

**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 Thursday, June 16, 2016, at 9:31 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 below listed applicant for change in the assessed valuation of property affecting various years of the assessment roll being present, the Board heard evidence and testimony from Applicant's next expert witness, Timothy Lowe, of Waronzof Associates, Inc.

At the hour of 10:07 a.m. the Board went into closed session to hear evidence and testimony from Mr. Lowe involving confidential trade secret information. The Board reconvened in open session at 10:15 a.m. and continued hearing from Mr. Lowe. 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 12:05 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. Lowe, expert witness for the Applicant. The Board then took certain action, as specified under this date, on the below listed applications:

<u>Appeal No.</u>	<u>Name</u>	<u>Disposition</u>
2014-1130	China Basin Ballpark Co.	Continued to 6/17/16 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 4:52 p.m., recessed to reconvene Friday, June 17, 2016, at 9:30 a.m.

Dawn Duran  
Administrator Acting as Clerk

Approved by the Board on Friday, June 17, 2016

Angela Calvillo  
Clerk of the Board of Supervisors

Public Comments June 16, 2016

China Basin Ballpark Company

Attached Letter to Assessor # 2002/014 dated March 14, 2002 and states:

#### **ESCAPE ASSESSMENTS**

“An escape assessment is a retroactive assessment intended to rectify an omission or error that caused taxable property to be under-assessed (or not assessed at all). **In most cases, once such an omission or error occurs, the property escapes assessment each year thereafter until the underassessment is discovered and corrected.** If property escapes assessment, the assessor is required to value the property upon discovery for the appropriate valuation date, enroll the appropriate value on the roll being prepared; process any necessary corrections to the current roll, and process appropriate escape assessments for prior years **within the statute of limitations**”.

“Chapter 613 **increases from six years to eight years** the limitations period in subparagraph (b)(1) of section 532 for escape assessments that are subject to the section 504 penalty (**willful concealment of tangible personal property**). Chapter 613 also amends subparagraph (b)(3) of section 532 to provide that the **unlimited period** also applies to **changes in control of legal entities** for which a **change in ownership statement** (COS), as required by section 480.1 or 480.2, was not filed”.

AAB, Subtenant fixtures granted by CBBC are escaping taxes because in year 2000 full cash value was maximized by CBBC construction cost of building the stadium as the improvement tax base value.

This made subtenants not material for taxation in year 2000, as full value was already achieved by CBBC, without secondary sources of value. As described by the BOE (above), **once the error occurred by not enrolling subtenants in 2000 the error repeated itself and became a false standard and practice lasting 16 years until now.**

In other words, the Assessor in 2001 did not realized the stadium depreciated value of \$274,800,000 was less than full value thereby up to \$75,200,000 was eligible for re-directed assessments towards 3rd Party Subtenants.

Had CBBC properly reported the creation and possession of 3rd party subtenant’s fixtures as required the error would have been corrected in 2001.

Shawn Karl Mooney