

Order of the Kittitas County

Board of Equalization

Property Owner: Sherman Lewis LLC
Parcel Number(s): 757033
Assessment Year: 2018 Petition Number: BE-180140
Date(s) of Hearing: 11-29-18

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 type="checkbox"/> Land	\$	<u> 72,000 </u>
<input type="checkbox"/> Improvements	\$	<u> 405,650 </u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u> \$477,650 </u>

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$	<u> 72,000 </u>
<input checked="" type="checkbox"/> Improvements	\$	<u> 330,000 </u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u> \$402,000 </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 November 29, 2018. Those present: Chair Jessica Hutchinson, Vice-Chair Ann Shaw, Jennifer Hoyt, Clerk Debbie Myers, Appraiser Dana Glenn, and Appellants K. Dale and Susan Sherman.

Appellant Dale Sherman thanked the Board for their time today and showed everyone the floor plan of the building with pictures. He said the building was constructed in 1889 and that the total of usable space they have is 10,800 square feet, not the 14,000 Sq.ft. listed in the Assessor's answer. He stated that Maurices occupies 5,000 square feet on the first floor which leaves 1,500 square feet not occupied in the back. The Appellant said they were told by the fire marshal and the city that you can't name an alley in the city, so since they can't get an address for the space in the back, it's only use is storage, because no business would want to rent a space without an address; or they could develop it for parking but there would only be space for four parking spots, which would not be cost effective. He also said there is no access to the upstairs, and that the stairway was taken out by renters or previous owners when they worked on the building in the past. The Appellants said the current lease with Maurices is a fixed rate until 2021, and that it was written in 1984 for \$2,162.56 per month, which is very low rent for the building.

Appraiser Dana Glenn reviewed comparable sales in the area and said this building is one of the nicest buildings in the downtown area, and the outside of it looks nice. He said because of the lease, they have underutilization of the building, but they still have to value it at market prices. There was discussion on lease, rentals, sales of buildings, highest and best use of the property, rules, space, probable leases, city rules, and city ordinances. The Board accepted pictures and a drawing of the building onto the record, with no objection from the Appraiser. Items marked as Exhibit#1, Exhibit#2, and Exhibit#3. Clerk to make a copy for the Assessor.

The Board acknowledges that the Assessor's income approach to value for the subject property is reasonable. However, the Appellant makes a compelling case that 2,200 square feet of the building is not easily utilized or available to rent with the restrictions of the City of Ellensburg ordinance pertaining to alley access of a business. According to WAC 458.07.030, "Uses that are in the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use." Therefore, the Board of Equalization voted 3-0 to overrule the Assessor's value of the improvements for a value of \$330,000 for a total value of \$402,000.

Dated this 13th day of December, (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 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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