

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

Property Owner: FIRST CITIZENS BANK & TRUST COMPANY

Parcel Number(s): 84990000700

Assessment Year: 2017

Petition Number: 17-0690

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>1,067,800</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>1,637,100</u>
<input type="checkbox"/> Minerals	\$ _____
<input type="checkbox"/> Personal Property	\$ _____
<b>TOTAL:</b>	<b>\$ <u>2,704,900</u></b>

**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$ <u>1,067,800</u>
<input checked="" type="checkbox"/> Improvements	\$ <u>1,637,100</u>
<input type="checkbox"/> Minerals	\$ _____
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<b>TOTAL:</b>	<b>\$ <u>2,704,900</u></b>

This decision is based on our finding that: The Board sustains the current assessed value based on the testimony and evidence presented.

At hearing, the Petitioner's Representative revised the requested land value to \$899,900, the improvement value to \$1,615,170, for a total requested value of \$2,515,070, rounded to \$2,515,100. He explained that the subject property is a hybrid property, with space for a bank branch and primarily vacant office space in need of renovation. The Petitioner's Representative testified that: his comparable sales were bank and office properties in Thurston County whereas the Assessor's comparable sales were located in Puyallup and Monroe; he placed less weight on the sales comparison approach; the differences in the parties' cost approach are mostly attributable to the differences in the land sales; it will take a \$1 million renovation to make the vacant office space suitable for lease; the renovation needed for the office space is not economically feasible; only a limited number of potential lessees would be compatible with the bank's security needs; and the Assessor's pro forma income approach needs to include a deduction for the renovation.

The Assessor recommended an increase in the assessed value of the improvements to \$1,761,100, for a total recommended value of \$2,828,900. The Board finds that the Assessor's adjustments for the partial basement, partial second story, additional square footage, wall height, and the elevator were manifest errors pursuant to RCW 84.48.065(1)(a). However, the recommended increase is also based on a change in the condition, which involves appraisal judgement rather than a manifest error correction. Therefore, the standard of review is reduced from clear, cogent, and convincing evidence to the preponderance of the evidence. The Board finds that the Assessor did not provide a detailed accounting of the adjustments resulting in the recommended value.

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 subject property was originally built as a bank headquarters; if the subject property was sold, the buyer would likely either use the property as a bank headquarters or divide it out; the \$1 million renovation estimate is a hypothetical number and not a bid; the vacant side of the subject building has restrooms, a kitchen area, and a separate entrance, so the property could be divided and leased; the Assessor does not value the subject property based on what the current owner chooses to do with the space; she refuted the Petitioner's comparable sales and stated that they do not reflect the same highest and best use as the subject property; and the subject property was purchased by the current owners from the FDIC for \$2,300,000, which supports the recommended value.

The Board finds that the comparable sales submitted by both parties are not convincing nor particularly relevant to valuing the subject property. The Board finds the Assessor's proforma income approach to be unpersuasive. The Board finds that the Assessor provided insufficient evidence to support the recommended increase in the valuation. The Board finds that the Petitioner did not provide the preponderance of the evidence to overcome the presumption of correctness of the current assessed value and to warrant a reduction in the valuation. The Board concludes that the absent sufficient evidence from either party, the current assessed value will be sustained.

Dated this 15<sup>th</sup> day of February, 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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