

**Commercial Revalue**

**2017 Assessment roll**

**AREA**

**75**

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

**John Wilson, Assessor**



## King County

### Department of Assessments

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***John Wilson***  
***Assessor***

Dear Property Owners,

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

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

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

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

In Service,

John Wilson  
King County Assessor

# How Property Is Valued

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

## What Are Mass Appraisal Techniques?

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

## Are Properties Inspected?

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

## How are Individual Commercial Properties Valued?

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

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

## How is Assessment Uniformity Achieved?

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

tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results to properties based on their unique set of attributes.

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

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

Source: IAAO, *Standard on Ratio Studies*, Table 2-3. [www.IAAO.org](http://www.IAAO.org)

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

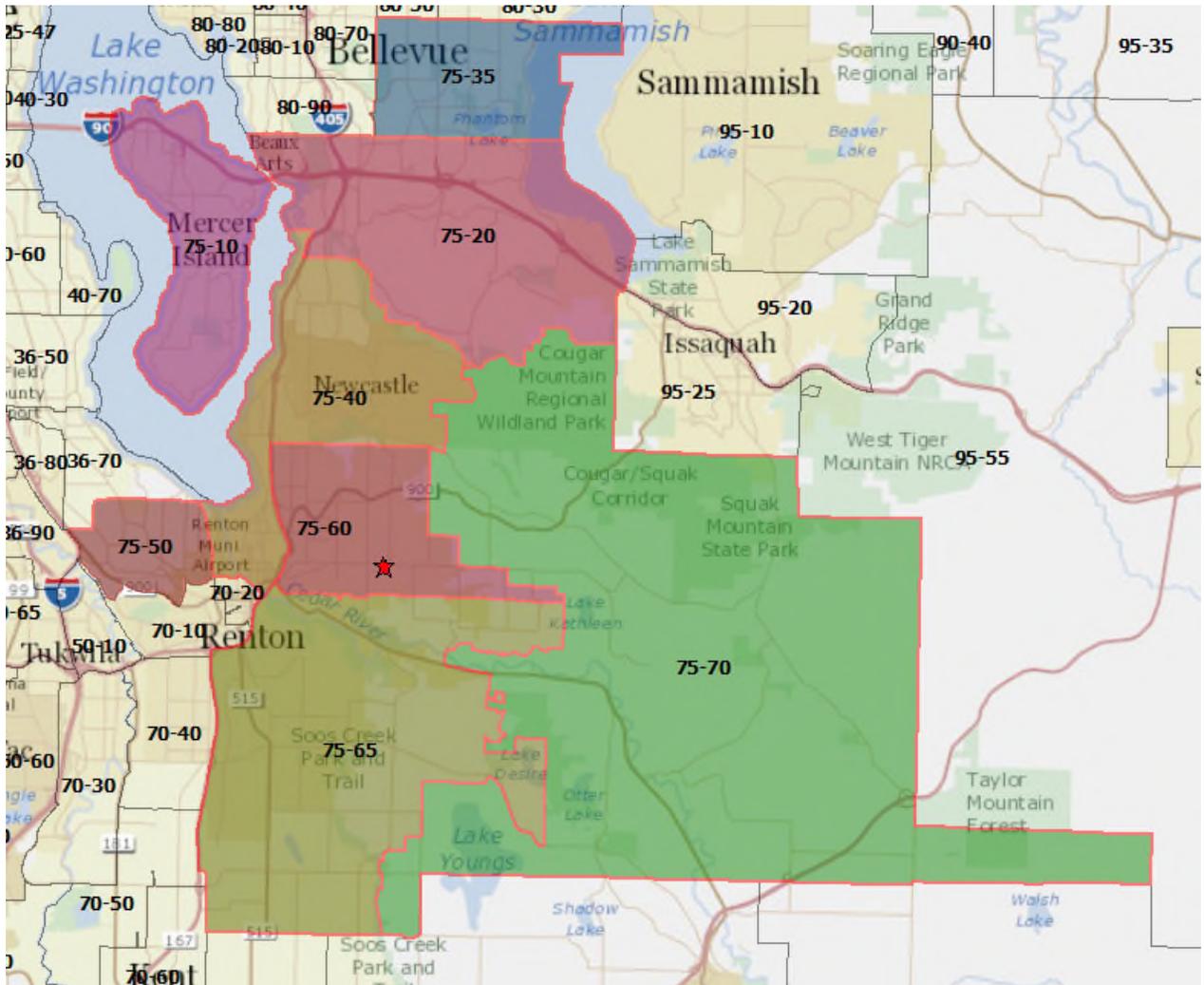
### Requirements of State Law

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

### Appraisal Area Reports

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

# Area 75 Map



# Executive Summary Report

**Appraisal Date 1/1/17**

**Geographic Appraisal Area:**

- Area 75: Cities of Mercer Island, East and South Bellevue, Bellevue I-90 Corridor, Newcastle, North and East Renton, Bryn Mawr – Skyway, Northeast Kent, Cedar Basin, and May Valley in Unincorporated King County

**Sales – Improved Summary**

- Number of Sales: 66
- Number of Sales used in the ratio: 54
- Range of Sales Dates: 1/31/2014 - 12/31/2016

**Sales – Ratio Study Summary**

<i>Sales – Improved Valuation Ratio Study Summary:</i>				
	<i>Mean Assessed Value</i>	<i>Mean Sale Price</i>	<i>Ratio</i>	<i>COD*</i>
<i>2016 Value</i>	\$2,646,500	\$3,317,200	79.8%	14.58%
<i>2017 Value</i>	\$3,106,900	\$3,317,200	93.7%	10.08%
<i>Change</i>	\$864,700		13.9	-4.5
<i>% Change</i>	41.06%		17.42%	-30.86%

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

**Sales used in analysis:** All improved sales that were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are: sales that have change of use, sales that have had major renovations after the sale, and net lease sales.

**Population – Parcel Summary Data**

<i>Total Population - Parcel Summary Data:</i>				
<i>Area 75</i>	<i>2016 Value</i>	<i>2017 Value</i>	<i>Difference</i>	<i>Percent Change</i>
<i>Land</i>	\$1,378,725,100	\$1,468,369,700	\$89,644,600	6.50%
<i>Improvements</i>	\$1,126,250,700	\$1,237,344,400	\$111,093,700	9.86%
<i>Total Value</i>	\$2,504,975,800	\$2,704,100,400	\$199,124,555	7.95%

**Number of Parcels in the Population: 1,375** including vacant parcels but excluding specialty parcels and government owned parcels.

### **Conclusion and Recommendation:**

Total assessed values for the 2017 revalue have increased 7.94%. The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2017 Assessment Year.

## **Identification of the Area**

### **Area 75: SE Lake Washington**

#### **Area 75 Neighborhoods**

- **75-10** Mercer Island
- **75-20** South Bellevue/Factoria/I-90 Corridor
- **75-35** East Bellevue/Lake Hills to Crossroads
- **75-40** Newport/Newcastle/Kennydale/Renton Landing
- **75-50** Bryn Mawr - Skyway
- **75-60** Renton Highlands
- **75-65** Benson Hill/Fairwood/Panther Lake/& Cedar Valley
- **75-70** Cedar Basin/May Valley

#### **Area 75 Boundaries:**

- **North** – SE 24<sup>th</sup> St to 132<sup>nd</sup> Ave NE to NE 8<sup>th</sup> St in Bellevue
- **West** – Mercer Island and Lake Washington. Bryn Mawr – Sky way, the Cedar River and I-405 once south of the Maple Valley Highway.
- **East** – West Lake Sammamish Parkway north of I-90 and Issaquah Hobart Rd SE to the south
- **South** – SE 224th St in Kent

### **Maps**

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

## Area Overview

Area 75 is comprised of five cities and unincorporated King County. It includes the cities of Mercer Island, Bellevue, Newcastle, Renton, and Kent. It is one of the most diverse geographic areas in King County in terms of territorial jurisdiction, locations, commercial property types, and demographics.

Within the Geographic Area 75, there are eight distinct neighborhoods that have been established for valuation purposes totaling 1,375 parcels (excluding specialty and government owned parcels). The area is unique as it encompasses such a broad range of neighborhoods from high value properties in Mercer Island and parts of Suburban Bellevue to the more rural parts of unincorporated King County, Maple Valley, and Renton. The City of Mercer Island is located in the northwest part of Area 75. The City of Bellevue encompasses Area 75's northern and eastern ends. The City of Newcastle is located between the cities of Bellevue and Renton parallel to Interstate 405. The City of Renton is at the South west end of Lake Washington. The unincorporated area known as Bryn Mawr – Skyway is located to the west of the Renton Airport. The City of Kent is at the southwest end of area 75.



### City of Bellevue

Bellevue is located east of Lake Washington between the cities of Kirkland to the north, Newcastle to the south, Seattle/Mercer Island to the west, and Sammamish to the east. It has an estimated population of 134,400 as of 2014. Bellevue is ranked as the second largest city in King County and 5<sup>th</sup> in the State of Washington in terms of population.

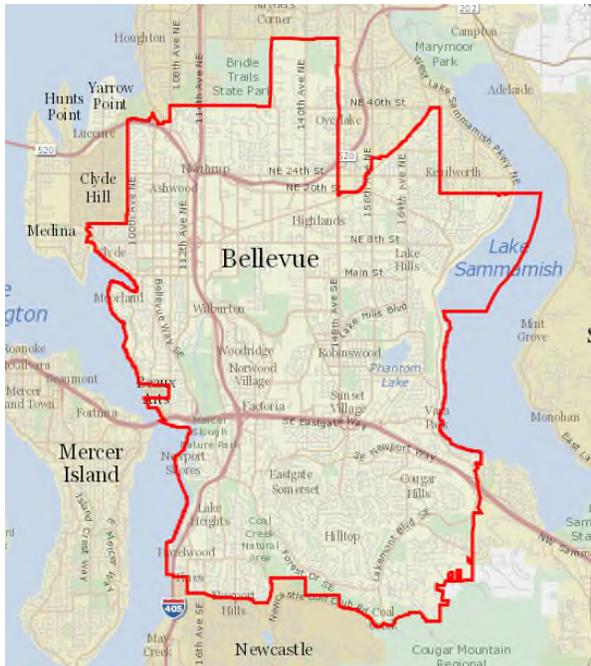
The city covers more than 33 square miles between Lake Washington and Lake Sammamish in terms of land area<sup>1</sup>, ranked as the 3<sup>rd</sup> largest in King County and eight largest in the State of Washington in terms of land area<sup>2</sup>. Next to Seattle, Bellevue is experiencing rapid growth both in commercial and multi-family residential constructions which hovers around downtown Bellevue. Bellevue's major employers are PACCAR, Microsoft, T-Mobile, Boeing, Expedia, Concur, Puget Sound Energy, and Sales Force to name a few.

Located in the City of Bellevue are several Area 75 neighborhoods such as Factoria, Lake Hills, Kelsey Creek, Lakemont, Eastgate, Somerset, Newport Hills, Suburban East Bellevue, and properties along I-90 Corridor.

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<sup>1</sup> City of Bellevue

<sup>2</sup> US Census Bureau



The tech sector drives Bellevue's market with software firms, video game, and social media companies accounting for almost 70 percent of the tenant mix. In October of 2016, it was reported that Amazon secured its first lease for new office space in downtown Bellevue.<sup>3</sup>

### City of Mercer Island

Mercer Island is an upper income class community located in Lake Washington between Seattle and Bellevue. The island has an estimated population of 24,326 as of 2014 and spans about 6.32 square miles. It is ranked 15<sup>th</sup> largest city by population and 17<sup>th</sup> largest by area size in King County.<sup>4</sup> Mercer Island is connected by Interstate 90 to both cities.

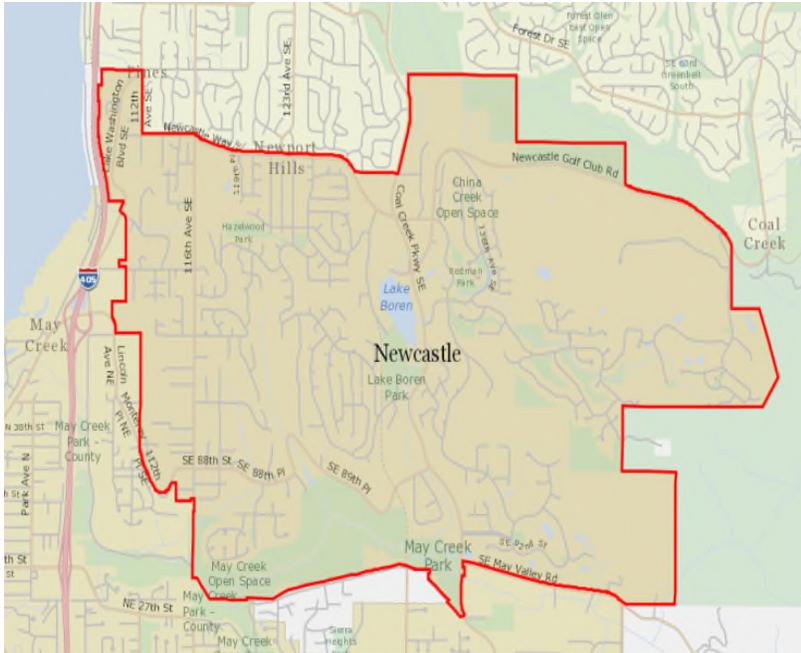


### City of Newcastle

Newcastle is located south of Lake Washington between the Cities of Renton and Bellevue. It has an estimated population of 11,201; ranked as 22<sup>nd</sup> in King County. It has a land area of 4.45 square miles and is also ranked as 22<sup>nd</sup> in King County.

<sup>3</sup> Geekwire – Amazon expanding outside of Seattle

<sup>4</sup> U.S Census Bureau

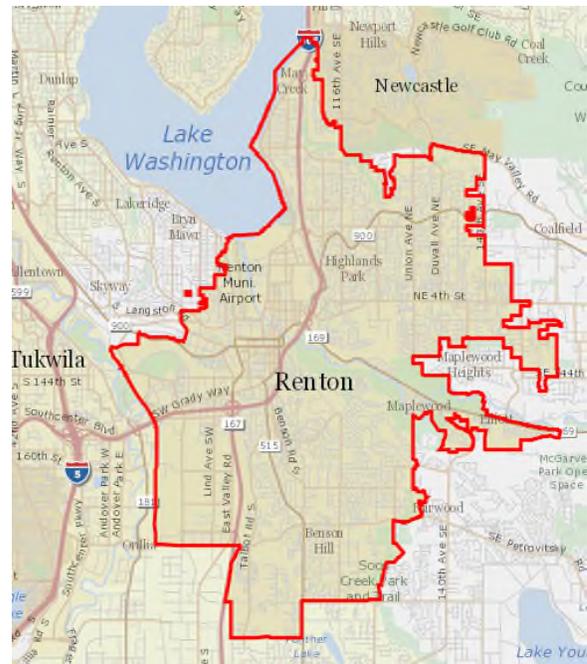


The City of Newcastle was incorporated in September of 1994. Newcastle was home to coal mines between 1863 and 1963. Newcastle continues to experience healthy growth. The city’s business community is most adequately described as a retail service economy and provides a retail core for neighborhood commercial activity. This area is most comparable to south Bellevue. The schools are served by the Issaquah and Renton School Districts. The opulent Newcastle Golf Club is open to the public and is situated directly on one of the former large coal mines. It

was ranked in 2013 by Money magazine as one of the best small towns in America<sup>5</sup>

### City of Renton

Renton is located on the south shore of Lake Washington between the cities of Seattle to the north, Kent to the south, Bellevue to east, and Tukwila to the west. It has an estimated population of 98,404 as of 2014; ranked as the fourth largest city in King County and the eighth largest city in the State of Washington. It has a land area of 23.37 square miles; ranked as the fourth largest in King County and 17<sup>th</sup> in the State of Washington.<sup>6</sup>



<sup>5</sup> City of Newcastle  
<sup>6</sup> U.S Census Bureau



Renton is home to the only IKEA store in the Northwest and The Landing - a mixed-use development with apartments, retail, restaurants and a movie theater. The city is also home to several auto dealerships. South Grady Way, a major arterial street in Renton, still is called the auto mall neighborhood. But East Valley Highway is transitioning to become an auto mall extension. The Nissan dealership built their new and larger site a few years back and next door to

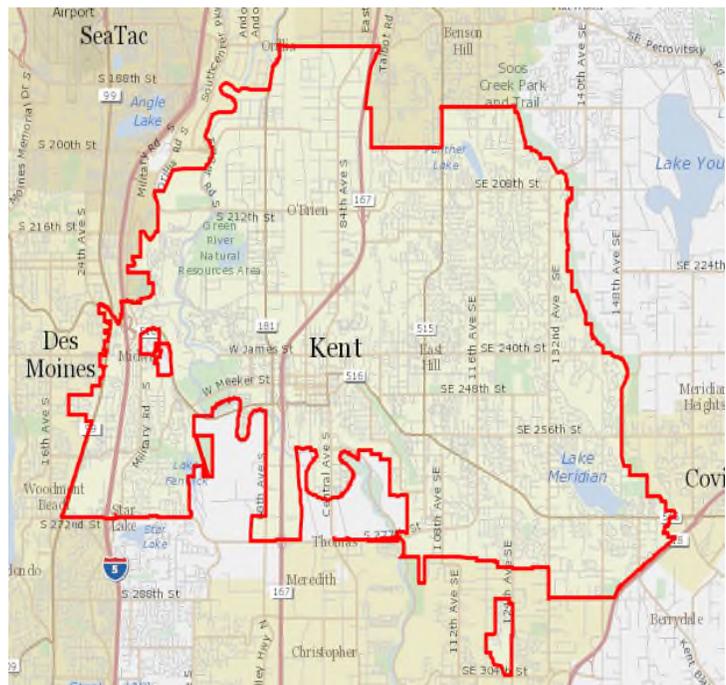
them, Renton Honda recently move to their new home as well. Renton is also home to major companies like Boeing, Paccar, the Seahawks (Seattle Football team) office and training facility, the UW-Valley Medical Center, the Federal Aviation Administration, and Providence Health and Services to name a few.

Located in the City of Renton are several Area 75 neighborhoods that include the Renton Highlands, Kennydale, northeast portions of downtown Renton, properties along the Lake Washington shore, Fairwood, Cascade, Benson Hill, and the Valley Medical hospital commercial district.

## City of Kent

Kent is located in south King County between the cities of Renton and Tukwila to the north, Auburn to the south, Covington to the east, and Federal Way to the west. It has a population of 125,560 (estimate as of 2014); ranked third in King County and sixth in the State of Washington. It has a land area of 33.76 square miles, ranked 3<sup>rd</sup> in King County and 7<sup>th</sup> in the State of Washington.<sup>7</sup>

Kent is divided into three major neighborhoods; namely East Hill, the Valley, and West Hill. East Hill is comprised mainly of a residential community with dispersed commercial establishments catering the needs of the residents. Kent occupies a small portion of the area west of Interstate 5 called the West Hill. This neighborhood is primarily improved with dated commercial service and retail



<sup>7</sup> U.S Census Bureau

buildings. Downtown Kent is located in the valley; the rest of the valley is almost entirely covered by industrial warehouses. The City of Kent is the fourth largest manufacturing and distribution center in the United States.<sup>8</sup>

The area of Kent allocated to area 75 is known as Panther Lake, in the East Hill Neighborhood. Growth in this area has been stagnant. The commercial structures in this area are dated and composed of low to average quality construction.

### **Unincorporated King County**

Situated south of Seattle, west of the Renton, east of I-5 and north of Tukwila is Bryn Mawr – Skyway. This area is primarily modest residential homes and apartments with most commercial properties concentrated along the Renton Ave South corridor. Commercial uses are predominately retail, service and apartment. The neighborhood is mature and very little new development is underway.

Located furthest south in Area 75 is a cluster of commercial properties that are within unincorporated King County and called the May Valley Cedar Basin neighborhood. These parcels are located along Highway 169.

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<sup>8</sup> City of Kent

## **Analysis Process**

Effective Date of Appraisal: January 1, 2017

Date of Appraisal Report: March 31, 2017

### **The following appraisers contributed on the valuation process of this geographic area:**

- Trevor Swedberg, Commercial Appraiser I – Revalued the land and improvements
- Marie Ramirez, Senior Appraiser – Reviewed the valuation and the report

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

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

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

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

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

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

All three approaches to value were considered in this appraisal.

- Sales from January 2014 to December 2016 (at minimum) were considered in all analysis.
- No specific market trends (market condition adjustments, time adjustments) were applied to sales prices due to a lack of enough market data to develop a trend. Therefore, models were developed without market trends.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

# Neighborhood Descriptions

## Area 75-10 – Mercer Island

**Boundaries:** The city of Mercer Island is an island located between Seattle and Bellevue.

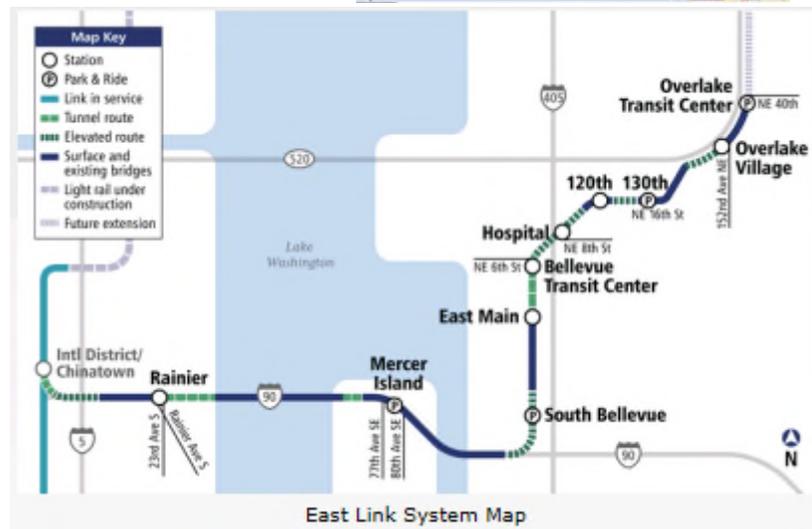
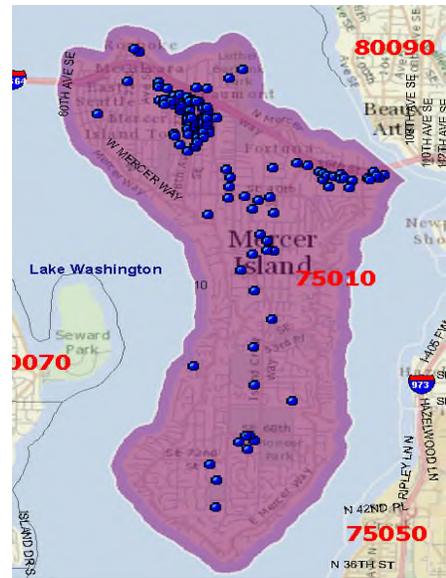
- Boundaries include the entire island.

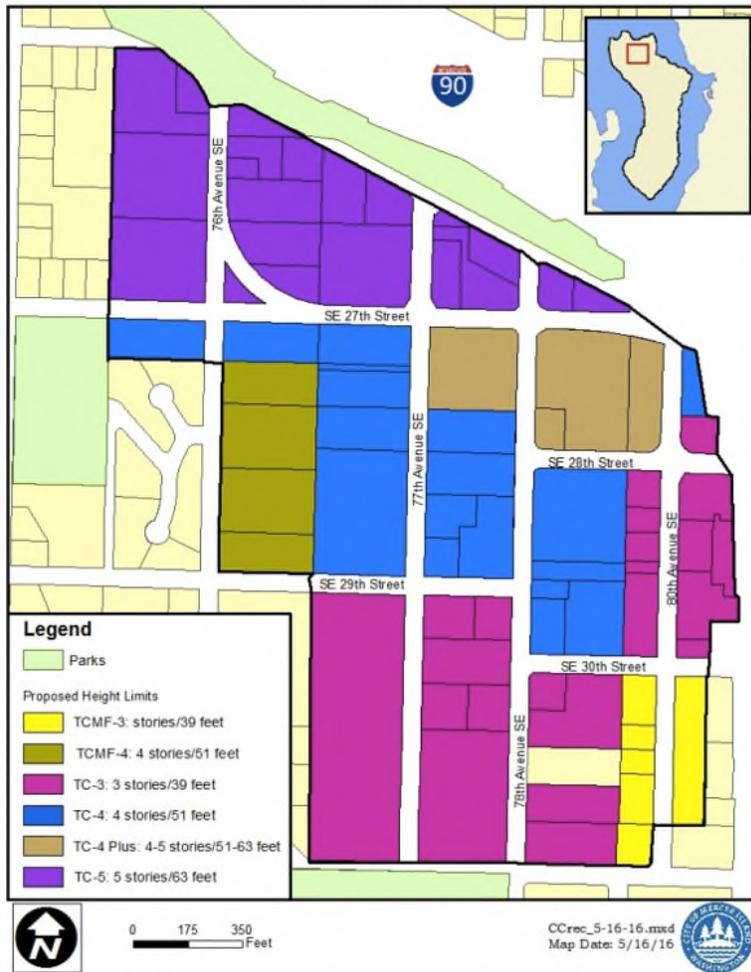
### Neighborhood Description:

Downtown Mercer Island has gone through an extensive makeover the past several years. It is a blend of newer and dated office, retail, and mixed use buildings. Some of the properties with dated buildings will continue to be redeveloped to their highest and best use as commercial financing becomes more available. The south end of the island also features a redeveloped neighborhood shopping center with a mix of retail and office space.

Several years ago, Sound Transit completed a new Park and Ride along I-90 which helped jumpstart several new developments that added hundreds of new apartments and condominiums to the town center and provided new office and retail space.

A major transportation project will soon be impacting the island. The \$3.7 billion East Link Project is a voter-approved regional transportation project that will tap in to the existing Link light rail between SeaTac airport and downtown Seattle. The expansion will connect link light rail from downtown Seattle to the Eastside with stations serving Mercer Island, south Bellevue, downtown Bellevue, Bel-Red, and Redmond's Overlake area. The East Link light rail project began construction in 2016 and is expected to be ready to operate for passenger service in 2023.





This subarea map shows the maximum building heights in Mercer Island's Town Center (Effective 6/20/16)

light rail and the creation of an energized, walkable downtown, there has been an emerging interest in commercial development. In October of 2014, construction began of a 209-unit luxury apartment known as The Hadley Apartment. The project is located on the corner of S.E. 27th Street and 76th Avenue S.E. – just outside of the Town Center and building moratorium area. The total estimated development cost is \$63 million.

Additional Park and Ride space will be needed to accompany the new Mercer Island Station. A location for the new parking area is yet to be determined.

Town Center Visioning - In early 2014, Mercer Island City Council formed a Town Center Visioning Subcommittee in conjunction with the coming of the East Link light rail system. While this commission developed the new comprehensive plan, the City Council passed a moratorium freezing most major new construction building permits in the Central Business District known as Town Center. The approximate area covered by the moratorium spans from Interstate-90 south to SE 32nd Street, and from 80th Ave SE west to 76th Ave SE. The moratorium took effect on February 16, 2015 and ended June 20, 2016 when the city's updated building code and comprehensive plan was put into effect.

With the coming of the East Link



The Hadley, completed in the fall of 2016, features four stories of wood frame construction above a two-story concrete platform. The project includes 209 luxury one and two-bedroom apartments, averaging 729 square feet. Underground parking for 244 cars will be provided in addition to four commercial spaces totaling 9,200 square feet at ground level. The complex will also include 13 units of affordable housing to residents making 70 percent of King County area median income.

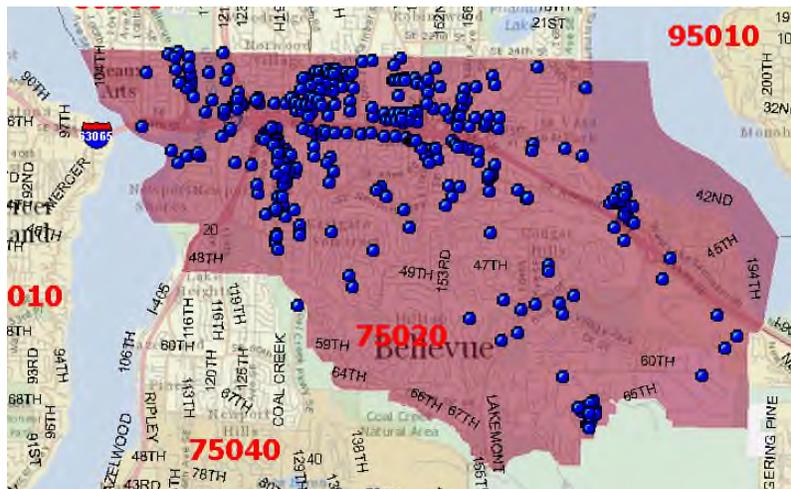
*Rendering image above - courtesy*

*of VIA Architecture.*

### Neighborhood 75-20 - South Bellevue/Factoria/I-90 Corridor

#### Boundaries:

- North – SE 25<sup>th</sup> St. runs straight east through Robinswood Park
- South – Newport Hills all the way to the border between Bellevue and Newcastle
- East – Lake Sammamish
- West – Lake Washington



## Neighborhood Description:

Neighborhood 20 includes a portion of south Bellevue, Factoria, and the Bellevue/I-90 Corridor. Neighborhood 20 is a busy and often congested area because of its numerous shopping centers and a variety of business offices. It offers most major services as well as ample employment opportunities to its residents. A significant number of apartment and condominium complexes are highly visible in this neighborhood. At the same time, a wealth of single family homes surrounds the outskirts areas in this neighborhood.



The Factoria neighborhood serves the region as a major commercial and employment center. The Factoria Mall (now rebranded as “Marketplace at Factoria”) is located at the corner of Interstates 405 and 90. It has excellent visibility from the two major interstate freeways in King County. Although it lost one of its major tenants, Bellevue Children’s Museum, the mall still continues to add new tenants.

The Factoria Village has stayed nearly full having just two small vacant spaces as of 1/1/16. A new 11,000 sf divisible retail space is planned for the property as well.



The Interstate 90 corridor is surrounded by retail development, numerous business offices, and corporate headquarters. A major employer is T-Mobile which occupies a campus of several large office buildings just east of the Factoria shopping district.

While tower cranes are obviously visible sprouting in downtown Bellevue and the creation of the Spring District era is underway in the Bel-Red neighborhood, south east Bellevue is rather quiet. These neighborhoods of South Bellevue, Eastgate, Factoria, and the I-90 corridor have seen little new construction.

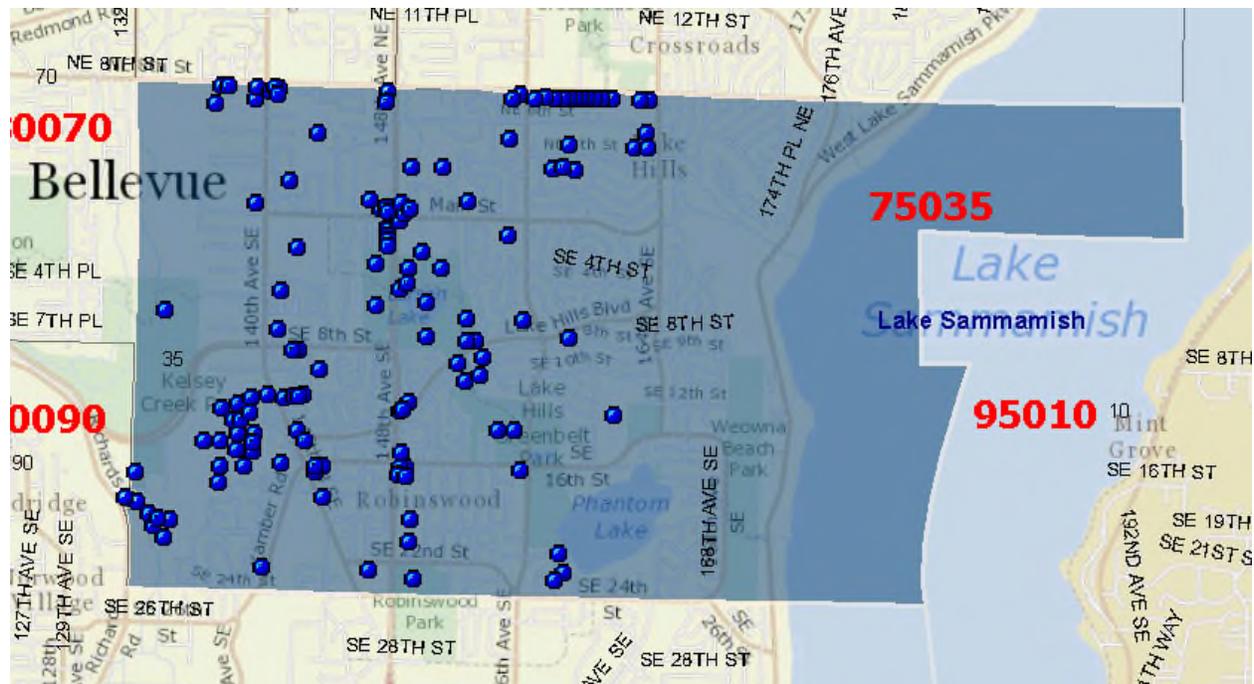
The following new construction is in the planning stage, in progress, or recently been completed:

- The Eastgate neighborhood along the Interstate 90 corridor has seen the completion of its Nissan dealership expansion taking over the former Bally's building.
- Tenant improvement permits have been issued to several office building complexes along Interstate 90. This exhibits sparks of economic growth with new tenants coming in. These office complexes are Lincoln Executive Office buildings I to V, Eastgate Office Center, Delphi Office Center, Crestwood Corporate Plaza and Kenyon Office Center.
- An extensive remodel has been completed at the Factoria AMC theater.
- Conversion of an office building along 150<sup>th</sup> Ave SE to a medical office purchased by Sea-Mar Community Health Center in 2013
- A former bowling alley along 148<sup>th</sup> Ave SE has been converted to an auto dealership service garage for Michael's Toyota of Bellevue
- Intellectual Ventures has completed major tenant improvements in their office/warehouse space on SE Eastgate Way.

### Neighborhood 75-35 – East Bellevue/Lake Hills to Crossroads

#### Boundaries:

- North – NE 8<sup>th</sup> Street
- South – SE 24<sup>th</sup> Street
- East – Lake Sammamish
- West – 132<sup>nd</sup> Ave. SE



**Neighborhood Description:**

Neighborhood 75-35 includes East Bellevue, Lake Hills and Crossroads. East Bellevue stretches along West Lake Sammamish and is renowned with expensive housing developments. Some commercial developments straddled along 156<sup>th</sup> Avenue and Bel-Red Road, cater to the surrounding residential neighborhoods.

The Lake Hills neighborhood encompasses extensive greenbelt, wetlands, open space, and trails. It is in this neighborhood where the City of Bellevue’s farming of fruits and vegetables started. Although most of the agricultural lands were either developed to commercial and residential housing, a glimpse of this is still visible along 156<sup>th</sup> Avenue Southeast and Southeast 16<sup>th</sup> Street.

Lake Hills is home to the growing campus of Bellevue College, Robinswood Community Park, Larsen Lake Blueberry Farm, Lake Hills Village, and Kelsey Creek Center. It also has some of Bellevue’s more affordable single family and multi-family housing.

Crossroads is the heart of East Bellevue. Local entertainment, shopping, and community services are readily available for the area residents. Crossroads neighborhood has an abundance of large apartment complexes, retail and big box establishments, and some small offices catering to the local residents and surrounding neighborhoods.

Commercial construction has been fairly flat in this area with the exception of Lake Hills Village Shopping Center.

The following new construction is in the planning stage, in progress, or recently been completed.



*Rendering of phase two by Lake Hills Village developer Cosmos*

The Lake Hills Village Shopping Center is now complete. The village includes a remodeled King County Library; 56,000 sf of office space; 90 residential units and 70,000 sf of retail and restaurant space.



Renovation of Samena Club fitness center.

15231 Lake Hills Blvd., Bellevue



Tenant improvements for Fairlake Professional Plaza.

246030-0210-0270



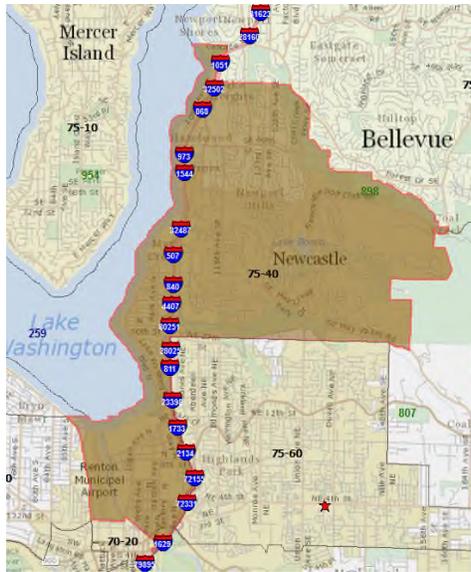
Remodel of existing building for child care center.

16007 NE 8<sup>th</sup> St., Bellevue

### **Neighborhood 75-40 – Newport/Newcastle/Kennydale and Renton Landing**

#### **Boundaries:**

- North – Newcastle Beach Park all the way east to Coal Creek Park
- South – Airport Way all the way east to N. Riverside Dr.
- East – Coal Creek Natural Area, south to China Creek Open Space and then I-5 south to the Cedar River.
- West – Lake Washington all the way south to Rainier Ave North



### **Neighborhood Description:**

Neighborhood 40 includes the city of Newcastle, Newport Hills, the remaining portion of south Bellevue, Kennydale and the Renton Landing. Each of these neighborhoods represents a distinct market within the south and east portions of the Suburban Bellevue market.

The Newport area includes two communities – the Newport Hills/Lake Heights neighborhoods located east of Interstate 405 and the Newport Shores district resting parallel to Lake Washington Shore, west of Interstate 405.

Newport Shores is built around strings of man-made bays. Boating and Lake Shore activities are prominent in this area. Expensive homes and condominium complexes are settled towards the waterfront.

Newport Hills was annexed by the City of Bellevue in 1992. It was largely developed in the 1960's and 1970's and consists mostly of residential housing with apartments and condominiums. Newport Hills is separated from I-405 by steep ravine hills. To the east, the neighborhood is bordered by the 146-acre Coal Creek Natural Area. It covers an area between Coal Creek and Lake Washington.

Newport Hills' only neighborhood shopping center was hit hard during the last recession era. Losing Albertson, Red Apple (their only neighborhood grocery), a pharmacy, the Hallmark store, the Bank of America, and other smaller line retail businesses have created a ghost town feel in this small community. In 2009, the city set-up a task force to help and work with the residents and business owners in the Newport Hills area in order to come up with ideas for development as the shopping center continues to suffer high vacancy rates.



*Image of Newport Hills Shopping Center*

As the retail economy is seeing major re-bounce to almost all neighborhoods in this geographic area; Newport Hills Shopping Center on the other hand is not quite so fortunate. Just before the end of the 2<sup>nd</sup> quarter of 2015, not quite reaching the 2<sup>nd</sup> year anniversary, Pace Fresh Fruit & Produce and Café Pace closed its' doors for business citing lack of business support from the community, leaving approximately half of the center vacant.

The center did have a positive development recently as Resonate Brewery and Pizza opened its doors in the fall of 2015 and occupies the vacated long time tenant, Perry Co Chinese Restaurant located adjacent to the former Red Apple. The majority of Red Apple's former location is still vacant since they left in 2009; a small portion is occupied by a Martial Arts studio and Stod's batting cages just relocated from across the street. Cloud 9 Burger took the former Herfy's Burger spot which was originally built for Dairy Queen.

Intracorp, a Seattle based developer is in talks with the current property owner. The company wants to rezone 85% of the 5.9 acre property. The plan would tear down the strip mall buildings and add townhouses and commercial properties fronting 119<sup>th</sup> Ave SE. This plan has been met with much opposition from concerned neighbors, citing congestion and a growing need for commercial space in the area.

Although Newport Hills and Newport Shores are not as vibrant as the other parts of Bellevue in terms of new constructions, the City of Newcastle on the other hand is thriving well with an influx of new multi-family homes, retirement homes, and single family residences. The former mobile home park situated on the north side of Lake Boren is now 56 townhome units.



Sol Terra - Newcastle broke ground on their LEED Platinum - designed building in July 2015. The building will consist of 99 apartment units above a 2,000 sf retail building.

### SolTerra - Atlas

The former Mutual Materials brick plant, a 53 plus acre site, was sold for \$25 million in January of 2015 after it was listed for sale in February of 2012. Although the transaction closed and recorded 3 years after it was listed, an application for a multi-family residence (mixed-use residences) development was submitted to the City of Newcastle in November of 2013. With nearly 30 acres of usable area, (eliminating the sensitive areas such as wetland, streams, and topography issues) it is the largest parcel of developable land in the neighborhood if not the entire Newcastle and Bellevue areas.

Avalon Bay Communities, has proposed 900 residences ranging from high end single family townhouses to midrise apartment residences and 49,000SF of restaurants and shopping are slated for the area. At the beginning of 2017, construction is well underway and several apartments are now available.



*Rendering courtesy of Avalon Bay*



*Rendering courtesy of Aegis Living*

Besides the single and multi-family development occurring in the City of Newcastle, a new retirement home is also on the horizon. Aegis Senior Living, a retirement community catering to Chinese and Chinese Americans, will be a 5-story, 110 unit Assisted Senior Living and Memory Care Provider located on Lake Boren. The proposed opening is summer of 2017.

In addition to the Newport/Newcastle portion of 75-40, last year Kennydale and portions of Renton including the Renton Airport, The Landing, and all properties North/Northeast of the Cedar River

to I-405 border have been merged into the neighborhood. Some of the major commercial properties in this area include the Virginia Mason Athletic Center (the Seahawks training facility), Boeing and Paccar facilities. This is a unique area, with differing markets as the core of downtown Renton is to the south and the Renton Highlands are to the east.

The Kennydale neighborhood is mostly older, single family residential homes on the hillside and newer million dollar homes along the shores of Lake Washington. Aside from the Virginia Mason Athletic Center, the Kennydale neighborhood is mostly comprised of small businesses serving the community.

There are two new commercial building projects in the Kennydale area at the moment:

- **Veterinary Clinic**

A 2 story, 9,000 sf Vet Clinic right off of exit 7, east of 405 was completed in the summer of 2016.

- **Port Quendall Terminals**



Port Quendall Terminals announced the latest potential mix for its development; 692 residential units, 30,600 square feet of retail and restaurant space, and nearly 2,200 parking stalls. The highest building will be seven stories tall. The site is a large, 21 acre redevelopment of a Superfund site on Lake Washington in Renton, just south of the Seahawks Headquarters. The owners have spent over \$7M cleaning up the

site. Due to the extent of contamination, the clean-up is still a long ways to realize.

In the Renton Landing neighborhood, commercial market activity is thriving with continued occupancy at The Landing, a 68 acre newer lifestyle center which includes an LA Fitness center, Target Store, Dick's Sports, TJ Max, Staples, Regal 16 Cineplex, restaurants, and clusters of line retail stores. It also includes two apartment buildings totaling 880 units combined. The Landing was the remnant of the former Boeing property, which in 2005 downsized their operation in Renton.

Besides the revitalization happening in the Downtown Renton core, this neighborhood is experiencing robust commercial development. The following are either current new constructions and/or renovation/remodels of existing structures:

- **South Lake Washington Revitalization**



South Lake Washington revitalization includes construction of several new hotels operated and managed by Legacy Hotel, Residence Inn by Marriott, and Southport Hotel. Residence Inn by Marriott and Hampton Inn by Hilton Legacy Hotel – began construction in 2015. *(Image on the left courtesy of City of Renton)*

Hampton Inn – located on 1300 Lake Washington Blvd, was scheduled for completion late in 2016. It will include 105 rooms and 96 structured parking stalls. *(Image on the left)*



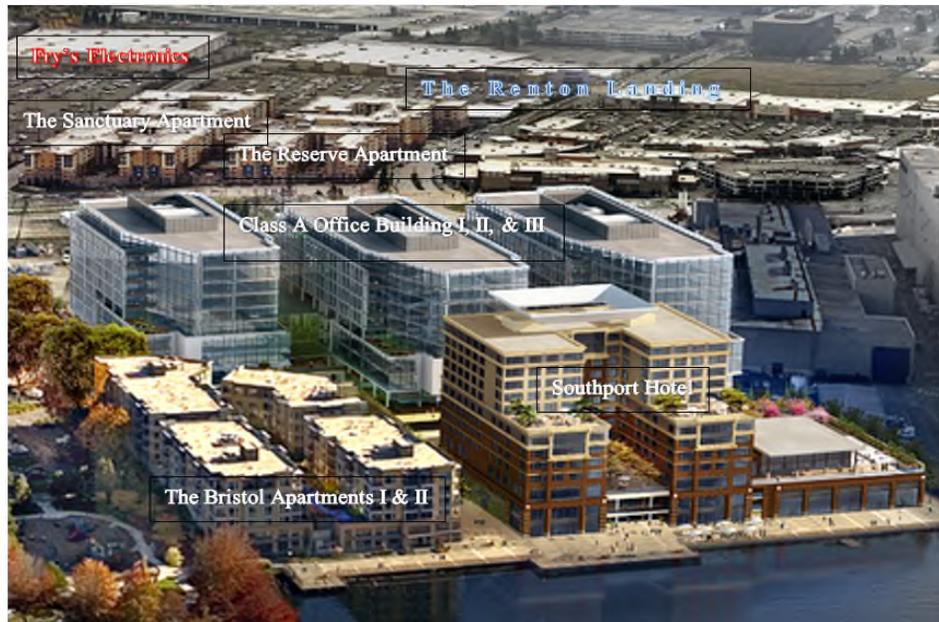
Residence Inn by Marriott – It will include 145 rooms and 116 structured parking stalls. *(Image on the left)*

- **Southport**



The Southport office complex is a state of art center gear towards high tech tenants. It will consist of three nine-story office towers with a total of 724,520 gross square feet area of office use and 10,400 square feet of retail use. Builders broke ground in January 2016 with occupancy expected in 2019. *(Rendering images courtesy of SECO's)*

Construction of a 12-story, 347 room luxury waterfront hotel at Southport started in October of 2014 with expected completion in 2017. It is located between the Boeing Renton plant and The Bristol Apartments on the shores of Lake Washington. It will include a restaurant, spa, executive meeting rooms, VIP lounge, convention center, indoor swimming pool & Jacuzzi, and indoor/outdoor exercise equipment.



- **Ace Aviation**



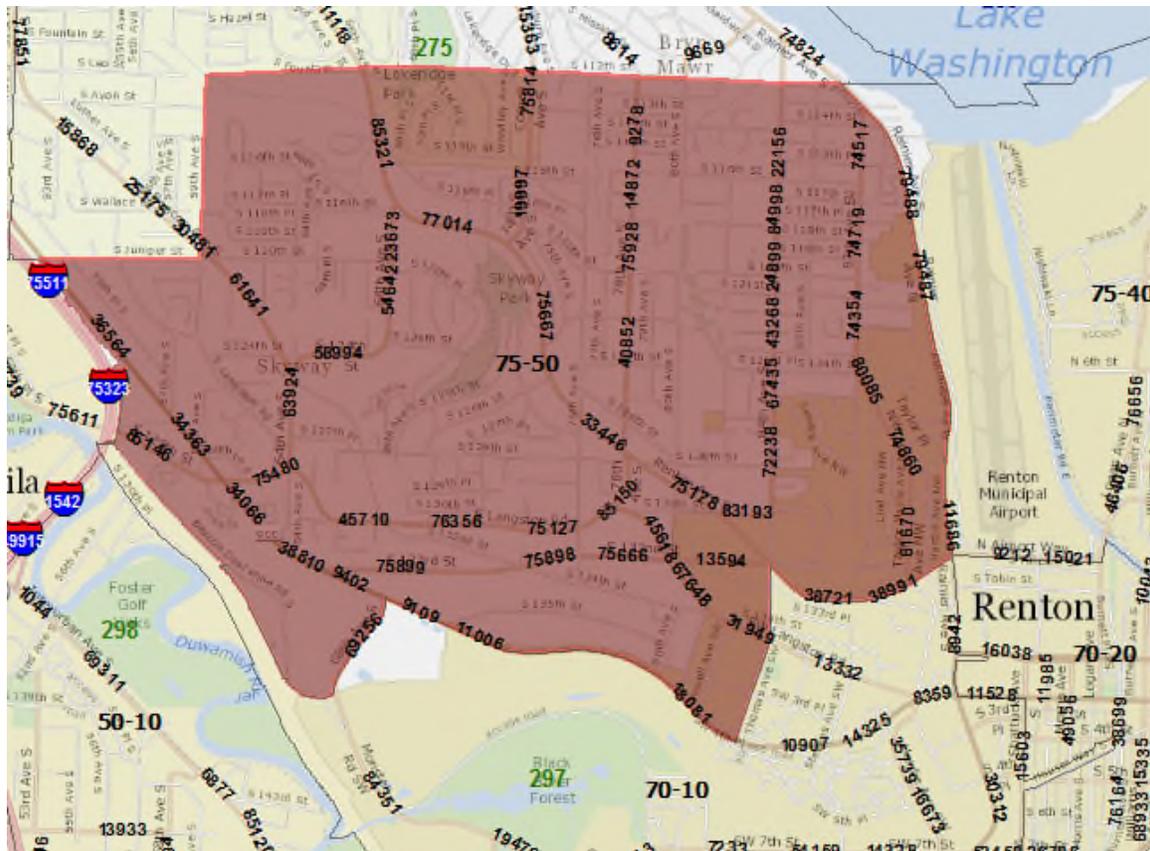
*Photo courtesy of Ace Aviation Inc.*

Ace Aviation completed a 31,000 sf addition in 2016, as well as remodeling their existing building. The addition will feature shop and painting space as well as office space. The building is located at 616 W Perimeter Road at the Renton Airport.

## Neighborhood 75-50 – Bryn Mawr - Skyway

### Boundaries:

- North – S 112<sup>th</sup> St
- South – S 132<sup>nd</sup> St to 68<sup>th</sup> Ave S
- East – Rainier Ave N
- West – I-5 to 59<sup>th</sup> Ave S



### Neighborhood Description:

The Skyway neighborhood is located within unincorporated King County, and occupies an area which extends to the borders of Seattle, Renton, and Tukwila. The neighborhood name historically stems from its proximity on a hill between the Renton Airport and the King County International Airport (Boeing Field). Primary access is via Renton Ave. S, Beacon Ave. S. and Martin Luther King Jr. Way S. Commercial uses are predominantly retail, service, and apartment, and are concentrated along Renton Ave S, the major commercial corridor which meanders through this neighborhood. Newer construction has been limited to public school and administration buildings as well as private development of multi-family housing along Martin Luther King Jr. Way S. in the southwest corner of the neighborhood.

Skyway has limited commercial and retail development compared to surrounding areas. A few national retailers or service providers are located in adjacent neighborhoods (Rainier Valley, Renton, SODO, and Tukwila). Storefronts are typically owner occupied or leased by small

businesses, i.e. barber shops, sewing shops, thrift shops, auto service and parts stores, neighborhood churches and small grocery stores. The commercial neighborhood is also predominantly surrounded by residential communities: Bryn Mawr, Lakeridge, Skyway, Earlington, Campbell Hill, Panorama, Skycrest, and Top Hill. A West Hill annexation effort to the city of Renton was voted down by the residents several years ago. Subsequently, the area continues to rely on services provided by unincorporated King County. The neighborhood also experienced limited commercial development as compared to surrounding neighborhoods.

A new 8,000 sf King County Library was completed in January 2016. Otherwise, no major commercial developments are underway in the Bryn Mawr – Skyway neighborhoods.

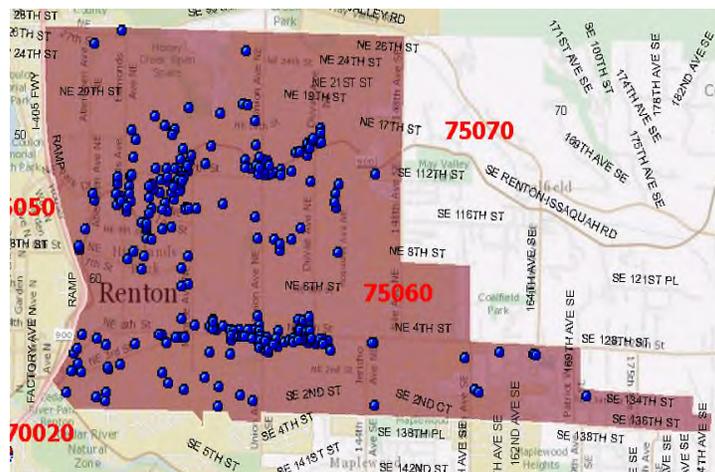


*Picture courtesy of kcls.org*

### **Area 75-60 – Renton Highlands**

#### **Boundaries:**

- North – NE 28<sup>th</sup> Street
- South – SE 2<sup>nd</sup> Place to Evergreen Drive all the way to NE 1<sup>st</sup> Street
- East – Urban Growth line
- West – Interstate 405



## Neighborhood Description:

This neighborhood covers the Renton Highlands business districts along Sunset Boulevard and NE 4<sup>th</sup> Street. This area has a great deal of commercial properties consisting of retail, restaurants, industrial sites, and an abundance of multi-family units. Many of the newer residential developments in Renton are in this area. Dated commercial buildings are prominent along Sunset Boulevard. Although vacancies are low and the area has a high traffic count, this section is no longer the primary commercial center for the Renton Highlands.

The new 15,000 square foot library was completed in 2016. It is located on a Renton Housing Authority owned parcel near Sunset Blvd and Harrington. This location will have a presence on the main arterial. The Sunset Terrace, with 100 units of low income housing, resided at this location before demolition began in the summer of 2015. The city has been a finalist for a HUD “Choice Neighborhoods



Implementation” grant or CNI, worth up to \$30 million to fund the redevelopment of this 49 year old, 7.3 acre community. The plan is to redevelop it into as many as 100 energy efficient, mixed income units, and will allow for other improvements along this corridor. The Renton team may apply again for a CNI grant and is also pursuing alternative funding.<sup>9</sup>

The Renton School District just completed a \$30M Early Childhood Learning Center named Meadow Crest located at 1800 Index Ave NE. It will replace the Hillcrest School that was on the site. The city is planning to build a pedestrian walkway



*Meadow Crest Early Learning Center – Picture from Rentonhousing.org*

connecting the Highlands to the Landing. It will go under the freeway to eliminate the current I-405 barrier connecting the neighborhoods.

Northeast 4<sup>th</sup> Street is the newer, more desirable shopping and commercial center with high-end grocery stores, coffee houses, and other retail services to benefit the residents of many single-family homes, condominiums, and apartments in this area. There was a new Firestone Tire Center built off NE 4<sup>th</sup> adjacent to the Safeway Center and a new mixed-use condo project just south of NE 4<sup>th</sup> St. with retail/office that will occupy the bottom floor. The City of Renton’s Highlands Task Force continues to assess development potential for the Renton Highlands area (both the

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<sup>9</sup> [Rentonwa.gov/sunsetarea/](http://Rentonwa.gov/sunsetarea/)

Sunset Boulevard and NE 4<sup>th</sup> Street corridors). There is also a planned phase-in of street widening on NE 4<sup>th</sup> Street in the Highlands area but it has not broken ground.

- **The Sunset Area Community Revitalization Program aspires to include the following developments:<sup>10</sup>**



\*Complete Streets upgrades to NE Sunset Boulevard and other local streets which includes improvements to storm water drainage systems

\*New and rehabilitated parks and recreation facilities

\*New King County public library

\*Better connections to support services for public housing residents

\*Sustainable infrastructure

\*Bike and walking paths

\*Sunset Terrace public housing (see rendering image from the previous page) will be redeveloped

to include new residential units with a mix of public, affordable, and market-rate homes. It will also have a potential capacity for an additional 2,300 new dwelling units and 1.25 million square feet of service/retail space in the 269-acre neighborhood over the next 20 years.



A new Gas Station was completed in 2015 and is located on the corner of NE 4<sup>th</sup> St. and Duval Ave. NE. It is operated by Kroger Company under the brand name QFC Gas Station.

<sup>10</sup> City of Renton

A 12,000 sf daycare center (Kiddie Academy) was completed in the summer of 2016.

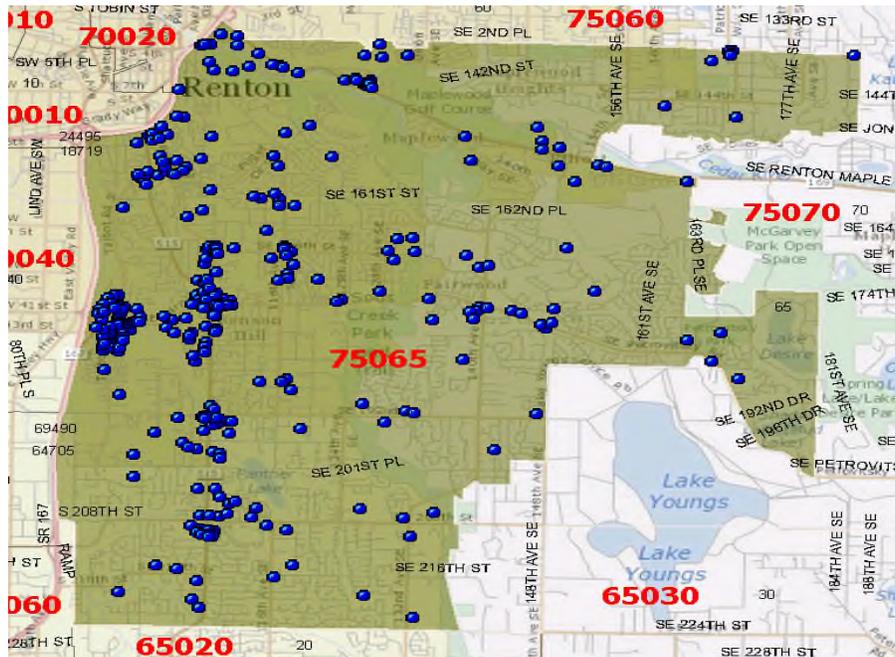


Picture courtesy of Assessor's records

### Area 75-65 – Benson Hill/Fairwood/Panther Lake/& Cedar Valley

#### Boundaries:

- North – I-405 to State Route 169 to Alder Place to SE 144<sup>th</sup> St
- South – SE 222<sup>th</sup> Street
- East – Urban Growth line
- West – State Route 167



## Neighborhood Description:

This neighborhood covers the Benson Hill, Fairwood, and Panther Lake areas of Renton, Kent, and portions of unincorporated King County near Highway 169. This area offers primarily residential living with neighborhood shopping centers, small office buildings, medical office buildings, schools, and churches. This is the most southern portion of Area 75 and still has large tracts of vacant land and timber among the residential housing.

In the Benson Hill area, there are a number of medical offices adjacent to the Valley Medical Center. Valley Medical inked a new deal with UW Medicine and is now co-branded as UW Medicine Valley Medical Center.



The new CVS Pharmacy opened its doors for business in August of 2014 on the former site of Valley Hill Plaza Shopping Center; on the northwest corner of SE Carr Road and Benson Drive, a major intersection.

McDonald's fast food chain relocated to a brand new building adjacent to CVS and abandoned its former location of more than 20 years located less than a quarter of a mile south of Benson Road. Just like McDonald's Restaurant, Wendy's Restaurant built their new high tech, modern building right across from CVS. It was the former site of Shari's restaurant, which was demolished to make way for Wendy's. Wendy's was the first to move out of their former location of more than 20 years which is adjacent to McDonald's former location. Since the Dept. of Transportation removed the middle right/left turn lane along Benson Road (SR 515) and built a barrier, several Quick Service Restaurants lined-up along this stretch of the road complained that their business experienced a slowdown after this traffic changed.

McDonald's fast food chain relocated to a brand new building adjacent to CVS and



*(Image above courtesy of King County Housing Authority)*

At the end of 2015, the King County Housing Authority completed *Vantage Point*, a 77-unit apartment development for low-income seniors in Renton. The \$18 million project is located next to the North Benson Shopping Center in the Benson Hills neighborhood. It has 72 one-bedroom and five two-bedroom apartments.



*Image Courtesy of Renton Housing Authority*

La Fortuna is a new multi-family development project by Habitat for Humanity located in Renton. These townhomes were built in a total of eight buildings varying in size from three to nine units each. La Fortuna is located in Renton's Benson Heights neighborhood, off Petrovitsky Road in an area zoned Residential Multifamily. Half of the site will be dedicated to open space. The four phases include 41 homes.

Eagle Ridge apartment is a new development which was completed in July 2015. These are two 4-story buildings with a total of 117 apartment units. The southernmost building has 61 residential units and 4,039 square feet of office use on the ground floor. And the northernmost building has 56 residential units.



A new multi-family apartment development called Avana Trails (parcel 292305-9022) contains 164 units on three parcels totaling 10.77 acres. It is comprised of 12 separate multi-family building structures and one recreation building, totaling 183,795 square feet.

On the Maple Valley Highway at 152<sup>nd</sup>, the new Cedar River Station was completed in 2015 and has 21,700 square feet of retail. This is three retail buildings plus a Chevron Gas Station located

on SE Maple Valley Highway (SR 169) and 152<sup>nd</sup> Ave SE. (*Rendering image below courtesy of Cedar River Developer*)



Fairwood Library just completed a total renovation and had the grand opening in October of 2014. (*Rendering image on the left courtesy of King County Library*)



A substantial remodel was completed in 2015 on the Inspired Medical Building. The update brings the building up to a modern look and functionality. The building is located on 10915 SE 176<sup>th</sup> St.

*Photo obtained during site inspection*



accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection.

All of area 75-70 and portions of 75-40, 75-60 and 75-65 (due to re-drawn boundaries and missed parcels) were physically inspected for the 2017 Assessment Year as required by WAC 458-07-0154(a). These inspection areas comprised of 217 parcels, or approximately 15.78% of the 1,375 total parcels located in Area 75 (not including specialty parcels and government owned properties). A list of the physically inspected parcels and an identifying map are included in the addendum of this report.

## **Scope of Data**

### **Land Value Data:**

Vacant sales from January 2014 through December 2016 were given primary consideration for valuing land. Thirty-five arm's length land sales closed during this period in Area 75. Historical sales included in previous reports were also considered to provide additional perspective on land values in the area. The sales verified as "good" were coded "Y" in the Assessor's records. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales.

The primary unit of comparison considered was based on price per square foot of land area. "Shell" sales, interim use sales, tear down sales, and land transactions that included plans and permits were considered in the analysis of the land values. The comparative sales approach generally is considered the most reliable method for land valuation. Zoning, location, and site size were primary variables considered in the valuation process. Changes were made based on recent land sales and to achieve equalization in neighborhoods in accordance with zoning, size and location. In the absence of sales in a neighborhood, sales in other similar neighborhoods were considered. 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:**

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

## **Land Value**

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

Area 75 has experienced an upward overall trend in land sale values as well as stability in sales transaction volume. There are 35 verified good commercial land sales that have occurred during the last three years and were utilized for the 2017 revalue. The 2016 revalue had 33 land sales. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods

were considered. In some neighborhoods, new commercial development sites were created through the demolition of existing single family residences located on commercially zoned lots and through the demolition of older commercial buildings. For land valuation purposes, the assessor used GIS (Geographic Information System) as the primary tool to establish new assessed land values.

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

Overall, the recommended land values (excluding government but including specialty parcels) for the 2017 assessment year result in an increase from the 2016 assessment of 4.87%. Properties in the city of Newcastle, Kennydale, Renton and May Valley were among the neighborhoods with land value increases. Although May Valley shows a substantial increase, a large portion of this is due to one parcel's sizeable increase in value. The total recommended assessed land value for the 2017 assessment year is \$3,922,065,000. The chart below is the breakdown of the total land values in Area 75 by neighborhood including all specialty parcels but excluding government parcels.

<b>Change in Assessed Land Value by Area</b>			
<b>Neighborhood</b>	<b>2016 Land Value</b>	<b>2017 Land Value</b>	<b>% Change</b>
75-10	\$587,249,200	\$594,090,100	1.16%
75-20	\$1,192,120,400	\$1,239,227,500	3.95%
75-35	\$290,843,300	\$304,635,400	4.74%
75-40	\$616,626,900	\$687,323,500	11.47%
75-50	\$99,544,800	\$102,981,400	3.45%
75-60	\$284,803,200	\$300,580,600	5.54%
75-65	\$625,840,800	\$637,773,600	1.91%
75-70	\$42,818,800	\$55,452,900	29.5%
<b>Total</b>	<b>\$3,739,847,400</b>	<b>\$3,922,065,000</b>	<b>4.87%</b>

### **Neighborhoods and Sales**

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

The assessor used recent historic sales (three years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. The assessor also used location influence, zoning, lot shapes, sensitive area impacts (i.e. wetlands, streams, creek, topography, etc.), and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The Sales Comparison approach to valuation was considered the most reliable and was utilized in the land valuation model. For the most part, values were estimated as a price per square foot. Smaller lots

were valued using site value as recognized by the market. Assessed Land Values are based on land sales of properties with the same zoning or similar development potential. Adjustments for topography, location, size, irregular shape, major power lines, streams, wetlands, and other such influences were considered.

A list of vacant land sales used and those considered not reflective of market (Sales Not Used), are included in the addendum section of this report.

**Area Overview**

Since the beginning of 2014, there have been a total of 35 commercial land sales throughout Area 75 that meet the requirements of a fair market transaction.

**Area 75-10 Mercer Island**

Over the past decade, downtown Mercer Island has undergone major transformation where commercial space and multi-family units were created. From 1/1/2014 to 12/31/2016, there were only two commercial land sales in this area. A third sale, parcels 531510-0986/0995 was also considered even though it occurred just prior to the 1/1/14 sale range.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT
531510-0457	8/14/15	\$7,900,000	103,018	MF-2	Downtown	\$76.69
531510-0505	9/29/14	\$8,653,356	82,020	TC	Downtown	\$105.50
531510-0986; 531510-0995	12/27/13	\$2,350,000	51,281	MF-2	Downtown	\$45.83



**Parcel 531510-0457 (E# 2749612): Sold to a builder for \$76/SF.** Property was vacant at time of sale. This sale is considered to be a land sale. The buyer plans to demolished existing improvements and build a new senior retirement home.

***Parcel 531510-0457***



**Parcel 531510-0505 (E# 2692722):** Although it was not exposed to the open market, as the buyer approached the seller, this sale was an arms-length transaction. Although the Hudson Center was improved with older buildings (retail and restaurant) this was considered a land sale with a teardown for redevelopment. In October of 2014, construction began of a 209-unit luxury apartment known as The Hadley Apartment with underground parking for 244 cars in addition to four commercial spaces totaling 9,200 square feet at ground level. It was the only major

***Parcel 531510-0505***

development on Mercer Island in the past couple of years. The moratorium on development in the Town Center zoned portion of the island (in effect from February 2015 – June 2016) was preventing the initiation of other projects.



**Parcel 531510-0986 and -0995 (E#2649536):** Sold to a builder for \$45/SF. 18 townhome units are planned despite topography issues. This equates to \$130,555/unit. This parcel is zoned MF-2, a Multi Family zoning. It was assigned to the Commercial Appraisal group at the time of sale but has since been transferred to residential when the townhomes were built. Despite the transfer to Residential, this sale is still a great indication of multi-family land values in the area.

***Parcel 531510-0986/0995***

Land values for usable commercially zoned parcels on Mercer Island are typically between \$24 and \$105 per SF.

**Area 75-20 South Bellevue/Factoria/I-90 Corridor**

This neighborhood intersects Interstate 90 and 405, two major freeways. Although it is located in a highly sought after location, very few vacant land transactions have occurred in this neighborhood in the previous years. One sale occurred in Area 75-20 from 1/1/2014 to 12/31/16; therefore land sales from adjacent areas have been utilized to supplement.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SQ FT
162405-9032; -9046	2/13/2015	\$2,900,000	106,674	R-20	75-20	\$27.19

**Parcel 162405-9032/9046 (E#2714859):**

This is a multi-parcel sale with -9032 and -9046. Both properties were purchased at the same time for a total sale price of \$2,900,000. Buyer intends to build 24 luxury townhomes. Purchase was funded by an investment group.



*Parcel 162405-9032/9046*

Land values for usable commercially zoned parcels along the I-90 Corridor are between \$3.50 and \$62 per SF. Supporting sales for this market area are the adjacent areas; Area 80 (Bellevue/Crossroads) to the North and Area 95 (Issaquah) to the East. These sales range from \$22.95 to \$207.25 per square foot.

**Area 75-35 East Bellevue/Lake Hills to Crossroads**

This neighborhood encompasses areas in East Bellevue, Lake Hills, and Crossroads which abuts Area 80 to the north. Since 2014, area 75-35 has had one land sale. Therefore, sales in the adjacent areas affected the land values in this neighborhood.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SQ FT
352505-9057	6/30/15	\$1,500,000	22,500	NB (Neighborhood Business)	75-35	\$66.67



**Parcel 352505-9057 (E# 2741046):** The buyer owns the adjacent parcel and plan to expand the shopping center. Property was listed for 3 months and received 2 offers.

*Parcel 352505-9057*

Land values for usable commercially zoned parcels in neighborhood 75-35 range from \$1.75 and \$55 per SF. Supporting sales for this market area are the adjacent areas; Area 80 (Bellevue/Crossroads) to the North and Area 95 (Issaquah) to the East. These sales range from \$22.95 to \$207.25 per square foot.

Supporting sales from adjacent market areas that were used for neighborhood 20 and 35 are listed on the following grid:

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT and Comments
262505-9200	01/15/16	\$21,000,000	337,641	CB	Bellevue Crossroads (80-30)	\$62.20
262505-9200	01/15/16	\$33,175,000	337,641	CB	Bellevue Crossroads (80-30)	\$98.26
272505-9172	04/18/16	\$6,750,000	110,182	BR-ORT	Bellevue Overlake (80-50)	\$61.26
282505-9012	06/14/16	\$13,000,000	149,840	BR-RC-2	Bellevue Midlakes (80-70)	\$86.76
292505-9292	08/23/16	\$1,410,000	11,875	BR-MO	Bellevue Midlakes (80-70)	\$118.74
532800-0065	08/16/16	\$1,100,000	8,740	BR-MO	Bellevue Midlakes (80-70)	\$125.86
532800-0070	08/16/16	\$1,115,000	8,740	BR-MO	Bellevue Midlakes (80-70)	\$127.57
793330-0060	02/24/16	\$13,300,000	64,175	BR-OR-1	Bellevue Midlakes (80-70)	\$207.25
793330-0120	08/25/16	\$8,336,900	54,688	BR-OR-1	Bellevue Midlakes (80-70)	\$152.44
064580-0110	11/20/15	1,070,000	14,965	BR-MO	Bellevue Midlakes (80-70)	\$71.50 (Multi-parcel sale)
939970-0900	11/20/15	3,100,000	74,487	LI (Light - Industrial)	South of downtown Bellevue (80-90)	\$41.61
332506-9025	5/8/15	500,000	21,780	TC A1	Sammamish (95-10)	\$22.95
332506-9064	3/26/15	\$1,052,000	44,431	TC A1	Sammamish (95-10)	\$23.67
332506-9106	6/2/15	3,016,530	120,661	TC B	Sammamish (95-10)	\$25.00
222406-9002	9/25/15	2,550,000	95,832	MF-M	Issaquah (95-20)	\$26.61 (Retirement home planned)
282406-9031	3/31/15	540,000	10,320	CBD	Issaquah (95-25)	\$52.32 (10% unusable - stream)
884430-0035	10/15/15	1,613,330	39,600	MUR	Issaquah (95-25)	\$40.74
282406-9248	6/17/14	\$5,000,000	265,141	MU	Downtown Issaquah (95-25)	\$25.89/SF usable area; \$18.86/SF including unbuildable stream area
282505-9300	6/3/14	\$1,750,000	20,149	BR-RC-2	Bellevue Midlakes (80-70)	\$86.85

After analyzing the vacant land sales in nearby areas, both neighborhoods necessitate upward adjustments.

#### **Area 75-40 Newport/Newcastle/Kennydale/Renton Landing**

Five commercial land sales have occurred in the Newcastle and the Renton Landing area in the last 3 years. These recent sales show that land values in this neighborhood warrant an upward adjustment to keep up with the market. There was no vacant commercial land sale activity in the

Newport Hills and Kennydale areas. Sales from competing market areas as well as older sales were used in developing the land values for 2017.

There have been several commercial developments scattered along Southeast Lake Washington, the newest retail core in Renton called The Landing, and the old Renton neighborhood north of downtown just south of The Landing. While north of downtown is mostly developed with older single family residences that were either converted to office use or multi-family; and some are still currently used as single family residences either owner occupied or rented out. The Landing was the by-product of Boeing during the 2005 downsizing era. They sold approximately 20 acres to “The Harvest”, an out of state developer who solely developed the entire complex with theater, restaurants, line retail, and several anchor retail stores. They also allocated a section of the land for multi-family use and sold it to “The Fairfield”, a major apartment developer who built “The Sanctuary Apartments” and “The Reserve Apartments”.

Three major hotel developments and a convention center are underway in the Renton Landing area adjacent to Gene Coulon Park that will add approximately 600 hotel rooms. Parcels 334450-0006 and 082305-9056 were sold as a multi-parcel sale in November 2014. The 140 room, Residence Inn is in the planning stages.

The Southport project on parcels 052305-9075 and 082305-9216 is the largest of the area hotel developments. Ground was broken in the fall of 2014 for this 12 story - 325 room Sheraton Hotel, with an additional 40,000 sf of meeting and convention space planned. This waterfront development is scheduled for completion in 2017.<sup>11</sup>

Vacant land values for usable commercially zoned parcels in this area range from \$5 to \$45 per SF.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT
272405-9006 272405-9040 282405-9099	1/9/15	\$25,000,000	2,331,280	MU-R	Newcastle	\$21.26 (Approximately 27 acres usable per Newcastle Planner)
334450-0006 082305-9056	11/14/14	\$1,500,000	124,691	UC-N2	Renton	\$33.33 (Only 45,000 of this multi-parcel sale is considered usable)
282405-9153	9/5/14	\$1,125,000	27,653	CB	Newcastle	\$40.68
135230-1275 135230-1265	9/2/14	\$295,000	14,859	CA	Renton	\$19.85 (Multi- parcel sale)
282405-9080	3/25/14	\$1,400,000	40,769	O	Newcastle	\$34.34 Triangular Shape, Major Power lines

<sup>11</sup> Renton Reporter



**Parcel 272405-9006, 272405-9040 and 282405-9099 (E# 2709354):** The former Mutual Materials brick manufacturing site was purchased on January 9, 2015, by Avalon Bay for future development. The parcel has Mixed Use Residential (MU-R) zoning which allows for 75 foot building heights. It has several streams, topography, wetlands, and possibly Coal Mine Hazard impacts. According to the City of Newcastle's Senior Planner, about 27 acres is usable land. This equates to \$21.26/SF usable land on the sale of \$25,000,000. A portion of the lot (90,610 sf of land on the east side of the parcel) is currently listed for

*Parcel 272405-9006, 272405-9040, 282405-9099*

sale on Loopnet for \$3,640,000 or \$40.17/sf. This is the current asking price for a new premier retail development at the main entrance to the exciting new Avalon Newcastle Master Planned Community. The project will include a proposed 760-900 new homes, in variety of housing options ranging from high end single family townhouses to midrise apartment residences. Construction is underway and some units are already available for lease.

**Parcel 334450-0006 and 082305-9056 (E# 2701421):** This multi-parcel sale occurred in November 2014 and is across the street from the Gene Coulon Park with a 140 room, Residence Inn under construction. The parcels have easy access to I-405, Boeing and The Landing as well.



*Parcel 334450-0006, 082305-9056*



**Parcel 282405-9153 (E# 2690731):** This lot is flat and dry and centrally located in retail core of Newcastle. A 98 unit, LEED platinum apartment above a 2,000 sf retail building was constructed after the sale. The parcel sold for \$1,125,000, this equates to \$11,480/unit or \$40.68/SF.

*Parcel 282405-9153*



**Parcel 135230-1265 and -1275 (E# 2688628):** Multi parcel sale. Buyer plans to tear down the improvements. It was listed on the market, but was bought by the neighbor. Appears to be an arm's length transaction. Both parties report the buildings being in poor condition. Works out to \$19.85/sf land combined.

*Parcel 135230-1265/-1275*



**Parcel 282405-9080 (E# 2658886):** This Office zoned parcel sold for \$34/SF. The property is triangular in shape and has large power lines crossing the west side of the property. This might limit development on that portion of the parcel other than for parking or storage use. The appraiser estimates that 80% of the parcel is usable until further information is submitted by the owner. Construction is in progress for an 80 unit Apartment building and will be called "Newcastle Way Apartments".

*Parcel 282405-9080*

**Parcel 334450-0007 (E# 2618894):** The seller states that the original asking price was at \$3.25M in 2010 and the price dropped over time. They needed to cash out (as opposed to carrying a note for the buyer) and given the challenges of getting loans for land, this likely impacted the timeline and price. However, it was a good market sale with plenty of market exposure. Construction is underway for a Hampton Inn – it will have approximately 110 rooms.



*Parcel 334450-0007*

**Area 75-50 Bryn Mawr -Skyway**

Bryn Mawr – Skyway lies in the unincorporated area between Seattle, Tukwila and Renton. Six commercial land sales have occurred in this area in the past 3 years. Commercial uses are predominately retail, service and apartment. The neighborhood is mature and very little new development is underway with the exception of multi-family zoned parcel sales, which continue at a steady pace in the area.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT
023200-0010	4/27/16	\$80,000	9,400	R24	Skyway (75-50)	\$8.51
112304-9095	3/17/16	\$740,000	119,388	NB	Skyway (75-50)	\$6.20
000140-0022	3/30/15	\$260,000	35,220	R24	Skyway (75-50)	\$7.38
142304-9006	2/19/15	\$420,000	78,843	R24	Skyway (75-50)	\$5.33
956480-0170	12/4/14	\$560,000	105,202	CA	Skyway (75-50)	\$5.32
000140-0012	7/21/14	\$90,000	18,552	R24	Skyway (75-50)	\$4.85



*Parcel 023200-0010*

**Parcel 023200-0010 (E#2793234):** Territorial R24-zoned commercial land w/ west-facing views in the up & coming West Hill community sold @ only \$10.43/sf or 5 units @ \$19,600/unit. Flexible zoning provides for a mixed-use development opportunity- apartments, townhouses, offices, etc. -per Costar.



*Parcel 112304-9095*

**Parcel 112304-9095 (E#2785312):** The property wasn't listed, it was for sale by owner. The sale price was determined by the seller who is a broker. It was a bank financed sale. Buyer plans to build a church. Wetland located in a small area, per buyer.



*Parcel 000140-0022*

**Parcel 000140-0022 (E# 2721720):** Cash sale, purchased as an investment. This is most likely a teardown sale, as the lot is zoned R-24. This triangular shaped lot has some topography. After estimating the effective usable lot at 70% of the total parcel, the lot effectively sold for \$10.54/SF.

**Parcel 142304-9006 (E#2715036):** Zoned R24, the lot is impacted by topography and has challenging access limiting the parcel to an estimated 70% of usable area. This equates to an effective sale price of \$7.61/SF.



*Parcel 142304-9006*



**Parcel 956480-0170 (E# 2705510):** This was an arm's length transaction, publicly marketed. The property is raw land with some utilities. Property has sloping and wetlands on it.

*Parcel 956480-0170*

**Parcel 000140-0012 (E# 2682364):** The site was developed into an overflow parking for an adjacent apartment project. This lot has been coded with topography impacts limiting the lot to an estimated 70% usable – this equates to \$6.93/SF.



*Parcel 000140-0012*

Vacant land values for usable commercially zoned parcels in this area range from \$7.50 to \$20 per SF.

### Area 75-60 Renton Highlands

This neighborhood is located on the hill above Interstate 405 south of Lake Washington and west of Newcastle. It is improved with a variety of commercial properties that mostly cater to the residential and multi-family housing in this neighborhood.

There were seven commercial land sales in this neighborhood for the past three years ending 12/31/2016.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT
102305-9095	4/8/15	\$215,000	83,429	R-8	Highlands	\$2.58
311990-0005 -0010, -0011	5/12/15	\$275,000	38,910	RM-F	Highlands	\$7.07
518210-0012	5/19/15	\$945,000	73,694	CA	Highlands	\$12.82
518210-0043	5/15/15	\$700,000	31,243	CA	Highlands	\$22.41
722780-1780	6/2/15	\$347,548	18,292	CV	Highlands	\$19.00
102305-9068	6/9/14	\$274,000	24,095	CA	Highlands	\$11.37
152305-9002; 152305-9178	12/8/14	\$495,000	73,181	CA	Highlands	\$6.76



**Parcel 102305-9095 (E# 2723697):** Purchaser intends to build 2 residential homes. The parcel is raw land and is encumbered by wetlands on "1/2 or more" of the lot, per purchaser. Listed on the market for 8 months, originally listed at \$279,000.

*Parcel 102305-9095*

**Parcel 311990-0005, -0010, -0011 (E#2730434):** The property was listed for approximately 10 years. It was a cash purchase. The buyer intends to build townhomes, per neighbor.



*Parcel 311990-0005*



*Parcel 518210-0012*

**Parcel 518210-0012 (E# 2734115):** Multi-parcel sale: 518210-0012 is the primary parcel and has a low value building on it, -0011 has a tear down building and -0014 is vacant.

**Parcel 518210-0043 (E# 2732429):** Property was listed for 2 years. Buyer completed “Kiddie Academy” daycare center in 2016. Lot is flat and dry.



*Parcel 518210-0043*

**Parcel 722780-1780 (E#2736372):** Lot is flat and dry. The city of Renton Housing Authority has no plans for the site at the time.



*Parcel 722780-1780*

**Parcel 102305-9068 (E# 2673054):** Property was listed for 13.5 years. According to the seller, the city requires a portion of the West 15 feet x 243 feet of the property for road widening when development is under way. There has been confusion over the years whether there are wetlands on the property. The lot is estimated at 75% usable or an effective sale price of \$15.16/SF.



*Parcel 102305-9068*



**Parcel 152305-9002 and -9178 (E# 2705579):** Property was listed but was purchased by an adjacent property owner. Purchase price was established about a year prior to the closing date. Seller unsure of the amount of area impacted by wetlands. It is estimated at 50% unusable which would equate to \$13.52/SF

*Parcel 152305-9002*

Vacant land values for usable commercially zoned parcels in this area range from \$1.05 to \$23.50 per SF.

**Area 75-65 Benson Hill/Fairwood/Panther Lake/Cedar Valley**

This neighborhood is located southwest of Renton just above the hill of the hospital district, the UW-Valley Medical Center, east of Highway 167 and west of Highway 169. The Benson Hill area has been particularly active for the past couple of years. Several land sales have occurred that triggered the developments of multi-family apartment complexes, Retail, and Fast Foods along Talbot Road and Carr Road. New CVS Pharmacy Store, McDonald’s restaurant, and Wendy’s were recently completed in 2014.

There are five commercial land sales that occurred in this area. One additional sale of multi residential parcels is included in the table below and was used in the analysis of similar zoning in this neighborhood. The commercially zoned parcel sold for \$24.15/sf. Multifamily zone parcels sold for \$2.80 to \$21.95 per SF depending on location, lot size, topography, etc.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT and Comments
292305-9009	11/23/15	1,430,000	164,828	RM-F	Benson Hill	\$8.67
272305-9049	6/15/15	\$205,000	73,180	R18	Fairwood	\$2.80
292305-9042	2/23/15	\$1,850,000	76,615	CA	Fairwood	\$24.15
052205-9079	2/25/14	\$250,000	50,077	MR-M	Panther Lake	\$4.99
312305-9090	9/5/14	\$985,000	44,866	RM-F	Talbot	\$21.95
008700-0070; 008700-0075; 008700-0080; 008700-0081	5/6/14	\$1,370,000	182,710	R-8 Residential	Benson Hill	\$7.50 (Residential Area 30-2)



292305-9009

**Parcel 292305-9009 (E#2768843):** Property was listed for 3-4 years. Sale price was determined by market analysis. This was a cash purchase, no concessions. Buyer intends to develop the property into apartments, per buyer.



**Parcel 272305-9049 (E# 2738491):** Property was listed for several years. Purchased below list price, per seller. Buyer's intentions unknown. Wetlands impact the lot and approximately 31% is usable or \$9.03/ SF.

*Parcel 272305-9049*

**Parcel 292305-9042 (E# 2716065):** The buyer intends to construct a new 55,400 square foot, three-story, convalescent center containing 60 beds to be used for short term rehabilitation services. The subject property is located on the southeast corner of SE 174th street and 106th place SE.



*Parcel 292305-9042*



**Parcel 052205-9079 (E# 2656895):** Confirmations from the buyer and the seller that there are not wetlands on the property. Wetland consultant hired prior to sale for that determination. Appears to be a market sale.

*052205-9079*



**Parcel 312305-9090 (E# 2690207):** Nine duplexes were constructed on this parcel in 2015. This equates to \$54,722/unit. This parcel was sold with building permits.

*Parcel 312305-9090*

**Parcel 008700-0070/0075/0080/0081  
(E# 2667234):**

These parcels were purchased as part of the LaRosa building development – a Conner Homes project with 21 single family residences.



*008700-0081*

Vacant land values for usable commercially zoned parcels in this area range from \$.60 to \$38.00 per SF.

**Area 75-70 Cedar Basin/May Valley**

This neighborhood is the most southern edge of area 75 and is the most rural area. The commercial developments in this neighborhood are mostly neighborhood retail and service buildings that cater the residences and passersby. It also has some mining properties that are still active and some that are stagnant ready for future redevelopment.

There are four commercially zoned, vacant land sales that have occurred in this neighborhood in the last three years. Sales from competing market areas of similar zoning such as single family zoned sales were used for those single family residence zoning improved with churches and private schools. Older sales were also used in developing the land values for 2016.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT and Comments
222306-9095	3/31/16	\$250,000	273,556	NB	Maple Valley Hwy Area (75-70)	\$0.91 Vacant Land (Wetland on 56%, sale price is effectively \$2.07/SF)
332306-9077	7/18/14	\$5,000	21,780	M	Maple Valley Hwy Area (75-70)	\$0.23 Mineral Zoning
332306-9078	7/18/14	\$10,000	43,560	M	Maple Valley Hwy Area (75-70)	\$0.23 Mineral Zoning Major Power lines
332306-9080	12/31/14	\$500,000	1,031,790	M & RA5	Maple Valley Hwy Area (75-70)	\$0.48 Mineral Zoning Major Power lines Split Zoning



**Parcel 222306-9095 (E#2788461):** Sale appears to be an arm's length transaction. Price was based on actual amount of usable land. Bank financed. Buyer intends to develop the lot into commercial property. - per buyer. The adjacent property owner purchased the land.



**Parcel 332306-9077/9078**

**(E# 2681380/2681376):** Owner wanted to unload property and purchaser approached her with an offer. Property was bought for possible mineral extraction. No permits have been obtained but there has been mineral extraction close by. Sale was all cash. Parcels -9077 and -9078 were purchased at the same time but were separate transactions.

**332306-9077/9078**



**Parcel 332306-9080 (E# 2709379):** Per seller, the property was purchased by neighbor. The price was determined by a June 2013 mining and geology report. Per seller, about 50% of parcel is zoned RA and 50% zoned Mineral. Seller feels the price is market value.

*Parcel 332306-9080*

Supporting sales from adjacent market areas:

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT and Comments
262205-9063/-9071	3/31/16	\$550,000	68,924	CC	Maple Valley Highway (65-30)	\$7.98
362205-9001/9184	3/25/16	\$350,000	392,910	MC	Maple Valley Highway (65-30)	\$.89
412700-0879	6/28/16	\$6,437,500	490,538	CC	Maple Valley Highway (65-30)	\$13.12
362205-9039	7/27/15	\$1,770,000	132,858	TC	Maple Valley Highway (65-30)	\$13.32
102206-9013	3/23/15	\$110,000	9,117	NB	Maple Valley Highway (65-30)	\$12.07
272206-9075	9/25/14	\$684,240	28,657	CB	Maple Valley Highway (65-30)	\$23.88



**Parcel 262205-9063/9071 (E# 2788851):** Multi-Parcel sale. According to the listing agent, the parcel is not connected to sewer however, sewer is available in street. In addition -9071 has a significant bow in the middle and would need quite a bit of fill to be level with the street and parcel -9063.

**Parcel 362205-9001/-9184 (E# 2787925):**

Spoke with city of Kent official who oversaw sale. Owner was very motivated to sell because they were moving out of area. These two sites sit north of Armstrong Springs, a major well for the city of Kent. The subject properties allow the city to further protect that well. The city's plans include demolishing the mobile home and outbuildings still on the site and returning the subject properties back to their natural state. These properties will be used as protection for both the stream and the well. The sale comes in on the low end of the market rate for wetlands.



**Parcel 412700-0879/0870/0878 (E# 2807096):** Multi-parcel sale, appears to be arm's length transaction.

**Parcel 362205-9039 (E# 2758564):** Property listed for 7 years. It is reported that the property was at lower end of range because buyer had to pay City of Covington \$775K to hook up to sewers for development and seller wanted all cash for deal. Included the \$775K hook up fee in sales price and sale appears to be at market. This is considered a teardown sale.



**362205-9039**



**Parcel 102206-9013 (E# 2720367):** This triangular shaped property was originally listed in 2011 for \$119,000. It sold in 2015 for \$110,000.

**102206-9013**



**Parcel 272206-9075 (E# 2692574):** Buyer said property was purchased for development of Pacific Dental Office. The office building will have 5600 square feet and half will be used by Pacific Dental and the other half will be leased.

**272206-9075**

Vacant land values for usable commercially zoned parcels in this area range from \$.18 to \$17.00 per SF.

The table on the following page summarizes the land valuation model as it was applied to the properties in Area 75. All dollar amounts are stated as a price per square foot of land area. The table is intended as a guide to “typical” land values with additional adjustments made for individual site variations.

**Typical Land Value Ranges  
By Neighborhood and Land Use  
2017 Revaluation**

		Area 75 Neighborhoods							
		75-10	75-20	75-35	75-40	75-50	75-60	75-65	75-70
Property Types	Land Zoning Designation	Mercer Island	South Bellevue/Fac toria & I-90 Corridor	East Bellevue/Lak e Hills to Crossroads	Newcastle/N ewport/Kenn edale/Renton Landing	Bryn Mawr - Skyway	Renton Highlands	Renton/Fair wood & Benson Hill/Kent/ Panther	Unincorpora ted King County/Sout h Issaquah to Maple Valley
<b>Industrial Land</b>	<b>Bellevue:</b> LI <b>Newcastle:</b> MU/I <b>Renton:</b> IH, IM, IL <b>King County:</b> M, MP, I, IP		\$15-\$41/SF		\$22-\$23/SF \$10-\$14.50/SF	\$3.50-\$6.50/SF	\$8-9.50/SF	\$7/SF	\$0.30-\$7.50/SF
<b>Commercial Land</b>	<b>Mercer Island:</b> B, P, PBZ, CO, TC <b>Bellevue:</b> CB, F1, F2, F3, GC, NB, O, OLB, PO <b>Newcastle:</b> CB, MU, MU-R, O, PO <b>Renton:</b> CA, CC, CD, CN, CO, COR, CS <b>King County:</b> CB, NB, NBP, O, OP, OS <b>Kent:</b> CC-MU	\$11-\$105/SF	\$19-\$52/SF	\$23.25-\$55/SF	\$10.75-\$42/SF \$12.50-\$42/SF	\$15-\$20/SF	\$16-\$23/SF	\$10-\$38/SF \$12.50/SF	\$6.50-\$17/SF
<b>Multi-Family Land</b>	<b>Mercer Island:</b> MF-2L, MF-2, MF-3 <b>Bellevue:</b> R-15, R-20, R-30 <b>Newcastle:</b> R-12, R-18, R-24, R-48 <b>Issaquah:</b> MF-M, MF-H <b>Renton:</b> CV, R-14, RMH, RM-F, UC-N1, UC-N2 <b>King County:</b> R-12, R12P, R24, R18, R48 <b>Kent:</b> MHP, MR-G, MR-M, MR-H	\$55-\$77/SF	\$11-\$52/SF	\$12-\$32/SF	\$22-\$22/SF \$17-\$22/SF \$11-\$38/SF	\$3-\$20/SF	\$9-\$23.50/SF	\$4.50-\$18/SF \$4.75-\$13/SF	
<b>Residential Land</b>	<b>Mercer Island:</b> R-8.4, R-9.6, R-15 <b>Bellevue:</b> R-1, R-1.8, R-2.5, R-3.5, R-4, R-5, R-6, R-7.5, R-10 <b>Newcastle:</b> R-1, R-4, R-5, R-8, R-10 <b>Issaquah:</b> SF-E <b>Renton:</b> R1, R4, R5, R8, R10 <b>King County:</b> R1, R4, R6, R8, RA2.5, RA5, RA10 <b>Kent:</b> SR-1, SR-4.5, SR-6, SR-8	\$13-\$95/SF	\$5.25-\$62/SF	\$7.25-\$34/SF	\$5.50-\$39/SF \$1-\$39/SF \$1-\$39/SF	\$7.50-\$12/SF	\$4.50-\$17.50/SF	\$3-\$19.50/SF \$2.50-\$12/SF	\$1-\$15.50/SF

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

## **Zoning Descriptions within Area 75:**

### **City of Mercer Island:**

#### **Commercial/Industrial Zoning**

- B Business
- C-O Commercial Offices
- PBZ Planned Business
- TC Town Center

#### **Multi-Family Zoning**

- MF-2 Multi-Family, Allowed density 38 units per acre
- MF-2L Multi-Family Limited, Allowed density 26 units per acre
- MF-3 Multi-Family, Allowed density 26 units per acre

#### **Residential Zoning**

- R-8.4 Single Family, minimum lot size of 8,400SF
- R-9.6 Single Family, minimum lot size of 9,600SF
- R-12 Single Family, minimum lot size of 12,000SF
- R-15 Single Family, minimum lot size of 15,000SF

### **City of Bellevue:**

#### **Commercial/Industrial Zoning**

- CB Community Business District
- F1 Factoria Land Use District 1- mixed-use residential and regional retail center
- F2 Factoria Land Use District 2- intensive office, movie theater, and service uses
- F3 Factoria Land Use District 3- highly intensive office use in an integrated complex
- GC General Commercial District
- LI Light Industrial District
- NB Neighborhood Business District
- O Office District
- OLB Office and Limited Business District
- PO Professional Office District

#### **Multi-Family Zoning**

- R-10 Multi-family Residential- 10 units per acre
- R-15 Multi-family Residential- 15 units per acre
- R-20 Multi-family Residential- 20 units per acre
- R-30 Multi-family Residential- 30 units per acre

#### **Residential Zoning**

- R-1 Single Family Residential Estate- 1 dwelling per acre
- R-1.8 Single Family Residential Estate District- 1.8 dwelling units per acre
- R-2.5 Single Family Residential- 2.5 dwellings per acre
- R-3.5 Single Family Residential- 3.5 dwellings per acre
- R-4 Single Family Residential- 4 dwellings per acre
- R-5 Single Family Residential- 5 dwellings per acre
- R-7.5 Single Family Residential- 7.5 dwellings per acre

**City of Newcastle:**

**Commercial/Industrial Zoning**

CB Community Business  
CBC Community Business Center  
LOS Limited Open Space  
MU Mixed Use  
MU/I Mixed Use/Industrial  
MU-C Mixed Use Commercial  
MU-R Mixed Use Residential  
NB Neighborhood Business  
O Office

**Multi-Family Zoning**

R-12 Multi-Family, 12 dwelling units per acre  
R-18 Multi-Family, 18 dwelling units per acre  
R-24 Multi-Family, 24 dwelling units per acre  
R-48 Multi-Family, 48 dwelling units per acre

**Residential Zoning**

R-1 Single Family, 1 dwelling unit per acre  
R-4 Single Family, 4 dwelling units per acre  
R-6 Single Family, 6 dwelling units per acre  
R-8 Single Family, 8 dwelling units per acre

**City of Renton:**

**Commercial/Industrial Zoning**

CA Commercial Arterial  
CD Center Downtown  
CN Commercial Neighborhood  
CO Commercial Office  
COR Commercial/Office/Residential  
CV Center Village  
IH Industrial Heavy  
IL Industrial Light  
IM Industrial Medium  
UC-N1 Urban Center North 1  
UC-N2 Urban Center North 2

**Multi-Family Zoning**

RM-F Residential Multi-Family  
RMH Residential Manufactured Homes

**Residential Zoning**

R-1 Residential 1 dwelling unit per acre  
R-4 Residential 4 dwelling units per acre  
R-8 Residential 8 dwelling units per acre  
R-10 Residential 10 dwelling units per acre

R-14 Residential 14 dwelling units per acre  
RC Resource Conservation

**City of Kent:**

**Commercial/Mixed Use Zoning**

CC-MU Community Commercial-Mixed Use Development

**Multi-Family Zoning**

MHP Mobile Home Park Combining District  
MR-G Low Density Multi-family Residential District  
MR-H High Density Multi-family Residential District  
MR-M Medium Density Multi-family Residential District

**Residential Zoning**

SR-1 Residential Agricultural District  
SR-6 Single Family Residential District

**City of Issaquah:**

**Multi-Family Zoning**

MF-H Multi-family High Density Residential– 29 dwelling units per acre  
MF-M Multi-family Medium Density Residential– 14.52 dwelling units per acre

**Residential Zoning**

SF-E Suburban Estates – 1.24 dwelling unit per acre

**Unincorporated King County:**

**Commercial/Industrial Zoning**

CB Community Business  
I Industrial  
M Mineral  
NB Neighborhood Business  
O Office

**Multi-Family Zoning**

R12 Residential 12 dwelling units per acre  
R18 Residential 18 dwelling units per acre  
R24 Residential 24 dwelling units per acre  
R48 Residential 48 dwelling units per acre

**Residential Zoning**

RA2.5 Rural Area, 2.5 acre minimum lot size  
RA5 Rural Area, 5 acre minimum lot size  
RA10 Rural Area, 10 acre minimum lot size  
R1 Residential 1 dwelling unit per acre  
R4 Residential 4 dwelling units per acre  
R6 Residential 6 dwelling units per acre

## **Preliminary Ratio Analysis**

The sales ratio study is an important assessment tool to ensure that properties are uniformly assessed based on market value. This analysis utilizes statistical methods to measure the relationship between a property's assessed value and its sale price by grouping individual sales according to property type and geographic area. This data can be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development.

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.

**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 in which the weights are proportional to the sales prices. The weighted mean also is the ratio of the total assessed value to the total 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. The weighted mean is an important statistic in its own right and also used in computing the price related differential (PRD), a measure of uniformity between high- and low-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 75 shows a weighted mean ratio of 0.796 which is below the IAAO guidelines, indicating that the previous 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. The most generally useful measure of uniformity is the Coefficient of Dispersion (COD). The COD measures the average percentage deviation of the ratios from the median ratio.

The 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. The preliminary ratio study for Area 75 shows a COD of 15.43%, which is within the IAAO guidelines.

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. 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. The preliminary ratio study for Area 75 shows a PRD of 1.10 which is above the IAAO guidelines, giving an indication that the current level of assessment uniformity as measured using recent sales was outside the acceptable range.

The results of the preliminary ratio study shows that both the assessment level and assessment uniformity fall outside of the IAAO standards. These results are significant particularly when adequate sales of a specific property type such as office or medical/dental office, existed. For most

other income producing property types the sales sample was insufficient to draw direct conclusions, but the sales can be used as a test for the income model.

The study included sales of improved parcels and benchmarks the current assessment level using 2016 posted values. This study revealed the assessment uniformity needed improvement as the COV and COD were outside of the IAAO standards. The assessment level of 79.6% weighted mean ratio is below the recommended standards. And the high PRD indicates assessment regressivity; meaning the low-value properties are over appraised relative to high-value properties. These statistics suggest that a revaluation is necessary to achieve a better assessment level and uniformity of property values.

Recommended IAAO Standards on Ratio Studies	
Appraisal Level	0.90 to 1.10
Coefficient of Dispersion	5.0 to 20.0
Price Related Differential	0.98 to 1.03

## Improved Parcel Total Values

### Sales Comparison Approach Model Description

When sufficient sales are present, the sales approach is the most reliable of the three approaches to valuation. The sales comparison approach reflects the principles of supply and demand, balance, externalities, and substitution.

Sixty-six commercial improved sales occurred from January 2014 through December 2016 and were considered in the evaluation of Area 75's improved properties. Twelve of these sales are not included in the ratio report due to a variety of reasons including: partial interest; sale was an easement; bulk portfolio sale; non-representative; non-profit; related party or friend; and lease or lease-hold. When necessary, sales of similar property types from other market areas were considered.

The sales were obtained from Excise Tax Records, and verified with property owners, Costar, Brokers and Agents. These sales were organized by market segments based on predominant use. Based on sales analysis, each segment reflected a market price per square foot of net rentable area.

The sales price ranges helped establish a general upper and lower market boundary for the various property types within each subject area. The model for sales comparison was based on the following characteristics from the Assessor's records: commercial use, building section uses, neighborhood, effective year built, quality of construction, and net rentable area of the improvement. The search for comparable sales was expanded to include the surrounding competing neighborhoods within the geographic area, location was also a considered. Properties were grouped with data that most resembled each other to equalize values within each predominant property use type. The sales are organized into market segments based on predominant use and each segment reflected a market price per square foot of net rentable area. Note that time adjustments were not made due to lack of ample sales activity needed in order to make a meaningful time trend analysis.

There were several categories of properties in Area 75 where the sales comparison approach was used. Below is a list of property types where the sales comparison approach was the dominant valuation method used:

<b>Property Type</b>	<b>Market Sales Range</b>
<b>Mobile Home/RV Parks</b>	<b>\$35,000-\$105,000/Pad</b>
<b>Day Cares</b>	<b>\$200/SF-\$380/SF</b>
<b>Mini Lube Auto Centers</b>	<b>\$280/SF-\$390/SF</b>
<b>Small Offices (&lt;5,000sf)</b>	<b>\$125/SF-\$350/SF</b>

Property types typically valued by the Sales Approach are as follows:

- Mobile home parks (MHP) are valued on a per pad basis from \$35,000 to \$73,000 per pad. The breakdown is as follows: Single Wide from \$35,000 to \$50,000 per pad. Double Wide from \$55,000 to \$73,000 per pad, and Area 75 has no RV Parks. The department has done a comprehensive survey of all the MHP's in King County and each received a quality rating, which is the basis for assessment. The class of the park varies with the unit mix (RVs, single wide, and double wide) amenities such as pools, club house, landscaping, views, sports courts, general upkeep, etc. Overall, sales support the previous year's Mobile Home Park values.
- Daycare centers have a value range from \$200/SF to \$380/SF. Generally, daycares, either owned or leased by a national chain (such as La Petite Academy, KinderCare, etc.) have higher construction quality and building condition. As a result these properties tend to be on the higher end of the range.
- Mini Lube / Service Garages are valued from \$280/sf up to \$390/sf depending on the quality of construction, effective year built, location, and building set-up. Those properties that are either owned or leased by a national chain such as Jiffy Lube have higher construction quality and better location. They are valued at the high end of the market.
- Small Offices (less than 5,000sf) are valued at \$125 to \$350 per square foot.

### **Sales Comparison Calibration**

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

## **Cost Approach Model Description**

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

## **Cost Calibration**

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

## **Income Capitalization Approach Model Description**

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

The valuation model includes the following steps:

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

The Income Approach, using direct capitalization was considered a reliable approach to valuation throughout Area 75 for most improved property types since income and expense data was available to ascertain market rates.

**Income:** Income data was derived from the market place from landlords and tenants, market sales, as well as through published sources (i.e. officespace.com, Commercial Brokers Association, CoStar, and real estate websites such as CBRE, Colliers, Kidder Mathews, etc.), and opinions expressed by real estate professionals active in the market.

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

**Expenses:** Expense ratios were estimated based on industry standards, published sources, and the appraiser's knowledge of the area's rental practices. Within the income valuation models for Area 75, the assessor used triple net expenses for retail/mixed-use and industrial type uses. For office/medical buildings, the assessor used a combination of full service/gross expenses and triple net expenses depending on the type of rents used.

**Capitalization Rates:** When market sales are available an attempt is made to ascertain the capitalization rate on the sale or a pro-formal cap rate on the first year performance, during the sales verification process. Also, capitalization rate data was collected from published market

surveys, such as CoStar, Real Capital Analytics, The American Council of Life Insurance (Commercial Mortgage Commitments), Integra Realty Resources, Korpacz Real Estate Investor Survey (PWC), CBRE – National Investor Survey, etc. These sources typically have capitalization rates or ranges based on surveys or sales, and they usually include rates for both the Seattle Metropolitan area and the nation.

The effective age and condition of each building contributes to the capitalization rate applied in the model. For example; a building in poorer condition with a lower effective year (1965, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year (2010, for example) will warrant a lower capitalization rate.

The following table recaps the rates as reported by the industry publications.

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: Capital Markets Cap. Rate survey.	2 <sup>nd</sup> Half (2016)					CBRE professional's opinion of where cap rates are likely to trend in the 2 <sup>nd</sup> ½ of 2016 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	4.25% - 4.75%	-	-	CBD – Class AA
			4.50% - 5.25%	-	-	CBD – Class A
			5.75% - 7.00%	-	-	CBD – Class A – Value Added
			5.25% - 6.00%	-	-	CBD – Class B
			6.50% - 7.50%	-	-	CBD – Class B – Value Added
			6.50% - 7.00%	-	-	CBD – Class C
			7.50% - 9.00%	-	-	CBD – Class C – Value Added
			5.25% - 5.75%	-	-	Suburban – Class AA
			5.75% - 6.50%	-	-	Suburban – Class A
			6.50% - 7.50%	-	-	Suburban – Class A – Value Added
			6.75% - 7.50%	-	-	Suburban – Class B
			7.50% - 8.50%	-	-	Suburban – Class B – Value Added
			7.50% - 8.25%	-	-	Suburban – Class C
			8.00% - 9.00%	-	-	Suburban – Class C – Value Added
			-	4.00% - 4.25%	-	Class A
			-	5.00% - 6.00%	-	Class A – Value Added
			-	4.50% - 5.25%	-	Class B
			-	5.75% - 7.75%	-	Class B – Value Added
			-	5.50% - 6.25%	-	Class C
			-	7.25% - 8.50%	-	Class C – Value Added
			-	-	5.00% - 6.00%	Class A (Neigh./Comm. w/Grocery)
			-	-	6.50% - 7.00%	Class A (Neigh./Comm.) – Value Added
			-	-	6.00% - 7.00%	Class B (Neigh./Comm. w/Grocery)
			-	-	7.00% - 8.50%	Class B (Neigh./Comm.) – Value Added
			-	-	7.75% - 8.75%	Class C (Neigh./Comm. w/Grocery)
			-	-	8.25% - 9.00%	Class C (Neigh./Comm.) – Value Added
			-	-	5.50% - 6.50%	Class A (Power Centers)
			-	-	7.00% - 8.00%	Class A (Power Centers) – Value Added
			-	-	6.50% - 7.50%	Class B (Power Centers)
			-	-	8.00% - 9.00%	Class B (Power Centers) – Value Added
			-	-	7.50% - 9.50%	Class C (Power Centers)
			-	-	9.00% - 10.00%	Class C (Power Centers) – Value Added
			-	-	4.50% - 5.50%	High Street Retail (Urban Core)
						<u>Institutional Grade Properties</u>
IRR: Viewpoint for 2016	Year-end 2016	West Region	5.89%	-	-	CBD Office – Class A
			6.56%	-	-	CBD Office – Class B
			6.35%	-	-	Suburban Office – Class A
			6.86%	-	-	Suburban Office – Class B
			-	6.61%	-	Flex Industrial

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			-	5.93%	-	Industrial
			-	-	5.98%	Regional Mall
			-	-	6.11%	Community Retail
			-	-	6.29%	Neighborhood Retail
			-	-	7.52%	Hotel - Full Service
			-	-	8.10%	Hotel - Limited Service
Colliers	4th QTR 2016	Seattle Puget Sound	5.10% 6.10% -	- - 6.00%	- - -	CBD Office Suburban Office Industrial
CoStar	Year- End 2016	Seattle Puget Sound	6.61% 6.25% 4.65% 4.20%	- - - -	- - - -	Building Size < 50,000 SF Building Size 50,000 SF – 249,000 SF Building Size 250,000 SF – 499,000 SF Building Size >500,000 SF
			-	7.16%	-	Building Size < 25,000 SF
			-	6.46%	-	Building Size 25,000 SF – 99,000 SF
			-	5.98%	-	Building Size 100,000 SF – 249,000 SF
			-	9.41%	-	Building Size >250,000 SF
			-	-	6.09%	Building Size < 25,000 SF
			-	-	6.54%	Building Size 25,000 SF – 99,000 SF
			-	-	6.27%	Building Size 100,000 SF – 249,000 SF

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2016					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location; 2 <sup>nd</sup> Tier properties are defined as aging, former 1 <sup>st</sup> tier in good to average locations; 3 <sup>rd</sup> Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.40% 5.90%	- -	- -	Office CBD – 1 <sup>st</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties
			-	5.50%	-	Warehouse – 1 <sup>st</sup> Tier Properties
			-	6.30%	-	R&D – 1 <sup>st</sup> Tier Properties
			-	6.40%	-	Flex – 1 <sup>st</sup> Tier Properties
			-	-	5.80%	Regional Mall – 1 <sup>st</sup> Tier Properties
			-	-	6.30%	Power Center – 1 <sup>st</sup> Tier Properties
			-	-	5.90%	Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties
		West Region	4.50% - 7.50%	-	-	Office CBD – 1 <sup>st</sup> Tier Properties
			5.00% - 8.00%	-	-	Office CBD – 2 <sup>nd</sup> Tier Properties
			5.80% - 9.00%	-	-	Office CBD – 3 <sup>rd</sup> Tier Properties
			5.00% - 8.00%	-	-	Suburban Office – 1 <sup>st</sup> Tier Properties
			5.50% - 8.50%	-	-	Suburban Office – 2 <sup>nd</sup> Tier Properties
			6.00% - 9.30%	-	-	Suburban Office – 3 <sup>rd</sup> Tier Properties
			-	4.00% - 8.50%	-	Warehouse – 1 <sup>st</sup> Tier Properties
			-	4.00% - 9.00%	-	Warehouse – 2 <sup>nd</sup> Tier Properties
			-	5.50% - 9.50%	-	Warehouse – 3 <sup>rd</sup> Tier Properties
			-	5.30% - 8.00%	-	R&D – 1 <sup>st</sup> Tier Properties
			-	5.50% - 8.50%	-	R&D – 2 <sup>nd</sup> Tier Properties
			-	5.50% - 9.50%	-	R&D – 3 <sup>rd</sup> Tier Properties
			-	6.00% - 8.00%	-	Flex – 1 <sup>st</sup> Tier Properties
			-	5.00% - 8.50%	-	Flex – 2 <sup>nd</sup> Tier Properties
			-	5.50% - 9.50%	-	Flex – 3 <sup>rd</sup> Tier Properties
			-	-	4.80% - 8.00%	Regional Mall – 1 <sup>st</sup> Tier Properties
			-	-	4.50% - 8.30%	Regional Mall – 2 <sup>nd</sup> Tier Properties
			-	-	6.00% - 9.00%	Regional Mall – 3 <sup>rd</sup> Tier Properties
			-	-	6.00% - 8.00%	Power Center – 1 <sup>st</sup> Tier Properties
			-	-	6.00% - 8.30%	Power Center – 2 <sup>nd</sup> Tier Properties
			-	-	6.00% - 9.00%	Power Center – 3 <sup>rd</sup> Tier Properties
			-	-	4.00% - 8.00%	Neigh/Comm. Ctr. – 1 <sup>st</sup> Tier Properties
			-	-	4.50% - 8.50%	Neigh/Comm. Ctr. – 2 <sup>nd</sup> Tier Properties

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			-	-	5.00% - 9.00%	Neigh/Comm. Ctr. – 3 <sup>rd</sup> Tier Properties
PWC / Korpaz	4Q 2016	Seattle	5.79%	-	-	Overall – 4.50% - 8.00%
			5.45%	-	-	CBD Office – 4.50% - 8.00%
			6.13%	-	-	Suburban Office – 5.00% - 7.00%
		Pac. NW	6.00%	-	-	Overall - 4.00% to 9.00%
			5.60%	-	-	CBD Office – 4.50% - 8.00%
			6.41%	-	-	Suburban Office – 5.00% - 7.75%
			-	5.10%	-	Warehouse – 3.75% - 7.00%
ACLI	4Q 2016	Seattle – Bellevue - Everett MSA	5.72%	7.30%	5.64%	All Classes
		Pacific Region	5.38%	5.77%	5.61%	All Classes

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Multifamily	Hospitality	Remarks	
CBRE: Capital Markets Cap. Rate survey.	2 <sup>nd</sup> Half (2016)	Seattle	4.25% - 4.75%	-	Infill – Class A	
			4.50% - 5.00%	-	Infill – Class A – Value Added	
			4.75% - 5.25%	-	Infill – Class B	
			5.00% - 5.50%	-	Infill – Class B – Value Added	
			5.50% - 6.00%	-	Infill – Class C	
			5.25% - 6.25%	-	Infill – Class C – Value Added	
			4.75% - 5.25%	-	Suburban – Class A	
			4.75% - 5.25%	-	Suburban – Class A – Value Added	
			5.00% - 5.50%	-	Suburban – Class B	
			5.25% - 5.75%	-	Suburban – Class B – Value Added	
			5.75% - 6.25%	-	Suburban – Class C	
			5.75% - 6.25%	-	Suburban – Class C – Value Added	
			-	5.75% - 6.25%	CBD – Luxury	
			-	6.00% - 6.50%	CBD – Full-Service	
			-	6.25% - 6.75%	CBD – Select-Service	
			-	8.00% - 9.00%	CBD – Economy	
			-	6.50% - 7.50%	Suburban – Luxury	
			-	7.50% - 8.50 %	Suburban – Full-Service	
			-	7.50% - 8.50%	Suburban – Select-Service	
			-	9.25% - 10.25%	Suburban – Economy	
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2016	Seattle	4.90%	-	Apartments – All Classes	
			-	7.40%	Hotels – All Classes	
		West Region	4.00% - 7.80%	-	Apartments – 1 <sup>st</sup> Tier Properties	
			4.00% - 8.30%	-	Apartments – 2 <sup>nd</sup> Tier Properties	
			4.50% - 8.80%	-	Apartments – 3 <sup>rd</sup> Tier Properties	
			-	7.00% - 8.50%	Hotels – 1 <sup>st</sup> Tier Properties	
			-	7.00% - 10.00%	Hotels – 2 <sup>nd</sup> Tier Properties	
			-	7.00% - 11.00%	Hotels – 3 <sup>rd</sup> Tier Properties	

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2016					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location
		National	4.30% -9.00% 4.80% - 10.0%	- - 4.00% - 10.0% 5.00% - 9.50% 5.30% - 10.0%	- - - - - 4.00% - 9.00% 5.00% - 9.00%	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 2017 Commercial Real Estate Trends report	Yr. End 2016	National	6.73% 7.57% 7.07% 7.81%	- - - - 6.75% 7.47%	- - - - - 6.57% 6.77% 6.94% 7.86% 8.52%	<u>Institutional Grade Properties?</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial Flex Industrial Regional Mall Community Retail Neighborhood Retail Hotel - Full Service Hotel - Limited Service
ACLI	4Q 2016	National	5.43% 6.10% 5.90% 5.96% 5.22%	6.00% 7.29% 6.92% 6.65% 5.78%	5.89% 6.65% 6.39% 6.28% 5.34%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. – 100,001 – 200k Sq.Ft. – 200k+
PWC / Korpaz	4Q 2016	National	5.57% 6.63% 6.76% 7.36%	- - - - 7.05% 5.27%	- - - - - 6.10% 6.37% 6.18%	CBD Office Suburban Office Medical Office Secondary Office Flex/R&D - (5.75% - 9.00%) Warehouse - (3.00% – 7.00%) Regional Mall Power Center Neigh. Strip Centers
PWC / Korpaz	Latter Reports 4Q 2016	National	5.57% 6.43% 6.78%	- - - 5.21% 7.10%	- - - - - 6.24% 6.35% 6.05%	U.S. CBD Office – 3.50% - 7.50% U.S. Suburban Office – 4.50% - 9.00% Medical Office – 4.50% - 10.00% U.S. Warehouse – 3.00% - 7.00% U.S. Flex/R&D – 5.50% - 9.00% U.S. Strip Shop Ctrs – 4.50% - 9.50% U.S. Power Centers – 5.00% - 8.00% U.S. Regional Malls – 4.00% - 9.00%
The Boulder Group: Net Lease Market Report	4Q 2016	National	7.08%	7.14%	6.10%	Overall (Average)

The above tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a broad regional scale. This information is reconciled with data specific to the real estate market in Area 75 to develop the income model. The range of capitalization rates in the income model for Area 75 reflects the variety of properties in this area.

## Income Approach Calibration

Income tables were developed for each of the eight neighborhoods that comprise Area 75. The tables pertain to the following property types: Retail, Industrial Engineering Buildings, Warehouse Storage, Warehouse Office, Warehouse Distribution, Medical and Dental Offices, Discount Stores, Storage Garage, Basement Finish, Restaurant, and Office, in addition to an exclusion table indicating property uses not covered by an income table. Properties which contain differing section uses may have multiple tables that are applicable to the property as a whole. All tables are included in the addendum of this report.

The tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates by using adjustments based on size, quality of construction, and the effective year built. When the value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements.

Typical income model parameters for the various markets that make up Area 75 are summarized in the following table. It should be noted that due to the nature of commercial real estate, not all properties fall within the typical parameters.

The table on the following pages summarizes the income valuation model for each neighborhood in Area 75:

<b>Typical Income Model Parameters:</b>					
<b>Area 75-10 Mercer Island</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy Collection</b>	<b>Rate/ Loss</b>	<b>Expense Rate- % of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$14 - \$33	5 - 7%		10%	6.25% - 7.75%
Retail/Mixed Use	\$21.50 - \$31	7 - 8%		10%	6.5% - 7.25%
Industrial/Warehouse	\$5.25 - \$19	5 - 6%		10%	6% - 8%
<b>Area 75-20 South Bellevue/Factoria/I-90 Corridor</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy Collection</b>	<b>Rate/ Loss</b>	<b>Expense Rate- % of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$10 - \$31	7.5 - 10%		10%	6% - 7.75%
Retail/Mixed Use	\$18 - \$27	5 - 6%		10%	6.5% - 7%
Industrial/Warehouse	\$7.50 - \$17	6 - 7%		10%	6.5% - 7.25%
<b>Area 75-35 East Bellevue/Lake Hills to Crossroads</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy Collection</b>	<b>Rate/ Loss</b>	<b>Expense Rate- % of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$12 - \$30	5 - 10%		10%	6% - 7%
Retail/Mixed Use	\$17 to \$23	5-6%		10%	6.5% to 7%
Industrial/Warehouse	\$6 to \$7.75	5%		10%	6.25% to 7.25%
<b>Area 75-40 Newcastle/Newport Hills/Kennydale/North Renton/Landing</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy Collection</b>	<b>Rate/ Loss</b>	<b>Expense Rate- % of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$9.50 - \$26	5 - 7%		10%	6.5 - 7.25%
Retail/Mixed Use	\$10 - \$24.50	7%		10%	7.25%
Industrial/Warehouse	\$2.75 - \$12.50	3 - 5%		10%	5.5 - 6.25%
<b>Area 75-50 Bryn Mawr - Skyway</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy Collection</b>	<b>Rate/ Loss</b>	<b>Expense Rate- % of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$6 - \$14	10%		7.5 - 10%	6.75 - 7.5%
Retail/Mixed Use	\$7.50 to \$11	7 - 10%		10%	6.75 - 7.25%
Industrial/Warehouse	\$3.50 - \$8	8%		7.5%	7 - 7.5%

<b>Area 75-60 Renton Highlands</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy</b>	<b>Rate/Collection Loss</b>	<b>Expense Rate-% of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$10 - \$22	5 - 10%		10%	6.75 - 7.5%
Retail/Mixed Use	\$8 - \$24	5 - 7%		10%	7 - 7.5%
Industrial/Warehouse	\$4.50 - \$11	5%		10%	6 - 6.5%
<b>Area 75-65 Benson Hill/Fairwood/Panther Lake/Cedar Valley</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy</b>	<b>Rate/Collection Loss</b>	<b>Expense Rate-% of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$9.20 - \$28	6 - 10%		10%	6.25 - 7.5%
Retail/Mixed Use	\$8 - \$21.75	6 - 7%		10%	7 - 7.5%
Industrial/Warehouse	\$5 - \$7	4%		10%	6 - 6.5%
<b>Area 75-70 Cedar Basin and May Valley</b>					
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy</b>	<b>Rate/Collection Loss</b>	<b>Expense Rate-% of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$8.5 - \$19	7 - 10%		10%	6.75 - 7.75%
Retail/Mixed Use	\$14 - \$24	7%		10%	6 - 7.75%
Industrial/Warehouse	\$5.75 - \$7.75	7%		10%	7 - 7.75%

Overall, the rents were adjusted slightly upwards, vacancies were adjusted slightly downwards, expenses are the same, and the capitalization rates for the most part were adjusted slightly downwards in all neighborhoods.

### **Reconciliation**

The Appraiser made a review of the appropriateness of the application of the valuation models before final value was selected for each parcel. All of the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when comparable sales were available, however, the income approach was applied to most parcels in order to better equalize comparable properties.

Whenever possible market rents, expenses, and cap rates were ascertained from sales along with data from surveys and publications. Those parameters were applied to the income model. The income approach to value was considered to be a reliable indicator of value in most instances. Market rents may vary based on location, age of the property, property type, and other factors specific or unique to a property. 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.

Each appraiser can adjust any or all of the factors used to establish value by the model. The Appraiser made the determination of value based on the Appraiser's judgment of the appropriateness of the method for each property. For quality control purposes an administrative review of the selected values was made by Marie Ramirez, Senior Appraiser.

## Model Validation

### Total Value Conclusions, Recommendations and Validation

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

Area 75	2016 Ratios	2017 Ratios	Change	% Change
Assessment Level of Sales	79.8%	93.7%	13.9	17.41%
Coefficient of Dispersion	14.58%	10.08%	-4.5	-30.86%
Coefficient of Variation	18.18%	13.29%	-4.89	-26.90%
Price Related Differential	1.11	1.03	-0.08	-7.21%

The standard statistical measures of valuation performance are presented in both the 2016 and 2017 Ratio Analysis charts included in this report. Comparison (see table above) of the 2016 with the 2017 Ratio Study Analysis indicates that the 2017 assessments statistical ratios are all within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity. However with a sample size of only 54 improved sales for many different commercial types, the weight given to the ratio study should be tempered.

In the 2017 valuation model, the income approach is used to value the majority of the income producing properties that aren't obsolesced (land value is greater than total value by the income method). The income approach also insures greater uniformity and equalization of values. With improving market fundamentals, Area 75 values by the income method are generally increasing although they sometimes are below the value of the sales. This may be because some of these properties are purchased by owner-users, or in the case of interim use properties they might be purchased for investment value or anticipated future income rather than current income.

The 2017 Assessment year revalue of Area 75 is based on commercial real estate data available in 2016 and early 2017 that support the fee simple value of the non-specialty properties in these submarkets as of the valuation date of 1/01/2017. This valuation has occurred in a period of steady market expansion following the severe global, national, and regional economic downturn which had impacted local supply and demand dynamics.

A review of market income data for the 1/01/2017 valuation indicates continued strong income fundamentals for Seattle and King County. Costar reports vacancy rates have continued to trend down for retail properties ending 2016 at 3.6% for the Seattle/Puget Sound Area. Similarly, Office properties have had continued decreasing vacancy rates, dropping to 7.4% at the end of 2016. Finally, Industrial vacancy rates have also dropped, ending 2016 at 3.3%. CBRE reports that capitalization rates for Industrial properties trended down slightly in 2016. However, the Office and Retail sectors saw a slight increase to their Cap Rates. Lease rates saw slight increases in suburban neighborhoods while urban areas have seen sizeable increases on almost all types of properties.

The 2016 real estate market year saw a trend of stable land sales in comparison to the previous year. Some of these properties were purchased by investors for multi-family development in Newcastle, Bryn Mawr – Skyway and the Renton – Highlands and Benson Hill areas; however several land sales may be for residential, office and retail development sites. These land sales support an increase in the assessed land values for most of the zoning designations in the 2017 revalue and an overall land value increase of 4.87% (all land parcels in area 75 excluding government owned properties).

The recommended values represent the appraiser’s best estimate of appropriate assessed values as of the assessment date. Any subsequent sales after the date of this report may not validate or invalidate these value estimates because the market has and will continue to change after the assessment date.

Application of these recommended values for the 2017 assessment year results in a total percentage change from the 2016 assessments of 7.95%. The market sales show increasing trend. Since the values recommended in this report improve uniformity and assessment equity, we recommend posting these values for the 2017 Assessment Year.

<i><b>Total Population - Parcel Summary Data:</b></i>				
<i><b>Area 75</b></i>	<i><b>2016 Value</b></i>	<i><b>2017 Value</b></i>	<i><b>Difference</b></i>	<i><b>Percent Change</b></i>
<i><b>Total Population</b></i>	\$2,504,975,800	\$2,704,100,400	\$199,124,600	7.95%

# **USPAP Compliance**

## **Client and Intended Use of the Appraisal**

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

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

## **Definition and Date of Value Estimate**

### **Market Value**

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65). The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65, 66, No. 65, 12/31/65)

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

### **Highest and Best Use**

#### **RCW 84.40.030**

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

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

### **WAC 458-07-030 (3) True and Fair Value -- Highest and Best Use**

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

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

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

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

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

### **Date of Value Estimate**

#### **RCW 84.36.005**

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

#### **RCW 36.21.080**

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

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

### **Property Rights Appraised**

#### **Fee Simple**

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

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

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

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

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

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

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

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

## **Assumptions and Limiting Conditions**

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.

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

### **Scope of Work Performed**

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

## Certification

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

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below:

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

# Area 75 Ratio Study Report

## PRE-REVALUE RATIO ANALYSIS

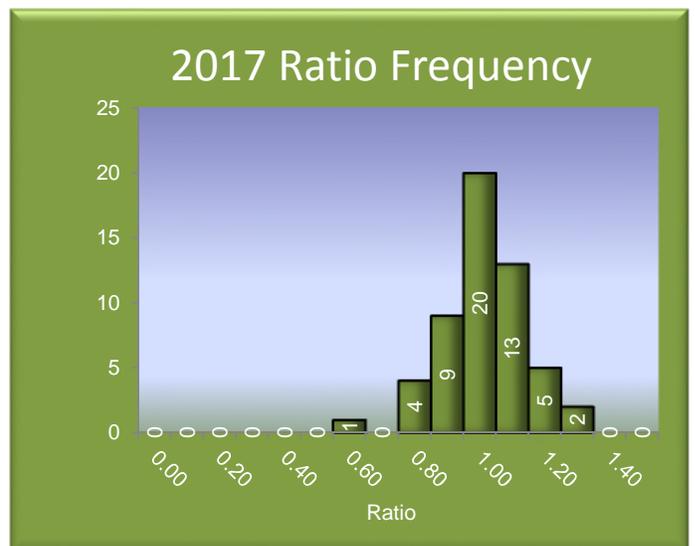
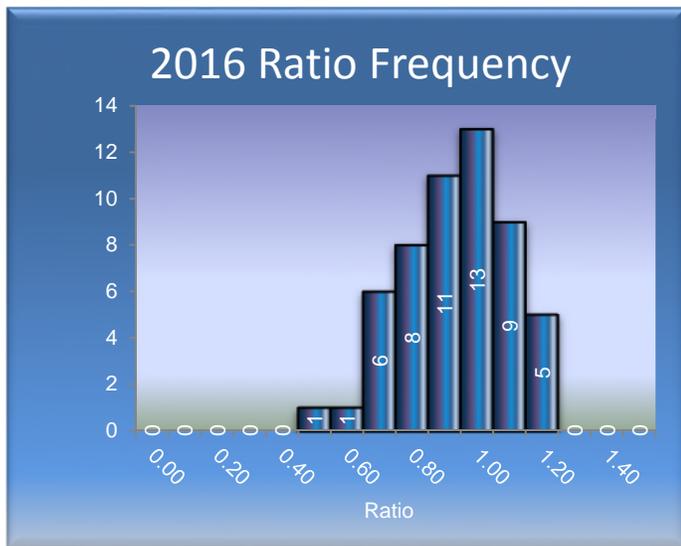
Pre-revalue ratio analysis compares sales from 2014 through 2016 in relation to the previous assessed value as of 1/1/2016.

PRE-REVALUE RATIO SAMPLE STATISTICS	
<b>Sample size (n)</b>	54
<b>Mean Assessed Value</b>	\$2,646,500
<b>Mean Adj. Sales Price</b>	\$3,317,200
<b>Standard Deviation AV</b>	\$3,607,684
<b>Standard Deviation SP</b>	\$4,648,129
ASSESSMENT LEVEL	
<b>Arithmetic Mean Ratio</b>	0.884
<b>Median Ratio</b>	0.897
<b>Weighted Mean Ratio</b>	0.798
UNIFORMITY	
<b>Lowest ratio</b>	0.4676
<b>Highest ratio:</b>	1.1952
<b>Coefficient of Dispersion</b>	14.58%
<b>Standard Deviation</b>	0.1606
<b>Coefficient of Variation</b>	18.18%
<b>Price Related Differential (PRD)</b>	1.11

## POST-REVALUE RATIO ANALYSIS

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

POST REVALUE RATIO SAMPLE STATISTICS	
<b>Sample size (n)</b>	54
<b>Mean Assessed Value</b>	\$3,106,900
<b>Mean Sales Price</b>	\$3,317,200
<b>Standard Deviation AV</b>	\$4,405,168
<b>Standard Deviation SP</b>	\$4,648,129
ASSESSMENT LEVEL	
<b>Arithmetic Mean Ratio</b>	0.964
<b>Median Ratio</b>	0.963
<b>Weighted Mean Ratio</b>	0.937
UNIFORMITY	
<b>Lowest ratio</b>	0.5238
<b>Highest ratio:</b>	1.2590
<b>Coefficient of Dispersion</b>	10.08%
<b>Standard Deviation</b>	
<b>Coefficient of Variation</b>	13.29%
<b>Price Related Differential (PRD)</b>	1.03



## Improvement Sales for Area 075 with Sales Used

04/12/2017

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	040	212405	9045	24,477	2648390	\$1,680,000	01/02/14	\$68.64	BATTING CAGE	NB	1	Y	
075	065	512690	0505	3,175	2651124	\$610,000	01/16/14	\$192.13	HUMBLE OFFICE BUILDING	CN	1	Y	
075	040	118000	0285	1,772	2652025	\$2,950,000	01/23/14	\$1,664.79	LAKE WASHINGTON BEACH MOBIL	R48	2	Y	
075	040	722400	0210	3,446	2651980	\$780,000	01/28/14	\$226.35	PARK DENTAL ASSOCIATES BUILD	CA	1	Y	
075	010	545230	0405	7,533	2653237	\$2,300,000	02/06/14	\$305.32	MEDICAL CLINIC	TC	2	Y	
075	050	118000	1765	5,606	2659412	\$1,200,000	03/21/14	\$214.06	RETAIL/OFFICE BUILDING	CB	2	Y	
075	010	759810	0310	10,468	2699943	\$4,500,000	11/06/14	\$429.88	CHRIST SCIENTIST CHURCH	R-9.6	1	Y	
075	010	531510	0498	5,317	2703489	\$1,224,000	12/01/14	\$230.21	WD INSURANCE	MF-2	1	Y	
075	020	220150	1408	42,438	2706483	\$15,000,000	12/16/14	\$353.46	OFFICE BUILDING	GC	1	Y	
075	050	037200	0094	1,795	2711705	\$460,000	01/28/15	\$256.27	Lavoz Hispanic Newspaper	CB	1	Y	
075	050	413680	0140	4,030	2715738	\$600,000	02/09/15	\$148.88	RETAIL & APARTMENTS	CB	1	Y	
075	040	334210	3251	1,032	2715319	\$795,000	02/19/15	\$770.35	KENNYDALE REALTY	CN	1	Y	
075	010	545230	0365	5,006	2715757	\$2,115,000	02/24/15	\$422.49	BOSSI JONES BLDG	TC	1	Y	
075	060	032305	9028	2,360	2716825	\$1,795,000	03/02/15	\$760.59	FIR GROVE MHP (32 SPACES; SW/	R-4	1	Y	
075	040	756510	0045	560	2717653	\$140,000	03/03/15	\$250.00	FIRST NAILS	CA	1	Y	
075	065	202305	9097	6,556	2718747	\$900,000	03/10/15	\$137.28	EAGLE RIDGE PROFESSIONAL CEI	CA	1	Y	
075	020	517630	0028	0	2721437	\$2,550,000	03/12/15	\$0.00	Sanctuary of Praise-LAND	R-5	6	Y	
075	040	172305	9094	3,690	2731489	\$417,000	05/13/15	\$113.01	Reflexology Health Center	CA	1	Y	
075	020	128360	0040	49,176	2738740	\$13,825,000	06/19/15	\$281.13	NCR CORPORATION	O	1	Y	
075	035	883990	0040	6,400	2739817	\$3,300,000	06/24/15	\$515.63	YI PIN RESTAURANT	CB	1	Y	
075	040	722400	0580	6,486	2739853	\$1,350,000	06/30/15	\$208.14	PARK AVENUE MARKET & COWGIF	CN	1	Y	
075	040	722400	0230	1,728	2742216	\$299,950	07/09/15	\$173.58	OFFICE BUILDING	R-10	1	Y	
075	070	202306	9041	7,200	2744461	\$650,000	07/16/15	\$90.28	EVERGREEN COMMUNITY CHURC	RA5	2	Y	
075	020	545330	0167	29,260	2747369	\$5,947,695	08/03/15	\$203.27	CCS PRINTING	LI	1	Y	
075	020	102405	9108	26,600	2749945	\$9,500,000	08/11/15	\$357.14	I-90 PARK PLAZA	OLB	1	Y	
075	020	545330	0311	14,000	2757720	\$1,900,000	09/23/15	\$135.71	Western Integrated Technologies	LI	1	Y	
075	040	334210	3257	960	2764383	\$366,000	10/22/15	\$381.25	OFFICE	CN	1	Y	
075	065	247330	0020	3,738	2764687	\$540,000	10/27/15	\$144.46	3-PLEX and Office	O	1	Y	
075	040	722400	0620	2,432	2765546	\$447,015	11/06/15	\$183.81	RESIDENCE AND DOG GROOMING	CA	1	Y	
075	050	420240	1500	5,001	2767575	\$825,000	11/16/15	\$164.97	CHANG'S MONGOLIAN GRILL	CA	1	Y	
075	020	162405	9213	4,932	2767492	\$1,500,000	11/18/15	\$304.14	CIAN PLAZA	CB	1	Y	
075	060	722790	0016	3,890	2769263	\$665,999	11/23/15	\$171.21	OFFICE BUILDING	CV	1	Y	
075	020	112405	9079	21,200	2776231	\$8,238,000	01/08/16	\$388.58	EASTGATE CORPORATE CENTER	O	1	Y	
075	040	135230	1245	1,425	2779074	\$494,000	02/02/16	\$346.67	FRIEDEL'S AUTOMOTIVE	CA	1	Y	
075	020	102405	9098	40,697	2779420	\$19,700,000	02/09/16	\$484.07	CHESTNUT HILL ACADEMY SCHOC	LI	1	Y	
075	035	342505	9246	3,582	2790425	\$1,000,000	04/13/16	\$279.17	BELLEVUE VETERINARY HOSPITAL	O	1	Y	
075	020	092405	9246	16,540	2800276	\$7,050,000	06/01/16	\$426.24	SWEDISH HEALTHCARE FACTORIA	CB	1	Y	
075	060	102305	9068	1,390	2806841	\$274,000	06/16/16	\$197.12	SFR Teardown (Listed For Sale as Mi	CA	1	Y	
075	040	722400	0550	4,396	2808415	\$835,000	06/28/16	\$189.95	NORTHSIDE DENTAL CENTER	R-8	1	Y	
075	065	312305	9026	6,701	2806276	\$2,035,000	06/29/16	\$303.69	SPRINGBROOK PROFESSIONAL P/	CO	1	Y	
075	050	023200	0053	2,100	2808966	\$325,000	06/30/16	\$154.76	OFFICE & APTS	CBSO	1	Y	

Improvement Sales for Area 075 with Sales Used

04/12/2017

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	020	102405	9123	63,351	2809766	\$17,400,000	07/13/16	\$274.66	DELPHI BLDG	OLB	1	Y	
075	040	722400	0470	2,321	2810820	\$340,000	07/22/16	\$146.49	LAW OFFICE (CONVERTED SFR)	CA	1	Y	
075	010	545230	0540	2,948	2813078	\$1,590,000	07/25/16	\$539.35	SKELTON BUILDING	TC	1	Y	
075	020	102405	9066	7,600	2821320	\$3,200,000	08/17/16	\$421.05	LINE RETAIL	OLB	2	Y	
075	040	282405	9144	16,055	2816533	\$6,880,270	08/17/16	\$428.54	Newcastle Professional Center	O	1	Y	
075	050	122304	9043	10,544	2816930	\$1,100,050	08/17/16	\$104.33	SKYWAY UNITED METHODIST CHU	R48	1	Y	
075	060	516970	0129	2,370	2825914	\$350,000	09/28/16	\$147.68	OFFICE BUILDING (Converted SFR)	CA	1	Y	
075	020	102405	9132	21,086	2828896	\$7,000,000	10/19/16	\$331.97	14100 BUILDING	OLB	1	Y	
075	020	102405	9084	34,719	2831465	\$13,250,000	10/31/16	\$381.64	EASTSIDE OFFICE BUILDING	OLB	1	Y	
075	060	082305	9096	2,400	2836758	\$639,000	11/23/16	\$266.25	MIKES PLACE TAVERN	CN	1	Y	
075	060	269030	0010	0	2839868	\$295,000	12/13/16	\$0.00	GALLOWAY TOWNHOMES CONDO	CA	1	Y	
075	035	737980	0010	7,619	2842149	\$3,000,000	12/20/16	\$393.75	ROBINSWOOD PROFESSIONAL CE	PO	1	Y	
075	035	737980	0020	7,619	2843574	\$3,000,000	12/20/16	\$393.75	Robinswood Professional Center	PO	1	Y	

Vacant Sales for Area 075 with Sales Used

04/12/2017

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	065	052205	9079	50,077	2656895	\$250,000	02/25/14	\$4.99	VACANT LAND	MR-M	1	Y	
075	040	282405	9080	40,769	2658886	\$1,400,000	03/25/14	\$34.34	SFR TEARDOWN ON OFFICE ZONED	O	1	Y	
075	060	102305	9068	24,095	2673054	\$274,000	06/09/14	\$11.37	SFR Teardown (Listed For Sale as Mixe	CA	1	Y	
075	070	332306	9077	21,780	2681380	\$5,000	07/18/14	\$0.23	VACANT MINERAL LAND	M	1	Y	
075	070	332306	9078	43,560	2681376	\$10,000	07/18/14	\$0.23	VACANT MINERAL PARCEL (IMPACT	M	1	Y	
075	050	000140	0012	18,552	2682364	\$90,000	07/21/14	\$4.85	VACANT	R24	1	Y	
075	040	135230	1275	14,859	2688628	\$295,000	09/02/14	\$19.85	SFR in Commercial Zone	CA	2	Y	
075	065	312305	9090	44,866	2690207	\$985,000	09/05/14	\$21.95	VACANT MULTIFAMILY LAND	RM-F	1	Y	
075	010	531510	0505	82,020	2692722	\$8,653,356	09/29/14	\$105.50	Hudsman Center	TC	1	Y	
075	040	334450	0006	124,691	2701421	\$1,500,000	11/14/14	\$12.03	VACANT LAND	UC-N2	2	Y	
075	050	956480	0170	105,202	2705510	\$560,000	12/04/14	\$5.32	VACANT	CA	2	Y	
075	060	152305	9002	73,181	2705579	\$495,000	12/08/14	\$6.76	VACANT LAND	CA	2	Y	
075	070	332306	9080	1,031,790	2709379	\$500,000	12/31/14	\$0.48	VACANT MINERAL LAND	M	1	Y	
075	040	272405	9006	2,331,280	2709354	\$25,000,000	01/09/15	\$10.72	Former NEWCASTLE BRICK PLANT	MU-R	3	Y	
075	020	162405	9032	52,780	2714859	\$2,900,000	02/13/15	\$54.95	VACANT MULTIFAMILY LAND (FACTO	R-20	1	Y	
075	050	142304	9006	78,843	2715036	\$420,000	02/19/15	\$5.33	VACANT LAND	R24	1	Y	
075	065	292305	9042	76,615	2716065	\$1,850,000	02/23/15	\$24.15	VACANT LAND plus Mobile Espresso S	CA	1	Y	
075	050	758020	0432	8,790	2716566	\$186,000	02/26/15	\$21.16	ASPHALT PARKING	CBSO	2	Y	
075	050	000140	0022	35,220	2721720	\$260,000	03/30/15	\$7.38	RON'S AUTO REBUILD	R24	1	Y	
075	060	311990	0005	38,910	2730434	\$275,000	05/12/15	\$7.07	Vacant Multifamily Land	RM-F	3	Y	
075	060	518210	0043	31,243	2732429	\$700,000	05/15/15	\$22.41	KEYBANK VACANT LAND	CA	1	Y	
075	060	518210	0012	73,694	2734115	\$945,000	05/19/15	\$12.82	SFR TEARDOWN CA ZONED LAND (V	CA	3	Y	
075	060	722780	1780	18,292	2736372	\$347,548	06/02/15	\$19.00	VACANT LAND	CV	1	Y	
075	020	142405	9106	43,539	2737354	\$1,100,000	06/12/15	\$25.26	COUGAR RIDGE MONTESSORI SCH	R-5	1	Y	
075	065	272305	9049	73,180	2738491	\$205,000	06/15/15	\$2.80	VACANT LAND (WETLAND & IMPACT	R18	1	Y	
075	035	352505	9057	22,500	2741046	\$1,500,000	06/30/15	\$66.67	FUTURE KEY BANK KELSEY CREEK	NB	1	Y	
075	010	531510	0457	103,018	2749612	\$7,900,000	08/14/15	\$76.69	MERCER ISLAND CARE CENTER	MF-2	1	Y	
075	065	292305	9009	164,828	2768843	\$1,430,000	11/23/15	\$8.68	VACANT LAND	RM-F	2	Y	
075	065	662340	0180	34,873	2776760	\$1,325,000	01/19/16	\$38.00	MEDICAL CENTER PARKING (ASSOC	CN	2	Y	
075	050	112304	9095	119,388	2785312	\$740,000	03/17/16	\$6.20	VACANT	NB	3	Y	
075	070	222306	9095	273,556	2788461	\$250,000	03/31/16	\$0.91	VACANT LAND (WETLAND)	NB	1	Y	
075	050	023200	0010	9,400	2793234	\$80,000	04/27/16	\$8.51	VACANT	R24	1	Y	
075	070	192306	9026	1,105,988	2808307	\$9,500,000	07/11/16	\$8.59	SUNSET MATERIALS	I	1	Y	
075	060	329540	0120	28,495	2839726	\$500,000	12/14/16	\$17.55	VACANT LAND (NEAR SUNET ON DU	CA	1	Y	
075	050	217200	0685	55,860	2846786	\$82,000	01/26/17	\$1.47	VACANT LAND	R24	1	Y	Sale occurred after the lien date.

Improvement Sales for Area 075 with Sales not Used

04/12/2017

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	010	545230	0156	3,683	2726540	\$1,000,000	04/21/15	\$271.52	MERCER PARK PROF BLDG	MF-2	1	22	Partial interest (1/3, 1/2, etc.)
075	020	122405	9008	13,268	2840931	\$129,780	12/14/16	\$9.78	VASA PARK	R-5	1	24	Easement or right-of-way
075	035	246030	0210	2,950	2709317	\$8,654	12/19/14	\$2.93	FAIRLAKE PROFESSIONAL PLAZA	O	1	24	Easement or right-of-way
075	035	246030	0220	3,275	2709319	\$11,253	12/19/14	\$3.44	FAIRLAKE PROFESSIONAL PLAZA	O	1	24	Easement or right-of-way
075	040	082305	9087	2,400	2765821	\$159,000	10/26/15	\$66.25	7-11 STORE	CA	1	59	Bulk portfolio sale
075	040	082305	9087	2,400	2765822	\$263,000	10/26/15	\$109.58	7-11 STORE	CA	1	59	Bulk portfolio sale
075	040	722400	0045	11,007	2760804	\$599,800	10/09/15	\$54.49	RETAIL & RESIDENCES	CA	1	46	Non-representative sale
075	040	722400	0675	7,332	2854005	\$1,800,000	03/17/17	\$245.50	OFFICE BUILDING	CA	2		
075	050	023200	0035	5,850	2818409	\$341,001	08/19/16	\$58.29	OFFICE & SHOP	CBSO	1	63	Sale price updated by sales id group
075	050	122304	9032	40,459	2839536	\$211,000	12/08/16	\$5.22	LUCKY DRAGONZ CASINO	CBSO	1	24	Easement or right-of-way
075	050	758020	0275	9,729	2749280	\$1,499,900	08/13/15	\$154.17	SKYWAY BAPTIST CHURCH	R6P	2	17	Non-profit organization
075	060	092305	9110	7,027	2831111	\$323,684	09/12/16	\$46.06	4TH STREET PLAZA WEST	CA	1	51	Related party, friend, or neighbor
075	065	272305	9033	1,751	2833759	\$4,950,000	11/14/16	#####	ARCO AMPM	CB	1	11	Corporate affiliates
075	065	312305	9040	33,146	2737846	\$5,050,000	06/15/15	\$152.36	VALLEY MEDICAL & DENTAL	CO	2	46	Non-representative sale
075	065	322305	9065	17,713	2670488	\$543,061	05/01/14	\$30.66	BENSON PLAZA (SHELL, AUTO, BA	CA	1	33	Lease or lease-hold
075	065	322305	9065	17,713	2699100	\$506,938	10/30/14	\$28.62	BENSON PLAZA (SHELL, AUTO, BA	CA	1	22	Partial interest (1/3, 1/2, etc.)
075	065	885767	0090	80,929	2821560	#####	09/07/16	\$654.90	TALBOT PROFESSIONAL CENTER	CO	1	46	Non-representative sale

Vacant Sales for Area 075 with Sales not Used

04/12/2017

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	020	545330	0150	126,555	2851336	\$51,000	02/09/17	\$0.40	VACANT LAND	LI	1		
075	035	352505	9061	393,782	2763543	\$150,000	10/23/15	\$0.38	VACANT LAND	R-10	1	51	Related party, friend, or neighbor
075	040	182305	9264	26,445	2681172	\$42,206	07/17/14	\$1.60	RW	UC-N1	1	46	Non-representative sale
075	040	182305	9264	26,445	2683016	\$42,206	07/28/14	\$1.60	Vacant Land	UC-N1	1	21	Trade
075	040	182305	9264	47,081	2847036	\$353,118	01/31/17	\$7.50	Vacant Land	UC	1		
075	040	334570	0075	75,480	2677197	\$46,875	06/30/14	\$0.62	Vacant Commercial Land	CA	1	22	Partial interest (1/3, 1/2, etc.)
075	040	334570	0075	75,480	2677198	\$1,562	06/25/14	\$0.02	Vacant Commercial Land	CA	1	22	Partial interest (1/3, 1/2, etc.)
075	040	334570	0075	75,480	2677199	\$1,562	06/25/14	\$0.02	Vacant Commercial Land	CA	1	22	Partial interest (1/3, 1/2, etc.)
075	050	122304	9177	183,192	2779128	\$5,280,000	02/01/16	\$28.82	VACANT RESIDENTIAL	R6P	1	65	Plans and permits
075	050	322405	9010	249,600	2729307	\$785,000	04/28/15	\$3.15	VACANT LAND (WETLANDS & STREA	CA	1	68	Non-gov't to gov't
075	050	768960	0975	87,300	2853468	\$350,500	03/14/17	\$4.01	VACANT LAND	R24	1		
075	060	102305	9095	83,429	2723697	\$215,000	04/08/15	\$2.58	VACANT-WETLAND	R-8	1	3	Contract or cash sale
075	060	162305	9103	62,861	2833769	\$1,525,000	11/09/16	\$24.26	VACANT LAND	CA	3	11	Corporate affiliates
075	060	329540	0120	28,495	2825060	\$87,594	07/05/16	\$3.07	VACANT LAND (NEAR SUNET ON DU	CA	1	51	Related party, friend, or neighbor
075	060	518210	0016	54,737	2775970	\$1,225,000	01/08/16	\$22.38	Assoc parking for Les Schwab -0010	CA	2	11	Corporate affiliates
075	065	272305	9039	739,213	2798618	\$13,100	05/25/16	\$0.02	VACANT-WETLAND	R18SC	1	35	Open space designation continued/ok'
075	065	312305	9090	44,866	2844218	\$447,000	01/03/17	\$9.96	9 Duplexs	RM-F	1		
075	070	052306	9030	4,487,551	2704134	\$2,163,676	11/26/14	\$0.48	VACANT LAND	RA5	1	68	Non-gov't to gov't

Major	Minor	AddrLine	GeoA rea	GeoN bhd
032306	9009	10328 ISSAQUAH-HOBART RD SE	75	70
032306	9018	10120 ISSAQUAH-HOBART RD SE	75	70
032306	9148	9806 238TH WAY SE	75	70
032306	9153	11107 234TH AVE SE	75	70
032306	9160	9700 238TH WAY SE	75	70
052306	9017		75	70
052306	9018		75	70
052306	9032		75	70
062206	9061	19002 SE PETROVITSKY RD	75	70
062306	9027	10430 RENTON-ISSAQUAH RD SE	75	70
062306	9031	10610 RENTON-ISSAQUAH RD SE	75	70
062306	9032	10208 RENTON-ISSAQUAH RD SE	75	70
062306	9052	10610 RENTON-ISSAQUAH RD SE	75	70
063810	0005	11205 164TH AVE SE	75	70
063810	0083	15520 SE 116TH ST	75	70
063810	0087		75	70
063810	0212	11840 148TH AVE SE	75	70
063810	0220	11818 148TH AVE SE	75	70
063810	0230	11820 150TH AVE SE	75	70
072306	9001	10610 RENTON-ISSAQUAH RD SE	75	70
072306	9043	18011 SE RENTON-ISSAQUAH RD	75	70
102306	9016	24050 SE 127TH ST	75	70
107961	0010	12620 164TH AVE SE	75	70
107961	0020	16420 SE 128TH ST	75	70
107961	0030	12670 164TH AVE SE	75	70
107961	0040	16410 SE 128TH ST	75	70
107961	0050		75	70
112305	9019	15612 SE 128TH ST	75	70
112305	9073	12221 164TH AVE SE	75	70
122305	9011	16612 SE 128TH ST	75	70
122305	9069	16436 SE 128TH ST	75	70
122305	9072	16402 SE 128TH ST	75	70
152306	9009	14010 ISSAQUAH-HOBART RD SE	75	70
152306	9039	23831 SE TIGER MOUNTAIN RD	75	70
152306	9056		75	70
152306	9070	23800 SE TIGER MOUNTAIN RD	75	70
152306	9115	14331 ISSAQUAH-HOBART RD SE	75	70
152306	9141		75	70
152306	9157	23912 SE TIGER MOUNTAIN RD	75	70
165650	0005	16326 SE RENTON-ISSAQUAH RD	75	70
165650	0015	16300 SE RENTON-ISSAQUAH RD	75	70
165650	0025	16238 SE 112TH ST	75	70
165650	0045	16224 SE RENTON-ISSAQUAH RD	75	70
165650	0070	16238 SE RENTON-ISSAQUAH RD	75	70

Major	Minor	AddrLine	GeoA rea	GeoN bhd
165650	0510	16341 SE RENTON-ISSAQUAH RD	75	70
165650	0515	11423 164TH AVE SE	75	70
165650	0516	11421 164TH AVE SE	75	70
172306	9038	19600 SE 128TH ST	75	70
192306	9026	18825 SE RENTON-MAPLE VALLEY RD	75	70
192306	9029	18017 SE RENTON-MAPLE VALLEY RD	75	70
202306	9036	15256 204TH AVE SE	75	70
202306	9037	15910 SE JONES RD	75	70
202306	9038	19816 SE JONES RD	75	70
202306	9041	20112 SE 152ND ST	75	70
202306	9099		75	70
212306	9016	16645 228TH AVE SE	75	70
222306	9029	14916 ISSAQUAH-HOBART RD SE	75	70
222306	9095	14412 CEDAR GROVE RD SE	75	70
222306	9128	14401 ISSAQUAH-HOBART RD SE	75	70
242305	9023	18000 SE RENTON-MAPLE VALLEY RD	75	70
242305	9037	18015 SE RENTON-MAPLE VALLEY RD	75	70
242305	9095	18015 SE RENTON-MAPLE VALLEY RD	75	70
252305	9050	16700 174TH AVE SE	75	70
252305	9086		75	70
261680	0670	14240 228TH AVE SE	75	70
272306	9047	16630 230TH AVE SE	75	70
282306	9009	17825 CEDAR GROVE RD SE	75	70
292306	9005		75	70
292306	9006		75	70
292306	9009		75	70
292306	9019		75	70
292306	9027	16121 RENTON-MAPLE VALLEY RD SE	75	70
292306	9080		75	70
292306	9082		75	70
292306	9083		75	70
292306	9084		75	70
302306	9019	16121 MAPLE VALLEY HWY	75	70
322306	9001	17937 CEDAR GROVE RD SE	75	70
322306	9003		75	70
322306	9035	18605 SE RENTON-MAPLE VALLEY RD	75	70
322306	9037	18601 SE RENTON-MAPLE VALLEY RD	75	70
322306	9052		75	70
322306	9070	18407 SE RENTON-MAPLE VALLEY RD	75	70
322306	9098	18417 SE RENTON-MAPLE VALLEY RD	75	70
322306	9104		75	70
322306	9152	18455 SE RENTON-MAPLE VALLEY RD	75	70
332306	9001	21700 SE LAKE FRANCIS RD	75	70
332306	9016	22501 SE LAKE FRANCIS RD	75	70

Major	Minor	AddrLine	GeoA rea	GeoN bhd
332306	9030	17655 CEDAR GROVE RD SE	75	70
332306	9040		75	70
332306	9042	17635 CEDAR GROVE RD SE	75	70
332306	9077		75	70
332306	9078		75	70
332306	9079	SE LAKE FRANCIS RD	75	70
332306	9080	SE LAKE FRANCIS RD	75	70
338830	0300	19850 SE 127TH ST	75	70
344490	0010	20807 142ND AVE SE	75	70
404840	0495	19830 SE 150TH ST	75	70
511290	0160	19030 SE 168TH ST	75	70
522930	0140	16461 SE 113TH PL	75	70
522930	0141	16515 SE MAY VALLEY RD	75	70
522930	0147	16442 SE RENTON-ISSAQUAH RD	75	70
522930	0246	16431 SE RENTON-ISSAQUAH RD	75	70
522930	0250	16409 RENTON-ISSAQUAH RD SE	75	70
522930	0252	11414 164TH AVE SE	75	70
523100	0100	16135 SE 113TH PL	75	70
556100	0780	26409 SE 152ND ST	75	70
556100	0790	26401 SE 152ND ST	75	70
556130	1550	25500 SE MIRRORMONT DR	75	70
000720	0192	803 CEDAR AVE S	75	65
032305	9097	4411 NE SUNSET BLVD	75	60
082305	9056	900 HOUSER WAY N	75	40
142370	0922	16710 116TH AVE SE	75	65
142370	0931	16720 116TH AVE SE	75	65
142370	0941	11626 SE 168TH ST	75	65
145750	0005	12811 164TH AVE SE	75	60
162305	9022	375 UNION AVE SE	75	65
175013	0000	20403 93RD PL S	75	65
192305	9090	1500 TALBOT RD S	75	65
202305	9126	1920 S PUGET DR	75	65
212405	9032		75	40
212405	9034	5611 119TH AVE SE	75	40
212405	9035	5833 119TH AVE SE	75	40
212405	9063	12121 SE 60TH ST	75	40
212405	9064		75	40
212405	9066	11905 SE 56TH ST	75	40
212405	9067	5919 119TH AVE SE	75	40
212405	9068		75	40
222305	9026	14500 SE RENTON-MAPLE VALLEY RD	75	65
232305	9044	16023 SE 144TH ST	75	65
247390	0010	13933 SE PETROVITSKY RD	75	65
247390	0020	17615 140TH AVE SE	75	65

Major	Minor	AddrLine	GeoA rea	GeoN bhd
262405	9002	15500 SIX PENNY LN	75	40
262405	9051	15500 SIX PENNY LN	75	40
272305	9039	SE PETROVITSKY RD	75	65
272305	9051		75	65
272405	9001	15500 SIX PENNY LN	75	40
272405	9011	7935 136TH AVE SE	75	40
272405	9059	7454 NEWCASTLE GOLF CLUB RD	75	40
272405	9069	7211 132ND PL SE	75	40
272405	9070	13032 NEWCASTLE WAY	75	40
272405	9080	13750 NEWCASTLE GOLF CLUB RD	75	40
272405	9084	7005 132ND PL SE	75	40
272405	9085	6860 COAL CREEK PKWY SE	75	40
282305	9009	16950 116TH AVE SE	75	65
282305	9010	17148 116TH AVE SE	75	65
282305	9087	16760 128TH AVE SE	75	65
282305	9100	17200 120TH AVE SE	75	65
282305	9114	116TH AVE SE	75	65
282405	9014	13056 SE 76TH ST	75	40
282405	9047		75	40
282405	9052	13024 NEWCASTLE WAY	75	40
282405	9099	6700 COAL CREEK PKWY SE	75	40
282405	9118		75	40
282405	9130	13018 NEWCASTLE WAY	75	40
282405	9144	12835 NEWCASTLE WAY	75	40
282405	9152	13033 NEWCASTLE WAY	75	40
282405	9153	12901 NEWCASTLE WAY	75	40
292305	9022	10930 SE 172ND ST	75	65
292305	9023		75	65
292305	9072	17418 108TH AVE SE	75	65
292305	9082	SE 168TH ST	75	65
292305	9143	17223 116TH AVE SE	75	65
292305	9198	10712 SE CARR RD	75	65
292405	9001	12 SEAHAWKS WAY	75	40
292405	9002		75	40
292405	9012	4601 LAKE WASHINGTON BLVD	75	40
292405	9015		75	40
312140	0000	710 HARRINGTON AVE NE	75	60
312305	9069	4512 TALBOT RD S	75	65
312305	9152	17906 TALBOT RD S	75	65
322305	9084	17604 110TH AVE SE	75	65
322405	9049		75	40
334210	0170	3312 LAKE WASHINGTON BLVD N	75	40
334210	1395	3009 PARK AVE N	75	40
334210	3248	1308 N 30TH ST	75	40

Major	Minor	AddrLine	GeoA rea	GeoN bhd
334210	3251	1302 N 30TH ST	75	40
334210	3256	3009 PARK AVE N	75	40
334210	3260	1309 N 30TH ST	75	40
334210	3270		75	40
334210	3272	1321 N 30TH ST	75	40
334210	3466	2900 NE 30TH ST	75	40
334210	3468		75	40
334330	0642	6401 LAKE WASHINGTON BLVD	75	40
334330	0820	108TH AVE SE	75	40
334330	1100	4904 LAKE WASHINGTON BLVD NE	75	40
334330	1105	4800 LAKE WASHINGTON BLVD NE	75	40
334330	1125	1755 NE 48TH ST	75	40
334330	1140	1800 NE 44TH ST	75	40
334330	1141	1795 NE 44TH ST	75	40
334330	1142	1717 NE 44TH ST	75	40
334330	1145	1785 NE 44TH ST	75	40
334330	1700	6016 120TH AVE SE	75	40
334510	0427	12636 SE MAY CREEK PARK DR	75	40
334570	0055		75	40
334570	0057	4343 LINCOLN AVE NE	75	40
334570	0059	1701 A NE 43RD ST	75	40
334570	0075		75	40
334570	0080	108TH AVE SE	75	40
334570	0081	4210 JONES AVE NE	75	40
334570	0082		75	40
334570	0083		75	40
334570	0085	4108 108TH AVE SE	75	40
366450	0240	13232 156TH AVE SE	75	60
366450	0320	12819 160TH AVE SE	75	60
395621	0000		75	65
541535	0820		75	40
541535	0830	15500 SIX PENNY LN	75	40
607120	0920	5464 119TH AVE SE	75	40
607120	0921	5466 119TH AVE SE	75	40
722780	0620	547 INDEX PL NE	75	60
723750	1640		75	40
723750	1680		75	40
723750	1700		75	40
723750	1750		75	40
723750	1760		75	40
723750	1880		75	40