



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you
Are hereby notified of your assessment for the current year **2013** as finalized by the
Real Property Tax Appeals Commission for the property described. If YOU
WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION
BELOW

Date: November 26, 2012

Legal Description of Property

Square: 0051 Lot: 2380

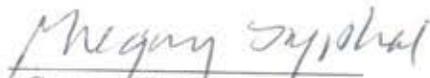
Property Address: 1170 22nd Street NW

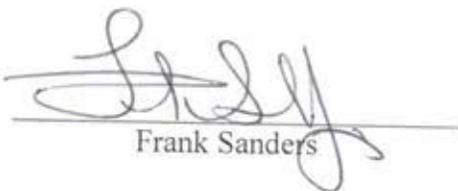
ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	13,569,000	Land	13,569,000
Building	22,630,600	Building	20,725,400
Total	\$ 36,199,600	Total	\$ 34,294,400

Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The issue presented by the Petitioner is that the capitalization rate used by the Office of Tax and Revenue (OTR) is too low. The Commission agrees with the Petitioner's analysis and has adjusted the cap rate. The Commission finds that an adjustment is warranted for the Tax Year 2013 proposed assessment.

COMMISSIONER SIGNATURES


Gregory Syphax


Frank Sanders


Trent Williams

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 same 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.



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Date: November 26, 2012

Legal Description of Property

Square: 0051 Lot: 2381

Property Address: 1101 23rd Street NW

ORIGINAL ASSESSMENT

FINAL ASSESSMENT

Land	5,067,000	Land	5,067,000
Building	10,628,100	Building	10,628,100
Total	\$ 15,695,100	Total	\$ 15,695,100

Rationale:

The subject property consists of a 35,004 sq. ft. multi-tenanted retail condominium which sits on 5,067 sq. ft. of land area zoned CR. The property is located in the "West End" of the downtown CBD. The Petitioner based his appeal on the issues of property condition, disputed property record, equalization, valuation, and incorrect classification. However, the only argument made by the Petitioner was based on the results of his income capitalization approach which was the same approach performed by the Office of Tax and Revenue (OTR).

The Petitioner's analysis comes to a similar conclusion to that of the Office of Tax and Revenue with regards to the estimated Net Operating Income (NOI). The only significant difference was the capitalization rate used to convert the NOI into the estimate value. The Petitioner's estimated cap rate was based on a published cap rate survey (RERC estimate - DC Neighborhood Community Center). The cap rate utilized by the OTR was derived in a manner that takes into consideration investor lease-up costs and/or capital expenditures which are not taken into account by published surveys. These costs are estimated, projected for five years, discounted to their present value, and then credited to the property. OTR's accounting for these anticipated costs reduces the risk to the typical investor and therefore calculates to a different (generally lower) capitalization rate than published survey rates. The Commission therefore sustains the proposed assessment for Tax Year 2013.

COMMISSIONER SIGNATURES

Gregory Syphax

Frank Sanders

Trent Williams

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 same 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.



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Date: November 5, 2012

Legal Description of Property

Square: 0051 Lot: 2382

Property Address: NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	3,753,600	Land	3,753,600
Building	11,308,800	Building	9,021,240
Total	\$ 15,062,400	Total	\$ 12,774,840

Rationale:

The bases of the appeal are property damage or condition, disputed property record, equalization, valuation and classification. The Petitioner provided evidence that the Office of Tax and Revenue (OTR) erred in its calculation of Net Operating Income by adding instead of subtracting the expenses (Plain Error). The correction of this error results in a reduction of the Net Operating Income. The Petitioner failed to convince the Commission, by the evidence submitted, that the capitalization rate uses by the Office of Tax and Revenue was incorrect. The Petitioner provided no argument for condition, disputed property record equalization and classification. The Commission finds that a reduction in the proposed Tax Year 2013 assessment is warranted.

COMMISSIONER SIGNATURES

Frank Sanders

Gregory Syphax

Trent Williams

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 same 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.



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Date: December 10, 2012

Legal Description of Property

Square: 0100 Lot: 0103

Property Address: 2021 L Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	11,464,700	Land	11,464,700
Building	21,562,890	Building	18,704,771
Total	\$ 33,027,590	Total	\$ 30,169,471

Rationale:

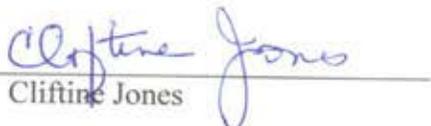
Pursuant to statute, the Petitioner must demonstrate, by a preponderance of the evidence, that the proposed Tax Year 2013 assessment of the real property by the Office of Tax and Revenue (OTR) does not represent the estimated value of the property as of the January 1, 2012, valuation date.

The Petitioner raises the following issues on appeal: market rent, expenses, other income, and the capitalization rate. The OTR assessor adjusted the rents and decreased other income to \$0 which resulted in an 8.65% reduction and a new OTR recommended value of \$30,169,471.00. The Petitioner argues that the operating expenses are not stabilized and should be increased due to high vacancy in 2011 and the owner-occupied nature of the building. The Petitioner also contends that the capitalization rate applied should be increased because of the building's weighted average market rent, based on the two most recent leases, and the fact that the owner is paying concessions to achieve said rent. OTR explained that the building was recently renovated in 2008 and in its analysis of owner-occupied properties it finds that market rents are not as relevant as they are in non-owner-occupied properties. OTR used the operating expenses reported on the Petitioner's income and expense forms for Tax Year 2013 to derive its valuation. The Commission finds OTR's analysis to be reasonable and supported by market conditions. Further, the Petitioner failed to establish by a preponderance of the evidence that OTR's analysis and resulting valuation is erroneous.

The Commission accepts the Office of Tax and Revenue's recommended value and reduces the proposed assessment for the Tax Year 2013.

COMMISSIONER SIGNATURES


Richard Amato, Esq.


Cliftine Jones


Hillary Lovick, 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 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.



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Date: December 10, 2012

Legal Description of Property

Square: 0100 Lot: 0116

Property Address: 1120 20th Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	58,734,000	Land	58,734,000
Building	68,538,780	Building	68,538,780
Total	\$ 127,272,780	Total	\$ 127,272,780

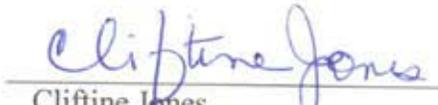
Rationale:

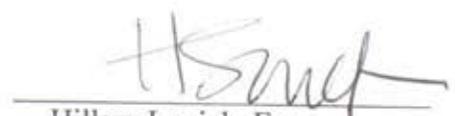
Pursuant to statute, the Petitioner must demonstrate, by a preponderance of the evidence, that the proposed Tax Year 2013 assessment of the real property by the Office of Tax and Revenue (OTR) does not represent the estimated value of the property as of the January 1, 2012, valuation date.

The Petitioner raises the following issues: rents, expenses, and capitalization rate. The OTR assessor reduced the market rent resulting in a 2.2% reduction and a new OTR recommended value of \$125,715,072.00. The Petitioner argues that the building's expenses and the capitalization rate applied should be increased to account for the building's vacancy as of the value date. However, in OTR's analysis the assessor used a higher expense amount while the Petitioner reported a lesser amount on the building's income and expense forms for tax year 2013. Further, the assessor explained that OTR's analysis adjusts the capitalization rate to account for vacancy in circumstances where historical vacancy data supports such an adjustment. Given the specific circumstances in this case, the Commission finds OTR's analysis regarding expenses and capitalization rate to be reasonable, and the Petitioner fails to establish by a preponderance of the evidence the OTR's analysis and resulting value is erroneous. OTR's adjustment lowering the market rents resulted in a 2.2% value reduction; however, pursuant to D.C. Official Code §47-825.01a(e)(4)(C)(ii)(2012 Supp.), the Commission is authorized to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. OTR's new value does not meet this threshold; therefore, the Commission sustains the proposed assessment for the Tax Year 2013.

COMMISSIONER SIGNATURES


Richard Amato, Esq.


Cliftone Jones


Hillary Lovick, 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 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.



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Date: November 28, 2012

Legal Description of Property

Square: 0100 Lot: 0118

Property Address: 1155 21st Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	57,751,400	Land	57,751,400
Building	80,552,340	Building	80,552,340
Total	\$ 133,303,740	Total	\$ 133,303,740

Rationale:

Pursuant to statute, the Petitioner must demonstrate, by a preponderance of the evidence, that the proposed Tax Year 2013 assessment of the real property by the Office of Tax and Revenue (OTR) does not represent the estimated value of the property as of January 1, 2012, valuation date. The Petitioner challenged both the expenses and the capitalization rate at the Real Property Tax Appeals Commission (RPTAC) hearing. The Office of Tax and Revenue (OTR) reduced the proposed assessment at the first level appeal after reviewing the property's updated income and expense forms. OTR contends that the expenses used to derive the proposed assessment are equal to the actual expenses reported on the property income and expense forms for Tax Year 2013. In addition, OTR argues that the capitalization rate applied to reach the valuation is consistent with the range applied for Class B office buildings like the subject property.

The Commission finds that OTR's analysis to be reasonable. The Petitioner failed to demonstrate that the property's expenses are unstable and that the property's age and condition warrants an increase in the capitalization rate applied. Further, the Petitioner was unable to show by a preponderance of the evidence that OTR erred in its analysis. Therefore, the Commission sustains the proposed Tax Year 2013 assessment.

COMMISSIONER SIGNATURES


Richard Amato, Esq.


Cliftine Jones


Hillary Lovick, 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 30th of the same 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.



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Date: November 28, 2012

Legal Description of Property

Square: 0100 Lot: 0119

Property Address: 1133 21st Street NW

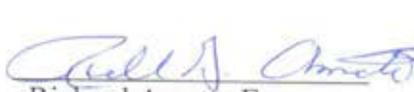
ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	27,263,600	Land	27,263,600
Building	14,751,420	Building	14,751,420
Total	\$ 42,015,020	Total	\$ 42,015,020

Rationale:

Pursuant to statute, the Petitioner must demonstrate, by a preponderance of the evidence, that the proposed Tax Year 2013 assessment of the real property by the Office of Tax and Revenue (OTR) does not represent the estimated value of the property as of January 1, 2012, valuation date. The Petitioner raised the following issues in its appeal: rents, expenses, vacate probability, lease growth rate, and capitalization rate. Prior to the RPTAC hearing, the OTR Assessor lowered the market rent, increased the expenses, removed the lease growth rate, and applied a lower capitalization rate to arrive at a new OTR value of \$42,129,246, which is higher than the original proposed assessed value of \$42,015,020. The remaining disputed issues in this case are the vacate probability and the capitalization rate. The Petitioner asserts that the vacate probability percentage should be raised to address the fact that 26% of the building's space is listed as expiring in 2012 was already vacant as of the value date.

The Office of Tax and Revenue rejected this argument and made no adjustments to the vacate probability. In addition, OTR's analysis accounts for individual lease-up costs in deriving the cap rate used, while published studies make no adjustment for individual lease-up allowances to determine their capitalization rates. The Commission finds that OTR's analysis to be reasonable. Further, the Petitioner failed to establish by a preponderance of the evidence that the vacate probability percentage and capitalization rate applied by OTR are erroneous; therefore, the Commission sustains the proposed assessment for the Tax Year 2013.

COMMISSIONER SIGNATURES


Richard Amato, Esq.


Cliftine Jones


Hillary Lovick, 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 30th of the same 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.



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Date: November 26, 2012

Legal Description of Property

Square: 0100 Lot: 0897

Property Address: 2000 M Street NW

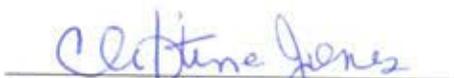
ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	40,097,130	Land	40,097,130
Building	24,188,350	Building	19,991,031
Total	\$ 64,285,480	Total	\$ 60,088,161

Rationale:

The Petitioner raised the following issues at the Real Property Tax Appeals Commission (RPTAC) hearing: rents, expenses, vacate probability, lease growth rate, and cap rate. The Office of Tax and Revenue (OTR) assessor reviewed the updated income and expense information submitted by the Petitioner and made the following adjustments: market rent was decreased to \$38/sq. ft., expense allowance was increased to \$3,242,287, and the lease growth rate was removed. These adjustments resulted in a 6.53% reduction and a new OTR recommended value of \$60,088,161. The remaining disputed issues are the vacate probability and cap rate. The Petitioner contends that the vacate probability should be increased to address the fact that almost 25% of the building's space listed as expiring in 2012 was vacant as of the value date. OTR rejected this argument. In addition, the Petitioner argues that the cap rate applied should be raised because OTR misclassified the building as Class B when in fact the building is Class C. OTR rejected this argument given the building's corner location and the fact that the building underwent renovations in 1999. OTR contends that the adjustments made to arrive at their recommended value are adequate. The Petitioner was unable to show by a preponderance of the evidence that OTR erred in their analysis; therefore, the Commission accepts OTR's recommended value.

COMMISSIONER SIGNATURES


Richard Amato, Esq.


Cliftine Jones


Hillary Lovick, 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 30th of the same 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.



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Date: January 22, 2013

Legal Description of Property

Square: 0100 Lot: 2001

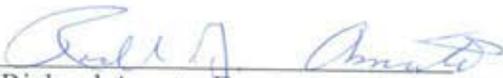
Property Address: 2030 M Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	1,389,700	Land	1,389,700
Building	3,766,960	Building	2,778,590
Total	\$ 5,156,660	Total	\$ 4,168,290

Rationale:

Pursuant to DC Code § 47-825.01a(c)(1)(B), the Stipulation Agreement entered into by the Office of Tax and Revenue and the Petitioner is accepted. The Stipulation Agreement resolves the matter of the Tax Year 2013 appeal.

COMMISSIONER SIGNATURE


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 30th of the same 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
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE
REAL PROPERTY TAX ADMINISTRATION



BRPAA ASSESSMENT STIPULATION FORM

Square	0100	Suffix		Lot(s)	2001
Property Address	2030 M Street				
Petitioner	M Street Holdings LLC				

STIPULATION AGREEMENT

IT IS HEREBY AGREED BY AND BETWEEN THE PETITIONER AND THE DISTRICT OF COLUMBIA THAT IN ORDER TO EXPEDITIOUSLY SETTLE THIS MATTER, EACH PARTY AGREES TO STIPULATE TO THE ESTIMATED MARKET VALUE FOR THE SUBJECT PROPERTY FOR TAX YEAR 2013 AS FOLLOWS:

	PROPOSED ASSESSED VALUE (Assessed value after First Level)	STIPULATED ASSESSED VALUE
LAND	\$1,389,700	\$1,389,700
IMPROVEMENTS	\$3,766,960	\$2,778,590
TOTAL	\$5,156,660	\$4,168,290

STIPULATED PERCENTAGE CHANGE: 19.16 %

JUSTIFICATION:

Based on conditions present at the subject property for Tax Year 2013 the market rents was reduced to \$43.50, the capitalization rate was increased to 7.65%, and expenses were increased to \$15.87 per square foot.

BY ENTERING INTO THIS STIPULATION AGREEMENT, THE PARTIES AGREE THAT UPON ACCEPTANCE BY THE PARTIES AND THE BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS' ADOPTION OF THE PARTIES' STIPULATED ASSESSMENT, THAT VALUE SHALL BECOME THE ASSESSED VALUE AND NEITHER PARTY, ITS HEIRS, ASSIGNS OR SUCCESSORS SHALL CONTEST THIS VALUE IN FURTHER HEARINGS BEFORE THE BOARD OF REAL PROPERTY ASSESSMENT AND APPEALS OR APPEAL SUCH VALUE TO ANY COURT.

FOR THE DISTRICT OF COLUMBIA:

APPRAISER:

C. Adams - Paul

Date: 11/27/12

SUPERVISORY APPRAISER:

[Signature]

Date: 11/26/12

APPEALS & LITIGATION MANAGER/
RESIDENTIAL MANAGER:

(Approval of the Appeals & Litigation Manager (commercial properties) or Residential Manager (residential properties) is required for all stipulations where the value change equals or exceeds 10%)

Doug Collier

Date: 27 Nov. 2012

CHIEF APPRAISER:

(Approval of the Chief Appraiser is required for all stipulations where the value change equals or exceeds 40%)

Date: _____

FOR THE PETITIONER:

OWNER/AGENT:

[Signature]

Date: 11/6/12



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Date: January 22, 2013

Legal Description of Property

Square: 0100 Lot: 2002

Property Address: 2030 M Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	775,300	Land	775,300
Building	2,101,490	Building	1,550,100
Total	\$ 2,876,790	Total	\$ 2,325,400

Rationale:

Pursuant to DC Code § 47-825.01a(c)(1)(B), the Stipulation Agreement entered into by the Office of Tax and Revenue and the Petitioner is accepted. The Stipulation Agreement resolves the matter of the Tax Year 2013 appeal.

COMMISSIONER SIGNATURE


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 30th of the same 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
 OFFICE OF THE CHIEF FINANCIAL OFFICER
 OFFICE OF TAX AND REVENUE
 REAL PROPERTY TAX ADMINISTRATION



BRPAA ASSESSMENT STIPULATION FORM

Square	0100	Suffix		Lot(s)	2002
Property Address	2030 M Street				
Petitioner	M Street Holdings LLC				

STIPULATION AGREEMENT

IT IS HEREBY AGREED BY AND BETWEEN THE PETITIONER AND THE DISTRICT OF COLUMBIA THAT IN ORDER TO EXPEDITIOUSLY SETTLE THIS MATTER, EACH PARTY AGREES TO STIPULATE TO THE ESTIMATED MARKET VALUE FOR THE SUBJECT PROPERTY FOR TAX YEAR 2013 AS FOLLOWS:

	PROPOSED ASSESSED VALUE (Assessed value after First Level)	STIPULATED ASSESSED VALUE
LAND	\$775,300	\$775,300
IMPROVEMENTS	\$2,101,490	\$1,550,100
TOTAL	\$2,876,790	\$2,325,400

STIPULATED PERCENTAGE CHANGE: 19.16 %

JUSTIFICATION:

Based on conditions present at the subject property for Tax Year 2013 the market rents was reduced to \$43.50, the capitalization rate was increased to 7.65%, and expenses were increased to \$15.87 per square foot.

BY ENTERING INTO THIS STIPULATION AGREEMENT, THE PARTIES AGREE THAT UPON ACCEPTANCE BY THE PARTIES AND THE BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS' ADOPTION OF THE PARTIES' STIPULATED ASSESSMENT, THAT VALUE SHALL BECOME THE ASSESSED VALUE AND NEITHER PARTY, ITS HEIRS, ASSIGNS OR SUCCESSORS SHALL CONTEST THIS VALUE IN FURTHER HEARINGS BEFORE THE BOARD OF REAL PROPERTY ASSESSMENT AND APPEALS OR APPEAL SUCH VALUE TO ANY COURT.

FOR THE DISTRICT OF COLUMBIA:

APPRAISER:

D. Sharon Paul

Date: 11/27/12

SUPERVISORY APPRAISER:

(Approval of the Supervisory Appraiser is required for all stipulations)

[Signature]

Date: 11/29/12

APPEALS & LITIGATION MANAGER/
 RESIDENTIAL MANAGER:

(Approval of the Appeals & Litigation Manager (commercial properties) or Residential Manager (residential properties) is required for all stipulations where the value change equals or exceeds 10%)

Doug Collicie

Date: 27 Nov. 2012

CHIEF APPRAISER:

(Approval of the Chief Appraiser is required for all stipulations where the value change equals or exceeds 40%)

Date: _____

FOR THE PETITIONER:

OWNER/AGENT:

[Signature]

Date: 11/28/12



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BELOW

Date: January 22, 2013

Legal Description of Property

Square: 0100 Lot: 2003

Property Address: 2030 M Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	2,014,700	Land	2,014,700
Building	5,460,900	Building	4,028,060
Total	\$ 7,475,600	Total	\$ 6,042,760

Rationale:

Pursuant to DC Code § 47-825.01a(c)(1)(B), the Stipulation Agreement entered into by the Office of Tax and Revenue and the Petitioner is accepted. The Stipulation Agreement resolves the matter of the Tax Year 2013 appeal.

COMMISSIONER SIGNATURE


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 30th of the same 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
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE
REAL PROPERTY TAX ADMINISTRATION



BRPAA ASSESSMENT STIPULATION FORM

Square	0100	Suffix		Lot(s)	2003
Property Address	2030 M Street				
Petitioner	M Street Holdings LLC				

STIPULATION AGREEMENT

IT IS HEREBY AGREED BY AND BETWEEN THE PETITIONER AND THE DISTRICT OF COLUMBIA THAT IN ORDER TO EXPEDITIOUSLY SETTLE THIS MATTER, EACH PARTY AGREES TO STIPULATE TO THE ESTIMATED MARKET VALUE FOR THE SUBJECT PROPERTY FOR TAX YEAR 2013 AS FOLLOWS:

	PROPOSED ASSESSED VALUE (Assessed value after First Level)	STIPULATED ASSESSED VALUE
LAND	\$2,014,700	\$2,014,700
IMPROVEMENTS	\$5,460,900	\$4,028,060
TOTAL	\$7,475,600	\$6,042,760

STIPULATED PERCENTAGE CHANGE: 19.16 %

JUSTIFICATION:

Based on conditions present at the subject property for Tax Year 2013 the market rents was reduced to \$43.50, the capitalization rate was increased to 7.65%, and expenses were increased to \$15.87 per square foot.

BY ENTERING INTO THIS STIPULATION AGREEMENT, THE PARTIES AGREE THAT UPON ACCEPTANCE BY THE PARTIES AND THE BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS' ADOPTION OF THE PARTIES' STIPULATED ASSESSMENT, THAT VALUE SHALL BECOME THE ASSESSED VALUE AND NEITHER PARTY, ITS HEIRS, ASSIGNS OR SUCCESSORS SHALL CONTEST THIS VALUE IN FURTHER HEARINGS BEFORE THE BOARD OF REAL PROPERTY ASSESSMENT AND APPEALS OR APPEAL SUCH VALUE TO ANY COURT.

FOR THE DISTRICT OF COLUMBIA:

APPRAISER:

[Signature]

Date: 11/27/12

SUPERVISORY APPRAISER:

[Signature]

Date: 11/29/12

APPEALS & LITIGATION MANAGER/
RESIDENTIAL MANAGER:

(Approval of the Appeals & Litigation Manager (commercial properties) or Residential Manager (residential properties) is required for all stipulations where the value change equals or exceeds 10%)

[Signature]

Date: 27 Nov. 2012

CHIEF APPRAISER:

(Approval of the Chief Appraiser is required for all stipulations where the value change equals or exceeds 40%)

Date: _____

FOR THE PETITIONER:
OWNER/AGENT:

[Signature]

Date: 11/6/12



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you
Are hereby notified of your assessment for the current year **2013** as finalized by the
Real Property Tax Appeals Commission for the property described. If YOU
WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION
BELOW

Date: January 22, 2013

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	6,307,600	Land	6,307,600
Building	13,390,370	Building	12,610,820
Total	\$ 19,697,970	Total	\$ 18,918,420

Rationale:

Pursuant to DC Code § 47-825.01a(c)(1)(B), the Stipulation Agreement entered into by the Office of Tax and Revenue and the Petitioner is accepted. The Stipulation Agreement resolves the matter of the Tax Year 2013 appeal.

COMMISSIONER SIGNATURE

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 30th of the same 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
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE
REAL PROPERTY TAX ADMINISTRATION



BRPAA ASSESSMENT STIPULATION FORM

Square	0100	Suffix		Lot(s)	2004
Property Address	2030 M Street				
Petitioner	M Street Holdings LLC				

STIPULATION AGREEMENT

IT IS HEREBY AGREED BY AND BETWEEN THE PETITIONER AND THE DISTRICT OF COLUMBIA THAT IN ORDER TO EXPEDITIOUSLY SETTLE THIS MATTER, EACH PARTY AGREES TO STIPULATE TO THE ESTIMATED MARKET VALUE FOR THE SUBJECT PROPERTY FOR TAX YEAR 2013 AS FOLLOWS:

	PROPOSED ASSESSED VALUE (Assessed value after First Level)	STIPULATED ASSESSED VALUE
LAND	\$6,307,600	\$6,307,600
IMPROVEMENTS	\$13,390,370 ^{14,340,480}	\$12,610,820
TOTAL	\$19,697,970 ^{20,680,880}	\$18,918,420

STIPULATED PERCENTAGE CHANGE: 3.96 %

JUSTIFICATION:

Based on conditions present at the subject property for Tax Year 2013 the market rents was reduced to \$43.50, the capitalization rate was increased to 7.65%, and expenses were increased to \$15.87 per square foot.

BY ENTERING INTO THIS STIPULATION AGREEMENT, THE PARTIES AGREE THAT UP ON ACCEPTANCE BY THE PARTIES AND THE BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS' ADOPTION OF THE PARTIES' STIPULATED ASSESSMENT, THAT VALUE SHALL BECOME THE ASSESSED VALUE AND NEITHER PARTY, ITS HEIRS, ASSIGNS OR SUCCESSORS SHALL CONTEST THIS VALUE IN FURTHER HEARINGS BEFORE THE BOARD OF REAL PROPERTY ASSESSMENT AND APPEALS OR APPEAL SUCH VALUE TO ANY COURT.

FOR THE DISTRICT OF COLUMBIA:

APPRAISER:

D. Gayman Paul

Date: 11/21/12

SUPERVISORY APPRAISER:

[Signature]

Date: 11/26/12

APPEALS & LITIGATION MANAGER/
RESIDENTIAL MANAGER:

(Approval of the Appeals & Litigation Manager (commercial properties) or Residential Manager (residential properties) is required for all stipulations where the value change equals or exceeds 10%)

Doug Collica

Date: 27 Nov. 2012

CHIEF APPRAISER:

(Approval of the Chief Appraiser is required for all stipulations where the value change equals or exceeds 40%)

Date: _____

FOR THE PETITIONER:

OWNER/AGENT:

[Signature]

Date: 11/6/12



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: December 18, 2012

Legal Description of Property

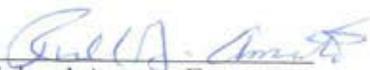
Square: 0115 Lot: 0084

Property Address: 1300 19th Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	22,630,400	Land	22,630,400
Building	20,371,740	Building	20,371,740
Total	\$ 43,002,140	Total	\$ 43,002,140

Rationale: Pursuant to statute, the Petitioner must demonstrate, by a preponderance of the evidence, that the proposed Tax Year 2013 assessment for the real property by the Office of Tax and Revenue (OTR) does not represent the estimated value of the property as of January 1, 2012, valuation date. The Petitioner raised the following issues at the Real Property Tax Appeals Commission (RPTAC) hearing: rents, expenses, vacancy rent, capital expenditures, vacate probability, lease growth rate, and capitalization rate. Prior to the hearing, the OTR Assessor reviewed the most recent income and expense information submitted by the Petitioner and made the following adjustments; expenses were increased, the vacancy rate was increased to 6.5%, the capital expenditures deduction was increased, and the lease growth rate was removed. The adjustments resulted in a 3.14% reduction and a new OTR recommended value of \$41,650,750. OTR rejected the Petitioner’s arguments regarding rents, vacate probability, and capitalization rate. The Petitioner argues that OTR misclassified the building as Class B when it is actually Class C. According to the Petitioner, a higher class C capitalization rate should be applied, and the building’s restricted zoning designation and high vacancy should also be factors. OTR testified that \$42/ sq. ft. market rent is supported because the currently-vacant space in the building is being advertised at the rate and the building receives at lease \$40/sq. ft. on several current leases that do not expire soon. OTR also testified that the building is properly classified as Class B. The Commission finds that the Petitioner failed to demonstrate by a preponderance of the evidence that OTR erred in determining the proposed assessment. Pursuant to D.C. Official Code § 47-825a(e)(4)(C)(ii)(2012 Supp.), the Commission is authorized to “ raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value” of the property. OTR’s new recommended value does not meet this threshold; therefore the Commission sustains the proposed assessment.

COMMISSIONER SIGNATURES


Richard Amato, Esq.


Cliftine Jones


Hillary Lovick, 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 30th of the same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: December 3, 2012

Legal Description of Property

Square: 0116 Lot: 0073

Property Address: 1919 M Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	56,068,500	Land	56,068,500
Building	74,179,730	Building	74,179,730
Total	\$ 130,248,230	Total	\$ 130,248,230

Rationale:

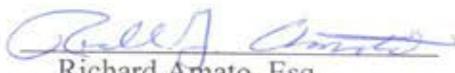
The Real Property Tax Appeals Commission (RPTAC) reviewed the submissions by the Office of Tax and Revenue (OTR) and by the Petitioner. The Petitioner raised the following issues in its appeal: market rent, expenses, lease growth rate, capital expenditures, lease-up costs and cap rate. The Office of Tax and Revenue’s Assessor considered these issues and adjusted the expense allowance, and capital expenditures to arrive at a recommended value of \$125,701,858. The Petitioner submitted an appraisal to support its property valuation. However, the Commission finds OTR’s analysis to more accurately represent the property’s estimated value. The market rate rent of \$50.00/ sq. ft. and the lease-up costs deduction applied by OTR are reasonable and supportable based on market conditions. Although the cap rate applied by OTR is on the lower end of the range used for class A properties, OTR’s analysis factors in five years of lease-up costs while published cap rate studies make no adjustments for lease-up allowances.

The Petitioner failed to establish by a preponderance of the evidence that the cap rate applied by OTR is erroneous based on the particular valuation issues relating to this property. The Commission accepts OTR’s recommended value and finds that it represents the best estimate of the property’s market value; however, the new value does not meet the 5% rule contained in D.C. Official Code § 47-825.01a(e)(4)(c)(ii)(2012 Supp.). This code provision only authorizes the Commission to “lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value” of the property. See *1776 K Street Associates v. District of Columbia*, 446 A.2d 1114, 1116 (D.C. 1982). Therefore, the Tax Year 2013 proposed assessment is sustained.

COMMISSIONER SIGNATURES


Hillary Lovick, Esq.


Cliftine Jones
FURTHER APPEAL PROCEDURES


Richard Amato, Esq.

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 same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 9, 2013

Legal Description of Property

Square: 0117 Lot: 0084

Property Address: 1111 20th Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	29,584,280	Land	29,584,280
Building	10,993,830	Building	10,993,830
Total	\$ 40,578,110	Total	\$ 40,578,110

Rationale:

Pursuant to the statute, the Petitioner must demonstrate by the preponderance of the evidence that the proposed Tax Year 2013 assessment of real property does not represent the estimated value of the property as of January 1, 2012, valuation date. The Office of Tax and Revenue (OTR) lowered the proposed assessment at the first level of appeal and after reviewing the updated income and expense information prior to the Real Property Tax Appeals Commission (RPTAC) hearing determined that no change in the property's class or classification rate is warranted. The issue in dispute in this case is the capitalization rate. The Petitioner describes the building as a low end, 1960 vintage C-Class, office building. According to the Petitioner, OTR incorrectly classifies the building as Class B and applies a low range Class B cap rate to determine its value. The Petitioner contends that the cap rate should be increased given the age and condition of the building and the low rents. OTR testified that the building is in an A location, has a long-term credit tenant and the building facade was renovated in 1998. The Commission finds OTR's analysis to be reasoned. Further, the Petitioner failed to demonstrate by a preponderance of the evidence that the building classification and capitalization rate applied by OTR are erroneous. Therefore, the Commission sustains the proposed assessment for the Tax Year 2013.

COMMISSIONER SIGNATURES


Cliftine Jones


Richard Amato, Esq.


Hillary Lovick, 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 30th of the same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: November 26, 2012

Legal Description of Property

Square: 0127 Lot: 0843

Property Address: 800 Connecticut Avenue NW

ORIGINAL ASSESSMENT

FINAL ASSESSMENT

Land	85,694,200	Land	85,694,200
Building	43,858,900	Building	43,858,900
Total	\$ 129,553,100	Total	\$ 129,553,100

Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The issues presented by the Petitioner were address by the Office of Tax and Revenue (OTR) after OTR received and reviewed the 2013 Income and Expense Reports supplied by the Petitioner. The Petitioner does not disagree with OTR's reworked net operating income however the Petitioner does disagree with the capitalization rate used by OTR. However, the Petitioner's selected cap rate was submitted without any convincing evidence that their rate was more reasonable than OTR's. The Petitioner's use of published cap rate surveys as a method to prove that OTR's cap rate is too low is not an appropriate way to measure OTR's cap rate. The cap rate utilized by OTR is derived in a manner that takes into consideration investor lease-up costs and/or capital expenditures which are not taken into account by published surveys. These costs are estimated, projected for five years, discounted to their present value, and then credited to the property. The Office of Tax and Revenue's accounting for these anticipated costs reduces the risk to the typical investor and therefore calculates to a different (generally lower) capitalization rate than published survey rates. The Commission, therefore, sustains the proposed assessment for Tax Year 2013.

COMMISSIONER SIGNATURES

Gregory Syphax

Frank Sanders

Trent Williams

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 same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 14, 2013

Legal Description of Property

Square: 0137 Lot: 0056

Property Address: 1800 Massachusetts Avenue, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	17,432,400	Land	17,432,400
Building	50,631,190	Building	50,631,190
Total	\$ 68,063,590	Total	\$ 68,063,590

Rationale: The subject office building is predominately owner-occupied by the Service Employees International Union (SEIU). The Petitioner raised the following issues in its appeal documentation: rents, expenses, and capitalization rate. The Commission finds OTR’s analysis as to the rents, expenses, and capitalization rate to be reasonable and supported by market data and conditions. The Petitioner failed to demonstrate by a preponderance of the evidence that OTR erred in its analysis regarding these issues.

In addition to these issues, lease-up costs for below-grade space and vacate probability were also raised by the Petitioner during the Real Property Tax Appeals Commission (RPTAC) hearing. Following the Petitioner’s testimony, the OTR assessor acknowledged that his income analysis should include lease-up costs for below-grade space and an increase in vacate probability. The OTR assessor agreed to make these adjustments and to send the Commission a revised income analysis worksheet reflecting these changes and a new OTR recommended value. The Commission received the assessor’s worksheet; however the vacate probability is incorrectly imputed at 100% when in fact the building has existing tenants in addition to the owner-occupied space. In addition, the assessor’s new worksheet did not include the lease-up deduction on the rolling lower level-office space.

The Commission adopts the Petitioner’s assumptions in its original worksheet as to the “Present Value” of lease-up costs and adopts the OTR “Value Calculations” as submitted in the original and new worksheet and achieves a valuation that is within five per centum of the proposed 2013 assessment. As stated in the rule found in D.C. Official Code 47-825.01a(e)(4)(C)(ii)(2012 Supp.), the Commission is only authorized to “raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value” of the property. The proposed assessment for the Tax Year 2013 is therefore sustained.

COMMISSION SIGNATURES

Cliftine Jones

Hillary Lovick, Esq.

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 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 2, 2013

Legal Description of Property

Square: 0138 Lot: 0803
Property Address: 1330 Connecticut Avenue NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	76,737,600	Land	76,737,600
Building	63,917,730	Building	44,070,167
Total	\$ 140,655,330	Total	\$ 120,807,767

Rationale:

The subject is an office building. At the first level of appeal, the Office of Tax and Revenue (OTR) reduced the proposed assessment to \$140,665,330 based on OTR's review of the Tax Year 2013 income and expense statement for the subject. Following the Petitioner's testimony at the RPTAC hearing, the OTR Assessor made the following adjustments to the subject's value: decreased office market rent, recognized below-grade space, decreased retail market rents, moved lease expiration to 2012 instead of 2016, increased lease-up costs deduction, and increased rent overage/shortfall. This resulted in a 14.12% reduction and a new OTR recommended value of \$120,807,767.

The remaining disputed issue in this case is the capitalization rate. The OTR Assessor testified that he applied a Class A range capitalization rate in his income analysis; however, the Petitioner argues that the capitalization rate applied is appropriate for a trophy building which the subject is not. The Commission finds OTR's capitalization rate analysis to be reasonable, the Petitioner failed to establish by a preponderance of the evidence that OTR erred in its analysis.

The Commission accepts OTR's adjustments and the new recommended value and lowers the proposed assessment, accordingly.

COMMISSIONER SIGNATURES

Cliftine Jones

Richard Amato, Esq.

Hillary Lovick, 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 30th of the same 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.



Real Property Tax Appeals Commission

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Date: December 27, 2012

Legal Description of Property

Square: 0138 Lot: 0804

Property Address: 1300 Connecticut Avenue NW

ORIGINAL ASSESSMENT

FINAL ASSESSMENT

Land	44,272,800	Land	44,272,800
Building	30,623,890	Building	30,623,890
Total	\$ 74,896,690	Total	\$ 74,896,690

Rationale: The subject is an office building. The Office of Tax and Revenue (OTR) Assessor reviewed the Tax Year 2013 income and expense information submitted by the Petitioner prior to the RPTAC hearing. As a result of that review, the Assessor made the following adjustments to his income analysis: reduced market rent, increased expenses, increased vacancy rate, and lowered the capitalization rate. These adjustments resulted in a 1% reduction and a new value of \$74,121,130, which does not meet the "five percent rule." Accordingly, the OTR Assessors recommends sustaining the proposed assessment.

The remaining disputed issues in this case are capital expenditures and capitalization rate. The Petitioner argues that the capital expenditures deduction should be increased to account for anticipated future expenditures beginning in 2013, and that the capitalization rate applied should be increased to account for the risk associated with the above-market rents the building is receiving. The Commission finds OTR's analysis as to these issues to be reasoned given the specific circumstances affecting the building. The Petitioner failed to demonstrate by a preponderance of the evidence that OTR's analysis and resulting value is erroneous.

Pursuant to D.C. Official Code §47-825.01a(e)(4)(C)(ii)(2012 Supp.), the Commission is only authorized to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. Because OTR's adjustments do not result in a five percent change in value, the Commission sustains the proposed Tax Year 2013 assessment.

COMMISSIONER SIGNATURES

Cliftine Jones

Richard Amato, Esq.
FURTHER APPEAL PROCEDURES

Hillary Lovick, Esq.

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 same 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.



Real Property Tax Appeals Commission

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Date: November 26, 2012

Legal Description of Property

Square: 0165 Lot: 0028

Property Address: 800 Connecticut Avenue NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	36,200,000	Land	36,200,000
Building	49,423,800	Building	49,423,800
Total	\$ 85,623,800	Total	\$ 85,623,800

Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The issues presented by the Petitioner were vacancy rate, lease-up cost and rent overage. The Petitioner failed to show by a preponderance of the evidence that the vacancy rate and rent overage used by the Office of Tax and Revenue (OTR) was incorrect. The Commission agrees with the Petitioner that OTR did not use 100% of lease-up probability due to recent vacancy issues. A correction has been made recognizing the correct lease-up cost, however after the adjustment the Commission finds that the value did not meet the 5% rule contained in D.C. Official Code § 47-825.01a(e)(4)(C)(ii)(2012 supp.). This code provision only authorizes the Commission to "lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. See *1776 K Street Associates v. District of Columbia*, 446 A.2d 114, 116 (D.C. 1982). The proposed Tax Year 2013 assessment is sustained.

COMMISSIONER SIGNATURES

Gregory Syphax

Frank Sanders

James Walker

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 same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you
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Real Property Tax Appeals Commission for the property described. If YOU
WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION
BELOW

Date: November 27, 2012

Legal Description of Property

Square: 0222 Lot: 0022

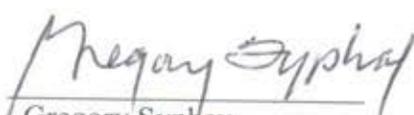
Property Address: 733 15th Street NW

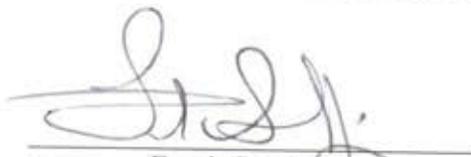
ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	30,585,920	Land	30,585,920
Building	61,135,760	Building	54,953,100
Total	\$ 91,721,680	Total	\$ 85,539,020

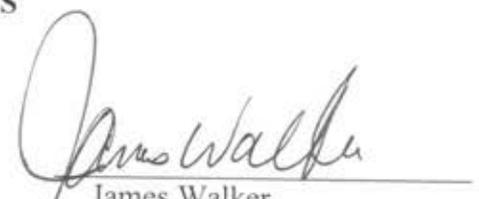
Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The issues presented by the Petitioner were parking income, miscellaneous income and capitalization rate. The Commission agrees in this case with the Petitioner that the actual parking and other income reported on the income and expense report should be used. The miscellaneous income added by OTR cannot be accounted for on the I&E and therefore has been removed. The Commission finds that the capitalization rate used by OTR is outside the range of the Office Survey Data used by OTR and an adjustment has been made. The Commission finds that a reduction in the Tax Year 2013 proposed assessment is warranted.

COMMISSIONER SIGNATURES


Gregory Syphax


Frank Sanders


James Walker

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 same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: December 17, 2012

Legal Description of Property

Square: 0287 Lot: 0038

Property Address: 1200 New York Avenue NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	35,117,250	Land	35,117,250
Building	22,315,280	Building	22,315,280
Total	\$ 57,432,530	Total	\$ 57,432,530

Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The issues presented by the Petitioner were office rent, expenses and capitalization rate. The new leases signed within the subject property during the valuation period support the market rent estimates by the Office of Tax and Revenue (OTR). The expenses used by OTR are actually higher than what is reported on the Tax Year 2013 income and expense forms. The Petitioner's selected cap rate was submitted without any convincing evidence that their rate was more reasonable than OTR's. The Petitioner's use of published cap rated surveys as a method to prove that OTR's cap rate is too low is not an appropriate way to measure OTR's cap rate. The cap rate utilized by OTR is derived in a manner that takes into consideration investor lease-up costs and/or capital expenditures which are not taken into account by published surveys. These costs are estimated, projected for five years, discounted to their present value, and then credited to the property. OTR's accounting for these anticipated costs reduces the risk to the typical investor and therefore calculates to a different (generally lower) capitalization rate than published survey rates. The Commission, therefore, sustains the proposed assessment for Tax Year 2013.

COMMISSIONER SIGNATURES

Gregory Syphax

Frank Sanders

Trent Williams

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 same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: November 28, 2012

Legal Description of Property

Square: 0403 Lot: 0836

Property Address: 999 9th Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	59,339,520	Land	59,339,520
Building	132,237,020	Building	132,237,020
Total	\$ 191,576,540	Total	\$ 191,576,540

Rationale: The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The Petitioner presented at the hearing a rebuttal of the Office of Tax and Revenue’s (OTR) seven (7) day letter which indicates agreement with OTR on five of the initial issues presented by the Petitioner. The Commission’s review of the information submitted by OTR indicates that OTR inverted two numbers causing a math error in the food and beverage section of the analysis. The total revenue used by the Petitioner is correct. The Petitioner included a franchise charge which was not acknowledged by OTR because that figure is included in the Cost of Trade. The franchise charge has been removed from the total operating expenses creating a new ‘total’. The Petitioner used 5% for ‘reserves for short term building replacements’ whereas OTR used 2% which is consistent with the Tax Year 2013 income and expense reports submitted. The Petitioner suggested in the rebuttal that one approach to account for the lease space, which totals 6.23% of the entire square footage of the hotel, was to “take off 6.23% of the Real Estate only” and to capitalize the RE only NOI to find the total real estate only value. In this case the Commission agrees with the Petitioner, however the Petitioner failed to establish by a preponderance of the evidence that OTR’s cap rate is incorrect. The Commission agrees with the capital expenditures used by the Petitioner based upon the detailed analysis provided. The Commission has applied the adjustments and finds that the value did not meet the 5% rule contained in D.C. Official Code § 47-825.01 a(e)(4)(C)(ii)(2012 Supp.). This code provision only authorizes the Commission to “lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value” of the property. See *1776 K Street Associates v. District of Columbia*, 446 A.2d 1114, 1116 (D.C. 1982). The proposed assessment is sustained.

COMMISSIONER SIGNATURES

Frank Sanders

Gregory Syphax

Donald Isaac

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 same 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.



Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you
Are hereby notified of your assessment for the current year **2013** as finalized by the
Real Property Tax Appeals Commission for the property described. If YOU
WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION
BELOW

Date: November 26, 2012

Legal Description of Property

Square: 0677 Lot: 0142

Property Address: 777 North Capitol Street NE

ORIGINAL ASSESSMENT

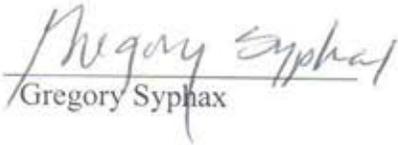
FINAL ASSESSMENT

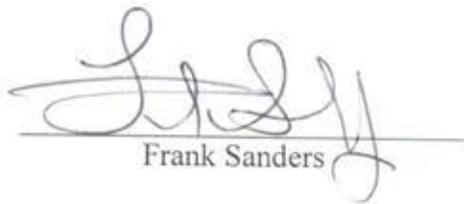
Land	15,652,000	Land	15,652,000
Building	40,010,780	Building	40,010,780
Total	\$ 55,662,780	Total	\$ 55,662,780

Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The issues presented by the Petitioner were office rent and vacancy. The Petitioner failed to show by a preponderance of the evidence that market rent and vacancy rate used by the Office of Tax and Revenue was incorrect. The Commission sustains the Tax Year 2013 proposed assessment.

COMMISSIONER SIGNATURES


Gregory Syphax


Frank Sanders


Trent Williams

FURTHER APPEAL PROCEDURES

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Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: November 28, 2012

Legal Description of Property			
Square: 1185		Lot: 2001	
Property Address: 1015 33 rd Street NW			
ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	493,300	Land	493,300
Building	7,669,880	Building	7,261,700
Total	\$ 8,163,180	Total	\$ 7,755,000

Rationale:

The subject property consists of 5 (multi-lot) office condominiums located at the Flour Mill project in Georgetown. The units are owned by a single entity and are assessed as one economic unit. The property is located in Georgetown. The Petitioner based his appeal on the issues of property condition, disputed property record, equalization, valuation, and incorrect classification. However, the only argument made by the Petitioner was based on the results of his Income Capitalization Approach which was the same approach performed by the Office of Tax and Revenue (OTR). The major differences between the two analyses involve the calculations for *Vacancy*, *Potential Gross Income (PGI)*, *Cost to Cure*, *Future Lease-up* and *Capitalization Rate*.

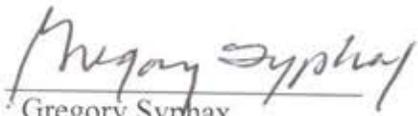
The issues regarding the cost to cure and future lease-up costs estimates appear to be based on differences in opinion and no convincing evidence was provided by the Petitioner to warrant a change in OTR's calculations. The Capitalization Rate used by OTR falls within the range for 'Class A' office buildings as is shown in the Delta Associates study that is published in the Assessor's Pertinent Data Book. Therefore, no change in the Capitalization rate is warranted.

The Petitioner's appeal for OTR to use higher vacancy rate of 11% instead of the 6.5%, to recognize that the property was having a significant vacancy problem, appeared reasonable – especially with consideration that OTR's Pertinent Data Book reports higher stabilized vacancy rates for Class 'A' office buildings in Georgetown. The Commission therefore re-calculated OTR's analysis with an adjustment to the vacancy rate. The results of the analysis supported a reduction in the aggregate proposed assessment to \$43,916,900.

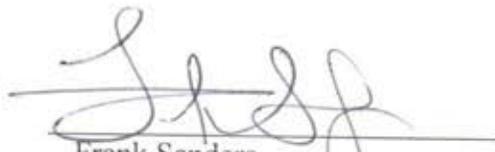
Square: 1185 Lot: 2001

Property Address: 1015 33rd Street NW

COMMISSIONER SIGNATURES



Gregory Syphax



Frank Sanders



James Walker

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 same 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.



Real Property Tax Appeals Commission

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BELOW

Date: November 28, 2012

Legal Description of Property

Square: 1185 Lot: 2002

Property Address: 1015 33rd Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	410,900	Land	410,900
Building	12,459,330	Building	11,815,800
Total	\$ 12,870,230	Total	\$ 12,226,700

Rationale:

The subject property consists of 5 (multi-lot) office condominiums located at the Flour Mill project in Georgetown. The units are owned by a single entity and are assessed as one economic unit. The property is located in Georgetown. The Petitioner based his appeal on the issues of property condition, disputed property record, equalization, valuation, and incorrect classification. However, the only argument made by the Petitioner was based on the results of his Income Capitalization Approach which was the same approach performed by the Office of Tax and Revenue (OTR). The major differences between the two analyses involve the calculations for *Vacancy*, *Potential Gross Income (PGI)*, *Cost to Cure*, *Future Lease-up* and *Capitalization Rate*.

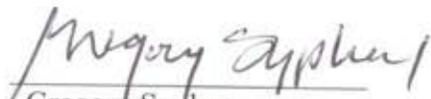
The issues regarding the cost to cure and future lease-up costs estimates appear to be based on differences in opinion and no convincing evidence was provided by the Petitioner to warrant a change in OTR's calculations. The Capitalization Rate used by OTR falls within the range for 'Class A' office buildings as is shown in the Delta Associates study that is published in the Assessor's Pertinent Data Book. Therefore, no change in the Capitalization rate is warranted.

The Petitioner's appeal for OTR to use higher vacancy rate of 11% instead of the 6.5%, to recognize that the property was having a significant vacancy problem, appeared reasonable – especially with consideration that OTR's Pertinent Data Book reports higher stabilized vacancy rates for Class 'A' office buildings in Georgetown. The Commission therefore re-calculated OTR's analysis with an adjustment to the vacancy rate. The results of the analysis supported a reduction in the aggregate proposed assessment to \$43,916,900.

Square: 1185 Lot: 2002

Property Address: 1015 33rd Street NW

COMMISSIONER SIGNATURES



Gregory Syphax



Frank Sanders



James Walker

FURTHER APPEAL PROCEDURES

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Real Property Tax Appeals Commission

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Date: November 28, 2012

Legal Description of Property

Square: 1185 Lot: 2003

Property Address: 1015 33rd Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	164,500	Land	164,500
Building	7,998,680	Building	7,590,500
Total	\$ 8,163,180	Total	\$ 7,755,000

Rationale:

The subject property consists of 5 (multi-lot) office condominiums located at the Flour Mill project in Georgetown. The units are owned by a single entity and are assessed as one economic unit. The property is located in Georgetown. The Petitioner based his appeal on the issues of property condition, disputed property record, equalization, valuation, and incorrect classification. However, the only argument made by the Petitioner was based on the results of his Income Capitalization Approach which was the same approach performed by the Office of Tax and Revenue (OTR). The major differences between the two analyses involve the calculations for *Vacancy*, *Potential Gross Income (PGI)*, *Cost to Cure*, *Future Lease-up* and *Capitalization Rate*.

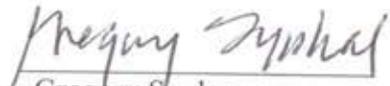
The issues regarding the cost to cure and future lease-up costs estimates appear to be based on differences in opinion and no convincing evidence was provided by the Petitioner to warrant a change in OTR's calculations. The Capitalization Rate used by OTR falls within the range for 'Class A' office buildings as is shown in the Delta Associates study that is published in the Assessor's Pertinent Data Book. Therefore, no change in the Capitalization rate is warranted.

The Petitioner's appeal for OTR to use higher vacancy rate of 11% instead of the 6.5%, to recognize that the property was having a significant vacancy problem, appeared reasonable – especially with consideration that OTR's Pertinent Data Book reports higher stabilized vacancy rates for Class 'A' office buildings in Georgetown. The Commission therefore re-calculated OTR's analysis with an adjustment to the vacancy rate. The results of the analysis supported a reduction in the aggregate proposed assessment to \$43,916,900.

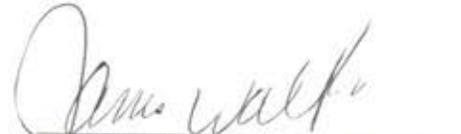
Square: 1185 Lot: 2003

Property Address: 1015 33rd Street NW

COMMISSIONER SIGNATURES


Gregory Syphax


Frank Sanders


James Walker

FURTHER APPEAL PROCEDURES

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Date: November 28, 2012

Legal Description of Property

Square: 1185 Lot: 2004

Property Address: 1000 Potomac Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	4,274,400	Land	4,274,400
Building	3,640,190	Building	3,244,300
Total	\$ 7,914,590	Total	\$ 7,518,700

Rationale:

The subject property consists of 5 (multi-lot) office condominiums located at the Flour Mill project in Georgetown. The units are owned by a single entity and are assessed as one economic unit. The property is located in Georgetown. The Petitioner based his appeal on the issues of property condition, disputed property record, equalization, valuation, and incorrect classification. However, the only argument made by the Petitioner was based on the results of his Income Capitalization Approach which was the same approach performed by the Office of Tax and Revenue (OTR). The major differences between the two analyses involve the calculations for *Vacancy*, *Potential Gross Income (PGI)*, *Cost to Cure*, *Future Lease-up* and *Capitalization Rate*.

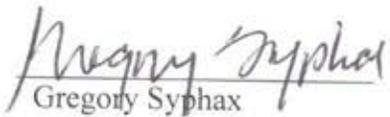
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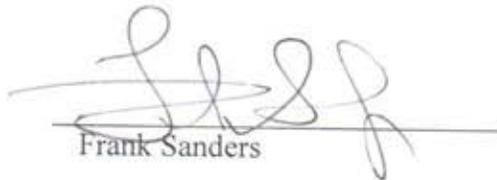
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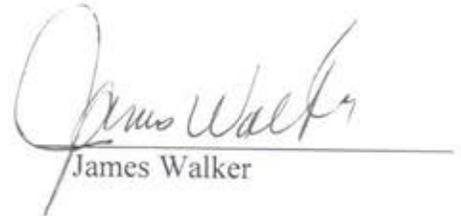
Square: 1185 Lot: 2004

Property Address: 1015 33rd Street NW

COMMISSIONER SIGNATURES


Gregory Syphax


Frank Sanders


James Walker

FURTHER APPEAL PROCEDURES

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Date: November 28, 2012

Legal Description of Property

Square: 1185 Lot: 2005

Property Address: 1000 Potomac Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	2,877,000	Land	2,877,000
Building	6,240,420	Building	5,784,500
Total	\$ 9,117,420	Total	\$ 8,661,500

Rationale:

The subject property consists of 5 (multi-lot) office condominiums located at the Flour Mill project in Georgetown. The units are owned by a single entity and are assessed as one economic unit. The property is located in Georgetown. The Petitioner based his appeal on the issues of property condition, disputed property record, equalization, valuation, and incorrect classification. However, the only argument made by the Petitioner was based on the results of his Income Capitalization Approach which was the same approach performed by the Office of Tax and Revenue (OTR). The major differences between the two analyses involve the calculations for *Vacancy*, *Potential Gross Income (PGI)*, *Cost to Cure*, *Future Lease-up* and *Capitalization Rate*.

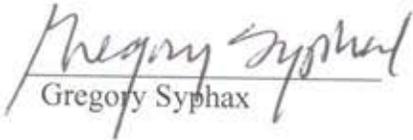
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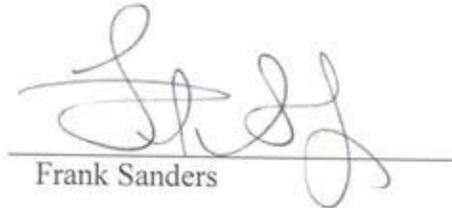
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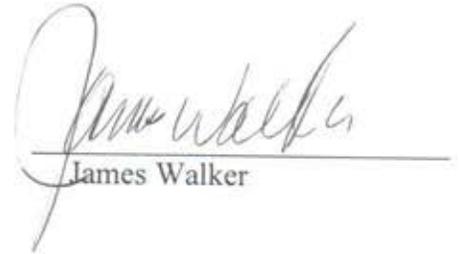
Square: 1185 Lot: 2005

Property Address: 1015 33rd Street NW

COMMISSIONER SIGNATURES


Gregory Syphax


Frank Sanders


James Walker

FURTHER APPEAL PROCEDURES

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