

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

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 60779

Petitioner:

LAND SECURITIES INVESTORS LTD,

v.

Respondent:

DOUGLAS COUNTY BOARD OF EQUALIZATION.

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on February 21, 2013, James R. Meurer and Debra A. Baumbach presiding. Petitioner was represented by Sharlene J. Aitken Esq. Respondent was represented by Robert D. Clark, Esq. Petitioner is protesting the 2012 actual value of the subject property.

Subject property is described as follows:

Chatfield Farms Filing No 1A
Douglas County Schedule Nos.:

R0439899	R0439921
R0439900	R0439922
R0439901	R0439923
R0439902	R0439924
R0439906	R0439925
R0439908	R0439926
R0439913	R0451009
R0439914	R0473811
R0439915	R0473812
R0439916	R0473814
R0439917	
R0439918	
R0439920	

The subject property consists of 23 parcels located in the Chatfield Farms Subdivision. The parcels range in size from 1.01 to 4.33 acres. Three sites located on the western edge overlook a reservoir and the mountains. Sites located on the north edge back up to greenbelt. The development is bordered by Chatfield State Park on the north and west and Roxborough State Park to the south.

Petitioner is requesting a value of \$480,273 for tax year 2012; and Respondent assigned an actual value of \$4,525,400 for tax year 2012.

Mr. Mike Shafer, Property Tax Refund Consultants, LLC, testified for Petitioner. Mr. Shafer indicated that since the recording of Chatfield Farms Subdivision in 2002, only two homes were constructed on the lots located west of Rampart Range Road and north of Waterton Road. Of the total 28 lots available for sale during last 10 years since 2002, 23 lots remain available for sale.

Mr. Shafer argued that Respondent failed to apply present worth discounting to the subject lots. Further, Petitioner's witness contended that Respondent has only applied positive adjustments to the subject lots, giving no consideration to the negative attributes such as heavy traffic influence, location outside of the market area, and proximity to commercial areas.

Petitioner applied the market approach to derive an indicated value for each of the lots based on grouping the lots into "smaller" and "larger" lots. For the smaller lots, Petitioner presented five comparable individual lots ranging in sales price from \$100,000 to \$207,400 and in size from .416 acres to .543 acres. After adjustments were made, the sales ranged from \$49,500 to \$102,663 per lot prior to discounting.

In valuing the remaining larger lots, Petitioner presented five comparable sales ranging in sales price from \$100,000 to \$207,400 and in size from .416 acres to .543 acres. After adjustments were made, the sales ranged from \$54,000 to \$111,996 prior to discounting.

Petitioner's witness adjusted values of the lots that back up to Waterton Road by -15% and lots that back up to Rampart Road by -20%. The witness also adjusted values of the lots that back up to either daycare or commercial property by -20%. Lots located next to greenbelt received +15% adjustments in value.

Petitioner concluded to a value for the smaller interior lots at \$95,000; smaller greenbelt lots at \$109,000; smaller lots backing to Waterton Road of \$85,000 and a value of \$80,000 for the smaller lots backing up to Rampart Range Road. The larger interior lots were valued at \$100,000; the larger greenbelt lots at \$115,000; the larger lots backing up to Waterton Road of \$85,000; the larger lots backing up to Rampart Range Road at \$80,000 and the larger lots backing up to commercial property at \$80,000.

Petitioner then completed a present worth analysis, applying absorption period of 25 years and a discount rate of 15% to derive a present worth value per lot. The lots valued at \$95,000 after discounting were valued at \$20,796; lots valued at \$85,000 were valued at \$18,607; lots valued at \$100,000 were valued at \$21,890; lots valued at \$109,000 were valued at \$23,860; lots valued at \$115,000 were valued at \$25,174 and the lots valued at \$60,000 were valued at \$13,134.

Petitioner concluded to the land values after present worth discounting as follows:

Schedule #	Petitioner's Value	Petitioner's Present Worth Value
R0439899	85,000	18,607
R0439900	100,000	21,890
R0439901	115,000	25,174
R0439902	109,000	23,860
R0439906	115,000	25,174
R0439908	115,000	25,174
R0439913	95,000	20,796
R0439914	95,000	20,796
R0439915	95,000	20,796
R0439916	100,000	21,890
R0439917	100,000	21,890
R0439918	115,000	25,174
R0439920	115,000	25,174
R0439921	90,000	19,701
R0439922	80,000	17,512
R0439923	60,000	13,134
R0439924	60,000	13,134
R0439925	60,000	13,134
R0439926	80,000	17,512
R0451009	85,000	18,607
R0473811	115,000	25,174
R0473812	115,000	25,174
R0473814	95,000	20,796
Total	\$2,194,000	\$480,273

Petitioner is requesting a 2012 actual value of \$480,273 for the subject property.

Respondent presented an indicated value of \$4,525,400 for the subject property based on the market approach.

Respondent's witness, Ms. Virginia K. Wood, Certified Residential Appraiser with Douglas County Assessor's Office, presented four comparable lot sales ranging in sales price from \$187,000 to \$275,000 and in size from 2.00 acres to 4.83 acres. After adjustments were made, a base value of \$187,000 was concluded for the lots. Ms. Wood then applied a negative 10% adjustment to the three smaller lots for a concluded value of \$168,300. A positive 15% adjustment was made to the sites with greenbelt location for a value of \$215,050.

Ms. Woods testified that the market area had to be expanded because there were no sales in the subject's subdivision during the applicable valuation period. Adjustments made for lots in greenbelt area were derived via a paired sales analysis; and adjustments made to the three smallest lots were based on the 2011 stipulation.

Respondent's witness classified the subject lots as having good lot utility. Respondent did not make any adjustments for proximity to a power station, alleging that the power station is located much further north of the lots and has no adverse effect.

In addition, there were no adjustments made for location within proximity to the commercial retail center and location near Rampart Range Road and Waterton Road, which Respondent did not consider as negative influences. According to Respondent, the subject's Filing is over 80% sold out and therefore, did not qualify for present worth discounting according to the ARL.

Based upon the final analysis, Respondent correlated to a value for subject sites as follows:

Subject Lot	Respondent's Values
10 Interior Lots	187,000
3 Smaller Interior Lots	168,300
10 Greenbelt Sites	215,050
Total	\$4,525,400

Respondent assigned an actual value of \$4,525,400 for tax year 2012.

Petitioner presented insufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2012.

The Board finds Respondent's assigned value for each of the lots is supported by all of the comparable lot sales presented by both parties. Both parties utilized sales reflecting very different market perceptions and sizes. Adjustments were made for all differences affecting the value. The major difference in value ranges between both parties was due to Petitioner's application of present worth discounting.

The Board agrees that based on the ARL Guidelines, the subject property does not qualify for present worth discounting. According to the ARL Guidelines, Chapter 4, Valuation of Vacant Land Present Worth, Section 4.4, present worth valuation is applicable when, among other things, "[l]ess than 80 percent of the buildable lots, tracts, sites, or parcels within an approved plat or competitive environment have been sold." The Board agrees with Respondent that because the subject's Filing is over 80% sold out, it does not qualify for present worth discounting according to the ARL.

Further, "[i]f separate portions, phases or filings of a subdivision are approved at different times, then each becomes a separate approved plat and absorption calculations for each approved plat are required." See ARL Guidelines, 4.4. Petitioner did not present any evidence that the subject was included within a separate filing or was approved at separate time period.

The Board concluded there was insufficient evidence presented by Petitioner that there was a substantial drop in lot values in the intervening year warranting a change in value based on the sales presented.

ORDER:

The Petition is denied

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).

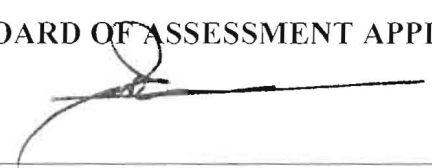
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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 21st day of March, 2013.

BOARD OF ASSESSMENT APPEALS



James R. Meurer

Debra A. Baumbach

Debra A. Baumbach

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



Milla Crichton