

**KITTITAS COUNTY  
BOARD OF EQUALIZATION**

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

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***ORDER OF THE KITTITAS COUNTY BOARD OF EQUALIZATION***

Property Owner(s):     Henning Ellensburg LLC

Mailing Address:        PO BOX 4374  
                                 Pasco, WA 99301

Tax Parcel No(s):       138533

Assessment Year:       2024 (Taxes Payable in 2025)

Petition Number:        BE-240045

Having considered the evidence presented by the parties in this appeal, the Board hereby:  
**Sustained**  
the determination of the Assessor.

**Assessor's Determination**

Assessor's Land:        \$563,430  
Assessor's Improvement: \$76,090  
TOTAL:                    \$639,520

**Board of Equalization (BOE) Determination**

BOE Land:                \$563,430  
BOE Improvement: \$76,090  
TOTAL:                    \$639,520

**Those in attendance at the hearing and findings:**

See attached Recommendation and Proposed Decision of the Hearing Examiner

Hearing Held On :        October 15, 2024  
Decision Entered On:    October 18, 2024  
Hearing Examiner:      Jessica Hutchinson      Date Mailed: 11/5/24

  
\_\_\_\_\_  
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: Henning Ellensburg LLC

Petition: BE-240045

Parcel: 138533

Address: 1008 Canyon Rd

Hearing: October 15, 2024 9:00 A.M.

Present at hearing:

Dana Glenn, Appraiser

Jessica Miller, Clerk

Documents in evidence:

Taxpayer Petition, Filed July 1, 2024

Assessor's Answer, Filed August 23, 2024

Testimony given:

Dana Glenn

Assessor's determination:

Land: \$563,420

Improvements: \$76,090

Total: \$639,520

Taxpayer's estimate:

Land: \$191,675

Improvements: \$76,090

Total: \$267,765

**SUMMATION OF EVIDENCE PRESENTED AND FINDING OF FACT:**

The subject property is a car dealership located on Canyon Road in Ellensburg. The subject property consists of four separate parcels and all parcels were included in this hearing. Cases BE 240042,43,44 and 45 are included here.

The appellant was not present at the hearing. An appraisal of the property from December 2023 was included with their petition as well as an estimate to demolish a building and remove contaminated soil that needs to be cleaned up from the property at the cost of \$1.2 million. The appraisal uses both a sales approach and a cost approach to value with a final reconciliation to value the subject property at \$3,250,000.

Mr. Glen stated that the property is located in a highly desirable commercial area of Ellensburg with lots of traffic and businesses. He stated that two of the parcels actually have access from two roads, Canyon

Road and Ruby Street, which allows for increased accessibility. HE stated that since there are not many car dealerships in Ellensburg, he valued the property using the cost approach as allowed in RCW 84.40.030. He also noted that the sale of the subject property in February of 2023 for \$3 million is not considered by the Assessor's Office to be a typical market transaction, since the appraiser was not able to confirm the details of the terms of the sale with the owner. Mr. Glen also stated that he looked up the environmental report of the property on the State's website. He found a report dated March 2023 detailing remediation work that was completed in November 2022. That report stated that no further action was required on the property.

Mr. Glen addressed the appraisal provided by the appellant. He pointed out that in the appraisal's sales approach, all of the comparable sales used are located on the interchange on the opposite side of town, which has fewer businesses. The figure used for value was \$5.50 per square foot, whereas on the same interchange as the subject property properties sold for a range of \$14-29 per square foot, even directly across the street from the subject property. Mr. Glen addressed the appraisal's cost approach by pointing out that the amount of depreciation applied to the buildings was 67%, which is much too low for a property of this condition. He stated that a building with 33% functionality would be a building waiting for demolition, which the Assessor's Office does not believe is the case. He also stated that the appraisal report states on page 138 that the entire value of the 14,000 square foot building on the property is not included due to the fact that it is not a typical dealership building. The Assessor's Office has placed about \$1.2 million in value on that building and if added to the value proposed by the appellant's appraisal, that would bring the value right up to the Assessed Value.

Mr. Glen also stated that he was able to locate a current listing for the 14,000 square foot building on its own for \$2.3 million.

#### **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 1<sup>st</sup> 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 not met the burden of proof to overturn the Assessed Value of the property with clear, cogent, and convincing evidence.


Although the appraisal supplied by the appellant is thorough, there are concerns about the condition of the large building on the property and how much value it contributes. There is no evidence that the building is in such poor condition to require demolition and therefore its full functional value should contribute to the Assessed Value of the property.

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 uphold the assessed value.

DATED 10/18/24

  
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Jessica Hutchinson, Hearing Examiner