AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Draft CBOE Minutes 09/26/2016

Action Requested:

Parties to the Agreement:

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

Summary:

Please see attached draft CBOE minutes from the 9/26/2016 meeting.

Fiscal Impact:

Submitted by: Josh Ost **Submitter's Email Address:** jost@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\khaase Discharge Date: 10/12/2016

○ Consent Agenda ◉ Regular Agenda ○ Worksession Time Allotted: 1

Agenda Date: 10/18/2016

Revised April 2015

GUNNISON COUNTY BOARD OF EQUALIZATION
MEETING MINUTES
September 26, 2016

The September 26, 2016 Board of Equalization meeting was held in the Board of County Commissioners Meeting Room in the Gunnison County Courthouse at 200 East Virginia Avenue, Gunnison. Present were:

Paula Swenson, Chairperson
Phil Chamberland, Vice-Chairperson
Jonathan Houck, Commissioner
Josh Ost, Clerk to the Board

Senior Assessment Analyst William Spicer 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.

CALL TO ORDER: Chairperson Swenson called the September 26, 2016 meeting of the County Board of Equalization to order at 8:01 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 #01; R002357 – Coleman
CBOE #02; R031154 – Coleman

Assessor's Case: SAA Spicer explained the location and the attributes of the properties. He explained that the Assessor's Office gave the unimproved parcel residential classification because it is contiguous with the existing residential parcel. He explained that the properties have been inspected and he suggested minimum condition. He recommended because of this condition he would suggest the value of CBOE #01 be reduced to $272,090 and recommends no change to the unimproved lot which is CBOE #02. He stated that based on vacant land sales these lots are very desirable and believe that the current land values are consistent with the market values.
Petitioner's Case: The Coleman Family Trust was represented by Travis Stuard with Duff and Phelps by telephone. Travis clarified the suggested reduction by the Assessor's Office. Travis explained that they paid $225,000 in September 2015, based on appraisal and purchase price and requested further reduction of the value. Chairperson Swenson explained that sales after June 2014 cannot be taken into account. The sale cannot be included in the assessment, it can be used next year.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value for CBOE #01 to $272,090. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to make no change to CBOE #02 and keep the value at $96,600. Motion carried unanimously.

CBOE #03; R009005 – Tejon Investments

Assessor's Case: SAA Spicer explained the location of the property. SAA Spicer explained that the property listed is not adjoined so it cannot be classified as contiguous.
Petitioner's Case: Tejon Investments was represented by Travis Stuard with Duff and Phelps by telephone. Travis explained that he wanted to preserve the appeal rights for his client and will be taking this to higher level. Travis requested an administrative denial.
Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #03. Motion carried unanimously.

Break: The Board of Equalization took a break at 8:15am due to being ahead of schedule in the meeting. The meeting resumed at 8:19am.

CBOE #04; R009005 – Howell Jr
CBOE #05; R040304 - Howell Minerals LLC
CBOE #06; R033634 - Howell Minerals LLC
CBOE #07; R033639 - Howell Minerals LLC
CBOE #08; R009059 - Howell Minerals LLC

Assessor's Case: SAA Spicer explained the location of the properties and that they are all vacant mining claims. He explained that it is sometimes difficult to classify these properties because of their remote locations. The Assessor's Office changed the vehicle access on some of the lots. He explained that properties that lie in the Quartz Creek properties are analyzed together. The Quartz Creek properties sell different, based many factors, than those that reside outside the Quartz Creek properties subdivision. He explained the different values the Assessor's Office gives based on the different kinds of access to various lots.
Petitioner's Case: John Howell participated by telephone, John agreed with SAA Spicer's explanation. He explained that he met with Mary Mast from the Assessor's Office to look at these properties. He explained that his properties are high altitude, on unstable slopes with mostly no trees and are remote with no access. He believed that the valuations are significantly higher than what he can sell them for. John explained the different methods and other properties he used to analyze the comparable properties to his listed. He explained he is a retired geologist and he did not believe the properties the Assessor used were comparable to his properties. Chairperson Swenson asked SAA Spicer if there are other mining claims that can be looked at. SAA Spicer explained that due to low number of sales that he did not have any more. SAA Spicer suggested the other rocky designated properties listed be used to re-value Mr. Howell's properties. Chairperson Swenson explained that SAA Spicer will come back and re-assess the properties at $575 per acre. SAA Spicer will recalculate the value and provide a suggestion on new values. Swenson tabled this discussion until SAA Spicer came back with the suggestion.

Break: The Board of Equalization took a break at 9:02am for SAA Spicer to gather information for the properties for CBOE #4-8. The meeting resumed at 9:20am when SAA Spicer had calculated the new values.

Chairperson Swenson attempted to call John again but he did not answer. She left a message explaining the new values to John.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #04 to $4,610. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #05 to $4,920. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #06 to $5,940. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #07 to $5,940. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #08 to $23,020. Motion carried unanimously.

CBOE #39; R071359 – LPP Mortgage

Assessor's Case: SAA Spicer explained the location and attributes of the property. He explained it is zoned for high density multi-family use. He explained that during the data gathering period there were no sales to compare to. The Assessor's Office used the adjacent property and subtracted the improvements on the land for comparison. The recent sale of petitioned property cannot be used in the current re-appraisal cycle. SAA Spicer believes the value the Assessor had given is supported and suggests no change. SAA Spicer explained that the May 2014 appraisal only found one comparable sale in the time frame. He stated that the sale used had an apartment complex that was uninhabitable so it was not taken into account in the appraisal.
Petitioner's Case: Joseph Monzon of Marvin F. Poer and Company represented LPP Mortgage and participated by telephone. Joseph asked that the Board consider the May 2014 appraisal at

$400,000. He stated that based on the appraisal and eventual sale, even though outside the data gathering period, of $325,000 suggested that the Assessor's value is too high for this property.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #39. Motion carried unanimously.

BREAK: The Board of Equalization took a break at 9:43am and returned at 10:15am

CBOE #09; R011725 - Moeller

Assessor's Case: SAA Spicer explained the location and attributes of the property and explained the other properties that were used to compare this property to and why the Assessor's Office valued the property the way it did. SAA Spicer suggested no change.
Petitioner's Case: The petitioner did not appear for the hearing and the sale the property owner used for comparison is outside the time frame allowable for the appraisal cycle.
Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #09. Motion carried unanimously.

CBOE #10; M033175 - Ferro

Assessor's Case: SAA Spicer explained the location and the attributes of the property. He described the age and condition of the mobile home. He explained that although in poor condition it is still habitable. SAA Spicer explained other sales of low quality mobile homes and the price range between these mobile homes in the data gathering period. He explained after viewing the mobile home that it was adjusted from salvage to habitable condition.
Petitioner's Case: John Ferro participated by telephone. John explained the damage to the property and that the property does not have value. He stated that he would not be able to sell it on the open market. Chairperson Swenson explained that it has to be based on what the actual value is on the unit not an opinion of value.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #10. Motion carried unanimously.

CBOE #11; R016024 – Oxbow Mining LLC

Assessor's Case: SAA Spicer and Appraiser III Bob Blackett explained the property location and attributes. SAA Spicer explained that the mine has been closed and the owners are in process of reclaiming the site. He explained that part of the process of reclaiming the site is to destroy many of the buildings on the property. SAA Spicer explained that the Assessor's Office has conducted a physical site inspection. SAA Spicer stated that many of the buildings have been destroyed. He explained that the values are prorated for destroyed buildings if destroyed during the tax year. SAA Spicer recommended the new value of the property to be $3,730,380. Appraiser Blackett explained that he performed the physical inspection and re-measured some the existing buildings. Appraiser Blackett explained he used the cost approach to value this property.
Petitioner's Case: Brent Hutto of Experis represented Oxbow Mining LLC. and participated by telephone. He stated that they believe that it is valued below the Assessor's suggested value. He explained that there is a holding period for the company to be released. Brent also stated that anyone who purchases this property would have to adhere to the same standards as Oxbow and therefore places a lower value on the property and cannot be sold in a normal market. He explained that he used an income approach to value this property. Brent requested a value closer to $2,000,000 based on the rental value of the land.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value CBOE #11 to $3,730,380. Motion carried unanimously.

CBOE #31; R045444 – Hanacek

Assessor's Case: SAA Spicer explained that he looked at the property again and pulled some comparable properties that are newly constructed properties. He suggested a lower value than stated on the Notice of Determination. He explained the attributes of the property and stated

the newness of the property was skewing the value. He suggested the value be adjusted to sales price with time adjustment of $467,600.
Petitioner's Case: Theresa Hanacek was present for the discussion. She stated that the new value sounded more realistic.
Moved by Commissioner Houck, seconded by Commissioner Chamberland, to adjust the value for CBOE #31 to $467,600. Motion carried unanimously.

CBOE #32; R045247 - Schumacher

Jon Schumacher withdrew his petition. There was no action on this property.

BREAK: The County Board of Equalization went on break at 11:11am and returned at 11:14am.

CBOE #33; R007106 – Means

Assessor's Case: SAA Spicer explained the issues with the outbuildings on this property. He explained that the property has been adjusted for square footage on the barn. He also explained the addition of several other out buildings were taken into account. SAA Spicer explained that the net result of these buildings results in an increase in value. He showed a diagram to the property owners showing the layout of the property. He explained there are issues with the legal description of the property in relation to the county road and who owns the property and the accurate amount of acreage owned.
Petitioner's Case: David and Nola Means were present for the discussion. They explained that they would like the acreage issue to be cleared up. Chairperson Swenson explained that she would like to have the County Attorney help to correct the deed and acreage issue.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #33 to $201,380. Motion carried unanimously.

CBOE #34; R011288 - Crews

Assessor's Case: SAA Spicer explained the location and attributes of the property. He explained that it was in average condition. He explained three other sales that are comparable to the subject property. He suggested that the current value is correct for this property. Chairperson Swenson asked if square footage is adjusted for A-frame housing. SAA Spicer explained that they do take that into account. The Assessor's Office does not feel that the condition should be lowered to fair.
Petitioner's Case: Karen and Carolyn Crews were present for the discussion. Karen explained that cabin is not insulated. She explained that the cabin's around her property are much newer and in better condition. She did not believe they could sell the property for this value. Karen stated that there have been no improvements to the house only maintenance. She explained that there were issues with unfinished areas of the house that would point to a fair condition.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #34 to $260,290 and reclassify the quality of construction to fair condition. Motion carried unanimously.

BREAK: The Board of Equalization took a lunch break at 12:06pm and returned at 1:29pm

CBOE #35; P053580 – SG Interests
CBOE #36; P070447 – SG Interests
CBOE #37; P053581 – SG Interests

The Petitioner and the Assessor's Office have agreed upon a stipulation on the adjustment of values.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to adjust the value of CBOE #35 to $4,076,230. Motion carried unanimously.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to adjust the value of CBOE #36 to $1,750,580. Motion carried unanimously.
Moved by Commissioner Houck, seconded by Commissioner Chamberland, to adjust the value of CBOE #37 to $2,926,100. Motion carried unanimously.

CBOE #38; R005732 – Lockwood

Assessor's Case: SAA Spicer explained the location and the attributes of the property. He explained that there has been a recent and very extensive remodel to the property. He explained that because of such an extensive remodel, the sale in the time period could not be taken into account. SAA Spicer showed comparable properties and explained that this property is of very good quality. Chairperson Swenson asked when the building permit for the remodel was pulled for this property and SAA Spicer stated that it was pulled in 2012. He spoke about the comparable properties provided by Matt Gamble and that only one was in the town of Mt. Crested Butte where the subject property is located, and the rest where in the town Crested Butte.
Petitioner's Case: The Board was not able to reach Mr. Lockwood's representative Matt Gamble by telephone. No other members were present.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #38. Motion carried unanimously.

CBOE #12-30; R043962, R043963, R043965, R043967, R043979, R043981, R043985, R043990, R043992, R044008, R044011, R044027, R044029, R044031, R044036, R044038, R044040, R044044, R044046 – CB Lodging LLC.

Assessor's Case: SAA Spicer explained that this is a unique event. He stated that these units were owned by CB Lodging but on May 3rd, 2016 conveyed all of these properties to Homoky Properties LLC. This was unintentional and only intended to convey one property. After this event they appealed to the Assessor and were denied because they were not the owners. Earlier in September, Homoky Properties deeded the properties back to CB Lodging.
Petitioner's Case: Chris Barnes and Howard Licht represented CB Lodging LLC. and participated by telephone. Chris explained the events that occurred to lead to the incorrect deed situation. Chairperson Swenson requested the Deputy County Attorney Gretchen Stuhr hear the situation. DCA Stuhr entered and Chairperson Swenson explained the situation to her. There was discussion as to whether the Board should hear the appeal or deny to hear it due to lack of standing.
Moved by Commissioner Chamberland, seconded by Commissioner Houck, to decline hearing the petitions for CB Lodging LLC. due to lack of standing. Motion carried unanimously.

ADJOURN: **Moved** by Commissioner Chamberland, seconded by Commissioner Houck, to adjourn the meeting. Motion passed unanimously. The September 26, 2016 meeting of the Board of Equalization adjourned at 2:23pm

_____
Paula Swenson, Chairperson

_____
Phil Chamberland, Vice-Chairperson

_____
Jonathan Houck, Commissioner

Minutes Prepared By:

_____
Josh Ost, Deputy County Clerk

Attest:

_____
Kathy Simillion, County Clerk