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**BOARD OF COUNTY COMMISSIONERS
BOARD OF EQUALIZATION OF MORGAN COUNTY, COLORADO
Minutes of Special Meeting
July 28, 2020**

As reflected in posted agenda:

The County Will Be Abiding By the Social Distancing Requirements in Public Health Order 20-28 for This Meeting. Due To Limited Space In The Assembly Room, Remote Attendance Is Encouraged. If You Have Any Questions Regarding Attending The Meeting, Please Contact Karla Powell at 970-542-3500.

To participate in Public Hearings you may connect via Zoom Conferencing Access Information: <https://us02web.zoom.us/j/85660366632> or to listen via phone, please dial: 1-312-626-6799, Meeting ID: 856 6036 6632

To watch and/or listen to the meeting but not participate, you may do so by connecting via Zoom Conferencing Access Information: <https://us02web.zoom.us/j/85660366632> or to listen via phone, please dial: 1-312-626-6799, Meeting ID: 856 6036 6632

The Board of Morgan County Commissioners sitting as the Morgan County Board of Equalization (the "Board of Equalization") met on Tuesday, July 28, 2019 at 1:01 p.m. with Chairman Mark Arndt, Commissioner James Zwetzig, and Commissioner Jon Becker in attendance.

GENERAL BUSINESS

At this time, Assessor Amen introduced himself as well as his staff that are present today as being Karina Graulus, and Ted Boggess.

Chairman Arndt stated these appeals come before the Morgan County Board of County Commissioners sitting as the Morgan County Board of Equalization (the "Board"). Each appeal listed below will be considered as a separate matter and the Board will conduct a hearing on each appeal. The structure of the hearings will follow in this format: All property owners will have time to provide comments related to property values and the owner's appeal. More specifically, the Board will take comment from property owners concerning the property owner's appeal will take comment from business owners concerning the business owner's appeal. Each hearing will follow this procedure: 1) property or business owner presentation of appeal, 2) the Assessor's response, 3) property or business owner's additional comments, and 4) discussion and decision by the Board.

1. Rodriguez, Ismael Rodriguez R00666

Karla Powell, Administrative Services Manager, presented to the Board information regarding the applicant. She stated Mr. Rodriguez called the office on July 21, 2020 indicating that he wished to withdraw his appeal. Ms. Powell stated that she did ask for written documentation to this affect, with Mr. Rodriguez stating he did not want to provide written documentation and that he would not be attending the hearing. Ms. Powell stated she did confirm with the County Attorney and she was notified that if Mr. Rodriguez failed to appear for the hearing, it would be noted as withdrawn. Chairman Arndt asked that the record note this information.

Commissioner Zwetzig made a motion to amend the agenda and accept the withdrawals from Ismael Rodriguez Rodriguez. Commissioner Becker seconded the motion and motion carried 3-0.

2. Long, Jeremy & Nicole R018792

Jeremy and Nicole Long, Schedule No. R018792 was called to provide their presentation. Mr. Long, appearing by phone/Zoom, stated that he only uses this property to stage his cattle, indicating it has been zoned agricultural all the years he has owned the property and not sure why this increase in taxes was imposed. He stated that when he met with the Assessor's representative, he did indicate that he only uses that property two to three times a year to stage cattle, and is asking for it to remain the same value, but not classify it as vacant land, as it has been classified as agriculture.

At this time, Assessor Tim Amen spoke, stating he was accompanied by Karina Graulus, Senior Appraiser, and presented using a power point presentation. At this time, he drew attention to slide 3 where it indicates a change in classification from ag land to commercial property. He stated that is the reason for the appeal today, and provided the reason for the classification change due to lack of evidence that it is being used for grazing. He stated the property owner did appeal this decision and has now filed his appeal with the Board of Equalization.

Mr. Amen then proceeded to review slide 9 of the presentation, reading aloud the definition of land used as a ranch, as well as continuity outlining the reason why he made the change to the classification of the property. Mr. Amen then reviewed slide 13 through slide 23 which reflected pictures of the land at different dates that indicates no grazing, corrals not being used, and other uses as indicated in the presentation. Ms. Graulus stated there has not been any change noted on the property since 2013. Chairman Arndt clarified this property's location. Mr. Amen then stated the current valuation as being \$18,830, which is heavily discounted given the property does seem to have some issues, and also provided comparisons of property for the review.

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At this time, the property owner, Mr. Long, was asked if he had anything to add. Mr. Long stated that when he places his cows on the property, it is usually for only two to three days, and explained there is a hot wire that he places there, and stated he has asked the Assessor to call him and has not had success. He asked what the rule is for grazing his cows on the property for two to three days.

Commissioner Zwetzig asked Mr. Long if he could tell them which days he did have cattle on the property. Mr. Long stated he recently placed them there for two days when he transferred them from Nebraska and does have branding inspection paperwork to show this. He stated it would have been probably in March, stating he stages them out of a trailer, and the property is not large enough to graze them for a period of time, it is only a staging area to take them to sale. He stated if he can do something better to make this work, he is willing to do that, but is not sure of the rules and requirements. Chairman Arndt asked if he is really using this as a drop off location as a holding spot if he should buy cattle in Nebraska and then sells them at the sale located in Brush, with Mr. Long stating that is exactly correct, as it is land that is not really good for much else. He stated he is willing to call and let the County know when he brings the cattle out here to stage on the property.

Commissioner Zwetzig asked the Assessor's office if there is any other drop off staging locations in the County that would be classified, or does this still not meet the statutory requirements. Mr. Amen stated the pondering of the factor, is if the property is being used for grazing, and as many times as they have been out to the property and the fencing not having been prepared, this property does not exhibit the use as grazing. Commissioner Zwetzig asked if technically a drop off location can be considered grazing, with Mr. Amen stating it could be considered that and be agricultural. Ms. Graulus stated that typically if cattle are dropped off, you could tell that it had been done. Mr. Long stated he understands that is their opinion. Commissioner Zwetzig asked if technically, the landowner would call the Assessor's office when he stages the cattle, would that classify it as agriculture. Mr. Amen stated that it would require use of the property for two years, with further discussion following whereas Mr. Amen stated possibly it could be referenced as agricultural, with the staging date starting that time frame.

Commissioner Becker stated he believes if there was livestock staged there, there would be evidence of such and stated he is in agreement with the Assessor's valuation and also believed the assessor's valuation was very generous and with actual revenue given the signage, it could be considered commercial and likes how the Assessor has reviewed the value, using common sense valuation. Commissioner Zwetzig again asked, if in the future, the landowner is willing to call the Assessor, would they go out and look with Mr. Amen stating they would.

Commissioner Becker made the motion to uphold the Assessor's valuation and deny the appeal for Jeremy and Nicole Long, Schedule No. R018792, and deny the appeal, with Commissioner Zwetzig seconding the motion. Commissioner Zwetzig encouraged Mr. Long to call the Assessor's office and notify them that he is dropping off cattle. Chairman Arndt stated it would have been good to have had the signed document from the brand inspector as evidence to prove the staging of the cattle, and would have helped in his decision. After no further discussion, the motion passed 3-0.

3. Willcoxon, Jerry L R005365

Jerry L. Willcoxon, Schedule No. R005365 was called to provide his presentation. Mr. Willcoxon provided his address as being 525 West Platte Avenue, Fort Morgan, CO. He was accompanied by his accountant, Mr. Larry French, 111 East Railroad, Fort Morgan, CO. Mr. Willcoxon stated that with the information he furnished and after reviewing the information, he has three questions. He asked why did his property taxes increase by 50 percent from 2017 to the present, why the change from residential to commercial, stating this changes every two to three years and he has to fight this every two years, and why is he charged for double use and why does this have to go into effect January 1, 2021. Mr. Willcoxon further stated he owns a 12 unit motel with living quarters, over 90 percent of his business is residential rental, with commercial rental being less than 7 percent. On 6/29/07, Assessor Wooldridge set the residential use at 93 percent and 7 percent commercial. In 2010, it was switched to 50/50 again, and he appealed and it was set back to the same 93/7. In 2017, the value went from \$217,000 to \$296,000, commercial was increased by 22 percent and residential by 88 percent. In 2019, it was 50/50 again, increasing the commercial and decreased the residential which increased the total value from \$296,000 to \$346,000. He again stated this is a 12 unit motel unit with living quarters, three of them are rented nightly and the others are rented weekly, monthly or extended stay. He asked the Board to review the property record from May 2010, indicating the value at that time, as well as the correlated abstract indicating the single family improvements and land as well as the commercial land and improvements and how those were broken down. He then made reference to the document noted in 2007, where Assessor Wooldridge had set the percentages at 94 and 7. In 2019, it went back to the 50/50 ratio again, which increased the commercial and but decreased the residential. He stated there have been no changes to the building, and in looking at the 2009 determination, they did decrease the value, but if you look at the property record, that is to take effect in January 2021, you see the values, and can see the commercial 1, commercial 2, and the 1 being the commercial designation, being listed at 41.4 percent and the residential is listed at 68.6 percent, and further review, all the add-ons, that has been changed on the paperwork again, noting it was page 2 of 5, summarizing that information to the Board. He stated the three rooms are 288 square feet, and stated the Assessor has added another room to that given it is a kitchenette, and discussed his concern about the fact they have indicated there is a porch which increased the value as well, stating they have added commercial onto the hotel rooms. He asked that it be set back to the way it was in 2007 and it not be switched back around again.

Chairman Arndt asked about his main objection being the amount that is determined to be nightly commercial and what residential rooms are. Mr. Willcoxon stated the difference between the commercial versus residential and further explained what the Assessor has determined to be a porch and stated it is there for protection from rain. He further provided a detailed history of what he has done with the motel over the years adding on a bedroom, and other changes.

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At this time, Assessor Tim Amen presented the record and indicated that he was accompanied by Ted Boggess, Appraiser and is present for any questions. Mr. Amen stated that he understands his frustration and wishes he had more basis of what was done previously and stated he cannot speak to that, and all he can do today is to state what they determined and how they determined the value.

Mr. Amen provided a presentation by power point explaining this is the final valuation, moving it from a 50/50 split explaining the valuation and the reason for the drop in price is when you take it to a residential model, moving it from \$342,430 to \$288,070. Mr. Amen referenced page 8 of the presentation, explaining the definition of mixed-use property valuation, reading into the record the information. Mr. Amen stated that Mr. Willcoxon also provided a good detailed report of revenues from the motel units, and summarized room 1, 2 and 4 and Mr. Willcoxon agrees that these rooms are nightly rented rooms and the revenue reflects this. It is clear that Room 3, and Room 6, are rented monthly, given the revenue information, except there being three rooms that there is no rental information for the entire year. Mr. Amen explained his reasons for three of the rooms not being classified as commercial. He stated this is where he began to classify as to what is going on with this motel. Mr. Amen then summarized page 11 of the presentation, that indicates a sketch that determines by use which units are being classified as commercial and explained that these rooms are in total agreement with the property owner, and he has included unit #5. Mr. Amen summarized page 12, and this indicates those areas of the motel that are considered residential. Mr. Amen stated he is not sure how else to classify this property, applying some of the rooms that were not rented during the course of the year, how were they being used, and how is he to classify each room in question. He stated that on page 13, measurements were taken on May 19, 2020, and given there was some incorrect measurements, that has been corrected to the benefit of the property owner, and in looking at the square footage, and how it is being used, he stated that in review of 10,000 square feet, 1900 of it is classified as commercial.

Mr. Amen stated that Mr. Boggess did use three approaches when considering valuing explaining those approaches. Detailed information as to how they came to their basis of valuation was provided in the presentation, and stated that he is trying to be as fair and equitable as possible to the property owner, they had to go out and look at the property comparables.

Mr. Boggess stated that if the Board reviews the overall square footage, and what they have at this time is close to an 80/20 split, and with the information they have been provided, that is the calculations they have come up with. It was stated that the 80/20 split is in reference to square footage, not value.

Commissioner Zwetzig asked if the information provided to the Assessor was correct, with Mr. Willcoxon stating the reason the rooms that were not rented was due to him experiencing sewer issues and they could not rent them. Commissioner Zwetzig asked Mr. Amen if he owns commercial property and there are sewer problems, does that change the classification of the property. Mr. Amen stated he felt he was being as fair as possible given the previous data, and did leave those as long term even though there was no rent, no monthly receipts. Commissioner Zwetzig stated that if he has issues with the sewer, get it fixed, it is not up to the Assessor to change the classification from commercial to residential, if it cannot be rented. Further discussion followed as to the rooms in question, with Mr. Willcoxon indicating that the rooms in question are not being rented, as they have kitchenettes.

Mr. Amen did offer to the property owner, that a weekly rental does not constitute a long term rental and many of the units could warrant commercial status, but they decided to leave it as long term giving the property owner the benefit.

Chairman Arndt asked if he has leases with those who reside there long term, with Mr. Willcoxon explaining those who have been there and the amount of time, as well as a gentleman who is here renting weekly and the issue with them not being able to say they are going to be here long term. He explained what constitutes extended stay status and how he is classifying those rooms stating it is long term residential even if they are renting weekly.

Chairman Arndt asked if there was any additional information the appellant would like to add to the Assessors statement, with Mr. French stating as far as the rentals concerned there are only three that are rented nightly and the others are extended stay and long term. He stated if they rent a kitchenette for one night, there is the expense of cleaning it up twice as good as the one that is just a nightly stay, thus the reason Mr. Willcoxon is stating these are nightly and the rest are long term, given the patron cleans their own rooms. He feels there should be some type of adjustment between the increase, as it seems like it continues to increase and stated he was the accountant for Central Motel and every year was here appealing the value, and was granted a decrease, and further stated that he was the accountant for the Park Terrace, and the taxation became so high, that they sought a buyer and got out of the business. He stated he is not sure how the larger motels operate or how they are valued, but feels the value on Mr. Willcoxon is considerably overstated.

Commissioner Becker asked if it is overstated or place more in residential, with Mr. French stating he would put more in the residential. Commissioner Becker asked if he agrees with the amount it is valued at, with Mr. Willcoxon stating it has increased a great amount since 2017. Commissioner Zwetzig clarified that by reviewing the information; it states the allocation is correct. Mr. Willcoxon stated they 1, 2 and 4, with Mr. Amen stating he did agree with Mr. Willcoxon but added number 5, so the only thing that is disagreed on, is number 5. Mr. Willcoxon stated he is not in agreement with what is considered a porch, with Mr. Boggess stated it is included as a POF, a covered walkway or covered porch, and the concrete square footage was wrong when he did the measurements, as well as the basement square footage, and had to recalculate the square footage, and did add the POF. Mr. Boggess estimates that he decreased the value far more by correcting the square footage than by adding the POF, he was only trying to get the appropriate sketches for the record.

Further discussion followed regarding the \$30,000 being indicated twice, and Mr. Amen stated it is a \$60,000 lot, and that is the split value, and how they calculate the commercial versus residential, at 80/20. Mr. Amen stated the

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last determination was set at \$43,000 residential land and \$17,000 commercial land. In the past the \$60,000 was split 50/50, but currently that is not the way it is split.

Commissioner Becker asked if there are any contracts that could be used to provide proof of the rentals of these units. Mr. Willcoxon stated it is a hand shake and go, but does have the reports that go back to 2017, where the weekly rental and extended stay is broken down, as well as the commercial rentals being broken down on another spreadsheet which includes the sales tax, and tourism tax. Commissioner Zwetzig stated the only disagreement is on unit number 5, with Mr. Willcoxon stating yes, number 5 and the porches. Commissioner Zwetzig asked if he would agree that by recalculating the measurements, the Assessor's office actually took value away, which resulted in a bigger savings for Mr. Willcoxon.

Mr. Boggess confirmed that there is more square footage that was reduced, referencing page 12 of the presentation. He stated that the full footprint is indicated in the drawing and it shows all the spaces that are missing on the upper part of the sketch, not only the 5x26, there were other areas that were crawl space, and those all went away, so that resulted in about 1000 square feet being deducted which resulted in a reduction in value that is taxable.

Mr. Amen stated they are classifying the porches at a split level based on the calculation of commercial and residential. Chairman Arndt confirmed this split is close to the 80/20.

Mr. Willcoxon provided three pictures of room #5 for the board to review. He pointed out the room includes a convection oven and a microwave which allows for the person staying in the room to cook. Chairman Arndt asked that it be noted that the three pictures be entered into the record.

Commissioner Becker stated his issue is exactly what Assessor Amen stated, it is a judgment call one way or the other, and don't have a good call to determine whether room number 5 is residential or commercial and not being able to prove it one way or the other, he would keep it as residential. Commissioner Becker stated with this opinion, this will place him under more scrutiny, in order for his accountant to do his taxes to prove whether or not these are short term or long term.

Mr. French states that Mr. Willcoxon brings in monthly the information the commercial is less than those that are considered the residential and that is how the tourism tax is calculated. Commissioner Becker feels there needs to be proof and is not sure whether or not they have good proof either way.

Chairman Arndt stated he is looking at room numbers 12 and 8, and the assessor has classified those as residential, basing them on being larger units, set up for a longer term stay without the revenue data.

Commissioner Becker stated he believes the Assessor was being very generous in the beginning, and with taxes going up, he does not like the income approach as well as the cost approach has flaws as well, but in looking at residential and commercial, he made a motion to place the value at \$217,770 residential and \$70,300 for commercial. Commissioner Becker stated that until solid proof is provided by the appellant, he is going to have to prove what they are being used for, or it is going to be switched over to commercial, and today, there is not good evidence either way.

Mr. Boggess stated that if the Board would move room 5 to residential, that would place it at 83/17, due to the fact that they base it split on the square footage, not the value, if the Board would move room number 5 back to residential.

At this time, the motion died for lack of a second. Discussion followed with Commissioner Zwetzig asking what the valuation would be if room number 5 changed from commercial to residential with the Assessor's office stating they would have to have time to calculate that value.

Chairman Arndt stated the last motion died for lack of second, and moved back to the last petition, and the fact that proof was not provided, and the assessor's value was accepted. He does not believe Mr. Willcoxon has provided the proof that is needed to make a change in this matter as well.

Discussion followed with Chairman Arndt providing the appellant what his options are if they are not in agreement with the board's decision.

Commissioner Zwetzig made the motion to uphold the Assessor's valuation and deny the appeal for Jerry L. Willcoxon, Schedule No. R005365, and deny the appeal, with Chairman Arndt seconding the motion. After no further discussion, the motion passed 2-1 with Commissioner Becker the dissenting vote.

There being no further business the meeting was adjourned at 2:38 p.m.

Respectfully Submitted,
Susan L. Bailey
Clerk to the Board

(Minutes ratified August 11, 2020)

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**THE BOARD OF COUNTY COMMISSIONERS
MORGAN COUNTY, COLORADO**

s/Mark A. Arndt
Mark A. Arndt, Chairman

s/ Jon J. Becker
Jon J. Becker, Commissioner

s/James P. Zwetzig
James P. Zwetzig, Commissioner

(SEAL)

ATTEST:

s/ Susan L. Bailey
Susan L. Bailey