

**Commercial Revalue**

**2017 Assessment roll**

**AREA**  
**36**

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

**John Wilson, Assessor**





## King County

### Department of Assessments

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**John Wilson**  
*Assessor*

Dear Property Owners,

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

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

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

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

In Service,

John Wilson  
King County Assessor



# How Property Is Valued

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

## What Are Mass Appraisal Techniques?

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

## Are Properties Inspected?

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

## How are Individual Commercial Properties Valued?

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

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

## How is Assessment Uniformity Achieved?

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



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

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure for and show the uniformity of predicted property assessments. We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers (aka IAAO) that may be reviewed at [www.IAAO.org](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 1-3. [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.



# Commercial Area 36

## Commercial Areas

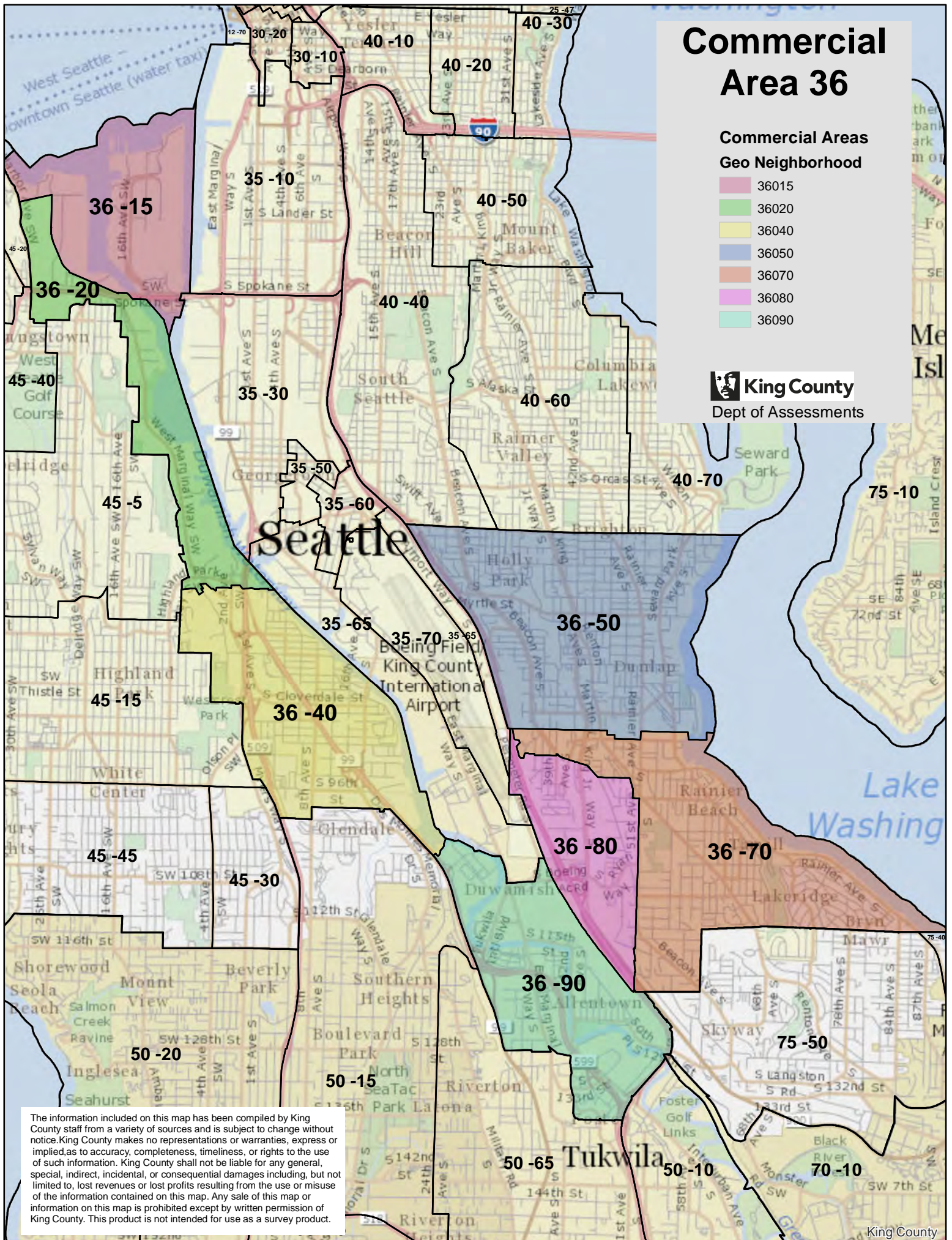
### Geo Neighborhood

- 36015
- 36020
- 36040
- 36050
- 36070
- 36080
- 36090



**King County**

Dept of Assessments



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



## Executive Summary Report

**Appraisal Date: 1/1/2017 - 2017 Assessment Year**

**Geographic Appraisal Area: West Duwamish – Area 36**

**Physical Inspection: Neighborhood 36-70**

### **Sales – Improved Summary:**

Number of Sales: 34 (Number does not include 15 Condominium boat Slip Sales)

Number of Sales Included in Ratio Study Summary: 27

Range of Sales Dates: 04/02/2014– 07/22/2016

### **Sales – Ratio Study Summary:**

	Improved Value	Sale Price	Ratio	COD*
2016 Average Value	\$2,070,700	\$2,305,700	89.8%	13.75%
2017 Average Value	\$2,288,200	\$2,305,700	99.2%	13.67%
Abs. Change	\$217,500		9.40%	-0.08%
% Change	10.50%		10.47%	-0.58%

\*COD is a measure of uniformity, the lower the number the better the uniformity. A negative change of -0.08% and -0.58% implies an improvement in uniformity. A COD of 13.67% is well within appropriate levels as determined by the IAAO (15% and lower). With Weighted Mean, COD, and PRD moving to 99.2%, 13.67%, and 1.01 respectively, the results are well within IAAO guidelines

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

### **Population - Parcel Summary Data:**

	Land	Improvements	Total
2016 Value	\$965,867,272	\$522,681,129	\$1,488,548,401
2017 Value	\$1,167,319,000	\$519,202,430	\$1,686,593,430
Percent Change	20.86%	-0.67%	13.30%

Number of Parcels in the Population: 1308 Parcels reflected in the above table – Area 036 Vacant and Improved, and excludes both specialty and government owned parcels.



**Conclusion and Recommendation:**

The total recommended value for the 2017 assessment year represents a 13.30% increase over the previous year.

These recommended values improve Assessment Level, as indicated by the Ratio Study. Uniformity and equality are also improved over the previous year. In view of the market improvement within the West Duwamish Area, and with Assessment Level, Uniformity, and Equality falling within benchmark guidelines established by the IAAO, we recommend posting these values for the 2017 assessment year.



## Identification of the Area

**Name or Designation:**        *Area 36: West Duwamish*

### **Boundaries:**

Northern: Harbor Island

Eastern: Harbor Island and Duwamish River to the Boeing Access Rd., then South along Lake Washington from S. Graham St. South to S 112<sup>th</sup> St. at Rainier Ave S.

Western: W. Marginal Way and Pacific Hwy S.

Southern: 136<sup>th</sup> St. S. in Tukwila & Martin Luther King Jr. WY S., North to S. Juniper Street, North along 59<sup>th</sup> Ave S. to S. 112<sup>th</sup> St.

### **Parcel Count:**

1308 parcels under Commercial Assignment (does not include specialty or government exempt parcels).

### **Maps:**

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

## **Area Overview:**

Area 36, or West Duwamish is considered to fall within the close-in industrial market of Seattle, and several of its neighborhoods comprise part of the Duwamish Manufacturing Industrial Center (MIC), or Duwamish Corridor. This manufacturing corridor is considered a finite and limited resource, and a major contributor to the Seattle/Metro economic base. Broadly defined, activities include all types of manufacturing, wholesale, warehousing, construction support, communications, utilities, and transportation.

The area is considered to be transitional, as a majority of the facilities reflect an obsolesced manufacturing infrastructure and older buildings are upgraded and repurposed for continued industrial activity. Buildings tend toward older age, with many over 40 years old, compared to other industrial areas of the region with a higher proportion of modern tilt-up structures. Specialized facilities are common, due to harbor/port proximity (Port of Seattle), aircraft production (Boeing), and supporting rail infrastructure. In recent collaboration with the Port of Tacoma, The Port of Seattle continues to position itself to capture future marine container traffic via the Northwest Seaport Alliance, and modifications to Terminal 5 to accept two ULCV's (Ultra Large Container Vessels of 18,000 TEU's each). Additionally, the Alliance has signed onto the Green Marine Certificate program which now includes all Northwest Ports, and the Vancouver Fraser



Port Authority to reduce the environmental footprint of the Georgia Basin Puget Sound Air Shed. The Lower Duwamish Waterway remains a superfund site which covers approximately five miles of the lower Duwamish River. Both the EPA and the State Department of Ecology continue with efforts to identify and control sources of surrounding watershed pollution, while continuing with river sediment cleanup.

Challenges to area redevelopment include ongoing environmental contamination with associated cleanup efforts, transportation conflicts as increased container shipping activity impacts truck and rail traffic, fragmented ownership which has created numerous small parcels making assemblage more difficult for large development, and continued pressure resulting from commercial encroachment upon industrial neighborhoods as the region's economy continues to grow.

The West Duwamish Commercial Geographical Area is divided into seven neighborhoods spanning two municipalities as well as Unincorporated King County, and is generally distinguished by zoning jurisdictions and geographic characteristics. Most of the industrial lands lie in four neighborhoods west of the Duwamish River, while commercial lands predominantly fall in the Rainier Valley in two neighborhoods along Rainier Ave S. and Martin Luther King Jr. Way S. Although major employers remain Boeing, the Port of Seattle, and associated operating properties (rail), the vast majority are comprised of small business interests and proprietors/owners who characterize this area. Similar to the SODO Area immediately to the East, vacancy is low, as limited property is available for rent or sale, and values are expected to increase, given the Seattle Core proximity and its associated economic activity.

Overall valuation change for the 2017 assessment year was driven by land value increases of both industrially and commercially zoned parcels, adjustments applied for excess/surplus land (of improved industrial parcels using both Income and Market Approaches), and application of the cost approach to improved parcels within the West Duwamish Area.



## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2017

**Date of Appraisal Report:** March 22, 2017

The following appraiser did the valuation for this geographic area:

Bruce Zelk – Commercial Appraiser II

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

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

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000 is typically assigned to the improvements.

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

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

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



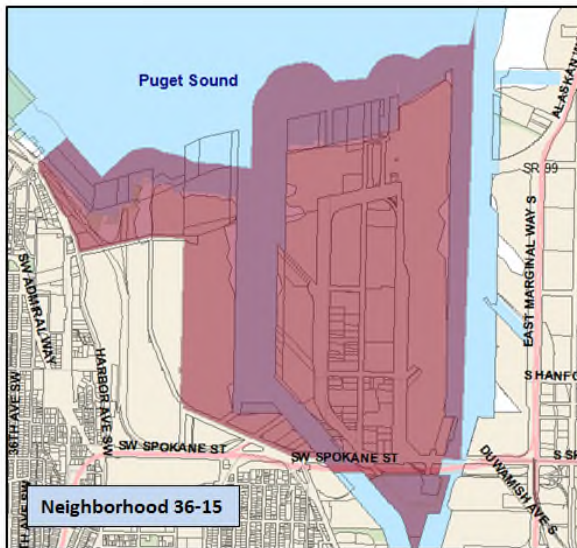
## Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

- Sales from 1/2014 thru 12/2016 were considered in all analyses.
- The intention of this report is to meet requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6 (USPAP compliant).

## Neighborhood Descriptions of the West Duwamish Area (Area 36)

### Neighborhood 36-15 – Harbor Island



**Zoning:** All parcels are industrially zoned

#### Boundaries:

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

#### Neighborhood Description:

Harbor Island sits on the Duwamish River Delta in Elliott Bay, and covers approximately 420 acres of fill held with piling. The island is man-made, comprised of fill from the Jackson and Dearborn Street regrades as well as the Duwamish River as it was dredged and straightened to accommodate Seattle's industrial growth in the early 1900s. Predominant uses involve containerized cargo shipping, shipbuilding and repair, bulk petroleum storage, metal fabrication, and marine services. Predominant use continues to change from heavy industry to container shipping, the Port being the only participant with its largest and newest facility - APL's Terminal 5, along with Terminal 18, and 102.





Whereas terminals 5 and 18 are major container shipping terminals, terminal 102 was developed with marina and office/warehouse facilities. The Port is also the major land owner, with remaining land controlled by rail right-of-way, petroleum tank farms, and the Vigor Shipyards. The island is also classified as a Federal “Superfund” site, as most all parcels within this neighborhood experience contamination associated liability and/or stigma, which negatively affect both land and improvement values. Improvement age ranges from two to 110 years, with a median age of 44.

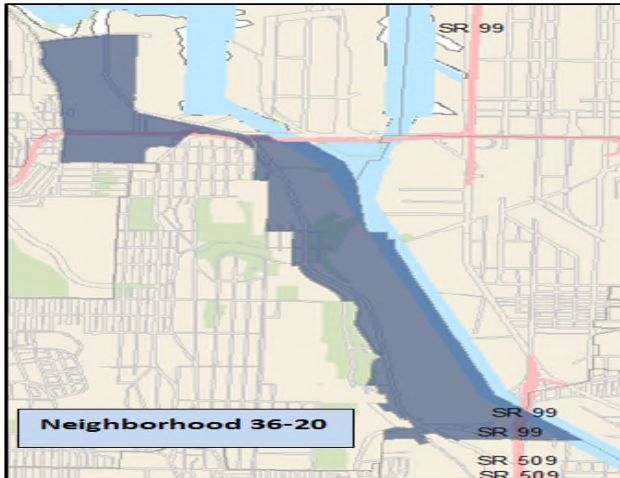




## Neighborhood 36-20

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

### Boundaries:



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

### Neighborhood Description:

This is an industrial area immediately south of Harbor Island. Values reflect “Superfund” influence due to the proximity to Harbor Island and the Duwamish Waterway. Improvement ages range from one to 110 years, with a median age of 44 years. West Marginal Way S. is the primary transportation corridor through this neighborhood, and most heavy industrial uses are located to the east along the Duwamish River with its associated access. The hillside immediately west of Marginal Way is subject to slide instability, but is also backfilled with small manufacturing businesses, many of which are owner occupied.



The Port remains a major influence here as land use continues to change from heavy industrial to Port related container shipping. The neighborhood contains rail infrastructure supporting APL Terminal 5 at the north, and Terminal 115 at the southern end, where Lineage Logistics has its Sea Freeze processing facility. It is home to Alaska Marine Lines and its associated container shipping activity, the Nucor

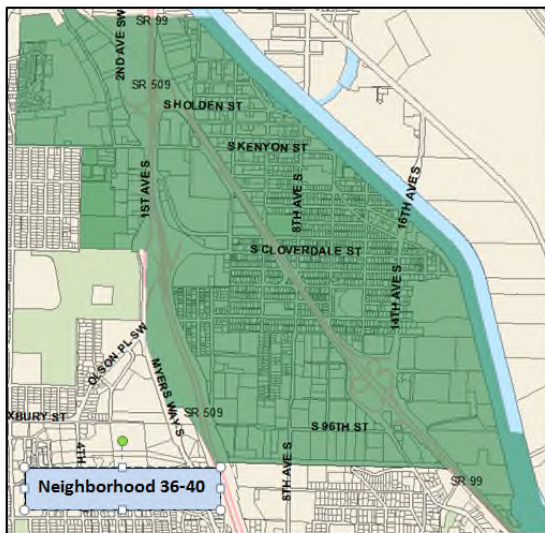


Steel plant, a Gray Line bus maintenance facility, a large scrap metal recycling operation owned by General Recycling, and the LaFarge concrete manufacturing plant. It is also home to the Duwamish Longhouse and Cultural Center, a newer facility completed in 2009. Land use continues a slow transition from heavy industrial to light manufacturing, and container related activity. Land values remain influenced by geographical restrictions and stigma associated toxic waste issues associated with Duwamish River clean-up efforts, however the trend continues a steady increase as reflected in Duwamish MIC industrial activity.

### **Neighborhood 36-40: South Park**

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

#### **Boundaries:**



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

#### **Neighborhood Description:**

South Park has a wide variety of industrial and warehouse use with some commercial. It has a distinct identity similar to that of Georgetown with an active residential community, lies within the municipalities of Seattle, Tukwila, and unincorporated King County, and includes the South Park Residential Urban Village. The neighborhood made a rapid transition to industrial use from farming with development along the Duwamish River. Boeing plants are a significant influence here, as is proximity to Boeing Field. The neighborhood is home to Delta Marine Industries, MacDonald Miller Facility Solutions, SeaMar Community Care Centers, and the Sea King, Kenyon, and Cloverdale industrial/business parks.





Other significant land users include City Light (major substation), the US post office complex at the Oxbow Corporate Park as well as many small owner-occupied businesses throughout this neighborhood.

Significant traffic corridors are SR 99, SR 509, S Cloverdale St, W Marginal Way S, and 14<sup>th</sup> Ave S. 14<sup>th</sup> Ave S is considered a particularly critical route in this area, as it links East Marginal Way and SR 99, two important north-south arterials within the Duwamish industrial transportation network. This street also runs through the South Park business district, and has more recently been repaved to include sidewalks. The South Park Bridge, at 14<sup>th</sup> Ave S and East Marginal Way S, had been closed to traffic, blocking one end of this traffic corridor. Nearing the end of its physical life (79 years), the original structure was in poor condition, and dis-assembly started in August of 2010. New construction included a revised design along with removal of the existing bridge. On June 30, 2014, the structure opened to traffic, restoring a critical corridor, for residential, commercial and industrial properties within this neighborhood and the Duwamish MIC.



A second major improvement for this neighborhood was the completion of the City of Seattle's newer 140,500 square foot waste disposal and recycling facility. The \$78 Million South Park Transfer Station, located at 130 South Kenyon Street, attained a LEED Gold



Seattle's 55% recycling rate for this area.

Environmental Status award, has completed its Startup Testing Phase, and opened to the public on May 30<sup>th</sup> 2013. Thirteen years of planning and construction have produced a "state of the art" facility, capable of processing 120 tons of waste per hour in support





Historically, sales in this neighborhood have been most numerous within the West Duwamish Area, and provided a primary basis for value adjustment, particularly for small warehouses and light manufacturing buildings. This pattern continues, as sixteen improved sales from this neighborhood (47% of non-marina Improved “Sales Used”) were used

in support of value for the 2017 assessment year. The neighborhood is also affected by stigma associated with environmental contamination resulting from industrial use over past years, both from river influence and site specific sources. Improvement age ranges from one to 110 years, with a median age of 38 years. Values here are also expected to increase with the broader influence of industrial activity within the Duwamish MIC.

### **Neighborhood 36-50: Rainier Valley**

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



### **Boundaries:**

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



### **Neighborhood Description:**



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

Luther King Jr Way South. Improvement age ranges from one to 110 years, with a median age of 38 years. Significant improvements impacting this neighborhood include the newly developed New Holly Neighborhood Campus, and development of both commercial and residential projects at the S Othello St and Martin Luther King Jr. Way S intersection at Othello Station.

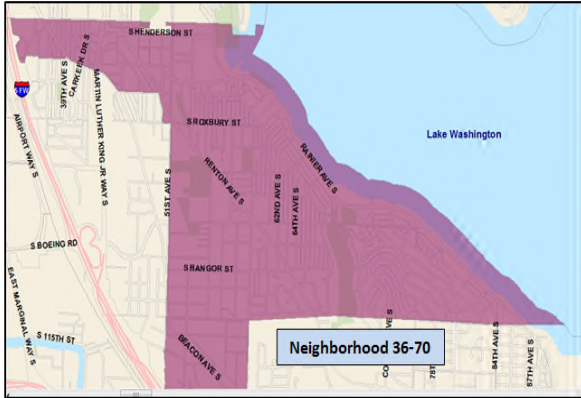
This intersection is a key location for this particular neighborhood, and has been the object of significant development with completion of the Light Rail system. Union Gospel Mission completed a five story 102 unit care facility at the site of their mission



offices. Across the intersection, Othello Partners completed construction of a 367 residential unit complex with 25,000 sq. ft. of retail space. Immediately north of this location, another parcel known as “The Citadel”, a well-known property in this community is under residential and commercial re-development. Vacant parcels are being developed into small retail and/or office type buildings, and improved sales tend towards re-development as building improvements are razed in favor of new construction for both residential and commercial uses. Property values are expected to increase as a result of the light rail improvement, proximity to the Seattle core with its associated economic activity.



## Neighborhood 36-70: Rainier Beach



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

This neighborhood lies between neighborhood 36-50 to the North and neighborhood 75-50 to the South, with East and West boundaries generally defined by Lake Washington and 51<sup>st</sup> Ave South, respectively.

### **Neighborhood Description:**

Known as the Rainier Beach neighborhood, the area has been economically depressed in past years but continues to show signs of renewed market interest. Similar to Neighborhood 36-50, use is characterized by small sole proprietorship businesses such as auto repair, convenience stores, small shops and food services located along the two major north-south traffic arterials which also serve this area – Rainier Ave South and the reconstructed Martin Luther King Jr Way South. The neighborhood is differentiated in that significant development has occurred along a major east-west traffic corridor – S Henderson St, which links the newly completed Sound Transit Link Light Rail Rainier Beach Station at Martin Luther King Jr Way S to Rainier Ave S. This corridor, associated with the general area eastward to the lake along Rainier Avenue has seen more significant development over recent years. Newer retail complexes continue to be developed within immediate proximity of the Henderson-Rainier intersection. The former Lake Washington Shores housing project has been rebuilt, as well as the Rainier Beach Library. All signs point to continued improvement, supported by construction of a new high school, middle school, and recent completion of the Rainier Beach Community Center by the Seattle Parks Department. Development and rezone requests continue for multi-family housing within the Rainier Beach Urban Village, and lake influence is prominent, with the Atlantic City Park and associated public boat ramp facilities off Seward Park Ave S.





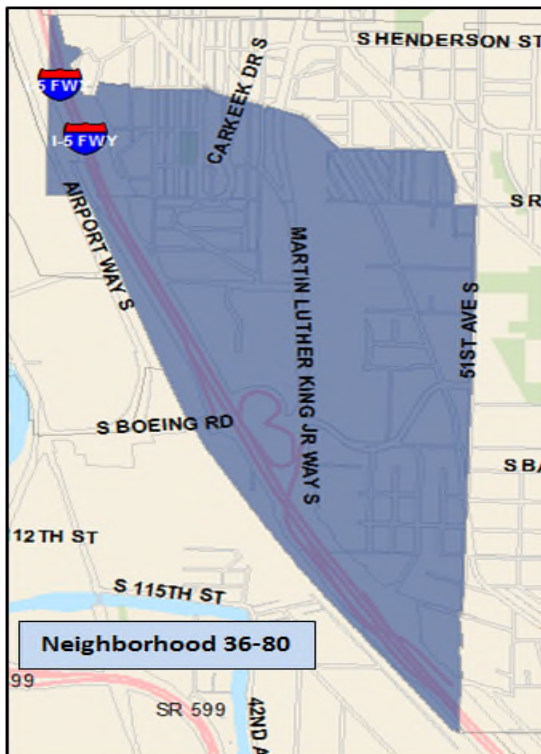


From a broader perspective, significant construction occurred during the mid-1960s in this neighborhood. Improvement age ranges from one to 103 years, with a median age of 45 years. The neighborhood's commercial center comprises a major part of the Rainier Beach Residential Urban Village. Similar to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

036-050, redevelopment follows a similar pattern with substantial remodeling or razing of improvements in favor of new construction.

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

### Neighborhood 36-80



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

#### Boundaries:

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

#### Neighborhood Description:



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

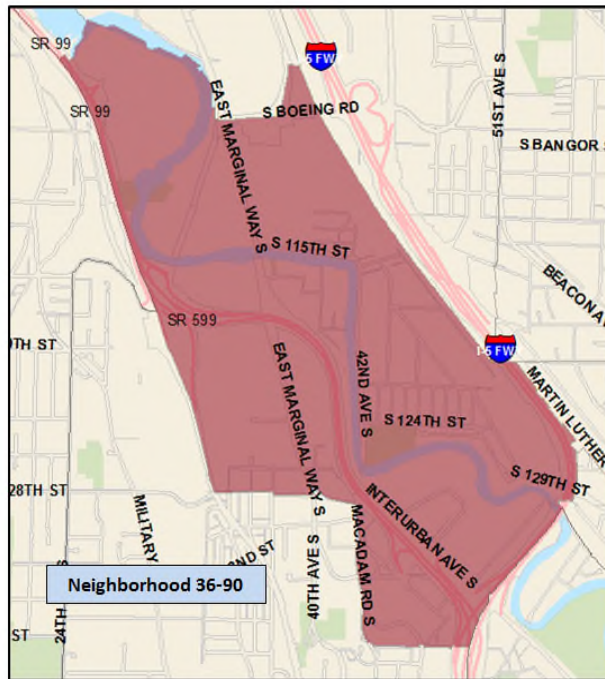


MIC core.

South Park, South Seattle and northern Tukwila locations within the Duwamish MIC, which are considered generally similar areas. Values are expected to increase in concert with Seattle's industrial market, particularly in view of linkage to Port facilities and the Duwamish



## Neighborhood 36-90



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

### Boundaries:

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

### Neighborhood Description:

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



areas, and to a lesser extent, Kent Valley industrial uses. The northern portion is served by the Boeing Access Road/I-5, East Marginal Way S, and Tukwila International Blvd, which provides excellent linkage and visibility. Predominant users include the

Intergate III High Tech Office/Industrial Park which now occupies the old Boeing military complex. Newer office buildings have been built on the site, which has expanded west to Tukwila International Blvd and north to 128<sup>th</sup> St. The recently vacated Group Health operations center is in this area as well as newly constructed offices for the Office of Homeland Security. Metro's maintenance and training facility, the Seattle Police training





complex, Gateway North's warehouse and office park, as well as a Burlington Northern switchyard and container loading facility are also located here.

The southern portion is served by SR 599 which runs into SR 99 and the South Park neighborhood,

Interurban Ave S, and I-5. Located here is the City of Tukwila's community center, the Gateway Corporate Center, Boeing Credit Union offices, and the Tukwila Commerce Park.

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

## Physical Inspection Identification

WAC 458-07-015 requires each property to be physically inspected at least once during a 6 year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection. Neighborhood 36-70 was physically inspected for the 2017 assessment year. The inspection area included 316 parcels, or approximately 18% of the 1741 total commercially designated parcels comprising Area 36 (including specialty and government-exempt properties). A list of the physically inspected parcels is included in the addendum of this report.

## Scope of Data

**Land Value Data:** Vacant sales from 01/01/14 through 12/31/16 and were given primary consideration for land valuation. Since January of 2014, there were twelve land sales within Area 36 verified as "market level" and Coded "Y" within the Assessor's records.



**Improved Parcel Total Value Data:** Forty nine improved sales (to include marina slips) which occurred between 04/02/14 and 11/29/16 were given primary consideration for establishing value estimates, also coded “Y”, and were included on an Improvement Sales Used List within the Assessor’s records.

Multi-parcel sales were also considered among other characteristics during sales verification.

Sales information was obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information was then analyzed and investigated by the appraiser during the process of revaluation. All sales were verified if possible by calling either the purchaser or seller, inquiring in the field or calling real estate agents. Property characteristic data is also re-verified at the time of sale, if possible. Due to time constraints, interior inspections were limited. Sales are subsequently listed in the “Sales Used” or “Sales Not Used” sections of this report. Similar to the Land Value Data referenced above, listings within the area of improved parcels were also reviewed as a general comparison to existing levels. Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

## **Land Value**

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

Twelve sales within the area occurred between 04/02/14 and 08/03/16, and were given primary consideration for valuation. These specific sales indicated value ranges of \$12.92 to \$44.96 for industrial zoning and \$27.38 to \$47.66 for commercial zoning. Two multi-family zoned sales indicated a \$32.65 to \$39.58 value range per square foot. In terms of frequency, four sales occurred in 2014, three in 2015 and five in 2016. Four sales were based upon a Land Residual Indication, as the properties were improved, but with buildings contributing to a minor portion of overall property value. In three of these instances, the depreciated value of improvements was deducted from each respective sales price in arriving at an indicated site value. From a broader perspective, the frequency of sales during the 2016 calendar year increased somewhat, and land values are considered to reflect continued market improvement over the spectrum of uses, particularly when viewed in comparison to surrounding Geographical Appraisal Areas and general proximity to the Seattle core. Listings for industrially zoned land for development remain limited and influenced by the high proportion small business owners who own property and operate their businesses within the MIC. Based upon examination of historical and current sales activity within this and surrounding areas of similar land use, land values overall were considered to have increased for the 2017 assessment year.

Neighborhoods 36-50, and 36-70 continue to see commercial development activity resulting from the Central Puget Sound Regional Transit Authority now that construction is complete along this light rail route. With completion of this system, light rail service is



provided between the Seattle CBD retail core and the Seattle Tacoma International Airport. Two stations along this line – one at S. Othello St. (Othello Station/Neighborhood 36-50) and one at S. Henderson St. (Rainier Beach Station/Neighborhood 36-70) fall within the Rainier Valley segment of this line and provide rail access points from within these neighborhoods. As the rail system is expanded over time, linkage and land value is expected to improve along this commercial corridor. Land value is also influenced by continuing development and associated land value increases occurring within the North Rainier Valley along both the Martin Luther King Jr. Way S., and Rainier Avenue S. commercial corridors.

Neighborhoods 15, 20, 40, 80, and 90 have a predominantly industrial influence, with the current market supported by historical valuation patterns showing higher values to the east of the Duwamish River and to the north relating to closer proximity to the Seattle Core and Port facilities. Parcel sizes vary significantly in the area, but size has not been supported by market evidence of diminishing returns within the MIC. The supply of developable vacant land of all sizes available for purchase remains limited, and values are heavily influenced by owner/users.

Commercial and Industrial Land sales within Areas 35 (Duwamish Industrial District), 40 (Rainier Valley), 45 (West Seattle), 70 (Tukwila/Renton), and 75 (SE Lake Washington) were reviewed for relative comparison. Listings within the general area were also reviewed and compared to existing levels, in addition to examination of residentially zoned overlays for purposes of adjustment and equalization to predominantly residential valuation patterns.

In reference to the above, useable area, utility (as impacted by shape, topography, wetland or slide areas, etc.), expansion potential, contamination control and zoning were factors considered to influence corresponding valuation. Proximity and location were also considered. Given the large geographical dispersion of this area, and the wide range of land characteristics within each of the neighborhoods, corresponding valuation applied varied substantially. Floor Area Ratio (FAR) analysis, was not utilized in valuation methodology due to above referenced variations, and the lower development density common to the West Duwamish Area.

Overall, land values in Area 36 increased 21.49%. The strongest increase occurred in Neighborhood 15, followed by Neighborhoods 20 and 40, respectively, reflecting influences of industrial use. However, due to large value adjustments applied to contaminated properties in these neighborhoods, indicated changes tend to be somewhat misleading, and reflect substantial increases in land value of contaminated parcels to a market level prior to subsequent annual re-adjustments (reductions) by the contaminated property specialist. Neighborhoods 36-50 and 36-70 are more commercial in character. Neighborhood 36-50 reflects more direct development pressure from the north, and also from completion of the Othello Light Rail Station.

Equalization adjustments were applied based upon surrounding similar land values as new parcels were created, or adjusted through reassignment, segregation, and/or merger.



### Change in Assessed Land Value by Neighborhood

Neighborhood	2016 Land Value	2017 Land Value	% Change
036-015	\$84,372,800	\$103,738,000	22.95%
036-020	\$163,661,072	\$210,239,200	28.46%
036-040	\$404,616,000	\$500,631,300	23.73%
036-050	\$251,326,200	\$310,437,200	23.52%
036-070	\$111,511,800	\$119,612,100	7.26%
036-080	\$106,059,800	\$126,556,700	19.33%
036-090	\$353,930,900	\$420,283,100	18.75%
Total	\$1,475,478,572	\$1,792,557,200	21.49%

In terms of land value allocated within Area 36, sales continue to provide support for the benchmark values applied, however, values were also equalized to reflect surrounding Geo Neighborhoods with associated North to South value patterns in sales of residential/multi-family, commercial, and industrial parcels within these locations. From a broad perspective, industrial land values were increased within neighborhoods of 36-15, 36-20, 36-40, 36-80, and 36-90, reflecting overall trends observed within the Duwamish MIC, which is comprised of both the West Duwamish (036) and SODO (035) Areas. Neighborhood 36-50's commercial and residential/multi-family land values were adjusted based upon similar influences reflected along the commercial corridors within the International/Rainier Valley District (Area 40) immediately north. Area 36-70 lies immediately south of 36-50, and reflects a more moderate balance between the Seattle, Tukwila, and Renton market influences. Total assessed land value in Area 36 for the 2016 assessment year was \$1,475,478,572. The 2017 total recommended assessed land value is \$1,792,557,200. Application of these recommended values for the 2017 assessment year results in an overall increase of 21.49% (this includes land supporting specialty values but not Government Exempt parcels).

A list of both vacant sales used and vacant sales not used (those considered not reflective of the market) which occurred within Area 036 are included in subsequent sections of this report.

#### **Neighborhoods and Sales**

The following is a breakdown of each neighborhood with a summary of land sales considered. The assessor analyzed these and historic sales as the primary method for establishing land values within these neighborhoods for the 2017 Assessment Year.



### Neighborhood 36-15

No market sales in support of land value have occurred over the past three years within this neighborhood. Land sales typically involve the Port of Seattle, and are not considered reflective of market value due to compensation for intangible services. This may reflect relocation expense, improvements to a new property and/or site, the purchase of business goodwill, premiums paid for takings, indemnification for contamination liability, or compensation for hardship. Financial value of these services cannot be easily isolated, so resulting sales are not typically considered reliable as market indications of value. The Port is also the only active participant in this neighborhood. Except for Vigor Shipyards, a business park and petroleum tank farms, Harbor Island is almost completely owned by the Port. The land is comparable to that along the Duwamish Waterway in that industrial and shipping uses are similar, but with Federal "Superfund" influence. Large parcels are common in this area and deep water frontage is typically required. Nearby waterway and industrial sales with and without water access within neighborhoods 36-20, 36-40, 36-80, 36-90 and Area 35 (SODO) were also considered for purposes of valuation, as all of these neighborhoods share Duwamish MIC location.

### Neighborhood 36-20

The cleanup efforts on the Duwamish Waterway and associated parcels remain on-going. Port influence is also significant within this neighborhood and 36-40 (South Park) similar to that of Harbor Island. One sale occurred to owner/users, as explained below. Sales from Area 035 were examined for purposes of valuation.

Area	Nbhd.	Major	Minor	Land		Sale Price	Sale Date	SP / Ld.		Property Name	Zone	Par. Ct.	Ver.	
				Area	E #			Area					Code	Remarks
036	020	766670	3905	8,661	2769776	\$216,525	12/01/15	\$25.00		MISC. STORAGE	IB U/85	2	Y	

- **E# 2769776** – This was a multi-parcel sale (2) located at 3845 West Marginal Way SW in Seattle. One parcel is improved with a small storage shed considered of minimal value. The purchaser was an adjacent small business owner. The sale follows a typical acquisition pattern involving non-listed parcels by small business owners for purposes of equipment storage or future building expansion.

### Neighborhood 36-40

Neighborhood 40 had six land sales in support of South Park industrial and commercial uses. Three of these sales occurred in 2014, one occurred in 2015, and two in 2016. Five sales had industrial zoning, and one had multi-family zoning. Of these six sales, two were based upon a land residual calculation. There were two additional sales involving governmental entities, and limited market exposure, which were not considered for valuation purposes. Sales from Area 035 were also examined for purposes of valuation.



Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	040	732790	1925	20,000	2699578	\$515,000	11/04/14	\$25.75	MARINE L	IG2 U/65	1	Y	
036	040	732840	1305	30,000	2775974	\$875,000	01/07/16	\$29.17	FENCED S	IG2 U/65	1	Y	
036	040	788360	4335	12,000	2666814	\$475,000	05/06/14	\$39.58	10 UNIT A	LR2	2	29	Seg/merge after sale; not in
036	040	788410	0110	19,159	2781779	\$247,500	02/24/16	\$12.92	VACANT I	IG2 U/65	2	Y	Contaminated sites
036	040	732790	2175	*10,000	2661254	\$201,300	04/02/14	\$20.13	OFFICE	IG2 U/65	1	Y	*
036	040	732790	3375	*30,000	2712509	\$1,348,700	01/23/15	\$44.96	GRAHAM	IG1 U/65	2	Y	*
													* Residual Land Indication - not in ratio

- **E# 2699578** – Located at 7915 – 5<sup>th</sup> Ave S. in Seattle, this parcel was purchased by an adjacent small business owner for purposes of business expansion. The site was rectangular in shape and level at street grade, and had a corner location.
- **E# 2661254** – Located at 7912 – 7<sup>th</sup> Ave S. in Seattle, this parcel is improved with a small SFR used as an office. The buyer moved onto the site as a temporary and interim measure until the site is redeveloped. The sale was considered a land value indication with the sales price adjusted downward for improvement value.
- **E# 2712509** – Located at 722 S. Chicago St in Seattle, this is a multi-parcel sale of two contiguous sites, one of which is improved with a small metal building. The parcels were purchased by an adjacent property owner for business expansion. The sale was also considered for land value indication purposes, with a downward adjustment of sales price for improvements.
- **E# 2666814** – This was a multi-parcel sale of two contiguous sites, one of which was an older 10 unit apartment with an address of 819 S Cloverdale St, in Seattle. The properties were sold for development, the apartment was razed, and construction of 12 townhouse units is in progress. Zoning is LR2.
- **E# 2775974** – This was the sale of a vacant parcel used for truck and trailer storage with an address of 271 S Portland St., Seattle. The buyers plan to use the site as owner/users to store equipment upon the existing lease expiration. Zoning is IG2 U/65.
- **E# 2781779** – This was of a multi-parcel exchange of two contiguous contaminated parcels marketed at arms-length, and located at 8601 Dallas Ave S., in Seattle. The buyer's intention is to develop the site over the next several years, pending environmental remediation. Zoning is IG2 U/65.

### Neighborhood 36-50

Neighborhood 36-50 had one sale in support of low density residential use. The site, located at 4031 S Willow St. (the Holly Park Greenhouse), is zoned LR2, and was purchased for development, and reflects patterns typical to an improving market within the Rainier Valley. The sale was within immediate proximity of the Othello Station, and will be a mixed-use retail/apartment complex. There were three additional sales involving governmental entities, non-profit organizations, and limited market exposure, which were not considered for valuation purposes. Sale patterns from along the commercial corridors within Area 40 immediately north were also given consideration in placing land value.



Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld.	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	050	333300	2820	61,260	2778371	\$2,000,000	01/26/16	\$32.65	HOLLY PARK GREENHOUSE	LR2	1	Y	Sold for redevelopment

### Neighborhood 36-70

Neighborhood 36-70 had three land sales in support of neighborhood commercial uses. Two additional sales involving a non-profit organization, and limited market exposure for purposes of liquidation, were not used for valuation purposes.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld.	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	070	212470	0025	10,681	2817004	\$330,000	08/03/16	\$30.90	BLUE STREAK TOWING	NC3P-40	1	Y	Lite Rail / Power Line influence
036	070	807000	0065	5,076	2692310	\$139,000	09/19/14	\$27.38	VACANT	NC1-40	1	Y	
036	070	212470	0015	10,176	2790616	\$485,000	03/22/16	\$47.66	SFR w Detached Garage	NC2P-40	1	Y	* Sold for Redevelopment
													* Not included in Ratio

- **E# 2692310** – This site is located to the east of where S Waters St intersects and/or converts to 57<sup>th</sup> Ave S. The site slopes downward significantly from street grade, and was purchased for development into a small office with retail. Zoning is NC1-40.
- **E# 2817004** – This sale was of a vacant site located at 4348 S Henderson St. Zoned NC3P-40, and acquired for future retail/residential development, the owner was in process of analyzing atmospheric electronic influences caused by the Lite Rail Station and power lines located within immediate proximity of the site.
- **E# 2790616** – Located immediately east of the above sale and with an address of 4354 S Henderson St. in Seattle, the site is improved with a house and garage considered an interim use, and zoned NC2P-40. It was also acquired for development, but its location was considered to be less affected from proximity to power line and Lite Rail disturbances.

### Neighborhood 36-80

Neighborhood 36-80 had one sale of a vacant land parcel which was not considered in support of land value due to absence of market exposure and property characteristics. Sales within Geo Areas 35 and 70 (reflecting commercial influences) were examined for purposes of valuation, as well as surrounding neighborhoods within the West Duwamish Area (036) and SODO Area (35) which reflect industrial valuation influence.



## Neighborhood 36-90

One sale occurred in 2015 which was a multi parcel transaction used for valuation purposes is listed below. Lying at the southern end of the Duwamish MIC, sales within surrounding neighborhoods, and in Areas 35 and 70 were examined for supporting value patterns for both commercial, multi-family, and industrially zoned parcels.

Area	Nbhd.	Major	Minor	Land		Sale Price	Sale Date	SP / Ld.		Property Name	Zone	Par. Ct.	Ver.	
				Area	E #			Area					Code	Remarks
036	090	042304	9014	*209,062	2761779	\$5,720,400	10/09/15	\$27.36		HORIZON FORD	MIC/H	2	Y	*
										* Residual Land Indication - not in ratio				

- **E# 2761779** – This was an improved multi-parcel sale of two contiguous sites located at 11060 Tukwila International Blvd in Tukwila. The parcels were, and continue to be used, as a site for truck sales and leasing. Together, the sites provide frontage along both Tukwila International Blvd and East Marginal Way S. The purchaser owns an adjacent warehouse, and acquired the parcels for investment purposes with possible plans for future development. This property was also considered as a land value indication due the large combined parcel size.

## Neighborhood Land Value Allocation

The table below summarizes the land valuation model as applied to the properties within the seven neighborhoods of Area 36. Zoning has been grouped into similar use within each neighborhood due to the large number of classifications within Seattle, Tukwila, Renton, and unincorporated King County. All dollar amounts are expressed as a value per square foot of land area. The table is intended to show the range of land value applied within the West Duwamish Area:



Area 36		Range of \$ Per Sq Ft					
Neighborhoods	Zoning				Values		
36-15	IG1-U85				\$11.11 - \$20.00		
36-15	IG2-U85				\$11.38 - \$20.00		
36-20	IB U/85				\$9.00 - \$26.00		
36-20	IG1 U/65 (2), IG1 U/85, IG2 U/85				\$4.40 - \$26.00		
36-20	LR-1 (1)				\$22.00		
36-20	SF 7200				\$1.20 - \$10.79		
36-40	C1/40 (3), C2/40, C2/65				\$23.98 - \$24.00		
36-40	NC2/40, NC3P/40				\$28.93 - \$29.00		
36-40	I, IB U/45, IB U/85				\$5.38 - \$25.00		
36-40	IG1 U/65, IG2 U/65, IG2 U/85				\$6.50 - \$26.00		
36-40	MIC/H (2)				\$19.74 - \$22.00		
36-40	LR-1 (2), LR-2, RC (2), LR-3				\$2.11 - \$29.00		
36-40	RB, R-4 (1)				\$2.38 - \$29.00		
36-40	SF 5000, SF 7200				\$0.03 - \$22.00		
36-50	C1/40, NC1/30				\$40.00 - \$80.00		
36-50	NC2P/40 (1), NC2/40				\$2.00 - \$80.00		
36-50	NC3-40, NC3/65, NC3P/65 (1)				\$25.00 - \$90.00		
36-50	LR-1, L-2 (2), LR-2, LR-3, LR-3RC				\$1.97 - \$60.00		
36-50	SF 5000, SF 7200 (2)				\$10.00 - \$25.00		
36-70	C1-40, C1-65 (3)				\$34.99 - \$35.00		
36-70	NC1-30, NC1-40				\$7.50 - \$34.99		
36-70	NC2-30 (4), NC2-40, NC2P-40				\$17.20 - \$35.00		
36-70	NC3-40, NC3P/40				\$15.00 - \$40.00		
36-70	LR-1 (1), LR-2, LR-3				\$23.99 - \$98.30		
36-70	R6P (1), SF 5000, SF 7200 (3), SF 9600 (1)				\$9.00 - \$67.14		
36-80	LI (2), C/LI (1), C2-65, RCC (2)				\$11.11 - \$22.27		
36-80	IB U/65 (1), IG2 U/65, IG2 U/85				\$15.66 - \$23.91		
36-80	MIC/H				\$0.07 - \$22.22		
36-80	HDR				\$1.99 - \$19.50		
36-80	LDR (2)				\$9.22 - \$13.00		
36-80	SF 5000 (2), SF 7200 (2)				\$8.00 - \$10.00		
36-90	C/LI, O (1)				\$0.04 - \$20.01		
36-90	MIC/H, MIC/L, HI (1)				\$0.07 - \$29.00		
36-90	LDR, MDR (2)				\$1.02 - \$19.00		
36-90	RCC (2)				\$20.00 - \$22.00		



## Neighborhood Zoning Descriptions:

As referenced earlier in this report, Geo Area 036, or West Duwamish covers parcels located within two municipalities (Seattle and Tukwila), as well as unincorporated King County. The following is a zoning guide which broadly reflects general property use categories within each of these areas. For further zoning detail, each specific governing authority should be consulted:

### King County Zoning:

Development Conditions:	
Parcel-specific condition	
Base zoning codes may be modified by one of more of the following development codes:	
SO:	Special district Overlay
DPA:	Demonstration
Base Codes:	
"DU" stands for "Dwelling Unit"	
RA-10	Agricultural, one DU per 10 acres
RA-35	Agricultural, one DU per 35 acres
F	Forest
M	Mineral
RA-2.5	Rural Area, one DU per 5 acres (not a typo)
RA-5	Rural Area, one DU per 5 acres
RA-10	Rural Area, one DU per 10 acres
UR	Urban Reserve, one DU per 5 acres
R-1	Residential, one DU per acre
R-4	Residential, four DU per acre
R-6	Residential, six DU per acre
R-8	Residential, eight DU per acre
R-12	Residential, 12 DU per acre
R-18	Residential, 18 DU per acre
R-24	Residential, 24 DU per acre
R-48	Residential, 48 DU per acre
NB	Neighborhood Business
CB	Community Business
RB	Regional Business
O	Office
I	Industrial



## City of Seattle Zoning

<b>Residential</b>		
Single Family		
	SF 9600	Minimum lot size
	SF7200	Minimum lot size
	SF 5000	Minimum lot size
	RSL	Residential Small Lot - Urban Village
Multifamily		
	LDT	Duplex/Triplex - 1 Unit / 2000 SF site area
	L1	Lowrise 1 - 1600 SF Site area / Unit
	L2	Lowrise 2 - 1200 SF Site area / Unit
	L3	Lowrise 3 - 800 SF Site area / Unit
	L4	Lowrise 4 - 600 SF Site area/Unit
	MR	Midrise Multifamily
	HR	Highrise Multifamily
	RC	Residential and Commercial Mix
<b>Commercial</b>		
	NC1	Neighborhood Commercial 1 - Convenience Retail
	NC2	Neighborhood Commercial 2 - Moderate size and range of retail
	NC3	Neighborhood Commercial 3 - Neighborhood shopping center
	SM	Seattle Mixed - Enterprise zone for mixed use development
	C1	Commercial 1 - Auto oriented retail/service
	C2	Commercial 2 - Non Auto oriented retail/service
<b>Industrial</b>		
	IG1	General Industrial 1 - Heavy Manufacturing and Commercial uses, 30', 45', 65', & 85' Ht. Limits
	IG2	General Industrial 1 - Heavy Manufacturing and Commercial uses, 30', 45', 65', & 85' Ht. Limits
	IB	Industrial Buffer - Light manufacturing and general commercial
	IC	Industrial Commercial - Light manufacturing and general commercial, 30', 45', 65', & 85' Ht. Limits
<b>Downtown Zones</b>		
		Not included within this report.



## City of Tukwila Zoning

Commercial		
	MUO	Mixed Use Office
	NCC	Neighborhood Commercial Ctr
	O	Office
	RCC	Regional Commercial Center
	RC	Regional Commercial
	TUC	Tukwila Regional Center
	TVS	Tukwila Valley South
	RCM	Regional Commercial Mixed Use
Residential		
	HDR	High Density Residential
	MDR	Medium Density Residential
	LDR	Low Density Residential
Industrial		
	LI	Light Industrial
	HI	Heavy Industrial
	C/LI	Commercial/Light Industrial
	MIC/L	ManufacturingIndustrial Center - Light
	MIC/H	ManufacturingIndustrial Center - Heavy

## Improved Parcel - Total Values

### 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. A Preliminary Ratio Study was completed just prior to the application of the 2017 recommended values which benchmarks the current assessment level using 2016 posted assessment values.

The preliminary ratio analysis showed a weighted mean ratio, or appraisal level, of 89.8%, a Coefficient of Dispersion (COD) of 13.75%, a Coefficient of Variation (COV) of 18.13%, and a price-related differential (PRD) of 1.00. Compare these preliminary results to the International Association of Assessing Officers (IAAO) ratio study standards below:



**RECOMMENDED IAAO STANDARDS ON RATIO STUDIES\***

Appraisal Level	.90 to 1.10
Coefficient of Dispersion	Under 15.0
Coefficient of Variation	Under 20.0
Price-related Differential	.98 to 1.03

\*Standard on Ratio Studies; IAAO July 1990.

Preliminary results indicate the current assessment level lies outside of IAAO ratio studies guidelines. COD and COV are measures of assessment uniformity, where the lower the number, the greater the uniformity. PRD measures the differential between the arithmetic mean of ratios, and the weighted mean of ratios, where the sales prices themselves represent the weight. As the PRD approaches 1.0, there is a greater indication that specific property ratios of sale-price to assessment-level are falling within the acceptable range, rather than just the arithmetic mean of the entire population being in the acceptable range. Thus, property-specific assessment level is being measured. With the exception of the COD, COV, and PRD, which fall within IAAO guidelines, preliminary results indicate the appraisal level should be increased.

**Sales comparison approach model description**

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

Twenty seven improved sales which occurred between 4/02/14 and 07/22/16 were given primary consideration for establishing value estimates. Fifteen additional sales of condominium moorage slips, along with sales of seven improved properties reflecting a change in use (characteristic changes at time of, or subsequent to sale), were included on the Improvement Sales Used List. These seven sales were not applied in ratio analysis as they were not considered representative for purposes of broad consideration in value placement and statistical analysis, but are used as market value indications based upon existing property characteristics at the time of sale. Improved commercial sales within Areas 35 (Duwamish Industrial District), 40 (Rainier Valley), 45 (West Seattle), and 70 (Tukwila) were also reviewed for relative comparison.



Considering all thirty four improved sales used during this time period, twenty provided an indicated range of \$56 to \$350 per sq. ft. for warehouse/industrial type buildings; five sales provided an indicated range of \$183 to \$244 per sq. ft. for office buildings; and five sales provided an indicated range of \$114 to \$353 per sq. ft. for retail buildings. Four additional sales of residential housing on industrially or commercially zoned land were considered as residential properties. Reflecting the predominance of owner occupancy within the West Duwamish Area, 68%, or twenty three of the thirty four sales were considered owner/occupant purchases at time of sale. At the low end are typically older properties offering less utility to the market. Warehouse buildings are generally of poorer quality and condition in comparison with the East side of the Duwamish (Area 35). At the high end are newer properties offering greater utility, efficiency, quality of construction and appearance to the market, although excess land often distorts broad comparisons. The retail and office markets do not have as significant a presence in neighborhoods 15, 20, 40, 80, and 90 compared to industrial uses, and tend to be in support of warehouse/manufacturing activity. Retail areas within Neighborhoods 50 and 70 are generally comprised of older improvements with minimal updating. The vast majority of these properties are occupied by small sole proprietorships, with limited presence of national chains, and if tenant occupied, tend to be marginally maintained as an interim use. There are many single-street, three to six block long retail areas in South Park and Rainier Beach. These areas tend towards relatively higher vacancy and lower rents due to an absence of primary retail activity, and offer a more limited mix of products and services to the customer/resident base. Neighborhoods 50, 70, 80, and 90 are also influenced by the light rail presence referenced earlier (See comments under Land 36-80). Small office buildings closely follow retail patterns referenced above to include owner occupancy. Larger office buildings (Over 30,000 – 100,000 SF) are few, and typically do not compete with the broader office market due to locational or industrial influences.

Improved sales were most numerous in neighborhoods 36-40 (16), 36-20 (4) and 36-90 (7), and reflect the overall industrial and manufacturing character common to the West Duwamish Area.

Given the small sample size, these sales were not representative of all property types, but were used in support of income, market, and cost methodologies applied to valuation models herein. These sales, with examination of the surrounding geographical area sale patterns, and review of surveys and forecasts referenced herein, support assumptions of continued improvement in market conditions and upward valuation adjustment, in this appraiser's opinion.

### **Sales Comparison Calibration**

Neighborhoods were valued independently of each another as reflected by the market. Parcel values were applied based on characteristics deemed appropriate within each market on a dollar value per square foot of improved net rentable area. Many small owner-occupied warehouses do not fall within investor derived income capitalization model assumptions, and were valued within the indicated sales range. The prices paid by owner/users often reflect a higher value as compared to an income stream capitalized from



an investment perspective. Accordingly, many smaller industrial buildings under 30,000 SF were valued using a market approach on a price per square foot basis rather than a modeled income approach, depending upon location and improvement characteristics. Within the commercial corridors, small office and retail properties with similar characteristics were valued similarly. And in still another instance, a marina (Parkshore), with a large population of individual condominium boat slips, was valued on a dollar per lineal foot basis, depending upon slip length and whether or not the moorage was covered. Applicability of the Sales Comparison, or Market Approach, was considered a more reliable value indicator for properties which are not supported by income modeling due to the larger scale typically required for leased fee investment objectives.

#### General Ranges of Market Approach Valuation:

Improved Industrial Parcels: \$85 to \$135 per Sq. Ft (Net of Excess Land contribution, if any).

Improved Commercial Parcels: \$70 to \$210 per Sq. Ft (Net of Excess Land contribution, if any).

Condominium Moorage Slips: \$1,100 to \$1,600 per Lineal Foot.

#### **Cost approach model description**

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

#### **Cost calibration**

The Marshall & Swift cost modeling system built within the Real Property Application is calibrated to the region as well as the Seattle area on an annual basis. Land is revalued annually based upon market analysis.

#### **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.



Properties valued utilizing an income approach (applying a Direct Capitalization method) were typically over 30,000 SF in building area, as reflected by investor preferences.

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

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

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

**Capitalization Rates:** Capitalization rates were determined by local published market surveys, such as CoStar, Real Estate Analytics, The American Council of Insurance Adjustors, Colliers International, Integra Realty Resources, and Price Waterhouse. Other national reports include those sponsored by: Grubb & Ellis Capital Mkt. Update, Emerging Trends in Real Estate, Urban Land Institute, and Cushman & Wakefield. The effective age and condition of each building contributes to the capitalization rate applied in the model. For example; a building in poorer condition with a lower effective year built (1930, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year built (2010, for example) will warrant a lower capitalization rate. Parcel location within the Duwamish MIC also tend to reflect lower rates influenced by close-in Seattle Core proximity, high owner/occupancy, and limited availability.



SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: Capital Markets Cap. Rate survey.	2 <sup>nd</sup> Half (2016)	<b>Cap rate summary of various published resources:</b>				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% 4.50% - 5.25% 5.75% - 7.00% 5.25% - 6.00% 6.50% - 7.50% 6.50% - 7.00% 7.50% - 9.00% 5.25% - 5.75% 5.75% - 6.50% 6.50% - 7.50% 6.75% - 7.50% 7.50% - 8.50% 7.50% - 8.25% 8.00% - 9.00%	- - - - - - - - - - - - - -	- - - - - - - - - - - - - -	CBD – Class AA CBD – Class A CBD – Class A – Value Added CBD – Class B CBD – Class B – Value Added CBD – Class C CBD – Class C – Value Added Suburban – Class AA Suburban – Class A Suburban – Class A – Value Added Suburban – Class B Suburban – Class B – Value Added Suburban – Class C Suburban – Class C – Value Added Class A Class A – Value Added Class B Class B – Value Added Class C Class C – Value Added Class A (Neigh./Comm. w/Grocery) Class A (Neigh./Comm.) – Value Added Class B (Neigh./Comm. w/Grocery) Class B (Neigh./Comm.) – Value Added Class C (Neigh./Comm. w/Grocery) Class C (Neigh./Comm.) – Value Added Class A (Power Centers) Class A (Power Centers) – Value Added Class B (Power Centers) Class B (Power Centers) – Value Added Class C (Power Centers) Class C (Power Centers) – Value Added High Street Retail (Urban Core)
IRR: Viewpoint for 2016	Year-end 2016	West Region	5.89% 6.56% 6.35% 6.86%	- - - - 6.61% 5.93%	- - - - - 5.98% 6.11% 6.29% 7.52% 8.10%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Flex Industrial Industrial Regional Mall Community Retail Neighborhood Retail Hotel - Full Service 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%	- - - - 7.16% 6.46% 5.98% 9.41%	- - - - - - - - 6.09% 6.54% 6.27%	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 Building Size < 25,000 SF Building Size 25,000 SF – 99,000 SF Building Size 100,000 SF – 249,000 SF Building Size >250,000 SF Building Size < 25,0000 SF Building Size 25,000 SF – 99,000 SF 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		<b>Cap rate summary of various published resources:</b>			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%	-	-	Office CBD – 1 <sup>st</sup> Tier Properties
			5.90%	-	-	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
			-	-	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%
		Pac. NW	6.13%	-	-	Suburban Office – 5.00% - 7.00%
			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



NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2016		<b>Cap rate summary of various published resources:</b>			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% 4.00% - 9.50%	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 preceding table demonstrates ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in development of the income model. The range of capitalization rates of the model reflects the range of property characteristics within each area.



## Income approach calibration

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

The predominant property use is industrial, which includes distribution warehouses, light industrial and storage warehouses, storage buildings of all types, service buildings, utility buildings and machine shops. Rents applied are lowest for older properties in poor condition, and range typically from \$5.20/sq. ft. for poor quality, to \$7.25/sq. ft. for average to good quality buildings based upon effective age. There are no warehouses with excellent building quality and those of good quality are rare. The vast majority of rents fall within the average to low-cost classifications. Capitalization rates applied to these properties also reflect investment risk, being higher for older, poorer quality buildings (9.75%) and lower for newer, better quality buildings (6.25%).

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

The following tables are the result of an analysis of this information. The tables stratify the major property types for each area and the income parameters that were typically used. Application of these tables within the Income Model will typically generate a “blended” rent, vacancy and/or expense rate, in addition to the capitalization rate, based upon the proportion of Section Uses (Warehouse space vs Open Office space, for example) unique to each particular parcel.

### **Neighborhoods 15, 20, 40, 50, 70, 80, and 90**

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

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

Annual Rental Rate Per RSF Range	Vacancy Rate Range	Expense Rate Range	OAR Range
\$7.00 to \$24 Gross \$7.00 to \$16 Net	5% to 10%	35% 7.50%	6.25% to 9.25%



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

Annual Rental Rate Per RSF Range	Vacancy Rate Range	Expense Rate Range	OAR Range
\$5.20 to \$7.25 Net	5%	7.50%	6.25% to 9.25%

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

Annual Rental Rate Per RSF Range	Vacancy Rate Range	Expense Rate Range	OAR Range
\$6.25 to \$14 Net	5% to 7.50%	7.50%	7.75% to 9.25%

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

## Reconciliation:

All parcels were individually reviewed by the area appraiser for correctness of the model application before a final value is selected. Each appraiser can adjust any or all of the factors used to establish value by the model. The predominant basis of comparison in analysis and valuation was the "Square Foot of Net Building Area" for improved parcels, and the "Square Foot of Usable Area" for land.

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



Due to the significant proportion of occupant owners within the West Duwamish Area, and as also reflected in historical sales data, the Market Approach was also applied to improved parcels. Abstraction of rents, vacancy, and/or capitalization rates from owner-occupant sales tends to be a less reliable indicator as compared to similar analysis of properties exchanged and held for purely investment purposes. In many cases, the Income Approach was de-emphasized in favor of the Sales Comparison (Market Approach) for improved parcels under 30,000 SF where modeling reflected a valuation level higher than that supported by income analysis. Value levels were then reviewed and adjusted in support of a Market or Income indication based upon appraiser judgement.

The Cost Approach was commonly applied to many large parcels where the land component comprised a significant proportion of overall property value. Harbor Island (036-15), and a major portion of neighborhood 036-020 immediately south, tends to have large site areas with relatively high land/building ratios. West Duwamish also has many industrial properties with excess or surplus land, which alter Income or Market calculation of value for the respective parcel.

As reflected in the summary of Change in Assessed Land Value by Area (page 18), commercial land values were generally increased within the Rainier Valley (036-050/070) along the ML King corridor as retail and residential/multifamily build out continues, particularly at the Light Rail line at Othello Station. Industrial site values reflect increases within the remaining West Duwamish neighborhoods. Industrial increases reflect both market improvement and the annual adjustment of contaminated parcels back to market level, consistent with our annual revalue process. Recommended total population value was influenced by land increases reflected not only in vacant parcels, but also through improved parcel values with excess land using income and market methodology, and more directly through application of the cost approach.

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

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

## **Model Validation**

### **Total Value Conclusion, Recommendations and Validation:**

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



conditions as they occur in the valuation area. The process and results were reviewed for quality control and administrative purposes by Dan Atkinson, Senior Appraiser.

The standard statistical measures of valuation performance are presented in both the 2016 and 2017 Ratio Analysis charts included in this report. Improved sales used for purposes of calculating the Ratio Results originate from a three year period prior to the Appraisal Date. Of these sales, eleven occurred in 2014, ten occurred in 2015, and six occurred in 2016.

Comparison of the 2016 Ratio Study with the 2017 Ratio Study indicates that the weighted mean statistical measure of assessment level went from 89.8% to 99.2%. The Coefficient of Dispersion (COD) declined from 13.75% to 13.67%, the Coefficient of Variation (COV) from 18.13% to 17.40%, and the Price-related Differential (PRD) from 1.00 to 1.01. All measures of valuation performance showed improvement save the slight increase in PRD, but all values remain well within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity of commercial properties within larger urban jurisdictions. By applying the Ratio Model results as a sale's based tool for measuring appraisal level and parcel equalization, and with examination of the frequency pattern exhibited by sales prior to the Appraisal Date, the above results appropriately raise the level of valuation, and are considered reasonable, particularly in view of the heterogeneous pattern of property characteristics common to the West Duwamish Area population.

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

The total assessed value of Area 36 for the 2016 assessment year was \$1,488,548,401. Recommended values for the 2017 assessment year total \$1,686,593,430. Application of these recommended values for the 2017 assessment year results in an increase from the 2016 assessment level of 13.30% within Area 36.



## **USPAP Compliance**

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

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

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

### **Definition and date of value estimate:**

#### **Market Value**

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

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

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



## **Highest and Best Use**

### **RCW 84.40.030**

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

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

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

*Unless specifically provided otherwise by statute, all property shall be valued 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 is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *The individuals listed below were part of the "appraisal team" and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.*
- *No other significant real property assistance was provided in this mass appraisal, as determined by the undersigned. All services as may be variously defined significant or otherwise, and performed by duly authorized and qualified King County Assessment staff employed in the areas of Public Information, Accounting/Abstract, Commercial, Residential, Information Services, Personal Property, Accounting/Mapping, Accounting/Support, Accounting/Appeals, Chief Appraiser, Accounting/Exemptions, Accounting/Levy Administration, who may have involvement in physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time, is made part of each real property parcel as a matter of public record and this certification by reference.*
- *Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below: Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.*



# Area 36 Ratio Study Report

## PRE-REVALUE RATIO ANALYSIS

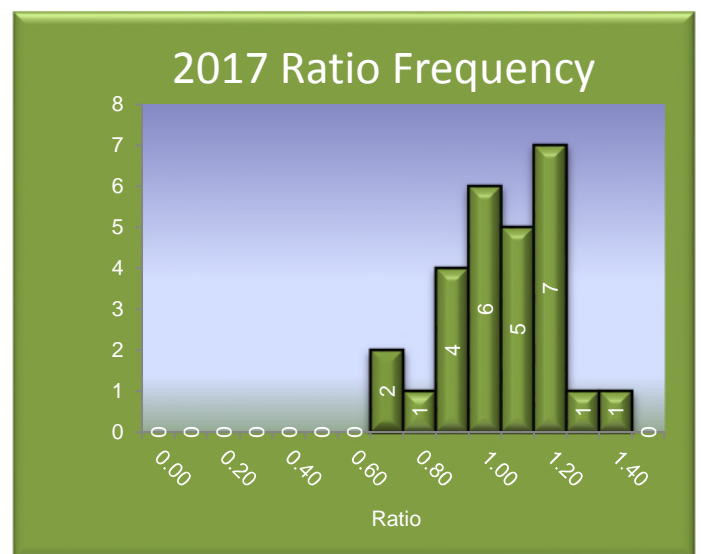
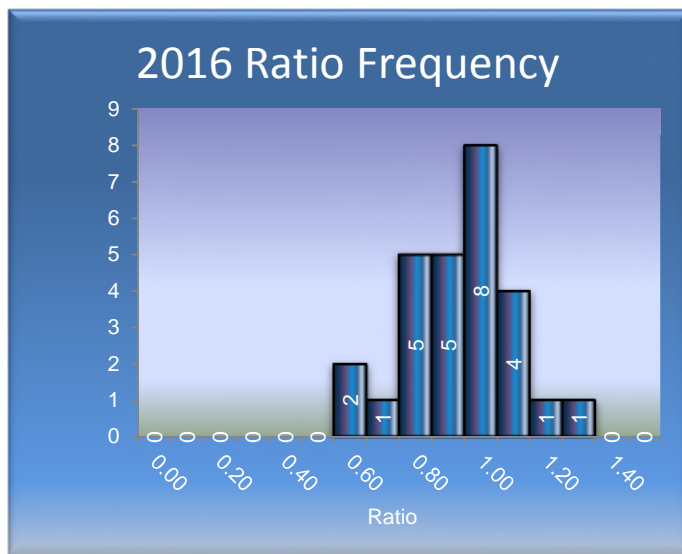
Pre-revalue ratio analysis compares sales from 2014 through 2016 in relation to the previous assessed value as of 1/1/2016.

PRE-REVALUE RATIO SAMPLE STATISTICS	
<b>Sample size (n)</b>	27
<b>Mean Assessed Value</b>	\$2,070,700
<b>Mean Adj. Sales Price</b>	\$2,305,700
<b>Standard Deviation AV</b>	\$2,434,183
<b>Standard Deviation SP</b>	\$2,704,164
ASSESSMENT LEVEL	
<b>Arithmetic Mean Ratio</b>	0.898
<b>Median Ratio</b>	0.912
<b>Weighted Mean Ratio</b>	0.898
UNIFORMITY	
<b>Lowest ratio</b>	0.5751
<b>Highest ratio:</b>	1.2716
<b>Coefficient of Dispersion</b>	13.75%
<b>Standard Deviation</b>	0.1628
<b>Coefficient of Variation</b>	18.13%
<b>Price Related Differential (PRD)</b>	1.00

## 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>	27
<b>Mean Assessed Value</b>	\$2,288,200
<b>Mean Sales Price</b>	\$2,305,700
<b>Standard Deviation AV</b>	\$2,667,323
<b>Standard Deviation SP</b>	\$2,704,164
ASSESSMENT LEVEL	
<b>Arithmetic Mean Ratio</b>	1.005
<b>Median Ratio</b>	1.020
<b>Weighted Mean Ratio</b>	0.992
UNIFORMITY	
<b>Lowest ratio</b>	0.6574
<b>Highest ratio:</b>	1.3843
<b>Coefficient of Dispersion</b>	13.67%
<b>Standard Deviation</b>	
<b>Coefficient of Variation</b>	17.40%
<b>Price Related Differential (PRD)</b>	1.01





Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	020	302404	9082	16,040	2698497	\$1,675,000	10/28/14	\$104.43	ALUMINUM AND BRONZE FABRICA	IG2 U/85	1	Y	
036	020	302404	9169	6,200	2702460	\$1,250,000	11/21/14	\$201.61	UNITED STATES SEAFOODS	IG2 U/85	1	34	Use-change after sale; not in ratio
036	020	764340	0005	16,320	2704746	\$1,850,000	12/10/14	\$113.36	WAREHOUSE	IG2 U/85	1	Y	
036	020	798740	0090	5,113	2785270	\$582,500	02/18/16	\$113.93	Cycle University	IG2 U/85	1	Y	
036	040	292404	9109	98,024	2761913	\$11,500,000	09/30/15	\$117.32	NORTHWEST CENTER FOR THE R	IG2 U/65	1	Y	
036	040	538860	0041	31,604	2703664	\$3,500,000	11/24/14	\$110.75	HEARTWOOD	IG2 U/65	1	Y	
036	040	562420	0099	8,998	2731615	\$1,140,000	05/13/15	\$126.69	MASTER CONSTRUCTION CO	I	1	Y	
036	040	732790	0430	46,700	2707707	\$3,565,000	12/15/14	\$76.34	WESTEC INDUSTRIES INC	IG2 U/65	2	Y	
036	040	732790	1775	36,900	2721665	\$2,071,200	03/23/15	\$56.13	SEIDELHUBER IRON WORKS	IG2 U/65	1	34	Use-change after sale; not in ratio
036	040	732790	2175	1,080	2661254	\$250,000	04/02/14	\$231.48	Office	IG2 U/65	1	Y	
036	040	732790	2225	3,238	2738703	\$394,000	06/08/15	\$121.68	INDUSTRIAL	IG2 U/65	1	Y	
036	040	732790	3375	4,000	2712509	\$1,400,000	01/23/15	\$350.00	GRAHAM TRUCKING INC	IG2 U/65	2	Y	
036	040	732790	4190	14,800	2780250	\$900,000	02/16/16	\$60.81	LUKAS MACHINE INC	IG1 U/65	1	34	Use-change after sale; not in ratio
036	040	732790	4770	11,294	2799613	\$1,495,000	05/31/16	\$132.37	GLOBAL, Inc	IG2 U/65	1	26	Imp changed after sale; not in ratio
036	040	732790	6515	27,508	2715783	\$1,600,000	02/24/15	\$58.16	UNITED IRON WORKS	IG1 U/65	2	Y	
036	040	788360	0054	2,880	2713755	\$590,000	02/10/15	\$204.86	INDUSTRIAL BUILDING	IG2 U/65	1	Y	
036	040	788360	2756	5,600	2830141	\$1,025,000	10/09/16	\$183.04	SPARKS BUILDING	NC2-40	1	26	Imp changed after sale; not in ratio
036	040	788360	8095	1,325	2707340	\$315,000	12/08/14	\$237.74	SMALL OFFICE BUILDING	C2-40	1	34	Use-change after sale; not in ratio
036	040	788410	0455	3,504	2685650	\$408,000	08/11/14	\$116.44	SFR w/Industrial Zoning	IB U/45	1	Y	
036	040	788410	0465	2,350	2684902	\$340,000	08/05/14	\$144.68	SFR w/Industrial Zoning	IB U/45	1	Y	
036	050	272404	9017	6,810	2761355	\$1,800,000	10/02/15	\$264.32	BANK OF AMERICA	NC3P-85	1	Y	
036	050	333600	0090	10,478	2693726	\$1,300,000	09/26/14	\$124.07	RAINIER MALL	LR3 RC	1	Y	
036	050	390410	0320	1,494	2746788	\$325,000	07/15/15	\$217.54	SINGLE FAMILY RESIDENCE	LR2	1	Y	
036	070	712930	4835	1,568	2807487	\$350,000	06/20/16	\$223.21	LAW OFFICES	NC2-40	1	Y	
036	070	807000	0400	1,000	2764372	\$605,000	10/27/15	\$605.00	RESIDENCE \ SHED W\ 14 BOAT SL	LR3	1	Y	
036	080	032304	9139	28,360	2784832	\$3,300,000	03/14/16	\$116.36	NW GOURMET FOOD PRODUCTS,	C2-65	1	Y	
036	080	547680	0181	2,613	2792132	\$530,000	04/25/16	\$202.83	BOB'S MARKET	RCC	1	Y	
036	090	000300	0046	34,484	2693886	\$2,850,000	10/02/14	\$82.65	PSF MECHANICAL	C/LI	1	Y	
036	090	042304	9014	20,630	2761779	\$6,200,000	10/09/15	\$300.53	HORIZON FORD	MIC/H	2	Y	
036	090	102304	9075	12,500	2801915	\$2,550,000	06/06/16	\$204.00	TRUCK TRAILER SALES	MIC/H	2	Y	
036	090	261320	0084	81,225	2703970	\$9,050,000	12/04/14	\$111.42	FOSTORIA NORTHSTREAM INDUS	C/LI	1	Y	
036	090	271600	0070	62,167	2698238	\$15,200,000	10/30/14	\$244.50	GATEWAY CNTR #7	C/LI	1	34	Use-change after sale; not in ratio
036	090	734560	0766	6,028	2814192	\$1,600,000	07/22/16	\$265.43	BECKER TRANSFER	LDR	2	Y	
036	090	870020	0010	29,860	2698078	\$3,000,000	10/30/14	\$100.47	FOSTORIA PARK - LOT A	C/LI	1	Y	
CONDOMINIUM MARINA BOAT SLIPS													
				Lineal Foot				SP / LF					
036	070	666780	1060	51	2701736	\$83,500	11/06/14	\$1,637.25	PARKSHORE MARINA 51' Covered	NC2-30	1	Y	
036	070	666780	0010	50	2822714	\$73,000	09/13/16	\$1,460.00	PARKSHORE MARINA 50' Uncovere	NC2-30	1	Y	
036	070	666780	0020	50	2772332	\$71,000	12/14/15	\$1,420.00	PARKSHORE MARINA 50' Uncovere	NC2-30	1	Y	
036	070	666780	0020	50	2808980	\$80,000	06/30/16	\$1,600.00	PARKSHORE MARINA 50' Uncovere	NC2-30	1	Y	
036	070	666780	0090	50	2669444	\$72,500	05/16/14	\$1,450.00	PARKSHORE MARINA 50' Uncovere	NC2-30	1	Y	



Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	070	666780	0320	50	2713614	\$50,000	02/02/15	\$1,000.00	PARKSHORE MARINA 50' Uncovered	NC2-30	1	Y	
036	070	666780	0330	50	2682436	\$70,000	07/17/14	\$1,400.00	PARKSHORE MARINA 50' Uncovered	NC2-30	1	Y	
036	070	666780	1040	45	2688363	\$70,000	08/28/14	\$1,555.56	PARKSHORE MARINA 45' Covered	NC2-30	1	Y	
036	070	666780	1730	40	2793691	\$70,000	04/29/16	\$1,750.00	PARKSHORE MARINA 40' Uncovered	NC2-30	1	Y	
036	070	666780	0960	36	2837387	\$62,500	11/29/16	\$1,736.11	PARKSHORE MARINA 36' Covered	NC2-30	1	Y	
036	070	666780	1220	30	2684247	\$28,000	07/30/14	\$933.33	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	
036	070	666780	1320	30	2789752	\$30,000	04/05/16	\$1,000.00	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	
036	070	666780	1610	30	2786529	\$32,000	03/07/16	\$1,066.67	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	
036	070	666780	1620	30	2724924	\$30,000	04/15/15	\$1,000.00	PARKSHORE MARINA 30' Uncovered	NC2-30	1	Y	
036	070	666780	0940	26	2769632	\$22,500	12/03/15	\$865.38	PARKSHORE MARINA 26' Uncovered	NC2-30	1	Y	



Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld.		Zone	Par. Ct.	Ver. Code	Remarks
								Area	Property Name				
036	020	766670	3905	8,661	2769776	\$216,525	12/01/15	\$25.00	MISC. STORAGE	IB U/85	2	Y	
036	040	732790	1925	20,000	2699578	\$515,000	11/04/14	\$25.75	MARINE LUMBER SERVICES	IG2 U/65	1	Y	
036	040	732840	1305	30,000	2775974	\$875,000	01/07/16	\$29.17	FENCED STORAGE YARD	IG2 U/65	1	Y	
036	040	788360	4335	12,000	2666814	\$475,000	05/06/14	\$39.58	10 UNIT APT	LR2	2	29	Seg/merge after sale; not in ratio
036	040	788410	0110	19,159	2781779	\$247,500	02/24/16	\$12.92	VACANT INDUSTRIAL	IG2 U/65	2	Y	Contaminated sites
036	040	732790	2175	*10,000	2661254	\$201,300	04/02/14	\$20.13	OFFICE	IG2 U/65	1	Y	*
036	040	732790	3375	*30,000	2712509	\$1,348,700	01/23/15	\$44.96	GRAHAM TRUCKING, INC.	IG1 U/65	2	Y	*
036	050	333300	2820	61,260	2778371	\$2,000,000	01/26/16	\$32.65	HOLLY PARK GREENHOUSE	LR2	1	Y	Sold for redevelopment
036	070	212470	0025	10,681	2817004	\$330,000	08/03/16	\$30.90	BLUE STREAK TOWING	NC3P-40	1	Y	Lite Rail / Power Line influence
036	070	807000	0065	5,076	2692310	\$139,000	09/19/14	\$27.38	VACANT	NC1-40	1	Y	
036	070	212470	0015	10,176	2790616	\$485,000	03/22/16	\$47.66	SFR w Detached Garage	NC2P-40	1	Y	* Sold for redevelopment
036	090	042304	9014	*209,062	2761779	\$5,720,400	10/09/15	\$27.36	HORIZON FORD	MIC/H	2	Y	*
													* Residual Land Indication - not in ratio



Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	020	536720	2506	80,000	2756576	\$5,450,000	09/17/15	\$68.13	FOSS ENVIRONMENTAL	IG1 U/85	4	61	Financial institution resale
036	020	766670	3915	960	2762950	\$60,000	10/20/15	\$62.50	SINGLE FAMILY RESIDENCES (3)	IB U/85	1	55	Shell
036	020	798740	0100	672	2813146	\$635,000	08/01/16	\$944.94	RETAIL OFFICE	IG2 U/85	1	17	Non-profit organization
036	040	562420	0097	2,112	2839724	\$3,750,000	12/12/16	\$1,775.57	CONVENIENCE STORE WITH GAS	I	1	1	Personal property included
036	040	732790	1605	3,424	2816327	\$450,000	08/17/16	\$131.43	PENNINGTON METALS - AUTO RECYCLING	IG2 U/65	1	13	Bankruptcy - receiver or trustee
036	040	761900	0010	24,000	2824205	\$27,000,000	09/22/16	\$1,125.00	SEA KING INDUSTRIAL PARK CONDOMINIUM	I	1	59	Bulk portfolio sale
036	040	788360	3890	4,968	2779198	\$355,301	01/29/16	\$71.52	NEW HOPE PRESBYTERIAN CHURCH	SF 5000	1	17	Non-profit organization
036	050	110500	0535	1,296	2728237	\$429,000	04/30/15	\$331.02	BRIGHTON BEACH AUTO BODY	NC3-40	1	13	Bankruptcy - receiver or trustee
036	050	212370	0035	1,590	2784530	\$500,000	03/09/16	\$314.47	RETAIL BUILDING	LR3	1	17	Non-profit organization
036	050	212370	0220	1,521	2708109	\$175,000	12/26/14	\$115.06	SURVIVAL COGIC CHURCH	SF 5000	1	17	Non-profit organization
036	050	272404	9059	22,029	2837184	\$1,800,000	11/23/16	\$81.71	VIETNAMESE PRESBYTERIAN GOOD NEWS C	SF 5000	1	17	Non-profit organization
036	050	352404	9133	15,835	2809559	\$3,167,000	07/15/16	\$200.00	BUDDAH JEWEL MONASTERY	SF 5000	1	17	Non-profit organization
036	050	387040	0040	5,532	2693065	\$925,000	09/25/14	\$167.21	RAINIER BEACH MEDICAL CENTER	NC2-40	1	18	Quit claim deed
036	050	390410	0275	720	2758577	\$575,000	09/29/15	\$798.61	RETAIL STORE	NC2-40	1	36	Plottage
036	070	112304	9059	5,848	2673160	\$500,000	06/10/14	\$85.50	VINSON BROS. CORP. CONSTRUCTION SERV	NC1-30	1	13	Bankruptcy - receiver or trustee
036	070	212370	0370	6,255	2670548	\$1,000,000	05/28/14	\$159.87	SOUTHWEST MORTUARY	NC3P-40	1	52	Statement to dor
036	070	212470	0125	792	2747563	\$328,000	07/29/15	\$414.14	LEGIONARIOS DEL TRABAJO	NC3P-40	1	17	Non-profit organization
036	070	712930	3600	1,982	2774385	\$250,000	12/30/15	\$126.14	SMALL OFFICE BUILDING	NC1-40	1	44	Tenant
036	070	712930	3850	7,164	2738916	\$630,650	06/25/15	\$88.03	RAINIER BEACH METHODIST CHURCH	SF 5000	2	17	Non-profit organization
036	070	712930	4820	5,687	2808699	\$372,000	06/15/16	\$65.41	LIVING COLOR BEAUTY SUPPLY	NC2-40	1	23	Forced sale
036	070	712930	4826	800	2798268	\$270,000	05/20/16	\$337.50	SOUTH SEATTLE VACUUMS	NC2-40	1	12	Estate administrator, guardian, or e
036	070	807000	0060	720	2651337	\$150,000	01/23/14	\$208.33	GODEFROY REALTY / SALON 57	NC1-40	1	51	Related party, friend, or neighbor
036	080	032304	9220	28,500	2677091	\$3,700,000	07/01/14	\$129.82	ALPHA CINE LABS	IG2 U/65	2	18	Quit claim deed
036	090	000480	0013	79,540	2734075	\$20,916,834	05/29/15	\$262.97	TIME DC / ALLIED BODY	C/LI	1	59	Bulk portfolio sale
036	090	017900	1940	2,080	2821785	\$950,000	09/13/16	\$456.73	IRONCLAD	MIC/H	2	64	Sales/leaseback
036	090	261660	0035	54,400	2788100	\$8,310,000	03/16/16	\$152.76	HOLADAY PARKS	C/LI	3	11	Corporate affiliates
036	090	734060	0480	474,113	2794283	\$31,261,100	04/28/16	\$65.94	GROUP HEALTH OPERATIONS CENTER	MIC/L	1	31	Exempt from excise tax
Condominium Marina Boat Slips													
			Lineal Feet					SF/LF					
036	070	666780	0040	50	2733603	\$75,000	05/27/15	\$1,500.00	PARKSHORE MARINA 50' Uncovered	NC2-30	1	18	Quit claim deed
036	070	666780	0100	50	2738116	\$73,500	05/18/15	\$1,470.00	PARKSHORE MARINA 50' Uncovered	NC2-30	1	18	Quit claim deed
036	070	666780	0560	40	2759281	\$35,000	09/27/15	\$875.00	PARKSHORE MARINA 40' Uncovered	NC2-30	1	18	Quit claim deed
036	070	666780	0750	40	2776767	\$60,000	01/20/16	\$1,500.00	PARKSHORE MARINA 40' Covered	NC2-30	1	18	Quit claim deed
036	070	666780	1170	40	2756843	\$53,000	09/10/15	\$1,325.00	PARKSHORE MARINA 40' Uncovered	NC2-30	1	18	Quit claim deed
036	070	666780	0140	30	2666561	\$19,000	05/05/14	\$633.33	PARKSHORE MARINA 30' Uncovered	NC2-30	1	46	Non-representative sale
036	070	666780	0600	30	2813333	\$34,000	04/20/16	\$1,133.33	PARKSHORE MARINA 30' Uncovered	NC2-30	1	18	Quit claim deed
036	070	666780	0610	30	2769813	\$20,000	12/04/15	\$666.67	PARKSHORE MARINA 30' Uncovered	NC2-30	1	18	Quit claim deed
036	070	666780	1450	30	2806018	\$32,000	06/28/16	\$1,066.67	PARKSHORE MARINA 30' Uncovered	NC2-30	1	22	Partial interest (1/3, 1/2, etc.)
036	070	666780	1540	30	2786748	\$35,000	03/18/16	\$1,166.67	PARKSHORE MARINA 30' Uncovered	NC2-30	1	12	Estate administrator, guardian, or e



Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld.		Zone	Par. Ct.	Ver. Code	Remarks
								Area	Property Name				
036	040	218500	1045	36,179	2707832	\$687,000	12/23/14	\$18.99	VACANT COMMERCIAL	RB	3	68	Non-gov't to gov't
036	040	732790	4100	28,627	2759441	\$300,000	10/01/15	\$10.48	LUKAS MACHINE INC	IG1 U/65	2	46	Non-representative sale
036	050	110500	0210	4,935	2806083	\$50,000	06/28/16	\$10.13	VACANT LAND	NC2-40	1	N	Trustee
036	050	110500	0615	24,192	2700053	\$680,000	11/06/14	\$28.11	S & M Auto Repair and Sale	NC3-40	1	46	Non-representative sale
036	050	333300	2920	31,871	2770911	\$744,610	12/10/15	\$23.36	VACANT COMMERCIAL	NC3P-85	1	N	Non-profit organization
036	050	390410	0290	20,423	2707499	\$750,000	12/23/14	\$36.72	APARTMENT (10 UNITS) & MADINA M	NC2-40	1	17	Non-profit organization
036	070	680410	0180	22,680	2707901	\$1,062,564	12/30/14	\$46.85	VINCE'S RESTAURANT	NC2P-40	1	N	Non-profit organization
036	070	712930	4710	4,725	2756287	\$58,000	09/10/15	\$12.28	VACANT LOT	NC1-40	1	52	Statement to dor
036	080	334840	1890	184,694	2694894	\$185,000	10/09/14	\$1.00	LAND ONLY BETWEEN FWY & RRRC	MIC/H	1	15	No market exposure



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Major	Minor	Property Name	Address Line
022304	9015	HUTCHINSON COMMUNITY CENTER	9743 59TH AVE S
112304	9059	VINSON BROS. CORP. CONSTRUCTION SER	11410 RENTON AVE S
168640	0005	ST PAUL CATHOLIC CHURCH & SCHOOL	5600 S RYAN ST
212270	0081	WEST ONE AUTO COLLISION	9001 RENTON AVE S
212370	0365	South Shore Apts	4812 S DIRECTOR ST
212370	0366	South Shore Apts	4849 S HENDERSON ST
212370	0369	Vacant Land	No Situs Address
212370	0370	SOUTHWEST MORTUARY	9021 RAINIER AVE S
212370	0380	BANK OF AMERICA	9019 RAINIER AVE S
212370	0381	Rainier Beach LIBRARY	9125 RAINIER AVE S
212370	0405	Villa Park Townhomes	9101 50TH AVE S
212470	0005	RETAIL-MULTI TENANT	8823 RENTON AVE S
212470	0025	BLUE STREAK TOWING	4348 S HENDERSON ST
212470	0055	Vacant	No Situs Address
212470	0075	The Vegetable Bin	8825 MARTIN LUTHER KING JR WAY S
212470	0115	VACANT COMMERCIAL	No Situs Address
212470	0125	LEGIONARIOS DEL TRABAJO	9013 MARTIN LUTHER KING JR WAY S
212470	0175	HUDSON ELECTRICAL CONTR	9059 MARTIN LUTHER KING JR WAY S
212470	0180	CORNERSTONE BAPTIST CHURCH	9065 MARTIN LUTHER KING JR WAY S
212470	0220	King's Auto Svc. & Recycling	9101 MARTIN LUTHER KING JR WAY S
212470	0269	VFW LODGE #6599	9106 MARTIN LUTHER KING JR WAY S
212470	0270	ELKS LODGE 1416	9116 MARTIN LUTHER KING JR WAY S
212470	0305	PARADISE BAPTIST CHURCH	4349 S HENDERSON ST
212470	0350	QUALITY RENTAL STORE	4309 S HENDERSON ST
212470	0360	H E GOLDBERG CO	9050 MARTIN LUTHER KING JR WAY S
212470	0420	VACANT SFR	9031 VALDEZ AVE S
335240	0305	ST LUKES LUTHERAN CHURCH	5350 S FOUNTAIN ST
335240	1300	RAINIER VIEW ELEMENTARY	11236 BEACON AVE S
335240	2220	VACANT	11900 BEACON AVE S
335240	2221	PIONEER HUMAN SERVICES RESIDENTIAL T	11900 BEACON AVE S
352404	9061	PAYLESS SHOE SOURCE	8824 RAINIER AVE S
352404	9062	RAINIER BEACH DELI AND AUTO SALES	8738 RAINIER AVE S
352404	9102	Atlantic City Park	54TH AVE S
352404	9124	RAINIER HIGH SCHOOL SPORTS COMPLEX	No Situs Address
352404	9127	PAVED LOT	RAINIER AVE S
352404	9128	PAVED LOT	RAINIER AVE S
352404	9129	BIG DADDY'S CAR WASH	8808 RAINIER AVE S
352404	9132	SAARS MARKET PLACE	9000 RAINIER AVE S
352404	9140	RAINIER YACHT CLUB	9094 SEWARD PARK AVE S
352404	9149	RAINIER BEACH HIGH SCHOOL	8815 SEWARD PARK AVE S
352404	9158	METRO PUMP STATION	5327 S HENDERSON ST
387290	0030	WASHINGTON FEDERAL SAVINGS & LOAN	9325 RAINIER AVE S
387290	0040	SUBWAY \ RETAIL	9305 RAINIER AVE S
426570	0004	RAINIER BEACH PROF BLDG	9040 RAINIER AVE S
426570	0006	SUB SHOP #7	9050 RAINIER AVE S
426570	0030	VAC LD	S DIRECTOR ST
426570	0085	VACANT COMMERCIAL	S DIRECTOR ST
426570	0090	VACANT COMMERCIAL	S DIRECTOR ST
426570	0095	UTILITY BLDG	5148 S DIRECTOR ST
426570	0150	FISH CANNERY	5133 S DIRECTOR ST
432760	0035	GARDEN OF GETHSEMANE	11925 BEACON AVE S
508740	0020	Pho Van	9150 RAINIER AVE S
547620	0171	CITY LIGHT SUBSTATION BLDG	5310 S CRESTON ST
547620	0187	SEATTLE CITY LIGHT	5161 S CRESTON ST
666780	0000	PARKSHORE MARINA CONDOMINIUM Boat S	9050 SEWARD PARK AVE S
680410	0005	Truck Parking	4401 S TRENTON ST
680410	0030	PARKING	8800 RENTON AVE S
680410	0105	VINCE'S ENTERPRISES	8810 RENTON AVE S
680410	0180	VACANT COMMERCIAL	8816 RENTON AVE S
680410	0200	VICTOR MILLER, INC.	8816 RENTON AVE S
712930	1695	METRO PUMPING STATION	9724 RAINIER AVE S



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Major	Minor	Property Name	Address Line
712930	2300	EMERSON ELEM SCHOOL	9709 60TH AVE S
712930	2530	RAINIER BEACH COMMUNITY CLUB	6038 S PILGRIM ST
712930	2635	VACANT	S PERRY ST
712930	2755	RAINIER BEACH PRESBYTERIAN CHURCH	9656 WATERS AVE S
712930	3600	SMALL OFFICE BUILDING	5703 S FLETCHER ST
712930	3765	VACANT COMMERCIAL	5609 S FLETCHER ST
712930	3850	RAINIER BEACH METHODIST CHURCH	5506 S ROXBURY ST
712930	3870	LAND ONLY	5506 S ROXBURY ST
712930	4335	POWER SUBSTATION	SW ROXBURY ST
712930	4390	USED CAR LOT	9207 RAINIER AVE S
712930	4415	NEIGHBORCARE HEALTH MEDICAL CLINIC	9245 RAINIER AVE S
712930	4450	PARKING FOR 712930-4415	STURTEVANT AVE S
712930	4451	PARKING FOR 712930-4415	STURTEVANT AVE S
712930	4461	Parking for 712930-4415	No Situs Address
712930	4500	ROSSOE OIL	9367 RAINIER AVE S
712930	4580	CLUB DIVABUG, LLC	9423 RAINIER AVE S
712930	4590	Rainier Beach Center	9431 RAINIER AVE S
712930	4600	MAYA'S MEXICAN FOOD	9447 RAINIER AVE S
712930	4680	SAFARI AUTO SERVICE	9481 RAINIER AVE S
712930	4681	LAKE ROUTE CAFE	9261 57TH AVE S
712930	4705	VACANT LOT	57TH AVE S
712930	4710	VACANT LOT	9275 57TH AVE S
712930	4715	VACANT LOT	57TH AVE S
712930	4720	ST. PAUL MISSIONARY BAPTIST CHURCH	9285 57TH AVE S
712930	4745	RAINIER BEACH AUTO ZONE STORE	9471 RAINIER AVE S
712930	4810	HONG KONG SEAFOOD REST	9400 RAINIER AVE S
712930	4820	LIVING COLOR BEAUTY SUPPLY	9416 RAINIER AVE S
712930	4826	SOUTH SEATTLE VACUUMS	9420 RAINIER AVE S
712930	4835	LAW OFFICES	9428 RAINIER AVE S
712930	4840	DRY CLEANER	9432 RAINIER AVE S
712930	4846	PAYDAY LOANS	9436 RAINIER AVE S
712930	4850	MIXED RETAIL/APTS	9099 SEWARD PARK AVE S
712930	4880	VAC LD	RAINIER AVE S
712930	4885	VAC LD	RAINIER AVE S
712930	4890	VAC LD	RAINIER AVE S
712930	4895	VAC LD	RAINIER AVE S
712930	4900	VAC LD	RAINIER AVE S
712930	4905	VAC LD	RAINIER AVE S
712930	4910	KING DONUTS AND TERIYAKI FOOD/ LAUNDI	9232 RAINIER AVE S
712930	4925	RAINIER BEACH VETERINARY CLINIC	9238 RAINIER AVE S
712930	4945	BARTON PLACE	9201 RAINIER AVE S
712930	5005	APTS WITH RETAL & OFFICE	5021 S BARTON PL
712930	5164	THUNDERBIRD TREATMENT CENTER	9236 RENTON AVE S
712930	5260	SIMS TAEKWONDO / MHLP - MANUFACTURE	9460 RAINIER AVE S
712930	5262	Dan's AUTO REPAIR	9480 RAINIER AVE S
712930	5315	VAC LD	RAINIER AVE S
713130	0004	SAMMY'S AUTO SERVICES	9601 RENTON AVE S
713130	0005	VACANT	9610 51ST AVE S
713130	0006	VACANT	9616 51ST AVE S
713130	0007	SPEED-E- MART	9625 RENTON AVE S
713130	0008	FIRE STATION #33	9645 RENTON AVE S
713130	0340	PENTECOSTAL COVENANT CHURCH	10033 55TH AVE S
713130	0400	AMAZING GRACE LUTH CHURCH	10056 RENTON AVE S
792264	1191	SPINNAKER BAY DNR LEASE	No Situs Address
806600	0015	KEY BANK	9255 RAINIER AVE S
806600	0140	OFFICE	9450 RENTON AVE S
807000	0005	Mt. Pleasant Baptist Church	9505 RAINIER AVE S
807000	0020	R & R REAL ESTATE SERVICES / RETAIL OFI	9250 57TH AVE S
807000	0035	Escrow Affairs	9262 57TH AVE S
807000	0040	Rainier Dance Center	9264 57TH AVE S
807000	0045	Rainier Dance Center	9266 57TH AVE S



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807000	0050	VACANT	57TH AVE S
807000	0055	RETAIL AND APT.	9272 57TH AVE S
807000	0060	GODEFROY REALTY / SALON 57	9274 57TH AVE S
807000	0065	VACANT	57TH AVE S
807000	0145	VACANT	ITHACA PL S
807000	0335	AQUA MARINA APT LEASEHOLD MOORAGE	9510 RAINIER AVE S
807000	0400	RESIDENCE \ SHED W\ 14 BOAT SLIPS	9508 RAINIER AVE S
807200	0025	CPSRTA (SOUND TRANSIT) OFFICES	9132 MARTIN LUTHER KING JR WAY S
807300	0170	NEOPOLITAN PIZZA	10003 RAINIER AVE S
807300	0175	4-PLEX	10005 RAINIER AVE S
807300	0236	LAKERIDGE PLAYGROUND	10145 RAINIER AVE S