

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>CENTENNIAL MISSION LLC,</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 71520</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on September 4, 2018, Louesa Maricle and MaryKay Kelley presiding. Petitioner was represented by Samuel Howard Brown, Esq., owner of the subject property. Respondent was represented by Heather Tomka, Esq. Petitioner is protesting the 2017 actual value of the subject property.

Subject property is described as follows:

**8895 Wadsworth Boulevard, Westminster, Colorado
Jefferson County Schedule No. 300463026**

The subject is a multi-tenant retail property with two buildings totaling 114,608 square feet. The improvements were constructed in 1983 and 1984 and comprise 24 units. The parcel encompasses 9.37 acres and includes a large asphalt parking area (412 spaces). It is located on the northwest corner of Wadsworth Boulevard and 88th Avenue, both heavily trafficked streets.

Respondent assigned an actual value of \$10,770,660 for tax year 2017. Petitioner is requesting a value of \$8,961,567.

Petitioner's witness, George (Kevin) Faulkner, General Contractor, described the inferior condition of the subject improvements and provided various repair/replacement estimates, among them roof replacement, water line and sewer line replacement, asphalt repair, HVAC replacement, and significant repairs for vacancies.

Petitioner's witness, Andrew Williamson, the subject's Property Manager, discussed the subject's financial status. Multiple vacancies have caused serious financial difficulties. Mr. Williamson estimated that a significant annual reserve budget of \$436,000 would be required to address the many repairs, replacements, and returning vacant units to shell condition.

Mr. Brown commented on a moratorium of new construction by the City of Westminster. The Board, in finding that the moratorium was not in place during the relevant base period, found the information concerning the moratorium to be irrelevant for the purposes of valuation of the subject for 2017 tax year.

Respondent's witness Katherine E. Fontana, Certified General Appraiser for the Jefferson County Assessor's Office, discussed an adjacent parking area of 0.861 acre (subject of Docket 71521), which fronts the southernmost building along 88th Avenue and is indistinguishable from the subject's parking area. While this additional 0.861 parcel has an independent schedule number, Ms. Fontana included it in valuation of the subject property for three reasons; ownership is the same, it is adjacent to the subject's 412 parking spaces, and it is visually undefinable. The combined acreage of the two parcels is 10.23.

Ms. Fontana inspected the subject property, completed a site-specific appraisal, and presented the following indicators of value for the combined acreage of the two parcels (9.37 acres plus 0.861 acre). She testified that parking on the 9.37 acres was sufficient for the retail businesses and that the additional 0.861 acreage had no impact on valuation.

Market:	\$13,409,136
Cost:	\$11,448,337
Income:	\$13,690,608

Ms. Fontana presented a Sales Comparison Analysis with five comparable sales ranging in sale price from \$4,500,000 to \$34,275,000. After qualitative adjustments for size, condition, and exposure, adjusted sale prices ranged from \$57.98 to \$234.28 per square foot. She considered Sales Two and Three to be most similar (adjusted sale prices of \$118.22 and \$117.20 per square foot, respectively) and concluded to a value of \$117.00 per square foot or \$13,409,136 via the Sales Comparison Analysis.

Ms. Fontana presented an Income Approach using both actual and market rents, concluding to potential gross income of \$12.54 per square foot or \$1,437,559. She applied a stabilized market vacancy rate and collection loss of 13% for a net operating income of \$1,188,143. She based a capitalization rate of 8% on market surveys indicating a range from 6.00% to 9.00%. The cost of repairs was reflected in this triple-net approach. Miss Fontana concluded to a value of \$13,690,608 via the Income Approach.

Ms. Fontana presented a Cost Approach with three comparable land sales ranging in size from 4.43 to 5.97 acres. After qualitative adjustments for utility and size, she concluded to an adjusted value range from \$9.97 to \$20.20 per square foot and to a conservative value of \$10.00 per square foot or \$4,456,570 for the combined parcels (10.23 acres). Ms. Fontana valued the

improvements by Marshall & Swift and concluded to a depreciated cost of \$6,991,767 for a final value (total of the two schedule numbers) of \$11,448,337 using the Cost Approach.

In reconciliation, Ms. Fontana placed no weight on the Cost Approach due to the age of the improvements. She gave 50% weight each to the Market and Income Approaches for a final value estimate for the subject property of \$13,549,872 rounded to \$13,550,000.

Mr. Brown questioned Respondent's witness about the sold dates of comparable sales used in her Sales Comparison Analysis. She testified that they were selected from within the five-year extended base period.

Mr. Brown asked Respondent's witness why she didn't use the property across Wadsworth Boulevard to the east as a comparable sale. She responded that she declined to use it for the following reasons: it was a foreclosure; it was four times the size; and because the tenant mix (three big boxes) was different.

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

Colorado Statute requires consideration of the three approaches to value. Section 39-1-103(5)(a), C.R.S. Respondent's witness appropriately considered all three approaches in valuing the subject property.

Petitioner failed to value the subject property as required by statute. Mr. Fontana described the inferior condition of the improvements and the subject's financial status. Both were addressed by Respondent in all approaches to value. In addition, he referenced a moratorium on new construction that the Board finds unrelated to the base period and, therefore, irrelevant to valuation.

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 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.

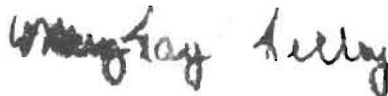
Section 39-8-108(2), C.R.S.

DATED and MAILED this 4th day of October, 2018.

BOARD OF ASSESSMENT APPEALS

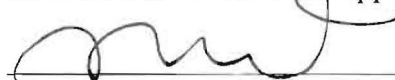


Louesa Maricle



MaryKay Kelley

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



Milla Lishchuk