

JOURNAL OF PROCEEDINGS
CITY AND COUNTY OF SAN FRANCISCO
ASSESSMENT APPEALS BOARD

In the meeting of Assessment Appeals Board Number 1 for the City and County of San Francisco on Tuesday, June 14, 2016, at 9:30 a.m.

Present: Jeffrey Morris, Diane Robinson and Scott Spertzel

Quorum present

Chairperson: Jeffrey Morris, Presiding

Certified Court Reporter Kim Schroeder

Public Comment: At 9:32 a.m. the Board heard public comment submitted by Shawn Mooney (attached) that was read by the Clerk.

The following listed applicant for change in the assessed valuation of property affecting various years of the assessment roll being present, the Board began hearing evidence and testimony from Andrew Zimbalist, the next expert witness for the Applicant.

At the hour of 11:12 a.m., the Board went into closed session to hear evidence and testimony from Mr. Zimbalist involving confidential trade secret information. The Board reconvened in open session at 11:43 a.m. and continued hearing from Mr. Zimbalist. The Board then took certain action, as specified under this date, on the following listed applications:

<u>Appeal No.</u>	<u>Name</u>	<u>Disposition</u>
2014-1130	China Basin Ballpark Co.	Continued to 1:30 p.m.
2014-1753	China Basin Ballpark Co.	Same as above
2014-1754	China Basin Ballpark Co.	Same as above
2014-1755	China Basin Ballpark Co.	Same as above

RECESS

The Board recessed at the hour of 12:00 p.m. to reconvene at 1:30 p.m.

RECONVENING OF THE BOARD

The Assessment Appeals Board reconvened at 1:30 p.m.

Present: Jeffrey Morris, Diane Robinson and Scott Spertzel

Quorum present

Chairperson: Jeffrey Morris, Presiding

Certified Court Reporter Kim Schroeder

With the same parties present from the morning session, the Board continued hearing evidence and testimony from Mr. Zimbalist on behalf of the Applicant, followed by cross examination of Mr. Zimbalist by the Assessor and redirect by the Applicant.

Following Mr. Zimbalist, the Board began hearing evidence and testimony from Richard Johnson, the next expert witness for the Applicant. The Board then took certain action, as specified under this date on the following listed applications:

<u>Appeal No.</u>	<u>Name</u>	<u>Disposition</u>
2014-1130	China Basin Ballpark Co.	Continued to 6/15/16 at 9:30 a.m.
2014-1753	China Basin Ballpark Co.	Same as above
2014-1754	China Basin Ballpark Co.	Same as above
2014-1755	China Basin Ballpark Co.	Same as above

There being no further business, the Board, at the hour of 4:34 p.m., recessed to reconvene Wednesday, June 15, 2016, at 9:30 a.m.

Dawn Duran
Administrator Acting as Clerk

Approved by the Board on June 15, 2016

Angela Calvillo
Clerk of the Board of Supervisors

June 14, 2016 Public Comments:

China Basin Ballpark Company

Per my previous illustration example, in year 2000 if full value is the construction cost of \$357 Million, subtenants have zero taxable value in 2000 because CBBC taxable value for the property is already at full value.

Subtenants do not become taxable until year 2001 when CBBC assessed value declines via depreciation thereby making available room for **secondary “other”** taxable interest via **subtenants and non-baseball events**.

In other words, for property tax purposes the actual value of the stadium improvements is much higher than full value however the Assessor may only assess up to full value; therefore as CBBC possessory interest declines in value subtenant’s separate possessory interest becomes taxable until **full value of the property is maintained and equalized**.

Subtenant’s interest was not taxable in year 2000, this **created a false standard** that subtenants were not taxable or the taxable value of each subtenant was **inclusive** of CBBC taxable interest.

This false standard **carried forward** by CBBC **concealment** of subtenant taxable interest by **not reporting per Revenue and Tax code 480.6** and **reporting duties** stated in the **ground lease at section 4.1** on page 27.

Subtenant’s Usages are required to be reported to both the Port and the Assessor via BOE 502-P forms which are public documents; instead CBBC **conceals** this public information as a **“trade secrets” to avoid taxation**.

Said differently, CBBC was required to report the **“creation of each subtenant”** however in year 2000 subtenants were not taxable thereby **not originally assessed or enrolled**. CBBC continues to shield 3rd party subtenants tax liabilities in favor of higher rents from each subtenant. Subtenants have escaped taxation because CBBC has never in 16 years reported subtenants to the Assessor or the Landlord SF Port **in a manner which would trigger the assessment process**.

The Ground lease between CBBC and CCSF at section **4.1 Taxes and Assessments on page 27** clearly states,

CBBC shall pay all property taxes **except; Subtenant possessory interest taxes which shall be separately assessed**.

AAB, please find the **government property** has **multiple** taxable interests from 3rd party users and not just one taxable interest source, CBBC.

Shawn Karl Mooney