

MI TREEHOUSE, LLC

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March 4, 2019

Mr. Evan Maxim
City of Mercer Island
9611 S.E. 36th Street
Mercer Island, WA 98040

RE: REASONABLE USE EXCEPTION APPLICATION

Dear Evan:

The following represents our considered response to Peter Anderson's February 20, 2019, e-mail regarding MI Treehouse, LLC's real estate tax assessment appeals.

Following denials by the King County Board of Equalization for appeals for years 2014-2016, on August 28, 2017, the Washington State Board of Tax Appeals reduced the property's assessed valuation to \$32,094, its nominal purchase price. The argument advanced by MI Treehouse in support of its appeals was precisely the same as its pending Reasonable Use Exception application: the property's value, due to the various environmental restrictions adversely impacting its development potential, is directly a function of its **reasonable use** as a single family residential home site; if such a use is denied, the property is devoid of economic value.

The documentation submitted to the Board of Tax Appeals consisted of a binder containing all the applications, reports, studies, plans, recommendations and decisions generated in connection with MI Treehouse's application to the City during the course of the past four years. If MI Treehouse either abandons its pending application, or if its extensive efforts result in the deprivation of a reasonable use of its property, the assessed valuation of the property should properly be reduced to zero; correspondingly, if MI Treehouse is allowed to reasonably use its property, it has significant value which should properly be assessed by King County. Of course, MI Treehouse would suffer substantial economic loss in the event it is deprived the reasonable use of its property – a result the Reasonable Use Exception process is designed to avoid.

Please advise, of course, if the above response raises additional questions or concerns which need to be addressed further.

Sincerely yours,



William C. Summers

cc: G. Richard Hill