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 21, 2015		**Decision Date:** January 14, 2016	
Legal Description of Property Square: 0675 Lot: 0853 Property Address: 999 North Capitol Street, NE			
ORIGINAL ASSESSMENT		**FINAL ASSESSMENT**	
Land	19,621,890	Land	19,621,890
Building	131,990,110	Building	131,990,110
Total	$ 151,612,000	Total	$ 151,612,000

Rationale

The Real Property Tax Appeals Commission (RPTAC) is charged with determining the estimated Market Value for the subject property as of January 1, 2015 (TY 2016) and, pursuant to D.C. Official Code § 47-825.01a(e)(4)(C)(ii), has the responsibility to "raise or lower the estimated value of any real property which it finds to be more than 5% above or below the estimated market value." Pursuant to statute, the Petitioner must demonstrate by the preponderance of the evidence that the proposed Tax Year 2016 assessment of the real property by the Office of Tax and Revenue (OTR) does not represent the estimated value of the property as of the valuation date.

The subject property is an office building located in the NOMA neighborhood in the Northeast quadrant of the District. The building was renovated in 2011. The major issues in this case are rents, vacancy, expenses, and capitalization rate. The Petitioner argues that the subject building is predominantly government tenanted and has yet to reach stabilization. The Petitioner stated that the subject building is a Class B asset. The Petitioner further argued that the OTR analysis miscalculates rents and vacancy rate. The Petitioner stated that the expenses are too low and that the OTR capitalization rate is too aggressive without an adjustment for the vacancy issues and inferior location.

The OTR representative argued that the assessment value is supported by market data. The OTR representative stated that the subject building is a Class A asset. Even more, the OTR stated that the rents and storage income are supported by the property's operating history. The OTR representative further argued that the market supports its vacancy rate, expenses, and capitalization rate for this type of building.

Based on each party's submission and testimony, the Commission finds that the rents, vacancy rate, expenses, and capitalization rate utilized by the OTR are fair and supported by the I&E's, Costar, and the Tax Year 2016 Expense Study results. The current assessment is valued at approximately $488/square foot while the average Class A office building sold for approximately $698/square foot. The Commission therefore finds that the subject property's

Legal Description of Property

Square: 0675 Lot: 0853

Property Address: 999 North Capitol Street, NE

assessment value is supported by market data. The Petitioner's analysis fails to demonstrate by the preponderance of the evidence that the proposed Tax Year 2016 assessment of the real property by the Office of Tax and Revenue (OTR) does not represent the estimated value of the property as of the valuation date. The assessment is therefore sustained.

COMMISSIONER SIGNATURES

Trent Williams

Gregory Syphax

May Chan

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 30th 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: 01/15/2016

UNION SQUARE 825 PROPERT
PO BOX 131237
CARLSBAD, CA 920131237

Square: 0675 Suffix: Lot: 0855
Property Address: 0899 NORTH CAPITOL NE

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	3	4
21,097,440	131,928,770	153,026,210
Land	Improvements	Total Proposed Value

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

5	6	7
21,097,440	131,928,770	153,026,210
Land	Improvements	Total Proposed Value

Trent Williams - Commissioner
Gregory Syphax - Commissioner
May Chan - 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.

ARN# 386