

<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>SOUTH PLATTE PARTNERS, LLC,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>PARK COUNTY BOARD OF EQUALIZATION.</b></p>	<p><b>Docket No.: 45679</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on May 22, 2007, Debra A. Baumbach and Sondra W. Mercier presiding. Dan L. Casson, manager, appeared on behalf of Petitioner. Respondent was represented by Stephen Groome, Esq. Petitioner is protesting the 2005 actual value of the subject properties.

**PROPERTY DESCRIPTION:**

Subject properties are described as follows:

**37 Platted, Undeveloped Residential Lots Identified as Stone Creek Filing No. 1: Lot 1, Block 2; Lots 1, 2, 3, 8-12, Block 3; Lots 1-7, 14-22, Block 4; and Lots 1-12, Block 5. Fairplay, Colorado (See Table 1 for Legal Descriptions and County Schedule Numbers)**

Petitioner is requesting a 2005 total actual value of \$162,941.00 for the 37 lots that comprise the subject properties. Petitioner applied four methods of valuation for the platted lots, all done on a per square foot basis. Method one applied a percentage increase from the original purchase price resulting in a per square foot value of \$0.45. Petitioner presented information for nine comparable sales. Method two compared Comparable Sales 6 and 9, believed to be most similar to the subject, indicating a value of \$0.36 per square foot. Method three included the analysis of all nine lots, not all believed comparable to the subject, which indicated a value of \$1.11 per square foot for the subject. Method four was the value indicated by a bulk sale of a portion of the lots in the subdivision, \$0.80 per square foot. Petitioner averaged the values from methods two and four,

concluding to a value of \$0.58 per square foot for the subject. Petitioner showed development costs of \$15,043.00 per lot or \$1.81 per square foot based on original proposals for the 64 lot subdivision adjusted for profit, contingency, professional fees, and inflation.

Respondent assigned a total actual value of \$406,488.00 for the subject properties for tax year 2005. Respondent presented a total actual value of \$261,401.00 for the 37 lots that comprise the subject properties. Prior to discounting, Respondent concluded to per lot values ranging from \$9,774.00 to \$30,089.00, with a majority of the subject lots valued at \$23,926.00. This was based on an average indicated by four lot sales and three raw land sales. No specific analysis was applied to individual sales compared to the subject. Respondent calculated a composite discount rate of 10.5%. The retail lot value was discounted at a present worth factor of 30.16% to reflect an absorption period of 30 years. Respondent made no deduction for remaining direct development costs. The Board recalculated absorption with 37 lots and annual absorption of 4.25 lots indicating an absorption period of 9 years. This results in a recalculated present worth factor of 40.7%.

Petitioner presented sufficient probative evidence and testimony to prove that the tax year 2005 valuation of the subject properties was incorrect. The Board is convinced that the subject properties are eligible for discounting procedure based on historical sales levels and the likely extended absorption period. Based on Colorado Revised Statutes section 39-1-103 (14)(b), the Board believes it is appropriate to make a further deduction to Respondent's value for remaining development costs. The Board is convinced that the Adjusted Selling Price ("ASP") set by Respondent was reasonable. Petitioner has indicated direct development costs adjusted for inflation of \$812,719.00 for the entire 64 lot subdivision, equal to \$12,700.00 on a per lot basis, rounded. As an example, the average subject property is valued as follows:

ASP for Average Lot	\$23,926
Less Remaining Direct Development Costs	<u>\$12,700</u>
Resulting ASP	\$11,226
Present Worth Factor at 40.7%	\$4,569

The valuation for Lot 1, Block 2 and Lot 1, Block 3 is placed at the lowest possible value for raw land, as indicated by Respondent at \$2,078.00, as both lots were determined to be un-buildable. Individual lot values are calculated in Table 1.

Table 1: Calculation of Values for Subject Properties

<i>Schedule Number</i>	<i>Legal Description</i>	<i>TASP</i>	<i>Development Costs</i>	<i>ASP</i>	<i>Present Worth Factor at 40.7%</i>	<i>Comments</i>
44512	Filing 1 Block 2 Lot 1	\$2,078		\$2,078	\$2,078	"Unbuildable" lots, valued as raw land
44513	Filing 1 Block 3 Lot 1	\$2,078		\$2,078	\$2,078	
44514	Filing 1 Block 3 Lot 2	\$23,926	\$12,700	\$11,226	\$4,569	
44515	Filing 1 Block 3 Lot 3	\$25,284	\$12,700	\$12,584	\$5,122	
44520	Filing 1 Block 3 Lot 8	\$24,615	\$12,700	\$11,915	\$4,849	
44521	Filing 1 Block 3 Lot 9	\$23,926	\$12,700	\$11,226	\$4,569	
44522	Filing 1 Block 3 Lot 10	\$23,926	\$12,700	\$11,226	\$4,569	
44523	Filing 1 Block 3 Lot 11	\$23,926	\$12,700	\$11,226	\$4,569	
44524	Filing 1 Block 3 Lot 12	\$23,926	\$12,700	\$11,226	\$4,569	
44525	Filing 1 Block 4 Lot 1	\$23,926	\$12,700	\$11,226	\$4,569	
44526	Filing 1 Block 4 Lot 2	\$23,926	\$12,700	\$11,226	\$4,569	
44527	Filing 1 Block 4 Lot 3	\$23,926	\$12,700	\$11,226	\$4,569	
44528	Filing 1 Block 4 Lot 4	\$23,926	\$12,700	\$11,226	\$4,569	
44529	Filing 1 Block 4 Lot 5	\$23,926	\$12,700	\$11,226	\$4,569	
44530	Filing 1 Block 4 Lot 6	\$25,284	\$12,700	\$12,584	\$5,122	
44531	Filing 1 Block 4 Lot 7	\$30,089	\$12,700	\$17,389	\$7,077	
44538	Filing 1 Block 4 Lot 14	\$27,191	\$12,700	\$14,491	\$5,898	
44539	Filing 1 Block 4 Lot 15	\$27,191	\$12,700	\$14,491	\$5,898	
44540	Filing 1 Block 4 Lot 16	\$23,926	\$12,700	\$11,226	\$4,569	
44541	Filing 1 Block 4 Lot 17	\$23,926	\$12,700	\$11,226	\$4,569	
44542	Filing 1 Block 4 Lot 18	\$23,926	\$12,700	\$11,226	\$4,569	
44543	Filing 1 Block 4 Lot 19	\$23,926	\$12,700	\$11,226	\$4,569	
44544	Filing 1 Block 4 Lot 20	\$23,926	\$12,700	\$11,226	\$4,569	
44545	Filing 1 Block 4 Lot 21	\$23,926	\$12,700	\$11,226	\$4,569	
44546	Filing 1 Block 4 Lot 22	\$23,926	\$12,700	\$11,226	\$4,569	
44547	Filing 1 Block 5 Lot 1	\$23,926	\$12,700	\$11,226	\$4,569	
44548	Filing 1 Block 5 Lot 2	\$23,926	\$12,700	\$11,226	\$4,569	
44549	Filing 1 Block 5 Lot 3	\$23,926	\$12,700	\$11,226	\$4,569	
44550	Filing 1 Block 5 Lot 4	\$23,926	\$12,700	\$11,226	\$4,569	
44551	Filing 1 Block 5 Lot 5	\$23,926	\$12,700	\$11,226	\$4,569	
44552	Filing 1 Block 5 Lot 6	\$23,926	\$12,700	\$11,226	\$4,569	
44553	Filing 1 Block 5 Lot 7	\$23,926	\$12,700	\$11,226	\$4,569	
44554	Filing 1 Block 5 Lot 8	\$23,926	\$12,700	\$11,226	\$4,569	
44555	Filing 1 Block 5 Lot 9	\$23,926	\$12,700	\$11,226	\$4,569	
44556	Filing 1 Block 5 Lot 10	\$23,926	\$12,700	\$11,226	\$4,569	
44557	Filing 1 Block 5 Lot 11	\$23,926	\$12,700	\$11,226	\$4,569	
44558	Filing 1 Block 5 Lot 12	\$23,926	\$12,700	\$11,226	\$4,569	
<b>Total</b>					<b>\$170,622</b>	

The Board concludes that the 2005 actual value of the subject properties should be reduced as indicated in Table 1.

**ORDER:**

Respondent is ordered to reduce the 2005 actual value of the subject properties according to Table 1, for a total of \$170,622.00.

The Park 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 17<sup>th</sup> day of August 2007.

**BOARD OF ASSESSMENT APPEALS**

Debra A. Baumbach  
Debra A. Baumbach

Sondra W. Mercier  
Sondra W. Mercier

This decision was put on the record

AUG 16 2007

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

Heather Heinlein  
Heather Heinlein

