CBOE # 351

SOMRAK; R003509

2019 REAL PROPERTY NOTICE OF DETERMINATION

Gunnison County
COLORADO

Kristy McFarland
Gunnison County Assessor
221 N Wisconsin St, Suite A
Gunnison, CO 81230

Date of Notice: August 15, 2019
Phone: (970) 641-1085
Fax: (970) 641-7920
Email: assessor@gunnisoncounty.org
Website: http://www.gunnisoncounty.org/assessor.html

ACCOUNT NUMBER	TAX YEAR	TAX AREA	PARCEL NUMBER
R003509	2019	200	3255-031-10-010

PROPERTY OWNER	LEGAL DESCRIPTION
ELK AVENUE PARTNERS LLC PO BOX 3943 CRESTED BUTTE, CO 812243700	LOTS 25-29 BLK 22 CRESTED BUTTE #629082

PROPERTY CLASSIFICATION		PROPERTY OWNER'S ESTIMATE OF VALUE	ASSESSOR'S VALUATION	
			ACTUAL VALUE PRIOR TO REVIEW	ACTUAL VALUE AFTER REVIEW
Commercial Received County Administration 9/16/19			3,965,600	3,639,060
	TOTALS		$3,965,600	$3,639,060

The Assessor has carefully studied all the available information, giving particular attention to the specifics included on your protest. The Assessor's determination of value after review is based on the following:

The actual value of the property is determined by appropriate consideration of the approaches to appraisal set forth in § 39-1-103(5)(a), C.R.S.

The physical inventory of your property has been corrected and our office has determined that your adjusted valuation is correct as indicated.

If you disagree with the Assessor's decision, you have the right to appeal to the County Board of Equalization for further consideration, § 39-8-106(1)(a), C.R.S.

The deadline for filing real property and personal property appeals is September 15.

The Assessor establishes property values. The local taxing authorities (county, school district, city, fire protection, and other special districts) set mill levies. The mill levy requested by each taxing authority is based on a projected budget and the property tax revenue required to adequately fund the services it provides to its taxpayers. The local taxing authorities hold budget hearings in the fall. If you are concerned about mill levies, we recommend that you attend these budget hearings. Please refer to last year's tax bill or ask your Assessor for a listing of the local taxing authorities.

Please refer to the reverse side of this notice for additional information.

CBOE # 361

APPEAL PROCEDURES

County Board of Equalization Hearings will be held from September 1 through November 1 at Gunnison County Courthouse or Blackstock Government Center.

To appeal the Assessor's decision, complete the Petition to the County Board of Equalization shown below, and mail or deliver a copy of both sides of this form to:

Gunnison County Board of Equalization
200 E Virginia Ave
Gunnison, CO 81230
(970) 641-0248

Elk ave Partners
R00 3509
Somrak

To preserve your appeal rights, your Petition to the County Board of Equalization must be postmarked or delivered on or before **September 15 for real property and personal property** – after such date, your right to appeal is lost. You may be required to prove that you filed a timely appeal; therefore, we recommend that all correspondence be mailed with proof of mailing.

You will be notified of the date and time scheduled for your hearing. The County Board of Equalization must mail a written decision to you within five business days following the date of the decision. The County Board of Equalization must conclude hearings and render decisions by November 1, § 39-8-107(2), C.R.S. If you do not receive a decision from the County Board of Equalization and you wish to continue your appeal, you must file an appeal with the Board of Assessment Appeals by December 8, § 39-2-125(1)(e), C.R.S.

If you are dissatisfied with the County Board of Equalization's decision and you wish to continue your appeal, you must appeal within 30 days of the date of the County Board's written decision to ONE of the following:

Board of Assessment Appeals
1313 Sherman Street, Room 315
Denver, CO 80203
(303) 866-5880
www.dola.colorado.gov/boa

District Court
Contact the District Court in the county where the property is located. See your local phone book for the address and telephone number.

Binding Arbitration
For information about binding arbitration, contact the County Board of Equalization at the address above.

If the date for filing any report, schedule, claim, tax return, statement, remittance, or other document falls upon a Saturday, Sunday, or legal holiday, it shall be deemed to have been timely filed if filed on the next business day, § 39-1-120(3), C.R.S.

PETITION TO COUNTY BOARD OF EQUALIZATION

What is your estimate of the property's value as of June 30, 2018? (Your opinion of value in terms of a specific dollar amount is required for real property pursuant to § 39-8-106(1.5), C.R.S.)

$ 2,647,533.00

What is the basis for your estimate of value or your reason for requesting a review? (Please attach additional sheets as necessary and any supporting documentation, i.e., comparable sales, rent roll, original installed cost, appraisal, etc.)

See attached letter

ATTESTATION

I, the undersigned owner or agent* of the property identified above, affirm that the statements contained herein and on any attachments hereto are true and complete.

Signature

970-641-1903
Telephone Number

9-13-19
Date

*Attach letter of authorization signed by property owner.

CBOE #351

EXHIBIT A
Page 1 of 2

LAW OF THE ROCKIES

Members
Marcus J. Lock
Jacob A. With
Kendall K. Burgemeister

Of Counsel
John R. Hill, Jr.

Associate
Austin J. Chambers
William P. Edwards*
*Licensed in Utah only

525 N. Main Street, Gunnison, CO 81230 | 970.641.1903
lawoftherockies.com | Fax: 970.641.1943
Email: jwith@lawoftherockies.com

September 13, 2019

VIA UNITED STATES MAIL
AND VIA HAND DELIVERY

Gunnison County Board of Equalization
200 E. Virginia Ave.
Gunnison, CO 81230

Re: Lots 25-29, Block 22, Crested Butte, CO (R003509 – "Somrak")

Dear Gunnison County Board of Equalization,

I represent Elk Avenue Partners LLC ("EAP") and am writing to protest and appeal the Notice of Determination for the Somrak building. The Assessor made no change to the actual value for the Somrak building following the initial appeal.

- 2018 Assessor Actual Value: $2,425,000
- 2019 Assessor Actual Value from NOD: $3,639,060
- Percent increase: 50.1%

As with other commercial properties on Elk Avenue, there were no comparable sales during the appraisal period. Thirty-six percent of the total space for the building is basement and valued incorrectly. The building is poorly situated such that most of the spaces in the building have very little visibility or frontage onto Elk Avenue, if any. Though the Assessor shows this building as renovated as recently as 1990, this is misleading. Substantial portions of the building are historical (the building is from 1890) and are not renovated. The total square footage for the building is 11,488. Of this, 4,104 is a finished basement and thus not particularly valuable.

If you ignore the value of the land, the Assessor provided a building value of $2,534,310. This provides a square footage value of $220.60 per square foot. A third of this is basement and it is valued at $220.60 per square foot! And this does not even take into account the value of the land. Obviously, this is not correct.

Other comparable building only valuations show how inappropriate this value is:

CBOE #351

EXHIBIT A
Page 2 of 2

- Kochevars/Soupcon: $83.96 per square foot
- Wooden Nickel: $154.24 per square foot
- Talk of the Town: $147.32 per square foot
- Average price per square foot: $128.51
- Assessor's NOD for Somrak: $220.60 per square foot
- Somrak's actual value if average is used: $1,476,322.88

Somrak's finished basement doesn't demand more value than these commercial units, which demonstrates that the building value provided by the Assessor is incorrect.

The land valuation provided by the County for the property is $73.65 per square foot.

There is no justification for this higher square foot rate given a number of other comparable locations with lower land values:

- 211 Elk Ave - Bluebird Real Estate: $61.05 a square foot
- 127 Elk Ave - Kochevars/Soupcon: $36.83 a square foot
- 510 Elk Ave - Pinnacle Ortho, Retail Therapy: $27.45 a square foot
- 405 Sixth St. - Bank of the West: $27.45 a square foot
- 607 Sixth St. - Ace Hardware: $27.45 a square foot
- Average land price per square foot: $36.05
- Somrak's land value if average is used: $540,750

The total actual value based on these averages is: $2,017,072.88

A rental income based approach based on average rents from 2016 through 2018 less actual expenses with very conservative assumptions, such as 100% rental occupancy, places the value at $2,647,533. Given that this reflects an almost 10% increase from the 2018 actual value and given that it reflects the actual commercial market for this property, this valuation is the most reasonable value at $2,647,533.

Accordingly, EAP requests that the Board of Equalization adopt an actual value for the property of $2,647,533.

Sincerely,

Jacob A. With
LAW OF THE ROCKIES

CBOE # 351

EXHIBIT B
Page 1 of 1

September 12, 2019

VIA FIRST CLASS MAIL
AND HAND DELIVERY

Gunnison County Board of Equalization
200 E. Virginia Ave.
Gunnison, CO 81230

Re: ***Protest and Appeal of Notices of Determination for: Lots 17-18, Block 21, Crested Butte, CO (R003169 – "Timberline"); Lots 25-29, Block 22, Crested Butte, CO (R003509 – "Somrak"); Lots 1-4, Block 27, Crested Butte, CO (R003352 – Donita's); Lots 8-10, Block 27, Crested Butte, CO (R003354 – "Butte")***

Dear Gunnison County Board of Equalization,

Elk Avenue Partners, LLC ("EAP"), the owner of the above described properties, does hereby authorize Jacob A. With and Law of the Rockies to file an appeal and protest to the Board of Equalization for the properties, including appearing at any hearings or any other proceedings for the same.

Sincerely,
Elk Avenue Partners, LLC

Daniel Dow, Member

LAW OF THE
ROCKIES
Attorneys at Law
525 N. Main St.
Gunnison, CO 81230

UNITED STATES POSTAGE
PITNEY BOWES
02 1P $ 001.45⁰
0000300456 SEP 13 2019
MAILED FROM ZIP CODE 81230

Gunnison County Board of
Equalization
200 E. Virginia Ave.
Gunnison, CO 81230

Received
County Administration
9/16/19 (VIA MAIL)
HAND DELIVERED +
EMAILED COPIES