

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

Property Owner: 3430 PACIFIC AVENUE HOLDINGS LLC

Assessment Year: 2017

Having considered the evidence presented by the parties in this appeal, the Board hereby:

☐ sustains      ☒ overrules      the determination of the assessor.

PETITION	PARCEL	ASSESS LAND	ASSESS BLDG	ASSESS TOTAL	BOE LAND	BOE BLDG	BOE TOTAL
17-0624	41701500000	722,500	522,100	\$1,244,600	722,500	439,298	\$1,161,798
17-0625	66440000100	1,071,900	3,856,000	\$4,927,900	1,071,900	3,244,460	\$4,316,360
17-0626	66440000200	122,700	645,700	\$768,400	122,700	543,296	\$665,996
17-0627	66440000300	499,100	2,457,900	\$2,957,000	499,100	2,068,091	\$2,567,191
17-0628	66440000400	268,200	671,400	\$939,600	268,200	564,920	\$833,120
17-0629	66440000500	195,400	424,400	\$619,800	195,400	357,092	\$552,492
17-0630	66440000600	3,586,100	460,900	\$4,047,000	3,586,100	387,804	\$3,973,904
17-0631	66450000100	685,200	3,300,300	\$3,985,500	685,200	2,776,891	\$3,462,091
17-0632	66450000200	332,400	1,709,800	\$2,042,200	332,400	1,438,635	\$1,771,035
17-0633	66450000300	92,300	415,400	\$507,700	92,300	349,520	\$441,820
17-0634	66450000400	3,181,600	383,400	\$3,565,000	3,181,600	322,595	\$3,504,195

This decision is based on our finding that: The Board adopts the Assessor's recommended reductions in the valuations based on the testimony and evidence presented. The Board relies, in a measure, on its previous reviews of the subject property. The subject parcels are part of the Olympia Square shopping center.

The Petitioners were represented by Randall Scott of Northwest Property Tax Consultants. The Petitioner's Representative requested a total assessed value of \$22,000,000, based on a fee appraisal of May 12, 2016.

The Assessor was represented by Teresa Hoyer, Commercial Appraiser. The Assessor recommended a reduction in the valuation of each of the parcels, resulting in a total recommended value of \$23,250,000. The Assessor's Representative explained that she adjusted the fee appraisal by adding the near-term capital expenses to arrive at the recommended value. The Board finds that the reasons for the Assessor's recommended reduction are not the result of manifest error corrections pursuant to RCW 84.48.065(1)(a). Therefore, the Board finds that the standard of review is reduced to the preponderance of the evidence for each of the petitions.

The Assessor's Representative testified that she agrees with most of the Petitioner's fee appraisal, with the exception of the near-term capital expense deduction. She explained that the fee appraisal is already deducting reserves from the net operating income, so it is not reasonable to make further reductions for the cost to cure. She noted that the fee appraiser found the property to be in average condition with no deferred maintenance. The Assessor's Representative testified that she has reviewed the building permits and that it appears that much of the work has already been done.

The Petitioner's Representative objected to the Assessor's Representative testifying about the building permits when this information was not provided to him in advance of the hearing. The objection of the Petitioner's Representative is noted for the record. The Board permits the parties to offer sworn testimony, even if the documents supporting the testimony are not submitted to the Board and to the opposing party for review in advance of the hearing.

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The Board finds the Petitioner's fee appraisal to be compelling, apart from the deduction for the near-term capital expenses. The Board finds that the Assessor's arguments regarding the near-term capital expenses to be convincing. The Board finds the Assessor's recommended reductions in the valuations to be reasonable and supported by the evidence. The Board concludes that the Petitioner's Representative did not provide the preponderance of the evidence to warrant further reductions in the valuations.

Dated this 31<sup>th</sup> 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](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

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