

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

Property Owner: HOME DEPOT USA INC.

Parcel Number(s): 11819120000

Assessment Year: 2017

Petition Number: 17-0108

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	\$ <u>3,259,600</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>5,500,800</u>
<input type="checkbox"/> Minerals	\$ _____
<input type="checkbox"/> Personal Property	\$ _____
<b>TOTAL:</b>	<b>\$ <u>8,760,400</u></b>

**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$ <u>3,259,600</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>5,500,800</u>
<input type="checkbox"/> Minerals	\$ _____
<input type="checkbox"/> Personal Property	\$ _____
<b>TOTAL:</b>	<b>\$ <u>8,760,400</u></b>

This decision is based on our finding that: The Board sustains the Assessor's determination of value based on the testimony and evidence presented. The Board relies, in a measure, on its previous reviews of the subject property. The Petitioner's Representative revised his requested total value to \$7,742,300, and indicated that he accepted the Assessor's land value. The Petitioner's Representative testified that: the subject property was custom built for Home Depot for retail store purposes; Home Depot stores are not built in hopes of leasing out the space, so entrepreneurial profit is not a consideration; the subject improvements are low cost quality; grocery stores and department stores have significantly more built out than a Home Depot store; and he focused on the cost approach. The Petitioner's Representative provided comparable sales in support of his requested value. He contended that if sales are available, then sales should be used rather than adjusting the cost approach for sales. 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. The Assessor's Representative testified that she uses fair quality versus low cost for the quality of the improvements, and she presented six confirmed arms-length sales. The Assessor's Representative stated that the sales presented by the Petitioner's Representative are not valid arms-length transactions, which explains why the range of sales is so large. She made the following comments regarding the Petitioner's sales: Sale 1 included business value as well as real estate; Sales 2 and 5 were part of the Commons Mall in Federal Way and inappropriate to use as comparables; Sale 3 involved a change in use; Sale 4 involved the sale of the real estate for the McClendon's Hardware chain rather than a redevelopment project; Sale 6 involved the entire shopping center rather than just Bass Pro Shop; Sale 7 involved the entire shopping center rather than just the Fred Meyer; Sale 8 involved a lease-fee situation and 3 stores; Sale 9 was the sale of the movie theater at the Supermall; Sale 10 included \$2 million for the McDonald's located on the site; Sale 11 involved a change in use; Sale 12 involved a change in use; Sale 13 involved a leased-fee situation; and Sale 14 involved receivership and bankruptcy. The Board finds that the Petitioners' comparable sales and cost approach are not persuasive. 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 14<sup>th</sup> day of May, 2018

  
John L. Morrison, 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**

REV 64 0058 (6/9/14)

**SHIPPED JUN 21 2018**

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

Property Owner: HOME DEPOT USA INC.

Parcel Number(s): 12703240402

Assessment Year: 2017

Petition Number: 17-0109

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**

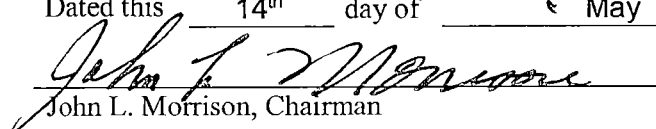
<input checked="" type="checkbox"/> Land	\$ 5,030,200
<input checked="" type="checkbox"/> Improvements	\$ 5,773,000
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
<b>TOTAL:</b>	<b>\$ 10,803,200</b>

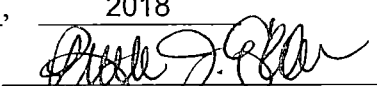
**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$ 5,030,200
<input checked="" type="checkbox"/> Improvements	\$ 5,773,000
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
<b>TOTAL:</b>	<b>\$ 10,803,200</b>

This decision is based on our finding that: The Board sustains the Assessor's determination of value based on the testimony and evidence presented. The Board relies, in a measure, on its previous reviews of the subject property. The Petitioner's Representative revised his requested total value to \$10,389,000, and indicated that he accepted the Assessor's land value. The Petitioner's Representative testified that: the subject property was custom built for Home Depot for retail store purposes; Home Depot stores are not built in hopes of leasing out the space, so entrepreneurial profit is not a consideration; the subject improvements are low cost quality; grocery stores and department stores have significantly more built out than a Home Depot store; and he focused on the cost approach. The Petitioner's Representative provided comparable sales in support of his requested value. He contended that if sales are available, then sales should be used rather than adjusting the cost approach for sales. 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. The Assessor's Representative testified that she uses fair quality versus low cost for the quality of the improvements, and she presented six confirmed arms-length sales. The Assessor's Representative stated that the sales presented by the Petitioner's Representative are not valid arms-length transactions, which explains why the range of sales is so large. She made the following comments regarding the Petitioner's sales: Sale 1 included business value as well as real estate; Sales 2 and 5 were part of the Commons Mall in Federal Way and inappropriate to use as comparables; Sale 3 involved a change in use; Sale 4 involved the sale of the real estate for the McClendon's Hardware chain rather than a redevelopment project; Sale 6 involved the entire shopping center rather than just Bass Pro Shop; Sale 7 involved the entire shopping center rather than just the Fred Meyer; Sale 8 involved a lease-fee situation and 3 stores; Sale 9 was the sale of the movie theater at the Supermall; Sale 10 included \$2 million for the McDonald's located on the site; Sale 11 involved a change in use; Sale 12 involved a change in use; Sale 13 involved a leased-fee situation; and Sale 14 involved receivership and bankruptcy. The Board finds that the Petitioners' comparable sales and cost approach are not persuasive. 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 14<sup>th</sup> day of May, 2018

  
John L. Morrison, Chairman

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

REV 64 0058 (6/9/14)

SHIPPED JUN 21 2018

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

Property Owner: HD DEVELOPMENT OF MARYLAND INC.

Parcel Number(s): 58060000100

Assessment Year: 2017

Petition Number: 17-0110

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**

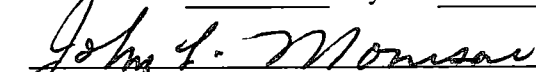
<input checked="" type="checkbox"/> Land	\$ <u>7,155,100</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>6,734,500</u>
<input type="checkbox"/> Minerals	\$ _____
<input type="checkbox"/> Personal Property	\$ _____
<b>TOTAL:</b>	<b>\$ <u>13,889,600</u></b>

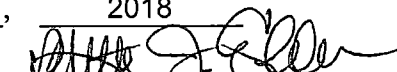
**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$ <u>7,155,100</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>4,844,900</u>
<input type="checkbox"/> Minerals	\$ _____
<input type="checkbox"/> Personal Property	\$ _____
<b>TOTAL:</b>	<b>\$ <u>12,000,000</u></b>

This decision is based on our finding that: The Board adopts the Assessor's recommended reduction in value based on the testimony and evidence presented. The Board relies, in a measure, on its previous reviews of the subject property. The Petitioner's Representative revised his requested total value to \$13,111,100, and indicated that he accepted the Assessor's land value. The Petitioner's Representative testified that: the subject property was custom built for Home Depot for retail store purposes; Home Depot stores are not built in hopes of leasing out the space, so entrepreneurial profit is not a consideration; the subject improvements are low cost quality; grocery stores and department stores have significantly more built out than a Home Depot store; and he focused on the cost approach. The Petitioner's Representative provided comparable sales in support of his requested value. He contended that if sales are available, then sales should be used rather than adjusting the cost approach for sales. 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. The Assessor recommended a reduction in the valuation of the improvements to \$4,844,900, for a total recommended value of \$12,000,000. The Board finds that the recommended reduction was due to the income approach rather than a manifest error correction, so the standard of review is reduced to the preponderance of the evidence. The Assessor's Representative testified that she uses fair quality versus low cost for the quality of the improvements, and she presented six confirmed arms-length sales. The Assessor's Representative stated that the sales presented by the Petitioner's Representative are not valid arms-length transactions, which explains why the range of sales is so large. She made the following comments regarding the Petitioner's sales: Sale 1 included business value as well as real estate; Sales 2 and 5 were part of the Commons Mall in Federal Way and inappropriate to use as comparables; Sale 3 involved a change in use; Sale 4 involved the sale of the real estate for the McClendon's Hardware chain rather than a redevelopment project; Sale 6 involved the entire shopping center rather than just Bass Pro Shop; Sale 7 involved the entire shopping center rather than just the Fred Meyer; Sale 8 involved a lease-fee situation and 3 stores; Sale 9 was the sale of the movie theater at the Supermall; Sale 10 included \$2 million for the McDonald's located on the site; Sale 11 involved a change in use; Sale 12 involved a change in use; Sale 13 involved a leased-fee situation; and Sale 14 involved receivership and bankruptcy. The Board finds that the Petitioners' comparable sales and cost approach are not persuasive. The Board concludes that the Petitioner's Representative did not provide the preponderance of the evidence sufficient to warrant a reduction in the valuation.

Dated this 14<sup>th</sup> day of May, 2018

  
John L. Morrison, Chairman

  
Ruth J. Elder, Clerk of the Board

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