

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

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

Highest and Best Use

RCW 84.40.030 *All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.*

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

WAC 458-07-030 (3) True and fair value -- Highest and best use. *Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.*

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

Date of Value Estimate

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]

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

Property rights appraised:

Fee Simple

Wash Constitution Article 7 § 1 Taxation: *All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class.*

Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914) *"the entire [fee] estate is to be assessed and taxed as a unit"*

Folsom v. Spokane County, 111 Wn. 2d 256 (1988) *"the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee"*

The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Assumptions and Limiting Conditions:

1. *No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.*
2. *No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.*
3. *No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.*
4. *Rental areas herein discussed have been calculated in accord with generally accepted industry standards.*
5. *The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.*
6. *The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.*
7. *The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.*
8. *No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.*
9. *Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.*
10. *The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.*
11. *An attempt to segregate personal property from the real estate in this appraisal has been made.*
12. *Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.*
13. *The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.*
14. *I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.*

15. *Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.*

Scope of Work Performed:

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

CERTIFICATION:

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

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

Bruce I. Zelk, Commercial Appraiser I

Analysis Process

Effective Date of Appraisal: January 1, 2008

Date of Appraisal Report: April 7, 2008

The following appraiser did the valuation for this geographic area:

Bruce Zelk – Commercial Appraiser I

Highest and Best Use Analysis

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

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

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

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

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

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

The following Departmental guidelines were considered and adhered to:

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

Identification of the Area

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

Boundaries:

Northern: Harbor Island

Eastern: Harbor Island and Duwamish River to the Boeing Access Rd., then along Lake Washington at S. Graham St. South to SE 1-23-4 Perry St. and the Eastern boundary of Section 3-23-4 and 12-23-4 to 134th St. S.

Western: W. Marginal Way and Pacific Hwy S.

Southern: 134th St. S. in Tukwila & Martin Luther King Jr. WY S. to the Northern city limits of Renton.

Maps:

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

Area Description:

Area 36 has been divided into eight neighborhoods spanning two municipalities as well as Unincorporated King County, and is generally distinguished by zoning jurisdictions and geographic characteristics.

Neighborhood 36-10 – Skyway

Boundaries:

Skyway is located at the Southeast corner of Area 36, south of S 112th St, with most commercial properties along the Renton Ave. S corridor.

Neighborhood Description:

The Skyway neighborhood is located within unincorporated King County. Commercial uses are predominantly retail, service and apartments. The area has a comparatively lower level of commercial and retail activity, with few national retailers or service providers. Storefronts are typically occupied at nominal rent by small service providers, i.e. nail shops, sewing shops,

thrift shops, imported goods stores, foreign video shops, etc. Sales, however, do indicate increases in commercial use and associated valuation relative to previous levels.

Neighborhood 36-15 – Harbor Island

Boundaries:

Harbor Island is located at the Northern most section of Area 036, and includes Harbor Island proper and surrounding area South to SW Spokane St.

Neighborhood Description:

Harbor Island is classified as a Federal “Superfund” site. Predominant use continues to change from heavy industrial to container shipping. The Port of Seattle is the only participant active in this market. Redevelopment of Terminal 18 continues, with new rail and truck access built and the center of the island remediate for contamination. Increases in valuation were applied to reflect surrounding market forces and the increased pressure for close-in industrial sites. Almost all parcels within this neighborhood experience contamination associated liability and/or stigma, which negatively affect land and improvement values.

Neighborhood 36-20

Boundaries:

This neighborhood borders Area 36-10 and follows a narrow commercial corridor between the Duwamish River and West Marginal Way South to South Myrtle Street.

Neighborhood Description:

This is an industrial area near Harbor Island and reflects non-“Superfund” land value. The proximity to Harbor Island and the Duwamish Waterway stigmatized these surrounding properties for many years, depressing their value. The Port is also a major influence here but not the only one. The land use is changing from industrial with minor retail to mostly Port related activities. This neighborhood contains the Port’s largest and newest facility, APL’s Terminal 5, as well as heavy industrial activity.

Neighborhood 36-40: South Park

Boundaries:

This neighborhood lays midpoint of Area 36, South of SW Myrtle St. to SW 98th St. and West of the Duwamish River.

Neighborhood Description:

This is the neighborhood of South Park, which has a wide variety of industrial and warehouse use and some retail. Sales were the most numerous within this neighborhood which support value adjustments, particularly in warehouses. Demand for close-in warehouse space continues to remain high with limited availability. This area was physically inspected prior to the 2008 revalue.

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

This neighborhood is adjacent to neighborhood 36-70 to the South (S Trenton St) and 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:

The neighborhood includes Rainier Valley between Columbia City and Rainier Beach, and commercial use is characterized by small, sole proprietorship businesses such as auto repair, convenience stores, nail shops and food service.

Neighborhood 36-70: Rainier Beach**Boundaries:**

This neighborhood lies between neighborhood 36-50 to the North and neighborhood 36-10 to the South, with East and West boundaries generally defined by Lake Washington and 51st Ave South, respectively.

Neighborhood Description:

Known as the Rainier Beach neighborhood, this area has been economically depressed in past years but continues to show signs of renewed market interest. A new retail complex has been developed for Safeway along with a Washington State Liquor Store; QFC finished a major grocery store remodel with Rite-Aid as a co-tenant. The former Lake Washington Shores housing project has been rebuilt, as well as the newly remodeled Rainier Beach Library. A new office building has been constructed and the McDonald's was reconstructed after fire damage. All signs indicate continued revitalization.

Neighborhood 36-80

Boundaries:

This neighborhood is triangularly shaped, and bordered by the I-5 Freeway to the W/SW, 51st Ave S to the East, and meanders through S Barton St on the North.

Neighborhood Description:

This area includes a small pocket of industrial properties not contiguous with other industrial areas, as it is somewhat isolated by I-5 and the Boeing Access Road. The area is predominantly owner-occupied, but is considered comparable to the broader South Seattle industrial market. Accordingly, the basis for valuation also includes South Park, South Seattle and Tukwila, which are considered similar and competing areas.

Neighborhood 36-90

Boundaries:

Occupying the Southeastern most portion of Area 36, the neighborhood lays east of the Duwamish River, with the Boeing Access Road on the North, and terminating at S 134th St.

Neighborhood Description:

This is an area of warehouses and industrial parks along the Duwamish River as it flows into Tukwila from South Park. The neighborhood includes newer industrial park type development as well as older industrial sites. The Intergate III High Tech Office/Industrial Park now occupies what was 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 128th St. Group Health also has corporate headquarters in this area which allows room for further expansion.

Physical Inspection Identification:

Neighborhood 36-40, or South Park, was physically inspected for this 2008 revalue report.

Preliminary Ratio Analysis

A Ratio Study was completed just prior to the application of the 2008 recommended values. This study benchmarks the current assessment level using 2007 posted values. The study was

also repeated after the application of the 2008 recommended values. The results are included in the validation section of this report, showing improvement in the Coefficient of Dispersion (COD) from 20.68% to 14.99%, the weighted mean level from 90.6% to 100.1%, and the price related differential from .93 to .98.

Scope of Data

Land Value Data:

Eighteen sales within the area which occurred between 2/1/05 through 8/31/07 were given primary consideration for land valuation. These specific sales indicated a range of \$6.71 to \$20.00 per square foot for industrial zoning and \$6.25 to \$60.54 for commercial zoning. A majority of vacant land sales occurred within neighborhood 36-40, and localized adjustments were applied to reflect this activity. From a more generalized perspective however, land values overall were considered to have increased for this Geo Area, based upon examination of historical and current sales activity within this and surrounding areas of similar land use. Land sales within Areas 35 (Duwamish Industrial District), 40 (Rainier Valley), 45 (West Seattle), and 70 (Tukwila) were also given consideration in support of general market strength. West Duwamish is considered primarily an owner-user market as opposed to an investor's market. Accordingly, it is predominantly use-driven as opposed to investment-driven. Useable area, expansion potential, contamination control, industrial zoning, as well as CBD proximity, are all factors that influence this market and impact corresponding valuation.

Improved Parcel Total Value Data:

Thirty five improved sales which occurred between 1/12/05 and 12/27/07 were given primary consideration for establishing total value estimates. Thirty five additional sales of condominium moorage slips and properties which reflect a change in use were included on the Improvement Sales List. These sales were not applied to the ratio analysis as they were not considered representative for this Geo Area for purposes of broad consideration in value placement.

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is 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 the real estate agent. Characteristic data is also 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. Additional information resides in the Assessor's procedure manual located in the Public Information area of the King County Administration Building.

Land Value

Land Sales, Analysis, Conclusions

As referenced above, useable area, utility (topography, wetland areas, ect.) expansion potential, contamination control and zoning were factors that influenced corresponding valuation. Proximity and location were also considered. Given the large geographical dispersion of this area, along with a wide range of land characteristics within the various neighborhoods, corresponding valuation applied may vary substantially.

Below are zoning breakdowns for land value applied within the eight neighborhoods of West Duwamish. Zoning has been grouped into similar use due to the large number of classifications within Seattle, Tukwila, and unincorporated King County.

Neighborhood 36-10

Land values within this neighborhood have shown more recent and substantial increases over previous levels due to broad market influences over the past several years. Consideration was also given to surrounding neighborhoods and areas in support of valuation applied. Comparative value in relation to competing neighborhoods, however, remains conservative.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
CB, CPB (1), CBSO	\$12.00 - \$18.00
NB (1), NC1-30 (1)	\$3.86 - \$18.00
R-6P, R-8 (1), R-8P (3), R-8PS0 (1)	\$16.00
R-12, R-18, R-24, R-24P (1)	\$10.00 - \$50.00
R-48	\$16.00 - \$25.00

Neighborhood 36-15

Land sales within this neighborhood are typically to the Port of Seattle, and are not considered reflective of market value because each transaction includes 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 considered reliable as market indications of value. The Port is also the only active participant in this market. Except for Todd Shipyards, Pendleton Flour Mills, a business park and some tank farms, Harbor Island is almost completely owned by the

Port. The land is comparable to the Duwamish Waterway in that industrial and shipping uses are similar. Large parcels prevail in this area and water frontage is typically required. Nearby waterway and water access sales in neighborhoods 36-40 and 36-20 and Area 35 are also considered for purposes of valuation.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
IG1-U/85	\$7.50 - \$17.00
IG2-U/85 , IG2-U/45 (1)	\$7.50 - \$17.00

Neighborhood 36-20

There were two sales within this neighborhood over the last three years. The cleanup of the Western shore of the Duwamish Waterway for the APL Terminal 5 development has created market interest and we continue to see more activity. Sales from surrounding neighborhoods with industrial use were also considered for purposes of valuation.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
IB U/85	\$8.00 - \$18.00
IG1 U/65(2), IG1 U/85, IG2 U/85	\$6.00 - \$18.00
L-1 (1)	\$16.00
SF 5000 (1), SF 7200– SF 9600 (1)	\$1.00 - \$15.00

Neighborhood 36-40

Neighborhood 40 had six land sales, and includes both South Park industrial and commercial areas. Values tend to be higher towards the north due to proximity to the Seattle CBD.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C1/40 (3), C2/40, C2/65	\$16.00 - \$18.00
NC2/40, NC3/40	\$20.00
I, IB U/45, IB U/85	\$4.80 - \$20.00
IG1 U/65, IG2 U/65, IG1 U/85, IG2 U/85 (2)	\$4.75 - \$18.00
MIC/H	\$8.00 - \$16.00
L-1 (1), L-2, L-2RC (2), L-3	\$10.00 - \$20.00
R-18, RB	\$10.00 - \$20.00
SF 5000, SF 7200	\$1.50 - \$20.00

Neighborhood 36-50

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C1-40, NC1-30	\$25.00 - \$40.00
NC2/R-40 (1), NC2-30 (1), NC2-40	\$20.00 - \$50.00
NC3-40, NC3-65	\$35.00 - \$50.00
L-1, L-2 , L-3, L-3RC, L-4, L-4RC (1)	\$20.00 - \$45.00
SF 5000, SF 7200 (3), SF 9600 (1)	\$40.00

Neighborhood 36-70

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C1-30 (3), C1-40, C1-65	\$25.00 - \$35.00
NC1-30, NC1-40	\$25.00 - \$35.00
NC2-30, NC2-40	\$25.00 - \$35.00
NC3-40	\$14.00 - \$40.00
L-1, L-2 (3), L-3, MR	\$35.00 - \$40.00
R6P (1), SF 5000, SF 7200, 9600 (1)	\$10.00 - \$40.00

Neighborhood 36-80

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
LI (3), C/LI (1), C2-65, RCC (2)	\$6.00 - \$18.00
IB U/65 (1), IG2 U/65, IG2 U/85	\$6.00 - \$18.00
MIC/H	\$1.00 - \$18.00
HDR	\$20.00 - \$40.00
LDR (1)	\$15.00
SF5000 – 7200	\$6.00 - \$15.00

Neighborhoods 36-50, 36-70, and 36-80 continue to see activity resulting from the Central Puget Sound Regional Transit Authority as construction progresses on the light rail system. Land valuation within these neighborhoods continues to be adjusted upward reflecting general market activity; however, no specific adjustment has been applied along the construction corridor to reflect developmental impact either positively or negatively, as no clear market indication appears evident at this time.

Neighborhood 36-90

Two sales occurred in neighborhood 90 with MIC/L-H (Manufacturing Industrial Center/Light-Heavy) zoning. The area has a high-end industrial park with class “A” office space, a newly refurbished high tech park, a newly constructed Group Health Campus, and recent construction of DSHS and Federal Homeland Security office buildings. All are a reflection of continued market interest in support of development within relatively close proximity to the Seattle CBD.

Zoning	\$ Per Sq Ft Range or \$ Per Sq Ft
C/LI, NCC (1), RCC (2)	\$14.00 - \$25.00
MIC/H, MIC/L, HI (1)	\$8.00 - \$20.00
LDR, MDR (1), R-18	\$6.00 - \$25.00

Land Value Comparisons and Recommended Conclusion:

The total assessed land value in Area 36 for the 2007 assessment year was \$1,298,458,137. The 2008 total recommended assessed land value is \$1,917,343,500. Application of these recommended values for the 2008 assessment year results in an overall increase of 47.66%.

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

Improved Parcel Total Sales

Sales comparison approach model description

Generally speaking, this geographic area is comprised predominantly of owner-occupied warehouses. These warehouses are used in distribution, light manufacturing, storage, shop area and open office space. A Land to Building Ratio of 2:1 is applied in approximately 16% of these improved properties as a guideline, which maximizes highest and best use for this type of property as reflected by the market. Age and utility are a major 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.

Between January 1 of 2005 and December 31 of 2007, sales ranged from \$61 to \$220 per sq. ft. for warehouse types, \$125 to \$145 per sq. ft. for office buildings and \$91 to \$454 per sq. ft. for retail. At the low end were 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 that offer greater utility, efficiency, quality of construction and appearance to the market. The retail and office markets are not of great significance in neighborhoods 15, 20, 40 and 80, as they tend to be secondary and in support of warehouse type uses. The retail areas, Neighborhoods 10, 50 and 70, tend to be older construction with minimal updating. The vast majority of the businesses are small sole proprietorships with a scarcity of national chains. There are many single-street, three to six block long retail areas, in South Park, Rainier Beach and Skyway. These areas tend towards relatively higher vacancy and lower rents due to the absence of primary retail activity, and offer a more limited mix of products and services to the customer base. Neighborhoods 50, 70, 80, and 90 are also impacted by Light Rail construction as referenced above (See comments under Land 36-80). For properties along this construction corridor, allocation of value was applied emphasizing the Market Approach, as it was considered a more reliable indication of value relative to Income or Cost, and a more direct reflection of the market's anticipation of future benefits.

Sales in neighborhoods 36-40 (19), and 36-50 and 36-40 (six each) were the most numerous. Sales within the other neighborhoods were not representative of all property types. Sales were used in support of income, cost and market approaches to value.

Sales Comparison Calibration

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established via an analysis of sales within each neighborhood. Neighborhoods were treated independent of one another as dictated by the market.

Individual prices were applied based on various characteristics deemed appropriate by each market. Specific variables and prices for each neighborhood are discussed in more detail above.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift 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. 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 additional support to the other approaches to value.

Cost calibration

The Marshall & Swift cost modeling system built in to the Real Property Application is calibrated to the region and the Seattle area.

Income capitalization approach model description

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

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

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

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

Capitalization Rates: Capitalization rates were determined by local published market surveys, such as CoStar, Real Estate Analytics, The American Council of Insurance Adjustors, Colliers International, Integra Realty Resources, and Korpaz. Other national reports include; Grubb & Ellis Capital Mkt. Update, Emerging Trends in Real Estate, Urban Land Institute, and Cushman & Wakefield – 16th Annual Real Estate Trends. The

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

Cap rate summary of various published sources:

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

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

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

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

Income approach calibration

Approximately 16% of the improved properties required an excess land calculation above a 2:1 land to building ratio. The income model assumes a land to building ratio based on the market. The calculation is performed by calculating the income value, then taking all land area in excess of the ratio valued at the market rate, and adding it to the total value.

The predominant property type is warehouse, which includes distribution, 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. Rents range typically from \$3.50/sq ft for poor quality, to \$7.00/sq ft for average to good quality buildings of all ages. 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 for these properties also reflect investment risk, being higher for older, poorer quality buildings (7.25%) and lower for newer, better quality (6.00%).

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 unreliable.

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.

Neighborhoods 10, 15, 20, 50, 70, 80, and 90

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

Office - Buildings, medical, dental and mixed use.

Annual Rate Range	Rental Per RSF	Vacancy Range	Rate	Expense Range	Rate	OAR Range
\$6.00 to \$25.00		5.00% to 7.50%		7.50%		6.00% to 7.75%

Apartments – Basement residential, residential, multiple residences, group care homes, apartment use among mixed use buildings.

Annual Rental Rate Per RSF	Vacancy Rate	Expense Rate	OAR Range
\$14.00 to \$18.00 Gross Rents	5.00% to 7.00%	25.00 % to 30.00%	6.25% to 7.75%

Industrial Buildings - (engineering, flex, light and heavy manufacturing), warehouse buildings (storage, distribution, 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
\$4.25 to \$10.00	5.00% - 7.00%	7.50%	5.00% to 7.25%

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

Annual Rental Rate Per RSF	Vacancy Rate	Expense Rate	OAR Range
\$6.00 to \$24.00	5.00% to 7.00%	7.50%	6.00% to 8.50%

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

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 market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied vary somewhat but fall within an acceptable range of variation from the established guideline. Final value selects were reviewed by the Senior Appraiser before posting. With application of the recommended values, the standard statistical measures for valuation performance were considered to be slightly improved.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value 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 particular characteristics and conditions as they occur in the valuation area.

With application of the total Value Model described above, results indicate an increase in equity among properties, as evidenced by movement of the COD from 20.68% to 14.99%, the weighted mean level from 90.6% to 100.1%. As an additional measure of uniformity, the price related differential improved from .93 to .98. Although the ratio study may appear somewhat aggressive, the market has been in a rapidly rising mode during this period, and the resulting ratios for the older sales tend to be skewed to values over 1 due to significant appreciation. The indicators, however, do fall within ratio study performance standards for income properties within larger urban jurisdictions, as recommended by the IAAO.

The total assessed value for Area 36 for the 2007 assessment year was \$2,255,033,857. Recommended values for the 2008 assessment year total \$2,977,851,400. Application of these recommended values for the 2008 assessment year results in an increase from the 2007 assessment of 32.05% for all of Area 36.

This increase is due to an increase in recent market activity and the land values also went up approx. 50%. In as much as the Cost Approach was commonly applied to many large parcels (and others) in this area, the land component would tend to have a more dramatic influence on overall property values applied. Port properties (all of Harbor Island, and a major portion of neighborhood 036-020), including terminals, have very large site areas and have been valued with the Cost Approach. West Duwamish also has many industrial properties with excess or surplus land, which impacts both the Income and Market approaches applied to the respective parcels. Finally, land/site values have increased significantly in the non-industrial Rainier Valley (036-050,036-070) along the MLKing and Rainier corridor as retail and residential/multifamily build out continue, particularly along the Light Rail line. For the first time, land values are now approaching, and in many parcels surpassing property value, causing older improvements to be obsolesced in favor of site value.

Area 036 - WEST DUWAMISH
2007 Assessment Year

Quadrant/Crew:		Lien Date:		Date:		Sales Dates:	
Central Crew		1/1/2007		3/27/2008		1/12/05 - 12/27/07	
Area		Appr ID:		Prop Type:		Trend used?: Y / N	
36		BZEL		Improvement		N	
SAMPLE STATISTICS							
Sample size (n)		35					
Mean Assessed Value		1,736,800					
Mean Sales Price		1,917,600					
Standard Deviation AV		2,235,666					
Standard Deviation SP		2,153,708					
ASSESSMENT LEVEL							
Arithmetic mean ratio		0.841					
Median Ratio		0.880					
Weighted Mean Ratio		0.906					
UNIFORMITY							
Lowest ratio		0.4129					
Highest ratio:		1.1923					
Coefficient of Dispersion		20.68%					
Standard Deviation		0.2249					
Coefficient of Variation		26.74%					
Price-related Differential		0.93					
RELIABILITY							
95% Confidence: Median							
Lower limit		0.746					
Upper limit		0.954					
95% Confidence: Mean							
Lower limit		0.767					
Upper limit		0.916					
SAMPLE SIZE EVALUATION							
N (population size)		740					
B (acceptable error - in decimal)		0.05					
S (estimated from this sample)		0.2249					
Recommended minimum:		73					
Actual sample size:		35					
Conclusion:							
NORMALITY							
Binomial Test							
# ratios below mean:		15					
# ratios above mean:		20					
z:		0.676123404					
Conclusion:		Normal*					
*i.e., no evidence of non-normality							

Ratio Frequency

Ratio Range	Frequency
0.0 - 0.1	0
0.1 - 0.2	0
0.2 - 0.3	0
0.3 - 0.4	0
0.4 - 0.5	0
0.5 - 0.6	2
0.6 - 0.7	5
0.7 - 0.8	2
0.8 - 0.9	5
0.9 - 1.0	5
1.0 - 1.1	8
1.1 - 1.2	3
1.2 - 1.3	5
1.3 - 1.4	0

These figures reflect measurements before posting new values. The number of sales occurring in the last three years is too few to provide statistically reliable results.

Area 036 - WEST DUWAMISH
2008 Assessment Year

Quadrant/Crew:		Lien Date:		Date:		Sales Dates:	
Central Crew		1/1/2008		3/27/2008		1/12/05 - 12/27/07	
Area		Appr ID:		Prop Type:		Trend used?: Y / N	
36		BZEL		Improvement		N	
SAMPLE STATISTICS							
Sample size (n)		35					
Mean Assessed Value		1,919,300					
Mean Sales Price		1,917,600					
Standard Deviation AV		2,284,467					
Standard Deviation SP		2,153,708					
ASSESSMENT LEVEL							
Arithmetic mean ratio		0.979					
Median Ratio		0.972					
Weighted Mean Ratio		1.001					
UNIFORMITY							
Lowest ratio		0.6980					
Highest ratio:		1.3969					
Coefficient of Dispersion		14.99%					
Standard Deviation		0.1756					
Coefficient of Variation		17.94%					
Price-related Differential		0.98					
RELIABILITY							
95% Confidence: Median							
Lower limit		0.895					
Upper limit		1.075					
95% Confidence: Mean							
Lower limit		0.921					
Upper limit		1.037					
SAMPLE SIZE EVALUATION							
N (population size)		740					
B (acceptable error - in decimal)		0.05					
S (estimated from this sample)		0.1756					
Recommended minimum:		46					
Actual sample size:		35					
Conclusion:							
NORMALITY							
Binomial Test							
# ratios below mean:		18					
# ratios above mean:		17					
z:		0					
Conclusion:		Normal*					
*i.e., no evidence of non-normality							

Ratio Frequency

Ratio Bin	Frequency
0.7 - 0.8	1
0.8 - 0.9	5
0.9 - 1.0	6
1.0 - 1.1	7
1.1 - 1.2	7
1.2 - 1.3	5
1.3 - 1.4	3
1.4 - 1.5	1

These figures reflect measurements after posting new values. The number of sales occurring in the last three years are too few to provide statistically reliable results.

Improvement Sales for Area 036 with Sales Used

04/02/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	010	023100	0025	7,500	2327146	\$740,000	12/27/07	\$98.67	DRAGON EMPORIUM	CBSO	1	Y	
036	010	758020	0165	3,920	2112485	\$490,000	03/31/05	\$125.00	DENTAL CLINIC	CBSO	1	Y	
036	020	284020	0490	4,032	2138013	\$430,000	07/07/05	\$106.65	INDUSTRIAL SHOP	SF 7200	1	Y	
036	020	302404	9169	6,000	2325692	\$1,350,000	12/05/07	\$225.00	TRANSMITTER BLDG	IG2 U/8	1	Y	
036	020	536720	2506	80,000	2211871	\$11,650,000	06/02/06	\$145.63	FOSS ENVIRONMENTAL	IG1 U/8	4	Y	
036	020	543930	0004	17,442	2206742	\$1,495,000	05/09/06	\$85.71	AL BOLSTER TIRES	IG2 U/8	4	Y	
036	020	754730	0667	10,178	2195245	\$1,150,000	03/24/06	\$112.99	PACIFIC RIM DIESEL, INC.	IG2 U/8	2	Y	
036	020	766670	3895	5,556	2275343	\$1,200,000	03/29/07	\$215.98	ANDERSON DESIGN AND CONST.	IB U/85	3	Y	
036	040	000160	0055	62,000	2274701	\$4,100,000	03/29/07	\$66.13	PRECISION ENGINEERING INC	I	1	Y	
036	040	164670	0010	57,800	2318027	\$5,400,000	10/31/07	\$93.43	WAREHOUSE	I	1	Y	
036	040	218500	1270	7,000	2172107	\$544,000	11/08/05	\$77.71	WAREHOUSE	RB	1	Y	
036	040	292404	9094	16,704	2223828	\$1,805,000	07/17/06	\$108.06	PACIFIC PLUMBING SUPPLY	IG2 U/6	2	Y	
036	040	302404	9158	7,600	2325608	\$2,400,000	12/11/07	\$315.79	MEYER BROS ROOFING INC	IB U/85	1	Y	
036	040	312404	9001	42,900	2133069	\$3,150,000	06/21/05	\$73.43	RECYCLE AMERICA	IG2 U/8	1	Y	
036	040	322404	9077	17,000	2122664	\$1,050,000	05/10/05	\$61.76	FORMULA CORP	IG2 U/6	1	Y	
036	040	538860	0041	31,604	2095810	\$1,950,000	01/12/05	\$61.70	HEARTWOOD	IG2 U/6	1	Y	
036	040	562420	0210	42,240	2273073	\$3,500,000	03/23/07	\$82.86	WESTERN UNITED	I	1	Y	
036	040	562420	0371	29,040	2149844	\$4,050,000	08/25/05	\$139.46	DOMINICS PLAZA	RB	1	Y	
036	040	732790	0720	3,600	2182465	\$470,000	01/19/06	\$130.56	ARTIST'S STUDIO	IB U/45	1	Y	
036	040	732790	1805	9,280	2262490	\$1,050,000	01/26/07	\$113.15	BROWN ENG CO	IG2 U/6	1	Y	
036	040	732790	1825	17,072	2183940	\$1,200,000	01/30/06	\$70.29	TIERNEY ELECTRIC MFG	IG2 U/6	1	Y	
036	040	732790	6375	6,112	2187685	\$819,000	02/21/06	\$134.00	OPPENHEIMER CINE	IG2 U/6	1	Y	
036	040	781950	0010	21,045	2206302	\$2,191,250	05/11/06	\$104.12	SMITH BERGER-SOUND PROPELLER	IG2 U/6	1	26	Imp changed after sale; not in ratio
036	040	788360	3160	9,600	2101608	\$688,000	02/15/05	\$71.67	BFC ARCHITECTURAL METALS	IB U/45	1	Y	
036	040	788360	8511	7,387	2135624	\$1,200,000	06/29/05	\$162.45	SOUTH PARK FOOD CENTER	C2-40	1	Y	
036	040	788360	8608	2,520	2279229	\$483,000	04/16/07	\$191.67	WAREHOUSE	C2-65	1	26	Imp changed after sale; not in ratio
036	040	788360	8714	1,924	2237338	\$425,000	09/14/06	\$220.89	SERVICE BLDG	NC3-40	1	Y	
036	050	110500	0357	2,176	2239894	\$365,000	09/26/06	\$167.74	RAINIER MINI-MART	L-3	1	Y	
036	050	110500	0535	1,296	2193731	\$615,000	03/20/06	\$474.54	BRIGHTON BEACH AUTO BODY	NC3-40	1	26	Imp changed after sale; not in ratio
036	050	110800	0310	1,870	2313763	\$700,000	09/26/07	\$374.33	MIXED USE RESTAURANT W/MULTI-FAI	NC3-40	1	Y	
036	050	144350	0430	2,013	2226159	\$400,000	07/25/06	\$198.71	TAVERN	NC2-40	1	Y	
036	050	333300	2651	6,365	2125763	\$745,000	05/24/05	\$117.05	STRIP RETAIL	C1-40	1	Y	
036	050	342404	9052	3,108	2321302	\$775,000	10/26/07	\$249.36	ROSE STREET AUTO REPAIR	NC2-40	1	Y	
036	070	212470	0175	4,184	2234295	\$529,000	08/28/06	\$126.43	HUDSON ELECTRICAL CONTR	NC3-40	1	Y	

Improvement Sales for Area 036 with Sales Used

04/02/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	080	032304	9025	49,680	2141237	\$3,475,000	07/25/05	\$69.95	STONEWAY CARTON CO	IG2 U/6	1	Y	
036	090	000300	0110	5,766	2281886	\$2,619,565	04/30/07	\$454.31	STRIP RETAIL	C/LI	1	Y	
036	090	032304	9198	10,392	2135003	\$1,200,000	06/21/05	\$115.47	PIONEER INDUSTRIES	MIC/H	1	Y	
036	090	102304	9076	28,403	2216406	\$4,000,000	06/20/06	\$140.83	GATEWAY NORTH BUILDING 10	MIC/L	1	Y	
036	090	261320	0046	0	2141052	\$341,666	07/21/05	\$149.53	SFR	C/LI	1	34	Use-change after sale; not in ratio
036	070	666780	0010	50 LF	2275160	\$62,000	03/29/07	\$1,240	Parkshore Marina 50' Covered	NC2-30	1	Y	
036	070	666780	0020	50 LF	2265426	\$68,000	02/05/07	\$1,360	Parkshore Marina 50' Covered	NC2-30	1	Y	
036	070	666780	0060	50 LF	2274712	\$60,000	03/28/07	\$1,200	Parkshore Marina 50' Uncovered	NC2-30	1	Y	
036	070	666780	0070	50 LF	2107297	\$48,000	02/23/05	\$960	Parkshore Marina 50' Uncovered	NC2-30	1	Y	
036	070	666780	0330	50 LF	2196169	\$47,150	03/23/06	\$943	Parkshore Marina 50' Uncovered	NC2-30	1	Y	
036	070	666780	1090	45 LF	2196289	\$65,000	03/15/06	\$1,444	Parkshore Marina 45' Covered	NC2-30	1	Y	
036	070	666780	0210	40 LF	2177491	\$42,500	12/21/05	\$1,063	Parkshore Marina 40' Uncovered	NC2-30	1	Y	
036	070	666780	1150	40 LF	2195299	\$40,000	03/03/06	\$1,000	Parkshore Marina 40' Uncovered	NC2-30	1	Y	
036	070	666780	1660	40 LF	2232079	\$39,500	08/23/06	\$988	Parkshore Marina 40' Uncovered	NC2-30	1	Y	
036	070	666780	1710	40 LF	2168622	\$38,000	11/09/05	\$950	Parkshore Marina 40' Uncovered	NC2-30	1	Y	
036	070	666780	1780	40 LF	2258100	\$65,000	12/21/06	\$1,625	Parkshore Marina 40' Uncovered	NC2-30	1	Y	
036	070	666780	1780	40 LF	2300734	\$67,500	07/24/07	\$1,688	Parkshore Marina 40' Uncovered	NC2-30	1	Y	
036	070	666780	1030	36 LF	2210847	\$37,000	05/24/06	\$1,028	Parkshore Marina 36' Covered	NC2-30	1	Y	
036	070	666780	0860	35 LF	2225806	\$53,500	07/27/06	\$1,529	Parkshore Marina 35' Covered	NC2-30	1	Y	
036	070	666780	0450	30 LF	2136205	\$26,000	06/28/05	\$867	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	0540	30 LF	2137354	\$26,000	07/05/05	\$867	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	0560	30 LF	2194867	\$30,000	03/08/06	\$1,000	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	0570	30 LF	2179092	\$29,000	12/27/05	\$967	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1250	30 LF	2233886	\$26,000	08/16/06	\$867	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1250	30 LF	2322959	\$47,500	11/26/07	\$1,583	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1280	30 LF	2212325	\$25,300	05/19/06	\$843	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1290	30 LF	2168623	\$28,900	11/09/05	\$963	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1300	30 LF	2308544	\$45,000	08/29/07	\$1,500	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1350	30 LF	2261299	\$35,000	01/12/07	\$1,167	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1470	30 LF	2291290	\$47,500	06/13/07	\$1,583	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1470	30 LF	2120589	\$28,500	04/28/05	\$950	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1570	30 LF	2230215	\$26,000	08/16/06	\$867	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1590	30 LF	2120848	\$22,500	05/04/05	\$750	Parkshore Marina 30' Uncovered	NC2-30	1	Y	
036	070	666780	1380	26 LF	2190697	\$25,000	03/01/06	\$962	Parkshore Marina 26' Uncovered	NC2-30	1	Y	

Improvement Sales for Area 036 with Sales Used

04/02/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	070	666780	1390	26 LF	2226118	\$26,000	07/27/06	\$1,000	Parkshore Marina 26' Uncovered	NC2-30	1	Y	
036	070	666780	1410	26 LF	2165091	\$24,000	10/17/05	\$923	Parkshore Marina 26' Uncovered	NC2-30	1	Y	
Condominium Moorage Slip Sales not included in Ratio Analysis													

Improvement Sales for Area 036 with Sales not Used

01/15/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	010	000140	0029	4,320	2105146	\$480,000	02/24/05	\$111.11	FAMILIES FIRST	R24	1	15	No market exposure
036	010	023100	0011	25,050	2192550	\$900,000	03/10/06	\$35.93	SKYWAY FOODS	CBSO	1	3	Contract or cash sale
036	010	023100	0022	4,161	2250466	\$310,000	11/14/06	\$74.50	RETAIL	CBSO	1	15	No market exposure
036	010	023200	0035	5,050	2143594	\$345,000	07/29/05	\$68.32	OFFICE & SHOP	CBSO	1	3	Contract or cash sale
036	010	122304	9007	1,560	2178549	\$441,312	12/21/05	\$282.89	76 SERVICE STATION	CBSO	1	1	Personal property included
036	020	766670	3920	16,963	2157889	\$10,000	09/27/05	\$0.59	FRASER BOILER SERVICE	IG2 U/8	1	18	Quit claim deed
036	020	798740	0100	672	2274031	\$350,000	03/23/07	\$520.83	RETAIL	IG2 U/8	1	57	Selling or buying costs affecting sale
036	040	218500	0860	1,344	2125622	\$100,800	05/19/05	\$75.00	GARAGE	RB	1	18	Quit claim deed
036	040	243320	0215	56,533	2174512	\$3,600,000	12/06/05	\$63.68	PUGET SOUND COATINGS	IG2 U/6	2	15	No market exposure
036	040	243370	0226	15,000	2312703	\$1,330,346	09/15/07	\$88.69	SEATTLE REFRIGERATION + MFG C	IB U/45	1	15	No market exposure
036	040	292404	9104	550	2184123	\$1,950,000	01/31/06	\$3,545.45	B & G AUTO WRECKING	IG2 U/6	1	15	No market exposure
036	040	302404	9181	3,300	2189053	\$1,660,000	02/24/06	\$503.03	GAS STATION AND MINI MART	IG2 U/8	1	1	Personal property included
036	040	322404	9030	9,798	2131664	\$2,043,835	06/17/05	\$208.60	SEATTLE HOUSING AUTHORITY	I	1	16	Government agency
036	040	562420	0097	2,112	2178569	\$825,000	12/28/05	\$390.63	AM/PM MINI MART	I	1	1	Personal property included
036	040	562420	0130	13,280	2159451	\$2,000,000	09/30/05	\$150.60	SAFWAY SCAFFOLD	I	1	46	Non-representative sale
036	040	732790	2255	3,600	2268307	\$369,043	02/28/07	\$102.51	SOUTH PARK INDUSTRIAL SVCS	IG2 U/6	1	36	Plottage
036	040	732790	2500	3,376	2163003	\$257,100	09/26/05	\$76.16	SILVER BAY LOGGING	IG2 U/6	1	11	Corporate affiliates
036	040	732790	5855	1,872	2193517	\$250,000	03/20/06	\$133.55	VERSITILE DRILLING	IG1 U/6	1	15	No market exposure
036	040	732840	0445	5,320	2145364	\$600,000	08/01/05	\$112.78	CUSTOM ROOFING	IG2 U/6	1	7	Questionable per sales identification
036	040	788360	7840	886	2266056	\$195,000	01/30/07	\$220.09	KELLY'S TAVERN	NC3-40	1	3	Contract or cash sale
036	040	788360	7841	3,618	2239180	\$500,000	09/25/06	\$138.20	STORAGE BUILDING	NC3-40	1	17	Non-profit organization
036	040	788360	8711	680	2274055	\$266,000	03/26/07	\$391.18	BUENA VISTA TRAVEL	NC3-40	1	36	Plottage
036	050	110500	0520	2,584	2100443	\$40,000	02/06/05	\$15.48	LUCKY 1 C-STORE	NC3-40	1	1	Personal property included
036	050	144350	0045	2,160	2245887	\$560,000	10/23/06	\$259.26	TOMMY'S	L-3 RC	1	51	Related party, friend, or neighbor
036	050	212370	0014	21,509	2203241	\$2,500,000	04/24/06	\$116.23	DUNLAP BAPTIST CHURCH	SF 5000	1	17	Non-profit organization
036	050	212370	0050	380	2232066	\$277,500	08/22/06	\$730.26	BARBER SHOP & RESIDENCE	NC2-40	1	3	Contract or cash sale
036	050	272404	9102	3,120	2208813	\$150,000	05/11/06	\$48.08	AUTO REPAIR SHOP	NC3-40	1	22	Partial interest (1/3, 1/2, etc.)
036	050	333300	2651	6,365	2298538	\$750,000	07/12/07	\$117.83	STRIP RETAIL	C1-40	1	51	Related party, friend, or neighbor
036	050	333300	2890	57,816	2186534	\$5,000	01/30/06	\$0.09	KING PLAZA II	NC3-65	1	33	Lease or lease-hold
036	050	352404	9114	3,200	2287477	\$615,000	05/23/07	\$192.19	GREATER VICTORIOUS CHURCH	NC2-40	1	17	Non-profit organization
036	050	352404	9133	30,422	2278180	\$2,300,000	04/12/07	\$75.60	ALL COVENANT CHURCH	SF 5000	1	17	Non-profit organization
036	050	381240	0123	2,948	2228103	\$322,000	07/28/06	\$109.23	CHURCH	SF 5000	1	17	Non-profit organization
036	050	733840	1040	3,280	2118043	\$290,000	04/11/05	\$88.41	ALOHA MARKET	NC1-30	1	15	No market exposure
036	070	212470	0269	2,420	2319356	\$180,000	10/22/07	\$74.38	VFW LODGE #6599	C1-65	1	15	No market exposure

Improvement Sales for Area 036 with Sales not Used

01/15/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	070	666780	0710	26	2126933	\$25,000	05/18/05	\$961.23	PARKSHORE MARINA CONDOMINIUM	NC2-30	1	3	Contract or cash sale
036	070	666780	1170	40	2185705	\$42,500	02/09/06	\$1,050.00	PARKSHORE MARINA CONDOMINIUM	NC2-30	1	18	Quit claim deed
036	070	712930	4745	9,828	2292842	\$1,330,000	06/19/07	\$135.33	RAINIER BEACH PLAZA	NC2-40	1	13	Bankruptcy - receiver or trustee
036	080	032304	9241	30,004	2215817	\$3,000,000	06/13/06	\$99.99	BAKEMARK	IG2 U/6	1	15	No market exposure
036	080	547680	0181	2,613	2098978	\$380,000	01/28/05	\$145.43	BOB'S MARKET	RCC	1	51	Related party, friend, or neighbor
036	090	042304	9014	20,630	2327032	\$4,000,000	12/15/07	\$193.89	HORIZON FORD	MIC/H	2	15	No market exposure
036	090	042304	9073	4,800	2278175	\$90,000	04/03/07	\$18.75	PAMCO CONSTRUCTION	MIC/H	1	18	Quit claim deed
036	090	102304	9011	41,000	2191624	\$6,410,265	03/06/06	\$156.35	VULCAN	MIC/L	1	4	Presale
036	090	261660	0071	7,500	2135980	\$60,000	06/27/05	\$8.00	A & E MACHINE INC	C/LI	1	15	No market exposure
036	090	734060	0480	474,113	2223891	\$47,500,000	07/20/06	\$100.19	GROUP HEALTH OPERATIONS CENTER	MIC/L	1	33	Lease or lease-hold
036	090	734560	0766	6,028	2119553	\$875,000	04/05/05	\$145.16	BECKER TRANSFER	NCC	2	46	Non-representative sale

Vacant Sales for Area 036 with Sales Used

01/02/2008

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	010	112304	9095	119,141	2273388	\$950,000	03/20/07	\$7.97	VACANT	NB	3	34	Use-change after sale
036	010	142304	9006	78,843	2192362	\$215,000	03/01/06	\$2.73	VACANT LAND	R24	1	Y	
036	010	217200	0571	37,428	2099675	\$299,000	02/01/05	\$7.99	VACANT LAND	R24	1	34	Use-change after sale
036	020	192404	9049	29,747	2100577	\$375,000	02/04/05	\$12.61	SINGLE FAMILY	IG2 U/8	1	34	Use-change after sale
036	020	754730	0545	7,000	2125313	\$47,000	05/10/05	\$6.71	VACANT	IB U/85	1	Y	
036	040	312404	9148	88,449	2146782	\$95,375	08/12/05	\$1.08	VACANT	SF 7200	3	34	Use-change after sale
036	040	322404	9056	92,347	2302169	\$1,600,000	07/30/07	\$17.33	VACANT LAND	I	1	Y	
036	040	562420	0270	400,755	2104429	\$4,000,000	02/28/05	\$9.98	PSC STORAGE YARD	I	3	Y	
036	040	732790	6860	15,000	2250235	\$300,000	11/15/06	\$20.00	Vacant Commercial	IG2 U/6	1	Y	
036	040	788360	0680	9,000	2238126	\$340,000	09/12/06	\$37.78	VACANT MULTI-FAMILY	L-3	2	34	Use-change after sale
036	040	788360	7885	6,000	2238948	\$115,000	09/22/06	\$19.17	VACANT LAND	L-2 RC	1	Y	
036	040	788410	0500	4,000	2110143	\$70,000	03/16/05	\$17.50	VACANT COMMERCIAL	IB U/45	1	Y	
036	040	788410	0581	12,527	2308944	\$210,000	08/31/07	\$16.76	Vacant Commercial	C1-40	1	Y	
036	050	880000	0035	74,326	2267860	\$4,500,000	02/06/07	\$60.54	The Citadel	NC3-65	1	Y	
036	070	334840	1470	37,420	2211569	\$550,000	05/31/06	\$14.70	VACANT APT SHELL	SF 9600	5	34	Use-change after sale
036	080	032304	9103	135,907	2198208	\$850,000	04/04/06	\$6.25	MOBIL HOME PARK	C2-65	1	34	Use-change after sale
036	090	102304	9072	12,000	2256658	\$158,200	12/12/06	\$13.18	VACANT LAND	MIC/L	2	Y	
036	090	734560	0095	193,988	2131518	\$2,550,000	06/14/05	\$13.15	VACANT LAND	MIC/H	3	Y	

Vacant Sales for Area 036 with Sales not Used

01/02/2008

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
036	010	000140	0037	112,442	2112420	\$125,000	03/30/05	\$1.11	VACANT	R24	1	36	Plottage
036	010	023100	0040	16,182	2212414	\$55,000	06/01/06	\$3.40	Vacant Commercial	CBSO	1	18	Quit claim deed
036	010	781280	1986	195,125	2250467	\$20,000	11/14/06	\$0.10	VACANT	R6P	3	15	No market exposure
036	020	182404	9018	128,755	2294420	\$3,100,000	06/20/07	\$24.08	WACO Scaffolding Storage Yard	IG1 U/8	1	36	Plottage
036	020	192404	9004	1,207,186	2254626	\$4,000	11/15/06	\$0.00	WA. Fed. Vacant Land	SF 7200	1	18	Quit claim deed
036	020	284020	1235	3,506	2218155	\$49,872	06/07/06	\$14.22	VACANT	IG1 U/8	1	16	Government agency
036	020	754730	0545	7,000	2251910	\$93,000	11/21/06	\$13.29	Vacant Commercial	IB U/85	1	36	Plottage
036	020	796660	0067	2,500	2106361	\$77,000	02/28/05	\$30.80	VACANT MULTI-FAMILY	L-1	1	15	No market exposure
036	020	796660	0069	2,500	2106519	\$77,000	02/28/05	\$30.80	VACANT MULT-FAMILY	L-1	1	15	No market exposure
036	040	218500	1075	10,193	2149408	\$292,000	08/24/05	\$28.65	Vacant Land	RB	2	18	Quit claim deed
036	040	322404	9103	29,751	2259427	\$25,000	12/13/06	\$0.84	Vacant Industrial	I	1	18	Quit claim deed
036	040	562420	0511	7,500	2109251	\$35,000	03/11/05	\$4.67	VACANT LAND	R18	1	15	No market exposure
036	040	732790	6645	24,869	2202760	\$221,612	04/24/06	\$8.91	HURLEN CONSTRUCTION	IG1 U/6	1	18	Quit claim deed
036	040	732840	1355	15,000	2299629	\$327,500	07/16/07	\$21.83	BLAKLEY ENGINEERING	IG2 U/6	1	36	Plottage
036	050	166250	0009	5,722	2181810	\$237,500	01/11/06	\$41.51	VACANT LAND	L-3	1	16	Government agency
036	050	272404	9015	5,200	2278159	\$485,000	04/13/07	\$93.27	VACANT COMMERCIAL	NC3-65	1	16	Government agency
036	050	333650	0006	39,678	2317548	\$1,400,000	10/23/07	\$35.28	Vacant	NC2-40	7	17	Non-profit organization
036	050	941290	0011	52,917	2102935	\$800,400	02/16/05	\$15.13	VACANT MULTI FAMILY	L-3	6	11	Corporate affiliates
036	070	807000	0065	5,076	2156665	\$200,000	09/14/05	\$39.40	VACANT	NC1-40	1	3	Contract or cash sale
036	090	261320	0045	102,366	2201520	\$750,000	04/11/06	\$7.33	VACANT LAND	C/LI	1	16	Government agency