

**Order of the                     Kittitas                     County**  
**Board of Equalization**

Property Owner: Shree Lakshmi Ganesha LLC

Parcel Number(s): 468633

Assessment Year: 2022

Petition Number: BE-220193

Date(s) of Hearing: 10/20/2022

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>757,400</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>6,453,470</u>
<input type="checkbox"/> Minerals	\$	<u>                    </u>
<input type="checkbox"/> Personal Property	\$	<u>                    </u>
Total Value	\$	<u>7,210,870</u>

**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$	<u>757,400</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>3,136,075</u>
<input type="checkbox"/> Minerals	\$	<u>                    </u>
<input type="checkbox"/> Personal Property	\$	<u>                    </u>
Total Value	\$	<u>3,893,475</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 October 20, 2022. Those present: Ann Shaw, Jennifer Hoyt, Josh Cox, Clerk Emily Smith, Appraiser Dana Glen, and Appellant Representative Mayur Deesai, and observer Debbie Stanavich.

The appellant stated the subject is a Sure Stay hotel, it is a mid-scale class hotel. The income approach is straight forward, 71.4% expenses based on industry expenses, with 4% in replacement reserves, and the unloaded cap rate at 9%, that brings the adjusted market value to \$4,000,000. The issue with this case is the income the assessor had is incorrect, the actuals are 1,500,000, and the assessor has it as \$3,425,000.

Mr. Glen stated that is a Sure Stay hotel assessed at \$7,210,870. Exhibit 1 shows it is 102 units, it is a mid-scale hotel. He went over his exhibit 4, the sales analysis. Since the assessor's office doesn't have access to the books of these hotels, they are assessed on information that is available, which is sales, number of units, and sale price per unit. The subject is assessed at \$70,695 per unit. The available is about \$70,000 per unit. Looking at room reservation rates, the subject is average \$92 per night per room. Mr. Glen explained the process he uses for comparing hotels. The appellant reported a rate of \$68 per unit per night. When you do capitalization, you don't include property tax an expense, the mortgage expense is also in the cap rate. The appellant miscalculated the cap rate. There are inconsistencies with what is available and what was presented by the appellant.

The appellant stated that the 2 comparable properties that the appaired submitted were sold after the evaluation date, so it shouldn't be used. As for the cap rate, he argued why he kept certain factors in, and even if you used the logic the appraiser used with the values given, they are still being over valued by \$2,000,000. It is an income producing property, so they used the income approach.

The appraiser stated that you can use sales after the date if you trend them back. They did not change hotel values during the pandemic.

The board has determined that the assessed value of the improvements should be reduced to \$3,136,075 and the land is sustained at \$757,400 for a total assessed value of \$3,893,475. The board applied the actual revenue to the income multiplier provided by the assessor's office to determine value.

Dated this 14 day of December, (year) 2022

*Ann Shaw*

Chairperson's Signature

*Emi Sw*

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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