

The Board of County Commissioners met in special session on August 6, 2007. Those present for the session were Don Batchelder, Chair; Heidi Albritton, Vice-Chair; K. Keith Meinert, Member; Mary Deganhart, County Attorney; Connie I. Hunt, County Administrator; and Linda Munson-Haley, Deputy Clerk of the Board.

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

4:35 The Board of County Commissioners convened as the Board of Equalization to consider the following property valuation appeals: (originally scheduled for 4:00)

Commissioner Batchelder convened the Board of Equalization and opened the public hearing.

**A. Property Owner: Clark E. Bussey
Schedule Number: R004797**

Alan Bussey was present. Susie Mayfield, County Assessor; Raelene Freier, Chief Deputy Appraiser; and Dennis Michaud, Deputy Appraiser, were present for the Assessor's Office. All of the parties listed here were sworn in by the Deputy Clerk of the Board.

Commissioner Batchelder explained the hearing procedures, acknowledged a handwritten note from Clark E. Bussey (*Petitioner Exhibit A-1*) and an email dated July 27, 2007 from Heather Bussey Patterson that included photos of an adjacent property and the Bussey home (*Petitioner Exhibit A-2*) for the record, and took testimony from the Petitioner.

Alan Bussey referred the Board to the photos provided by his niece of an adjoining property and discussed how trash on that property affects the value of his property. He noted that the Petitioner was not protesting the other sites, simply the fact that this adjoining property has a significant bearing on the Petitioner's property.

Susie Mayfield, County Assessor, submitted a packet of information that included a letter dated August 3, 2007; maps showing current land values and vacant land sales; an aerial map of the subject property and adjoining property; and the Property Record Card for Schedule Number R004797 (*Assessor Exhibit A-1*) that supported the Assessor's valuation of \$421,960 for the land and improvements for a total of \$509,970. She pointed out that similar adjoining and nearby properties were valued at \$26 per acre while the Bussey property was appraised at \$11 per acre.

Raelene Freier described the parcel as having unrestricted views and explained that the Assessor has to consider the salability of similar parcels and, thus, considered Pleasant Valley properties because of similar views, terrain, and desirability, even though smaller parcels.

Mr. Bussey suggested that the closest comparable property would be the Bunton property at \$11.4 per acre and they do not have to look at trash. Ms. Mayfield advised the Board that the Bunton property could not be used as a qualified sale because it was agricultural.

M/S/P—Motion was made by Commissioner Meinert and seconded by Commissioner Albritton to deny the petition on the basis of what was presented to them that the property in the area had been valued at over two times the value of the Bussey property on a per acre basis, and that any discounting for unsightly adjoining properties had more than adequately been taken into consideration, and to uphold the Assessor's valuation of \$509,970 for Schedule Number R004797. The Board was polled as to individual votes on the motion with the following results.

Commissioner Batchelder - yes
Commissioner Albritton - yes
Commissioner Meinert – yes

With no further discussion, the motion passed unanimously.

**B. 4:54 Property Owner: PVKR LLLP, c/o Karen Avery (originally scheduled for 4:45)
Schedule Number: R000746**

Karen Avery was present and was sworn in by the Deputy Clerk of the Board. Susie Mayfield, County Assessor; Raelene Freier, Chief Deputy Appraiser; and Dennis Michaud, Deputy Appraiser, were present for the Assessor's Office.

Commissioner Batchelder explained that the Assessor and her Staff had previously been sworn in, explained the hearing procedures, acknowledged a letter dated July 26, 2007 from Karen Avery (*Petitioner Exhibit B-1*) for the record, and took testimony from the Petitioner.

Karen Avery explained that her dispute was on the land valuation. She distributed a presentation (*Petitioner Exhibit B-2*) and explained that she and her husband bought the business on May 1, 2007. She discussed her methodology of looking at thirteen hotel/motel properties in Ouray and her research discovered that some of the properties were allocated on a square footage basis and three on a lot basis. Ms. Avery continued to go through her presentation. She concluded by explaining that at least 10% or 15% of their land is an easement for the main city water line. She pointed out that it was not a recorded easement. She provided information on every motel in Ouray that included a summary and property sales.

Susie Mayfield, County Assessor, submitted a packet of information that included a letter dated August 6, 2007, a spreadsheet of other motels in Ouray and pertinent information, and Property Record Cards for the subject property and the Twin Peaks Motel (*Assessor Exhibit B-1*). She acknowledged that Ms. Avery had brought up some good points and noted, in particular, a discrepancy in the land size of the Twin Peaks. Ms. Mayfield researched the deeds and

confirmed the discrepancy. She explained that she had not made a recommendation because her office may need to change square footage and or revalue other motels accordingly. She noted that the North Ouray Corridor was valued differently from the City of Ouray, even though in direct competition. The land on Ms. Avery's account had been adjusted down 10%. Ms. Mayfield discussed the spreadsheet she had put together and how some of the properties were valued at per square footage and others by lot size, and explained how others would be changed to reflect valuing all at the per square footage rate.

Commissioner Albritton asked Ms. Mayfield what her recommendation would be given the implications of what adjusting the properties would entail. Ms. Mayfield replied that the office would at least correct the Twin Peaks, adding that all commercial land components are valued at \$23 per sq. ft. for the land.

A discussion followed as to location differences, usability and buildability, foot traffic, etc.

5:51 Commissioner Batchelder recessed briefly to refigure the numbers and reconvened at 5:56:

M/S/P—Motion was made by Commissioner Batchelder and seconded by Commissioner Albritton to grant the petition in part on Schedule Number R005383 such that the valuation of the property decreased from \$2,770,860 to \$2,448,589.50 premised on the fact that there was acreage that testimony had indicated to the BOE that was practically and physically difficult to utilize. Discussion. The methodology utilized was that the land that was practically and physically difficult to impossible to use was valued at one-half of the regular commercial land value rate. The Board was polled as to individual votes on the motion with the following results.

Commissioner Batchelder - yes
Commissioner Albritton - yes
Commissioner Meinert – yes

With no further discussion, the motion passed unanimously.

**C. 6:02 Property Owner: Craig E. Hinkson (originally scheduled for 5:30)
Schedule Number: R005383**

Craig Hinkson was present and was sworn in by the Deputy Clerk of the Board. Susie Mayfield, County Assessor; Raelene Freier, Chief Deputy Appraiser; and Dennis Michaud, Deputy Appraiser, were present for the Assessor's Office.

Commissioner Batchelder explained that the Assessor and her Staff had previously been sworn in, explained the hearing procedures, acknowledged a letter dated July 30, 2007 from Craig E. and Christina L. Hinkson (*Petitioner Exhibit C-1*) for the record, and took testimony from the Petitioner.

Craig Hinkson explained that "The Cave" was supposed to be a storage facility all along. He contended that water drips through it, that it is not heatable, and has a concrete floor in one half and a gravel floor in the other half. It does have lights, a kitchen, and a bathroom facility, etc., but he argued that it was almost as much an outdoor as an indoor space. Developing the space cost about \$33/sq. ft. He spoke to the uniqueness of "The Cave" and asked what the Assessor based the comparables on.

Susie Mayfield explained that it had been valued as a detached garage and distributed copies of a letter dated August 6, 2007 that included a photo and the Property Record Card for the subject property (*Assessor Exhibit C-1*).

Raelene Freier, Chief Deputy Appraiser, described "The Cave" as being 10,000 sq. ft. with two stone pillars and ten bays coming off the main section. Each bay housed different things such as a motor home, a kitchen, etc. There was high intensity lighting in the ceiling with high voltage outlets and plumbing. She added that there was a lot of room there. When she researched how it had been valued in the past she discovered that it had originally been valued in 2006 as two separate components, one as a residential detached garage and one as a special feature detached garage called an earth home with a value of \$279,020. She did a site visit at the end of June and talked with the Department of Property Taxation (DPT) who recommended calling Rocky Mountain Valuation Specialists who gave her ideas on how to value the special feature. She spoke with Dennis Moyer at the City of Ouray who was not able to find a record for a specific building permit on a cave. She talked with the Chief Appraiser in Mesa County about earth houses and discussed functional obsolescence. Because it is part of a residential structure, she was not sure what to do with it. She pointed out that it could conceivably be sold separate from the residence, so she was assessing it on a residential basis.

Craig Hinkson reiterated that the humidity levels range between 85% and 135%, rendering it unusable for delicate storage, and that only about 55% of the square footage was concrete.

Commissioner Batchelder suggested that the approach taken by the Assessor's Office that it was basically an unfinished garage was a reasonable approach to finding a value. Testimony indicated that it leaked. Taking off the roof and 50% of the floor would roughly constitute 24% of the value of a garage if constructed, so he suggested valuing "The Cave" at \$20/sq. ft. as opposed to \$27/sq. ft., or by taking functional obsolescence into consideration, reducing it by half.

M/S/P—Motion was made by Commissioner Meinert and seconded by Commissioner Albritton to grant the petition in part for Schedule Number R005383, reducing the valuation of "The Cave" structure from the current valuation of \$270,140 to a value of \$135,070 based on devaluation from \$27/sq. ft. to \$13.50/sq. ft., thereby adjusting the total value from \$1,483,220 to \$1,348,150. The Board was polled as to individual votes on the motion with the following results.

Commissioner Batchelder - yes

Commissioner Albritton - yes
Commissioner Meinert – yes

With no further discussion, the motion passed unanimously.

**D. 6:37 Property Owner: C.L. Jackel (originally scheduled for 6:15)
Schedule Number: R001659**

C.L. Jackel was present and was sworn in by the Deputy Clerk of the Board. Susie Mayfield, County Assessor; Raelene Freier, Chief Deputy Appraiser; and Dennis Michaud, Deputy Appraiser, were present for the Assessor's Office.

Commissioner Batchelder explained that the Assessor and her Staff had previously been sworn in, explained the hearing procedures, and took testimony from the Petitioner.

Curt Jackel presented a note to the Commissioners that included a number of comparable properties (*Petitioner Exhibit D-1*), read from the exhibit and discussed the comparables.

Susie Mayfield, County Assessor, submitted a packet of information that included a letter dated August 3, 2007, a spreadsheet and map of comparables, a list of Whispering Pines Subdivision Values, and the Property Record Cards for the subject property and the other comparable properties (*Assessor Exhibit D-1*). Ms. Mayfield read from her letter and discussed the spreadsheet, summarizing that the Appraisers felt that the home was in above average condition with depreciation as of 1981.

Ms. Jackel questioned why the Assessor rated her home above average and in good condition while a house up the road, a log house that was built by the same builder, was considered average. Ms. Mayfield explained that the quality reflected how it was built and the condition described how it had been kept up. Ms. Freier explained the difference between average and above average condition. An average house looks lived in and may need repairs. Above average reflects more of a pride in ownership, well-maintained, with no tears in the carpet.

Commissioner Albritton recommended changing the condition of the residence to average, based on the testimony.

Ms. Jackel asked if encroachment changed the value of a property. Ms. Mayfield asked if it had been documented. Ms. Jackel replied that it had. Ms. Mayfield asked to see it.

7:05 Commissioner Batchelder recessed and reconvened at 7:11:

M/S/P—Motion was made by Commissioner Albritton and seconded by Commissioner Meinert to grant the petition and change the condition of the house to average, thereby lowering the value from \$301,200 to \$278,220. The Board was polled as to individual votes on the motion with the following results.

Commissioner Batchelder - yes
Commissioner Albritton - yes
Commissioner Meinert – yes

With no further discussion, the motion passed unanimously.

7:12 Commissioner Batchelder adjourned the special session.

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

ATTEST:

Don Batchelder, Chair

Heidi M. Albritton, Vice Chair

Michelle Nauer, County Clerk and Recorder
By: Linda Munson-Haley, Clerk of the Board

K. Keith Meinert, Member