BOARD OF EQUALIZATION MINUTES
GILA COUNTY, ARIZONA

Date: November 13, 2012

TOMMIE C. MARTIN
Chairman

SHIRLEY L. DAWSON
Vice-Chairman

MICHAEL A. PASTOR
Member

JOHN F. NELSON
Clerk of the Board

By: Marian Sheppard
Chief Deputy Clerk

Gila County Courthouse
Globe, Arizona

PRESENT: Tommie C. Martin, Chairman (via phone); Shirley L. Dawson, Vice-Chairman (via ITV); Michael A. Pastor, Assessor (via ITV); Hazel Dillon, Chief Deputy Assessor (via ITV); Larry Huffer, Chief Appraiser (via ITV); Don McDaniel, Jr., County Manager (via ITV); and Marian Sheppard, Chief Deputy Clerk.

Item 1 – Call to Order

At the request of Chairman Martin, Vice-Chairman Dawson chaired this meeting with Chairman Martin participating by phone. Chairman Dawson called the meeting to order at 1:35 p.m. this date in the Board of Supervisors' conference room at the Payson Administrative Building.

Item 2 – REGULAR AGENDA ITEMS:

A. **1:30 P.M. - Information/Discussion/Action regarding two Petitions for Review of Notice of Change filed for tax year 2013 that were submitted by Steven Rodgers for tax parcel numbers 206-24-013 and 206-24-015.**

As Mr. Rodgers was not present for this hearing, Chairman Dawson called on Larry Huffer, Chief Appraiser, to present his case. Mr. Huffer advised that he would first address parcel -013. The property was initially valued by the cost approach to value. After receiving the petition, Mr. Huffer used an income approach to value method. He later looked at neighborhood sales and came to the conclusion that the value should be adjusted. He added that this was not only his opinion, but it was the opinion of other appraisers. This parcel has a detached garage with a room above that is 80% complete and in the future the room above the garage will be a residence. Mr. Huffer recommended adjusting the full cash value to $24,545 with a legal class 3. Mr. Huffer advised that normally a garage would be a legal class 2; however, Mr. Rodgers has signed a document to

combine parcels -013 and -015. Parcel -015 contains Mr. Rodgers' primary residence and at the time the parcels are combined, parcel -013 will be a legal class 3 instead of a legal class 2.

Mr. Huffer advised that both parcels are located on Byrd Street in a less than desirable neighborhood. Parcel -015 has a two-story concrete adobe structure that was previously was only concrete walls, a rotted floor structure and a collapsed roof. Mr. Rodgers is building the structure into a triplex. He lives in the top unit and rents out the two lower units. The structure has a total of 2,050 square feet. Mr. Huffer recommended adjusting the full cash value to $68,500 with a mixture of legal class 3 and legal class 4.

At this time Chairman Dawson advised that a separate motion should be taken on each property. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on parcel number 206-24-013 to $24,545 with a legal class 3.

Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on parcel number 206-24-015 to $68,500 with a mixture of legal class 3 and legal class 4.

Chairman Dawson advised that agenda item 2F would be addressed next.

F. **Information/Discussion/Action regarding parcel numbers 302-41-030D, 201-10-003, 305-35-001G, 204-05-168, 305-21-009M, 301-07-188 and 302-11-035C to approve the Assessor's determination of value of these parcels. The owners accepted the Assessor's adjusted 2013 values of these parcels.**

Mr. Huffer provided information on each of the parcels listed on this agenda item with the adjusted values that have been agreed to by the property owner and the Assessor's Office.

Parcel No. 302-41-030D – A Notice of Change was issued on this property because 3 parcels were combined into 1 parcel with one of the previous parcels containing a large water retention pond. Upon further review, the Assessor's Office reduced the land Full Cash Value due to a review of the land size at 2.32 acres and the usable area of the land. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on this parcel to $151,877, with a legal class 3 and 10% assessment ratio.

Parcel No. 201-10-003 – A Notice of Change was issued on this property because an Affidavit of Affixture Mobile Home was added to the real property. A few items were placed on the tax roll that should not have been

placed on the tax roll until 2014 due to a statutory time frame. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on this parcel to $48,260, with a legal class 0401 (due to the property being a non-primary residence) and a 10% assessment ratio. The 2013 full cash value has been adjusted by only adding the full cash value of the Affidavit of Affixture Mobile Home to the real property value. The other improvements that were not previously on the Gila County tax roll will be added for the tax year 2015.

Parcel No. 305-35-001G – A Notice of Change was issued on this parcel because one of the County appraisers thought the property was 75% complete when, in fact, it was later discovered that the completeness of the house has not changed from the last time it was appraised at 50% complete. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on this parcel to $38,159 with a legal class 0401 (due to the property being a non-primary residence) and a 10% assessment ratio.

Parcel No. 204-05-168 – A Notice of Change was issued on this parcel because it had an Affidavit of Affixture Mobile Home and upon further review, the Assessor's Office decided the full cash value should be adjusted based on the purchase price of the property in March 2012 for $50,000. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on this parcel to $50,000 with a legal class 0401 (due to the property being a non-primary residence) and a 10% assessment ratio. This full cash price will be for tax years 2013 and 2014 unless there is a change to the property.

Parcel No. 305-21-009M – A Notice of Change was issued on this parcel because it was thought that the property was further completed than when it was last reviewed. Upon further review, the Assessor's Office determined that the completeness of the house has not changed; it is still 50% complete. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on this parcel to $113,265 with a legal class 0401 (due to the property being a non-primary residence) and a 10% assessment ratio.

Parcel No. 301-07-188 – A Notice of Change was issued on this parcel due to the house being renovated. The appraiser determined that the house is 50% complete; however, the amount was accidentally entered into the computer as being 100% complete. Even though the property owner initially appealed the property value at $35,000 as that was the original purchase price, an agreement was later reached with the Assessor to value the house at $56,428. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the full cash value on this parcel

to $56,428 with a legal class 0401 (due to the property being a non-primary residence) and a 10% assessment ratio.

Parcel No. 302-11-35C – A Notice of Change was issued on this parcel because two half lots were combined into one parcel. The property owner did not dispute the full cash value of $43,435; however, an appeal of a 16% assessment ratio is being presented to the Board of Equalization. Upon further review, it was discovered that the appraiser was unaware that an 850 square foot house sits on this property. The Assessor's Office has updated the legal class on this property to 0401, a non-primary residence, with a 10% assessment ratio. The value of the house is currently not on the Gila County tax roll for tax year 2013, so a Notice of Correction will be mailed to the property owner before December 31, 2012, to add the value of the house to the full cash value of this parcel. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously adjusted the assessment ratio on this parcel from 16% to 10%, and the full cash value of $43,534 and 10% assessment ratio will remain unchanged.

Supervisor Martin wanted the record to show that the property owners have accepted these values. Chairman Dawson then proceeded to read aloud each parcel number listed as agenda item 2F and she asked for a motion to state that each of the parcels listed were reevaluated by the Assessor's Office and that the property owners have agreed to the established values. Supervisor Martin made the motion as stated by Chairman Dawson, which was seconded by Supervisor Pastor and unanimously approved by the Board.

B. **2:10 P.M. - Information/Discussion/Action regarding a Petition for Review of Notice of Change filed for tax year 2013 that was submitted by Ronald Roehrborn for tax parcel number 301-61-027.**

Mr. Huffer asked the Board to read a letter submitted by Ronald Roehrborn. He then advised Supervisor Martin that he would be reviewing some pictures and a map of the subject property with the other Board members. Mr. Huffer reviewed information provided by Mr. Roehrborn on a couple of comparable properties. He advised the Board that the properties submitted by Mr. Roehrborn were sold in 2012. Since the valuation date for the 2013 tax year is January 1, 2012, these sales are not applicable for tax year 2013. Mr. Huffer then defended the Assessor's valuation by reviewing all of the information on comparable properties provided by the Assessor's Office. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously upheld the Assessor's full cash value amount of $187,230 on this parcel.

C. **2:30 P.M. - Information/Discussion/Action regarding a Petition for Review of Notice of Change filed for tax year 2013 that was submitted by Richard and Lisa Berry for tax parcel number 301-64-092.**

Chairman Dawson called on Richard (Dick) Berry who participated in this hearing by phone. Chairman Dawson read aloud a letter submitted by Mr. Berry to the Board and she advised him that the Board has pictures of the subject property. Chairman Dawson asked Mr. Berry if he would like to present his case and he replied, "I am throwing myself on the mercy of the Board. The percent increase blew my mind." For the record, Mr. Berry states in his letter that he added a 480 square foot addition to the house and also added a garage and some covered deck area. The 2013 Notice of Change of the improvements showed an increase from $117,513 to $201,125, which is a 71% increase in the value of the improvements. Mr. Berry believes that a 40% increase would be more appropriate. Mr. Huffer than presented his case in defense of the Assessor's opinion of value by reviewing information on comparable properties that sold in 2011 within the Portals Units I, II and III. Mr. Huffer provided some examples of methodology used for valuing improvements. In ending his presentation, Mr. Huffer advised that the subject property is valued at $83.23 per square foot and the median square foot price of the comparable properties is $107.26. At the conclusion of the discussion, Mr. Huffer advised Mr. Berry that if he doesn't agree with the Board's decision, he may submit an appeal to the Arizona Tax Court by the deadline of December 15, 2012. Chairman Dawson asked for a motion. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously upheld the Assessor's full cash value amount of $226,655.

D. **2:50 P.M. - Information/Discussion/Action regarding a Petition for Review of Notice of Change filed for tax year 2013 that was submitted by David and Marjorie Oldenkamp for tax parcel number 302-77-017A.**

Mr. Huffer advised that Mr. and Mrs. Oldenkamp would not be appearing at today's hearing. Their phone number has been temporarily disconnected and Mr. Huffer believes it is because they split their time between two residences. He pointed out that he had conversation with Mrs. Oldenkamp just prior to this appeal being filed. There are 3 aircraft hangers located on the subject parcel, which is located close to the Payson airport. A Notice of Change was issued on this property because a 1,400 square foot building/hanger was added to the property for personal use. When analyzing the value of the property, Mr. Huffer calculated a per square foot price of $10.82 as the new value for the 4,800 square feet hanger. Mr. Huffer advised that he adjusted the full cash value to $399,550 based on a review of the previously constructed hangers, which was nearly the same amount that was submitted on the Oldenkamp's appeal. The current legal class is mixed because some of the aircraft hangers are rented out. The

assessment ratio is 18.3% because Mr. Huffer said the rented hangers are a commercial use. He hopes to talk with Mrs. Oldenkamp in the near future to discuss the use of the other hangers so that the assessment ratio could possibly be adjusted. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously upheld the Assessor's full cash value of $399,550 on this parcel.

E. **3:10 P.M. - Information/Discussion/Action regarding a Petition for Review of Notice of Change filed for tax year 2013 that was submitted by Donald and Claudia Brooks for tax parcel number 302-32-003A.**

Mr. Huffer advised that the owners have 3 contiguous lots and they changed the configuration by separating the properties and combining different lots. 302-32-003A contains two garages, one with a small residence in the rear of the garage. The bottom portion of one of the garages is for personal use and the top portion is partly used for Brooks Drafting, a commercial use. A 600 square foot residence was installed to the former storage area of the other garage resulting in a increase in value. Mr. Huffer talked with Mr. Brooks this past weekend and Mr. Brooks decided not to rent out the new 600 square foot living area and to keep it as a living area for when relatives visit. As a result it was agreed that the legal class would be a mixed legal class 3 and legal class 4 with a small portion being used for commercial. This resulted in a 10.5% assessment ratio. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously upheld the Assessor's adjusted full cash value of $147,561 on this parcel with a mixed legal class 3 and 4 and an assessment ratio of 10.5%

There being no further business to come before the Board of Equalization, Chairman Dawson adjourned the meeting at 2:33 p.m.

APPROVED:

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Shirley Dawson, Chairman

ATTEST:

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Marian Sheppard, Chief Deputy Clerk