

<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>JAMES P. KELLEY,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>JEFFERSON COUNTY BOARD OF EQUALIZATION.</b></p>	<p><b>Docket Nos.: 60126 &amp; 60127</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on July 10, 2012, Diane M. DeVries and James R. Meurer presiding. Petitioner was represented by Scott D. Albertson, Esq. Respondent was represented by James Burgess, Esq. Petitioner is protesting the 2011 actual value of the subject property.

Petitioner and Respondent agreed to consolidate Docket Numbers 60126 and 60127 for purposes of the hearing. Both parties also considered the properties associated with each separate docket to be one economic unit.

Subject properties are described as follows:

**Docket No. 60126**  
**10205 W. Montgomery Ave., Littleton, Colorado**  
**Jefferson County Schedule No. 124145**

**Docket No. 60127**  
**5331 S. Lee St., Littleton, Colorado**  
**Jefferson County Schedule No. 012626**

Schedule 124145 consists of residential/agribusiness facility used for Petitioner's residence and horse boarding operation. Improvements to the property consist of a single family residence containing 2,472 square feet, a 461 square foot garage, and various barns and other agribusiness improvements with a combined building area of 3,665 square feet. Lot size is 2.4

acres, it is zoned A-2 by Jefferson County, and there is a well and septic for the residence. The condition of the improvements varies.

Schedule 012626 consists of additional agribusiness improvements used for Petitioner’s horse boarding operation. Improvements to this property consist of a stable containing 6,912 square feet plus three loafing sheds with a combined square footage of 500 square feet. Lot size is 2.4 acres, it is zoned A-2 by Jefferson County, and the parcel has no well or septic. The condition of the improvements varies.

Although each parcel has a separate schedule number resulting from, per Jefferson County, an improper subdivision, the property is considered by the parties to be one economic unit. However, for purposes of this order, each parcel will be given a separate value.

The following values are being requested by the parties for tax year 2011:

<b>Party</b>	<b>Montgomery Ave. No. 124145</b>	<b>Lee St. No. 012626</b>	<b>Total</b>
Petitioner	\$497,911	\$177,089	\$675,000
Respondent (Assigned)	\$675,385	\$470,434	\$1,145,819

For schedule 124145, Petitioner’s witness, Ms. Beverley S. Phillips, MAI, SRA and a Certified General Appraiser, concluded to a land value of \$282, 293 (2.4 acres – 104, 544 square feet at \$2.70 per square foot). Ms. Phillips utilized a cost approach to value to derive value of the barns/sheds on the subject parcel at \$40,362. The witness valued the residence, garage, well, septic system, and other site improvements at \$175,256 (\$70.90 per square foot of 2,472 square feet living area without land). Ms. Phillips concluded to the total value of \$497,911 for schedule 124145.

For schedule 012626, Petitioner’s witness concluded to land value of \$135,907 (2.4 acres – 104,544 square feet at \$1.30 per square foot). Using the cost approach, Ms. Phillips valued barns and sheds at \$41,182, concluding to the total value of the subject parcel of \$177,089.

An income approach was developed but given no weight in the conclusion of value. A cost approach was not developed. Ms. Phillips stated that the sales comparison approach was most reflective of the market for this type of property.

Petitioner, Mr. James P. Kelley, testified as to the history, as well as the physical and economic characteristics of the subject property.

Ms. Darla K. Jaramillo, a Certified General Appraiser with the Jefferson County Assessor’s Office, testified for Respondent. For schedule 124145, using three comparable sales, Ms. Jaramillo concluded to land value of \$170,000 per acre or \$408,000 (2.4 acres at \$170,000 per acre). Ms. Jaramillo utilized a different set of three comparable sales to derive a value of the residence located on the subject parcel of \$245,000. Value of barns on the subject parcel was determined to be \$51,916 by referring to the Marshall and Swift Cost Calculation. Respondent’s witness concluded to a total value of the subject parcel at \$704,900.

For schedule 012626, Ms. Jaramillo determined the land value to be \$170,000 per acre or \$408,000 (2.4 acres at \$170,000 per acre). The witness referenced the Marshall and Swift Cost Calculation in concluding to the value of stables and loafing sheds of \$86,631. Ms. Jaramillo concluded to a total value of the subject parcel at \$494,600.

Ms. Jaramillo testified that, given the subject was a special purpose property, the cost approach was the most appropriate method to address value for the agribusiness improvements. Ms. Jaramillo also raised issues relative to the sales used in Petitioner’s analysis.

Petitioner presented sufficient probative evidence and testimony to show that the tax year 2011 valuation of the subject property was incorrect.

After careful consideration of the testimony and exhibits presented in the hearing, the Board concludes to the following values for the subject properties:

<b>Component</b>	<b>Montgomery Ave. No. 124145</b>	<b>Lee St. No. 012626</b>
Land Value	\$282,269	\$135,907
Improvement Value	\$256,259	\$63,906
Total Value	\$538,528	\$199,813

The Board concludes that Petitioner’s land value of \$2.00 per square foot is most supportable and reflective of the market. Based on Petitioner’s analysis, this land value is allocated between schedule 124145 at \$2.70 per square foot or \$282,269 and schedule 012626 at \$1.30 per square foot or \$135,907.

Relative to the improvements, the Board concludes that the analysis contained in both Petitioner’s sales comparison approach and Respondent’s cost approach is necessary to form credible opinions of value. Each approach to value has its benefits and each has its limitations (e.g. lack of homogeneous sales and estimates of depreciation) for a property of this type. Therefore, the reconciliation of these two approaches deserves serious consideration. Petitioner’s estimate of the value of the improvements for schedule 124145 is \$215,618 and Respondent’s estimate for this property is \$296,900. Averaging these two estimates reflects a value of \$256,259.

Petitioner’s estimate of the value of the improvements for schedule 012626 is \$41,182 and Respondent’s estimate for this property is \$86,631. Averaging these two estimates reflects a value of \$63,906.

The combined value of the two parcels and improvements equates to \$738,341.

**ORDER:**

Respondent is ordered to reduce the 2011 actual value of schedule 124145 to \$538,528 and ordered to reduce the 2011 actual value of schedule 012626 to \$199,813.

The Jefferson County Assessor is directed to change their records accordingly.

**APPEAL:**

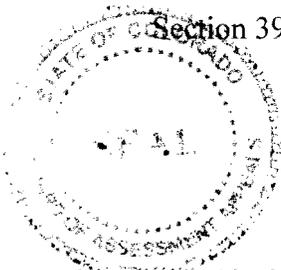
If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five 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).

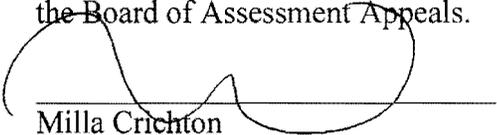
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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.

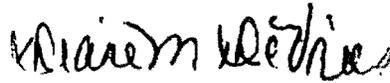
Section 39-8-108(2), C.R.S. dated and mailed this 24th day of July, 2012.



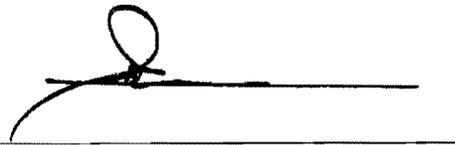
I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

  
Milla Crichton

**BOARD OF ASSESSMENT APPEALS**



Diane D. DeVries



James R. Meurer