

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

Property Owner: OVERLAKE MANAGEMENT CO. / CAPITAL VILLAGE SHOPPING CENTER

Parcel Number(s): 12816310100

Assessment Year: 2018

Petition Number: 18-0189

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	\$ 7,531,800
<input checked="" type="checkbox"/> Improvements	\$ 9,434,900
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 16,966,700

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 7,531,800
<input checked="" type="checkbox"/> Improvements	\$ 9,434,900
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 16,966,700

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 Petitioner and the Assessor both consider the subject parcel and Parcel Number 12816310102 (Petition 18-0190) to be one economic unit.

The Petitioner was represented by Amy Hoppe of Hoppe and Associates. The Petitioner's Representative requested a revised value of \$5,728,200 for the improvements, for a total requested value of \$13,260,000, and a total economic unit requested value of \$14,800,100. Ms. Hoppe testified that: there have been two appraisals on the subject property; the subject property suffers from high vacancy; the subject property subleases at below-market rents; the dated subject property does not compete with the newer retail properties in the area; there is not a national credit anchor tenant; and the maintenance on the subject property has been deferred. Ms. Hoppe further testified that: the subject property was first listed for sale in August 2016, but has not sold; the subject property has only received one offer, for \$14,800,000 on December 13, 2017, and this offer was not accepted; and the current listing price has been reduced, without any further offers. The Petitioner's Representative contends that the appraiser analyzed and adjusted the leased fee value in consideration of vacant space and junior anchor spaces with under-market rents.

The Assessor was represented by Teresa Hoyer, Commercial Appraiser, who provided a written Response including a market-adjusted cost approach, a sales comparison approach, and an income approach in support of the current assessed value. Ms. Hoyer asserted that the Assessor is not disputing the value of the Petitioner's appraisal; however, adjustments need to be made to determine the fee simple value, which considers market rents, rather than the leased fee value presented in the Petitioner's appraisal (citing *Folsom v. County of Spokane*, 725 P.2d 987 – Wash: Supreme Court 1986). The Assessor's Representative questioned the date of the Petitioner's rent roll. The Petitioner's Representative believes that the rent roll is as of December 31, 2017, but agrees that it is not dated. The Assessor's Representative contends that stabilized value does not consider under-market rents for junior anchor space.

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Thurston County Board of Equalization
Petition Number 18-0189
Overlake Management Co./Capital Village Shopping Center
Page Two of Two

The Board finds that the Petitioner's fee appraisal is a leased fee analysis, rather than a fee simple value as required by the *Folsom* decisions. The Board finds the Assessor's analysis to be compelling. The Board concludes that the Petitioner 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 23rd day of January, 2019


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 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)

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Property Owner: OVERLAKE MANAGEMENT CO. / CAPITAL VILLAGE SHOPPING CENTER

Parcel Number(s): 12816310102

Assessment Year: 2018

Petition Number: 18-0190

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	\$ 0
<input checked="" type="checkbox"/> Improvements	\$ 1,540,100
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 1,540,100

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 0
<input checked="" type="checkbox"/> Improvements	\$ 1,540,100
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 1,540,100

This decision is based on our finding that: The Board sustains the Assessor's determination of value based on the testimony and evidence presented.

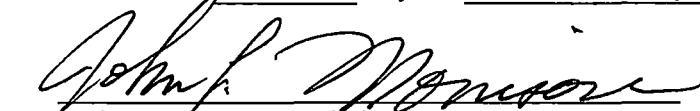
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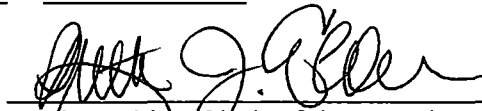
The Petitioner was represented by Amy Hoppe of Hoppe and Associates. The Petitioner's Representative testified that the Petitioner agrees with the Assessor's valuation of this parcel.

The Assessor was represented by Teresa Hoyer, Commercial Appraiser, who provided a written Response including a market-adjusted cost approach, a sales comparison approach, and an income approach in support of the current assessed value.

The Board finds that the Petitioner's Representative agrees with the current assessed value for this parcel. The Board concludes that the Petitioner 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 23rd day of January, 2019


John L. Morrison, Chairman


Ruth J. Elder, Clerk of the Board

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