

The Board of County Commissioners met in special session on July 18, 2006. Those present for the session were Heidi M. Albritton, Chair; Don Batchelder, Member; Kristi R. Westfall, Member; Connie I. Hunt, County Administrator; Mary Deganhart, County Attorney; and Linda Munson-Haley, Clerk of the Board.

- **Note – This meeting was recorded for reference purposes.**

A. 10:00 The Board of County Commissioners convened as the Board of Equalization to consider the following property valuation appeals:

1. Property Owner: Fairway Pines Golf Partners, Ltd.
Schedule Number(s): R002734 and R004851

Susie Mayfield, County Assessor, and Doris Johnson, Chief Deputy Assessor/Chief Appraiser, were present. Curt Settle with the Division of Property Taxation was present on behalf of the County. Jeffrey M. Monroe, President of Tax Profile Services, Inc., was present on behalf of Fairway Pines Golf Partners, Ltd.

Commissioner Albritton convened the hearing, explained the process to be followed, and the Deputy Clerk of the Board swore in all present who would be offering testimony.

Jeffrey M. Monroe entered a letter of agency from Strategic Real Estate Group (Petitioner Exhibit A-1) authorizing Tax Profile Services to act as agent for Fairway Pines Golf Course for 2006. He identified himself and presented his credentials. Mr. Monroe entered into evidence backup documents (Petitioner Exhibit A-2) that included, among others, a Statement of Agency from Fairway Pines Golf Partners, Ltd. authorizing Tax Profile Services, Inc. to represent them; a document titled "Income Approach: Direct Income Capitalization Based Upon Actuals;" Fairway Pines Golf Partners, Ltd. Profit and Loss Statements for 2004 and 2005; a Combined Income Statement for 2003; and a Board of Assessment Appeals determination finding for the Petitioner, Redcliff Development Inc., against La Plata County Board of Equalization. Mr. Monroe presented his case for the use of the income approach. A daily fee golf course should be valued by the income approach.

Doris Johnson, Chief Deputy Assessor/Chief Appraiser, provided the Board with supporting documents for her valuation (Assessor Exhibit A-1) and noted a typographical error in reference to one of the schedule numbers in her letter dated July 17, 2006. She recommended that the value remain at \$1,482,270 and deferred further explanation to Curt Settle.

Curt Settle introduced himself as the Manager of the Appraisal Standards Section of the Division of Property Taxation. Mr. Settle is considered an expert on the methodology for valuing golf courses. He provided the Board with a document showing the income and expenses for Fairway Pines Golf Course for the 2003 and 2004 season (State Exhibit A-1). He explained that Ms. Mayfield and Ms. Johnson sent him the annual operating statements for 2003 and 2004 and asked him to look at the actual income statements, as well as the Petitioner's stabilized income statement. Mr. Settle proceeded to compare his figures line by line to the figures in Petitioner Exhibit A-1 and pointed out what he saw as inaccuracies and items that would raise "red flags." To conclude, he challenged that the owner's value estimate was "so low as to be outside of the realm of being reasonable" and noted that the small changes he pointed out per line item would have a cumulative effect on the total.

The Commissioners had several questions for Mr. Monroe.

Mr. Monroe explained that three different accounting systems were used for the past three years and that the expenses were probably not categorized correctly. He pointed out that the decline in the number of rounds was continuing but that the course was holding its own. Mr. Monroe noted that the property had been built in order to sell the surrounding residential properties but that it is not residential.

Commissioner Albritton asked Mr. Monroe if he could counter Mr. Settle's claims of inaccuracies and provide an explanation. Mr. Monroe replied that had he known of the questions beforehand, he would have been better prepared to address the questions.

Commissioner Albritton asked Mr. Settle if he agreed with Mr. Monroe that the appropriate approach to use would be the income approach. Mr. Settle agreed that it would be appropriate for a golf course given the correct information.

Commissioner Batchelder discussed the details of Ms. Johnson's calculations and that the valuation she was recommending was arrived at by using a multiplier that was actually lower than the lowest multiplier she had originally arrived at. Ms. Johnson indicated in Assessor Exhibit A-1 that she had spoken to Larry Murphy, the manager and golf pro of Fairway Pines, and discussed with him that she was willing to leave the value at the 2003 level due to problems with the subdivision, to which he agreed.

M/S/P—Commissioner Batchelder explained that based on the information presented at this hearing it appears that the only reliable information is the Assessor's determination and concurrence with the manager on keeping it as it was in 2003 at the 1.4 level. There was no evidence presented that would compel him to change his mind. Commissioner Batchelder moved to deny. Commissioner Westfall seconded the motion based on the same information with the manager of the golf course and that the figures the Assessor is relying on date back to 2001 and the valuation has remained the same even though the greens fees have increased. There was no further discussion. Motion passed unanimously.

The Petitioner asked to make a comment. He noted that it is very unusual to have the County Commissioners sit as the Board of Equalization almost anywhere in the state of Colorado and how much their individual efforts and energies towards the taxpayers are appreciated.

Commissioner Albritton closed the hearing.

11:23 Commissioner Albritton adjourned the special session:

**All Board of Equalization exhibits are maintained in the Board of Equalization files.*

OURAY COUNTY BOARD OF COUNTY COMMISSIONERS
ACTING AS THE BOARD OF EQUALIZATION
OURAY, COLORADO

ATTEST:

Michelle Nauer, County Clerk and Recorder

Heidi M. Albritton, Chair

Don Batchelder, Member

By: _____
Linda Munson-Haley,
Deputy Clerk of the Board

Kristi R. Westfall, Member