

<p><b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p><b>BERNICE E. DODGE,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>JEFFERSON COUNTY BOARD OF COMMISSIONERS.</b></p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name:                   Ralph H. Jacobson                               R. H. Jacobson &amp; Co.</p> <p>Address:                2861 Kendrick Street                               Golden, Colorado 80401</p> <p>Phone Number:       (303)278-2185</p> <p>Attorney Reg. No.:</p>	<p><b>Docket No. 37981</b></p>
<p style="text-align: center;"><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on July 30, 2001, Karen E. Hart, Claudia D. Klein, and Mark R. Linné, presiding. Petitioner was represented by Ralph Jacobson, Agent. Respondent was represented by Martin McKinney, Esq.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**KEY 004 SEC 04 TWN 04 RNG 69 QS NW  
(Jefferson County Schedule No. 110247)**

Petitioner is requesting an abatement/refund of taxes on the subject property for tax year 1999. The subject property consists of an automobile dealership known as Lakewood Fordland. Subject consists of 50,200 square feet, of which 4,950 square feet is in the basement of the main building. The net area of the building is, therefore, determined to be 45,254 square feet. The property was built in 1968 and is located on an oversized tract of 13.9 acres.

## **ISSUES:**

### **Petitioner:**

Petitioner contends that the subject property has been overvalued due to the excess land contained on the subject.

### **Respondent:**

Respondent contends that the property has been properly valued using the applicable approaches to value.

## **FINDINGS OF FACT:**

1. Petitioner's witness, Mr. Ralph Jacobson, owner of R. H. Jacobson & Co., presented the following indicators of value:

Cost:	\$3,500,153.00
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2. Based on the market approach for the vacant land (within the cost approach analysis), Petitioner's witness presented an indicated value of \$2,087,013.00 for the land, and accepted the Assessor's valuation of \$1,413,140.00 for the improvements.

3. Petitioner's witness, Ralph Jacobson, testified that the subject consists of 50,200 square feet, of which 4,950 square feet is in the basement of the main building. The net area of the building is, therefore, determined to be 45,254 square feet. The property was built in 1968 and is located on an oversized tract of 13.9 acres. Given that the land is leased, it is not possible to reduce the size, but the dealership requirements could easily be satisfied with approximately half of the existing land size.

4. The witness testified that the subject is Lakewood Fordland and is located at 11000 West Colfax Avenue. The owner of the property, Ms. Dodge, leased the property to Fordland. The witness indicated that many of the dealerships on West Colfax have vacated in recent years, with the primary reason being the lack of market. Dealers are relocating to sites with access to major highways and Interstates. The witness noted that one of the dealers that was on Colfax is now located much further west.

5. The witness testified that the Jefferson County Assessor used to have a given valuation rate for the first 200 feet of a property; now they apply a uniform rate to the entirety of the property. He feels that the first 200 feet should have one rate, and the rest of the land should be given a lower rate.

6. The witness testified that he toured the property with Mike Glassman, of the Jefferson County Assessor's Office in October 2000.

7. The witness testified with respect to the O'Toole's sale, adjacent to the subject. This sale occurred on September 14, 1995. The sale is relevant in the valuation of the subject, given its proximity to the subject. The witness testified that he feels that the value of the O'Toole's property is the value that should be applied to the rear of the subject property.

8. Mr. Jacobson testified that the valuation of the subject land should be tiered, according greater weight to the more commercially oriented land, and a lesser, industrial weighting to the land at the rear of the parcel.

9. In response to questions from the Board, the witness testified that though he contends there is excess land, the current lessee is taking advantage of all of the available land since the land is available under the terms of the lease.

10. The Petitioner requested an actual value for tax year 1999 of \$3,500,153.00 based on the direct sales analysis for the land component contained within the cost approach, and the assessor's improvement value.

11. Respondent's witness, Tom Adams, Certified General Appraiser and Deputy Assessor with the Jefferson County Assessor's Office, testified with respect to the subject property, and presented the following indicators of value:

Cost: \$3,967,140.00

12. The witness presented a cost approach analysis that considered land sales that occurred during the applicable base period. The land sales ranged in value from \$5.18 to \$5.50 per square foot.

13. The witness testified with respect to the valuation process as it applies to the subject. Typical land-to-building ratios of 3:1 for industrial properties and 4:1 for retail properties are appropriate. The subject has a land-to-building ratio of 10:1, which is appropriate for auto dealer properties.

14. The witness testified that the assessor has applied \$5.25 per square foot to each of the automobile dealerships that the Petitioner had presented as assessment comparables. The witness also indicated that some of the information provided on the car dealerships did not indicate the totality of the land involved. If the total land was included, then the land-to-building ratio for auto dealership assessment comparables would be 5.68:1. The witness further commented on assessment Comparable #4, which is not a dealership. With respect to assessment Comparable #5, the witness testified that if all land were added together, this property would have a much greater land-to-building ratio. The witness commented further on the Petitioner's assessment Comparable #6, indicating that the land-to-building ratio for this property is 6.08:1.

15. In response to questions to the Board, the witness indicated that he did not prepare an income approach or a direct sales comparison/market approach. Most of these types of properties are owner-occupied.

16. In response to the Board's questions, the witness testified that the land-to-building ratio for the usable portion of the subject site is 10.27:1.

17. Respondent assigned an actual value for the subject property of \$3,967,140.00 for tax year 1999.

### **CONCLUSIONS:**

1. Respondent presented sufficient probative evidence and testimony to prove that the tax year 1999 valuation of the subject property was correct.

2. The Petitioner presented no relevant market data that could be considered by the Board. The bulk of the information presented related to other automobile dealership properties in an effort to demonstrate that the subject's land-to-building ratio differed from what is typical. The Board was not convinced that the subject's land-to-building ratio is inappropriate, which is further supported by the fact that the entirety of the property is presently utilized for its automobile service and sales business.

3. The Board further notes that the only true sales data presented related to the adjacent O'Toole property. A further examination of the submitted information clearly establishes that the two sales referenced by the Petitioner were for properties that clearly had improvement at the time of sale. This conclusion is drawn from the submitted deed and Jefferson County Assessor data, none of which provides any data that could be considered in analyzing the underlying land value of the subject.

4. The Board notes that the methodology employed by the assessor in past years does not constrain it in future years, if the methodology is consistent and based on market-derived data.

5. While the data presented by the Petitioner was lacking in relevance, the Board was also troubled by the Respondent's presentation. The evidentiary presentation, while marginally adequate, lacked any substantive discussion of land-to-building ratios, and was not responsive to the majority of the issues that relate to automobile dealerships such as the subject.

6. The Board affirms the assigned value of \$3,967,140.00 for tax year 1999.

### **ORDER:**

The petition is denied.

**APPEAL:**

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If the Board recommends that this decision is a matter of statewide concern, or if it results in a significant decrease in the total valuation of the county, Respondent may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If the Board does not make the aforementioned recommendation or result of Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

**DATED and MAILED** this 30<sup>th</sup> day of August, 2001.

**BOARD OF ASSESSMENT APPEALS**

Karen E. Hart  
Karen E. Hart

Claudia D. Klein  
Claudia D. Klein

Mark R. Linné  
Mark R. Linné

This decision was put on the record

AUG 30 2001

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

Diane Von Dollen  
Diane Von Dollen

