

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

Property Owner: YELM PLAZA 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
17-0691	22730110203	\$581,400	\$1,115,900	\$1,697,300	\$581,400	\$1,115,900	\$1,697,300
17-0692	22730110204	\$1,421,200	\$3,527,700	\$4,948,900	\$1,421,200	\$3,527,700	\$4,948,900
17-0693	22730110206	\$472,500	\$1,365,400	\$1,837,900	\$472,500	\$1,365,400	\$1,837,900
17-0694	22730110207	\$208,100	\$450,500	\$658,600	\$208,100	\$450,500	\$658,600
17-0695	22730110209	\$455,100	\$420,100	\$875,200	\$455,100	\$420,100	\$875,200
17-0696	22730110210	\$838,700	\$1,415,000	\$2,253,700	\$838,700	\$1,415,000	\$2,253,700

This decision is based on our finding that: The Board sustains the Assessor's determination of values based on the testimony and evidence presented. The Board relies, in a measure, on its previous reviews of the subject properties. The subject properties compose part of an economic unit consisting of a total of seven parcels. The Petitioners appealed the assessments of the six improved parcels, but did not appeal the assessment of the unimproved, but did not appeal the assessment of the unimproved seventh parcel.

The Petitioner was represented by Michelle DeLappe of Garvey Schubert Barer. The Petitioner's Representative requested a total value of \$10,582,100. The Petitioner's Representative referred to an appraisal as of January 1, 2012 and an appraisal update as of January 1, 2013. The Petitioner's Representative testified that the vacancy rate in 2017 was higher than at the time of the last appraisal update and the leases for the three largest occupied spaces will be ending. The Petitioner's Representative referred to the vacancy shortfall analysis, Exhibit B-22, and the Final Decision of the Board of Tax Appeals on Remand from Thurston County Superior Court for Docket Nos. 13-168 to 13-174, Exhibit E.

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 testified that: the Petitioner's information is now four years old; all but 14,000 square feet has been leased since the anchor tenants left in 2007; tenants have left the subject property due to above market rents, as confirmed by the owner of Yelm Liquor; there is a discrepancy in the net rentable area listed in the Petitioner's appraisal and appraisal update; the Assessor uses the gross building area; the Petitioner has not provided the Assessor's Office with copies of the leases, so it is not possible to know what options are available on the existing leases; and there is a high synergy between the three discount stores in the shopping center (Goodwill, Dollar Tree, and Sunbirds) that will power each other. The Assessor's Representative stated that the State Board of Tax Appeals did not address the issue of above-market rents in their decisions. She testified that overmarket leases and vacancies in shopping centers tend to go hand in hand.

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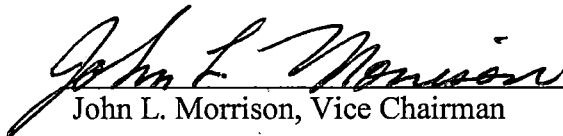
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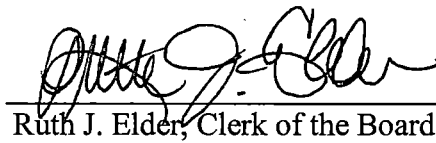
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Thurston County Board of Equalization
Petition Numbers 17-0691 through 17-0696
Yelm Plaza LLC
Page Two of Two

The Board finds that the Petitioner's information is quite dated and not adjusted to the current assessment year. The Board finds that the Assessor did not consider the vacancy shortfall analysis or entrepreneurial profit in the analysis for the 2017 assessment year. 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 24th 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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