

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>JOHN R. KLUG,</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: John R. Klug c/o CCG</p> <p>Address: 12600 West Cedar Drive Lakewood, Colorado 80228</p> <p>Phone Number: (303) 988-7850 ext. 112</p>	<p>Docket Number: 41052</p>
<p style="text-align: center;">ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on September 9, 2003, Judge Nuechter and Karen E. Hart presiding. Petitioner appeared pro se. Respondent was represented by Martin E. McKinney, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**32993 Snowshoe Road, Evergreen, Colorado
(Jefferson County Schedule No. 038832)**

Petitioner is protesting the 2002 actual value of the subject property, which consists of seven cabins located at 32993 Snowshoe Road, Evergreen, Colorado.

ISSUES:

Petitioner:

Petitioner contends that the subject property is overvalued.

Respondent:

Respondent contends that the subject property has been correctly valued for tax year 2002.

FINDINGS OF FACT:

1. Mr. John R. Klug, Petitioner, presented the appeal on his own behalf.
2. The witness testified that the subject property consists of seven summer cabins all over 50 years old. The construction is poor for each of the cabins. The cabins have no insulation and require constant maintenance. There are no comparable sales with multiple cabins. He cannot sell the cabins individually as they are contiguous on the property due to county restrictions.
3. Mr. Klug testified that the fairest method of valuation is to take the 1998 valuation from the Board of Assessment Appeals hearing and apply a percentage appreciation. He believes that the Respondent's unit of measurement, which is .08 percent per month, would be appropriate and indicates a value of \$185,713.60. Multiple listing service statistics indicate a 5.69 percent appreciation adjustment for the first year, and a 5.35 percent adjustment for the following year, resulting in a value of \$173,474.60.
4. The witness testified that the original well permit was based on seasonal use of the cabins. The well failed during the recent drought and a new well permit was obtained that restricts the seven cabins to a total of 108,000 gallons of water per year or 40 gallons per day, per cabin. The water usage is metered. He has managed the restrictions through low flow toilets, cooperation from the tenants, and restricting the tenants to no dishwasher or washing machine use to maintain water restrictions. He believes this should be considered in the valuation since this would weigh heavily on his ability to sell the property. He has rented these cabins on a monthly basis.
5. During cross-examination, Mr. Klug indicated that the cabins require high maintenance. He installed a new commercial type septic system two years ago, and had to drill to 800 feet for a new well at a cost of \$20,000.00. Mr. Klug indicated that the new well permit was issued after the valuation date. This is residential property, and Mr. Klug feels that the income approach to value is not appropriate.
6. Petitioner is requesting a 2002 actual value of \$191,000.00 for the subject property.
7. Respondent's witness, Mr. David D. Niles, a Certified General Appraiser with the

Jefferson County Assessor's Office, presented an indicated value of \$336,000.00 for the subject property based on the market approach.

8. The witness testified that he does not believe Petitioner's plan for valuation would be plausible since he is required to value the property based on the market approach during the appropriate time period.

9. Respondent's witness testified that the subject property consists of seven older cabins on 5.4 acres of land located in the Hangen Ranch area west of Evergreen, Colorado. During his inspection, it appeared that at least five of the cabins were rented. All of the cabins have at least one bedroom and one bathroom and appear to be well maintained.

10. Respondent's witness presented three comparable sales ranging in sales price from \$123,000.00 to \$134,500.00 and in size from 706 to 979 square feet. After adjustments were made, the sales ranged from \$324,450.00 to \$343,590.00.

11. The Respondent's witness testified that there were no sales of like properties with multiple cabins on a single site. He used comparable cabins with similar average size and adjusted for the land size. He used a paired sales analysis for the site adjustment. The witness applied \$25,000.00 for the additional six cabins and compared the seventh cabin in the sales comparison approach. He believes that three of the comparable sales have poor access compared to the subject cabins and considered an inflation adjustment in his valuation. His land size adjustment was \$10,000.00 per acre, which was very reasonable and was developed from references in the Jefferson County Assessor's Office.

12. Under cross-examination, Mr. Niles testified that he did not have a comparable sale available with multiple cabins that would be similar to the subject property.

13. Upon questioning from the Board, the witness testified that he used a paired sales analysis to determine a value of \$25,000.00 per cabin. He did not research comparable sales in other counties. Mr. Niles did not know if the comparable sales were built for seasonal use or for year round use. All of the comparables are of similar size and age as the subject property, although they lack insulation, plumbing, and other amenities typical of newer cabins.

14. Respondent assigned an actual value of \$289,380.00 to the subject property for tax year 2002.

CONCLUSIONS:

1. Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2002.

2. The Board was not convinced that the additional cabins (five of which are less than 500 square feet and one is less than 600 square feet) would raise the property value by \$25,000.00 per cabin in the mind of a potential purchaser.

3. The Board believes that the \$25,000.00 valuation assigned by the Respondent to each of the six smaller cabins is excessive based on the quality of the structures and their size. Since the Petitioner presented no alternative sales data, the Board made a more reasonable market adjustment to the sales provided by the Respondent. The Board determined that the adjustment for the additional cabins should be reduced to \$30.00 per square foot. Based on the gross living area of the six cabins or a total of 2,615 square feet multiplied by \$30.00, the indicated value of the six cabins would be \$78,450.00. The Board accepted Respondent's adjustments to the larger cabin and land.

4. The Board concluded that the 2002 actual value of the subject property should be reduced to \$252,900.00.

ORDER:

Respondent is ordered to reduce the 2002 actual value of the subject property to \$252,900.00.

The Jefferson County Assessor is directed to change his records accordingly.

APPEAL:

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

If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 31st day of October, 2003.

BOARD OF ASSESSMENT APPEALS

Judee Nuechter
Judee Nuechter

Karen E. Hart
Karen E. Hart

This decision was put on the record

OCT 30 2003

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

Penny S. Lowenthal
Penny S. Lowenthal

