

**GUNNISON COUNTY BOARD OF EQUALIZATION
MEETING MINUTES
July 28, 2015**

The July 28, 2015 Board of Equalization meeting was held in the Commissioners' boardroom in the Courthouse located at 200 E. Virginia, Gunnison, Colorado. Present were:

Paula Swenson, Chairperson
Phil Chamberland, Commissioner
Jonathan Houck, Commissioner

William Spicer, Senior Analyst
Bob Blackett, Appraiser
Alexandra Cohen, Appraiser
Bre Shelton, Clerk to the Board

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, 2014.

CALL TO ORDER: Chairperson Swenson called the July 28, 2015 meeting of the County Board of Equalization to order at 8:15 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 #67
Advanced Adbag Packaging Inc.**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. The total valuation for both the storage and the house was \$416,460. The Assessor's Office explained, there were no time adjusted sales calculations for the subject property because there were less than fifty commercial sales throughout the county.

Petitioner's Case: Petitioner, Advanced Adbag Inc., was not present for the discussion. The petitioner did not believe that this property was fairly valued and should not have had an increase.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #67. Motion carried unanimously.

**CBOE #68
Community Banks of Colorado (Kendra Goldstein)**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett stated that there were under fifty commercial sales in the county and used the market approach to determine the value of this property. Blackett explained the data in Crested Butte regarding square footage is very limited and typically the Assessor tries to collect income data, but explained that it has been a struggle over the years. There was discussion on using comparable properties outside of the county.

Petitioner's Case: Petitioner, Goldstein, was present for the discussion via conference call. Goldstein explained that to determine the value of the subject property, the income approach was used. Since the commercial sales in Gunnison County were low, Goldstein discussed comparable sales based out of the Metro Denver area and the Front Range area. Goldstein referenced the exhibits provided in the materials and discussed the comparable properties, the square footage, and the nature of the land. Goldstein believes that value of the subject property should be \$175 per square foot, based on the comparable market values. Originally, the petitioner applied a 20% downward adjustment to the property because the location was not as desirable as properties in the Denver Metro area. After consideration, Goldstein determined her original 20% adjustment was not appropriate with the unique nature of the Crested Butte area. Goldstein requested that the income and market approach be equally considered to determine the real value of the subject property.

There was discussion on the scarcity issues in Crested Butte in relation to an increase in property values. In the town of Crested Butte there is a significant increase of property values compared to the rest of the county. This is because there is very limited areas for commercial

properties, which in turn will increase the property values. Based on the location of the subject property, and the sales price estimate, the CBOE and Assessor believe that the property is fairly valued.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #68. Motion carried unanimously.

CBOE #69
Community Banks of Colorado (Kendra Goldstein)

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett explained that from prior appeals there was a downward adjustment based on the structure of the building and foundation issues.

Petitioner's Case: Petitioner, Goldstein, was present for the discussion via conference call. Goldstein explained that the market rental rates were considered to determine the value of the subject property. There was discussion on making a 20% downward adjustment. The petitioner stated the analysis calculated for CBOE #68 was used for the subject property.

The CBOE discussed how the subject property was identical to CBOE #68, and believed the Assessor's Office correctly determined the value of both CBOE #68 and CBOE #69.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #69. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust R010460 from \$326,390 to \$295,060 based on prior neighborhood adjustments. Motion carried unanimously.

CBOE #70
Crested Butte Synergy; Catherine Benson8:59

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett explained that this property was considered a mixed use, mixed classification property. There was discussion that the subject property must be a long term rental or owner occupied. Blackett stated that the residential property was valued at \$261,800 which included a portion of the land and a portion of the building. The time adjusted sales approach was not used for this property.

Petitioner's Case: Petitioner, Benson, was present not for the discussion. Referencing the materials provided by the petitioner, there was discussion regarding the deed restriction on the subject property.

There was discussion on the location of the subject property.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #70. Motion carried unanimously.

CBOE #96
The Weekley Family CB LLC. Aaron Huckstep

Assessor's Case: Cohen described the subject property and the examples provided in the packet materials. Cohen stated that the subject property was considered average condition and this factor was one of the major increases in regards to the subject property. There was discussion with Huckstep that the mass appraisal approach was used to determine the value of the subject property. When looking at the fee appraisal, Spicer explained to Huckstep that A-frame homes do not sell at the same value as conventional style properties.

Petitioner's Case: Petitioner, Huckstep, was present for the discussion via conference call. Huckstep discussed the square footage difference and the adjustments made referencing the examples provided. Huckstep believes that his property should be valued using the fee appraisal approach.

The CBOE explained to Huckstep that the examples used must be within the June 30, 2014 time frame for the determination of value.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #96. Motion carried unanimously.

**CBOE #71
Better to Ski LLC. Aaron Huckstep 9:30**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett clarified that the subject property was considered a mixed use and mixed classification property, a retail property and a residential dwelling. Referencing the examples provided by Huckstep, Blackett explained that the condominium examples were not considered accurate when determining the value of the subject property.

Petitioner's Case: Petitioner, Huckstep, was present for the discussion via conference call. Huckstep did not agree with the condition of the property and the standards the Assessor's Office considered the subject property to be. The petitioner believes that the quality of construction and condition of the subject property should be considered below average.

There was discussion on what the condition of the property was at the time of sale, not after a re-model was implemented. The CBOE clarified that the assessment period for the subject property was July 1, 2012 through June 30, 2014.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #71. Motion carried unanimously.

**CBOE #72
Chris Dickey**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. There has not been a physical inspection on the subject property.

Petitioner's Case: Petitioner, Dickey, was present for the discussion. Dickey argued that he recently received a professional appraisal done in May, 2015. Based on the market approach and comparable sales he does not believe his property has been fairly valued. Dickey referenced the examples he provided to the Assessor and the CBOE. Dickey based the value he thought his property was worth based upon a realistic assumption.

There was discussion about the condition of the back section of the subject property being a garage or considered a warehouse. The CBOE agreed that the back section of the subject property was not in the condition that it was assessed. There was discussion comparing the subject property to the Tango and the condition of the back section.

9:59Moved by Commissioner Chamberland, seconded by Commissioner Chamberland, to table CBOE #72 for a physical inspection to be performed by the Assessor's Office to determine the property value. Motion carried unanimously.

**CBOE #73
Chris Dickey**

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials and believes the subject property is accurately valued.

Petitioner's Case: Petitioner, Dickey, was present for the discussion. Dickey explained that the accessory dwelling the Assessor determined the property to have did not hold true. It was in fact a storage room.

10:05Moved by Commissioner Houck, seconded by Commissioner Chamberland, to table CBOE #73 for a physical inspection to be performed by the Assessor's Office to determine the property value. Motion carried unanimously.

CBOE #74**Adele Virden; Representative: Dick Bratton**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Based on classification changes, the Assessor's Office suggested an adjusted value of \$9,430 to the subject property.

Petitioner's Case: Petitioner, Bratton, was present for the discussion.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to adjust the value of CBOE #74 from \$860,350 to \$9,430 based on the classification change to agricultural. Motion carried unanimously.

CBOE #92**Oil Decendants Trust Tom Moncrief; Representative: Dick Bratton**

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. After a physical inspection was done by the Assessor's Office there was an adjustment to the subject property. Blackett clarified that the aerial view of the subject property is considered to be a river front property.

Petitioner's Case: Petitioner, Bratton, was present for the discussion. Bratton discussed that there was another comparable property that was not used in the materials. There was discussion on the location of the subject property and it should not be considered a riverfront property. Bratton believes that the subject property should be adjusted more than the \$50,000 that was already implemented.

There was discussion regarding the sale of the subject property and the recreational use agreement Moncrief had with the people currently living in the house.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust value of CBOE #92 from \$466,390 to \$416,160. Motion carried unanimously.

CBOE #75**Dalco Inc.; Tony Smith**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett clarified the account was an undivided fifth interest, therefore, the Assessor's Office is looking at 20% interest in the 99+ acres. Based on the Doyleville Cattle Pool Lease, the Assessor was not able to establish an agricultural use on the current year of the subject property because the Doyleville Cattle Pool was not permitted by the forest service to run cattle in the Taylor Park area. The Assessor's Office did not originally recognize the subject property as being a 4x4 access road, so Blackett recommended a change of value to \$31,520 for the subject properties fifth interest.

Petitioner's Case: Petitioner, Smith, was present for the discussion. Smith provided a Taylor Park Cattle Pool Lease Agreement to the CBOE and the Assessor.

There was discussion with Smith that all parties to the lease had to be present and agree to the terms and to establish agricultural classification there must be two years of permissive use. The lease could not be adjusted until 2017 for the property to be considered Agricultural classification.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #75 from \$ 42,020 to \$31,520. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust R042158 from \$42,020 to \$31,520 and R071206 from \$126,070 to \$95,550.

CBOE #76
Dalco Inc.; Tony Smith

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett stated that the Forest Service only allows the cattle to run through the cattle pool every third year. Blackett believed the valuation of the subject property was an accurate amount. To be considered Agricultural classification, there must be an ongoing use of the land every consecutive year.

Petitioner's Case: Petitioner, Smith, was present for the discussion. Smith questioned how he was supposed to obtain Agricultural Use classification if the Forest Service was limiting moving cows every three years. The petitioner

There was discussion regarding the location of the subject property, private land use, and what the agricultural operation entailed with the lease the petitioner was attached to.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #76 based on the presentation. Motion carried unanimously.

CBOE #77
Taeco LLC; Tony Smith

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. The subject property is also involved with the Doyleville Cattle Pool Lease Agreement as previously stated. Blackett clarified to the petitioner that the 4x4 access was already taken into account for the valuation of the property.

Petitioner's Case: Petitioner, Smith, was present for the discussion. Smith provided an additional lease with Deb R. stating that she runs her cows on the subject property and an exchange is made between Deb and Smith for gravel or hay. Smith discussed that Deb R. has been running cattle for the last fifteen years on the subject property, and is one reason why the petitioner is trying to obtain Agricultural status.

There was discussion regarding the Forest Service allotments on the subject property. The CBOE clarified that there was no fencing around the subject property.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #77. Motion carried unanimously.

CBOE #78
Taeco LLC; Tony Smith

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. There was discussion that the valuation of the subject property was referenced a per acre cost.

Petitioner's Case: Petitioner, Smith, was present for the discussion. Smith discussed with the CBOE that the road to the 19 acres had a sign stating "road closed" and was also sitting adjacent to a cliff. Smith questioned why the subject property increased in value, when the petitioner's adjacent property decreased in value.

The CBOE referenced a photo in regards to the two different accesses of roads on the parcel. There was also discussion with Smith explaining that a route can be closed for general use but can be open to a landowner.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #78. Motion carried unanimously.

CBOE #79
Jill Norris

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. He clarified that there were no time adjusted sales applied to vacant land within Dos Rios. Spicer stated that the Assessor used a regression analysis and included improved sales in the area. Spicer discussed the land location of the subject property in relation to the lots that were on the golf course or were considered to be treed lots. Less than ten sales were used in the regression analysis for improved lots.

Petitioner's Case: Petitioner, Norris, was present for the discussion via conference call. Barbara Butler was also present via conference call with Norris. Norris questioned why on golf course lots and treed lots are considered to be equivalent and did not feel her property was fairly assessed. There was discussion about the views of the subject lots and the comparable properties. Butler was concerned with the amount of sales used in the regression analysis. Norris stated that her property has been on the market for a number of years and has not sold or had any interest.

There was discussion on the views of the two comparable properties compared to the subject property. The CBOE stated that the properties that lie on the river did hold a higher value than the treed properties. The CBOE suggested a neighborhood adjustment be considered for the determination of value because the data set provided by the Assessor was very small.

Moved by Chairperson Swenson, seconded by Commissioner Chamberland, to adjust the value of CBOE #79 from \$132,500 to \$115,000 as well as making a neighborhood adjustment. Motion carried unanimously.

The CBOE recessed the meeting at 11:35 am to meet as the Board of County Commissioners.

CALL TO ORDER: Chairperson Swenson called the July 28, 2015 meeting of the County Board of Equalization back to order at 1:45 pm. 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 #393-#396
GM Worsley Inc.; Greg Worsley

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett clarified to the petitioner that time adjusted sales was used to determine the value of the subject property. Blackett clarified to the petitioner that the Assessor's Office would need information from 2013 including income expenses on a per unit basis.

Petitioner's Case: Petitioner, Worsley, was present for the discussion via conference call. Worsley does not believe the evidence provided are accurate comparable properties to his subject property. He stated his subject property was valued at \$99,000 for his last evaluation. Worsley discussed that the value of his subject property should be valued in relation to the income and expense standpoint. The petitioner does not understand how his property would increase by 36%. There was discussion on the personal loss, and net operating loss of income for the parking lot that was replaced and redone.

The CBOE expressed concern that the subject property is a metal structure converted into a retail building, and questioned if the condition of the property was accurate. The CBOE discussed that the improvements made to the mall would hopefully increase the desirability for tenants of Mountain Meadows Mall.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #393, #394, #395, #396. Motion carried unanimously.

**CBOE #112
Jaylene Park**

Assessor's Case: The Assessor's Office clarified to the CBOE the subject property was a stipulation.

Petitioner's Case: Petitioner, Park, was not present for the discussion.

The CBOE explained the subject property was a stipulation and was going to be classified as agricultural instead of vacant.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to accept the stipulated value of CBOE #112 in the amount of \$390. Motion carried unanimously.

**CBOE #103
James Jonely**

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

Petitioner's Case: Petitioner, Jonely, was present for the discussion. The petitioner provided and explained in a letter several additional examples in his materials along with a photo of another listing. Jonely stated in a letter, Examples #2 and #3 are year round access. Opposed to Jonely's statement, the Assessor's Office clarified the two example properties previously stated were not year round access and could not be accessed with an automobile. Jonely mentioned in his evidence provided that the property was furnished.

There was discussion about the condition assessment of Example #1 provided by the Assessor. There was also discussion about the example property Jonely listed which sold outside of the assessment time frame and could not be taken into consideration.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #103. Motion carried unanimously.

**CBOE #104
H2 Properties Inc.; Andrew Hicks**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett stated that Example #1 in the materials has been annexed into the subdivision.

Petitioner's Case: Petitioner, Hicks, was not present for the discussion.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #104. Motion carried unanimously.

**CBOE #105
Andrew Hicks**

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett explained that the subject property is located adjacent to a main road in the subdivision which would classify it differently than a property not on a main road. Blackett explained, the adjustments made to the subject property and surrounding properties are from a whole set of Arrowhead sales. The Assessor's Office felt the value of the subject property was accurate.

Petitioner's Case: Petitioner, Hicks, was not present for the discussion. In the materials, Hicks stated there were some steepness issues on the west side of the subject property.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #105. Motion carried unanimously.

CBOE #106
John Bocchino

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. Spicer explained the method of the mass appraisal approach and time adjusted sales and how it was used for the subject property to equitably value the property. There was a .569% upward adjustment per month in the subject property area. The sale of the subject property occurred in August of 2013.

Petitioner's Case: Petitioner, Bocchino, was present for the discussion. Bocchino believed the subject property was asses to high. Bocchino stated that there was a recent appraisal done on the property which showed a lower value than what was given by the Assessor. Bocchino referenced the email written by Cathie Elliott, which was part of the materials given by the petitioner, stating the subject property was not worth what it was assessed at. During the appraisal period, Bocchino mentioned there were only five properties that sold in Econ Area 1, and they were all river properties which does not relate to the subject property. Bocchino believed that their property was closer to the appraisal value of \$490,000.

There was discussion on the location of the subject property. There was discussion referencing the model of the sales ratio and why the scatter of properties has to be fairly close to accurately determine the value of a property. The CBOE clarified to Bocchino that the reason for the increase from 2013 to 2015 was because the value of the property in 2013 was looking at data from 2011.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #106. Motion carried unanimously.

CBOE #107
Eduardo Martinez Morales

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. Spicer explained the mass appraisal approach of Econ Area 6 for the subject property. Spicer stated that Morales' home had average views when classifying the property.

Petitioner's Case: Petitioner, Morales, was present for the discussion via conference call. The petitioner mentioned that the sale of the property is closing on Friday July 31st. The petitioner did not agree with the increase of prices of properties in Gunnison County when referencing the time adjusted sales materials provided. Morales did not believe his value should have increased 30% and that his property should be valued close to \$600,000. Morales reference the Realtor's Association and explained why his property was not at the appropriate market price based on the materials given.

There was further discussion on time adjusted sales and why, by law, the method must be used for properties. In relation to Morales' property, Spicer explained there was an influence on property value because of bank sales in the condominium market in Mt. Crested Butte.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #107. Motion carried unanimously.

CBOE #108
Eduardo Morales

Assessor's Case: Cohen described the subject property and the examples provided in the packet materials. Cohen explained that the land of the subject property was fully included in the analysis and 50% of the residence was included in the assessment. Cohen explained to the petitioner that the quality of construction and finishes, appeared to be similar to other homes in very good quality.

Petitioner's Case: Petitioner, Morales, was present for the discussion via conference call. Morales explained the value of the condition of his construction on his property. Morales believed his property should be considered good condition and not considered very good due to the fact that his home was traditional construction that was not a load bearing structure.

Morales mentioned he did have a professional appraisal performed on the subject property and did not accurately reflect the assessment from the Assessor.

The CBOE discussed the quality of construction of the subject property when looking at the condition of the construction of the comparable properties. There was discussion on the fee appraisal provided by Morales, determining the array of properties used would increase the value of the subject property and it would fall into the average assessment amount. The CBOE stated that Example#3 (Black Diamond Trail) was a distressed sale.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #108. Motion carried unanimously.

CBOE #109
Mark and Sarah Devries Revocable Trust

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. The Assessor's Office recommended a 5% functional obsolescence adjustment to the subject property putting the value at \$657,190.

Petitioner's Case: Petitioner, Devries, was not present for the discussion.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to adjust the value of CBOE #109 from \$689,660 to \$657,190. Motion carried unanimously.

CBOE #110
Kathleen Krohn; Representative Barbara Butler4:28

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. The property did have a one car garage not indicated in the report. Spicer discussed the time trend and time adjusted sales for Econ Area 8 and how it affected the value of the subject property. Spicer explained to the petitioner that the net adjustments are calculated by the mass appraisal model used in Econ Area 8.

Petitioner's Case: Petitioner, Butler, was present for the discussion via conference call. Butler explained that she did not agree with the 1% per month increase on the property and did not agree with the examples given to her by the Assessor. Butler stated that the subject property was substantially overvalued. Butler disagreed with the condition of the property which caused an increase in the property value.

The CBOE questioned the Assessor's if there had been a physical inspection on the property. Blackett confirmed there was a physical inspection done in 2013. There was discussion on the overall above grade square footage and remodel of the subject property.

Moved by Chairperson Swenson, seconded by Commissioner Houck, to deny CBOE #110. Motion carried unanimously.

CBOE #111
VC Saied

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials and believed the evidence supported the valuation of the subject property. The Assessor's Office validated the interior condition of the units with the property manager of the condo complex.

Petitioner's Case: Petitioner, Saied, was not present for the discussion.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #111. Motion carried unanimously.

ADJOURN: Moved by Commissioner Houck, seconded by Commissioner Chamberland, to adjourn the meeting. Motion passed unanimously. The July 28, 2015 meeting of the Board of Equalization adjourned at 4:51 pm.

Paula Swenson, Chairperson

Phil Chamberland, Vice-Chairperson

Jonathan Houck, Commissioner

Minutes Prepared By:

Bre Shelton, Deputy County Clerk

Attest:

Kathy Simillion, County Clerk