

**OFFICIAL PROCEEDINGS OF THE BOARD OF
COUNTY COMMISSIONERS, TETON COUNTY, WYOMING**

The Board of County Commissioners in Teton County, Wyoming met in special session at 8:35am on **August 14, 2018** in the Commissioners Chambers located at 200 South Willow, Jackson, Wyoming.

The purpose of the meeting was to meet as the Teton County Board of Equalization to hear appeals that had been filed on 2018 property tax assessments.

Present were: Mark Newcomb Chair, Paul Vogelheim, and Smokey Rhea. Natalia Macker and Greg Epstein were absent.

Hearing Officer: Melissa Shinkle

Court Reporter: Lani Lewis with T&T Reporting, LLC of Idaho Falls, Idaho

Also present were: County Assessor Melissa Shinkle, Chief Deputy County Attorney Keith Gingery, County Clerk Sherry L. Daigle, Chief Deputy Assessor Kristin Williamson, Deputy County Assessor Jordyn McDougall, Deputy County Clerk Kassie Hansen, and Deputy Clerk Shelley Fairbanks

Keith Gingery, Deputy County Attorney, presented motions for reconsideration for Jackson Shopping Village LLLP and MAM Revocable Trust. He went over the case of College Hill Limited Partnership vs. Fremont County Assessor et al Docket No. 2008-0064 regarding the cost method vs. income method. The Teton County Assessor is requesting the Teton County Board of Equalization to reconsider their decision in both the case of MAM Revocable Trust and Jackson Shopping Village LLLP.

William Thomas Nisbet Trustee Parcel R5362

The hearing for Nisbet, William Thomas Trustee located at 355 S. Millward Street began with the Hearing Officer giving an overview of the proceedings.

Exhibits 1-7 from the Appellant were admitted to the Board with no objection from the County Assessor.

The meeting was recessed at 8:52am and reconvened at 8:58am.

William Thomas Nisbet, Appellant, presented his argument to the Board. The property has been zoned residential not commercial. Mr. Nisbet feels the property should be taxed as residential due to the zoning. Presenting his exhibits, he showed the different values per square foot on the commercial properties that appealed their taxes. He also showed the values per square foot for the Millward corridor. Exhibit 3 showed other commercial properties around the town of Jackson and their values per square foot. Mr. Nisbet states the formula mandated by the State Board of Equalization is what causes the problem when trying to make assessed valuation be uniform.

County Assessor Melissa Shinkle addressed the Board regarding the valuation of commercial properties in the Town of Jackson. Mr. Nisbet objected to the admission of Exhibit E-5, however Hearing Officer Owens overrode the objection. Assessor Shinkle stated she did not look at the current zoning, just the highest and best use of the property, which is commercial. The land cannot be valued at residential and the improvements be valued at commercial. Discussion between the Board and staff included property is unique with the grandfathered clause attached to it, attributes may be applied to the uniqueness of the property, slopes, base price issue is a method derived from the sales, zoning shouldn't be considered but fair market value is based on zoning/

Closing remarks were made by the Appellant, William T. Nisbet.

Closing remarks were made by Keith Gingery, Chief Deputy County Attorney, on behalf of the Assessor.

A motion was made by Commissioner Vogelheim and seconded by Commissioner Rhea to affirm the Assessor's valuation for the Nisbet commercial property at 355 S. Millward Street being able to make the seven findings in Exhibit A-3 and the applicable law in Exhibit A-4. Hearing Officer Owens called for a vote. The vote showed all in favor and the motion carried.

The meeting was recessed at 9:54am and reconvened at 10:02am.

P & R Investments Parcel R5552

The hearing for P & R Investments Ltd aka Boot Barn located at 840 W. Broadway Avenue began with the Hearing Officer giving an overview of the proceedings.

Keith Gingery, Deputy County Attorney, stated he would accept Robert Everett as an expert witness and accepted Exhibits 1-3 from the appellant. Mr. Everett gave a background description of his qualifications as an expert witness.

Mr. Everett, on behalf of the appellant, addressed the Board about the decrease in property value but an increase in taxes. He also noted the increase in taxes is not the problem of the property owner but is the problem of the lessee. Mr. Everett stated the land values haven't changed since 2013. The income approach is critical for all properties that receive income. Mr. Everett believes the law is being interpreted more tightly than normal by the Department of Revenue. Concerns were stated about the income approach method with the size of office staff of the Assessor. The appellant used the income approach to come up with their value.

County Assessor Melissa Shinkle is relying solely upon her testimony in the exhibits presented.

There were no closing statements made by the appellant.

The Board asked about the continued reference to the three methods utilized by County Assessors: Sales Comparison, Cost, and Income or Capitalized Earnings Approach. Why is the Income Approach a method considered but not used.

The Assessor's exhibits were all entered in the case with no objections by the appellant's representative.

Closing remarks were made by Keith Gingery, Chief Deputy County Attorney, on behalf of the Assessor.

A motion was made by Commissioner Vogelheim and seconded by Commissioner Rhea in the matter of P & R Investments aka Boot Barn at 840 W. Broadway to affirm the Assessor's valuation and can make the eight findings in Exhibit A-3 and the applicable law in Exhibit A-4. Hearing Officer Owens called for a vote. The vote showed all in favor and the motion carried.

Elisa Maturo & Andrew Chambers Parcel R2887

The hearing for the Elisa Maturo & Andrew Chambers began at 11:00am.

Mr. Gingery stated under the rules of Section 20, Chapter 7 Department of Revenue the appeal may be dismissed by the county board if any person willfully neglects or refuses to attend the meeting of the county board and be examined or answer any material questions.

A motion was made by Chairman Newcomb and seconded by Commissioner Rhea to affirm the decision of the Assessor. Hearing Officer Owens called for a vote. The vote showed all in favor and the motion carried.

Gannett Horn Trustee Parcel R2884

The hearing for the Gannett Horn Trustee began at 11:00am.

Mr. Gingery stated under the rules of Section 20, Chapter 7 Department of Revenue the appeal may be dismissed by the county board if any person willfully neglects or refuses to attend the meeting of the county board and be examined or answer any material questions.

A motion was made by Commissioner Vogelheim and seconded by Commissioner Rhea to affirm the decision of the Assessor. Hearing Officer Owens called for a vote. The vote showed all in favor and the motion carried.

King, Bret Parcel R2893

At 11:01am the King hearing began for 4705 Fishing Club Drive with the Hearing Officer giving an overview of the proceedings.

Bret King, Appellant, presented his argument. Exhibit A-2 was admitted into evidence to the record. Mr. King stated his complaints included Improvement #1 is 20 years old, Improvement #3 is 14 years old. All exhibits from the Assessor with the exception of A-3 were admitted into evidence to the record. The concern of the Kings is with the values on the improvements. The comparable parcels are in South Park, Shootin' Iron, and Spring Gulch.

County Assessor Melissa Shinkle addressed the Board regarding the valuation method for Mr. King's neighborhood, characteristics of the homes help what constitutes a replacement costs new, property profile shows correct improvement building dates and ages, change in depreciation, market adjustment is only applied to the improvements, calculation of sales ratio.

Keith Gingery, Deputy County Attorney, questioned Assessor Shinkle about Exhibit A-3 regarding the definition as defined by the IAAO Glossary of an outlier. Mr. King still showed a legal objection to the exhibit. The Hearing Officer overruled Mr. King's objection and admitted Exhibit A-3 into evidence in the record.

Discussion between the Assessor and the appellant included neighborhood location of a particular comparable, outliers, clustering around a central tendency.

The hearing was closed to the public to divulge confidential information pertinent to the hearing from 11:50am to 11:54am.

Discussion between the Board and staff include valuation on land.

Closing remarks were made by the Appellant, Bret King.

Closing remarks were made by Keith Gingery, Chief Deputy County Attorney, on behalf of the Assessor.

The meeting was recessed at 12:04pm and reconvened at 12:31pm.

A motion was made by Commissioner Rhea and seconded by Commissioner Rhea to affirm the Assessor's 2018 Assessment of property located at 4705 S. Fishing Club Drive and owned by Bret and Susan King totaling \$3, 214,356.00 as amended in E-1 based upon the eight findings in Exhibit A-3 and the applicable law in Exhibit A-4. Hearing Officer Owens called for a vote. The vote showed all in favor and the motion carried.

Parr Living Trust Parcel R3049

At 12:20pm the Parr hearing began for 2850 Boyles Hill Road with the Hearing Officer giving an overview of the proceedings.

Robert E. Schroth on behalf of the Appellants Thomas and Monica Parr, presented his arguments for a straight forward appeal: land value of \$2,226,000 for a little over 11 acres, attributes of the land, valued the same as neighbor with 17 acres, significant differences between Indian Springs gated community and dairy/pasture land, comps used were from several sights in Indian Springs.

Mr. Schroth objected to the exhibits presented by the Assessor due to inaccuracy. The Assessor's exhibits were not entered into evidence at this time.

Mr. Schroth spoke of the structures on the land and dates of building, unfinished basement, house has only depreciated for 25 years but is 55 years old, comparable use for property that sold for \$2,000,000 but there are no properties in the dairy subdivision less than 10 acres.

Mr. Gingery, on behalf of the Assessor, spoke of the exhibits from the Appellant (D1-3) and they were admitted into evidence. Exhibits B1-B5 were admitted into evidence with no objections from the Appellant. Exhibit C1-9 were admitted into evidence with no objections from the Appellant. Exhibit A1-5 were admitted into evidence with no objections from the Appellant.

County Assessor Melissa Shinkle addressed the Board regarding no documentation relating to the land value exclusively, land value did not change from 2017 to 2018, inclusion of two neighborhood valuations, determination on what mirrors property, impuding - not combined but comparable.

The meeting was recessed at 1:45pm and reconvened at 1:57pm.

Discussion between the Board and the Assessor included tables to show the effective age study.

Jordyn McDougall, Deputy County Assessor, addressed the Board regarding the effective age study chart and documentation on how to support the chart.

Closing remarks were given by Mr. Schroth on behalf of the Appellant.

Closing remarks were made by Keith Gingery, Chief Deputy County Attorney, on behalf of the Assessor.

A motion was made by Commissioner Vogelheim and seconded by Commissioner Rhea to affirm the Assessor's 2018 Assessment of property located at 2850 Boyles Hill road and owned by the Parr Living Trust, Thomas & Monica Parr – Trustees, \$2,686,828.00 based upon the following eight findings in Exhibit A-3 and the applicable law in Exhibit A-4. Hearing Officer Owens called for a vote. The vote showed all in favor and the motion carried.

Robert E. and Linda M. Schroth Parcel R3048

This appeal was withdrawn per Robert Schroth.

William P. and Cheryl Schwartz Parcel R6605

The hearing began for William and Cheryl Schwartz for property located at 20 E. Simpson Avenue with the Hearing Officer giving an overview of the proceedings.

William Schwartz, Appellant, addressed the Board regarding the land, no improvements on the land.

Commissioner Epstein arrived at 2:30pm.

Mr. Schwartz noted he has no objections to the Assessor's exhibits and presented one to his own exhibits to the Assessor. This property is zoned OP, not commercial. Mr. Gingery objected to the exhibit presented by the appellant based on irrelevance. Exhibits A-1 through E-4 was admitted into evidence with no objection from the Appellant. Leah Schwartz, on behalf of the appellant, asked for the reconsideration of the exhibit given. Hearing Officer Owens overruled the objection and admitted the exhibit into evidence for the record.

County Assessor Melissa Shinkle addressed the Board regarding the exhibit just approved is an improved sale not vacant land. The valuation was based on the highest and best use (law office) as commercial, the adjacent lot is residential as there is a tenant living there, property zoned commercial since 2010. Assessor Shinkle quoted the "2017 Market Valuation of Residential, Commercial and Industrial Lands" distributed to all County Assessors by the State of Wyoming Department of Revenue Property Tax Division to aid in the appraisal of property: "Highest and best use is the foundation on which the market values rests. For parcels located in commercially zoned areas the highest and best use will most likely be commercial. If the highest and best use for the parcel is commercial and there is a residence on it, the land should be valued as commercial. Land should be valued uniformly at the level of which it is selling for. If there are no sales then it should be valued at the same rate as surrounding commercial parcels. Normally when one of these types of parcels sells it will sell as a commercial use." "Occasionally there may be parcels that have a mixed use of both residential lands along with a commercial use and vice versa. In these cases the land should be classified according to the predominate use (i.e. highest and best use)."

Discussion between the Board, the Assessor, and the Appellant included the linear regression model, market valuation, highest and best use, income approach, other paths for fairness of taxation, sale price on appellants exhibit is three years old and a lot has changed in the market since then, where does zoning fit in an appraisal.

The meeting was recessed at 3:34pm and reconvened at 3:52pm.

Discussion between the Board, the Assessor, and the Appellant included development rights impacting property, groupings of neighborhoods and LEAs, qualifications of Ms. Shinkle as the Assessor, experience in Assessor's Office as certified appraisal experience, sales comparison approach, best evidence of value should be used in valuation of property, vacant land in the OR zone – rely on sales of vacant land outside of the OR zone, TCC LEA consists of all commercial property from Hoback Junction to Moose, 2.54 attribute north of Meadowlark Lane as premium commercial property, mean and median levels, impact for adjustment was removed from OR zoned property, decision of the Assessor to include all commercial properties historically assessed as commercial, some OR properties assessed as residential, exhibits 3 and 4 were submitted and admitted as evidence to the record, assessed valuation for the 3 lots across the street, another issue Teton County will face is lots on dual lots are sold as one lot, definition in IAAO Glossary of highest and best use, limited by the amount of parking on the OR zoning.

Closing remarks were given by Mr. Schwartz as the Appellant.

Closing remarks were made by Keith Gingery, Chief Deputy County Attorney, on behalf of the Assessor.

Discussion among the Board included struggle with the valuation of the Assessor and provided credible evidence, OR zoning, IAAO Glossary and definition of economic area, concern with linear regression and analysis, reflection of fair

adjustment by a different set of unequal economic forces, Assessor did what she was told to do with parameters but it doesn't seem fair, LEA with different economic forces, mathematics of mean and median and adjustments.

A motion was made by Commissioner Vogelheim and seconded by Commissioner Epstein to remand the Schwartz commercial property at 20 E. Simpson Avenue to the Assessor being not able to make the six findings that the Assessor's valuation was valid, accurate, and correct within the OR zoned properties, similar properties on Broadway and the Town Square being attributed to other commercial properties and other properties in OR zone, with inconsistencies in the OR zone.

Hearing Officer Owens called for a vote. The vote showed 3-1 in favor with Commissioner Newcomb opposed and the motion carried.

A request was made to reschedule the remaining appeals as the County Assessor cannot continue at this time.

The meeting was recessed at 5:17pm and reconvened at 5:33pm.

Commissioner Newcomb left the meeting at 5:17pm. Assessor Melissa Shinkle left the meeting at 5:17pm.

Joel Goldberg Parcel 2349

The hearing began for Joel Goldberg for property located at 2360 Grand Teton Circle with the Hearing Officer giving an overview of the proceedings.

Mr. Goldberg stated that his case is about the method of assessment to obtain fair market value. It was stated that the land is the big deal – accurate land evaluation is a primary goal (according to the State). Mr. Gingery had no objection to Mr. Goldberg's exhibits 1-12; Mr. Goldberg had no objections to the Assessor's exhibits A-1 through D-4; all exhibits presented were submitted into evidence on the record. Mr. Goldberg is objecting the using the neighborhood adjustment which applies only to the improvements. The neighborhood adjustment was not meant to be used in lieu of fair market value, Land value was not updated in 2017 or 2018, Land size is the major consideration in land valuation, LEA is not site pricing appropriate, old method was the better method – why switch methods, overvalues the smaller property and undervalues the larger property.

Kristin Williamson, Chief Deputy County Assessor, stated prior to 2016 property was valued at site value, valuations of the land from 2016 and 2017 carried forward, no other land sales to indicate the land value changed.

Discussion between the Board, Assessor, and Appellant included method of valuation used, abstract method, Department of Revenue is aware of valuation method used in Teton County, appellant is disputing the total.

The Hearing Officer continued this matter to a later date.

Victorine O'Donaghue Parcel R2222

The hearing began for Victorine O'Donaghue for property located at 3220 W. King Eider with the Hearing Officer giving an overview of the proceedings.

Ms. O'Donoghue presented exhibits 2, 3, and 4 to be considered into evidence. Ms. O'Donoghue objected to statements on Exhibit A-2. All exhibits from the Assessor and the Appellant were admitted into evidence on the record.

Ms. O'Donoghue stated her case is the comparison of her property/house in King Eider (back of Rafter J) to those in Melody Ranch and Indian Trails.

Kristin Williamson, Chief Deputy County Assessor, stated that this property is compared to Rafter J. Market value was considered using King Eider, Melody Ranch, and Indian Trails.

Effective age was applied to the homes in Rafter J but not King Eider because it is not old enough. Originally it was tried to compare the King Eider homes to those in Rafter J but were out of compliance. It would overvalue all homes in King Eider to compare to Rafter J.

The Hearing Officer continued this matter to a later date.

ADJOURN

The Hearing Officer adjourned the meeting at 6:39pm.

Respectfully submitted: sdf

TETON COUNTY BOARD OF COMMISSIONERS

Mark Newcomb, Chair

Natalia Macker, Vice-Chair

Greg Epstein

Paul Vogelheim

ATTEST:

Kathleen "Smokey" Rhea

Sherry L. Daigle, County Clerk