

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>TODD, FORREST & CLAUDINE HOLGATE,</p> <p>v.</p> <p>Respondent:</p> <p>MESA COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 65776</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on July 20, 2016, Diane M. DeVries and Sondra W. Mercier presiding. Petitioner, Forrest Holgate, appeared *pro se* on behalf of Petitioners. Respondent was represented by John Rhoads, Esq. Petitioners are protesting the 2015 actual value of the subject property.

The parties stipulated to the admittance of Petitioners' Exhibit 1 and Respondent's Exhibit A. Michael Peterson, Certified Residential Appraiser with the Mesa County Assessor's Office, was admitted as an expert witness on behalf of Respondent.

Subject property is described as follows:

**931 24 ¼ Road, Grand Junction, Colorado
Mesa County Parcel No. 2701-213-00-563**

The subject property consists of a two-story, 5,293-square foot, 4-bedroom, 3.75-bathroom residence that was completed in 2006. The residence is situated on a 12.36-acres parcel of land.

Petitioners are requesting an actual value of \$564,417 for the subject property for tax year 2015. Respondent assigned a value of \$657,120 for the subject property for tax year 2015. The subject site is classified as agricultural land with an assigned total value of \$5,630. A barn on the property is assigned a value of \$27,100 with the remaining value of \$624,390 assigned to the residence. Respondent is recommending a reduction in value to \$636,000 for tax year 2015.

Mr. Holgate presented a market approach consisting of five comparable sales ranging in sale price from \$390,000 to \$650,000 and in size from 3,209 to 6,320 square feet. Mr. Holgate then deducted land values and values of outbuildings based on the assessor's records, to produce a range in values for the residence of \$317,820 to \$587,600 or \$92.97 to \$111.05 per square foot of heated area, with a weighted average of \$100.40 per square foot. Petitioners contend that the value of the residence should be \$531,417 based on a value of \$100.20 per square foot.

Petitioners are requesting a 2015 actual value of \$564,417 for the subject property based on a value of \$531,417 for the residence, \$27,100 for the barn, and \$5,630 for the site.

Respondent presented a value of \$636,000 for the subject property based on the market approach.

Respondent's witness, Michael Peterson, presented a market approach consisting of four comparable sales ranging in sale price from \$571,500 to \$1,200,000 and in size from 4,066 to 6,052 square feet. The subject's residence and barn (but not the land) were considered together in the analysis. After adjustments were made, the sales ranged from \$562,090 to \$777,620. Mr. Peterson ranked the sales, giving 40% of the weight to Sale 1, 30% of the weight to Sale 2, and the remaining 30% split equally between Sales 3 and 4, concluding to a value of \$630,457 for the subject's improvements. When added to the assigned land value of \$5,630, the market approach indicated a value of \$636,087 rounded to \$636,000. The analysis was based on an exterior inspection, as no interior inspection was allowed by Petitioners.

Respondent assigned an actual value of \$657,120 to the subject property for tax year 2015, but is recommending a reduction to \$636,000 based on the value concluded in the appraisal.

Petitioners contend that the home should be classified as "average" not "above average" quality, primarily based on the quality of construction materials used, which were generally described as builder grade. Other factors cited include the location on a dirt road with no maintenance or snow removal provided and the lack of a Homeowner's Association (HOA), the lack of covenants, and the agricultural zoning. Mr. Holgate noted that the current assigned value was 40% above the prior valuation, despite the rest of Mesa County reporting an increase of 10%. Mr. Holgate also discussed issues with neighboring properties as well as short sale and foreclosure activity in the immediate area.

Respondent contends that the subject is correctly classified as "above average," given a quality rating of "4", based on a scale of 1 to 8. The subject was originally given a quality rating of 5; however, that rating was reduced to a "4" for "above average," compared to a "3" considered "average" in the county. Mr. Peterson testified that the subject's location in an agricultural area with dirt road access did not pose a negative effect on value and was typical for the area. Regarding the significant increase in value, Mr. Peterson testified that the prior value assigned in 2013 was based on sales that occurred in 2011 and 2012, and that values have been increasing since that time.

The evidence submitted by Petitioners was sufficient to convince the Board that Respondent's assigned value was incorrect. Petitioners' evidence was also sufficient to convince the Board of the subject property's value for tax purposes. See *Board of Assessment Appeals v.*

Sampson, 105 P.3d 198, 208 (Colo. 2005). (The BAA member’s expertise enables them to determine from the evidence presented by the taxpayer whether the county’s valuation is incorrect. The taxpayer’s evidence may also be sufficient to further establish the subject property’s value for tax purposes).

Mr. Holgate presented five sales of properties considered “average,” however, no adjustments were applied. Sale 1 was described as being the best comparable for location less than a mile from the subject and for agricultural use. Sale 1 indicated a value of \$587,600 without adjustment. At the same time, Mr. Peterson placed the greatest reliance on his Sale 1, which received the least net and gross adjustment, and indicated an adjusted value of \$562,090 for the subject residence and outbuilding. With the addition of land value, Respondent’s Sale 1 indicates a value of \$567,720, supportive of Petitioners’ concluded value. While both parties presented additional sales, the two sales identified as “the best” by each party concluded to a relatively narrow range.

Based on information from both parties, the Board concluded that the 2015 actual value of the subject property should be reduced to \$568,000.

ORDER:

Respondent is ordered to reduce the 2015 actual value of the subject property to \$568,000.

The Mesa 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.

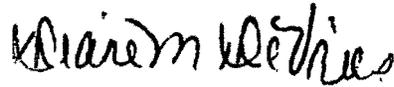
If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may

petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

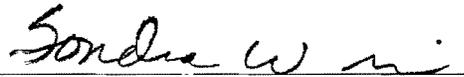
Section 39-8-108(2), C.R.S.

DATED and MAILED this 8th day of September, 2016.

BOARD OF ASSESSMENT APPEALS

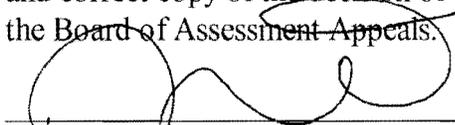


Diane M. DeVries



Sondra W. Mercier

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



Milla Lishchuk

