Received
County Administration
9/21/17

2017 PERSONAL 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 31, 2017
Phone: (970) 641-1085
Fax: (970) 641-7920
Email: assessor@gunnisoncounty.org
Website: http://www.gunnisoncounty.org/assessor.html

CBOE # 212

ACCOUNT NUMBER	TAX YEAR	TAX AREA	PARCEL NUMBER
P050061	2017	703	3185

PROPERTY OWNER	LEGAL DESCRIPTION
MOUNTAIN COAL COMPANY LLC ATTN JOYCE BRADLEY 1 CITYPLACE DR STE 300 SAINT LOUIS, MO 63141-7066	PP: PLANT SITE

PROPERTY CLASSIFICATION		PROPERTY OWNER'S ESTIMATE OF VALUE	ASSESSOR'S VALUATION	
			ACTUAL VALUE PRIOR TO REVIEW	ACTUAL VALUE AFTER REVIEW
Personal Property			70,076,900	44,739,360
	TOTALS		$70,076,900	$44,739,360

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.

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.

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

CBOE # 212

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/baa

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, 2016? (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.)

$ 38,475,143

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.)

Please see attached

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	Telephone Number	Date
	(314) 994.2742	9/15/17

*Attach letter of authorization signed by property owner.

ArchCoal

EXHIBIT A
Page 1 of 2

CBOE #212

September 15, 2017

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

Administration Board:

Re: Mountain Coal Company LLC
2017 Value Determination Appeal
Account Number: P050061

We respectfully protest the values shown on our 2017 Personal Property Notice of Determination. The findings of our estimate of value is based on the following:

1. We believe the economic obsolescence factor should be 30%, not 21%.

   Factors used in determining the in-utility economic adjustment allowance of 21%. The exponent or scale factor of ".6" assumes the average capacity of the mine is at 60% of maximum capacity. Current mine maximum capacity is 7,700,000 tons produced per year. Maximum capacity assumes 1.5 12 hr. production shifts per day with a 3-week long wall move. These numbers are based off our highest production years.

   Years 2011-2014 best reflect the average capacity. The average tons produced for years 2011 – 2014 was 6,425,510. Based on the above, our scale factor should be .83448 (6,424,510/7,700,000), not ".6". Please note, we omitted 2015 from the average capacity calculation as tons produced in 2015 (5,209,116) were impacted by the economic downturn and not indicative of a normal year in an average economy.

   Usage for the calculation (Capacity B) is 2016 tons (4,186,189) and average capacity (Capacity A), as stated above, is 6,425,510. Plugging the variables into the in utility formula derives an economic obsolescence adjustment of 30.062%, or 30%.

2. Real property currently listed in error as personal property.

3. Our rolling stock is used in extremely rough terrain and for excessive hours (beyond the normal usage of equipment of this type). Therefore, we believe the in-utility economic adjustment should be applied when calculating the value of these items.

Arch Coal, Inc.
One CityPlace Drive, Suite 300
St. Louis, MO 63141

office: 314.994.2700

archcoal.com

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CBOE # 212

4. The values shown on our Ram Cars should be adjusted to agree with current market values.

The statements provided above and on attached documents are true and complete to the best of our knowledge.

We respectfully request that the values currently shown in the 2017 Personal Property Notice of Determination be adjusted to agree with the values we have listed in the attached worksheets.

We greatly appreciate your consideration of the statements listed above.

If you have questions or need additional information, please contact me or Deborah Ranch (314) 994-2967, dranch@archcoal.com.

Regards,

Douglas L. VanderKraats
Vice President, Tax
dvanderkraats@archcoal.com
314.994.2742

Enclosures

Received
County Administration
9/21/17

2017 PERSONAL 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 31, 2017
Phone: (970) 641-1085
Fax: (970) 641-7920
Email: assessor@gunnisoncounty.org
Website: http://www.gunnisoncounty.org/assessor.html

CBOE #213

ACCOUNT NUMBER	TAX YEAR	TAX AREA	PARCEL NUMBER
P070424	2017	703	

PROPERTY OWNER	LEGAL DESCRIPTION
MOUNTAIN COAL COMPANY LLC ATTN JOYCE BRADLEY 1 CITYPLACE DR STE 300 SAINT LOUIS, MO 63141-7066	PP: WASHING PLANT

PROPERTY CLASSIFICATION	PROPERTY OWNER'S ESTIMATE OF VALUE	ASSESSOR'S VALUATION	
		ACTUAL VALUE PRIOR TO REVIEW	ACTUAL VALUE AFTER REVIEW
Personal Property		11,553,580	8,877,100
TOTALS		$11,553,580	$8,877,100

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.

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.

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APPEAL PROCEDURES

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

CBOE # 213

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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:

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Denver, CO 80203
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Contact the District Court in the county where the property is located. See your local phone book for the address and telephone number.

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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, 2016? (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.)

$ 6,376,983

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.)

Please see attached.

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

(314) 994.2742
Telephone Number

9/15/17
Date

*Attach letter of authorization signed by property owner.

ArchCoal

EXHIBIT A
Page 1 of 2

CBOE #213

September 15, 2017

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

Administration Board:

Re: Mountain Coal Company LLC
2017 Value Determination Appeal
Account Number: P070424

We respectfully protest the values shown on our 2017 Personal Property Notice of Determination. The findings of our estimate of value is based on the following:

1. We believe the economic obsolescence factor should be 30%, not 21%.

   Factors used in determining the in-utility economic adjustment allowance of 21%. The exponent or scale factor of ".6" assumes the average capacity of the mine is at 60% of maximum capacity. Current mine maximum capacity is 7,700,000 tons produced per year. Maximum capacity assumes 1.5 12 hr. production shifts per day with a 3-week long wall move. These numbers are based off our highest production years.

   Years 2011-2014 best reflect the average capacity. The average tons produced for years 2011 – 2014 was 6,425,510. Based on the above, our scale factor should be .83448 (6,424,510/7,700,000), not ".6". Please note, we omitted 2015 from the average capacity calculation as tons produced in 2015 (5,209,116) were impacted by the economic downturn and not indicative of a normal year in an average economy.

   Usage for the calculation (Capacity B) is 2016 tons (4,186,189) and average capacity (Capacity A), as stated above, is 6,425,510. Plugging the variables into the in utility formula derives an economic obsolescence adjustment of 30.062%, or 30%.

2. Real property currently listed in error as personal property.

The statements provided above and on attached documents are true and complete to the best of our knowledge.

Arch Coal, Inc.
One CityPlace Drive, Suite 300
St. Louis, MO 63141

office: 314.994.2700

archcoal.com

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CBOE #213

We respectfully request that the values currently shown in the 2017 Personal Property Notice of Determination be adjusted to agree with the values we have listed in the attached worksheets.

We greatly appreciate your consideration of the statements listed above.

If you have questions or need additional information, please contact me or Deborah Ranch (314) 994-2967, dranch@archcoal.com.

Regards,

Douglas L. VanderKraats
Vice President, Tax
dvanderkraats@archcoal.com
314.994.2742

Enclosures