

Order of the Thurston County

Board of Equalization

Property Owner: OAK TREE PRESERVE LLC

Equalization 16-EQ01

Having considered the evidence presented by the parties, the Board hereby:

☐ sustains ☒ overrules the following determinations of the Assessor.

ASSESSMENT YEAR	PARCEL	ASSESS LAND	ASSESS BLDG	ASSESS TOTAL	BOE LAND	BOE BLDG	BOE TOTAL
2014	11825100000	352,550	0	352,550	174,750	0	174,750
2015	11825100000	366,250	0	366,250	181,550	0	181,550
2016	11825110000	177,150	0	177,150	356,650	0	356,650
2016	11825110100	177,150	0	177,150	356,650	0	356,650
2016	11825120100	177,150	0	177,150	356,650	0	356,650
2016	11825130100	177,150	0	177,150	356,650	0	356,650
2016	11825130200	177,150	0	177,150	356,650	0	356,650
2016	11825140100	177,150	0	177,150	356,650	0	356,650
2016	11825140200	177,150	0	177,150	356,650	0	356,650
2016	11825310000	253,500	107,300	360,800	500,750	107,300	608,050
2016	11825410100	239,950	0	239,950	482,250	0	482,250

This order concerns the equalization of ten parcels of land owned by Oak Tree Preserve LLC.

“Equalization” means ensuring that comparable properties are comparably valued and refers to the process by which the county board of equalization reviews the valuation of real and personal property on the assessment roll as returned by the assessor, so that each tract or lot of real property and each article or class of personal property is entered on the assessment roll at one hundred percent of its true and fair value.¹

After a hearing in which Tanya Jennings, a representative of Oak Tree Preserve LLC, and Jennifer McNeil, a representative of the Assessor participated, the Board determined there was clear, cogent, and convincing evidence to support changes in assessment values for 2014, 2015, and 2016.

On July 30, 2015, Oak Tree Preserve LLC was granted preliminary plat approval for the ten parcels at issue. On August 10, 2016, the Board of Equalization requested permission from the Department of Revenue (DOR) to reconvene the Board for the purpose of considering an equalization of the ten parcels for the assessment years 2014, 2015, and 2016. On October 3, 2016, DOR directed the Board to reconvene and served a copy of its decision on the Assessor.

On February 16, 2017, the Board issued a notice of hearing planned for April 10, 2017 concerning equalization of the ten parcels. A copy of the letter from Thurston County Resource Stewardship Department dated September 9, 2015 that informed Oak Tree Preserve LLC of the County’s grant of preliminary plat effective July 30, 2015 was attached to the hearing notice. The Board requested comments from Oak Tree Preserve LLC and the Assessor.

¹ WAC 458-14-005(12).

The hearing notice stated that the Assessor's records indicated that one parcel, 11825100000, had been designated as having a preliminary plat for assessment years 2014, 2015, and 2016. The Assessor's records of the other nine parcels did not have an indication of a preliminary plat. For the parcel with a preliminary plat indication, the Assessor's records showed an adjustment upward by a multiple of two, thus doubling the base value of the land because the Assessor had determined there was preliminary plat approval for all three assessment years.

Oak Tree Preserve LLC commented on February 27, 2017, stating that the preliminary plat adjustments on parcel 11825100000 for assessment years 2014 and 2015 should be removed and the assessment reduced from \$348,050 to \$177,150. Oak Tree Preserve LLC did not recommend the 2016 assessment for parcel 11825100000 should be reduced for assessment year 2016. Oak Tree Preserve LLC also stated, "All parcels (A through J) possibly should have had the preliminary plat land influence multiplier applied as of the 2016 assessment year, since the preliminary plat approval was July 30, 2015."

On March 23, 2017, the Board communicated by email to Oak Tree Preserve LLC and the Assessor and asked them to discuss an acceptable, mutually agreed to outcome for the equalization. On April 3, 2017, Oak Tree Preserve LLC and the Assessor executed stipulations that had the effect of reducing the assessment for parcel 11825100000 by approximately half for assessment years 2014, 2015, and 2016. The Board did not accept the stipulations because stipulations are not permitted as a resolution to an equalization, but the Board also acknowledged at hearing that the Board's request made on March 23 might have led to the attempt to resolve the equalization through stipulation.

On April 4, 2017, the Assessor commented that the nine parcels for which there was no indication in the Assessor's records of a preliminary plat influence were purchased by Oak Tree Preserve LLC for \$6,000,000 on September 20, 2012. The Assessor also stated that adjustments for preliminary plats range between a multiplier of 1.25 up to 4.0. The Assessor stated, "The Assessor's office would need to analyze the sale parcels and determine what multiplier will adequately bring these parcels to fair market value."

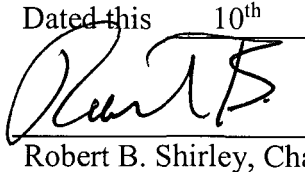
At hearing, the Assessor's representative stated the office has a policy of not seeking increases to assessments once the assessment roll has been certified. The Assessor considers this is fair to taxpayers because it does not surprise a taxpayer with an unexpected increase after notice of a lower value. The Assessor prefers to make necessary upward corrections in the assessment year following discovery of an assessment that was below fair market value.

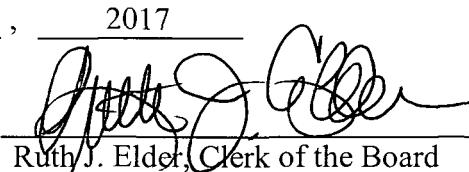
Equalization is not an annual effort; it is intended to be retrospective. Consistent with the nature of equalization, the clear, cogent, and convincing evidence that a preliminary plat was awarded for all ten parcels at issue, and the Assessor's application of a preliminary plat adjustment, the Board determined to equalize the ten parcels. The Board also determined the neighborhood adjustments should not be changed, and should be applied in the calculation of the equalized assessment values.²

It is ordered that for assessment years 2014 and 2015, for parcel 11825100000 the assessment value is reduced to \$174,750 and \$181,550 respectively. That parcel's assessment value for assessment year 2016 is to remain unchanged at \$348,050.

It is also ordered that for assessment year 2016, the nine remaining parcels should be increased as a result of the preliminary plat designation of July 30, 2015. The Board used the Assessor's preliminary plat adjustment (2.0 multiplier) for parcel 11825100000 as the adjustment for the other nine parcels. The 2016 assessment year values for the nine parcels are the values indicated at the beginning of this order.

Dated this 10th day of April, 2017


Robert B. Shirley, 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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² The board's request for reconvening, DOR's order of reconvening, and the hearing notice all stated, incorrectly, that the total acreage of the ten parcels is 258.5. A recalculation at hearing indicates the acreage is 263.5.