

Order of the Thurston County Board of Equalization

Property Owner: PEGGY PARTNERSHIP DBA OLYMPICS WEST

Parcel Number(s): 12834340302

Assessment Year: **2016**

Petition Number: 16-0558

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	\$ 2,512,650
<input checked="" type="checkbox"/> Improvements	\$ 11,897,100
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 14,409,750

BOE True and Fair Value Determination

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

At the hearing, the Petitioner's Representative revised his requested value to \$2,512,650 for the land and \$8,892,650 for the improvements, for a total value of \$11,405,300. The Petitioner's Representative testified that many sales of senior living properties include the business as well as the real estate, so the income approach is not helpful. He contends that the real estate excise tax (REET) affidavits are not a reliable source of sales information, since many out of state buyers are not aware that the business value should be allocated separately from the real estate. The Petitioner's Representative stated that the Assessor's comparable sales are skilled nursing facilities, which is very different from the subject property. He contended that none of the Assessor's comparable sales support the current assessed value for the subject property. The Petitioner's Representative contends that the cost approach is the most relevant for the subject property. He reviewed his cost approach with the Board. He explained that the subject property consists of 106 independent living units and 77 assisted living units. He contends that there are significant cost variances between the different levels of care in the Marshall Swift valuation tables.

The Assessor provided a market-adjusted cost approach and comparable sales in support of the current assessed value. The Assessor's Representative agreed that the cost approach to value is the most relevant for these types of properties. The Assessor's She argues that the statements of the Petitioner's Representative regarding business value not being allocated on the real estate excise tax affidavits is unconvincing, since the buyers of these properties specialize in owning and operating these facilities.

[illegible]

The Board finds that the Petitioner's cost approach adjusts the valuation of the common area square footage based upon the varying percentages of independent living and assisted living units. The Board finds that there is no relationship between the percentage of independent living and assisted living units, and their relative costs, and the costs of the common area square footage. The Board finds the Petitioner's cost approach unconvincing. 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 23RD day of October, 2017


James Harrison, 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.

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