

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>RENEE S. WISEMAN,</p> <p>v.</p> <p>Respondent:</p> <p>GUNNISON COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 62020</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on October 23, 2013, Debra A. Baumbach and Gregg Near presiding. Mr. Todd Wiseman appeared pro se on behalf of Petitioner. Respondent was represented by Art Trezise, Esq. Petitioner is protesting the 2013 actual value of the subject property.

Subject property is described as follows:

**31 Ruby Drive
Mt. Crested Butte, Colorado 81225
Gunnison County Schedule No. R005396**

The subject property consists of a vacant residential building lot containing 0.469 acres. The lot is situated in Mt. Crested Butte, a resort community nearby the historic town of Crested Butte and the Crested Butte Ski area. The lot has above average views and is moderately sloped with mature aspen and evergreen trees.

Petitioner is requesting an actual value of \$32,000 for the subject property for tax year 2013. Respondent presented an appraisal report supporting the subject's value of \$145,800 but is recommending a reduction to the CBOE's assigned value of \$133,550.

Mr. Wiseman described the subject vacant lot as containing approximately 40% wetlands as supported by the Town of Mt. Crested Butte's wetland map. The wetlands cause access difficulties. The sales used by Respondent were not similarly affected by wetlands. Mr. Wiseman indicated that only Sale 4 in Respondent's appraisal was reasonable and that Sale 1 was over three years old. Mr.

Wiseman also questioned the adjustments applied in Respondent's appraisal asserting that Sale 1 was not adjusted for wetlands, topography or access issues. Mr. Wiseman contended Respondent's time trending regression analysis was flawed in that it did not adequately reflect the downward market trend during the relevant time period.

Petitioner is requesting a 2013 actual value of \$32,000 for the subject property.

Respondent presented a value of \$145,800 for the subject property based on the market approach.

Respondent's witness, Ms. Kristy McFarland, a Registered Appraiser, presented four comparable sales ranging in sale price from \$80,000 to \$195,000 and in size from 0.380 to 0.670 acres. After adjustments were made, the sales ranged from \$111,200 to \$200,850.

Due to insufficient transactions during the revaluation period. Ms. McFarland considered sales within the allowed 60-month extended valuation period. The sales occurred between February 2010 and March 2012. All sales were within the subject or an adjacent subdivision. The sales were adjusted downward for a declining market for the period from July 2007 to March 2011. The adjustment determined was 1.5% per month. Transactions occurring between March 2011 and the valuation date were concluded to be stable and were not adjusted for market decline.

After adjustment for market conditions, the sales were adjusted for views, topography and unique characteristics (wetlands). Sale 4 was adjusted upward 36% for an inferior view. All the sales were considered inferior to the subject in topography as they did not have mature trees. Each sale was adjusted upward 15% for this factor. Each of the sales was also adjusted downward by 12% to recognize the unique characteristic (wetlands) of the subject.

Ms. McFarland gave greatest weight to Sales 1 and 3 as the most comparable. A final value of \$145,800 was concluded.

Respondent presented a value of \$145,800 for the subject property for tax year 2013 but is recommending a reduction to the CBOE's value of \$133,550.

Mr. Wiseman questioned Respondent's process of deriving adjustments. Mr. Wiseman then pointed to page 24 of Respondent's Exhibit A and noted a steep decline in prices in the first 45 months of the study. Mr. Wiseman estimated an additional 10% decline should have been attributed to the sales in the final 15 months. Mr. Wiseman also contended Respondent has failed to consider the wetlands on the property.

Respondent argued the issue of wetlands was settled at the issuance of a building permit and noted that another property shown on the Town of Mt. Crested Butte's map as being part of wetlands was ultimately found to have none. Respondent also considered a value reduction of 10% over a 15-month period as not significant enough to warrant adjustment. According to Respondent, Petitioner's reliance on Sale 4 was inappropriate because that sale was to an adjacent owner.

Petitioner has introduced no sales information of substance. Respondent's appraiser has done a credible job and represented the only reasonable value opinion.

Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2013.

The Board agrees with Petitioner's position regarding Ms. McFarland's market condition adjustment and considers an adjustment to represent the additional 10% reduction for the 15 months at the end of the valuation period to be appropriate.

Based upon the Board's acceptance of Petitioner's position, the sales now present the following array:

Subject	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price:	\$178,000	\$195,000	\$142,500	\$80,000
Adj. to 3/2011	\$140,600	\$195,000	\$142,500	\$80,000
Adjust to 6/2012	\$122,800	\$189,735	\$134,948	\$78,400
Views:				+36%
Topography (trees):	+15%	+15%	+15%	+15%
Wetlands Aspect:	-12%	-12%	-12%	-12%
Adjusted Value:	\$126,484	\$195,427	\$138,996	\$101,136

Giving greatest weight to Sale 1 and Sale 3 produces an adjusted indication of \$132,740.

Although this figure is remarkably similar to the recommended value of \$133,550 the Board is not convinced of the reasonableness of other adjustments. It does not appear reasonable that the typical purchaser would be expected to pay only \$11,760 (15% of \$80,000) for mature trees and shrubs on a 0.393 acre lot (Sale 4) while another supposedly knowledgeable buyer would pay \$28,460 (15% of \$195,000) for essentially the same amount of mature trees and shrubs on a 0.380 acre lot (Sale 2). The same percentage adjustment applied to two relatively similar properties has produced widely different adjustments - thus calling into question the reliability of the analysis.

Respondent contends Sale 4 should be discounted because it was purchased by an adjacent landowner yet no similar argument is applied to Sale 2, also sold to an adjacent owner.

The Board finds that the value is better supported at the lower end of the adjusted range as reflected by the Board's grid above. Giving greatest weight to the two sales at the lower end of the adjusted range, results in an adjusted indication of \$113,800.

The Board concluded that the 2013 actual value of the subject should be reduced to \$113,800.

ORDER:

Respondent is ordered to reduce the 2013 actual value of the subject property to \$113,800.

The Gunnison 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 4th day of November, 2013.



BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach

Debra A. Baumbach

Gregg Near
Gregg Near

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

Milla Lishchuk

Milla Lishchuk