

Board of Supervisors

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September 30, 2013

Property Tax Evaluations
Coronado Villas LLC
7459 E Broadway, Ste 201
Tucson, AZ 85710


Subject: Parcel Number: 106-72-273 Multi

Dear Appellant(s):

The Hearing Officer's Recommended Decision(s) on the above referenced parcel(s) is attached. This is the decision that will be upheld by the Board of Supervisors, acting as the Cochise County Board of Equalization, at a special meeting on Tuesday, October 8th at 11:00 a.m. **unless you or the Assessor contests the Hearing Officer's decision in writing by 5:00 p.m. October 4, 2013.** No new information may be presented by either the Assessor or the appellant at this meeting, but if you contest the Hearing Officer's decision, you may wish to attend in case the Board of Equalization has questions or needs clarification. Should the Assessor contest the Hearing Officer's decision, you will be notified immediately.

Because of the tight schedule, you may also fax (520-432-5016) or email (Board@cochise.az.gov) your request to us.

Sincerely,


Gussie Motter
Deputy Clerk of the Board

CC: Assessor

September 29, 2013

Cochise County Board of Equalization
1415 Melody Lane, Building G
Bisbee AZ 85635

RE: Recommended Decision of Hearing Officer in Appeal of Notice of Value
for 15 Parcels, beginning with Parcel No: 106-72-273

After conducting a Hearing on the appeal of the Notice of Value for the above parcels, it is my recommended decision that the following values and classification be established as set forth in the Multiple Parcel Form, attached hereto.

The basis for my decision is as follows: The subject of this appeal involves fifteen stand alone residential rental single family units. These units are available for rental not for sale. The Appellant submits that the cost approach is the most appropriate method of valuation, while the Assessor relies on the market approach. There are three problems associated with the Appellant's use of the cost approach; 1) the Appellant's deduction of the contractor's profit, 2) depreciation based on 27.5 years and 3) the cost of construction reflected in the Building Permits is significantly higher than submitted by the Appellant. The Assessor's recommended values are lower than the cost listed in the Building Permits. Contractor profit is not an appropriate deduction in applying the cost approach. The depreciation schedule used by the Appellant is inappropriate. Marshall and Swift, used by the Assessor, provides for a seventy year schedule. At the A Level the Assessor reduced the noticed values and the Assessor recommends no change from the A Level decision. This ten percent reduction in the value of improvements was based on the downturn in the recent market. In support of the recommended values the Assessor cited three sale comparables which are located in the same subdivision and indicate per square foot values ranging from \$92 to \$103, and the subject units are valued between \$91 and \$95 per square foot. The evidence supports the market values recommended by the Assessor and those values should be approved.

Thank you,

James Riley, Hearing Officer