AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Draft CBOE Minutes; 7-24-2015

Action Requested: Motion

Parties to the Agreement:

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

Summary:

Attached are the 7/24/2015 CBOE meeting minutes for consideration

Fiscal Impact:

Submitted by: Bre Shelton **Submitter's Email Address:** bshelton@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\mbirnie Discharge Date: 7/31/2015

○ Consent Agenda ◉ Regular Agenda ○ Worksession Time Allotted:

Agenda Date: 8/4/2015

Revised April 2015

GUNNISON COUNTY BOARD OF EQUALIZATION
MEETING MINUTES
July 24, 2015

The July 24, 2014 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 24, 2015 meeting of the County Board of Equalization to order at 8:33 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 #28
Alex Laird Living Trust

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. Spicer explained that the Assessor removed the land element from the residential properties because Laird's property is valued as Agricultural. Spicer discussed that on June 30, 2014 Laird's property was reasonably valued based on the classification of Laird's property being Agricultural land.

Petitioner's Case: Petitioner, Laird, was not present for the discussion. In a letter from Laird, he believes that the square footage should be 1,988 square feet opposed to 2,171 square feet and the property should have only increased 5% in value.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #28 based on lack of compelling evidence. Motion carried unanimously.

CBOE #29
Sage Hill LLC

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. He clarified that this property was Agricultural Land and contains a barn structure. Spicer clarified that the home structure and land must be assessed separately. The land would be assessed as Agricultural Land and the home as a separate structure. There was discussion from the Assessor's Office on the valuation adjustment on the neighborhood as a whole.

Petitioner's Case: Petitioner, Jobin with Sage Hill LLC, was present for the discussion. Jobin looked online and stated that there were not many Agricultural properties that would be in comparison with his property. He stated that land has gone down in value, however his property increased in 93% in value. Jobin discussed that his property's accessibility was very limited in terms of city water, city utilities, and city gas. Jobin stated that he is trying to classify his property as Agricultural.

The CBOE discussed the value of Jobin's property and determined that the land itself was valued at $13,000. Between 2011 and the current year, Jobin added a hay barn and outbuildings which were valued at $57,000. There was discussion on Jobin's property and why, by state statute, the home structure had to be valued with other home structures in the Econ Area 8 and the land as Agricultural. The CBOE explained the process of Arbitration to Jobin and the steps he would need to take to further appeal.

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Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #29 based on lack of compelling evidence. Motion carried unanimously.

CBOE #30
Wayne Revoir

Assessor's Case: Blackett described the subject property and the examples provided in the packet materials. Blackett clarified that the statement from Revoir of being seasonal access did not hold accurate because his property was on a plowed road. It was not considered seasonal access solely based on Revoir's driveway not being plowed.

Petitioner's Case: Petitioner, Revoir, was not present for the discussion. In a statement from the Petitioner, he believed his property was considered seasonal access.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #30 based on lack of compelling evidence. Motion carried unanimously.

CBOE #31
William Leer / Brooke Leer

Assessor's Case: Cohen described the subject property and the examples provided in the packet materials. Cohen clarified that values in this area properties were increasing by a little over 0.5% and this evidence was taken from the previous three years. Spicer discussed that when valuing properties within Gunnison County, the process of using three years of data, was to compile a data set with a significant amount of sales in the specific area. Spicer explained to Leer that because her property was a townhome she did receive a 15% adjustment as opposed to her property being a single family home.

Petitioner's Case: Petitioner, Leer, was present for the discussion via conference call. Leer believed that the state statute only would look at the previous 18 months to determine the sales value of properties. Leer referenced the time adjusted sales of the condo units and the actual sales prices used by Gunnison County in her presentation. She stated that her property was not being fairly assessed when looking at the comparable factors of the neighboring condo units. Based on the square footage difference and number of bedrooms of Leer's property, she discussed why her property should be valued lower than the properties used in the examples from the Assessor.

The CBOE explained why the Assessor's Office must use a mass appraisal approach when valuing all property. There was discussion on what the Board of Equalization's duties were to use a mass appraisal approach and to value all properties as a whole and treat all properties equally. The CBOE clarified to Petitioner Leer that it was the Board's responsibility to treat her property equally to all properties in the Skyland area.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #31. Motion carried unanimously.

CBOE #32
Roland Ruffe9:43

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. Spicer discussed that the Assessor's Office lowered the values in Econ Area 1 and the value of the subject property was supportive of the sales in Econ Area 1. There was discussion that when using the ratio model for properties, that an increase of square footage did not always result in a higher value. Spicer also clarified to the petitioner that sometimes there were outlying properties and this was the reason the Assessor's Office takes a large number of comparison sales within the same Econ Area.

Petitioner's Case: Petitioner, Ruffe, was present for the discussion. Based on the time adjusted sales price Ruffe believes that the subject property and the five units should be valued at $327,591. Referencing the evidence, Ruffe believes that Tomichi Condos have a different architecture and are unique in the Gunnison Valley.

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The CBOE questioned the assessment on the subject property when referencing example #1 that seemed to be most comparable. Spicer clarified that the value was based on a mass appraisal approach and did not look solely at example #1. There was discussion on whether or not there could be an adjustment of a section of the neighborhood as opposed to a total neighborhood assessment. The CBOE agreed that the quality of the subject property was higher than other condo units around the Gunnison Valley.

Chairperson Swenson allowed for Gary Hausler, an unscheduled citizen, to speak during the petitioner's hearing. Hausler, commented on the structure, age, and overall condition of the condo units. Hausler believed the condo units should be classified a grade lower than what was determined due to the fact that the age of the units were about thirty five years old and have 2x4 construction. There was discussion regarding the continuing roof problems of the subject property and believed the value was not accurate. If the determination of the scheduled hearing was a denial, Hausler stated that he will accept the determination made today July 24th for his property, in order to save time for his scheduled hearing on July 29th.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to deny CBOE #32. Motion carried unanimously.

CBOE #33, #34, #35, #36
John Ryan

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. There are no sales in four-plex condo units in Gunnison County; therefore, Spicer used examples from Dos Rios condos because they were most similar to the subject property. Spicer believes that the subject property is valued at an equitable amount. Spicer explained to the petitioner that duplex, triplex, and four-plex properties had a very similar calculation in value. The biggest difference in value was between four-plex and multi-unit condos.

Petitioner's Case: Petitioner, Ryan, was present for the discussion. Ryan stated that the Dos Rios examples were very comparable to her condo, however the Dos Rios condos had a lower time adjusted sales ratio, which Ryan believed was not an accurate measurement. The petitioner had discussion on why the Dos Rios condos were nicer than the subject property based on several additional features but had a lower value than the subject property. In turn, the petitioner believed her condo should be valued close to the Dos Rios condos. Ryan discussed why the subject property was closely related to the Willow Condos based on the neighborhood similarities and clarified to the CBOE that they purchased their property outside of the assessment timeframe. Ryan stated that when comparing the Dos Rios condos to the subject property, the value determined was not a fair assessment due to the fact that the subject property overlooks a trailer park. There was discussion on an example provided by the petitioner, a water wheel condo R017527 which had paid parking, was on the golf course, did not overlook a trailer park, and was valued at a lower amount than the subject property.

The CBOE clarified that the subject property could not be set apart from other condos within the same complex, but the responsibility was for the CBOE to look at the subject property equally and to use a mass appraisal approach. Chairperson stated that the subject property value was the lowest it has been in the last eight years.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #33, #34, #35, and #36 from $122,150 to $86,080. Motion carried unanimously.

CBOE #37
LP Gromac

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. Spicer clarified that this appeal was a stipulation. Spicer explained to the CBOE the petitioner owned four units in a condo complex. On the initial appeal from the petitioner, the Assessor's Office made adjustments due to neighborhood factors. However, after photos were taken of the interior of the subject property, the Assessor's Office concluded that a mistake was made, and the subject property, was in fact identical to the neighboring condo units which would change the analysis to a stipulation.

Petitioner's Case: Petitioner, Ryan, was not present for the discussion. The petitioner previously discussed the condition of the subject property to the neighboring condos within the same complex and questioned why the subject property held a higher value. There was further clarification from interior photos taken by the Assessor's Office, determining the value on the subject property due to the fact that the petitioner felt the units were identical inside.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, accept the stipulated value of CBOE #37 in the amount of $332,500. Motion carried unanimously.

CBOE #38
John Ferrell

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. Spicer re-stated that the condo units did overlook the courtyard. Supportive of the Assessor's analysis. In response to Ferrell's comments, Spicer explained that the view and the grade of the unit plays a role in the valuation and believes the subject property is accurately valued due the analysis of comparing the sales of the units.

Petitioner's Case: Petitioner, Ferrell, was present for the discussion via conference call. Ferrell does not believe his property received a fair valuation based on location, views, and square footage in comparison to surrounding properties. Ferrell believes the method of the assessment was flawed and the price per square foot of his unit should be valued lower than those of the surrounding properties. According to Ferrell, and referencing a comparable property within the complex, 501 south, (which the petitioner believed to be the premier property in the whole complex) Ferrell stated that the value of his unit was irrational.

There was discussion on the subject condo unit being sold through a lottery. The CBOE explained why this method of sale would skew the evidence Ferrell provided. Historically, a much larger square footage, even if the quality is higher, does not always sell for more per square footage than a smaller unit. Chairperson Swenson clarified to Ferrell that no certain individual receives special treatment in Gunnison County, and each property is equitably valued. Considering overall property values, the larger units/buildings in Mt. Crested Butte dived farther and deeper than smaller units during the recession. Based on the previous comment made by Chairperson Swenson, the CBOE explained to the petitioner, that because he had a smaller unit it is recovering faster than larger units.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to deny CBOE #38. Motion carried unanimously.

CBOE #39
Paul Sparrow

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials and believed the subject property was appropriately valued. There was discussion on the square footage of the subject property and the locational differences of the condo units within the complex. There was also a 185 foot square foot discrepancy for the subject property compared to the Assessor's measurements and would recommend making an adjustment based on the square footage difference. In order to make the adjustment, the Assessor's Office recommended re-measuring the subject property to correspond with the adjustment. Spicer clarified that there was an upward trend in Skyland of 40% from the beginning of the time frame of two years of time adjusted sales. Spicer discussed with Sparrow that the state does audit the overall assessments when referencing time adjusted sales and the time trend.

Petitioner's Case: Petitioner, Sparrow, was present for the discussion via conference call. There was discussion on the 185 square feet of Sparrow's property that was an inaccurate measurement of the total square footage of the subject property. In reference to the layout diagram of the subject property, the petitioner explained to the Assessor's Office that the square footage of the second floor was not correctly measured and was configured differently Sparrow explained that he performed a cost per square foot analysis to determine his property of $475,200 as the total assessed value. In reference to the time adjusted sales price, Sparrow questioned whether the data was completely accurate because it was taken from 2011 and 2012.

The CBOE discussed the time adjusted sales price with the petitioner and explained there was state requirements the Assessor had to follow when conducting research for any property. The CBOE informed Sparrow, that Skyland was considered to be in its own Econ Area and in the time frame of assessments, prices were increasing 1.75% per month. The CBOE was in agreement with Spicer in regards to the square footage adjustment made to the subject property.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #39 from $530,320 to $478,440. Motion carried unanimously.

CBOE #13
Jerome Denton (Re-Visit)

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials. The Assessor's Office is suggesting a 25% obsolescence adjustment applied to the improvement of the subject property. In turn, the total value of Denton's property would change to $149,120.

Petitioner's Case: Petitioner, Denton, was not present for the discussion because it was a re-visit from his July 21, 2015 hearing.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of CBOE #13 from $ 185,870 to $149,120 and **Move** approval of a neighborhood adjustment in the amount of 25%. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of R001121 from $97,750 to $84,080. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of R044619, R044620, R044621, and R044622 from $131,220 to $98,410. Motion carried unanimously.

CBOE #14
Harold Webb (Re-Visit)

Assessor's Case: The Assessor's Office recommended to adjust the value downwards by 40% to recognize the lack of utilities previously stated in Webb's hearing on July 21, 2015. This adjustment would affect the values of the other units in the same area.

Petitioner's Case: Petitioner, Webb, was not present for the discussion because it was a re-visit from his July 21, 2015 hearing.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to re-value CBOE #14 from $143,400 to $86,060. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of R013558 from $110,300 to $66,180. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of R013565 from $75,600 to $45,360. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of R013588 from $36,450 to $21,870. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of R013559 from $87,750 to $52,650. Motion carried unanimously.

Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value of R013453 from $92,250 to $55,350. Motion carried unanimously.

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Moved by Commissioner Chamberland, seconded by Commissioner Houck, to adjust the value ofR013599 from $64,690 to $38,810. Motion carried unanimously.

CBOE #11
Chris Kaskow (Re-Visit)

Assessor's Case: Spicer described the subject property and the examples provided in the packet materials and believes the subject property is accurately valued. Spicer clarified that a mass appraisal approach must be performed in order to ensure every property is equitably valued.

Petitioner's Case: Petitioner, Kaskow, was present for the discussion via conference call. Kaskow discussed the materials he supplied in the packet materials. Kaskow mentioned there was a re-finance and an appraisal done on the subject property in February 2015 and that the appraisal came in at $850,000. There was discussion in regards to the assessed value in comparison to the appraised value that was completed in 2015.

The CBOE discussed with Kaskow that there was not accurate data collected yet between the timeframe from June 30, 2015 to the current date 2015. This being said, there was no justifiable data on how much values increased or decreased. Clarification was made on how the CBOE has to treat each property equally using the mass appraisal method.

Moved by Commissioner Houck, seconded by Commissioner Chamberland, to reaffirm the denial of CBOE #11. Motion carried unanimously.

ADJOURN: **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland, to adjourn the meeting. Motion passed. The July 24, 2015 meeting of the Board of Equalization adjourned at 12:12 pm.

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_____
Paula Swenson, Chairperson

_____
Phil Chamberland, Vice-Chairperson

_____
Jonathan Houck, Commissioner

Minutes Prepared By:

_____
Bre Shelton, Deputy County Clerk

Attest:

_____
Kathy Simillion, County Clerk

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