

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

Property Owner: LACEY MARKETPLACE ASSOCIATE II LLC DBA BEST BUY LACEY

Parcel Number(s): 58060000600

Assessment Year: 2016

Petition Number: 16-0550

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

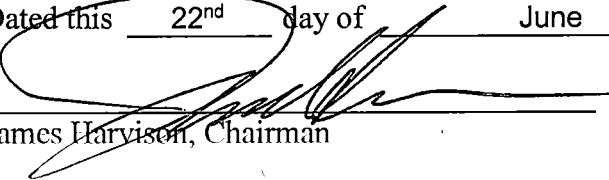
<input checked="" type="checkbox"/> Land	\$ 4,582,800
<input checked="" type="checkbox"/> Improvements	\$ 9,717,800
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 14,300,600

BOE True and Fair Value Determination

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<input checked="" type="checkbox"/> Improvements	\$ 9,717,800
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TOTAL:	\$ 14,300,600

This decision is based on our finding that: The Board sustains the Assessor's determination of value based on the testimony and evidence presented. At hearing, the Petitioner's Representative revised his requested value to \$4,582,800 for the land and \$7,138,700 for the improvements, for a total value of \$11,721,500. He provided an income analysis, a rental comparison analysis, and a sales comparison approach in support of his requested value. He clarified that the income analysis is based on assumed income, not actual rents. He argued that the rental rate would vary across the shopping center, while the Assessor used a flat rental rate. The Petitioner's Representative argued that the Board should consider effective rental rates since concessions take time to recoup. The Assessor provided a market-adjusted cost approach and an income approach in support of the current assessed value. The Assessor's Representative testified that this should center is neither big box retail nor strip retail, but that it is located in a prime location for retail and will command a higher rental rate. She stated that the leasing agent did not indicate that the rental rates would be different for the various spaces in the shopping center. The Assessor's Representative explained that the lease up analysis was done due to previous rulings of the Board of Tax Appeals. She indicated that the likely scenario would be that a buyer would bring along a national credit tenant to occupy the vacant space. She stated that the Petitioner's capitalization rate is unsupported by the evidence. She testified that risk is a large percentage of the capitalization rate. She stated that the subject property would attract national credit tenants with lower overall risk. The Board concludes that the Petitioner's Representative did not provide clear, cogent, and convincing evidence sufficient to overcome the Assessor's presumption of correctness and to warrant a reduction in the valuation.

Dated this 22nd day of June, 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 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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