

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

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 60500

Petitioner:

RICHMOND AMERICAN HOMES OF COLORADO,

v.

Respondent:

DOUGLAS COUNTY BOARD OF EQUALIZATION.

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on October 31, 2012, James R. Meurer and Amy J. Williams presiding. Petitioner was represented by Mr. Richard G. Olona, Esq. Respondent was represented by Robert D. Clark, Esq. Petitioner is protesting the 2011 property tax valuation of the subject properties.

Subject property is described as follows:

**The Meadows Subdivision, Filing 15; 17 Lots
The Meadows Subdivision, Filing 16; 28 Lots
The Meadows Subdivision, Filing 18; 82 Lots
All located in the City of Castle Rock, Douglas County, Colorado
Douglas County Schedule Nos. – Various, see attached list of accounts**

The subject property consists of 127 vacant, residential lots located within the Meadows Subdivision in Castle Rock, Colorado. All of the lots are fully developed and ready for residential construction.

Petitioner is requesting a combined, total value of \$3,386,276 for the 127 lots. Respondent assigned a value of \$5,501,282 for the 127 lots combined. The subject lots are available for, and have been valued using, vacant land present worth valuation techniques. The application of present worth valuation is not disputed by either party. Both Petitioner and Respondent agree with the assumptions and calculations applied to discount each lots value to arrive at a present worth value. What is at issue is the retail market value of each lot prior to application of present worth discounting.

Mr. Olona, attorney representing Petitioner, called Mr. Todd Sevens, Registered Appraiser, as his first witness. Mr. Stevens described the subject property and the general real estate climate beginning in 2008. Mr. Stevens walked through the Financial Crisis Timeline outlined in Petitioner's Exhibit 2, pages 3-1 through 3-3. Mr. Stevens testified that housing developers in the Douglas County area were selling homes and residential lots at losses, break even at best, between 2007 and current. He asserted that Douglas County's real estate market contracted along with the state and nation during that time.

Referencing Petitioner Exhibit 1, Mr. Stevens discussed the sales selected and necessary adjustments to establish a value for the individual subject lots beginning with The Meadows Subdivision, Filing 15. Mr. Stevens directed attention to Page 15 of Exhibit 1, which presented six vacant, residential lots sales, four of which were located in Plum Creek Subdivision and two being located in Escavera Subdivision. Mr. Stevens stated he made adjustments for location, size and physical characteristics of the sales, as compared to the subject lots within Filing 15. Based upon these six sales, Mr. Stevens concluded to a market value of \$40,000 each for the subject lots within Filing 15. Using the same sales, applying similar adjustments, Mr. Stevens also concluded to a value of \$40,000 for each subject lot within The Meadows, Filings 16 and 18. Mr. Stevens considered the Income Approach and Cost Approach, but considered the Sales Comparison Approach as the only applicable approach to valuation for the subject lots.

Mr. Clark, attorney representing Respondent, called Mr. Steven Campbell, Certified Residential Appraiser, as his only witness. Mr. Campbell testified that during the relevant base period for the 2011 valuation, no time trend was calculated or therefore applied, to vacant land. Mr. Campbell further testified that he used three sales, a sale located in Castlewood Ranch, one in Pinery and one in Clarke Farms, to establish a value for the 127 subject lots. Each of the sales was discussed by Mr. Campbell, specifically, the inferiority, superiority or similarity of each sale as compared to the subject. Mr. Campbell testified that he did not make any adjustments to the sales, rather the three sales bracketed the subject lots. Mr. Campbell then reviewed his land allocation analysis. He stated that he did not rely upon land allocation analysis to value the subject lots, but presented it as further support for his concluded values. Using the same three sales, Mr. Campbell testified that he concluded to a value of \$62,000 for lots in the Summerville Circle area of The Meadows, Filing 15; \$70,000 for lots in the Gould Circle area of Filing 15; \$67,000 for The Meadows, Filing 16 subject lots; and \$60,000 for subject lots located in The Meadows, Filing 18.

Petitioner presented sufficient probative evidence and testimony to show that the property was incorrectly valued for tax year 2011.

The Board concludes that the use of bank-owned sales to value the subject lots by both Petitioner and Respondent is relevant and appropriate during the base period for tax year 2011. Also, Petitioner utilized six sales and applied adjustments to each sale to conclude to a market value for each subject lot. Respondent's appraisal is considered to provide a better supported market value than three sales without adjustment presented by Respondent.

ORDER:

On November 29, 2012, the Board ordered Respondent to provide the Board and Petitioner with values of the 127 lots after present worth discounting based on a \$40,000 per lot market value prior to the application of present worth discounting. Respondent provided the requested values to the Board on or about January 14, 2013. As of the date of this Order, Petitioner has not filed an objection. Therefore, the Board accepts Respondent's values.

The appeal is granted. Respondent is ordered to reduce the values of the subject properties as indicated in the Attachment.

The Douglas 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 11th day of February, 2013.

BOARD OF ASSESSMENT APPEALS


James R. Meurer

Amy Williams

Amy J. Williams

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

Milla Crichton

Milla Crichton



STATE OF COLORADO
 BOARD OF ASSESSMENT APPEALS
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Count	Account No	CBOE Value	Board Present Worth Value	Subdivision
1	R0449374	\$ 75,000	\$ 40,000	Meadows 15
2	R0449375	\$ 75,000	\$ 40,000	Meadows 15
3	R0449376	\$ 86,250	\$ 46,000	Meadows 15
4	R0449377	\$ 86,250	\$ 46,000	Meadows 15
5	R0449378	\$ 86,250	\$ 46,000	Meadows 15
6	R0449405	\$ 62,000	\$ 40,000	Meadows 15
7	R0449406	\$ 62,000	\$ 40,000	Meadows 15
8	R0449409	\$ 62,000	\$ 40,000	Meadows 15
9	R0449417	\$ 62,000	\$ 40,000	Meadows 15
10	R0449452	\$ 71,300	\$ 46,000	Meadows 15
11	R0449456	\$ 71,300	\$ 46,000	Meadows 15
12	R0449484	\$ 86,250	\$ 46,000	Meadows 15
13	R0449517	\$ 75,000	\$ 40,000	Meadows 15
14	R0449525	\$ 75,000	\$ 40,000	Meadows 15
15	R0449568	\$ 86,250	\$ 46,000	Meadows 15
16	R0449571	\$ 86,250	\$ 46,000	Meadows 15
17	R0449572	\$ 86,250	\$ 46,000	Meadows 15
18	R0457871	\$ 47,410	\$ 25,803	Meadows 16
19	R0457872	\$ 47,410	\$ 25,803	Meadows 16
20	R0457910	\$ 41,226	\$ 22,437	Meadows 16
21	R0458332	\$ 41,226	\$ 22,437	Meadows 16
22	R0458333	\$ 41,226	\$ 22,437	Meadows 16
23	R0458334	\$ 41,226	\$ 22,437	Meadows 16
24	R0458335	\$ 41,226	\$ 22,437	Meadows 16
25	R0458336	\$ 41,226	\$ 22,437	Meadows 16
26	R0458337	\$ 41,226	\$ 22,437	Meadows 16
27	R0458371	\$ 41,226	\$ 22,437	Meadows 16
28	R0458372	\$ 41,226	\$ 22,437	Meadows 16
29	R0458373	\$ 41,226	\$ 22,437	Meadows 16
30	R0458397	\$ 41,226	\$ 22,437	Meadows 16
31	R0458398	\$ 41,226	\$ 22,437	Meadows 16
32	R0458399	\$ 41,226	\$ 22,437	Meadows 16
33	R0458401	\$ 41,226	\$ 22,437	Meadows 16
34	R0458402	\$ 41,226	\$ 22,437	Meadows 16
35	R0458403	\$ 41,226	\$ 22,437	Meadows 16
36	R0458404	\$ 41,226	\$ 22,437	Meadows 16
37	R0458434	\$ 41,226	\$ 22,437	Meadows 16
38	R0458436	\$ 41,226	\$ 22,437	Meadows 16
39	R0458437	\$ 41,226	\$ 22,437	Meadows 16
40	R0458438	\$ 41,226	\$ 22,437	Meadows 16
41	R0458443	\$ 41,226	\$ 22,437	Meadows 16
42	R0458444	\$ 41,226	\$ 22,437	Meadows 16
43	R0458445	\$ 41,226	\$ 22,437	Meadows 16
44	R0458456	\$ 41,226	\$ 22,437	Meadows 16
45	R0458457	\$ 41,226	\$ 22,437	Meadows 16
46	R0461594	\$ 37,842	\$ 25,230	Meadows 18
47	R0461595	\$ 37,842	\$ 25,230	Meadows 18
48	R0461597	\$ 37,842	\$ 25,230	Meadows 18
49	R0461608	\$ 37,842	\$ 25,230	Meadows 18
50	R0461609	\$ 37,842	\$ 25,230	Meadows 18
51	R0461616	\$ 37,842	\$ 25,230	Meadows 18

Count	Account No	CBOE Value	Board Present Worth Value	Subdivision
52	R0461617	\$ 37,842	\$ 25,230	Meadows 18
53	R0461618	\$ 37,842	\$ 25,230	Meadows 18
54	R0461619	\$ 37,842	\$ 25,230	Meadows 18
55	R0461620	\$ 37,842	\$ 25,230	Meadows 18
56	R0461621	\$ 37,842	\$ 25,230	Meadows 18
57	R0461622	\$ 37,842	\$ 25,230	Meadows 18
58	R0461623	\$ 37,842	\$ 25,230	Meadows 18
59	R0461625	\$ 37,842	\$ 25,230	Meadows 18
60	R0461626	\$ 37,842	\$ 25,230	Meadows 18
61	R0461627	\$ 37,842	\$ 25,230	Meadows 18
62	R0461628	\$ 43,518	\$ 29,015	Meadows 18
63	R0461629	\$ 43,518	\$ 29,015	Meadows 18
64	R0461630	\$ 37,842	\$ 25,230	Meadows 18
65	R0461631	\$ 37,842	\$ 25,230	Meadows 18
66	R0461632	\$ 37,842	\$ 25,230	Meadows 18
67	R0461633	\$ 37,842	\$ 25,230	Meadows 18
68	R0461650	\$ 43,518	\$ 29,015	Meadows 18
69	R0461651	\$ 43,518	\$ 29,015	Meadows 18
70	R0461652	\$ 43,518	\$ 29,015	Meadows 18
71	R0461654	\$ 43,518	\$ 29,015	Meadows 18
72	R0461655	\$ 37,842	\$ 25,230	Meadows 18
73	R0461714	\$ 37,842	\$ 25,230	Meadows 18
74	R0461715	\$ 37,842	\$ 25,230	Meadows 18
75	R0461716	\$ 37,842	\$ 25,230	Meadows 18
76	R0461717	\$ 37,842	\$ 25,230	Meadows 18
77	R0461718	\$ 37,842	\$ 25,230	Meadows 18
78	R0461719	\$ 37,842	\$ 25,230	Meadows 18
79	R0461720	\$ 37,842	\$ 25,230	Meadows 18
80	R0461721	\$ 37,842	\$ 25,230	Meadows 18
81	R0461722	\$ 37,842	\$ 25,230	Meadows 18
82	R0461723	\$ 37,842	\$ 25,230	Meadows 18
83	R0461724	\$ 37,842	\$ 25,230	Meadows 18
84	R0461725	\$ 37,842	\$ 25,230	Meadows 18
85	R0461726	\$ 37,842	\$ 25,230	Meadows 18
86	R0461727	\$ 37,842	\$ 25,230	Meadows 18
87	R0461728	\$ 37,842	\$ 25,230	Meadows 18
88	R0461729	\$ 37,842	\$ 25,230	Meadows 18
89	R0461730	\$ 37,842	\$ 25,230	Meadows 18
90	R0461731	\$ 37,842	\$ 25,230	Meadows 18
91	R0461732	\$ 37,842	\$ 25,230	Meadows 18
92	R0461733	\$ 37,842	\$ 25,230	Meadows 18
93	R0461734	\$ 37,842	\$ 25,230	Meadows 18
94	R0461735	\$ 37,842	\$ 25,230	Meadows 18
95	R0461736	\$ 37,842	\$ 25,230	Meadows 18
96	R0461737	\$ 37,842	\$ 25,230	Meadows 18
97	R0461738	\$ 37,842	\$ 25,230	Meadows 18
98	R0461739	\$ 37,842	\$ 25,230	Meadows 18
99	R0461740	\$ 37,842	\$ 25,230	Meadows 18
100	R0461742	\$ 37,842	\$ 25,230	Meadows 18
101	R0461743	\$ 37,842	\$ 25,230	Meadows 18
102	R0461744	\$ 37,842	\$ 25,230	Meadows 18

Count	Account No	CBOE Value	Board Present Worth Value	Subdivision
103	R0461745	\$ 37,842	\$ 25,230	Meadows 18
104	R0461747	\$ 37,842	\$ 25,230	Meadows 18
105	R0461748	\$ 37,842	\$ 25,230	Meadows 18
106	R0461749	\$ 37,842	\$ 25,230	Meadows 18
107	R0461750	\$ 37,842	\$ 25,230	Meadows 18
108	R0461751	\$ 37,842	\$ 25,230	Meadows 18
109	R0461752	\$ 37,842	\$ 25,230	Meadows 18
110	R0461753	\$ 43,518	\$ 29,015	Meadows 18
111	R0461754	\$ 43,518	\$ 29,015	Meadows 18
112	R0461755	\$ 43,518	\$ 29,015	Meadows 18
113	R0461756	\$ 43,518	\$ 29,015	Meadows 18
114	R0461757	\$ 43,518	\$ 29,015	Meadows 18
115	R0461758	\$ 37,842	\$ 25,230	Meadows 18
116	R0461759	\$ 37,842	\$ 25,230	Meadows 18
117	R0461760	\$ 43,518	\$ 29,015	Meadows 18
118	R0461761	\$ 43,518	\$ 29,015	Meadows 18
119	R0461762	\$ 43,518	\$ 29,015	Meadows 18
120	R0461763	\$ 43,518	\$ 29,015	Meadows 18
121	R0461764	\$ 37,842	\$ 25,230	Meadows 18
122	R0461765	\$ 43,518	\$ 29,015	Meadows 18
123	R0461766	\$ 43,518	\$ 29,015	Meadows 18
124	R0461767	\$ 43,518	\$ 29,015	Meadows 18
125	R0461768	\$ 43,518	\$ 29,015	Meadows 18
126	R0461769	\$ 43,518	\$ 29,015	Meadows 18
127	R0461770	\$ 43,518	\$ 29,015	Meadows 18