



1420 Fifth Ave. Ste. 1700
Seattle, WA 98101

S. Murray Brackett, MAI
Director

T (206) 292-6122
F (206) 292-1601

www.cbre.com

Date of Report: May 23, 2022

Mr. Nickolis A. Landgraff
Airport Business Manager
SNOHOMISH COUNTY AIRPORT (PAINE FIELD)
10108 32nd Ave West
Everett, Washington 98204

RE: Appraisal of: Snohomish County Airport
100th Street SW
Everett, Snohomish County, Washington 98204
CBRE, Inc. File No. CB22US021650-1
Client Reference No.: VAL1234154558

Dear Mr. Landgraff:

At your request, we have completed a *Narrative Appraisal Report* in order to convey our opinion of the market rental rate ranges for land and selected individual buildings on the Snohomish County Airport (Paine Field). This report provides an analysis of airport properties with respect to current market activity to assist in pending lease renewals with airport tenants.

The conclusions provided herein have been generated through the application of two approaches. The use of these approaches reflects the full spectrum of land values and market rents resulting in individual conclusions for land use categories throughout the airport and more particularly described below. This study also includes descriptions, comparable analysis, and opinions of market rent for a variety of improvements owned by Snohomish County. The improved analysis is intended to provide guidance for leasing airport-owned facilities within defined ranges based upon building quality and characteristics.

Based on our investigation and analysis of all relevant data, our opinion of rental rates for the various land categories is summarized as follows.

Concluded Land Rental Rates				
Land Category		Effective Land Value/sf	Rate of Return	Indicated Rate/sq.ft./yr
Aviation	- Aviation-Small	\$15.73	7.25%	\$1.140
	- Large Aviation	\$9.78	7.25%	\$0.709
Non-Aviation	- Industrial/Bus.Pk - Small (< 15 acres)	\$16.65	7.25%	\$1.207
	- Industrial/Bus.Pk - Large (> 15 acres)	\$10.35	7.25%	\$0.750
	- Bus.Pk - Eastside < 15 acres	\$16.65	7.25%	\$1.207
	- Bus.Pk - Eastside > 15 acres	\$10.35	7.25%	\$0.750
	- Eastside Commercial	\$16.20-\$19.80	7.25%	\$0.911-\$1.350
	- Westside Commercial	\$16.20-\$21.60	7.25%	\$1.0125-\$1.485
	- Northwest Commercial	\$19.80	7.25%	\$1.436

The improved property rental ranges are summarized as follows:

Improved/Parking Rate Range Summary		
Category of Improvement	Rate Range (\$/sf/mo)	Defining Characteristics
Hangar/Warehouse		
	Basic \$0.50-\$0.63	Older space; low ceiling height; basic utility service minimal or no heat
	Average \$0.64-\$0.83	Generally 15-40 year age; average ceiling height (14'-18'); average industrial power; average space heat
	Premium \$0.84-\$1.10	Newer buildings; higher ceiling height; average or manufacturing grade power; good quality heat.
Office		
	Basic \$1.15-\$1.35	Older space; minimal partitioning; basic utility service minimal heat; dropped ceiling possible.
	Average \$1.36-\$1.70	Generally 15-40 year age; average #of partitions; average utilities/restrooms; average heat; AC and dropped ceiling likely.
	Premium \$1.71-\$2.20	Newer buildings; better partitions; good utilites/restrooms; Heat/AC; good quality carpet and finish
	<u>\$/Unit/Mo.</u>	
Typical Base T-Hangar Rates	\$405.00	

1. Rates assume typical land to building ratios and include concluded base ground rent.
2. Rates are NNN.
3. Rates for new construction/new airport acquisitions will also consider return on actual costs in addition to market rent d

The land and improved ranges provided above are considered broad ranges for the respective property type. We have attempted to bracket all of the airport facilities within these ranges; however, some unique structures may fall above or below these ranges.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The

Mr. Nickolis A. Landgraff

May 23, 2022

Page 3

analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



S. Murray Brackett, MAI
Director

Phone: 206-292-1621

Fax: (206) 292-1601

Email: murray.brackett@cbre.com