

Determining the Value of Any Asset (2d ed. 2002), p. 60, Exhibit H – Shannon P. Pratt and Roger J. Grabowski, Cost of Capital: Application and Examples (4th ed. 2010) pp. 51, 60, Exhibit I – Revenue Comparison, Exhibit J – Assessor’s DCF with Corrections and Exhibit K – 2015 Department of Revenue County Ratios.

Mr. Van Slyke explained the solar industry value chain, Moses Lake plant only manufactures the first step, the production of solar grade polysilicon, used to make solar panels. Mr. Van Slyke also explained the solar market and the history of the plant, stock and plant closures as well as the China tariff issues.

Exhibit C-2 is a graph that shows that polysilicon is losing cash, which stated in November 2011 and has steadily declined. REC closed Silane 4 mid-year of 2015. In early 2016 they shut down the facility to reduce inventories that were on hand. There is a partial restart this week, because it is better to run the facility in hopes to find customers and sell down the product.

Ms. DeLappe explained what would a buyer expect as of 1/1/2015-

Ms. DeLappe stated: “The Uniform Standards of Professional Appraisal Practices USPAP by the Appraisal Foundation in 2016/2017 Edition have clarified the rule about the use of data subsequent to the effective date of evaluation by saying “if market evidence that data subsequent to the effective date was consistent with market expectations as of the effective date, the subsequent data should be used.”

“That is the situation we are in here. It’s only in the absence of such evidence that the effective date should be used as the cut-off date for the data considered by the appraiser.”

Ms. DeLappe stated in her letter that the taxpayer’s appraisal contains all three approaches to value: sales comparison approach, the cost approach and the income approach. When valuing complex industrial properties, buyers and sellers typically rely on a discounted cash flow DCF approach. The income approach is a 16-year DCF analysis, the sales comparison approach which the taxpayer’s appraisal considers the sale of a 30-percent interest in the subject property as it existed in August, 2005, and cost approach adjusted for external, or economic, obsolescence.

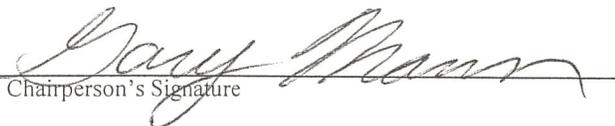
The final topic of discussion was equalization, Ms. DeLappe felt that since the level of assessment of real property in Grant County in 2015 was 84.1 percent, as shown in Exhibit E, The Washington Constitution requires uniformity in assessing all property at the same percentage of market value and specifies that all real property shall be one class for this purpose. The taxpayer is entitled to have its real property assessed at the same percentage of market value as the general level of assessment in Grant County. Accordingly, the value of the real property should be further reduced to the same percentage of market value as other real property in Grant County.

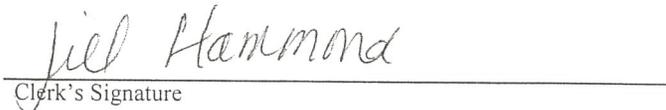
Mr. Klingeman’s appraisal report was provided to the board and the appellant. This information included Revised 2015 Advisory Appraisal report. Mr. Klingeman’s opinion of value is \$350,000,000. Board Member, Gary Mann asked Mr. Klingeman if he used the market approach, Mr. Klingeman stated that he did, with a lot less assumptions in it, also used income approach and blended the two.

Ms. Hortiz stated that the 84.1 ratio in equalization does not include industrial property. DOR uses a small sample with the majority from single family residences and some commercial. That ratio is from DOR and should not be used in this case.

The Board agrees with the information provided by the appellant and the Assessor's Office and believes it adequately reflects the subject's important value related characteristics. The taxpayer has provided sufficient evidence to overturn the assessor's presumption of correctness. Therefore the Board sets the value at \$234,447,810 based on oral and written testimony from the appellant and the appraisal report from DOR representative.

Dated this 13th day of June, (year) 2016


Chairperson's Signature


Clerk's Signature

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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