BOARD OF EQUALIZATION

Minutes
June 20, 2016

Meeting Summary

The meeting of the Board of Equalization was called to order in the Council Chambers at 6:00 p.m., June 20, 2016, by Chair Ryan Thomas.

Roll Call

Board Members Present:	Edgar Casiano-Parrilla, Matthew Gray, Grayson Hofferber, Stan Jezierski, and Ryan Thomas
Others in Attendance:	Assistant City & County Attorney Karl Frundt, Assessor Sandy Herbison, Appraiser Jay Yamashita, Appraiser Dan Enslen, and Administrative Technician Julie Brow

The Pledge of Allegiance was given.

Disposition of Minutes

The Minutes of the Regular Meeting of May 16, 2016 were approved as submitted.

Board of Equalization Business

Agenda Item 4(b) was discussed first followed by Agenda Item 4(d) as the Petitioner was present for the abatement hearings.

(a) Public Hearing - Petition for Abatement or Refund of Taxes
Petitioner/Taxpayer: Gateway Colorado LLC
Property Address: 900 E 1st Ave.
Tax Year: 2015
Schedule No.: R1141949
Resolution No.: 2016-08-BOE

Chair Thomas opened the public hearing at 6:56 p.m. on the Petition for Abatement or Refund of Taxes for the Tax Year 2015 for Gateway Colorado LLC property with Schedule No. R1141949 located at 900 E. 1st Avenue dated February 28, 2016.

Assistant Attorney Karl Frundt presented the Staff Summary. He stated the Petition was for the Tax Year 2015. It had been received by the Assessor on February 28, 2016 and in the City Clerk's Office on behalf of the Board on June 8, 2016. Information was considered timely.

Chair Thomas made the Abatement Petition part of the hearing and labeled it BOE Exhibit A.

No Petitioner was present.

Chair Thomas made the Petitioner's Exhibit a part of the hearing and labeled it Petitioner's Exhibit A.

Appraiser Jay Yamashita testified that the 2015 value was incorrect. He noted that by using the lease and market vacancy and expenses a new value was given and that a Mutual Agreement with the Petitioner had been reached.

Chair Thomas made the Assessor's Exhibit, entitled Abatement Hearing Summary, a part of the hearing and labeled it Assessor's Exhibit 1.

The public hearing was closed at 7:00 p.m.

Board Member Casiano-Parrilla moved and Board Member Hofferber seconded that the Board of Equalization Approve BOE Resolution No. 2016-08 for Tax Year 2015 to Approve the Mutual Agreement Regarding the Petition for Abatement or Refund of Taxes dated February 28, 2016 for Gateway Colorado LLC property located at 900 E. 1st Avenue with Schedule No. R1141949. The motion was approved unanimously.

Agenda Item 4(c) was heard next.

(b) Public Hearing - Petition for Abatement or Refund of Taxes
Petitioner/Taxpayer: JPI Interlocken, LLLP & JPI Colorado Land, LLLP
Property Address: Various Interlocken Subdivision Parcels
Tax Years: 2013 and 2014
Schedule Nos.: R1031826, R1120488, R1120492, R8861123, R8866392, R8866393, R8867025, R8869995, and R8869996

Chair Thomas opened the public hearing at 6:01 p.m. on the Petition for Abatement or Refund of Taxes for the Tax Years 2013 and 2014 for the JPI Interlocken, LLP & JPI Colorado Land, LLP property with Schedule Nos. R1031826, R1120488, R1120492, R8861123, R8866392, R8866393, R8867025, R8869995, and R8869996 located at various Interlocken Subdivision Parcels dated December 8, 2015.

Assistant Attorney Karl Frundt presented the Staff Summary. He stated the Petition had been received by the Assessor on December 8, 2015 and in the City Clerk's Office on behalf of the Board on June 8, 2016. Information was considered timely.

Chair Thomas made the Abatement Petition part of the hearing and labeled it BOE Exhibit A.

Petitioner's representative, Brenda Fearn, was present and was sworn in. She testified that the Petitioner and the Assessor had come to a Mutual Agreement on the various parcels.

Chair Thomas made the Petitioner's Exhibit a part of the hearing and labeled it Petitioner's Exhibit A.

Appraiser Jay Yamashita was sworn in. He testified that after the vacant land sales were analyzed, a lower value was warranted. He then noted that the vacant land present worth calculation was incorrect and resulted in an adjustment.

Chair Thomas made the Assessor's Exhibit, entitled Abatement Hearing Summary, a part of the hearing and labeled it Assessor's Exhibit 1.

The public hearing was closed at 6:08 p.m.

Board Member Jezierski asked why there was such a discrepancy in the values. Appraiser Yamashita replied that the value was set based on sales analysis in 2013 and 2014, but that the Petitioner brought to the Assessor's attention that the parcels should be lower based on the Market Approach of those sales and that there was an error in the Present Worth Discounting.

Board Member Gray moved and Board Member Casiano-Parrilla seconded that the Board of Equalization approve BOE Resolution No. 2016-09 for Tax Years 2013 & 2014 to Approve the Mutual Agreement regarding the Petition for Abatement or Refund of Taxes dated December 8, 2015 for property located at various Interlocken Subdivision Parcels with Schedule Nos. R1031826, R1120488, R1120492, R8861123, R8866392, R8866393, R8867025, R8869995, and R8869996. The motion was approved unanimously.

Agenda Item 4(d) was discussed next as the Petitioner was present for the abatement hearing.

(c) Public Hearing - Petition for Abatement or Refund of Taxes
Petitioner/Taxpayer: Commander Leasing LLC
Property Address: 500-525 Burbank St. and 2275 W. Midway Blvd.
Tax Years: 2013 and 2014
Schedule Nos.: R1017380 and R1016344
Resolution No.: 2016-10-BOE

Chair Thomas opened the public hearing at 7:02 p.m. on the Petition for Abatement or Refund of Taxes for the Tax Years 2013 and 2014 for Commander Leasing LLC properties with Schedule No. R1017380 located at 500-525 Burbank St and Schedule No. R1016344 located at 2275 W. Midway Blvd. dated January 4, 2016.

Assistant Attorney Karl Frundt presented the Staff Summary. He stated the Petition was for the Tax Years 2013 and 2014. It had been received by the Assessor on January 4, 2016 and in the City Clerk's Office on behalf of the Board on June 8, 2016. Information was considered timely.

Chair Thomas made the Abatement Petition part of the hearing and labeled it BOE Exhibit A.

No Petitioner was present.

Chair Thomas made the Petitioner's Exhibit a part of the hearing and labeled it Petitioner's Exhibit A.

Appraiser Dan Enslen testified that the Income Approach had the most weight and sustained the valuation for both property locations. The Sales Comparison Approach also supported the valuation.

Chair Thomas made the Assessor's Exhibits, entitled BOE Restricted Appraisal Report 500-520 Burbank Street and BOE Restricted Appraisal Report 2275 W. Midway Boulevard a part of the hearing and labeled those Assessor's Exhibit 1 and Assessor's Exhibit 2, respectively.

The public hearing was closed at 7:11 p.m.

Board Member Casiano-Parrilla moved and Board Member Gray seconded that the Board of Equalization Approve BOE Resolution No. 2016-010 for Tax Years 2013 and 2014 to Deny the Petition for Abatement or Refund of Taxes dated January 4, 2016 for Commander Leasing LLC property located at 500-525 Burbank St. and 2275 W. Midway Blvd. with Schedule Nos. R1017380 and R1016344. The motion was approved unanimously.

Agenda Item 4(e) was heard next.

(d) Public Hearing - Petition for Abatement or Refund of Taxes
Petitioner/Taxpayer: Grandvaux Development Group, LLC
Property Address: 2095 W. 6th Ave.
Tax Years: 2013 and 2014
Schedule No.: R1087857
Resolution No.: 2016-11-BOE

Chair Thomas opened the public hearing at 6:01 p.m. on the Petition for Abatement or Refund of Taxes for the Tax Years 2013 and 2014 for the Grandvaux Development Group, LLC property with Schedule No. R1087857, located at 2095 W. 6th Avenue dated January 7, 2016.

Assistant Attorney Karl Frundt presented the Staff Summary. He stated the Petition had been received by the Assessor on January 4, 2016 and in the City Clerk's Office on behalf of the Board on June 8, 2016. Information was considered timely.

Chair Thomas made the Abatement Petition part of the hearing and labeled it BOE Exhibit A.

Petitioner's representative, Brenda Fearn, testified that the property is an older office building, built in 1982, which had a 50% vacancy rate and that using the Income Approach, the value is considerably lower than that of the Assessor. She also stated that it is not located in a predominately office building area but in an area with multifamily and industrial buildings. The representative did show a photo of the office building, but did not give it to the Board saying that a photo was included in the Assessor's exhibit.

Chair Thomas made the Petitioner's Exhibit, entitled Petitioner's Exhibit 1, a part of the hearing and labeled it Petitioner's Exhibit A. He also made the Petitioner's second exhibit, entitled Exhibit B, a part of the hearing and labeled it Petitioner's Exhibit B.

Board Member Gray noted the rent roll in the Petitioner's Exhibit was dated December 31, 2011 and asked if the same level of rent continued through the years 2013 and 2014. Ms. Fearn replied that generally there is an annual increase in the leases in the multi-office building, but that the base period was for June 30, 2012.

Assistant Attorney Karl Frundt noted that the Petitioner Exhibit also included Petitioner's Exhibit C and D and the Chair made them a part of the hearing.

Appraiser Dan Enslen was sworn in. He provided a hand out for the Board, entitled Excess Vacancy Allowance. He stated that the building was located in Broomfield Professional Park. He went on to say that both the Income Approach and Sales Approach were used based on the building's rent roll, expense reports, and comparables. Taking into consideration the age of the building, a discount was applied in considering the value. Appraiser Enslen then explained that a reduction isn't given for excess vacancy where there are no detrimental factors causing vacancy. He also noted that there is no structural reason for the vacancy for this building and that it could be a managerial problem.

Chair Thomas made the Assessor's Exhibit, entitled BOE Restricted Appraisal Report, a part of the hearing and labeled it Assessor's Exhibit 1.

There was discussion concerning the location of the building and the excess vacancy. It was also determined that this was the same building in which the Chamber of Commerce is located. More discussion followed concerning the discount given and that the building was located in a mixed use area including commercial, flex, and industrial properties.

Ms. Fearn then distributed a document regarding a case concerning the Padre Case Law which she noted spoke to excess vacancy. Also, the value should take into account the response to market value, such as the market response to a building with a 50% vacancy as opposed to one that is operating at full capacity.

More discussion followed concerning the discount. Board Member Gray clarified that the Petitioner wanted a discounted value based on the vacancy rate during the base period of June 2012. It was then determined that the Petitioner was using the Assessor's value which already contained the discount. Board Member Gray then asked Ms. Fearn whether there was any other documentation to show where the value should start because the only in-depth analysis before the Board is the Assessor's original valuation. Ms. Fearn said she was not provided with any

other information. She then referred to the Income Approach found in the Petitioner's Exhibit, but admitted it was not based on the actuals. She also noted the comparables used by the Assessor saying that the comparables were not the same as the property in discussion though she did not have documentation to support that theory. Appraiser Enslen then noted the value did go higher than the original value due to receiving additional financial information noting that tenants of the building have existing leases that are escalating which indicate the market is rising.

The public hearing was closed at 6:08 p.m.

Board Member Gray moved and Board Member Jezierski seconded that the Board of Equalization Approve BOE Resolution No. 2016-11 for Tax Years 2013 & 2014 to Deny the Petition for Abatement or Refund of Taxes dated January 7, 2016 for Grandvaux Development Group, LLC property located at 2095 W. 6th Avenue with Schedule No. R1087857. The motion was approved unanimously.

Agenda Item 4(a) was heard next.

(e) Public Hearing - Petition for Abatement or Refund of Taxes
Petitioner/Taxpayer: Pacifica Interlocken Partners LP
Property Address: 360 Interlocken Blvd.
Tax Years: 2013 and 2014
Schedule No.: R1097944
Resolution Nos.: 2016-12-BOE and 2016-13-BOE

Chair Thomas opened the public hearing at 7:13 p.m. on the Petition for Abatement or Refund of Taxes for the Tax Years 2013 and 2014 for Pacifica Interlocken Partners LP property with Schedule No. R1097944 located at 360 Interlocken Blvd. dated January 4, 2016.

Assistant Attorney Karl Frundt presented the Staff Summary. He stated the Petition was for the Tax Years 2013 and 2014. It had been received by the Assessor on January 4, 2016 and in the City Clerk's Office on behalf of the Board on June 8, 2016. Information was considered timely.

Chair Thomas made the Abatement Petition part of the hearing and labeled it BOE Exhibit A.

No Petitioner was present.

Chair Thomas made the Petitioner's Exhibit, entitled Limited Summary Consulting Assignment of Pacifica Interlocken Partners LP Office, a part of the hearing and labeled it Petitioner's Exhibit A.

Appraiser Dan Enslen testified that Tax Year 2013 had been protested and denied an abatement of property taxes. He then went on to Tax Year 2014 stating that with information from the Petitioner which included rent roll and income and expense sheet the valuation was found to be lower and they came to a Mutual Agreement.

Chair Thomas made the Assessor's Exhibit, entitled Abatement Hearing Summary, a part of the hearing and labeled it Assessor's Exhibit 1.

It was discussed that the number entered on the abatement as the original tax figure was incorrect, that the numbers had been transposed, reading $313,219.92 where it should have been $331,219.92. This was to be corrected with the Petitioner after the hearing.

The public hearing was closed at 7:18 p.m.

Board Member Gray moved and Board Member Jezierski seconded that the Board of Equalization Approve BOE Resolution No. 2016-12 for Tax Year 2013 to Deny the Petition for Abatement or Refund of Taxes dated January 4, 2016 for Pacifica Interlocken Partners, LP property located at 360 Interlocken Blvd. with Schedule No. R109794. The motion was approved unanimously.

Board Member Casiano-Parrilla moved and Board Member Hofferber seconded that the Board of Equalization Approve BOE Resolution No. 2016-13 for Tax Year 2014 to Approve the Mutual Agreement Regarding the Petition for Abatement or Refund of Taxes dated January 4, 2016 for Pacifica Interlocken Partners, LP property located at 360 Interlocken Blvd. with Schedule No. R109794. The motion was approved unanimously.

(f) Public Hearing - Petition for Abatement or Refund of Taxes
Petitioner/Taxpayer: Park 36 Investment LLC
Property Address: Various Arista Parcels
Tax Years: 2013 and 2014
Schedule Nos.: R8867249, R8867250, R8867252, R8867253, R8867254, R8867256, R8867263, R8867268, R8866288, R8864706, R8864731, and R8865680
Resolution Nos.: 2016-14-BOE, 2016-15-BOE, and 2016-16-BOE

Chair Thomas opened the public hearing at 7:20 p.m. on the Petition for Abatement or Refund of Taxes for the Tax Years 2013 and 2014 for Park 36 Investment, LLC property with Schedule Nos. R8867249, R8867250, R8867252, R8867253, R8867254, R8867256, R8867263, R8867268, R8866288, R8864706, R8864731, and R8865680 located at Various Arista Parcels dated December 29, 2015.

Assistant Attorney Karl Frundt presented the Staff Summary. He stated the Petition was for the Tax Years 2013 and 2014. It had been received by the Assessor on December 29, 2015 and in the City Clerk's Office on behalf of the Board on June 8, 2016. Information was considered timely.

Chair Thomas made the Abatement Petition part of the hearing and labeled it BOE Exhibit A.

No Petitioner was present.

Chair Thomas made the Petitioner's Exhibit a part of the hearing and labeled it Petitioner's Exhibit A.

Appraiser Dan Enslen testified that the property infrastructure to be completed was not in the original valuation and that comparables in the market area showed lower market values. A Mutual Agreement had been made. He then noted one parcel with Schedule Number R8867268 was not taken into consideration for discount for 2014 as it had already been appealed in 2014.

Chair Thomas made the Assessor's Exhibit, entitled Abatement Hearing 2013 & 2014 Summary Narrative, a part of the hearing and labeled it Assessor's Exhibit 1.

The public hearing was closed at 7:18 p.m.

Board Member Gray moved and Board Member Casiano-Parrilla seconded that the Board of Equalization Approve BOE Resolution No. 2016-14 for Tax Years 2013 and 2014 to Approve the Mutual Agreement Regarding the Petition for Abatement or Refund of Taxes dated December 29, 2015 for Park 36 Investment LLC located at Various Arista Parcels with Schedule Nos. R8867249, R8867250, R8867252, R8867253, R8867254, R8867256, R8867263, R8867268, R8864706, R8864731, and R8865680. The motion was approved unanimously.

Board Member Thomas moved and Board Member Casiano-Parrilla seconded that the Board of Equalization Approve BOE Resolution No. 2016-15 for Tax Year 2013 to Approve the Mutual Agreement Regarding the Petition for Abatement or Refund of Taxes dated December 29, 2015 for Park 36 Investment LLC located at Various Arista Parcels with Schedule No. R8867268. The motion was approved unanimously.

Board Member Thomas moved and Board Member Gray seconded that the Board of Equalization Approve BOE Resolution No. 2016-16 for Tax Year 2014 to Deny the Petition for Abatement or Refund of Taxes dated December 29, 2015 for Park 36 Investment LLC located at Various Arista Parcels with Schedule No. R8867268. The motion was approved unanimously.

(g) Public Hearing - Petition for Abatement or Refund of Taxes
Petitioner/Taxpayer: Staples Contract & Commercial Inc.
Property Address: 1 Environmental Way
Tax Year: 2015
Schedule No.: R1120494
Resolution No.: 2016-17-BOE

Chair Thomas opened the public hearing at 7:28 p.m. on the Petition for Abatement or Refund of Taxes for the Tax Year 2015 for Staples Contract & Commercial, Inc. property with Schedule No. R1120494 located at 1 Environmental Way dated March 17, 2016.

Assistant Attorney Karl Frundt presented the Staff Summary. He stated the Petition was for the Tax Year 2015. It had been received by the Assessor on March 17, 2016 and in the City Clerk's Office on behalf of the Board on June 8, 2016. Information was considered timely.

Chair Thomas made the Abatement Petition part of the hearing and labeled it BOE Exhibit A.

No Petitioner was present.

Chair Thomas made the Petitioner's Exhibit a part of the hearing and labeled it Petitioner's Exhibit A.

Appraiser Dan Enslen testified that the property is an owner user building and had a large amount of common space not good for office space use. He also noted that a Mutual Agreement had been made.

Chair Thomas made the Assessor's Exhibit, entitled Abatement Hearing Summary, a part of the hearing and labeled it Assessor's Exhibit 1.

The public hearing was closed at 7:32 p.m.

Board Member Casiano-Parrilla moved and Board Member Gray seconded that the Board of Equalization Approve BOE Resolution No. 2016-17 for Tax Year 2015 to Approve the Mutual Agreement regarding the Petition for Abatement or Refund of Taxes dated March 17, 2016 for Staples Contract & Commercial, Inc. located at 1 Environmental Way with Schedule No. R1120494. The motion was approved unanimously.

Petitions and Communications

The next proposed Meeting will be July 11, 2016 at 6:00 p.m.

Adjournment

The meeting was adjourned at 7:33 p.m.

Approval

Minutes Prepared by _____
Administrative Technician

Approved by _____
Chair