GUNNISON COUNTY BOARD OF EQUALIZATION
MEETING MINUTES
July 24, 2013

The July 24, 2013 Board of Equalization meeting was held in the Board of County Commissioners Meeting room. Located at 200 East Virginia Avenue, Gunnison Colorado. Present were:

Paula Swenson, Chairperson Jonathan Houck, Commissioner
Bobbie Lucero, Clerk to the Board

County Assessor Kristy McFarland, Deputy Assessor 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, 2010 –June 30, 2012

CALL TO ORDER: Chairperson Swenson called the July 24, 2013 meeting of the County Board of Equalization to order at 9:54 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 #34; Robert Weiss

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He informed the board there was an error on his account, because the barn structure was listed twice and the price should adjust to $320,470 after accounting for the error. He reported that he used "off the grid" properties to compare to the subject property.

Petitioner's Case: Petitioner, Robert Weiss, was present for the discussion. He mentioned he noticed the error on the Notice of Valuation. There was discussion regarding the examples provided. He argued that the value of his property increased 51%. Lickiss explained due to the improvement value, this property increased even though the land value may have decreased. The board explained to the petitioner agricultural land values have increased. The Assessor's Office explained the various Economic Areas in Gunnison County. **Moved** by Commissioner Houck and seconded by Chairperson Swenson to adjust CBOE #34 to $320,470 based on the adjustment calculated by the Assessor's Office. Motion carried.

CBOE #42; Estate of Carl Smith

Assessor's Case: Lickiss informed the board that there is a stipulated value agreed upon by the Assessor's Office and the petitioner in the amount of $1,690.

Petitioner's Case: Petitioner was not present for the hearing. **Moved** by Commissioner Houck, seconded by Chairperson Swenson to adjust CBOE #42 to the stipulated amount of $1,690. Motion carried.

CBOE #43; Tincup Investments LLC

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. The board and the Assessor's Office reviewed the information provided in the petitioner's packet materials. Lickiss informed the board the property was found to have structural damage and he recommend adjusting the value to $109,180 after accounting for the error. They used "off the grid" properties to compare.

Petitioner's Case: The petitioner was not present for the hearing. **Moved** by Commissioner Houck and seconded by Chairperson Swenson to adjust CBOE #43 to $109,180 based on the adjustment calculated by the Assessor's Office. Motion carried.

CBOE #51; Wallace McNeill

Petitioner's Case: Petitioner was not present for the hearing. The board reviewed the stipulated agreement. **Moved** by Commissioner Houck and seconded by Commissioner Swenson, to adjust CBOE #51 to the stipulated amount of $465,280 for the Commercial, $369,820 for the Residential, for a total value of $835,100. Motion carried.

CBOE #57; Elaine Millman

Petitioner's Case: Petitioner was not present for the hearing. The board reviewed the stipulated agreement. **Moved** by Commissioner Houck and seconded by Commissioner Swenson to adjust CBOE #57 to the stipulated amount of $810,000. Motion carried.

CBOE #58 – 63; G M Worsley Inc.

Petitioner's Case: Petitioner was not present for the hearing. The board reviewed the stipulated agreement. **Moved** by Commissioner Houck and seconded by Chairperson Swenson to adjust the values of CBOE #58 – #63 to the stipulated amounts of $99,070. Motion carried.

CBOE #64 - 88; Benson Sotheby's

Petitioner's Case: Petitioner was not present for the hearing. The board reviewed the stipulated agreement. **Moved** by Commissioner Houck and seconded by Chairperson Swenson to adjust values of CBOE #64 - #88 to the stipulated amounts of $25,950. Motion carried.

CBOE #96 and 97; Carletta Taylor

Petitioner's Case: Petitioner was not present for the hearing. **Moved** by Commissioner Houck and seconded by Commissioner Swenson to re-classify CBOE #96 and #97 to residential, the value of the property remains the same at $17,550. Motion carried.

CBOE #44; Ingham LLC

Assessor's Case: McFarland described the subject property and the examples provided in the packet materials. She explained each type of commercial business carries a different value in terms of an adjustment, and the difference between an office and medical office is a 15% adjustment.

Petitioner's Case: Petitioner, John Ingham, was present for the hearing. He mentions that he paid too much for the property and the shape of the building is very bad. He informed the board the windows are rotting, there is no insulation and the siding is falling off.

McFarland explained that the values are based on sales, they have to use the actual facts of the sales to determine the value. She informed to adjust the condition of the property, the Assessor's Office must see the inside of the property, because they must rate the condition of the inside and outside of commercial property. The Assessor's Office recommended the board deny the appeal and then the petitioner can file the appeal with the Board of Assessment of Appeals (BAA). After the BAA, the Assessor's Office can do a physical inspection and adjust the condition of the property. The value will be recalculated if the condition adjusts.

Moved by Commissioner Houck, seconded by Commissioner Swenson, to deny CBOE #44 based on the evidence provided that the condition is inconclusive and for the AO to provide a physical inspection once appealed through the BAA. Motion carried.

CBOE #45-47; Chaco LLC

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

Petitioner's Case: Petitioner's Agent, Attorney Jim Starr, was present for the hearing. Starr informed the board that he had asked the Assessor's Office for the documentation that was going to be presented at the hearing and all he got was the large list of comparables. He referenced the additional information he provided in the packet materials. He opined there is no distinction between commercial units on Elk Avenue vs. off Elk Avenue, which is not appropriate because the units that face Elk Avenue have access from the main road. He informed the units that do not face Elk Avenue look into an alley and all they have a view of is trucks and

dumpsters. He pointed out the average square footage is $220/square foot, and was confused at how they reached $378/square foot. McFarland informed the only sale of a commercial condominium in Crested Butte during the valuation period was the Majestic Class Condos, and it also has average condition and average construction quality. When the quality and condition changed, the value changed approximately $100/square foot more than what it was.

There was discussion on what the value of the property would be if the three units would become one main unit. The board informed Starr the property owner would need to finalize the paperwork and plat this year, and then it will be valued during the next valuation period. The Assessor's Office informed that the assessment date is January 1st of each year.

Starr pointed out that the Assessor's Office already makes a 40% adjustment for units that do not have an entrance on Elk Avenue. He inquired why the valuation increased 80% since the last valuation, and the Assessor's Office confirmed that adjustments were made due to zoning. **Moved** by Chairperson Swenson and seconded by Commissioner Houck to adjust: CBOE #45 to the amount of $85,800, CBOE#46 to the amount of $65,000, and CBOE #47 to the amount of $121,770. Motion carried.

CBOE #48; Rosaline Francoise Ivy

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

Petitioner's Case: Petitioner, Allan Ivy, was present for the discussion. The board explained HB-1146, and legislature passed that two acres of agricultural land that surrounds the home site will be classified as residential, unless the person who lives in the house actually performs the agricultural work on the property. Ivy confirmed that when he performs the agricultural work he lives in the home, but it is not his primary home. The Assessor's Office and the board reviewed the leases and determined that in 2014 he will be able to classify the property all to agricultural. The board explained to Ivy, next year the property will get reclassified. Ivy confirmed that he has proof that he performed all of the irrigating on the land and did all of the agricultural work from the cabin. The Assessor's Office informed fencing and irrigation is not a part of agricultural work in the new law, yet bookkeeping, doctoring the animals and preparing the animals for sale is. The statute does not say how the land must be harvested, the law just clarifies how the land must be valued.

There was discussion that there is an electrical fence around the home, to keep the cattle away from the home and the owners don't even use up to one acre for the residence. **Moved** by Chairperson Swenson and seconded by Commissioner Houck to adjust value of the residence to $27,170 to adjust for the one acre of residence use. The total value will be $72,510. Motion carried.

CBOE #49; Sarah Jane Earley Voigt

Assessor's Case: McFarland described the subject property and the examples provided in the packet materials. McFarland explained to the board a property sold within the timeframe, and sold for a higher amount than the valuation of the subject property, and has more difficult access than the subject property. The Assessor's Office explained that the value of the subject property is the value for all the lots in this area.

Petitioner's Case: The petitioner was not present for the hearing. Bobbie Lucero, Administrative Assistant III, provided the petitioner Chairperson Swenson's cell phone number, and Mr. Earley has not called her to discuss his concerns. **Moved** by Commissioner Houck and seconded by Chairperson Swenson to deny CBOE #49 based on the information reviewed and the determination that the value was calculated correctly. Motion carried.

BREAK: The meeting recessed from 11:40 am until 1:02 pm. Commissioner Phil Chamberland was present for the hearings at this time.

CBOE #50; The Frick Neill H. Revocable Trust

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

Petitioner's Case: Petitioner was not present for the hearing. The board reviewed the packet materials provided by the petitioner. **Moved** by Commissioner Houck and seconded by Commissioner Swenson to deny CBOE #50 based on the information reviewed and provided today. Motion carried.

CBOE #52; Herbert Martin

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. The board and the Assessor's Office discussed the comparables provided in the petitioner's packet materials. Based on the photos provided during the appeal, Lickiss opined the valuation amount is correct. He confirmed that the valuation was already adjusted due to the condition of the property, and the average was $89/square foot.

Petitioner's Case: Petitioner, Eric, was present for the hearing via conference call. He informed the board that the building is inhabitable since June 30th and has been sitting there for 32 months with no utilities or working fixtures. He informed the board that he spoke with a contractor, and he said it would cost $6,000 to fix some of the work that need to be fixed. He informed he used $87/square foot valuation for his property, as the starting point. He mentioned that there is a portion of the home that has never been completed and it will take over $50,000 in work to make it sellable.

Lickiss informed that he missed that there is a finished basement of 1,800 square feet in one of the comparables. There was a discussion regarding the condition of the property and at the minimum it would be classifying it close to being salvaged or reaching abandonment.

There was discussion regarding the 20 x 44 area in the Assessor's database that is classified as living area. **Moved** by Chairperson Swenson and seconded by Commissioner Chamberland to table this discussion until 3:30 pm, so that the Assessor's Office can recalculate what an adjustment would be. Motion Carried unanimously.

The AO recalculated the area above the garage. After the recalculation the value came to $372,290. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to adjust CBOE #52 to the value of $372,290. Motion carried.

CBOE #53; Robert Cope

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

Petitioner's Case: Petitioners Robert Cope and Kelli Cope were present for the discussion. Kelli mentioned she didn't know that you could go outside the state to pull comparables. She expressed that this is a 44% increase in value from what it was valued at two years ago, and what they paid for it four years ago. She informed the board that they are not allowed to use this as a permanent residence due to the seasonal access. They all reviewed the information that was presented by the petitioner. Kelli informed the board that they don't even have cabinets, all they have are shelves.

Lickiss confirmed that this subject property is rated at averaged quality, and the other properties are classified as fair quality. Lickiss mentioned that due to the information provided he would not disagree with valuing this property at fair quality. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to adjust the quality rating of this property to fair, adjusting the value to $121,390. Motion carried.

CBOE #54 and 55; Marjorie Rosenfield

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He informed the board all of the lots in Gold Link are valued the same price.

Petitioner's Case: Petitioner was not present for the discussion. The board reviewed the packet materials provided by the petitioner. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to deny CBOE #54 and #55 because there is no justification to lower the amount to what the petitioner requests. Motion carried.

CBOE #56; Ryan LLC

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He informed that this is the Holiday Inn Express hotel. He recommended valuing the property at $100/square foot. He confirmed that he did not receive any income information from the property owner.

Petitioner's Case: Petitioner, Matthew Poling, was present for the discussion. He presented the information that he provided for the hearing. The board reviewed the income information that the petitioner provided. There was a discussion on the cap rate. The petitioner confirmed that the 9.7 is an unloaded cap rate. Lickiss informed that for Gunnison County the cap rate is a little high, he recommends it being 9. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to adjust value of CBOE #56 to $6,620,000. Motion carried.

CBOE #89; Lawrence M. Good

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

Petitioner's Case: Petitioner, Karen Good, was present for the hearing via conference call. There was discussion that there were so few sales in the valuation period that they had to go back in time for sales. The petitioner mentioned that nothing has sold in the area for more than $90,000 in quite some time. She mentioned she spoke with Lickiss earlier in the year when their request was denied. She informed the board to build in Marble you must have 8 lots. There was discussion regarding other properties in her Economic Are that sold during the valuation period.

McFarland informed the board that any adjustment made can affect other lots in this area and there are 20 other properties in this section/category in Marble. She informed that the ability to build on this property makes it more valuable because it is 12 lots. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to deny CBOE #89 based on the information provided and also the other lots in the area are being assessed and are being treated equally. Motion carried.

BREAK: The meeting recessed from 2:43 pm until 3:30 pm.

CBOE #90; Alexander Gruzen

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He informed this property sits on the north side of Crested Butte. He commented that he agrees the valuation is a little high, but he is not sure how to value the property because there has only been one sale. There was discussion that they could use the average cost per square footage.

Petitioner's Case: The petitioner was not present for the hearing. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to adjust CBOE #90 to the value of $1,346,000. Motion carried.

CBOE #91; Better to Ski LLC

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He informed that he did not have true sales during the valuation timeframe, so he broke the property into two. One as the office building and one as the residential building. He proposed the value adjust to $340/square foot for the commercial and $400/square foot for the residential, with a total value of $454,920. Lickiss commented that he thinks the value is correct on the residential lot.

Petitioner's Case: Petitioner's Agent, Attorney Aaron Huckstep, was present for the hearing. Lickiss confirmed that they have already discounted the property 10% because it is not a standalone property. Huckstep argues that the subject should be given a bigger discount due to condition, location and that this is not a standalone property. The Assessor's Office informed that they do have adjustments for alley access. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to adjust CBOE #91 to the value of $259,940 for the residential, and $454,920 for the commercial, the total value will be adjusted to $714,860. Motion carried.

CBOE #92 and 93; Four Squared LLC

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

Petitioner's Case: Petitioner's Agent, Aaron Huckstep, was present for the hearing. There was a discussion on why the Assessor's Office not use 322 Elk Avenue or 226 Elk Avenue as comparables. The Assessor's Office explained that those building are not condominiumized. Huckstep informed that the valuation has increased 86% on these two properties. He informed five other sales during the valuation period that are listed as commercial, are valued less than the two subject properties.

The Assessor's Office confirmed they are using commercial condo sales as their comparable and they do factor in large square footage buildings, and adjust them for large square footage. The board explained the process of valuations from sales, and when there are no sales they have to find sales where they can to estimate a value on the property. **Moved** by Commissioner Chamberland and seconded by Chairperson Swenson because of the small array of sales and no common property exterior to assess CBOE #92 to the amount of $340/square foot, and adjusting the value to $350,540. Lickiss opined that the board just threw the quality of the property out the door. Motion carried. There was discussion that there were four other condominium appeals earlier this morning. **Moved** by Commissioner Chamberland and seconded by Commissioner Swenson to withdraw the previous motion for CBOE #92 and #93. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to deny CBOE #92 and #93 because of no justification to change how the outcome came from the current valuation from the formula used. Motion carried.

Deputy Assessor Vicki Hildreth was present for the discussion at this time.

CBOE #94; Marble Lot 3 LLC

Assessor's Case: Lickiss described the subject property and the examples provided in the packet materials. He informed the board that he used linear regression on these sales, and he opined that the 1.3 acres is valued correctly.

Petitioner's Case: Petitioner's Agent, Doug Grawe, was present for the hearing via conference call. He opined that the valuations are inaccurate due to the sales used as comparables in Pitkin County. He informed the board that the neighboring property, next door, is $10,000 less per acre. There was discussion that the subject property is next to the Marble Institute. Like being next to a construction site 6 months out of the year.

Lickiss informed the board that Deputy Assessor Vicki Hildreth went to Pitkin County and received an adjustment for on river or off river to apply it to sales in Gunnison County. The board informed the petitioner that they are aware of the Marble Institute operation, and it only runs for three weeks out of the year. There was discussion about meets and bounds. Assessor's Office recommended adjusting the property value to $40,000/acre. **Moved** by Commissioner Houck and seconded by Commissioner Chamberland to adjust CBOE #94 to the value of $192,760. Motion carried.

CBOE #95; Carletta Taylor

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

Petitioner's Case: Petitioner was not present for the discussion. The board reviewed the packet materials provided by the petitioner. The board reviewed that this property was purchased in January 2012 as a tear down building. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to deny CBOE #95 based on the information reviewed. Motion carried.

CBOE #98 - 103; Poplar 3 LLC

Assessor's Case: McFarland described the subject property and the examples provided in the packet materials. She informed the differences in completion have already been adjusted, along with quality, age and garages.

Petitioner's Case: Petitioners David Klauser, Jerry and Alenka Vobornik were present for the hearing. The petitioners inform the board these units were 50% complete as of June 30th 2012. McFarland explained that June 30th 2012 is the appraisal date and January 1st of each year is the assessment date for the state of the property. Klauser expressed that they are 60% complete as of January 2013, not 75% complete. Lickiss explained that the Division of Property Taxation has criteria for calculating completion percentages and there isn't an in-between state of completion from 50 -75%. There was discussion that the plat was completed October. **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to deny CBOE #98-103. Motion carried.

ADJOURN: **Moved** by Commissioner Chamberland and seconded by Commissioner Houck to adjourn the meeting. Motion passed unanimously. The July 24, 2013 meeting of the Board of Equalization adjourned at 5:36 pm.

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Hap Channell, Chairperson

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Paula Swenson, Vice-Chairperson

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Phil Chamberland, Commissioner

Minutes Prepared By:

_____
Bobbie Lucero, Deputy County Clerk

Attest:

_____
Stella Dominguez, County Clerk