

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>BROOMFIELD PLAZA ASSOCIATES LTD.,</p> <p>v.</p> <p>Respondent:</p> <p>BROOMFIELD COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket Nos.: 41862 and 43678</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on August 29, 2005, Sondra W. Mercier and Steffen A. Brown presiding. Petitioner was represented by Richard F. Rodriguez, Esq. Respondent was represented by Tami Yellico, Esq. Petitioner is protesting the 2003 and 2004 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**5125 West 120th Avenue, Broomfield, Colorado
Broomfield County Schedule No. R0021940**

The subject property consists of a retail strip shopping center with approximately 100,513 square feet of net rentable area.

FINDINGS OF FACT:

1. Docket Numbers 41862 and 43678 were consolidated for the purpose of this hearing.
2. The parties presented the following indicators of value:

Approach	Petitioner	Respondent
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Market	N/A	\$7,325,000.00
Cost	N/A	\$5,859,840.00
Income	\$4,915,000.00 to \$6,175,000.00	\$6,774,487.00

3. Petitioner presented five comparable sales ranging in sales price from \$1,025,000.00 to \$7,493,600.00 and in size from 25,000 to 143,517 net rentable square feet, indicating a price range of \$41.00 to \$201.57 per square foot. No adjustments were made to Petitioner's comparable sales. Respondent presented five comparable sales ranging in sales price from \$5,520,000.00 to \$14,400,000.00 and in size from 64,945 to 150,016 net rentable square feet, indicating a price range of \$46.99 to \$108.35 per square foot. After adjustments, Respondent's sales ranged from \$54.63 to \$82.36 per square foot. Petitioner placed no weight on the market approach, as market sale prices were deemed too variable to create a reasonable adjustment pattern. The Board agrees.

4. Neither party placed significant weight on the cost approach to value the subject property.

5. Both parties relied on the use of direct capitalization in the income approach.

6. Petitioner contended that the subject garnered market rents during 2001 and 2002. Therefore, Petitioner's income approach was based on the subject's actual rents. Petitioner calculated vacancy at 5%, reserves at 3%, and applied a capitalization rate of 10% plus 1% for additional risk factors. Petitioner used an effective tax rate of .15% based on data previously received from Respondent; however, if the tax rate is 3% (as indicated in Respondent's Exhibit 1), the value concluded in Petitioner's income approach would be \$4,915,000.00.

7. Respondent contended that market rents in the subject's area were \$9.15 per square foot, \$0.26 per square foot higher than Petitioner's reported actual rents. Respondent calculated vacancy at 5% and reserves at 3%. The actual effective tax rate of 2.96% was rounded to 3%, and added to a capitalization rate of 10% based on Integra survey and market comparables. Respondent reconciled to a value of \$6,774,487.00 based on the income approach.

8. Petitioner requested that the actual value of the subject property to be reduced to \$4,915,000.00 for tax years 2003 and 2004. Respondent assigned an actual value of \$7,000,000.00 for tax years 2003 and 2004, but is recommending a reduction in value to \$6,900,000.00 for each tax year.

9. The Board determined that the income approach provided the best indication of value for the subject property, and that Respondent's income approach was credible. Some of the expense categories included in Petitioner's income approach were not consistent with appropriate appraisal practice. Respondent properly attributed the tax reimbursement amount to income and did not include it as an expense. Respondent's capitalization rate was substantiated by market data, and Respondent's 3% effective tax rate was deemed reliable.

CONCLUSIONS OF LAW:

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1. Sufficient probative evidence and testimony was presented to prove that the subject property was incorrectly valued for tax years 2003 and 2004.

2. The Board concluded that the 2003 and 2004 actual value of the subject property should be reduced to \$6,775,000.00.

ORDER

Respondent is ordered to reduce the 2003 and 2004 actual value of the subject property to \$6,775,000.00.

The Broomfield County Assessor is directed to change his/her 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 28th day of September 2005.

BOARD OF ASSESSMENT APPEALS

Sondra W. Mercier

Sondra W. Mercier

Steffen A. Brown

Steffen A. Brown

This decision was put on the record

SEP 27 2005

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

