

**Commercial Revalue**

**2013 Assessment roll**

**AREA**  
**10**

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

**Lloyd Hara, Assessor**



## King County

Department of Assessments  
Accounting Division

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**Lloyd Hara**  
**Assessor**

Dear Property Owners:

Property assessments for the 2013 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2013 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

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

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

Sincerely,

Lloyd Hara  
Assessor

# Commercial Area 10

Cities of Shoreline, Kenmore, Lake Forest Park, and Portions of Seattle  
(Northgate, Lake City, Maple Leaf, Pinehurst)



# Executive Summary Report

**Appraisal Date 1/1/13**

## Geographic Appraisal Area

- Area 10: Cities of Shoreline, Kenmore, Lake Forest Park, and Portions of Seattle (Northgate, Lake City, Maple Leaf, Pinehurst)
- Number of Parcels, Excluding Specialties: 1,473

## Geographic Area Appraiser

## Sales – Improved Analysis Summary / Ratio Study

- Number of Sales: 24
- Range of Sales Dates: 03/2010 - 12/2012

<i>Sales – Improved Valuation Ratio Study Summary:</i>				
	<i>Mean Assessed Value</i>	<i>Mean Sale Price</i>	<i>Ratio</i>	<i>COD*</i>
<b>2012 Value</b>	\$888,600	\$887,900	100.1%	6.81%
<b>2013 Value</b>	\$887,100	\$887,900	99.9%	3.23%
<b>Change</b>	-\$1,500		-.20%	-3.58%
<b>% Change</b>	-.17%		-.20%	-52.57%

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

**Ratio Study:** The sales used in the ratio study are a subset of the sales used in analysis. Excluded are properties which experienced a change of use immediately following the sale. COD is a measure of uniformity, the lower the number the better the uniformity.

<i>Total Population – Parcel Assessed Value Summary</i>			
	<i>Land</i>	<i>Improvements</i>	<i>Total</i>
<b>2012 Value</b>	\$1,879,383,450	\$869,930,900	\$2,749,314,350
<b>2013 Value</b>	\$1,872,514,700	\$895,582,670	\$2,768,097,370
<b>Change</b>	-\$6,868,750	-\$25,651,770	+\$18,753,020
<b>Percent Change</b>	--.37%	+2.95%	+.68%

## Conclusion and Recommendation

Total assessed values for the 2013 revalue have increased.68%.

The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2013 Assessment Year.

## **Analysis Process**

### **Effective Date of Appraisal**

January 1, 2013

### **Date of Appraisal Report**

April 11, 2013

### **Geographic Area Appraiser**

Thomas Bradbury – 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 use 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 nominal 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 multi-story 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.

- Sales from 01/01/2010 to 1/1/2013 (at minimum) were considered in all analyses.
- 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 10: Cities of Shoreline, Kenmore, Lake Forest Park, and Portions of Seattle (Northgate, Lake City, Maple Leaf, Pinehurst)

### Boundaries

- West – Puget Sound
- North – Snohomish County
- East – Lake Washington & City of Bothell
- South – NE 145<sup>th</sup> Street (West of I-5) / NE 77<sup>th</sup> Street & NE 95<sup>th</sup> Street (East of I-5)

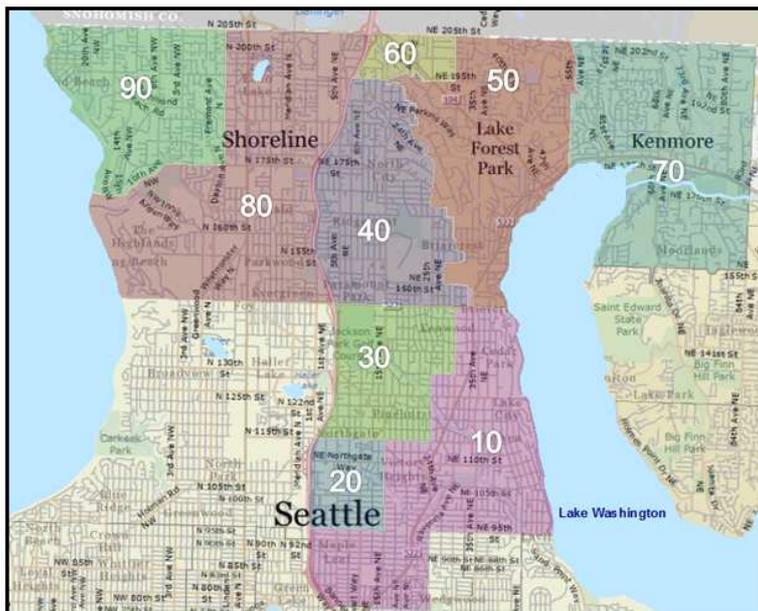
### Maps

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

Geographic Area 10 consists of cities and neighborhoods located in NW King County, which boundaries are generally defined as the King/Snohomish County line to the north, NE 145<sup>th</sup> Street (West of I-5) and NE 77<sup>th</sup> Street/NE 95<sup>th</sup> Street (East of I-5) to the south, Lake Washington/City of Bothell to the east, and Puget Sound to the west. Within Area 10, there are nine neighborhood clusters totaling 2,322 parcels (including specialty parcels) that have been established for valuation purposes.

Neigh.	Neighborhood Name	Neigh.	Neighborhood Name
10	Lake City Way Corridor, Maple Leaf	60	N.E. Shoreline (Ballinger)
20	Northgate	70	Kenmore
30	N.E. Seattle (Pinehurst - 15 <sup>th</sup> Avenue Corridor)	80	W. Shoreline (Highway 99 Corridor)
40	E. Shoreline (North City - 15 <sup>th</sup> Avenue Corridor)	90	N.W. Shoreline (Richmond Beach)
50	Lake Forest Park		



The City of Shoreline (Neighborhoods 40, 60, 80, 90 & Portion of 10) is located in the northern sector of Area 10, with the Cities of Lake Forest Park (Neighborhood 50) and Kenmore (Neighborhood 70) being located in the northwest sector of Area 10 and parts of the City of Seattle (Neighborhoods 10, 20, & 30) located in the southeast sector of Area 10. Most neighborhoods are generally similar with centralized business districts that provide services for a mix of single and multi-family residences.

## Area 10-10 - Lake City Way Corridor and Maple Leaf

**Boundaries:** Area 10-10 consists of those vacant and improved commercial properties located proximate to Lake City Way within the City of Seattle. A small number of parcels in southeast Shoreline, along Bothell Way NE (an extension of Lake City Way NE) have been included in this area. Area 10-10 also includes the primarily residential neighborhood of Maple Leaf, which lies west of Lake City Way and south of the Northgate neighborhood (10-20). Commercial properties are mostly along Roosevelt Way NE and 5<sup>th</sup> Avenue NE in Maple Leaf.

- North – NE 149<sup>th</sup> Street
- South – NE 77<sup>th</sup> Street / NE 95<sup>th</sup> Street
- East – Primarily Lake Washington & Portion of 25<sup>th</sup> Avenue NE
- West – Portions of I-5, 15<sup>th</sup> Avenue NE / 25<sup>th</sup> Avenue NE / 30<sup>th</sup> Avenue NE



**Neighborhood Description:** The Lake City neighborhood is located in the northeast corner of the City of Seattle and is approximately 7 miles from downtown. This neighborhood was annexed into Seattle in 1954 when the city limits were expanded from 85<sup>th</sup> Street to 145<sup>th</sup> Street. Much of the Thornton Creek Watershed is located in 10-10 which impacts development. In addition, there are City designated slide and steep slope hazards in the southern part of this neighborhood which also affect land use. Maple Leaf began as a suburb of Seattle, having been subdivided in the 1890s. It was annexed by Seattle in the early 1950s.



*Rekhi Mixed Use Apartments (2001)*

*Lake City Square (2007)*

The majority of the commercial properties run along Lake City Way NE. The zoning designations on this corridor vary depending on the impact of the topography and riparian corridors. From the heavily impacted NE 95<sup>th</sup> Street, north to NE 120<sup>th</sup> Street, Commercial 1 (C1) zoning dominates. This is an auto-oriented zoning that allows for retail and service uses that support the surrounding neighborhoods as well as a citywide or regional clientele. Typical of this zoning classification are the automobile sales and service businesses that are located on Lake City Way NE. There is limited multi-family low rise zoning approximately one block off of the main corridor. From NE 120<sup>th</sup> Street north to NE 128<sup>th</sup> Street, the topography is relatively flat and the influence from Thornton Creek is minimal. The zoning pattern changes along this portion of the corridor to a Neighborhood Commercial 3 (NC3) designation. This pedestrian-oriented zoning creates a shopping district that services the community. A mix of old and new, single-story retail and office buildings are located here as well as newer multi-story mixed-use and residential structures. Lake City Square is an example of the development that an NC3 zoning encourages. Located at the corner of NE 125<sup>th</sup> Street and Lake City Way NE, this one story, 29,695 square foot retail center is anchored by Bartell's Drugstore and includes BECU and T-Mobile on the tenant roster. The storefronts abut the arterial sidewalks to help create a pedestrian friendly atmosphere. The Rekhi Apartments, located directly across from Bartell's, are another example of construction allowable within the NC3 guidelines. This 6-story mixed-use building has basement parking, street level retail and offices, and upper floor residential units. The business district along this portion of Lake City Way NE expands by several blocks on both the east and west sides of the corridor. The NC3 zoning changes to multi-family residential zones in the portions furthest from the arterial. Common-walled townhouse construction predominated in the low rise residential zones during the past decade. From NE 128<sup>th</sup> Street north to NE 145<sup>th</sup> Street, C1 zoning again predominates along Lake City Way NE. Small retail outlets and offices are interspersed with auto sales and service businesses. Fred Meyers, located at NE 130<sup>th</sup> Street, is typical of the construction in the C1 zoning classification. The multi-family residential zones to the west of Lake City Way NE are heavily developed with apartment complexes.



*Toyota of Lake City (2011),*



*Seattle Mini Cooper (2006)*

The pace of new construction in Area 10-10 has slowed. Owners continue to remodel their current locations, but few developments are planned according to DPD records. Notable projects include the 2011 completed renovation of Toyota of Lake City, located at NE 135th and Lake City Way NE, which had a building permit a value of \$3,120,000. Victoria Park, located at NE 137th and Lake City Way NE, began construction in early 2010 and was completed in April 2011. This project is a 7-story, 152-unit senior housing complex which has ground floor retail and basement parking.

Bella Lago is a planned mixed-use development with a permit value of \$47 million for a 320-unit residential apartment with ground floor retail and 64 affordable housing units at NE 140th and Lake City Way. This project made substantial progress in 2012. A \$21 million permit for a new 7-story, 144-unit apartment at the intersection of NE 123rd and 32nd Ave NE near Lake City Way was opened in 2011, but it appears that no substantial work has begun.



Victoria Park (completed 2011)



Original Maple Leaf Reservoir (retained during renovation)

Maple Leaf is a primarily residential neighborhood, with the majority of commercial properties along Roosevelt Way NE, with some along 5th Ave NE. Roosevelt Way NE features single-family-residence conversions, stand-alone single-occupant offices, small mixed-use buildings featuring a dwelling unit and a commercial unit, low-rise multi-tenant strip retail/office centers, and mixed-use apartments and condominiums with retail or office on the street level. Zoning is mostly Neighborhood Commercial (NC).



Maple Leaf Park Proposed Updates



Proposed Light Rail Stops

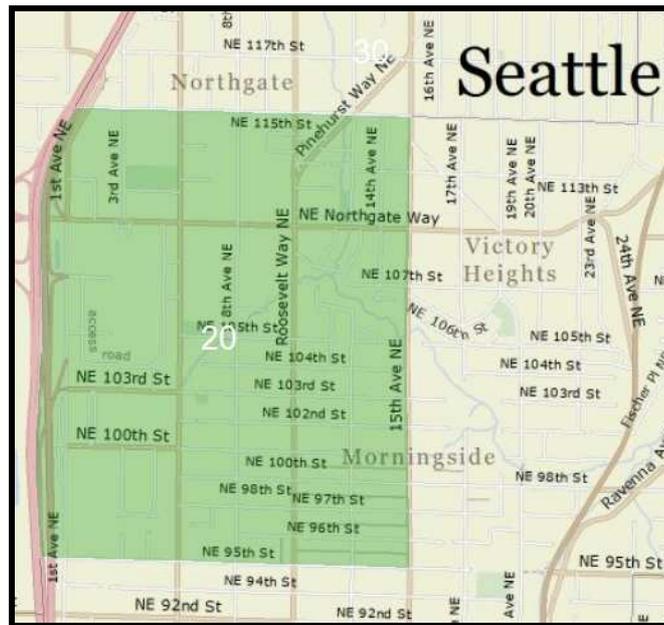
The Maple Leaf Park is being upgraded and expanded to include pedestrian and play areas on the newly lidded Maple Leaf Reservoir.

Sound Transit is currently seeking bids for the construction of a 3.6-mile tunnel from the University of Washington to Maple Leaf. Work is expected to begin late 2013 or early 2014, with completion expected in 2018.

## **Area 10-20 - Northgate**

**Boundaries:** Area 10-20 consists of those vacant and improved commercial properties located proximate to east/west Northgate Way (NE 111<sup>th</sup> Street) and north/south of 5<sup>th</sup> Avenue NE and Roosevelt Way NE.

- North – NE 115<sup>th</sup> Street
- South – NE 95<sup>th</sup> Street
- East – 15<sup>th</sup> Avenue NE
- West – Interstate 5



**Neighborhood Description:** Northgate, located approximately 5 miles north of downtown, is a district of neighborhoods in North Seattle that is named for and includes the Northgate Mall. Opened in 1950, the Northgate Mall was the first covered regional shopping center in the United States. The Northgate area is one of six areas identified as an Urban Center by the City of Seattle's 1993 Comprehensive Plan.

Urban Centers are areas where the most intensive development in the city is expected to be concentrated. In 2003, when Northgate lagged behind other Urban Centers in terms of job growth, the City adopted a resolution to revitalize Northgate. These steps have led to new public and private development. Projects that have been completed are the new public library, community center and park, expansion of the Northgate Mall, and the development of the south parking lot.

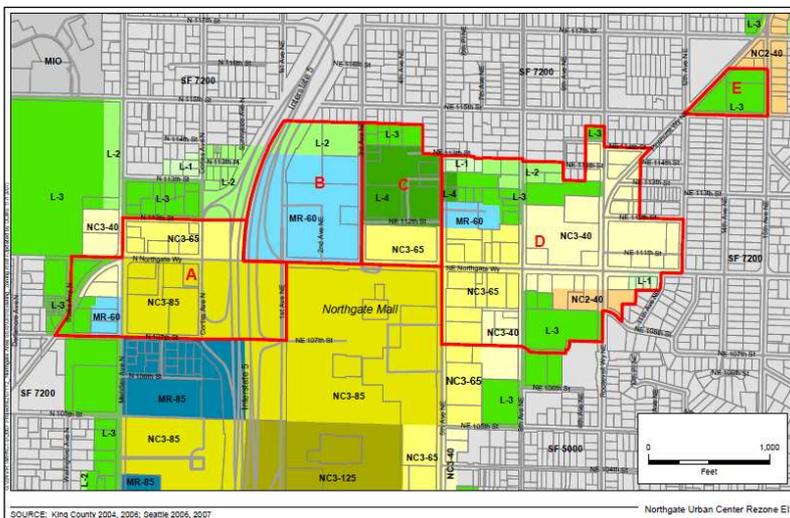
This neighborhood is also impacted by the Thornton Creek Watershed. The concentration of commercial properties located in Area 10-20 is primarily along NE Northgate Way or to the south of Northgate Mall. Neighborhood Commercial 3 zoning with height limits of 85-125 feet dominates. Aside from a cluster of office buildings south of the mall, the focus of the Northgate core is retail. Smaller retail centers are located to the east on Northgate Way; however, the NC3 height limit decreases to 40 feet near Roosevelt Way NE. The NC zone designation allows for non-street level residential use, but until recently, this area has not maximized the allowable mixed-use potential.



Thornton Place (2009)



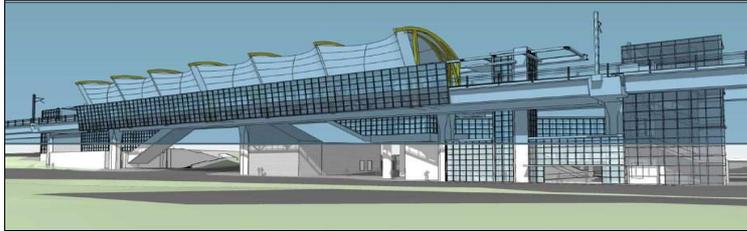
The revitalization efforts in the Northgate neighborhood are very evident in the new projects that have been completed in the last few years. As previously noted, the Northgate Mall expanded and received a much needed facelift. Thornton Place, a planned community situated on over 8 acres, was completed in 2009. This new development boasts a 3000-seat, 14-screen theater that offers the IMAX experience. There are 50,000 square feet of retail space and 3 residential offerings. Aljoia at Thornton Place is a retirement home with 143 senior residences. In addition, there are 278 apartment units and 109 condominium homes. Also complete in 2009 was 507 Northgate. The 307,000 square foot 5-story development is located at the southeast corner of 5<sup>th</sup> Avenue NE and NE Northgate Way. There are over 45,000 square feet of ground floor retail space, a basement parking garage and 163 upper level residential units. The design of this project is intended to enhance the pedestrian environment. Permitted construction activity in 2012 has centered on remodeling and change of tenant improvements. In December 2012 the former Marie Calendars at 9538 1st Ave NE was purchased for a full site re-development as a hotel. Permitting had yet to begin in 2012.



A rezone is pending, that if approved, will change the zoning of up to 98 acres of land in the neighborhood. It will increase the permitted intensity, and height of development on parcels currently zoned L3, MR-60, NC3-40, and NC3-85. The new zoning will encourage affordable housing with density bonuses, and encourage street level retail and pedestrian amenities for a more pleasant walkable community.

The city is planning to bring the Sound Transit light rail line through this area, via the University District with the proposed Northgate Station to open in 2021. Construction is slated to begin in late 2013. The travel time from Northgate to Downtown Seattle is expected to be 13 minutes. The new station will have two walking corridors to connect to the Northgate Mall and the King County Park and Ride Transit Center. An additional parking garage of 600-900 spaces is planned to replace the lost parking that the construction on the light rail line will create. The proposed rezone in the area is

designed to complement the coming of the pedestrian friendly rail line, anticipated at 15,000 riders a day by 2030. The pending arrival of light rail to the Northgate neighborhood has been a driving force in the evolution of the above-cited rezoning efforts. Potential rezoning is now being referred to in the broader context of the “Northgate Station Area Development” – a collaborative study between the City of Seattle, King County, the Puget Sound Regional Council, and Sound Transit with the intention of making the Northgate Urban Area more “livable” with the pending arrival of numerous mass transit options.



*Proposed Northgate Sound Transit Station*

## Area 10-30 – Northeast Seattle (Pinehurst – 15<sup>th</sup> Avenue NE Corridor)

**Boundaries:** Area 10-30 consists of those vacant and improved commercial properties located proximate to NE 15<sup>th</sup> Street and Northgate Way. Within Area 10-30, 15<sup>th</sup> Avenue NE is the primary north/south commercial thoroughfare, whereas Northgate Way is the primary east/west thoroughfare to the south and NE 145<sup>th</sup> Street is the primary east/west commercial thoroughfare to the north.

- North – NE 145<sup>nd</sup> Street
- South – NE 115<sup>th</sup> Street
- East – NE 25<sup>th</sup> Avenue NE / 30<sup>th</sup> Avenue NE
- West – Interstate 5



**Neighborhood Description:** The predominant commercial land uses within this neighborhood include a mixture of retail, multi-family and low-rise office buildings. The primary cluster of commercial uses (retail and office) are proximate to the intersections of Northgate Way/Roosevelt Way, NE 125<sup>th</sup> Street/15<sup>th</sup> Avenue NE, and NE 145<sup>th</sup> Street/15<sup>th</sup> Avenue NE. Located across from the mall on NE Northgate Way is the power center, Northgate North. Target is the anchor of this multi-story retail complex which has an attached multi-level parking garage. Among the other tenants are Best Buy, Sports Authority, and Ross. The majority of multi-family development which includes condominiums is located proximate to the 15<sup>th</sup> Avenue NE corridor. Pinehurst has two neighborhood parks; Pinehurst Playfield and Pinehurst Pocket Park. Jackson Golf course is located in the NW sector of neighborhood 30.



The only recent major project in 10-30 has been the ground-up replacement store for the Safeway at 12318 15<sup>th</sup> Ave NE, which originally opened in 1923. This supermarket had its grand opening in November 2010 and is touted as Seattle's first "green" Safeway, as designated by the U.S. Green Building Council through its LEED-designation program.



*"Pods" along 5<sup>th</sup> Ave NE*

*"Pod" Kitchenette*

*"Pod" Floorplan*

A new housing type has entered the market in this area. A hybrid of single family and multi-family living has been introduced, that has been dubbed as "Pod" living. It is a hybrid of a single family house, but reflective of a modern rooming house or dorm room configuration. There is a communal great room with kitchen, and eight individual living units resembling a rooming house or dorm room setup. Each "pod" has a private wet-bar with microwave and refrigerator. Each house has limited parking, so being close to mass transit and shopping is important. These individual rooms are being marketed as the most affordable individual living available, and typically the utilities and wi-fi are included in the rent.

## Area 10-40 – East Shoreline (North City - 15<sup>th</sup> Avenue NE Corridor)

**Boundaries:** Area 10-40 consists of those vacant and improved commercial properties located proximate to 15<sup>th</sup> Avenue NE, the primary north/south neighborhood commercial thoroughfare.

- North – NE 195<sup>nd</sup> Street
- South – NE 145<sup>th</sup> Street
- East – City of Lake Forest Park
- West – Interstate 5



**Neighborhood Description:** North City is a suburban area developed in the “50s and 60s”. The area, which contains mostly single family detached housing, is bisected by 15<sup>th</sup> Avenue NE, an auto-oriented commercial strip (classified as principal arterial). The buildings are mostly one to two stories high and their footprints typically cover only a small portion of their sites. A major portion of each commercial site is reserved for parking and auto access.

The North City Project was completed in 2006. It included enhancements to the commercial area that were aimed at revitalizing the shopping district and increasing pedestrian safety. The majority of the parcels in this neighborhood have the North City Business District (NCBD) zoning designation. This zoning is designed to enhance the commercial core by creating a walkable main street with the focus on encouraging density while creating a privacy buffer for the adjoining residential properties. Design requirements include future storefronts that abut the sidewalk with parking located behind buildings, and mixed-use developments with street level commercial space, where offices and residences



occupy the upper stories.

In 2002, the City of Shoreline established the Property Tax Exemption (PTE) Program which remains in effect today. The “Affordable PTE Program”, available in the North City Business District, offers an 8-year tax exemption for multi-family residential development if 10% of the units are affordable and a 12-year tax exemption if 20% of the units are affordable. This particular program is also available in the Ridgecrest Commercial District, located around 5<sup>th</sup> Avenue NE and NE 165<sup>th</sup> Street.

The former Shoreline YMCA, located just west of North City’s main intersection of 15<sup>th</sup> Ave NE and NE 175<sup>th</sup> Street was purchased in 2012 by a group intending to redevelop the site. As of June 2012 separate permits were opened for an 80-unit apartment and an 85-unit apartment building.

## **Area 10-50 – City of Lake Forest Park**

**Boundaries:** Area 10-50 consists of those vacant and improved commercial properties located to the north of NE 145<sup>th</sup> Street, to the south of the Snohomish County line, to the east of the City of Shoreline, and to the west of the City of Kenmore and Lake Washington.

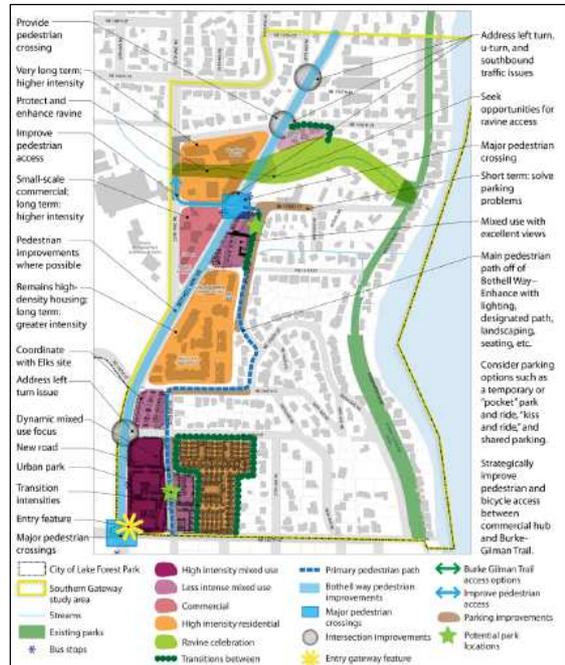
- North – Snohomish County
- South – NE 145<sup>th</sup> Street
- East – City of Kenmore & Lake Washington
- West – City of Shoreline



**Neighborhood Description:** The City of Lake Forest Park is a heavily forested, primarily residential community located 12 miles north of downtown Seattle. The majority of businesses are located at or near the Lake Forest Park Towne Centre shopping center, although there is another retail area located at the southern border of the city near 145th Avenue NE. There is no industrial development in the city limits. Multi-family apartments and condominiums are also present, primarily along Ballinger Way NE and Bothell Way NE.

The City Council passed both the Comprehensive Plan Update and the new Sensitive Areas Ordinance in 2005. Together they will insure environmental protection while accommodating growth in housing and economic development. The most significant issue in the Sensitive Areas Ordinance is the expansion of buffers next to streams from 25 to 115 feet. Currently, there are no vacant commercial or multi-family zoned parcels. Redevelopment of existing properties is the only change option available. There are no new commercial projects in this neighborhood.

The City of Lake Forest Park is developing the Southern Gateway Subarea Plan as an effort to plan for the neighborhood extending roughly from the city limits on the south to NE 157th St on the north and from 35th Ave NE to Lake Washington.



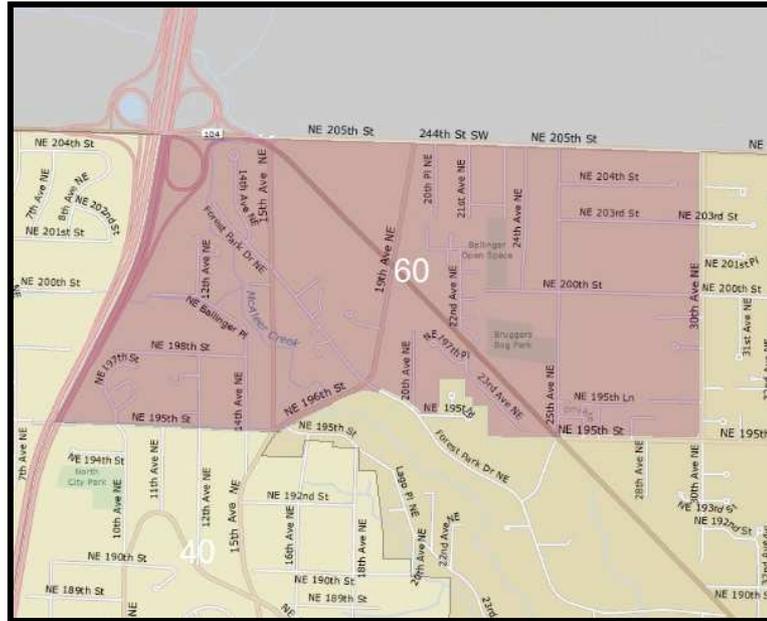
When complete, the subarea plan will recommend land use, community and economic development, design, and capital improvement measures to achieve the community's and City's objectives.

These include potential land use plans to enhance housing options, employment, and the general economic potential in this neighborhood. The Planning Commission is developing a plan for the Southern Gateway Area to encourage land redevelopment that is more walkable, provides a wider array of services and housing options, and has more of the look and feel of Lake Forest Park. Included in this area are several parcels belonging to the Lake City Elks who are actively seeking to sell the properties.

## Area 10-60 – Northeast Shoreline (Ballinger)

**Boundaries:** Area 10-60 consist of those vacant and improved commercial properties located proximate to Ballinger Way NE & NE 205<sup>th</sup> Street.

- North – Snohomish County Line (NE 205<sup>th</sup> Street)
- South – NE. 195<sup>th</sup> Street
- East – Lake Forest Park
- West – Interstate 5



**Neighborhood Description:** The predominant commercial land uses within this neighborhood include a mixture of retail, multi-family and low rise office buildings. Commercial property clusters at the intersections of Ballinger Way NE / 15<sup>th</sup> Avenue NE and Ballinger Way NE / 19<sup>th</sup> Avenue NE. Ballinger’s small business community caters primarily to the shopping and service needs of the immediate residential community. The Ballinger Village shopping center is a hub for the area.



*25<sup>th</sup> Place Condominium*



*Ballinger Village Shopping Center*

In 2002, the City of Shoreline established the Property Tax Exemption (PTE) Program which remains in effect today. The “Market-Rate PTE Program”, available in the Ballinger neighborhood, offers a 5-year tax exemption for multi-family residential development. The units need not be rated as “affordable”. This particular program is also available in portions of Area 10-80 and 10-90.



*Planned New Office Space*

*New Housing under Construction*

Recent or planned construction activity includes a planned two-story addition to an office building along Ballinger Way NE at 19<sup>th</sup> Ave NE. This project has a permit value of \$477,671. A new transitional housing complex is also currently under construction.



In 2012 the city of Kenmore continued to narrow its list of potential buyers for parcels in the Kenmore Village project, which is expected to be a catalyst for redevelopment of the downtown core. This is a 9.6-acre site, with three parcels, located at the northwest corner of NE 181st Street and 68th Avenue N. The northern parcel is a former Park and Ride lot, transferred from King County to the City of Kenmore in 2005. This portion is proposed for housing. The two southern parcels, formerly comprising the Kenmore Village Shopping Center, are proposed for retail, office, or medical office uses.

This site was transferred to the City of Kenmore in 2003. The city had a deal in 2007 with Urban Partners to build housing, shops, restaurants, parking and a public plaza. Development was stalled by the recession in 2008. The city and the developer terminated their agreement and a ground lease in March 2012.



*Aerial Map of Kenmore Village Project site*



*Former QFC (later Grocery Outlet) at Kenmore Village*

Local long-standing business Kenmore Camera is purported to be planning to leave its current location at NE 181st Street and 67th Avenue N to occupy the former QFC / Grocery Outlet building in the former Kenmore Village Shopping Center. The company plans to renovate the building inside and out, tripling its existing space.

## Area 10-80 - West Shoreline (Highway 99 Corridor)

**Boundaries:** Area 10-80 consist of those vacant and improved commercial properties located proximate to the Highway 99 (Aurora) Corridor.

- North – Snohomish County (N 205<sup>th</sup> Street)
- South – N. 145<sup>th</sup> Street
- East – Interstate 5
- West – Fremont Ave. N / Puget Sound



**Neighborhood Description:** The City of Shoreline, which incorporated in 1995, is located approximately 15 miles north of downtown Seattle. With a population of more than 53,000 residents, Shoreline is primarily a residential community. The main commercial district runs along Aurora Ave N from N 145<sup>th</sup> Street to N 205<sup>th</sup> Street. This section of road carries approximately 45,000 vehicles per day. The entire corridor is developed with older and newer properties with an assortment of uses. The dominant zoning designation for much of this corridor is Mixed-Use (MUZ). The purpose of this zone is to encourage the development of mixed-use buildings that allow for a wide variety of uses, including residential. Some pockets of Industrial (I) zoned and high density residential zones (R-48), are also locate on or near Aurora Avenue. Neither offers the flexibility of MUZ, but promotes compatible uses. R-48 allows for 48 dwelling units per acre that are typically a mix of apartments and townhouses. The Industrial (I) zone encourages business and office uses that support regional employment.

In 2002, the City of Shoreline established the Property Tax Exemption (PTE) Program which remains in effect today. The “Market-Rate PTE Program”, available in the Aurora South and North corridors, offers a 5-year tax exemption for multi-family residential development. The units need not be rated as “affordable”. This particular program is also available in portions of Area 10-60, and 10-90.

The Aurora Corridor Project is a \$100 million dollar redesign and development of the three miles of Aurora Avenue N that run through Shoreline. The first section from N 145<sup>th</sup> Street to N 165<sup>th</sup> Street is now complete. Construction is almost complete on the second half from N 165<sup>th</sup> Street to N 205<sup>th</sup> Street. This half of the project was further subdivided into: N 165<sup>th</sup> Street to N 185<sup>th</sup> Street (completed); N 185<sup>th</sup> Street to N 192<sup>nd</sup> Street (completed); N 192<sup>nd</sup> Street to N 205<sup>th</sup> Street (out to bid). The goals of this project are to improve safety, provide better pedestrian access, improve traffic flow, and add streetscape amenities.



*Aurora Corridor Project, street improvements before and after.*

Forward looking, the City of Shoreline is anticipating light rail. The proposed Sound Transit light rail line will run from the cities of Seattle to Lynnwood. This light rail line extension, estimated to be complete in 2023, will likely have two stations located in this Aurora section of Shoreline.



*Market Square, as rendering and competed (2011)*

*Aurora Rents (2012)*

Weidner Apartment Homes recently completed its 148-unit Market Square project on Aurora Ave N between N 200<sup>th</sup> and N 205<sup>th</sup> Streets, just west of Costco. The complex is a mix of studio, 1 bedroom, and 2 bedroom units, and it features two levels of underground parking along with a large area for bicycle parking.

Other construction in this area: The City of Shoreline is upgrading many of the schools and the community college; Aurora Rents completed their new flagship store at N 176<sup>th</sup> Street and Aurora.



Per the City of Shoreline’s Website, the Shoreline City Council recently designated the 70+ acre Aurora Square area as a Community Renewal Area (CRA) where economic renewal could have the potential to deliver public benefit. The area is home to an aging Sears, the robust Central Market grocery store, the regional headquarters of Washington State Department of Transportation, and a number of other smaller businesses. The center’s infrastructure and connectivity is outdated, and the center provides little synergistic benefit for its businesses or community. As a result, the area underperforms in virtually every measurable category, and Shoreline residents lack the community focal point they desire.



## **Physical Inspection Area**

That portion Area 10-10 occurring south of NE 120<sup>th</sup> Street was physically inspected for the 2013 assessment year as required by WAC 458-07-015 4 (a). An exterior observation of the properties was made to verify the accuracy and completeness of property characteristic data that affect value. The physical inspection area represents 346 parcels, or 14.91% of the total 2,320 parcels (including specialties) located in Area 10.

## ***Preliminary Ratio Analysis***

A ratio study was completed just prior to the application of the 2012 recommended values. This study benchmarks the current assessment level using 2012 posted values. The study was also repeated after application of the 2013 recommended values. The results are included in the validation section of this report, showing an improvement of the Coefficient of Dispersion (COD) from 6.81% to 3.23%. The weighted mean ratio which is a statistical measure of assessment level went from 100.10% to 99.90%. The Price-related Differential (PRD) remained at 1.00. A discussion of the ratio measurements is included in the Model Validation section at the end of this report.

## **Scope of Data**

### **Land Value Data**

Vacant sales from 1/01/2010 to 1/01/2013 were given primary consideration for valuing land. Since January of 2010, there were 26 land sales, 17 of which were verified as “good” and considered for land valuation in Area 10. The primary unit of comparison is the price per square foot of land area. “Shell” sales, interim use sales, teardown sales, and land transactions that included plans and permits were considered in the analysis of the land values. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales.

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

Improved sales from 1/01/2010 to 12/31/2012 were given primary consideration for improved properties. Since January of 2010, there were 61 improved sales, 29 of which were verified as “good” and considered for land valuation in Area 10. Twenty-four of these sales were used in the ratio study. Sale parcels where the improvements or the use changed after the sale were not included in the ratio study.

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

## Land Value

### *Land Sales, Analysis, Conclusions*

For this revaluation period there were 17 land sales which were verified as “good” and considered for land valuation in Area 10.

Using Geographic Information System (GIS) mapping, the new land values are based on neighborhood land sales that are equalized with adjacent and similarly zoned properties. Sales occurred in neighborhoods 10-10, 10-20, 10-50, 10-70, and 10-80. General-, neighborhood- and mixed-use-commercial zones have remained at previously assessed value levels, or have dropped slightly, depending on the specific area. Values for multi-family zoned land have remained at previous levels. Assessed land values have decreased proceeding from the south to the north along Lake City Way in Area 10-10, owing to sales indications and the effects from physical site characteristics such as parcel shape, topography, creeks, wetlands, etc.

Most sold parcels were improved at the time of sale. Classification as a land sale, as opposed to an improved sale, occurs through sales verification process, where indications of permits, future plans or intentions, etc. are provided. The Sales Comparison approach to valuation was considered the most reliable and was utilized in the land valuation model. Values were estimated as a price per square foot. Location, zoning, development potential, and site size were the primary variables considered in the valuation process. Sales from competing areas were considered in the absence of sales within the subject area. The majority of the land values in Area 10 either remained unchanged, or decreased for the 2013 assessment year.

The recommended land value for the 2013 Assessment year resulted in change from 2012 assessments of -.37%. The total land assessed value for the 2012 assessment year for Area 10 was \$1,879,383,450 and the total recommended land assessed value for the 2013 assessment year is \$1,872,514,700. These figures do not include the land value for the specialty properties in Area 10.

	<b>2012 Total</b>	<b>2013 Total</b>	<b>\$ Increase/Decrease</b>	<b>% Change</b>
<b>Total Land Values</b>	<i>\$1,879,383,450</i>	<i>\$1,872,514,700</i>	<i>-\$6,868,750</i>	<i>-.37%</i>

Following are charts for each neighborhood in Area 10, depicting the number of land sales in each land-use type and the recommended land value schedule for each zone. In the absence of land sales in a given neighborhood during the current three-year period, historic land sales or sales from other similar neighborhoods were considered. The schedule represents typical values. Specific parcels may vary depending on specific characteristics. Lists of vacant sales used and not used in the appraisal process are presented in the following sections.

### Area 10-10 - Lake City Way Corridor and Maple Leaf

There were seven land sales in Area 10-10 from January 1, 2010 to January 1, 2013.

	Commercial	Industrial	Multi-family
# of Sales	6	0	1
Price range	\$39-84	N/A	\$55
SCHEDULE OF ASSESSED LAND VALUE, 10-10 (Lake City – Seattle/Shoreline)			
Zone Description	Zone Designation	Price/ SF	
Low Rise 1	LR-1	\$40-\$60	
Low Rise 2 / Res-Commercial	LR2/RC	\$45-\$70	
Low Rise 3 / Res-Commercial	LR3/RC	\$55-\$75	
Mid Rise	MR	\$55-\$65	
Commercial 1 – 30 feet	C1-30	\$45	
Commercial 1 – 40 feet	C1-40	\$40-\$80	
Commercial 1 – 65 feet	C1-65	\$40-\$65	
Neighborhood Comm 1 – 30 feet	NC1-30	\$40-\$55	
Neighborhood Comm 1 – 40 feet	NC1-40	\$80	
Neighborhood Comm 2 – 40 feet	NC2-40	\$40-\$85	
Neighborhood Comm 3/Ped – 65 feet	NC3/P-65	\$45	
Neighborhood Comm 3/Ped – 85 feet	NC3/P-85	\$45	
Community Business	CB (per Shoreline)	\$30-\$40	

### Area 10-20 - Northgate

There were two lands sale in Area 10-20 from January 1, 2010 to January 1, 2013.

	Commercial	Industrial	Multi-family
# of Sales	2	0	0
Price range	\$42-76	N/A	N/A
SCHEDULE OF ASSESSED LAND VALUE, 10-20 (Northgate - Seattle)			
Zone Description	Zone Designation	Price/ SF	
Low Rise 2 / Res-Commercial	LR2/RC	\$70	
Low Rise 3	LR3	\$65-\$70	
Mid Rise	MR	\$70	
Neighborhood Comm 2 – 40 feet	NC2-40	\$45-\$50	
Neighborhood Comm 3 – 40 feet	NC3-40	\$40-\$50	
Neighborhood Comm 3 – 65 feet	NC3-65	\$60-\$70	
Neighborhood Comm 3 – 85 feet	NC3-85	\$55-\$70	
Neighborhood Comm 3 – 125 feet	NC3-125	\$55	

### Area 10-30 – Northeast Seattle (Pinehurst – 15<sup>th</sup> Avenue NE Corridor)

There were no land sales in Area 10-30 from January 1, 2010 to January 1, 2013.

SCHEDULE OF ASSESSED LAND VALUE, 10-30 (Pinehurst - Seattle)			
Zone Description	Zone Designation	Price/ SF	
Low Rise 1	LR1	\$55	
Low Rise 2	LR2	\$60	
Low Rise 3 / Res-Commercial	LR3/RC	\$65	
Mid Rise	MR	\$60	
Commercial 1 – 40 feet	C1-40	\$40-\$45	
Commercial 1 – 65 feet	C1-65	\$45	
Neighborhood Comm 2 – 40 feet	NC2-40	\$40-\$45	
Neighborhood Comm 3 – 40 feet	NC3-40	\$45	

**Area 10-40 – East Shoreline (North City - 15<sup>th</sup> Avenue NE Corridor)**

There were no land sales in Area 10-40 from January 1, 2010 to January 1, 2013.

<b>SCHEDULE OF ASSESSED LAND VALUE, 10-40 (North City - Shoreline)</b>		
<b>Zone Description</b>	<b>Zone Designation</b>	<b>Price/ SF</b>
Residential, 12 Units per Acre	R12	\$25
Residential, 18 Units per Acre	R18	\$30
Residential, 24 Units per Acre	R24	\$35
Residential, 48 Units per Acre	R48	\$40
Community Business	CB	\$35
Contract Zone	CZ	\$30
Neighborhood Business	NB	\$25
North City Business District	NCBD	\$30
Office	O	\$30-\$35

**Area 10-50 – City of Lake Forest Park**

There was one land sale in Area 10-50 from January 1, 2010 to January 1, 2013.

	<b>Commercial</b>	<b>Industrial</b>	<b>Multi-family</b>
# of Sales	1	0	0
Price range	\$42	N/A	N/A

<b>SCHEDULE OF ASSESSED LAND VALUE, 10-50 (Lake Forest Park)</b>		
<b>Zone Description</b>	<b>Zone Designation</b>	<b>Price/ SF</b>
Multi-Fam Res, 900 sf/Unit	RM-900	\$45
Multi-Fam Res, 1800 sf/Unit	RM1800	\$25-\$35
Multi-Fam Res, 2400 sf/Unit	RM-2400	\$25-\$35
Multi-Fam Res, 3600 sf/Unit	RM-3600	\$25-\$30
Corridor Commercial	CC	\$35-\$40
Neighborhood Business	NB	\$30
Towne Center	TC	\$30-\$35

**Area 10-60 – Northeast Shoreline (Ballinger)**

There were no land sales in Area 10-60 from January 1, 2010 to January 1, 2013.

<b>SCHEDULE OF ASSESSED LAND VALUE, 10-60 (Ballinger - Shoreline)</b>		
<b>Zone Description</b>	<b>Zone Designation</b>	<b>Price/ SF</b>
Residential, 12 Units per Acre	R12	\$25
Residential, 18 Units per Acre	R18	\$30
Residential, 24 Units per Acre	R24	\$35
Residential, 48 Units per Acre	R48	\$40
Community Business	CB	\$30-\$35
Contract Zone	CZ	\$35
Office	O	\$35
Mixed Use Zone	MUZ	\$35

### Area 10-70 - City of Kenmore

There were three land sales in Area 10-70 from January 1, 2010 to January 1, 2013.

	Commercial	Industrial	Multi-family
# of Sales	3	0	0
Price range	\$23-48	N/A	N/A

SCHEDULE OF ASSESSED LAND VALUE, 10-70 (Kenmore)		
Zone Description	Zone Designation	Price/ SF
Residential – 12 units/acre	R-12	\$13-\$22
Residential – 18 units/acre	R-18	\$14-\$22
Residential – 24 units/acre	R-24	\$17-\$27
Community Business	CB	\$23-\$24
Neighborhood Business	NB	\$23
Regional Business	RB	\$15-\$32
Downtown Residential	DR	\$19-\$22
Downtown Commercial	DC	\$19-\$27

### Area 10-80 - West Shoreline (Highway 99 Corridor)

There were four sales in Area 10-80 from January 1, 2010 to January 1, 2013.

	Commercial	Industrial	Multi-family
# of Sales	4	0	0
Price range	\$25-40	N/A	N/A

SCHEDULE OF ASSESSED LAND VALUE, 10-80 (HWY 99 - Shoreline)		
Zone Description	Zone Designation	Price/ SF
Residential, 12 Units per Acre	R12	\$25
Residential, 18 Units per Acre	R18	\$25-\$30
Residential, 24 Units per Acre	R24	\$35
Residential, 48 Units per Acre	R48	\$40
Community Business	CB	\$30
Contract Zone	CZ	\$30-\$40
Neighborhood Business	NB	\$40-\$45
Office	O	\$30-\$40
Industrial	I	\$30
Mixed-Use / Contract Zone	MUZ, MU-CZ	\$30-\$40
Town Center 1	TC-1	\$40
Town Center 2	TC-2	\$35-\$40
Town Center 3	TC-3	\$35-\$37
Town Center 4	TC-4	\$35-\$30

### Area 10-90 – Northwest Shoreline (Richmond Beach)

There were no land sales in Area 10-90 from January 1, 2010 to January 1, 2013.

SCHEDULE OF ASSESSED LAND VALUE, 10-90 (Richmond Beach - Shoreline)		
Zone Description	Zone Designation	Price/ SF
Residential, 12 Units per Acre	R12	\$25
Residential, 18 Units per Acre	R18	\$30
Residential, 24 Units per Acre	R24	\$35
Residential, 48 Units per Acre	R48	\$40
Community Business	CB	\$30
Neighborhood Business	NB	\$30
Office	O	\$30

## Improved Parcel Total Values

### Improved Sales, Analysis, Conclusions

There were 29 improved sales in Area 10 during the period from January 1, 2010 through December 31, 2012 which were considered to be good, fair market transactions, and were considered in the overall analysis. Twenty-four of the sales were included in the ratio study. Sale parcels where the improvements or the use changed after the sale were not included in the ratio study. Lists of improved sales used and not used in the appraisal process are presented in the following sections.

The verification of improved sales consisted of contact with a buyer, seller, or broker if possible, and information from CoStar, a real estate information service. During the sales verification process, information on vacancy and market absorption rates, current and anticipated rents, and the competitive position of the property were also gathered. Each sale was inspected and the recorded property characteristics adjusted when necessary. The resulting data was stratified according to use, location, effective age, quality of construction, and size in order to establish appropriate ranges of price per square foot to use as guidelines. Sales were then compared to similar properties for valuation.

The recommended total assessed values for the 2013 assessment year resulted in change from 2012 assessments of +.68%. The total assessed value for the 2012 assessment year for Area 10 was \$2,749,314,350 and the total recommended assessed value for the 2013 assessment year is \$2,768,097,370. These figures do not include the total assessed values for specialty properties in Area 10.

	2012 Total Value	2013 Total Value	\$ Increase/Decrease	% Change
<b>Change in Total Assessed Value</b>	\$2,749,314,350	\$2,768,097,370	+\$18,783,020	+.68%

### Approaches to Total Value

#### *Sales Comparison Approach Model Description*

The sales comparison approach was deemed the most reliable method of valuation for some property types, including: single-family residential-commercial conversions, small daycares, freestanding small office and retail structures, small mixed use (residential/retail/office) buildings, mobile home parks, and individual situations deemed appropriate by the appraiser. A few of these property types had limited sales during the above-stated date range or the property incurred a change of use. In these cases, older sales are used to complete the value ranges. Inclusion or exclusion of property types into or from this group is updated yearly based on sales activity in specific neighborhoods. Sale prices are compared to income approach valuations and land valuations before a determination is made to value according to the sales comparison approach.

Sale prices assist in establishing general upper and lower market boundary ranges for the various property types within Area 10. In conjunction with market rent surveys, the sale price per square foot can help set the income parameters and capitalization rates driving the income models developed for the various neighborhoods and the property types which are typically valued by the income approach. Location, use, quality, effective age, and size were factors considered for adjustment. The Sales

Comparison Approach, thus, was also used as a guide to support estimating total assessed values for properties that typically rely on the income and cost approaches to value.

The commercial condominium typical unit values range from \$200 to \$305 per square foot of rentable area. The single family residences converted to commercial uses had a typical unit value range of \$170 per square foot to \$291 per square foot. The small freestanding retail or offices less than 3,000SF were typically valued from \$125 to \$350 per square foot of rentable area. These ranges represent a small average increase over 2012 ranges. Adjustments were made for size, effective age, and location serving as important variables of reconciling a total value. Specific property valuations may have been above or below the ranges discussed above.

### **Sales Comparison Calibration**

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

### ***Cost Approach Model Description***

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by the Marshall & Swift Valuation Service. The cost is adjusted to the Western region and the Seattle area. Cost estimates are relied upon for valuing special use properties where comparable sales data and/or income and expense information is not available. These properties are typically exempt properties such as churches, schools, public utility buildings, and park improvements. Non-exempt buildings that are valued by the cost approach might be special use properties such as fraternal halls, gas stations, and on-going new construction. The cost approach may also be applied to interim use properties where the greater portion of the value is in the land.

### **Cost Calibration**

The Marshall & Swift Valuation modeling system programmed into the Real Property Application adjusts to the region and the Seattle area.

### ***Income Capitalization Approach Model Description***

The Income Approach was considered a reliable approach to valuation throughout Area 10 for improved property types where income and expense data is available to ascertain market rates. Income parameters were derived from the market place through market rental surveys, sales, and available real estate publications and websites in the following ways:

During the sales verification process, an attempt is made to obtain income and expense data from the parties involved in the transactions through interviews or via mail. The information requested includes current and anticipated future rents, operating expense breakdown and assigned responsibility for the expenses, and estimated capitalization rates associated with a sale. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Interviews with tenants in the field usually yield rental and expense information only. As a supplement, lease information is gathered from Costar, the Commercial Brokers Association, and other relevant websites. Data from recognized published sources helps to assist in developing

capitalization rates, but primary influence is from the available market data. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate. Since property taxes are considered to be an allowable operating expense, no effective tax rate is included in the following capitalization rate data. The following table recaps the rates as reported by these publications.

SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2012	Seattle	5.48%	5.77%	6.42%	
		Pacific Region	6.38%	7.15%	6.61%	
PWC / Korpaz	4Q 2012	Pac. NW	6.96% 8.42% 6.50% 7.42%	- - - -	- - - -	Range = 4.5% to 10.00% (Inst. Grade) Range = 5.0% to 12.00% (Non-Inst. Grade) CBD Office Suburban Office
CBRE: Capital Markets Cap. Rate survey.	Aug.-12					CBRE professional's opinion of where cap rates are likely to trend in the 2 <sup>nd</sup> ½ of 2012 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	5.50% - 5.75% 6.00% - 7.00% 6.50% - 7.00% 7.00% - 8.00% 5.50% - 6.25% 6.00% - 8.00% 6.50% - 7.50% 7.00% - 8.00%	- - - - - - - -	- - - - - - - -	CBD - Class A CBD - Class A - Value Added CBD - Class B CBD - Class B - Value Added Suburban - Class A Suburban - Class A - Value Added Suburban - Class B Suburban - Class B - Value Added Class A Class A - Value Added Class B Class B - Value Added Class A (Neigh./Comm. w/Grocery) Class A (Neigh./Comm.) - Value Added Class B (Neigh./Comm. w/Grocery) Class B (Neigh./Comm.) - Value Added
	Feb.-13					
		Seattle	5.00% - 5.75% 6.00% - 7.00% 5.50% - 6.50% 7.00% - 8.00% 6.00% - 6.50% 6.00% - 8.00% 6.50% - 7.50% 7.00% - 8.00%	- - - - - - - -	- - - - - - - -	CBD - Class A CBD - Class A - Value Added CBD - Class B CBD - Class B - Value Added Suburban - Class A Suburban - Class A - Value Added Suburban - Class B Suburban - Class B - Value Added Class A Class B Class A (Neigh./Comm. w/Grocery) Class B (Neigh./Comm. w/Grocery)
Real Capital Analytics	4Q 2012	Seattle	5.10% - -	- 7.60% -	- - N/A	5.80% - Prior 12 mos. (thru Q4 '12) 6.90% - Prior 12 mos. (thru Q4 '12) 6.40% - Prior 12 mos. (thru Q4 '12)
IRR: Viewpoint for 2013	Yr. End 2012	Seattle	5.50% 6.00% - - -	- - 6.00% 6.00% - 7.50% -	- - - - 6.00% 6.00%	"Institutional Grade Properties" CBD Office Suburban Office Industrial Industrial/Flex Reg./Comm. Mall Neigh. Retail
Marcus & Millichap	Yr. End 2012	National	- - -	- - -	5.90% 7.90% 7.70%	Urban Properties Regional Malls Strip Centers
Colliers International	Q4 2012	Seattle - Puget	4.40% 7.40%	- -	- -	CBD Office Suburban Office

SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
Office Highlights		Sound				
Costar	Yr. End 2012	King County	6.68%	-	-	Size <100k/SF; CapRate <15%; \$/SF >\$100/SF
			-	7.50%	-	Size <100k/SF; CapRate <15%; \$/SF >\$20/SF
			-	-	7.17%	Size <100k/SF; CapRate <15%; \$/SF >\$100/SF

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	4Q 2012	National	6.03%	7.80%	7.36%	Overall
			7.65%	8.50%	10.62%	Sq.Ft. - <50k
			7.06% - 7.08%	8.02% - 12.72%	6.69% - 7.02%	Sq.Ft. - 50k-200k
			5.80%	7.14%	6.71%	Sq.Ft. - 200K+
PWC / Korpaz	4Q 2012	National	6.70%	-	-	CBD Office - (4.25% - 10.00%)
			7.42%	-	-	Sub. Office - (5.00% - 10.50%)
			7.84%	-	-	Medical Office - (5.75% - 11.00%)
			-	8.54%	-	Flex/R&D - (7.12% - 8.54%)
			-	6.73%	-	Warehouse - (5.00 - 10.00%)
			-	-	6.83%	Regional Mall - (4.50% - 10.00%)
			-	-	6.98%	Power Center - (6.00% - 8.75%)
			-	-	7.06%	Neigh. Strip Ctrs. - (5.25% - 9.50%)
Real Capital Analytics	4Q 2012	National	6.80%	-	-	7.10% - Prior 12 mos. (thru Q4 '12)
			-	7.60%	-	7.70% - Prior 12 mos. (thru Q4 '12)
			-	-	7.00%	7.01% - Prior 12 mos. (thru Q4 '12)
IRR: Viewpoint for 2013	Yr. End 2012	National	7.65%	-	-	"Institutional Grade Properties"
			7.91%	-	-	CBD Office - (Range 5.00% - 10.50%)
			-	7.75%	-	Sub. Office - (Range 6.00% - 9.00%)
			-	8.30%	-	Industrial - (Range 6.00% - 9.75%)
			-	-	7.28% - 7.60%	Flex gara - (Range 6.75% - 9.50%)
			-	-	7.66%	Reg./Comm. Mall - (Range 6.00% - 8.75%)
			-	-	-	Neigh. Strip Ctrs. - (Range 6.00% - 9.00%)
RERC-CCIM: Investment Trends Quarterly	4Q 2012	National	6.30%	7.40%	7.10%	RERC Realized Cap Rates
			5.20% - 6.20%	6.30% - 7.00%	6.20% - 6.70%	NCREIF Implied Cap Rates
		W. Region	6.30%	7.00%	5.70%	
Colliers International Office/Industrial Highlights	Q4 2012	National	7.40%	-	-	CBD Office
			7.80%	-	-	Suburban Office\
			-	7.79%	-	U.S. Total
			-	7.75%	-	West Region
Marcus & Millichap	Yr.End 2013	National	-	-	5.90%	Urban Properties
			-	-	7.90%	Regional Malls
			-	-	7.70%	Strip Centers
			-	-	High 7.00%	Net Lease - Big Box
			-	-	Low 7.00%	Net Lease - Drug Store
			-	-	Low 7.00%	Net Lease - Quick Service Rest.
Calkain: Net Lease Economic Report	Yr End 2012	National	-	-	7.18%	Overall (Average)
			-	-	7.04%	Drug Store
			-	-	7.20%	Quick Service Rest.
			-	-	7.25%	Restaurant
			-	-	8.00%	Big Box
			-	-	6.07%	Banks
The Boulder Group: Net Lease Market Report	4Q 2012	National	8.04%	8.15%	7.25%	Overall (Average)
Cassidy/Turley: Single Tenant Net Lease Overview	3Q 2012	National	-	-	6.90%	Industrial
			-	-	6.80%	Drug Store
			-	-	7.10%	Quick Service Rest.
			-	-	8.20%	Jr. Big Box - (20,000K/SF - 39,999/SF)
			-	-	7.70%	Mid. Big Box - (40,000K/SF - 79,999/SF)
			-	-	6.40%	Mega Big Box - (80,000/SF +)

The preceding table demonstrates ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with

data specific to the real estate market in Area 10 to develop the income model. The range of capitalization rates in the income model for Area 10 reflects the variety of properties in this area.

### Income Approach Calibration

Changes that were made for the 2013 parameters include an increase in vacancy and collection loss rate for office properties and a decrease in this rate for ancillary uses such as storage garages that tend to be attached to another larger predominant use. Lease rates, operating expenses and capitalization rates remained mostly unchanged.

2012 YEAR END			
	OFFICE	RETAIL	INDUSTRIAL
VACANCY	↗ (SLIGHT INCREASE)	↔ (STABLE)	↔ (STABLE)
RENTAL RATE	↔ (STABLE)	↔ (STABLE)	↔ (STABLE)
CAPITALIZATION RATE	↔ (STABLE)	↔ (STABLE)	↔ (STABLE)
IMPROVED PROPERTY VALUES	↘ (SLIGHT DECREASE)	↔ (STABLE)	↔ (STABLE)
LAND VALUES	↔ / ↘ *(STABLE to SLIGHT DECREASE)	↔ / ↘ *(STABLE to SLIGHT DECREASE)	↔ / ↘ *(STABLE to SLIGHT DECREASE)

\* Some neighborhoods experienced slight decreases and one neighborhood experienced slight increases

Rental rates for the most part remained stable. With the exception of larger office buildings, the majority of the economic rents used in the valuation model represent a NNN lease structure. A full service income model was utilized to value larger office and medical buildings over 10,000SF, and apartment units in mixed use buildings.

Income tables were developed for each of the nine neighborhoods that comprise Area 10. The tables pertain to the following property types: Retail, Office, Industrial Engineering Buildings, Medical and Dental Offices, Discount Stores, Storage Garage, Basement Finish, Restaurant, Storage Warehouse, Banks, Auto Repair Garages, and Living Units, in addition to an exclusion table indicating property uses not covered by an income table. Properties which contain differing section uses may have multiple tables that are applicable to the property as a whole. There are a total of 141 income tables used to calculate income-based value for Area 10. There are nine tables, one for each neighborhood, indicating excluded uses. All tables are included in this report.

The income tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates by using adjustments based on neighborhood, size, quality of construction, and the effective age. When the value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements. For properties where sales and income and expense data was not available, the cost approach was utilized.

**Income:** Income parameters were derived from the market place through information obtained during sales verification, advertised rental listings, and actual rents collected from building owners via mailed surveys, discussions with actual tenants and building owners, as well as through published

sources (i.e. OfficeSpace.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 appraiser observation and knowledge of the market.

Expenses: Expense ratios were estimated based on industry standards, published sources, and appraiser observation and knowledge of the area's rental practices. Within our income valuation models, the assessor used triple net expenses for typical retail/mixed-use, office buildings under 10,000SF, and industrial type uses. For office/medical buildings over 10,000SF, the assessor used full service expenses within the valuation models.

Capitalization Rates: Data from recognized published sources helps to assist in developing capitalization rates, but primary influence is from the available market data. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate. Since property taxes are considered to be an allowable operating expense, no effective tax rate is included in the following capitalization rate data.

## **Income Model**

Rental rates, vacancy levels and operating expenses are derived by reconciling all of the information collected through the sales verification process, completed surveys, interviews with tenants, owners, and brokers and the appraiser's independent market research. Quality, effective age, condition, and location are variables considered in the application of the income model to the parcels in the population best suited to be valued via the income approach. Property types in Area 10 that are valued by the income approach include, but are not limited to, offices, retail stores, industrial buildings and mixed-use buildings.

Typical rental rates for office and medical office property types are valued per square foot of net rentable area, based on Triple Net 10,000SF and under, and Full Service for over 10,000SF. Typical rental rates for retail and mixed use property types are valued per square foot of net rentable area. Deductions for vacancy and collection loss were figured at a percent of Potential Gross Income, while typical expense rates are a percent of Effective Gross Income. Capitalization Rates applicable to the property type depend on factors such as effective age and quality/condition.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types.

The following tables summarize the income parameter ranges that have been deemed applicable, within the income tables, for use in the income valuation model for each neighborhood in Area 10. A property value determined by the income approach will typically use some combination of the following data. A discussion follows each neighborhood table summarizing value indications where there is a large enough population of properties affected. Some property types may not be present in a particular neighborhood or there are only a few properties of that type. Individual properties may also be valued by the income approach where parameters other than indicated in the tables are used, per appraiser judgment.

Area 10-10 Lake City Way Corridor and Maple Leaf				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$10.50 to \$26	10-12%	10%-32%	7.00% to 8.75%
Retail	\$11 to \$20	8%	10%	7.00% to 8.75%
Warehouse	\$5.40 to \$11.20	8%	7.50%	7.00% to 8.75%

Area 10-10 contains 456 commercial properties (excluding specialties). Application of these parameters for Area 10-10 resulted in a total range of value of \$59 per square foot to \$217 per square foot for all properties of the three major types valued by the income approach. Nearly all properties are of average quality.

Office properties show an effective age of 1970 to 2008, with the median at 1980. Values range from \$85 per square foot to \$188 per square foot, with a median of \$145 per square foot and an average of \$147 per square foot.

Retail properties show an effective age of 1969 to 2007, with the median at 1985. Values range from \$77 per square foot to \$217 per square foot, with a median of \$155 per square foot and an average of \$152 per square foot.

Warehouse properties show an effective age of 1970 to 1990, with the median at 1980. Values range from \$59 per square foot to \$130 per square foot, with a median of \$94 per square foot and an average of \$101 per square foot.

Area 10-20 Northgate				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$16 to \$25	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$16 to \$25	8%	10%	7.00% to 8.75%
Warehouse	\$6 to \$11.50	8%	7.50%	7.00% to 8.75%

Area 10-20 contains 112 commercial properties (excluding specialties). Application of these parameters for Area 10-20 resulted in a total range of value of \$120 per square foot to \$254 per square foot for all properties of the three major types valued by the income approach. Properties are typically of average or average-to-good quality.

Office properties show an effective age of 1975 to 2005, with the median at 1990. Values range from \$128 per square foot to \$243 per square foot, with a median of \$202 per square foot and an average of \$197 per square foot.

Retail properties show an effective age of 1969 to 2009, with the median at 1988. Values range from \$135 per square foot to \$254 per square foot, with a median of \$199 per square foot and an average of \$194 per square foot.

Only one warehouse property received a total value by the income approach. It is average quality with an effective age of 1985 and has been valued at \$120 per square foot.

Area 10-30 Northeast Seattle (Pinehurst - 15th Avenue NE Corridor)				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$10 to \$24	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$12 to \$20	8%	10%	7.00% to 8.75%
Warehouse	\$5.40 to \$10.20	8%	7.50%	7.00% to 8.75%

Application of these parameters for Area 10-30 resulted in a total range of value of \$119 per square foot to \$209 per square foot for all properties of the three major types valued by the income approach. Nearly all properties are of average quality.

Area 10-30 is a primarily residential neighborhood, containing only 76 commercial properties (excluding specialties). As such, there are a small number of properties in each of the three major types in Area 10-30 that are valued by the income approach. The entire population shows an effective age of 1970 to 2000, with the median at 1984. The median value for all is \$148 per square foot, and the average value is \$158 per square foot.

Area 10-40 East Shoreline (North City - 15th Avenue NE Corridor)				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$11 to \$24	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$11 to \$20	8%	10%	7.00% to 8.75%
Warehouse	\$5.40 to \$10.20	8%	7.50%	7.00% to 8.75%

Application of these parameters for Area 10-40 resulted in a total range of value of \$77 per square foot to \$216 per square foot for all properties of the three major types valued by the income approach. Area 10-40 contains 152 commercial properties (excluding specialties). Nearly all properties are of average quality.

Office properties show an effective age of 1970 to 2008, with the median at 1981. Values range from \$84 per square foot to \$216 per square foot, with a median of \$142 per square foot and an average of \$155 per square foot.

Retail properties show an effective age of 1950 to 2007, with the median at 1985. Values range from \$77 per square foot to \$199 per square foot, with a median of \$168 per square foot and an average of \$146 per square foot.

Warehouse properties show an effective age of 1969 to 1985, with the median at 1979. Values range from \$81 per square foot to \$130 per square foot, with a median of \$96 per square foot and an average of \$101 per square foot.

Area 10-50 City of Lake Forest Park				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$12.50 to \$22.50	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$12 to \$23	8%	10%	7.00% to 8.75%
Warehouse	\$3.75 to \$10.25	8%	7.50%	7.00% to 8.75%

Application of these parameters for Area 10-50 resulted in a total range of value of \$127 per square foot to \$200 per square foot for all properties of the three major types valued by the income approach. Nearly all properties are of average quality.

Area 10-50 is a primarily residential neighborhood, containing only 52 commercial properties (excluding specialties). As such, there are a small number of properties in the office and retail categories in Area 10-50 that are valued by the income approach. There were no warehouse properties affected. The entire population shows an effective age of 1962 to 2005, with the median at 1986. The median value for all is \$163 per square foot, and the average value is \$162 per square foot.

Area 10-60 Northeast Shoreline (Ballinger)				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$13.5 to \$22.50	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$7 to \$25	8%	10%	7.00% to 8.75%
Warehouse	\$3.75 to \$10.25	8%	7.50%	7.00% to 8.75%

Application of these parameters for Area 10-60 resulted in a total range of value of \$127 per square foot to \$200 per square foot for all properties of the three major types valued by the income approach. Nearly all properties are of average quality.

Area 10-60 is a primarily residential neighborhood, only approximately 315 acres in area. There are only 42 commercial properties (excluding specialties), centered mostly along a stretch of Ballinger Way NE less than one mile in length. The majority of properties receiving a total assessed value by the income approach belong to the office category. The offices show an effective age of 1970 to 2003, with the median at 1994. The median value for the offices is \$178 per square foot, and the average value is \$168 per square foot.

Area 10-70 City of Kenmore				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$11 to \$24	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$12 to \$23	8%	10%	7.00% to 8.75%
Warehouse	\$3.50 to \$10	8%	7.50%	7.00% to 8.75%

Area 10-70 contains 220 commercial properties (excluding specialties). Application of these parameters for Area 10-70 resulted in a total range of value of \$52 per square foot to \$240 per square foot for all properties of the three major types valued by the income approach. Nearly all properties are of average quality.

Office properties show an effective age of 1975 to 1996, with the median at 1985. Values range from \$115 per square foot to \$200 per square foot, with a median of \$147 per square foot and an average of \$156 per square foot.

Retail properties show an effective age of 1969 to 2005, with the median at 1985. Values range from \$127 per square foot to \$240 per square foot, with a median of \$170 per square foot and an average of \$173 per square foot.

Warehouse properties show an effective age of 1969 to 2000, with the median at 1980. Values range from \$52 per square foot to \$128 per square foot, with a median of \$81 per square foot and an average of \$87 per square foot.

<b>Area 10-80 West Shoreline (Highway 99 Corridor)</b>				
<b>Property Type</b>	<b>Rent/SF Range</b>	<b>Vacancy Rate/ Collection Loss</b>	<b>Expense Rate- % of EGI</b>	<b>Capitalization Rate</b>
Office/Medical Office	\$10.50 to \$23	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$7 to \$25	8%	10%	7.00% to 8.75%
Warehouse	\$4 to \$10.50	8%	7.50%	7.00% to 8.75%

Area 10-80 contains 322 commercial properties (excluding specialties). Application of these parameters for Area 10-80 resulted in a total range of value of \$82 per square foot to \$263 per square foot for all properties of the three major types valued by the income approach. The majority of properties are of average quality, with representative samplings of low-to-average and average-to-good.

Office properties show an effective age of 1969 to 2007, with the median at 1988. Values range from \$97 per square foot to \$236 per square foot, with a median of \$168 per square foot and an average of \$168 per square foot.

Retail properties show an effective age of 1969 to 2005, with the median at 1987. Values range from \$93 per square foot to \$263 per square foot, with a median of \$171 per square foot and an average of \$168 per square foot.

Warehouse properties show an effective age of 1980 to 1990, with the median at 1981. Values range from \$82 per square foot to \$164 per square foot, with a median of \$111 per square foot and an average of \$115 per square foot.

Area 10-90 West Shoreline (Richmond Beach)				
Property Type	Rent/SF Range	Vacancy Rate/ Collection Loss	Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$13.50 to \$22.50	10 to 12%	10% to 32%	7.00% to 8.75%
Retail	\$6.50 to \$23.50	8%	10%	7.00% to 8.75%
Warehouse	\$3.75 to \$10.25	8%	7.50%	7.00% to 8.75%

Application of these parameters for Area 10-90 resulted in a total range of value of \$129 per square foot to \$195 per square foot for all properties of the three major types valued by the income approach. Nearly all properties are of average quality.

Area 10-90 is a primarily residential neighborhood, containing only 36 commercial properties (excluding specialties). As such, there are a small number of properties in the office and retail categories in Area 10-90 that are valued by the income approach. There were no warehouse properties affected. The entire population shows an effective age of 1975 to 1995, with the median at 1985. The median value for all is \$151 per square foot, and the average value is \$157 per square foot.

## Reconciliation

All parcels were individually reviewed for correctness of the model application before final value selection. All of the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when ample comparable sales were available, however the income approach was applied to most parcels in order to better equalize comparable properties. Whenever possible, market rents, expenses, and cap rates were ascertained from sales, and along with data from surveys and publications these parameters were applied to the income model.

The income approach to value was considered to be a reliable indicator of value in most instances. The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal judgment prevailed when determining when to depart from the assessor's table generated income model. An administrative review of the selected values was made by Bonnie Christensen, Senior Appraiser for quality purposes.

## Model Validation

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

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

In this valuation model, the income approach is used to value the majority of the income producing properties that aren't obsolesced (land value is greater than value by income method) because there are an insufficient number and a variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values.

For this revalue period, land values have remained fairly stable or been reduced in some areas. For the most part, income parameters have remained relatively stable over the recent term with some changes in vacancy rates. The total assessed value for the 2012 assessment year for Area 10 was \$2,749,314,350 and the total recommended assessed value for the 2013 assessment year is \$2,768,097,370. Application of these recommended values for the 2013 assessment year results in a total increase from 2012 of .68%.

	2012 Total Value	2013 Total Value	\$ Increase/Decrease	% Change
<b>Change in Total Assessed Value</b>	\$2,749,314,350	\$2,768,097,370	+\$18,783,020	+.68%

Comparison of the 2012 Ratio Study Analysis with the 2013 Ratio Study Analysis indicates the weighted mean ratio, which is a statistical measure of assessment level, went from 100.1% to 99.9%. Application of the total value model described above results in improved equity between individual properties as shown by the improvement in the Coefficient of Dispersion (COD) from 6.81% to 3.23% and the Coefficient of Variation (COV) from 9.37% to 4.30% which reflects a marked improvement from previous values. The Price-related Differential (PRD) remained at 1.00%. The 2013 Ratio Analysis charts are included in this report.

The Coefficient of Dispersion (COD) and the Coefficient of Variation (COV) in the three year ratio study presented in this report indicate an improvement in uniformity. Therefore, it is recommended that the assessed values be posted for the 2013 assessment year.

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

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

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

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

### **Market Value**

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

### **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. (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**

*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 of valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.*

### **Property rights appraised:**

#### **Fee Simple**

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

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

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

*The 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.*
  - *Angelique Tinney verified some sales in Area 10.*
  - *Bonnie Christensen administratively reviewed all 2013 value selects for Area 10.*

4/11/2013

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Commercial Appraiser 1

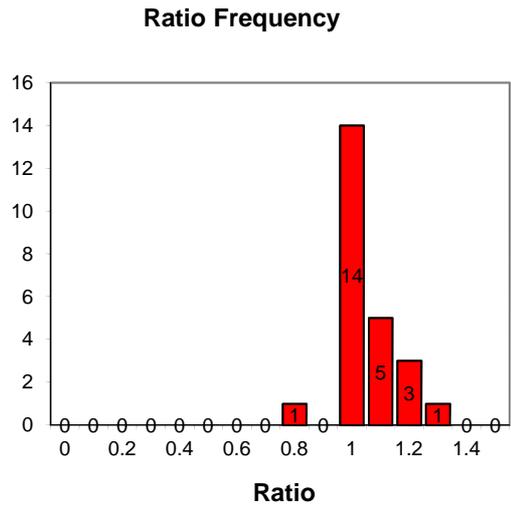
Date:

Area 010 - Shoreline/Kenmore/Lake Forest Park/Portion of Seattle  
2013 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
011410-0660	590,300	550,000	10/21/2010	1.0733	0.0896
011410-0895	1,490,100	1,360,000	10/8/2012	1.0957	0.1120
032604-9016	600,000	650,000	5/19/2011	0.9231	0.0606
112604-9079	568,600	600,000	5/11/2010	0.9477	0.0360
164350-0080	1,131,800	1,112,500	12/20/2012	1.0173	0.0337
222730-0140	1,563,100	1,300,000	9/29/2010	1.2024	0.2188
223250-0015	295,900	295,000	5/11/2010	1.0031	0.0194
243490-0075	1,690,900	1,700,000	5/5/2010	0.9946	0.0110
246440-0145	281,200	293,000	7/17/2012	0.9597	0.0239
329890-0010	636,000	687,500	3/8/2011	0.9251	0.0585
397170-1501	371,800	325,000	8/1/2012	1.1440	0.1604
402410-0181	845,400	816,000	6/26/2012	1.0360	0.0524
402770-0890	243,200	245,000	11/27/2010	0.9927	0.0090
416410-0065	768,600	991,000	10/5/2012	0.7756	0.2081
416410-0225	4,440,000	4,500,000	8/14/2011	0.9867	0.0030
510040-1240	420,000	429,900	3/26/2010	0.9770	0.0067
510140-5310	1,108,600	1,200,000	1/6/2012	0.9238	0.0598
510140-5905	684,300	700,000	7/31/2012	0.9776	0.0061
616390-0780	575,300	600,000	6/27/2012	0.9588	0.0248
617330-0130	457,800	495,000	2/29/2012	0.9248	0.0588
670150-0010	328,500	335,000	9/23/2010	0.9806	0.0030
728390-0440	848,900	905,000	4/28/2011	0.9380	0.0456
882290-0250	715,200	610,000	8/22/2012	1.1725	0.1888
930430-0186	671,600	610,000	5/23/2012	1.1010	0.1174

Area 010 - Shoreline/Kenmore/Lake Forest Park/Portion of Seattle  
2013 Assessment Year

<b>Quadrant/Crew:</b>	<b>Appr date :</b>	<b>Date:</b>		<b>Sales Dates:</b>
<b>East Crew</b>	<b>1/1/2012</b>	<b>2/26/2013</b>		<b>1/1/10 - 12/31/12</b>
<b>Area</b>	<b>Appr ID:</b>	<b>Prop Type:</b>		<b>Trend used?: Y / N</b>
<b>10</b>	<b>TBRA</b>	<b>Improvement</b>		<b>N</b>
<b>SAMPLE STATISTICS</b>				
<i>Sample size (n)</i>	24			
<i>Mean Assessed Value</i>	888,600			
<i>Mean Sales Price</i>	887,900			
<i>Standard Deviation AV</i>	856,599			
<i>Standard Deviation SP</i>	858,090			
<b>ASSESSMENT LEVEL</b>				
<i>Arithmetic mean ratio</i>	1.001			
<i>Median Ratio</i>	0.984			
<i>Weighted Mean Ratio</i>	1.001			
<b>UNIFORMITY</b>				
<i>Lowest ratio</i>	0.7756			
<i>Highest ratio:</i>	1.2024			
<i>Coefficient of Dispersion</i>	6.81%			
<i>Standard Deviation</i>	0.0939			
<i>Coefficient of Variation</i>	9.37%			
<i>Price-related Differential</i>	1.00			
<b>RELIABILITY</b>				
<b>95% Confidence: Median</b>				
<i>Lower limit</i>	0.948			
<i>Upper limit</i>	1.036			
<b>95% Confidence: Mean</b>				
<i>Lower limit</i>	0.964			
<i>Upper limit</i>	1.039			
<b>SAMPLE SIZE EVALUATION</b>				
<i>N (population size)</i>	1062			
<i>B (acceptable error - in decimal)</i>	0.05			
<i>S (estimated from this sample)</i>	0.0939			
<b>Recommended minimum:</b>	14			
<i>Actual sample size:</i>	24			
<b>Conclusion:</b>	OK			
<b>NORMALITY</b>				
<b>Binomial Test</b>				
<i># ratios below mean:</i>	15			
<i># ratios above mean:</i>	9			
<i>z:</i>	1.020620726			
<b>Conclusion:</b>	<b>Normal*</b>			
*i.e., no evidence of non-normality				



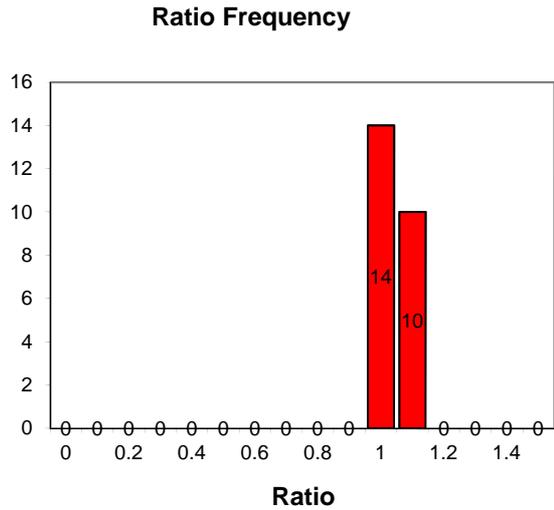
These figures reflect measurements before posting new values.

Area 010 - Shoreline/Kenmore/Lake Forest Park/Portion of Seattle  
2013 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
011410-0660	590,300	550,000	10/21/2010	1.0733	0.0835
011410-0895	1,362,600	1,360,000	10/8/2012	1.0019	0.0122
032604-9016	600,000	650,000	5/19/2011	0.9231	0.0667
112604-9079	568,600	600,000	5/11/2010	0.9477	0.0421
164350-0080	1,126,700	1,112,500	12/20/2012	1.0128	0.0230
222730-0140	1,380,700	1,300,000	9/29/2010	1.0621	0.0723
223250-0015	295,900	295,000	5/11/2010	1.0031	0.0133
243490-0075	1,677,600	1,700,000	5/5/2010	0.9868	0.0029
246440-0145	288,200	293,000	7/17/2012	0.9836	0.0061
329890-0010	648,000	687,500	3/8/2011	0.9425	0.0472
397170-1501	332,200	325,000	8/1/2012	1.0222	0.0324
402410-0181	812,300	816,000	6/26/2012	0.9955	0.0057
402770-0890	243,200	245,000	11/27/2010	0.9927	0.0029
416410-0065	968,100	991,000	10/5/2012	0.9769	0.0128
416410-0225	4,524,000	4,500,000	8/14/2011	1.0053	0.0156
510040-1240	420,000	429,900	3/26/2010	0.9770	0.0128
510140-5310	1,247,000	1,200,000	1/6/2012	1.0392	0.0494
510140-5905	690,000	700,000	7/31/2012	0.9857	0.0040
616390-0780	565,300	600,000	6/27/2012	0.9422	0.0476
617330-0130	465,430	495,000	2/29/2012	0.9403	0.0495
670150-0010	328,560	335,000	9/23/2010	0.9808	0.0090
728390-0440	870,100	905,000	4/28/2011	0.9614	0.0283
882290-0250	666,700	610,000	8/22/2012	1.0930	0.1032
930430-0186	619,200	610,000	5/23/2012	1.0151	0.0253

Area 010 - Shoreline/Kenmore/Lake Forest Park/Portion of Seattle  
2013 Assessment Year

<b>Quadrant/Crew:</b>	<b>Appr date :</b>	<b>Date:</b>		<b>Sales Dates:</b>
<b>East Crew</b>	<b>1/1/2013</b>	<b>4/1/2013</b>		<b>1/1/10 - 12/31/12</b>
<b>Area</b>	<b>Appr ID:</b>	<b>Prop Type:</b>		<b>Trend used?: Y / N</b>
<b>10</b>	<b>TBRA</b>	<b>Improvement</b>		<b>N</b>
<b>SAMPLE STATISTICS</b>				
<i>Sample size (n)</i>				24
<i>Mean Assessed Value</i>				887,100
<i>Mean Sales Price</i>				887,900
<i>Standard Deviation AV</i>				866,066
<i>Standard Deviation SP</i>				858,090
<b>ASSESSMENT LEVEL</b>				
<i>Arithmetic mean ratio</i>				0.994
<i>Median Ratio</i>				0.990
<i>Weighted Mean Ratio</i>				0.999
<b>UNIFORMITY</b>				
<i>Lowest ratio</i>				0.9231
<i>Highest ratio:</i>				1.0930
<i>Coefficient of Dispersion</i>				3.23%
<i>Standard Deviation</i>				0.0428
<i>Coefficient of Variation</i>				4.30%
<i>Price-related Differential</i>				1.00
<b>RELIABILITY</b>				
<b>95% Confidence: Median</b>				
<i>Lower limit</i>				0.977
<i>Upper limit</i>				1.013
<b>95% Confidence: Mean</b>				
<i>Lower limit</i>				0.977
<i>Upper limit</i>				1.011
<b>SAMPLE SIZE EVALUATION</b>				
<i>N (population size)</i>				1057
<i>B (acceptable error - in decimal)</i>				0.05
<i>S (estimated from this sample)</i>				0.0428
<b>Recommended minimum:</b>				3
<i>Actual sample size:</i>				24
<b>Conclusion:</b>				OK
<b>NORMALITY</b>				
<b>Binomial Test</b>				
<i># ratios below mean:</i>				13
<i># ratios above mean:</i>				11
<i>z:</i>				0.204124145
<b>Conclusion:</b>				<b>Normal*</b>
*i.e., no evidence of non-normality				



These figures reflect measurements after posting new values.

## Improvement Sales for Area 010 with Sales Used

02/26/2013

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
010	010	145360	0740	12,695	2456554	\$1,900,000	08/31/10	\$149.67	CASCADE BUILDING	NC3-85	1	26	Imp changed after sale; not in ratio
010	010	246440	0145	1,406	2554333	\$293,000	07/17/12	\$208.39	GLEN HUNT AND ASSO	SF 5000	1	Y	
010	010	297980	0385	3,590	2552403	\$675,000	07/03/12	\$188.02	MEDICAL OFFICE (SFR)	LR2 RC	2	34	Use-change after sale; not in ratio
010	010	510040	1099	1,836	2562673	\$690,000	08/31/12	\$375.82	WESTERN PROPERTY MGMT	NC2-40	1	34	Use-change after sale; not in ratio
010	010	510040	1240	2,100	2435155	\$429,900	03/26/10	\$204.71	MERRY MAIDS	NC2-40	1	Y	
010	010	510140	5310	9,226	2525809	\$1,200,000	01/06/12	\$130.07	ITALIAN SPAGHETTI HOUSE & PIZZA	C1-40	1	Y	
010	010	510140	5905	3,960	2556952	\$700,000	07/31/12	\$176.77	Presently Vacant	C1-40	1	Y	
010	010	882290	0250	4,404	2561819	\$610,000	08/22/12	\$138.51	LAKE CITY MED-DENTAL BLDG	NC3P-65	1	Y	
010	020	243490	0075	7,168	2440588	\$1,700,000	05/05/10	\$237.17	Office Building	NC3-65	1	Y	
010	020	617330	0130	1,526	2532418	\$495,000	02/29/12	\$324.38	NORTHGATE DENTAL BUILDING CONDOM	LR3	2	Y	
010	030	670150	0010	1,369	2460849	\$335,000	09/23/10	\$244.70	PEGASUS COURT CONDOMINIUM	NC2-40	1	Y	
010	040	162604	9067	2,800	2537473	\$294,700	04/03/12	\$105.25	former SUNSHINE CAFE	NB	1	34	Use-change after sale; not in ratio
010	040	402410	0181	10,539	2552972	\$816,000	06/26/12	\$77.43	retail	NCBD	1	Y	
010	040	616390	0780	3,260	2551389	\$600,000	06/27/12	\$184.05	A-B-C COMMUNICATIONS	NCBD	2	Y	
010	040	663290	0050	6,930	2573893	\$1,600,000	11/13/12	\$230.88	SEATTLE POSTAL EMPLOYEES	CB	1	34	Use-change after sale; not in ratio
010	050	032604	9016	2,400	2492460	\$650,000	05/19/11	\$270.83	LAKE FOREST PARK MARKET	NB	1	Y	
010	050	397170	1501	6,040	2557166	\$325,000	08/01/12	\$53.81	RETAIL STORE	NB	1	Y	
010	070	011410	0660	3,250	2466376	\$550,000	10/21/10	\$169.23	BIG ED'S TAVERN	DC	2	Y	
010	070	011410	0895	5,307	2572129	\$1,360,000	10/08/12	\$256.27	MOBILE HOME PARK 27 PADS + DUPL	R24	1	Y	
010	070	112604	9079	5,440	2445071	\$600,000	05/11/10	\$110.29	PROMETCO INC	RB	1	Y	
010	070	402770	0890	1,520	2469031	\$245,000	11/27/10	\$161.18	CHILDREN'S MONTESSORI SCHOOL	R6	1	Y	
010	070	416410	0065	11,200	2568606	\$991,000	10/05/12	\$88.48	SKI MASTERS	RB	1	Y	
010	070	416410	0225	2,276	2505485	\$4,500,000	08/14/11	\$1,977.15	INGLEWOOD EAST MOBILE HOME PARK	R12	1	Y	
010	080	164350	0080	7,350	2581901	\$1,112,500	12/20/12	\$151.36	HIGHLAND PARK BUILDING	MUZ	1	Y	
010	080	222730	0140	10,207	2461285	\$1,300,000	09/29/10	\$127.36	Echo Lake Office Building	O	1	Y	
010	080	223250	0015	2,392	2441355	\$295,000	05/11/10	\$123.33	ECHO LAKE TAVERN	MUZ	1	Y	
010	080	329890	0010	2,400	2482289	\$687,500	03/08/11	\$286.46	HIGHLAND PARK PLACE CONDOMINIUM	CZ	1	Y	
010	080	728390	0440	4,061	2491167	\$905,000	04/28/11	\$222.85	DENTAL CLINIC	O	1	Y	
010	080	930430	0186	3,672	2545503	\$610,000	05/23/12	\$166.12	NORTHWEST SECURITY	O	1	Y	

Vacant Sales for Area 010 with Sales Used

01/28/2013

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
010	010	145360	0910	7,750	2540867	\$330,000	04/26/12	\$42.58	FOUR PLEX	NC3-65	1	Y	
010	010	145360	0911	7,425	2540884	\$335,000	04/26/12	\$45.12	FOUR PLEX	NC3-65	1	Y	
010	010	288770	1885	2,835	2484204	\$238,000	03/24/11	\$83.95	Commercial Retail Building	NC2-40	3	Y	
010	010	510040	0375	13,650	2437239	\$695,000	04/19/10	\$50.92	YINGS DRIVE IN RESTAURANT	C1-65	1	Y	
010	010	510040	2506	14,789	2538285	\$1,200,000	04/10/12	\$81.14	RES & Vacant Lot	NC2-40	1	Y	
010	010	145360	1002	5,400	2540899	\$300,000	04/26/12	\$55.56	Triplex	LR2	1	Y	*R Sale
010	010	766370	0930	13,270	2578561	\$525,000	12/07/12	\$39.56	WAREHOUSE	C1-65	1	Y	
010	020	292604	9535	30,898	2585658	\$1,300,000	01/01/13	\$42.07	LOT	NC3-40	1	Y	
010	020	322604	9130	37,713	2579735	\$2,900,000	12/03/12	\$76.90	MARIE CALLENDER'S	NC3-65	1	Y	
010	050	162604	9101	67,741	2573233	\$2,900,000	11/07/12	\$42.81	NORTHWEST KIDNEY CENTER BLOGG PA	C.C.	1	Y	
010	070	011410	0610	20,366	2481424	\$475,000	03/04/11	\$23.32	Vacant Lot	DC	1	Y	
010	070	011410	0673	23,172	2580620	\$609,000	12/17/12	\$26.28	BARBER SHOP WITH APARTMENTS	DC	1	Y	
010	070	794630	0035	17,250	2572188	\$729,000	10/30/12	\$42.26	Lakeview Yoga (Assoc. Pkng. on m	RB	4	Y	
010	080	072604	9061	47,928	2544022	\$1,900,000	05/11/12	\$39.64	Former HONG KONG BUFFET	MUZ	1	Y	
010	080	182604	9081	86,112	2574937	\$2,152,000	11/15/12	\$24.99	VACANT DAIRY QUEEN	MUZ	4	Y	
010	080	182604	9098	50,530	2546173	\$1,724,000	05/23/12	\$34.12	Former OVERLAND TRAILER COURT	MUZ	1	Y	
010	080	329370	0085	59,016	2508374	\$2,150,000	08/31/11	\$36.43	7-11 RESTAURANT & LINE RETAIL	MUZ	1	Y	

## Improvement Sales for Area 010 with Sales not Used

02/26/2013

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
010	010	145360	1001	17,030	2521392	\$445,356	12/02/11	\$26.15	AQUA DIVE HEALTH SPA	NC3-65	1	63	Bankruptcy - receiver or trustee
010	010	145360	1021	9,600	2451742	\$789,000	07/26/10	\$82.19	OFFICES BUILDING	NC3-65	1	61	Financial institution resale
010	010	145360	1139	2,968	2493194	\$495,000	05/19/11	\$166.78	DENTAL OFFICE	NC2P-40	1	51	Related party, friend, or neighbor
010	010	288770	0630	0	2569999	\$915,000	10/17/12	\$0.00	MAPLE LEAF PET CORNER & 1 BR APT	C1-40	3	44	Tenant
010	010	342604	9118	16,478	2528460	\$1,300,000	01/27/12	\$78.89	THE ANCHOR CHURCH	SF 7200	1	33	Lease or lease-hold
010	010	510040	0245	17,130	2441088	\$300,000	05/13/10	\$17.51	SEATTLE/KING COUNTY CAMP FIRE	L-2	1	24	Easement or right-of-way
010	010	510140	2200	4,790	2580957	\$357,906	11/12/12	\$74.72	PANDORA'S ADULT CABARET	C1-65	1	22	Partial interest (1/3, 1/2, etc.)
010	010	688480	0290	6,800	2578176	\$1,450,000	12/05/12	\$213.24	REAL PROPERTY ASSOCIATES	C1-40	1	15	No market exposure
010	010	882290	0690	4,140	2456881	\$650,000	08/31/10	\$157.00	PIONEER WOODWORKS	NC3P-65	1	44	Tenant
010	020	243490	0060	30,610	2561369	\$4,500,000	08/01/12	\$147.01	SEATTLE ATHLETIC CLUB	NC3-65	1	44	Tenant
010	020	292604	9455	7,056	2568356	\$270,018	10/04/12	\$38.27	MEN'S WEARHOUSE	NC3-65	1	22	Partial interest (1/3, 1/2, etc.)
010	020	802420	0690	7,844	2548140	\$1,100,000	05/21/12	\$140.23	OFFICE OR LINE RETAIL	LR2 RC	1	44	Tenant
010	030	113300	0190	4,470	2547545	\$1,150,000	05/30/12	\$257.27	CAR WASH	NC3-40	1	44	Tenant
010	040	288170	0310	2,876	2500972	\$735,000	07/14/11	\$255.56	NORTH SEATTLE CHURCH OF GOD	R6	1	17	Non-profit organization
010	040	663290	0151	7,845	2503986	\$1,360,000	08/02/11	\$173.36	BLUE STAR OFFICE BUILDING	NB	1	13	Bankruptcy - receiver or trustee
010	050	397170	1605	3,364	2535032	\$250,000	03/22/12	\$74.32	ARCTIC MINI MART	RM 2400	1	60	Short sale
010	060	741770	0280	19,000	2456813	\$5,500	08/16/10	\$0.29	OFFICE & WAREHOUSE	MUZ	1	24	Easement or right-of-way
010	060	741770	0590	13,236	2507239	\$1,025,000	08/23/11	\$77.44	OFFICE BUILDING	CB	2	61	Financial institution resale
010	070	011410	0740	13,672	2571763	\$96,000	10/22/12	\$7.02	BOTHELL WORSHIP CENTER	R1	1	17	Non-profit organization
010	070	112604	9020	0	2506093	\$11,191,044	08/18/11	\$0.00	KENMORE PRE-MIX	RB	1	11	Corporate affiliates
010	070	416410	0070	1,914	2560228	\$968,500	08/21/12	\$506.01	Food Supplement and Vitamin Stor	RB	1	44	Tenant
010	070	794630	0110	1,482	2549567	\$400,000	06/14/12	\$269.91	CARRAGE CASE COLLISION CENTER	DC	1	44	Tenant
010	070	794630	0135	1,872	2547717	\$138,000	06/06/12	\$73.72	Tully's Coffee	DC	2	59	Bulk portfolio sale
010	070	794630	0155	4,167	2576525	\$438,000	11/27/12	\$105.11	DENTAL CLINIC	DC	1	22	Partial interest (1/3, 1/2, etc.)
010	080	031810	0035	3,360	2582891	\$310,000	12/31/12	\$92.26	mini lube	TC-3	1	61	Financial institution resale
010	080	072604	9104	21,240	2455394	\$12,641	07/23/10	\$0.60	CLUB HOLLYWOOD	MUZ	1	33	Lease or lease-hold
010	080	182604	9076	729	2523319	\$68,333	12/13/11	\$93.74	SMALL OFFICE	NB	1	51	Related party, friend, or neighbor
010	080	222730	0025	2,820	2539743	\$1,043,200	03/27/12	\$369.93	SERVICE GARAGE	MUZ	2	24	Easement or right-of-way
010	080	222790	0101	7,953	2529598	\$135,150	01/31/12	\$16.99	BUCKY'S MUFFLER	MUZ	1	63	Easement or right-of-way
010	080	288170	0340	18,400	2538491	\$3,000,000	04/13/12	\$163.04	SHORLINE CHRISTIAN CHURCH	R18	1	17	Non-profit organization
010	080	530610	0040	2,600	2534335	\$108,100	02/21/12	\$41.58	RETAIL	MUZ	1	63	Forced Sale-Foreclosure
010	080	728390	0573	4,080	2566208	\$1,433,323	09/21/12	\$351.30	VACANT OFFICE BLDG.	I	4	63	Forced Sale-Foreclosure

Vacant Sales for Area 010 with Sales not Used

01/22/2013

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
010	010	145360	0482	13,509	2540335	\$1,477,551	04/20/12	\$109.38	VACANT	C1-65	1	63	Forced sale
010	010	145360	0665	10,011	2540337	\$1,097,388	04/20/12	\$109.62	VACANT	C1-65	1	63	Forced sale
010	010	766370	0263	26,050	2451379	\$750,000	07/22/10	\$28.79	Convenience Market	C1-40	1	23	Forced sale
010	010	766370	0810	1,169	2446517	\$8,889	05/13/10	\$7.60	VACANT LAND	L-3	1	18	Quit claim deed
010	010	766370	0900	83,129	2522936	\$5,360,000	12/14/11	\$64.48	CARL NORTH CO	C1-65	1	52	Statement to dor
010	040	616390	0620	107,605	2547364	\$2,500,000	06/01/12	\$23.23	former SHORELINE YMCA	NCBD	1	17	Non-profit organization
010	080	062604	9176	25,075	2497286	\$300,000	06/22/11	\$11.96	PAVED PARKING	MUZ	2	22	Partial interest (1/3, 1/2, etc.)
010	080	072604	9098	88,435	2583168	\$2,540,000	12/20/12	\$28.72	PARKER'S	TC-1	1	51	Related party, friend, or neighbor
010	080	182604	9098	50,530	2536296	\$1,500,000	03/20/12	\$29.69	Former OVERLAND TRAILER COURT	MUZ	1	33	Lease or lease-hold

## Area 10 Physically Inspected Parcels 2013

Major	Minor	AddrLine
042504	9010	1903 NE 85TH ST
042504	9013	8320 LAKE CITY WAY NE
042504	9014	8315 LAKE CITY WAY NE
042504	9062	8304 LAKE CITY WAY NE
052504	9097	7857 LAKE CITY WAY NE
075100	0005	3400 NE 110TH ST
075100	0010	11006 34TH AVE NE
075100	0095	11001 35TH AVE NE
075200	0170	11031 34TH AVE NE
156610	0390	9502 25TH AVE NE
199620	0070	204 NE 94TH ST
206110	0020	8409 5TH AVE NE
206110	0030	8401 5TH AVE NE
206110	0045	8315 5TH AVE NE
206110	0055	8309 5TH AVE NE
206110	0075	8301 5TH AVE NE
206110	0080	8261 5TH AVE NE
206110	0085	8221 5TH AVE NE
246440	0145	559 NE 80TH ST
246440	0645	7917 ROOSEVELT WAY NE
246440	0730	7801 ROOSEVELT WAY NE
256830	0115	2728 NE 100TH ST
256830	0190	10224 FISCHER PL NE
256830	0310	10430 LAKE CITY WAY NE
256830	0319	10400 LAKE CITY WAY NE
256830	0320	10330 LAKE CITY WAY NE
256830	0340	10322 LAKE CITY WAY NE
256830	0350	10304 LAKE CITY WAY NE
256880	0250	3212 NE 100TH ST
256880	0320	
256880	0360	10005 32ND AVE NE
272604	9114	4030 NE 109TH ST
272604	9115	3535 NE 110TH ST
279770	0000	9090 RAVENNA AVE NE
282604	9024	10700 30TH AVE NE
282604	9030	10734 LAKE CITY WAY NE
282604	9034	10516 LAKE CITY WAY NE
282604	9041	10710 LAKE CITY WAY NE
282604	9046	10706 LAKE CITY WAY NE
282604	9053	10502 LAKE CITY WAY NE
282604	9090	10728 LAKE CITY WAY NE
282604	9097	10722 LAKE CITY WAY NE
282604	9101	10748 LAKE CITY WAY NE
282604	9119	10550 LAKE CITY WAY NE
282604	9152	10700 30TH AVE NE
282604	9219	10522 LAKE CITY WAY NE
282604	9276	10740 LAKE CITY WAY NE
287860	0005	8410 5TH AVE NE
287860	0110	8400 5TH AVE NE
287860	0400	8320 5TH AVE NE
287860	0530	8300 5TH AVE NE
288770	0350	8201 LAKE CITY WAY NE
288770	0360	8200 LAKE CITY WAY NE
288770	0370	8215 LAKE CITY WAY NE
288770	0510	8251 LAKE CITY WAY NE
288770	0530	8250 LAKE CITY WAY NE
288770	0535	8250 LAKE CITY WAY NE
288770	0585	8266 LAKE CITY WAY NE
288770	0596	8288 LAKE CITY WAY NE
288770	0610	8279 LAKE CITY WAY NE
288770	0625	8302 LAKE CITY WAY NE
288770	0630	8300 LAKE CITY WAY NE
288770	0650	
288770	0655	

Area 10 Physically Inspected Parcels 2013

Major	Minor	AddrLine
288770	0660	8208 18TH AVE NE
288770	1505	8100 LAKE CITY WAY NE
288770	1710	8053 LAKE CITY WAY NE
288770	1725	8048 LAKE CITY WAY NE
288770	1750	8020 15TH AVE NE
288770	1755	8012 15TH AVE NE
288770	1765	8010 15TH AVE NE
288770	1821	8021 16TH AVE NE
288770	1830	8021 16TH AVE NE
288770	1835	8021 16TH AVE NE
288770	1840	8064 LAKE CITY WAY NE
288770	1850	8074 LAKE CITY WAY NE
288770	1861	8069 LAKE CITY WAY NE
288770	1880	8057 16TH AVE NE
288770	1883	
288770	1884	
288770	1885	7756 15TH AVE NE
290900	0000	2224 NE 92ND ST
295240	0000	8415 5TH AVE NE
297980	0005	1409 NE 80TH ST
297980	0140	7860 LAKE CITY WAY NE
297980	0230	7812 LAKE CITY WAY NE
297980	0375	7817 12TH AVE NE
297980	0385	7813 12TH AVE NE
297980	0410	7801 LAKE CITY WAY NE
318660	0650	7740 24TH AVE NE
322604	9066	425 NE 95TH ST
329972	0000	8800 20TH AVE NE
342604	9112	9500 35TH AVE NE
342604	9118	3524 NE 95TH ST
342604	9159	3506 NE 95TH ST
342604	9285	9516 35TH AVE NE
344800	0715	3201 NE 120TH ST
344800	0790	3003 NE 120TH ST
344800	0795	3009 NE 120TH ST
344800	0810	3103 NE 120TH ST
344800	0815	3107 NE 120TH ST
344800	0890	3119 NE 120TH ST
344800	0915	11701 LAKE CITY WAY NE
344800	0940	11706 LAKE CITY WAY NE
344800	1081	11744 LAKE CITY WAY NE
344800	1082	11750 LAKE CITY WAY NE
344800	1090	2825 NE 120TH ST
344800	1105	11724 LAKE CITY WAY NE
344800	1120	
344800	1125	11731 LAKE CITY WAY NE
344800	1425	11515 26TH AVE NE
344800	1435	11521 26TH AVE NE
344800	1510	
344800	1520	11554 26TH AVE NE
344800	1530	
344800	1535	
344800	1540	
344800	1565	11525 LAKE CITY WAY NE
344800	1580	11501 LAKE CITY WAY NE
344800	1625	11535 LAKE CITY WAY NE
344800	1655	11555 27TH AVE NE
344800	1700	11502 LAKE CITY WAY NE
344800	1705	11577 LAKE CITY WAY NE
344800	1720	11550 LAKE CITY WAY NE
344800	1740	11532 LAKE CITY WAY NE
344800	1755	11530 LAKE CITY WAY NE
344800	1756	11527 28TH AVE NE
344800	1760	11518 LAKE CITY WAY NE

## Area 10 Physically Inspected Parcels 2013

Major	Minor	AddrLine
344800	1770	11514 LAKE CITY WAY NE
344800	1772	2704 NE 115TH ST
344800	1773	2722 NE 115TH ST
344800	1785	2724 NE 115TH ST
344800	1815	11540 LAKE CITY WAY NE
378280	0000	9556 SAND POINT WAY NE
382170	0140	13751 LAKE CITY WAY NE
382170	0141	13760 32ND AVE NE
382170	0144	13748 32ND AVE NE
382170	0173	13718 32ND AVE NE
399770	0000	11038 LAKE CITY WAY NE
407320	0015	9559 SAND POINT WAY NE
407320	0129	9701 SAND POINT WAY NE
407480	0075	
407480	0085	9702 SAND POINT WAY NE
407780	0532	3540 NE 110TH ST
407780	0562	11002 35TH AVE NE
414230	0000	1740 NE 86TH ST
508785	0000	9222 ROOSEVELT WAY NE
509890	0000	8516 23RD AVE NE
510040	0015	8506 5TH AVE NE
510040	0047	516 NE 85TH ST
510040	0125	800 NE 85TH ST
510040	0200	8521 ROOSEVELT WAY NE
510040	0215	8511 ROOSEVELT WAY NE
510040	0220	8509 ROOSEVELT WAY NE
510040	0225	8501 ROOSEVELT WAY NE
510040	0230	8526 ROOSEVELT WAY NE
510040	0231	
510040	0232	
510040	0245	8511 15TH AVE NE
510040	0250	8523 15TH AVE NE
510040	0320	1722 NE 85TH ST
510040	0345	8531 LAKE CITY WAY NE
510040	0375	8500 LAKE CITY WAY NE
510040	1095	8614 ROOSEVELT WAY NE
510040	1099	8626 ROOSEVELT WAY NE
510040	1170	8610 8TH AVE NE
510040	1240	8613 ROOSEVELT WAY NE
510040	1249	850 NE 86TH ST
510040	1528	8829 ROOSEVELT WAY NE
510040	1534	8815 ROOSEVELT WAY NE
510040	1537	8811 ROOSEVELT WAY NE
510040	1538	8807 ROOSEVELT WAY NE
510040	1543	8801 ROOSEVELT WAY NE
510040	1546	8830 ROOSEVELT WAY NE
510040	1555	8814 ROOSEVELT WAY NE
510040	2325	8926 ROOSEVELT WAY NE
510040	2335	8900 ROOSEVELT WAY NE
510040	2497	8929 ROOSEVELT WAY NE
510040	2500	8925 ROOSEVELT WAY NE
510040	2503	8917 ROOSEVELT WAY NE
510040	2506	852 NE 89TH ST
510040	2695	
510040	2698	
510040	2704	9005 ROOSEVELT WAY NE
510040	2710	9026 ROOSEVELT WAY NE
510040	2713	9020 ROOSEVELT WAY NE
510040	2719	9000 ROOSEVELT WAY NE
510040	3230	9123 15TH AVE NE
510040	3247	9116 ROOSEVELT WAY NE
510040	3256	9100 ROOSEVELT WAY NE
510040	3426	9123 ROOSEVELT WAY NE
510040	3432	9115 ROOSEVELT WAY NE

## Area 10 Physically Inspected Parcels 2013

Major	Minor	AddrLine
510040	3435	9111 ROOSEVELT WAY NE
510040	3462	9100 5TH AVE NE
510040	3816	9211 ROOSEVELT WAY NE
510040	3835	9212 ROOSEVELT WAY NE
510040	3837	9200 ROOSEVELT WAY NE
510140	0387	8600 LAKE CITY WAY NE
510140	0394	8512 20TH AVE NE
510140	0405	2020 NE 85TH ST
510140	0425	2106 NE 85TH ST
510140	0430	2100 NE 85TH ST
510140	0435	2024 NE 85TH ST
510140	0450	2118 NE 85TH ST
510140	0455	2108 NE 85TH ST
510140	0456	
510140	0458	2110 NE 85TH ST
510140	0470	8529 23RD AVE NE
510140	0472	8523 23RD AVE NE
510140	0475	8519 23RD AVE NE
510140	0525	8510 23RD AVE NE
510140	0530	8504 23RD AVE NE
510140	0560	2312 NE 85TH ST
510140	0632	8620 23RD AVE NE
510140	0734	8721 LAKE CITY WAY NE
510140	0770	2200 NE 88TH ST
510140	0890	8623 20TH AVE NE
510140	0891	8617 20TH AVE NE
510140	1950	2015 NE 89TH ST
510140	1965	8830 LAKE CITY WAY NE
510140	1980	8810 LAKE CITY WAY NE
510140	1983	2111 NE 89TH ST
510140	1985	2120 NE 88TH ST
510140	1986	2116 NE 88TH ST
510140	2065	8812 23RD AVE NE
510140	2189	8917 LAKE CITY WAY NE
510140	2200	8914 LAKE CITY WAY NE
510140	2204	2020 NE 89TH ST
510140	2206	8908 LAKE CITY WAY NE
510140	2207	8910 LAKE CITY WAY NE
510140	2710	851 NE 94TH ST
510140	2711	9221 ROOSEVELT WAY NE
510140	3832	9216 ROOSEVELT WAY NE
510140	4194	9222 LAKE CITY WAY NE
510140	4196	9222 LAKE CITY WAY NE
510140	4373	9428 LAKE CITY WAY NE
510140	4374	9408 LAKE CITY WAY NE
510140	4375	9406 LAKE CITY WAY NE
510140	4378	9428 RAVENNA AVE NE
510140	4384	9401 23RD AVE NE
510140	4385	9407 23RD AVE NE
510140	4390	9400 RAVENNA AVE NE
510140	4430	9412 15TH AVE NE
510140	4518	9422 ROOSEVELT WAY NE
510140	4524	9412 ROOSEVELT WAY NE
510140	4527	9410 ROOSEVELT WAY NE
510140	4530	9400 ROOSEVELT WAY NE
510140	4677	9417 ROOSEVELT WAY NE
510140	4680	9415 ROOSEVELT WAY NE
510140	4962	9541 RAVENNA AVE NE
510140	4969	9500 LAKE CITY WAY NE
510140	4988	9501 25TH AVE NE
510140	5280	9700 LAKE CITY WAY NE
510140	5300	9801 LAKE CITY WAY NE
510140	5310	9824 LAKE CITY WAY NE
510140	5320	9804 LAKE CITY WAY NE

## Area 10 Physically Inspected Parcels 2013

Major	Minor	AddrLine
510140	5880	10001 LAKE CITY WAY NE
510140	5881	10015 LAKE CITY WAY NE
510140	5883	10050 LAKE CITY WAY NE
510140	5884	10000 LAKE CITY WAY NE
510140	5885	10100 LAKE CITY WAY NE
510140	5890	
510140	5905	10205 LAKE CITY WAY NE
510140	5935	10223 LAKE CITY WAY NE
510140	5948	10215 LAKE CITY WAY NE
510140	7540	
510140	7559	10315 LAKE CITY WAY NE
510140	7605	10301 LAKE CITY WAY NE
511800	0000	8804 ROOSEVELT WAY NE
525730	0004	7751 15TH AVE NE
525730	0035	7733 15TH AVE NE
609480	0000	9700 RAVENNA AVE NE
617390	0000	9416 1ST AVE NE
633500	0005	4040 NE 105TH ST
636390	0000	8217 5TH AVE NE
642410	0005	7757 25TH AVE NE
642410	0006	2415 NE 80TH ST
681620	0000	8623 ROOSEVELT WAY NE
688480	0035	8039 15TH AVE NE
688480	0070	8014 LAKE CITY WAY NE
688480	0105	8000 LAKE CITY WAY NE
688480	0115	8001 LAKE CITY WAY NE
688480	0290	8001 14TH AVE NE
718100	0000	9502 RAVENNA AVE NE
718120	0000	2300 NE 89TH ST
769852	0000	7750 15TH AVE NE
802420	2285	9501 20TH AVE NE
864150	0125	9105 LAKE CITY WAY NE
864150	0150	9101 LAKE CITY WAY NE
864150	0189	9120 RAVENNA AVE NE
864150	0265	9100 LAKE CITY WAY NE
864150	0385	9001 LAKE CITY WAY NE
864150	0390	
864150	0465	9002 LAKE CITY WAY NE
864150	0470	9001 23RD AVE NE
864150	0480	9005 23RD AVE NE
864150	0500	9025 RAVENNA AVE NE
882090	3680	11729 1/2 36TH AVE NE
890100	0370	11039 17TH AVE NE
890150	0065	10701 19TH AVE NE
890200	0060	10505 24TH AVE NE
890200	0069	10519 24TH AVE NE
890200	0070	10525 24TH AVE NE
890200	0245	10809 LAKE CITY WAY NE
890200	0436	2405 NE 113TH ST
890250	0005	11285 LAKE CITY WAY NE
890250	0006	2411 NE 113TH ST
890250	0007	2460 NE NORTHGATE WAY
890250	0029	
890250	0031	11037 LAKE CITY WAY NE
890250	0033	11013 LAKE CITY WAY NE
890250	0034	11025 LAKE CITY WAY NE
890250	0065	11323 LAKE CITY WAY NE
890250	0091	11300 25TH AVE NE
890250	0095	11301 LAKE CITY WAY NE
890250	0100	11314 25TH AVE NE
890250	0105	11324 25TH AVE NE
890250	0106	2501 NE 115TH ST
890250	0107	2509 NE 115TH ST
890250	0108	2515 NE 115TH ST

## Area 10 Physically Inspected Parcels 2013

Major	Minor	AddrLine
890250	0111	2521 NE 115TH ST
890250	0124	11306 LAKE CITY WAY NE
890250	0135	11308 LAKE CITY WAY NE
890250	0145	11332 LAKE CITY WAY NE
890250	0150	
890250	0155	2711 NE 115TH ST
890250	0156	11356 LAKE CITY WAY NE
890250	0361	11000 LAKE CITY WAY NE
890250	0362	11032 LAKE CITY WAY NE
890250	0365	11032 LAKE CITY WAY NE
890250	0375	11032 LAKE CITY WAY NE
890250	0385	11046 LAKE CITY WAY NE
890250	0390	11064 LAKE CITY WAY NE
890250	0391	2615 NE 113TH ST
890250	0395	2611 NE 113TH ST
890300	0023	
890300	0071	2809 NE 115TH ST
890350	0030	10333 LAKE CITY WAY NE
890350	0080	10401 LAKE CITY WAY NE
890450	0005	7809 LAKE CITY WAY NE
890450	0015	7825 LAKE CITY WAY NE
890450	0025	7845 LAKE CITY WAY NE
920600	0005	8501 5TH AVE NE
921120	0000	9517 35TH AVE NE
954287	0000	2334 NE 102ND ST
955320	0035	9505 35TH AVE NE