

Order of the Thurston County Board of Equalization

Property Owner: TARGET CORPORATION

Parcel Number(s): 65101700500

Assessment Year: 2016

Petition Number: 16-0541

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	\$ 4,848,300
<input checked="" type="checkbox"/> Improvements	\$ 9,079,700
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 13,928,000

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 4,848,300
<input checked="" type="checkbox"/> Improvements	\$ 7,751,700
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 12,600,000

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.

The Petitioner's Representative described the subject property as approximately 125,000 square feet located on 10 acres of land at the South Sound Center. She indicated that the subject store is one of three anchors in the Center, along with Kohl's and Sears. Petitioner's Exhibit A is a fee appraisal with a valuation of \$11,300,000 as of January 1, 2014. Petitioner's Exhibit B is an updated fee appraisal with a valuation of \$12,600,000 as of January 1, 2016. Ms. DeLappe indicated that the Petitioner accepts the Assessor's land value of \$4,848,300, and the Board finds that the residual of the requested value would be \$7,751,700 for the improvements. The Petitioner's fee appraisals include sales comparison and income approaches to value. Ms. DeLappe shared concerns about the neighborhood trend factor that the Assessor applies to the valuations of the subject property and the neighboring properties each year and the fact that the Petitioner's Representative had requested information used in valuing the subject property and was not provided with any links to the Assessor's website. Ms. DeLappe testified that Andrew T. Robinson, MAI, is a top retail appraiser on the west coast and that Mr. Robinson was not given a pre-determined value by the Petitioners and that he did not violate his professional ethics under USPAP.

The Assessor's Representative provided a market-adjusted cost approach, a sales comparison approach, and an income approach in support of the current assessed value. She stated that the Assessor's Commercial Mass Appraisal Reports are available on line to the public. She explained that neighborhood trend factors are determined by ratio studies. Ms. Hoyer stated that the parcels neighboring the subject property have different physical characteristics, resulting in different land and improvement values. She stated that the assessment changes from year to year were not a consideration. Ms. Hoyer contended that: comparable sale number 1 from the Petitioner's Exhibit A-54 is more than five years old; comparable sale 2 involved a change in use and deed restrictions that are dissimilar to the subject property's operating big box retail; comparable sale 5 is the Kmart in Olympia that was long vacant and eventually broken up into smaller retail units; the Petitioner's sales comparison approach is not reliable; the Petitioner's income approach on A-58 is not accurate, since the subject property is an owner-occupied big box retail store not a shopping center; the 2016 fee appraisal still includes the former Target store in Federal Way that was converted to a Performing Arts Center and the former Olympia Kmart; and the Petitioner's appraisals inconsistently describe the character of the retail area that includes the subject property. Ms. Hoyer alleged that the Petitioner's fee appraiser was working towards a pre-determined value.

Thurston County Board of Equalization
Petition Number 16-0541
Target Corporation
Page Two of Two

The Board finds the allegation of the Assessor's Representative that the Petitioner's fee appraiser, a Member of the Appraisal Institute, violated the standards of professional ethics under USPAP by working towards a predetermined value to be inflammatory. This represents a most serious allegation and the Board finds no evidence to support it.

The Board finds that Petitioner's appraisals and analysis to be persuasive. 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.

To ask about the availability of this publication in an alternate format for the visually impaired, please call 1-800-647-7706. Teletype (TTY) users use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.

Distribution: • Assessor • Petitioner • BOE File

REV 64 0058 (6/9/14)

SHIPPED DEC 22 2017