

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

Property Owner: MACY'S WEST STORES LLC (LESSEE) FOR OLYMPIA MALL CO. (OWNER)

Parcel Number(s): 12816430304

Assessment Year: 2019

Petition Number: 19-0167

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	\$ 8,091,800
<input checked="" type="checkbox"/> Improvements	\$ 4,279,100
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
<b>TOTAL:</b>	<b>\$ 12,370,900</b>

**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$ 8,091,800
<input checked="" type="checkbox"/> Improvements	\$ 4,279,100
<input type="checkbox"/> Minerals	\$
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<b>TOTAL:</b>	<b>\$ 12,370,900</b>

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

Larry Schramm, Director of Property Tax for Macy's West Stores LLC, participated in the teleconference hearing. Mr. Schramm testified that: the subject store is forty years old; the land to building ratio is 3.8; retail companies have continued to suffer; there is fierce competition for market share and continued viability; there is a shrinking middle class; the subject store has experienced a 22 percent decrease in sales in the last five years; younger generations have different shopping habits; and the popularity of mall-attached anchor department stores has been reduced. Mr. Schramm reviewed the fee appraisal submitted by Andrew T. Robinson, MAI, with a value of \$7,900,000 as of January 1, 2018. Mr. Schramm contends that the appraisal is also relevant as of January 1, 2019 and revised his requested value to \$8,000,000 at the hearing. Mr. Schramm further testified that: the main difference between the Parties' values is related to the comparable sales that were used; the Assessor's comparable sales do not include mall-attached, anchor department stores; the Assessor did not adjust the sales for this difference; and the Petitioner's use of vacant stores ensures that they are unencumbered.

Appraisal Supervisor Teresa Hoyer participated in the teleconference hearing. Ms. Hoyer 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 testified that: retail had improved prior to the pandemic; the subject mall has added on with new tenants and new customers; Macy's recently renewed their lease on this property; and the Assessor has to use the most comparable properties that sold, which in this case were big box stores. Ms. Hoyer reviewed her concerns about the Petitioner's fee appraisal and testified that: the appraisal is a year old; the comparable sales were flawed as all of the stores were in the process of closing; most of the sales were Sears stores; Sears went into bankruptcy and closed all of their stores; the sales of Sears stores were distress sales, but no adjustment was made by the fee appraiser; the distress sales are not representative of the true and fair market value of the subject property as of January 1, 2019; and the dark store theory does not hold up under legal examination.

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Thurston County Board of Equalization  
Petition Number 19-0167  
Macy's West Stores LLC (Lessee) for Olympia Mall Co. (Owner)  
Page Two of Two

The Board finds that the Petitioner's fee appraisal is as of January 1, 2018, and has not been updated. The Board finds that the comparable sales provided in the Petitioner's fee appraisal are distress sales. The Board finds the analysis presented by the Assessor's Representative 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 15<sup>th</sup> day of December, 2020

  
Diane Pust, Chairman

  
Ruth J. Elder, Clerk of the Board

**NOTICE**

This order can be appealed to the State Board of Tax Appeals by filing a formal or informal appeal with them at PO Box 40915, Olympia, WA 98504-0915 or at their website at <https://bta.wa.gov> within thirty days of the date of mailing of this order. The appeal forms are available from either your county assessor or the State Board of Tax Appeals.

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**Distribution: • Assessor • Petitioner • BOE File**

REV 64 0058 (5/25/2017)

**SHIPPED JAN 29 2021**

*Reissued:* **SHIPPED FEB 05 2021** 