

**BOARD OF ASSESSMENT APPEALS,
STATE OF COLORADO**
1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No. 68722

Petitioner:
PARKING PARTNERS CAPITAL FUND, LLC II,

v.

Respondent:
DENVER COUNTY BOARD OF EQUALIZATION.

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on March 1, 2017, Diane M. DeVries and James R. Meurer presiding. Petitioner was represented by Sean Baker, Esq. Respondent was represented by Maral Shoaie, Esq. Petitioner is protesting the 2015 actual value of the subject property.

The parties stipulated to the admission of Petitioner's Exhibits 1 through 25, and Respondent's Exhibit A. The parties further stipulated to Michael J. Wood and Greg A. Feese as expert witnesses.

Subject property is described as follows:

**2230 Champa Street Denver, Colorado
Denver County Schedule No. 02342-26-005-000**

The subject is a 0.18 acre or 7,849 square foot parcel of land used for parking and located in the Arapahoe Square neighborhood of the City and County of Denver. The lot is mid-block and fronts Champa St., with additional access from the public alley to the rear. The shape of the parcel is rectangular, zoning is D-AS (Downtown-Arapahoe Square) through Denver, and all public utilities are available. Site improvements consist of asphalt paving.

Petitioner presented the following indicators of value:

Market:	\$385,000
Cost:	Considered, but not developed
Income:	Considered, but not developed

Petitioner is requesting an actual value of \$385,000 for the subject property for tax year 2015. Respondent assigned a value of \$511,200 and is providing a site specific appraisal reflecting a value of \$621,100 for support.

Petitioner's witness, Mr. Michael Wood, MAI of Cushman & Wakefield of Colorado, Inc. developed a market (sales comparison) approach that included six comparable sales ranging in size from 4,300 to 12,583 square feet, and in sales price from \$43.02 to \$99.34 per square foot. Three of these sales were located in Arapahoe Square submarket, similar to the subject. The major adjustments to the sales consisted of market conditions (time), location, square footage, utility, and other (e.g. assemblage value). After adjustments were made, the six sales ranged from \$43.74 to \$52.47 per square foot, and the three sales located in Arapahoe Square ranged from \$43.79 to \$52.47 per square foot. With equal weight to all of the sales, Mr. Wood concluded to a final value of \$48.50 per square foot, or \$380,000, rounded, for the subject property. Two of the sales used by Mr. Wood in his analysis were also used in Respondent's market approach.

Respondent presented the following indicators of value:

Market:	\$621,100
Cost:	Considered, but not developed
Income:	Considered, but not developed

Respondent's witness, Mr. Greg Feese, a Certified General Appraiser with the Denver County Assessor's Office, also developed a market approach that included three comparable sales ranging in size from 3,142 to 12,555 square feet, and in sales price from \$67.00 to \$80.00 per square foot. Mr. Feese considered 13 total sales in his overall analysis, and chose these three due to their similarity to the subject. All of these sales were located in Arapahoe Square submarket, similar to the subject. The major adjustments to the sales consisted of market conditions (time), development path, square footage, and zoning. After adjustments were made, the three sales ranged from \$69.17 to \$89.39 per square foot. With equal weight to all of the sales, Mr. Wood concluded to a final value of \$79.00 per square foot, or \$620,100, rounded, for the subject property, and after adding \$1,000 for the contributory value of the horizontal site improvements, concluded to a value of \$621,100 for the subject. As noted, two of the sales used by Mr. Feese in his analysis were also employed in Petitioner's market approach.

The major difference between Petitioner's and Respondent's concluded values resulted from the comparables sales used in their analysis, as well as the individual adjustments to those sales. Relative to adjustments, Mr. Wood made significant deductions to three of his comparables for the premium associated with their assemblage value while Respondent did not undertake any adjustments for this assemblage value.

Petitioner presented sufficient probative evidence and testimony to prove that the tax year 2015 valuation of the subject property was incorrect.

After careful consideration of the testimony and exhibits presented in the hearing, the Board determines the following:

- The Board concurs with the parties that the most appropriate methodology to value the subject parcel would be via a sales comparison approach.
- The Board considers the Arapahoe Square submarket to be somewhat unique in the metro area given its location, composition, and social characteristics. The Board has reviewed the seven sales (subsequent to elimination of duplication by each party) used by both parties and concluded the following three sales are most similar to the subject. Note that the Sale located at 2347 Champa St was not included below due to its small square footage and limited development potential and the sale located at 2149 California was eliminated due to superior zoning and allowable density. It also should be noted that 2131 Curtis St, and 2091 Lawrence were purchased as part of an assemblage.

Address	Sale Date	Square Footage	Unadjusted Price PSF	Zoning
2131 Curtis St	12-2012	6,267	\$79.78	D-AS
2030 Arapahoe St.	06-2013	12,526	\$59.88	D-AS
2091 Lawrence St.	11-2012	12,583	\$99.34	D-AS

- The Board has further reviewed the adjustments applied by Petitioner to the three comparables, and found the analysis leading to these adjustments to be well documented and supportable, specifically the adjustment for the value associated with assemblage. These adjustments are reflected below:

Address	Square Footage	Net Total Adjustment Percentage	Indicated Adjusted Value PSF
2131 Curtis St	6,267	-40%	\$52.47
2030 Arapahoe St.	12,526	-20%	\$51.01
2091 Lawrence St.	12,583	-60%	\$43.79

- The Board does not consider the amount of these adjustments (i.e. 20% to 60%) to be excessive given the unique physical characteristics of the subject, as well as the economic characteristics of the neighborhood. With most emphasis on 2131 Curtis St. and 2030 Arapahoe St. which reflected that least percentage adjustments and secondary emphasis on the property at 2091 Lawrence St., the Board concludes to a market value of \$50.00 per square foot for the subject or \$390,000 rounded.

The Board concludes that the 2015 actual value of the subject property should be reduced to \$390,000.

ORDER:

Respondent is ordered to reduce the 2015 actual value of the subject property to \$390,000.

The Denver 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).

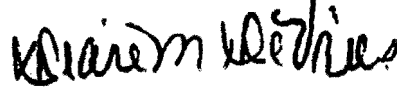
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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 20th day of March 2017.

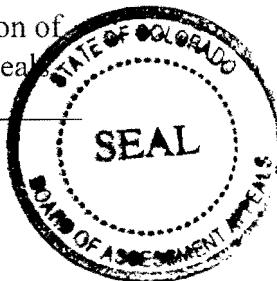
BOARD OF ASSESSMENT APPEALS



Diane M. DeVries

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

Milla Lishchuk



James R. Meurer