

Order of the Thurston County Board of Equalization

Property Owner: LOWE'S HIW INC

Parcel Number(s): 11817131902

Assessment Year: 2017

Petition Number: 17-0573

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	\$ 7,949,400
<input checked="" type="checkbox"/> Improvements	\$ 10,439,000
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 18,388,400

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 7,949,400
<input checked="" type="checkbox"/> Improvements	\$ 8,300,600
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 16,250,000

This decision is based on our finding that: The Board adopts the Assessor's recommended 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 value at the hearing to \$4,578,160 for the land and \$8,220,348 for the improvements, for a total requested value of \$12,798,508. He provided a cost approach, a sales comparison approach, and an income approach in support of his requested value. The Petitioner's Representative testified that the cost approach already includes local multipliers, so the trend factor is unnecessary. He referred to fee appraisals that were prepared for the 2013 and 2014 assessments, but these appraisals were not submitted for review with this appeal.

The Assessor recommended a reduction in the improvement value to \$8,300,600, for a total recommended value of \$16,250,000. The Board finds that the reduction is based on the Assessor's income approach to value and is not the result of a manifest error correction pursuant to RCW 84.48.065(1)(a). The Board finds that the standard of review is reduced to the preponderance of the evidence.

The Assessor's Representative provided a market-adjusted cost approach, a sales comparison approach, and an income approach in support of the recommended value. She explained the trend factor as a mass appraisal adjustment to the cost approach to account for market sales. She clarified that this has nothing to do with the local multiplier in Marshall Swift. The Assessor's Representative testified that: there is no reason to expect that the subject property would be vacant when it is sold; the subject property would be sold as a net lease property where the tenant nearly all of the expenses; it is not reasonable to take a large expense rate for a triple net property; the Petitioner's three approaches to value had divergent results; the Petitioner offered no support for his capitalization rate; the Petitioner's cost approach did not include entrepreneurial profit; Petitioner's Comparable Sales 1, 2, and 3 are all closed stores; Petitioner's Comparable Sale 5 is the allocated price from the purchase of the entire mall property; the Petitioner's square footage listings for the comparable sales do not match the public records; and all interior built out is personal property which is assessed separately.

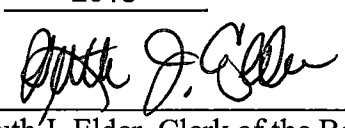
The Board finds that Petitioner's Comparable Sale 4 is the same as Assessor's Comparable Sale 4, the Lowe's in Silverdale, which sold for \$113.13 per square foot in September 2014. The Board finds that this sale supports the Assessor's recommended value of \$114.09 per square foot for the subject property as of January 1, 2017. The Board finds this to be the most compelling evidence presented by the parties.

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The Board concludes that the Petitioner's Representative did not provide the preponderance of the evidence to warrant a further reduction in the valuation.

Dated this 12th day of April, 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.

To ask about the availability of this publication in an alternate format for the visually impaired, please call 1-800-647-7706. Teletype (TTY) users use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.

Distribution: • Assessor • Petitioner • BOE File

REV 64 0058 (6/9/14)

SHIPPED MAY 02 2018

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

Property Owner: LOWE'S HIW INC

Parcel Number(s): 58040000100

Assessment Year: 2017

Petition Number: 17-0574

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	\$ 4,796,400
<input checked="" type="checkbox"/> Improvements	\$ 11,134,900
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 15,931,300

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 4,796,400
<input checked="" type="checkbox"/> Improvements	\$ 11,134,900
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 15,931,300

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 value at the hearing to \$4,796,400 for the land and \$9,963,698 for the improvements, for a total requested value of \$14,976,400. He provided a cost approach, a sales comparison approach, and an income approach in support of his requested value. The Petitioner's Representative testified that the cost approach already includes local multipliers, so the trend factor is unnecessary. He referred to fee appraisals that were prepared for the 2013 and 2014 assessments, but these appraisals were not submitted for review with this appeal.

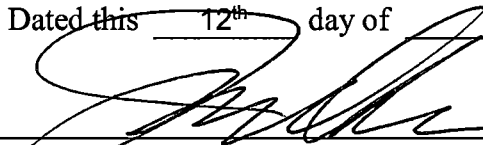
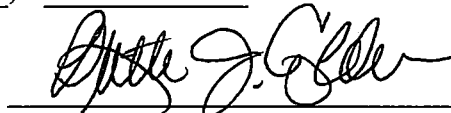
The Assessor's Representative provided a market-adjusted cost approach, a sales comparison approach, and an income approach in support of the current assessed value. She explained the trend factor as a mass appraisal adjustment to the cost approach to account for market sales. She clarified that this has nothing to do with the local multiplier in Marshall Swift. The Assessor's Representative testified that: there is no reason to expect that the subject property would be vacant when it is sold; the subject property would be sold as a net lease property where the tenant nearly all of the expenses; it is not reasonable to take a large expense rate for a triple net property; the Petitioner's three approaches to value had divergent results; the Petitioner offered no support for his capitalization rate; the Petitioner's cost approach did not include entrepreneurial profit; Petitioner's Comparable Sales 1, 2, and 3 are all closed stores; Petitioner's Comparable Sale 5 is the allocated price from the purchase of the entire mall property; the Petitioner's square footage listings for the comparable sales do not match the public records; and all interior built out is personal property which is assessed separately.

The Board finds that Petitioner's Comparable Sale 4 is the same as Assessor's Comparable Sale 4, the Lowe's in Silverdale, which sold for \$113.13 per square foot in September 2014. The Board finds that this sale supports the current assessed value of \$115.39 per square foot for the subject property as of January 1, 2017. The Board finds this to be the most compelling evidence presented by the parties.

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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 12th day of April, 2018


James Harvison, Chairman
Ruth J. Elder, Clerk of the Board

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