AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
CBOE; Minutes Approval; 7/23/14

Action Requested: Motion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
CBOE Minutes from 7/23/14

Fiscal Impact:

Submitted by: B. Lucero **Submitter's Email Address:** Blucero@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 7/28/2014

○ Consent Agenda ◉ Regular Agenda ○ Worksession Time Allotted:

Agenda Date: 8/5/2014 Follow Up Agenda Date:

Revised April 2013

GUNNISON COUNTY BOARD OF EQUALIZATION
MEETING MINUTES
July 23, 2014

The July 23, 2014 Board of Equalization meeting was held in the Planning Commissioners Meeting Room at the Blackstock Government Center at 221 North Wisconsin, Gunnison. Present were:

Paula Swenson, Chairperson
Phil Chamberland, Vice-Chairperson
Jonathan Houck, Commissioner
Bobbie Lucero, Clerk to the Board
County Assessor Kristy McFarland
Senior Appraiser/Analyst George Lickiss

NOTICE: The Petitioners' and Assessor's exhibits for each case are located in their individual Board of Equalization files. The target appraisal date is June 30, 2012.

CALL TO ORDER: Chairperson Swenson called the July 23, 2014 meeting of the County Board of Equalization to order at 8:29 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/petitioner's agent.

CBOE #01
Yadon Natalie Living Trust

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials.

Petitioner's Case: Petitioner, Yadon, was present for the discussion via conference call. He explained that the structure is being used for storage for items that are not particularly valuable. He informed that it has a leaking roof.

The CBOE discussed that the value went from $12,000 to $6,000, which is very significant, and is as low as you can go for a rating stand point. They informed that the Assessor's Office has made it the absolute minimum rating based on the condition, which is fair. **Moved** by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #01. Motion carried unanimously.

CBOE #04
Peter A, Birkholz

This CBOE hearing was scheduled later in the agenda but, because the petitioner was early and there was time, the hearing took place sooner.

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He opined that, based on the Mass Appraisal approach, he feels that the value is correct.

Petitioner's Case: Petitioner, Peter Birkholz, was present for the discussion. He informed that there is an easement on the Taylor River in his back yard, and that it devalues the property. He opined that he is paying taxes on a property that is not basically river front. He compared his property to his neighbor properties. He reported to the CBOE that he had a third-party appraisal performed, and they valued the property at $550,000. He reported that his small irrigation ditch was converted into a large culvert, and it releases a large amount of run off onto his property. He informed that rocks were inserted in it to attempt to divert the water and avoid flooding his property, but they do not work. He knows that his neighbor's value went down $50,000. He reported that he spoke with neighbors in Spring Creek, and found out that other values have either decreased or remained constant, while his increased. Lickiss explained there is case law that requires equality in methodology of values determined and that a value cannot be determined from one house to the next.

There was discussion that the culvert is in the County right-of-way and was not there when he purchased the property. Lickiss informed that the Assessor's Office has not seen a difference in the market value and that there are culverts on properties all over Gunnison County. Lickiss informed that the easement on the back portion of the property, on the river, is accounted for

in the valuation. The petitioner requested that the CBOE keep the valuation of his property the value it was in 2010.

There was discussion on how the Mass Appraisal approach works and how the CBOE has to be equal to all appeals. Lickiss explained the charts he provided in the packet materials. There was discussion that the Assessor's Office will help the petitioner, regarding the culvert. **Moved** by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #04. Motion carried unanimously.

CBOE #03
Middleton Assets, LLC

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He explained that comparable properties #1 and #2 are also off-grid properties.

Petitioner's Case: Petitioner, Phil Pfeiler, was present for the discussion. He read the definition of Market Value. He opined that the comparables are extreme differences in square footage and that the value of their property is derived from the fact that it is in the ski area. He informed that he is shut out of his property for about seven months of the year, because of the snow. He listed off several items that he does not have on his property. He stated that there is no winter access, no children, no fire protection, no police protection, no water service because he has his own well, no natural gas, no electricity, no paved summer access, no phone line service, no internet service, no use of a private lake. He informed that these are only a few of the differences in his property compared to the comparables provided by the Assessor's Office. He opined that the comparables are not subjected to the ski area like his property. He informed that his valuation increased $180,000 from the last valuation.

Lickiss explained that this is valued using the Mass Appraisal approach. He explained that they have taken into consideration all of the problems the petitioner identified. The CBOE explained that the Assessor's Office has taken into consideration all of the items he listed when valuing his property. The CBOE informed the petitioner that a property nearby sold for $2.5 million and is in lower quality and condition than his home. **Moved** by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #03. Motion carried unanimously.

CBOE #05
LSC Southwest Colorado, LLC

Assessor's Case: Lickiss made a recommendation to CBOE to reduce this property to $55,650 based on the sale next to the subject property which is under the same constraints. The City of Gunnison is demanding that they pave and gutter the streets.

Petitioner's Case: Petitioners, Rich & Penny Huss, were not present for the discussion.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value from $111,850 to $55,650 based on the Assessor's Office recommendation. Motion carried unanimously.

CBOE #06
Elizabeth Appleton

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He explained that this property was valued using the Mass Appraisal approach.

Petitioner's Case: Petitioner's agent, Elizabeth Appleton, was present for the discussion. She explained that she pulled up mining claims to discuss. She reviewed the properties that she provided for the packet materials. Lickiss interjected while Ms. Appleton was announcing mining claims that she thinks her client's property should be valued at. He explained that there is case law that requires the equality in the methodology and value determination, not values compared from one house to the next. Ms. Appleton stated she was going to make the argument anyway. Lickiss objected because he said the argument should not be allowed to be heard. The CBOE agreed to hear what she had to say. Ms. Appleton continued listing comparables that she thought should be considered.

The CBOE explained that this seems to be valued fairly. They discussed if the value changes because it is an "A" frame structure. There was discussion that the Assessor's Office was not aware of an access easement on this property. Lickiss recommended that the CBOE make a determination at this time, because there is not enough time to perform the research on easements for this CBOE period, and not enough time to make an educated determination by the 8/5 deadline. Ms. Appleton showed the CBOE and the Assessor's Office where the easement is located on a map.

Lickiss explained that the Birkholz case had an access easement as well, and that the Assessor's Office made a reduction on the value of 10%. Lickiss informed that if there is an access easement issue on the property, they can possibly give a 10% reduction on the value of the property. **Moved** by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value to $471,600, based on the easement issues addressed. Motion carried unanimously.

CBOE #07
Elizabeth Appleton

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. Based on the previous case discussed, Lickiss recommended a 10% reduction, based on the easement.

Petitioner's Case: Petitioner's agent, Elizabeth Appleton, was present for the discussion. She reviewed the properties that she provided in the packet materials. She reported that the use and water rights are the main issues. Chairperson Swenson informed that they cannot take into account the future use of a property. **Moved** by Commissioner Houck, seconded by Commissioner Chamberland, to adjust the value of CBOE #07 to $387,000 based on the easement issues addressed. Motion carried unanimously.

CBOE #02
Lee Spann

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He explained that a piece of land has to be used for two years as agricultural land before it can be re-classified to agricultural. Lickiss explained that the current lease was signed on January of 2014, and that this property cannot be classified as agricultural until 2016.

Petitioner's Case: Petitioners, Lee and Polly Spann, were present for the discussion. Mr. Spann informed the CBOE that the vacant land was being grazed prior to the lease signed in January of 2014. Lickiss explained that it was not a formal agreement for grazing, and that it is considered trespass grazing because there was not a formal written lease.

Chairperson Swenson informed that this property was historically being used as agricultural land and was being grazed on. She opined that although there was not a written lease on the property, the intent of the recent land trade was that all parties would be left whole. She opined that this is something that the CBOE can make equal because of how the land trade came out, and that it was going to be equal parcel for parcel. She opined that this is one of the exceptions and why the CBOE makes appeals equal. Lickiss objected and informed that the CBOE is subject to follow State law. He reported that trespass grazing does not constitute as agricultural use. Chairperson Swenson opined that she doesn't think that it was trespass grazing because they had a verbal agreement that the cows could come on the property.

Commissioner Chamberland asked Lickiss to explain. Lickiss explained that it would have been eligible if there was an actual written agreement and would be eligible if the lease was in effect for two years. The CBOE discussed that there was absence of a physical agreement, yet there can be proof it was historically used for grazing with a verbal agreement. The CBOE agreed that there should be an exception made because this property should be eligible for classification for agricultural land, although there is no written lease. Lickiss informed the CBOE that there is a lot of case law that supports trespass grazing not being eligible for re-classification. Chairperson Swenson stated that she disagrees with Lickiss, and that since this property was being used as agriculture this is an exception that the CBOE should be making, because the whole intent of the land trade was to keep everyone whole, and that Rocky Mountain Biological Laboratory (RMBL) was not on the tax rolls, so whether it was trespassing or not, it was not considered on the tax rolls. There was discussion that grazing was occurring on the property and RMBL accepted that it was occurring on the property, and that they didn't need a lease because they

aren't paying taxes. Lickiss stated that a lease does matter because of the liability. **Moved** by Commissioner Chamberland, seconded by Commissioner Houck, to approve CBOE #02 for reasons that there has been historic grazing on this property for more than 10 years, and because there are more than 10 years preceding the year of assessment. The CBOE agreed to reclassify CBOE #02 from vacant to agricultural land. Motion carried unanimously.

ADJOURN: **Moved** by Commissioner Chamberland, seconded by Commissioner Houck, to adjourn the meeting. Motion passed unanimously. The July 23, 2014 meeting of the Board of Equalization adjourned at 10:18 am.

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Paula Swenson, Chairperson

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Phil Chamberland, Vice-Chairperson

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Jonathan Houck, Commissioner

Minutes Prepared By:

_____
Bobbie Lucero, Deputy County Clerk

Attest:

_____
Stella Dominguez, County Clerk