

**BOARD OF ASSESSMENT APPEALS,
STATE OF COLORADO**

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 63626

Petitioner:

TAMBURELLI TIRE LLC,

v.

Respondent:

**JEFFERSON COUNTY BOARD OF
EQUALIZATION.**

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on September 25, 2014, Sondra Mercier and MaryKay Kelley presiding. Petitioner was represented by Richard G. Olona, Esq. Respondent was represented by Rebecca Klymkowsky, Esq. Petitioner is protesting the 2013 actual value of the subject property.

Subject property is described as follows:

**11048 West Jewell Avenue, Lakewood, Colorado
Jefferson County Schedule No. 162647**

The subject property is a 5,200 square foot automobile service building. It was built in 1995 on a 0.986 acre site.

Respondent assigned an actual value of \$1,781,200 for the subject property but is recommending a reduction to \$1,700,000. Petitioner is requesting a value of \$800,000.

Petitioner presented the following indicators of value, placing weight on both Market and Income Approaches and reconciling to a value of \$800,000.

Market:	\$858,000
Cost:	N/A
Income:	\$768,185

Petitioner's witness, Todd Stevens, Consultant and Principal of Stevens & Associates Cost Reduction Specialists, Inc., presented a Market Approach with four comparable sales ranging in price per square foot from \$70.11 to \$236.74 and in size from 4,900 to 5,991 square feet. After adjustments were made, the sales ranged from \$91.14 to \$215.44 per square foot. Mr. Stevens placed greatest weight on Sale Two, which concluded to \$195.43 per square foot, and he reconciled at \$165.00 per square foot or \$858,000.

Mr. Stevens presented an Income Approach with net revenue of \$13.50 per square foot, vacancy at 5%, management expense at 3%, and operating, maintenance and reserves at 5%. He derived a net operating income of \$61,455 which he capitalized at 8% and concluded to a value of \$768,185.

Respondent presented the following indicators of value, placing weight on both Market and Income Approaches and reconciling to a value of \$1,700,000.

Market:	\$1,534,000
Cost:	N/A
Income:	\$1,847,300

Respondent's witness, Darla Jaramillo, Certified General Appraiser with the Jefferson County Assessor's Office, presented a Market Analysis with four comparable sales (one sale being the June 2010 sale of the subject property) ranging in price per square foot from \$244.27 to \$390.49 and in size from 4,900 to 8,707 square feet. After adjustments were made, the sales ranged from \$256.48 to \$351.44 per square foot. Ms. Jaramillo concluded to a value of \$295.00 per square foot or \$1,534,000 via the market approach.

Ms. Jaramillo presented an Income Approach with net revenue of \$29.00 per square foot, vacancy of zero (all leases were long-term), and a management fee of 2% to derive a net operating income of \$147,784. She capitalized the income at 8% for a value conclusion of \$1,847,300.

Petitioner presented sufficient probative evidence and testimony to prove that the tax year 2013 valuation of the subject property was incorrect.

After consideration of all three approaches, the Board finds that in this case the Market Approach is the best indicator of value for the subject, which is an owner-user property. The Income Approach is more appropriately weighed when properties have leased fee interests.

Respondent's Sale One is given little weight due to superior lease terms and its multi-tenant occupancy.

Respondent's Sale Two, the subject property itself, is dismissed from consideration. There is discrepancy as to whether the purchase included real estate only (Respondent's position per verbal conversation with the property owner) or furniture, fixtures and equipment as well as the business value (Petitioner's position per letter from the owner). In addition, the parties disagree about the sale

being an arm's length transaction (Respondent's contention) versus a distress transaction between business-related parties (Petitioner's contention).

Petitioner's Sale One is dismissed from consideration. With a markedly lower sale price, it appears to be an outlier. In addition, it is considerably older and received the most adjustments.

Petitioner's Sale Three is given little weight. Its location near the Castle Rock Outlets is less comparable than locations in the metro area.

The parties share the sale at 8273 South Quebec Street. Respondent's "adjusted sale price" was adequately supported as a market condition adjustment related to the below market rent of this property at the time of sale compared to the date of value. Both parties applied negative 5% location adjustments, which the Board accepts as reasonable. Petitioner provided inadequate support for the 1% age adjustment for a one-year difference between this sale and the subject or for the 10% excess land adjustment when both properties are situated within anchored centers. Respondent provided inadequate support for the 10% condition adjustment. Considering these modifications, the Board reconciles to a price per foot of \$232.06, indicating a value for the subject of \$1,206,712 (\$232.06 times 5,200 square feet).

The parties also share the same sale at 18431 East Hampden Avenue. Petitioner described this sale as being nearly identical building to the subject. Again, the Board accepts Respondent's market condition adjusted sale price as discussed above. The Board is not persuaded that either location adjustment is warranted, finding the intersection of Hampden Avenue and Tower Road similar to the subject's Kipling Street and Jewell Avenue. Petitioner erred in the age adjustment, and the Board finds that little adjustment is warranted for a four-year difference. Absent further adjustments, this sale remains at \$242.27 per square foot, indicating a value for the subject of \$1,259,804 (\$242.27 times 5,200 square feet).

The Board assigns 2/3 weight to the sale of 18431 East Hampden Avenue, which received the fewest adjustments. However, the sale of 8273 South Quebec Street represents the more recent of the two sales, receiving 1/3 weight. The Board concludes to a value of \$242.27 per square foot for the subject, for a total value of \$1,259,804.

The Board concludes that the 2013 actual value of the subject property should be reduced to \$1,259,804.

ORDER:

Respondent is ordered to reduce the 2013 actual value of the subject property to \$1,259,804.

The Jefferson 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-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).

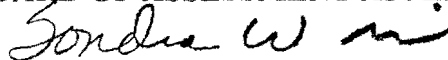
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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.

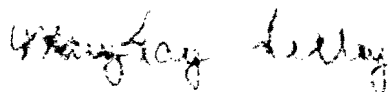
Section 39-8-108(2), C.R.S.

DATED and MAILED this 15th day of October, 2014.

BOARD OF ASSESSMENT APPEALS

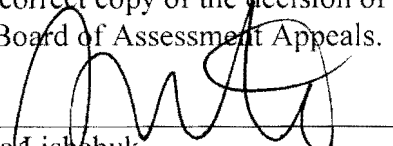


Sondra Mercier



MaryKay Kelley

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



Milla Lishchuk