FILED

3:24 pm, Thu, February 04, 2021

OFFICE OF THE CITY CLERK

WASHINGTON
ATHLETIC CLUB

Office of the City Clerk
Seattle City Hall
600 Fourth Avenue, Floor 3
Seattle, WA 98124

January 31, 2020

Filed by email to: LIDHearingExaminer@seattle.gov

Re: Objection to Proposed Final LID Assessment Amounts – Washington Athletic Club Garage Parcel #7804110010; CWF-0231

Dear Ladies & Gentlemen:

I am writing to object to the proposed final LID assessment amounts for the Washington Athletic Club Garage located at 1405 6th Avenue, Parcel #7804110010.

The grounds for my objection are twofold. First and foremost, I believe an error was made in determining the Special Benefit and related Special Benefit Percentage Change to this property. The second objection is with regard to the Market Value of the Property without the LID.

Special Benefit & Special Benefit Percentage Change

The Washington Athletic Club (WAC) owns two properties on 6th Avenue, a ½ block apart. The Clubhouse resides at 1325 6th Avenue, Parcel # 1975700025. The proposed final assessment amount for the Clubhouse seems reasonable and I am not objecting to that. The WAC has operated at its existing location since 1930. In the late 1980's the WAC entered into an agreement to exchange its former above ground parking facility for a condominium interest in which the WAC would acquire a brand-new parking facility build underground at 1405 6th Avenue, one half block north of the Clubhouse. As a result, the WAC owns the below grade parking facility at 1405 6th Avenue and the other owner owns the improvements above ground for retail, office, etc. The new WAC garage opened in 1989.

In reviewing the Waterfront Seattle Special Benefit Study worksheet, it appears that the appraiser associated the WAC Garage with the 6th and Union Condominium Retail component of the property located at 1405 6th Avenue, which is connected to the highrise at 1420 5th Avenue commonly known as the U.S. Bank Centre. The function of the WAC Garage has always been to ensure parking availability for WAC members and guests who are visiting the Clubhouse. While the Garage does allow public parking, the vast majority of its use is by WAC members. Monthly parking is only available to WAC members. Over two thirds of daily transient parking in the Garage is by WAC members. During busy times, the Garage is restricted to members use only. Thus, it is my contention that the WAC Garage Special Benefit Percentage should be the same as the WAC Clubhouse.

P 206.622.7900
F 206.464.1392
www.wac.net

1325 Sixth Avenue, Seattle, WA 98101
P.O. Box 1709, Seattle, WA 98111

Attached is a simple recap worksheet that compares the Assessment amounts for the Clubhouse and the Garage. The Special Benefit Percentage for the Clubhouse is 0.76%. The Garage which functions as a part of the WAC should have been assigned the same percentage. Further support for this position is evidenced by reviewing the percentages of comparable properties in the study. For example, the Hilton Hotel and Parking Garage located at 1301 6th Avenue share the same block as the WAC Clubhouse. The two separate parcels (#7802920010 hotel & #7802920020 parking garage) have the same Special Benefit Percentage of 0.85%. We object to the WAC Garage Special Benefit and request that it be adjusted to the same 0.76% as the WAC Clubhouse, with the proposed final assessment also adjusted accordingly.

Market Value without Waterfront Improvement's

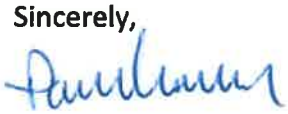
In addition to the Special Benefit and Special Benefit Percentage Change objection noted above, it appears the WAC Garage's market value without the Waterfront Improvements is overstated in the study. The Market Value Without the LID for the WAC Garage as reported in the study is $28,789,000. The Market Value of the Garage per the Preliminary Assessment as of April 5, 2018 was $19,871,000 as noted on the attached worksheet. The updated market value represents an increase of $8,918,000 or about 45%! Perhaps this increase is due to the linkage of the WAC Garage with the Retail portion of the 6th & Union Condominium noted above. Certainly, downtown parking garages have not escalated in value to that degree in this time period. One relevant example is the Hilton Garage referenced above. In 2015 it sold for $45.4 million. In late 2019 it sold again for $42.6 million, representing a depreciation in value of $2.8 million over the four-year period.

Another indication of market value is the appraised value used for property tax purposes. The King County Assessed Value for 2019 property taxes for the WAC Garage is $23,079,000. The LID Study Market Value is higher by $5,710,000 or almost 25%. By comparison, the WAC Clubhouse has a King County Appraised Value (2018 for 2019 taxes) of $68,336,800. The Market Value per the LID study is $73,378,000 for a much more reasonable difference of 7.4%. Applying this same ratio of 7.4% over the County appraised value to the WAC Garage would result in a pre-LID value of $24,781,000. I believe this value is much more appropriate for use with the LID study.

For the reasons noted above, absent other rationale not apparent in the study, I contend that the Special Benefit for the WAC Garage as determined, and the related Proposed Final Assessment Amount, is erroneous and should be revised.

If you have any questions concerning any of the foregoing please contact the undersigned at plowber@wac.net or (206) 839-4790.

Sincerely,



Paul Lowber

Chief Financial Officer

Attachment

Waterfront LID - Washington Athletic Club

	Clubhouse	Garage
Parcel #	1975700025	7804110010
Address	1325 6th Ave	1405 6th Ave
Property Name	WAC	6th & Union Parking & Retail Condominium
Preliminary Assessment (April 5, 2018):		
Market Value w/o Waterfront imp's	$ 70,877,000	$ 19,871,000
Market Value with Waterfront imp's	$ 71,236,000	$ 19,993,000
Special Benefit	$ 359,000	$ 122,000
% of Market Value	0.51%	0.61%
Preliminary Assessment %	48.27%	48.27%
Preliminary Assessment	$ 173,283	$ 58,887
% of Market Value	0.24%	0.30%
Proposed Final Assessment (December 30, 2019):		
Market Value w/o Waterfront imp's	$ 73,378,000	$ 28,789,000
Market Value with Waterfront imp's	$ 73,933,000	$ 29,147,000
Special Benefit	$ 555,000	$ 358,000
% of Market Value	0.76%	1.24%
Proposed Final Assessment %	39.20%	39.20%
Proposed Final Assessment	$ 217,461	$ 140,272
% of Market Value	0.30%	0.49%
Property Tax Appraised Values (2018 for 2019 taxes)	$ 68,336,800	$ 23,079,000