

Order of the     Kittitas     County

Board of Equalization

Property Owner:     Graf Investments, Inc. c/o Richard Graf    

Parcel Number(s):     881233    

Assessment Year:     2017     Petition Number:     BE-170027    

Date(s) of Hearing:     4-9-18    

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

<input checked="" type="checkbox"/> Land	\$	<u>    46,880    </u>
<input checked="" type="checkbox"/> Improvements	\$	<u>    138,210    </u>
<input type="checkbox"/> Minerals	\$	<u>                    </u>
<input type="checkbox"/> Personal Property	\$	<u>                    </u>
Total Value	\$	<u>    \$185,090    </u>

BOE True and Fair Value Determination

<input type="checkbox"/> Land	\$	<u>                    </u>
<input type="checkbox"/> Improvements	\$	<u>                    </u>
<input type="checkbox"/> Minerals	\$	<u>                    </u>
<input type="checkbox"/> Personal Property	\$	<u>                    </u>
Total Value	\$	<u>                    </u>

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 April 9, 2018. Those present: Ann Shaw, Reta Hutchinson, Clerk Debbie Myers, Appraiser Mark Peterson, and Appellant's representative Jacquie Matson.

Appellant's representative Jacquie Matson reviewed the current rent for the duplexes; she said they used the assessor office model and used the same cap rate as the Assessor did, but the main difference is in the operating expenses. She said the duplexes run about 38% for expenses compared to the Assessors 31 to 33 percent. She reviewed the similarities and differences between their figures and the Assessor's figures.

Appraiser Mark Peterson said in the expenses he included repair and maintenance, administrative, general operating, utilities and capital expenses, but that capital expenses fluctuate greatly from year to year. He said they look at the sales approach, income approach, and the cost approach; and that all sales have to reflect back on the a market.

There was discussion on sales, operating expenses, valuation methods, replacements and reserves.

The cash flow detail that was provided by the Petitioner at the hearing would be helpful to the Assessor in the data collection process for determining the market statistics for their model. The cash flow analysis includes expenses that are not fully identified. The Board needs specific details on which expenses were included on the cash flow analysis in order to evaluate if the analysis is consistent with the model and also supporting comparable sales to justify the contested value. The law reads that the valuation that is determined by the income approach must be validated and compared to the recent comparable sales. Given this information the Board has upheld the Assessor's valuation. The Board of Equalization voted 2-0 to sustain the Assessor's determination.

Dated this     15<sup>th</sup>     day of     May    , (year)     2018

  
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](http://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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