

**Order of the Thurston County  
Board of Equalization**

Property Owner: TPP 305 MARTIN VILLAGE LLC

Parcel Number(s): 61340000500

Assessment Year: 2016

Petition Number: 16-0490

Having considered the evidence presented by the parties in this appeal, the Board hereby:

☐ sustains      ☒ overrules      the determination of the assessor.

**Assessor's True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$ 3,359,600
<input checked="" type="checkbox"/> Improvements	\$ 19,645,500
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
<b>TOTAL:</b>	<b>\$ 23,005,100</b>

**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$ 3,359,600
<input checked="" type="checkbox"/> Improvements	\$ 13,390,400
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
<b>TOTAL:</b>	<b>\$ 16,750,000</b>

This decision is based on our finding that: The Board overrules the Assessor's determination of value based on the testimony and evidence presented.

The original Petitioners were the prior owners of the subject property. The Representatives for the prior owners did not have standing to pursue the appeal, since the prior owners did not pay 2017 property taxes on the subject property. The current owners of the property assumed the appeal pursuant to WAC 458-14-076(3) and authorized Northwest Property Tax Consultants as their Representative.

The Petitioners purchased the subject property for \$16,750,000 on December 29, 2016. The Petitioner's Representative contends that the sale was an arms-length transaction.

The Petitioner's Representative revised his requested value at the hearing. He accepted the Assessor's land value and requested an improvement value of \$13,390,400, for a total value of \$16,750,000.

The Petitioner's Representative testified about the terms of the Petitioner's purchase. He reviewed the projected income of the subject property with the Board. He explained that one of the tenants did not pay rent for an extended period.

The Assessor's Response recommended a reduction in the valuation of the improvements to \$17,077,100, for a total recommended value of \$20,436,700 as the result of a change in the quality of the improvements. RCW 84.48.065(1)(a) states that, "The county assessor or treasurer may cancel or correct assessments on the assessment or tax rolls which are erroneous due to manifest errors in description, double assessments, clerical errors in extending the rolls, and such manifest errors in the listing of the property that do not involve a revaluation of property..." The Board finds that the correction of manifest errors do not involve a revaluation of property or appraisal judgment. The Board finds that a change in the quality grade of the improvements involves a revaluation of property and appraisal judgment, and is not, therefore, a manifest error correction. The Board finds that the standard of review is reduced from clear, cogent, and convincing evidence to the preponderance of the evidence due to the Assessor's recommended reduction.

The Assessor's Representative did not participate in the hearing. The Assessor provided a market-adjusted cost approach and an income approach in support of the recommended value. The Assessor contends that the purchase of the subject property was not an arms-length transaction.

The Petitioner's Representative submitted a copy of a proposed stipulated agreement dated July 31, 2017, with a land value of \$3,359,600, an improvement value of \$14,507,900, and a total value of \$17,867,500. The stated reason for the change was "Changed building characteristics." The Petitioner did not accept the stipulation. The Board notes with concern that the Assessor subsequently prepared a Response to the Petition on August 2, 2017, and recommended a valuation that was \$2,569,200 higher than the proposed stipulation that was offered to the Petitioner's Representative.

The Board finds the testimony and analysis submitted by the Petitioner's Representative to be compelling evidence. The Board concludes that the Petitioner's Representative submitted the preponderance of the evidence to warrant a further reduction in the valuation.

Dated this 26<sup>th</sup> day of October, 2017

  
James Harverson, Chairman

  
Ruth J. Elder, Clerk of the Board

**NOTICE**

This order can be appealed to the State Board of Tax Appeals by filing a notice of appeal with them at PO Box 40915, Olympia, WA 98504-0915 or at their website at [bta.state.wa.us/appeal/forms.htm](http://bta.state.wa.us/appeal/forms.htm) within thirty days of the date of mailing of this order. The Notice of Appeal form is available from either your county assessor or the State Board.

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**Distribution:** • Assessor • Petitioner • BOE File

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