

<p><b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p><b>LTC PROPERTIES INC.,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>ADAMS COUNTY BOARD OF EQUALIZATION.</b></p>	<p><b>Docket No.: 73942</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on September 25, 2018, Diane DeVries and MaryKay Kelley presiding. Petitioner was represented by Richard Olona, Esq. Respondent was represented by Meredith Van Horn, Esq. Petitioner is protesting the 2017 actual value of the subject property.

Testimony from Docket 73941 is consolidated with that of Docket 73942.

The Board admitted Petitioner’s Exhibit 1 excepting references to Income and Cost Approaches to value. The Board admitted Respondent’s Exhibits A and B.

Subject property is described as follows:

**7150 Poplar Street, Commerce City, Colorado  
Adams County Schedule No. R0111890**

The subject property is a 26,736-square foot skilled nursing and short-term rehabilitation facility. Built in 1963, it has 95 beds.

Respondent assigned an actual value of \$7,695,000 for tax year 2017, which is supported by an appraised value of \$7,800,000. Petitioner is requesting a value of \$4,650,000.

Petitioner’s witness, Shawn J. O’Conner, Certified General Appraiser, presented a Sales Comparison Approach with eight sales selected for their similarity in residential mix (rehabilitation,

skilled nursing, memory care, and assisted living) and number of Medicaid beds, the latter being an important factor in valuation, in his opinion.

Mr. O’Conner testified that the senior-care housing market is national. Unable to identify local sales he considered comparable, he widened his search, selecting sales from Indiana, Illinois, Ohio, Missouri, and Texas. He noted similarities to the subject, such as proximity to towns and amenities, access to medical facilities, and in locations with similar median household incomes. He made no location adjustments.

After adjusting for age/condition, Mr. O’Conner concluded to adjusted values from \$34,601 to \$67,200 per bed. In his opinion, per-bed price reflects generated income and is the most frequently used unit of comparison.

Respondent’s witness, Jacquelyn L. Headley, Certified Residential Appraiser for the Adams County Assessor’s Office, presented a Sales Comparison Analysis with five sales. After adjustments for age and quality/condition, she concluded to a value based on square foot with a conclusion based on the mean. She declined to use a per-bed valuation for two reasons: some beds are in single, double, or three-bed rooms, skewing the analysis; and Petitioner’s wide range (\$34,601 to \$67,200) suggests that a per-bed analysis is not an appropriate measure of comparison.

Ms. Headley addressed several issues. First, valuation addresses the real estate only; going concern or business value is not at issue. Second, with regard to management the subject property was operated by Preferred Care, and, in her opinion, management is typically in place in care facilities and can adapt to any type of treatment. Third, private versus Medicaid beds do not affect value. Finally, her senior-care centers were appropriate comparable sales; there was no need to search out-of-state sales.

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

Colorado case law requires that “[Petitioner] must prove that the assessor's valuation is incorrect by a preponderance of the evidence. . .” *Bd. of Assessment Appeals v. Sampson*, 105 P.3d 198, 204 (Colo. 2005). After careful consideration of the testimony and exhibits presented in the hearing, the Board concludes that Petitioner failed to meet this burden.

The Board finds that Petitioner’s selection of sales from out-of-state locations are not reflective of value for senior-care facilities in Colorado. It is persuaded that local sales best reflect neighborhood make-up and character, community services and amenities, demand and supply, and other features. Accordingly, Respondent relied on sales from metropolitan areas including three from the base period. The Board finds that Respondent’s sales, located in the subject’s same marketing area, are more representative of value.

**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 8th day of November, 2018.

**BOARD OF ASSESSMENT APPEALS**

*Diane M DeVries*

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Diane M. DeVries

*MaryKay Kelley*

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MaryKay Kelley

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

*Milla Lishchuk*

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Milla Lishchuk

