

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>WPC-ABC LLC,</p> <p>v.</p> <p>Respondent:</p> <p>ADAMS COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 73099</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on April 20, 2018, Sondra Mercier and Cherice Kjosness presiding. Petitioner was represented by Richard G. Olona, Esq. Respondent was represented by Meredith Van Horn, Esq. Petitioner is protesting the 2017 actual value of the subject property.

Subject property is described as follows:

**20901 E 32nd Pkwy, Aurora, CO 80111
Adams County Schedule No. R0083953**

Subject is industrial property: a 200,000 square foot, 32-year-old warehouse building on 12.35 acres in the Aurora Business Center. It is divided by permanent partitions into one unit of 100,000 square feet and two units of 50,000 square feet each. There is very minimal quality office finish occupying approximately 1% of the total area. It has support beams in the interior and smaller dock doors with levelers.

Petitioner is requesting an actual value of \$5,700,000 for the subject property for tax year 2017. Respondent assigned a value of \$8,419,549 for the subject property for tax year 2017.

Petitioner’s witness, Mr. Todd Stevens, a real estate broker, presented an appraisal of the subject property. He included the Sales Comparison Approach and the Income Approach to support the requested value. The Cost Approach was considered but not applied.

Mr. Stevens contended that the subject property suffers from significant functional obsolescence. He referenced pictures in his appraisal showing the placement of fire hydrants in the

concrete apron outside the loading doors that are in the direct path of trucks attempting to navigate to the docks. Collision barriers are erected around the hydrants, but are ineffective in protecting them. It is a liability situation in that trucks sustain damage as well. In addition, the permanent partitions and support columns in the interior prevent the effective use of all the interior space. As a result of these problems, the subject was only 50% leased on the assessment date, and the owners have been unable to obtain a long term lease on any of the three spaces.

Respondent's witness, Ms. Susan Schilling, a Certified General Appraiser employed by the Assessor's Office, presented an appraisal which included all three approaches to value to support a value of \$8,770,000. She applied a 5% functional obsolescence factor.

Respondent assigned an actual value of \$8,419,549 to the subject property for tax year 2017 and is asking the Board to uphold that value.

Petitioner presented insufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2017.

Respondent argued that the credibility of Petitioner's witness was impacted because he was paid on a contingency basis. The Board finds that Mr. Stevens' agency and fee arrangements were clearly disclosed to the Board. Taking into consideration the nature of Mr. Stevens' compensation, the Board regards his appraisal as a "consulting service", not as an independent appraisal. In analyzing this case, the Board weighs the evidence provided by Mr. Stevens in light of the disclosed bias shown by the contingency fee arrangement.

Mr. Stevens' adjustments in the sales comparison approach were large, all negative in the gross, and not supported. During cross examination, he stated they were his opinions taken from his experience. His percentage adjustments for operating expenses and reserves were also not supported. The Board believes that the fire hydrants, partitions and smaller dock doors do represent functional obsolescence above the 5% allowed by Ms. Schilling.

The sales used in Respondent's sales comparison approach were generally superior in quality and condition and office space and some included lease back arrangements that are hard to quantify for adjustment. Also, they were not all in the subject area. In the income approach, the leased buildings were often superior and the leased areas were in a very wide range. None were more than 10% of the size of the subject building. Super warehouse properties, those over 100,000 square feet, appeal to a different buyer and investor.

Using the sales provided by Mr. Stevens, without adjustment, the indicated value per square foot is \$42.00. Respondent's cost approach indicates a value of \$43.38 allowing 5% for functional obsolescence. Allowing an additional 3% functional obsolescence would bring the indicated value to \$42.07. Respondent's sales Comparable 1, the most comparable to the subject in age, sold for \$41.68 per square foot. Respondent's income approach concluded to \$43.85 per square foot. Applying the additional 3% for functional obsolescence brings it to \$42.53 per square foot. The assigned value is at \$42.09 per square foot.

Considering all evidence and testimony, the Board considers the assigned value to be a reasonable estimate of market value for the subject property on the 2017 assessment date.

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 26th day of June, 2018.

BOARD OF ASSESSMENT APPEALS

Sondra W. Mercier

Sondra W. Mercier

Cherice Kjosness

Cherice Kjosness



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

Milla Lishchuk

Milla Lishchuk