

From: dave@bluekingcounty.com
 To: [Peter Maxim](mailto:Peter.Maxim)
 Cc: Assessed values for Treehouse property
 Subject: Assessed values for Treehouse property
 Date: [Wednesday, February 20, 2019 8:37:56 AM](mailto:Assessed values for Treehouse property)
 Attachments: [Tax Assessor Decision.pdf](mailto:Assessed values for Treehouse property)
 Importance: High

Dear Mr. Maxim,

My son Dave Anderson has sent to me the latest information with respect to the values assessed by the King County Assessor on the Treehouse property. This information can be accessed at <https://blue.kingcounty.com/Assessor/RealProperty/Dashboard.aspx?ParcelId=1924059312>. The relevant information has also been pasted on the email below.

My recollection of the hearing is that Treehouse produced evidence that the value assessed by the King County assessor on the Treehouse property was \$417,000. As I recall, there was also testimony by Treehouse that it had appealed this assessment and that the appeal had been denied. I have not seen in the subsequent documents submitted by Treehouse and produced to us by the City anything that would change this information. Treehouse used this information to argue that the property was much more valuable than the \$32,094 paid by Treehouse for the property and that there had been other consideration in addition to this dollar figure. Treehouse continues to assert this argument. In Exhibit E of the Summers letter of January 24, 2019, it is stated that the funds paid for the property was a "nominal amount." Exhibit E also quotes the Brotherton declaration that "the funds received by me [Brotherton] upon sale did not reflect the property's fair market value." Exhibit E also states as a fact that "The King County Assessor valued the property in 2014 at \$417,000."

As can be seen from the records pasted below, Treehouse appealed to the state level the assessment of \$417,000 and prevailed on this second appeal. As a result, the assessed values of the property are now officially listed as the following:
2014 \$32,094; 2015 \$32,094; 2016 \$32,094; 2017 \$35,000; 2018 \$38,000

From my further research, the second appeal was to the State Board of Tax Appeals (No. 92289). See attached. The proposed decision, which was adopted as the final decision, is dated August 28, 2017. In the decision, the Board states that the owner presents his purchase for \$32,094 as "an arm's-length transaction."

However, now, Treehouse is representing to the City of Mercer Island that the \$32,094 is simply a "nominal amount." It would be interesting to know if Treehouse has ever informed the City about the second appeal and the dollar figures at which the property was assessed as a result of the appeal.

In my mind, this raises a number of very serious questions such as the following: Is the City being misled by the applicant? If it is found that the City is being misled by an applicant, is that grounds for not entertaining the application?

Thank you for your consideration. Peter M. Anderson

From: Dave Anderson <DaveA@dahogan.com>
 Sent: Wednesday, February 20, 2019 11:03 AM
 To: Peter Anderson <anderson2000@comcast.net>
 Subject: MI Treehouse

David, the values and associates hearing dates at the bottom are what I was referring to.

| TAX ROLL HISTORY | | | | | | | | | |
|------------------|-------------|------|-----------|-----------|---------------------------|---------------------------|------------------------|-----------------------------|------------------------------------|
| Account | Valued Year | Year | Omit Year | Levy Year | Appraised Land Value (\$) | Appraised Imps Value (\$) | New Total Dollars (\$) | Taxable Assessed Value (\$) | Taxable Assessed Value Reason (\$) |
| 192405931200 | 2018 | 2018 | | 1031 | 38,000 | 0 | 38,000 | 0 | 38,000 |
| 192405931200 | 2017 | 2018 | | 1031 | 35,000 | 0 | 35,000 | 0 | 35,000 |
| 192405931200 | 2016 | 2017 | | 1031 | 32,094 | 0 | 32,094 | 0 | 32,094 |
| 192405931200 | 2015 | 2016 | | 1031 | 32,094 | 0 | 32,094 | 0 | 32,094 |
| 192405931200 | 2014 | 2015 | | 1031 | 32,094 | 0 | 32,094 | 0 | 32,094 |
| 192405931200 | 2013 | 2014 | | 1031 | 190,000 | 0 | 190,000 | 0 | 190,000 |
| 192405931200 | 2012 | 2013 | | 1031 | 176,000 | 0 | 176,000 | 0 | 176,000 |
| 192405931200 | 2011 | 2012 | | 1031 | 186,000 | 0 | 186,000 | 0 | 186,000 |
| 192405931200 | 2010 | 2011 | | 1031 | 195,000 | 0 | 195,000 | 0 | 195,000 |
| 192405931200 | 2009 | 2010 | | 1031 | 201,000 | 0 | 201,000 | 0 | 201,000 |
| 192405931200 | 2008 | 2009 | | 1031 | 250,000 | 0 | 250,000 | 0 | 250,000 |
| 192405931200 | 2007 | 2008 | | 1031 | 359,000 | 0 | 359,000 | 0 | 359,000 |
| 192405931200 | 2006 | 2007 | | 1031 | 359,000 | 0 | 359,000 | 0 | 359,000 |
| 192405931200 | 2005 | 2006 | | 1031 | 330,000 | 0 | 330,000 | 0 | 330,000 |
| 192405931200 | 2004 | 2005 | | 1031 | 330,000 | 0 | 330,000 | 0 | 330,000 |
| 192405931200 | 2003 | 2004 | | 1031 | 330,000 | 0 | 330,000 | 0 | 330,000 |
| 192405931200 | 2002 | 2003 | | 1031 | 330,000 | 0 | 330,000 | 0 | 330,000 |
| 192405931200 | 2001 | 2002 | | 1031 | 210,000 | 0 | 210,000 | 0 | 210,000 |
| 192405931200 | 2000 | 2001 | | 1031 | 183,000 | 0 | 183,000 | 0 | 183,000 |
| 192405931200 | 1999 | 2000 | | 1031 | 147,000 | 0 | 147,000 | 0 | 147,000 |
| 192405931200 | 1998 | 1999 | | 1031 | 140,000 | 0 | 140,000 | 0 | 140,000 |
| 192405931200 | 1997 | 1998 | | 1031 | 0 | 0 | 0 | 0 | 87,000 |
| 192405931200 | 1996 | 1997 | | 1031 | 0 | 0 | 0 | 0 | 80,000 |
| 192405931200 | 1995 | 1996 | | 1031 | 0 | 0 | 0 | 0 | 80,000 |
| 192405931200 | 1994 | 1995 | | 1031 | 0 | 0 | 0 | 0 | 80,000 |
| 192405931200 | 1993 | 1994 | | 1031 | 0 | 0 | 0 | 0 | 83,700 |
| 192405931200 | 1992 | 1993 | | 1031 | 0 | 0 | 0 | 0 | 65,000 |
| 192405931200 | 1991 | 1992 | | 1031 | 0 | 0 | 0 | 0 | 40,500 |
| 192405931200 | 1990 | 1991 | | 1031 | 0 | 0 | 0 | 0 | 54,000 |
| 192405931200 | 1989 | 1990 | | 1031 | 0 | 0 | 0 | 0 | 46,000 |
| 192405931200 | 1988 | 1989 | | 1031 | 0 | 0 | 0 | 0 | 46,000 |
| 192405931200 | 1987 | 1988 | | 1031 | 0 | 0 | 0 | 0 | 46,000 |
| 192405931200 | 1986 | 1987 | | 1031 | 0 | 0 | 0 | 0 | 46,000 |
| 192405931200 | 1985 | 1986 | | 1031 | 0 | 0 | 0 | 0 | 46,000 |
| 192405931200 | 1984 | 1985 | | 1031 | 0 | 0 | 0 | 0 | 46,000 |
| 192405931200 | 1983 | 1984 | | 1031 | 0 | 0 | 0 | 0 | 46,000 |

| SALES HISTORY | | | | | | | | | |
|---------------|------------------|---------------|--------------|-----------------------------------|-------------------------------|-------------------------|-------------|--|--|
| Excise Number | Recording Number | Document Date | Sale Price | Seller Name | Buyer Name | Instrument | Sale Reason | | |
| 2692659 | 20140929090820 | 9/24/2014 | \$32,094.00 | BROTHERTON JOSEPH L | MI TREEHOUSE LLC | Statutory Warranty Deed | None | | |
| 2692243 | 20140721000343 | 7/29/2014 | \$30,539.00 | MARCH MACDONALD INC | BROTHERTON JOSEPH L | Statutory Warranty Deed | None | | |
| 2271039 | 20070314001312 | 3/12/2007 | \$125,000.00 | MARCH MACDONALD CONSTRUCTION INC | BROTHERTON JOSEPH L | Statutory Warranty Deed | None | | |
| 2074429 | 20041013002323 | 9/29/2004 | \$0.00 | MARCH MACDONALD INC | MARCH MACDONALD CONSTR INC | Quit Claim Deed | Other | | |
| 1731414 | 20060511007468 | 12/31/1999 | \$210,000.00 | SHOWALTER STEPHEN A+REBECCA L INC | MARCH MACDONALD INC | Statutory Warranty Deed | None | | |
| 1552136 | 199706271885 | 6/17/1997 | \$145,000.00 | CONTINENTAL MARKETING CO LTD | SHOWALTER STEPHEN A+REBECCA L | Statutory Warranty Deed | None | | |

| REVIEW HISTORY | | | | | | | | | |
|----------------|---------------|--------------|-----------------|--------------|------------------|----------|-----------|--|--|
| Tax Year | Review Number | Review Type | Appraised Value | Hearing Date | Settlement Value | Decision | Status | | |
| 2017 | 92289 | State Appeal | \$417,000 | 8/21/2017 | \$32,094 | REVISE | Completed | | |
| 2016 | 1600403 | Local Appeal | \$417,000 | 1/11/1900 | \$417,000 | SUSTAIN | Completed | | |
| 2016 | 90537 | State Appeal | \$378,000 | 8/21/2017 | \$32,094 | REVISE | Completed | | |
| 2016 | 1500573 | Local Appeal | \$378,000 | 1/11/1900 | \$378,000 | SUSTAIN | Completed | | |
| 2015 | 89294 | State Appeal | \$350,000 | 8/21/2017 | \$32,094 | REVISE | Completed | | |
| 2009 | 0802419 | Local Appeal | \$215,000 | 1/11/1900 | \$190,000 | SUSTAIN | Completed | | |
| 2008 | 0705576 | Local Appeal | \$62,000 | 1/11/1900 | \$29,000 | REVISE | Completed | | |

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