

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>I & J COLORADO LLC</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 59246</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on September 18, 2012, Gregg Near and MaryKay Kelley presiding. Petitioner was represented by William A. McLain, Esq. Respondent was represented by David Wunderlich, Esq. Petitioner is protesting the 2011 actual value of the subject property.

Subject property is described as follows:

**12100 West 44th Avenue, Wheat Ridge, Colorado
Jefferson County Schedule No. 043887**

The subject property is a 108-room hotel built in 1985. It is franchised by Howard Johnson and holds lease agreements for its restaurant and lounge and with casino bus operators. Periodic updating has occurred, and twenty of the original 128 rooms have been converted to suites. The five-level building also has a fitness center and meeting space. Three of the rooms are used for housekeeping, and approximately 17% of the rooms are occupied by long-term tenants.

Respondent assigned an actual value of \$2618,800 for the subject property. Petitioner is requesting a value of \$931,400.

Petitioner presented an income approach to derive a value of \$931,400. Petitioner's witness, Ronald Sandstrom, presented income and expenses for six-month periods ending June 30, 2009 and 2010 and for twelve-month periods ending December 31, 2009 and 2010; financial data was secured from the owner, and personal property data was provided by the Assessor. Mr. Sandstrom used

Petitioner's capitalization rate presented at the BOE level of appeal. He relied on the twelve-month calculation ending June 30, 2010 in final reconciliation.

Respondent presented the following indicators of value, reconciling to a value of \$2,800,000:

Market:	\$3,564,000
Income:	\$2,500,000

Respondent presented a market approach to derive a value of \$3,564,000. Respondent's witness, Darla Jaramillo, Certified General Appraiser, presented seven comparable sales ranging in sale price from \$1,975,000 to \$9,100,000 (\$19,750 to \$63,218 per room). Sales four and seven were given most weight for a value conclusion of \$33,000 per room.

Respondent used the income approach to derive a value of \$2,500,000 for the subject property. Ms. Jaramillo reviewed lodger's tax return income and expense data for years 2007 through 2010 and franchise fees to arrive at a stabilized net operating income of \$297,737, giving weight to 2009 data, all of which occurred within the base period. She applied a capitalization rate of 11.74% secured from review of five market data sources. After deducting personal property, she concluded to an indicated value of \$23,148 per room.

Petitioner presented insufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2011.

The Board is not persuaded by Petitioner's arguments and gives little reliance to the witness's testimony and evidence: he offered little experience in the hotel/motel arena; he failed to stabilize income, which is standard procedure in the appraisal community; he failed to properly apply the income approach; he declined application of the market approach without comparable sale research; his capitalization rate was not market based.

ORDER:

The petition is denied.

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 29th day of October, 2012.

BOARD OF ASSESSMENT APPEALS



Gregg Near



MaryKay Kelley

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



Milla Crichton

