retail/Wholesale Properties comprise a small portion of the tax parcels in Area 35. This property type includes special use type buildings, such as grocery stores, banks, veterinary clinics, as well as industrial and warehouse showrooms, and mixed retail buildings. The sales ranged from \$148 to \$215 per square foot of net building area.

Office Properties also comprise a small portion of the tax parcels in Area 35, with the sales price per square foot highest in the northern portion of Area 35 due to influences from the Seattle CBD. Historically, small single user office properties tend to sell at the upper end of the range and can often be conversions of single-family residences, while multi-tenant, multi-story office properties sell towards the lower end of the range. The limited sales result in a range from \$149 to \$258 per square foot.

Restaurant / Nightclubs comprise a negligible percentage of the properties in Area 35 and trade hands infrequently. Sales prices for the four sales, which occurred between 2012 and 2014, range from a low of \$155 to a high \$177 per square foot of net building area. Some of the restaurants/nightclubs in the area occupy a portion of multi-tenant warehouse buildings, which are not included in the sales range for this category.

Warehouses and Industrial Properties comprise the major portion of the population of properties in area 35. These sales range from \$54.98 to \$214 per net square foot of rentable building area. The low sale was a 1917, light manufacturing facility, 39,103 square feet in size. The sale at the upper end of the range was a service garage, considered a high demand use within both the East Duwamish MIC and the city of Seattle as a whole.

## **Cost Approach Model Description and Cost Calibration**

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



## Income Capitalization Approach Model Description

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

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

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

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

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

**Capitalization Rates:** During the verification process of market sales, an attempt was made to ascertain the capitalization rate. Additionally, capitalization rate data was collected from local and regional Pacific Northwest published market surveys, such as CBRE, IRR, CoStar, RERC, PWC/Korpaz, and ACLI. National reports include RERC, IRR, ACLI, PWC/Korpaz, and The Boulder Group.

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

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

## Cap Rate Summary of Various Published Sources

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: Capital Markets Cap. Rate survey.	2 <sup>nd</sup> Half (2014)					CBRE professional's opinion of where cap rates are likely to trend in the 2 <sup>nd</sup> ½ of 2014 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	4.75% - 5.25% 6.25% - 6.75% 6.75% - 6.25% 7.00% - 7.50% 7.00% - 7.50% 8.00% - 8.75% 5.50% - 6.00% 6.75% - 7.50% 6.25% - 6.75% 7.50% - 8.25% 7.25% - 8.50% 8.25% - 9.00%	- - - - - - - - - - - -	- - - - - - - - - - - -	CBD - Class A CBD - Class A – Value Added CBD - Class B CBD - Class B – Value Added CBD - Class C CBD - Class C – Value Added Suburban - Class A Suburban - Class A – Value Added Suburban - Class B Suburban - Class B – Value Added Suburban - Class C Suburban - Class C – Value Added
			- - - - - - - - - - - -	5.00% - 5.50% 6.50% - 7.00% 5.50% - 6.00% 7.00% - 7.50% 5.50% - 6.00% 7.00% - 7.50%	- - - - - -	Class A Class A - Value Added Class B Class B - Value Added Class C Class C - Value Added
			- - - - - - - - - - - -	- - - - - - - - - - - -	5.00% - 5.75% 6.50% - 6.75% 6.25% - 7.25% 7.00% - 8.00% 7.50% - 9.00% 8.50% - 9.00% 6.00% - 6.50% 7.00% - 8.00% 7.00% - 7.25% 8.00% - 9.00% 7.75% - 9.50% 9.00% - 10.0%	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 C (Neigh./Comm. w/Grocery) Class C (Neigh./Comm.) – Value Added Class A (Power Centers) Class A (Power Centers) – Value Added Class B (Power Centers) Class B (Power Centers) – Value Added Class C (Power Centers) Class C (Power Centers) – Value Added High Street Retail (Urban Core)
IRR: Viewpoint for 2015	Yr. End 2014	Seattle	5.25% 6.00% 6.00% 7.00%	- - - -	- - - -	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B
			- - - -	5.00% 7.25%	- -	Industrial – Class A Flex Industrial – Class A
			- - - -	- -	5.00% 6.00%	Reg. Mall – Class A Community Retail – Class A
			-	-	6.25%	Neighborhood Retail – Class A
		West Region	6.23% 6.79% 6.73% 7.26%	- - - -	- - - -	CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B
			- - - -	6.29% 7.04%	- -	Industrial – Class A Flex Industrial – Class A
			- - -	- -	6.22% 6.52%	Reg. Mall – Class A Community Retail – Class A
			-	-	6.67%	Neighborhood Retail – Class A
CoStar	Yr. End 2014	King Co.	6.22% 5.27%	- -	- -	Sales Price Under \$5 Million Sales Price Over \$5 Million
			- -	6.24% 6.57%	- -	Sales Price Under \$5 Million Sales Price Over \$5 Million
CoStar (cont.)			- -	- -	5.58% 5.18%	Sales Price Under \$5 Million Sales Price Over \$5 Million

[illegible]

## National Cap Rate Summary

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

## Lease Rate Summary of Various Published Sources

SEATTLE / PACIFIC NW LEASE RATES						
Source	Date	Location	Annual Rate/SF	Vacancy	Annual Expenses/SF	Remarks
<b>CBRE</b>						
Retail	2 <sup>nd</sup> Half 2014	South/West Seattle	\$30.08/SF NNN	2.34%	-	All Retail - Asking
Office	4Q 2014	Seattle	\$25.00 - \$55.00 Gross \$19.00 - \$36.00 Gross \$17.00 - \$34.00 Gross	11.10% 16.80% 12.40%	\$6.75 - \$11.75 Gross \$6.75 - \$11.25 Gross \$6.00 - \$9.75 Gross	CBD - Class A - Asking CBD - Class B - Asking CBD - Class C - Asking
Industrial	4Q 2014	Seattle Close-In	\$5.64 - \$10.20 NNN	2.80%	\$2.04 - \$2.64	Ware/Manuf/Bus Pk - Asking
<b>Colliers</b>						
Office	4Q 2014	S. Seattle	\$38.16 Gross \$24.82 Gross \$20.39 Gross	33.06% 13.93% 14.57%	- - -	Class A - Asking Class B - Asking Class C - Asking
Industrial	4Q 2014	Seattle East Hill	\$9.12 NNN \$8.16 NNN \$14.40 NNN	4.13% 4.59% 0.00% 2.21%	- - - -	Manufacturing - Asking Warehouse - Asking Flex - Asking Total
<b>Cushman &amp; Wakefield</b>						
Office	4Q 2014	Close-in S. Seattle	\$31.75 Gross	31.10%	-	All Classes - Asking
<b>Kidder Matthews</b>						
Office	4Q 2014	Seattle CBD/ Surrounding Area	\$33.59 Gross	9.36%	-	Overall Office MKT - Asking
Industrial	4Q 2014	Seattle Close-In	\$5.40 - \$12.00 NNN	2.58%	-	Overall Industrial MKT - Asking

## Income Approach Calibration

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

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

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

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

### **Neighborhoods 10, 30, 50, 60, and 65**

<b>Typical Income Parameters</b>						
<b>Land Use</b>	<b>Rent Range*</b>	<b>Vacancy/</b>	<b>Expenses</b>	<b>Capitalization</b>		
	<b>per SF</b>	<b>Coll. Loss %</b>	<b>per SF or % of EGI</b>	<b>Rate %</b>		
Industrial	\$4.50 - \$13.00	5% - 6%	7.5% - 10%	5%	to	8.5%
Storage Sheds	\$2.40	5% - 6%	7.5%	6%	to	8.25%
Transit Warehouse	\$9.50	5% - 6%	7.5%	6.5%	to	7%
Office/Retail	\$8.50 - \$17.00	5% - 6%	7.5% - 10%	5.5%	to	8.5%

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

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

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

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

### **Neighborhood 70**

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



## Reconciliation

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

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

In the 2014 valuation model, the income approach is used to value the majority of the income producing properties that are not obsolesced (where land value is greater than the value produced by the income method), as there are an insufficient number and variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values. In the case of interim use properties, they might be purchased for investment value or future income rather than current income.

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

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

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

The East Duwamish also has many industrial properties with excess or surplus land, which may influence either Income or Market valuation applied to the respective parcels. When the value of the property by the income approach plus any excess land calculation, if warranted, was less than the land value, a minimal \$1000 value was allocated to the improvements.

For property uses where sales and income data was either limited or unavailable, such as tax exempt properties, the Cost Approach to value was also utilized. The Cost Approach was

commonly applied to larger parcels, which are more prevalent in the southern portions of Area 35, where the land component comprises a significant proportion of overall property value.

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

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

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

## **Model Validation**

### **Total Value Conclusions, Recommendations and Validation**


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

The standard statistical measures of valuation performance are presented in both the 2014 and 2015 Ratio Analysis charts included in this report. Improved sales used for purposes of calculating the Ratio Results originate from a three-year period prior to the Appraisal Date. Of these sales, nine occurred in 2012, ten occurred in 2013, and thirteen occurred in 2014. A list of both improved sales used and those considered not reflective of market are included in subsequent sections.


A preliminary Ratio Study was completed just prior to the application of the 2015 recommended values. This study benchmarks the current assessment level using 2014 posted values. The ratio study completed after application of the 2015 year recommended values determines the difference new values would have on assessment level and uniformity. Application of the values described above resulted in the following changes: under Assessment Level, the Weighted Mean increased from 87.04% to 91.08%, under Uniformity, the Coefficient of Dispersion decreased from 13.36% to 8.09%, and the Coefficient of Variation, also decreased from 17.70% to 12.53%. The remaining measure of uniformity, the Price-Related Differential, remained constant at 1.01. The PRD remained the same, the assessment level for the Weighted Mean Ratio improved to 91.08%, and the COD improved to 8.09%. All indicators fall within normal performance standards for income properties within larger urban jurisdictions, as recommended by the IAAO (International Association of Assessing Officers.) Overall, the indicators reflect an improved Assessment Level and Uniformity over previous levels.

By applying the Ratio Model as a sale's based tool for measuring relative appraisal level and parcel equalization, examining of the frequency pattern exhibited by sales prior to the Appraisal Date, and with exceeding the minimum sample size requirements for statistical significance, the above results are considered reasonable, particularly in view of the heterogeneous pattern of property characteristics within the West Duwamish area.

The total assessed value for Area 35 for the 2014 assessment year was \$4,819,540,400 and the total recommended value for the 2015 assessment year is \$4,933,493,000. Application of recommended values for the 2015 assessment year (taxes payable in 2016) result in a total change from the 2014 assessment year of 2.36%.



Change in Total Assessed Value			
2014 Total Value	2015 Total Value	\$ Change	% Change
\$4,819,540,400	\$4,933,493,000	\$113,952,600	2.36%



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

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

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

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

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

### **Date of Value Estimate**

#### **RCW 84.36.005**

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

#### **RCW 36.21.080**

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

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

## Property Rights Appraised: Fee Simple

### **Wash Constitution Article 7 § 1 Taxation:**

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

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

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

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

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

### **The Dictionary of Real Estate Appraisal, 3<sup>rd</sup> Addition, Appraisal Institute.**

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

## **Assumptions and Limiting Conditions:**

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed marketable, free, and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short-term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.



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

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

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

in the Revaluation Plan and as budgeted. The scope of work performed and disclosure of research and analyses not performed are identified throughout the body of the report.

## **Certification:**

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

- The statements of fact contained in this report are true and correct
  - The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
  - I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
  - I have no bias with respect to the property that is the subject of this report or to the parties involved.
  - My engagement in this assignment was not contingent upon developing or reporting predetermined results.
  - My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
  - My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
  - The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
  - The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification.
  - Any services regarding the subject area performed within the prior three years, as an appraiser or in any other capacity are listed
- 
- Any and all activities required under the respective Certificates of Appointment, under sworn oath, appointing these appraisers to the position of true and lawful deputy in the Office of the King County Assessor, and authorized by the State of Washington, Department of Revenue under a Certificate of Accreditation. To Wit: all duties, responsibilities, and services associated with the position description of Senior and Commercial Appraiser I & II in the management and valuation of Commercial Area 35, or the SODO/Duwamish Industrial District. Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.
  - Any services regarding the subject area performed by  
    , within the prior two years, as an appraiser or in any other capacity are listed below: Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and be

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.

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Date



Area 035-000 - East Duwamish MIC  
2014 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
042304-9117	237,100	275,000	3/26/2013	0.8622	0.0489
042304-9117	237,100	295,000	3/12/2014	0.8037	0.1074
090100-0050	1,577,100	1,695,000	9/12/2014	0.9304	0.0193
132730-0009	2,105,600	2,150,000	12/3/2012	0.9793	0.0682
172280-1885	1,362,800	1,485,000	6/13/2013	0.9177	0.0066
182404-9070	2,396,000	2,400,000	10/26/2012	0.9983	0.0872
273810-0425	5,310,600	5,230,000	8/28/2013	1.0154	0.1043
339110-0060	399,300	395,000	2/13/2013	1.0109	0.0998
346780-0005	2,703,200	2,875,000	6/9/2014	0.9402	0.0291
357320-0845	7,915,600	10,625,000	9/29/2014	0.7450	0.1661
395890-0505	1,130,100	1,300,000	7/2/2012	0.8693	0.0418
526330-0375	728,200	850,000	11/27/2013	0.8567	0.0544
526330-0395	807,300	825,000	3/29/2012	0.9785	0.0674
526330-0420	816,600	1,074,000	4/22/2013	0.7603	0.1508
526330-0425	2,299,700	2,050,000	2/18/2014	1.1218	0.2107
526330-0770	445,500	719,047	11/18/2014	0.6196	0.2916
535420-0245	1,638,000	1,650,000	9/4/2012	0.9927	0.0816
536720-1010	395,500	400,000	7/16/2012	0.9888	0.0776
536720-1705	938,000	1,384,000	10/1/2014	0.6777	0.2334
554430-0095	884,900	900,000	9/28/2012	0.9832	0.0721
700620-0405	578,600	1,075,000	1/9/2014	0.5382	0.3729
700620-0650	1,002,800	1,626,500	9/27/2014	0.6165	0.2946
737660-0005	2,061,300	2,600,000	9/12/2014	0.7928	0.1183
737660-0060	3,741,500	4,000,000	6/20/2012	0.9354	0.0243
737660-0210	3,121,200	3,700,000	10/29/2013	0.8436	0.0676
766620-3186	1,590,300	2,475,000	2/10/2014	0.6425	0.2686
766620-4340	1,173,300	1,580,000	7/1/2013	0.7426	0.1685
766620-4555	2,691,000	2,975,000	7/2/2012	0.9045	0.0066
766620-6055	2,019,800	1,854,500	7/28/2014	1.0891	0.1780
766620-6270	1,382,700	1,500,000	11/11/2013	0.9218	0.0107
788610-0450	2,206,200	2,600,000	7/26/2013	0.8485	0.0626
788610-1200	1,069,400	880,000	3/19/2014	1.2152	0.3041

Area 035-000 - East Duwamish MIC  
2014 Assessment Year

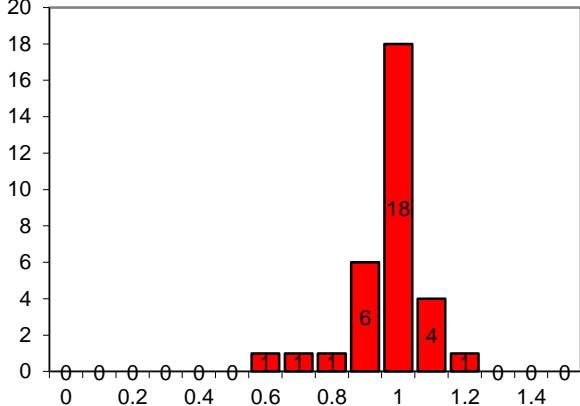
Quadrant/Crew:	Appr date :	Date:	Sales Dates:																		
Central Crew	1/1/2014	5/27/2015	3/29/12- 12/9/14																		
Area	Appr ID:	Prop Type:	Trend used?: Y / N																		
35	MLEC	Improvement	N																		
SAMPLE STATISTICS																					
Sample size (n)	32	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.6-0.7</td><td>1</td></tr><tr><td>0.7-0.8</td><td>4</td></tr><tr><td>0.8-0.9</td><td>4</td></tr><tr><td>0.9-1.0</td><td>6</td></tr><tr><td>1.0-1.1</td><td>12</td></tr><tr><td>1.1-1.2</td><td>3</td></tr><tr><td>1.2-1.3</td><td>1</td></tr><tr><td>1.3-1.4</td><td>1</td></tr></tbody></table>		Ratio	Frequency	0.6-0.7	1	0.7-0.8	4	0.8-0.9	4	0.9-1.0	6	1.0-1.1	12	1.1-1.2	3	1.2-1.3	1	1.3-1.4	1
Ratio	Frequency																				
0.6-0.7	1																				
0.7-0.8	4																				
0.8-0.9	4																				
0.9-1.0	6																				
1.0-1.1	12																				
1.1-1.2	3																				
1.2-1.3	1																				
1.3-1.4	1																				
Mean Assessed Value	1,780,200																				
Mean Sales Price	2,045,100																				
Standard Deviation AV	1,577,472																				
Standard Deviation SP	1,934,181																				
ASSESSMENT LEVEL																					
Arithmetic mean ratio	0.879																				
Median Ratio	0.911																				
Weighted Mean Ratio	0.870																				
UNIFORMITY																					
Lowest ratio	0.5382																				
Highest ratio:	1.2152																				
Coefficient of Dispersion	13.36%																				
Standard Deviation	0.1557																				
Coefficient of Variation	17.70%																				
Price-related Differential	1.01																				
RELIABILITY																					
95% Confidence: Median																					
Lower limit	0.804																				
Upper limit	0.979																				
95% Confidence: Mean																					
Lower limit	0.826																				
Upper limit	0.933																				
SAMPLE SIZE EVALUATION																					
N (population size)	892																				
B (acceptable error - in decimal)	0.05																				
S (estimated from this sample)	0.1557																				
Recommended minimum:	37																				
Actual sample size:	32																				
Conclusion:																					
NORMALITY																					
Binomial Test																					
# ratios below mean:	15																				
# ratios above mean:	17																				
z:	0.176776695																				
Conclusion:	Normal*																				
*i.e., no evidence of non-normality																					



Area 035-000 - East Duwamish MIC  
2015 Assessment Year

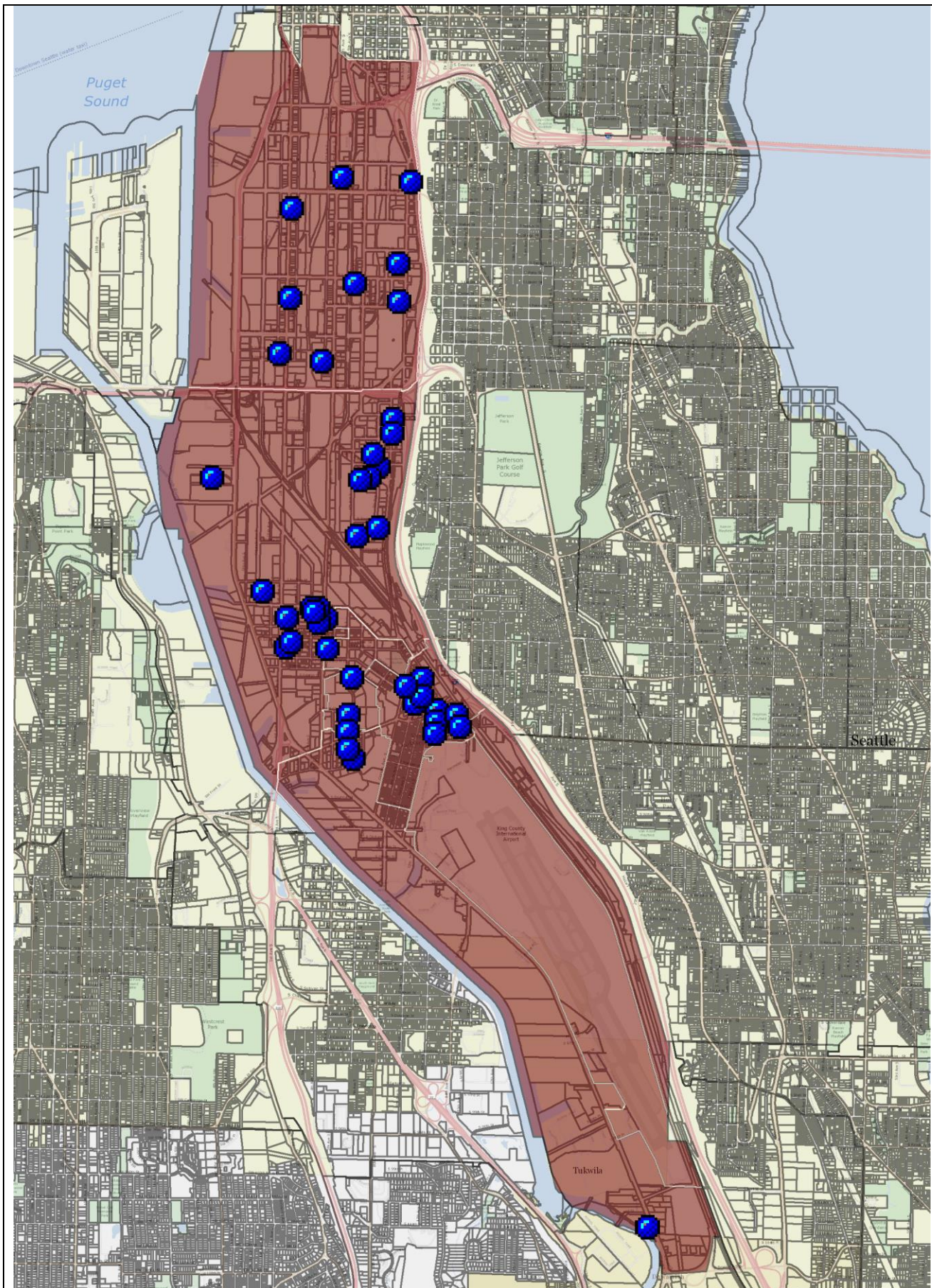
<i><b>Parcel Number</b></i>	<i><b>Assessed Value</b></i>	<i><b>Sale Price</b></i>	<i><b>Sale Date</b></i>	<i><b>Ratio</b></i>	<i><b>Diff: Median</b></i>
042304-9117	284,500	275,000	3/26/2013	1.0345	0.0979
042304-9117	284,500	295,000	3/12/2014	0.9644	0.0278
090100-0050	1,577,100	1,695,000	9/12/2014	0.9304	0.0062
132730-0009	2,105,600	2,150,000	12/3/2012	0.9793	0.0427
172280-1885	1,385,500	1,485,000	6/13/2013	0.9330	0.0036
182404-9070	2,396,000	2,400,000	10/26/2012	0.9983	0.0617
273810-0425	5,310,600	5,230,000	8/28/2013	1.0154	0.0788
339110-0060	399,300	395,000	2/13/2013	1.0109	0.0743
346780-0005	2,703,200	2,875,000	6/9/2014	0.9402	0.0036
357320-0845	8,739,000	10,625,000	9/29/2014	0.8225	0.1141
395890-0505	1,189,000	1,300,000	7/2/2012	0.9146	0.0220
526330-0375	728,200	850,000	11/27/2013	0.8567	0.0799
526330-0395	837,900	825,000	3/29/2012	1.0156	0.0790
526330-0420	1,030,500	1,074,000	4/22/2013	0.9595	0.0229
526330-0425	2,321,500	2,050,000	2/18/2014	1.1324	0.1958
526330-0770	604,800	719,047	11/18/2014	0.8411	0.0955
535420-0245	1,638,000	1,650,000	9/4/2012	0.9927	0.0561
536720-1010	395,500	400,000	7/16/2012	0.9888	0.0521
536720-1705	1,055,200	1,384,000	10/1/2014	0.7624	0.1742
554430-0095	884,900	900,000	9/28/2012	0.9832	0.0466
700620-0405	578,600	1,075,000	1/9/2014	0.5382	0.3984
700620-0650	1,002,800	1,626,500	9/27/2014	0.6165	0.3201
737660-0005	2,199,700	2,600,000	9/12/2014	0.8460	0.0906
737660-0060	3,976,500	4,000,000	6/20/2012	0.9941	0.0575
737660-0210	3,314,400	3,700,000	10/29/2013	0.8958	0.0408
766620-3186	2,331,500	2,475,000	2/10/2014	0.9420	0.0054
766620-4340	1,448,300	1,580,000	7/1/2013	0.9166	0.0200
766620-4555	2,691,000	2,975,000	7/2/2012	0.9045	0.0321
766620-6055	1,628,400	1,854,500	7/28/2014	0.8781	0.0585
766620-6270	1,382,700	1,500,000	11/11/2013	0.9218	0.0148
788610-0450	2,347,400	2,600,000	7/26/2013	0.9028	0.0338
788610-1200	838,700	880,000	3/19/2014	0.9531	0.0164

Area 035-000 - East Duwamish MIC  
2015 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:
Central Crew	1/1/2015	5/27/2015	3/29/12 - 12/9/14
Area	Appr ID:	Prop Type:	Trend used?: Y / N
35	MLEC	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	32	<div>Ratio Frequency</div> 	
Mean Assessed Value	1,862,800		
Mean Sales Price	2,045,100		
Standard Deviation AV	1,689,296		
Standard Deviation SP	1,934,181		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.918		
Median Ratio	0.937		
Weighted Mean Ratio	0.911		
UNIFORMITY			
Lowest ratio	0.5382		
Highest ratio:	1.1324		
Coefficient of Dispersion	8.09%		
Standard Deviation	0.1151		
Coefficient of Variation	12.53%		
Price-related Differential	1.01		
RELIABILITY			
95% Confidence: Median		<div>These figures reflect measurements after posting new values.</div>	
Lower limit	0.903		
Upper limit	0.983		
95% Confidence: Mean			
Lower limit	0.878		
Upper limit	0.958		
SAMPLE SIZE EVALUATION			
N (population size)	892		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1151		
Recommended minimum:	21		
Actual sample size:	32		
Conclusion:	OK		
NORMALITY			
Binomial Test			
# ratios below mean:	13		
# ratios above mean:	19		
z:	0.883883476		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			



## AREA 35 IMPROVED SALES MAP



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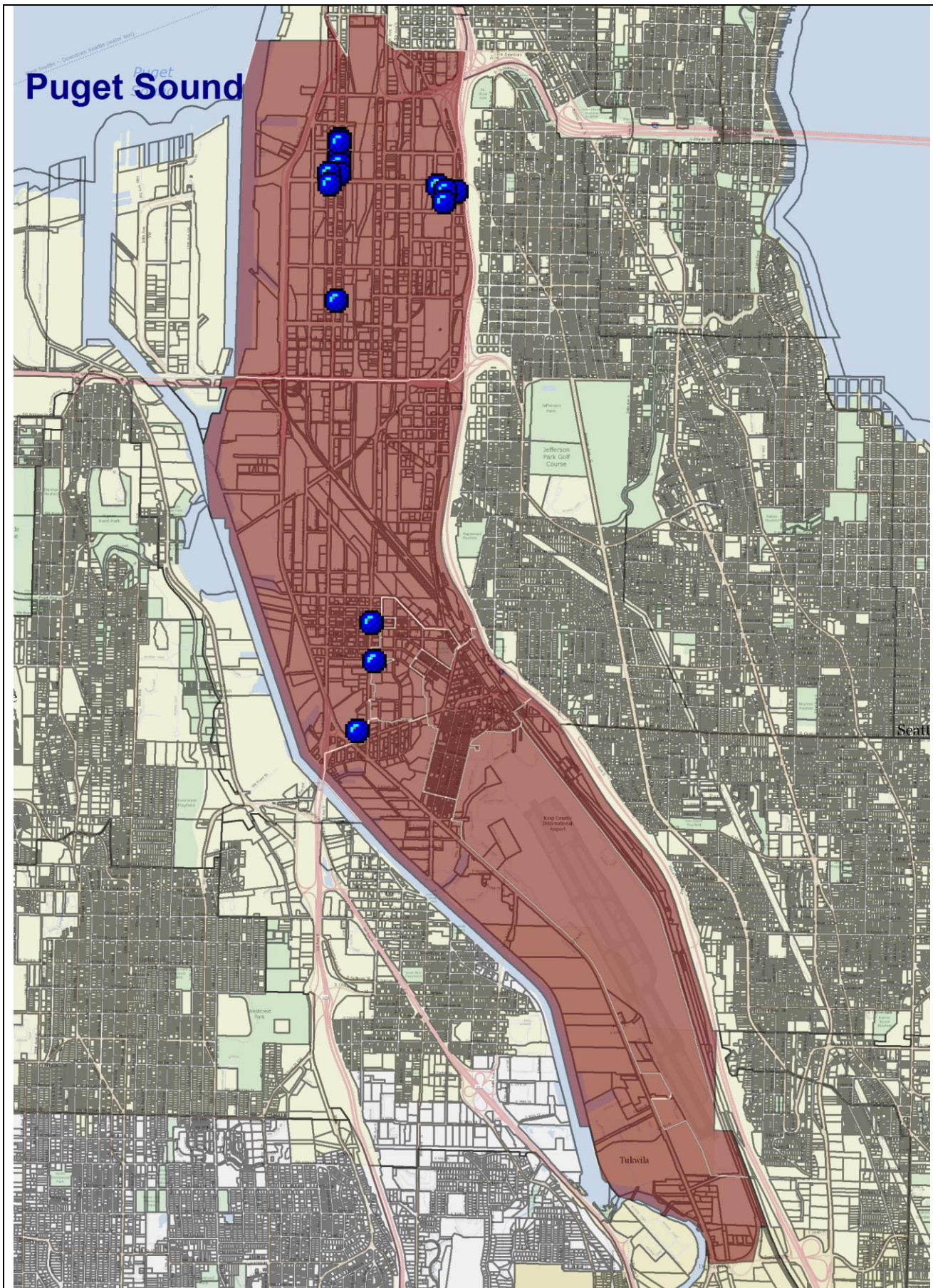


Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	010	132730	0009	39,103	2577314	\$2,150,000	12/03/12	\$54.98	JABON FREIGHT FORWARDERS	IG2 U/85	1	Y	
035	010	339110	0060	1,452	2589306	\$395,000	02/13/13	\$272.04	HOLGATE SQUARE CONDO	IG2 U/85	1	Y	
035	010	766620	3150	21,736	2596651	\$1,900,000	03/27/13	\$87.41	HIGHRISE CABINETS	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	010	766620	3186	20,016	2653700	\$2,475,000	02/10/14	\$123.65	JOHNSTONE SUPPLY	IG2 U/85	1	Y	
035	010	766620	4340	16,296	2615652	\$1,580,000	07/01/13	\$96.96	NOLAN NW	IG1 U/85	1	Y	
035	010	766620	4555	11,514	2551985	\$2,975,000	07/02/12	\$258.38	WJA Design Collaborative (Old Atlas Supp	IG2 U/85	1	Y	
035	010	766620	5656	6,000	2602369	\$857,000	04/29/13	\$142.83	B B SALES	IG1 U/85	1	26	Imp changed after sale; not in ratio
035	010	766620	6055	15,360	2682372	\$1,854,500	07/28/14	\$120.74	BANK OF AMERICA	IG2 U/85	1	Y	
035	010	766620	6270	7,810	2640963	\$1,500,000	11/11/13	\$192.06	ART WOLF GALLERY	IG2 U/85	1	Y	
035	030	172280	1335	8,940	2656653	\$1,330,000	03/04/14	\$148.77	E F BAILEY CO	C1-65	1	26	Imp changed after sale; not in ratio
035	030	172280	1885	10,800	2612182	\$1,485,000	06/13/13	\$137.50	Columbia Fire	IG2 U/85	1	Y	
035	030	182404	9070	20,216	2571079	\$2,400,000	10/26/12	\$118.72	J C WRIGHT SALES COMPANY	IG1 U/85	1	Y	
035	030	202404	9035	28,126	2606343	\$3,066,960	05/16/13	\$109.04	Copiers NW	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	030	357320	0845	58,447	2692733	\$10,625,000	09/29/14	\$181.79	REPUBLIC SERVICES	IG2 U/85	2	Y	
035	030	395890	0505	12,285	2553510	\$1,300,000	07/02/12	\$105.82	JOHN LATTA AND ASSOCIATES	IG2 U/85	1	Y	
035	030	526330	0065	12,755	2574345	\$1,285,000	11/13/12	\$100.74	NORTHWEST SIGN SUPPLY	C1-65	2	34	Use-change after sale; not in ratio
035	030	526330	0375	5,000	2644449	\$850,000	11/27/13	\$170.00	Emerald Market Supply	C1-65	1	Y	
035	030	526330	0395	6,500	2536770	\$825,000	03/29/12	\$126.92	N A P A AUTO PARTS	IG2 U/85	1	Y	
035	030	526330	0420	7,296	2601671	\$1,074,000	04/22/13	\$147.20	RED WASHINGTON SALES/FLAJOLE BR	IG2 U/85	1	Y	
035	030	526330	0425	14,800	2654180	\$2,050,000	02/18/14	\$138.51	MASTERCRAFT	IG2 U/85	1	Y	
035	030	526330	0770	4,032	2701400	\$719,047	11/18/14	\$178.34	AL-VAN EQUIP	IG2 U/85	1	Y	
035	030	526330	0865	7,450	2566498	\$1,600,000	09/24/12	\$214.77	SEATTLE FRAME & AXLE	IG2 U/85	3	26	Imp changed after sale; not in ratio
035	030	737660	0005	14,366	2690159	\$2,600,000	09/12/14	\$180.98	MDE ENGINEERS	IG2 U/85	1	Y	
035	030	737660	0060	35,046	2550249	\$4,000,000	06/20/12	\$114.14	SEA SIA KUSTOM FOODS	IG2 U/85	1	Y	
035	030	737660	0210	31,500	2638798	\$3,700,000	10/29/13	\$117.46	SCHWARTZ BROTHERS BAKERY	IG2 U/85	2	Y	
035	030	788610	0450	20,819	2620892	\$2,600,000	07/26/13	\$124.89	Image Visual Services	IG2 U/85	1	Y	
035	030	788610	1125	14,320	2704845	\$2,000,000	12/09/14	\$139.66	KANSAI COLLISION CENTER	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	030	788610	1200	5,594	2658211	\$880,000	03/19/14	\$157.31	BOGART'S CAFE AND COCKTAILS	IG2 U/85	2	Y	
035	050	273810	0425	50,200	2627808	\$5,230,000	08/28/13	\$104.18	PACIFIC PLUMBING	IG2 U/85	1	Y	
035	050	536720	1010	2,260	2554776	\$400,000	07/16/12	\$176.99	THAI DELIGHT	IG2 U/85	1	Y	
035	060	000180	0020	8,800	2581210	\$1,475,000	12/13/12	\$167.61	AVIA MARINE	NC3-40	2	26	Imp changed after sale; not in ratio
035	060	090100	0050	8,675	2690058	\$1,695,000	09/12/14	\$195.39	Van Wild Interiors	C2-40	1	Y	
035	060	273610	0010	14,400	2652766	\$1,875,000	01/29/14	\$130.21	PACE ANALYTICAL	IG2 U/85	2	26	Imp changed after sale; not in ratio
035	060	346680	0030	11,264	2546150	\$1,500,000	05/25/12	\$133.17	STAR BRASS WORKS	IG2 U/85	2	26	Imp changed after sale; not in ratio
035	060	346780	0005	31,900	2672727	\$2,875,000	06/09/14	\$90.13	RUNG WAREHOUSE	C2-40	1	Y	
035	060	535420	0245	13,650	2563443	\$1,650,000	09/04/12	\$120.88	POPELTON ELECTRIC	IG2 U/85	1	Y	
035	060	554430	0095	6,014	2566497	\$900,000	09/28/12	\$149.65	WAREHOUSE	IG2 U/85	1	Y	
035	060	700620	0405	6,584	2649107	\$1,075,000	01/09/14	\$163.27	ALLIED TECHNICAL SVCS	C2-40	1	Y	
035	060	700620	0650	13,044	2692674	\$1,626,500	09/27/14	\$124.69	FABRIC SALES COMPANY	C2-40	1	Y	
035	065	042304	9117	1,765	2657677	\$295,000	03/12/14	\$167.14	CLUB 787	MIC/H	1	Y	
035	065	042304	9117	1,765	2597914	\$275,000	03/26/13	\$155.81	ANNEX TAVERN	MIC/H	1	Y	
035	065	536720	1060	8,400	2546222	\$1,145,000	05/24/12	\$136.31	CLOVERDALE PAINT CORP.	IG2 U/85	1	26	Imp changed after sale; not in ratio
035	065	536720	1495	3,676	2564747	\$550,000	09/14/12	\$149.62	TRANSPORTATION NW CREDIT UNION	IG2 U/85	1	34	Use-change after sale; not in ratio
035	065	536720	1705	9,573	2693485	\$1,384,000	10/01/14	\$144.57	PUENTES BROS.	IG2 U/85	1	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
035	010	766620	3050	8,154	2587142	\$599,900	01/25/13	\$73.57	J.R. ABBOTT CONST CO	IG2 U/85	1	57	Selling or buying costs affecting sale
035	010	766620	4385	11,280	2612242	\$975,000	05/28/13	\$86.44	WESTERN SAFETY BUILDING	IG1 U/85	1	57	Selling or buying costs affecting sale
035	010	766620	4460	16,440	2663855	\$3,050,000	04/22/14	\$185.52	PIUS KITCHEN AND BATH	IG1 U/85	1	44	Tenant
035	010	766620	4636	16,501	2706682	\$382,500	12/10/14	\$23.18	RESTORED WAREHOUSE	IG2 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	010	766620	5270	12,116	2584136	\$875,000	01/08/13	\$72.22	POSTAL STATION CENTER	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	010	766620	5895	26,123	2549009	\$2,400,000	06/18/12	\$91.87	OBERT MARINE SUPPLY INC	IG1 U/85	1	11	Corporate affiliates
035	010	766620	7095	57,416	2567696	\$7,450,000	10/04/12	\$129.75	STAR BUILDING	IC-85	1	61	Financial institution resale
035	030	617290	0300	30,990	2659143	\$3,485,000	03/21/14	\$112.46	IMPEX - OLD DANIEL SMITH-FINE A	IG1 U/85	1	23	Forced sale
035	030	766620	3875	17,672	2688913	\$1,875,000	08/28/14	\$106.10	SKYLINE PACIFIC NW	IG2 U/85	1	57	Selling or buying costs affecting sale
035	050	172280	0115	7,094	2591472	\$1,050,000	02/26/13	\$148.01	OFFICE BUILDING	IG2 U/85	2	61	Financial institution resale
035	060	273410	0635	4,750	2704078	\$755,236	11/05/14	\$159.00	GEORGETOWN GOSPEL CHAPEL	LR1	2	52	Statement to dor
035	060	535420	0260	5,250	2684706	\$1,100,000	08/12/14	\$209.52	KOLLMAR SHEET METAL	IG2 U/85	1	44	Tenant
035	060	700620	0405	6,584	2708687	\$1,195,000	12/30/14	\$181.50	ALLIED TECHNICAL SVCS	C2-40	1	57	Selling or buying costs affecting sale
035	065	536720	2135	3,916	2539955	\$1,300,000	04/23/12	\$331.97	MIKOU TERIYAKI/PHO HA	IG2 U/85	2	1	Personal property included
035	065	536720	2270	3,900	2582283	\$1,050,000	12/27/12	\$269.23	V VAN DYKE	IG1 U/85	2	57	Selling or buying costs affecting sale
035	070	282404	9007	1,966,157	2684296	\$1,726,700	08/11/14	\$0.88	KING CO AIRPORT (imps)	IG2 U/85	1	33	Lease or lease-hold



## AREA 35 VACANT SALES MAP



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Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld.		Zone	Par. Ct.	Ver. Code
								Area	Property Name			
035	010	766620	2905	12,100	2563428	\$650,000	08/28/12	\$53.72	OBERTO WHSE	IG2 U/85	1	Y
035	010	766620	3250	61,855	2531036	\$3,700,000	02/15/12	\$59.82	FOOD SERVICE INTERNATIONAL	IG2 U/85	1	Y
035	010	766620	3255	45,394	2531059	\$2,900,000	02/08/12	\$63.89	OBERTO SAUSAGE FACTORY	IG2 U/85	2	Y
035	010	766620	3275	127,620	2536025	\$8,001,010	03/29/12	\$62.69	MERCEDES BENZ SERVICE CTR	IG2 U/85	2	Y
035	010	766620	5960	9,000	2579840	\$750,000	12/10/12	\$83.33	VACANT LAND	IG2 U/85	1	Y
035	010	766620	6405	27,000	2554759	\$5,589,000	07/14/12	\$207.00	GLASS CRAFT DISTILLERY	IC-85	2	Y
035	010	766620	6415	9,000	2563065	\$1,735,000	09/06/12	\$192.78	BILL THE BUTCHER	IC-85	1	Y
035	010	766620	6425	45,000	2599814	\$9,024,600	04/16/13	\$200.55	MAC'S SMOKEHOUSE BBQ AND DINI	IC-85	3	Y
035	010	766620	6455	18,000	2538038	\$4,250,000	04/10/12	\$236.11	BUDGET SALES	IC-85	1	Y
035	010	766620	6460	31,500	2546720	\$9,450,000	05/31/12	\$300.00	SEATTLE CANINE CLUB	IC-85	2	Y
035	010	766620	7110	10,064	2582449	\$1,812,000	12/21/12	\$180.05	HDTV GUYZ	IC-85	1	Y
035	010	766620	7135	26,640	2565785	\$3,200,000	09/24/12	\$120.12	PAPER ZONE	IG2 U/85	1	Y
035	030	273810	0255	35,056	2587803	\$1,500,000	02/01/13	\$42.79	KETTELLS CORNER	C1-65	1	Y
035	030	526330	0115	21,128	2675131	\$950,000	06/23/14	\$44.96	THE VAC SHACK	C1-65	4	Y
035	030	536720	0445	46,421	2661663	\$1,800,000	04/10/14	\$38.78	WINTER'S SURPLUS	IG2 U/85	1	Y

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld.		Zone	Par.	Ver.	Remarks
								Area	Property Name		Ct.	Code	
035	010	132730	0045	35,580	2558210	\$1,400,000	07/30/12	\$39.35	NEMCO	IG1 U/85	1	57	Selling or buying costs affecting sale
035	010	149830	0060	7,677	2568050	\$100,000	08/09/12	\$13.03	RR RIGHT OF WAY	IG2 U/85	1	23	Forced sale
035	010	377030	0192	4,400	2655333	\$180,125	01/09/14	\$40.94	RR RIGHT OF WAY	IG2 U/85	1	51	Related party, friend, or neighbor
035	010	713540	0070	19,908	2534545	\$3,300,000	03/20/12	\$165.76	RAINIER COMMONS	IG2 U/85	1	43	Development rights parcel to prvt seller
035	010	766620	3189	59,220	2551932	\$1,700,000	07/02/12	\$28.71	AMERICAN TRAILER REPAIR	IG2 U/85	1	57	Selling or buying costs affecting sale
035	010	766620	3260	5,160	2543670	\$206,400	04/26/12	\$40.00	RR RIGHT OF WAY	IG2 U/85	1	51	Related party, friend, or neighbor
035	010	766620	4449	61,419	2692937	\$3,800,000	09/30/14	\$61.87	WESCO	IG1 U/85	1	57	Selling or buying costs affecting sale
035	010	766620	6400	21,000	2561021	\$8,000,000	08/28/12	\$380.95	SHOWBOX SODO	IC-85	1	57	Selling or buying costs affecting sale
035	010	766620	7750	1,164	2538847	\$5,010	03/21/12	\$4.30	METRO SEWER STATION	IG1 U/85	1	31	Exempt from excise tax
035	010	766620	7750	1,164	2538846	\$990	03/21/12	\$0.85	METRO SEWER STATION	IG1 U/85	1	24	Easement or right-of-way
035	030	172280	1300	6,006	2655829	\$185,000	02/26/14	\$30.80	SFR	C1-65	1	13	Bankruptcy - receiver or trustee
035	030	172280	1445	6,000	2567879	\$3,125	05/29/12	\$0.52	PARKING LOT	C1-65	1	24	Easement or right-of-way
035	030	357320	1061	58,000	2551012	\$1,000,000	06/28/12	\$17.24	SNO PAC PRODUCTS	IG1 U/85	1	57	Selling or buying costs affecting sale
035	030	386840	0270	54,964	2710332	\$2,250,000	10/28/14	\$40.94	PRESERVATIVE PAINT CO	IG2 U/85	1	57	Selling or buying costs affecting sale
035	030	526330	0195	20,000	2651839	\$537,000	01/16/14	\$26.85	VACANT LAND	IG2 U/85	1	57	Selling or buying costs affecting sale
035	030	526330	0425	15,000	2581662	\$5,000	07/26/12	\$0.33	MASTERCRAFT	IG2 U/85	1	24	Easement or right-of-way
035	030	766620	4101	62,775	2596136	\$659,137	03/21/13	\$10.50	VACANT LAND	IG1 U/85	2	51	Related party, friend, or neighbor
035	060	273410	1110	5,271	2598584	\$50,000	04/01/13	\$9.49	TW PUMPS	LR1	1	57	Selling or buying costs affecting sale
035	065	000180	0089	51,999	2672520	\$597,950	05/23/14	\$11.50	VACANT LAND	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
035	065	213620	0641	690,795	2663664	\$10,000,000	04/17/14	\$14.48	CROWLEY MARINE SERVICES	IG1 U/85	1	57	Selling or buying costs affecting sale
035	065	542260	0015	8,521	2703114	\$3,500	11/24/14	\$0.41	RR RIGHT OF WAY	MIC/H	1	18	Quit claim deed