

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

1313 Sherman Street, Room 315  
Denver, Colorado 80203

**Docket No.: 54652**

Petitioner:

**RANDY L. REARDON, SR. AND TAMMY T.  
REARDON**

v.

Respondent:

**JEFFERSON COUNTY BOARD OF  
EQUALIZATION.**

**ORDER**

**THIS MATTER** was heard by the Board of Assessment Appeals on January 14, 2011, MaryKay Kelley and James R. Meurer presiding. Petitioners were represented by their agent, Tom Keyes. Respondent was represented by Martin E. McKinney, Esq. Petitioners are protesting the 2009 actual value of the subject property.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**10248 West Chatfield Avenue, Littleton, Colorado  
Jefferson County Schedule Nos. 404728 and 195522**

The parties are in agreement as to the value of the land reflected in Schedule No. 195552. Only the value of the land and improvements reflected in Schedule No. 404728 is the subject of this hearing.

The subject is an 11,427 square foot masonry and frame light industrial building located in unincorporated Jefferson County. The building was constructed in 2007, is owner-occupied, and consists of office, showroom, and warehouse finish. The front portion of the building is two-story and includes the office and showroom areas, and the rear section of the building is warehouse-accessed by four overhead doors. Lot size is 66,821 square feet, zoning is Planned Development or P-D through Jefferson County, and all utilities are publically provided. Access to the building is via

easements through the adjoining properties. The building was considered to be in good condition as of the date of value.

Petitioners are requesting an actual value of \$1,229,221.00 for the subject property for tax year 2009. Respondent assigned a value of \$1,475,600.00 for the subject property for tax year 2009 but is recommending a reduction to \$1,425,000.00.

Petitioners presented the following indicators of value:

Market:	N/A
Cost:	\$1,229,221.00
Income:	N/A

Petitioners' agent presented a cost approach indicating a total value for the land and building, including finish, of \$1,229,221.00 based on a construction budget provided by the owner of the building. Petitioners' agent also presented four sales ranging in sale price from \$116.12 to \$175.00 per square foot; however, minimal discussion and no adjustments were provided relative to these sales, and no indication of value was derived from these comparables. No income approach was developed.

Respondent presented the following indicators of value:

Market:	\$1,425,000.00
Cost:	\$1,440,000.00
Income:	\$1,200,000.00

Based primarily on the market approach, Respondent presented an indicated value of \$1,425,000.00 for the subject property.

Respondent's witness, Mr. Randall K. Brenimer, presented a cost approach reflecting a land value of \$3.75 per square foot or \$250,000.00, rounded, for the subject lot. Replacement costs were based on the Marshall Valuation Service and resulted in an estimated replacement cost of \$1,190,000.00 including site improvements. Respondent's witness concluded to a value of \$1,440,000.00 or \$124.79 per square foot for the subject via the cost approach.

Respondent's witness presented a market approach including three sales of light industrial buildings ranging in sales price from \$1,481,000.00 to \$1,600,000.00 and in size from 9,865 to 18,423 square feet. After adjustments were made, the sales ranged from \$117.00 to \$145.00 per square foot. Respondent concluded to an adjusted value of \$125.00 per square foot, reflecting a value of \$1,425,000.00 via the market approach.

Respondent's witness also presented an income approach resulting in a value of \$1,200,000.00 for the subject. Although no rent comparables were included in the analysis, Respondent's model used an indication of market rent of \$12.50 per square foot for the office space and \$9.00 per square foot for the warehouse space. A 5.0% vacancy and collection loss and a 12.0%

expense factor were used in the model, and the net operating income of \$102,000.00 was then capitalized at an 8.5% overall rate including tax load.

Respondent argued that the market value for the subject was best represented by the market approach and that the construction budget provided by Petitioners did not reflect all costs associated with the construction of the building. Respondent further argued that any significant drainage issues affecting the site had been cured.

Respondent assigned an actual value of \$1,475,600.00 to the subject property for tax year 2009.

Sufficient evidence was provided that Respondent's assigned actual value of \$1,475,600.00 was incorrect.

After careful consideration of the testimony and exhibits presented in the hearing, the Board concludes that a market approach is the most supportable method of establishing value for the subject. The Board finds that the comparable sales used in Respondent's market approach and the explanation and adjustments to those sales are reasonable and therefore most accurately reflect the market value for the subject. Accordingly, the Board concludes that the 2009 actual value of the subject property should be reduced to Respondent's recommended value of \$1,425,000.00.

**ORDER:**

Respondent is ordered to reduce the 2009 actual value of the subject property to \$1,425,000.00.

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

**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-five 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-five days after the date of the service of the final order entered).

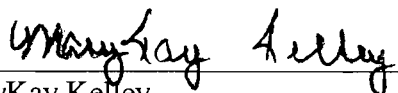
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

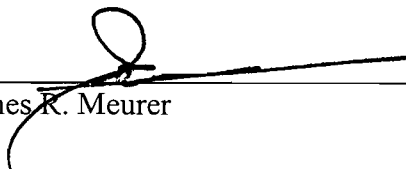
If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

Section 39-8-108(2), C.R.S.

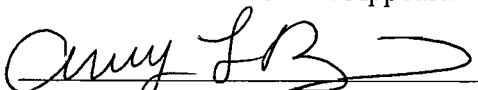
**DATED and MAILED** this 4 day of February 2011.

**BOARD OF ASSESSMENT APPEALS**

  
\_\_\_\_\_  
MaryKay Kelley

  
\_\_\_\_\_  
James R. Meurer

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

  
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Amy Bruhn

