

**BOARD OF EQUALIZATION MINUTES
GILA COUNTY, ARIZONA**

Date: October 8, 2013

MICHAEL A. PASTOR
Chairman

MARIAN E. SHEPPARD
Clerk of the Board

TOMMIE C. MARTIN
Vice-Chairman

By: Marian Sheppard
Clerk of the Board

JOHN D. MARCANTI
Member

Gila County Courthouse
Globe, Arizona

PRESENT: Michael A. Pastor, Chairman; Tommie C. Martin, Vice-Chairman (via ITV from Payson); John D. Marcanti, Supervisor; Deborah Hughes, Assessor; Larry Huffer, Chief Appraiser; and Marian E. Sheppard, Clerk of the Board.

Item 1 - CALL TO ORDER

The Gila County Board of Equalization met at 10:00 a.m. this date in the Board of Supervisors' hearing room.

Item 2 - REGULAR AGENDA ITEMS

A. Information/Discussion/Action regarding a Petition for Review of Real Property Valuation that was submitted by D. McCall for Strawberry Ridge Estates for tax parcel numbers 301-59-057, 301-59-073 through 301-59-075, 301-59-077 through 301-59-084, and 301-59-088 through 301-59-096.

For the record, this agenda item was continued to this date by a unanimous vote of the Board of Equalization (BOE) on October 1, 2013.

Chairman Pastor announced that D. McCall, the petitioner, would participate in the hearing by phone. Vice-Chairman Martin also asked that the record reflect that Mike Harper, who is Mr. McCall's attorney, was also present at the hearing in the County's Payson office.

Mr. McCall stated that due to the steepness and usability of the lots, he feels that the subject parcels of land should be appraised separately. He also added that there is a sign posted in the subject area and it puts perspective buyers on notice that the area is not yet a buildable subdivision. For the record: That sign was erected by the County when a Code Violation was issued for the

subdivision and the moratorium on building has since been removed. The road is now a County maintained road. Chairman Pastor responded by stating that the only signs he saw in the area were a County road information sign and some realtor signs; however, he advised that County staff could go to the location and take a picture of the sign. Larry Huffer, Chief Appraiser, advised that he has a picture of the sign that Mr. McCall referenced, and he would provide a copy of it to the Board after the meeting.

Mr. Huffer acknowledged the efforts made by Board members to physically view the lots before today's hearing, which was agreed to by the BOE at its October 1st meeting. He handed out an updated summary sheet which contains the full cash values for the Assessor's sale comparables, petitioner's sale comparable, summary of values per acre, and remarks from the Assessor's Office. He emphasized that the full cash values placed upon the subject properties by the Assessor are based on comparable properties that have sold in the area. Mr. Huffer advised that this is a multiple parcel appeal and he proceeded to review the Assessor's sale comparables. He advised that parcel 301-03-032D has been removed as one of the Assessor's sale comparables after further review. As a result of that change, the median value per acre has been reduced from \$26,923 to \$26,643. Mr. Huffer stated that the Board now has to make the determination of the values based on the information presented and their site visit. He pointed out that it is interesting that parcel 301-59-039 sold for \$40,000 in July 2011, and the sales price on that parcel at present is \$84,000. He reviewed information on a few of the subject parcels. As an example, he pointed out that the Assessor's opinion of full cash value on parcel 301-59-057 is \$23,420, whereas the petitioner's opinion of full cash value on that parcel is \$2,696. The variances for the remaining parcels were close to the same numbers.

Mr. McCall asked Mr. Huffer if he visited the site with any of the Board members to which Mr. Huffer replied that he accompanied Supervisor Marcanti on the site visit. Deborah Hughes, Assessor, and Joe Williams, Appraiser, accompanied Chairman Pastor.

Mr. McCall advised that he has a problem with the comparable properties that were chosen by the Assessor-being compared with the subject properties due to the size and usability. He believes that there isn't any way to get parking spaces off the public road for any of the houses on the subject lots, especially the higher lots. He added that the Assessor's comparable properties contain pine trees and buildable lot pads whereas the subject properties don't have them. Mr. Huffer addressed the issue of pine trees and stated that an owner of any of the subject properties would have a great view, and if some pine trees got in the way of the view, it would only take removing a few to have a great view.

Supervisor Marcanti stated that he looked at the properties and his only concern is 4 parcels, namely parcels 301-59-057, 301-59-082, 301-59-082, and 301-59-084. The slopes of those lots are extreme, so he feels they are not worth as much as the Assessor's full cash values. He believes that houses could be built upon any of these 4 lots; however, it would be difficult and expensive to do so. Vice-Chairman Martin agreed with Supervisor Marcanti. Chairman Pastor stated that he was unaware as to the amount of development in the area until he visited the site. He added that buyers are paying a considerable amount for the properties and building nice homes. He agreed with Supervisor Marcanti that most of the lots are buildable and he agrees that the BOE could look at making adjustments to those 4 properties; however, he agrees with the Assessor's valuations that were placed upon the remaining properties. Further discussion ensued on the subject properties. Mr. McCall expressed his appreciation to the BOE for considering a reduction on the full cash values of the 4 properties. He added that there are 3 other properties which he believes would fall into the same category and would require a reduction.

Mike Harper, D. McCall's legal counsel, was concerned that a reduction in the full cash value was being considered for only 4 of the subject properties due to possibly being unbuildable because all of the properties have steep grades. He supported Mr. McCall's recommendation that the BOE should value each property separately. He also addressed the sign and stated that it needs to be removed immediately because it states that there is a violation and anyone reading it would think that all of the lots are unbuildable.

Deborah Hughes, Assessor, agreed that any road signs which refer to the road not meeting County standards and not being accepted as a County maintained roadway needs to be removed. With regard to the 4 properties, she stated that she would recommend lowering the full cash value on parcels -083 and -084 by \$10,000 each, and lowering the full cash value on parcels -057 and -082 by \$5,000 each. Supervisor Marcanti suggested lowering the full cash values on all 4 parcels by \$10,000 each. Chairman Pastor stated that he would agree to the recommendations of the other two Board members. Vice-Chairman Martin agreed with the recommendation on the 4 lots, and she stated, "There are other lots to look at, but not today. Those 4; it's a fairly good compromise."

Mr. Harper stated that the proposal would be to lower the values of the 4 lots by \$10,000 each because they would be declared unbuildable. He added that at the time the County code violation was in place, the subject properties were valued under \$5,000 whereas now the proposal is to reduce the 4 properties by \$10,000 which would only lower the values to approximately \$13,000 each. He stated, "You've got 2 different reasons that the lots are unbuildable. To me, if it's unbuildable because it's a subdivision violation or it's unbuildable because it's too steep, you know the valuation would be the same. To me, the value should be down in the range to where they were before."

Chairman Pastor reiterated that it is his opinion that most of the lots are buildable and he didn't want a statement to be included in the Board's motion that the full cash values are being reduced on the 4 properties because they are unbuildable. He said that those 4 properties have been reevaluated, so the BOE would be willing to reduce the values at this time as a compromise. He stated, "Who knows? Somebody could build on them." He also added that some of the homes in that area have been built on very steep slopes.

Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously lowered the values by \$10,000 each from the full cash values placed by the Assessor on parcel numbers 301-59-057, 301-59-082, 301-59-082, and 301-59-084; and further, the Board upheld the Assessor's opinion of value on the remaining subject parcels for tax year 2014.

Steve Stratton, Public Works Division Director, advised that he would look into the issue of the sign and it would be immediately removed if it did have something to do with the County's Code violation as that is no longer in effect.

There being no further business to come before the Board of Equalization, Chairman Pastor adjourned the meeting at 10:34 a.m.

APPROVED:



Michael A. Pastor, Chairman

ATTEST:



Marian Sheppard, Clerk of the Board