

Board of Equalization  
October 8, 2013 at 11:00 a.m.  
MINUTES

A meeting of the Cochise County Board of Equalization was held in the Board of Supervisors' Hearing Room on October 8, 2013 at 11:00 a.m. to hear petitions in the Notice of Value Hearings. In attendance were Ann English, Chairman; Pat Call, Supervisor; Terry Anderson, Assessor's Office; Britt Hanson, Chief Civil Deputy County Attorney and Gussie Motter, Deputy Clerk of the Board

Chairman English called the meeting to order at 11:00 a.m. Supervisor English and Supervisor Call were present. Supervisor Searle was absent.

CONSENT

1. Approve the Hearing Officer's uncontested recommended decisions for Notice of Value hearings from September 12, 19, and 26, 2013.

Supervisor English made a motion, seconded by Supervisor Call, to approve the consent agenda. The motion carried 2-0, Supervisor Searle being absent.

ACTION

2. Uphold or amend the Hearing Officer's recommended decision for Notice of Value for parcel 107-16-032 B (Dardanelle Timber Co, I

Bill Meyer of Property Tax Evaluations and agent for the appellant spoke first. The property in question is Southerlands. He requested that the property be valued at \$85 per square foot. He used K-Mart, the Sears building, Big 5 Sporting Goods, and a 1993 block warehouse building as comparables.

Terry Anderson, Chief Appraiser for the Assessor's Office, explained that several of the appellant's comparables were not suitable because they were from a qualified shopping center and, by law, could not be used. The Assessor used Lowes and Home Depot as comparables and stipulated that K-Mart was a different kind of store and had reductions on the property value because of setbacks. The Hearing Officer felt that the Assessor used the better comps and proved his case.

Supervisor Call made a motion, seconded by Supervisor English, to uphold the Hearing Officer's recommended decision. The motion carried 2-0, Supervisor Searle being absent.

3. Uphold or amend the Hearing Officer's recommended decision for Notice of Value for parcel 107-51-262 D (Oro Capital Group Inc.)

Alain Hartman of Property Tax Evaluations and agent for the appellant identified the property as the Quality Inn, a 104 room hotel in Sierra Vista. He used the income approach to establish value citing a 60% vacancy rate in 2012 because of new housing erected on post. He also depended on Letters of Intent which indicated that negotiations between the owner and prospective purchasers ranged in amounts from \$775,000 to \$500,000. He asked for a reduction in value to \$790,000.

Terry Anderson, Chief Appraiser for the Assessor's Office, noted that, by statute, the Assessor is bound by the Arizona Department of Revenue rules. He noted that Mr. Hartmann's assessment was based

upon an offer, not a sale and that property taxes are not an allowable expense when using the income approach.

The Hearing Officer sided with the Assessor noting that while the appellant's information about the impact of recent housing decisions on Fort Huachuca is not contradicted, it is also not quantified by the evidence.

Supervisor Call made a motion, seconded by Supervisor English, to uphold the Hearing Officer's recommended decision. The motion carried 2-0, Supervisor Searle being absent.

4. Uphold or amend the Hearing Officer's recommended decision for Notice of Value for parcels(s) 106-72-273 multi (Coronado Villas, LLC.)

Bill Meyer of Property Tax Evaluations and agent for the appellant spoke first. The property is 15 residential houses operated as a rental unit. The owner submitted cost information for the cost approach. Mr. Meyer argued that the owner was a more reliable indicator of cost than the method used by the Assessor. Mr. Meyer also indicated that he used a depreciation factor of 27.5 years as opposed to the Assessor's 71%.

Terry Anderson, Chief Appraiser for the Assessor's Office, stated that his office relied on the market approach and that their value was below what was permitted out. Also, at the A level, a 10% reduction in the value of improvements was given based on the downturn of the recent market. He also emphasized that the Assessor's Office cannot deviate from Marshall & Swift. The Hearing Officer noted that the Assessor's Office presented three sales comparables to support its recommended values and those were the values that should be approved.

Supervisor Call made a motion, seconded by Supervisor English, to uphold the Hearing Officer's recommended values. The motion carried 2-0, Supervisor Searle being absent.

5. Uphold or amend the Hearing Officer's recommended decision for Notice of Value for parcel(s) 106-72-584 Multi. (Coronado Commons LLC)

Bill Meyer of Property Tax Evaluations and agent for the appellant spoke first. Using the same arguments as he used in Item number four, he claimed that it would be a disservice not to use the owner's figures. Mr. Anderson reiterated that their starting place must be Marshall & Swift and that the properties could not be seen as a single entity.

Supervisor Call made a motion, seconded by Supervisor English, to uphold the Hearing Officer's recommended values. The motion carried 2-0, Supervisor Searle being absent.

6. Uphold or amend the Hearing Officer's recommended decision for Notice of Value for 104-04-009 Multi (Brown Garold C Family LP)

Alain Hartmann of Property Tax Evaluations and agent for the appellant explained that this property was 195 residential lots developed for mobile homes but the properties were not for sale at the moment. He wanted the valuation to be set at \$7,500 per lot.

Mr. Anderson stated that at the A Level, each of the 195 lots was reduced from \$15,700 to \$12,600. The Assessor had also been unable to verify the sale of the one comparable offered by the appellant at the B Level to support a lower value. Another comparable offered at the A Level had been granted agricultural status and was therefore not appropriate as a comparable in this appeal. The Hearing Officer recommended that the evidence submitted at the hearing supported the Assessor's values and should be approved.

Supervisor Call made a motion, seconded by Supervisor English, to uphold the Hearing Officer's recommended values. The motion carried 2-0, Supervisor Searle being absent.

There being no further business, the meeting was adjourned at 12:24 p.m.

APPROVED

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Ann English, Chairman

ATTEST

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Gussie Motter, Deputy Clerk of the Board