

Kitsap County Assessor

Narrative for Recreation – Gym, Skate, and Bowling

Appraisal Date 1/1/2009, Tax Year 2010

Updated 6/22/09 by CM43

Valuation Summary

Approach Used – Income Approach (unless an exempt property)

Analysis and Conclusion Summary – No income data specific to these property types was available at the time of appraisal. One sale and one listing were analyzed. Primary consideration was given to the properties' potential alternative use. During the analysis the warehouse model was adopted. Two facilities were improvements on public land. The associated land value at a land to building ratio of 3.11:1 was removed from the income stream on these properties. The cost approach appeared to correlate well with the specified income model.

Property Type Overview

Population – There are five facilities in the Bremerton reappraisal area.

Economic Conditions – Lack of available market data makes definitive analysis of this property type difficult. Some impact from the recent downturn in the economy is assumed as there is some evidence of an impact among other similar property types.

Rating System – Warehouse model definitions were largely adopted. First the ratio of finished office/retail type space to large, open unfinished or minimally finished area was considered. Other considerations were construction type, finish/fenestration, quality, age/condition, location, and parking. The adopted warehouse model has two different labels with five classes each.

Model Calibration

Preliminary Ratio Analysis – One sale with a .64 ratio and one listing with a .50 ratio; average and median is .57 with a COD of 7.75.

Market Sales Approach Data and Analysis

Local Sales – One sale June 11, 2007

Current Sale Listings – One listing documented - Olympic Soccer Center, an improvement to public land (212401-3-005-2100) is listed for \$3,500,000.

Market Sales Rates – No market rates were developed.

Income Approach Data and Analysis

Rent Data – No rent data was documented for this property type, warehouse model was adopted.

Vacancy Data – Field inspections indicate one of the five properties is vacant at this time.

Expense Data – No expense data was documented for this property type.

Cap Data – No cap rate data was documented for this property type.

Current Lease Listings – None documented.

Model Validation

Final Ratio Analysis – With application of the newly adopted warehouse model the sale ratio went from .64 to .97 and the listing ratio went from .50 to .89. Average and median changed from .57 to .93. COD changed from 7.75 to 1.37.

Kitsap County Assessor

Narrative for Recreation – Theater, Kennel, and Stable

Appraisal Date 1/1/2009, Tax Year 2010

Updated 6/23/09 by CM43

Valuation Summary

Approach Used – Income Approach (unless an exempt property) for theater. No kennels or stables were valued, but typically a cost approach would be used on these types of property.

Analysis and Conclusion Summary – No income data specific to the property type was available at the time of appraisal. One sale was found. The principal of substitution is used and a primary consideration is the properties' potential alternative use. The income model from the most similar use is applied at the appraiser's discretion.

Property Type Overview

Population – There are three facilities in the Bremerton reappraisal area, however one is exempt from taxation.

Economic Conditions – Lack of available market data makes definitive analysis of the property type difficult. Some impact from the recent downturn in the economy is assumed as there is some evidence of an impact among other similar property types.

Rating System – Properties tend to be unique, no rating system was developed, use model definitions from appropriate alternative uses.

Model Calibration

Preliminary Ratio Analysis – One sale has a .42 ratio.

Market Sales Approach Data and Analysis

Local Sales – One sale December 19, 2008.

Current Sale Listings – No listings were documented.

Market Sales Rates – No market rates were developed.

Income Approach Data and Analysis

Rent Data – No rent data was documented for this property type, adopt an appropriate alternative use.

Vacancy Data – No vacancy noted during field inspections.

Expense Data – No expense data was documented for this property type.

Cap Data – No cap rate data was documented for this property type.

Current Lease Listings – None documented.

Model Validation

Final Ratio Analysis – With application of the method adopted the sale ratio went from .42 to .93.

Recreation Model Definition, Gym, Skate, Bowling Labels <15%

CLASS	CONSTRUCTION	EXTERIOR FINISH	INTERIOR FINISH	AGE/CONDITION	OFFICE/RETAIL	LOCATION	PARKING
A	Heavy Steel Frame, Fireproof Construction	Good quality finish and fenestration, resembles office or retail at main entrance, mix of concrete, brick, tile, wood, or stucco	Drywall and finished ceilings in most areas, good quality finished office/retail space, heating system, insulation, floor covering, trim, heavier concrete flooring	New or recent complete renovation, in excellent to very good condition, very little to no deferred maintenance or obsolescence, all major short-lived items are like new, high curb appeal	20 - 30% office and/or showroom/retail space, may overlap to >30% if close and other characteristics warrant	At or very near main highway or major arterial, high traffic flow	Ample paved parking
B	Wood, Steel, or Reinforced Concrete Frame, Fire Resistant Construction	Good quality finish and fenestration, resembles lower quality office at entrance, mix of concrete, brick, tile, wood, or stucco	Drywall, good quality finished, insulated, and heated office/retail space, concrete floor	7 to 15 year effective age, little deferred maintenance evident, but not everything is new, no obsolescence evident, appearance and utility above the standard	15 - 25% office and/or showroom/retail space	On major arterial, visible	Ample paved parking
C	Wood, Steel, or Concrete Frame, Fire Resistant Construction	Typical finish and plain fenestration, concrete, wood, stucco, or metal with mix of other exterior	Drywall, insulation, and heat in office/retail space, concrete floor	15 to 25 year effective age, some deferred maintenance and/or functional obsolescence evident but major components still function and have utility, not unappealing	10 - 20% office and/or showroom/retail space	On or very near a main arterial	Sufficient paved parking
D	Wood or Pole Frame, Combustible Construction	Little fenestration, plain metal, wood, concrete, or stucco	Minimally or inexpensively finished office/retail space with remaining space unfinished shell	25 - 35 year effective age, deterioration is somewhat worse than normally expected, some obvious deferred maintenance and/or functional obsolescence, appears worn	5 - 15% office and/or showroom/retail space	Away from main arterial	Limited off street parking
E	Pole Frame, Combustible Construction	Inexpensive metal or plywood sheet covering with little to no fenestration	Unfinished walls and ceilings in most areas, very poorly finished to no finish office/retail space, unheated shell	35+ years, older or very obvious deferred maintenance and/or functional obsolescence, deterioration much worse than normal, several major components need repair or replacement, substandard utility, unappealing	0 - 10% office and/or showroom/retail space	Away from main arterial, narrow street	Very limited or no off street parking

Recreation Model Definition, Gym, Skate, Bowling Labels >30%

CLASS	CONSTRUCTION	EXTERIOR FINISH	INTERIOR FINISH	AGE/CONDITION	OFFICE/RETAIL	LOCATION	PARKING
A	Heavy Steel Frame, Fireproof Construction	Good quality finish and fenestration, resembles office or retail at main entrance, mix of concrete, brick, tile, wood, or stucco	Drywall and finished ceilings in most areas, good quality finished office/retail space, heating system, insulation, floor covering, trim, heavier concrete flooring	New or recent complete renovation, in excellent to very good condition, very little to no deferred maintenance or obsolescence, all major short-lived items are like new, high curb appeal	50% or more office and/or showroom/retail space	At or very near main highway or major arterial, high traffic flow	Ample paved parking
B	Wood, Steel, or Reinforced Concrete Frame, Fire Resistant Construction	Good quality finish and fenestration, resembles lower quality office at entrance, mix of concrete, brick, tile, wood, or stucco	Drywall, good quality finished, insulated, and heated office/retail space, concrete floor	7 to 15 year effective age, little deferred maintenance evident, but not everything is new, no obsolescence evident, appearance and utility above the standard	45 - 60% office and/or showroom/retail space	On major arterial, visible	Ample paved parking
C	Wood, Steel, or Concrete Frame, Fire Resistant Construction	Typical finish and plain fenestration, concrete, wood, stucco, or metal with mix of other exterior	Drywall, insulation, and heat in office/retail space, concrete floor	15 to 25 year effective age, some deferred maintenance and/or functional obsolescence evident but major components still function and have utility, not unappealing	35 - 50% office and/or showroom/retail space	On or very near a main arterial	Sufficient paved parking
D	Wood or Pole Frame, Combustible Construction	Little fenestration, plain metal, wood, concrete, or stucco	Minimally or inexpensively finished office/retail space with remaining space unfinished shell	25 - 35 year effective age, deterioration is somewhat worse than normally expected, some obvious deferred maintenance and/or functional obsolescence, appears worn	30 - 45% office and/or showroom/retail space	Away from main arterial	Limited off street parking
E	Pole Frame, Combustible Construction	Inexpensive metal or plywood sheet covering with little to no fenestration	Unfinished walls and ceilings in most areas, very poorly finished to no finish office/retail space, unheated shell	35+ years, older or very obvious deferred maintenance and/or functional obsolescence, deterioration much worse than normal, several major components need repair or replacement, substandard utility, unappealing	25 - 35% office and/or showroom/retail space, may overlap into 0 - 30% if close and other characteristics warrant	Away from main arterial, narrow street	Very limited or no off street parking

Gym, Skate, and Bowling

Nghbrhd	Vicinity	Prop Type	Business Name	Alt. PIN	Account Number	Excise	Sale Price	Sale Date	Land SF	Units	SL Code	\$Unit/SP	Class	Model PGI	Model NOI	Add'l land	Model value	Ratio
8100504	Auto Center	Recreation	Bremerton Lanes - Bldg	2237543	162401-4-078-2107	07EX04325	\$2,800,000	11-Jun-07		43,772	W	\$81.72	C	\$294,586	\$200,318	-\$777,250	\$1,807,501	0.969
8100505	Auto Center	Recreation	Bremerton Lanes - Land	2237535	162401-4-078-2008				132,828		W					\$777,220	\$777,220	
8100506	Auto Center	Recreation	Bremerton Lanes - Land	1493915	162401-4-079-2007				17,860		W					\$129,480	\$129,480	
9100541	W Brem Upl - Cit/COM	Recreation	Olympic Soccer & Sports Center	2411841	212401-3-005-2100	LISTING	\$3,500,000			58,101	W	\$65.50	C	\$391,020	\$265,893	-\$305,370	\$3,125,513	0.893
AVERAGE																	0.931	
MEDIAN																	0.931	
COD																	1.37	

Account is building only, associated land value of \$800,940 is removed, auxiliary storage value of \$23,690 for 2,700 SF is added

ADOPTED WAREHOUSE <15

RATES	A	B	C	D	E
RENTS	\$11.88	\$8.94	\$6.73	\$5.07	\$3.82
VACANCY	85.00%	85.00%	85.00%	85.00%	85.00%
EXPENSES	85.00%	85.00%	80.00%	75.00%	75.00%
CAP	7.00%	7.25%	7.75%	8.00%	8.25%
MARKET	\$120.17	\$87.31	\$57.87	\$39.59	\$28.93

6.73% | Korpacz 4th Quarter 2008 Warehouse
 7.20% Korpacz 4th Quarter 2008 + 6 month average
6.97% MEDIAN
6.97% AVERAGE

Theater

Nghbrhd	Vicinity	Prop Type	Business Name	Alt. PIN	Account Number	Excise	Sale Price	Sale Date	Land SF	Units	SL Code	\$Unit/SP	Class	PGI	NOI	Add'l land	Model value	Ratio
8100502	West Bremerton	Recreation	Charleston Cinema	1437813	3733-006-007-0008	08EX07097	\$375,000	19-Dec-08	4,356	4,926	V	\$76.13	D	\$46,926	\$27,105		\$349,470	0.932