

Order of the Kittitas County

Board of Equalization

Property Owner: Stan Blazynski
Parcel Number(s): 231933
Assessment Year: 2018 Petition Number: BE-180153
Date(s) of Hearing: 6-27-19

Having considered the evidence presented by the parties in this appeal, the Board hereby:

sustains overrules the determination of the assessor.

Assessor's True and Fair Value

Land \$ 59,500
 Improvements \$ 77,410
 Minerals \$ _____
 Personal Property \$ _____
Total Value \$ \$136,910

BOE True and Fair Value Determination

Land \$ _____
 Improvements \$ _____
 Minerals \$ _____
 Personal Property \$ _____
Total Value \$ _____

This decision is based on our finding that:

The issue before the Board is the assessed value of land/improvements.

A hearing was held on June 27, 2019. Those present: Chair Jessica Hutchinson, Vice-Chair Ann Shaw, and BOE Member Jennifer Hoyt; Clerk Debbie Myers; Assessor Mike Hougardy; and Appellant Stan Blazynski.

Appellant Stan Blazynski said he didn't receive anything from the Assessor, so he didn't know what he used for comparable sales. He referred to exhibit#1 and said his property value should be \$110,066.40, and is about 78% completed. He said he didn't think the Assessor considered the home new construction, but that the home hasn't been lived in, and it should still be considered new construction. He said the well is old, there is no garage, no sidewalk, no grass, and the undesirable property is a residential one bedroom unfinished home on a busy road. Chair Jessica Hutchinson said "You don't live there yet?" Appellant Blazynski replied "No, I can't live there yet as it's unfinished." She asked how he knows about the traffic if he's not living there. He replied it's a super busy intersection, and he thinks he made a mistake building there. Mr. Blazynski reviewed the exhibits he had submitted and said it's almost identical to the one before the BTA, and that the only difference is the 2% increase in completion of construction. He said potential buyers would look at traffic and the size of the property, and that the Assessor should consider those issues.

Assessor Mike Hougardy said yes, this property is still considered new construction; even though it is a slow project. He commented that after reviewing Mr. Blazynski's appeal documents it appears he is using the Assessor's valuation method from 2011. Mr. Blazynski agreed the method is acceptable. Assessor Hougardy said they used a cost sales hybrid, not a straight cost approach. There was discussion on cost approaches. Assessor Hougardy said the problem with Mr. Blazynski's figures is that he is still using the numbers from 2012. He said they update their Marshal and Swift tables every 2 years. He also said there's been at least a 15% cost increase since 2012, which is a conservative percentage. Hougardy said they are required every year to revalue. He gave examples of how they value, and explained the tiered land models they use for valuations. He said they don't value wells, they value access to water, that they give a value if they have access to water, but don't put a value on the water. He reviewed the comparable sales from Mr. Blazynski's exhibit and said the Assessor's office is constantly working on getting their models up to 100%, and currently on the sales Blazynski provided they are at 78% on those, meaning they are below where they should be on market value.

Mr. Blazynski said the Assessor has to take into consideration other factors when they do mass appraisals. Mr. Hougardy said they do use land adjustments when they are applicable. There was discussion on market values.

The Appellant raised several main points pertaining to the value of the subject property and the Board will address each in turn.

In reference to the valuation of the water source, the Assessor testified that they do not value wells in the county based on age or depreciation, only whether water is available or not. Since this is consistent across the entire county and the Appellant agreed that the water source on the property is sufficient to serve the improvements, the Board does not feel any adjustment in value is necessary for the subject property.

In reference to the valuation of the land, the Appellant argued that the heavy traffic is a detriment to the property. Pfenning Road is classified as an Urban Minor Arterial by the City of Ellensburg, and Third Avenue is classified as an Urban Collector. The section of Pfenning Road in question that borders the west edge of the subject property is restricted during the most busy times of the day to school zone speeds, and when school is not in session the speed limit is 25 miles per hour. The Board does not consider the traffic volume to be a detriment to the value of the subject property since sales in the immediate area bordering Pfenning and Third Avenue and next to the subject property have not seen a negative impact and market values have appreciated at a level consistent with the neighborhood market.

In reference to the effectiveness of the use of a hybrid cost/market approach used by the Assessor's Office, this method of valuation has been proven effective throughout the county based on the ratios in the Assessor's market analysis. The Appellant agreed that this method is the best way to approach valuation, but argued that his cost of building should not increase over time. The Assessor conservatively estimated the cost of building, according to the Marshall and Swift guide, to have increased at least 15% since 2012, which is the year construction began on the subject property. The Board agrees that the improvements have to have shown some appreciation in market value since 2012, since any interested buyer today would be looking at the current cost of materials when considering the value of the existing improvements. Jennifer Hoyt moved to sustain the Assessor's determination. Ann Shaw seconded. The Board of Equalization voted 3-0 to sustain the Assessor's valuation.

Dated this 9 day of July, (year) 2019


Chairperson's Signature


Clerk's Signature

NOTICE

This order can be appealed to the State Board of Tax Appeals by filing a formal or informal appeal with them at PO Box 40915, Olympia, WA 98504-0915 or at their website at bta.state.wa.us/appeal/forms.htm within thirty days of the date of mailing of this order. The appeal forms are available from either your county assessor or the State Board of Tax Appeals.

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