

**BOARD OF ASSESSMENT APPEALS,
STATE OF COLORADO**

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 46109

Petitioner:

**1ST BANK COLORADO CORP., AKA 1ST BANK
HOLDING CO.,**

v.

Respondent:

**JEFFERSON COUNTY BOARD OF
EQUALIZATION.**

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on October 19, 2006, Steffen A. Brown and Sondra W. Mercier presiding. Petitioner was represented by Richard G. Olona, Esq. Respondent was represented by Writer Mott, Esq. Petitioner is protesting the 2005 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**15250 West 64th Avenue, Arvada, CO
Jefferson County Schedule No. 442018**

The subject is a single-story, 4,650 square foot bank building, built on a 45,744 square foot site. The site was purchased in June 4, 2003 for \$914,900.00. The improvement was completed in November 2003.

FINDINGS OF FACT:

1. Petitioner relied solely on the income approach to derive a value of \$910,250.00 for the subject property.

2. Petitioner presented rental rates for 10 properties located in the Denver Metro area and 5 properties located in Longmont. Some of Petitioner's comparables were banks and some were

offices. The comparable rentals were leased between 1998 and 2003. Petitioner did not provide addresses or specific details of any of the comparable rental properties.

3. Petitioner selected a rental rate of \$25.00 per square foot, then deducted vacancy and collection allowance of 5 percent, owner's non-reimbursed expenses of 7 percent, and a return on business fixtures of 12 percent (\$8,832.00). The resulting net operating income was capitalized at 9.5 percent. A further deduction was taken for return of business fixtures (\$73,597.00), resulting in a value of \$910,250.00, rounded.

4. Petitioner is requesting a 2005 actual value of \$910,250.00 for the subject property.

5. Respondent presented the following indicators of value:

Market:	\$1,860,000.00
Cost:	\$1,720,000.00

6. For the market approach, Respondent presented 14 comparable sales ranging in sales price from \$146.37 to \$721.59 per square foot. Respondent placed the greatest reliance on Sales 1, 2, 3, 11 and 14, ranging in adjusted sales price from \$393.39 to \$628.58 per square foot. Extensive care was taken in the confirmation process to insure that no items of personal property or fixtures associated with the business were included in the price of the comparable sales. Respondent concluded to a value of \$1,860,000.00 or \$400.00 per square foot based on the market approach.

7. Respondent used a state-approved cost estimating service plus additional market derived information to conclude to a market-adjusted cost value for the subject property of \$1,720,000.00.

8. Land sales of pad sites were analyzed to determine the appropriate land value. Respondent concluded to a land value nearly equal to the land purchase price in 2003, at \$915,000.00.

9. Using *Marshall Valuation Service* cost information, the respondent calculated a base building cost of \$114.83 per square foot. However, a review of local building permits indicates building construction costs for three banks ranging from \$260.18 to \$333.55 per square foot. Respondent presented information received from the petitioner indicating construction costs for the subject of \$1,564,124.84 or \$336.37 per square foot. After deductions for accrued depreciation and the addition of site improvements and land, the respondent concluded to a value of \$1,720,000.00 or \$369.89 per square foot for the subject based on the cost approach.

10. Respondent reconciled to an actual value of \$1,800,000.00 for tax year 2005.

11. Respondent assigned an actual value of \$1,445,090.00 to the subject property for tax year 2005.

CONCLUSIONS OF LAW:

1. Respondent presented sufficient probative evidence and testimony to prove that the tax year 2005 valuation of the subject property was correct.

2. Petitioner’s income approach was not credible. No information was presented to substantiate comparable rental rates or the capitalization rate. Further, Petitioner’s requested value is less than the value of the subject land.

3. In valuing the subject property, Respondent complied with current statutes and guidance provided by *Del Mesa Farms*. Consideration was given to the potential for additional costs associated with personal property or fixtures related to the business of banking. The respondent took great care to reduce the value of the subject to real estate only.

ORDER:

The appeal is denied.

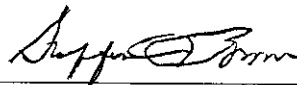
APPEAL:

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

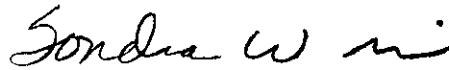
If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 16th day of November 2006.

BOARD OF ASSESSMENT APPEALS



Steffen A. Brown

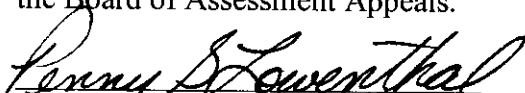


Sondra W. Mercier

This decision was put on the record

NOV 15 2006

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


Penny S. Lowenthal
46109

