

Order of the Thurston County Board of Equalization

Property Owner: BKD CLARE BRIDGE OF OLYMPIA LLC

Parcel Number(s): 12816310701

Assessment Year: 2016

Petition Number: 16-0539

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	\$ 1,034,250
<input checked="" type="checkbox"/> Improvements	\$ 4,127,800
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 5,162,050

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 1,034,250
<input checked="" type="checkbox"/> Improvements	\$ 3,574,750
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 4,609,000

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 Petitioner was represented by Michelle DeLappe of Garvey Schubert Barer. The Assessor was represented by Teresa Hoyer, Commercial Appraiser.

Ms. DeLappe stated that the parties dispute which Marshall Swift classification should be applied to the subject property. The Petitioner accepted the Assessor's land value of \$1,034,250 and requested an improvement value of \$2,608,320 for a total requested value of \$3,642,600. The Petitioner's Representative argues that the subject property is an elderly assisted living facility with 46 memory care units. She noted that the Assessor values the property as a convalescent hospital/nursing home. The Petitioner's Representative argued that the subject property has different physical characteristics and less regulation than a nursing home. She identified some of the differences as: nursing homes require a certificate of need with a cost of \$46,000; the subject property is not licensed as a nursing home or convalescent hospital; there is significantly more government oversight of nursing homes; nursing homes have built in medical gas systems similar to hospital emergency rooms; nursing homes have hospital beds; nursing homes also have acute short term rehabilitation beds; nursing homes must have backup generators; nursing homes have strict security systems; the subject assisted living facility does not have therapy rooms on site; and the subject property does not have 24 hour nursing staff on site. She explained that other county assessors in Washington and Oregon value the Petitioner's other similar properties as elderly assisted living facilities under Marshall Swift, with the exception of Spokane County valuing the Nine Mile facility as a group care home.


Ms. Hoyer stated that it is a matter of appraisal judgment for the Assessor to determine which classification to apply to the subject property. She explained that the Assessor does not base the assessment on the licensing of the facility, because licensing is not a real property issue. She stated that there is a wide variety of construction in these types of buildings and that the Assessor is only valuing the real estate, not the business. Ms. Hoyer contends that: the subject property is built with interior courtyards; the facility is a lock down facility; beds are personal property not real property; therapy rooms are simply rooms with specialized equipment; the aerial photo illustrates the complex construction of the subject property; amenities increase the cost of construction; the subject property's website indicates that there is 50 percent medium care and 50 percent heavy care; the subject property is equipped with built in medical lifts; the website indicates that there are nurse on staff; and Marshall Swift does not have cost tables specifically for memory care units.

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The Board notes that Marshall Swift does not have specific cost tables for memory care units. Based on the testimony and evidence presented, the Board values the subject property between the values for elderly assisted living and nursing homes.

The Board concludes that the Petitioner provided clear, cogent, and convincing evidence sufficient to overcome the Assessor's presumption of correctness and to warrant a reduction in the valuation.

Dated this 11th day of December, 2017


James Harvison, 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 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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