

Board of Supervisors

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Clerk

September 30, 2013

Property Tax Evaluations
Oro Capital Group Inc
7459 E Broadway, Ste 201
Tucson, AZ 85710

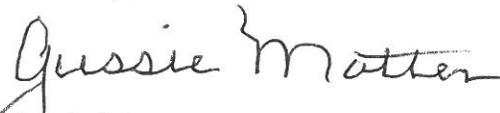
Subject: Parcel Number: 107-51-262 D

Dear Appellant(s):

The Hearing Officer's Recommended Decision(s) on the above referenced parcel(s) is attached. This is the decision that will be upheld by the Board of Supervisors, acting as the Cochise County Board of Equalization, at a special meeting on Tuesday, October 8th at 11:00 a.m. **unless you or the Assessor contests the Hearing Officer's decision in writing by 5:00 p.m. October 4, 2013.** No new information may be presented by either the Assessor or the appellant at this meeting, but if you contest the Hearing Officer's decision, you may wish to attend in case the Board of Equalization has questions or needs clarification. Should the Assessor contest the Hearing Officer's decision, you will be notified immediately.

Because of the tight schedule, you may also fax (520-432-5016) or email (Board@cochise.az.gov) your request to us.

Sincerely,


Gussie Motter
Deputy Clerk of the Board

CC: Assessor

September 29, 2013

Cochise County Board of Equalization
1415 Melody Lane, Building G
Bisbee AZ 85635

RE: Recommended Decision of Hearing Officer in Appeal of Notice of Value
for Parcel No: 107-51-262 D

After conducting a Hearing on the appeal of the Notice of Value for the above parcel, it is my recommended decision that the following values and classification be established:

FCV: \$1,389,185.00

LPV: \$1,389,185.00

The basis for my decision is as follows: The Assessor has recommended no change from the noticed values. In support of his decision, the Assessor has valued this property using the market approach and cited four equity comparables. The cited comps are similar in age and construction. One of the comps has the same number of units as the subject, while the other three are smaller. The unit values for the comps, and especially comp No. 1, are higher than the subject, and appear to justify the recommended values. In addition to the market approach, the Assessor also valued the subject using the income approach and accepted the income data supplied by the Appellant. Using the income approach, the Assessor arrived at a full cash value of \$3,046,706, which is much higher than the recommended \$1,389,185. The Appellant has requested a value of \$790,640 based on two arguments. First, the Appellant presented Letters of Intent which indicated that negotiations between the owner and prospective purchasers had resulted in bank offers to finance the purchase at amounts varying from \$775,000 down to \$500,000. These Letters of Intent amount to steps in the negotiation process and do not constitute competent evidence of value. Second, the Appellant presented evidence of the effect that recent housing decisions on Fort Huachuca have had on the market. The Appellant argues that the recent construction of housing facilities on the Fort amounts to direct competition for the housing available in Sierra Vista. In addition, military policy requires that military personnel must use post housing if it is available. In the event that the post facilities are full and housing is arranged off post, the military family must give up the housing in the city and move back to the Fort if military housing becomes available. While the Appellant's information about the impact of the recent housing decisions on Fort Huachuca is uncontradicted, it is also not quantified by the evidence. The Assessor's market value, as well as his income value, are direct evidence which support the recommended values. While clearly logical, the Appellant's arguments are not supported

by the kind of evidence which would justify a reduction. The Assessor's recommended values should be approved.

Thank you,

James Riley, Hearing Officer