

BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203 <hr/> Petitioner: EDWARD F. MOCK, v. Respondent: ADAMS COUNTY BOARD OF EQUALIZATION.	
Attorney or Party Without Attorney for the Petitioner: Name: Edward F. Mock Address: 7556 Nuthatch Circle Parker, Colorado 80134 Phone Number: (303) 840-8496	Docket Number: 41915
ORDER	

THIS MATTER was heard by the Board of Assessment Appeals on January 7, 2004, Karen E. Hart and Rebecca Hawkins presiding. Petitioner appeared pro se. Respondent was represented by Jennifer Wascak Leslie, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**1600 Geneva Street
(Adams County Schedule No. R0095513)**

Petitioner is protesting the 2003 actual value of the subject property, a three-story brick, exterior walk-up apartment building. The building was constructed in 1969, and has 17 units with an average unit size of 664 square feet. Amenities include a balcony or patio for each unit, one laundry room and a 2,100 square foot off-street paved parking area. The building includes:

9 - 1 bedroom, 1 bath, 564.25 square foot units
6 - 2 bedroom, 1 bath, 724.38 square foot units
2 - 2 bedroom, 1 bath, 936.00 square foot units

ISSUES:

Petitioner:

Petitioner contends that the subject property has been overvalued. Sales used by the Respondent do not adequately reflect the subject property's value. Sufficient consideration was not given to the blighted condition of the subject neighborhood.

Respondent:

Respondent contends that the subject property was properly valued. It is located one block north of Colfax Avenue and three blocks west of Havana Street. This location is just outside the designated blight area. No data exists to support a lower value for the subject property.

FINDINGS OF FACT:

1. Mr. Edward Mock, Petitioner, presented the appeal on his own behalf.
2. Based on the market approach, Petitioner presented an indicated value of \$636,768.00 for the subject property.
3. Petitioner presented six comparable sales. The comparable sales ranged in sales price from \$750,000.00 to \$1,530,000.00 and in size from 11,983 to 31,740 square feet. Petitioner did not make individual adjustments to the sales presented.
4. Mr. Mock testified that the Respondent incorrectly placed the subject property in the northeast part of Aurora when using the Apartment Research Report. The northeast portion of Aurora includes the speculative neighborhood around the Fitzsimmons re-development. Mr. Mock explained that when using the Apartment Research Report, the subject property should be in the northwest part of Aurora. Mr. Mock testified that some parts of Aurora are highly speculative, specifically the re-development neighborhood around Fitzsimmons. Properties within the designated blight area sell for less than properties in speculative neighborhoods.
5. Mr. Mock testified that the subject is located on a corner within the urban renewal area and one block from the Aurora Arts District. The property is one block from the designated blight area. Mr. Mock testified that crime is higher in the subject neighborhood. He cited research by the city that shows a high crime area with car vandalism, violation of ordinances, graffiti and police searches for body parts.

6. Mr. Mock testified that Respondent used sales from neighborhoods that were not comparable. Respondent's Sale 1 at 1550 Alton Street has a superior location; it is closer to Denver, has less crime and is on the outer edge of the designated blight area. Although this property has a swimming pool, Respondent did not make an adjustment for it. Sale 3 at 1590 Clinton Street is on the edge of the crime area. He testified that this location does not compare well to the location of the subject that is in the middle of the crime area.

7. Mr. Mock testified that Respondent's Sale 3 at 1590 Clinton Street is in a superior location and sold for \$55.34 per square foot. He believes the subject property should be worth less than this sale due to its inferior location. He disagrees with Respondent using the sale and re-sale of 1550 Alton Street and specifically questioned the financing on Respondent's Sale 1. This sale shows that the sales price of the property went up over \$100,000.00 in a little over one year and supports the speculative nature of this neighborhood. Mr. Mock testified to an alternative sale at 1678 Paris Street that Respondent could have used.

8. Under cross-examination, Mr. Mock defined the blighted area and referred to the Fletcher Plaza Urban Renewal Plan contained in Petitioner's Exhibit A. Proposed by the City of Aurora, this plan is an effort to improve the neighborhood and will include a new library, commercial properties and a 240-unit subsidized housing project one block from the subject property. Mr. Mock testified to a vacancy rate of 20%. He contends the proposed 240-unit subsidized apartment building will cause a higher vacancy rate in the older units.

9. Under further cross-examination, Mr. Mock testified that he understands the 18-month data collection period. He explained that the Urban Renewal Plan was in process for three years prior to the end of the base period.

10. Petitioner is requesting a 2003 actual value of \$636,768.00 for the subject property.

11. Respondent's witness, Mr. Vernon Penton, a Certified General Appraiser with the Adams County Assessor's Office, presented an indicated value of \$765,000.00 for the subject property based on the market approach.

12. Respondent's witness presented three comparable sales ranging in sales price from to \$889,000.00 and in size from 11,983 to 16,065 square feet. After adjustments were made, the sales ranged from \$729,839.00 to \$1,099,007.00.

13. Mr. Penton testified that he personally inspected the subject property. He contends that the subject is in average condition for the area. Each unit has a wall air conditioner and gas hot water heat. The building has laundry facilities and 2,100 square feet of off-street paved parking.

14. Mr. Penton testified that he looked for sales in the blighted neighborhood of the subject and tried to use the sales that best addressed Petitioner's concerns. He testified that preferred financing is an example of a benefit derived from being in a designated blight area. Mr. Penton agreed that Respondent's Sale 1 should have been adjusted to reflect the swimming pool.

15. Mr. Penton testified that his method of value was a composite of several market approach methodologies: price per square foot, value per unit and Gross Rent Multiplier (GRM). He testified that he accounted for the blight condition of the neighborhood by keeping all sales within .8 of a mile of the subject property.

16. Under cross-examination, Mr. Penton testified that he used a weighted percentage for each market approach methodology to arrive at the indicated value. He gave 50% weight to the square footage method, 30% weight to the GRM method and only 20% to the price per unit method.

17. Under further cross-examination, Mr. Penton testified that he looked at public record documents to determine if any special financing was involved with Sale 1. He determined that no special financing was involved and that the value increase was not out of the ordinary.

18. Respondent assigned an actual value of \$765,000.00 to the subject property for tax year 2003.

CONCLUSIONS:

1. Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2003.

2. The Board agrees with Petitioner that Respondent's Sale 1 is not a reliable indicator of value for the subject's market. The location of this property is closer to Denver than the subject and is further removed from the designated blight and urban renewal areas.

3. The Board believes that location is one of the most relevant factors for selecting comparable sales. Given the boundaries of the designated blight area and the Urban Renewal District, the Board affirms that Respondent's Sales 2 and 3 are more similar to the subject in location. The Board also considered possible benefits from the Arts District and/or Urban Renewal designations.

4. Based on the data presented, the Board was persuaded that a GRM of 82 is appropriate. The Board recognizes that the 240-unit subsidized housing project could possibly affect neighborhood vacancy rates. However, the Board is of the opinion that the vacancy rate of the subject property was not affected during the base period.

5. As a result of placing the most weight on Respondent's Comparable Sales 2 and 3, the Board recalculated the GRM, the price per square foot and the price per unit. The resulting values ranged from \$670,000.00 to \$740,000.00.

6. After careful consideration of all of the evidence and testimony presented, the Board concluded that the 2003 actual value of the subject property should be reduced to \$705,000.00.

ORDER:

ORDER:

Respondent is ordered to reduce the 2003 actual value of the subject property to \$705,000.00.

The Adams County Assessor is directed to change his/her records accordingly.

APPEAL:

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 27th day of February, 2004.

BOARD OF ASSESSMENT APPEALS

Karen E Hart

Karen E. Hart

Rebecca Hawkins

Rebecca Hawkins

This decision was put on the record

FEB 24 2004

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

Penny S. Lowenthal
Penny S. Lowenthal

