TABLE OF CONTENTS

Table of Contents 1
Executive Summary Report 2
Executive Summary Report 3
Analysis Process 4

Highest and Best Use Analysis 4
Special Assumptions, Departures and Limiting Conditions 4
Identification of the Area 5
Name or Designation 5
Maps: 5
Change in assessed value from previous roll: Gas Stations 5
Change in assessed value from full market value: Contaminated Property 5
Scope of Data 5
Land Value Data: 5
Improved Parcel Total Values: 5
Cost approach model description 5
Service Station Accessory Improvements: Type II Good Quality Cost New 7
Islands 20,000 7
Cost calibration 7
Contaminated Property 7
Model Validation 8
Total Value Conclusions, Recommendations and Validation: 8
USPAP Compliance 9
Client and Intended Use of the Appraisal: 9
Definition and date of value estimate: 9
Market Value 9
Highest and Best Use 9
Date of Value Estimate 10
Property rights appraised: 10
Fee Simple 10
Special assumptions and limiting conditions: 10
Departure Provisions: 11

Executive Summary Report

Appraisal Date 1/1/03 – 2003 Assessment Roll

Specialty Name: Gas Stations

Previous Physical Inspection: April through May 2002.

Sales – The Market Approach was not used. We were unable to verify that sales represented only the purchase of real property.

Income – The Income Approach was not used. Income was considered but it was felt that the cost approach was the best indicator of value.

Population - Parcel Summary Data:

	Land	Imp	Total
2002 Value:	$211,481,200	$205,764,275	$417,638,375
2003 Value:	$222,838,900	$226,785,875	$449,624,775
Percent Change:	+5.2%	+10.2%	+7.7%

2002 Total Assessed Value: $415,941,275

2003 Total Assessed Value: $449,638,375

Number of Improved Parcels in the Population: 522

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity and equity, I recommend posting them for the 2003 Assessment Roll.

Executive Summary Report

Appraisal Date 1/1/03 - 2003 Assessment Roll

Specialty Name: Contaminated Property

Previous Physical Inspection: April and May of 2002. 50% of all contaminated properties are inspected annually.

Sales – The Market Approach was not used. All contaminated property is unique and sales reflect a unique sales price adjustment for remediation liability and/or market stigma.

Income – The Income Approach is used on a small number of properties where the contaminated property requires a "value-in-use" appraisal.

Population-Average Parcel Summary Data:

	Land
2002 Full Market Value:	$159,754,600
2003 Full Market Value:	$104,374,200
2002 Assessed Value for Contaminated Property	$ 70,869,400
2003 Assessed Value for Contaminated Property	$ 59,420,000
AV Change from 2002 to 2003	-35%
Percent Change From Contamination for 2003:	-43%
2002 Loss in AV from Contamination:	$ 88,875,200
2003 Loss in AV from Contamination:	$ 44,954,200

Number of Parcels in the Population: 72

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity and equity, I recommend posting them for the 2003 Assessment Roll.

ANALYSIS PROCESS

Highest and Best Use Analysis

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

As if improved: Based on gas station trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. I find that the current improvements do add value to the property, in almost all cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of $1,000 is assigned to the improvements.

Standards and Measurement of Data Accuracy: Current data was verified and corrected when necessary via field inspection.

Special Assumptions, Departures and Limiting Conditions

The following Departmental guidelines were considered and adhered to:

- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Gas station appraisals and contaminated property valuations were performed in all areas of King County. Twenty percent of the gas station population and 50% of the contaminated properties were inspected between March and May of 2003.

Name or Designation

Area 410: Gas Stations
Contaminated Property

Maps: Assessor's maps are located on the 7th floor of the King County Administration Building.

Change in assessed value from previous roll: Gas Stations

2002 total:	$415,941,275
2003 total:	$449,624,775
A change of	+8.1%

Change in assessed value: Contaminated Property

Full Market 2003 Value:	$104,374,200
Contaminated 2003 Value:	$ 59,420,000
A change of:	-57%
AV change from 2002 to 2003 Full Market Value:	-35%

Scope of Data

Land Value Data:

The geographic appraiser in the area in which the specialty property is located is responsible for the land value used by the specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Values:

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application.

Gas Stations

The following is a description of the data considered and stratifications recognized in the 2003 cost estimates for the gas station specialty.

There are basically three types of retail outlets which sell gasoline: the old style service station with service bays, air compressor, hoists, etc., the convenience store (CS) with gas and the gas station only which has numerous Multi-Product Dispensers (MPD's) and a small kiosk. The old style service stations that have not been remodeled with a snack shop or C-Store have the greatest obsolescence and are at the bottom of the market. The very large C-Stores with gas and numerous MPD's are at the high end. More profit centers (C-Store, gas, espresso, hot food, car wash, truck rental, rental areas, etc.) with greater profits create greater value.

Buildings:

The cost approach has been utilized to appraise gas stations. The subject accounts in King County have been inspected and stratified according to building quality:

- Excellent-Best steel, brick or masonry, high volume area, best workmanship with good finish, best materials, HVAC.
- Good-Good steel, brick w/sash and large overhangs, ranch or suburban style, good quality materials.
- Average-Average painted steel or cement block, small overhangs, small office. Average quality materials throughout.
- Low Cost-Painted steel, inexpensive sash, doors and gates, usually older with low cost materials used.

Car washes in separate buildings were valued by the Marshall & Swift automated cost modeling system. All car wash equipment is personal property.

The Personal Property Division also assesses compressors, pumps, MPD's, signage, hoists, tools, furniture and fixtures.

Accessory Improvements:

The valuation of accessory improvements (AI's) relates to the construction quality of the subject building. AI's are stratified according to quantity and quality. Therefore an Excellent quality building will generally have Type I accessory improvements, a Good quality building will have Type II AI's, an average quality building will have Type III AI's and a Low cost building will have Type IV AI's. The value of AI's also relates to the number of filling stations and the size of the lot. Marshall Valuation Service indicates that the lives of such improvements are 15 to 25 years.

- Type I Best quality components throughout. $300,000 - $400,000
- Type II Good quality components throughout. $200,000 - $300,000

- Type III Average quality components throughout. $100,000 - $200,000
- Type IV Low cost components throughout. $10,000 - $100,000

Example:

Service Station Accessory Improvements: Type II Good Quality Cost New

Tanks	10,000 gal.	$35,000
	15,000 gal.	50,000
	20,000 gal.	65,000
Islands		20,000
Paving (including curbs & cutouts)		25,000
Lighting		8,000
Sign Pole		3,000
Canopy	1500 sqft	35,000
	2500 sqft	55,000
Piping & Wiring		40,000
Labor, Site Prep and Soft Costs		Varies

Accessory improvements are labeled as Type I – IV in the accessory improvement section of the Real Property database. The value contribution of the accessory package was flat valued according to the indicated value range for the category type and included in the total cost estimate for the service station.

Cost calibration

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

Contaminated Property

The IAAO defines contamination: "In assessment usage, contamination is any recognizable physical or nonphysical environmental influence that must be considered to determine value."[2]

The appraiser of contaminated property takes into consideration all financial liability, time influence and market stigma of the subject to arrive at a proper value. The application of proper methodology results in equitable valuations of property as affected by contamination.

Contaminated properties in King County are designated by required documentation received from the property owner. The total cost of the financial liability created by the contamination is considered in the assessed value.

Please see Procedure J225.01 in the addendum for procedures and methodologies.

[2] IAAO Standard on the Valuation of Property Affected by Environmental Contamination, June, 2001, p6.

Model Validation

Total Value Conclusions, Recommendations and Validation:

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