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(916) 323-7713

January 14, 1983

Your Opinion Request Dated December 22, 1982

This is in response to your request for our opinion as to whether a long-term lease by G of premises in a shopping center also triggers a change of ownership in an undivided portion of the common parking area. After reviewing your letter, G lease agreement, and reviewing your letter, G lease agreement, and discussing the facts with the County Assessor, we have concluded that G lease does not bring about a change of ownership assessment in the parking lot.

We reach our conclusion by observing that the lease does not afford G a sufficient property interest in the parking lot to constitute an ownership change of the parking lot land. Although this owner of the parking lot has dedicated it to the service of G building (and other leased buildings in the shopping center), G does not have the legal right to possess or use the facility to the exclusion of all others. G interest in the lot is a license coupled with an interest.

You should be aware, however, that we are of the opinion G leased premises, and the land underlying the premises, can be assessed to reflect the amenities and the enhancement afforded by the parking lot. However, in making such assessment, the Assessor must be careful not to double assess by assessing a value in the parking lot which is also assessed as a value in the underlying land of the building. The Assessor should recognize that the underlying land of the building enjoys a unique location value as a building site while the parking lot land has a highest and best use only as a parking lot to serve the building sits.

Very truly yours,

Robert R. Keeling

Tax Counsel

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