

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>2201 ARAPAHOE LLC,</p> <p>v.</p> <p>Respondent:</p> <p>DENVER COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 49426</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on July 2, 2009 James R. Meurer, Louesa Maricle and Sondra W. Mercier presiding. Petitioner was represented by Sheila M. Geraghty, Esq. Respondent was represented by David V. Cooke, Esq. Petitioner is protesting the 2007 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**2201-2221 Arapahoe Street, Denver
(Denver County Schedule No. 02342 23 012 000)**

The subject is an 18,251-square-foot warehouse located on an 18,893-square-foot site. The property is currently used as a malt beverage brewery, under PUD 570 Zoning.

Petitioner is requesting a 2007 actual value of \$694,409.00 for the subject property. Petitioner’s value was not supported by data. Petitioner contends that Respondent has not given consideration to the specific problems associated with the subject location including the proximity to homeless shelters, high neighborhood crime rates, difficult access from only one-way streets and lack of parking. Petitioner contends that land value extrapolated from improved sales shows a value below that indicated by Respondent’s actual land sales.

Respondent presented the following indicators of value:

Market:	\$912,600.00
Cost:	\$942,300.00
Income:	\$855,500.00

Based on the market approach, Respondent presented an indicated value of \$50.00 per square foot or \$912,600.00 (rounded) for the subject property.

Respondent presented three comparable sales ranging in sales price from \$48.22 to \$59.50 per square foot. After adjustments were made, the sales ranged from \$48.22 to \$50.97 per square foot. Respondent concluded that Sales 1 and 2 were most similar to the subject, indicating a value of \$48.22 to \$50.97 per square foot for the subject. Respondent concluded to a value of \$50.00 per square foot for the subject.

Respondent used a state-approved cost estimating service to derive a market-adjusted cost value for the subject property of \$942,300.00. Respondent analyzed four land sales that were purchased for the land value, with values of \$42.36 to \$58.40 per square foot, a median of \$52.10 and a mean of \$51.24 per square foot. Respondent concluded to a land value at the lower end of the range, at \$45.00 per square foot. Respondent applied a 91% accrued depreciation factor to value the improvements at \$92,149.00.

Respondent used the income approach to derive a value of \$855,513.00 for the subject property. Respondent applied a gross rental rate of \$4.15, deducting a 5% vacancy and collection loss, and an additional 5% for operating expenses. The resulting net operating income was capitalized at an overall rate of 8.0%, resulting in a value of \$855,500.00 (rounded).

Respondent assigned an actual value of \$938,300.00 to the subject property for tax year 2007; however, they are recommending a reduction to \$910,000.00 based on the Real Property Summary Appraisal Report.

Sufficient probative evidence and testimony was presented to prove that the tax year 2007 valuation of the subject property was incorrect. The Board is convinced that the 2007 valuation of the subject property should be reduced to \$910,000.00. While Petitioner presented anecdotal evidence to indicate flaws associated with the subject, no data was provided to show any resulting influence on value. The Board concurs with Respondent's recommended reduced value.

ORDER:

Respondent is ordered to reduce the 2007 actual value of the subject property to \$910,000.00.

The Denver County Assessor is directed to change his/her 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 Section 24-4-106(11), C.R.S. (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 Section 24-4-106(11), C.R.S. (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).

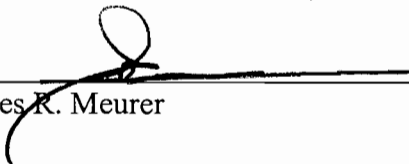
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

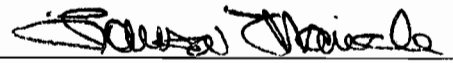
If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

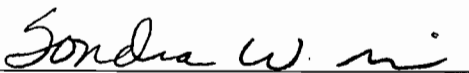
Section 39-8-108(2), C.R.S.

DATED and MAILED this 20th day of August 2009.

BOARD OF ASSESSMENT APPEALS


James R. Meurer


Louesa Maricle


Sondra W. Mercier

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


Heather Flannery

