

**KITTITAS COUNTY
BOARD OF EQUALIZATION**

411 N Ruby St, Ste 2, Ellensburg, WA 98926
(509) 962-7506

ORDER OF THE KITTITAS COUNTY BOARD OF EQUALIZATION

Property Owner(s): Central Park Apartments on Helena LLC

Mailing Address: 1402 E Magnesium Rd
Spokane, WA 99217

Tax Parcel No(s): 958744

Assessment Year: 2024 (Taxes Payable in 2025)

Petition Number: BE-240019

Having considered the evidence presented by the parties in this appeal, the Board hereby:
Overtured - Reduced
the determination of the Assessor.

Assessor's Determination

Assessor's Land: \$2,507,640
Assessor's Improvement: \$51,803,130
TOTAL: \$54,310,770

Board of Equalization (BOE) Determination

BOE Land: \$2,507,640
BOE Improvement: \$46,991,684
TOTAL: \$49,499,324

Those in attendance at the hearing and findings:

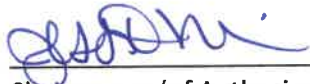
See attached Recommendation and Proposed Decision of the Hearing Examiner

Hearing Held On : September 18, 2024

Decision Entered On: December 20, 2024

Hearing Examiner: Ann Shaw

Date Mailed: 1/6/2025



Chairperson (of Authorized Designee)



Clerk of the Board of Equalization

NOTICE OF APPEAL

This order can be appealed to the State Board of Tax Appeals by filing a Notice of Appeal with them at PO Box 40915, Olympia, WA 98504-0915, within THIRTY days of the date of mailing on this Order (RCW 84.08.130). The Notice of Appeal form is available from the Washington State Board of Tax Appeals or the Kittitas County Board of Equalization Clerk.

KITTITAS COUNTY BOARD OF EQUALIZATION- PROPOSED RECOMMENDATION

Appellants: Central Park Apartments on Helena LLC

Petition: BE-240019

Parcel: 958744

Address: 1201 E Helena Ave

Hearing: September 19, 2024 10:52 A.M.

Present at hearing:

Lanzce Douglass and Mason Douglass, Petitioner

Dana Glenn, Appraiser

Kyle Norton, Appraiser

Jessica Miller, Clerk

Nicole Gessel, Observer

Documents in evidence:

Taxpayer Petition, Filed June 27 , 2024

Assessor's Answer, Filed August 15, 2024

Taxpayer Supplemental, Filed August 16, 2024

Testimony given:

Lanzce Douglass and Mason Douglass

Dana Glenn

Assessor's determination:

Land: \$2,507,640

Improvements: \$51,803,130

Total: \$54,310,770

Taxpayer's estimate:

Land: \$2,507,640

Improvements: \$46,858,317

Total: \$49,365,957

SUMMATION OF EVIDENCE PRESENTED AND FINDING OF FACT:

The subject property is commonly known as Central Park Apartments. The petitioner provided an appraisal of the property at a 7% cap rate for a value of \$51,000,000.

There was significant discussion about vacancy loss and gross potential rent vs gross rents. The assessor is stating that the gross potential rent is used and all properties are valued at 100% occupancy. There was also discussion about the cap rate used by the petitioner which was 7%. The assessor's representative stated that at 6.5% cap rate you would be landing right at the assessed value.

The assessor argued that the cap rate at 7% was not compared and tested against the comparable sales provided. He also stated that the appraisal doesn't bring the value back to the comparison of the market sales.

The assessor stated that using the cap rate to come up with the value isn't a reliable source because there are too many variables on what are valid expenses.

The petitioner rebutted with conversation about the gross rent multiplier used and conversation about the vacancy rate being 9% in actuality. They also discussed the gross potential rent vs what is realized.

They believe the assessor did not consider the vacancy rates in their value and that is where there is the biggest discrepancy.

CONCLUSIONS OF LAW:

"Upon review by any court, or appellate body, of a determination of the valuation of property for purposes of taxation, it shall be presumed that the determination of the public official charged with the duty of establishing such value is correct, but this presumption shall not be a defense against any correction indicated by clear, cogent and convincing evidence." RCW 81.40.0301

In other words, the assessor's determination of property value shall be presumed correct. The petitioner can overcome this presumption that the assessor's value is correct only by presenting clear, cogent and convincing evidence otherwise.

"All real property in this state subject to taxation shall be listed and assessed every year, with reference to its value on the first day of January of the year in which it is assessed..."
RCW 84.40.020

"The true and fair value of real property for taxation purposes...must be based upon the following criteria:

- (a) Any sales of the property being appraised or similar properties with respect to sales made within the past five years...
- (b) In addition to sales as defined in subsection (3)(a) of this section, consideration may be given to cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income that would be derived from prudent use of the property, as limited by law or ordinance..."

RCW 84.40.030(3)

"(1) In making its decision with respect to the value of property, the board shall use the criteria set forth in RCW 84.40.030.

(2) Parties may submit and boards may consider any sales of the subject property or similar properties which occurred prior to the hearing date so long as the requirements of RCW 84.40.030, 84.48.150, and WAC 458-14-066 are complied with. Only sales made within five years of the date of the petition shall be considered.

(3) Any sale of property prior to or after January 1st of the year of revaluation shall be adjusted to its value as of January 1 of the year of evaluation, reflecting market activity and using generally accepted appraisal methods...

(4) More weight shall be given to similar sales occurring closest to the assessment date which require the fewest adjustments for characteristics."

WAC 458-14-087

RECOMMENDATION:

The Hearing Examiner has determined that the appellant has met the burden of proof to overturn the Assessed Value of the property with clear, cogent, and convincing evidence.


There is considerable information that has been submitted to support the petitioner's value as well as the assessor's valuation. The biggest consideration in the value is whether the gross potential rent is used or the actual gross rent figures. The vacancy factor must be considered to reflect the actual income of a property. I recommend that the actual gross rent be used with the gross rent multiplier to determine the value. With the income at \$5,401,343 and using a GRM of 8.7 the improvement value would be \$46,991,684. This would bring the overall value to \$49,499,324.

Every finding of fact this is a conclusion of law shall be deemed as such. Every conclusion of law that contains a finding of fact shall be deemed as a finding of fact.

PROPOSED DECISION:

The Examiner proposes that the Kittitas County Board of Equalization reduce the assessed value to \$49,499,324.

DATED 12/20/24


Ann Shaw, Hearing Examiner