

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>6950 S. POLO RIDGE DRIVE TRUST,</p> <p>v.</p> <p>Respondent:</p> <p>ARAPAHOE COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 70995</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on October 1, 2018, Diane M. DeVries and Louesa Maricle presiding. Petitioner was represented by Mr. Mills H. Ford, Agent. Respondent was represented by Benjamin Swartzendruber, Esq. Petitioner is protesting the 2017 actual value of the subject property.

The parties stipulated to the admission of expert witnesses. Petitioner stipulated to the admission of Respondent's Exhibits A through E. Respondent stipulated to the admission of Petitioner's Exhibit 1 with an objection to the Technical Due Diligence Report prepared by Nelson Wise Corporation (Nelson Report), which is included beginning on page 1-32 of Exhibit 1. Following arguments presented by the parties, the Board finds the Nelson Report states it refers to the "current condition" of the property in August 2018, which is post base period. The Board finds the interior condition of the improvements as of the 2018 date of the report was significantly different than the condition as of the January 1, 2017 assessment date. The Board concluded the Nelson Report would not be considered further for this appeal.

Subject property is described as follows:

**6950 S. Polo Ridge Drive, Littleton, Colorado
Arapahoe County Parcel No. 2077-30-1-14-002**

The subject property is a custom built, two-story single family residence on a 40,032 square foot lot. The home was constructed in 1999, has 5,141 square feet above grade, 2,827 square feet

below grade including 2,673 square feet finished space, and a 1,162-square foot garage. The Arapahoe County Assessor's office has classified the construction quality as A+ (Very Good+).

Petitioner is requesting an actual value of \$550,000 for the subject property for tax year 2017. Respondent's current assigned value is \$1,610,000 for the subject property for tax year 2017 but is recommending a reduction to \$1,500,000.

Petitioner's Evidence

Petitioner claims Respondent appraised the subject property as if it were in good condition, but it is in poor condition. Petitioner cited a property inspection report dated May 5, 2012, completed prior to Petitioner's purchase of the property, and the August 2018 Nelson Report in the valuation of the subject as support for its poor condition claim.

Petitioner presented the testimony of Mr. Tom Tiede, Trustee of the 6950 S. Polo Ridge Drive Trust. The witness testified about the condition evaluation history for the property since he purchased it in 2012. Prior to the January 1, 2017 assessment date, some areas of drywall and basement floor sections were cut out to allow condition investigation. Other than that, interior demolition occurred after January 1, 2017. The witness testified he did not provide an engineering report with a cost to cure estimate for physical deficiencies to Respondent for the assessment because none existed until the August 2018 Nelson Wise report. The witness testified he prepared the deferred maintenance cost estimates as of January 1, 2015 included in Respondent's Ex. B and the estimates were based on his personal research. Those cost estimates totaled \$150,000.

Petitioner's agent, Mr. Ford of AVPros LLC, appeared as witness. In addition to acting as agent, Mr. Ford is a Certified General Appraiser in the State of Colorado. The witness presented his appraisal of the subject property including a market approach using five comparable sales ranging in price from \$1,090,000 to \$1,535,460 and in size from 2,530 to 4,933 square feet above grade. The witness adjusted each sale, including a downward condition adjustment to all sales of \$1,437,390, based on the Nelson Report. After adjustments, the indicated sale prices ranged from a negative of \$229,676 to \$131,931. The witness testified that because the value of the property cannot be less than the value of the land, he used the \$500,000 land value assigned by the Assessor and added an estimated \$50,000 residual value of the improvements to conclude to a market value for the subject property of \$550,000.

Petitioner is requesting a 2017 actual value of \$550,000 for the subject property.

Respondent's Evidence

Respondent presented a value of \$1,500,000 for the subject property based on the market approach.

Respondent presented Mr. Thomas L. Brown, of the Arapahoe County Assessor's office as witness. Mr. Brown is a Certified General Appraiser in the State of Colorado. The witness presented three comparable sales ranging in price from \$1,385,000 to \$1,465,000 and in size from 4,029 to

4,933 square feet. The witness testified his comparable sales are all custom homes, similar in quality of construction to the subject property. The witness claimed Petitioner's sales included inferior quality, semi-custom homes. His analysis assumed good condition because no evidence to the contrary was provided by Petitioner. After adjustments, the indicated sale prices ranged from \$1,523,130 to \$1,667,580. The witness concluded to a value for the property of \$1,500,000. During the course of the appeal process, the witness testified the Assessor's office was provided with the \$150,000 deferred maintenance estimate prepared by the Trustee, Mr. Tiede. Mr. Brown concluded the Nelson Report could not be used because it reflected the condition of the improvements in August 2018, post base period. In response to questioning from the Board, Mr. Brown testified that after hearing the evidence presented during the hearing, he would have considered a downward \$150,000 adjustment to the sales for the cost to cure deferred maintenance estimate.

Respondent assigned an actual value of \$1,610,000 to the subject property for tax year 2017 but is recommending a reduction to \$1,500,000.

Board's Findings

Petitioner presented sufficient probative evidence and testimony to prove the subject property was incorrectly valued for tax year 2017.

The Board finds Petitioner's agent relied on a downward \$1,437,390 property condition adjustment based on the Nelson Report, which the Board concludes did not reflect the condition of the improvements on the assessment date. Further, the Board finds Petitioner's use of the Assessor's assigned land value as the basis for the witness's conclusion of market value is not supported by market sales analysis. In Colorado, the Assessor is required to allocate the assigned value of a residential property between land and improvements. By simply adopting the assigned land value, Petitioner's agent assumed market value facts not in evidence. The Board finds Petitioner's appraisal analysis did not produce a credible value for the property.

The Board finds Respondent's appraisal analysis was credible but was persuaded by Petitioner's evidence that an adjustment for condition of the improvements was supported. Based on the evidence and testimony presented, the Board concludes a \$150,000 downward adjustment for inferior condition of the subject improvements is supported. The Board concludes that deducting the \$150,000 from the \$1,500,000 value presented by Respondent results in a market value of \$1,350,000.

The Board concluded that the 2017 actual value of the subject property should be reduced to \$1,350,000.

ORDER:

Respondent is ordered to reduce the 2017 actual value of the subject property to \$1,350,000. The Arapahoe County Assessor is directed to change their 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).

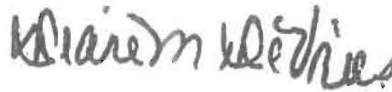
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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 6th day of November, 2018.

BOARD OF ASSESSMENT APPEALS

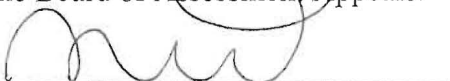


Diane M. DeVries



Louesa Maricle

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



Milla Lishchuk

