

**STATE OF COLORADO
COUNTY OF ROUTT**

**OFFICE OF THE CLERK
July 22, 2019**

Commissioner Beth Melton, Chair, called the meeting of the Routt County Board of Equalization to order. Commissioner Tim V. Corrigan, Commissioner Doug B. Monger, Deputy County Manager Dan Weinheimer, and County Manager Tom Sullivan were also present. Those present recited the Pledge of Allegiance. Deanna Sanchez recorded the meeting and prepared the minutes.

The details of this meeting can be found in the Board of County Commissioners (BCC) Regular Meeting Agenda and Packet for July 22, 2019 document in the Commissioners' Regular Meetings Agendas and Packets section of the Routt County Website, along with the meeting audio.

EN RE: ROUTT COUNTY BOARD OF EQUALIZATION

Gary Peterson, County Assessor; Kevin Krause, and Susan Siggson, County Appraisers; Jay Fetcher and Jon Peddie, Petitioners; were also present.

Commissioner Melton swore-in and advised those present of the rules by which this Board will consider valuations.

Commissioner Melton stated the issue of today's proceeding is property valuation for assessment purposes, not property taxes. No discussion of taxes will be allowed. The Petitioner has the burden of proving, by a preponderance of the evidence, that the Assessor's value is incorrect. Where the comparable sales method is used, state statute provides that the Assessor will determine value based on sales during the 18-month period ending June 30, 2018. Sales may also be considered in 6-month periods immediately preceding the 18-month period, up to 5 years, if there are insufficient sales to obtain accurate comparable valuation data. Smaller Counties commonly use a 24-month period in order to obtain sufficient comparable sales data that better demonstrates the change in value from the prior level of value, June 30, 2016. The 24-month period also eliminated seasonality in the sales data. Routt County uses a 24-month period. The Petitioner and the Assessor should not discuss sales post June 30, 2018, except in cases when it can be demonstrated that a contract for sale was completed prior to June 30, 2018 and closed after June 30, 2018 according to the original contract. Under Colorado law, the present value of your property cannot be considered. The Petitioner shall present his/her evidence first and shall have the opportunity to cross examine the representatives from the Assessor's Office after they have presented their evidence. The decision of this Board may be appealed and we will refer to that after the decision/motion has been made.

R2581441 FETCHER FAMILY PROPERTY

Mr. Fetcher stated his appeal. A house on Burgess Creek Road was recently torn down and valued at \$925,000. In Mr. Fetcher's opinion all properties that have ski slope access off Trails Edge Road were valued at \$2,000,000 and those on the uphill side of Trials Edge Road

were valued at \$925,000 or less. Mr. Fetcher presented a map of the neighborhood his property is on to the Board to help with his case.

Ms. Siggson described the valuation. At the Assessor level appeal the petitioner provided no data on the appeal form, however, Ms. Siggson spoke in person with him regarding the fact that the value on the land had doubled and that there is a restriction on the property limiting it to one residence. Ms. Siggson sought the opinion of Assessor Gary Peterson, as this is a difficult parcel to value due to its size and location. Given these characteristics and discussion of the most comparable data available, the decision was made to retain the land valuation. The house on the parcel is an under-improvement and contributes minimally to the overall value of the parcel. A minor adjustment was made at Assessor-level appeal to further decrease the value associated with this structure. Of the total valuation, \$2,000,000 is allocated to the land, \$192,480 to the structure (which is a 3,150 SF duplex built in 1977 with little modernization). The subject parcel has historically been valued the same as the ski-in/ski-out Lots, due to its size.

Ms. Siggson stated her conclusion. Most weight is placed on Sale 1 in reconciling the subject's valuation. Sale 1 is the most proximal, touches the ski area at one point on its boundary but is substantially smaller than the subject. Its sale price was \$1,950,000 in February 2017, which did not include the cost to demolish the foundation and rebuild. A third party did mention that buyers originally intended to just remodel, but with the demo permit pulled in July 2017, it is unclear if this is true. The subject parcel could be improved with a large custom home. Based on other market data in this area, a 6-7 million single family home, or even a duplex which could command 5M per side, would not be out of the question. The land value of 2M would fall in line with land allocation tests of reasonableness.

The Board discussed the details of this case. Based off of sale 1, the ambiguity around the Lot being ski-in/ski-out or not, the size of the Lot, and the petitioner's lack of evidence, the Board agreed to adjust the valuation.

MOTION

Commissioner Monger moved to deny the petitioner's request, deny the Assessor's level of value, and adjust the values from \$2,000,000 to \$1,500,000 for a total valuation of \$1,692,480 in the matter of R2581441.

Commissioner Corrigan seconded; the motion carried 3-0.

R8164181 PEDDIE, JON

Mr. Peddie stated his appeal. The cost of development on this property would exceed the market value of the property. Mr. Peddie does not own the contiguous parcel to the west on the map provided. Legally and practically, the site is owned by 500 S Lincoln LLC, of which Mr. Peddie is a member but not the sole member. He does not control what can or cannot be done on the site. Due to the topography considerations, Lot 1 Fox Creek to the south on the map

provided is the only possible access but does not economically make sense. The majority of the adjacent property line to the west on the map is occupied by the Service Center Building, and it is not reasonable to assume this building would be demolished. The adjacent area to the north of the Service Center Building has a vertical separation of over 30' according to the attached topographical map. At the south end both topography and YVEA equipment preclude any access. In no way under current planning and engineering standards can access to parcel B be accomplished from the 500 S Lincoln parcel, according to Mr. Peddie.

Mr. Krause defined the property. The subject vacant parcel is located in Emerald Knoll – Peddie Subdivision in central Steamboat near the northeast corner of the Lincoln Avenue and Hilltop Lane intersection. The parcel is irregular in shape and sloping in topography with an approximate 20% grade. The subject parcel is 3.318 acres and is zoned MF-1, Multi-family One. City utilities are either at or near the property line. The subject site is contiguous to Tract A Emerald Knoll Hanely Subdivision to the north, Improved Lots 15, 16 & 17 Emerald Knoll – Peddie Amended to the east, the Common Area Emerald Knoll – Peddie Subdivision to the southeast, Lot 1, Fox Creek Filing 2 to the south and the Sinclair Station to the west (Jon Peddie is a partner).

Mr. Krause described the valuation. The petitioner believes the property is “land-locked” and not a buildable parcel. On the other hand, the Assessor’s Office believes the parcel is accessible, but likely at a cost that may not be considered typical in the market. Therefore, while the property value was significantly increased during the 2019RA, it has been significantly discounted for its ingress/egress issues. The contiguous property to the north of the subject property is owned by Carl Warnke. The petitioner has stated that access is not possible through this parcel due to grade issues. An attempt was made to verify accessibility through Mr. Warnke’s parcel; however, he could not be reached. Therefore, at the time of this report, the Assessor’s Office considers this possible access as questionable. To the east of the subject are 3 improved parcels, therefore, no access is possible. Located just to the south, Lot 1, Fox Creek Filing 2 (R6219136) was purchased by Fox Springs Development, LLC. on August 18, 2017, for \$625,000. During the Assessor level appeal period, one of the developers, Kim Kreissig was contacted. She reported that shortly after the purchase, Jon Peddie and the developers attempted to work out an arrangement for access to the Peddie property. At that time, the developer offered Mr. Peddie two options: access through their newly acquired parcel for \$600,000 or buyout Mr. Peddie for \$250,000. Ms. Kreissig reported that Mr. Peddie declined both offers, but Mr. Peddie now claims it was Ms. Kreissig who declined the offer. It is understood that as of January 1, 2019, (assessment date) this access option was no longer possible. The contiguous parcel to the west of the subject is owned by 500 S. Lincoln, LLC. for which petitioner Jon Peddie is a partner. It is the Assessor’s Office opinion that because Mr. Peddie is part owner of this adjacent parcel, access is possible. A phone call was made to Bob Keenan at City Planning. Mr. Keenan was asked if the physical layout and characteristics of the respective adjacent parcel was conducive to access to the subject parcel. Mr. Keenan replied, “Anything is possible at a cost.” It is the Assessor’s Office opinion that other options may be present. The parking lot parcel situated just to the south of the 500 S. Lincoln, LLC parcel is owned by Yampa Valley Bank and may hold some options, again, “at a price.”

Mr. Krause concluded that the Assessor’s Office understands that accessibility is an issue with the subject property. However, the Assessor’s Office and the petitioner differ in opinion as the petitioner believes there is no possibility of access to the subject property rendering it an “unbuildable” parcel. On the other hand, the Assessor’s Office believes there

may be at least 1 option allowing access and buildability to the parcel. In particular, since the owner of the subject parcel is also an owner partner of the adjacent contiguous parcel to the west, it is possible an arrangement (agreement at a cost) could be made for access to the subject parcel. Furthermore, the Assessor's Office believes the negotiations made between the petitioner and the buyers/developers of the Fox Springs parcel to the south actually bracket the subject's market value. Again, the developer offered Mr. Peddie access for \$600,000. Obviously, this price offer was too high for Mr. Peddie. This is probably because he believed he could achieve the same goal through less expensive means. Alternatively, the Fox Springs developer offered Mr. Peddie \$250,000 for a buyout of the subject parcel. However, Mr. Peddie, again, did not accept the offer. This is probably because, Mr. Peddie knows the parcel is accessible and worth more than \$250,000.

The Board discussed the case. Based on the adjacent property sold for \$625,000 as the best comparable sale and the evidence presented by the petitioner, the Board decided to discount the valuation by half for the access problems and discount an additional 20% for topography.

MOTION

Commissioner Corrigan moved to deny the petitioner's request, deny the Assessor's level of value, and adjust the value from \$311,250 to \$156,250 in the matter of R8164181.

Commissioner Monger seconded; the motion carried 3-0.

No further business coming before the Board, same adjourned sine die.

Kim Bonner, Clerk and Recorder

M. Elizabeth Melton, Chair

Date