

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>PINEHURST COUNTRY CLUB,</p> <p>v.</p> <p>Respondent:</p> <p>DENVER COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 42801</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on December 12, 2005, Debra A. Baumbach, Lyle Hansen and MaryKay Kelley presiding. Petitioner was represented by Richard G. Olona, Esq. Respondent was represented by Max Taylor, Esq. Petitioner is protesting the 2003 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

6255 West Quincy Avenue, Denver, CO
Denver County Schedule Nos. 9014-00-007, 018, 019, 0024

The subject property is known as the Pinehurst Country Club, a private 27-hole golf course built in 1960 on approximately 9,204,423 square feet (211.30 acres) of land. Improvements include a clubhouse, tennis and swimming complex, maintenance buildings and parking lots.

FINDINGS OF FACT:

- Petitioner presented the following indicators of value:

Market:	\$6,700,000.00
Income:	\$7,500,000.00
Cost:	\$6,374,438.00

2. Placing most weight on the values indicated by the market and income approaches, Petitioner requested a reduction in value to \$7,000,000.00.

3. Respondent presented the following indicators of value:

Membership Sales:	\$14,357,700.00
Income:	\$11,763,200.00
Cost:	\$14,934,600.00

4. Respondent assigned an actual value of \$12,006,300.00. In its reconciliation of value, Respondent relied on the value indicated by the market approach for Schedule No. 09014-00-007-000 and on the value indicated by the cost approach for the remaining schedule numbers.

5. The Board placed little weight on the values indicated by Petitioner’s market approach or Respondent’s membership sales approach. Petitioner’s sales were not considered to be comparable to the subject property and many of the sales transactions were under foreclosure or distressed conditions. The Board has no confidence in the value indicated by Respondent’s membership sales approach – it is not a standard sales comparison approach and the Respondent did not verify the accuracy of the published membership rates.

6. The Board determined that the income approach does not provide a reliable indication of value for a private club.

7. In the cost approach, Petitioner presented an extracted land value equivalent to \$3,092.78 per acre or \$0.07 per square foot. The Board placed little weight on the value indicated by the extraction method, as insufficient data was presented to substantiate the concluded land value. Both parties presented multiple land sales ranging in size from 442,422 square feet (10.16 acres) to 33,155,131 square feet (761.14 acres) and in price from \$0.20 per square foot (\$8,712.00 per acre) to \$0.65 per square foot (\$28,314.00 per acre). None of the land sales were adjusted to reflect differences in size, location, zoning, topography, etc. Based on the evidence and testimony presented, the Board determined that the land should be valued at the lower end of the range of land sales presented at \$0.32 per square foot (\$13,939.20 per acre).

8. The parties used a state-approved cost estimating service to derive the following improvement values:

<u>Petitioner</u>		<u>Respondent</u>	
27-Hole Course	\$2,040,327.00	27-Hole Course	\$2,749,464.00
Course Buildings	8,640.00	Yard Imp./Secondary Bldgs.	372,800.00
Clubhouse	2,846,886.00	Country Club	5,664,550.00
Tennis Buildings	1,170,160.00	Tennis Club	1,335,630.00
Maintenance Buildings	<u>244,675.00</u>	Warehouse	<u>209,810.00</u>
Subtotal	\$6,310,688.00		\$10,332,300.00
Economic Obsolescence	<u>(1,000,000.00)</u>		
Total Indicated Value	\$5,310,688.00	Total Indicated Value	\$10,332,300.00

9. The Board concluded that Petitioner's evidence and testimony related to the physical depreciation of the clubhouse was more convincing. Further, the Board concurs with Petitioner's adjustment for economic obsolescence based on an oversupply of golf courses, declining membership, and the effect that newer courses have had on the subject property.

CONCLUSIONS OF LAW:

1. Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2003.

2. The Board concluded that the 2003 actual value of the subject property should be reduced to \$8,310,688.00, with \$3,000,000.00 allocated to land and \$5,310,688.00 allocated to improvements.

ORDER:

Respondent is ordered to reduce the 2003 actual value of the subject property to \$8,310,688.00, with \$3,000,000.00 allocated to land and \$5,310,688.00 allocated to improvements.

The Denver 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.

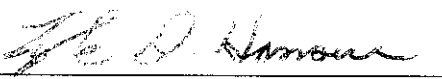
If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 20th day of January 2006.

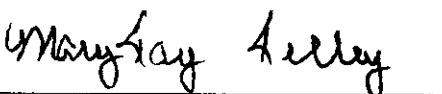
BOARD OF ASSESSMENT APPEALS



Debra A. Baumbach



Lyle D. Hansen

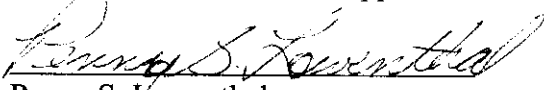


MaryKay Kelley

This decision was put on the record

JAN 20 2006

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


Penny S. Lowenthal

