



**Real Property Tax Appeals Commission**

IN ACCORDANCE WITH Section §47-825.01a of the District of Columbia Statutes you are hereby notified of your assessment for the tax year **2016** as finalized by the Real Property Tax Appeals Commission for the property described below. **If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW.**

**Hearing Date:** October 26, 2015                      **Decision Date:** December 10, 2015

**Legal Description of Property**

Square: 0182    Lot: 0084

Property Address: 1200 16<sup>th</sup> Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	10,873,800	Land	10,873,800
Building	20,576,910	Building	20,576,910
Total	\$ 31,450,710	Total	\$ 31,450,710

**Rationale**

The Real Property Tax Appeals Commission (“RPTAC” or “the Commission”) is charged with determining the estimated market value of the subject property as of January 1, 2015, the valuation date for tax year 2016. Pursuant to statute, the Petitioner must demonstrate by the preponderance of the evidence that the proposed assessment by the Office of Tax Revenue (OTR) fails to represent the estimated market value of the property.

The subject is a 99 room hotel located in the Central Business District of the city, in close proximity to Scott Circle. The subject, known by its brand name, The Jefferson Hotel, contains a restaurant, lounge and approximately 1,818 square feet (sf) of meeting space.

The issues presented by the Petitioner are: the Jefferson is a failing hotel; the property closed for renovation about 7 years ago and since it reopened, it has been operating at a significant annual loss; there is far too much competition from better-located luxury hotels and, as a result, the property has not turned a profit since it reopened over six (6) years ago; the townhouse next door, which houses hotel operations, should be removed from the assessment; the assessment on this property is higher than most other hotels that are turning a profit; the Assessor’s worksheet and subsequent valuation are based upon a level of income that has never been achieved at the property; and OTR’s capitalization (cap) rate indicates a highly unrealistic and extremely low risk profile. The Petitioner argues that the assessment should be \$18,448,890.00.

The Assessor argues that competent and efficient management are assumed by the District in its model. The Assessor states that expenses for the subject are inconsistent with the typical operating dynamics of similar hotels. The Assessor states that OTR has considered the most recent financial information regarding the performance of the property. The Assessor argues that reasonable assumptions have been established and incorporated into its analysis and value conclusion producing an assessment consistent with prevailing market real estate prices.

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Square: 0182 Lot: 0084

Property Address: 1200 16<sup>th</sup> Street NW

The Commission has reviewed the property’s income and expense forms, the analyses provided by both parties, and considered the hearing testimony. The Commission disagrees with the Petitioner’s argument that the four story townhouse, located next door, “should be removed from the assessment since it houses hotel operations that would otherwise be located inside the hotel.” The Commission recognizes a distinct difference in that the townhouse is a separate piece of property which has its own legal description (square and lot) and should not be considered or treated as “one and the same” with the subject property. It appears that the Petitioner is suggesting that the value of the additional space that the townhouse contributes to the hotel is equivalent to the value of the townhouse as a separate piece of property. The Commission believes that the highest and best use of the property, if the properties were to be sold, would be to market the two properties individually in order to maximize the value of the property as a whole. However, and more notably, the Commission finds that the Petitioner failed to appeal the townhouse and therefore has no authority to address the assessment of that property in this case.

The Commission has determined that the Petitioner failed to meet its burden of proof in refuting OTR’s analysis by failing to show, by a preponderance of the evidence, that OTR’s assessment does not represent the estimated market value of the property. The Commission therefore sustains the proposed assessment for Tax Year 2016.

**COMMISSIONER SIGNATURES**



Frank Sanders



Gregory Syphax



Richard Amato, Esq.

**FURTHER APPEAL PROCEDURES**

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.

**Government of the District of Columbia  
REAL PROPERTY TAX APPEALS COMMISSION**

Notice of Decision

Tax Year 2016



Date: 12/11/2015

DC CAP HOTELIER LLC  
390 PARK AVE STE 600  
NEW YORK, NY 100224608

**Square: 0182    Suffix:            Lot: 0084**  
Property Address: 1200 16TH ST            NW

This notice is to inform you of the result of your real property assessment hearing, which was held before the Real Property Tax Appeals Commission.

Your property's proposed market value based upon the first level appeal with the Real Property Assessment Division is:

2.            10,873,800	3.            20,576,910	4.            31,450,710
Land	Improvements	Total Proposed Value

**As a result of the hearing before the REAL PROPERTY TAX APPEALS COMMISSION, your property assessment is:**

5.            10,873,800	6.            20,576,910	7.            31,450,710
Land	Improvements	Total Proposed Value

Frank Sanders - Commissioner  
Gregory Syphax - Commissioner  
Richard Amato, Esq. - Commissioner

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under applicable provisions of the D.C. Code.

Appeals to the D.C. Superior Court must be filed no later than September 30th of the same tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax & Revenue.