

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>OLIN E. GODDARD AND VANDA JEAN BLACK,</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 63338</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on June 30, 2014, Diane M. DeVries and MaryKay Kelley presiding. Petitioners were represented by Mills H. Ford, Agent. Respondent was represented by Writer Mott, Esq. Petitioners are protesting the 2013 actual value of the subject property.

Subject property is described as follows:

**14959 West Hampden Avenue, Morrison, Colorado
Jefferson County Schedule No. 50-014-01-001**

The subject property is a two-level structure built in 1951 on a 2.41 acre site abutting Soda Lake. For many years, the 5,808 square-foot upper level operated as a bar/restaurant with 14 rental units in the 4,802 square-foot garden-level basement. The bar/restaurant has fallen into disrepair and is currently being used for storage; neither party addressed it in valuation. The boarding rooms are fully occupied by a transient population. A management company is paid \$8,000 annually for collection of rents (\$700/month paid sporadically) while Petitioners are responsible for expenses. The 14 units, maximum size being 140 square feet and furnished with a twin bed, bureau, refrigerator, and shelf rack, are accessed by interior doors; nine have exterior windows and five have windows to interior hallways. A lobby, kitchen, laundry room, and three working bathrooms are communal; only two showers are operable. The following deficiencies exist: non-potable water (residents provide their own drinking water); an original septic system with a questionable remaining life; inconvenient ingress/egress; poor visibility from C-470 (no cure per Colorado Department of

Transportation); overhead transmission lines nearby; and poor electric, internet, and cell phone coverage.

Respondent assigned a value of \$495,000 for tax year 2013. Petitioners are requesting a value range from \$218,000 to \$288,000.

Mills H. Ford, Agent and Certified General Appraiser, described Soda Lake as owned by the City of Lakewood and adjacent to Soda Lakes State Park, Bear Creek Lake State Park, and federal land. Hiking and biking trails, campgrounds, fishing, and non-motorized water sports are available.

Ford determined that the subject's acreage was larger than necessary for a typical building site. His calculation for excess land includes four comparable sales with adjustments for concessions, property type, useable land area, access, access, view, utilities, transmission lines, and location. He concluded to a unit price of \$1.95 per square foot or \$98,000 for excess land.

Mr. Ford offered a market approach with an indicated value of \$120,000. He presented nine apartment sales ranging in sale price from \$130,000 to \$1,275,000. They included a range of studios and one-and-two-bedroom units with one-bedroom units being given the most weight. Adjustments were made for time, access, view, utilities, parking, and the subject's nearby transmission lines. Adjusted sale prices ranged from \$37.27 to \$71.08 per square foot, concluding to a per-square unit value of \$51.50 times the subject's net rentable area of 2,334 square feet or \$120,000 rounded. Mr. Ford then applied \$98,000 for excess land to derive a value of \$218,000.

Mr. Ford also applied a gross monthly income multiplier (GMIM) analysis to derive a multiplier of 83.0 for an indicated value of \$190,000. He then applied \$98,000 for excess land to derive a value of \$288,000.

Respondent's witness, Sara M. Thorpe, Certified General Appraiser, presented a cost approach indicating an improvement value of \$90,772 and a land value of \$404,173 for a total of \$494,945. Little weight was placed on this approach.

Ms. Thorpe presented a sales comparison analysis with two dormitory sales, both student housing (Colorado Christian College and Colorado School of Mines) and both offering rooms plus shared kitchens, bathrooms, and common areas. Sale prices were \$590,000 and \$1,000,000. Adjustments were made for time, location, age, size, and quality/condition. Ms. Thorpe assigned Sale One 90% weight for an adjusted per-unit price of \$37,811 (\$121 per square foot) and Sale Two 10% weight for an adjusted per-unit price of \$6,793 (\$195 per square foot) for the subject. She concluded to a value of \$624,500.

Ms. Thorpe also presented four sales of boarding/rooming houses, all conversions to living units with shared common areas. Due to high rents because of their location (University of Colorado in Boulder), they were given less weight.

Ms. Thorpe considered reasonable future use of the subject property to be purchase by the City of Lakewood, which owns Soda Lake while other public entities own the perimeter and adjacent

land. She presented a vacant land analysis of five sales ranging in sale price from \$3.37 to \$12.57 per square foot. After adjustments for access, view, power lines, water frontage, and location, adjusted sale prices ranged from \$3.87 to \$11.31 per square foot. The median was weighted for an indicated value of \$6.35 per square foot or \$667,000, rounded. Ms. Thorpe then added improvement cost and 40% obsolescence for a final estimate of value at \$594,500.

Ms. Thorpe disagreed with Mr. Ford's argument that 11% of the subject site has eroded. She presented aerial views from 2001 and 2010, which convinced the Board that erosion was not a factor in lot size or marketability.

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

Petitioners' use of apartment sales in the sales comparison analysis is not persuasive. Self-sufficient living units are not comparable to the subject's 14 sleeping quarters and common areas. Additionally, Petitioners' GMIM analysis involves market rents of independent apartment units, which, again, the Board considers not comparable to the subject units.

First, the Board finds that Respondent's market analysis is convincing. Boarding/rooming houses with shared common areas, kitchens, and bathrooms are most similar to the subject.

Second, the Board finds Respondent's argument regarding reasonable anticipated future use to be persuasive. Reasonable future use is relevant to a property's current market value for tax assessment purposes. *Bd. of Assessment App. V. Alberg Club*, 762 P.2d 146, 153 (Colo. 1988). The subject improvement is more than sixty years old, is in disrepair, has an old septic system, significant functional obsolescence, and no viable water source. It is unlikely to have future use as anything other than public land on the perimeter of Soda Lake.

Both of Respondent's analyses, the sales comparison analysis for the improved property and the vacant land analysis, indicate values higher than what is currently assigned.

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-nine 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-nine days after the date of the service of the final order entered).

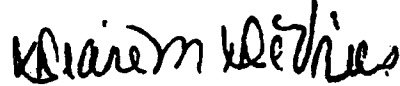
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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.

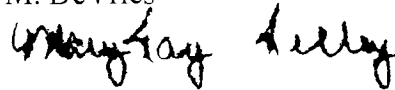
Section 39-8-108(2), C.R.S.

DATED and MAILED this 17th day of July, 2014.

BOARD OF ASSESSMENT APPEALS



Diane M. DeVries



MaryKay Kelley



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

Milla Lishchuk