

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>KENT HECTOR,</p> <p>v.</p> <p>Respondent:</p> <p>SAN JUAN COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 70813</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on September 28, 2018, Diane M. DeVries and Amy J. Williams presiding. Petitioner, Kent Hector, was represented by Barbara Butler, Esq. Respondent was represented by Paul Sunderland, Esq. Petitioner is protesting the 2017 actual value of the subject property.

The parties agreed to the admittance of Petitioner’s Exhibits 1 through 12 and Respondent’s Exhibits A through C.

Subject property is described as follows:

**Lots 13 – 22, Block 1, Taylor Addition to Silverton,
San Juan County, Colorado
San Juan County Schedule No. 48291720100006**

The subject consists of ten contiguous lots within the Town of Silverton, Colorado. The ten lots total 25,000 square feet and are essentially most of a half block within Block 1, Taylor Addition. The subject is situated on the westerly edge of Silverton with sloping topography, and per zoning, the subject could legally be divided into three single family residential building sites. However, the subject site is currently undeveloped with no access road or utilities (water, sewer or electric) extended to the site. The subject is also located within the Blue Zone of the avalanche hazard zoning district.

Petitioner is requesting an actual value of \$55,000 for the subject property for tax year 2017. Respondent assigned a value of \$100,000 for the subject property for tax year 2017.

Ms. Butler called Mr. Kent Hector, as her first witness. Mr. Hector testified that the subject did not have developed roads or utilities available to the subject. He had listed the subject with a realtor and it had been offered for sale in the area Multiple Listing Service at a list price of \$32,000 for approximately two years with no interest. He stated that in his opinion the property was being well marketed.

During cross examination, Mr. Hector clarified that the property had been listed for two years, but the price of \$32,000 for the subject had only been in place for the last eight months.

Ms. Butler called Lisa Adair, PE, Engineer Mountain, Inc., as her second witness. Ms. Adair testified that she lives in Silverton and prepared Exhibit No. 11, said exhibit detailing her estimate of costs associated with development of the subject ten lots. Ms. Adair opined that Silverton Town Code requires extension of subdivision infrastructure to the furthest property boundary, and that few exceptions have been granted. She estimated that utility infrastructure would have to be extended approximately 575 feet.

During cross examination, Ms. Adair agreed that the subject has the potential to be subdivided into three single family residential building sites. She also concurred that once utility infrastructure has been placed, any neighboring properties will be required to reimburse a portion of the infrastructure costs for a period of ten years should they desire to tap in. She stated that while a water/sewer service line as opposed to a water/sewer main line might be allowed, no such approval had been granted since the 1980's.

Ms. Butler then called her third, and final, witness, Mr. Curtis Berger, Appraiser, Berger Appraisals, LLC. Mr. Berger presented an appraisal report to support a value of \$35,000 based on the Sales Comparison Approach. Four sales were utilized, with unadjusted sale prices ranging from \$20,000 to \$60,000. Mr. Berger discussed Respondent's appraisal report, Exhibit A, stating the appraisal failed to apply a size adjustment to the sales as compared to the subject.

During cross examination, Mr. Berger did acknowledge that Sale No. 3 within his report sold outside of the statutory data collection period.

Respondent's witness, Kim Buck, San Juan County Assessor and Licensed Appraiser, presented an appraisal report to support a value of \$100,000 based on the Sales Comparison Approach. Ms. Buck utilized four sales which ranged in sale price from \$20,000 to \$180,000. While a fifth sale was also included in the adjustment grid, it was acknowledged that the sale took place outside the statutory data collection period. Ms. Buck stated that three of her four sales did not include infrastructure in-place. She also opined that her research indicated that being in the avalanche Blue Zone did not measurably impact sale prices. She also stated that the average time on market for vacant land listings was reported at 2.6 years.

When cross examined, Ms. Buck concurred that Sale No. 1 (the third sale in her adjustment grid), selling for \$180,000, did have infrastructure in place at time of sale and was considered a "ready-to-build" lot. She also stated that if the subject had infrastructure in place, each of the

subject's three ready-to-build lots would have an estimated value of \$120,000 according to the San Juan County Assessor's Office.

Mr. Sunderland called Respondent's second witness, William Tookey, San Juan County Administrator and Land Use Director. Mr. Tookey testified that in his opinion utilities would not have to be extended to the furthest property boundary. When asked, Mr. Tookey stated he had left the employment of the Town of Silverton in 2003.

Petitioner and Respondent each prepared and presented a site-specific appraisal report to value the subject property. In fact, two of the sales presented were utilized in both reports. Relative to the evidence and testimony presented, the Board found Ms. Adair's testimony to be informative and credible, defining the development process of the subject lots and quantifying the expenses associated with same. Lacking clear and convincing evidence to the contrary, the Board accepts that the Silverton Town Code as written would apply, and infrastructure would be required to extend to the furthest property boundary. Considering this, the Board finds that Respondent appraisal under-adjusted the sales based upon a shorter calculation of the necessary infrastructure extension distance.

However, none of the sales presented support a value of \$1.40 per square foot, or \$35,000, as presented in Petitioner's appraisal. Of the five combined sales utilized, excluding sales outside of the statutory data collection period, sale prices per square foot ranged from \$2.67 to \$24.00 per square foot. The sale at \$24.00 per square foot is the only "ready-to-build" site, and if appropriately excluded, the dollar per square foot sale price range narrows to between \$2.67 and \$8.50 per square foot. Considering the range presented and the sale price per square foot, \$4.00, of the two sales relied upon in both appraisal reports, along with the complete body of evidence and testimony presented, the Board concludes that a value slightly below \$4.00 per square foot is reasonable, or \$3.00 per square foot.

Petitioner presented sufficient probative evidence and testimony to prove that the tax year 2017 valuation of the subject property was incorrect. The Board concludes that the 2017 actual value of the subject property should be reduced to \$75,000, or \$3.00 per square foot over 25,000 square feet.

ORDER:

Respondent is ordered to reduce the 2017 actual value of the subject property to \$75,000.

The San Juan 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).

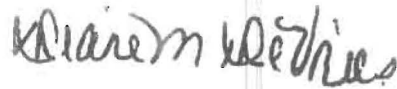
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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.

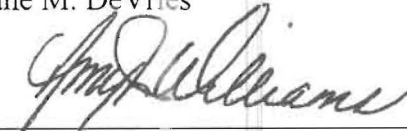
Section 39-8-108(2), C.R.S.

DATED and MAILED this 26th day of October, 2018.

BOARD OF ASSESSMENT APPEALS




Diane M. DeVries



Amy J. Williams

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



Milla Lishchuk

