

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

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 65747

Petitioner:

PATRICK AND MARGARET VELLONE,

v.

Respondent:

**DOUGLAS COUNTY BOARD OF
COMMISSIONERS.**

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on October 8, 2015, Diane M. DeVries, James R. Meurer and MaryKay Kelley presiding. Petitioners were represented by Matthew J. Roth, Esq. Respondent was represented by Meredith P. Van Horn, Esq. Petitioners are protesting the 2012 actual value of the subject property.

Subject property is described as follows:

**11153 Beatrice Court, Littleton, Colorado
Douglas County Schedule No. R0467212**

The subject property is a 4,435 square foot ranch with a walkout basement and a three-car garage. It was custom built in 2008 on a 0.516-acre site in the 634-acre River Canyon Subdivision (aka Ravenna) near Waterton Canyon. The gated community, adjacent to Pike National Forest, consists of 243 lots and a private golf course.

Respondent assigned a value of \$1,419,683 for tax year 2012. Petitioners are requesting a value of \$1,050,000.

Petitioners purchased the subject property on March 12, 2012 as bank owned property for \$990,000. Mr. Vellone described the property as unfinished with multiple flaws. At the time of purchase, he was given a \$250,000 verbal estimate for completion and repair of the following items: missing and/or damaged roof tiles; settlement due to lack of compacting and requiring caissons; missing and/or damaged flooring; woodpecker, pigeon, and water penetration into stucco, stone, and

timbers; dead landscaping and inoperable sprinkler system; mice infestation; absent appliances and barbeque grill; missing shelving; and low-quality doors and windows.

Mr. Vellone testified that the home was vacant for four years prior to Petitioners' purchase. In his opinion, the builder ran out of money before the home was completed and Petitioners spent \$253,000 in order to bring the residence to its current condition. Approximately \$84,000 out of \$253,000 was spent on flooring.

Petitioners' witness, Mr. Mills Ford, Certified General Appraiser, testified that he was denied an interior inspection but was provided a list of the home's physical deficiencies.

Mr. Ford presented a Market Approach consisting of six comparable sales ranging in sale price from \$1,150,000 to \$2,365,000 and made adjustments for a variety of characteristics in addition to the subject's inferior condition, which he based on the price per square foot of the \$250,000 completion/repair estimate ($\$253,000/4,435 = \57.50). After adjustments were made, the sales ranged from \$1,137,638 to \$1,951,125. Mr. Ford calculated mean and median values (\$1,054,943 and \$1,053,998, respectively) on which he based his indicated value of \$1,050,000.

Respondent's witness, Mr. Christopher Morley, Registered Appraiser, was denied an interior inspection. However, the Assessor's Office had conducted an interior inspection of the home in 2008 and Mr. Morley utilized some of the information in his report. Mr. Morley could not locate building permits for the structural repairs conducted on the property, and assumed condition to be "good". He presented a Market Approach with five comparable sales ranging in sale price from \$1,150,000 to \$2,365,000. After adjustments were made, the sales ranged from \$1,458,012 to \$2,091,688. He concluded to a value of \$1,500,000 based on the median value of \$1,949,052.

Although Petitioners' witness informed Mr. Morley that some data within his appraisal was incorrect (bedroom and bathroom counts, garage bays, number of fireplaces, and number of heating/air condition units), he refused to make changes without verification, basing his conclusion on the 2008 inspection conducted by the Assessor's Office. He also declined to change the home's "condition" rating without verification.

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

Petitioners provided no documented support for repair costs, such as engineering reports, roofing inspection, professional estimates, receipts, or other written documentation. Petitioners' witness, Mr. Ford, made "condition" adjustments to all six comparable sales based on the unsubstantiated \$250,000 estimate for completion and repairs (\$57.50 per square foot) that resulted in a range of adjustments from \$193,833 to \$306,590.

The Board finds Petitioners' appraisal less reliable due to the large unsubstantiated "condition" adjustments. Without sufficient verifiable support for Petitioners' \$250,000 completion/repair estimate, the Board finds Respondent's appraisal more reliable.

Had physical inspection been granted, both appraisers could have produced more credible appraisals.

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-nine 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 for assessment of the county wherein the property is located, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provision 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-nine days after the date of the service of the final order entered).

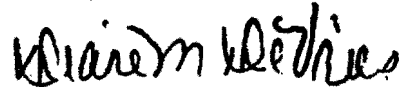
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law when Respondent alleges procedural errors or errors of law by the Board.

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 for assessment of the county in which the property is located, Respondent may petition the Court of Appeals for judicial review of such questions.

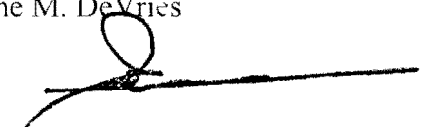
Section 39-10-114.5(2), C.R.S.

DATED and MAILED this 30th day of October, 2015.

BOARD OF ASSESSMENT APPEALS



Diane M. DeVries



James R. Meurer

MaryKay Kelley

MaryKay Kelley

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



Milla Lishchuk

