

**GUNNISON COUNTY BOARD OF EQUALIZATION
MEETING MINUTES
JULY 24, 2009**

The July 24, 2009 Board of Equalization meeting was held in the Board of County Commissioners Meeting Room at the Courthouse, 200 E. Virginia Ave., Gunnison. Present were:

Paula Swenson, Chairperson
Jim Starr, Vice-Chairperson
Hap Channell, Commissioner (participated via telephone conference)
Ruth Dukeman, Clerk to the Board

County Assessor Kristy McFarland, Deputy Assessor, Vicki Hildreth and Senior Appraiser/Analyst George Lickiss and others were present and participated as indicated in the text.

NOTICE: The Petitioner's and Assessor's exhibits for each case are located in their individual Board of Equalization files.

The valuation time period is July 1, 2006 –June 30, 2008

CALL TO ORDER: Chairperson Swenson called the July 24, 2009 meeting of the County Board of Equalization to order at 9:00 am. Chairperson Swenson explained the roles, rights and responsibilities of the Board and the Petitioner during each hearing where a Petitioner and/or a Petitioner's representative was present, either in person or via telephone. Appeal notices were also provided to each Petitioner.

**CBOE #74
George T. Muisenga**

Petitioner was present. Petitioner Muisenga detailed the location and condition of the subject property. He then presented information explaining the usable and unusable portions of the building as there was substantial structural damage. He noted how because of the potential requirement for construction, many units in the building had been vacant. Senior Appraiser George Lickiss reviewed the different valuation techniques for the property. He further summarized how some areas of the building were in poor condition, while others on the east side were considered in good condition and occupied. The amount of \$328 per square foot was recommended as an adjustment to support the petitioners requested value of \$1,040,000. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to approve the stipulated value of \$1,040,000. Motion carried unanimously.

**CBOE #84
McGill Family Trust, et al**

Petitioner Judy McGill was present. Petitioner explained that the value of \$724,320 was a large increase from the last assessment period. She further explained how the tenant business of the property, The Rocky Mountain Chocolate Factory had historically demonstrated a value of approximately \$500,000. She further explained the challenges of keeping the property rented and how the increased tax expense was a detriment to her profits. Different approaches to the valuation of the property were deliberated emphasizing how the income approach would be for the property owner not the income generated by the tenant business. Different uses and characteristics of the properties were reviewed including an easement for a large portion of the property not occupied by the building that was in use by the neighbor for trash receptacle storage, access to the neighboring property and a stairway. Senior Appraiser George Lickiss explained the supported value of \$724,320. The different approaches of valuation were further detailed emphasizing how the income approach was determined to be inaccurate as there was a limited response for requested information. **Moved** by Commissioner Starr, seconded by Commissioner Swenson, to adjust the valuation to \$660,000. The easement situation with the neighboring owner encumbers the property value and use of the subject property. Motion carried unanimously.

CBOE #107
Anna Baliczek, et al

Petitioner Anna Baliczek was present. Petitioner Baliczek explained her economic concerns about the business and provided an income statement. Appraiser II, Bob Blackett summarized the subject property and advised that if the income approach was used with the data proved, the valuation calculates a value of approximately \$780,000. Using the mass appraisal method with supported the value of \$105,300 for the residential square footage, and \$597,480 for the commercial square footage for a total of \$702,780 for the subject property. Discussion as to recent sales of properties of this type commenced. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to deny the request for adjustment. Motion carried unanimously.

CBOE #103
Bushfence LLC

Petitioner Kathryn Joyce was present. Commissioner Starr recused himself from this hearing. Petitioner Joyce explained that they believe the square footage of the unit may be incorrect. She reviewed a plan from the Town of Crested Butte of the property and highlighted a staircase in question. Appraiser II, Bob Blackett summarized the subject property and advised of the commercial and residential square footage. The supported value of \$376,610 was explained. **Moved** by Commissioner Channell, seconded by Commissioner Swenson, to adjust the actual value of CBOE #103 to \$372,060 based on an adjustment to residential and commercial square footage to accommodate to the stairwell of 48 square feet, and for the apportionment of the property. This modification was requested for the neighboring units as well. Motion carried.

Break: The meeting recessed from 10:42 am to 10:46 am.

CBOE #73
Linda M. Lloyd, et al

Petitioner was not present. Appraiser II, Bob Blackett summarized the subject property, advising that a manufactured home, permanently attached was recently added to the property. Clarification of the property type and the effects the changes have had on the taxable value of the property were reviewed. It was requested that the Assessor's Office prepare a separate letter explaining the difference of sales tax and property tax as the petitioner was claiming that the amount of tax paid at the purchase of the manufactured home and the assessed value of the property were much different. **Moved** by Commissioner Channell, seconded by Commissioner Starr, to deny CBOE #73. Motion carried unanimously.

CBOE #100
Johann F Seamen, et al

Petitioners Johann and Shari Seamen were present. Chairperson Swenson recused herself from the hearing. Petitioner Seamen reviewed the square footage of the property. A breezeway and unfinished storage area over a garage were explained to be used for shelter between the garage and home and for storage space and should not be included in the livable square footage assessment. The access to the storage area was deliberated as a staircase was included versus a ladder to access the space. He further explained how it appeared that other properties in the neighborhood were going down in assessed value the subject property went up over 20% in value. Photographs of the unfinished square footage over garage were provided. A recent appraisal was provided for review. However, it was dated outside the assessment period and could not be considered. Petitioner Seamen then provided a detailed mathematical example on the whiteboard explaining how he arrived at his requested valuation of \$320,000 for the subject property. He then explained that the subject property featured a loft. Discussion about valuation for the loft space determined that the area was assessed correctly. Appraiser II, Bob Blackett summarized the subject property and advised that the unfinished area required an adjustment to be valued correctly. He then explained his process to make the adjustment and recommended a revised value of \$350,300 for the subject property. He further explained how recent sales supported an increase of 12% for the area. **Moved** by Commissioner Channell, seconded by Commissioner Starr, to accept the Assessor's Office adjusted value for CBOE#100 to \$350,300. Motion carried.

CBOE #102
Timothy L Michalek Family Trust

Petitioner participated via telephone conference. Petitioner Michalek explained the features of the subject property and how the views were superior over several of the comparisons provided by the Assessor's Office and felt that his property should be valued like the Gunnison River Banks Ranch. He further detailed the reasons he felt his property should be valued at \$795,000 versus \$434,930. Appraiser II, Bob Blackett summarized the subject property and explained the differences from the Gunnison River Banks Ranch property amenities relative to the subject property. He further explained the supported recommended value of \$434,930. Commissioner Starr asked if a physical inspection had been performed to the subject property. It was explained how an inspection had been performed, however, Petitioner Michalek advised that extensive landscaping and other improvements had been made to the property since the last visit. Petitioner Michalek further explained how other properties with a smaller land size and away from the river, without views were valued at a higher amount than the subject property. The access, fishing availability and the location of the property was further discussed. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to adjust the value to \$493,000. Motion carried unanimously.

CBOE #105
Christopher R Matison, et al

Petitioner was present. Commissioner Channell recused himself from the hearing Petitioner Matison explained two appraisals that included several comparables within the timeframe for consideration. Appraiser II, Bob Blackett summarized the subject property and addressed several inaccuracies in the records and recommended a supported value of \$830,720. The property value of the lot was discussed. Commissioner Starr asked if time explained a factor for this property. Two appraisals were provided supporting a value of \$650,000 and \$610,000 for the subject property. **Moved** by Commissioner Starr, seconded by Commissioner Swenson to adjust the value to \$700,000. Motion carried.

CBOE #92
O A Pesnell, Jr.

Petitioner was not present. Property was classified as vacant land. When the property exchanged hands at the last sale a survey was sent to the new owners. The response from the owner stated agriculture use of the property with horses and someday may have goats or sheep as well as hay production on 14 acres of land. Appraiser II, Don Rundell explained that the Assessor's Office was not in receipt of any supporting documentation until recently that was eligible for consideration for the next valuation cycle. A physical inspection was performed with no indication other than short term horse grazing outside of the hay season. He further summarized the subject property and the supported value of \$235,000. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to deny the request. Motion carried unanimously.

Lunch Break: The meeting recessed from 12:09 pm to 1:00 pm.

CBOE #5
Bryan R. Elrichs, et al

Petitioner participated via telephoneconference. Petitioner Elrichs explained how subject property had no improvements. He further detailed how neighboring properties larger in size, with improvements and more appealing views had a lower value than the subject property. Appraiser I, Darrah Miller summarized the subject property and advised that there was little difference in the sales price regardless of lot size. Views and improvements were a factor and the process for the adjustment was detailed. The cost of utilities were further deliberated. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to adjust value to \$41,000. Detailed evaluation of the data provided, 8 properties were in the same classification as the subject and 9-10 more in the total array, with many selling for a similar value. Rather than a neighborhood adjustment, it was decided to review the properties on a case by case basis. Motion carried unanimously.

CBOE #89
Delaney Family Investments LLLP

Petitioner was represented by R. Arnold (Arnie) Butler who participated via telephone conference. He explained how he performed an appraisal earlier in the year for both parcels for \$240,000 (see CBOE #90). He further outlined the detriments to the value of the property as there was no legal access. It was explained that the property was separated from the county road by two other private property parcels, one with a locked gate. Utilities were believed to be located near the county road and not accessible to the property. The western 120-160 acres were so steep there was limited access to the area, when they hiked into the site in the summer months they were only able to access small portions of the property for safety reasons. Do to the lack of accessibility the land was valued around \$1,000 per acre. Appraiser I, Darrah Miller explained the location of the property on a map and agreed that the access was limited and terrain of the property appeared steep. She further outlined how similar properties with seasonal access sold for a mass appraisal value of \$2,500 per acre, and for \$1,250 per acre with no access. She further explained after review of the information provided by the petitioner a value to \$100,000 was recommended. **Moved** by Commissioner Starr, seconded by Commissioner Swenson, to adjust the stipulated amount of \$100,000. Motion carried unanimously.

CBOE #90
Delaney Family Investments, LLLP

Petitioner was represented by R. Arnold (Arnie) Butler who participated via telephone conference. He explained how he performed an appraisal earlier in the year for both parcels for \$240,000 (see CBOE #89). He further outlined the detriments to the value of the property as there was no legal access. It was explained that the property was separated from the county road by two other private property parcels, one with a locked gate. Utilities were believed to be located near the county road and not accessible to the property. The western 120-160 acres were so steep there was limited access to the area, when they hiked into the site in the summer months they were only able to access small portions of the property for safety reasons. Do to the lack of accessibility the land was valued around \$1,000 per acre. Appraiser I, Darrah Miller explained the location of the property on a map and agreed that the access was limited and terrain of the property appeared steep. She further outlined how similar properties with seasonal access sold for a mass appraisal value of \$2,500 per acre, and for \$1,250 per acre with no access. She further explained after review of the information provided by the petitioner a value to \$200,000 was recommended. **Moved** by Commissioner Starr, seconded by Commissioner Swenson, to adjust the stipulated amount of \$200,000.

CBOE #12
Gregory Allen Kimmel, et al

Petitioner Barbara Kimmel was present. She explained how she felt the property had similar attributes to the comps that she provided and an appraisal from when she purchased the property. She further explained the features of the property and how she felt the value should be \$370,000. Appraiser I, Darrah Miller summarized the subject property and how the value was determined. She did advise that the subject property was included as an example as it sold during the allotted time period. The land adjustment was discussed and a \$100,000 value difference from other comparable examples. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to adjust the value to \$440,200 to reflect the sales price, adjusted by the highest appreciating value to compensate for a low sales price of the properties sold during the sale period. Motion carried unanimously.

CBOE #41
Mountain Asset Partners, LLC

Petitioner was not present. Appraiser I, Darrah Miller summarized the subject property and explained the Assessors Office's supported value of \$1,114,050. Information provided by the petitioner was reviewed. **Moved** by Commissioner Starr, seconded by Commissioner Channell to deny the request for an adjustment. Motion carried unanimously.

CBOE #82
Rodney P Walker, et al

Petitioner participated via telephone conference. Petitioner explained how he used the Assessor's Office Website looking for comparable properties that have similar attributes as the subject property that sold during the appropriate time period. He then explained the current values of those properties. He then described the subject property detailing the foundation and how the front two-thirds of the house was built much earlier than the assigned date of 1971 and how the entire building was not what he would consider modern. Appraiser I, Darrah Miller advised a physical site inspection was completed per his request, including inspection of a crawl space area and the inventory on the property is correct per the guidelines as a Type 2, in average condition with some remodeling bringing the effective age to 1971. She further summarized the subject property attributes and the supported value of \$1,007,610. The adjusted value of the comparables and valuation process to assess properties was further explained. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to take out example 2 and analyze the average values for the remaining comparable properties to arrive at a value of \$965,000. Additionally, the fact that it has a substandard structural base is a factor for the adjustment. Motion carried unanimously.

CBOE #101
Heather Paul Featherman

Petitioner was not present. An appraisal showing a value of \$675,000 was provided by the Petitioner. Appraiser I, Darrah Miller advised that after further review and analysis of information provided by the Petitioner a recommended adjustment to the value from \$730,160 to \$675,000 was appropriate. **Moved** by Commissioner Channell, seconded by Commissioner Starr, to accept the stipulated value of \$675,000. Motion carried unanimously.

BREAK: The meeting recessed from 2:30 pm until 2:45 pm.

CBOE #83
Milton Graves, et al

Petitioner was present. Petitioner Graves explained how he worked with local real estate agents to develop a list of comparables. He further explained how he then came to the requested value of \$600,000 for the subject property. Appraiser II, Mary Mast summarized the subject property, the size of the garage was discussed and determine to be correct. A supported value of \$763,640 was presented. The specifics as to the comparables and similarities and differences to the subject property were further discussed. The process for property evaluation and assessment was further explained. **Moved** by Commissioner Channell, seconded by Commissioner Swenson, to deny CBOE #83 as the confidence in the Assessor's Office process and valuation of the property appeared to be correct. The conversation lead to how several units are defined as townhomes and not stand alone homes as in this case the owners only own the land directly below the unit. The definition of a townhome property was further discussed. Motion failed. **Moved** Commissioner Starr, seconded by Channell, to adjust the value to \$720,000 as the subject property was determined to be a duplex unit with a common wall that should substantiate a lower value than the stand alone comparables. Motion carried.

CBOE #86
OTHG LLC A Maryland Limited Liab Co

Petitioner Spencer Evert participated via telephone conference. Petitioner Evert asked about the subject appraisal dates. He was concerned that the Assessor's Office information was outdated and he was unable sell the property until recently and provided contract with the requested valuation as the contracted selling price. As the sale of the property did not fall within the appropriate time period it was unable to be considered. Appraiser II, Mary Mast provided a summary of the property and the supported value of \$494,590. Discussion about the process used to come to the valuation of the property was further discussed, emphasizing how the sales during the time period effect the valuation of the properties as required by law. The Petitioner criticized the comparable sales as being outside the reality of the current market. **Moved** by Commissioner Channell, seconded by Commissioner Starr, to deny CBOE #86. Motion carried unanimously.

**CBOE #96
Kathleen L Treutelaar Trust**

Petitioner was not present. Appraiser II, Mary Mast summarized the subject property and after additional evaluation of the materials submitted by the Petitioner recommended a change in value from \$2,776,580 to \$2,406,580 to accommodate a land value adjustment. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to accept the Assessor's Office adjusted value of \$2,406,580. Motion carried unanimously.

**CBOE #66
Donald Bancroft Meyer**

Petitioner was not present. Appraiser II, Mary Mast reviewed how the property value of \$590,000 was assigned to the property. However, in error an adjustment was still included on the record from 2002 reducing the value incorrectly this cycle to \$486,750. Discussion about how the property was not in a ski-in/out location and only listings, not sales provided by the Petitioner that could not be considered ensued. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to deny request for adjustment. Motion carried unanimously.

**CBOE #76
Mato Paha LLC**

Petitioner Farrell Crockett participated via telephone conference. Senior Appraiser George Lickiss summarized the subject property advised after further review of the materials provided by the petitioner recommended an adjustment from \$1,000,000 to a value of \$630,000. **Moved** by Commissioner Starr, seconded by Commissioner Channell to accept the stipulated adjustment of \$630,000 for CBOE #76. Motion carried unanimously.

BREAK: The meeting recessed from 3:37 pm to 4:00 pm.

**CBOE #87
Alan E Leach, et al**

Petitioner was not present. Appraiser II, Mary Mast summarized the subject property and the supported value of \$435,000. The comparison examples were reviewed with specific questions about the time adjustments being discussed. Conversations about the location of the subject property in comparison with comparables commenced. It was noted how other properties in similar locations were selling for a lower value and that the mass appraisal supported a value of \$435,000. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to deny the adjustment the value. Commissioner Swenson commented how she was unable to support the motion as she felt the Assessor's adjustments were adequate as supported by the market trends. Motion carried.

**CBOE #88
James R & Diane R Fisher Living Trust**

Petitioner was not present. Appraiser II, Mary Mast explained after conversations with the Petitioner and after further evaluation of the materials provided by the petitioner a value of \$630,000 was recommended. **Moved** by Commissioner Channell, seconded by Commissioner Starr, to accept the stipulated value of \$630,000. Motion carried unanimously.

**CBOE #81
Safeway Stores, Inc.**

Petitioner was not present. Senior Appraiser George Lickiss summarized the subject property and the income approach used to arrive to the supported value of \$1,715,830. He further compared the data provided by the Petitioner to the information used by the Assessor's Office noting the similarities and differences in capitalization rates and cap rates. He further reviewed the comparables provided by the petitioner, noting how one was outside the timeframe, and another was from a geographical area far from the subject property. **Moved** by Commissioner Starr, seconded by Commissioner Channell, to deny the requested adjustment for CBOE #81. Motion carried unanimously.

ADJOURN: **Moved** by Commissioner Swenson, seconded by Commissioner Starr, to adjourn the meeting. Motion passed unanimously. The July 24, 2009 meeting of the Board of Equalization adjourned at 4:25 pm.

Paula Swenson, Chairperson

Jim Starr, Vice-Chairperson

Hap Channell, Commissioner

Minutes Prepared By:

Ruth Dukeman, Deputy County Clerk

Attest:

Stella Dominguez, County Clerk