

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>JEFF AND TRACY HASTINGS JT TEN,</p> <p>v.</p> <p>Respondent:</p> <p>ARAPAHOE COUNTY BOARD OF COMMISSIONERS.</p>	<p>Docket No.: 46569</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on October 24, 2008, James R. Meurer and Sondra W. Mercier presiding. Petitioner, Jeff Hastings, appeared pro se. Respondent was represented by George Rosenberg, Esq. Petitioners are requesting an abatement/refund of taxes on the subject property for tax year 2005.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**1312 Monroe Street, Strasburg, Colorado
(Arapahoe County Schedule No. 1983-03-2-00-005)**

The subject property consists of an RV park that includes campground, tent sites, log cabins, and RV sites with and without hook-ups. The property also includes a service building that houses an office, store, game room, and meeting room. A separate maintenance building is located near a swimming pool. The property also includes volleyball court, playground, propane filling station, sanitary waste dump station, and horse shoe court. The subject is 6.7 acres, with an adjacent 8-acre parcel used with the subject as one economic unit, but not included in this appeal. The subject is zoned O-Open Space under Arapahoe County regulations. A significant portion of the site is located within the 100-year flood area with the remainder designated as 500-year flood area. The adjacent 8-acre site is all designated as 100-year flood area.

Petitioners presented an indicated value of \$465,000.00 for the subject property. The contributory value of the improvements was estimated by Petitioners to be \$190,000.00, generally equal to the value assigned by Respondent at \$190,015.00. Petitioners' witness presented seven land sales that ranged in sales price from \$1.45 to \$1.96 per square foot prior to adjustment. After adjustments for location, flood plain, and open space zoning, the sales indicated an adjusted price of \$0.80 to \$1.18 per square foot with an average of \$0.97 per square foot. Petitioners concluded to a land value of \$275,000.00 which is equal to \$0.94 per square foot.

Petitioners are requesting a 2005 actual value of \$465,000.00 for the subject property.

Respondent presented the following indicators of value:

Cost:	\$773,719.00
Market:	\$974,135.00
Income:	\$787,083.00

Respondent used a state-approved cost estimating service to derive a market-adjusted cost value for the subject property of \$773,719.00. Respondent concluded to a replacement cost new less depreciation of \$190,015.00 for the improvements. Respondent presented four sales of residential sites similar in size to the subject. These sales indicated a price range of \$0.80 to \$0.97 per square foot with an average of \$0.89. The analysis also included the sale of a commercial site in Bennett at a selling price of \$1.86 per square foot. Three additional improved sales were analyzed, with land extracted and indicated values ranging from \$3.87 to \$6.11 per square foot. Respondent concluded to a value of \$2.00 per square foot, or \$583,704.00, for the subject site. Respondent contends that this value is reasonable in conjunction with the adjacent parcel, which is valued at \$200 per acre. Overall, the two sites have a combined average of \$0.91 per square foot.

Based on the market approach, Respondent presented an indicated value of \$974,135.00 for the subject property. Respondent presented two comparable sales ranging in sales price from \$3,000,000.00 to \$5,300,000.00. Respondent concluded that both sales were of superior quality and that the limited data did not provide a valid indicator of value.

Respondent used the income approach to derive a value of \$787,083.00 for the subject property. Respondent's witness calculated a range of value for the subject based on three to five times the average gross income taken from a three year period. An additional value was calculated by capitalization of net operating income. Respondent concluded to a value at the lower end of the range indicated by this approach. With limited data, Respondent concluded that the income approach was also not the most reliable indicator of the value for the subject.

Based on the cost approach, Respondent concluded to a value equal to the current assigned value of \$773,719.00 for tax year 2005.

Petitioners presented sufficient probative evidence and testimony to prove that the tax year 2005 valuation of the subject property was incorrect. The Board was convinced that the cost approach provided the only valid indicator of value for the subject, with limited sales and income data available for analysis. The subject site is impacted by various levels of flood plain

designations. The Board was convinced that construction on the subject would be severely limited by this designation, with less than half of the site available for any type of development. Further, the site is zoned Open space, which limits development for primarily outdoor recreation activities. Consequently, a value at the lower end of the range is appropriate. The Board was convinced that a land value of \$275,000.00 equal to \$0.94 per square foot was reasonable based on both Petitioners' and Respondent's sales.

The Board concluded that the 2005 actual value of the subject property should be reduced to \$465,015.00, with \$275,000.00 allocated to land and \$190,015.00 allocated to improvements.

ORDER:

Respondent is ordered to cause an abatement/refund to Petitioners, based on a 2005 actual value for the subject property of \$465,015.00.

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

APPEAL:

If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of CRS § 24-4-106(11) (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

If the decision of the Board is against Respondent, Respondent, upon the recommendation of the Board that it either is a matter of statewide concern or has resulted in a significant decrease in the total valuation for assessment of the county wherein the property is located, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provision of CRS § 24-4-106(11) (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law when Respondent alleges procedural errors or errors of law by the Board.

If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation for assessment of the county in which the property is located, Respondent may petition the Court of Appeals for judicial review of such questions.


CRS § 39-10-114.5(2) (2008).

DATED and MAILED this 5th day of November 2008.

BOARD OF ASSESSMENT APPEALS



James R. Meurer




Sondra W. Mercier

This decision was put on the record

NOV 04 2008

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



Heather Flannery

