

# Boeing

Specialty Area: 625

---

## *Commercial Revalue for 2024 Assessment Roll*



**King County**

**Department of Assessments**

*Setting values, serving the community, and pursuing excellence*

201 S Jackson Street , KSC-AS 0708

Seattle, WA 98104

OFFICE (206) 296-7300 FAX (206) 296-0595

Email: [assessor.info@kingcounty.gov](mailto:assessor.info@kingcounty.gov)

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



**King County**

**Department of Assessments**



## King County

Department of Assessments

KSC – AS – 0708

201 S. Jackson St., Room 708

Seattle, WA 98104

**John Wilson**  
**Assessor**

**OFFICE: (206) 296-7300 FAX (206) 296-0595**

Email: [assessor.info@kingcounty.gov](mailto:assessor.info@kingcounty.gov)

<http://www.kingcounty.gov/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 to implement your feedback and ensure we provide you with accurate and timely information. 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. Additionally, I have provided a brief tutorial on our property assessment process. It is meant to provide you with background information about our process and the basis for your area assessments.

Fairness, accuracy, and transparency set the foundation for an 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 that every taxpayer is treated fairly and equitably.

Our office is here to serve you. Please don't hesitate to contact us if you 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 727,000 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 our appraisers inspect a different geographic neighborhood. 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. From the property inspections we update our property assessment records for each property. In cases where an appraiser has a question, they will approach the occupant to make contact with the property owner or leave a card requesting the taxpayer contact them.

### RCW 84.40.025 - Access to property

For the purpose of assessment and valuation of all taxable property in each county, any real or personal property in each county shall be subject to visitation, investigation, examination, discovery, and listing at any reasonable time by the county assessor of the county or by any employee thereof designated for this purpose by the assessor.

In any case of refusal to such access, the assessor shall request assistance from the department of revenue which may invoke the power granted by chapter [84.08](#) RCW.

## How Are 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 steps are employed to calculate an income approach:

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

## How is Assessment Uniformity Achieved?

The Assessor achieves uniformity of assessments through standardization of rate tables for incomes, operating expenses, vacancy and credit loss collections and capitalization rates which are uniformly applied to similarly situated commercial properties. Rate tables are generated annually that identify specific rates based on location, age, property type, improvement class, and quality grade. Rate tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results back to properties based on their unique set of attributes.

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure 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 Property - General	Type of Property - Specific	COD Range
Single-family Residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family Residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2-4-unit housing	5.0 to 20.0
Income-Producing Properties	Larger areas represented by samples	5.0 to 15.0
Income-Producing Properties	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*, 2013, Table 1-3.

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

## Requirements of State Law

Within Washington State, property is required to be revalued each year to market value based on its highest and best use. (RCW 84.41.030; 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.

# Executive Summary Report

## Appraisal Date

- January 1, 2024, for the 2024 Assessment Year (2025 Tax Roll Year)

## Specialty

- Boeing Properties

## Sales - Improved Ratio Study

No ratio study was performed for Boeing properties because the market for these properties is limited. There is an absence of sales data necessary to measure assessment levels and statistics.

## Population – Parcel Summary Data

TOTAL POPULATION SUMMARY DATA			
	Land	Improvement	Total
2023 Value	\$1,062,080,900	\$788,729,400	\$1,850,810,300
2024 Value	\$1,101,348,900	\$776,196,400	\$1,877,545,300
Difference	\$39,268,000	(\$12,533,000)	\$26,735,000
% Change	3.70%	-1.59%	1.44%

Number of Parcels in the Population: 79

\* Land values represent figures before any adjustment for contamination.

## Conclusion and Recommendation

The values recommended in this report improve the uniformity of values. We recommend posting them for the 2024 Assessment Year.

## Identification of the Area

### Name or Designation

- Specialty Area 625, Boeing

### Specialty Neighborhoods

The Assessor has established five neighborhoods for valuation purposes of this specialty to group properties into areas of similar markets:

- Neighborhood 10 - Renton
- Neighborhood 11 – Seattle
- Neighborhood 30 - Kent
- Neighborhood 35 - Spares Distribution Center
- Neighborhood 52 - Industrial

\* Neighborhood 25 – Longacres & Neighborhood 33 – Bellevue were removed from the Boeing Specialty due to 2021 sales.

### Boundaries

All of King County

### Maps

General maps of the area are included in this report. More detailed Assessor's maps are located on the 7th floor of the King Street Center or the Assessor's website.

## Area Overview

### Property Description

Boeing is the world's largest aerospace company and the leading manufacturer of commercial jetliners, defense, space, security systems, and service providers of aftermarket support. The company is America's biggest manufacturing exporter, and nearly half of Boeing's global workforce is located in Washington. Boeing products and tailored services include commercial and military aircraft, satellites, weapons, electronic and defense systems, launch systems, advanced information and communication systems, and performance-based logistics and training.

“The company is organized into three business units: Commercial Airplanes; Defense, Space & Security; and Boeing Global Services, which began operations in July 2017. Supporting these units is Boeing Capital Corporation, a global provider of financing solutions.<sup>1</sup>”

#### **Commercial Airplanes:**

Commercial Airplanes, or BCA, is headquartered in the City of Renton, in King County. It designs, assembles, markets, and sells jet airliners and business jets (Boeing Business Jets) and provides product-related maintenance and training to customers worldwide. BCA has more than a dozen engineering, manufacturing, and assembly facilities located throughout the U.S. and internationally. BCA includes the assets of the Douglas Aircraft division of the former McDonnell Douglas Corporation, which merged with Boeing in 1997. Major commercial airplane facilities in King County are found in Renton, Auburn, and Seattle.

The Renton site began manufacturing operations in 1941. It has been home to many of commercial aviation's most renowned airplanes. Renton currently produces the 737-NG (next-generation) aircraft, including the Boeing Business Jet (BBJ), the company's newest 737 models, and the 737-MAX. The 737 is the world's most popular and reliable commercial jet. The airplane was first produced in Seattle at Boeing Field in 1967. It has been continuously assembled at the Renton plant since 1970. The 10,000<sup>th</sup> 737 rolled out of the final assembly on March 13, 2018.

1. <https://www.boeing.com/company/general-info/>

The Auburn plant, which opened in 1966, is the headquarters for Boeing's Fabrication Division. It is the most significant airplane parts manufacturing plant globally, with 265,000 parts currently manufactured there. The facility produces roughly 15,000 parts per day and employs over 5,300 people: the complex houses extensive tooling, manufacturing services, and a support team in addition to parts production. This location is considered Commercial Airplanes' area of excellence for emergent operations, complex precision machining, and specialty production focused on advanced metal structures.

In December 2016, construction began on the first new building at the Auburn complex in nearly 25 years. The new building, completed in late 2017, is a 2-story, 71,000 square-foot Workforce Readiness Center. The \$16.7 million training center is a multi-use facility dedicated to enhancing the skills of the more than 5,300 employees Boeing has in Auburn. It also includes a new employee medical center.

### **Defense, Space & Security:**

Defense, Space & Security or BDS is headquartered in Arlington, Virginia. Its portfolio includes manned and unmanned systems, space and satellite systems, intelligence and security systems, and extensive integration expertise. The business unit employs around 33,000 people worldwide. As the world's second-largest defense company, BDS is the only aerospace business offering products and capabilities allowing its customers to meet mission requirements from the seabed to outer space. It serves a diverse customer base, but its portfolio focuses on six key market areas: Commercial Derivatives, Military Rotorcraft, Human Space Exploration, Satellites, Autonomous Systems, and Services. Within King County, the Space Center is found in the City of Kent. Workgroups at the Developmental Center Campus and Thompson Site in South Seattle are part of the Boeing Defense, Space & Security (BDS) business unit.

Although the Kent Space Center has been significantly downsized over the past decade, with over 662,000 square feet of space demolished and the land sold for redevelopment, the Kent Space Center currently supports the Defense and Space Group and the Information and Communications Systems. The facility provides communication networks with air, land, sea, and space-based platforms for military, government, and commercial customers. Boeing designs and manufactures rotorcraft, electronic and defense systems, missiles, satellites, launch vehicles, and advanced information and communication systems.

The Thompson Site and the Developmental Center are in South Seattle along the Duwamish River and handle military contracts. The Thompson Site has been home to the P-8A aircraft facility



since 2010. The P-8A is a commercial derivative aircraft modified from a next-generation 737-800 commercial airplane built in Renton. The aircraft are flown from Renton to Boeing Field, where BDS employees install mission systems and conduct testing before customer delivery. The P-8A is long-range anti-submarine warfare, anti-surface warfare, intelligence, surveillance, and reconnaissance aircraft developed for the U.S. Navy by a Boeing-led team.

**Boeing Global Services:**

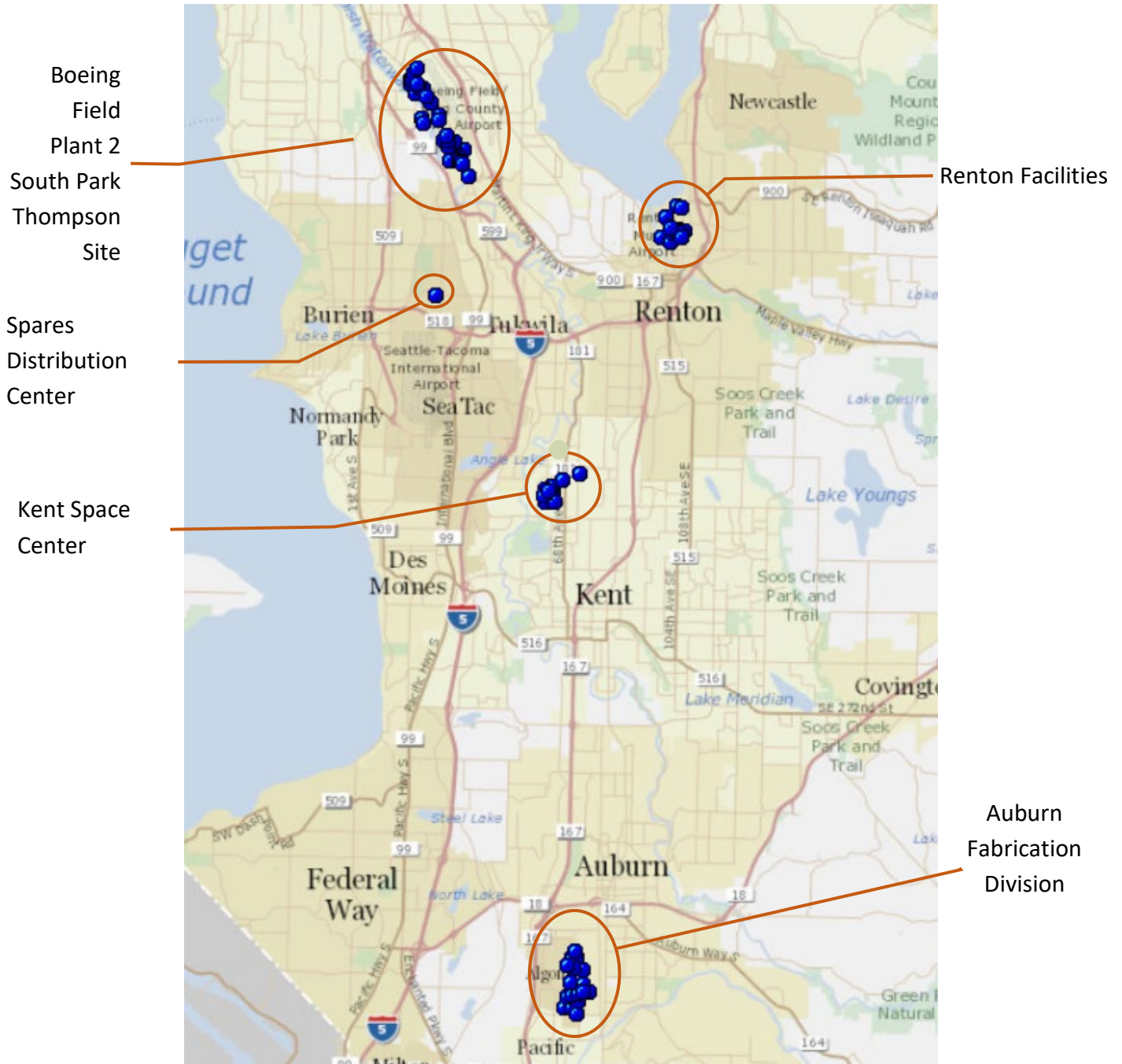
Boeing Global Services was formed as a separate business unit and began operations in July of 2017. It delivers innovative, comprehensive, and cost-competitive service solutions for commercial, defense, and space customers, regardless of the equipment's original manufacturer. With engineering, digital analytics, supply chain, and training support spanning government and commercial service offerings, Boeing Global Services' around-the-clock support keeps customers' commercial aircraft operating at high efficiency. It provides mission assurance for nations around the world.

**Boeing Capital Corporation:**

Boeing Capital Corporation, or BCC, is a global provider of financing solutions for Boeing customers. Working closely with Commercial Airplanes and Defense, Space & Security, BCC ensures customers have the financing needed to buy and take delivery of their Boeing products.

## Area Description

Boeing properties are divided into five distinct neighborhoods within King County. As shown in the map below:



## Area Market Conditions

Boeing over the past years has been dealing with multiple significant business challenges. The two most prominent involve the 737-MAX, the global public health response to try and slow the spread of COVID-19, and recently greater market shares in competitors.

Boeing was the largest employer in Washington State as of 2019, but they lost this status to Amazon in late 2020<sup>1</sup>. While the airline industry has seen a significant drop in demand, online shopping has seen a substantial increase; Amazon has been a massive beneficiary of that increased demand. Amazon hired 16,500 and had 80,000 employees in Washington State as of late 2020.

In 2023 Boeing received multiple large orders, the first being a record order from Air India for 220 aircraft totaling \$45.9 billion dollars. A second large order from Ryanair out of Ireland was confirmed for 300 737 Max 10s and a price tag of \$40 billion. At the 2023 Paris Air Show they secured a total of 356 new aircraft orders. The Dubai Airshow also proved to be a success as compared to Boeing's major competitor Airbus where Boeing sold three times as many planes. Boeing closed the year by delivering 528 aircraft and booking 1,314 net new orders after allowing for cancellations. This is up from 480 deliveries and 774 net new orders in 2022. 2023 was Boeing's third-best year. That being said, Boeing's European rival Airbus broke records for gross and net orders and delivered 735 planes, beating Boeing by a significant margin.

Boeing's troubles have continued into the first week of 2024 when a Boeing 737 Max 9 passenger jet lost a rear door plug in midflight. As a result, Boeing has been the subject of ongoing investigations and questions regarding their relationship with the FAA, who oversees their production safety.

1. <https://www.businessinsider.com/amazon-passes-boeing-washington-state-largest-employer-2021-1>
2. <https://thepointsguy.com/news/southwest-massive-737-max-order/>
3. <https://www.aero-mag.com/boeing-737-max-united-airlines-29062021/>
4. [airlineweekly.com/2022/01/boeing-looks-for-silver-linings-in-its-multiple-challenges/](http://airlineweekly.com/2022/01/boeing-looks-for-silver-linings-in-its-multiple-challenges/)

## Analysis Process

**Effective Date of Appraisal:** January 1, 2024

**Date of Appraisal Report:** September 11, 2024

## Highest and Best Use Analysis

**As if vacant:** Market analysis of the area, together with current zoning and current anticipated use patterns, indicates the land's highest and best use. The highest and best use of a property must be reasonably probable, legally permissible, physically possible, financially feasible, and maximally productive.

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing improvements represent the highest and best use of most sites. Most appraised parcels are industrial/manufacturing uses in industrially zoned areas and are considered "specialty properties." Any opinion not consistent with this is expressly noted in our records and considered in the valuation of the specific parcel. The existing uses will continue until land value, in its highest and best use, exceeds the sum of the value of the entire property in its current 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.

## Special Assumptions, Departures, and Limiting Conditions

The economic income and cost approaches to value were considered for this mass appraisal valuation. The geographic appraiser used land sales to establish land values.

No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends.

This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6

## Scope of Data

### Physical Inspection Identification

WAC 458-07-015 requires each property to be physically inspected at least once during a six-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. Boeing's Kent Space Center was physically inspected for the 2024 assessment year. This inspection area comprised 12 parcels, or approximately 15% of the 79 total Specialty parcels. A list of the physically inspected parcels and an identifying map are included in the addendum of this report.

Specialty Neighborhood		Location	Inspected Parcel Count	Total Parcel Count	Percent of Parcel Count
625	30	Kent	12	79	15%
<b>Boeing Inspection Totals</b>			<b>12</b>	<b>79</b>	<b>15%</b>

### Land Value Data

The geographic appraiser for each area in which a Boeing property is located is responsible for the land valuation model used for the Boeing parcels. The geographic appraiser's reports include a list of land sales used to establish the current land values and those considered not reflective of the market.

### Improved Parcel Total Value Data

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division Sales Identification Section. Data is analyzed and investigated by the appraiser in the process of revaluation. All sales are verified, if possible, by contacting either the purchaser or seller or contacting the real estate broker and reviewing sale transaction data from online subscription sources. Characteristic data is verified for all sales, if possible. If necessary, a site inspection is made. Sales are subsequently listed in the "Sales Used" and "Sales Not Used" sections of this report.

## Improved Parcel Total Values

### Sales Comparison Approach Description

The sales comparison approach was not utilized because there are too few quality sales to form an efficient market. In general, Boeing properties rarely sell for investment purposes that are at fee simple market value. No sales were recorded from Boeing during the 2023 year.

### Cost Approach Model Description

The cost approach was the primary valuation methodology used for Boeing industrial properties. The Marshall & Swift Commercial Estimator was utilized to calculate the reproduction cost of an improvement and deduct the appropriate depreciation. The Marshall & Swift Valuation Service adjusts costs to the western United States region and the Seattle area. Cost estimates may be relied upon for the valuation of special use properties where comparable sales data and/or income/expense information may not be available. Boeing's manufacturing, industrial engineering buildings, and most warehouses were valued via the cost approach. Many of these buildings have very specialized functions, and therefore, the cost approach is the most reliable valuation method.

### Cost Calibration

The Marshall & Swift cost modeling system, built into the Assessor's Real Property Application, is re-calibrated annually to the Western Region and Seattle area.

### Income Capitalization Approach Model Description

A direct capitalization income approach estimate was calculated for all office properties within the Boeing specialty. The income approach was considered the most reliable approach to valuation for office buildings, given the amount of published data available.

The economic income models used to value Boeing office properties were developed using data from the office specialist appraiser. Like the office specialty, the Boeing offices valued by the economic income models typically have over 90,000 square feet of net rentable area. They are considered class A or B investment-grade properties. Income parameters were derived from the marketplace through real estate sales, the sales verification process, tenants, owners, rent rolls from appeals, and a compilation of published sources. Similar uses were grouped with income rates that were correlated to effective age and building quality. For a detailed discussion of the development of the income data used for valuation, refer to the office specialty report titled:

**Major Office Specialty Area 280, 2023 Valuation.**

Specialty 625

2024 Assessment Year



Department of Assessments

### Income approach calibration

Income tables were developed for each geographic neighborhood containing Boeing office buildings. The tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates using adjustments based on size, quality of construction, and the effective age. The following table summarizes the parameters used in the income tables, which provided the basis for the income value estimate calculations.

Typical Income Model Parameters				
Neighborhood	Typical R0nt per SF	Vacancy	Expenses	Cap Rate
Renton	\$22 - \$26	20%	45% - 57%	7.5-8.5%
Kent – Office	\$14.5 - \$19	7%	10%	5.75%
Kent – Lab	\$11.5 - \$14	7%	10%	5.75%
Kent - Storage	\$11	7%	10%	5.75%
Spares Distribution Center	\$11 - \$17	8%	10% -11%	5.75%

### Reconciliation

The specialty appraiser individually reviewed each parcel for the correctness of the model application before the final value was selected. The cost approach to value is given the greatest weight for most Boeing improved properties due to a lack of sales data and the specialty nature of the improvements. The income approach to valuation is given the most weight in the final analysis of office properties due to the available information.

## Model Validation

### Total Value Conclusions, Recommendations, and Validation

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

The Assessor's office values most Boeing property using the cost approach (replacement cost new less depreciation method, RCNLD). All cost information was from the Marshall Valuation Service. Costs were adjusted to reflect the local Greater Seattle Market. The land is initially valued by the geographic appraiser responsible for that neighborhood. Boeing office properties were valued using an economic income approach based on parameters developed by the Assessor's Major Office specialty appraiser.

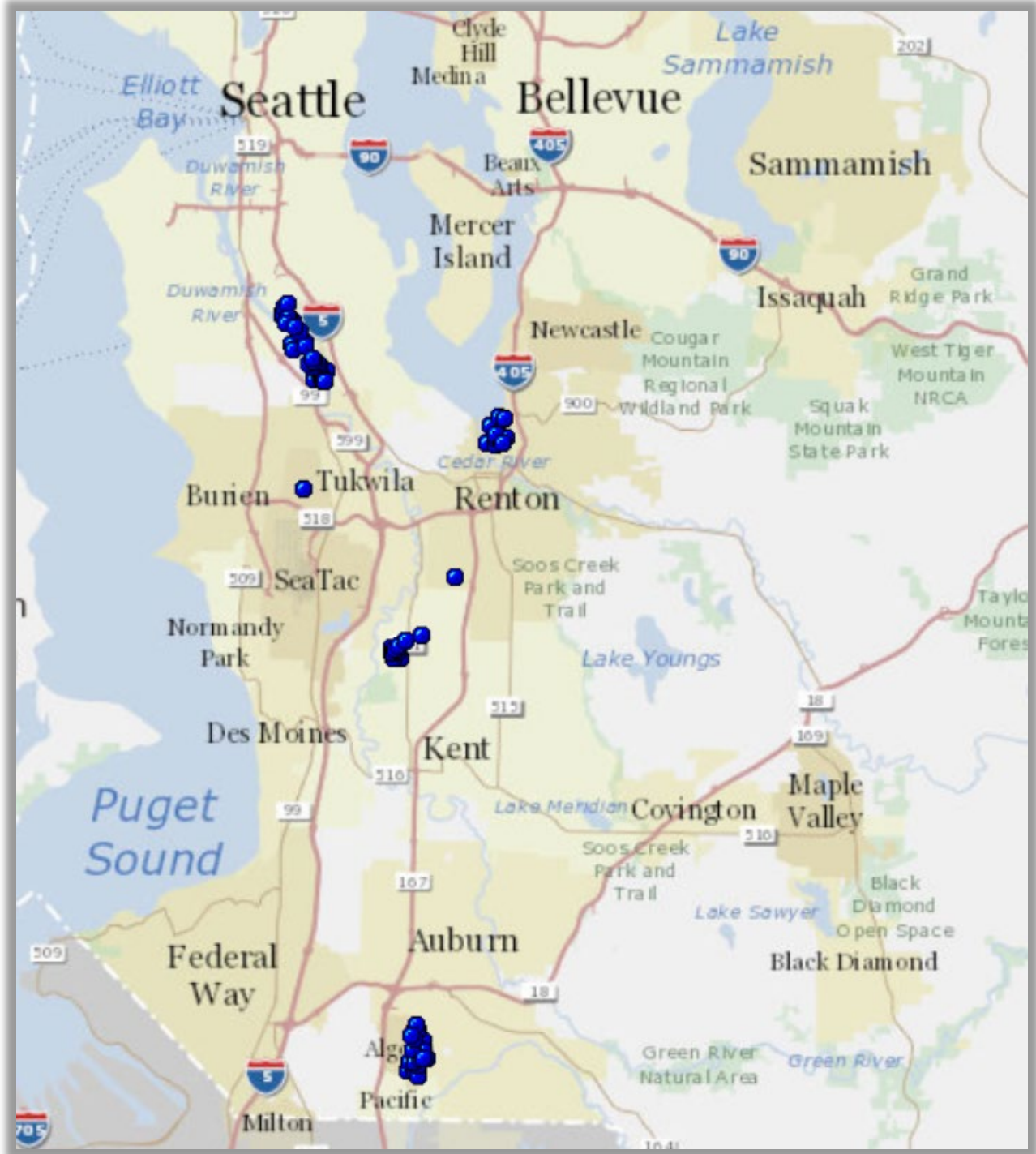
### Total Value Change

The total assessed value for the 2023 Assessment Year for Specialty Area 625 was \$1,850,810,300. The total recommended assessed value for the 2024 Assessment Year is \$1,877,545,300. Application of these recommended values for the 2024 Assessment Year results in an annual increase of +1.44%.

CHANGE IN TOTAL ASSESSED VALUE			
2023 Total Value	2024 Total Value	\$ Change	% Change
\$1,850,810,300	\$1,877,545,300	\$ 26,735,000	1.44%



# SPECIALTY 625 BOEING MAP



# 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 Standards 5 and 6. 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 the 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. The highest and best use is the most profitable, likely use to which a property can be put. It is the use that 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 the 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. (Samish 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. (Samish 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 January 1 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 31 of each year. The assessed valuation of the property shall be considered as of July 31 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 property's fair market value as if it were an unencumbered fee...*

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

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

## Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short-term supply-demand factors. Therefore, the projections are subject to changes in future conditions that the appraiser cannot accurately predict 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. This analysis has given no consideration to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the Assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.

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

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

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

### **Certification:**

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

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- No one provided 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 to their name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
  - Ryan Jimenez
  - Annual Model Development and Report Preparation
  - Data Collection
  - Sales Verification
  - Appeals Response Preparation / Review
  - Appeal Hearing Attendance
  - Physical Inspection Model Development and Report Preparation
  - Land and Total Valuation
  - New Construction Evaluation

9/17/2024

---

Heather Gust: Commercial Appraiser II

Date



Improved Sales Calc for Area 625 with Sales Not Used

9/9/2024

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
625	010	756460	0055	270,744	3163648	\$12,000,000	12/10/21	\$44.32	BOEING RENTON OFFICE & GARAGE 10-13, 10-16	UC	Office Building	2	15	No market exposure
625	025	242304	9022	898,694	3165103	\$100,000,000	12/15/21	\$111.27	BOEING LONGACRES PARK 25-01	CO	Office Park	33	52	Statement to dor
625	033	112405	9134	550,530	3129828	\$139,000,000	06/30/21	\$252.48	OFFICE BUILDING 33-07	OLB	Office Building	6	64	Sales/leaseback
625	052	660007	0260	66,840	3220238	\$4,250,000	12/07/22	\$63.58	Boeing Tennis Club (18-47)	I1	Industrial(Gen Pur	1		



Vacant Sales Calc for Area 625 with Sales Used

9/9/2024

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
625	052	242304	9071	20,212	3164703	\$394,100	12/15/21	\$19.50	BOEING LONGACRES PARK VACANT	IM	Vacant(Industrial)	1	Y	

Vacant Sales Calc for Area 625 with Sales Not Used

9/9/2024

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
625	052	282404	9042	11,477	3180990	\$300,000	03/28/22	\$26.14	BOEING TRANSMITTER SITE	NR3	Utility, Private(Rad	1	29	Seg/merge after sale; not in ratio

### Physically Inspected Parcels 2024

Area	Neighborhood	Parcel	Address
625	30	012204-9022	7215 S 196TH ST
625	30	022204-9064	No Situs Address, Kent
625	30	022204-9069	No Situs Address
625	30	022204-9074	No Situs Address
625	30	660007-0090	No Situs Address
625	30	660007-0120	No Situs Address
625	30	660007-0130	20403 68TH AVE S, Kent
625	30	660007-0140	20403 68TH AVE S, Kent
625	30	660007-0200	20403 68TH AVE S, Kent
625	30	660007-0210	20403 68TH AVE S, Kent
625	30	660007-0220	No Situs Address, Kent
625	30	660007-0260	20403 68TH AVE S



# King County

## Department of Assessments

KSC – AS – 0708

201 S. Jackson St., Room 708

Seattle, WA 98104

OFFICE (206) 296-7300

FAX (206) 296-0595

Email: [assessor.info@kingcounty.gov](mailto:assessor.info@kingcounty.gov)

**John Wilson**

***Assessor***

As we start preparations for the 2024 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties.
- Where applicable, validate the correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes, and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State, or local laws or regulations preclude compliance with USPAP.
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties so that ratio statistics can be accurately inferred for the entire population.
- Time adjust sales to January 1, 2024, in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, the Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Thank you for your continued hard work on behalf of our office and the taxpayers of King County. Your dedication to accurate and fair assessments is why our office is one of the best in the nation.

John Wilson  
King County Assessor