

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

Property Owner: Olympia Mall Co. Petitioner/Lessee: Macy's

Parcel Number(s): 12816430304

Assessment Year: 2017

Petition Number: 17-0386

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	\$ 7,115,700
<input checked="" type="checkbox"/> Improvements	\$ 6,924,500
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 14,040,200

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 5,692,500
<input checked="" type="checkbox"/> Improvements	\$ 6,924,500
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 12,617,000

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 Petitioner's Representative testified that the subject property is a mall anchor store, a distinct property type, and not a big box store. He clarified that Macy's leases the store and has only paid base rent and CAM for the past two years. He stated that store sales have decreased for the past 5 years. The Petitioner's Representative revised his total requested value to \$7,450,000, with \$3,500,000 for the land and \$3,950,000 for the improvements. He provided an income approach and sales comparison approach in support of his requested value and reviewed his submission with the Board.

The Assessor recommended a reduction in the valuation of the land to \$5,692,500 for a total recommended value of \$12,617,000. The Board finds that the recommended reduction is due to the application of a contiguous adjustment. The Board finds that this change in the valuation is not a manifest error correction pursuant to RCW 84.48.065(1)(a). Therefore, the standard of review is reduced from clear, cogent, and convincing evidence to the preponderance of the evidence. The Assessor provided a market-adjusted cost approach, a sales comparison approach, and an income approach in support of the recommended value. The Assessor's Representative testified that the Assessor is not valuing the retail business, only the real estate. She stated that the percentage rent basis, values the retail business. She noted that Capital Mall is still a vibrant mall with new stores added to the mall and the adjacent area. The Assessor's Representative testified that some of the leases referenced by the Petitioner are quite old, might be the original leases for those stores, and are not particularly useful. She stated that the Petitioner's sold stores are all closed, torn down, or vacant stores. She testified that since there are so few sales of department stores that are part of enclosed shopping malls that sold separately from the malls, the next best property type to consider is big box retail. She stated that the Assessor has applied a contiguous adjustment to the land value for the subject property.

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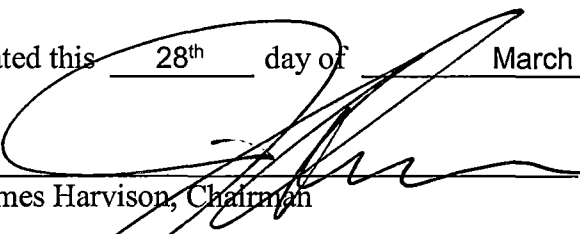
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The Board finds the Petitioner's evidence unpersuasive and not helpful in determining the true and fair market value of the subject property as of January 1, 2017. The Board finds that the Assessor has applied a contiguous adjustment to recognize the property's relationship with the rest of Capital Mall. The Board concludes that the Petitioner did not provide the preponderance of the evidence to warrant a further reduction in the valuation.

Dated this 28th day of March, 2018


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.

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Distribution: • Assessor • Petitioner • BOE File

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