

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

Property Owner: TPP 305 MARTIN VILLAGE LLC.

Parcel Number(s): 61340000500

Assessment Year: 2017

Petition Number: 17-0136

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>4,576,500</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>15,205,500</u>
<input type="checkbox"/> Minerals	\$ _____
<input type="checkbox"/> Personal Property	\$ _____
TOTAL:	\$ <u>19,782,000</u>

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ <u>4,576,500</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>12,173,500</u>
<input type="checkbox"/> Minerals	\$ _____
<input type="checkbox"/> Personal Property	\$ _____
TOTAL:	\$ <u>16,750,000</u>

This decision is based on our finding that: The Board adopts the Petitioner's requested value based on the testimony and evidence presented. The Petitioners purchased the subject property for \$16,750,000 on December 29, 2016, via a special warranty deed. The Board notes that the property was previously repossessed on February 8, 2016, via a trustee's deed.

The Petitioners were represented by Randall Scott of Northwest Property Tax Consultants. The Petitioner's Representative provided supporting documents including the offering memorandum which led to the sale and a letter from the supervising broker involved in the sale of the property. The Petitioner's Representative testified that the purchase price is the best evidence of the market value. He contends that this was an arms-length transaction, that the property was exposed to the market, and the parties were unrelated. The Petitioner's Representative contends that the commercial mortgage backed security issue had nothing to do with the Petitioner's purchase of the subject property.

The Assessor was represented by Commercial Appraiser Teresa Hoyer. The Assessor's Representative provided a market-adjusted cost approach and an income approach in support of the current assessed value. The Assessor's Representative contends that the Petitioner's purchase of the subject property was not an arm's length transaction, because the seller had both an obligation to sell and a special purpose. She explained that the previous mortgage on the subject property had been collateralized into commercial mortgage back securities. The Assessor's Representative testified that the seller was a special servicer who was obligated to sell the property and the sale had a special purpose, which was to liquidate an asset that was part of a pool of commercial mortgage backed securities. She further testified that the subject property was marketed as an auction sale, not a typical sale, and the property was stabilized prior to the sale in December 2016.

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The Board finds that Petitioner's purchase of the subject property to be the most compelling evidence of the market value as of January 1, 2017. The Board concludes that the Petitioner's Representative 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 31th day of May, 2018


John L. Morrison, Vice 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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