

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>SOPHICOLL, LLC,</p> <p>v.</p> <p>Respondent:</p> <p>DENVER COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 45807</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on January 24, 2007, Karen E. Hart and Diane M. DeVries presiding. Petitioner was represented by Jack F. Fox. Respondent was represented by Max Taylor, Esq. Petitioner is protesting the 2005 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**6600 East Colfax Avenue, Denver, Colorado
Denver County Schedule No. 06051-07-001-000**

The subject property consists of a 1,296 square foot building constructed in 1957 on a 12,225 square foot site located on the southwest corner of East Colfax Avenue and Magnolia Street. The site has 122.25 feet of East Colfax Avenue frontage and 100 feet of Magnolia Street frontage. The property has restricted ingress and egress off of Colfax Avenue. The subject property is a used car lot. As of the assessment date, the property was sublet for auto repair work and the sale of the repaired cars. The subject property is being held for redevelopment. Property on Colfax Avenue east of Colorado Boulevard is being redeveloped.

Respondent assigned an actual value of \$171,600.00 to the subject property for tax year 2005. Petitioner is requesting a 2005 actual value of \$125,000.00 for the subject property.

Petitioner calculated an income approach using net operating income of \$16,430.00 and a 12% capitalization rate to conclude to an actual value of \$136,916.00.

Petitioner used comparable sales to derive a \$10.00 per square foot land value to conclude to an indicated value of \$122,250.00 based on the market approach. Petitioner did not consider the building to be of any value.

Respondent presented four comparable sales ranging in sales price from \$150,000.00 to \$500,000.00. After adjustments for physical and functional characteristics, the sales ranged from \$134.24 to \$208.33 per square foot. Respondent concluded to an indicated value for the subject of \$179,700.00 or \$138.65 per square foot based on the market approach.

Respondent used a state-approved cost estimating service to derive a market-adjusted cost value for the subject improvement of \$61,600.00. Respondent relied on four comparable land sales ranging in sales price from \$50,000.00 to \$850,000.00 and in size from 6,100 to 36,400 square feet. A \$9.00 per square foot adjusted rate was applied to the subject property to derive an indicated land value of \$110,000.00.

In the income approach, Respondent utilized potential gross income of \$26,000.00, a 5% vacancy rate, and a total of \$6,385.00 to cover maintenance, insurance and management expenses to derive a net operating income of \$18,315.00. After applying a 10% capitalization rate, the indicated value of the subject property is \$183,200.00 based on the income approach.

The Board placed no weight on the value indicated by Petitioner's market approach. Petitioner's contention that the building is of no value is not plausible. As evidenced by the ongoing auto repair/auto sale business, the subject improvement generates income and therefore is of some value. The value indicated by Petitioner's income approach was not credible due to the extremely high capitalization rate that was not substantiated.

The indicated values of Respondent's cost, market and income approaches exceeded the actual value assigned to the subject property for tax year 2005.

ORDER:

The appeal is denied.

APPEAL RIGHTS:

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 1st day of March 2007.

BOARD OF ASSESSMENT APPEALS

Karen E Hart

Karen E. Hart

Diane M DeVries

Diane M. DeVries

This decision was put on the record

MAR 01 2007

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

