

**BOARD OF ASSESSMENT APPEALS,
STATE OF COLORADO**

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 47887

Petitioner:

COBBLE CREEK GOLF COMMUNITY, LLC,

v.

Respondent:

**MONTROSE COUNTY BOARD OF
EQUALIZATION.**

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on September 17, 2008, Diane M. DeVries and Sondra W. Mercier presiding. Petitioner was represented by Richard Olona, Esq. Respondent was represented by Carolyn Clawson, Esq. Petitioner is protesting the 2007 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**699 Cobble Creek Drive, Montrose, Colorado
(Montrose County Schedule No. R0016384)**

The subject is a daily fee 18-hole golf course with a 3,187 square foot clubhouse, two tennis courts, a 3,200 square foot maintenance facility, and parking lot.

Petitioner presented the following indicators of value:

Cost:	\$1,473,445.00
Market:	Range of \$1,080,000.00 - \$1,620,000.00
Income:	\$1,208,533.00

Petitioner presented a cost approach to derive a market-adjusted cost value for the subject property of \$1,473,445.00. Petitioner presented a single land sale that occurred in Garfield County of a 197.7-acre site that was restricted in use as a golf course or as open space. The sale occurred in 2002 at a sales price of \$500,000.00 or \$2,529.00 per acre. Petitioner contends that the subject is a Class II course based on course features and design. Petitioner applied a cost per hole of \$98,303.89 based on a segregated cost analysis. Petitioner gave no reliance to the cost approach.

Based on the market approach, Petitioner presented an indicated range of value from \$1,080,000.00 to \$1,620,000.00 for the subject property. Petitioner's witness testified that he believed that the sales were so dissimilar that the data was useful only in setting a range of value for the subject.

Petitioner presented an income approach to derive a value of \$1,208,533.00 for the subject property based on a definition of stabilization as "predictable revenue." Using annual rounds of 20,000 and average ticket revenue of \$53.20, revenue was projected at \$1,064,000.00. Operating expenses of 77% were deducted, based on market information. Return on personal property was deducted along with reserves for replacement. The net income of \$169,344.00 was capitalized at 12% based on investor survey data. Intangible business value was deducted from the capitalized value to provide an indicated value of the real estate of \$1,208,533.00.

Petitioner is requesting a 2007 actual value of \$1,208,533.00 for the subject property.

Respondent presented the following indicators of value:

Cost:	\$2,337,000.00
Market:	Not applied
Income:	Not applied

Respondent used a state-approved cost estimating service to derive a market-adjusted cost value for the subject property of \$2,337,000.00. Respondent relied on six sales of agricultural land to conclude to a value of \$5,500.00 per acre or \$1,026,135.00 for the subject land. Respondent relied on Marshall Valuation Services cost figures in the analysis of building and golf course improvements. Respondent calculated the value of the golf course improvements at \$137,130.00 per hole for a Class III course development.

Respondent assigned an actual value of \$2,272,000.00 to the subject property for tax year 2007.

Petitioner presented sufficient probative evidence and testimony to prove that the tax year 2007 valuation of the subject property was incorrect.

The Board was convinced that while over half of the residential lots remain available for sale, sell-out could be 8 to 10 additional years based on historical sales in the project. Further, that the sale of the remaining lots would bring a predictable number of additional rounds to the course and that a "predictable revenue" could be determined. The Board was convinced that the subject property's golf course value was best determined by the income approach, and that neither the cost

nor the market approach provided a reliable indication of value. Respondent provided no income approach for consideration by the Board. Further, the Board found Petitioner's income approach to be supported by market data.

The Board concluded that the 2007 actual value of the subject property should be reduced to \$1,208,533.00.

ORDER:

Respondent is ordered to reduce the 2007 actual value of the subject property to \$1,208,533.00.

The Montrose 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 of the Respondent county, 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).

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 within thirty days of such decision 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 of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

CRS § 39-8-108(2) (2008).

DATED and MAILED this 26th day of September 2008.

BOARD OF ASSESSMENT APPEALS

Diane M DeVries

Diane M. DeVries

Sondra W Mercier

Sondra W. Mercier

This decision was put on the record

SEP 26 2008

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

Heather Flannery

Heather Flannery

