

**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 Wednesday, June 15, 2016, at 9:34 a.m.

Present: Jeffrey Morris, Diane Robinson and Scott Spertzel

Quorum present

Chairperson: Jeffrey Morris, Presiding

Certified Court Reporter Kim Schroeder

Public Comment: At 9:35 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 continued hearing evidence and testimony from Richard Johnson, 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 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 12:02 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 heard cross examination of Mr. Johnson by the Assessor, followed by redirect on behalf of the Applicant. The Board then heard evidence and testimony from the Applicant's next expert witness, Daniel Barrett, Principal with Barrett Sports Group.

At the hour of 3:32 p.m. the Board went into closed session to hear evidence and testimony from Mr. Barrett involving confidential trade secret information. The Board reconvened in open session at 3:50 p.m. and continued hearing from Mr. Barrett.

At the hour of 4:25 p.m. the Board went into closed session to hear additional evidence and testimony from Mr. Barrett involving confidential trade secret information. The Board reconvened in open session at 4:40 p.m. and concluded hearing evidence and testimony from Mr. Barrett. The Board then took certain action, as specified under this date, on the following listed applications:

<b><u>Appeal No.</u></b>	<b><u>Name</u></b>	<b><u>Disposition</u></b>
2014-1130	China Basin Ballpark Co.	Continued to 6/16/16 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 5:03 p.m., recessed to reconvene Thursday, June 16, 2016, at 9:30 a.m.

Dawn Duran  
Administrator Acting as Clerk

Approved by the Board on June 16, 2016

Angela Calvillo  
Clerk of the Board of Supervisors

June 15, 2016 Public Comments:

China Basin Ballpark Company

Rule 122.5 defines **fixtures**; as having **indefinite** term of possession. “**Annexed Indefinitely** means the item is **intended** to remain annexed until **Worn Out or until Superseded by a more Suitable Replacement**”. **Fixtures do not depreciate as they are replaced. Indefinite** duration is a term possession that is greater or longer than **half the remaining term of possession of CBBC 66 year leasehold.**

Therefore, 3rd party subtenant fixtures is an **exception** to the **definition of a sublease** in Revenue and Tax Code 61(d)(1)(A). This code section is not applicable to 3rd party fixtures located on government owned land that are considered **permanently affixed** for taxation purposes.

When 3rd party fixtures owners, sell their fixtures, there is a reportable change in ownership thereby triggering a re-assessment. For example, Naming Rights are 3rd party fixtures affixed to the stadium on public land and have changes ownership three times.

Third Party Concession Venders possess trade fixtures on public land and each vendor has exclusive rights granted by CBBC. When a 3rd party vendor sells its rights to a different vender there is a taxable and reportable change in ownership.

For example: When the stadium opened in 2000, CBBC created a grantee, “**Volume Services America Inc.**” for concession rights. In 2004 Volume Services was acquired by the **Blackstone Group** which change the name of “Volume Services America Inc.” to “Centerplate Inc.”. In 2012, **Olympus Partners** acquired Centerplate Inc. from the Blackstone Group.

These changes of ownerships were **not reported** to the assessor for assessment purposes as required.

CBBC conceals these changes in ownerships to avoid taxation; thereby CBBC collects higher rents from 3rd party fixture owners. CBBC is also motivated to conceal subtenant’s possessory interest which would **off-set and equalizing depreciation of the stadium structure**, thereby **maintaining full cash value** during all years of CBBC leasehold.

Shawn Karl Mooney