

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>JTM PROPERTIES, LLC</p> <p>v.</p> <p>Respondent:</p> <p>DOUGLAS COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 45187</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on November 30, 2006, Karen E. Hart and Lyle D. Hansen presiding. Petitioner was represented by John T. McSweeny. Respondent was represented by Michelle Gombas, Esq. Petitioner is protesting the 2005 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**9565 Kingston Ct., Englewood, Colorado
Douglas County Schedule No. R0427580**

The subject property is a 5,350 square foot free-standing office condominium built in 2001 of masonry construction. Respondent assigned an actual value of \$909,500.00 to the subject property for tax year 2005. Petitioner is requesting a reduction in value to \$802,018.00.

Petitioner’s argument is based in part on the dissimilarity of values assigned to other properties located in the subject commercial condominium complex – an equalization argument. At this stage of the appeal process, the concept of equalization is invalid. The value of commercial property must be based on an analysis of the values derived from the market approach, the income approach and/or the cost approach.

Petitioner presented a report prepared by Douglas County entitled *Commercial Sales by Neighborhood*. Petitioner selected six comparable sales from the report ranging in sales price from

\$1,025,000.00 to \$13,300,000.00 and in size from 8,904 to 88,964 square feet. The Board placed minimal weight on Petitioner's comparable sales as they were substantially larger than the subject and no adjustments were made to reflect differences in physical characteristics.

Respondent presented the following indicators of value:

Market:	\$1,016,500.00
Income:	\$1,019,000.00

In the market approach, Respondent utilized six comparable sales ranging in sales price from \$300,000.00 to \$1,200,000.00 and in size from 1,285 to 6,296 square feet. No adjustments were made to the comparable sales. Respondent's Sale 4 was not considered comparable to the subject property in size and Respondent's Sales 1 and 6 were disregarded as the sales occurred outside the 18-month base period. The Board applied a negative 15% adjustment to Respondent's Sales 2 and 3 and a negative 5% adjustment to Respondent's Sale 5 to reflect differences in square footage. As a result, the sales ranged from \$160.08 to \$192.29 per square foot.

In the income approach, Respondent utilized a triple-net rental rate of \$19.00 per square foot, 5% for vacancy and collection loss, 3% for management fees, 2% for reserves for replacements, and a 9% capitalization rate. The \$1,019,000.00 indicated value exceeds the value assigned to the subject property for tax year 2005. Pursuant to §39-8-108(5)(a), the value of the subject property shall not be adjusted to a value higher than the valuation set by the County Board of Equalization.

The value assigned to the subject property for tax year 2005 is equal to \$170.00 per square foot, well within the range of Respondent's comparable sales after the Board applied adjustments for square footage.

ORDER:

The appeal is denied.

APPEAL RIGHTS:

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 3rd day of January 2007.

BOARD OF ASSESSMENT APPEALS

Karen E. Hart

Karen E. Hart

Lyle D. Hansen

Lyle D. Hansen

This decision was put on the record

JAN 03 2007

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

