

SHASTA COUNTY ASSESSMENT APPEALS BOARD

Wednesday, April 13, 2011

REGULAR MEETING

8:30 a.m.: The Shasta County Assessment Appeals Board convened with the following present:

BOARD MEMBERS:

Ken Brown
Larry Lewis
Ernie Rouse

Linda Samuels, Alternate

BOARD STAFF:

Linda Mekelburg, Administrative Board Clerk
Donna Dilts, County Administrative Officer Assistant
Elizabeth Johnson, Legal Counsel

ELECTION OF CHAIRMAN

By motion made, seconded (Brown/Lewis), and unanimously carried, the Assessment Appeals Board elected Larry Lewis as Chairman. By motion made, seconded (Lewis/Rouse), and unanimously carried, the Assessment Appeals Board elected Ken Brown as Vice Chairman.

PUBLIC COMMENT PERIOD - OPEN TIME

There was no one present who wished to speak during the Public Comment Period.

REGULAR CALENDAR

SWEARING IN OF STAFF

This was the time set for the Assessment Appeals Board to consider property assessment appeals. Appellants were duly notified by mail of the date and time of hearings.

The following County staff were sworn in: Assessor-Recorder Leslie Morgan, Deputy Assessor-Recorder Wayne Stephens, and Senior Supervising Auditor Appraiser Bill Jostock.

REQUESTS FOR POSTPONEMENTS AS SUBMITTED BY THE ASSESSOR

There were no requests for postponements submitted by the Assessor; however, Deputy Assessor-Recorder Wayne Stephens reserved the right to request a postponement should any of the appellants who has not responded to the Assessor’s requests to appear for a hearing.

POSTPONEMENTS/309 WAIVERS, WITHDRAWALS, AND STIPULATIONS

Deputy Assessor-Recorder Wayne Stephens presented the postponements, withdrawals, and stipulations as requested by appellants.

POSTPONEMENTS/309 WAIVERS

At the recommendation of Deputy Assessor-Recorder Wayne Stephens and by motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board accepted the Assessor’s recommendation and approved the requests by the appellants for postponements of the following appeals:

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2008-012	Bombardier Aerospace Corp.	800-007-850
2008-017	Flight Options, LLC	800-007-852
2008-018	NetJets International, Inc.	800-007-853

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2008-019	NetJets Aviation, Inc.	800-007-854
2009-014	Contech Construction Products, Inc.	108-430-040-001
2009-021	Bombardier Aerospace Corp.	800-007-850
2009-022	Bombardier Aerospace Corp.	800-007-850
2009-023	Bombardier Aerospace Corp.	800-007-850
2009-024	Bombardier Aerospace Corp.	800-007-850
2009-025	Bombardier Aerospace Corp.	800-007-850
2009-026	Flight Options LLC	800-007-852
2009-027	Flight Options LLC	800-007-852
2009-028	Flight Options LLC	800-007-852
2009-029	Flight Options LLC	800-007-852
2009-040	CitationShares Management LLC	054-280-005/ 800-007-851
2009-041	CitationShares Management LLC	054-280-005/ 800-007-851
2009-042	CitationShares Management LLC	054-280-005/ 800-007-851
2009-043	CitationShares Management LLC	054-280-005/ 800-007-851
2009-048	NetJets International, Inc.	800-007-853/ 054-280-005
2009-049	NetJets International, Inc.	800-007-853/ 054-280-005

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2009-050	NetJets International, Inc.	800-007-853/ 054-280-005
2009-051	NetJets International, Inc.	800-007-853/ 054-280-005
2009-052	NetJets Aviation, Inc.	800-007-854/ 054-280-005
2009-053	NetJets Aviation, Inc.	800-007-854/ 054-280-005
2009-054	NetJets Aviation, Inc.	800-007-854/ 054-280-005
2009-055	NetJets Aviation, Inc.	800-007-854/ 054-280-005
2009-056	NetJets Aviation, Inc.	800-007-854/ 054-280-005
2009-057	NetJets International, Inc.	800-007-853/ 054-280-005
2009-160	Flight Options LLC	054-280-005
2009-251	Tesoro Sierra Properties	107-370-039
2010-021	Bombardier Aerospace Corp.	800-007-860
2010-031	CitationShares Management LLC	054-280-005
2010-067	Sierra Pacific Industries	820-000-422
2010-068	Sierra Pacific Industries	820-000-224
2010-080	NetJets Aviation, Inc.	800-007-854
2010-081	NetJets International. Inc.	800-007-853

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-087	Flight Options LLC	054-280-005
2010-122	Charter Communications	202-030-045/ 860-000-252
2010-123	Charter Communications	048-320-019/ 860-000-272
2010-124	Charter Communications	005-610-010/ 860-000-530
2010-125	Charter Communications	049-390-008/ 860-000-859
2010-126	Charter Communications	051-140-021/ 860-001-108
2010-127	Charter Communications	011-270-032/ 800-002-177
2010-128	Charter Communications	048-320-020/ 800-004-156
2010-129	Charter Communications	202-150-009/ 810-000-118
2010-130	Charter Communications	202-100-022/ 810-000-276
2010-131	Charter Communications	005-280-001/ 810-000-445
2010-132	Charter Communications	048-200-001/ 810-000-584
2010-134	Tesoro Sierra Properties LLC	107-370-039

WITHDRAWALS

At the recommendation of Deputy Assessor-Recorder Wayne Stephens and by motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board accepted the Assessor's recommendation and approved the requests by the appellants for withdrawals of the following appeals:

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-001	Jones, Kenneth W.	108-500-011
2010-002	Bachman, Wayne	030-200-042
2010-003	Levens, James E.	830-014-016
2010-004	Levens, James E.	830-014-016
2010-005	Levens, James E.	830-014-016
2010-008	Souder, Heather	045-210-005
2010-009	Souder, Heather	045-220-009
2010-010	Souder, Heather	045-210-006
2010-011	SYPH Investments, LLC	090-360-027
2010-012	Butler, Kevin R.	061-020-009
2010-013	Foley, Virginia L.	204-360-001
2010-015	Fallbrook Verde Estates, LLC	034-270-001
2010-016	SYPH Investments, LLC	090-360-027
2010-017	SYPH Investments, LLC	090-360-027
2010-018	SYPH Investments, LLC	090-360-027
2010-019	SYPH Investments, LLC	090-360-027

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-023	Hensler, Joseph M.	073-030-008
2010-024	Hensler, Joseph M.	073-030-006
2010-025	Hensler, Joseph M.	073-030-007
2010-027	Kohl's Department Stores Inc.	107-260-015
2010-028	Kohl's Department Stores Inc.	107-260-010
2010-029	Redding Ret. Res. LLC	104-730-040
2010-030	Waldrop, Gary D.	800-004-827
2010-032	VNO Tru Hilltop Drive LP	107-160-016
2010-033	Lavorini One LLC	113-320-024
2010-034	Center West Management, Inc.	107-420-041
2010-035	Center West Management, Inc.	107-420-042
2010-036	Center West Management, Inc.	107-420-043
2010-037	Center West Management, Inc.	107-420-044
2010-038	CA State Automobile Assoc. Inter-Ins.	117-180-026
2010-039	Lowes HIW Inc.	067-110-055
2010-040	Herman, Pamela S. d.b.a. Rocway Logging	203-230-004
2010-049	Richards, Thomas J.	207-560-016
2010-051	Santana, Jerry	116-180-005
2010-052	State Compensation Insurance Fund	109-280-055
2010-053	State Compensation Insurance Fund	109-280-056

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-054	State Compensation Insurance Fund	109-280-057
2010-055	State Compensation Insurance Fund	109-280-039
2010-056	State Compensation Insurance Fund	109-280-040
2010-057	State Compensation Insurance Fund	109-280-041
2010-058	King, Margot	201-010-009
2010-059	Pappas, Paul G. and Debra S.	041-760-016
2010-060	Raley's Family of Stores	113-320-039
2010-061	Martin, Richard H. and Mary G.	061-410-008
2010-062	Rite Aid, Inc.	201-670-013
2010-063	Crummett, Robert S and Julie A.	207-290-007
2010-064	Ewing, Jeffrey C.	007-260-031
2010-065	Sitzman, Gary Neil	701-150-002
2010-066	Sitzman, et al., Gary Neil	701-140-017
2010-069	Brooks, Scott H. and Pamela J.	073-410-025
2010-071	Auto Zone Parts, Inc.	108-020-001
2010-072	Scott, Robert J.	108-490-009
2010-073	Stark, Troy C.	093-330-009
2010-074	Rogers, Norman L.	006-620-009
2010-075	Howard, Kelly	018-670-003
2010-076	McGregor, Thomas & Ella	048-120-022

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-077	K-Mart Corporation, Inc. #3130	107-050-027
2010-078	Sears Roebuck & Co. #2338	107-280-029
2010-079	Wan, Stephen	050-510-036
2010-082	Office Max North America-Lessee	071-430-065
2010-083	Woods, Steven E.	116-440-004
2010-084	Coffey, Michael A.	115-450-016
2010-085	Ferguson, Jedidiah T.	304-080-029
2010-086	Kuersten, Martin	094-510-017
2010-088	Ross Dress for Less, Inc.	800-003-747
2010-089	Longs Drug Stores LLC d.b.a. CVS Pharmacy	800-001-745
2010-091	Pier 1 Imports, Inc.	107-250-049
2010-092	Bailey III, Robert J.	052-160-001
2010-093	Dorris, Jane Murphy	067-120-034
2010-094	Jaeger, Ron	205-140-015
2010-095	Graupner TR, et al., Karl E.	016-470-061
2010-097	Monetta, David	068-120-062/ 068-120-063
2010-098	Forward, Linda	113-070-023
2010-099	Walker, Donna M.	113-250-047
2010-100	Walker, Donna M.	113-250-030

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-101	Mitchell, Frances	059-360-10
2010-104	Gifford, Jean B.	117-180-018
2010-105	Smith & Genne	054-200-054
2010-106	Smith, Phillip E. & Terry A., Trustee	054-510-023
2010-107	Smith, Phillip E. & Terry A., Trustee	054-200-064
2010-108	Smith, Phillip E. & Terry A., Trustee	054-200-055
2010-109	Smith, Phillip E. & Terry A., Trustee	054-200-053
2010-110	Equity Trust Co. Custodian	054-200-044
2010-115	Seale Court, LLC	087-270-031
2010-116	Wells Fargo Bank	050-630-002
2010-117	Wells Fargo Bank	114-040-010
2010-118	Shasta Tire & Service, Inc.	114-350-005
2010-119	Song, Nam Kun & Un Hui	101-330-004
2010-120	Song, Nam Kun & Un Hui	104-080-066
2010-121	VNO Hilltop Drive LP	107-160-016
2010-135	In-N-Out Burgers	071-160-061
2010-136	Deutsche Bank National Trust Co 2007-1 TR	208-230-013
2010-137	Deutsche Bank National Trust Co 2007-1 TR	208-230-015
2010-138	WHC840 LLC d.b.a. Red Lion Redding	107-170-046
2010-139	d.b.a. Hilton Garden Inn Redding	070-180-032

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-140	Lehigh Southwest Cement Company	307-100-004
2010-141	Lehigh Southwest Cement Company	307-100-005
2010-142	Lehigh Southwest Cement Company	307-010-004
2010-143	Lehigh Southwest Cement Company	307-360-034
2010-144	Lehigh Southwest Cement Company	307-360-038
2010-145	Lehigh Southwest Cement Company	307-030-002
2010-146	Lehigh Southwest Cement Company	021-170-004
2010-147	99 Cents Only Stores	107-050-013
2010-148	Big Lots Stores #4310	107-160-018

STIPULATIONS

At the recommendation of Deputy Assessor-Recorder Wayne Stephens and by motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board accepted the Assessor’s recommendation and approved the request by the appellant for stipulation of the following appeal:

<u>Application Number</u>	<u>Appellant Name</u>	<u>Parcel Number</u>
2010-020	Boss, Douglas	207-320-017
	Stipulated Value:	
	2008	\$186,000
	2009	\$189,719
	2010	\$189,269

REQUESTS FOR FINDINGS OF FACT

Deputy Assessor-Recorder Wayne Stephens reported that the Assessor did not have any requests for Findings of Fact on the items being heard.

8:50 a.m.: The Assessment Appeals Board recessed.

9:00 a.m.: The Assessment Appeals Board reconvened.

SCHEDULED HEARINGS

APPLICATIONS NO. 2006-007, 2007-012, 2008-031, 2009-031, AND 2010-096
TOTAL RENAL CARE
ASSESSOR'S PARCEL NO. 800-002-557/102-150-008

Assessor-Recorder Leslie Morgan explained that Total Renal Care is a kidney dialysis business, and their appeal pertains to the imbedded software included in their machines. Operational software of a piece of machinery is an assessable item; however, application software is not. The Assessor's Office has made numerous attempts to request evidence from Total Renal Care as to what portion of the software they believe is operational software as opposed to application software; however, Total Renal Care has not been responsive to those requests. The Assessor's Office recommended denial of the applications.

By consensus, the Assessment Appeals Board directed that the matter be held until later to provide Total Renal Care an opportunity to appear.

APPLICATIONS NO. 2009-224 THROUGH 2009-239
MPT OF SHASTA LP
ASSESSOR'S PARCELS NO. 101-040-005, 101-040-006, 101-040-024, 101-040-025,
101-040-026, 101-040-027, 101-040-032, 101-040-037, 101-040-040, 101-040-041,
101-140-028, 101-620-012, 101-620-054, 101-620-057, 101-620-058, AND 101-620-056-520

Deputy Assessor-Recorder Wayne Stephens noted that the appeals are for Shasta Regional Medical Center, and a request for withdrawals of all of the appeals was received after business hours on April 12, 2011.

By motion made, seconded (Rouse/Brown), and unanimously carried, the Assessment Appeals Board accepted the withdrawals for Applications No. 2009-224, 2009-225, 2009-226, 2009-227, 2009-228, 2009-229, 2009-230, 2009-231, 2009-232, 2009-233, 2009-234, 2009-235, 2009-236, 2009-237, 2009-238, and 2009-239, MPT of Shasta LP.

APPLICATION NO. 2010-102
RENEE S. BARNARD
ASSESSOR'S PARCEL NO. 099-360-013

Deputy Assessor-Recorder Wayne Stephens explained that the appellant did not present a valid claim as there were no values listed for either the *Value on Roll* or *Applicant's Opinion of Value*. No one was present to represent the appellant.

By motion made, seconded (Rouse/Brown), and unanimously carried, the Assessment Appeals Board deferred action on the matter until the end of the morning session.

PENALTY ABATEMENTS

LEGAL ENTITY OWNERSHIP PROGRAM

Deputy Assessor-Recorder Wayne Stephens explained that when businesses change ownership, the business is reassessed; if the new owner fails to report the change, a penalty is assessed. In 2010, the law changed so that now, in order to abate the penalty, a *Statement of Change in Control and Ownership of Legal Entities* must be filed with the California Board of Equalization, and a written application must be filed with the County Assessment Appeals Board. Neither the Assessor nor the California Board of Equalization has the authority to abate the penalty. The Assessment Appeals Board may abate the penalty if the appellant offers a reasonable cause other than willful neglect.

APPLICATIONS NO. 2010-133 AND 2010-149
McDONALD'S CORPORATION
ASSESSOR'S PARCELS NO. 113-340-021 AND 201-620-066
APPLICATION NO. 2010-048
STEPHANIE LYNN SCHWARTZ
ASSESSOR'S PARCELS NO. 104-010-005, 104-010-006, AND 104-010-007

Deputy Assessor-Recorder Wayne Stephens noted that McDonald's Corporation has met the requirements of filing with both the State and the Assessment Appeals Board.

Mr. Stephens noted that Stephanie Lynn Schwartz filed the application with the County in a timely manner. Her *Statement* was not filed immediately with the State, but that situation has since been corrected.

In response to a question from Board Member Lewis, Counsel Elizabeth Johnson explained that there is some ambiguity in the law, but the Assessment Appeals Board may make the abatement based upon a reasonable interpretation of the statute.

Board Member Rouse moved that the penalties be abated for the three appeals. Board Member Brown seconded the motion. Under discussion, Deputy Assessor-Recorder Stephens pointed out that Ms. Schwartz had not made her presentation and should be afforded that opportunity. Board Member Brown withdrew the second, and Board Member Rouse withdrew the motion.

Under further discussion, it was determined that McDonald's Corporation had withdrawn their appeals, so no action was necessary on the penalty abatement. By motion made, seconded (Brown/Rouse), the Assessment Appeals Board accepted the withdrawals of Applications No. 2010-133 and 2010-149, McDonald's Corporation.

APPLICATION NO. 2010-048
STEPHANIE LYNN SCHWARTZ
ASSESSOR'S PARCELS NO. 104-010-005, 104-010-006, AND 104-010-007

Deputy Assessor-Recorder Wayne Stephens said that Stephanie Lynn Schwartz has met the administrative requirements to have the penalty abated and was present to show reasonable cause.

Appellant Stephanie Schwartz was sworn in. She explained that her 2006 tax return had questions regarding property which she had left blank; this placed her on a list of entities that were delinquent in providing the requested information. She did not receive a form the State sent via email; she was then notified that she was being fined. She was then provided incorrect information by the State, which caused further problems. She has since provided all the forms necessary, and she requested abatement of the penalty.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board abated the penalty for Application No. 2010-048, Stephanie Lyn Schwartz.

ACTION ON DEFERRED MATTERS

By consensus, the Assessment Appeals Board deferred action on Applications No. 2006-007, 2007-012, 2008-031, 2009-031, and 2010-096, Total Renal Care and 2010-102, Renee S. Barnard to the beginning of the afternoon session.

9:28 a.m.: The Assessment Appeals Board recessed to reconvene at 1:30 p.m.

1:30 p.m.: The Assessment Appeals Board reconvened in Open Session with all Board Members, Alternate Linda Samuels, Counsel Elizabeth Johnson, Administrative Board Clerk Linda Mekelburg, and CAO Assistant Donna Dilts present.

SCHEDULED HEARINGS

APPLICATIONS NO. 2006-007, 2007-012, 2008-031, 2009-031, AND 2010-096
TOTAL RENAL CARE
ASSESSOR'S PARCEL NO. 800-002-557/102-150-008

Deputy Assessor-Recorder Wayne Stephens indicated that the Clerk received requests for withdrawal from Total Renal Care after the morning session had ended; he requested that the applications be denied.

Following discussion, and by motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board accepted the withdrawals for Applications No. 2006-007, 2007-012, 2008-031, 2009-031, and 2010-096, Total Renal Care.

APPLICATION NO. 2010-102
RENEE S. BARNARD
ASSESSOR'S PARCEL NO. 099-360-013

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board denied Application No. 2010-102, Renee S. Barnard for lack of appearance.

APPLICATIONS NO. 2010-014 AND 2010-022
KERI M. SMITH
ASSESSOR'S PARCEL NO. 057-190-034

Deputy Assessor-Recorder Wayne Stephens explained that Applications No. 2010-014 and 2010-022, Keri M. Smith, Assessor's Parcel No. 057-190-034 involve an owner-occupied, single-family residence, and the burden of proof is on the Assessor.

Senior Supervising Real Property Appraiser David Baker was sworn in. The 2,676 square-foot property in the Anderson area was completed in 2008 and has 3 bedrooms, 2½ baths, 1 office, and an oversized 2-car garage with storage space above. The appellant is contesting the contributory value of the new residence to the property. Using the Cost Approach, the indicated value of the replacement cost is \$163 per square foot (\$435,000). In 2010, the assessed value of the residence was reduced to \$330,000 (\$123 per square foot) due to a decline in the market value. Comparable sales indicate a Market Value of \$130 to \$159 per square foot.

Appellant Keri Michelle Smith was sworn in. She disputed the comparable sales used by the Assessor's Office, saying they tend to inflate the value of her residence and noting that the comparable sales were from the Palo Cedro area, while she lives in the Anderson area. She

presented comparable sales indicating values of land plus improvements ranging from \$121 per square foot to \$148 per square foot for residences built from 2002 through 2006.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board took the matter under advisement.

APPLICATIONS NO. 2010-111 THROUGH 2010-114
DEANNA AND MATTHEW KELLY PAYNE
ASSESSOR'S PARCELS NO. 005-100-071, 084-340-006, 084-340-016, AND 084-350-016

Senior Supervising Real Property Appraiser David Baker explained that agreement had been reached with Matthew Payne on all but one property in Shasta Lake and three properties in Lakehead. Withdrawal letters have been sent; however, no response has been received. The Assessor's Office would like to reduce the value to the agreed-upon amount. Deputy Assessor-Recorder Wayne Stephens noted that, since Mr. Payne is not present at the hearings, the only administrative action available to the Assessment Appeals Board is to deny the claim.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board denied Applications No. 2010-111, 2010-112, 2010-113, and 2010-114, Deanna and Matthew Kelly Payne.

APPLICATION NO. 2010-006
ESTATE OF LOUIS J. STERK, B. JAGIELLO, ADMINISTRATOR
ASSESSOR'S PARCEL NO. 112-020-009

Deputy Assessor-Recorder Wayne Stephens explained that the property involves a vacant land parcel; therefore, the burden of proof is upon the appellant. No one was present to represent the appellant.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board declined Application No. 2010-006, Estate of Louis J. Sterk, B. Jagiello, Administrator for lack of appearance.

APPLICATION NO. 2010-007
DAVID J. BROUILLETTE
ASSESSOR'S PARCEL NO. 201-510-041

Deputy Assessor-Recorder Wayne Stephens explained that the property involves a single-family residence that is not owner occupied; therefore the burden of proof is upon the appellant.

Appellant David Brouillette was sworn in. He purchased the Anderson property in March 2009, having been informed that there was some termite damage between the bathroom walls, and he planned to paint it, install some hardware, re-carpet it, and use it as rental property.

The termite damage was so extensive that when the infestation was repaired, only half the exterior studs remained. The City of Anderson then required the house to be rebuilt to the City's 2008 building code. The Assessor's Office considers this new construction; he considers it a repair as pest damage is not assessable. The infestation still continues.

Mr. Stephens noted that as of the completion of construction in December 2009, an additional \$88,500 was added to the value of the property, for a new total of \$145,905. The appellant's opinion of full value was \$66,500. The 1,140-square-foot house has four bedrooms and two baths, with an attached one-car garage of above-average quality construction for the subdivision. The appellant paid \$56,500, and this was the value originally entered onto the roll, with an allocation of \$16,500 toward the building and \$40,000 to the lot. After the house received its final inspection in December 2009, the Assessor's Office reviewed it and determined that the construction qualified as new construction under Revenue and Taxation Code section 70; therefore, an additional \$88,500 was added to the valuation for new construction, based on \$92/square foot for new construction. Comparable sales range from \$117 to \$145 per square foot.

Mr. Stephens noted that Revenue and Taxation Code section 70(b) defines "new construction" such that "Any rehabilitation . . . that converts an improvement or fixture to the substantial equivalent of a new improvement . . . is a major rehabilitation of that improvement . . ." Mr. Stephens also noted that Mr. Brouillette's property will be reviewed for a Proposition 8 reduction in the future.

Mr. Brouillette explained that, with the original flat-roof construction of the house, he was not able to simply repair the termite damage; the City of Anderson required certain conditions be met in the roof replacement. He also does not believe any consideration was given to the value of the surrounding area. In response to questions from Board Member Rouse, Mr. Brouillette noted that he added \$10,000 in value above the purchase price to his appeal application because he added a front patio to the house and a covered patio in the back. His reconstruction costs were approximately \$44,000. He did not get any bids for the work as he did the work himself.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board took the matter under advisement.

APPLICATION NO. 2010-026
JAMES W. RAMSEY
ASSESSOR'S PARCEL NO. 112-310-004

Deputy Assessor-Recorder Wayne Stephens explained that the property is a single-family, owner-occupied residence, and the burden of proof would be on the Assessor. Mr. Ramsey indicated that he would not be present for the hearing as he had other business.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board denied Application No. 2010-026, James W. Ramsey for lack of appearance.

APPLICATION NO. 2010-070
DONALD A. CAPPS
ASSESSOR'S PARCEL NO. 051-430-008

Deputy Assessor-Recorder Wayne Stephens explained that the property is a single-family, owner-occupied residence; therefore, the burden of proof is upon the Assessor. The property is currently under review according to Proposition 8. The value on the roll is \$280,000, and the applicant's opinion of value is \$215,000. The 1,920 square-foot house on 46.71 acres in the Anderson area was completed in 2003 and has 3 bedrooms, 2½ baths, and an attached 2-car garage, with a 384 square-foot detached storage building and a 1,848 square-foot detached shop. The property was purchased for \$64,000 in 2001, and a PG&E power line is located on the back portion of the property. The house and attached garage were completed in 2003 and assessed at \$198,000. The detached garage was completed in 2004 and assessed at \$4,000; the detached shop was completed in 2008 and assessed at \$47,000. In 2009, it was determined that the total assessed value was greater than the current market value, and the assessed value was reduced to \$280,000. Subsequently, a clerical error reversed the land and improvement values but had no effect on the overall assessed value; this has since been corrected.

Two comparable sales were from Redding Ranchettes, and two were from Gas Point Road near Igo. They indicate similar values to the subject property.

Appellant Donald Capps was sworn in. Mr. Capps was not informed of the clerical error, and he does not contest the value assessed on the structures. He is concerned that the land for which he paid \$64,000 in 2001 has now been adjusted to a \$130,000 allocation, and he therefore disputes the overall value.

By motion made, seconded (Rouse/Brown), and unanimously carried, the Assessment Appeals Board took the matter under advisement.

3:17 p.m.: The Assessment Appeals Board recessed to April 14, 2011 at 1:30.m.

Thursday, April 14, 2011

1:34 p.m.: The Assessment Appeals Board reconvened in Open Session with Board Members Ken Brown, Larry Lewis, Ernie Rouse, and Alternate Linda Samuels, Counsel Elizabeth Johnson, Administrative Board Clerk Linda Mekelburg, and CAO Assistant Donna Dilts present.

ACTION ON ITEMS TAKEN UNDER ADVISEMENT/SUBMISSION

The Assessment Appeals Board announced the following action on items taken under advisement:

APPLICATIONS NO. 2010-014 AND 2010-022
KERI M. SMITH
ASSESSOR'S PARCEL NO. 057-190-034

By consensus, for Applications No. 2010-014 and 2010-022, Keri M. Smith, Assessor's Parcel No. 057-190-034, the Assessment Appeals Board found in favor of the Assessor.

APPLICATION NO. 2010-007
DAVID J. BROUILLETTE
ASSESSOR'S PARCEL NO. 201-510-041

By consensus, for Application No. 2010-007, David J. Brouillette, Assessor's Parcel No. 201-510-041, the Assessment Appeals Board placed a value of \$35,000 on the land and \$80,000 on the structure.

APPLICATION NO. 2010-070
DONALD A. CAPPS
ASSESSOR'S PARCEL NO. 051-430-008

By consensus, for Application No. 2010-070, Donald A. Capps, Assessor's Parcel No. 051-430-008, the Assessment Appeals Board found in favor of the Assessor.

SCHEDULED HEARINGS

APPLICATION NO. 2010-103
DONALD C. WESTBY
ASSESSOR'S PARCEL NO. 051-110-023

Senior Supervising Real Property Appraiser David Baker noted that no response had been received from Donald Westby.

By motion made, seconded (Rouse/Brown), and unanimously carried, the Assessment Appeals Board denied Application No. 2010-103, Donald C. Westby for lack of appearance.

1:37 p.m.: The Assessment Appeals Board recessed.

1:47 p.m.: The Assessment Appeals Board reconvened.

APPLICATIONS NO. 2010-041, 2010-042, 2010-043,
2010-044, 2010-045, 2010-046, AND 2010-047
GOLD HILLS COUNTRY CLUB
ASSESSOR'S PARCELS NO. 073-200-001, 073-200-002, 073-200-003,
073-100-085, 073-090-050, 073-100-072, AND 073-090-060

Deputy Assessor-Recorder Wayne Stephens explained that Applications No. 2010-041, 2010-042, and 2010-043 involve three 0.22-acre lots that were part of the original Gold Hills Subdivision and are currently assessed at \$71,264. The remaining applications are for improvements to the golf course itself. None of the properties are owner-occupied residential homes; therefore, the burden of proof is upon the applicant.

Gold Hills Country Club representative Rob Middleton was sworn in. Mr. Middleton presented current comparable sales information on lots in the Tierra Oaks Golf Course community, all of which are less than \$50,000. He requested a reduction in value for the three residential lots. He was unable to locate any comparable sales for the remaining lots.

In response to questions from Board Members, Mr. Middleton noted that the comparable sales information was from late 2010 and early 2011. It is possible, since the comparable sales information was from outside the allowable time frame, that the values may be appealed again next year, at which time appropriate comparable sales information would be provided.

Mr. Stephens explained that the Assessor's Office recognizes that the three residential lots are independent from the golf course operation and could possibly agree that \$71,264 may be too high for a January 2010 lien date. However, they are comfortable with the roll value on the remaining lots and are of the opinion that they should be dismissed.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board denied Applications No. 2010-041 through 2010-043, Gold Hills Country Club, for lack of evidence.

Following a request for clarification from Mr. Wayne Stephens, by motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board denied Applications No. 2010-044 through 2010-044, Gold Hills Country Club, for lack of evidence.

2:00 p.m.: The Assessment Appeals Board recessed to April 15, 2011 at 1:30.m.

Friday, April 15, 2011

SCHEDULED HEARINGS

1:30 p.m.: The Assessment Appeals Board reconvened in Open Session with Board Members Ken Brown, Larry Lewis, Ernie Rouse, and Alternate Linda Samuels, Counsel Elizabeth Johnson, Administrative Board Clerk Linda Mekelburg, and CAO Assistant Donna Dilts present.

APPLICATION NO. 2010-050
LOWES HIW, INC.
ASSESSOR'S PARCEL NO. 006-022

Deputy Assessor-Recorder Wayne Stephens explained that the hearing involves the business property section of the appeal; the real property section has been resolved. The burden of proof is upon the appellant.

In response to a question from Counsel Elizabeth Johnson, Mr. Stephens confirmed that William A. Campbell, Jr. is an employee of Altus Group U.S., Inc., the firm that completes the business property statement for Lowes HIW, Inc. and is authorized to represent Lowes.

William A. Campbell, Jr. was sworn in. Lowes has requested to have the business personal property value for Redding Store #1926 reduced from \$2,701,770 to \$2,448,612 based on economic obsolescence. Sales in the store have declined 15 percent from \$36,854,495 in 2007 to \$31,307,345 in 2009. During the same time period, the assessed real estate value was reduced by 20.38 percent from \$14,500,000 to \$11,545,000. Mr. Campbell presented a fee

appraisal for Tampa, Florida Store #1629 showing a fair market value reduction of approximately 50 percent through the Cost Approach basis, contending that all Lowes stores are of similar size, construction, and maintenance. Had Redding Store #1926 gone through a fee appraisal, it would likely show a similar reduction in value.

Senior Supervising Auditor Appraiser Bill Jostock explained that when Shasta County requested an exchange of information, only net sales figures from 2007 through 2009 were received, and no detailed sales figures were provided. Without further financial information for the County to review, the Assessor's Office was not comfortable making a reduction in the valuation. A reduction in sales does not necessarily equate to a reduction in value, and there is no visible indication in Redding Store #1926 that it is not operating at full capacity. Nothing currently justifies a reduction in value due to economic obsolescence.

Mr. Stephens confirmed that the County is currently auditing Lowes to ensure proper valuation and depreciation of assets. He also noted that Shasta County contends that net sales is not a reflection of equipment and its use and does not support economic obsolescence.

Mr. Campbell reiterated that Lowes contends that a reduction in net sales supports both a reduction in real property and a reduction in business personal property.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board took the matter under advisement.

Note: Under Notice of Decision dated April 15, 2011, the Assessment Appeals Board ruled in favor of the Assessor-Recorder for Application No. 2010-050, Lowes HIW, Inc.

APPLICATION NO. 2010-090

IGT

ASSESSOR'S PARCEL NO. 800-006-022

Deputy Assessor-Recorder Wayne Stephens explained that there has been no response from IGT to any request for information. There was no one present to represent IGT.

By motion made, seconded (Brown/Rouse), and unanimously carried, the Assessment Appeals Board denied Application No. 2010-090, IGT for lack of appearance.

2012 ASSESSMENT APPEALS BOARD HEARING DATES

By consensus, the Assessment Appeals Board set the 2012 Assessment Appeals hearings for April 11, 12, and 13, 2012.

2:31 p.m.: The Assessment Appeals Board adjourned.

LARRY LEWIS, Chairman

ATTEST:

LAWRENCE G. LEES
Clerk of the Assessment Appeals Board

By _____
Deputy