

Order of the Grant County

Board of Equalization

Property Owner: CDC Properties LLC

Parcel Number(s): 091064001

Assessment Year: 2015 Petition Number: 2015-52

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

<input type="checkbox"/> Land	\$	<u>439,955</u>
<input type="checkbox"/> Improvements	\$	<u>1,849,615</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u>2,289,570</u>

BOE True and Fair Value Determination

<input type="checkbox"/> Land	\$	<u>440,000</u>
<input type="checkbox"/> Improvements	\$	<u>1,250,000</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u>1,690,000</u>

This decision is based on our finding from:

Washington State law which directs that the true and fair market value of property shall be based upon sales of the subject property, or sales of comparable properties, made within the past five years, cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income. "True and fair" value is market value; that is, the price to be paid by a willing buyer to a willing seller.

Washington State law further stipulates that the assessment determined by the County Assessor is presumed to be correct and can only be overcome by presentation of clear, cogent and convincing evidence that the value is incorrect.

The issue before the Board is the January 1, 2015, true and fair market value. A hearing was held on April 21, 2016, before the Board of Equalization. The appellants, CDC Properties, Tom Price, representative and Mark Fancher, were in attendance at the hearing and the Assessor's office was represented by Rachel Rice and Sally Catlin, Appraiser Analyst.

The Assessor valued the property at \$2,289,570 for the 2015 assessment year. The owners appealed, asserting a value of \$1,690,000.

The subject property is located at 1620 S. Pioneer Way in Moses Lake, Washington. Subject is a 25,416 sq. ft. office building built in 1980.

The appellant stated that market conditions and vacancy were the reason for the appeal. Mr. Price submitted a document from Mr. Fancher stating the opinion of value for the building. Mr. Fancher stated in the letter that the building is over 24,000 sq. ft. and is the largest empty office building in Grant County. Finding a user or buyer for this building is becoming a challenge. The building is listed for \$2,250,000 and has been since July 2015. There have been no offers. Mr. Fancher supplied two comparable buildings from the Spokane area. These buildings sold for \$43.35 per sq. ft. and \$51.57 per sq. ft. Mr. Price stated that the appraiser used a capitalization rate of 8.65% = \$3,259,900 but that does not apply to this building. To use this approach you have to have income, the building is vacant so there is no income at this time.

The assessor representative submitted information to the board and the appellant. This information included map of subject neighborhood, income approach and sales comparison approach with 4 sales and income expense calculation. Ms. Catlin agrees that the size creates a certain obsolesce and would cost tremendous amount to remodel to make usable under today's Moses Lake market.

The Board agrees with the information provided by the appellant 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 \$1,690,000 due to the building being vacant for 1 ½ years and the cost of making the building usable under Moses Lake market would be a tremendous amount of money. Finding a single tenant for this building will be challenging.

Dated this 12th day of May, (year) 2016

Gary Mann
Chairperson's Signature

Jill Hammond
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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