

**BOARD OF ASSESSMENT APPEALS,  
STATE OF COLORADO**  
1313 Sherman Street, Room 315  
Denver, Colorado 80203

**Docket No.: 66521**

Petitioner:

**ENGLEWOOD MERIDIAN, LP,**

v.

Respondent:

**ARAPAHOE COUNTY BOARD OF  
EQUALIZATION.**

**ORDER**

**THIS MATTER** was heard by the Board of Assessment Appeals on November 10, 2016, Diane M. DeVries and MaryKay Kelley presiding. Petitioner was represented by Lee E. Schiller, Esq. Respondent was represented by Benjamin Swartzendruber, Esq. Petitioner is protesting the 2015 actual value of the subject property.

Subject property is described as follows:

**3455 South Corona Street, Englewood, Colorado  
Arapahoe County Schedule No. 033032870**

The subject property is a senior apartment complex housing 233 units for independent and memory care residents, including skilled nursing care and rehabilitation. The eight-story brick structure was built in 1986 on 3.91 acres near Swedish Hospital, has been recently remodeled, and includes open and garage parking. Amenities include a TV/theater room, beauty salon and barbershop, arts and crafts room, billiards room, woodworking shop, restaurant and café, laundry rooms on each floor, patios and walking paths, guest rooms, and gym. Rent includes utilities, one daily meal, house cleaning and weekly linen service; additional services are available. Monthly rent is \$3,300 for a one-bedroom unit and \$3,800 for a two-bedroom unit; additional care starts at \$350 per day. Rent for some floors increases by 10% to reflect panoramic views. The facility is private pay, does not accept Medicare or Medicaid clientele, and is fully occupied.

Respondent assigned an actual value of \$36,670,000 for tax year 2015 but is recommending a reduction to \$36,115,000 based on the site-specific appraisal. Petitioner is requesting a value of \$23,300,000.

Petitioner's witness, Richard Stahl, Certified General Appraiser, presented a Sales Comparison Analysis with four comparable sales. After deducting business value and personal property, he presented a qualitative analysis with adjustments for location (proximity to hospitals), age, land and building size, skilled-care beds, building style, construction quality, and level of care. He concluded to adjusted unit values from \$101,695 to \$126,991 for a conclusion of \$100,000 per unit or \$23,300,000.

Mr. Stahl's comparable sales included properties from El Paso, Jefferson, Adams and Broomfield Counties, all mid-rise and constructed of wood. In comparison with the subject's level of care (independent and skilled memory care), the sales, respectively, represented the following levels of care: independent/assisted/memory; independent only; assisted only; and independent only.

Mr. Stahl's allocations for business/good will and personal property were confirmed by assessor-provided TD-1000s with allocations for intangibles and furniture/fixtures/equipment (Sale One), an owner-reported allocation (Sale Two), and "going concern" values (Sales Three and Four) without allocations.

Mr. Stahl prepared two appraisals within a three-week period with value conclusions of \$31,000,000 or \$135,000 per unit (July 12, 2016) and \$23,300,000 or \$100,000 per unit (July 31, 2016). On questioning, he stated that, during the verification process, he was provided an Amendment to the Purchase and Sale Agreement for Arvada Estates with new information convincing him that his original value was unsupported. He then prepared the second appraisal, which concluded to a lower value.

Respondent's witness, Michael B. Williams, Certified Residential Appraiser, presented a Sales Comparison Analysis with four comparable sales. After deductions for personal property and business/good will, adjusted sale prices ranged from \$131,587 to \$215,714 per unit. After qualitative adjustments for location/access, unit size, and parking, adjusted sale prices ranged from \$132,000 to \$220,000 per unit, rounded. Mr. Williams concluded to a value of \$155,000 per unit or \$36,115,000.

Mr. Williams' comparable sales included properties from Jefferson, Arapahoe, and Larimer Counties, all mid-rise and constructed of wood. In comparison with the subject's level of care (independent and skilled memory care), the sales, respectively, represented the following levels of care: independent only, assisted living (majority), independent/assisted, and assisted living.

Mr. Williams' allocations for business/good will and personal property were secured from assessor records and verified with Co-Star (Sale Two) and with Realtors associated with the sales.

Petitioner presented insufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2015.

Each party presented a Sales Comparison Analysis as required for residential real property per Section 39-1-103(5), C.R.S. and Article X of the Colorado Constitution. Each analysis presented four comparable sales representing a variety of senior living facilities (independent, assisted, memory/skilled care).

It is the burden of the protesting taxpayer to prove that the assessor's valuation is incorrect by a preponderance of the evidence. *Bd. of Assessment Appeals v. Sampson*, 105 P3d 198, 204 (Colo. 2005). Having reviewed all of the information presented at the hearing, the Board is not convinced that Petitioner met this burden. The Board did not find Petitioner's appraisal reliable or supportive of a lower value for the subject. Further, none of the sales presented by Petitioner equal the subject's eight-story brick construction with views and proximity to a hospital: none are private pay.

### **ORDER:**

Respondent is ordered to reduce the subject's 2015 actual value to the value recommended by Respondent at \$36,115,000. Arapahoe 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-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 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-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 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 7th day of December, 2016.

BOARD OF ASSESSMENT APPEALS

*Diane M DeVries*

Diane M. DeVries

*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*

Milla Lishchuk

