

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

Property Owner: TARGET CORPORATION

Parcel Number(s): 65101700500

Assessment Year: 2017

Petition Number: 17-0697

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	\$ 5,584,100
<input checked="" type="checkbox"/> Improvements	\$ 9,149,000
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 14,733,100

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 5,584,100
<input checked="" type="checkbox"/> Improvements	\$ 9,149,000
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 14,733,100

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 was represented by Michelle DeLappe of Garvey Schubert Barer. The Petitioner's Representative requested a total value of \$12,600,000, based on a fee appraisal as of January 1, 2014, and an appraisal update as of January 1, 2016. The Petitioner's Representative testified that: she disagrees with the Assessor's cost approach being modified by a neighborhood trend factor; she disagrees with the Assessor's physical depreciation rating; no information was provided as to how the Assessor's local depreciation rates were developed; the Assessor's comparable sales are not similar to the subject property; she disagrees with the Assessor's income approach, which is based on the incorrect square footage and does not properly distinguish between an absolute net lease and a triple net lease; no adjustments were made to the Assessor's comparable sales, despite the differences in location; and she objects to the Assessor using a sale based on a ground lease to value the subject property.

The Assessor was represented by Commercial Appraiser Teresa Hoyer. 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. The Assessor's Representative testified that: the Assessor uses local analysis in developing depreciation rates, not Marshall Swift which uses national averages; the Petitioner's cost approach did not include entrepreneurial profit; the Petitioner's comparable sales included sales more than 5 years prior to the assessment date, sales involving a change in use, and properties that were vacant at the time of sale; no excise tax was recorded on the sale of the Shopko in Yakima and the last validated sale was \$9.9 million in 2015; the sale of the Home Depot in Tacoma was a leased-fee sale that involved multiple stores; Target owns the subject property which is not related to the shopping center; and properties similar to the subject are generally sold as an absolute net lease.

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Petition Number 17-0697
Target Corporation
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The Board finds that the Petitioner's fee appraisal is somewhat dated and not persuasive. The Board finds the Assessor's analysis to be convincing. 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.

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 JUN 21 2018

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

Property Owner: DAYTON HUDSON CORP #607

Parcel Number(s): 12816420000

Assessment Year: 2017

Petition Number: 17-0698

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	\$ 6,176,200
<input checked="" type="checkbox"/> Improvements	\$ 6,312,200
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 12,488,400

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 6,176,200
<input checked="" type="checkbox"/> Improvements	\$ 6,312,200
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 12,488,400

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 was represented by Michelle DeLappe of Garvey Schubert Barer. The Petitioner's Representative requested a total value of \$10,200,000, based on a fee appraisal as of January 1, 2014, and an appraisal update as of January 1, 2016. The Petitioner's Representative testified that: she disagrees with the Assessor's cost approach being modified by a neighborhood trend factor; she disagrees with the Assessor's physical depreciation rating; no information was provided as to how the Assessor's local depreciation rates were developed; the Assessor's comparable sales are not similar to the subject property; she disagrees with the Assessor's income approach, which is based on the incorrect square footage and does not properly distinguish between an absolute net lease and a triple net lease; no adjustments were made to the Assessor's comparable sales, despite the differences in location; and she objects to the Assessor using a sale based on a ground lease to value the subject property.

The Assessor was represented by Commercial Appraiser Teresa Hoyer. 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. The Assessor's Representative testified that: the Assessor uses local analysis in developing depreciation rates, not Marshall Swift which uses national averages; the Petitioner's cost approach did not include entrepreneurial profit; the Petitioner's comparable sales included sales more than 5 years prior to the assessment date, sales involving a change in use, and properties that were vacant at the time of sale; no excise tax was recorded on the sale of the Shopko in Yakima and the last validated sale was \$9.9 million in 2015; the sale of the Home Depot in Tacoma was a leased-fee sale that involved multiple stores; Target owns the subject property which is not related to the shopping center; and properties similar to the subject are generally sold as an absolute net lease.

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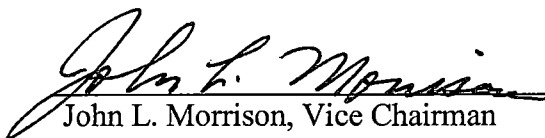
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Thurston County Board of Equalization
Petition Number 17-0698
Dayton Hudson Corp #607
Page Two of Two

The Board finds that the Petitioner's fee appraisal is somewhat dated and not persuasive. The Board finds the Assessor's analysis to be convincing. 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


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REV 64 0058 (6/9/14)

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