

Proposed City of Bellevue Wilburton Connections Local Improvement District (LID) Project  
Bellevue, Washington

**SUMMARY OF FORMATION SPECIAL  
BENEFIT/PROPORTIONATE ASSESSMENT  
STUDY—NARRATIVE DISCUSSION AND TABULATIONS  
OF PRELIMINARY ASSESSMENTS**

**Prepared for:**  
Mr. Goran Sparrman,  
Transportation Director  
City of Bellevue  
450 110<sup>th</sup> Avenue NE  
Bellevue, WA 98004

**Date of Valuation:**  
September 8, 2010

**Date of Report:**  
September 8, 2010

Job #10-193  
File: 10-193.0910

**Prepared by:**  
Robert J. Macaulay, MAI  
MACAULAY & ASSOCIATES, LTD.  
Everett, Washington

**Legend**

**Selected Parcels Wilburton LID**  
Selected Parcels With King County  
Tax Account Number

- Recommended LID Boundary
- LID Boundary Option Area 1
- LID Boundary Option Area 2
- NE 4th St
- Approximate Alignment
- 120th Ave NE Improvements



400  
Feet  
Source:  
City of Bellevue

September 8, 2010

Mr. Goran Sparrman,  
Transportation Director  
City of Bellevue  
450 110<sup>th</sup> Avenue NE  
Bellevue, WA 98004

RE: Proposed Wilburton Connections local improvement district (LID) project, Bellevue, WA. Job No. 10-193.

Dear Mr. Sparrman:

Our preliminary special benefit/proportionate assessment study in connection with the above-referenced LID project has been completed. A personal inspection has been made of the parcels within the LID project vicinity, together with a study of current market data in the subject area and surrounding market areas, for the purpose of forming an opinion as to the special benefit and recommended assessment to each affected parcel.

If formed, the LID would provide one of a number of funding sources for the planned extension of NE 4<sup>th</sup> Street between 116<sup>th</sup> and 120<sup>th</sup> Avenues NE and 120<sup>th</sup> Avenue NE Improvements (Segment 1) between NE 4<sup>th</sup> and 8<sup>th</sup> Streets, on the east side of Interstate Highway 405, approximately one mile from Bellevue's central business district. The total cost for these improvements is currently estimated at \$47,495,000.

Attached is a summary of the formation special benefit study, which uses mass appraisal techniques and is reported in a summary format including narrative and tabular presentation. This report is intended to comply with Standard 6 of the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Foundation for a summary mass appraisal report. As such, it includes limited discussions of the data, reasoning and analyses utilized in the valuation process; supporting documentation is retained in the appraiser's files. The depth of discussion contained in the report is specific to the needs of the client, the City of Bellevue, and for the intended use stated herein. It conforms with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include USPAP, as well as additional reporting requirements which are discussed herein. The appraiser is not responsible for unauthorized use of this report.

Briefly, the scope of the assignment was to propose an LID boundary encompassing the area specially benefitted and complete a preliminary special benefit/proportionate assessment study centering around two road improvement projects collectively known as the proposed Wilburton Connections Local Improvement District. One of the projects would construct a new section of NE 4<sup>th</sup> Street on the east side of Interstate 405, connecting 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE, and the other widens a section of 120<sup>th</sup> Avenue NE (beginning where the new NE 4<sup>th</sup> Street connects with 120<sup>th</sup> Avenue and ending south of NE 8<sup>th</sup> Street) in the Bellevue neighborhood known as Wilburton. Signalization would be installed at the

Mr. Goran Sparrman  
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new NE 4<sup>th</sup> Street/120<sup>th</sup> Ave NE intersection and at the nearby intersection (to the north) of NE 6<sup>th</sup> Street and 120<sup>th</sup> Avenue NE. As stated above, the current total estimated project cost is \$47,495,000. Between the two projects considered herein, the estimates are \$38,400,000 for the NE 4<sup>th</sup> Street extension portion and \$9,095,000 for the 120<sup>th</sup> Avenue NE widening portion.

The nationwide economic recession, which began in late 2007, is having a profound and long-lasting effect on commercial real estate markets. The tightening of both national and global credit markets and a resultant reduction in liquidity are adversely impacting both current and future investments in real estate. This has resulted in limited real estate sales activity over the last several years in the Bellevue vicinity. Reductions caused by the ongoing recession have been especially severe when contrasted with the economic boom which preceded it in the early years of this decade.

As in the greater Seattle area, new development has been sharply curtailed and a number of large projects have been cancelled or put on hold in Bellevue and elsewhere on the "Eastside". According to the June 2010 issue of the Puget Sound Economic Forecaster (PSEF), the region added 3,600 new jobs in the first quarter of 2010. However, growth has remained slow this year and it is estimated that the region will not recoup the 135,000± jobs lost during the recession until some time in 2013. Current positive signs in the local market pertaining to new sale transactions and development activity remain limited.

To make estimates of probable increases in market value or special benefit resulting from the proposed LID project, market sales of land and improved properties were researched, together with rental rate information on the various types of property found within the proposed LID boundary. These property types consist primarily of office and retail uses. Also, engineering and economic studies relating to supply and demand, absorption and population growth trends were reviewed.

Special benefit to affected properties derives from enhanced relative location provided by the proposed road improvements, which results in reduced traffic congestion, improved circuitry of traffic flow and enhancement of the neighborhoods' reputation and aesthetic appeal. Also, with the NE 4<sup>th</sup> Street Extension in place, a number of parcels will be rezoned, allowing for more intensive land uses in the north-central portion of the proposed district.

Recognizing that the definition of market value requires well-informed market participants, estimates are made of the value of individual parcels without the road improvement project and again with the project assumed completed, as of the same date. Estimated value ranges without and with the LID are refined into valuation conclusions by making the appropriate adjustments based on factors affecting market value of individual parcels. For each assessable parcel within the LID boundary, this basis of valuation results in a special benefit estimate, which is the difference in value before (or without) the project as compared to the same parcel after (or with) the project. Electronic data based on records of the King County Assessor's office was provided by the client and forms the basis of the preliminary assessment roll spreadsheets which are integral parts of this report.

The purpose of a preliminary special benefit/proportionate assessment study is to provide a fair and proportionate allocation of preliminary assessments, based on highest and best use and market value of affected property, without as opposed to with the LID project completed. This study can then be utilized by the city and the affected property owners to establish the LID boundaries and make a determination as to whether or not to form the district.

The preliminary assessments are reasonable and proportionate to each other; they are based on consideration of the physical characteristics and highest and best use of individual affected parcels with market value estimates derived from comparable sales data. In our research, market analysis, and subject to the accompanying assumptions and limiting conditions, the entire area outlined on the exhibit entitled "Proposed LID Boundary Map" has been considered. As shown on the map and discussed further herein, at the client's request, it was divided into what is termed the "core area" (vicinity which experiences the most special benefit due to the project), together with "option area 1" (to the south), which experiences much lesser degrees of special benefit, and "option area 2" (north of NE 8<sup>th</sup> Street), where special benefit due to the project is more similar to that experienced by properties just south of NE 8<sup>th</sup> Street. On the proposed LID boundary map included herein, most of the core area and option area 2 are outlined in blue and option area 1 is outlined in white. The proposed LID boundary (outlined in a continuous blue line), encompasses 83 tax parcels; 60 which are in the core area together with another 23 parcels to the north in option area 2.

In the first of two scenarios considered herein, special benefit to the 62 affected parcels in the core area is estimated. Also at the client's request, the spreadsheet prepared for scenario one includes two preliminary recommended assessment columns; the first shows the individual preliminary assessment amounts based on a 50% ratio of total assessment to total special benefit. The second column of preliminary assessments utilizes a 75% ratio.

The same process is followed for the second scenario, which encompasses the 62 parcels in the core area, together with 26 additional tax parcels in option area 1 (south of Main Street and SE 1<sup>st</sup> Street) and another 23 parcels in option area 2 (north of NE 8<sup>th</sup> Street). The second spreadsheet, which includes all 111 parcels, also has two preliminary assessment columns; the first showing the individual assessment amounts based on a 50% ratio of total assessment to total special benefit and the second, utilizing a 75% ratio of project costs (assessment) to total special benefit. The 83 parcels within the proposed boundary comprise the third spreadsheet ("Proposed Assessment Roll"), for which the 50% and 75% ratios are again shown.

Following the "Executive Summary" located near the front of this report are three tabulations (spreadsheets) listing map number, owner's name, tax parcel number, site address, land area, brief improvements description (if any), zoning, probable market value (land and improvements contribution) without the LID, probable market value with the LID, estimated special benefit and preliminary assessment to each parcel. As described above, the first spreadsheet pertains to the 62 tax parcels in scenario one (the core area), the second encompasses the core area together with option areas 1 and 2 (total of 111 tax parcels), and the third, the proposed assessment roll, encompasses 83 parcels.

Mr. Goran Sparrman  
September 8, 2010  
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Below are the primary findings resulting from this study, subject to the accompanying assumptions and limiting conditions. The date of valuation for the following conclusions is September 8, 2010.

**Scenario One (core area – 62 tax parcels)**

Total estimated special benefit ..... (R)\$13,190,000  
Preliminary assessment @ 50% ratio ..... (R)\$6,595,000  
Preliminary assessment @ 75% ratio ..... (R)\$9,890,000

**Scenario Two (core area and two option areas – 111 tax parcels)**

Total estimated special benefit ..... (R)\$13,820,000  
Preliminary assessment @ 50% ratio ..... (R)\$6,910,000  
Preliminary assessment @ 75% ratio ..... (R)\$10,365,000

**Proposed Boundary (60 parcels in core area and 23 parcels in option area two)**

Total estimated special benefit ..... (R)\$13,565,000  
Preliminary assessment @ 50% ratio ..... (R)\$6,785,000  
Preliminary assessment @ 75% ratio ..... (R)\$10,175,000

The total estimated special benefit for option area 1 alone is (R)\$220,000 and for option area 2 alone it totals (R)\$415,000. Additional narrative descriptions, maps and tabulations concerning the scope of the project, subject parcels and comparable market data are retained in our files. If you have questions or desire further clarification, please call.

Respectfully submitted,  
MACAULAY & ASSOCIATES, LTD.



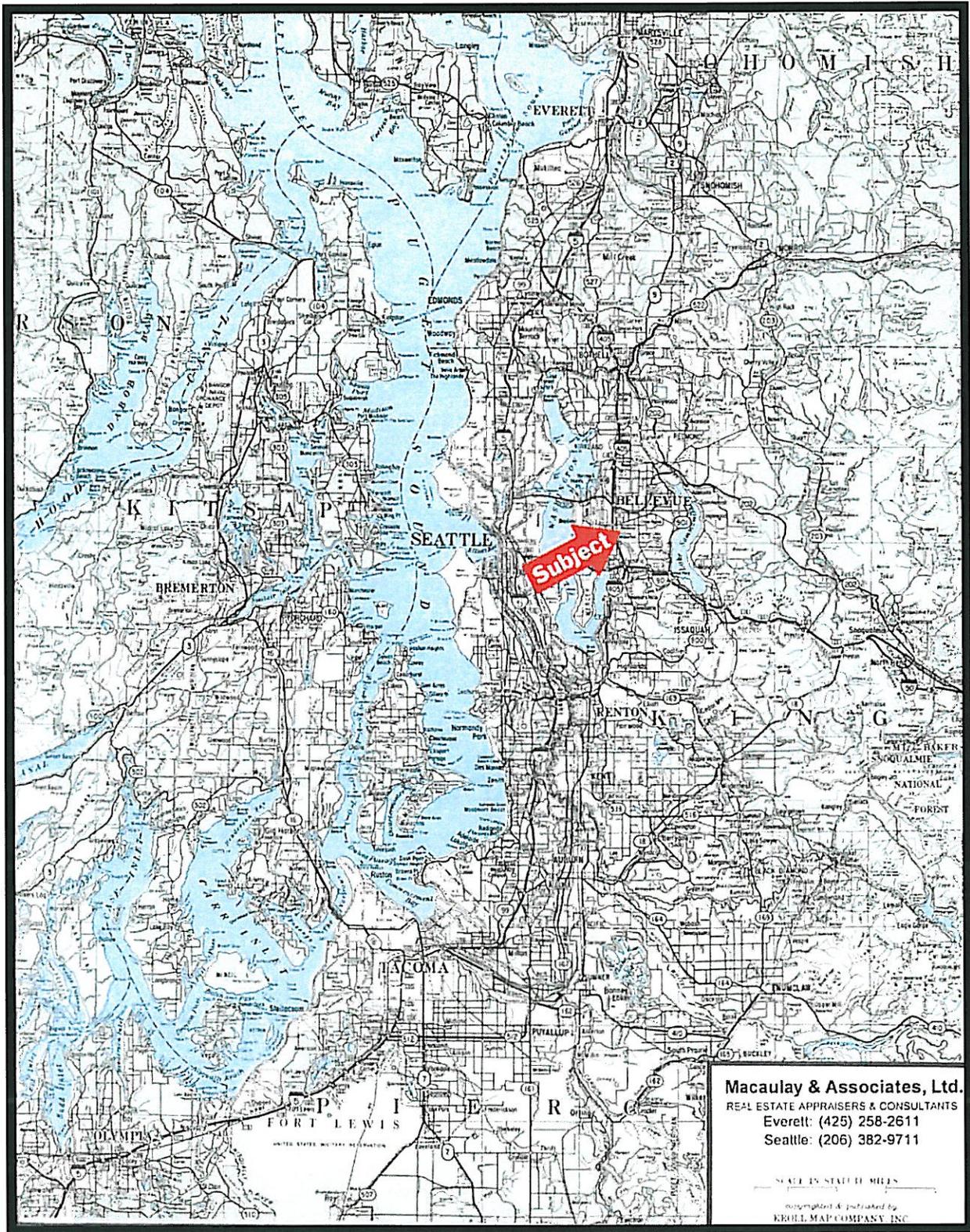
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Robert J. Macaulay, MAI  
WA State Certified - General Appraiser No. 1100517

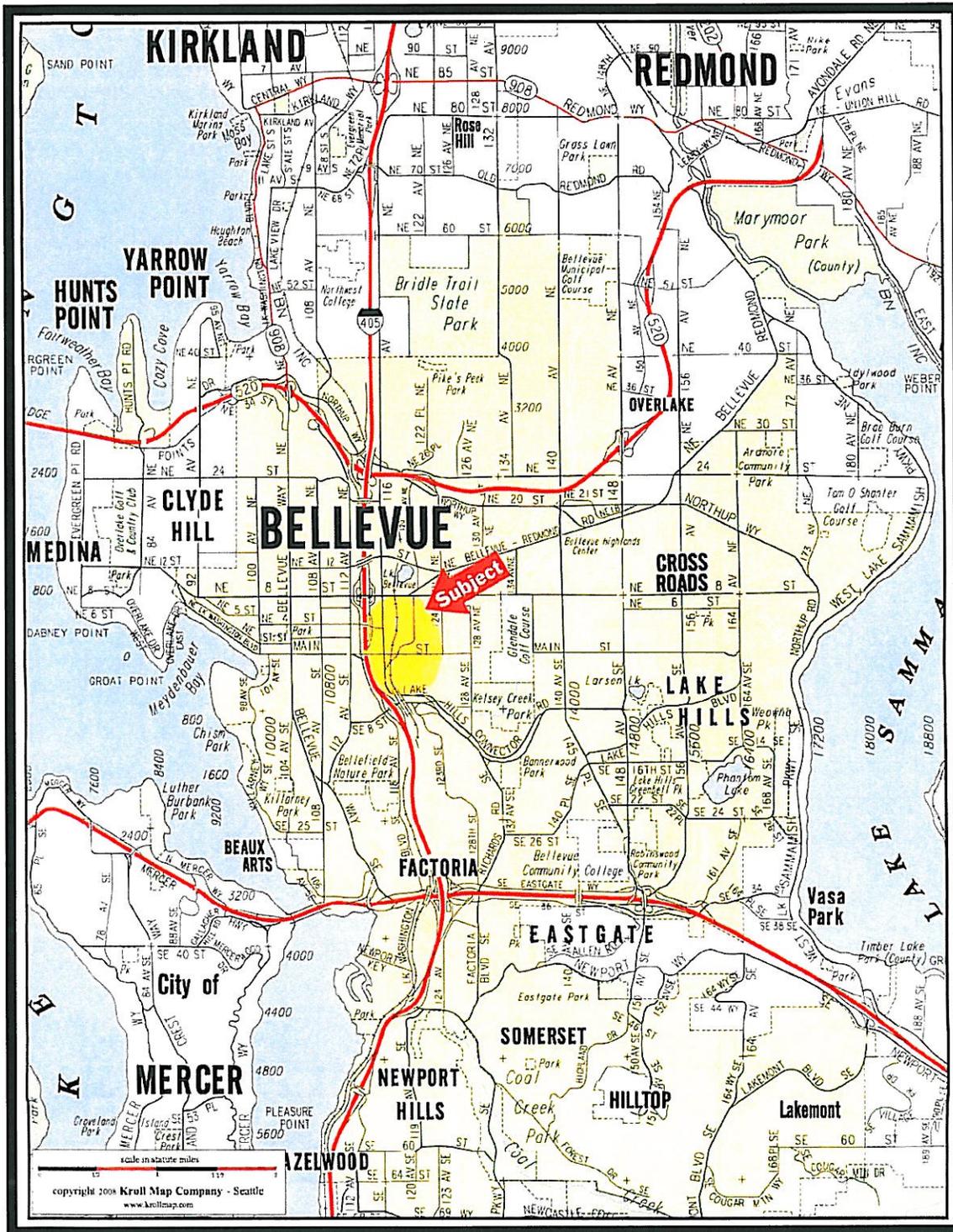
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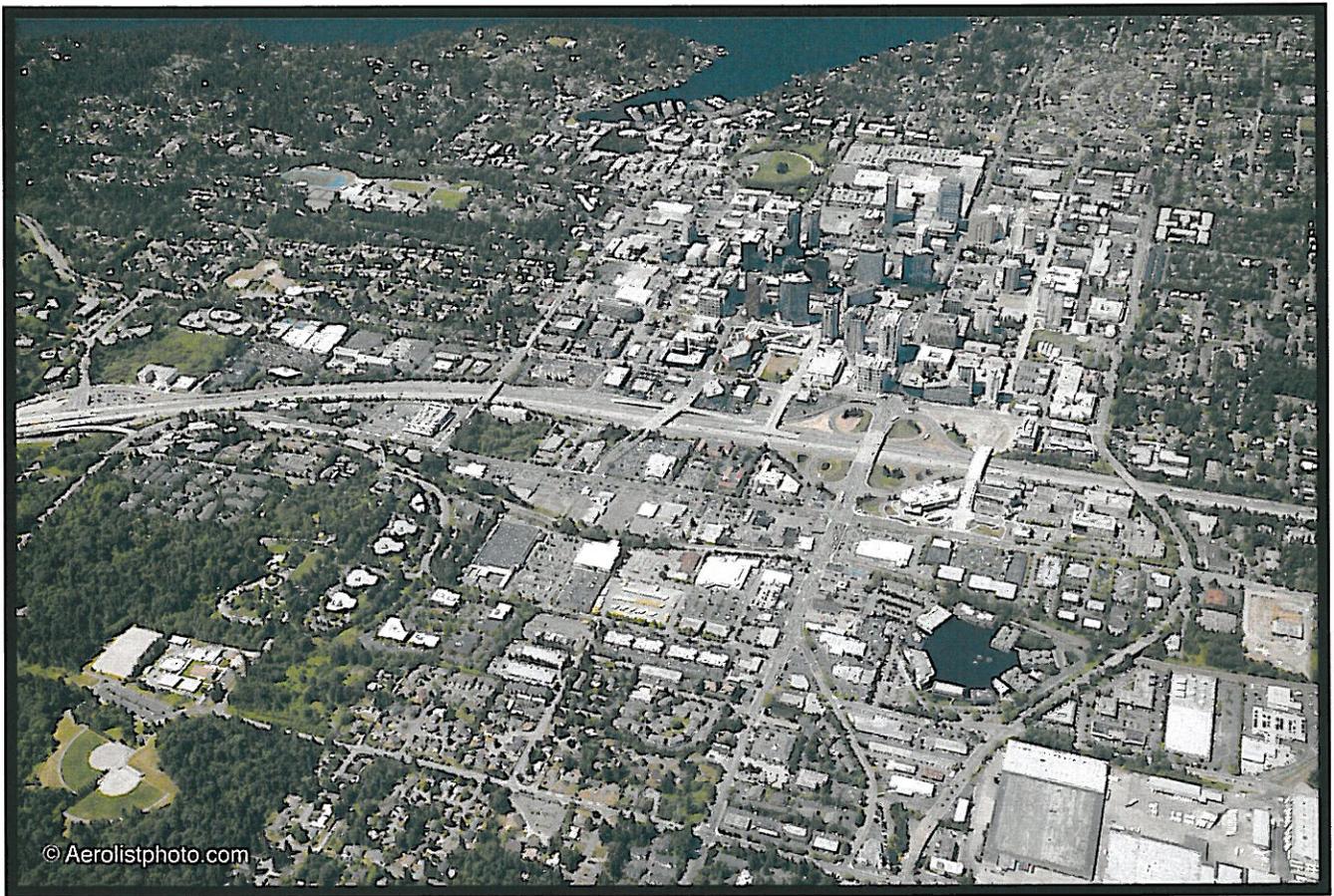
# Location Map



# Vicinity Map

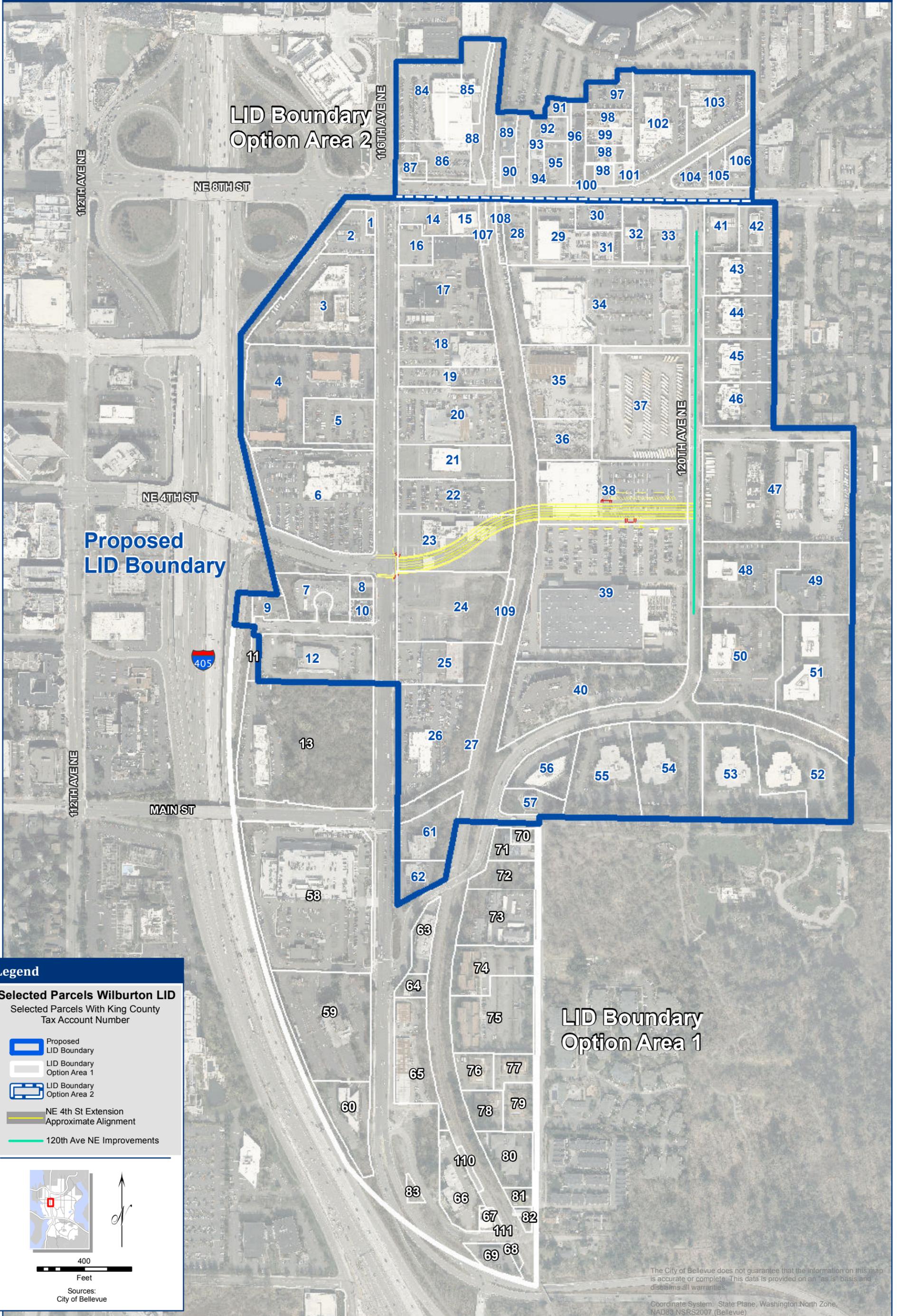


## Aerial Photograph



# Wilburton Connections

Proposed LID Boundary and Parcel Map



## Legend

- Selected Parcels Wilburton LID**  
Selected Parcels With King County Tax Account Number
- Proposed LID Boundary
  - LID Boundary Option Area 1
  - LID Boundary Option Area 2
  - NE 4th St Extension Approximate Alignment
  - 120th Ave NE Improvements



400  
Feet

Sources:  
City of Bellevue

The City of Bellevue does not guarantee that the information on this map is accurate or complete. This data is provided on an "as is" basis and disclaims all warranties.

Coordinate System: State Plane, Washington North Zone, NAD83 NSRS2007 (Bellevue)

## Executive Summary

### **Preliminary Boundary:**

As shown on the map on the prior page, the preliminary boundary analyzed is segregated into a core area and option areas 1 and 2; the core area extends south from NE 8<sup>th</sup> Street on both sides of 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE roughly to Main Street. Option area 1 encompasses property generally located south of Main Street on both sides of 116<sup>th</sup> Ave NE and west of 118<sup>th</sup> Ave NE, extending south to the Lake Hills Connector. Option area 2 is the vicinity north of NE 8<sup>th</sup> Street between 116<sup>th</sup> Ave NE to just east of 120<sup>th</sup> Ave NE and includes corner parcels at the Bel-Red/120th Ave NE intersection.

The core area experiences the greatest degree of special benefit due to the project as relative location of the affected parcels is enhanced, access and circuitry of traffic flow are significantly improved (enhancing the neighborhood's reputation), and rezoning of a number of parcels provides opportunities for increased intensity of use. The two option areas experience varying degrees of special benefit, due primarily to a lessening of traffic congestion, from the project. Option area 1 includes 26 tax parcels generally located south of Main Street/NE 1<sup>st</sup> Street, between I-405 and 118<sup>th</sup> Avenue SE. Option area 2 encompasses ownerships (23 individual tax parcels) fronting on the north side of NE 8<sup>th</sup> Street between 116th Ave NE and just east of the intersection of NE 8<sup>th</sup> Street and Bel-Red Road.

As discussed further in this report, the most significant special benefit accrues to property in the core area and in option area 2. Marginal special benefit (\$0.25/SF and less) is attributed to property in option area 1. Recognizing this, the proposed LID boundary consists of the core area except map numbers 11 and 13; the economic entity comprised of these two parcels is significantly impacted by wetlands and lacks any 116<sup>th</sup> Ave NE exposure. The proposed boundary also includes option area 2, situated north of NE 8<sup>th</sup> Street. Outlined in blue on the map, it includes a total of 83 tax parcels; 60 in the core area and another 23 in option area two.

### **Definition of Special Benefit:**

Special benefit is defined as a specific, measurable increase in value of certain real property in excess of enhancement to the general area (and benefitting the public at large) due to a public improvement project. It is measured as the difference accruing by reason of the project, between the market value of each parcel studied without the LID project and market value of the same parcel with the LID project assumed completed as of the same date.

**Project Overview:**

Wilburton Connections is the name given to a group of three long-planned road construction projects in the west Wilburton area. They are designed to work together to improve connections between the downtown, Wilburton, Bel-Red and Overlake areas of the city. The projects are 120<sup>th</sup> Avenue NE Improvement (Segment 1) (includes no improvements to the NE 8<sup>th</sup> Street intersection) and NE 4<sup>th</sup> and 6<sup>th</sup> Streets (extensions). A neighborhood protection plan to address potential traffic impacts along NE 5<sup>th</sup> Street to the east of 120<sup>th</sup> Avenue NE may be developed in coordination with the neighborhood although this planned NE 5<sup>th</sup> Street traffic mitigation is not included in the LID project. The 6<sup>th</sup> Street extension is not part of the proposed LID and this study focuses on the first two; the widening of 120<sup>th</sup> Avenue NE and the NE 4<sup>th</sup> Street extension. The two are collectively termed herein the “proposed Wilburton Connections Local Improvement District”. A more detailed description of the proposed projects is included in this report.

**Neighborhood Description:**

A close-in mixed use neighborhood (predominantly office and retail), the Wilburton commercial area is conveniently situated just across Interstate 405 from the intensely developed urban core of the City of Bellevue, Washington state’s fifth largest city. Further description of the subject neighborhood is found on subsequent pages.

Without the project, the vicinity is characterized by poor traffic circulation, lack of contiguity in the arterial roadway network, congested arterials (NE 8<sup>th</sup> Street and 120<sup>th</sup> Avenue NE) and limited pedestrian/bicycle access to the local and regional trail systems.

With the LID in place, the vicinity is enhanced since the \$47.5± million project provides improved neighborhood reputation, enhanced arterial traffic capacity, improved intersection operations and reduced delays, and enhanced bicycle and pedestrian safety. All these factors create higher property values by improving the relative locations of affected parcels in the marketplace.

**Total Land Area:**

Based on information obtained from the City of Bellevue, which is derived from records of the King County Assessor and Treasurer, land area within the larger LID boundary (including all 111 tax parcels in the core area and both option areas) totals 6,769,351± SF or 155.4± acres.

**Individual Parcel Sizes:**

Tax parcels analyzed herein vary in size from 240± SF to 398,632± SF or from 0.01± to 9.15± acres. Land area to be acquired from a small number of parcels, needed for construction of the new NE 4<sup>th</sup> Street alignment and for improvements to 120<sup>th</sup> Avenue NE, has been deducted from the square footages shown on the spreadsheets. In other

words, the affected parcels are analyzed net of right of way acquisition, both without and with the project.

**Railroad Corridor:**

An unused rail line situated within a 100-foot wide right of way corridor extends in a generally north-south direction through the district. Due to its long, narrow configuration and lack of adequate access, highest and best use is severely limited. As part of a railroad corridor of indeterminate length, it has no development potential as a separate economic entity and therefore derives no special benefit from the project. Within this corridor on the south side of NE 8<sup>th</sup> Street are six small parcels for which the King County Assessor's office lists tax parcel numbers, land areas (all less than 8,500 square feet), and owners' names.

These six parcels, map numbers 68 and 107 through 111, likewise lack development potential as separate entities and therefore derive no special benefit from the project. One additional parcel, map number 88, is situated within the railroad corridor on the north side of NE 8<sup>th</sup> Street. Although the assessor's office has no map, tax parcel number or any other information, the client's records show that it contains 20,049 SF and is owned by Whole Foods. It is currently utilized together with their property adjacent on the west, as parking and driveway. Therefore, special benefit as shown on the spreadsheet is attributable to map number 88.

**Land Use Regulations:**

In the core area of the proposed LID, primary zoning designations are OLB (Office and Limited Business); GC (General Commercial); O (Office); and PO (Professional Office). Part of one parcel is zoned for multi-family residential uses. Zoning in option area 1 is CB (Community Business), OLB, O, PO with one parcel designated R-20, multi-family residential. In option area 2, zoning is BR-GC (Bel-Red General Commercial) and GC. Upon completion of the proposed project, a number of parcels in the main (core) area will be rezoned from GC, General Commercial, to CB, Community Business. Current and proposed zoning designations are consistent with the city's Wilburton/NE 8<sup>th</sup> Land Use Plan (see map in Addenda).

**Special Benefit/Proportionate Assessment Methodology:**

Assessments that do not materially exceed the special benefit and proportionality between each assessment and its respective special benefit are the two basic legal requirements of an assessment of this type. This market value estimate is based on the inter-relationship between supply and demand for each property in the current economic marketplace. In this instance, it is a market for commercial property in a well-developed area featuring the amenities of excellent access to transportation networks and to all the major regional employment and population centers of Puget Sound.

This is a mass appraisal report prepared under the requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute. Market value is estimated for each parcel within the LID boundary based on highest and best use, both without and with the improvement project completed as of the date of this study. The increase in value, if any, is the special benefit accruing to that parcel as a result of the project.

Estimated special benefits are totaled for all properties within the preliminary LID boundary, under each of the two scenarios discussed above, as requested by the client. The first encompasses only the core area, which experiences the greatest special benefit from the project and is made up of 62 tax parcels (map numbers 1 through 57, 61, 62, 107, 108 & 109). In the second scenario, the core area is combined with both option areas, yielding a total of 111 affected parcels. Proposed and shown in the third spreadsheet is a district encompassing 60 parcels in the core area and another 23 in option area 2, for a total of 83 parcels.

Also at the client's request, the spreadsheet prepared for scenario one includes two preliminary assessment columns; the first one shows the individual assessment amounts based on a 50% ratio of total assessment to total special benefit. The second column of assessments utilizes a 75% ratio. The same process is followed for the second scenario, which encompasses the 62 parcels in the core area, together with 26 additional tax parcels in option area 1 (south of Main Street and SE 1<sup>st</sup> Street) and another 23 parcels in option area 2 (north of NE 8<sup>th</sup> Street). The second spreadsheet, which includes all 111 parcels, also has two preliminary assessment columns; the first showing the individual assessment amounts based on a 50% ratio of total assessment to total special benefit and the second, utilizing a 75% ratio of project costs (assessment) to total special benefit. The third and final spreadsheet encompasses the proposed district of 83 parcels and also shows the 50% and 75% ratio columns.

**Valuation Conclusions:**

The spreadsheets on the following pages present pertinent tabulated data on the affected ownerships, some of which contain more than one map number. The map numbers represent individual tax lots and correspond to the preliminary LID boundary map on page 4. Each economic entity considered herein as a "parcel" is listed in the following tabulation on one to several lines, depending on the number of map numbers which make up the parcel.

The categories on each spreadsheet pertain to individual map numbers, the most significant of which are "Special Benefit" and "Preliminary Assessment". Compilation of this data on 62 individual map numbers

(scenario one), 111 map numbers (scenario two) and 83 map numbers (proposed boundary) results in the aggregate conclusions presented below and on the following spreadsheets, as of September 8, 2010.

**Scenario One (core area – 62 tax parcels)**

Total estimated special benefit ..... (R) \$13,190,000  
Preliminary assessment @ 50% ratio ..... (R) \$6,595,000  
Preliminary assessment @ 75% ratio ..... (R) \$9,890,000

**Scenario Two (core area and two option areas – 111 tax parcels)**

Total estimated special benefit ..... (R) \$13,820,000  
Preliminary assessment @ 50% ratio ..... (R) \$6,910,000  
Preliminary assessment @ 75% ratio ..... (R) \$10,365,000

**Proposed Boundary**

**(60 parcels in core area and 23 parcels in option area two)**

Total estimated special benefit ..... (R) \$13,565,000  
Preliminary assessment @ 50% ratio ..... (R) \$6,785,000  
Preliminary assessment @ 75% ratio ..... (R) \$10,175,000

**Scope of Assignment:**

The scope of services Macaulay and Associates, Ltd. has been engaged to perform is to estimate the preliminary special benefit adhering to each affected parcel as a result of the LID-funded project. To reflect the market's perception of total special benefit accruing to affected property as a result of the project and to maintain proportionality amongst the special benefit estimates, market value is estimated both without the LID and with the LID in place, as of the same date. Under this valuation basis, properties are treated consistently and market value estimates without and with the completed LID most accurately reflect the special benefit indicated by the market. The special benefit estimated for each parcel reflects an increase in value under the same market conditions as the benefit estimated for every other assessable parcel within the proposed LID boundary.

Wilburton Connections LID - Preliminary Assessment Roll  
Scenario One

Map No.	Ownership	Tax Parcel No.	Site Address	Land Area (SF)	Land Area (Acres)	Building SF (Gross)	Building SF (Net)	Year Built	Without LID					With LID					50% Assessment		75% Assessment						
									Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Estimated Special Benefit	Est. Special Benefit Per SF	Preliminary Assessment	Preliminary Assessment Per SF	Preliminary Assessment	Preliminary Assessment Per SF			
1	HULING BROS PROPERTIES LLC	3225059050	655 116TH AVE NE	4,200	0.10	1,210	1,210	1966	///	OLB	\$84.00	\$352,800	\$100,000	\$452,800	///	OLB	\$85.00	\$357,000	\$100,000	\$457,000	\$4,200	\$1.00	///	\$2,100	\$0.50	\$3,150	\$0.75
2	RASH & ASSOCIATES #47	3225059070	649 116TH AVE NE	26,572	0.61	3,660	3,660	1974	///	OLB	\$76.00	\$2,019,472	\$0	\$2,019,472	///	OLB	\$77.00	\$2,046,044	\$0	\$2,046,044	\$26,572	\$1.00	///	\$13,286	\$0.50	\$19,929	\$0.75
3	GOLDTRUST HOTEL LLC	3225059002	625 116TH AVE NE	158,875	3.65	113,252	113,252	1975	///	OLB	\$68.00	\$10,803,500	\$5,500,000	\$16,303,500	///	OLB	\$69.00	\$10,962,375	\$5,500,000	\$16,462,375	\$158,875	\$1.00	///	\$79,438	\$0.50	\$119,156	\$0.75
4	CITY OF BELLEVUE	3225059005	515 116TH AVE NE	184,005	4.22	29,176	29,176	1975	///	OLB	\$67.00	\$12,328,335	\$0	\$12,328,335	///	OLB	\$68.00	\$12,512,340	\$0	\$12,512,340	\$184,005	\$1.00	///	\$92,003	\$0.50	\$138,004	\$0.75
5	BELLEVUE NORTHWEST LLC	3225059178	425 116TH AVE NE	57,000	1.31	None	N/A	N/A	///	OLB	\$70.00	\$3,990,000	\$0	\$3,990,000	///	OLB	\$71.50	\$4,075,500	\$0	\$4,075,500	\$85,500	\$1.50	///	\$42,750	\$0.75	\$64,125	\$1.13
6	CUSHMAN & WAKEFIELD INC	3225059007	411 116TH AVE NE	192,386	4.42	31,375	31,375	1971	///	OLB	\$70.00	\$13,467,020	\$0	\$13,467,020	///	OLB	\$73.50	\$14,140,371	\$0	\$14,140,371	\$673,351	\$3.50	///	\$336,676	\$1.75	\$505,013	\$2.63
7	PUGET SOUND ENERGY/ELEC	2543200125	11500 NE 2ND PL	51,185	1.18	None	N/A	N/A	///	OLB	\$60.00	\$3,071,100	\$0	\$3,071,100	///	OLB	\$60.00	\$3,071,100	\$0	\$3,071,100	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
8	PUGET SOUND ENERGY/ELEC	2543200135	220 116TH AVE NE	9,876	0.23	None	N/A	N/A	///	OLB	\$72.00	\$711,072	\$0	\$711,072	///	OLB	\$75.50	\$745,638	\$0	\$745,638	\$34,566	\$3.50	///	\$17,283	\$1.75	\$25,925	\$2.63
9	THOMAS M GILPIN	2543200105	11408 NE 2ND PL	11,800	0.27	4,922	3,542	1950	///	OLB	\$50.00	\$590,000	\$50,000	\$640,000	///	OLB	\$50.50	\$595,900	\$50,000	\$645,900	\$5,900	\$0.50	///	\$2,950	\$0.25	\$4,425	\$0.38
10	IGOR & KLARA CHULSKY	2543200140	203 116TH AVE NE	10,150	0.23	None	N/A	N/A	///	OLB	\$70.00	\$710,500	\$0	\$710,500	///	OLB	\$71.50	\$725,725	\$0	\$725,725	\$15,225	\$1.50	///	\$7,613	\$0.75	\$11,419	\$1.13
11	BRE/ESA PROPERTIES	2543200041	11400 MAIN ST	7,722	0.18	None	N/A	N/A	///	OLB	\$25.00	\$193,050	\$0	\$193,050	///	OLB	\$25.00	\$193,050	\$0	\$193,050	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
12	US POSTAL SERVICE	2543200015	11405 NE 2ND PL	99,254	2.28	14,320	14,320	1992	///	OLB	\$60.00	\$5,955,240	\$0	\$5,955,240	///	OLB	\$60.00	\$5,955,240	\$0	\$5,955,240	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
13	BRE/ESA PROPERTIES LLC	3225059024	11400 MAIN ST	141,893	3.26	66,225	66,225	1997	///	OLB	\$60.00	\$8,513,580	\$5,500,000	\$14,013,580	///	OLB	\$60.25	\$8,549,053	\$5,500,000	\$14,049,053	\$35,473	\$0.25	///	\$17,737	\$0.13	\$26,605	\$0.19
14	BP WEST COAST PRODUCTS LLC	3325059033	11611 NE 8TH ST	23,090	0.53	1,975	1,975	1967	///	GC	\$82.00	\$1,893,380	\$0	\$1,893,380	///	GC	\$83.00	\$1,916,470	\$0	\$1,916,470	\$23,090	\$1.00	///	\$11,545	\$0.50	\$17,318	\$0.75
15	R KIRK MATHEWSON	3325059010	11635 NE 8TH ST	17,443	0.40	7,834	7,834	1954	///	GC	\$78.00	\$1,360,554	\$600,000	\$1,960,554	///	GC	\$79.00	\$1,377,997	\$600,000	\$1,977,997	\$17,443	\$1.00	///	\$8,722	\$0.50	\$13,082	\$0.75
16	VOLKSTORF RENTALS PARTNERSH	3325059086	640 116TH AVE NE	22,950	0.53	384	384	1968	///	GC	\$72.00	\$1,652,400	\$0	\$1,652,400	///	GC	\$73.00	\$1,675,350	\$0	\$1,675,350	\$22,950	\$1.00	///	\$11,475	\$0.50	\$17,213	\$0.75
17	BETA-BELLEVUE LLC	3325059036	620 116TH AVE NE	134,013	3.08	25,819	25,819	1962	///	GC	\$68.00	\$9,112,884	\$0	\$9,112,884	///	GC	\$69.00	\$9,246,897	\$0	\$9,246,897	\$134,013	\$1.00	///	\$67,007	\$0.50	\$100,510	\$0.75
18	FAZENDA LLC % TOYOTA OF LAK	3325059124	523 122ND PL NE	64,662	1.48	21,327	21,327	1960	///	GC	\$68.00	\$4,397,016	\$500,000	\$4,897,016	///	GC	\$69.00	\$4,461,678	\$500,000	\$4,961,678	\$64,662	\$1.00	///	\$32,331	\$0.50	\$48,497	\$0.75
19	FAZENDA LLC % TOYOTA OF LAK	3325059038	516 116TH AVE NE	38,412	0.88	1,964	1,964	1954	///	GC	\$68.00	\$2,612,016	\$0	\$2,612,016	///	GC	\$69.00	\$2,650,428	\$0	\$2,650,428	\$38,412	\$1.00	///	\$19,206	\$0.50	\$28,809	\$0.75
20	FAZENDA LLC % TOYOTA OF LAK	3325059142	430 116TH AVE NE	114,127	2.62	23,691	20,556	1962	///	GC	\$68.00	\$7,760,636	\$0	\$7,760,636	///	GC	\$69.50	\$7,931,827	\$0	\$7,931,827	\$171,191	\$1.50	///	\$85,595	\$0.75	\$128,393	\$1.13
21	FORD LEASING & DEVELOPMENT	3325059143	420 116TH AVE NE	71,874	1.65	12,666	11,716	1962	///	GC	\$68.00	\$4,887,432	\$0	\$4,887,432	///	CB	\$71.00	\$5,103,054	\$0	\$5,103,054	\$215,622	\$3.00	///	\$107,811	\$1.50	\$161,717	\$2.25
22	KG INVESTMENT MANAGEMENT	3325059151	400 116TH AVE NE	74,923	1.72	None	N/A	N/A	///	GC	\$70.00	\$5,244,610	\$0	\$5,244,610	///	CB	\$77.00	\$5,769,071	\$0	\$5,769,071	\$524,461	\$7.00	///	\$262,231	\$3.50	\$393,346	\$5.25
23	KG INVESTMENT MANAGEMENT	3325059012	316 116TH AVE NE	71,562	1.64	23,038	21,147	1965-1994	///	GC	\$70.00	\$5,009,340	\$0	\$5,009,340	///	CB	\$77.00	\$5,510,274	\$0	\$5,510,274	\$500,934	\$7.00	///	\$250,467	\$3.50	\$375,701	\$5.25
24	KG INVESTMENT MANAGEMENT	3325059042	126 116TH AVE NE	114,127	2.62	None	N/A	N/A	///	GC	\$70.00	\$7,988,890	\$0	\$7,988,890	///	CB	\$77.00	\$8,787,779	\$0	\$8,787,779	\$798,889	\$7.00	///	\$399,445	\$3.50	\$599,167	\$5.25
25	KG INVESTMENT MANAGEMENT	3325059041	120 116TH AVE NE	67,953	1.56	31,056	31,056	1960-1965	///	GC	\$68.00	\$4,620,804	\$0	\$4,620,804	///	CB	\$75.00	\$5,096,475	\$0	\$5,096,475	\$475,671	\$7.00	///	\$237,836	\$3.50	\$356,753	\$5.25
26	LINDSEY PROPERTIES LLC	3325059014	120 116TH AVE NE	147,300	3.38	18,578	18,578	1974	///	GC	\$65.00	\$9,574,500	\$0	\$9,574,500	///	CB	\$68.00	\$10,016,400	\$0	\$10,016,400	\$441,900	\$3.00	///	\$220,950	\$1.50	\$331,425	\$2.25
27	GAIL A WYMAN	3325059039	136 116TH AVE NE	240	0.01	None	N/A	N/A	///	GC	\$40.00	\$9,600	\$0	\$9,600	///	CB	\$40.00	\$9,600	\$0	\$9,600	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
28	BURGER KING	3325059169	11723 NE 8TH ST	29,450	0.68	2,902	2,902	1986	///	GC	\$80.00	\$2,356,000	\$0	\$2,356,000	///	CB	\$82.00	\$2,414,900	\$0	\$2,414,900	\$58,900	\$2.00	///	\$29,450	\$1.00	\$44,175	\$1.50
29	SOUTH HEIGHTS/RICHARD SNYDER	3325059149	11807 NE 8TH ST	60,189	1.38	76,389	69,804	2005	///	GC	\$80.00	\$4,815,120	\$4,500,000	\$9,315,120	///	CB	\$82.00	\$4,935,498	\$4,500,000	\$9,435,498	\$120,378	\$2.00	///	\$60,189	\$1.00	\$90,284	\$1.50
30	DOLLAR DEVELOPMENT COMPANY	3325059108	11839 NE 8TH ST	20,000	0.46	None	N/A	N/A	///	GC	\$77.00	\$1,540,000	\$0	\$1,540,000	///	CB	\$78.00	\$1,560,000	\$0	\$1,560,000	\$20,000	\$1.00	///	\$10,000	\$0.50	\$15,000	\$0.75
31	SOUTH HEIGHTS/RICHARD SNYDER	3325059208	11919 NE 8TH ST	22,424	0.51	None	N/A	N/A	///	GC	\$75.00	\$1,681,800	\$0	\$1,681,800	///	CB	\$76.50	\$1,715,436	\$0	\$1,715,436	\$33,636	\$1.50	///	\$16,818	\$0.75	\$25,227	\$1.13
32	BOB BOLLMAN	3325059180	11909 NE 8TH ST	28,536	0.66	2,463	2,327	1971-1994	///	GC	\$80.00	\$2,282,880	\$0	\$2,282,880	///	CB	\$82.00	\$2,339,952	\$0	\$2,339,952	\$57,072	\$2.00	///	\$28,536	\$1.00	\$42,804	\$1.50
33	BELLEVUE PROPERTIES	3325059009	11929 NE 8TH ST	44,837	1.03	11,782	11,782	1994	///	GC	\$84.00	\$3,766,308	\$1,200,000	\$4,966,308	///	CB	\$86.50	\$3,878,401	\$1,200,000	\$5,078,401	\$112,093	\$2.50	///	\$56,046	\$1.25	\$84,069	\$1.88
34	TRF CAPITAL LLC	3325059120	699 120TH AVE NE	248,047	5.69	88,012	88,012	1990	///	GC	\$65.00	\$16,123,055	\$5,000,000	\$21,123,055	///	CB	\$68.00	\$16,867,196	\$5,000,000	\$21,867,196	\$744,141	\$3.00	///	\$372,071	\$1.50	\$558,106	\$2.25
35	MUTUAL MATERIAL CO	3325059134	605 119TH AVE NE	89,747	2.06	29,136	29,136	1960-1980	///	GC	\$60.00	\$5,384,820	\$0	\$5,384,820	///	CB	\$63.00	\$5,654,061	\$0	\$5,654,061	\$269,241	\$3.00	///	\$134,621	\$1.50	\$201,931	\$2.25
36	MUTUAL MATERIAL CO	3325059133	605 119TH AVE NE	43,250	0.99	None	N/A	N/A	///	GC	\$60.00	\$2,595,000	\$0	\$2,595,000	///	CB	\$63.00	\$2,724,750	\$0	\$2,724,750	\$129,750	\$3.00	///	\$64,875	\$1.50	\$97,313	\$2.25
37	BELLEVUE SCHOOL DIST 405	3325059121	501 120TH AVE NE	194,316	4.46	None	N/A	N/A	///	GC	\$65.00	\$12,630,540	\$0	\$12,630,540	///	CB	\$68.50	\$13,310,646	\$0	\$13,310,646	\$680,106	\$3.50	///	\$340,053	\$1.75	\$510,080	\$2.63
38	457-120TH AVENUE NE LLC	3325059213	457 120TH AVE NE	120,898	2.78	36,320	46,820	2002	///	GC	\$65.00	\$7,858,370	\$5,800,000	\$13,658,370	///	CB	\$72.00	\$8,704,656	\$5,800,000	\$14,504,656	\$846,286	\$7.00	///	\$423,143	\$3.50	\$634,715	\$5.25
39	HD DEVELOPMENT OF MARYLAND	3325059007	325 120TH AVE NE	399,748	9.18	105,700	105,700																				

Wilburton Connections LID - Preliminary Assessment Roll  
Scenario Two

Map No.	Ownership	Tax Parcel No.	Site Address	Land Area (SF)	Land Area (Acres)	Building SF (Gross)	Building SF (Net)	Year Built	Without LID				With LID				50% Assessment		75% Assessment								
									Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Estimated Special Benefit	Est. Special Benefit Per SF	Preliminary Assessment	Preliminary Assessment Per SF	Preliminary Assessment	Preliminary Assessment Per SF			
1	HULING BROS PROPERTIES LLC	3225059050	655 116TH AVE NE	4,200	0.10	1,210	1,210	1966	///	OLB	\$84.00	\$352,800	\$100,000	\$452,800	///	OLB	\$85.00	\$357,000	\$100,000	\$457,000	\$4,200	\$1.00	///	\$2,100	\$0.50	\$3,150	\$0.75
2	RASH & ASSOCIATES #47	3225059070	649 116TH AVE NE	26,572	0.61	3,660	3,660	1974	///	OLB	\$76.00	\$2,019,472	\$0	\$2,019,472	///	OLB	\$77.00	\$2,046,044	\$0	\$2,046,044	\$26,572	\$1.00	///	\$13,286	\$0.50	\$19,929	\$0.75
3	GOLDTRUST HOTEL LLC	3225059002	625 116TH AVE NE	158,876	3.65	113,252	113,252	1975	///	OLB	\$68.00	\$10,803,500	\$5,500,000	\$16,303,500	///	OLB	\$69.00	\$10,962,375	\$5,500,000	\$16,462,375	\$158,876	\$1.00	///	\$79,438	\$0.50	\$119,156	\$0.75
4	CITY OF BELLEVUE	3225059005	515 116TH AVE NE	184,005	4.22	29,176	29,176	1975	///	OLB	\$67.00	\$12,328,335	\$0	\$12,328,335	///	OLB	\$68.00	\$12,512,340	\$0	\$12,512,340	\$184,005	\$1.00	///	\$92,003	\$0.50	\$138,004	\$0.75
5	BELLEVUE NORTHWEST LLC	3225059178	425 116TH AVE NE	57,000	1.31	None	N/A	N/A	///	OLB	\$70.00	\$3,990,000	\$0	\$3,990,000	///	OLB	\$71.50	\$4,075,500	\$0	\$4,075,500	\$85,500	\$1.50	///	\$42,750	\$0.75	\$64,125	\$1.13
6	CUSHMAN & WAKEFIELD INC	3225059007	411 116TH AVE NE	192,386	4.42	31,375	31,375	1971	///	OLB	\$70.00	\$13,467,020	\$0	\$13,467,020	///	OLB	\$73.50	\$14,140,371	\$0	\$14,140,371	\$673,351	\$3.50	///	\$336,676	\$1.75	\$505,013	\$2.63
7	PUGET SOUND ENERGY/ELEC	2543200125	11500 NE 2ND PL	51,185	1.18	None	N/A	N/A	///	OLB	\$60.00	\$3,071,100	\$0	\$3,071,100	///	OLB	\$60.00	\$3,071,100	\$0	\$3,071,100	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
8	PUGET SOUND ENERGY/ELEC	2543200135	220 116TH AVE NE	9,876	0.23	None	N/A	N/A	///	OLB	\$72.00	\$711,072	\$0	\$711,072	///	OLB	\$75.50	\$745,638	\$0	\$745,638	\$34,566	\$3.50	///	\$17,283	\$1.75	\$25,925	\$2.63
9	THOMAS M GILPIN	2543200105	11408 NE 2ND PL	11,800	0.27	4,922	3,542	1950	///	OLB	\$50.00	\$590,000	\$50,000	\$640,000	///	OLB	\$50.50	\$595,900	\$50,000	\$645,900	\$5,900	\$0.50	///	\$2,950	\$0.25	\$4,425	\$0.38
10	IGOR & KLARA CHULSKY	2543200140	203 116TH AVE NE	10,150	0.23	None	N/A	N/A	///	OLB	\$70.00	\$710,500	\$0	\$710,500	///	OLB	\$71.50	\$725,725	\$0	\$725,725	\$15,225	\$1.50	///	\$7,613	\$0.75	\$11,419	\$1.13
11	BRE/ESA PROPERTIES	2543200041	11400 MAIN ST	7,722	0.18	None	N/A	N/A	///	OLB	\$25.00	\$193,050	\$0	\$193,050	///	OLB	\$25.00	\$193,050	\$0	\$193,050	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
12	US POSTAL SERVICE	2543200015	11405 NE 2ND PL	99,254	2.28	14,320	14,320	1992	///	OLB	\$60.00	\$5,955,240	\$0	\$5,955,240	///	OLB	\$60.00	\$5,955,240	\$0	\$5,955,240	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
13	BRE/ESA PROPERTIES LLC	3225059024	11400 MAIN ST	141,893	3.26	66,225	66,225	1997	///	OLB	\$60.00	\$8,513,580	\$5,500,000	\$14,013,580	///	OLB	\$60.25	\$8,549,053	\$5,500,000	\$14,049,053	\$35,473	\$0.25	///	\$17,737	\$0.13	\$26,605	\$0.19
14	BP WEST COAST PRODUCTS LLC	3225059033	11611 NE 8TH ST	23,090	0.53	1,975	1,975	1967	///	GC	\$82.00	\$1,893,380	\$0	\$1,893,380	///	GC	\$83.00	\$1,916,470	\$0	\$1,916,470	\$23,090	\$1.00	///	\$11,545	\$0.50	\$17,318	\$0.75
15	R KIRK MATHEWSON	3225059010	11635 NE 8TH ST	17,443	0.40	7,834	7,834	1954	///	GC	\$78.00	\$1,360,554	\$600,000	\$1,960,554	///	GC	\$79.00	\$1,377,997	\$600,000	\$1,977,997	\$17,443	\$1.00	///	\$8,722	\$0.50	\$13,082	\$0.75
16	VOLKSTORF RENTALS PARTNERSH	3225059086	640 116TH AVE NE	22,950	0.53	384	384	1968	///	GC	\$72.00	\$1,652,400	\$0	\$1,652,400	///	GC	\$73.00	\$1,675,350	\$0	\$1,675,350	\$22,950	\$1.00	///	\$11,475	\$0.50	\$17,213	\$0.75
17	BETA-BELLEVUE LLC	3225059036	620 116TH AVE NE	134,013	3.08	25,819	25,819	1962	///	GC	\$68.00	\$9,112,884	\$0	\$9,112,884	///	GC	\$69.00	\$9,246,897	\$0	\$9,246,897	\$134,013	\$1.00	///	\$67,007	\$0.50	\$100,510	\$0.75
18	FAZENDA LLC % TOYOTA OF LAK	3225059124	523 122ND PL NE	64,662	1.48	21,327	21,327	1960	///	GC	\$68.00	\$4,397,016	\$500,000	\$4,897,016	///	GC	\$69.00	\$4,461,678	\$500,000	\$4,961,678	\$64,662	\$1.00	///	\$32,331	\$0.50	\$48,497	\$0.75
19	FAZENDA LLC % TOYOTA OF LAK	3225059038	516 116TH AVE NE	38,412	0.88	1,964	1,964	1954	///	GC	\$68.00	\$2,612,016	\$0	\$2,612,016	///	GC	\$69.00	\$2,650,428	\$0	\$2,650,428	\$38,412	\$1.00	///	\$19,206	\$0.50	\$28,809	\$0.75
20	FAZENDA LLC % TOYOTA OF LAK	3225059142	430 116TH AVE NE	114,127	2.62	23,691	20,556	1962	///	GC	\$68.00	\$7,760,636	\$0	\$7,760,636	///	GC	\$69.50	\$7,931,827	\$0	\$7,931,827	\$171,191	\$1.50	///	\$85,595	\$0.75	\$128,393	\$1.13
21	FORD LEASING & DEVELOPMENT	3225059143	420 116TH AVE NE	71,874	1.65	12,666	11,716	1962	///	GC	\$68.00	\$4,887,432	\$0	\$4,887,432	///	CB	\$71.00	\$5,103,054	\$0	\$5,103,054	\$215,622	\$3.00	///	\$107,811	\$1.50	\$161,717	\$2.25
22	KG INVESTMENT MANAGEMENT	3225059151	400 116TH AVE NE	74,923	1.72	None	N/A	N/A	///	GC	\$70.00	\$5,244,610	\$0	\$5,244,610	///	CB	\$77.00	\$5,769,071	\$0	\$5,769,071	\$254,461	\$7.00	///	\$262,231	\$3.50	\$393,346	\$5.25
23	KG INVESTMENT MANAGEMENT	3225059012	316 116TH AVE NE	71,562	1.64	23,038	21,147	1965-1984	///	GC	\$70.00	\$5,009,340	\$0	\$5,009,340	///	CB	\$77.00	\$5,510,274	\$0	\$5,510,274	\$500,934	\$7.00	///	\$250,467	\$3.50	\$375,701	\$5.25
24	KG INVESTMENT MANAGEMENT	3225059042	126 116TH AVE NE	114,127	2.62	None	N/A	N/A	///	GC	\$70.00	\$7,988,890	\$0	\$7,988,890	///	CB	\$77.00	\$8,787,779	\$0	\$8,787,779	\$798,889	\$7.00	///	\$399,445	\$3.50	\$599,167	\$5.25
25	KG INVESTMENT MANAGEMENT	3225059041	120 116TH AVE NE	67,953	1.56	31,056	31,056	1960-1965	///	GC	\$68.00	\$4,620,804	\$0	\$4,620,804	///	CB	\$75.00	\$5,096,475	\$0	\$5,096,475	\$475,671	\$7.00	///	\$237,836	\$3.50	\$356,753	\$5.25
26	LINDSEY PROPERTIES LLC	3225059014	120 116TH AVE NE	147,300	3.38	18,578	18,578	1974	///	GC	\$65.00	\$9,574,500	\$0	\$9,574,500	///	CB	\$68.00	\$10,016,400	\$0	\$10,016,400	\$441,900	\$3.00	///	\$220,950	\$1.50	\$331,425	\$2.25
27	GAIL A WYMAN	3225059039	136 116TH AVE NE	240	0.01	None	N/A	N/A	///	GC	\$40.00	\$9,600	\$0	\$9,600	///	CB	\$40.00	\$9,600	\$0	\$9,600	\$0	\$0.00	///	\$0	\$0.00	\$0	\$0.00
28	BURGER KING	3225059169	11723 NE 8TH ST	29,450	0.68	2,902	2,902	1966	///	GC	\$80.00	\$2,356,000	\$0	\$2,356,000	///	CB	\$82.00	\$2,414,900	\$0	\$2,414,900	\$58,900	\$2.00	///	\$29,450	\$1.00	\$44,175	\$1.50
29	SOUTH HEIGHTS/RICHARD SNYDER	3225059149	11807 NE 8TH ST	60,189	1.38	76,389	69,804	2005	///	GC	\$80.00	\$4,815,120	\$4,500,000	\$9,315,120	///	CB	\$82.00	\$4,935,498	\$4,500,000	\$9,435,498	\$120,378	\$2.00	///	\$60,189	\$1.00	\$90,284	\$1.50
30	DOLLAR DEVELOPMENT COMPANY	3225059108	11839 NE 8TH ST	20,000	0.46	None	N/A	N/A	///	GC	\$77.00	\$1,540,000	\$0	\$1,540,000	///	CB	\$78.00	\$1,560,000	\$0	\$1,560,000	\$20,000	\$1.00	///	\$10,000	\$0.50	\$15,000	\$0.75
31	SOUTH HEIGHTS/RICHARD SNYDER	3225059208	11919 NE 8TH ST	22,424	0.51	None	N/A	N/A	///	GC	\$75.00	\$1,681,800	\$0	\$1,681,800	///	CB	\$76.50	\$1,715,436	\$0	\$1,715,436	\$33,636	\$1.50	///	\$16,818	\$0.75	\$25,227	\$1.13
32	BOB BOLLMAN	3225059180	11909 NE 8TH ST	28,536	0.66	2,463	2,327	1971-1994	///	GC	\$80.00	\$2,282,880	\$0	\$2,282,880	///	CB	\$82.00	\$2,339,952	\$0	\$2,339,952	\$57,072	\$2.00	///	\$28,536	\$1.00	\$42,804	\$1.50
33	BELLEVUE PROPERTIES	3225059009	11929 NE 8TH ST	44,837	1.03	11,782	11,782	1994	///	GC	\$84.00	\$3,766,308	\$1,200,000	\$4,966,308	///	CB	\$86.50	\$3,878,401	\$1,200,000	\$5,078,401	\$112,093	\$2.50	///	\$56,046	\$1.25	\$84,069	\$1.88
34	TRF CAPITAL LLC	3225059120	609 120TH AVE NE	248,407	5.69	88,012	88,012	1990	///	GC	\$65.00	\$16,123,055	\$5,000,000	\$21,123,055	///	CB	\$68.00	\$16,867,196	\$5,000,000	\$21,867,196	\$744,141	\$3.00	///	\$372,071	\$1.50	\$558,106	\$2.25
35	MUTUAL MATERIAL CO	3225059134	605 119TH AVE NE	89,747	2.06	29,136	29,136	1960-1980	///	GC	\$60.00	\$5,384,820	\$0	\$5,384,820	///	CB	\$63.00	\$5,654,061	\$0	\$5,654,061	\$269,241	\$3.00	///	\$134,621	\$1.50	\$202,931	\$2.25
36	MUTUAL MATERIAL CO	3225059133	605 119TH AVE NE	43,250	0.99	None	N/A	N/A	///	GC	\$60.00	\$2,595,000	\$0	\$2,595,000	///	CB	\$63.00	\$2,724,750	\$0	\$2,724,750	\$129,750	\$3.00	///	\$64,875	\$1.50	\$97,313	\$2.25
37	BELLEVUE SCHOOL DIST 405	3225059121	501 120TH AVE NE	194,316	4.46	None	N/A	N/A	///	GC	\$65.00	\$12,630,540	\$0	\$12,630,540	///	CB	\$68.50	\$13,310,646	\$0	\$13,310,646	\$680,106	\$3.50	///	\$340,053	\$1.75	\$510,080	\$2.63
38	457-120TH AVENUE NE LLC	3225059213	457 120TH AVE NE	120,898	2.78	36,320	46,820	2002	///	GC	\$65.00	\$7,858,370	\$5,800,000	\$13,658,370	///	CB	\$72.00	\$8,704,656	\$5,800,000	\$14,504,656	\$846,286	\$7.00	///	\$423,143	\$3.50	\$634,715	\$5.25
39	HD DEVELOPMENT OF MARYLAND	3225059007	325 120TH AVE NE	399,748	9.18	105,700	105,700																				

Wilburton Connections LID - Preliminary Assessment Roll  
Scenario Two

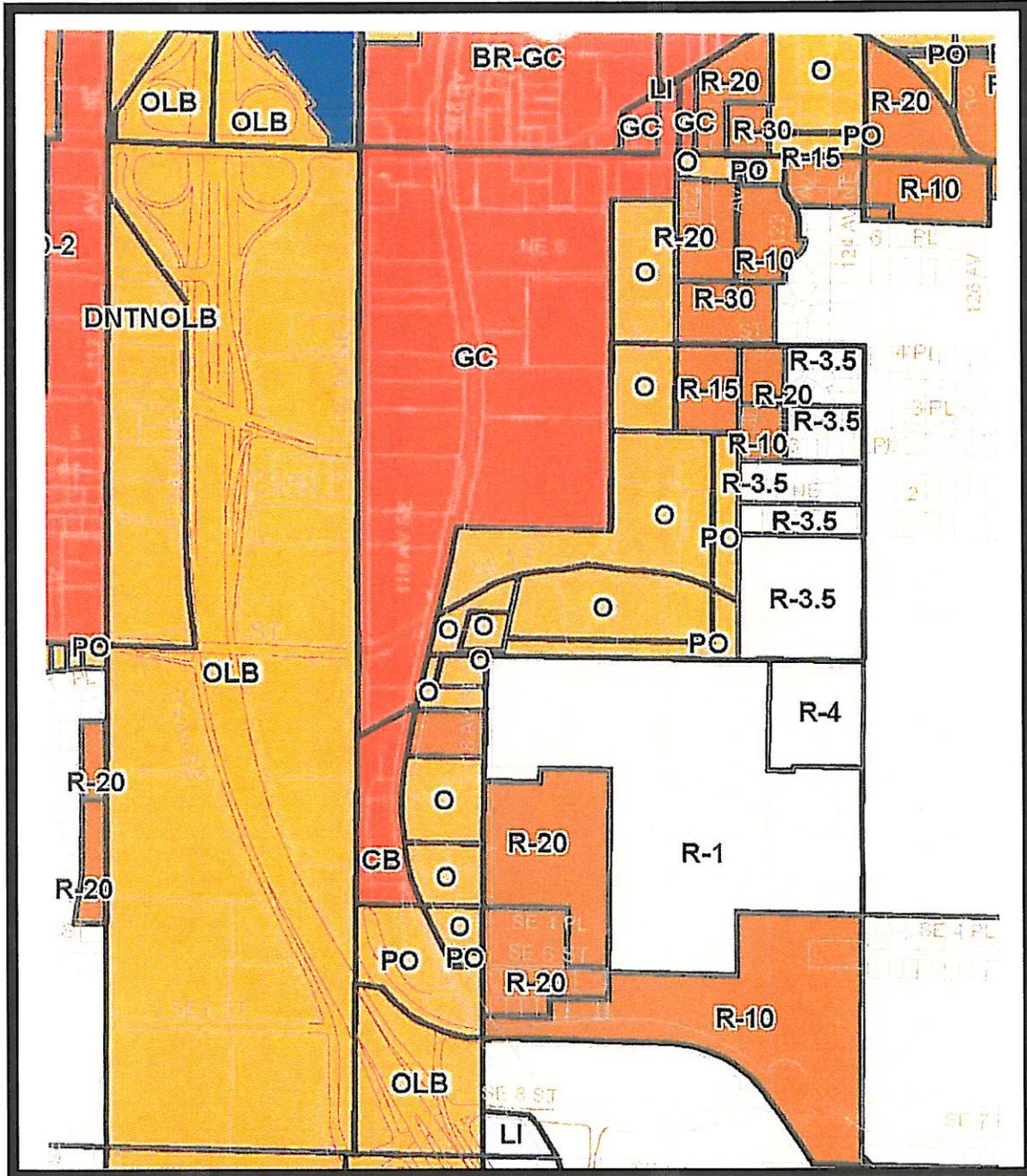
Map No.	Ownership	Tax Parcel No.	Site Address	Land Area (SF)	Land Area (Acres)	Building SF (Gross)	Building SF (Net)	Year Built	Without LID					With LID					50% Assessment		75% Assessment			
									Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Estimated Special Benefit	Est. Special Benefit Per SF	Preliminary Assessment	Preliminary Assessment Per SF	Preliminary Assessment	Preliminary Assessment Per SF
79B	KNOB MOUNTAIN LLC	9399980020	375 118TH AVE SE	4,151	0.10	1,225	1,225	1987	O	\$35.00	\$145,285	\$354,600	\$499,885	O	\$35.25	\$146,323	\$354,600	\$500,923	\$1,038	\$0.25	\$519	\$0.13	\$778	\$0.19
79C	NIEHL INSURANCE AGENCY INC	9399980030	375 118TH AVE SE	4,891	0.11	1,443	1,443	1987	O	\$35.00	\$171,185	\$417,700	\$588,885	O	\$35.25	\$172,408	\$417,700	\$590,108	\$1,223	\$0.25	\$611	\$0.13	\$917	\$0.19
79D	SOUTH LANDER INVESTMENTS L	9399980040	375 118TH AVE SE	4,282	0.10	1,262	1,262	1987	O	\$35.00	\$149,870	\$365,200	\$515,070	O	\$35.25	\$150,941	\$365,200	\$516,141	\$1,071	\$0.25	\$535	\$0.13	\$803	\$0.19
79E	SOUTH LANDER LLC	9399980050	375 118TH AVE SE	2,406	0.06	709	709	1987	O	\$35.00	\$84,210	\$205,100	\$289,310	O	\$35.25	\$84,812	\$205,100	\$289,912	\$602	\$0.25	\$301	\$0.13	\$451	\$0.19
79F	SOUTH LANDER INVESTMENTS L	9399980060	375 118TH AVE SE	2,406	0.06	711	711	1987	O	\$35.00	\$84,210	\$206,000	\$290,210	O	\$35.25	\$84,812	\$206,000	\$290,812	\$602	\$0.25	\$301	\$0.13	\$451	\$0.19
80	BRP-SPARKS INC	9399700310	415 118TH AVE SE	44,625	1.02	41,988	24,497	1991	O	\$35.00	\$1,561,875	\$2,749,100	\$4,310,975	O	\$35.25	\$1,573,031	\$2,749,100	\$4,322,131	\$11,156	\$0.25	\$5,578	\$0.13	\$8,367	\$0.19
81	JOYCE B JOHNSON	9399700370	435 118TH AVE SE	8,502	0.20	796	796	1906	PO	\$35.00	\$297,570	\$0	\$297,570	PO	\$35.25	\$299,696	\$0	\$299,696	\$2,126	\$0.25	\$1,053	\$0.13	\$1,594	\$0.19
82	JOYCE B JOHNSON	9399700380	435 118TH AVE SE	5,200	0.12	1,944	1,944	1959	PO	\$35.00	\$182,000	\$0	\$182,000	PO	\$35.25	\$183,300	\$0	\$183,300	\$1,300	\$0.25	\$650	\$0.13	\$975	\$0.19
83	JOSEPH WIDDEN	9399700035	470 116TH AVE NE	4,320	0.10	None	N/A	N/A	PO	\$35.00	\$151,200	\$0	\$151,200	PO	\$35.25	\$152,280	\$0	\$152,280	\$1,080	\$0.25	\$540	\$0.13	\$810	\$0.19
84	WHOLE FOODS MARKET	2825059080	888 116TH AVE NE	80,384	1.85	56,949	56,949	2,004	BR-GC	\$80.00	\$6,430,720	\$1,200,000	\$7,630,720	BR-GC	\$80.75	\$6,491,008	\$1,200,000	\$7,691,008	\$60,288	\$0.75	\$30,144	\$0.38	\$45,216	\$0.56
85	WHOLE FOODS MARKET	2825059083	888 116TH AVE NE	55,100	1.26	None	N/A	N/A	BR-GC	\$75.00	\$4,132,500	\$0	\$4,132,500	BR-GC	\$75.75	\$4,173,825	\$0	\$4,173,825	\$41,325	\$0.75	\$20,663	\$0.38	\$30,994	\$0.56
86	WHOLE FOODS MARKET	2825059022	11652 NE 8TH ST	41,500	0.95	None	N/A	N/A	BR-GC	\$80.00	\$3,320,000	\$0	\$3,320,000	BR-GC	\$80.75	\$3,351,125	\$0	\$3,351,125	\$31,125	\$0.75	\$15,563	\$0.38	\$23,344	\$0.56
87	WHOLE FOODS MARKET	2825059162	11652 NE 8TH ST	16,250	0.37	None	N/A	N/A	BR-GC	\$80.00	\$1,300,000	\$0	\$1,300,000	BR-GC	\$80.75	\$1,312,188	\$0	\$1,312,188	\$12,188	\$0.75	\$6,094	\$0.38	\$9,141	\$0.56
88	WHOLE FOODS MARKET	unknown	RR R/W	20,049	0.46	None	N/A	N/A	BR-GC	\$75.00	\$1,503,675	\$0	\$1,503,675	BR-GC	\$75.75	\$1,518,712	\$0	\$1,518,712	\$15,037	\$0.75	\$7,518	\$0.38	\$11,278	\$0.56
89	REJK VENTURES LLC	1099100490	800 118TH AVE NE	21,355	0.49	10,460	10,060	1930	BR-GC	\$65.00	\$1,388,075	\$300,000	\$1,688,075	BR-GC	\$65.50	\$1,398,753	\$300,000	\$1,698,753	\$10,678	\$0.50	\$5,339	\$0.25	\$8,008	\$0.38
90	THOMAS H COWDIN JR	1099100496	11660 NE 8TH ST	6,600	0.15	6,000	6,000	1954	BR-GC	\$70.00	\$462,000	\$200,000	\$662,000	BR-GC	\$70.75	\$466,950	\$200,000	\$666,950	\$4,950	\$0.75	\$2,475	\$0.38	\$3,713	\$0.56
91	BARRIER PROPERTIES LBSC LLC	1099100474	11816 NE 8TH ST	3,526	0.08	5,880	5,880	1972	BR-GC	\$70.00	\$246,820	\$0	\$246,820	BR-GC	\$70.75	\$249,465	\$0	\$249,465	\$2,645	\$0.75	\$1,322	\$0.38	\$1,983	\$0.56
92	BARRIER PROPERTIES LBSC LLC	1099100476	11818 NE 8TH ST	16,301	0.37	3,600	3,600	1962	BR-GC	\$65.00	\$1,059,565	\$0	\$1,059,565	BR-GC	\$65.75	\$1,071,791	\$0	\$1,071,791	\$12,226	\$0.75	\$6,113	\$0.38	\$9,169	\$0.56
93	BARRIER PROPERTIES LBSC LLC	1099100477	810 118TH AVE NE	1,914	0.04	None	N/A	N/A	BR-GC	\$65.00	\$124,410	\$0	\$124,410	BR-GC	\$65.75	\$125,846	\$0	\$125,846	\$1,436	\$0.75	\$718	\$0.38	\$1,077	\$0.56
95	BARRIER PROPERTIES LBSC LLC	1099100475	11814 NE 8TH ST	19,000	0.44	4,586	4,586	1959	BR-GC	\$70.00	\$1,330,000	\$0	\$1,330,000	BR-GC	\$70.75	\$1,344,250	\$0	\$1,344,250	\$14,250	\$0.75	\$7,125	\$0.38	\$10,688	\$0.56
96	BARRIER PROPERTIES LBSC LLC	1099100463	11810 NE 8TH ST	20,600	0.47	9,546	9,546	1961	BR-GC	\$70.00	\$1,442,000	\$160,000	\$1,602,000	BR-GC	\$70.75	\$1,457,450	\$160,000	\$1,617,450	\$15,450	\$0.75	\$7,725	\$0.38	\$11,588	\$0.56
97	BARRIER PROPERTIES LBSC LLC	3986510009	None	27,469	0.63	None	N/A	N/A	BR-GC	\$65.00	\$1,785,485	\$0	\$1,785,485	BR-GC	\$65.50	\$1,799,220	\$0	\$1,799,220	\$13,735	\$0.50	\$6,867	\$0.25	\$10,301	\$0.38
94	R D & DANIELLE GRIFFITH	1099100480	11802 NE 8TH ST	9,380	0.22	2,025	2,025	1964	BR-GC	\$70.00	\$656,600	\$0	\$656,600	BR-GC	\$70.75	\$663,635	\$0	\$663,635	\$7,035	\$0.75	\$3,518	\$0.38	\$5,276	\$0.56
98	ANDERSON GREGORY N C/O TOOL CRIB OF THE EASTSI	1099100445	11830 NE 8TH ST	37,042	0.85	None	N/A	N/A	BR-GC	\$70.00	\$2,592,940	\$0	\$2,592,940	BR-GC	\$70.75	\$2,620,722	\$0	\$2,620,722	\$27,782	\$0.75	\$13,891	\$0.38	\$20,836	\$0.56
99	ANDERSON GREGORY N C/O TOOL CRIB OF THE EASTSI	1099100442	11824 NE 8TH ST	14,938	0.34	None	N/A	N/A	BR-GC	\$70.00	\$1,045,660	\$0	\$1,045,660	BR-GC	\$70.75	\$1,056,864	\$0	\$1,056,864	\$11,204	\$0.75	\$5,602	\$0.38	\$8,403	\$0.56
100	ANDERSON GREGORY N C/O TOOL CRIB OF THE EASTSI	1099100465	11822 NE 8TH ST	3,526	0.08	5,880	5,880	1,972	BR-GC	\$70.00	\$246,820	\$0	\$246,820	BR-GC	\$70.75	\$249,465	\$0	\$249,465	\$2,645	\$0.75	\$1,322	\$0.38	\$1,983	\$0.56
101	ANDERSON GREGORY N C/O TOOL CRIB OF THE EASTSI	1099100440	11830 BEL RED RD	7,830	0.18	5,250	5,250	1971	BR-GC	\$70.00	\$548,100	\$0	\$548,100	BR-GC	\$70.75	\$553,973	\$0	\$553,973	\$5,873	\$0.75	\$2,936	\$0.38	\$4,404	\$0.56
102	JIMMY R BARRIER	1099100430	11850 NE BELL-RED	92,852	2.13	21,210	21,210	1989	BR-GC	\$65.00	\$6,035,380	\$800,000	\$6,835,380	BR-GC	\$65.50	\$6,081,806	\$800,000	\$6,881,806	\$46,426	\$0.50	\$23,213	\$0.25	\$34,820	\$0.38
103	JIMMY R BARRIER	1099100415	11950 NE BELL-RED F	72,310	1.66	7,932	19,042	1985	BR-GC	\$68.00	\$4,917,080	\$0	\$4,917,080	BR-GC	\$68.50	\$4,953,235	\$0	\$4,953,235	\$36,155	\$0.50	\$18,079	\$0.25	\$27,116	\$0.38
104	JIMMY R BARRIER	1099100425	11866 NE 8TH ST	15,900	0.37	None	N/A	N/A	BR-GC	\$72.00	\$1,144,800	\$0	\$1,144,800	BR-GC	\$72.75	\$1,156,725	\$0	\$1,156,725	\$11,925	\$0.75	\$5,963	\$0.38	\$8,944	\$0.56
105	ERNEST H BAKKER	1099100420	11855 BEL RED RD	12,680	0.29	None	N/A	N/A	BR-GC	\$70.00	\$887,600	\$0	\$887,600	BR-GC	\$70.75	\$897,110	\$0	\$897,110	\$9,510	\$0.75	\$4,755	\$0.38	\$7,133	\$0.56
106	BAKKERS INC	1099100419	11855 BEL RED RD	26,078	0.60	6,770	6,770	1959	BR-GC	\$70.00	\$1,825,460	\$600,000	\$2,425,460	BR-GC	\$70.75	\$1,845,019	\$600,000	\$2,445,019	\$19,559	\$0.75	\$9,779	\$0.38	\$14,669	\$0.56
107	MIDLAKES LLC	3325059210	RR R/W	5,270	0.12	None	N/A	N/A	GC	\$35.00	\$184,450	\$0	\$184,450	GC	\$35.00	\$184,450	\$0	\$184,450	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
108	TRF CAPITAL LLC	3325059209	RR R/W	7,800	0.18	None	N/A	N/A	GC	\$10.00	\$78,000	\$0	\$78,000	GC	\$10.00	\$78,000	\$0	\$78,000	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
109	DOUGLAS DICKEN	3325059190	RR R/W	8,460	0.19	None	N/A	N/A	GC	\$10.00	\$84,600	\$0	\$84,600	GC	\$10.00	\$84,600	\$0	\$84,600	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
110	POLYGON NW CO	3325059219	RR R/W	6,000	0.14	None	N/A	N/A	PO	\$10.00	\$60,000	\$0	\$60,000	PO	\$10.00	\$60,000	\$0	\$60,000	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
111	BHP INVESTMENTS LLC	3325059214	RR R/W	2,885	0.07	None	N/A	N/A	PO	\$10.00	\$28,850	\$0	\$28,850	PO	\$10.00	\$28,850	\$0	\$28,850	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
<b>TOTALS</b>				<b>6,815,323</b>	<b>156.46</b>						<b>\$378,673,811</b>	<b>\$106,939,300</b>	<b>\$485,613,111</b>		<b>\$392,493,358</b>	<b>\$106,939,300</b>	<b>\$499,432,658</b>	<b>\$13,819,547</b>		<b>\$6,909,773</b>		<b>\$10,364,660</b>		

Total Special Benefit	\$13,819,547
Project Cost Funded by LID	\$6,909,773
Special Benefit Ratio	0.50
Total Special Benefit	\$13,819,547
Project Cost Funded by LID	\$10,364,660
Special Benefit Ratio	0.75

# Wilburton Connections LID - Proposed Assessment Roll

Map No.	Ownership	Tax Parcel No.	Site Address	Land Area (SF)	Land Area (Acres)	Building SF (Gross)	Building SF (Net)	Year Built	Without LID					With LID					50% Assessment		75% Assessment			
									Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Zoning	Land Value Per SF	Land Value	ECV Improvements	Probable Market Value	Estimated Special Benefit	Est. Special Benefit Per SF	Preliminary Assessment	Preliminary Assessment Per SF	Preliminary Assessment	Preliminary Assessment Per SF
1	HULING BROS PROPERTIES LLC	3225059050	655 116TH AVE NE	4,200	0.10	1,210	1,210	1966	/// OLB	\$84.00	\$352,800	\$100,000	\$452,800	/// OLB	\$85.00	\$357,000	\$100,000	\$457,000	\$420	\$1.00	/// \$2,100	\$0.50	/// \$3,150	\$0.75
2	RASH & ASSOCIATES #47	3225059070	649 116TH AVE NE	26,572	0.61	3,660	3,660	1974	/// OLB	\$76.00	\$2,019,472	\$0	\$2,019,472	/// OLB	\$77.00	\$2,046,044	\$0	\$2,046,044	\$26,572	\$1.00	/// \$13,286	\$0.50	/// \$19,929	\$0.75
3	GOLDTRUST HOTEL LLC	3225059002	625 116TH AVE NE	158,875	3.65	113,252	113,252	1975	/// OLB	\$68.00	\$10,803,500	\$5,500,000	\$16,303,500	/// OLB	\$69.00	\$10,962,375	\$5,500,000	\$16,462,375	\$158,875	\$1.00	/// \$79,438	\$0.50	/// \$119,156	\$0.75
4	CITY OF BELLEVUE	3225059005	515 116TH AVE NE	184,005	4.22	29,176	29,176	1975	/// OLB	\$67.00	\$12,328,335	\$0	\$12,328,335	/// OLB	\$68.00	\$12,512,340	\$0	\$12,512,340	\$184,005	\$1.00	/// \$92,003	\$0.50	/// \$138,004	\$0.75
5	BELLEVUE NORTHWEST LLC	3225059178	425 116TH AVE NE	57,000	1.31	None	N/A	N/A	/// OLB	\$70.00	\$3,990,000	\$0	\$3,990,000	/// OLB	\$71.50	\$4,075,500	\$0	\$4,075,500	\$85,500	\$1.50	/// \$42,750	\$0.75	/// \$64,125	\$1.13
6	CUSHMAN & WAKEFIELD INC	3225059007	411 116TH AVE NE	192,386	4.42	31,375	31,375	1971	/// OLB	\$70.00	\$13,467,020	\$0	\$13,467,020	/// OLB	\$73.50	\$14,140,371	\$0	\$14,140,371	\$673,351	\$3.50	/// \$336,676	\$1.75	/// \$505,013	\$2.63
7	PUGET SOUND ENERGY/ELEC	2543200125	11500 NE 2ND PL	51,185	1.18	None	N/A	N/A	/// OLB	\$60.00	\$3,071,100	\$0	\$3,071,100	/// OLB	\$60.00	\$3,071,100	\$0	\$3,071,100	\$0	\$0.00	/// \$0	\$0.00	/// \$0	\$0.00
8	PUGET SOUND ENERGY/ELEC	2543200135	220 116TH AVE NE	9,876	0.23	None	N/A	N/A	/// OLB	\$72.00	\$711,072	\$0	\$711,072	/// OLB	\$75.50	\$745,638	\$0	\$745,638	\$34,566	\$3.50	/// \$17,283	\$1.75	/// \$25,925	\$2.63
9	THOMAS M GILPIN	2543200105	11408 NE 2ND PL	11,800	0.27	4,922	3,542	1950	/// OLB	\$50.00	\$590,000	\$50,000	\$640,000	/// OLB	\$50.50	\$595,900	\$50,000	\$645,900	\$5,900	\$0.50	/// \$2,950	\$0.25	/// \$4,425	\$0.38
10	IGOR & KLARA CHULSKY	2543200140	203 116TH AVE NE	10,150	0.23	None	N/A	N/A	/// OLB	\$70.00	\$710,500	\$0	\$710,500	/// OLB	\$71.50	\$725,725	\$0	\$725,725	\$15,225	\$1.50	/// \$7,613	\$0.75	/// \$11,419	\$1.13
12	US POSTAL SERVICE	2543200015	11405 NE 2ND PL	99,254	2.28	14,320	14,320	1992	/// OLB	\$60.00	\$5,955,240	\$0	\$5,955,240	/// OLB	\$60.00	\$5,955,240	\$0	\$5,955,240	\$0	\$0.00	/// \$0	\$0.00	/// \$0	\$0.00
14	BP WEST COAST PRODUCTS LLC	3325059033	11611 NE 8TH ST	23,090	0.53	1,975	1,975	1967	/// GC	\$82.00	\$1,893,380	\$0	\$1,893,380	/// GC	\$83.00	\$1,916,470	\$0	\$1,916,470	\$23,090	\$1.00	/// \$11,545	\$0.50	/// \$17,318	\$0.75
15	R KIRK MATHEWSON	3325059010	11635 NE 8TH ST	17,443	0.40	7,834	7,834	1954	/// GC	\$78.00	\$1,360,554	\$600,000	\$1,960,554	/// GC	\$79.00	\$1,377,997	\$600,000	\$1,977,997	\$17,443	\$1.00	/// \$8,722	\$0.50	/// \$13,082	\$0.75
16	VOLKSTORF RENTALS PARTNERSH	3325059086	640 116TH AVE NE	22,950	0.53	384	384	1968	/// GC	\$72.00	\$1,652,400	\$0	\$1,652,400	/// GC	\$73.00	\$1,675,350	\$0	\$1,675,350	\$22,950	\$1.00	/// \$11,475	\$0.50	/// \$17,213	\$0.75
17	BETA-BELLEVUE LLC	3325059036	620 116TH AVE NE	134,013	3.08	25,819	25,819	1962	/// GC	\$68.00	\$9,112,884	\$0	\$9,112,884	/// GC	\$69.00	\$9,246,897	\$0	\$9,246,897	\$134,013	\$1.00	/// \$67,007	\$0.50	/// \$100,510	\$0.75
18	FAZENDA LLC % TOYOTA OF LAK	3325059124	523 122ND PL NE	64,662	1.48	21,327	21,327	1960	/// GC	\$68.00	\$4,397,016	\$500,000	\$4,897,016	/// GC	\$69.00	\$4,461,678	\$500,000	\$4,961,678	\$64,662	\$1.00	/// \$32,331	\$0.50	/// \$48,497	\$0.75
19	FAZENDA LLC % TOYOTA OF LAK	3325059038	516 116TH AVE NE	38,412	0.88	1,964	1,964	1954	/// GC	\$68.00	\$2,612,016	\$0	\$2,612,016	/// GC	\$69.00	\$2,650,428	\$0	\$2,650,428	\$38,412	\$1.00	/// \$19,206	\$0.50	/// \$28,809	\$0.75
20	FAZENDA LLC % TOYOTA OF LAK	3325059142	430 116TH AVE NE	114,127	2.62	23,691	20,556	1962	/// GC	\$68.00	\$7,760,636	\$0	\$7,760,636	/// GC	\$69.50	\$7,931,827	\$0	\$7,931,827	\$171,191	\$1.50	/// \$85,595	\$0.75	/// \$128,393	\$1.13
21	FORD LEASING & DEVELOPMENT	3325059143	420 116TH AVE NE	71,874	1.65	12,666	11,716	1962	/// GC	\$68.00	\$4,887,432	\$0	\$4,887,432	/// CB	\$71.00	\$5,103,054	\$0	\$5,103,054	\$215,622	\$3.00	/// \$107,811	\$1.50	/// \$161,717	\$2.25
22	KG INVESTMENT MANAGEMENT	3325059151	400 116TH AVE NE	74,923	1.72	None	N/A	N/A	/// GC	\$70.00	\$5,244,610	\$0	\$5,244,610	/// CB	\$77.00	\$5,769,071	\$0	\$5,769,071	\$524,461	\$7.00	/// \$262,231	\$3.50	/// \$393,346	\$5.25
23	KG INVESTMENT MANAGEMENT	3325059012	316 116TH AVE NE	71,562	1.64	23,038	21,147	1965-1984	/// GC	\$70.00	\$5,009,340	\$0	\$5,009,340	/// CB	\$77.00	\$5,510,274	\$0	\$5,510,274	\$500,934	\$7.00	/// \$250,467	\$3.50	/// \$375,701	\$5.25
24	KG INVESTMENT MANAGEMENT	3325059042	126 116TH AVE NE	114,127	2.62	None	N/A	N/A	/// GC	\$70.00	\$7,988,890	\$0	\$7,988,890	/// CB	\$77.00	\$8,787,779	\$0	\$8,787,779	\$798,889	\$7.00	/// \$399,445	\$3.50	/// \$599,167	\$5.25
25	KG INVESTMENT MANAGEMENT	3325059041	120 116TH AVE NE	67,953	1.56	31,056	31,056	1960-1965	/// GC	\$68.00	\$4,620,804	\$0	\$4,620,804	/// CB	\$75.00	\$5,096,475	\$0	\$5,096,475	\$475,671	\$7.00	/// \$237,836	\$3.50	/// \$356,753	\$5.25
26	LINDSEY PROPERTIES LLC	3325059014	120 116TH AVE NE	147,300	3.38	18,578	18,578	1974	/// GC	\$65.00	\$9,574,500	\$0	\$9,574,500	/// CB	\$68.00	\$10,016,400	\$0	\$10,016,400	\$441,900	\$3.00	/// \$220,950	\$1.50	/// \$331,425	\$2.25
27	GAIL A WYMAN	3325059039	136 116TH AVE NE	240	0.01	None	N/A	N/A	/// GC	\$40.00	\$9,600	\$0	\$9,600	/// CB	\$40.00	\$9,600	\$0	\$9,600	\$0	\$0.00	/// \$0	\$0.00	/// \$0	\$0.00
28	BURGER KING	3325059169	11723 NE 8TH ST	29,450	0.68	2,902	2,902	1986	/// GC	\$80.00	\$2,356,000	\$0	\$2,356,000	/// CB	\$82.00	\$2,414,900	\$0	\$2,414,900	\$58,900	\$2.00	/// \$29,450	\$1.00	/// \$44,175	\$1.50
29	SOUTH HEIGHTS/RICHARD SNYDER	3325059149	11807 NE 8TH ST	60,189	1.38	76,389	69,804	2005	/// GC	\$80.00	\$4,815,120	\$4,500,000	\$9,315,120	/// CB	\$82.00	\$4,935,498	\$4,500,000	\$9,435,498	\$120,378	\$2.00	/// \$60,189	\$1.00	/// \$90,284	\$1.50
30	DOLLAR DEVELOPMENT COMPANY	3325059108	11839 NE 8TH ST	20,000	0.46	None	N/A	N/A	/// GC	\$77.00	\$1,540,000	\$0	\$1,540,000	/// CB	\$78.00	\$1,560,000	\$0	\$1,560,000	\$20,000	\$1.00	/// \$10,000	\$0.50	/// \$15,000	\$0.75
31	SOUTH HEIGHTS/RICHARD SNYDER	3325059208	11919 NE 8TH ST	22,424	0.51	None	N/A	N/A	/// GC	\$75.00	\$1,681,800	\$0	\$1,681,800	/// CB	\$76.50	\$1,715,436	\$0	\$1,715,436	\$33,636	\$1.50	/// \$16,818	\$0.75	/// \$25,227	\$1.13
32	BOB BOLLMAN	3325059180	11909 NE 8TH ST	28,536	0.66	2,463	2,327	1971-1994	/// GC	\$80.00	\$2,282,880	\$0	\$2,282,880	/// CB	\$82.00	\$2,339,952	\$0	\$2,339,952	\$57,072	\$2.00	/// \$28,536	\$1.00	/// \$42,804	\$1.50
33	BELLEVUE PROPERTIES	3325059009	11929 NE 8TH ST	44,837	1.03	11,782	11,782	1994	/// GC	\$84.00	\$3,766,308	\$1,200,000	\$4,966,308	/// CB	\$86.50	\$3,878,401	\$1,200,000	\$5,078,401	\$112,093	\$2.50	/// \$56,046	\$1.25	/// \$84,069	\$1.88
34	TRF CAPITAL LLC	3325059120	699 120TH AVE NE	248,047	5.69	88,012	88,012	1990	/// GC	\$65.00	\$16,123,055	\$5,000,000	\$21,123,055	/// CB	\$68.00	\$16,867,196	\$5,000,000	\$21,867,196	\$744,141	\$3.00	/// \$372,071	\$1.50	/// \$558,106	\$2.25
35	MUTUAL MATERIAL CO	3325059134	605 119TH AVE NE	89,747	2.06	29,136	29,136	1960-1980	/// GC	\$60.00	\$5,384,820	\$0	\$5,384,820	/// CB	\$63.00	\$5,654,061	\$0	\$5,654,061	\$269,241	\$3.00	/// \$134,621	\$1.50	/// \$201,931	\$2.25
36	MUTUAL MATERIAL CO	3325059133	605 119TH AVE NE	43,250	0.99	None	N/A	N/A	/// GC	\$60.00	\$2,595,000	\$0	\$2,595,000	/// CB	\$63.00	\$2,724,750	\$0	\$2,724,750	\$129,750	\$3.00	/// \$64,875	\$1.50	/// \$97,313	\$2.25
37	BELLEVUE SCHOOL DIST 405	3325059121	501 120TH AVE NE	194,316	4.46	None	N/A	N/A	/// GC	\$65.00	\$12,630,540	\$0	\$12,630,540	/// CB	\$68.50	\$13,310,646	\$0	\$13,310,646	\$680,106	\$3.50	/// \$340,053	\$1.75	/// \$510,080	\$2.63
38	457-120TH AVENUE NE LLC	3325059213	457 120TH AVE NE	120,898	2.78	36,320	46,820	2002	/// GC	\$65.00	\$7,858,370	\$5,800,000	\$13,658,370	/// CB	\$72.00	\$8,704,656	\$5,800,000	\$14,504,656	\$846,286	\$7.00	/// \$423,143	\$3.50	/// \$634,715	\$5.25
39	HD DEVELOPMENT OF MARYLAND	3325059007	325 120TH AVE NE	399,748	9.18	105,700	105,700	1997	/// GC	\$65.00	\$25,983,620	\$1,500,000	\$27,483,620	/// GC	\$71.75	\$28,681,919	\$1,500,000	\$30,181,919	\$2,698,299	\$6.75	/// \$1,349,150	\$3.38	/// \$2,023,724	\$5.06
40	KBS REALTY ADVISORS	3325059192	11900 NE 1ST ST	163,350	3.75	102,786	65,884	1990	/// O	\$35.00	\$5,717,250	\$5,000,000	\$10,717,250	/// O	\$37.00	\$6,043,950	\$5,000,000	\$11,043,950	\$326,700	\$2.00	/// \$163,350	\$1.00	/// \$245,025	\$1.50
41	PAC WEST ENERGY	3325059179	12001 NE 8TH ST	30,000	0.69	1,863	1,863	1990	/// GC	\$84.00	\$2,520,000	\$0	\$2,520,000	/// GC	\$85.50	\$2,565,000	\$0	\$2,565,000	\$45,000	\$1.50	/// \$22,500	\$0.75	/// \$33,750	\$1.13
42	MEAD BUILDING LLC	3325059187	12015 NE 8TH ST	30,000	0.69	11,512	11,512	1978	/// GC	\$75.00	\$2,250,000	\$500,000	\$2,750,000	/// GC	\$75.50	\$2,265,000	\$500,000	\$2,765,000	\$15,000	\$0.50	/// \$7,500	\$0.25	/// \$11,250	\$0.38

# Zoning Map



GC – General Commercial	R-1 through R-4 – Single Family Residential
O – Office	R-10 through R-20 – Multi-Family Residential
PO – Professional Office	LI - Light Industrial
OLB – Office/Limited Business	BR-GC – Bel-Red General Commercial
CB – Community Business	DNTNOLB – Downtown Office/Limited Business

## City of Bellevue

### Location

The City of Bellevue is on the east side of Lake Washington directly across from Seattle. The city limits are bounded by Lake Sammamish on the east, the cities of Kirkland and Redmond on the north, the Newcastle area south of Interstate Highway 90 on the south, and the small communities of Clyde Hill and Medina on the west. Bellevue's strategic location between the two floating bridges which link the "Eastside" to Seattle allows convenient access throughout the Bellevue area. Interstate 90 (I-90) and State Route 520 (SR 520) are the major east-west arterials, with NE 8th Street and Bellevue-Redmond Road as alternate routes. Interstate 405 (I-405) is the primary north-south freeway corridor serving the area and Bellevue Way, 148<sup>th</sup> Avenue and West Lake Sammamish Parkway provide key north-south connections on the east side of the lake.

### Population

Bellevue is the fifth largest city in the state, with an estimated 2009 population of 127,000. Below is a summary of data on recent population trends.

	1990	2000	2005	2009	1990-2009 Change
<b>King County</b>					
Population	1,476,807	1,699,423	1,770,543	1,869,721	392,914
Households	615,792	710,918	744,527	780,056	164,264
Annualized Household Change		1.5%	0.9%	1.2%	1.4%
People/Household	2.40	2.39	2.38	2.40	
<b>City of Bellevue</b>					
Population	75,784	120,753	123,797	127,046	51,262
Households	30,143	50,015	52,379	52,711	22,568
Annualized Household Change		6.6%	0.9%	0.2%	3.9%
People/Household	2.51	2.41	2.36	2.41	
<b>Wilburton Study Area</b>					
Population	3,072	3,567	3,527	3,583	511
Households	1,348	1,679	1,681	1,667	+319
Annualized Household Change		2.5%	0.0%	-0.2%	+1.2%
People/Household	2.28	2.12	2.10	2.15	-5.7%

Source: Puget Sound Regional Council, August 2010 (latest available).

Since 1990, the city has grown by 68±% although it has only grown by just over 5% since 2000. Population projections from the Puget Sound Regional Council's April 2006 forecast (latest available, partially revised in 2008) are shown below for each local planning zone. These totals are not the same as the city's population figures because the boundaries of the FAZs do not conform to city limits.

<b>Population Forecasts</b>				
<b>Forecast Analysis Zone (FAZ)</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>
4226 Newport Hills	14,349	15,462	17,928	20,721
4505 South Bellevue	15,246	16,415	18,405	20,300
4506 Eastgate/Vasa Park	15,899	16,137	17,296	18,785
4810 West Bellevue	8,895	8,801	9,206	10,310
4820 Northwest Bellevue	6,915	6,939	7,540	8,563
4900 Bellevue CBD	2,588	7,431	13,528	17,456
5010 Central Bellevue	18,196	18,659	19,737	20,569
5020 East Bellevue/Lake Hills	24,557	24,573	24,766	25,697
5205 North Bellevue	11,737	12,049	13,830	16,012
<b>Totals</b>	<b>118,382</b>	<b>126,466</b>	<b>142,236</b>	<b>158,413</b>

*Source: Puget Sound Regional Council website, May 2010.*

Bellevue is a relatively affluent community which serves as the commercial and financial center for the area of the Puget Sound basin known as the “Eastside”. It is also a major economic hub for the entire region. As shown below, 72±% of Bellevue households earn more than \$50,000 per year and over 5.4% earn more than \$75,000 annually (see pie chart). In the subject area of Wilburton, 66% of households earn over \$50,000 per year. In 2009, the median income in Wilburton, although higher than in King County as a whole, was 13±% less than in the entire city (\$70,773 vs \$81,495). King County’s median household income in 2009 was \$67,737, according to the source which compiled the table on the following page (Demographics Now). The subsequent pie chart on the next page indicates that the county’s median household income from 2006 to 2008 averaged \$69,161 and it was \$81,184 in Bellevue for the same time period.

Almost 60% of the city’s population over the age of 25 holds a bachelor’s or higher degree. This compares with 54% in Seattle, 44±% in King County, 30±% in Washington State and 27±% in the entire nation.

## Median Household Income & Income Distribution

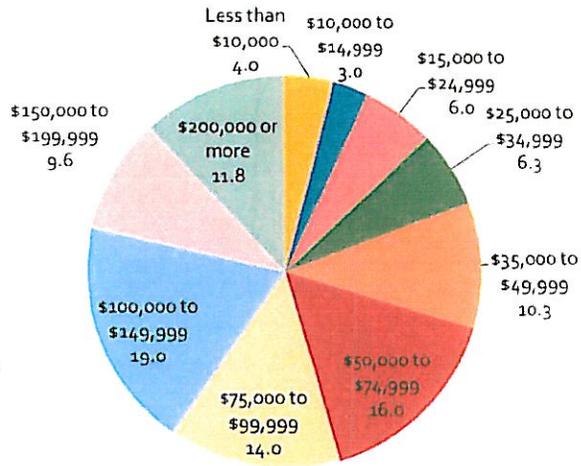
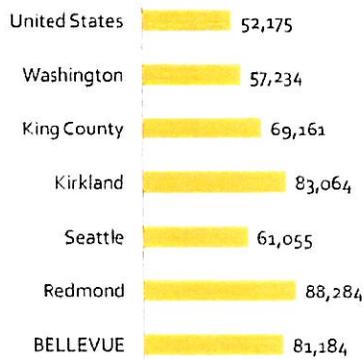
	1990	2000	2009	1990-2009 Growth
<b>King County</b>				
Median Income	\$36,230	\$53,708	\$67,737	4.6%
\$0-50k	68.2%	46.5%	36.3%	
\$50k-100k	26.0%	34.8%	33.4%	
\$100k+	5.9%	18.7%	30.3%	
<b>City of Bellevue</b>				
Median Income	\$45,354	\$64,786	\$81,495	4.2%
\$0-50k	55.6%	36.9%	27.6%	
\$50k-100k	33.7%	36.0%	32.9%	
\$100k+	10.7%	27.2%	39.5%	
<b>Wilburton Area</b>				
Median Income	\$37,557	\$56,923	\$70,733	4.6%
\$0-50k	62.1%	42.0%	34.0%	
\$50k-100k	27.8%	40.1%	36.0%	
\$100k+	10.1%	17.9%	30.0%	

Source: DemographicsNow

## Household Income

Over 54% of Bellevue's households had annual incomes over \$75,000

### Household Median Income



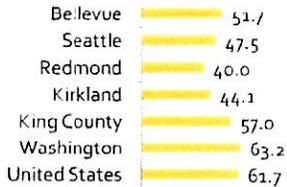
City of Bellevue

Source: U.S. Census Bureau, 2006-2008 American Community Survey

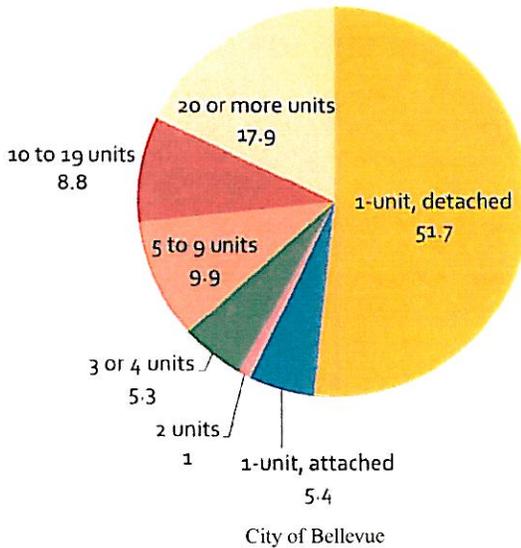
The series of tables below and on the following pages illustrate (1) the distribution of residential structure types (over 51% are single family residences) in the city; (2) median gross rental rates in Bellevue as compared to a number of other markets (Bellevue’s median gross monthly rent averaged \$1,200± from 2006 - 2008); and (3) median housing values from the US Census Bureau’s 2006 - 2008 American Community Survey (Bellevue ranked fifth in the state at \$577,200). The last table in this section summarizes recent sales of existing single family residences in Bellevue by zip code.

**Structure Type**  
**Just over half of Bellevue’s housing is single-family, yet Bellevue had the 3<sup>rd</sup> highest % of structures with 20 + units**

*Percent Single family detached*



Rank	Geographical Area	% 20 or more units
1	Seattle	25.3
2	Everett	18.1
3	Bellevue	17.9
...	...	...
29	Mukilteo	10.2
30	Richland	10.0
...	...	...
54	Seattle Hill-Silver Firs CDP	1.0
55	Orchards CDP	0.9
56	Spanaway CDP	0.0

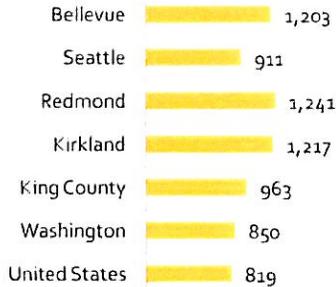


*Source: U.S. Census Bureau, 2006-2008 American Community Survey*

## Monthly Costs for Renters (Residential)

30% of Bellevue's rental units have monthly costs more than 35% of the household's income

### Median Gross Rent



### High, medium and low median gross rent in Washington's large places

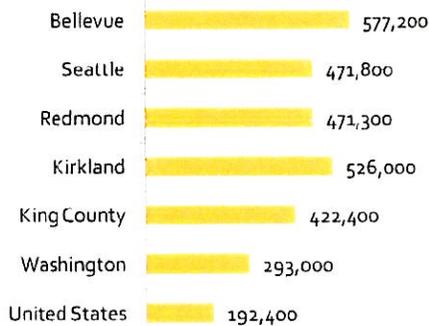
Rank	Geographical Area	Median Gross rent
1	Sammamish	1,665
2	Cottage Lake CDP	1,468
3	Mercer Island	1,443
...		
10	Bellevue	1,203
...		
29	Lacey	904
30	Lynnwood	903
...		
56	Longview	628
57	Yakima	623
58	Pullman	616

Source: U.S. Census Bureau, 2006-2008 American Community Survey

## Housing Values

Bellevue had the 5<sup>th</sup> highest median housing value of Washington's large places

### Median Housing Value



### High, medium and low housing values of Washington's large places

Rank	Geographical Area	Median Housing Value
1	Mercer Island	928,200
2	Cottage Lake CDP	641,400
3	Bainbridge Island	632,600
4	Sammamish	627,200
5	Bellevue	577,200
...		
29	Marysville	300,100
30	Puyallup	297,100
...		
56	Yakima	150,500
57	Kennewick	150,000
58	Pasco	139,100

Source: U.S. Census Bureau, 2006-2008 American Community Survey

Bellevue Home Resale Data By Zip Code								
	3 <sup>rd</sup> Quarter 2009				4 <sup>th</sup> Quarter 2009			
	Residential		Condo		Residential		Condo	
Zip Code	# Sales	Avg. Price	# Sales	Avg. Price	# Sales	Avg. Price	# Sales	Avg. Price
98004	71	\$1,099,619	40	\$479,615	80	\$1,117,668	46	\$607,166
98005	31	\$921,924	19	\$288,784	37	\$649,995	32	\$306,278
98006	91	\$587,387	14	\$282,500	95	\$626,536	24	\$264,266
98007	33	\$475,667	36	\$273,650	20	\$543,473	17	\$270,106
98008	66	\$501,620	6	\$262,992	45	\$597,369	4	\$359,725
Totals/Weighted Averages	292	\$715,441	115	\$348,312	277	\$760,777	123	\$407,346

*Source: Central Puget Sound Real Estate Research Report Year-End 2009.*

Although the number of sales of single family residences was lower in the fourth quarter of 2009 than in the third quarter, the average sale price was significantly higher. Both numbers of sales and average price were up in the fourth quarter for condominiums. According to Northwest Multiple Listing Service data for April 2010 compared with one year ago, although the median price for all residences and condominiums on the entire “Eastside” fell 1.15% (from \$429,950 to \$425,000), the number of sales rose more than 90% – from 361 to 689. For all of King County, the median price declined 2.86% (from \$350,000 to \$340,000), but the number of sales increased 69±% – from 1,242 to 2,096. By July 2009, the median price in the county had again risen to \$350,000 and had climbed even further – to \$375,000 – by July 2010 but with reduced sales volume (1,782 sales in July 2010 versus 2,161 in July 2009).

### Employment

By far the largest employment sector in the city is services, which represents 59% of the employment base, as shown on the following page.

<b>City of Bellevue Total Employment Estimates 2000-2009</b>						
<b>Sector</b>	<b>2000</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>% of Total 2009 Employment</b>
Constr./Resources	7,640	7,772	8,479	8,480	7,275	5.2
FIRE	12,930	15,809	15,905	14,859	13,266	9.5
Manufacturing	7,617	6,698	5,890	6,057	5,897	4.2
Retail	16,315	14,801	14,399	14,403	12,872	9.2
Services	71,126	71,744	78,589	83,289	82,466	59.0
WTU	9,835	9,180	9,195	9,465	9,069	6.5
Government	3,779	3,728	3,989	4,141	4,420	3.2
Education	3,814	4,281	4,285	4,646	4,223	3.0
Totals	133,056	134,013	140,728	145,340	139,743	
<i>Source: City of Bellevue Planning Dept., May 2010</i>						
Major sector categories combine NAICS categories as follows: Construction and resources (Const/Res): 11, 21, 23; Finance, insurance and real estate (FIRE): 52, 53; Manufacturing: 31-33; Retail: 44, 45; Services: 51, 54-56, 61 (private-sector portion), 62, 71, 72, 81; Wholesale trade, transportation, and utilities (WTU): 22, 42, 48, 49. In all tables, public sector employment is reported separately as follows: Education: NAICS 61 (public-sector portion) and Government: All public-sector jobs regardless of industry, excepting NAICS 61.						

The area's manufacturing base is comparatively small, representing 4.2% of total employment, as shown above. The largest private employers in the city are The Boeing Company, Expedia, Key Bank of Washington, Microsoft and Nordstrom, together with others on the list on page 22. Number of employees for these various entities is not available as companies in recent years have become reluctant to make this information public.

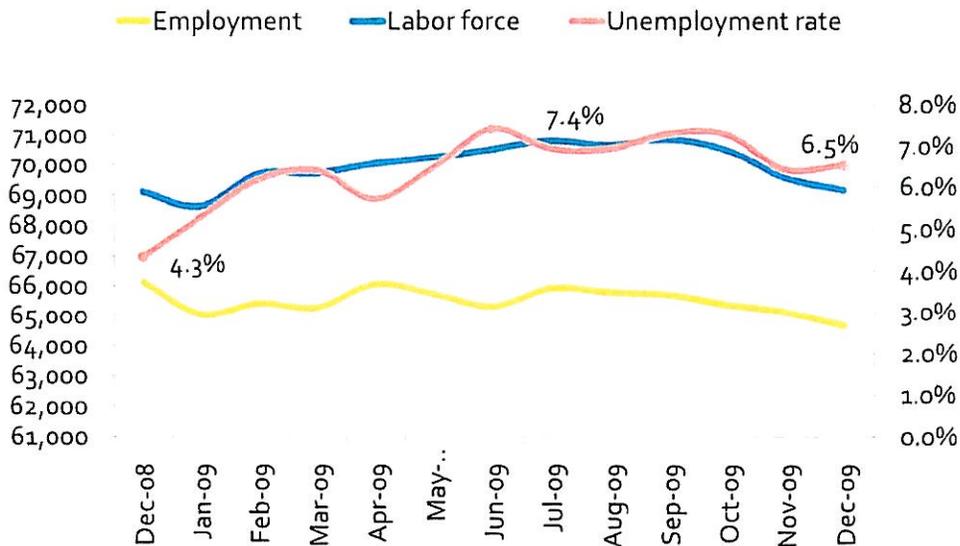
<b>Major Employers – Year End 2009</b>	
Bellevue Community College	Overlake Hospital Medical Center
Bellevue School District	PACCAR Inc.
City of Bellevue	Puget Energy
Boeing	Safeway
Expedia Inc.	Symetra Financial
Key Bank of Washington	T-Mobile USA
Microsoft	Verizon Wireless
Nordstrom Inc.	
Sources: Information provided by the City of Bellevue Planning Dept. and is based on phone calls to employers, and/or employers' publications and websites.	

The employment forecasts shown below were prepared by the Puget Sound Regional Council in 2006. Therefore, they do not take into account the current recession. As stated on May 19, 2010 on their website, modeling work to produce updated forecasts will begin this fall. The data is, however, useful to show the distribution of employment opportunities in various parts of the city and it remains valid to conclude that the downtown core supports the vast majority of the city's employment.

<b>Employment Forecasts</b>				
<b>Forecast Analysis Zone (FAZ)</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2040</b>
4810 – W. Bellevue	8,650	9,786	10,679	11,548
4820 – NW Bellevue	4,487	4,717	5,251	6,146
4900 – CBD	48,807	62,999	77,511	82,161
5010 – Central Bellevue	15,656	17,290	18,603	19,941
5020 – E. Bellevue/Lake Hills	6,035	6,951	8,005	9,228
5205 – N. Bellevue	32,978	36,079	38,689	41,300
Totals	116,613	137,822	158,738	170,324
Source: Puget Sound Regional Council, April 2006.				

The following graphic shows that the city's unemployment rate at the end of 2009 was down to about 6.5% although both the number of people in the work force and the number employed were on a downward trend at that time (latest figures available). This rate compares favorably with that of King County at the end of 2009 (8.4%) and with the state as a whole, which was 9.4%.

**Bellevue employment**  
**Although the unemployment rate has fallen recently so has employment and the number of people in the labor force**



Source: US Bureau of Labor Statistics. Figures not seasonally adjusted.

Land Use

Despite extensive commercial development, about 75% of the land within the Bellevue city limits is zoned for single family residential use, as shown in the table on the following page. Reflecting the on-going recession, the subsequent table on the next page shows the substantial decline in 2009 in the number of new dwelling units authorized.

<b>Zone Class</b>	<b>Square Feet</b>	<b>Acres</b>	<b>Percent of Total</b>
Single family	671,231,811	15,409	74.6%
Multi-family	85,288,449	1,958	9.5%
Office	79,798,402	1,832	8.9%
Commercial	50,295,745	1,155	5.6%
Light industrial	11,011,097	253	1.2%
Medical institution	1,249,701	29	0.1%
Evergreen Highlands	306,694	7	0.0%
None	13,044	0	0.0%
<b>Total</b>	<b>899,194,943</b>	<b>20,643*</b>	<b>100.0%</b>
* 32.25 square miles			

<b>New Dwelling Units Authorized in Bellevue</b>					
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Single family units	63	113	165	238	171
Multi-family units	159	1,369	998	1,256	367
<i>Source: Central Puget Sound Real Estate Research Report, year-end 2009.</i>					

Substantial commercial development is concentrated in three major areas of Bellevue; the central business district, the SR 520 corridor and the I-90 corridor. The city has experienced a 45% growth in leasable office space since 2000, according to the Bellevue Chamber of Commerce. There is currently a total of more than 22 million SF, about a third of which is located downtown. The newest addition to Bellevue's skyline is Schnitzer West's The Bravern, which features 620,000 SF of office space in two towers, all of which has been leased by Microsoft. The development also includes two residential towers with a total of 450± dwelling units. Although originally planned as exclusively high end condominiums, reflecting the current recession, the developer recently announced that one tower will be configured as condominiums with starting prices of \$320,000 and units in the other tower will be apartment residences where rents start at \$1,100 per month. Additionally, the development features over 240,000 square feet of retail (anchored by Neiman Marcus) and restaurant space.

Elsewhere in the downtown core, the group of retail/office properties managed by Kemper Development Company and known as The Bellevue Collection (Bellevue Square, Lincoln Square and Bellevue Place) feature a total of more than 250 stores, nineteen fine dining restaurants and lounges, an upscale billiards parlor and bowling lanes, two four-diamond hotels and several office towers. Also located downtown are a modern city hall complex, the Maydenbauer Center (convention center and performing arts theater), Metro Transit Center, the Bellevue Art Museum and a King County regional library.

Commercial development along the SR 520 corridor is characterized by small office/industrial parks. Stretching from Interstate Highway 405 to Issaquah, the I-90 corridor features larger office buildings and business parks. The developments began in the early 1980s and today several million square feet of office space lines the Bellevue portion of the corridor.

Retail development along I-90 includes Factoria Square, Loehmann's Plaza and Sunset Village. Crossroads Mall and a number of smaller satellite centers are concentrated in the Overlake neighborhood of east Bellevue and along Bel-Red Road. According to the Washington State Department of Revenue, Bellevue's annual taxable retail sales for 2008 were up almost \$1 billion since 2000. No newer figures, which would likely reflect the on-going recession, are currently available.

As the fifth largest city in the state, Bellevue has more office space than the second and third largest cities (Spokane and Tacoma) combined. The city and its immediate surroundings have not only grown in population, but the expanded commercial development has provided jobs for a growing work force. The City of Bellevue's strategic location along I-405, I-90 and SR 520 continues to provide a strong base for future growth, once the major adverse effects of the current nationwide and local economic recessions are over.

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Bellevue.0910

# **SUMMARY OF FORMATION SPECIAL BENEFIT STUDY AND ASSUMPTIONS FORMING THE BASIS OF RECOMMENDED ASSESSMENTS – CITY OF BELLEVUE NE 4<sup>TH</sup> STREET EXTENSION LID PROJECT**

## **Introduction**

Utilizing limited assignment/mass appraisal techniques, the special benefit study involves appraisal of the market value of the fee simple interest in each subject parcel both without the local improvement district (LID) and with the local improvement district assumed completed. The difference in market value, if any, of each parcel without and with the LID is the special benefit accruing due to the proposed project. The terms “without” and “with” are used instead of “before” and “after” to remove the inference of a time interval between the two value estimates. The meaning of the two sets of terms is identical.

## **Client and Intended Users**

The client is the City of Bellevue. Intended users of this report are the City of Bellevue, its duly appointed representatives and owners of property within the proposed LID boundary.

## **Purpose and Intended Use of the Study**

The purpose and intent of this study is to estimate recommended preliminary assessments to assist the City of Bellevue in allocating appropriate, proportionate assessments to each assessable tax parcel within the proposed LID boundary which is specially benefitted by the project and to aid in their decision as to whether or not to form the LID. To accomplish this, estimates of market value of the fee simple interest in each of the parcels within the boundary, based on respective highest and best use, are made, both without and with completion of the LID project as of the date of this special benefit study. Two spreadsheets comprising alternative preliminary rolls of recommended assessments (under the two scenarios discussed herein) have been prepared at the request of the client and are located near the front of this report.

## **Exposure Period**

An exposure period is the estimated length of time the property interest being appraised has been offered on the market prior to a hypothetical sale at market value as of the effective appraisal date. Based on review of comparable sales and discussions with market participants, exposure period for various parcels within the proposed LID boundary is estimated at 6 to 9 months.

## **Washington State Definition of Market Value**

“Fair market value” is the amount in cash which a well-informed buyer willing, but not obligated to buy the property, would pay, and which a well-informed seller willing, but not obligated to sell it, would accept, taking into consideration all uses to which the property is adapted and might in reason be applied.

(Washington State definition of “Fair Market Value,” Washington State Department of Transportation Right-of-Way Manual, August, 1991).

## **Highest and Best Use**

Highest and best use is the most fundamental premise upon which estimations of market value are based.

According to "The Appraisal of Real Estate" (Thirteenth Edition, 2008), highest and best use is defined as:

*. . . . "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*

Highest and best use analysis is a highly relevant consideration in the appraisal process. This analysis forms the basis upon which property is appraised, whether it is vacant land or land plus existing improvements. To this end, it is necessary to do two tests: 1) Highest and best use of land as though vacant, and 2) Highest and best use of the property as improved.

The primary reason for estimating the highest and best use of land as vacant is to estimate land value. If there is an existing improvement on the site, the land is viewed as though vacant. A conclusion is then reached as to what use creates the highest residual to the land or the highest land value. It is then possible to identify comparable sales of vacant land.

Highest and best use of property as improved considers the existing improvements and estimates whether they represent the maximally productive use or create the highest market value. If not, a decision must be made as to whether the improvements should be expanded, renovated, converted or razed to make way for that use which produces the highest return to an investor.

Market sale prices often indicate that an increase in the value of real property within the LID boundary occurs as a result of a proposed project. This anticipatory increment in value is called project enhancement and, as in eminent domain procedures, is not included in the estimate of value without, or before, the LID

project. The market value estimate with the LID project assumed completed within a reasonable time recognizes changes in highest and best use and value resulting from the project.

### **Interim Use and Interim Value**

The use of a site or improved property during the period of transition from existing to more intensive highest and best use is called an interim use. Interim uses are current highest and best uses that the market indicates will change in a relatively short time. Parking lots, old buildings, and temporary buildings may be interim uses. Interim value, or contributory value, is created when old buildings or other uses produce gross revenues which exceed reasonable operating expenses. In the case of some of the subject parcels in the LID area, contributory value of existing improvements (such as older car dealership structures) is nominal. The discussion of interim use on page 292 of *The Appraisal of Real Estate*, 13<sup>th</sup> Edition, states that, "...the value of such improved properties may be less than the value of their sites as though vacant when demolition costs are considered. The value of these sites is based entirely on their potential highest and best uses."

### **Anticipatory Use and Market Value**

In some instances, highest and best use of a parcel of land or an improved property may be anticipatory investment. Anticipatory highest and best use of unimproved land would be to remain vacant until development is justified by market demand, which occurs frequently when real estate markets are oversupplied. For many parcels, however, achieving the highest and best use requires some change or improvement which may be provided by the LID project.

Within this analysis, anticipatory use reflects the current market's anticipation of intensity of use as measured by buyers and sellers in the marketplace both without and with the LID project. Market value for an anticipatory use is not an estimate of projected future value, but reflects the current market for real estate based on its highest and best use. Anticipatory use resulting in project enhancement is not recognized in the valuation of real estate under the "without LID" premise.

### **Definition and Discussion of Special Benefit**

A special benefit is defined as a specific, measurable increase in value of certain real property in excess of enhancement to the general area (and benefitting the public at large) due to a public improvement project. It is measured as the difference, accruing by reason of the LID project, between market value of each

parcel studied, without the LID project, and market value of the same parcel with the LID project completed and as of the same time frame. For this analysis, the date of valuation is August 27, 2010.

Enabling legislation providing authority to levy assessments by an LID is statutory in Washington State. All assessments must meet two criteria: (1) the amount of an assessment on a particular parcel may not materially exceed the special benefit to that parcel and (2) all assessments within the district must be fair and in rough proportion to all other assessments.

Special benefit accrues to affected properties due to the proposed project by reducing traffic congestion, improving circuitry of traffic flow, enhancing the neighborhood's reputation, aesthetic appeal and character, and creating a more desirable location for property owners and tenants. In addition, more intensive land use and development is possible with the project completed, including the rezoning of a number of parcels from a General Commercial designation (with a 30-foot building height limit) to Community Business (45-foot height limit).

#### **Formation Special Benefit/Proportionate Assessment Study Methodology**

This is a mass appraisal report prepared in accordance with requirements set forth under "Standard 6: Mass Appraisal, Development and Reporting" of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute and, as such, it utilizes limited appraisal valuation techniques. Separate market value estimates are made for each parcel within the LID. The first estimate is of market value without the project and the second is with the project assumed completed as of the same time frame. The increase in value, if any, is the special benefit accruing to that parcel due to the project.

In order to estimate the costs which a typical property owner/developer/investor would incur in the absence of the proposed project, information obtained from the city was reviewed. Recent sales of comparable commercial and industrial land, together with local commercial and apartment lease rates, were researched. Supply and demand information, as well as vacancy rates and absorption costs pertaining to the local commercial and residential markets, were considered,. Also, the developers of projects proposed for the subject vicinity were interviewed to obtain (when possible) perspectives on the LID project and its influence on property values.

Dividing the total preliminary recommended assessment by the total estimated special benefit for a project yields a cost/benefit ratio which, in order for an LID project to be feasible, is typically a number less than one. Multiplying the individual special benefit amounts for the affected parcels by this constant ratio results in recommended proportionate assessments to each parcel. In this case, the client has requested that two scenarios be considered and three preliminary assessment rolls prepared; the first addresses only the core area of the LID and the second one encompasses the core area together with both the north and south option areas. For each of these two scenarios, the client has also requested two columns on the spreadsheet; the first column shows recommended preliminary assessments based on a 50% cost/benefit ratio (i.e., estimated special benefit multiplied by 0.5) and the second is the estimated special benefit based on a 75% ratio (estimated special benefit multiplied by 0.75). As also requested by the client, the third spreadsheet (again showing both 50% and 75% assessment ratio columns) is the proposed assessment roll, encompassing 83 tax parcels.

### **Definition of Local Improvement District**

An LID is a defined geographical area with a specific improvement of a public nature which provides a special benefit to the real property within its boundaries. The increase in market value of each ownership provides for a portion of the cost of improvements to be paid by the property owners of the benefitted property over a period of time, usually 10 to 20 years.

### **Proposed LID Boundary**

Preliminary boundary considerations are based on review of geographic boundaries, differences in location relative to the new road system, zoning, highest and best use and neighborhood characteristics. One of the conclusions reached in this study is that the core area, as discussed herein, receives the most special benefit from the proposed project. Special benefit of a lesser degree accrues to property located both south and north of the core area, denoted herein "option area 1" and "option area 2". Special benefit to properties in option area 1 is marginal and estimated at \$0.25/SF of land or less. In "option area 2", special benefit due to the project is more similar to that experienced by properties just south of NE 8<sup>th</sup> Street. Option area 1, to the south, is outlined with a white line and option area 2, to the north, is outlined with a blue dotted/solid blue line on the exhibit entitled "Preliminary LID Boundary Map." The proposed LID boundary encompasses 60 parcels in the core area and 23 parcels in option area 2; it is outlined on the map in a continuous solid blue line.

The northern extent of the core area is the south side of NE 8<sup>th</sup> Street, extending from Interstate 405 on the west to the tier of parcels fronting on or accessing via 120<sup>th</sup> Avenue NE on the east (except map no. 42, for which the primary access is NE 8<sup>th</sup> Street). Changes in highest and best use and zoning denote the western and southern boundaries; I-405 forms the west boundary and Main Street and SE 1<sup>st</sup> Street are the southern boundary. The east boundary is the residential neighborhoods east of approximately 122<sup>nd</sup> Avenue NE, while parcels on the east side of 120<sup>th</sup> Avenue NE which are zoned for office use and derive their primary access to and from 120<sup>th</sup> Avenue are within the core area. The single family residential neighborhoods to the east have improved access but considerably more congestion with the project is likely, as evidenced by the proposed NE 5<sup>th</sup> Street traffic calming measures being considered. These differences tend to offset one another and no measurable special benefit is reflected for this area.

Option area 1, to the south, extends from I-405 on the west to 118<sup>th</sup> Avenue NE on the east, and from the Lake Hills Connector on the south to Main Street and SE 1<sup>st</sup> Street on the north. Located generally south of Main Street, there are minor relative locational changes as access is improved, particularly at peak hours, which positively impacts office market users. The single family residential market lacks the same access issues since traffic flow times are generally reversed. Considering that overall estimated special benefit to this area is marginal (\$0.25/SF of land area or less), the proposed LID boundary excludes option area 1.

Option area 2, to the north, encompasses 23 tax parcels, most of which front on the north side of NE 8<sup>th</sup> Street (other parcels are included due to contiguity of ownership) between 116<sup>th</sup> Avenue NE on the west and 300± feet east of the intersection with Bel-Red Road on the east. Special benefit accrues to ownerships fronting on the north side of NE 8<sup>th</sup> Street due primarily to improved circuitry of travel and reduction in vehicle queuing times.

Properties in the hospital district to the north and west, office properties in the vicinity of Lake Bellevue and those further east are minimally impacted by the project. Benefit to areas outside the preliminary LID boundary is considered to be general or area-wide in nature rather than a special benefit. General benefit due to a public works project provides a benefit to the community at large whereas special benefit measurably impacts the market value of individually affected parcels.

Downtown is geographically separated from the project area by Interstate Highway 405; it has a different neighborhood character and there are numerous other access alternatives for incoming and outgoing traffic. Access to downtown from the east along the new section of NE 4<sup>th</sup> Street is improved, but it is a general rather than a special benefit, as any changes in the downtown core's locational attributes as a result of the project are too minor to be measured in the marketplace.

Relative location, intensity of use (zoning) and neighborhood characteristics are most impacted within the core area, with improved access, rezoning of some parcels and enhanced neighborhood reputation and market appeal provided by the proposed LID project. As discussed, special benefit also accrues to properties in option area 2; the proposed LID boundary encompasses 60 parcels in the core area together with 23 parcels in option area 2.

### **Date of Valuation**

The effective date of the applicable land use regulations and valuation analysis utilized in this report is September 8, 2010.

### **Purpose of the Analysis**

The purpose of this study is to provide estimates of special benefit and recommended preliminary assessments to all assessable parcels resulting from the City of Bellevue road improvement project as described herein, under the two scenarios previously discussed.

### **Use of the Study**

This study is intended for use by the client and their authorized representatives for internal purposes. It is a mass appraisal report prepared in accordance with the requirements set forth under "Standard 6: Mass Appraisal, Development and Reporting" of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute and, as such, utilizes limited appraisal valuation techniques.

### **Primary Phases of the Assignment**

Macaulay and Associates, Ltd. was requested by the client to perform the following tasks:

1. Estimate special benefit and recommend preliminary assessments to each parcel, under each of the scenarios requested by the client.

2. Prepare preliminary assessment rolls including map number, ownership, tax parcel number, site address, land area, brief improvements description (if any), zoning, probable market value (land and improvements contribution) without the LID, probable market value with the LID, estimated special benefit and recommended assessments utilizing both a 50% assessment/benefit ratio and a 75% ratio for each of the two scenarios and the proposed assessment roll.
3. Prepare a formation special benefit/proportionate assessment study report summarizing pertinent findings.

### **Significant Factors and Extraordinary Assumptions Utilized in the Study**

An extraordinary assumption is defined as that which, if found to be false, could alter the opinion of market value. It presumes as fact otherwise uncertain information about the legal, physical or economic characteristics of the subject properties. Significant factors and extraordinary assumptions include:

1. It is assumed for purposes of this analysis that all proposed project improvements described herein will be completed within a reasonable time.
2. Development of all parcels is subject to the City of Bellevue zoning code, comprehensive plan, sensitive areas ordinances and other applicable land use regulations.
3. Consideration is given to location, zoning, highest and best use and physical characteristics of the subject parcels and their relationship to the LID project.
4. Public improvements and the time required to obtain development permits for each parcel without and with the LID project are considered.
5. An investigation was made of the economic use and outlook, probable land use, relative location and intensity of use for each parcel. Comparative analysis is made between the base study and each parcel, without and with the influence of the LID.
6. Special benefit to parcels with building improvements is derived from the difference in intensity of use and market value, based on overall highest and best use, without and with the LID project.
7. Existing easements and rights of way affecting individual parcels are the same, both without and with the LID project.

### **Hypothetical Conditions**

A hypothetical condition is that which is contrary to what exists, but is supposed for purposes of analysis. For this study, market value of each parcel is estimated without the LID and again assuming that the LID project has been completed.

### **Legal Description of Proposed Project**

The proposed local improvement district is located in Sections 28, 32 and 33 of Township 25 North, Range 5 East, W. M., in the City of Bellevue, King County, Washington. Referring to the proposed LID boundary map, the district encompasses land on the east side of Interstate 405 between Lake Bellevue on the north and the Lake Hills Connector on the south, extending east to the single family and multi-family residential neighborhoods situated east of approximately 122<sup>nd</sup> Avenue NE. All the property within the larger LID boundary is in the City of Bellevue. City staff is in the process of developing a complete narrative legal description of the proposed LID boundary.

### **Scope of the Study**

The scope of the study and this report which resulted from the assignment involved estimating the current market value of each assessable parcel, both without and with the LID project completed. As part of this assignment, the appraiser made a number of independent investigations and analyses. Area and neighborhood analysis included examination of data such as demographic information, land use policies and trends, growth forecasts and employment statistics pertaining to King County and the City of Bellevue.

Site and improvement descriptions were obtained from the client, from the King County Assessor's records and by field inspection of the exterior of the subject parcels. Individual parcel land areas are based on King County Assessor's records and, in some instances, information provided by the client. With the exception of map no. 13, no definitive information on wetlands or other unusable areas was provided; if such pertinent information becomes available, the right is reserved, if necessary, to revise the valuation conclusions presented in this report.

Two main valuation approaches (each of which encompasses various techniques) consisting of the Income Approach and Sales Comparison Approach were considered, where appropriate, in the valuation estimates for each parcel, both without and with the proposed LID project.

Most market data analyzed focuses on sales of improved and unimproved property in the subject area occurring in the last five years, with emphasis on the last two years. It was obtained from commercial market data research services which obtain and compile such information (such as CoStar Realty

Information Services and the Commercial Brokers Association) together with public records, individual buyers and sellers, local Realtors, developers and area property managers. Some income and expense information was also reviewed, as well as market rental rates for retail and office space in the local market. Pertinent data was analyzed and used as a basis for valuation conclusions.

Construction cost information was based on review of the Marshall Valuation Service Handbook, a nationally recognized cost-reporting authority, and discussions with knowledgeable commercial contracting companies. Summary tabulations of selected market sales and rental data are included in the Addenda. Sale and rental properties are identified by address; location maps are retained in the appraiser's files. Individual appraisal reports for each affected property are not completed. Market value conclusions for each parcel both without and with the LID completed are shown on the spreadsheets located near the front of this report.

### **Parcel Descriptions**

Based on King County Assessor's records, descriptions of site and improvement characteristics for each parcel within the proposed LID boundary have been assembled. Summary data is contained in the spreadsheets and more detail can be found in the analyst's work files. Copies of last conveyance deeds of record are also in the files and available to the client upon request.

### **Scope of Services**

The scope of services Macaulay and Associates, Ltd. has been engaged to perform is to estimate the special benefit adhering to each affected parcel as a result of the LID-funded project. To reflect the market's perception of total special benefit accruing to affected property as a result of the project and to maintain proportionality amongst the special benefit estimates, market value is estimated both without the LID and with the LID in place, as of the same date. Under this valuation basis, properties are treated consistently and market value estimates without and with the LID completed most accurately reflect the special benefit indicated by the market. The special benefit estimated for each parcel reflects an increase in value under the same market conditions as the benefit estimated for every other assessable parcel within the LID.

Proposed preliminary assessments that do not materially exceed the special benefit and proportionality between each assessment and its respective special benefit are the two basic legal requirements of an assessment of this type. This market value estimate is based on the inter-relationship between supply and demand for each property in the current economic marketplace. In this instance, it is a market for commercial office and retail property in a well-established area with excellent access to transportation networks and all the major regional employment and populations centers in the greater Seattle area and the Puget Sound region.

### **Project Description**

In general, the LID project will construct a new section of NE 4<sup>th</sup> Street between 116<sup>th</sup> and 120<sup>th</sup> Avenues NE and provide alternate routes to and through the subject vicinity. As shown in recent studies, there is significant traffic congestion during peak commuting hours on all three other major east-west arterial routes (Main Street, NE 8<sup>th</sup> Street and NE 12<sup>th</sup> Street) connecting downtown Bellevue with neighborhoods east of I-405 including Wilburton, Bel-Red and Crossroads.

The following descriptions are taken from a February 1, 2010 Bellevue City Council meeting memorandum. The NE 4<sup>th</sup> Street extension will implement a new five-lane arterial, with two travel lanes in each direction and a center turn lane where necessary, between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE. The project will include bike lanes, curb, gutter and sidewalk on both sides, illumination, landscaping and irrigation, storm drainage and detention. The project will accommodate other utility infrastructure as needed. The final roadway alignment will be determined in coordination with existing and potential future development and with the ownership interests of the Burlington Northern Santa Fe (BNSF) railway corridor. The project will be designed not to preclude potential future uses of the BNSF corridor. The project will include a new signalized intersection at NE 4<sup>th</sup> Street/120th Avenue NE and will modify the existing signalized intersection at NE 4<sup>th</sup> Street/116th Avenue NE. Implementation of the project will be closely coordinated with the complementary 120<sup>th</sup> Avenue NE Improvements project. A neighborhood protection plan to address potential traffic impacts along NE 5<sup>th</sup> Street to the east of 120<sup>th</sup> Avenue NE may be developed in coordination with the neighborhood although this planned NE 5<sup>th</sup> Street traffic mitigation is not included in the LID project.

The 120<sup>th</sup> Avenue NE portion of the proposed Wilburton Connections LID project will widen 120<sup>th</sup> Avenue NE to five lanes, including two travel lanes in each direction with a center turn lane, turn pockets or planted medians, beginning south of NE 4<sup>th</sup> Street to south of NE 8<sup>th</sup> Street. The project will improve, or install where missing, bike lanes, curb, gutter and sidewalk on both sides, a traffic signal at the NE 6<sup>th</sup> Street intersection, illumination, landscaping, irrigation, storm drainage and detention. The project will be designed and constructed to accommodate intersections with the NE 4<sup>th</sup> Street Extension, the planned extension of NE 6<sup>th</sup> Street, and other utility infrastructure. The project will also be coordinated with the planned future extension and realignment of 120<sup>th</sup> Avenue NE between NE 8<sup>th</sup> Street and NE 12<sup>th</sup> Street (120<sup>th</sup> Avenue NE Improvements, Segment 2) and continued widening of 120<sup>th</sup> Avenue NE between NE 12<sup>th</sup> Street and Northup Way (120<sup>th</sup> Avenue NE Improvements, Segment 3).

The current total estimated project cost is \$47,495,000. The estimates are \$38,400,000 for the NE 4<sup>th</sup> Street extension portion and \$9,095,000 for the 120<sup>th</sup> Avenue NE widening portion.

### **Neighborhood/Market Area Data**

Situated between Lake Washington and Lake Sammamish, Bellevue is the fifth largest city in Washington. With a currently estimated population of about 127,000, more people (140,000±) work in the city than live in it. Entities employing more than 1,000 people include Bellevue Community College, the Bellevue School District, the City of Bellevue, Boeing Shared Services Group, Expedia, Overlake Hospital Medical Center, Puget Sound Energy, T-Mobile USA and Verizon Wireless. In 2008, 13 of the state's 100 largest public companies and nine of the state's largest private companies were headquartered in Bellevue. The city's downtown core, situated just west of the subject area on the west side of Interstate 405, occupies 400± acres and features nearly 5 million square feet of retail and entertainment-oriented land uses and more than 6 million square feet of office space, much of it in high rise buildings. Additional information on the city as a whole and on real estate market conditions in the subject neighborhood is included in the Addenda.

The subject neighborhood, adjacent to the east of Interstate Highway 405, is known as west Wilburton and is generally bordered by NE 8<sup>th</sup> Street on the north, I-405 on the west, the arterial known as the Lake Hills Connector on the south, and single and multi-family residential neighborhoods east of roughly 122<sup>nd</sup> Avenue NE on the east. As shown in the tables in the Addenda of this report, population of the Wilburton

neighborhood as defined by the Puget Sound Regional Council (PSRC) is approximately 3,600. This number has increased by 500± (over 16%) since 1990 although it comprises just under 3% of the city's total population. As also stated in the "City of Bellevue" section in the Addenda, the median income in the Wilburton area is 13±% lower than in the city as a whole (\$70,733 compared to \$81,495) but almost 5% higher than the King County median.

As part of the City of Bellevue's planning process, a new land use plan was recently enacted for the sub-area known as "Wilburton/NE 8<sup>th</sup> Street". This planning area, larger than that described above as Wilburton by the PSRC, extends north to Bel-Red Road and east to 148<sup>th</sup> Avenue NE, thereby encompassing the subject neighborhood and surrounding it on all sides except the west. The goals of the subarea plan are to separate residential, recreational and open space areas from commercial areas and to protect open space; to improve pedestrian accessibility and attractiveness of commercial areas for residents of Bellevue; and to support the provision of commercial services in Wilburton that complement downtown, such as large retail and auto sales; that provide mixed-use opportunities; and that provide convenient shopping for the adjacent neighborhoods.

Because the subject vicinity is part of the Wilburton/NE 8<sup>th</sup> Street subarea, the rest of this section is comprised of descriptive information on the subarea, taken from pages 281 and 282 of the subarea plan:

The Wilburton area was annexed into the city between 1964 and 1967; today, it is centrally located in Bellevue. Access to I-405 and the Downtown make the Subarea a desirable place to live and work. Jobs, stores, schools and community parks are convenient and accessible. Combined, these amenities have greatly enhanced the quality of life for both the residents and business owners.

The Wilburton Subarea encompasses approximately 1,600 acres (see map in Addenda). Its boundaries are generally I-405 to the west, Bellevue-Redmond Road to the north, 148<sup>th</sup> to the east, and the Lake Hills Connector to the south. It is comprised of commercial areas along the I-405, 116<sup>th</sup> Avenue NE and NE 8<sup>th</sup> Street corridors while large areas of single family residences make up the remainder of the Subarea. Multifamily development is mostly confined to the NE 8<sup>th</sup> Street corridor, along 118<sup>th</sup> Avenue SE and 122<sup>nd</sup> Avenue NE and west of 140<sup>th</sup> north of NE 8<sup>th</sup> Street. Recreational open space includes the Glendale Golf Course, Kelsey Creek Park, and Wilburton Hill Park.

The I-405 business corridor, Lake Bellevue area, and the NE 8<sup>th</sup> Street corridor are home to Overlake Hospital, Group Health Cooperative, Auto Row, and a variety of retail uses. Many of the retail areas may be ready for redevelopment as they evolve from older suburban commercial

strips to emerging urban areas. The area east of approximately 120<sup>th</sup> Avenue NE features large, single family neighborhoods, some with large lots that may provide opportunities to subdivide and add new housing.

As of the 2000 Census, about 8,900 people live, and approximately 10,400 people work, in the Wilburton/NE 8<sup>th</sup> Subarea. There are about 1,250 units of single family housing and 3,120 units of multi-family housing. Wilburton Hill Park provides over 100 acres of open space, sports fields, and a botanical garden.

Protecting residential neighborhoods from increased commercial development and traffic, enhancing existing retail areas, and establishing clear boundaries between differing land uses are the Subarea's major issues.

Major north-south arterials in the subject vicinity are 116<sup>th</sup> and 120<sup>th</sup> Avenues NE. Curving and running generally north and south between the two are the Burlington Northern-Santa Fe Railway tracks. East-west circulation is currently limited; Main Street crosses over I-405 from the west and ends at 116<sup>th</sup> Avenue NE. NE 1<sup>st</sup> Street extends in a northeasterly direction from 116<sup>th</sup> Ave NE, crossing over the tracks and turning north to become 120<sup>th</sup> Avenue NE in the easterly portion of the proposed LID (see exhibit entitled "Preliminary LID Boundary Map").

With the exception of two parcels which are zoned for multi-family residential use, zoning designations within the proposed boundary—including the two option areas—consist of GC (General Commercial), O (Office), OLB (Office/Limited Business), CB (Community Business), BR-GC (Bel-Red General Commercial) and PO (Professional Office). If the planned improvements become a reality, part of the large block of land south of NE 8<sup>th</sup> Street between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE will be rezoned from GC to CB. The Community Business designation encourages mixed use development (apartments are allowed and hotels are a conditional use; both are prohibited in the GC zone) and has a 45-foot building height limit as opposed to 30 feet in the General Commercial zone. As stated, if underbuilding parking is utilized, buildings could be 15 feet higher in both the GC and CB zones.

Further details on all six zoning categories can be found in the analyst's files and on the city's website [www.bellevuewa.gov](http://www.bellevuewa.gov). In the Addenda is a map taken from the Wilburton/NE 8<sup>th</sup> Street Subarea Plan showing the area to be rezoned (contingent on this project); this potential rezone area is labeled "GC/CB". More specifically, with this LID project, subject map numbers 21 through 38, 61, 62, 108 and 109 would be rezoned from a General Commercial to a Community Business designation. Bellevue's zoning designations for the subject parcels generally conform to the governing comprehensive plan, as shown on the comprehensive plan map in the Addenda of this report.

## **Basis of Valuation**

### **Application of Market Data Analysis**

In order to estimate special benefit, a base study was made of the real estate market in the subject neighborhood and competing areas to aid in understanding the effects of the basic economic, governmental, environmental, physical and social forces on the LID area. This study was then analyzed to establish trends and value ranges for the various classes of land use within the subject area, without and with the LID project.

Market data on property with elements of similarity to the subject parcels, without and with LID improvements, was investigated. An analysis of highest and best use was made. Highest and best use is defined as the reasonable, probable and legal use of vacant land or an improved property which is (1) physically possible, (2) legally permissible, (3) financially feasible and (4) maximally productive.

### **Primary Premises Utilized in the Special Benefit Study**

1. A preliminary proportionate assessment is attributed to all assessable properties specially benefitted by the project, under the two scenarios requested by the client and discussed herein.
2. The ownership of each parcel listed with a recommended preliminary assessment is an assessable entity.
3. Aspects of property considered as a "parcel" include (a) the economic unit, (b) the physically contiguous unit and c) the continuity of ownership. As required by state statute, recommended assessments for parcels comprised of more than one county tax lot are segregated into individual tax parcels. It should be emphasized that the individual parcels, as defined above, are the entities to which the special benefits accrue and against which the proposed assessments are levied. Division of the proposed assessments into tax lots used by the King County Assessor's office, artificial boundaries from an appraisal standpoint, are made to comply with statutory requirements and the city's accounting procedures. Estimated land area of the extensive wetlands on map no. 13 was based on the King County Assessor's records.

## Valuation Methodology

As previously stated, special benefit accrues to affected properties due to the proposed project by enhancing the neighborhood's reputation, aesthetic appeal and character, and creating a more desirable location for commercial property owners and tenants. Also, the project results in the rezoning of a number of parcels, allowing for more intensive future development. Although current market conditions have weakened, these attributes are reflected in both the "without" and "with" valuations. Recognizing this, access to the entire area will be improved, allowing for better circuitry of traffic flow, much less congestion at peak travel times and enhanced pedestrian safety. Typically, special benefit to property is reflected in the underlying land value. As the result of a project like that which is proposed for the subject area, the market will pay a higher price for land; in this instance, probable increases in land value are primarily due to the aforementioned factors.

In order to estimate the probable impact on market value, comparable sales involving property in the subject area are analyzed, together with review of other large road infrastructure projects whereby the area's location and zoning were enhanced. One example is in the City of Lynnwood, where a \$60± million project called the I-5/196th Street SW interchange significantly improved access to the Alderwood mall regional shopping center and some 300 surrounding commercial properties. Without this project, no expansion or renovation of the mall would have been allowed by the City of Lynnwood. Review of commercial land sales in the area and commercial market rental rates before and after the project shows strong market acceptance.

Additionally, rezoning to allow more intensive commercial uses was contingent on this road infrastructure improvement project. Depending on specific locations within the vicinity, land value increases were in the \$5.00/SF to \$8.00/SF range on the east side of Interstate Highway 5 where a new arterial road was constructed, allowing for rezoning and redevelopment of the area. Rental rates and vacancy levels within the mall and at surrounding office/retail properties were also positively impacted by the project. Significant special benefit accrued to parcels in prime commercial corner locations due to this project, as compared to interior block locations or sites lacking comparable access or exposure to the improved arterial network.

## **Valuation Summary**

Because individual appraisal reports are not prepared, this discussion provides general information on the valuation process; the reader is referred to the spreadsheets for more site-specific information. The current economic recession, which began in late 2007 and is affecting not only the Pacific Northwest but the entire nation, has impacted the region's commercial real estate with decreased retail sales activity, higher vacancy rates and greater risk inherent in real estate investment. This is also true of the office market, with reduced demand and higher vacancy rates. Based on land sales reviewed to date, together with discussions with knowledgeable local investors, landowners and commercial real estate brokers, these current conditions are reflected in the analysis presented herein.

Estimates of market value of the fee simple interest in each affected parcel were made both without and with the LID, based on individual highest and best use; they are shown on the spreadsheets beginning on page 9.

Building size figures utilized on the spreadsheets are based on net rentable area (NRA); however, analysis of each building considered any additional square footage, (i.e., unfinished basement, storage, mezzanine storage, etc.) as part of the Income Approach. Income analysis sheets on each improved parcel are retained in the analyst's files.

Land sale transactions in the subject vicinity and surrounding areas involving property similar to the subject parcels were used in the valuation process. Because the change in market value as a result of the LID project is typically measured by increases in the underlying land value, primary emphasis is placed herein on land valuation. Due to the nature and character of properties within the LID boundary (retail and office uses), the Income Approach is utilized to measure changes in land value due to the project. The Sales Comparison Approach was also employed.

Property types within the core area, option area 1 and option area 2 are briefly discussed below. As mentioned, summary tabulations of market sales and rental data utilized in the valuation analysis are included in the Addenda. Market research was completed in the immediate subject vicinity and surrounding areas on sale transactions occurring from 2006 until the present. The tabulations encompass (1) land sales within the LID boundary (identified by map number); (2) sales of improved property within

the LID boundary (also identified by map number); (3) sales of commercial land in surrounding similar neighborhoods; (4) sales of improved commercial property in and near the Wilburton area; (5) sales of improved retail property in and near the Wilburton area; (6) current subject parcel rental information (both leased space and space for lease); and (7) and (8) current rental information on office and retail properties in surrounding neighborhoods.

Additional supporting documentation on the market data researched is retained in the appraiser's files. Where applicable, adjustments for property rights appraised, conditions of sale, market conditions, financing, location, size, topography, zoning and utilities are made when comparing the sale tracts to the subject parcels, both without and with the LID completed. As discussed, land within the subject LID boundary is comprised of commercial (retail and office) and some multi-family residentially zoned uses.

In order to estimate overall market value, the Income and Sales Comparison approaches to value are utilized to estimate the contributory value of existing improvements. If the improvements contribute to the value of the underlying land, the overall market value is summarized and shown on the spreadsheets.

### **Core Area – South of NE 8<sup>th</sup> Street to SE 1<sup>st</sup> Street**

#### **Without the LID**

Without the LID, land values along both sides of 116<sup>th</sup> Ave NE between Main Street and NE 8<sup>th</sup> Street are generally estimated at \$60.00/SF to \$75.00/SF. Zoning is OLB on the west side and GC on the east side of 116<sup>th</sup> Ave NE. Smaller parcels fronting along NE 8<sup>th</sup> Street range from \$78.00/SF to \$84.00/SF in estimated land value.

Between the rail corridor and 120<sup>th</sup> Ave NE, zoning is GC and it is O (office) on the east side of 120<sup>th</sup> extending south to where SE 1<sup>st</sup> St connects to 116<sup>th</sup> Ave SE. Two parcels zoned GC are located east of 116<sup>th</sup> Ave NE on the south side of NE 8<sup>th</sup> Street and the eastern half of the Bellevue School District ownership (map no. 47) at 120<sup>th</sup> Ave NE and NE 5<sup>th</sup> Street has an R-15 multi-family residential designation. Land values for GC-zoned parcels along 120<sup>th</sup> Ave NE are estimated at \$60.00/SF to \$65.00/SF. Parcels zoned for office use vary from \$35.00/SF to \$45.00/SF in land value, depending on site size and location.

With the LID Completed

With the \$47.5± million road infrastructure project in place, land values are estimated to be higher, due primarily to locational and zoning differences. As stated, subject map numbers 21 through 38, 61, 62, 108 and 109 would be rezoned from GC to CB with the project. The CB, Community Business, designation allows for more flexible development options and mixed use projects are encouraged. Maximum building height is 45 feet (in the GC zone it is 30 feet) and multi-family residential development is allowed. One technical note is that height limits are raised with under-building parking. Hotels are a conditional use in the CB zone; both hotels and apartments are prohibited in the GC zone. Overall, the zoning change has a fairly limited impact on commercial land value under current market conditions.

The most significant increase in land value accrues to properties fronting on the new section of NE 4<sup>th</sup> Street, due both to the rezone and vastly improved location with extensive frontage and corner locations on the new arterial. Estimated land value increases with the LID are in the \$6.75/SF to \$7.00/SF range. Based on review of other large road improvement projects where rezoning and new arterial construction occurred, this estimated \$6.75/SF to \$7.00/SF increase in land value is reasonable. There is often a similar difference in commercial land value between sales of prime corner location sites as opposed to the sale prices for transactions involving interior parcels.

Differences in land value for properties zoned O and PO, such as map nos. 43 through 46 and 48 through 57, are generally in the \$0.75/SF to \$2.00/SF range. Map numbers 43 through 46 experience a lower special benefit since access to and from these sites will be restricted to right in/right out turning movements along 120<sup>th</sup> Ave NE. Southbound access to 120<sup>th</sup> Ave will be via NE 5<sup>th</sup> Street; currently, no traffic signal is planned for the NE 5<sup>th</sup> Street/120th Ave NE intersection but one may be installed in the future. Similarly, special benefit to map no. 42 is less than for nearby commercial parcels since the primary access is NE 8<sup>th</sup> Street; however, there is secondary access across intervening office properties to NE 5<sup>th</sup> Street to the south.

Land value increases for the other office-zoned properties in this vicinity are in the \$1.75/SF to \$2.00/SF range. This estimate is supported by income analysis, as the investment risk is lessened due to enhanced locational characteristics resulting from much improved access. The road improvements will allow for better circuitry of traffic flow through the area and connectivity to downtown Bellevue, both positive factors for office uses leading to a positive impact on vacancy over a typical investment holding period compared to current market conditions without the LID project.

In summary, without the LID, the subject vicinity is characterized by congested, inadequate traffic flows and inefficient connections to major arterials. With the road project in place, there is enhanced traffic circulation and neighborhood reputation resulting in higher land values, particularly for those parcels fronting on and in close proximity to the new NE 4<sup>th</sup> Street extension.

### **Option Area 1 – South of Main Street and SE 1<sup>st</sup> Street**

#### *Without the LID*

Zoning in this area is OLB, CB and O. Land values on the west side of 116<sup>th</sup> Ave SE are estimated at \$45.00/SF to \$60.00/SF and, east of 116<sup>th</sup> Ave SE, at \$35.00/SF to \$40.00/SF.

#### *With the LID*

It is estimated that very modest increases in land value would occur in this area as a result of the project. Primarily due to slightly enhanced relative location with the project in place, land value increases from \$0.10/SF to \$0.25/SF are estimated. Access to the area will be improved with less traffic queuing along SE 1<sup>st</sup> Street during peak travel times. Also, because southbound access (left turns) from SE 5<sup>th</sup> Street to 116<sup>th</sup> Ave SE and the Lake Hills Connector is very difficult at peak travel times, the project provides alternative routes.

### **Option Area 2– North Side of NE 8<sup>th</sup> Street**

#### *Without the LID*

Without the LID, land values generally range from \$65.00 to \$80.00/SF depending on parcel size and location. Zoning is BR-GC, a general commercial classification unique to the Bel-red subarea (north of NE 8<sup>th</sup> Street) but similar in many respects to the GC classification. This area is characterized by heavy traffic flows, particularly during the main commuting hours, with lengthy vehicle queues occurring at these peak times.

#### *With the LID*

With the LID in place, traffic flow is significantly better with less queuing at peak times; traffic modeling shows that, although queuing will still occur, delays and congestion are reduced. The impact of the project on land values in this vicinity is due to improved traffic flow along NE 8<sup>th</sup> Street and in the vicinity of the intersection with Bel-Red Road, which in turn enhances the relative location of individual parcels in the area. Highest and best use of commercial property in this area is for redevelopment, which would most likely occur when the next phase of road improvements (extension of 120<sup>th</sup> Ave NE) is completed. Land value increases of \$0.50/SF to \$0.75/SF are estimated for this locale.

## Assumptions and/or Limiting Conditions

1. That this special benefit study is a limited appraisal assignment resulting in conclusions of market value without and with the LID project.
2. That the title to the property analyzed in this report is good in that no liability is assumed on account of matters of legal character affecting the property such as title defect, encroachments, liens, or overlapping property lines, etc. Market value estimates are of the fee simple interest in each of the subject parcels.
3. That the maps and drawings included in this special benefit study are included to assist the reader in visualizing the property; however, no responsibility is assumed as to their exactness.
4. That there are no hidden or unapparent conditions of the property subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions, including hazardous waste or asbestos materials, or for engineering and other investigations which might be required to discover such conditions.
5. All valuation estimates included herein are based on and subject to the accompanying assumptions and limiting conditions. Narrative descriptions and tabulations concerning subject parcels, comparable market data and market value are retained in our files.
6. No one, including the client, has the right to rely on this study for other than the special benefit and proportionate assessment reported. The opinion of value on any parcel is not applicable for any use other than the special benefit study, with accompanying limiting conditions and assumptions summarized herein.
7. In the event a narrative appraisal report is desired on a specific property or testimony required to document specific values, the background data utilized in this study will be made available from our files to the client for use in making the appraisal reports.
8. Map number 88 is situated within the railroad corridor on the north side of NE 8<sup>th</sup> Street. Although the assessor's office has no map, tax parcel number or any other information, the client's records show that it contains 20,049 SF and is owned by Whole Foods. It is currently utilized together with their property adjacent on the west, as parking and driveway. Therefore, special benefit as shown on the spreadsheet is attributable to map number 88 and it is assumed that the information provided by the client is correct.
9. With the LID, map numbers 21 through 38, 61, 62, 108 and 109 will be rezoned from a GC, General Commercial, to a CB, Community Business, designation. The CB zone allows a greater variety of mixed uses, together with apartments and hotels (with a conditional use permit). Also, building height is generally increased, from 30 feet to 45 feet, based on discussions with city planners.

10. Map number 13, improved with a hotel and deriving access primarily via Main Street at the south boundary, contains extensive wetlands near both Main Street and 116<sup>th</sup> Avenue NE. Wetland area is estimated by the King County Assessor's office at 147,641 SF. Together with the adjacent access strip (map no. 11), unusable areas were taken into consideration in the valuation analysis of the two tax parcels as a single entity.
11. Map number 7 is the site of an electrical substation. Since there is no foreseeable change in highest and best use and therefore no impact on value due to the proposed road improvements, no special benefit is estimated.
12. Map number 12 is currently owned by the Federal government and is therefore not subject to LID assessments. If the property were sold to a non-exempt entity, special benefit (based on surrounding similar properties) would be approximately \$1.00/SF.
13. Map number 97, although it lacks direct frontage on NE 8<sup>th</sup> Street, has continuity of ownership and unity of use with map number 102. Therefore, since the legal owners of record differ but the ownership interest is the same, they are analyzed as a single economic entity.
14. With the LID project in place, access to and from map numbers 43 through 46 is restricted to right in/right out turning movements and southbound access to 120<sup>th</sup> Avenue NE would be via NE 5<sup>th</sup> Street. Because this is assumed to be the case, special benefit due to the project is of lesser magnitude. If left turns to and from 120<sup>th</sup> Ave NE were allowed, special benefit to these parcels would be commensurate with nearby office properties to the south which also front on 120<sup>th</sup> Avenue but do not have restricted access.
15. Situated within a 100-foot wide railroad right of way corridor which runs through the project area are six small parcels (map nos. 68 and 107 through 111) which lack development potential as separate entities and therefore derive no special benefit from the project.

## Certification

I, the undersigned appraiser, do hereby certify that, except as otherwise noted in this special benefit study:

1. I made a personal inspection of the subject property, including the significant visible components, on various dates in March through August, 2010, most recently on August 27, 2010.
2. I certify that, to the best of my knowledge and belief, the statements of fact contained in the appraisal report are true and correct.
3. I further certify that the reported appraisal analyses, opinions and conclusions are limited only by the reported qualifying conditions and are my personal, unbiased, professional analyses, opinions and conclusions. Kelly Hao, senior associate appraiser, provided significant mass appraisal assistance to me in the preparation of this report. Ashley Zacharia, appraiser trainee, and Yvonne Alexander-Smith, senior editor, also provided assistance.
4. I further certify that I have no specified present or prospective interest in the appraised property and I have no personal interest or bias with respect to the properties involved. My compensation is not contingent on any action or event resulting from the analyses, opinions or conclusions in, or the use of, this report.
5. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
6. The reported appraisal analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. I do not authorize the out-of-context quoting from or partial reprinting of this appraisal report.
9. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by use of the media for public communication, without the prior written consent of the appraiser signing this appraisal report.
10. In compliance with the Ethics Rule of the Uniform Standards of Professional Appraisal Practice, I certify that I have performed services regarding the subject vicinity and subject parcels within the three-year period immediately preceding acceptance of this assignment. This service was in the form of a feasibility study for the proposed project, which was completed in June, 2010.

11. As of the date of this report, I, Robert J. Macaulay, MAI, have completed the continuing education program of the Appraisal Institute.

It is my opinion that the special benefit accruing to property within the boundary of the proposed Wilburton Connections LID due to the project, as of September 8, 2010, subject to limiting conditions and assumptions as noted, and under the various scenarios discussed herein, is:

**Scenario One (core area – 62 tax parcels)**

Total estimated special benefit .....	(R)\$13,190,000
Preliminary assessment @ 50% ratio .....	(R)\$6,595,000
Preliminary assessment @ 75% ratio .....	(R)\$9,890,000

**Scenario Two (core area and two option areas – 111 tax parcels)**

Total estimated special benefit .....	(R)\$13,820,000
Preliminary assessment @ 50% ratio .....	(R)\$6,910,000
Preliminary assessment @ 75% ratio .....	(R)\$10,365,000

**Proposed Boundary (60 parcels in core area and 23 parcels in option area two)**

Total estimated special benefit .....	(R)\$13,565,000
Preliminary assessment @ 50% ratio .....	(R)\$6,785,000
Preliminary assessment @ 75% ratio .....	(R)\$10,175,000

Respectfully submitted,



Robert J. Macaulay, MAI

WA State Certified - General Appraiser No. 1100517

**ROBERT J. MACAULAY, MAI**  
Washington State License No. 1100517

**EDUCATION**

1983	B.A. Economics, Washington State University
2009	Almost 100 hours of classes and seminars sponsored by the Appraisal Institute, including Uniform Appraisal Standards for Federal Land Acquisitions, Evaluating Commercial Construction, Real Estate Finance Statistics and Valuation Modeling (complete list available upon request).
2007	USPAP National Course
2006	Eminent Domain and Condemnation
2005	Subdivision Valuation, Appraisal Institute Special Purpose Properties, Appraisal Institute
2004	Real Estate Finance, Value and Investment Performance, Appraisal Institute Appraisal Consulting, Appraisal Institute
2003	USPAP - Courses 400 & 420
2002	Environmental & Property Dangers, Appraisal Institute & Center for Advanced Property Economics
1986 to 2001	Real Estate Appraisal Principles 1A-1; Basic Valuation Procedures 1A-2; Capitalization Theory & Techniques 1B-A; Capitalization Theory & Techniques 1B-B; Case Studies in Real Estate Valuation 2-1; Standards of Professional Practice - SPP; Report Writing and Valuation Analysis 2-2; Standards of Professional Practice, Module A; Advanced Applications; Standards of Professional Practice, Module B; Comprehensive Appraisal Workshop; Advanced Sales Comparison and Cost Approach Analysis; Partial Interest Valuation - Undivided; Case Studies in Commercial Highest and Best Use; Standards of Professional Practice, Part C (430).

**EXPERIENCE**

10/89 to present	Macaulay & Associates, Ltd.
2/86 to 10/89	Schueler, McKown & Keenan, Inc., Seattle, WA.
8/84 to 1/86	Underwriter/Secondary Market Analyst, Weyerhaeuser Mortgage Co., Los Angeles, CA.

Appraisal assignments include a wide variety of commercial, industrial and residential properties for financial institutions, governmental entities, law firms, corporations and private individuals. Examples include office buildings, retail shopping centers, multi-family residential complexes, industrial warehouses, restaurants, retail stores, mobile home parks, service stations, single family subdivisions and special purpose properties. Other valuation assignments cover rental valuations, partial interest studies (leasehold/leased fee estates), waterfront commercial and industrial properties for various port authorities, together with remote large acreage agricultural and forest land. Also, experience with real estate counseling for private individuals.

Local improvement district (LID) special benefit and feasibility study experience includes a variety of road improvement, utility and other infrastructure projects. The firm's extensive experience with these projects dates back to 1975. Between 1990 and 2000, in addition to over 30 other feasibility and special benefit studies, almost a dozen major assignments were completed for projects costing from \$1.5 to \$82 million. Clients included the cities of Bothell, Issaquah, Lacey, Lake Stevens, Lynnwood, Ocean Shores, Redmond and Spokane. Details on individual projects will be provided upon request. Since 2000, major special benefit/proportionate assessment studies have included road improvement projects for the cities of Burien and Covington (2003), a freeway interchange and arterial improvement project for the City of Sumner (2002 to 2004), a utility local improvement district for the City of Lake Stevens (2005), a city-wide road improvement project for the City of Ocean Shores (2006 to 2007) and a project improving access to the Southcenter regional shopping mall for the City of Tukwila (2006 to 2008). In the last two years (2006 to 2008), economic feasibility studies have been completed for the cities of Ferndale, Freeland, Kent, Lynnwood, Ocean Shores and Yelm.

**EXPERIENCE (con't.)**

A wide variety of multi-parcel right-of-way acquisition appraisals have been completed, such as riverbank protection easements for the City of Tukwila, right-of-way acquisition for road widening for the City of Bellingham and utility line easements, road widening and other public improvement projects for the City of Everett. A large right-of-way project for the Montana Department of Highways near Kalispell, Montana was completed several years ago. Also, eminent domain appraisals have been completed for the Washington State Department of Transportation (WSDOT) and Burlington Northern Santa Fe Railroad in Wenatchee and Tacoma. Other special purpose assignments are 6,000 acres on the Tulalip Indian Reservation for the Tulalip Tribes, 80 acres on Burrows Island in Skagit County, 900 acres in Skagit County for Skagit County Parks and Recreation Department, and the Eagle Harbor ferry maintenance site on Bainbridge Island for WSDOT. Various reports on mineral rights have been completed, including an 80-acre operating quarry in Bremerton, WA.

**BUSINESS AND PROFESSIONAL AFFILIATIONS**

Macaulay & Associates, Ltd., Real Estate Appraisers and Consultants Everett, WA.  
 MAI designation, Appraisal Institute (Member No. 10,712)  
 Certified Real Estate Appraiser - General Classification, State of Washington (License No. 1100517)  
 Approved Appraiser and Review Appraiser, Washington State Department of Transportation  
 Member International Right-of-Way Association  
 Board of Trustees - Washington Center for Real Estate Research, Washington State University, Pullman, WA.

**COURT AND HEARING TESTIMONY**

Testified in various cases in King, Snohomish and Skagit counties, together with presentations at LID hearings on preliminary and final assessment rolls. Qualified as expert witness in the states of Washington and Montana.

**SUMMARY OF APPRAISAL CLIENTS**

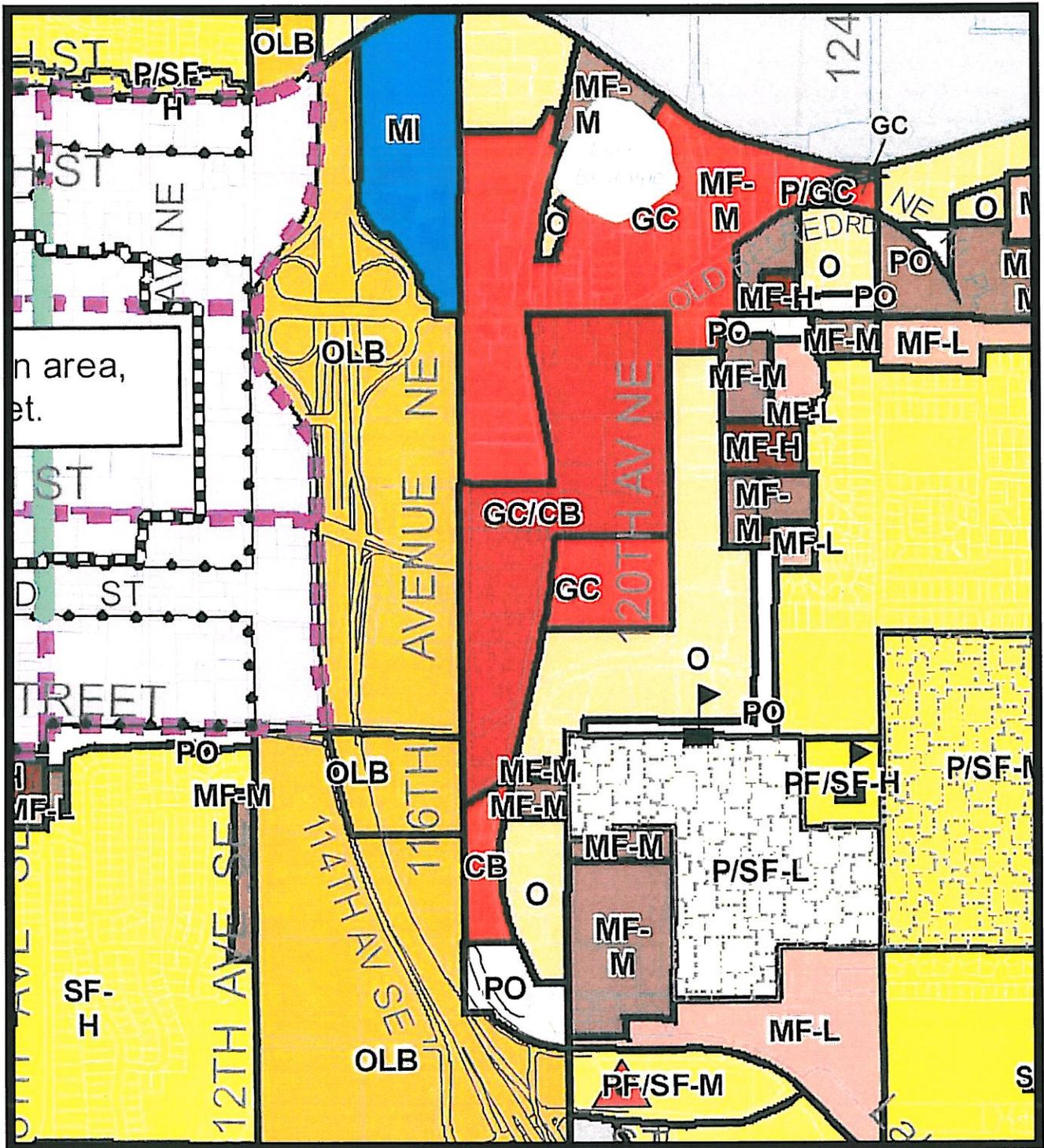
<b>Financial Institutions</b>	<b>Private Corporations</b>
AEGON Realty Advisors Northwest Life Assurance Co. of Canada US Bank of Washington First Interstate Bank of Washington Evertrust Bank First Heritage Bank American First National Bank Frontier Bank Commerce Bank Coastal Community Bank Prime Pacific Bank Horizon Bank North County Bank	Weyerhaeuser Company The Boeing Company Coates Field Service, Inc. Pharos Corporation Universal Field Service Gray & Osborne, Inc. Earth Tech Anderson Hunter Foster Pepper Shefelman Burgess, Fitzer, Leighton & Phillips Inslee, Best & Dozier Perteet Engineering Preston, Gates & Ellis

**GOVERNMENTAL AGENCIES**

City of Everett City of Lynnwood City of Issaquah City of Mount Vernon City of Bellingham City of Edmonds City of Mukilteo City of Spokane City of Pacific City of Port Angeles City of Stanwood City of Washougal Port of Everett Port of Anacortes US Army Corps of Engineers	National Park Service US Navy University of Washington Everett School District Mukilteo School District Monroe School District Lake Stevens School District Tulalip Tribes of Washington Washington State Dept. of Transportation Montana Department of Highways Snohomish County King County Island County Skagit County PUD Skagit County Parks & Recreation Department Snohomish County PUD No. 1
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# Comprehensive Plan Map



## King County

The Pacific Northwest includes the states of Washington, Oregon and Idaho. Washington is divided into two distinct areas by the Cascade mountain range, which runs north and south through the state. King County is located on Puget Sound, in the north central portion of western Washington, between Snohomish County to the north and Pierce County to the south. The Puget Sound region (King, Pierce, Snohomish and Kitsap counties), as of April 2010, contained 55±% (3,707,400) of the state's total population of 6,733,250. The four-county region's population increased just over 2% from 2008 to 2010 while the state's population increased 2.2%.

The county encompasses approximately 2,130 square miles, of which 50%± is federal or commercial forest-land in the easterly portion of the county, including portions of the Mt. Baker-Snoqualmie National Forest and the Glacier Peak Wilderness Area. Most of the population is concentrated in the foothills of the Cascades and the Puget Sound lowlands.

King County's 2000 population was 1,737,046, and the most recent estimate (April 2010) by the Washington State Office of Financial Management is 1,933,400. Population growth from 1990 to 2000 was 178,295, an increase of 11.8%. This rate is similar to the 11.3% increase from 2000 to 2010. Population figures for incorporated and unincorporated areas of King County are shown in the table on the following page. Burien and Woodinville were incorporated in 1993; Newcastle became a city in 1995; Shoreline in 1996; Maple Valley and Covington in 1997; Kenmore in 1998 and Sammamish in 2000.

King County Population Trends									
City	1990	1995	2000	2005	2006	2007	2008	2009	2010
KING COUNTY	1,507,305	1,613,600	1,685,600	1,808,300	1,835,300	1,861,300	1,884,200	1,909,300	1,933,400
Unincorporated	513,257	497,403	359,469	364,498	367,070	368,255	341,150	343,180	343,340
Incorporated	994,048	1,116,197	1,326,131	1,443,802	1,468,230	1,493,045	1,543,050	1,566,120	1,590,060
Algona	1,694	1,970	2,080	2,660	2,695	2,725	2,740	2,760	2,775
Auburn (part)	33,650	35,230	41,670	43,540	43,820	44,300	60,400	60,820	61,150
Beaux Arts	303	285	286	297	300	310	310	315	320
Bellevue	86,872	102,000	106,400	115,500	117,000	118,100	119,200	120,600	122,900
Black Diamond	1,422	1,760	3,835	4,080	4,085	4,120	4,155	4,180	4,190
Bothell (part)	11,986	13,510	14,550	16,250	16,600	16,950	17,130	17,260	17,290
Burien	--	27,680	29,650	31,040	31,080	31,410	31,540	31,890	31,730
Carnation	1,243	1,490	1,770	1,900	1,900	1,900	1,905	1,910	1,915
Clyde Hill	2,957	3,000	2,886	2,780	2,795	2,810	2,805	2,815	2,845
Covington	--	--	13,010	16,610	17,240	17,190	17,360	17,530	17,640
Des Moines	17,283	21,450	26,730	28,960	29,020	29,090	29,180	29,270	29,290
Duvall	2,770	3,490	4,645	5,595	5,735	5,845	5,925	5,980	5,990
Enumclaw	7,227	10,170	10,760	11,190	11,220	11,320	11,470	11,460	11,490
Federal Way	67,449	74,290	77,010	85,800	86,530	87,390	88,040	88,580	88,760
Hunts Point	514	500	472	450	480	480	475	465	470
Issaquah	7,786	9,025	10,260	17,060	19,570	24,710	26,320	26,890	27,160
Kenmore	--	--	16,890	19,290	19,680	19,940	20,220	20,450	20,650
Kent	37,960	44,620	73,140	84,920	85,650	86,660	86,980	88,380	88,760
Kirkland	40,059	42,350	45,090	45,740	47,180	47,890	48,410	49,010	49,620
Lake Forest Park	3,372	7,130	13,070	12,730	12,770	12,770	12,810	12,820	12,840
Maple Valley	--	--	12,800	17,870	19,140	20,020	20,480	20,840	23,130
Medina	2,981	3,050	2,931	2,930	2,945	2,950	2,955	2,970	2,980
Mercer Island	20,816	21,290	21,570	21,710	21,860	22,380	22,650	22,720	22,890
Milton (part)	697	795	925	815	825	825	825	830	835
Newcastle	--	8,052	8,645	8,890	9,175	9,550	9,720	9,925	9,955
Normandy Park	6,709	6,935	7,035	6,385	6,415	6,435	6,425	6,485	6,540
North Bend	2,578	2,925	3,840	4,685	4,690	4,705	4,710	4,760	5,665
Pacific (part)	4,622	5,300	5,475	5,640	5,815	5,945	6,120	6,200	6,220
Redmond	35,800	40,030	44,020	47,600	49,890	50,680	51,320	51,890	53,680
Renton	41,688	44,890	48,270	56,840	58,360	60,290	78,780	83,650	86,230
Sammamish	--	--	30,793	38,640	39,730	40,260	40,550	40,670	41,070
SeaTac	22,701	22,910	22,840	25,140	25,230	25,530	25,720	25,730	25,890
Seattle	516,259	532,900	540,900	573,000	578,700	586,200	592,800	602,000	612,000
Shoreline	--	--	53,140	52,500	52,830	53,190	53,440	54,320	54,580
Skykomish	273	270	273	210	210	210	210	210	225
Snoqualmie	1,546	1,540	2,345	6,345	7,815*	8,600	9,360	9,730	9,850
Tukwila	11,874	14,750	14,870	17,110	17,930	18,000	18,080	18,170	18,190
Woodinville	--	9,615	10,280	10,140	10,350	10,390	10,560	10,670	11,350
Yarrow Point	957	995	975	960	970	975	970	965	995

\*State-certified special census

Source: Washington State Office of Financial Management website, August 2010.

Historically, Washington State's economy and that of the Puget Sound region have been tied to agriculture and resource-based industries. Harvesting and processing of forest products such as lumber, plywood, pulp and paper for western U.S. and export markets, have been important to the region. The trend of the local economic base is now toward non-resource based industries such as machinery and equipment, motor vehicles, shipbuilding, electronics and aerospace manufacturing. The shift from resource-based to manufacturing industries began with the 1967 opening of the Boeing Company's 747 plant in Everett. More recently, the trend has been supported by the development of industries such as computer software, biotechnology, tourism and international trade. Non-resource based industries such as machinery and equipment, motor vehicles, shipbuilding, electronics and aerospace manufacturing now make up the bulk of the Pacific Northwest industrial base. Boeing is one of the nation's largest exporters, with customers in more than 90 countries.

A combination of The Boeing Company's 1994 introduction of the 777 commercial jet airliner and a general resurgence in the aircraft construction industry resulted in strong growth in the first part of that decade. Total revenues in 2006 were \$61.5 billion and there are currently about 12,000 commercial jetliners in service. This is 75±% of the world's fleet (*source: www.boeing.com*). The Boeing Company employs approximately 160,000 people across the United States and in 70 countries, with major operations in the Puget sound area, southern California and St. Louis, Missouri. Boeing has been and remains the region's single most dominant industry; production cycles and changes in the world market for commercial jetliners therefore have a direct effect on the economy in the Puget Sound region. The peak of Boeing's most recent expansion occurred in 1998 and the decline that followed is still occurring. In September 2001, Boeing moved its corporate headquarters from Everett to Chicago, Illinois. Concurrent with this event, the September 11<sup>th</sup> terrorist attacks and two national recessions since then (one on-going) have contributed to the continued downsizing of Boeing's presence in Washington State.

Companywide, 40,000 jobs were eliminated between 2001 and 2008, with December 2004 at the bottom of the prior down cycle. In Washington, Boeing's employment in the state reached a low of 52,800 (down from 80,000) on September 6, 2001. According to the company's website, employment in Washington State in the commercial airplane division (including contract labor) is currently about 72,000. In 2008, revenue for the company's commercial airplane division (BCA) was \$28 billion and it totaled \$34 billion in 2009. The BCA division remains headquartered in Renton.

The Boeing Company continues to account for approximately 5% of the state's non-agricultural employment and 10%± of non-agricultural employment in King and Snohomish counties. A \$1.5 billion expansion completed in 1994 included a 5.6 million square foot addition to the Everett 747/767 plant. Boeing's move into the Everett "twin tower" administrative offices relocated approximately 6,500 employees from the Renton facility in King County. In February 2006, Boeing celebrated the delivery of the 5,000<sup>th</sup> 737; the best selling commercial jetliner of all time.

Final assembly of the new 787 (formerly 7E7) commercial airliner is occurring at the Everett plant. However, there have been numerous delays in the production schedule and a prolonged machinist's strike in 2008. Although the so-called "Dreamliner" made its inaugural flight in December 2009, three years of delays are continuing and the first deliveries have been pushed back yet again and are now scheduled for 2011. A second 787 production line is under construction in Charleston, South Carolina.

In 2004, the US Navy awarded Boeing a \$3.9 billion contract to develop seven multi-mission maritime aircraft. The military planes are a version of the 737 made in Renton, and the order has an estimated value of \$20 billion. This additional work, together with increased demand for 737s and other models, has eliminated the need for layoffs which may otherwise have occurred due to phasing out of the Renton plant's 757 aircraft line in 2003.

With products such as the new 787, the company is continuing with a decade-long transformation from a commercial aircraft company to an integrated aerospace company. Boeing began taking orders for the 787 in April 2004; although market acceptance and orders were strong for several years, many of those orders have been rescinded. Including the net order total for 2010 of minus 4, the total number of orders for the 787 as of August 2010 is 815. Over the next 20 years, Boeing nevertheless anticipates demand for 25,000 new airplanes, with annual growth rates of 5% in passenger traffic and 6% in freight volume. Boeing had orders for a total of 1,022 airplanes in 2006; 1,337 in 2007; 617 in 2008; 263 in 2009 and there are 258 net orders (through August) for 2010, reflecting the current world-wide recessionary environment.

An additional factor affecting the region's economy is that Boeing is contracting with more outside companies to produce airline parts and components; although some of these smaller firms are located in the region, many are in other parts of the US or overseas. Not located in the Pacific Northwest, the space and military technology divisions of Boeing appear to have good future growth potential and it is likely that Boeing's presence in the region will steadily decline over the next several decades.

Interstate Highway 5 is the main north-south freeway on the west coast providing access north to Canada and south to Oregon and California. Interstate Highway 90 is a major freeway leading to the eastern United States. Rail service is available to all parts of the United States, primarily by Burlington Northern/Santa Fe and Union Pacific railroad companies. Puget Sound has the closest major U.S. ports to the Orient; Seattle is the second largest port facility on the west coast and ranks fourth in the U.S. in container traffic volume. The Seattle/Tacoma International Airport provides commercial airline travel and air cargo service for the Puget Sound region. An extensive state ferry system operates throughout Puget Sound.

According to the Washington State Employment Security Dept. website [www.workforceexplorer.com](http://www.workforceexplorer.com), employment for non-agricultural wage and salary workers in the Seattle-Tacoma-Bellevue MSA totaled 1,891,840 in June 2010. Within the Seattle-Tacoma-Bellevue Metropolitan Statistical Area (MSA) there are two subsets: the Seattle-Bellevue-Everett Metropolitan District (MD), made up of King and Snohomish counties, and the Tacoma MD, which is Pierce County.

These workforce numbers are up slightly at 0.02% (70 workers) since June 2009 in the Tacoma MD and down 0.5% (7,510 workers) in the Seattle-Bellevue-Everett MD. Unemployment rates in June 2010 were 9.0% and 8.5%, respectively. In the two counties making up the Seattle-Bellevue-Everett Metropolitan Division, July 2010 unemployment rates are 8.1% in King County and 9.4% in Snohomish County. Unemployment appears to be declining from highs around 8.8% in King and 10.5% in Snohomish at the beginning of 2010 although the effects of the nationwide economic crises and resulting recession continue to adversely affect the Pacific Northwest.

The national and local residential housing markets remain in the midst of an economic crisis fueled by the bursting of the housing bubble and high default rates on “subprime” and adjustable rate mortgages (ARMs). Loan incentives and acceleration in housing prices encouraged borrowers with questionable credit to assume risky mortgages, believing they would be able to quickly refinance to more favorable terms. Subsequently, in many parts of the US, housing prices started to drop, making refinancing more difficult or impossible for many borrowers. Foreclosure and default rates skyrocketed as initial terms expired with home prices plateauing or declining and ARMs beginning to reset at higher interest rates. Falling home values and high foreclosure rates triggered the on-going global financial crisis. Although

2009 and early 2010 brought some hope for a gradual recovery, fears of a “double dip” recession continue and are reflected in real estate markets nationwide.

The Pacific Northwest’s residential real estate market continued its strong performance through 2007 despite the dramatic slowdowns in populated areas of other states such as California, Florida, Nevada and Arizona. However, since 2008, the local picture has been dramatically different. According to the December 2008 Standard & Poor’s Case-Shiller index, a closely watched measure of the national housing market started in 2000, home prices dropped by the sharpest annual rate on record in October 2008 with the 20-city housing index reporting a decrease of 18% from October 2007 and the 10-city index reporting a 19.1% decrease. Three new markets entered double-digit territory with Atlanta, Seattle and Portland reporting annual rates of decline of 10.5%, 10.2% and 10.1%, respectively. Both indices recorded year-over-year declines for most of 2007, 2008 and 2009 and are now back to their autumn 2003 levels.

“While May’s report on its own looks somewhat positive, a broader look at home price levels over the past year still does not indicate that the housing market is in any form of sustained recovery,” says David M. Blitzer, Chairman of the Index Committee at Standard & Poor’s. “Since reaching its recent trough in April 2009, the housing market has really only stabilized at this lower level. The two composites have improved between 5% and 6% since then, but this is no better than the improvement they had registered as of October 2009. The last seven months have basically been flat.”

He goes on to say that, “The May 2010 data for 15 of the 20 MSAs and the two composites show an improvement in annual returns compared to April’s report. With the month-over-month data, while 19 of the 20 MSAs and the two composites were positive, we are in a strong seasonal period for home prices, so that was largely expected. In addition, there may still be some residual impact from the homebuyers’ tax credit, since they affect any purchase that closes through June 30<sup>th</sup> 2010. We need to watch where the housing markets will go after these temporary stimuli go away. June’s existing and new home sales and housing starts data do not show much real improvement in those statistics either. It still looks possible that the housing market might bounce along the bottom for the foreseeable future, before showing any real improvement that will filter through to the rest of the economy.” In Seattle, one of 20 metropolitan areas (MSAs) tracked by Case-Shiller, home prices were down 1.4% between April 2009 and April 2010.

According to an August press release from the National Association of Realtors (NAR), existing homes sales, which are completed transactions that include single family, townhomes, condominiums and co-ops, dropped 27.2% to a seasonally adjusted annual rate of 3.83 million units in July from a downwardly revised 5.26 million in June, and are 25.5% below the 5.14 million-unit level in July 2009.

Lawrence Yun, chief economist for the NAR, said that consumers rationally jumped into the market before the deadline for the home buyer tax credit expired. “Since May, after the deadline, contract signings have been notably lower and a pause period for home sales is likely to last through September. However, given the rock-bottom mortgage interest rates and historically high housing affordability conditions, the pace of a sales recovery could pick up quickly, providing the economy consistently adds jobs.” This however, may be an overly optimistic view since the number of sales is at its lowest level since the NAR’s total existing home sales series was launched in 1999, and single family sales – accounting for the bulk of transactions – are at the lowest level since May 1995. Total housing inventory at the end of July increased 2.5% to 3.98 million existing homes available for sale, which represents a 12.5-month supply at the current sales pace, up from an 8.9-month supply in June.

As reported in the twice-yearly local publication called the “Central Puget Sound Real Estate Research Report” (CPSRERR), King County’s median home price increased from \$380,000 in the third quarter of 2005 to \$432,600 in the third quarter of 2006. This reflects strong growth of 13.8%. The median price rose 9.1% in the subsequent year, to \$472,000 in the third quarter of 2007. By the third quarter of 2008, however, it had fallen almost 10% to \$427,000 and by the fourth quarter of 2009 it had declined to \$375,000, causing many to report that 2010 home prices are similar to what they were in 2005. The median price fell further in the first quarter of 2010 (latest available), to \$370,000. As stated in the year-end 2009 edition of the CPSRERR, “National and Washington State resale housing markets continued to decline in 2009, particularly in the first half of the year. By the time all was said and done the total activity during the year was nearly identical to the year before – both statewide and in the Central Puget Sound counties.”

Also from the year-end 2009 edition of the CPSRERR, following are September 2009 statistics on closed sales and active listings in the county, compared with one, two and three years prior. Also listed for comparison is December 2009, which shows significantly more (53.6%) closed sales than in December

2008, when there were 1,169 (according to the CPSRERR). Also, the number of listings fell 25±% in the three months between September and December 2009. Home resales occurred in King County in the second quarter of 2010 at a rate which was 33% higher than one year ago, according to the “Housing Market Snapshot” prepared by the Washington Center for Real Estate Research. There were a seasonally-adjusted 24,050 resales in the second quarter of 2010. In this same period, building permits were issued for 1,028 dwelling units, which is 21±% higher than one year ago.

<b>Month</b>	<b>Closed Sales</b>	<b>Change from One Year Prior</b>	<b>Active Listings</b>
Dec. 2009	1,795	+53.6%	9,652
Sept. 2009	2,016	+7.7%	12,912
Sept. 2008	1,872	-25.6%	15,438
Sept. 2007	2,512	-22.5%	14,537
Sept. 2006	3,244	N/A	9,890

*Source: "Central Puget Sound Real Estate Research Report". Year-End 2009.*

The total number of single family and multi-family dwelling units authorized by building permits in King County peaked in 1988 at 18,465. Units authorized reached a low in 1991 together with a significant drop in multi-family units to 2,713, a decline of 69% from the prior year. The total number of units continued to generally increase through 1998; most of this increase was in multi-family units authorized, which showed a 200% increase in 1998 over 1991. As shown on the following page, after a general decline for the years 1999 through 2003, another upward trend lasted until 2007 but the precipitous decline in 2008 worsened in 2009, when the total number of building permits issued fell 68.5% from the prior year.

<b>King County</b>			
<b>Dwelling Units Authorized by Building Permits</b>			
<b>Year</b>	<b>Total Units</b>	<b>Single Family</b>	<b>Multi-Family</b>
1988	18,465	6,999	11,466
1989	17,881	8,331	9,983
1990	15,148	6,372	8,776
1991	7,347	4,634	2,713
1992	8,449	4,662	3,787
1993	7,933	4,834	3,099
1994	8,667	5,669	2,998
1995	8,062	4,830	3,232
1996	10,254	4,511	5,743
1997	11,684	5,413	6,271
1998	13,636	5,375	8,261
1999	11,650	4,634	7,016
2000	11,651	4,426	7,225
2001	9,984	4,403	5,881
2002	10,447	5,706	4,741
2003	9,859	6,356	3,503
2004	12,006	6,934	5,072
2005	12,034	6,331	5,703
2006	14,227	5,771	8,456
2007	15,311	5,231	10,080
2008	10,317	2,935	7,382
2009	3,250	1,985	1,265

*Source: "Central Puget Sound Real Estate Research Report," Year-End 2009.*

Plat activity, as measured by the number of plats and lots recorded annually, generally increased between 1998 and 2003. The number of lots decreased significantly between 2003 and 2004 and then fell more gradually until 2007. The total number of lots recorded in 2007 was 45% lower than the peak in 2003. The 2008 total was 25±% lower than 2007 and, in 2009, it was 23.5% lower than in 2008, reflecting the on-going recession and its devastating effects on the market for land suitable for single family residential subdivision.

<b>King County Plat/Lot Activity</b>		
<b>Recorded</b>	<b>Plats</b>	<b>Lots</b>
1991	91	3,684
1992	84	2,198
1993	99	2,885
1994	86	2,730
1995	93	2,606
1996	73	1,734
1997	94	3,402
1998	86	2,213
1999	93	3,218
2000	83	3,335
2001	113	4,790
2002	123	4,412
2003	122	5,563
2004	99	4,023
2005	108	3,837
2006	99	3,586
2007	88	3,018
2008	70	2,250
2009	46	1,722

*Source: "Central Puget Sound Real Estate Research Report." Year-End 2009.*

The table on the following page is a brief summary of historical and projected demographic and employment trends, as published for the county as a whole by the Puget Sound Regional Council in 2006. As noted in the May 19, 2010 update on their website, the county and region subsequently entered into a recession unanticipated by the 2006 forecasts. In addition to working on fully implementing its new forecasting model, "Urban Sim" (this will take until fall 2010 at the earliest), PSRC has augmented the actual estimated data in the forecast database – adding estimates of the actual population, households and employment by FAZ for 2006 and 2008, and revising the year 2000 employment estimates to reflect improvements in the agency's employment database. The PSRC website also states that, "These additional data can be used as base year modeling units, and to evaluate the reasonableness of the forecast years, especially the 2010 and 2020 data, given the current economic downturn that is not reflected in the 2006 forecast work."

<b>King County Population, Household, and Employment Trends</b>									
	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2006</b>	<b>2008</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2040</b>
<i>TOTAL POPULATION</i>	1,270,000	1,510,000	1,737,000	1,835,000	1,884,000	1,893,000	2,075,000	2,235,000	2,401,000
Avg. Household Size	2.55	2.45	2.44	2.45	2.45	2.40	2.32	2.24	N/A
<i>TOTAL HOUSEHOLDS</i>	497,000	616,000	711,000	748,000	769,000	788,000	895,000	997,000	1,107,000
Single-Family Households	348,000	431,000	453,000	477,000	491,000	490,000	533,000	569,000	606,000
Multi-Family Households	149,000	185,000	257,000	271,000	278,000	298,000	362,000	429,000	501,000
Lower Income Households	119,000	143,000	171,000	N/A	N/A	188,000	214,000	238,000	265,000
Lower Mid Inc. Households	119,000	145,000	168,000	N/A	N/A	186,000	212,000	236,000	263,000
Upper Mid Inc. Households	122,000	151,000	172,000	N/A	N/A	192,000	219,000	245,000	271,000
Upper Income Households	138,000	177,000	200,000	N/A	N/A	222,000	250,000	278,000	308,000
<i>TOTAL EMPLOYMENT</i>	697,000	973,000	1,196,000	1,181,000	1,219,000	1,311,000	1,498,000	1,665,000	1,830,000
Manufacturing	146,000	174,000	148,000	N/A	N/A	129,000	120,000	112,000	107,000
WTCU	105,000	140,000	173,000	N/A	N/A	180,000	198,000	212,000	226,000
Retail Trade	127,000	169,000	210,000	N/A	N/A	227,000	255,000	279,000	300,000
FIRES	207,000	353,000	505,000	N/A	N/A	594,000	731,000	860,000	987,000
Government/Education	112,000	136,000	160,000	N/A	N/A	181,000	194,000	201,000	210,000
<i>Source: Puget Sound Regional Council website, August 2010. (Figures are rounded to the nearest thousand.)</i>									

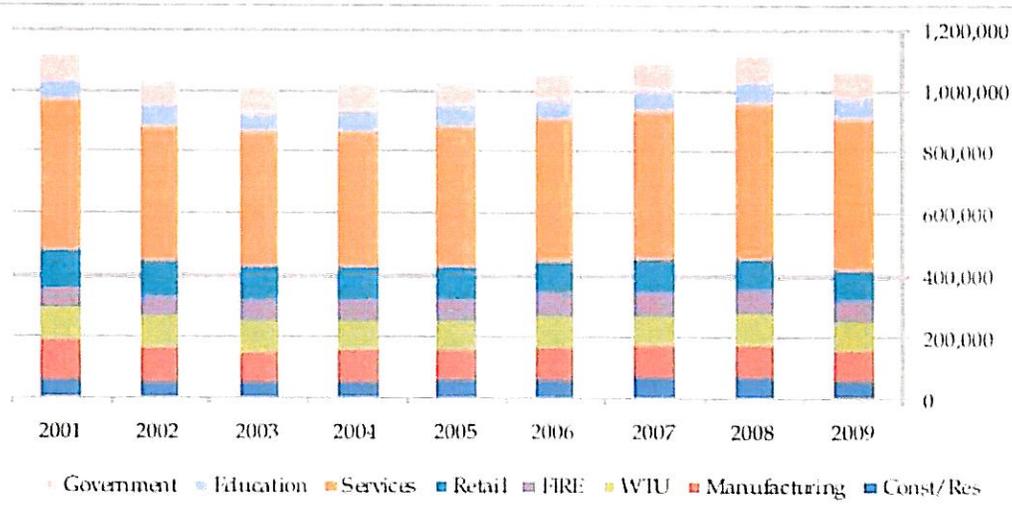
The outlook for King County and the entire Puget Sound region is toward a gradually expanding economic foundation and greater stability of the employment base which will continue to buffer the effects of national economic downturns such as the recent subprime mortgage lending crisis, the ongoing global recession and other factors which cause instability (i.e., high energy costs). In summary, the primary regional industries of agriculture, tourism, aerospace and foreign trade continue to bolster the economic base, subject to market fluctuations and the state of the national economy, while service and electronics manufacturing add further diversification.

King County.0910

**Neighborhood Market Conditions**

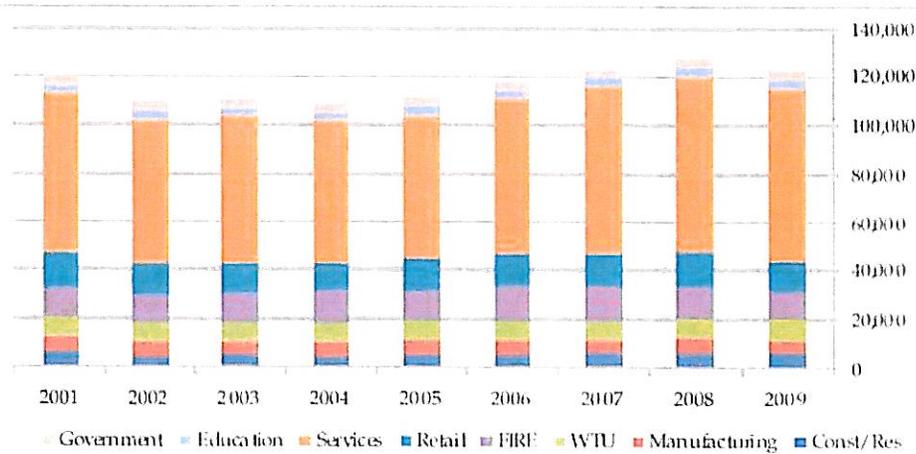
The following series of tables illustrates that most of the jobs in King County, Bellevue and Wilburton are service-related (primarily health care and social assistance, finance and insurance, hospitality and food services). In 2009, 43% of King County jobs were in the services sector, as were 46% of jobs in the Wilburton area. Bellevue’s share of service-related jobs at 57% is up substantially from 1995, when it was only 46% of the total. Also since 1995, Wilburton’s share of total employment in the city decreased from 9.7% to a current level of 5.7%.

**King County Employment Distribution Trends**



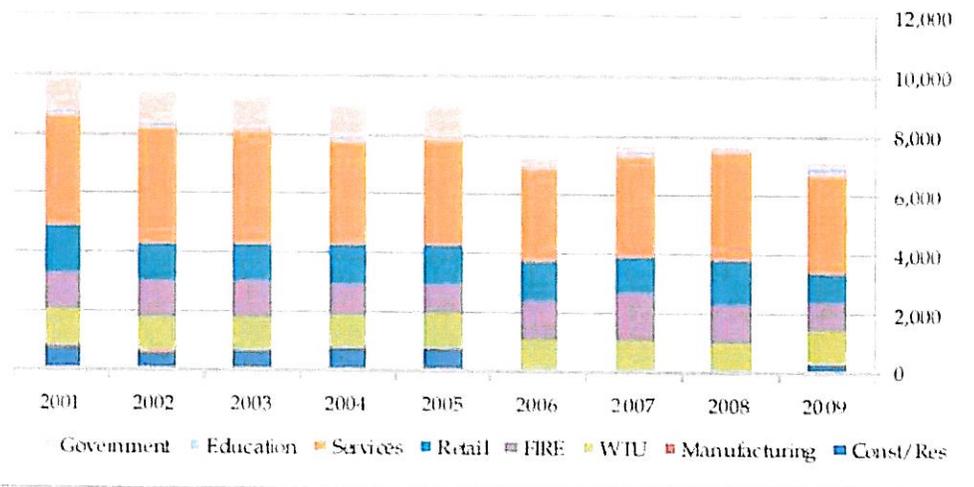
Source: PSRC

**City of Bellevue Employment Distribution Trends**



Source: PSRC

### Wilburton Area Employment Distribution Trends



Source: PSRC

In the commercial office market, downtown Bellevue has outpaced Seattle in terms of rental rates for the last several quarters and the city's vacancy is below the average for the Eastside and for the region as a whole. Vacancy is relatively low in the suburban Bellevue market, which includes Wilburton. However, the stock of office space is older and the average gross rental rates are among the lowest of all the submarkets listed below.

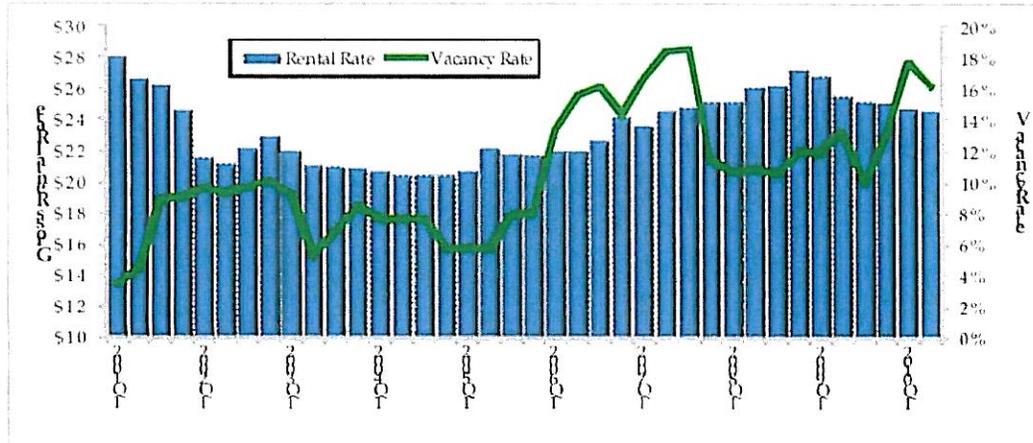
#### Current Office Statistics

	Total Sq. Ft.	Vacancy Rate	Average Rent Rate	YTD Absorption
520/Overlake	3,786,765	15.8%	\$24.26	19,790
Bellevue CBD	9,039,249	12.1%	\$34.74	20,629
<b>Bellevue Suburban</b>	<b>3,902,596</b>	<b>9.7%</b>	<b>\$24.37</b>	<b>(30,534)</b>
Bothell/Woodinville	2,911,651	17.1%	\$23.13	(38,843)
I-90 Corridor	7,566,365	9.4%	\$27.17	318,356
Kirkland/Totem Lake	2,948,684	17.1%	\$27.65	32,004
Redmond/Willocks	3,517,145	21.9%	\$25.24	6,835
<b>Eastside Totals</b>	<b>33,672,455</b>	<b>13.6%</b>	<b>\$28.04</b>	<b>328,237</b>
<b>Seattle Region Total</b>	<b>113,289,706</b>	<b>15.0%</b>	<b>\$25.94</b>	<b>1,458,524</b>

Source: OfficeSpace.com

The following chart shows rental and vacancy rate trends for 28 office properties in the Wilburton area. While this cross section of the suburban Bellevue submarket commands rents slightly above the current average of \$24.37/SF, the vacancy rate is over 16%.

Wilburton Area Office Property Survey



Source: OfficeSpace.com, Heartland

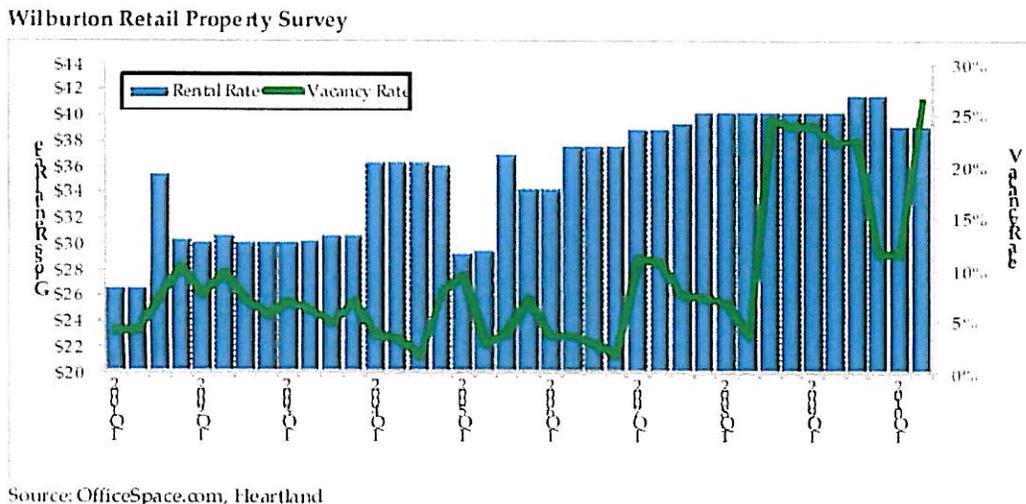
Concerning the retail sector, all the Eastside submarkets except suburban Bellevue have current vacancy rates below 10%, as shown below.

Current Retail Statistics

	Total Sq.Ft.	Vacancy Rate	Average Rent Rate	YTD Absorption
520/Overlake	697,261	9.05%	\$21.46	(15,773)
Bellevue CBD	1,918,937	8.92%	\$29.77	80,684
<b>Bellevue Suburban</b>	<b>926,172</b>	<b>17.09%</b>	<b>\$26.52</b>	<b>(57,437)</b>
Bothell/Woodinville	1,864,165	7.17%	\$26.44	(7,740)
1-90 Corridor	3,278,480	5.47%	\$32.37	88,516
Kirkland/Totem Lake	1,471,191	7.56%	\$24.59	(49,682)
Redmond/Willows	941,588	9.89%	\$28.64	(8,751)
<b>Eastside Totals</b>	<b>11,097,794</b>	<b>8.20%</b>	<b>\$28.40</b>	<b>29,814</b>
<b>Seattle Region Total</b>	<b>49,060,557</b>	<b>10.96%</b>	<b>\$23.33</b>	<b>9,191</b>

Source: OfficeSpace.com

The Wilburton portion of the Bellevue retail submarket comprises roughly one third of the total rentable square footage. Rents are reportedly close to \$40.00/SF on a gross basis, much higher than any of the other submarkets as well as the suburban Bellevue submarket as a whole. Except for a dip at the end of 2009, retail vacancy in Wilburton has been high since early 2008, as shown on the chart below. Little new development activity is taking place in the subject area.



The tables below provide information on 17 office buildings in the subject area (most of which are subject parcels), together with data on rental and vacancy rates for over four million square feet of Class A and B office space in the suburban Bellevue market.

**Availability and Vacancy Building List**

<b>Subj. Map No.</b>	<b>Building Name/ Address</b>	<b>Existing Rentable Bldg Area</b>	<b>Direct Vacant Space</b>	<b>Direct % Vacant</b>	<b>Total SF Vacant</b>	<b>Total % Vacant</b>	<b>Total Available Space (SF)</b>	<b>Direct SF Available</b>	<b>Sublet SF Available</b>	<b>Max SF Contiguous</b>	<b>Avg Rate</b>
48	310 120 <sup>th</sup> Ave NE Ridgewood Corp. Square Bldg A	17,182	5,037	29.3%	5,037	29.3%	5,037	5,037	0	5,037	\$27.50(fs)
48	320 120 <sup>th</sup> Ave NE Ridgewood Corp. Square Bldg B	20,051	1,301	6.5%	1,801	9.0%	1,801	1,301	500	1,301	\$26.54(fs)
49	330 120 <sup>th</sup> Ave NE Ridgewood Corp. Square Bldg C	28,465	2,922	10.3%	2,922	10.3%	16,454	2,922	13,532	13,532	\$27.50(fs)
51	220 120 <sup>th</sup> Ave NE Ridgewood Corp. Square Bldg D	17,342	0	0%	0	0.0%	0	0	0	0	--
51	170 120 <sup>th</sup> Ave NE Ridgewood Corp. Square Bldg E	28,248	19,653	69.6%	19,653	69.6%	19,653	19,653	0	17,217	\$27.50(fs)
55	11811 NE 1 <sup>st</sup> St Eastridge Corp. Ctr. Bldg A	41,534	28,653	69.0%	28,653	69.0%	11,343	11,343	0	7,000	\$15.00(nnn)
54	11911 NE 1 <sup>st</sup> St Eastridge Corp. Ctr. Bldg B	40,874	0	0%	0	0.0%	0	0	0	0	\$15.00(nnn)
53	12011 NE 1 <sup>st</sup> St Eastridge Corp. Ctr. Bldg C	44,670	18,087	40.5%	18,087	40.5%	18,087	18,087	0	7,725	\$14.89(nnn)
52	12111 NE 1 <sup>st</sup> St Eastridge Corp. Ctr. Bldg D	40,874	0	0%	0	0.0%	0	0	0	0	--
43	636 120 <sup>th</sup> Ave NE Park 120 Bldg A	20,785	11,871	57.1%	11,871	57.1%	11,871	11,871	0	7,472	\$26.50(fs)
44	626 120 <sup>th</sup> Ave NE Park 120 Bldg B	19,166	2,870	15.0%	2,870	15.0%	2,870	2,870	0	2,870	\$26.50(fs)
45	616 120 <sup>th</sup> Ave NE Park 120 Bldg C	20,299	5,383	26.5%	5,383	26.5%	5,383	5,383	0	2,723	\$26.50(fs)
46	606 120 <sup>th</sup> Ave NE Park 120 Bldg D	20,364	0	0%	0	0.0%	0	0	0	0	-
-	150 120 <sup>th</sup> Ave NE Ridgewood Corp. Square Bldg F	51,451	0	0%	0	0.0%	0	0	0	0	--
-	11900 NE 1 <sup>st</sup> St Ridgewood Corp. Square Bldg G	65,884	0	0%	0	0.0%	0	0	0	0	-
-	9 Lake Bellevue Dr Nine Lake Bellevue	31,200	0	0%	0	0.0%	0	0	0	0	-
-	40 Lake Bellevue Dr	54,000	4,043	7.5%	4,043	7.5%	4,043	4,043	0	4,043	\$24.60(fs)
<b>Grand Totals</b>		562,389	99,820	17.7%	100,320	17.8%	96,542	82,510	14,032	17,217	\$25.23(fs)

**Aggregate Vacancy Report**

Properties	Space Type	Vacant		Vacant Available		Total Available		Avg Rate	Leasing Activity		Net Absorption	
		SF	%	SF	%	SF	%		QTD	YTD	QTD	YTD
17 existing properties representing 562,389 SF	Direct	99,820	17.7%	82,510	14.7%	82,510	14.7%	\$24.93(fs)	8,987	49,749	6,021	(\$26,404)
	Sublet	500	0.1%	500	0.1%	14,032	2.5%	\$27.30(fs)	0	2,247	0	9,621
	Total	100,320	17.8%	83,010	14.8%	96,542	17.2%	\$25.23(fs)	8,987	51,996	6,021	(16,783)

**Aggregate Historical Vacancy Report – Suburban Bellevue**

Period	Properties	RBA	SF Vacant			% Vacant			SF Vacant Available			% Vacant Available			Average Rate		
			Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	201	4,706,806	513,709	58,425	572,134	10.9%	1.2%	12.2%	489,467	58,425	547,892	10.4%	1.2%	11.6%	\$28,84(\$)	\$22,08(\$)	\$28,19(\$)
2010 2Q	200	4,662,806	429,348	44,643	473,991	9.2%	1.0%	10.2%	403,650	44,643	448,293	8.7%	1.0%	9.6%	\$28,81(\$)	\$22,38(\$)	\$28,26(\$)
2010 1Q	200	4,662,806	454,648	54,145	508,793	9.8%	1.2%	10.9%	422,431	54,145	476,576	9.1%	1.2%	10.2%	\$25,70(\$)	\$22,43(\$)	\$25,30(\$)
2009 4Q	200	4,662,806	444,461	71,071	515,532	9.5%	1.5%	11.1%	397,864	62,892	460,756	8.5%	1.3%	9.9%	\$26,69(\$)	\$21,64(\$)	\$25,79(\$)
2009 3Q	201	4,675,648	442,695	60,864	503,559	9.5%	1.3%	10.8%	381,466	60,864	442,330	8.2%	1.3%	9.5%	\$27,53(\$)	\$22,71(\$)	\$26,67(\$)
2009 2Q	201	4,675,648	423,246	61,514	484,760	9.1%	1.3%	10.4%	410,184	60,864	471,048	8.8%	1.3%	10.1%	\$27,97(\$)	\$23,25(\$)	\$27,08(\$)
2009 1Q	200	4,657,906	399,708	58,577	458,285	8.6%	1.3%	9.8%	366,400	45,045	411,445	7.9%	1.0%	8.8%	\$29,33(\$)	\$23,61(\$)	\$28,22(\$)
2008 4Q	200	4,657,906	385,749	49,527	435,276	8.3%	1.1%	9.3%	376,269	49,527	425,796	8.1%	1.1%	9.1%	\$30,49(\$)	\$23,65(\$)	\$29,40(\$)
2008 3Q	200	4,657,906	302,961	7,793	310,754	6.5%	0.2%	6.7%	293,961	6,655	300,616	6.3%	0.1%	6.5%	\$30,82(\$)	\$23,30(\$)	\$29,74(\$)
2008 2Q	199	4,624,750	273,810	4,638	278,448	5.9%	0.1%	6.0%	235,233	4,638	239,871	5.1%	0.1%	5.2%	\$31,01(\$)	\$23,61(\$)	\$29,80(\$)
2008 1Q	199	4,624,750	297,260	15,840	313,100	6.4%	0.3%	6.8%	256,460	14,429	270,889	5.5%	0.3%	5.9%	\$30,49(\$)	\$24,02(\$)	\$29,39(\$)
2007 4Q	198	4,615,950	348,197	38,077	386,274	7.5%	0.8%	8.4%	265,944	34,463	300,407	5.8%	0.7%	6.5%	\$29,77(\$)	\$23,67(\$)	\$28,70(\$)
2007 3Q	199	4,635,999	358,344	49,505	407,849	7.7%	1.1%	8.8%	278,379	49,505	327,884	6.0%	1.1%	7.1%	\$28,26(\$)	\$23,85(\$)	\$27,57(\$)

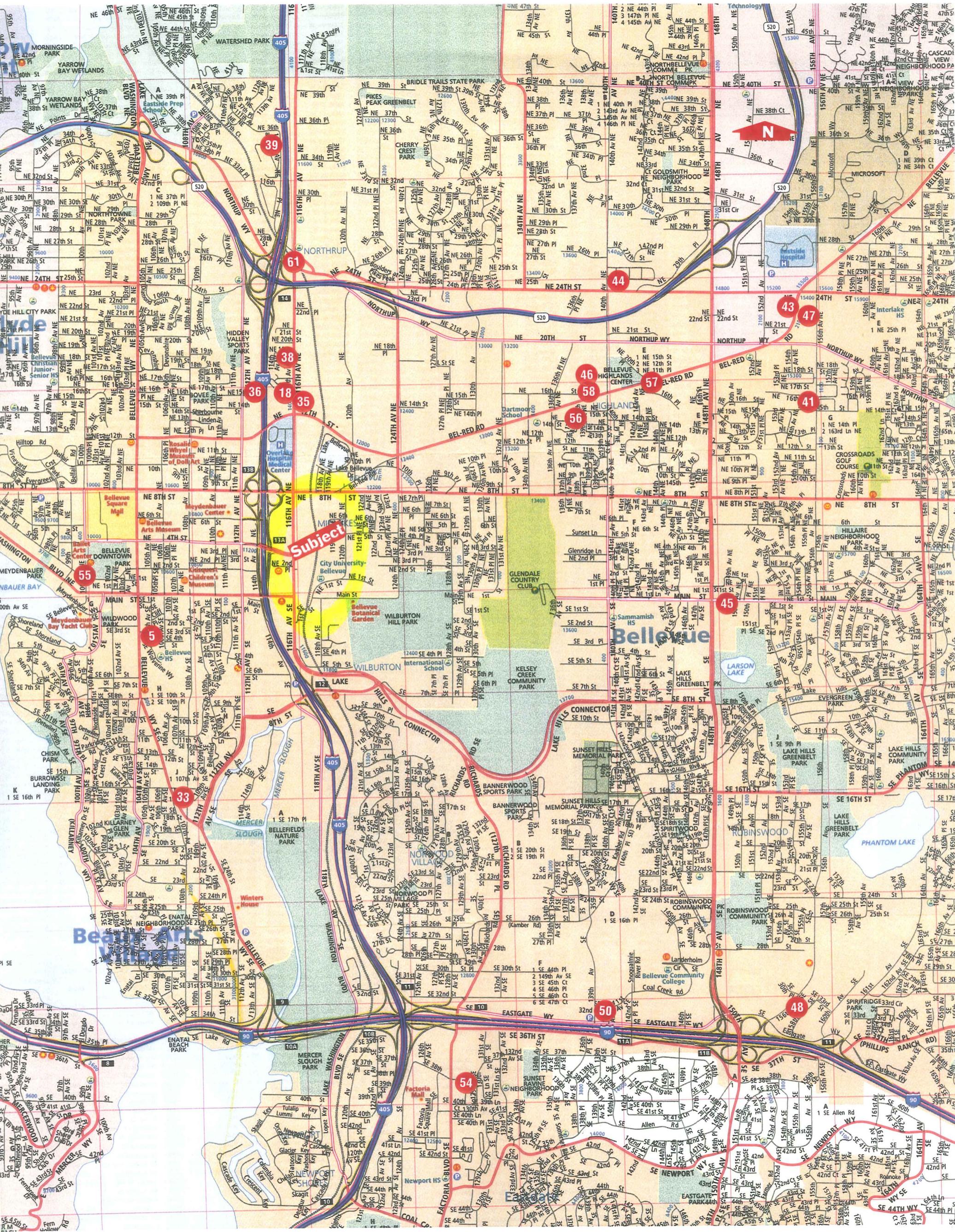
**Building Historical Vacancy Report – Suburban Bellevue**

Period	Properties	RBA	SF Vacant			% Vacant			SF Vacant Available			% Vacant Available			Average Rate		
			Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	17	562,389	99,820	500	100,320	17.7%	0.1%	17.8%	82,510	500	83,010	14.7%	0.1%	14.8%	\$24,93(\$)	\$27,30(\$)	\$25,23(\$)
2010 2Q	17	562,389	105,841	500	106,341	18.8%	0.1%	18.9%	837,309	500	84,209	14.9%	0.1%	15.0%	\$24,31(\$)	\$27,30(\$)	\$24,62(\$)
2010 1Q	17	562,389	93,179	6,825	100,004	16.6%	1.2%	17.8%	93,179	6,825	100,004	16.6%	1.2%	17.8%	\$24,82(\$)	\$17,49(\$)	\$24,30(\$)
2009 4Q	17	562,389	73,416	10,121	83,537	13.1%	1.8%	14.9%	65,340	10,121	75,461	11.6%	1.8%	13.4%	\$25,98(\$)	\$17,48(\$)	\$24,48(\$)
2009 3Q	17	562,389	73,954	1,049	75,003	13.1%	0.2%	13.3%	66,970	1,049	68,019	11.9%	0.2%	12.1%	\$25,58(\$)	\$21,62(\$)	\$24,83(\$)
2009 2Q	17	562,389	80,496	1,049	81,545	14.3%	0.2%	14.5%	80,496	1,049	81,545	14.3%	0.2%	14.5%	\$25,96(\$)	\$23,85(\$)	\$25,66(\$)
2009 1Q	17	562,389	81,072	14,581	95,653	14.4%	2.6%	17.0%	75,657	1,049	76,706	13.5%	0.2%	13.6%	\$29,19(\$)	\$23,50(\$)	\$27,95(\$)
2008 4Q	17	562,389	78,579	1,049	79,628	14.0%	0.2%	14.2%	78,579	1,049	79,628	14.0%	0.2%	14.2%	\$31,31(\$)	\$23,52(\$)	\$29,70(\$)
2008 3Q	17	562,389	53,524	1,049	54,573	9.5%	0.2%	9.7%	53,524	1,049	54,573	9.5%	0.2%	9.7%	\$31,46(\$)	\$23,52(\$)	\$29,82(\$)
2008 2Q	17	562,389	52,538	0	52,538	9.3%	0.0%	9.3%	50,500	0	50,500	9.0%	0.0%	9.0%	\$30,96(\$)	\$23,27(\$)	\$29,18(\$)
2008 1Q	17	562,389	69,088	0	69,088	12.3%	0.0%	12.3%	69,088	0	69,088	12.3%	0.0%	12.3%	\$31,13(\$)	\$23,14(\$)	\$28,99(\$)
2007 4Q	17	562,389	38,780	23,533	62,313	6.9%	4.2%	11.1%	38,780	19,919	58,699	6.9%	3.5%	10.4%	\$31,22(\$)	\$22,90(\$)	\$28,89(\$)
2007 3Q	17	562,389	53,825	21,165	74,990	9.6%	3.8%	13.3%	52,329	21,165	73,494	9.3%	3.8%	13.1%	\$26,77(\$)	\$23,56(\$)	\$26,01(\$)

Bellevue – Subject Land Sales 2006 to Present						
Subject Map No(s).	Address	Sale Date	Sale Price	Gross Land Area (SF) per Assessor	Price Per SF	Zoning
23, 24 & 25	116th Ave NE	5/1/2006	\$23,500,000	300,260	\$78.27	GC
22	400 116th Ave NE	11/13/2007	\$6,000,000	74,923	\$80.08	GC
22 - 25	200 - 316 116th Ave NE	8/19/2009	\$35,794,758	375,183	\$95.41	GC
72	117 118th Ave SE	9/20/2006	\$1,224,000	31,257	\$39.16	O/MF-M
18 - 20	430 & 600 116th Ave NE	8/1/2007	\$15,500,000	217,201	\$71.36	GC

Bellevue -- Sales of Improved Subject Parcels—2006 to Present									
Subject Map No.	Address	Sale Date	Sale Price	Zoning	Gross Land Area (SF) per Assessor	Price per SF of Land, Including Impr.	Impr. Type	Bldg. Size (SF of NRA)	Year Built
41	12001 NE 8th Street	12/8/2009	\$856,894	GC	30,000	\$28.56	Convenience store & car wash	1,125	1990
43 - 46	606-636 120th Ave NE	12/21/2007	\$17,250,000	O	219,276	\$78.67	4 office buildings	90,210	1980 & 1981
43 - 46	606-636 120th Ave NE	5/10/2010	\$12,000,000	O	219,276	\$54.73	4 office buildings	90,210	1980 & 1981
38	457 120th Ave NE	7/3/2007	\$21,000,000	PO	172,868	\$121.48	Big box retail	46,820	2002
51	220-330 120th Ave NE	11/19/2009	\$16,390,164	O/PO	318,893	\$51.40	5 office buildings	161,152	1985 & 1989
50	150 120th Ave NE	11/19/2009	\$7,191,967	O	143,370	\$50.16	Office building	73,374	1989
40	11900 NE 1st Street	11/19/2009	\$8,492,869	O	163,350	\$51.99	Office building	102,786	1990
62	100 116th Ave SE	1/5/2006	\$2,875,000	GC	29,000	\$99.14	Class C office bldg.	15,003	1969
59	301 116th Ave SE	7/7/2006	\$15,950,000	OLB	157,400	\$101.33	Class B office bldg.	68,569	1979/1998
74	275 118th Ave SE	9/15/2006	\$4,400,000	OC	57,033	\$77.15	Class B office bldg.	20,875	1984
75	325 118th Ave SE	4/28/2006	\$6,800,000	OC	103,110	\$65.95	Class B office bldg.	37,000	1984
76	355 118th Ave SE	2/19/2008	\$2,840,000	O-C	N/A--condos	N/A--condos	Class B office bldg. (2 office condos)	7,436	1988
78	365 118th Ave SE	5/23/2008	\$2,132,194	O-C	26,792	\$79.58	Office condo bldg (8 units)	7,949	1990
78 A & B	Units 100 & 101	5/23/2008	\$892,182	O-C	N/A--condos	N/A--condos	2 office condos	2,705	1990
78 G	365 118th Ave SE, Unit 200	9/19/2008	\$1,116,000	O-C	N/A--condo	N/A--condo	Class B office condo.	2,260	1990
78 H	365 118th Ave SE, Unit 201	4/15/2009	\$300,000	O-C	N/A--condo	N/A--condo	Class B office condo.	680	1990
79	375 118th Ave SE	2/27/2007	\$2,305,000	O-C	26,437	\$87.19	Class B medical condo bldg.	8,543	1987
79 B	375 118th Ave SE, Unit 102	12/19/2008	\$545,000	O-C	N/A--condo	N/A--condo	Medical condo.	1,443	1987
79 C	375 118th Ave SE, Unit 103	9/6/2007	\$660,000	O-C	N/A--condo	N/A--condo	Medical condo.	1,443	1987
67	11636 SE 5th Street	9/14/2007	\$1,137,000	PO	7,500	\$151.60	Class C office bldg.	3,176	1965
68 & 69	11715 SE 5th Street	6/27/2007	\$2,700,000	PO	20,200	\$133.66	Class B office bldg.	9,744	1984/1990

# Commercial Land Sales Map



**Sales of Commercial Land in Neighborhoods to the North, East and South of the Subject Area**

<b>Sale No.</b>	<b>Address</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>Gross Land Area (SF) per Assessor</b>	<b>Price Per SF</b>	<b>Zoning</b>
<b>NORTH OF CBD/520 CORRIDOR</b>						
35	East of 116th Ave. NE, north of NE 12th Street	3/16/2009	\$13,000,000	290,923	\$44.69	MI-DA3
36	11232 NE 15th Street	1/5/2007	\$1,000,000	18,251	\$54.79	O
38	1835 116th Avenue NE	5/23/2008	\$3,000,000	34,997	\$85.72	O
38A	1835 116th Avenue NE	2/15/2006	\$2,000,000	34,997	\$57.15	O
39	3421 115 th Avenue NE	5/16/2007	\$1,000,000	67,097	\$14.90	R-20
61	11550 Northup Way	5/1/2009	\$1,050,000	14,912	\$70.41	GC
<b>BEL-RED AND EAST OF SUBJECT AREA</b>						
41	15 156th Avenue NE	6/9/2006	\$600,000	24,751	\$24.24	CB (King Co.)
43	2245 Bel-Red Rd.	12/30/2009	\$7,260,000	65,700	\$110.50	RC
44	2400 140th Ave NE	10/29/2009	\$1,800,000	37,549	\$47.94	PO
45	106 148th Avenue SE	9/28/2009	\$1,800,000	22,499	\$80.00	NB
46	13664 NE 16th Street	8/31/2009	\$650,000	14,122	\$46.03	GC
47	2211 156th Avenue NE	3/16/2007	\$15,000,000	191,900	\$78.17	CB
56	13705 NE Bel Red Rd.	4/28/2006	\$760,000	25,854	\$29.40	O
57	14505 Bel-Red Rd.	6/30/2009	\$1,372,000	28,822	\$47.60	O/C
58	13654 NE 16th Street	2/23/2007	\$1,500,000	12,651	\$118.57	GC
62	16135 NE 85th Street, Redmond	6/1/2010	\$5,500,000	99,883	\$55.06	TWNC
<b>SOUTH OF CBD (INCLUDING FACTORIA)</b>						
5	302 Bellevue Way	2/28/2008	\$500,000	16,503	\$30.30	O
33	1649 108th Ave SE	11/26/2008	\$450,000	20,272	\$22.20	NB
48	3240 156th Avenue SE	8/26/2009	\$2,800,000	33,944	\$82.49	OLB
50	SE Eastgate Way & 139th Avenue SE	3/3/2006	\$3,900,000	100,380	\$38.85	OLB
54	3830 Factoria Blvd.	9/18/2008	\$750,000	16,515	\$45.41	PO
55	35 100th Ave NE	3/15/2006	\$500,000	4,700	\$106.38	O

Sales of Improved Office Properties in Neighborhoods to the East, North and South							
Sale No.	Address	Sale Date	Sale Price	Land Area (SF)	Zoning	Impr. Type	SF (NRA)
<b>SUBJECT AREA (EXCLUDING SUBJECT PARCELS)</b>							
O1	1412 112th Ave NE	11/30/2007	\$3,000,000	27,565	OC	Class B office bldg.	9,359
O2	1220 116th Ave NE	7/18/2007	\$2,600,000	25,064	O	Class B medical bldg.	10,200
O3	12330 NE 8th Street	5/30/2007	\$2,160,000	23,649	O	Class C office bldg.	6,750
O4	1 Lake Bellevue Drive, various units	Various (2007 - 2009)	\$380,000 to \$630,000	N/A (condos)	GC	Class B office condos.	740 - 1,386
O58	2000 116th Ave NE	9/10/2007	\$2,350,000	29,341	O	medical office bldg.	8,271
O59	1632 116th Ave NE	10/16/2008	\$6,300,000	57,499	O	medical office bldg.	16,080
O83	12000 NE 8th Street	5/14/2007	\$522,500	GC	33,440	Class B office bldg.	15,800
<b>BEL-RED AND EAST OF SUBJECT AREA</b>							
O5	1510 & 1520 140th Ave NE	11/9/2007	\$4,436,000	116,741	O	2 Class B office bldgs.	14,230
O6	1530 140th Ave NE	11/9/2007	\$2,218,000	N/A (condo)	O	Class B office bldg.	7,115
O7	1540 140th Ave NE	1/29/2007	\$2,354,099	N/A (condo)	O	Class B office bldg.	7,115
O8	1550 140th Ave NE	1/4/2008	\$2,218,000	116,532	O	Class B office bldg.	7,115
O9	1560 140th Ave NE	1/12/2007	\$2,312,750	21,410	O	Class B office bldg.	7,115
O10	1951 152nd Ave NE	12/31/2008	\$9,750,000	66,211	O-C	Class B office bldg.	33,156
O11	2001 152nd Ave NE	6/11/2008	\$2,294,000	11,761	RC	Class B office bldg.	7,650
O12	2015 - 2025 152nd Ave NE	3/14/2008	\$3,455,000	21,780	RC	Class C office bldg.	13,505
O13	2700 156th Ave NE	9/6/2007	\$20,939,123	95,335	O	Class A office bldg.	49,274
O14	13850 NE 16th Street	11/5/2007	\$2,100,000	15,551	LI	Class C office bldg.	4,000
O15	158885 NE 28th Place	6/2/2008	\$4,600,000	42,467	EHD	Class B office bldg.	12,020
O16	12505 NE Bed-Red Rd.	12/11/2007	\$5,438,000	50,094	O	Class B office bldg.	18,645
O16A	12505 NE Bed-Red Rd.	5/2/2006	\$2,900,000	50,094	O	Class B office bldg.	18,645
O17	13333 NE Bel-Red Rd.	5/9/2008	\$3,200,000	28,980	O	Class B office bldg.	10,427
O18	13353 NE Bel-Red Rd.	3/19/2008	\$2,900,000	128,938	O	Class B office bldg.	9,792
O19	1550 140th Ave NE, Unit 100	6/6/2008	\$926,000	N/A (condo)	O	Class B office condo.	1,571
O20	1600 148th Ave, Bldg. A	1/15/2007	\$1,550,000	23,522	PO	Class B office bldg.	4,496
O21	2011 152nd Ave NE	9/14/2007	\$1,550,000	10,977	RC	Class B office bldg.	7,163
O22	2027 152nd Ave NE	7/31/2008	\$1,769,142	11,029	RC	Class B office bldg.	6,880
O23	2249 152nd Ave NE	10/28/2008	\$1,705,000	10,964	C	Class B office bldg.	6,445
O24	13555 NE Bel-Red Rd.	1/3/2006	\$4,100,000	120,661	OLB	Class B office bldg.	32,333
O25	13654 NE 16th Street	12/31/2008	\$612,000	12,632	GC	Class C office bldg.	2,386
O26	15227 NE 20th Street	5/15/2007	\$1,075,000	17,729	O	Class C office bldg.	1,700
O27	14019 NE 8th Street	9/17/2007	\$616,000	9,148	PO	Class C office bldg.	1,303
O28	12737 NE Bel-Red Rd.	11/10/2006	\$3,200,000	52,263	O	Class C office bldg.	11,324

Sales of Improved Office Properties in Neighborhoods to the East, North and South							
Sale No.	Address	Sale Date	Sale Price	Land Area (SF)	Zoning	Impr. Type	SF (NRA)
O29	12715 NE Bel-Red Rd.	7/7/2008	\$750,000	N/A (condo)	O	Class C office condo.	1,680
O30	14475 and 14335 NE 24th Street	8/6/2008	\$38,500,000	379,843	GC	2 Class B office bldgs.	143,191
O31	13701 Bel-Red Rd.	4/16/2008	\$750,000	14,810	O	Class C office bldg.	2,072
O60	3245 & 3305 158th Ave SE	4/24/2007	\$22,000,000	342,151	OLB & PLA15-A	Two Class A multi-tenant office	134,235
O61	15800-15900 SE Eastgate Way	12/6/2007	\$41,200,000	363,792	OLB	Two three-story Class B office buildings	141,865
O62	3350 - 3460 161st Ave SE	4/5/2010	\$27,000,000	263,975	O	Two Class B office buildings	86,128
O63	3190 160th Ave SE	2/21/2008	\$15,300,000	159,554	OLB	Single tenant office building	65,843
O64	3245 158th Ave SE	6/7/2007	\$12,714,689	172,202	OLB	Class A multi-tenant office building	67,408
O65	3305 160th Ave SE	6/7/2007	\$12,714,689	169,949	PLA15-A	Class A multi-tenant office building	66,827
O66	14670 NE 8th St	8/4/2008	\$7,850,000	41,276	PO/C	Class B multi-tenant office building	11,301
O67	15921 NE 8th St	4/28/2008	\$5,250,000	29,444	O	Class B multi-tenant office building	10,629
O68	1520 140th Ave NE	11/16/2007	\$2,218,000	N/A--condo	O	Class B commercial condo	7,115
O69	1510 140th Ave NE	11/16/2007	\$2,218,000	N/A--condo	O	Class B commercial condo	7,115
O71	14821 SE 16th St	6/7/2007	\$1,100,000	26,880	PO	Class C medical/dental office bldg.	2,966
<b>NORTH OF CBD/520 CORRIDOR</b>							
O32	2300 & 2340 130th Ave NE	10/1/2007	\$8,818,000	142,158	PO	2 Class B office bldgs.	34,246
O33	2100 112th Ave NE	4/27/2007	\$3,250,000	53,143	O	Class B office bldg.	10,390
O34	1632 116th Ave NE	9/30/2008	\$6,300,000	57,499	O	Class B medical bldg.	18,145
O35	2000 116th Ave NE	9/10/2007	\$2,350,000	29,342	O-C	Class B medical bldg.	9,190
O36	2606 116th Ave NE	10/14/2008	\$13,500,000	86,462	OLB	Class B office bldg.	33,195
O37	2320 130th Ave NE, bldg. E	6/4/2008	\$6,280,000	56,192	PO	Class B office bldg.	25,064
O38	1800 136th Place NE	2/10/2010	\$3,000,000	88,048	GC	Class B office bldg.	23,700
O40	1833 114th Ave.	9/21/2007	\$1,350,000	8,799	O	Class B office bldg.	2,458
O41	2135 112th Ave NE	9/29/2006	\$1,600,000	21,432	O/C	Class C office bldg.	6,300
O42	1833 NE 114th Avenue	7/27/2006	\$799,950	8,494	O	Class C office bldg.	2,486
O43	1310 116th Ave NE	8/11/2006	\$3,500,000	52,011	O	Class C medical bldg.	14,180
O44	1545 116th Avenue NE	4/28/2006	\$2,250,000	44,222	O	Class C medical bldg.	9,323
O45	1551 116th Ave NE	11/27/2006	\$2,500,000	43,347	O	Class B medical bldg.	8,306
O46	2310 130th Ave NE	10/6/2006	\$4,005,000	35,954	PO	Class B office bldg.	18,144
O47	1705 132nd Ave NE	5/30/2006	\$3,550,000	102,440	LI	Class C office bldg.	23,943

Sales of Improved Office Properties in Neighborhoods to the East, North and South							
Sale No.	Address	Sale Date	Sale Price	Land Area (SF)	Zoning	Impr. Type	SF (NRA)
O72	13427 - 13433 NE 20th St	9/10/2008	\$14,500,000	206,281	GC	Class B multi-tenant office building	67,523 office 22,234 retail
O73	11900 NE 1st St	11/19/2009	\$8,492,869	163,350	O	Class B multi-tenant office building	65,884
O74	150 120th Ave NE	11/19/2009	\$7,191,967	143,312	O	Class B multi-tenant building	51,451
O75	2021 152nd Ave NE	3/19/2008	\$3,455,000	21,780	RC	Two Class B office buildings	13,505
O76	8244 122nd Ave NE	1/27/2010	\$2,505,000	48,787	PR 3.6	Class B multi-tenant office building	12,525
O77	1854 115th Ave NE	3/7/2008	\$1,150,000	10,018	O	Class C office bldg.	1,440
<b>SOUTH OF CBD (INCLUDING FACTORIA)</b>							
O48	3350 & 3460 161st Ave SE	4/5/2010	\$27,000,000	263,974	O/C	2 Class B office bldgs.	45,636
O48A	3350 & 3460 161st Ave SE	5/15/2006	\$22,440,000	263,974	O/C	2 Class B office bldgs.	45,636
O49	15800 & 15900 SE Eastgate Way	12/6/2007	\$41,190,000	727,517	OLB	2 Class B office bldgs.	141,865
O50	3245 158th Ave SE & 3305 160th Ave SE	5/29/2007	\$25,429,378	342,120	OLB	2 Class A office bldgs.	67,408
O51	3190 160th Ave SE	2/19/2008	\$15,300,000	159,560	OLB	Class B office bldg.	60,423
O52	13555 SE 36th Street	12/22/2009	\$12,750,000	209,088	OLB	Class B office bldg.	84,037
O53	14100 SE 36th Street	9/2/2008	\$6,000,000	51,431	OLB	Class B medical bldg.	21,090
O54	12827 SE 40th Place	7/13/2006	\$1,180,000	17,001	CB	2 Class C office bldgs.	5,368
O55	12838 SE 40th Place	8/31/2006	\$2,300,000	28,815	CB	Class C office bldg.	9,440
O56	12410 SE 32nd Street	1/31/2006	\$3,085,000	76,971	O	Class C office bldg.	20,500
O57	14405 SE 36th Street	8/11/2006	\$6,875,000	50,530	OLB	Class B office bldg.	28,500
O78	1606 148th Ave SE	1/12/2007	\$4,480,000	41,561	PO	Two Class B multi-tenant office buildings	14,826
O79	11715 SE 5th St	7/2/2007	\$2,700,000	20,200	PO	Class B multi-tenant office buildings	8,008
O82	1837 156th Ave NE	10/6/2009	\$370,000	37,868	O	Class B office condo	12,228

**Sales of Improved Retail Properties Since 2006 – Suburban Bellevue**

<b>Sale No.</b>	<b>Address</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>Land Area (SF)</b>	<b>Zoning</b>	<b>Impr. Type</b>	<b>Bldg. SF (NRA)</b>	<b>AV Impr.</b>	<b>Yr. Built</b>
R1	2021 130th Ave NE	7/7/2006	\$9,100,000	87,120	LI	Neighborhood retail center	55,250	\$3,946,400	1979
R2	14919 NE 20th Street	1/19/2006	\$3,100,000	40,729	O	Strip retail center	13,011	\$1,405,900	1973
R3	14510 - 14600 NE 24th Street	11/1/2006	\$6,350,000	60,528	GC	Auto dealership	22,763	\$1,717,900	1988
R4	2444 Bel-Red Rd	4/24/2009	\$4,100,000	38,965	CB	Convenience store with gas pumps	1,997	\$1,231,000	1999
R5	106 148th Ave SE	9/28/2009	\$1,800,000	22,500	NB	Gas station and car wash	1,933	\$432,900	1963
R6	16256 NE 8th St	3/28/2007	\$1,800,000	22,500	O	Service station	1,998	\$752,400	1970
R7	2421 148th Ave NE	12/11/2007	\$1,877,156	39,125	GC	Convenience store with gas pumps	800	\$457,500	1984

Market Office Rental Rate Tabulation - Subject Buildings					
Map No.	Address	NRA SF	Yr. Blt.	Land Area (SF)	Rental Rates
61	Pryde Building, 50 116th Ave SE	20,250	1985	49,658	Second floor office (4,188 SF) leased 10/22/07 for \$26.50 to \$27.50/SF fully serviced. 2,006 SF space leased to Synchronoss Technologies, Inc. 3/10/08 on triple net terms; 2,962 SF leased 5/1/08 to Old Republic Title on 5/1/08 NNN rates.
77	Wilburton Ridge Office Park - 345 Buiding 345 118th Avenue SE	8,442	1990	22,402	Leased a 514 SF office space on the second floor for \$18.00/SF fully serviced on 4/1/2010. Leased 1,301 SF office on first floor for \$22.00/SF fully serviced on 1/20/10. Leased 2,367 SF on 1st floor for \$18.00/SF fully serviced on 3/15/10. Also available is a 1,768 SF suite on the first floor, asking \$18.00/SF fully serviced.
78	Wilburton Ridge Office Park - Buiding A 365 118th Avenue SE	1,201	1990	22,402	1,201 SF office leased 1/27/10 for \$23.00/SF fully serviced. One 800 SF space available, asking \$21.00 - \$23.00/SF fully serviced.
I	653 116th Avenue NE	1,210	1966	4,200	Asking \$3,500/month plus \$500 expenses (NNN). Building is 1,210 SF @ \$4,000/mo. Is \$39.67/SF/yr. It has been for lease for 6 months.
J	11810 NE 8th Street	9,546	1961	20,600	NW Rug Galleries has been vacant for 2½ months. A 1,475 SF single retail space - asking \$18.00/SF triple net on a 1½ year lease.
R	Longwell Building 12000 NE 8th Street	28,810	1989	92,852	830 SF of office just became vacant. Asking \$24.00/SF fully serviced on a 3 year lease.
4	Lincoln Center (owned by City of Bellevue) 515 116th Avenue NE	29,176	1975	184,005	29,000± SF building, about half is vacant. Asking \$16.00 - \$18.00/SF. Spaces are 800 SF to 1,100 SF. Has been doing "some deals" at \$16.00/SF.
63	Westridge Office Building 11661 SE 1st Street	11,464	1972	23,920	All space currently occupied, but an 800 SF space will be open soon. Asking \$20.00/SF fully serviced.
34	Former Larry's Market 699 120th Avenue NE	83,549	1990	253,174	Asking \$35.00/SF for 1,303 SF space NNN, 3,662 SF space available asking \$35.00/SF NNN, both in strip retail centers fronting on 120th. 66,833 SF former Larry's Market available for \$25.00/SF on triple net terms.
43	Building A 606-636 120th Avenue NE	18,740	1980	54,519	Asking \$26.50/SF fully serviced for St A102, a 4,399 SF space. Asking \$26.50/SF fully serviced for Ste A201, a 7,472 SF space.
44	Building B 626 120th Avenue NE	18,740	1980	55,321	Asking \$26.50/SF fully serviced for Ste B100, a 2,870 SF space.
45	Building C 626-636 120th Avenue NE	18,740	1981	54,256	Asking \$26.50/SF fully serviced for Ste C111, a 2,723 SF office suite, also asking \$26.50/SF for Ste C204, a 2,660 SF suite.
48	Ridgewood Corporate Square 310 120th Avenue NE	20,051	1985	98,176	Asking \$27.50/SF fully serviced for Ste 200, a 1,049 SF space in Bldg B. Building A has ste 203, a 2,730 SF space asking \$27.50/SF fully serviced and Ste 205 is a 2,307 SF suite also asking \$27.50/SF fully serviced.
49	Ridgewood Corporate Square 330 120th Avenue NE	28,465	1985	84,126	Asking \$27.50/SF fully serviced for Ste 210, a 13,532 SF space in Bldg C. Also, Ste 205 a 2,922 SF space asking again \$27.50/SF fully serviced.
51	Ridgewood Corporate Square 170 120th Avenue NE	28,248	1989	136,591	Asking \$27.50/SF fully serviced for 11,057 SF in Ste 100 in Bldg E. Also Ste 101 asking again \$27.50/SF fully serviced for a 6,160 SF suite and Ste 200 2,436 SF suite available, same rate.
74	Belle View Office Park 275-325 118th Avenue SE	20,875	1984	57,033	Asking \$21.00/SF fully serviced for Ste 100/105 an 1,885 SF space.
79	Wilburton Ridge 375 118th Avenue SE	7,786	1987	26,437	A 1,479 SF space leased in May 2009 (no rate shown)

**Market Office Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Bld</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
1	Pacific International Bldg 2700 Richards Road	38,952	1990	81,023	23,510 SF office space leased 1/10 for \$28.00/SF; Ste 201 & 202 leased 1/10 for \$28.00/SF for 10,778 SF; 4,345 SF leased 1/10 for \$28.00/SF, all fully serviced.
2	14100 SE 36th Street	21,086	1986	51,400	1,294 SF leased 2/10 for \$26.50/SF fully serviced.
3	12600 Building 12600 SE 38th Street	50,883	1980	147,301	Ste 103 leased 2/10 for \$25.00/SF fully serviced for a 1,354 SF office space.
4	Sunset North Corporate Campus, Building 4 3150 139th Avenue SE	156,900	1999	33,447	31,722 SF of first floor space leased 4/10 for \$22.00/SF NNN with \$9.43/SF triple net charges. 31,811 SF of third floor space leased at \$22.00/SF NNN in 4/10 and 31,811 SF of 4th floor space leased for \$22.00/SF NNN.
5	Crestwood Corporate Plaza 14725 SE 36th Street	64,837	2001	38,073	A 6,724 SF fourth floor space is sublet for \$22.00/SF fully serviced 2/10 to expire 10/11.
6	Lincoln Executive Center 3380 146th Place SE	83,134	1984	125,352	A 6,698 SF suite was leased 3/10 for \$22.00/SF fully serviced. A 1,940 SF space was leased 1/10 for
7	Sunset Corporate Campus 13810 SE Eastgate Way	148,035	1992	360,835	A 7,765 SF suite leased 2/10 for \$22.00/SF NNN.
8	Sunset North Corporate Campus, Building 3 3180 139th Avenue SE	142,871	1999	47,045	A 5,699 SF space was sublet 1/10 for \$20.00/SF fully serviced. The sublease expires 5/31/13.
9	Eastgate Office Park - Building IV 15395 SE 30th Place	116,425	1984	611,265	A 6,498 SF space was leased 3/10 for \$20.00/SF NNN. Triple net charges are \$10.84/SF.
10	PCL Building 15405 SE 37th Street	50,050	1999	135,471	A 2,916 SF space leased 3/10 for \$18.00/SF NNN. Triple net charges are \$8.50/SF.
11	NCR Building 15400 SE 30th Place	50,259	1985	138,085	4,224 SF leased 2/10 for \$17.00/SF NNN with \$8.35/SF triple net charges.
12	Kirkland Lakeview 6710 108th Avenue NE	48,412	2000	63,388	A 2,526 SF ground floor suite was leased 4/10 for \$31.00/SF fully serviced.
13	620 Kirkland Way Bldg 620 Kirkland Way	20,930	1989	40,214	An 865 SF space leased 2/10 for \$27.00/SF fully serviced.
14	Carillon Point - 5000 Bldg 5245 Lake Washington Blvd	105,340	1989	186,001	An 18,410 SF suite leased 4/10 for \$26.75/SF NNN. Triple net charges are \$12.05/SF.
15	Mountain Pacific - West 11808 Northup Way	44,079	1983	104,980	A 3,965 SF space leased for \$26.50/SF fully serviced in 3/10.
16	40 Lake Bellevue Drive	55,700	1988	68,825	A 2,890 SF office on the 3rd floor leased for \$25.00/SF in 1/10. A 1,263 SF space leased 1/10 for \$22.00/SF, a 1,072 SF space leased 1/10 for \$22.00/SF, all fully serviced.

Market Office Rental Rate Tabulation (Excluding Subject Parcels)					
Rental No.	Address	NRA SF	Yr. Blt	Land Area (SF)	Rental Rates
17	Plaza Yarrow Bay 1 10220 Points Drive NE	48,486	1987	99,470	A 3,182 SF space leased 3/10 for \$24.00/SF NNN. Triple net charges are \$10.00/SF.
18	One Twelfth @ Twelfth South 1110 112th Avenue NE	171,583	2001	175,986	A 5,624 SF suite leased 2/10 for \$23.00/SF NNN. Triple net charges are \$10.79/SF.
19	Redwood Building 845 106th Avenue NE	16,200	1962	14,375	A 314 SF suite leased in 1/10 for \$23.00/SF; 494 SF leased in 2/10 for \$23.00/SF; 389 SF leased for \$23.00/SF in 3/10 and 1,117 SF leased for \$23.00/SF in 1/10, 587 SF leased in 3/10 for \$23.00/SF and 422 SF leased for \$23.00/SF in 4/10, all fully serviced leases.
20	Liberty Northwest Center 14711 NE 29th Place	66,255	1979	239,580	A 2,657 SF suite leased in 4/10 for \$22.00/SF and a 2,410 SF suite leased 1/10 for \$22.00/SF, both fully serviced. A 4,955 SF space leased 1/10 for \$22.00/SF fully serviced.
21	Yarrow Bay Plaza 10510 Northup Way	47,633	2001	48,372	A 12,728 SF space leased 2/10 for \$22.00/SF NNN. A 5,849 SF space leased 2/10 for \$22.00/SF NNN. A 5,955 SF space leased 1/10 for \$22.00/SF NNN. A 3,396 SF space leased 3/10 for \$19.00/SF. A 5,625 SF space leased 3/10 for \$19.00/SF NNN. Triple net charges are \$8.50/SF.
22	Plaza 520 13000-13238 NE 20th Street	132,147	1989	505,286	A 10,710 SF suite was leased 4/10 for \$22.00/SF gross. Triple net charges are approximately \$6.50/SF.
23	L & L Building 2500 116th Avenue NE	17,028	1976	24,512	A 1,044 SF office space with basement leased 1/10 for \$21.00/SF gross.
24	Lakeview Center Office Park - Building D 10532 NE 68th Street	5,162	1980	11,326	A 545 SF suite leased for \$20.00/SF gross in 2/10.
25	Village Office Park 3805 108th Avenue NE	10,777	1980	59,242	A 2,444 SF space leased 2/10 for \$20.00/SF gross. A 1,756 SF space leased 2/10 for \$20.00/SF on a gross basis.
26	Executive Plaza 12835 Bel-Red Road	23,526	1975	142,005	A 925 SF suite leased 2/10 for \$20.00/SF fully serviced.
27	Bell-Cliff Office Building 12360 NE 8th Street	9,476	1979	27,230	A 2,720 SF space leased for \$20.00/SF in 4/10, fully serviced.
28	Central Way Plaza 720 4th Avenue	91,130	1998	87,120	A 4,181 SF space leased 2/10 for \$20.00/SF NNN. A 9,058 SF space leased for \$19.00/SF NNN in 4/10. Triple net charges are \$8.96/SF.

Market Office Rental Rate Tabulation (Excluding Subject Parcels)					
Rental No.	Address	NRA SF	Yr. Blt.	Land Area (SF)	Rental Rates
29	11010 Northup Way	9,600	1977	34,291	A 1,624 SF suite leased 2/10 for \$19.00/SF fully serviced.
30	Park 140 Office Park - Building B 2405-2415 140th Ave NE	46,892	1984	395,089	A 23,878 SF space leased 4/10 for \$18.00/SF leased 4/10 fully serviced.
31	Park 140 Office Park - Building A	16,018	1984	395,089	A 5,291 SF space leased 4/10 for \$18.00/SF fully serviced.
32	Yarrow Bay Office Park - North	73,347	1975	541,386	A 1,250 SF space leased 4/10 for \$18.00/SF and a 798 SF space leased for \$18.00/SF 4/10, both fully serviced.
33	Overlake Business Center North - Building N 4016-4032 148th Avenue NE	24,971	1980	180,841	A 1,307 SF space leased 3/10 for \$18.00/SF fully serviced.
34	Bel-Kirk Office Center 11120 NE 33rd Place	95,512	1988	313,321	A 2,616 SF space was sublet 4/10 for \$17.00/SF fully serviced. The lease expires 10/23/13.
35	Apple Tree Plaza	45,073	1977	102,231	A 1,063 SF space leased 2/10 for \$16.00/SF gross and a 1,382 SF space leased for \$15.00/SF gross in 3/10.
36	Columbia Court 12951 Bel-Red Road	28,407	1979	44,867	A 1,290 SF space leased 4/10 for \$15.00/SF fully serviced.
37	Cascade Place II - Building B 12729 Northup Way	23,700	1979	227,749	A 1,474 SF space leased 1/10 for \$13.50/SF modified gross and an 834 SF space leased for \$13.50/SF modified gross in 1/10.
38	Overlake Business Center I - Building 6 2701-2727 152nd Avenue NE	23,248	1975	406,850	A 1,595 SF space leased 2/10 for \$9.03/SF NNN. A 1,130 SF space leased 3/10 for \$9.02/SF NNN.
39	Allied Venture #2 901 Kirkland Avenue	9,047	1990	18,750	A 2,500 SF office/industrial space leased 3/10 for \$12.12/SF NNN. Triple net charges are \$2.28/SF/yr. A 2,500 SF space leased with 1,595 SF office and 905 warehouse for a blended rate of \$12.12/SF/yr. Office rent is \$15.00/SF/yr while warehouse is \$7.20/SF.
40	L & L Northup Center 12611 Northup Way	35,040	1975	79,279	A 14,949 SF office/industrial space leased 1/10 for \$6.96/SF/yr and a 14,949 SF additional warehouse space leased for \$6.96/SF/yr.
<b>CBD</b>					

**Market Office Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Bld.</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
41	Skyline Tower 10900 NE 4th Street	407,348	1983	72,320	A 2,250 SF space and a 1,760 SF space both leased 3/10 for \$35.00/SF fully serviced; 1,850 SF leased 2/10 for \$35.00/SF and 3,561 SF leased 4/10 for \$35.00. All fully serviced leases.
42	City Center Bellevue 500 108th Avenue NE	490,372	1987	75,359	A 18,066 SF space leased 2/10 for \$34.00/SF gross. 2,281 SF leased 3/10 for \$33.00/SF gross. 1,567 SF leased 2/10 for \$33.00/SF gross.
43	Symetra Financial Center 777 108th Avenue NE	431,233	1986	56,628	2,937 SF leased and 9,967 SF both leased 1/10 for \$34.00/SF fully serviced. A 5,845 SF space leased 2/10 for \$34.00/SF fully serviced.
44	Key Bank Building - Bellevue 10655 NE 4th Street	92,806	1971	51,352	A 5,904 SF space leased 1/10 for \$33.00/SF gross.
45	Elements Too 909 112th Avenue NE	304,738	2009	105,825	A 29,500 SF space leased 2/10 for \$32.00/SF NNN. A 14,000 SF space leased for \$32.00/SF NNN 2/10. Triple net charges are \$10.00/SF.
46	One Bellevue Center 411 108th Avenue NE	360,729	1983	48,352	10,237 SF suite (full floor) leased 3/10 for \$32.00/SF fully serviced. An additional 968 SF suite leased 4/10 for \$32.00/SF fully serviced.
47	Bellevue Gateway - Building 2 915 118th Avenue SE	65,345	1989	117,176	10,301 SF leased 2/10 for \$30.00/SF fully serviced.
48	989 Elements 989 112th Avenue NE	136,000	2005	105,850	Mixed use building with 696 SF office space leased 2/10 for \$30.00/SF NNN. Triple net charges are \$10.00/SF.
49	Civica Office Commons - North	170,364	2001	32,670	A 7,636 SF space leased 4/10 for \$29.00/SF NNN. 22,502 SF leased 4/10 for \$20.00/SF gross.
50	Bellefield Office Park J - Great Western Building 11201 SE 8th Street	51,577	1980	219,108	A 462 SF space leased 3/10 for \$28.00/SF fully serviced.
51	Bellefield Office Park L - Mercer Canal 1300 114th Avenue SE	34,436	1983	450,846	802 SF office leased 4/10 for \$28.00/SF fully serviced.
52	Star Plaza 11061 NE 2nd Street	27,250	1978	53,143	A 4,055 SF space leased 2/10 for \$28.00/SF fully serviced.
53	Brookside Office Park 11400 SE 6th Street	49,384	1981	121,532	A 5,729 SF space leased 4/10 for \$27.50/SF fully serviced.
54	110 Atrium Place 110 110th Avenue NE	213,000	1981	64,000	A 2,814 SF space leased 1/10 for \$27.00/SF fully serviced.

**Market Office Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Bld.</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
55	John Danz Building 600-606 106th Avenue NE	27,900	1957	144,619	A 4,073 SF space leased 4/10 for \$27.00/SF fully serviced.
56	Betts Austin George Bldg 11120 NE 2nd Street	13,500	1979	20,038	A 2,647 SF space leased 4/10 for \$26.00/SF fully serviced.
57	Bellevue Place - Bank of America Building 10500 NE 8th Street	358,629	1988	113,256	A 1,659 SF space leased 1/10 for \$26.00/SF NNN. Triple net charges are \$11.62/SF. A 14,158 SF space leased 4/10 for \$25.00/SF NNN. Triple net charges are \$111.89/SF. 7,020 SF leased 4/10 for \$25.00/SF and 14,158 SF leased for \$25.00/SF.
58	Lincoln Square 604 Bellevue Way NE	890,000	2005	36,639	21,380 SF leased 3/10 for \$26.00/SF NNN. 21,392 SF leased 3/10 for \$26.00/SF NNN. Triple net charges are \$11.00/SF.
59	Main Place 10245 Main Street	37,947	2005	13,577	992 SF space sublet 1/10 for \$24.00/SF NNN.
60	Inca Building 400 112th Avenue NE	64,220	1981	83,635	2,800 SF space sublet for \$24.00/SF on a gross basis 1/10.
61	9 Lake Bellevue Drive	1,130	1982	121,665	A 1,130 SF space sublet 3/10 for \$22.00/SF fully serviced.
62	9 Lake Bellevue Drive	1,117	1982	121,665	A 1,117 SF space sublet 3/10 for \$22.00/SF fully serviced, to expire 6/11.
63	Bellefield Office Park F - Arbor Building 1621 114th Avenue SE	30,913	1974	535,788	2,883 SF space sublet 1/10 for \$19.00/SF fully serviced.
64	PCA Building 2930 SE Richards Road	8,800	1978	61,144	A 1,980 SF space leased 4/10 for \$18.00/SF NNN. Triple net charges are \$5.00/SF.
65	Olympic Medical Center 1310 116th Avenue NE	13,038	1978	52,012	Fully improved medical office space with four exam rooms. Asking \$26.50/SF NNN for 1,533 SF office. Triple net charges are \$11.40/SF.
66	Bellegrove Professional Center 1515 116th Avenue NE	27,360	1979	78,782	Asking \$25.00/SF/yr NNN for 4,949 SF space. \$7.35/SF/yr NNN charges plus power & janitorial. Asking \$25.00/SF/yr NNN for 1,409 SF Ste 201. Triple net charges are \$7.07/SF. Ste. 203 available (1,061 SF asking \$25.00/SF NNN with \$7.07/SF NNN charges. Features upgraded interior common area, new HVAC. Adjacent to Overlake Hospital Medical Center. Free surface and covered parking.

**Market Office Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Blt</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
67	Campus Office Park 1601-1611 116th Avenue NE	75,754	1979	261,280	Medical suite with two exam rooms, Ste 111, an 883 SF space available at \$25.00/SF fully serviced. Ste 118, a 693 SF suite is available, asking \$25.00/SF fully serviced.
68	1940 Building 1940 116th Avenue NE	8,674	1979	30,905	Asking \$23.00/SF/yr NNN for 4,478 SF office space. Triple net charges are \$7.50/SF. Built out as a medical clinic, accommodates up to 17 exam rooms with procedure room.
69	Washington Park - East 1407-116th Avenue NE	34,540	1979	82,764	Ste E-104/106 available, asking \$22.50/SF/yr fully serviced for a 3,401 SF suite. Suite E-210 available (2,109 SF) asking \$22.50/SF fully serviced.
70	Washington Park - West 1417 116th Avenue NE	30,606	1979	79,715	Asking \$22.50/SF/yr fully serviced for a 3,558 SF suite.
71	Lakeview Place 6725 116th Avenue NE	21,561	1999	42,253	Asking \$18.00/SF NNN for 1,720 SF Ste 140 with \$8.66/SF triple net charges. Asking \$18.00/SF NNN for 1,562 SF Ste 130 with \$8.66/SF NNN charges.
72	BBC Plaza 2035 120th Avenue NE	30,410	1997	67,640	Asking \$12.50/SF NNN for 13,428 SF office space. Combined spaces: 1st floor (2,662 SF) and 2nd floor (Ste 200 at 6,380 SF and Ste 201 at 4,486 SF).
73	Acosta Building 13037 Bel-Red Road	19,667	1990	55,751	A 3,177 SF space was leased 10/07 for \$18.00/SF/yr NNN.
74	Bannerwood Building 1808 Richards Road	11,610	1987	91,444	Ste 113 leased 12/09, 906 SF at \$19.00/SF/yr fully serviced. Ste 119, 988 SF at \$19.00/SF fully serviced, leased 8/09. Ste 120, 1,450 SF space leased at \$19.00/SF fully serviced in 8/09.
75	Belwood Building 2122 112th Avenue NE	11,820	1977	44,525	Ste B-200 was sublet 8/08 for \$24.00/SF fully serviced for an 821 SF suite.
76	Bellevue East Office Center, Building 2 14042 NE 8th Street	13,790	1969	64,904	900 SF Ste 210 leased 3/08 for \$26.00/SF/yr fully serviced. Ste 212 leased 2/08 for \$25.50/SF fully serviced (484 SF suite). Ste 103 (275 SF space) leased 1/08 for \$25.50/SF fully serviced. Ste 107 leased 4/09
77	Bel-Red Professional Center Building C 15615 Bel-Red Road	5,760	1980	104,539	Ste D, a 2,190 SF space was leased 1/10 for \$24.50/SF fully serviced. Has been a veterinary clinic for the past 25 years.
78	Cascadia Office Park - Building A 14670 NE 8th St	11,301	1986	41,276	Ste 110, 1,323 SF suite leased 9/09 for \$24.00/SF/yr fully serviced. Ste 100 (1,416 SF suite leased at \$24.00/SF fully serviced 9/09

**Market Office Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Blt.</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
79	Creekside Office Park 1520 140th Avenue NE	7,115	1988		Ste 210 1,138 SF leased 12/06 for \$21.00/SF. Ste 200 leased 10/09 for \$23.00/SF for 743 SF. Ste 204 leased 5/10 for \$21.50/SF (851 SF space). A 521 SF space leased 7/10 for \$21.50/SF. 743 SF space leased 7/10 for \$21.50/SF. 1,138 SF suite leased 9/08 for \$24.00/SF/yr. All fully serviced leases.
80	Crossroads Park Place 16301 NE 8th Street	20,743	1971	36,397	Ste 260 leased 3/09 for \$23.95/SF fully serviced for 594 SF. A 1,406 SF space leased 1/08 for \$21.95/SF NNN. Ste 261 leased 12/08 for \$25.95/SF fully serviced for 542 SF. A 542 SF space leased 1/08 for \$27.30/SF fully serviced for 542 SF. Ste 223 leased 8/08 for \$29.95/SF for 420 SF. Ste 224, a 125 SF space leased for \$45.00/SF/yr fully serviced on 11/08.
81	Crossroads Office Park 15821 NE 8th Street	17,765	1979	30,430	7,690 SF east building leased 7/08 for \$23.00/SF fully serviced.
82	Crossridge Corporate Center 15921 NE 8th Street	10,629	1979	29,444	1,685 SF suite leased 4/09 on a gross basis for \$24.00/SF/yr. A 414 SF suite leased 5/09 for \$24.00/SF on triple net terms.
83	Eastridge Corporate Center 11811 NE 1st Street	36,115	1982	103,673	1,364 SF suite leased 4/09 for \$30.00/SF/yr and a 6,334 SF suite leased 2/09 for \$32.00/SF both fully serviced. A 1,364 SF space leased 3/10 for \$15.00/SF and 1,546 SF leased 10/09 for \$17.50/SF both NNN. A 1,895 SF space leased 4/09 for \$30.00/SF fully serviced. 660 SF leased 9/08 for \$28.50/SF/yr gross. 1,546 SF leased 4/10 for \$15.00/SF and 2,882 SF leased 9/09 for \$16.00/SF both NNN. 3,424 SF leased 7/10 for \$14.50/SF NNN and a 1,929 SF space leased for the same. Triple net
84	Eastside Transmission 13818 NE 16th Street	12,750	1976		4,473 SF leased 4/09 for \$10.00/SF/yr gross. Space is a mix of showroom, private offices, work rooms, kitchen and restrooms.
85	Forest Office Park, Bldg E 14645 Bel-Red Road	10,615	1989	36,590	An 1,800 SF suite was leased 11/07 for \$22.00/SF fully serviced.
86	Factoria Center 12402 SE 38th Street	22,375	1992	29,320	Ste 209, a 1,246 SF suite with major interior and exterior renovations completed was leased 6/10 for \$24.00/SF NNN. Triple net charges are \$3.80/SF.

**Market Office Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Blt.</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
87	Five Corners Office Bldg 1951 152nd Lane NE	33,610	2008	66,211	A 23,383 SF space leased for \$30.00/SF NNN on 1/09.
88	Finkbeiner Building 12011 Bel-Red Road	13,000	1987	27,007	Ste 203 was leased 5/09 for \$29.50/SF fully serviced. The 1,100 SF space includes four free parking stalls.
89	Kenyon Center 3326 160th Avenue SE	117,989	1987	158,558	A 7,035 SF space on the first floor leased for \$18.00/SF NNN 11/09. Triple net expenses are \$8.90/SF.
90	KJC Building 13680 NE 16th Street	6,799	1979	25,939	A 4,085 SF space with 2,120 SF of office and 1,965 SF of industrial space leased on a blended rate of \$0.95/SF (\$11.40/SF/yr) on triple net terms.
91	Kelsey Creek Center 15015 Main Street	184,405	1967	706,791	Ste 210, a 2,017 SF office space was leased 5/08 for \$19.00/SF gross. Ste. 211 leased for \$17.00/SF fully serviced for a 1,253 SF office space in 8/09. A 2,025 SF office space leased 9/08 for \$21.00/SF fully serviced.
92	Lunde Center, Bldg 2 2112 116th Avenue NE	12,320	1979	126,077	Ste 2110-B leased 5/08 for \$16.20/SF NNN for a 1,360 SF office space. Ste 2110-C leased 1/08 for 1,399 SF for \$16.20/SF NNN.
93	Legacy I-90 3350-3460 161st Avenue SE	86,128	1982	263,975	A 45,636 SF space leased 6/08 for \$28.00/SF NNN.
94	Mountvue Place - 14508 Building 14508 NE 20th Street	18,342	1977	203,425	Ste 10-203 leased 8/09 for \$20.88/SF fully serviced for a 431 SF office space, Ste 10-202 leased 6/09 for 1,054 SF space at \$17.07/SF fully serviced and Ste 204 leased 1/09 for 1,165 SF of office space at \$26.00/SF fully serviced.
95	Newport Place 4122 124th Ave SE	40,624	1982	91,244	Ste 310 leased 8/08 for \$22.00/SF NNN for 2,322 SF office space; Ste 300, a 3,000 SF office space leased 1/08 for \$22.00/SF NNN and Ste 310 leased 8/08 for 1,377 SF office at \$22.00/SF NNN.
96	Rockwood Office Park, 1406-1409 140th Place NE	6,486	1979	21,538	Ste 104 in Building 1406 leased 1/10 for 971 SF at \$20.00/SF fully serviced. In 1409 Building, a 463 SF suite leased 7/08 for \$20.48/SF fully serviced.
97	Sherwood Forest Office Park 2661 Bel-Red Road	17,822	1980	62,136	A 1,148 SF office space leased 2/08 for \$24.00/SF gross.
98	Twelfth Place Business Park - Building A 1215 120th Avenue NE	25,864	1985	258,969	Office sublease space leased 7/09 for \$20.00/SF for a 750 SF space. A partial sublease of 1,446 SF for \$20.00/SF NNN on 9/08.

**Market Office Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Blt.</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
99	Unigard Park, Bldgs B & H 15803 NE 24th Street and 2002 156th Avenue NE	15,854	1973	538,699	A 15,854 SF space leased 6/10 for \$16.00/SF NNN. The space comes with a 4,000 SF computer lab with separate cooling. Triple net charges are \$8.00/SF. A 4,425 SF space was leased 12/09 for \$22.00/SF fully serviced.
100	Yuhl Building 12828 Northup Way	20,360	1979	27,646	A 1,560 SF office space was leased 9/08 for \$24.00/SF NNN; Ste 200 leased 6/10 for \$18.00/SF gross for a
101	1260 Medical Building 1260 116th Avenue NE	10,320	1985	22,484	A 4,770 suite in a medical office building (renovated in 2006) leased 4/08 for \$22.50/SF NNN.
102	2281 116th Avenue NE	6,847	1980	48,919	An 890 SF office space leased 6/08 for \$22.00/SF fully serviced. A 2,087 SF space leased 10/07 for \$19.50/SF, fully serviced.
103	14400 Building 14400 Bel-Red Road	14,788	1979	43,124	A 231 SF office leased 11/08 for \$22.00/SF fully serviced; while 495 SF of office leased 1/08 for \$20.00/SF fully serviced.
104	1050 Building 1050 140th Avenue NE	9,106	1979	44,288	A 769 SF suite leased 9/08 for \$18.50/SF on a modified gross basis.

Market Retail Rental Rate Tabulation (Excluding Subject Parcels)					
Rental I No.	Address	NRA SF	Yr. Bld.	Land Area (SF)	Rental Rates
1	Crossroads East 15932 NE 8th Street	4,549	1972	32,185	6,000 SF retail space leased 1/08 for \$30.00/SF NNN.
2	Crossroads Mall & Shopping Center 15600 NE 8th Street	485,000	1962	1,705,725	4,400 SF space leased at \$50.00/SF NNN 1/10. Triple net charges are \$10.00/SF. Premium retail/service corner.
3	Definitive Audio Building 14405 NE 20th Street	11,200	1983	39,946	1,600 SF space leased for \$16.00/SF NNN in 6/10. Triple net charges are \$4.50/SF.
4	Eastside Harley Davidson (former) 13131 NE 20th Street	15,774	1985	27,819	Building leased at \$20.00/SF NNN 2/10. Triple net charges are \$5.00/SF.
5	Factoria Center 12402 SE 38th Street	22,375	1992	29,320	4,492 SF space leased 6/10 for \$28.00/SF NNN. Triple net charges are \$3.80/SF.
6	Lakemont Village 4581-4989 Lakemont Blvd SE	47,128	1999	196,383	4,100 SF leased 10/08 for \$24.00/SF NNN. 1,650 SF space leased for \$32.00/SF NNN. Triple net charges are
7	Nissan Property (former) 12224 Bel-Red Road	13,014	1970	32,234	The building leased 9/09 for \$14.00/SF NNN.
8	Newport Hills Shopping Center	55,310	1968	217,800	61,438 SF leased for \$15.00/SF NNN.
9	Sleepaire Mattress - Bellevue 13120 NE Bel Red Road	9,104	1977	30,056	Total building leased for \$16.00/SF NNN.
10	1411 Property 1411 156th Avenue NE	10,462	1975	79,715	1,282 SF leased 5/10 for \$30.00/SF NNN. Triple net charges are \$6.00/SF. 4,000 SF leased at \$28.00/SF 5/10.
11	Factoria Village 3550 SE 128th Avenue	127,535	1980	372,438	921 SF leased for \$50.00/SF NNN on 2/10. Triple net charges are \$5.54/SF. 1,105 SF leased 8/07 for \$40.00/SF NNN.
12	Marketplace @ Factoria 4055 Factoria Blvd SE	245,024	1977	977,694	1,709 SF leased 12/09 for \$44.00/SF NNN. Triple net charges are \$8.15/SF. 2,458 SF leased 2/10 for \$40.00/SF NNN. 874 SF leased 11/09 for \$38.00/SF
13	Factoria Place 12816 SE 38th Street	14,758	1985	47,060	1,276 SF leased 6/10 for \$35.00/SF NNN. Triple net charges are \$6.22/SF.
14	Candy Cane Building 14644 SE Eastgate Way	6,262	1960	15,420	1,640 SF leased 7/08 for \$28.00/SF gross.
15	Overlake Village Shopping Center 2400 148th Avenue NE	105,670	1977	379,726	1,554 SF leased 7/08 for \$28.00/SF NNN. 2,700 SF leased 9/09 for \$20.00/SF NNN.

Market Retail Rental Rate Tabulation (Excluding Subject Parcels)					
Rental No.	Address	NRA SF	Yr. Bld.	Land Area (SF)	Rental Rates
16	Pacific Village Center North 1313 NE 156th Avenue NE	22,629	1993	87,555	1,671 SF for \$24.00/SF NNN 4/10. Triple net charges are \$4.80/SF. 1,260 SF leased 6/10 for \$23.00/SF NNN with \$7.00/SF NNN charges. 1,200 SF leased 6/09 for
17	Sternco Shopping Center 14600-14625 NE 20th Avenue NE	121,000	1975	356,320	1,694 SF leased 4/10 for \$24.00/SF NNN. Triple net charges are \$4.00/SF. 3,400 SF leased 4/10 for \$18.00/SF NNN.
18	CTC Properties Bldg 14220 NE 20th Street	4,980	1978	16,010	1,115 SF space leased 8/08 for \$24.00/SF NNN.
19	Ross Plaza/Highland Park II 14339 NE 20th Street	67,050	1968	270,508	1,746 SF space leased 9/09 for \$22.00/SF NNN. Triple net charges are \$4.75/SF.
20	Bel-East Shopping Center 1502 145th Place SE	46,710	1960	169,500	1,000 SF space leased 9/09 for \$22.00/SF NNN.
21	Loehmann's Plaza 3550 SE 128th Avenue	127,535	1980	372,438	921 SF space leased for \$50.00/SF NNN 2/10. Triple net charges are \$5.54/SF.
22	AA Rentals Building 13281-13289 NE 20th Street	8,400	1985	30,150	3,100 SF leased 9/08 for \$20.00/SF NNN.
23	Apple Tree Plaza 13600-13622 NE 20th Street	45,073	1977	102,231	1,063 SF leased 2/10 for \$16.00/SF on a gross basis. 1,382 SF leased for \$15.00/SF gross 3/10. 3,372 SF leased 10/08 for \$26.00/SF NNN
24	Bel-Red Retail Center 13500 NE Bel-Red Road	48,014	1974	107,157	2,550 SF suite leased 2/10 for \$18.00/SF NNN; 6,110 SF leased 8/10 for \$20.00/SF NNN with \$3.50/SF NNN charges.
25	Brierwood Center 12001-12005 NE 12th Street	48,180	1974	87,120	1,440 SF leased 2/10 for \$17.00/SF NNN with \$5.08/SF NNN charges. 1,145 SF leased for \$18.00/SF NNN 8/10. 960 SF leased 10/07 for \$20.00/SF NNN
26	Belmond Center 12700 Bel Red Road	27,396	1966	69,720	2,160 SF leased 1/09 for \$16.80/SF NNN and 2,880 SF leased for \$16.80/SF 1/09.
27	Belgate Plaza 1055-1075 Bellevue Way NE	24,012	1983	64,468	1,440 SF leased 6/09 for \$32.00/SF NNN. 1,984 SF leased 1/08 for \$35.00/SF NNN and 1,280 SF leased 7/08 for \$32.00/SF NNN.
28	Columbia Place - Retail 13433 NE 20th Street	18,130	1987	42,488	960 SF leased 3/10 for \$16.00/SF NNN. 1,231 SF leased 2/09 for \$20.00/SF NNN; 1,220 SF leased 1/09 for \$26.00/SF NNN; 1,060 SF leased 4/10 for \$16.00/SF NNN.
29	Cameron Center Business Park	24,401	1978	57,685	2,140 SF leased 6/08 for \$15.00/SF NNN and 1,052 SF leased 8/08 for \$15.00/SF NNN.
30	Design Market 1014-1044 116th Avenue NE	88,487	1981	259,618	2,384 SF leased 11/08 for \$30.00/SF NNN.

Market Retail Rental Rate Tabulation (Excluding Subject Parcels)					
Rental 1 No.	Address	NRA SF	Yr. Blt.	Land Area (SF)	Rental Rates
31	Evergreen Center 1803-1807 132nd Avenue NE	14,496	1980	58,367	A 1,825 SF space leased 12/09 for \$16.00/SF NNN.
32	Evergreen Village 1645 140th Avenue NE	104,801	1975	456,508	A 2,945 SF space leased 2/09 for \$36.00/SF NNN.
33	Northrup Center - Building C 12121 Northrup Way	57,712	1983	93,916	An 1,850 SF suite leased 8/09 for \$14.00/SF NNN.
34	N-142 14210 NE 20th Street	5,000	1978	15,979	A 5,000 SF space was leased 10/09 for \$22.00/SF NNN.
35	Plaza Yarrow Bay III 10210 Points Drive NE	82,270	1990	57,499	A 2,806 SF space leased 4/10 for \$26.00/SF NNN; triple net charges are \$10.00/SF.
36	Plaza 520 13000-13238 NE 20th Street	132,147	1979	505,286	4,604 SF leased 9/07 for \$23.00/SF NNN. 1,257 SF leased 2/10 for \$28.00/SF NNN. Triple net charges are \$5.50/SF. 2,706 SF leased 8/09 for \$25.00/SF NNN. 1,450 SF leased 8/09 for \$26.00/SF NNN. 2,250
37	137 Park Lane 129 Park Lane	7,483	1948	3,851	A 1,767 SF space leased 7/10 for \$25.00/SF NNN. Triple net charges are \$5.62/SF.
38	14020 NE 21st	2,750	1979	10,000	A 2,750 SF space leased 7/10 for \$15.00/SF NNN.
39	21st Center 14320 NE 21st Street	40,248	1980	105,501	A 1,200 SF space leased 6/09 for \$13.20/SF fully serviced.
40	Abella Commercial Condominium - B1-08 300 110th Avenue NE	1,072	2001	27,878	A 592 SF condo leased for \$28.00/SF NNN 10/09.
41	Avalon Meydenbauer 10945 NE 4th Street	74,286	2008	143,748	A 719 SF space leased 1/09 for \$50.00/SF NNN 1/09.
42	Belle Arts 111 108th Avenue NE	99,940	2000	39,618	A 2,352 SF space leased 7/07 for \$27.00/SF NNN. 2,902 SF leased 6/08 for \$33.00/SF NNN
43	Belcarra 1032 106th Avenue NE	12,985	2009	109,335	2,345 SF leased 4/10 for \$36.00/SF NNN.
44	Borgata 37 103rd Avenue NE	121,860	2000	30,492	A 1,400 SF space leased 10/09 for \$28.00/SF NNN. Triple net charges are \$5.03/SF.
45	Bellevue Plaza Shopping Center 139 106th Avenue NE	60,844	2000	145,076	2,700 SF leased 12/09 for \$18.00/SF NNN. Triple net charges are \$5.50/SF. 4,080 SF leased 3/10 for \$25.00/SF NNN. 3,325 SF leased 3/10 for \$15.00/SF NNN.
46	Bellevue Pacific Center 188 106th Avenue NE	200,000	1995	31,259	5370 SF leased 10/08 for \$28.50/SF NNN.

Market Retail Rental Rate Tabulation (Excluding Subject Parcels)					
Rental No.	Address	NRA SF	Yr. Bld.	Land Area (SF)	Rental Rates
47	The Bravern NE 8th Street and 112th Avenue NE	758,000	2008	261,360	1,075 SF leased 7/08 for \$40.00/SF NNN.
48	City Center Plaza 555 110th Avenue NE	583,179	2008	148,382	An 18,000 SF space leased for \$28.50/SF NNN 10/07. 1,449 SF leased 10/09 for \$35.00/SF NNN.
49	Crossroads East Shopping Center	16,700	1962	377,229	A 2,200 SF space leased 11/07 for \$24.00/SF NNN.
50	Courtyard off Main 136 102nd Avenue SE	238,780	1999	30,886	A 1,264 SF space leased 12/09 for \$23.00/SF NNN. Triple net charges are \$4.20/SF.
51	De-Al Building 104 Bellevue Way SE	12,000	1980	38,041	A 2,300 SF space leased 3/10 for \$25.00/SF NNN.
52	Elements Too 909 112th Avenue SE	304,738	2009	105,825	A 29,500 SF space leased 2/10 for \$32.00/SF NNN. Triple net charges are \$10.00/SF. 10,357 SF leased 5/10 for \$28.00/SF NNN. 1,975 SF leased 2/10 for \$32.00/SF NNN.
53	Essex Sales Center Building 15 103rd Avenue NE	1,150	1924	9,852	A 1,150 SF space leased 7/09 for \$27.00/SF NNN.
54	First Mutual Center 400 108th Avenue NE	73,300	1968	44,502	A 731 SF space leased for \$28.00/SF 1/09 fully serviced.
55	GMC Used Car Lot 640 116th Avenue NE	384	1970	22,950	A 384 SF space leased 5/08 for \$31.25/SF NNN.
56	Kaylen Retail Center 821-827 Bellevue Way NE	31,124	1945	46,173	A 500 SF space leased 5/10 for \$25.00/SF NNN.
57	Key Center 601 108th Avenue NE	471,365	2000	40,175	A 2,211 SF space leased 3/09 for \$33.00/SF NNN.
58	Kohana Grill 205 105th Avenue NE	4,480	1967	17,859	A 4,480 SF space leased 11/08 for \$48.50/SF.
59	Library Square Condominiums	119,560	2002	20,268	A 973 SF space leased 8/08 for \$29.96/SF NNN.
60	Moltissimo Building 10223 NE 10th Street	8,638	1998	34,011	A 4,670 SF space leased 2/08 for \$44.00/SF NNN.
61	One Bellevue Center 411 108th Avenue NE	360,729	1983	48,352	A 4,442 SF space leased 11/07 for \$39.00/SF NNN.
62	PCA Building 2930 SE Richards Road	8,800	1978	61,144	A 1,980 SF space leased 4/10 for \$18.00/SF NNN. Triple net charges are \$5.00/SF.
63	Sterling on 8th 10635 NE 8th Street	18,398	1963	33,528	A 2,614 SF leased 5/09 for \$22.00/SF NNN.
64	Symetra Financial Center 777 108th Avenue NE	431,233	1986	56,628	A 2,091 SF space leased 2/10 for \$34.00/SF fully serviced.

**Market Retail Rental Rate Tabulation (Excluding Subject Parcels)**

<b>Rental No.</b>	<b>Address</b>	<b>NRA SF</b>	<b>Yr. Bld.</b>	<b>Land Area (SF)</b>	<b>Rental Rates</b>
65	Ten20 Tower 1020 108th Avenue NE	291,713	2009	33,093	A 2,230 SF space leased 3/10 for \$25.00/SF NNN. Triple net charges are \$8.00/SF. 1,977 SF leased 10/08 for \$36.00/SF NNN.
66	University Bookstore - Bellevue	33,542	1986	36,028	A 4,200 SF space leased 11/09 for \$36.00/SF NNN. Triple net charges are \$7.90/SF.
67	315 106th Avenue NE	6,300	1953	12,487	A 6,300 SF space leased 6/08 for \$19.00/SF NNN.
68	11800 NE 8th Street	10,460	1930	21,355	A 2,140 SF space leased 11/08 for \$22.00/SF NNN.
69	20th Street Square - Building 2	17,142	1978	47,916	A 1,880 SF space leased 12/09 for \$22.00/SF NNN.
70	10697 Main Street	13,248	1961	49,218	A 4,412 SF space leased 4/10 for \$25.00/SF NNN. Triple net charges are \$6.20/SF.
71	989 Elements 989 112th Avenue NE	136,000	2005	105,850	A 3,100 SF space leased 11/09 for \$32.00/SF.
72	200 Plaza Building 206 105th Avenue NE	26,400	1978	24,898	A 2,287 SF space leased 9/07 for \$32.00/SF NNN.
73	10630 NE 8th Street	43,722	1977	113,051	A 1,150 SF space leased 5/08 for \$35.00/SF NNN.
74	317 Bellevue Way NE	2,360	1951	11,000	A 2,360 SF space leased 5/09 for \$55.00/SF NNN.