

# Commercial Waterfront

Area: 12

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## *Commercial Revalue for 2020 Assessment Roll*



**King County**

**Department of Assessments**

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

500 Fourth Avenue, ADM-AS 0708

Seattle, WA 98104-2384

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*John Wilson*  
**Assessor**

Dear Property Owners,

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

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

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

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

In Service,

John Wilson  
King County Assessor



# How Property Is Valued

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

## What Are Mass Appraisal Techniques?

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

## Are Properties Inspected?

All property in King County is physically inspected at least once during each six year cycle. Each year our appraisers inspect a different geographic neighborhood. An inspection is frequently an external observation of the property to confirm whether the property has changed by adding new improvements or shows signs of deterioration more than normal for the property's age. From the property inspections we update our property assessment records for each property. In cases where an appraiser has a question, they will approach the occupant to make contact with the property owner or leave a card requesting the taxpayer contact them.

### RCW 84.40.025 - Access to property

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

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

## How Are Commercial Properties Valued?

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

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

## How is Assessment Uniformity Achieved?

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

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

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

Source: IAAO, *Standard on Ratio Studies, 2013, Table 1-3.*

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

## Requirements of State Law

Within Washington State, property is required to be revalued each year to market value based on its highest and best use. (RCW 84.41.030; 84.40.030; and WAC 458-07-030). Washington Courts have interpreted fair market value as the amount of money a buyer, willing but not obligated to buy, would pay to a seller willing but not obligated to sell. Highest and Best Use is simply viewed as the most profitable use that a property can be legally used for. In cases where a property is underutilized by a property owner, it still must be valued at its highest and best use.

## Appraisal Area Reports

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

## Executive Summary Report

**Appraisal Date January 1, 2020 (2020 Assessment Year)**

**Specialty Area: Area 12**

**Specialty Name: Commercial Waterfront**

**Parcel Count: 1,233 parcels**

**Number of sales: 8 improved**

<b>Population – Parcel Summary Data:</b>			
	<b>Land</b>	<b>Imps</b>	<b>Total</b>
<b>2019 Value</b>	\$2,127,099,300	\$618,654,300	\$2,745,753,600
<b>2020 Value</b>	\$2,235,722,500	\$633,452,950	\$2,869,175,450
<b>Percent Change</b>	5.11%	2.39%	4.50%

No ratio studies were included with this report due to the small number of improved sales relative to the size of the Area population.

The total parcel count for 2020 includes tax exempt parcels.

### **Conclusion and Recommendation:**

Total assessed values for the 2020 revalue have increased 4.50%

Since the values recommended in this report improve equity, we recommend posting these values for the 2020 assessment year.

## Identification of the Area

**Name:** Specialty Area 12 Commercial Waterfront

**Boundaries:**

The Commercial Waterfront Specialty Area 12 consists primarily of the commercially zoned waterfront properties within Seattle located from Portage Bay to the Shilshole area of Ballard. Portions of Elliott Bay are included along with several marinas located on Lake Washington and Vashon Island.

**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 and the King County Assessor website. GIS was emphasized in the mapping and valuation of this specialty area.

**Area Description:**

Specialty Area 12 properties consist of a mixture of commercial and industrial use waterfront properties including marinas, shipyards, office/retail buildings, and restaurants. Residential use houseboats are not included within this specialty as well as the commercial waterfront properties located in the Duwamish River area.

## **Economic Summary**

Economic activity and new construction in Area 12 waterfront continued to remain limited in 2019 compared to adjacent neighborhoods. The City of Seattle Shoreline Master Program and zoning regulations limit most commercial activity to water dependent uses and has therefore limited new developments. The existing waterfront restaurants and retail space typically support the adjacent neighborhoods, notably the South Lake Union district. New construction has been primarily repairs and minor upgrades to existing buildings.

There are over 75 marinas in King County and a list is included with this report. Demand for marina slips were considered to be strong with an overall vacancy rate of less than 5%. Sales of marina slips increased compared to previous years with a slight increase in overall leasing rates and prices.

## Analysis Process

**Effective Date of Appraisal:** January 1, 2020

**Date of Appraisal Report:** June 1, 2020

The following appraiser did the valuation for this geographic Area 12:  
Erik Prestegaard Commercial Appraiser II

### Highest and Best Use Analysis

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

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000 is 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 might not be ready for immediate development, but current growth trends may suggest that the land should be developed in a few years. Similarly, there may not be enough demand for office space to justify the construction of a multistory office building at the present time, but increased demand may be expected within five years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

### Standards and Measurement of Data Accuracy:

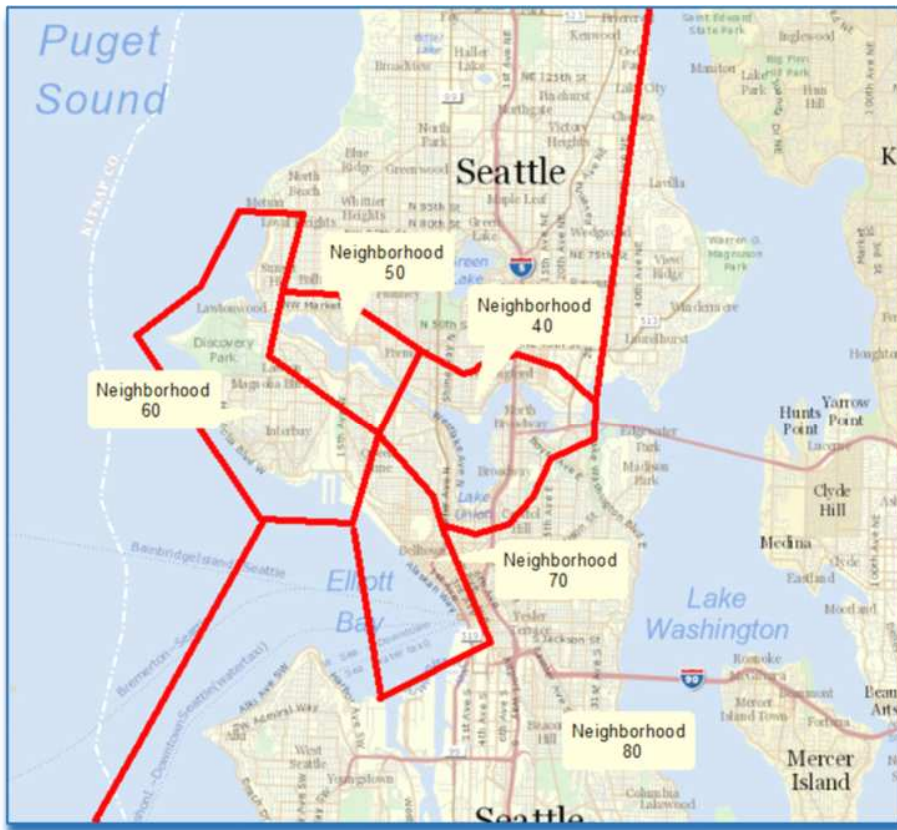
Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

### Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal. This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6 (USPAP compliant).



## Neighborhoods:



The Commercial Waterfront Specialty Area 12 is divided into 5 neighborhoods:

Neighborhood 40: Lake Union and Portage Bay

Neighborhood 50: Ballard and north Magnolia

Neighborhood 60: Shilshole and south Magnolia

Neighborhood 70: Downtown Seattle

Neighborhood 80: Lake Washington and Vashon Island

## Neighborhood 40: Lake Union



Neighborhood 40 includes Seattle's freshwater centerpiece Lake Union with its mixture of marinas, restaurants, office/retail, and industrial buildings. Named for the connecting of Lake Washington and Puget Sound, Lake Union has a long history as a central location for commerce and residential use. Seattle's downtown Central Business District is located just south of Lake Union and the residential neighborhoods of Queen Anne, Fremont, Wallingford, and Eastlake further surround the lake. Portage Bay and the adjacent waterfront for the University of Washington campus is located within the eastern portion of this Neighborhood. This is also home to the region's houseboat community (valued in Commercial Area 15).

The commercial waterfront development along Lake Union is currently limited by zoning and shoreline restrictions to emphasize marine related uses. The existing mid-rise offices and condominiums located on the shoreline were generally constructed prior to current land use regulations. Industrial use, including ship building and repairs, continues on a few properties. Waterfront development for 2019 continued to be limited with most construction being repairs or renovations to existing structures.

The adjacent South Lake Union area continues to see substantial building activity influenced by Paul Allen's Vulcan development and the Amazon.com global headquarters. Several life science/biotech organizations are also located here including Fred Hutchinson Cancer Research Center, The Allen Institute for Brain Science, ZymoGenetics, Battelle, Seattle Biomedical, Seattle Children's Hospital, Rosetta, Bio-Rad, and the University of Washington Medicine.

The commercial waterfront properties along South Lake Union are typically low-rise buildings consisting of retail, office, restaurants and marinas. Their role has been more supportive to the adjacent upland South Lake Union neighborhood. Several popular restaurants include Chandler's Crabhouse, Daniel's Broiler, and Duke's Seafood and Chowder. The 12 acre Lake Union Park includes

MOHAI, the Seattle Museum of History and Industry and the Center for Wooden Boats and Northwest Seaport.

The east side of Lake Union is influenced by the residential neighborhoods of Eastlake and Portage Bay and the several houseboat communities located in this area. A mixture of commercial uses include older offices and retail buildings and marinas. Several sales of commercially zoned properties have recently occurred here influenced by the residential demand.

E2806180, Parcel 408980-0040. This 6,128sqft vacant land parcel sold in 4/2017 for \$1,250,000. This parcel also sold in 1/2016 with 196820-0010 for \$4,830,000.

E2885478, Parcel 408880-1490. The American Marine Contractors building located at 3201 Fairview Ave E sold in 8/2017 for \$7,000,000.

E2964646, Parcel 408980-0015. The former Olympic Yacht Center site located at 3137 Fairview Ave E sold in 11/2018 for \$6,275,000.

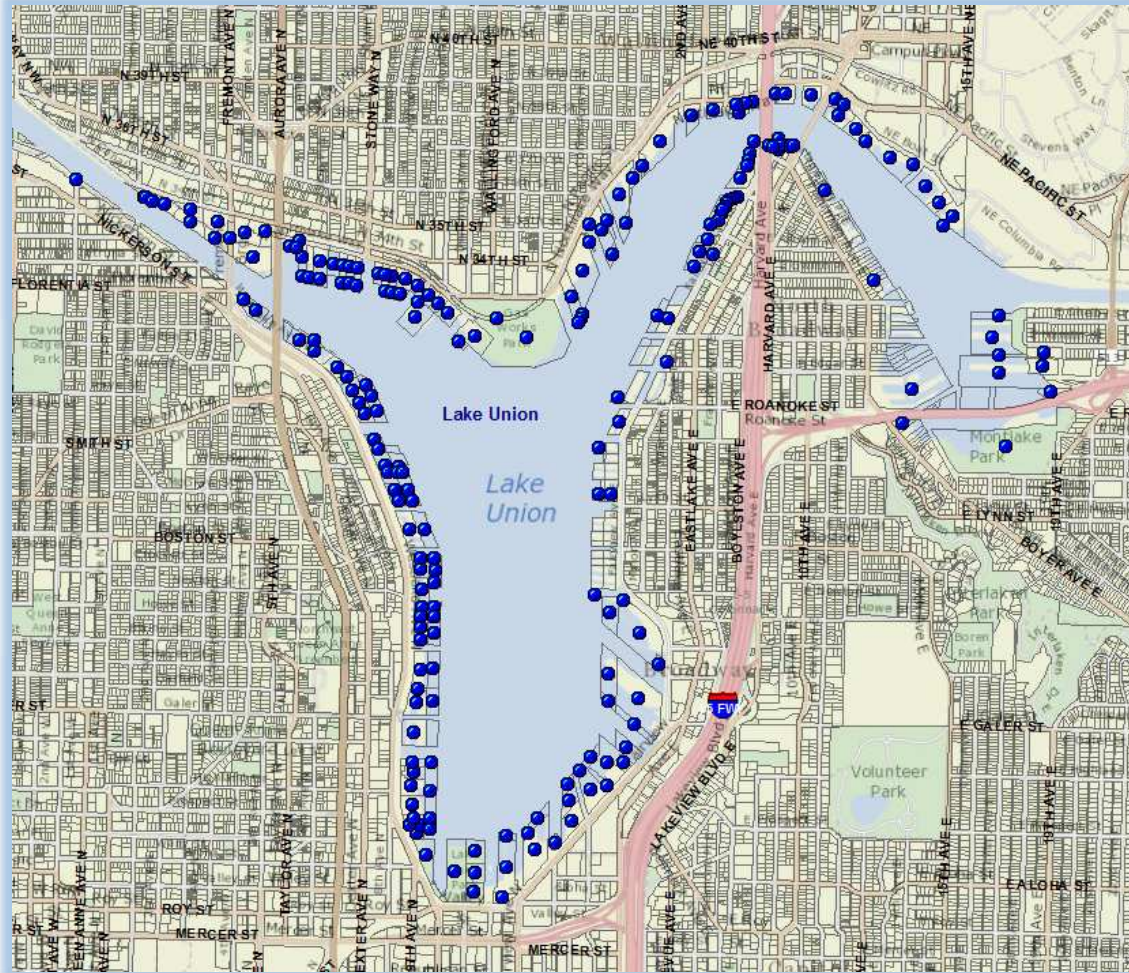
The west side of Lake Union is influenced by Westlake Avenue N and includes a mixture of office, retail, restaurants, and multiple marinas. Several of the houseboat communities are located here. Kenmore Air is at the southwestern portion and the Cycle Tract bikeway is located adjacent to Westlake Ave N.

E2874326, Parcel 408880-4105. The Thompson Building located at 2470 Westlake Ave N sold in 6/2017 for \$3,035,000.

The northern portion of Lake Union consists of a mixture of commercial and industrial use properties. The University of Washington is located on the adjacent Portage Bay. The neighborhood of Fremont includes the offices of Adobe System's, Tableau Software, Google, and BEA System's.

E3006312, Parcel 114200-4605. Jensen Motor Boat Company located at 1417 NE Boat St sold in 8/2019 for \$6,200,000.

## Neighborhood 40 parcel map



## Neighborhood 50: Ballard/ Magnolia

Neighborhood 50 includes the commercial waterfront properties in Ballard found on the north side of Salmon Bay and the Magnolia neighborhood located to the south. Waterfront properties situated here are typically more industrial based with shipyards and marine related industries including Foss Maritime, Salmon Bay Sand & Gravel, and Ocean Beauty Seafoods. Ballard is one of Seattle's oldest neighborhoods with its Scandinavian roots and traditional maritime history. Today, it is a popular residential neighborhood with trendy restaurants and unique shops.



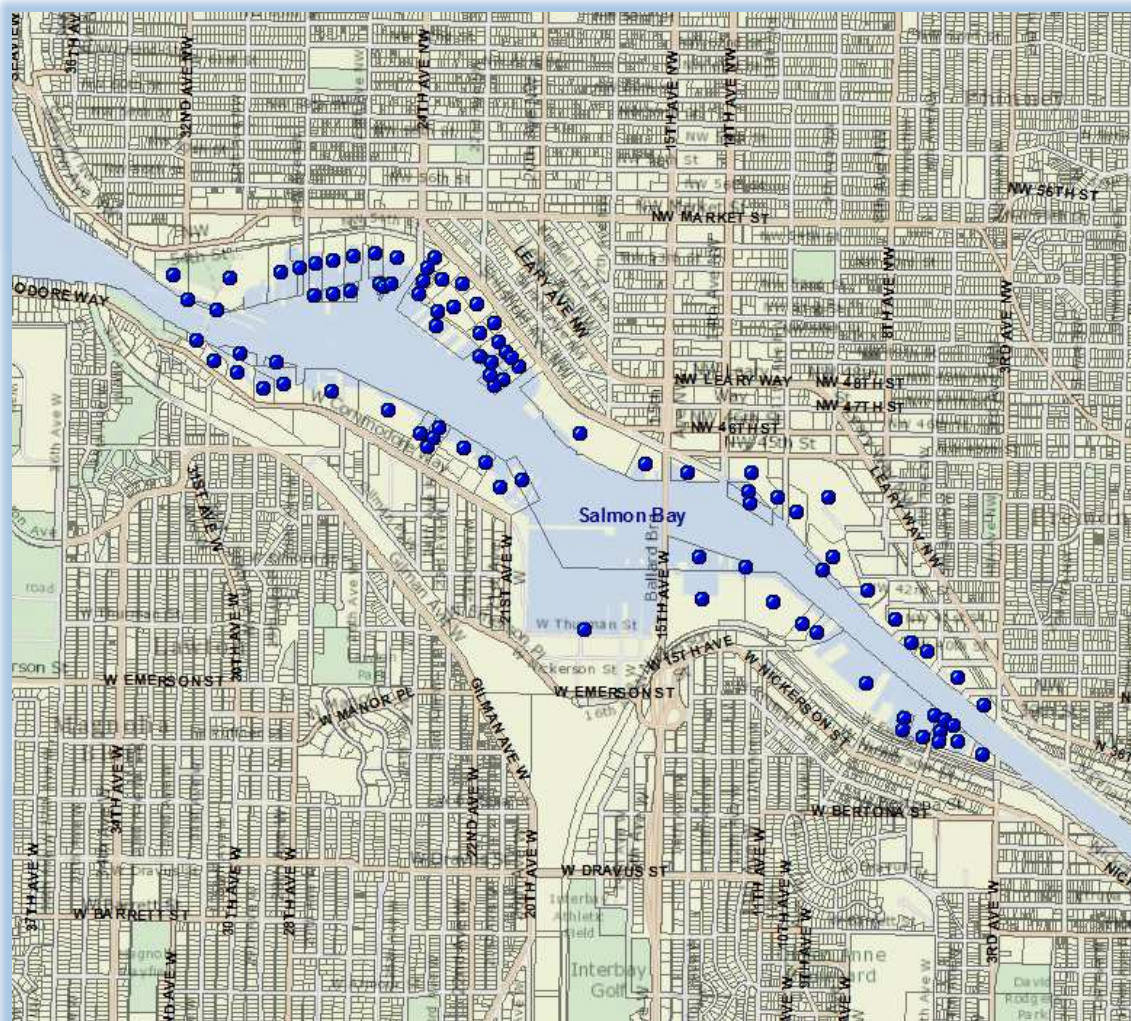
Neighborhood 50 includes several marinas and boat repair yards. Fisherman's Terminal, operated by the Port of Seattle, is home to the North Pacific fishing fleet consisting of hundreds of working fishing boats that spend months off the coast of Alaska. Salmon Bay Marine Center includes several newer waterfront office buildings and luxury boat slips.

E2856852, Parcel 046700-0700. The McGinnis Marina located at 5320 28<sup>th</sup> Ave NW sold in 3/2017 for \$5,000,000.

E2934898, Parcel 277160-5345. The Salmon Bay Marina located at 2100 W Commodore Way sold in 6/2018 for \$15,679,120.

E2953868, Parcel 046700-0075. Commercial Marine Construction located at 1121 NW 45<sup>th</sup> St sold in 9/2018 for \$18,615,000.

Neighborhood 50 parcel map



## Neighborhood 60: Shilshole/ South Magnolia

Neighborhood 60 is the commercial saltwater area located within Seattle and includes the Shilshole area of Ballard and south Magnolia. The neighborhood has a mixture of commercial, industrial, and retail uses including the 1,200+ slip privately owned Elliott Bay Marina and the 1,400+ slip Shilshole Marina owned by the Port of Seattle.

Terminal 91, owned by the Port of Seattle has over 8,000 feet of moorage on a 152 acre site. It is used for fishing and commercial vessels, and the on-terminal rail access to BNSF and Union Pacific Railroad.



Shilshole Marina



Elliott Bay Marina

The region's primary cruise ship terminal is located here at Smith Cove Pier 91 and was homeport to 45% of the cruise market. In 2019, the Port of Seattle hosted 213 calls from ten different cruise lines and 18 ships. The industry in Seattle has grown from nearly 120,000 passengers in 2000 to an estimated 1.2 million in 2019. Passenger increases between 2000 and 2019 represent a compound annual growth rate of 13%, which made Seattle the biggest cruise port on the west coast.



Neighborhood 60 parcel map:

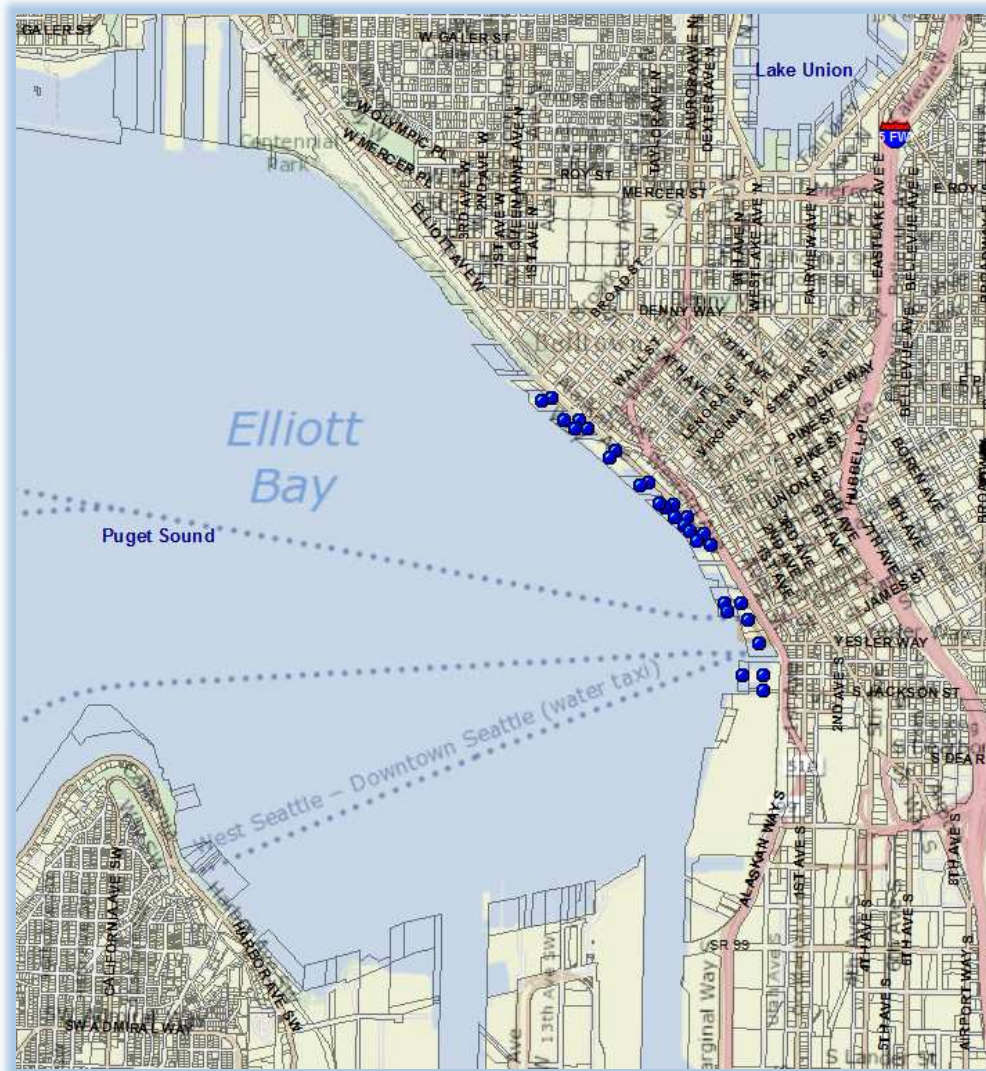




## Neighborhood 70: Downtown Seattle

Neighborhood 70 includes parcels located on Elliott Bay in downtown Seattle. The parcels are primarily government owned and leased properties.

### Neighborhood 70 parcel map:

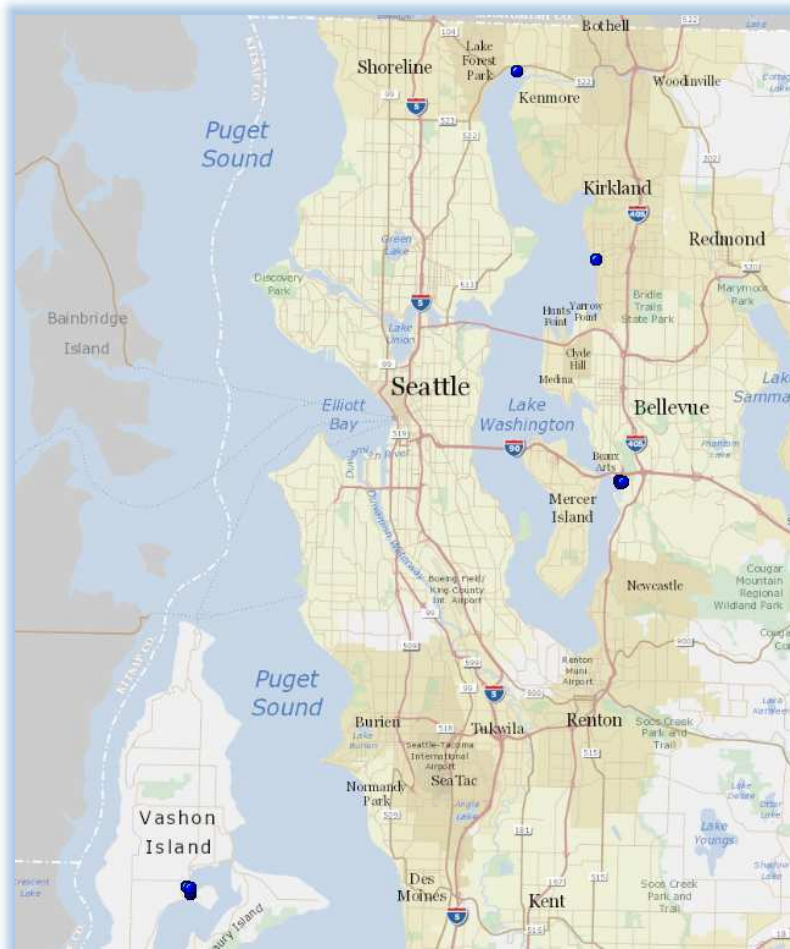


## Neighborhood 80: Lake Washington/ Vashon Island

Neighborhood 80 includes several marinas located outside the Seattle city limits. The Newport Yacht Basin is a 411 slip condominium marina located on Lake Washington in Bellevue. This was the first marina condominium association developed in the country. Harbour Village Marina is located in Kenmore and Homeport Marina in Kirkland. Quartermaster Harbor Marina with approximately 90 slips is located on Vashon Island along with the nearby Quartermaster Yacht Club.

E2882545, Parcel 172505-9130. The Yarrow Bay Marina sold in 8/2017 for \$10,800,000.

### Neighborhood 80 parcel map:



## Scope of Data:

### Land Parcel Value Data:

Vacant market sales from 01/01/2017 through 12/31/2019 were given the most consideration in valuing land. There were a limited number of 2019 land sales in Area 12. The sales verified as “good” were coded “Y” in the Assessor’s record. Multi-parcel sales were considered after combining the various aspects of all parcels involved in the sales.

### Land Valuation Considerations:

Waterfront development within the City of Seattle is regulated by the Seattle Shoreline Master Program (SMP) under Chapter 23.60A and was last updated in June 2015. The purpose of the Chapter is to implement the policies and provisions of the Shoreline Management Act and the Shoreline Goals and Policies of the Seattle Comprehensive Plan. The primary objectives of the Chapter are the following:

1. Protect the ecological functions of the shoreline areas
2. Encourage water-dependent uses
3. Provide for maximum access to enjoyment of the shorelines of the city
4. Preserve, enhance and increase views of the water.

Seattle’s SMP is based on three required policy goals:

**Preferred Shoreline Uses:** The SMA establishes a preference for uses that are water-oriented and that are appropriate for the environmental context (such as port facilities, shoreline recreational uses, and water-dependent businesses). Single-family residences are also identified as a priority use under the SMA when developed in a manner consistent with protection of the natural environment

**Environmental Protection:** The SMA requires protections for shoreline natural resources, including “... the land and its vegetation and wildlife, and the water of the state and their aquatic life ...” to ensure no net loss of ecological function.

**Public Access:** The SMA promotes public access to shorelines by mandating inclusion of a public access element in local Shoreline Master Programs and requiring provisions to ensure that new development maintains public access features.

The City’s SMP utilizes eleven separate shoreline designations that generally fit into either an “Urban” or a “Conservancy” category. The urban category includes six shoreline environments, applied primarily to developed areas with: existing single family residential development, commercial, industrial water dependent or water-related uses (Seattle, 2012b). The conservancy category consists of five shoreline environments that are applied to less developed areas supporting: navigation (aquatic designations), recreational uses, and habitat protection (Seattle, 2012b).

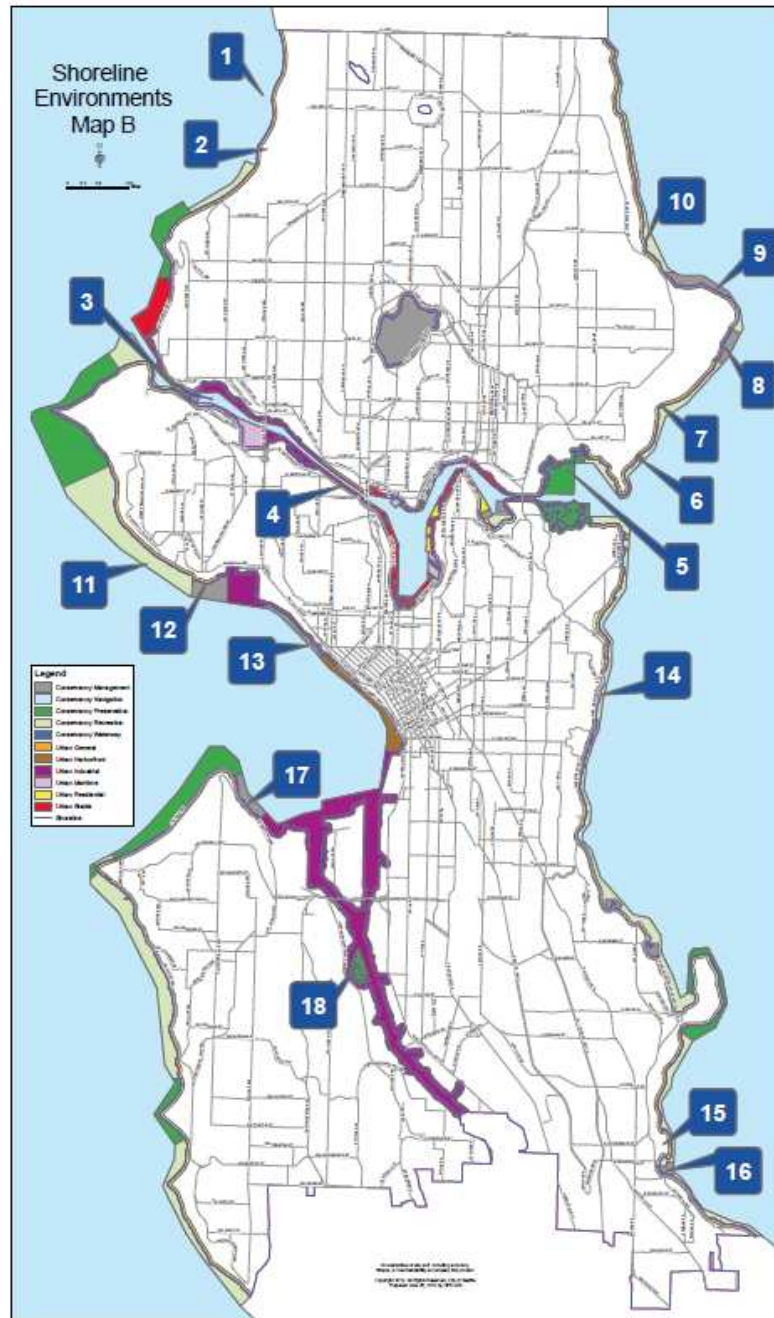
The City of Seattle Shoreline Environments designations are stated below:

Conservancy Navigation	CN
Conservancy Waterway	CW
Conservancy Preservation	CP
Conservancy Recreation	CR
Conservancy Management	CM
Urban Residential	UR
Urban Commercial	UC
Urban General	UG
Urban Harborfront	UH
Urban Maritime	UM
Urban Industrial	UI

Details of each Shoreline Environmental area can be found in Seattle Municipal Code 23.60. The City of Seattle updated its Shoreline Master Program under Bill 117585.

SMP-Guideline Designations	Seattle Designation	SMP-Guidelines Designation Criteria
Aquatic	Conservancy Navigation	<i>Protect, restore, and manage unique resources in areas waterward of the ordinary high-water mark.</i>
	Conservancy Waterway	
Natural	Conservancy Preservation	<i>Protect areas that are relatively free of human influence or contain intact, minimally degraded shoreline functions intolerant of human use.</i>
Urban Conservancy	Conservancy Recreation	<i>Protect ecological functions and plan for restoration of sensitive lands, where they exist in urban and developed settings, while allowing a variety of compatible uses.</i>
	Conservancy Management	
Shoreline Residential	Urban Residential	<i>Accommodate residential development while also planning for public access and recreational uses.</i>
High Intensity	Urban Stable	<i>Provide for high-intensity water-oriented commercial, transportation, and industrial uses while protecting existing ecological functions and planning for the restoration of previously degraded ecological functions.</i>
	Urban General	
	Urban Harborfront	
	Urban Maritime	
	Urban Industrial	

## Shoreline Environment Areas



Legend	
<span style="display: inline-block; width: 15px; height: 10px; background-color: grey; border: 1px solid black;"></span>	Conservancy Management
<span style="display: inline-block; width: 15px; height: 10px; background-color: lightblue; border: 1px solid black;"></span>	Conservancy Navigation
<span style="display: inline-block; width: 15px; height: 10px; background-color: green; border: 1px solid black;"></span>	Conservancy Preservation
<span style="display: inline-block; width: 15px; height: 10px; background-color: lightgreen; border: 1px solid black;"></span>	Conservancy Recreation
<span style="display: inline-block; width: 15px; height: 10px; background-color: darkblue; border: 1px solid black;"></span>	Conservancy Waterway
<span style="display: inline-block; width: 15px; height: 10px; background-color: orange; border: 1px solid black;"></span>	Urban General
<span style="display: inline-block; width: 15px; height: 10px; background-color: brown; border: 1px solid black;"></span>	Urban Harborfront
<span style="display: inline-block; width: 15px; height: 10px; background-color: purple; border: 1px solid black;"></span>	Urban Industrial
<span style="display: inline-block; width: 15px; height: 10px; background-color: pink; border: 1px solid black;"></span>	Urban Maritime
<span style="display: inline-block; width: 15px; height: 10px; background-color: yellow; border: 1px solid black;"></span>	Urban Residential
<span style="display: inline-block; width: 15px; height: 10px; background-color: red; border: 1px solid black;"></span>	Urban Stable
<span style="display: inline-block; width: 15px; border-bottom: 1px solid black; margin-bottom: 2px;"></span>	Shoreline

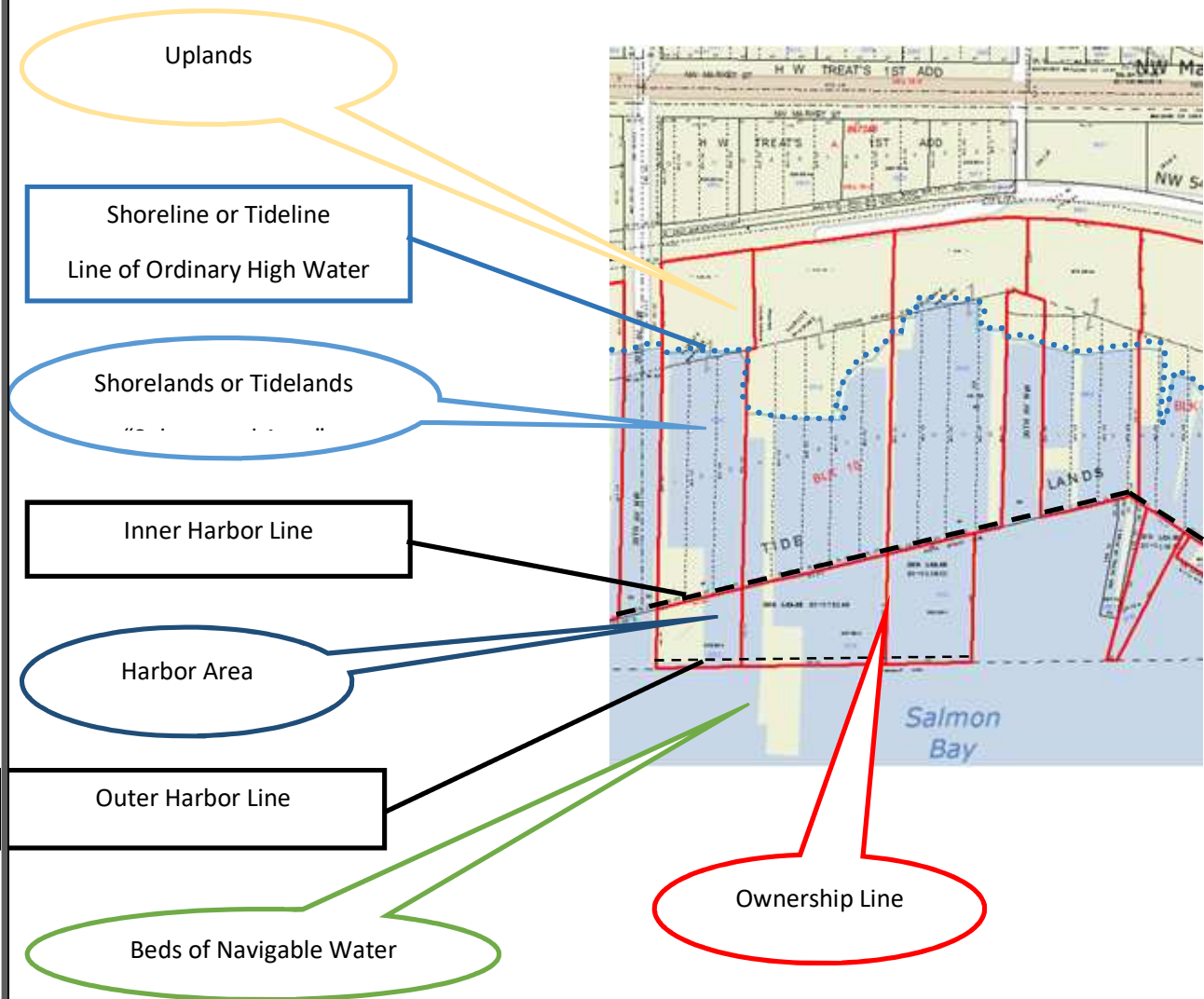
Development within the City of Seattle's Shoreline District is subject to both the development standards of the shoreline environment and the underlying zone in which it is located. The shoreline standards can include additional restrictions for building heights, floor area ratios (FAR), building and parking requirements, view corridors, public access, the Lake Union Construction Limit Line, and restrictions requiring water dependent uses. Existing non-conforming uses are allowed subject to the Shoreline District provisions.

Commercial waterfront properties typically consist of an upland portion being the dry land and the submerged land being generally delineated by the line of vegetation or water line. Within Seattle, the area between the water line and out to a point established by the State as the Inner Harbor Line are privately owned submerged lands. In 1907, the City of Seattle sold part of its tidelands within Lake Union and Ballard to private land owners. The city encouraged the owners to build docks or fill their lands for economic development. As a result, the boundaries of upland waterfront properties have changed over time. The size of Lake Union is reported to have been reduced from 900 acres to about 580 acres.

For valuation purposes, land is valued with consideration given to the amount of the upland area and the amount of submerged land area. The upland land values are equalized with adjacent neighborhood land values with consideration given to factors including zoning, lot size, location, and shoreline regulations and restrictions. Typical land values within the zones are included in the Land Value Data section of this report. Submerged land is valued with consideration given to the current allowable uses of each site. Depending on the property, the submerged land may have a range of allowable uses such as a marina, or restricted to undeveloped marine habitat area.

Submerged land located from the line of private ownership (Inner Harbor Line) out to the Line of Navigable Water (Outer Harbor Line) is known as the Harbor Area and is owned and managed by the Department of Natural Resources (DNR). This area is typically leased from the DNR to the adjacent upland owners. Many of these properties are currently leased for marina purposes.

## Waterfront Boundaries



Note: The definitions and information are provided by the Department of Assessments as a guide only. For further information, refer to Washington State Legislature RCW 79.105.060 Definitions.

## Waterfront definitions

**"Submerged Lands"** or "Aquatic lands" are used somewhat synonymously and means all tidelands, shorelands, harbor areas, and the beds of navigable waters.

**"Tidelands,"** are the submerged lands abutting the Puget Sound, and those rivers feeding into the Ocean or Sound which are affected by the ebb and flow of tides. **"First-class tidelands"** are classified as the shores of navigable tidal waters lying within or in front of the corporate limits of any city, or within one mile of either side of the city limits. Their outer limits are between the line of ordinary high tide and the inner harbor line in front of and within one mile of either side of the city limits; and between the line of ordinary high tide and the line of extreme low tide for the remaining tidelands area located within two miles on either side of the corporate limits; or **"Second-class tidelands"** are simply all tidelands other than those defined as first class, those lying outside of and more than two miles from the corporate limits of any city.

**"Shorelands,"** are the submerged lands bordering the shores of navigable lakes and streams which are not subject to tidal flow. The classification of shorelands as either **"First-class shorelands"** or **"Second-class shorelands"** are similar to the boundaries of tidelands with harbor areas in front of cities. Their outer limits are however generally defined as between the ordinary high water line and the line of navigability.

**"Inner harbor line"** is a line located and established in navigable waters between the line of ordinary high tide or ordinary high water and the outer harbor line, constituting the inner boundary of the harbor area.

**"Outer harbor line"** is a line located and established in navigable waters beyond which the state shall never sell or lease any rights whatever to private persons.

**"Harbor area"** is the area of navigable waters reserved for landings, wharves, streets, and other conveniences of navigation and commerce.

**"Beds of navigable waters"** are those lands lying waterward of and below the line of navigability on rivers and lakes not subject to tidal flow, or extreme low tide mark in navigable tidal waters, or the outer harbor line where harbor area has been created.



## Zoning Descriptions:

# C1

## Commercial 1

An auto-oriented, primarily retail/service commercial area that serves surrounding neighborhoods as well as a citywide or regional clientele

### Typical Land Uses

Large supermarkets, building supplies and household goods, auto sales and repairs, and apartments.

### Building Types

A variety of commercial building types and site layouts including one-story commercial structures with extensive surface parking, and multi-story office or residential buildings.

### Street-level Uses

Same as NC1 zone.

### Street-level Non-residential Design

Same as NC1 zone for structures containing residential uses, or when across a street from a residential zone. No requirements for non-residential structures, or when not across from a residential zone.

### Street-level Residential Design

Same as NC2 zone, except residential use limits explained for NC1 zones apply in some locations, such as Bitter Lake and Lake City Urban Villages and Northgate Overlay District.

### Maximum Size of Commercial Use

No size limits for most uses; 25,000-40,000 square feet for warehouse and wholesale showroom uses; 35,000 square feet or size of lot, whichever is greater, for office uses.

### Parking Location

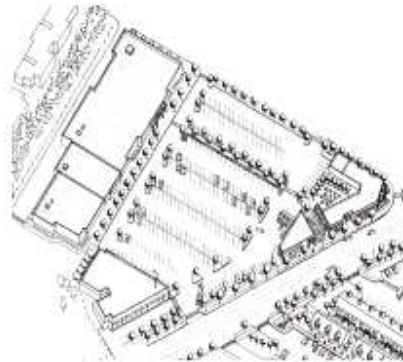
No restrictions generally. When a development contains residential uses or is across a street from a residential zone, it must meet NC1 zone standards.

### Parking Access

No restrictions generally. When a development contains residential uses or is across a street from a residential zone, it must meet NC1 zone standards.

### Parking Quantity

Same as NC1 zone.



# C2

## Commercial 2

An auto-oriented, primarily non-retail commercial area, characterized by larger lots, parking, and a wide range of commercial uses serving community, citywide or regional markets

### Typical Land Uses

Warehouses, wholesale, research and development, and manufacturing uses. Residential use is generally not allowed, but exceptions meeting specific criteria may be considered through a conditional use process.

### Building Types

A variety of building types and site layouts, including single-story warehouse or manufacturing structures with extensive surface parking and loading areas, and multi-story buildings containing office or other non-retail uses.

### Street-level Uses

Residential uses anywhere in a structure are conditional uses. When conditional use criteria are met, same as NC1 zone. Otherwise, 100% of street-level space must be in non-residential use.

### Street-level Non-residential Design

Same as C1 zone.

### Maximum Size of Commercial Use

No size limits for most uses; 35,000 square feet or size of lot, whichever is greater, for office uses.

### Parking Location

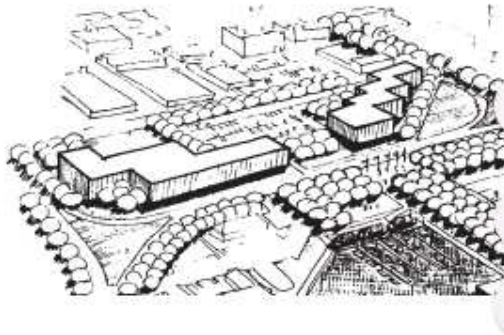
Same as C1 zone.

### Parking Access

Same as C1 zone.

### Parking Quantity

Same as C1 zone.



# IG1

## General Industrial 1 (IG1)

The intent of the IG1 zone is to protect marine and rail-related industrial areas from an inappropriate level of unrelated retail and commercial uses by limiting these uses to a density or size limit lower than that allowed for industrial uses.

### Typical Land Uses

General and heavy manufacturing, commercial uses, subject to some limits, high impact uses as a conditional use, institutional uses in existing buildings, entertainment uses other than adult, transportation and utility services, and salvage and recycling uses.

### Height

No maximum height limit; except retail, office, entertainment, research and development, and institution uses which are limited to 30', 45', 65', 85' as designated on the Official Land Use Map.

### Maximum size of use

Retail sales and service and entertainment uses: 10,000 square feet.  
Office uses: 10,000 square feet.  
Some exceptions apply to maximum size of use limits (23.50.027.B).

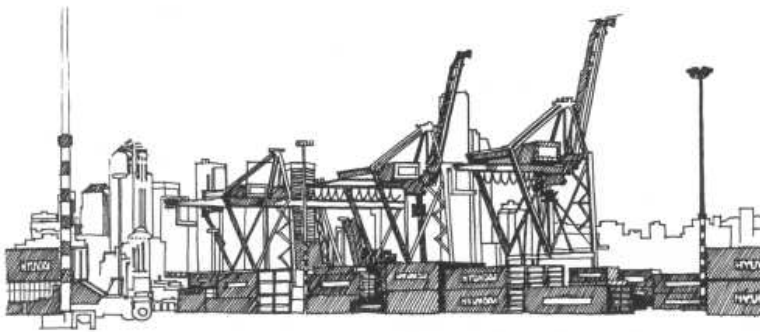


### FAR

2.5

### Setbacks

A setback may be required in order to meet street improvement requirements. Screening and landscaping may be required.



# IG2

## General Industrial 2 (IG2)

The intent of the IG2 zone is to allow a broad range of uses where the industrial function of an area is less established than in IG1 zones, and where additional commercial activity could improve employment opportunities and the physical condition of the area, without conflicting with industrial activity.

### Typical Land Uses

Same as IG1

### Height

Same as IG1

### Maximum size of use limits

Lodging and entertainment uses: 10,000 square feet.  
Office and retail uses: 25,000 square feet. Some exceptions apply to maximum size of use limits (23.50.027.B).

### FAR

2.5

### Setbacks

A setback may be required in order to make street improvements. Screening and landscaping may be required.

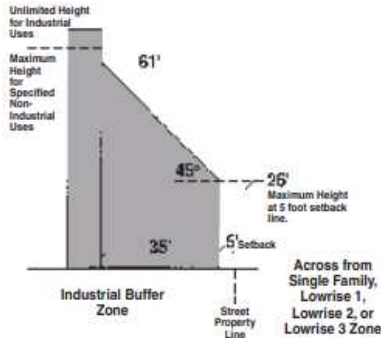


# IB Industrial Buffer (IB)

The intent of the Industrial Buffer is to provide an appropriate transition between industrial areas and adjacent residential zones, or commercial zones having a residential orientation and/or a pedestrian character.

**Typical Land Uses** Light and general manufacturing, commercial use subject to some limits, some transportation services, entertainment uses other than adult, institutions generally in existing buildings, salvage and recycling uses.

**Height** Same as IG 1 and 2, except that on lots across a street from SF or Lowrise zones the following limits apply:



Similar but modified rules apply when across an alley from or abutting SF or Lowrise zones, or abutting MR, HR, and Commercial zones.



**Maximum size of use** Retail sales and service and entertainment uses: 75,000 square feet. Office uses: 100,000 square feet. The total area of all the foregoing uses on a lot may not exceed two and one-half times the area of the lot. Some exceptions apply to maximum size of use limits (23.50.027B).

### FAR 2.5

**Setbacks** Same as IG 1 and IG 2, plus

- 5' from street property lines when across from SF or Lowrise zones (see diagram)
- 5' for parking and loading facilities and storage and recycling collection facilities when across a street from MR, HR, or RC zones, or across an alley from any residential zone
- 5' for parking lots and structures or drive-in businesses when any lot line abuts a residential zone
- 15' for outdoor loading, recycling collection or storage facilities when any lot line abuts a residential zone
- 50' from any lot in a residential zone for outdoor manufacturing, recycling or refuse compacting
- 5' for all windows or openings that face an abutting residentially zoned lot, unless the opening is translucent or perpendicular to lot line or screened

**Screening and Landscaping** Street trees and screening required for rooftop areas, parking, loading, outdoor sales and storage, and drive-in businesses when lot abuts or is across right-of-way from residential or Neighborhood Commercial areas.

**Access to Parking and Loading** No limits to parking and loading location except as provided under setbacks. Parking and loading access is prohibited across streets or alleys from residentially zoned lots, except in limited circumstances.

**Major Odor Sources** Uses which involve designated odor-emitting processes may be called a major odor source. A major odor source may be required to take measures to reduce odorous emissions and airborne pollutants.

**Light and Glare** Exterior lighting must be shielded away from residential zones. Facade materials which may result in glare may be required to be modified.

# IC Industrial Commercial (IC)

The intent of the Industrial Commercial zone is to promote development of businesses which incorporate a mix of industrial and commercial activities, including light manufacturing and research and development, while accommodating a wide range of other employment activities.

### Typical Land Uses

Light and general manufacturing, commercial uses, transportation facilities, entertainment other than adult, institutions generally in existing buildings, utilities, and salvage and recycling uses.

### Height

The maximum structure height for all uses is 30', 45', 65', or 85' as designated on the Official Land Use Map. Along the central waterfront special limitations apply.

### Maximum size of use

Retail sales and service and entertainment uses: 75,000 square feet.

Office uses: no maximum size limit. The total area of all the foregoing uses on a lot may not exceed two and one-half times the area of the lot. Some exceptions apply to maximum size of use limits. (23.50.027B)

### FAR

2.5

### Setbacks

Same as IG 1 and IG 2, plus

When abutting a residentially zoned lot, setback varies with the height of the structure and when street trees are required. No openings permitted within 5' of residential zoned lot.

### Screening and Landscaping

Street trees; screening and landscaping required for blank facades, parking and loading, outdoor sales, rental and storage, drive-in businesses.

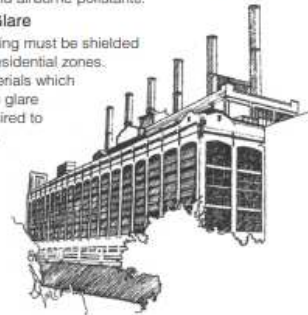
### Major Odor Sources

Uses which involve designated odor-emitting processes may be called a major odor source. A major odor source may be required to take measures to reduce odorous emissions and airborne pollutants.

### Light and Glare

Exterior lighting must be shielded away from residential zones.

Facade materials which may result in glare may be required to be modified.



**23.34.118 - Downtown Harborfront-1 (DH-1) zone, locational criteria.**

The Downtown Harborfront-1 zone and the Urban Harborfront Shoreline Environment designation shall apply to waterfront lots and adjacent harbor area located within the boundaries of downtown.  
(Ord. 117430 § 36, 1994.)

**23.34.120 - Downtown Harborfront-2 (DH-2), function and locational criteria.**

The Downtown Harborfront-2 zone designation shall apply to those areas which meet the following:

A. Function. Areas which provide commercial activities in support of shoreline goals and related office, commercial, retail and residential uses.

B. Scale and Character of Development. Areas where the intended scale of development is moderate, and an orientation toward the water exists. The area provides a transition in scale and character between the waterfront and adjacent downtown areas.

C. Transportation Capacity. Areas with transportation capacity to support low and moderate densities commensurate with planned capacity of Alaskan Way.

D. Relationship to Surrounding Activity. Areas adjacent to the shoreline that have a strong physical relationship to activities on the waterfront and are separated from downtown areas due to topographic conditions. The primary relationship shall be to the harbor areas. The relationship to downtown shall be secondary.

E. Heights. One (1) of three (3) height districts may be applied to maintain existing views from upland public spaces and provide a transition in scale between the waterfront and downtown.

**23.34.080 - Commercial 1 (C1) zones, function and locational criteria.**

A. Function. To provide for an auto-oriented, primarily retail/service commercial area that serves surrounding neighborhoods and the larger community, citywide, or regional clientele.

B. Locational Criteria. A Commercial 1 zone designation is most appropriate on land that is generally characterized by the following conditions:

1. Outside of urban centers and urban villages or, within urban centers or urban villages, having a C1 designation and either abutting a state highway, or in use as a shopping mall;
2. Retail activity in existing commercial areas;
3. Readily accessible from a principal arterial;
4. Presence of edges that buffer residential or commercial areas of lesser intensity, such as changes in street layout or platting pattern;
5. Predominance of parcels of 20,000 square feet or larger;
6. Limited pedestrian and transit access.

(Ord. 122311, § 13, 2006; Ord. 117430 § 20, 1994; Ord. 112777 § 2(part), 1986.)

**23.34.082 - Commercial 2 (C2) zones, function and locational criteria.**

A. Function. To provide for an auto-oriented, primarily non-retail commercial area that provides a wide range of commercial activities serving a community, citywide, or regional function, including uses such as manufacturing and warehousing that are less appropriate in more-retail-oriented commercial areas.

B. Locational Criteria. A Commercial 2 zone designation is most appropriate on land that is generally characterized by the following conditions:

1. Outside of urban centers and urban villages or, within urban centers or urban villages, having a C2 designation and abutting a state highway;
2. Existing commercial areas characterized by heavy, non-retail commercial activity;
3. Readily accessible from a principal arterial;

4. Possibly adjacent to manufacturing/industrial zones;
5. Presence of edges that buffer residential or commercial areas of lesser intensity, such as changes in street layout or platting pattern;
6. Predominance of parcels of 30,000 square feet or larger;
7. Limited pedestrian and transit access.

(Ord. 122311, § 14, 2006; Ord. 117430 § 21, 1994; Ord. 112777 § 2(part), 1986.)

**23.34.092 - General Industrial 1 (IG1) zone, function and locational criteria.**

A. Function. An area that provides opportunities for manufacturing and industrial uses and related activity, where these activities are already established and viable, and their accessibility by rail and/or waterway make them a specialized and limited land resource.

B. Locational Criteria. General Industrial 1 zone designation is most appropriate in areas generally characterized by the following:

1. Areas directly related to the shoreline having the following characteristics:
  - a. Suitable water access for marine industrial activity,
  - b. Upland property of sufficient depth to accommodate industrial activity,
  - c. An existing character established by industrial uses and related commercial activity including manufacturing use, warehousing, transportation, utilities, and similar activities;
2. Areas directly related to major rail lines serving industrial businesses;
3. Areas containing mostly industrial uses, including manufacturing, heavy commercial, warehousing, transportation, utilities and similar activities;
4. Large areas with generally flat topography;
5. Areas platted into large parcels of land.

(Ord. 117430 § 23, 1994; Ord. 113658 § 2(part), 1987.)

**23.34.093 - General Industrial 2 (IG2) zone, function and locational criteria.**

A. Function. An area with existing industrial uses, that provides space for new industrial development and accommodates a broad mix of activity, including additional commercial development, when such activity improves employment opportunities and the physical conditions of the area without conflicting with industrial activity.

B. Locational Criteria. General Industrial 2 zone designation is most appropriate in areas generally characterized by the following:

1. Areas that are developed with industrial activity or a mix of industrial activity and a wide range of commercial uses;
2. Areas where facilities, such as the Kingdome or Design Center, have established a more commercial character for the surroundings and have created the need for a broader mix of support uses;
3. Areas with adequate access to the existing and planned neighborhood transportation network; where additional trips generated by increased commercial densities can be accommodated without conflicting with the access and circulation needs of industrial activity;
4. Areas where increased commercial densities would allow the economic reuse of small sites and existing buildings no longer suited to current industrial needs;
5. Areas that, because of their size and isolation from a larger industrial area due to separation by another type of zone or major physical barrier, such as an arterial or waterway, can accommodate more nonindustrial activity without conflicting with the industrial function of the larger industrial area;
6. Large areas with generally flat topography;
7. Areas platted into large parcels of land.

(Ord. 117430 § 24, 1994.)

**23.34.094 - Industrial Buffer (IB) zone, function and locational criteria.**

A. Function. An area that provides an appropriate transition between industrial areas and adjacent residential zones, or commercial zones having a residential orientation and/or pedestrian character.

B. Locational Criteria. Industrial Buffer zone designation is most appropriate in areas generally characterized by the following:

1. Areas containing industrial uses or a mix of industrial activity and a wide range of commercial uses which are located on the edge of a larger industrial area designated Industrial General 1 (IG1), Industrial General 2 (IG2), or Industrial Commercial (IC).

2. Areas where a transition is needed to protect a less-intensive zone from potential negative impacts of industrial activity when the area directly abuts a residential, Neighborhood Commercial 1 (NC1), Neighborhood Commercial 2 (NC2), Neighborhood Commercial 3 (NC3), Commercial 1 (C1), or Commercial 2 (C2) zone with a substantial amount of residential development and/or pedestrian character.

C. Zone Boundaries. The boundaries and overall depth of the Industrial Buffer (IB) zone shall vary according to the specific conditions of each area, so that an adequate separation between industrial activity and less-intensive zones can be provided to reduce through traffic, noise, visual conflicts, and other impacts of industrial development. However, where there are no special features or other conditions to provide sufficient buffer depth, a distance ranging from three hundred (300) to five hundred (500) feet shall be maintained as a buffer. Within an industrial area, the following conditions help establish the transition desired between industrial areas and less-intensive zones and should be considered in establishing boundaries separating the Industrial Buffer zone from the rest of the industrial area:

1. Topographic Conditions. Significant changes in topography within an industrial area may provide a good boundary for the Industrial Buffer zone by reducing the noise and visual impacts of the larger industrial area on an abutting, less-intensive zone.

2. Development Patterns. Changes in the type of activity and/or the scale of existing development occurring along the edge of an industrial area may create conditions that are more compatible with the abutting, less-intensive zone.

3. Grid and Platting Patterns. Changes in block sizes, shifts in the street grid, a major arterial, undeveloped streets, platted lot lines, and other factors related to the platting pattern often create separate areas which, when located along the edge of an industrial area, can reinforce the transition desired in the Industrial Buffer zone.

4. Special Features. Certain natural or built features such as railway lines, open spaces, transmission line rights-of-way, and waterways may, because of their width, siting, or landscaping, separate the edge of an industrial zone from a larger industrial area, helping to establish the edge of the Industrial Buffer zone.

(Ord. 122311, § 17, 2006; Ord. 118414 § 4, 1996; Ord. 117430 § 25, 1994; Ord. 113658 § 2(part), 1987.)

**23.34.096 - Locational criteria—Industrial Commercial (IC) zone.**

The Industrial Commercial (IC) zone is intended to promote development of businesses which incorporate a mix of industrial and commercial activities, including light manufacturing and research and development, while accommodating a wide range of other employment activities. In reviewing a proposal to rezone an area to Industrial Commercial (IC), the following criteria shall be considered:

A. Areas with amenities such as shoreline views, proximity to downtown, or access to public open spaces that could provide an attraction for new businesses, particularly new technology-oriented and research and development activities which might otherwise be likely to seek locations outside the City;

B. Areas in close proximity to major institutions capable of providing support for new technology-oriented and research and development businesses;

C. Former industrial areas which are undergoing a transition to predominantly commercial or mixed commercial and industrial activity, but where transportation and/or other infrastructure capacities are constrained and can only accommodate modest growth without major improvements;

D. Areas where there is an existing concentration of technology-oriented and research and development uses which may be subject to displacement by commercial development;

E. Areas which are underutilized and, through substantial redevelopment, could provide the type of campus-like environment attractive for new technology-oriented industrial and commercial development. (Ord. 113658 § 2(part), 1987.)

**23.34.124 - Designation of Major Institution Overlay (MIO) districts.**

A. Public Purpose. The applicant shall submit a statement which documents the reasons the rezone is being requested, including a discussion of the public benefits resulting from the proposed expansion, the way in which the proposed expansion will serve the public purpose mission of the major institution, and the extent to which the proposed expansion may affect the livability of the surrounding neighborhood. Review and comment on the statement shall be requested from the appropriate Advisory Committee as well as relevant state and local regulatory and advisory groups. In considering rezones, the objective shall be to achieve a better relationship between residential or commercial uses and the Major Institution uses, and to reduce or eliminate major land use conflicts in the area.

B. Boundaries Criteria. The following criteria shall be used in the selection of appropriate boundaries for: 1) new Major Institution Overlay districts; 2) additions to existing MIO districts; and 3) modifications to boundaries of existing MIO districts.

1. Establishment or modification of boundaries shall take account of the holding capacity of the existing campus and the potential for new development with and without a boundary expansion.

2. Boundaries for an MIO district shall correspond with the main, contiguous major institution campus. Properties separated by only a street, alley or other public right-of-way shall be considered contiguous.

3. Boundaries shall provide for contiguous areas which are as compact as possible within the constraints of existing development and property ownership.

4. Appropriate provisions of this chapter for the underlying zoning and the surrounding areas shall be considered in the determination of boundaries.

5. Preferred locations for boundaries shall be streets, alleys or other public rights-of-way. Configuration of platted lot lines, size of parcels, block orientation and street layout shall also be considered.

6. Selection of boundaries should emphasize physical features that create natural edges such as topographic changes, shorelines, freeways, arterials, changes in street layout and block orientation, and large public facilities, land areas or open spaces, or greenspaces.

7. New or expanded boundaries shall not be permitted where they would result in the demolition of structures with residential uses or change of use of those structures to non-residential major institution uses unless comparable replacement is proposed to maintain the housing stock of the city.

8. Expansion of boundaries generally shall not be justified by the need for development of professional office uses.

9. The establishment or expansion of boundaries shall be in conformance with the provisions of SMC [Section 23.69.024](#), Major Institution designation.

C. Height Criteria. The following criteria shall be used in the selection of appropriate height designations for: 1) proposed new Major Institution Overlay districts; 2) proposed additions to existing MIO districts; and 3) proposed modifications to height limits within existing MIO districts;

1. Increases to height limits may be considered where it is desirable to limit MIO district boundary by expansion.



2. Height limits at the district boundary shall be compatible with those in the adjacent areas.

3. Transitional height limits shall be provided wherever feasible when the maximum permitted height within the overlay district is significantly higher than permitted in areas adjoining the major institution campus.

4. Height limits should generally not be lower than existing development to avoid creating non-conforming structures.

5. Obstruction of public scenic or landmark views to, from or across a major institution campus should be avoided where possible.

D. In addition to the general rezone criteria contained in [Section 23.34.008](#), the comments of the Major Institution Master Plan Advisory Committee for the major institution requesting the rezone shall also be considered.

(Ord. 120691 § 8, 2001; Ord. 117929 § 7, 1995; Ord. 117430 § 39, 1994.)

## Land Value Data:

The Commercial Waterfront Specialty appraiser is responsible for land values within Area 12.

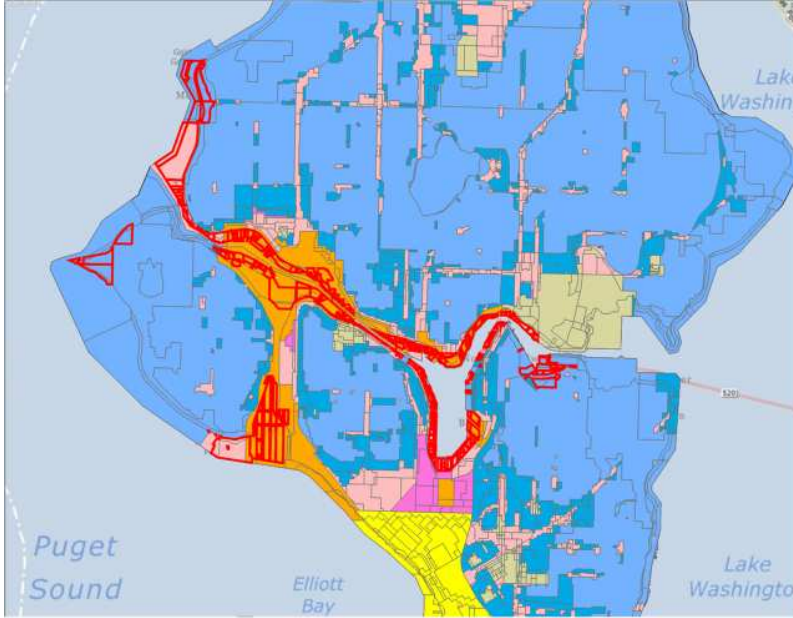
There were few commercial waterfront vacant land sales in Area 12 from 2017 through 2019 that were considered fair market transactions. Land sales were considered from adjacent neighborhoods and equalized with similarly zoned properties. Values are generally based on a price/square foot. For land valuation purposes, the Assessor used GIS (Geographic Information System) as the primary tool to establish land values. A list of sales used to develop the land model and also those considered not reflective of market value are included in the following sections and adjacent Area reports.

The following table summarizes the zoning and land valuation model applied to the properties in Area 12. All dollar amounts are stated as a price per square foot of upland area or submerged land area. The table is intended as a guide with additional adjustments made for individual site variations.

Typical Land Value Ranges Upland values		
Zoning	Description	\$ Range
IG1 U/45-65	<u>General Industrial 1</u> : Typical uses emphasize marine related general and heavy manufacturing.	\$90-\$95/sqft
IG2 U/65	<u>General Industrial 2</u> : Typical uses include a wider range of industrial and commercial activity.	\$95-\$100/sqft
IB U/45 North Lake Union	<u>Industrial Buffer</u> : Intended as a buffer between industrial and residential zonings.	\$130/sqft
Commercial C1-40 Shilshole /Eastlake	<u>Commercial</u> uses including retail/services to service the surrounding residential neighborhoods.	\$1135- \$200+/sqft
Commercial C2-40 West/North Lake Union	<u>Commercial</u> uses include a wider range of commercial properties such as offices, warehouses and marinas.	\$130+/sqft
IC-45 North Lake Union	<u>Industrial Commercial</u> : Uses intended to be a mix of commercial, light & general manufacturing.	\$145- \$200+/sqft
IC 65 Fremont	Typical uses include office/ high-tech properties.	\$125/sqft
Commercial C2-40 South Lake Union /Eastlake	<u>Commercial</u> uses include a wider range of commercial properties such as offices, warehouses and marinas.	\$210+/sqft
Submerged Land	Marine habitat to Industrial / Marinas	\$10-\$20+/sqft

# City of Seattle General Use Maps

## Commercial/ Residential Class Designations



**Legend**

- Area 12 Properties
- City of Seattle: Zoning**
- <all other values>
- CLASS\_DESC**
- Manufacturing/Industrial
- Neighborhood/Commercial
- Residential/Commercial
- Downtown
- Major Institutions
- Multi-Family
- Single Family

**Zoning**



Seattle Zoning

Zones

- C1-40
- C2-30
- C2-40
- IB U/45
- IC-45
- IC-65
- IG1 U/45
- IG1 U/65
- IG2 U/65
- MIO-37-IC-45

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

There were 2 new improved sales for this area in 2019.

Due to the limited number of comparable sales within this specialty, historical sales and sales from adjacent neighborhoods were considered for this revalue. These sales can be found in the Assessor Area Reports.

### **Sales Comparison Approach model description**

Improved sales from 01/01/2017 to 12/31/2019 were given the most consideration for establishing total values. Sales information is obtained from excise tax affidavits and reviewed initially by the Sales Identification Section within the Accounting Division. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified if possible by calling or writing 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.

### **Cost Approach model description**

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

### **Cost calibration**

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

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

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

The valuation model includes the following steps:

1. The program multiplies the property's net rentable area by the market rent to derive potential gross income (PGI).

2. The program subtracts allowances for vacancy and operating expenses to derive net operating income (NOI).
3. The program capitalizes NOI (divides it by the overall rate) to produce the value estimate.

The Income Approach, using direct capitalization was considered a reliable approach to valuation throughout Area 12 for most improved property types since income and expense data was available to ascertain market rates.

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

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

**Expenses:** Expense ratios were estimated based on industry standards, published sources, and the appraiser's knowledge of the area's rental practices. Within the income valuation models for Area 12, the assessor used triple net expenses for retail/mixed-use and industrial type uses.

**Capitalization Rates:** When market sales are available an attempt is made to ascertain the capitalization rate on the sale or a pro-forma cap rate on the first year performance, during the sales verification process. Also, capitalization rate data was collected from published market surveys, such as Co-Star, Real Capital Analytics, The American Council of Life Insurance (Commercial Mortgage Commitments), Integra Realty Resources, Korpacz Real Estate Investor Survey (PWC), CBRE – National Investor Survey, etc. These sources typically have capitalization rates or ranges based on surveys or sales, and they usually include rates for both the Seattle Metropolitan area and the nation.

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

The following table recaps the rates as reported by these publications. The table demonstrates ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale.

**SEATTLE / REGIONAL CAP RATES**

Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: U.S. Cap. Rate survey. Advance Review	H2 2019					CBRE professional's opinion of where cap rates are likely to trend in the 2 <sup>nd</sup> ½ of 2018 based on recent trades as well as interactions with investors. Value-Add represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	4.25% - 4.75% 4.75% - 5.25% 5.50% - 6.75% 5.50% - 6.50% 6.50% - 7.75% 6.75% - 8.50% 7.50% - 8.75% 5.25% - 5.75% 5.75% - 6.25% 6.25% - 7.25% 6.75% - 7.25% 7.25% - 8.25% 7.50% - 8.25% 8.00% - 9.00%	- - - - - - - - - - - - - - - 3.75% - 4.25% 4.50% - 5.00%	- - - - - - - - - - - - - - - - 4.50% - 6.00% 5.50% - 7.50%	CBD – Class AA CBD – Class A CBD – Class A – Value Added CBD – Class B CBD – Class B – Value Added CBD – Class C CBD – Class C – Value Added Suburban – Class AA Suburban – Class A Suburban – Class A – Value Added Suburban – Class B Suburban – Class B – Value Added Suburban – Class C Suburban – Class C – Value Added Class A Class A – Value Added Class B Class B – Value Added Class C Class C – Value Added Class A (Neigh./Comm) Class B (Neigh./Comm) Class B (Neigh./Comm.) – Value-Add Class C (Neigh./Comm) Class C (Neigh./Comm.) – Value-Add Class A (Power Centers) Class B (Power Centers) Class B (Power Centers) – Value-Add Class C (Power Centers) Class C (Power Centers) – Value-Add High Street Retail (Urban Core)
IRR: Viewpoint for 2019	Year-end 2019	Seattle	5.00% 6.00% 5.75% 6.50%	- - - 6.75% 4.50%	- - - - 5.00% 6.00% 6.25%	<u>Institutional Grade Properties”</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Flex Industrial Industrial Regional Mall Community Retail Neighborhood Retail
CoStar	Year-End 2019	Seattle Puget Sound	6.10% 5.20% 6.20% 6.30%	- - - 5.40% 5.00% 5.80%	- - - 6.00% 6.90%	General Office 4 and 5 Star Office Buildings 3 Star Office Buildings 1 and 2 Star Office Buildings Industrial Flex Industrial Logistics Industrial General Retail Malls Power Centers Neighborhood Centers Strip Centers

**SEATTLE / REGIONAL CAP RATES**

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location; 2 <sup>nd</sup> Tier properties are defined as aging, former 1 <sup>st</sup> tier in good to average locations; 3 <sup>rd</sup> Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.80% 6.60%	- -	- -	Office CBD – 1 <sup>st</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties Warehouse – 1 <sup>st</sup> Tier Properties R&D – 1 <sup>st</sup> Tier Properties Flex – 1 <sup>st</sup> Tier Properties
			-	5.60%	-	Regional Mall – 1 <sup>st</sup> Tier Properties
			-	6.60%	-	Power Center – 1 <sup>st</sup> Tier Properties
			-	6.30%	-	Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties
			-	-	6.40%	Office CBD – 1 <sup>st</sup> Tier Properties
			-	-	6.40%	Office CBD – 2 <sup>nd</sup> Tier Properties
		West Region	5.00% - 9.00%	-	6.20%	Office CBD – 3 <sup>rd</sup> Tier Properties
			5.30% - 8.00%	-	-	Suburban Office – 1 <sup>st</sup> Tier Properties
			5.50% - 9.00%	-	-	Suburban Office – 2 <sup>nd</sup> Tier Properties
			5.00% - 8.50%	-	-	Suburban Office – 3 <sup>rd</sup> Tier Properties
			5.50% - 8.80%	-	-	Warehouse – 1 <sup>st</sup> Tier Properties
			6.00% - 9.50%	-	-	Warehouse – 2 <sup>nd</sup> Tier Properties
			-	4.50% - 8.00%	-	Warehouse – 3 <sup>rd</sup> Tier Properties
			-	5.00% - 8.50%	-	R&D – 1 <sup>st</sup> Tier Properties
			-	5.50% - 9.00%	-	R&D – 2 <sup>nd</sup> Tier Properties
			-	5.00% - 8.00%	-	R&D – 3 <sup>rd</sup> Tier Properties
			-	5.30% - 8.50%	-	Flex – 1 <sup>st</sup> Tier Properties
			-	5.80% - 9.80%	-	Flex – 2 <sup>nd</sup> Tier Properties
			-	4.80% - 8.00%	-	Flex – 3 <sup>rd</sup> Tier Properties
			-	5.30% - 8.50%	-	Regional Mall – 1 <sup>st</sup> Tier Properties
			-	5.80% - 9.00%	-	Regional Mall – 2 <sup>nd</sup> Tier Properties
			-	-	6.00% - 10.00%	Regional Mall – 3 <sup>rd</sup> Tier Properties
			-	-	5.50% - 8.80%	Power Center – 1 <sup>st</sup> Tier Properties
			-	-	6.00% - 8.10%	Power Center – 2 <sup>nd</sup> Tier Properties
			-	-	6.50% - 10.00%	Power Center – 3 <sup>rd</sup> Tier Properties
			-	-	5.00% - 8.30%	Neigh/Comm. Ctr. – 1 <sup>st</sup> Tier Properties
			-	-	6.00% - 8.60%	Neigh/Comm. Ctr. – 2 <sup>nd</sup> Tier Properties
			-	-	6.00% - 9.00%	Neigh/Comm. Ctr. – 3 <sup>rd</sup> Tier Properties
IRR: Viewpoint for 2019	Year-end 2019	West Region	5.75% 6.38% 6.18% 6.77%	- - - -	- - - -	<u>Institutional Grade Properties</u> <sup>7</sup> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B
			-	6.38%	-	Flex Industrial
			-	5.70%	-	Industrial
			-	-	6.17%	Regional Mall
			-	-	6.11%	Community Retail
			-	-	6.27%	Neighborhood Retail
PWC / Korpaz Real Estate Investment Survey	4Q 2019	Seattle	4.00% - 8.00%	-	-	CBD Office
		Pacific NW Region	4.50% - 8.00%	-	-	Office
			-	3.70% - 5.50%	-	Warehouse
ACLI	4Q 2019	Seattle – Bellevue - Everett MSA	4.96%	5.59%	5.97%	All Classes
		Pacific Region	5.69%	5.21%	5.92%	All Classes

**SEATTLE / REGIONAL/ NATIONAL CAP RATES**

Source	Date	Location	Multifamily	Hospitality	Remarks
CBRE: U.S. Cap. Rate survey. Advance Review	H2 2019	Seattle	4.00% - 4.25%	-	Infill – Class A
			4.50% - 5.00%	-	Infill – Class A – Value Added
			4.25% - 4.75%	-	Infill – Class B
			5.00% - 5.50%	-	Infill – Class B – Value Added
			5.00% - 5.50%	-	Infill – Class C
			5.50% - 6.25%	-	Infill – Class C – Value Added
			4.50% - 4.75%	-	Suburban – Class A
			4.75% - 5.25%	-	Suburban – Class A – Value Added
			4.75% - 5.25%	-	Suburban – Class B
			5.25% - 5.75%	-	Suburban – Class B – Value Added
			5.00% - 5.75%	-	Suburban – Class C
			5.50% - 6.25%	-	Suburban – Class C – Value Added
			-	6.00% - 6.50%	CBD – Luxury
			-	6.25% - 7.00%	CBD – Full-Service
			-	6.50% - 7.00%	CBD – Select-Service
			-	8.50% - 9.25%	CBD – Economy
-	6.50% - 7.50%	Suburban – Luxury			
-	7.50% - 8.25%	Suburban – Full-Service			
-	7.50% - 8.25%	Suburban – Select-Service			
-	9.50% - 10.50%	Suburban – Economy			
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019	Seattle	5.50%	-	Apartments – All Classes
			-	7.10%	Hotels – All Classes
			4.00% - 6.50%	-	Apartments – 1 <sup>st</sup> Tier Properties
		West Region	4.50% - 7.80%	-	Apartments – 2 <sup>nd</sup> Tier Properties
			4.80% - 9.80%	-	Apartments – 3 <sup>rd</sup> Tier Properties
			-	6.00% - 8.00%	Hotels – 1 <sup>st</sup> Tier Properties
-	7.00% - 8.50%	Hotels – 2 <sup>nd</sup> Tier Properties			
-	7.50% - 10.50%	Hotels – 3 <sup>rd</sup> Tier Properties			
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019	National	4.00% - 6.00 %	7.00% - 8.30%	Apartment – 1 <sup>st</sup> Tier Hotel – 1 <sup>st</sup> Tier
IRR: Viewpoint for 2020	Year-end 2019	Seattle	4.25%	-	Urban Class A
			4.50%	-	Urban Class B
			4.75%	-	Suburban Class A
			5.25%	-	Suburban Class B
IRR: Viewpoint for 2020	Year-end 2019	West Region	4.46%	-	Urban Class A
			5.06%	-	Urban Class B
			4.68%	-	Suburban Class A
			5.27%	-	Suburban Class B
IRR: Viewpoint for 2020	Year-end 2019	Seattle	-	7.00%	Full Service
			-	8.50%	Limited Service
PWC / Korpaz Real Estate Investor Survey	4Q 2019	Pacific Region	3.65% - 6.00%	-	Apartments
ACLI	4Q 2019	Seattle-Bellevue Everett	4.67%	-	All Classes
		Pacific	4.78%	5.39%	All Classes



WEST / NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Income Vs. Price Realities	4Q 2019					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location and typical owners/buyers are institutional investors
		National	4.50% - 6.80% 6.30% - 7.30%	- - 4.50% - 6.00% 5.50% - 8.00% 6.80% - 7.50%	- - - - 5.00% - 7.00% 6.20% - 7.50% 5.00% - 6.50%	Office CBD – 1 <sup>st</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties Warehouse – 1 <sup>st</sup> Tier Properties R&D – 1 <sup>st</sup> Tier Properties Flex – 1 <sup>st</sup> Tier Properties Regional Mall – 1 <sup>st</sup> Tier Properties Power Center – 1 <sup>st</sup> Tier Properties Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties
IRR: Viewpoint 2020 Commercial Real Estate Trends report	Yr. End 2019	National	6.66% 7.52% 7.00% 7.77%	- - - - 6.61% 7.33%	- - - - - - 6.89% 6.91% 7.07%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial Flex Industrial Regional Mall Community Retail Neighborhood Retail
ACLI	4Q 2019	National	5.90% 6.69% 5.89% 6.42% 5.73%	5.64% 6.55% 6.08% 6.08% 5.43%	6.23% 6.58% 5.83% 5.98% 6.45%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. – 100,001 – 200k Sq.Ft. – 200k+
PWC / Korpaz Real Estate Investor Survey	4Q 2019	National	3.75% - 7.50% 4.00% - 9.25% 6.00% - 9.50% 4.25% - 10.00%	- - - - - 3.75% - 6.40%	- - - - - - 4.00% - 9.00% 5.25% - 8.25% 4.50% - 10.00% 4.00% - 8.00 %	CBD Office Suburban Office Secondary Office Medical Office Flex/R&D Warehouse Regional Mall Power Center Neigh. Strip Centers Net Lease
The Boulder Group: Net Lease Market Report	4Q 2019 1Q 2019 3Q 2019	National	6.94% 5.30% 6.45%	6.90%	6.07%	Overall (Average) Bank Medical Office
The Boulder Group: Net Lease Market Report	4Q 2019 3Q 2019	West	6.94% 6.27% 5.60%	6.90%	6.07%	Overall (Average) Bank Medical Office

NATIONAL AND REGIONAL CAP RATES					
Source	Date	Location	Restaurant	Retail	
The Boulder Group: Net Lease Market Report	4Q 2019	National		7.00% 7.29% 6.99% 6.75% 5.95%	Big Box Junior Big Box (20K-40K SF) Mid Box (40K-80K SF) Large Format (over 80K SF) Median
			3Q2019	National West	6.22% 5.80%
	1Q 2019	West	5.10%		Casual Dining
	2Q 2019		4.45%		Quick Service Restaurants

Area 12 includes most marinas located in King County and a list of the major marinas are included below. Moorage slip sales ranged from the uncovered slips at Newport Yacht Basin on Lake Washington typically starting at \$65,000+ (\$2,900/linear foot), to a single moorage slip in SBMC previously selling for \$1,100,000 (\$9,166/linear foot). A list of recent slip sales is included with this report.

<b>Marina Name</b>	<b>Property Address</b>
Affinity Marina	1327 N Northlake Way, Seattle
AGC Marina	1200 Westlake Ave N, Seattle
Allison Marina	11 E Allison St
Ballard Mill & Marina	4733 Shilshole Ave NW
Bell Harbor Marina	2000 Alaskan Way
Bellevue Marina at Meydenbauer Bay	99 <sup>th</sup> Ave NE Bellevue
Boat St Marina	1101 NE Boat St, Seattle
Boatworld	2450 Westlake Ave N, Seattle
Branchflower Marina	4507 Shilshole Ave NW
Canal Marina	360 W Ewing St, Seattle
Chandler's Cove	901 Fairview Ave N, Seattle
China Harbor	2040 Westlake Ave N, Seattle
Chinook Lake Union	2525 Fairview Ave E, Seattle
Commercial Marine Construction	2540 Westlake Ave N, Seattle
Davidson's Uplake Marina	6201 NE 175 <sup>th</sup> St
Des Moines Marina	22625 Dock St Des Moines
Diamond Marina	2710-2732 Westlake Ave N, Seattle
Doc Freeman's	999 N Northlake Way, Seattle
Elliott Bay Marina	2601 West Marina Pl, Seattle
Ewing Street Marina	624 W Ewing St, Seattle
Fishermen's Terminal - Public	3919 18th Ave W, Seattle
Fremont Boat Co.	1059 N Northlake Way, Seattle
Fremont Bridge Marina	2930 Westlake Ave N, Seattle
Gasworks Park Marina	2143 N Northlake Way
Golden Tides Marina	6017 Seaview Ave NW
Harbour Village Marina Condominium	6155 NE 175th, Kenmore
Homeport Marina Moss Bay	135 Lake St, Kirkland
HC Henry Pier	809 Fairview Ave N, Seattle
Julie's Landing	2100 Westlake Ave N, Seattle
Lake Union SkyLaunch	111 NE Northlake Way, Seattle
Lake Union Waterworks	1101 N Northlake Way, Seattle
Lakewood Moorage	4500 Lake Washington Blvd S
Leschi Marina	140 Lakeside Ave
Leschi Moorage North	324 Lake Washington Blvd S
Leschi Moorage South	150 Lakeside Ave S
Lockhaven Marina	3030 W Commodore Way, Seattle
Marina	2442 Westlake Ave N, Seattle

Marina Mart Moorings	1500 Westlake Ave N, Seattle
McGinnis Marine Inc	5320 28th Ave NW, Seattle
Meydenbauer Bay Yacht Club	9927 Meyerbauer Way SE
Nautical Landing	2500 Westlake Ave N, Seattle
Newport Yacht Basin Condominium	3911 Lake Washington Blvd SE, Bellevue
Nickerson Marina	1080 W Ewing Pl, Seattle
Northlake Marina	927 N Northlake Way, Seattle
Ocean Alexander Marina	1001 Fairview Ave N, Seattle
Ocean Alexander	1115 N Northlake Way, Seattle
Parkshore Marina	9050 Seward Park Ave S
Puget Sound Yacht Club	2321 N Northlake Way
Quartermaster Harbor Marina	23824 Vashon Hwy SW, Vashon
Quartermaster Yacht Club	23428 Vashon Hwy SW, Vashon
Queen City Yacht Club	2608 Boyer Ave E, Seattle
Rocksalt Marina	1234 Westlake Ave N, Seattle
Sagstad Marina	5109 Shilshole Ave NW, Seattle
Salmon Bay Marina	2100 W Commodore Way, Seattle
Salmon Bay Marine Center SBMC	2284 W Commodore Way
Sea Scouts	2157 N Northlake Way
Seattle Boat Share	1109 N Northlake Way
Seattle Marina	2401 N Northlake Way, Seattle
Seattle Yacht Club	1807 E Hamlin St, Seattle
Shilshole Bay Marina	7001 Seaview Ave NW, Seattle
Stimson Marina	5265 Shilshole Ave NW, Seattle
Sundance Yacht Sales	1001 NE Boat St
Swiftsure Marina	2450 Westlake Ave N, Seattle
Thompson Marina	2470 Westlake Ave N, Seattle
Thunderbird Marina	2925 Fairview Ave E, Seattle
Tillicum Marina	1335 N Northlake Way, Seattle
Union Bay Marina	1848 Westlake Ave N
University Marina	1401 NE Boat St, Seattle
Vic Frank's	1109 N Northlake Way, Seattle
Wards Cove	88 E Hamlin St, Seattle
Waterworks Office and Marina	1818 Westlake Ave N, Seattle
Weatherly Yachts	2900 Westlake Ave N, Seattle
Western Yacht Harbor	2412 Westlake Ave N
Westlake Landing	2046 Westlake Ave N, Seattle
Westlake Marina	1900 Westlake Ave N
Yacht Harbor Marina	1700 Westlake Ave N, Seattle
Yale St. Landing	1001 Fairview Ave N, Seattle
Yarrow Bay Marina	5207 Lk Washington Blvd NE
Youngquist Moorage	1900 Westlake Ave N

### **Physical Inspection Area:**

Portions of Neighborhood 40 were physically inspected for this cycle. Information for the remaining portion of Area 12 is based on existing County records and data as inspected during prior years.

### **Ratio Analysis:**

No ratio studies were included with this report due to the small number of sales relative to the size of the Area population.

### **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. There were some variations to the values under certain circumstances, such as properties with excess land, inferior locations, or deferred maintenance

The market sales approach is considered the most reliable indicator of value when comparable sales are available. The income approach to value is considered to be a reliable indicator of value when market sales are not available. Whenever possible, market rents, expenses, and capitalization rates were ascertained from sales, and along with data from surveys and publications, these parameters were applied to the income model. An administrative review of the selected values was made by Ruth Peterson, Director for quality control purposes.

## Model Validation

### Total Value Conclusions, Recommendations and Validation:

Recommended assessed values are based on market conditions as of January 1, 2020.

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.

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.

The total 2019 assessment value for the non-government parcels in Specialty Area 12 was \$2,745,753,600.

The total recommended assessed value for the 2020 assessment year is \$2,869,175,450.

Application of these recommended values for the 2020 assessment year (taxes payable in 2021) results in an average total change from the 2019 assessments of +4.50%. The total value for the specialty assigned parcels changed as follows:

	2019 Total	2020 Total	\$ Change	% Change
<b>Total Value</b>	\$2,745,753,600	\$2,869,175,450	\$123,421,850	4.50%

# Uniform Standards of Professional Appraisal Practice Compliance

## Client and Intended Use of the Appraisal:

This mass appraisal report is intended for use by the public, King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others for other purposes is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP Standards 5 and 6. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessor's Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

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

## Definition and date of value estimate:

### Market Value

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

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

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

### Highest and Best Use

#### **RCW 84.40.030**

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

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

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

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

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

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

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

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

**Date of Value Estimate**

**RCW 84.36.005**

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

**RCW 36.21.080**

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

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

## Property Rights Appraised: Fee Simple

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

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

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

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

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

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

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

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

## Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that 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.
- No one provided provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior year, as an appraiser or in any other capacity is listed adjacent to their name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
  - Angela Hegedus
  - Annual Model Development and Report Preparation
  - Data Collection
  - Sales Verification
  - Appeals Response Preparation / Review
  - Appeal Hearing Attendance
  - Physical Inspection Model Development and Report Preparation
  - Land and Total Valuation
  - New Construction Evaluation

*Erik Prestegaard*

9/1/2020

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Erik Prestegaard, Commercial Appraiser II

Date

2020 AY FLOATING HOME SALES USED

Address	Dock	Area	Co-op or Condo	Parcel or Personal Property ID	Sale Price	Sales Price/SF	Imp Only	Sale Date	Square Footage	Year Built	Eff Year	Grade	Condition
2040 Westlake Ave N #18	China Harbor Restaurant & Marina	Westlake	PP	408880-3835 & 38170957	\$ 292,950	540	Y	12/5/2019	540	2007	2007	Good	Good
1818 Westlake Ave N #D5	Waterworks Marina	Westlake	PP	408880-3965	\$ 284,000	688	Y	12/4/2019	413	1983	2010	Good Plus	Very Good
1080 W. Ewing Pl #B6	Nickerson Marina/Le Clerq Marine	Ballard	PP	744200-0900 & None Yet	\$ 80,000	167	Y	11/27/2019	480	1974	1985	Average Minus	Fair
1210 Shelby #G	Dock Henderson Co-op	Portage Bay	Co-op	408880-0660 & 11234002	\$ 925,000	1,013		11/27/2019	913	1930	1997	Good	Very Good
1210 Shelby #H	Dock Henderson Co-op	Portage Bay	Co-op	408880-0660 & 23150006	\$ 2,700,000	1,357		11/25/2019	1990	2009	2009	Excellent Minus	Very Good
3146 Portage Bay Pl E #F	Portage Bay Place Condominium	Portage Bay	Condo	686180-0060	\$ 840,000	1,263		11/20/2019	665	1971	1997	Average Plus	Good
2143 Westlake Ave N #3	Gas Works Park Marina	Gas Works	Condo Slip/PP	270870-0030 & 38170841	\$ 251,200	1,047		11/15/2019	240	1984	1995	Average Plus	Average
2401 N Northlake Way #C8 (C-22?)	Seattle Marina	Northlake	PP	408880-1660 & 38170809	\$ 134,500	464	Y	11/2/2019	296	1979	1999	Average	Average
3304 Fuhrman Ave E #6	Apartment	Eastlake	PP	197020-0244 & 38170908	\$ 100,000	704	Y	10/29/2019	142	1972	2019	Excellent	Excellent
2401 N Northlake Way #F-1	Seattle Marina	Northlake	PP	408880-1660 & 38170890	\$ 450,000	743	Y	10/15/2019	606	2010	2010	Good Plus	Very Good
2727 Fairview Ave E #A-3	Hamlin Pier	Eastlake	PP	408880-2080 & 38170833	\$ 699,200	777	Y	10/11/2019	800	2019	2019	Excellent	Excellent
2770 Westlake Ave N #3	The Old Boathouse	Westlake	Condo	635195-0030	\$ 500,000	1,050		10/9/2019	476	1930	1998	Good minus	Good
2816 Boyer Ave E #A	Sanford Dock	Portage Bay	PP	408880-0580 & 11571106	\$ 950,000	1,277		9/27/2019	744	1930	1930	Average	Average
2331 Fairview Ave E. #K	Tenus Chuck	Eastlake	Co-op	408880-2285 & 20886636	\$ 1,500,000	1,369		9/26/2019	1096	2019	2019	Excellent Plus	Excellent
2401 N Northlake Way #E2	Seattle Marina	Northlake	PP	408880-1660 & 38170882	\$ 200,000	602	Y	9/21/2019	332	2009	2009	Good	Good
2600 Fairview #13	Mallard Cove	Eastlake	Co-op	408880-2130 & 00914606	\$ 2,088,000	1,198		9/21/2019	1743	1978	2011	Excellent Minus	Very Good
2818 Boyer Ave E. #6	Brackett Dock Assoc	Portage Bay	Co-op	408880-0535 & 05337209	\$ 647,500	1,081		9/19/2019	599	1930	2016	Average	Very Good
1800 Westlake Ave N Unit E14	Waterworks Marina	Westlake	PP	408880-3976 & 38170759	\$ 152,000	362		9/17/2019	420	2002	2002	Average Minus	Average
2000 Westlake Ave N #E4	Westlake Marina	Westlake	PP	408880-3890 & 38170866	\$ 379,000	541		8/30/2019	700	2010	2010	Average	Average
2040 Westlake Ave N Unit #5	China Harbor Restaurant & Marina	Westlake	PP	408880-3835 & 38170858	\$ 399,000	490	Y	8/30/2019	814	1996	2004	Good	Good
10 E. Roanoke St. #17	Roanoke Reef Condo	Eastlake	Condo	735620-0170	\$ 2,665,000	1,496		8/20/2019	1781	1985	2005	Excellent	Excellent
10 E. Roanoke St. #32	Roanoke Reef Condo Moorage	Eastlake	PP/Condo	735620-0120	\$ 1,350,000	794	Y/N	8/5/2019	1700	2014	2014	Excellent	Excellent

2020 AY FLOATING HOME SALES USED

Address	Dock	Area	Co-op or Condo	Parcel or Personal Property ID	Sale Price	Sales Price/SF	Imp Only	Sale Date	Square Footage	Year Built	Eff Year	Grade	Condition
1214 E. Hamlin St. #8	The Dock Society	Portage Bay	Co-op	408880-0545 & 20797403	\$ 1,210,000	1,045		7/26/2019	1050	1999	1999	Good Plus	Good
2821 Fairview Ave E. #12	Wards Cove	Eastlake	Condo	920245-0120	\$ 3,438,000	1,765		7/16/2019	1948	2015	2015	Excellent Plus	Excellent
3118 Portage Bay Place E Unit #F	Houseboat Harbor	Portage Bay	Co-op	408880-0705 & 24279416	\$ 1,575,000	1,353		7/11/2019	1164	1987	1997	Good	Good
2766 Westlake Ave N Unit #C	Westlake Cove	Westlake	PP	408880-4230 & 29832607 & 13753306	\$ 700,000	745		7/9/2019	1033	1977	1998	Average Minus	Below Average
2019 Fairview Ave E. #B	The Log Foundation	Eastlake	Co-op		\$ 799,000	666		6/28/2019	1200	1985	1994	Average	Average
2401 N Northlake Way #G-4	Seattle Marina	Northlake	PP	408880-1660 & 38170791	\$ 450,000	554	Y	6/25/2019	812	1984	1999	Good Plus	Very Good
2600 Fairview #17	Mallard Cove	Eastlake	Co-op	408880-2130 & 24319006	\$ 2,275,000	1,301		6/14/2019	1748	1978	2005	Excellent Minus	Very Good
2822 Boyer Ave E. #5	Boyer on the Bay	Portage Bay	Condo	102930-0050	\$ 900,000	1,200		6/11/2019	592	1930	1997	Average Plus	Very Good
2025 Fairview Ave E #Q	The Log Foundation	Eastlake	Co-op	408880-2405 & 16644007	\$ 725,000	906		6/11/2019	700	1925	1989	Average Minus	Good
2706 Westlake Ave N. #99C	Diamond Marina	Westlake	PP	408880-4275 & 38170783	\$ 245,000	817	Y	6/5/2019	300	1995	2004	Good Plus	Very Good
2770 Westlake Ave N #2	The Old Boathouse	Westlake	Condo	635195-0020	\$ 957,000	769		5/30/2019	1245	1995	1998	Good minus	Good
10 E. Roanoke St. #15	Roanoke Reef Condo	Eastlake	Condo	735620-0150	\$ 2,415,000	1,281		5/18/2019	1885	1984	2005	Excellent Minus	Very Good
2235 Fairview Ave Unit #6	Dox Co-op	Eastlake	Co-op	408880-2325 & 08627002	\$ 855,000	972		5/3/2019	675	1980	2004	Good	Very Good
1080 W. Ewing Pl #A6	Nickerson Marina/Le Clerq Marine	Ballard	PP	744200-0900 & 35082734	\$ 320,000	627	Y	4/1/2019	516	1985	1985	Good Plus	Very Good
2401 N Northlake Way #E6	Seattle Marina	Northlake	PP	408880-1660 & 38170692	\$ 127,000	784	Y	3/22/2019	162	1970	1999	Good Plus	Good
2040 Westlake Ave N #6	China Harbor Restaurant & Marina	Westlake	PP	408880-3835 & 38170718	\$ 375,000	833	Y	2/6/2019	454	2002	2017	Excellent Minus	Excellent
2401 N Northlake Way #F-2	Seattle Marina	Northlake	PP	408880-1660 & 38170668	\$ 442,000	660	Y	1/14/2019	580	2005	2005	Excellent Minus	Very Good



## King County

### Department of Assessments

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**John Wilson**

*Assessor*

As we start preparations for the 2020 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Time adjust sales to January 1, 2020 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standards 5 and 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

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

John Wilson

Specialty Area 12

2020 Assessment Year



**Department of Assessments**