

BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203	Docket No.: 78922
Petitioner: SUSAN S. HOMBURGER, v. Respondent: JEFFERSON COUNTY BOARD OF EQUALIZATION.	
FINAL AGENCY ORDER	

THIS MATTER was heard by the Board of Assessment Appeals (“Board”) on November 17, 2020, Amy Williams and Valerie Bartell presiding. Petitioner Susan S. Homburger appeared pro se. Respondent was represented by Rebecca Klymkowsky, attorney for the Jefferson County Board of Equalization. Petitioner protests the actual value of the subject property for tax year 2019.

EXHIBITS

The Board admitted into evidence Petitioner’s Exhibit 1, a list of comparable sales that was attached to the petition, and Respondent’s Exhibit A.

DESCRIPTION OF THE SUBJECT PROPERTY

Address: 215 South Wadsworth Boulevard, Suite 250, Lakewood, CO
 County Schedule No.: 300448338

The subject property is an office condominium property. The subject property’s actual value, as assigned by the County Board of Equalization (“CBOE”) below, and as requested by Petitioner, and concluded by the Board, are:

CBOE’s Assigned Value:	\$ 127,670
Petitioner’s Requested Value:	\$ 95,753
Board’s Concluded Value:	\$ 116,400

BURDEN OF PROOF AND STANDARD OF REVIEW

In a proceeding before this Board, the taxpayer has the burden of proof to establish, by a preponderance of the evidence, that the assessor's valuation or classification is incorrect. *Bd. of Assessment Appeals v. Sampson*, 105 P.3d 198, 204 (Colo. 2005). Proof by a preponderance of the evidence means that the evidence of a circumstance or occurrence preponderates over, or outweighs, the evidence to the contrary. *Mile High Cab, Inc. v. Colorado Public Utilities Comm'n*, 302 P.3d 241, 246 (Colo. 2013). The evaluation of the credibility of the witnesses and the weight, probative value, and sufficiency of all of the evidence are matters solely within the fact-finding province of this Board, whose decisions in such matters may not be displaced on appeal by a reviewing court. *Gyurman v. Weld Cty. Bd. of Equalization*, 851 P.2d 307, 310 (Colo. App. 1993). The determination of the degree of comparability of land sales and the weight to be given to the various physical characteristics of the property are questions of fact for the Board to decide. *Golden Gate Dev. Co. v. Gilpin Cty. Bd. of Equalization*, 856 P.2d 72, 73 (Colo. App. 1993).

The Board reviews every case de novo. See *Bd. of Assessment Appeals v. Valley Country Club*, 792 P.2d 299, 301 (Colo. 1990). In general, the de novo proceeding before the Board "is commonly understood as a new trial of an entire controversy." *Sampson*, 105 P.3d at 203. Thus, any evidence that was presented or could have been presented in the county board of equalization (CBOE) proceeding may be presented to this Board for a new and separate determination. *Id.* However, the Board may not impose a valuation on the property in excess of that set by the CBOE. § 39-8-108(5)(a), C.R.S.

APPLICABLE LAW

The market approach relies on comparable sales, as required under section 39-1-103(8)(a)(I), C.R.S., which states:

Use of the market approach shall require a representative body of sales, including sales by a lender or government, sufficient to set a pattern, and appraisals shall reflect due consideration of the degree of comparability of sales, including the extent of similarities and dissimilarities among properties that are compared for assessment purposes.

The cost approach involves estimating the cost of replacing the improvements to the property, less accrued depreciation. *Bd. of Assessment Appeals v. E.E. Sonnenberg & Sons, Inc.*, 797 P.2d 27 (Colo. 1990). Colorado law mandates that depreciation in the valuation of a taxpayer's personal business property be allowed annually from the base year to the date of assessment. *BQP Industries v. State Bd. of Equalization*, 694 P.2d 337 (Colo. App. 1984).

The income approach is a common method for calculating the value of commercial properties, especially apartment buildings, office buildings and shopping centers. *Sonnenberg*, 797 P.2d at 31. It generally involves calculating the income stream (rent) the property is capable of generating, capitalized to value at a rate typical within the relevant market. *Id.*

FINDINGS AND CONCLUSIONS

The subject property is an office condominium within a larger office building located in Lakewood, Colorado. Petitioner, along with Petitioner's spouse John Homburger, provided testimony disputing the 2019 value assigned by the Jefferson County Board of Equalization. The Jefferson County Board of Equalization assigned a value of \$127,670 to the property for tax year 2019. However, based upon an appraisal report prepared October 15, 2020 by Robert D. Sayer, an Certified General appraiser with the Jefferson County Assessor's Office, the Respondent requested that the assigned value to the property be revised to \$116,400.

Petitioner provided a grid of six comparable sales within the subject's office building. Sales all occurred between December 2016 and May 2018. Petitioner stated that although the average sale price per square foot was \$144.47 per square foot, he believed the subject's value per square foot was lower, due to the inferior condition of the unit, relative to other office condominium units in the building.

Mr. Sayer's appraisal report (admitted as Exhibit A), dated October 15, 2020, valued the property at \$116,400. The appraisal described the subject as in Average Condition. Respondent's witness was permitted to inspect the unit and was able to interview the owner regarding the condition of the unit both on the date of inspection, and on the effective date of value (June 30, 2018). The appraisal utilized both the sale comparison and income approaches to value. The Sales Comparison Approach utilized three comparable sales within the same building as the subject. Respondent's witness testified that he considered, but did not include three of the Petitioner's sales, due to a large variance in size compared to the subject. The Board reviewed the sales provided by the Petitioner, and the sales included in Respondent's appraisal were those in the closest range of building area to the subject. The reconciled value by the sales comparison approach was \$116,400.

Mr. Sayer also utilized an income approach in his appraisal of the subject. The income approach utilized three comparables, one located in the subject's building, to determine a market rent for the subject. The appraisal also included consideration for operating expenses, including vacancy and collection loss. The concluded capitalization rate was supported by both survey and extraction methods. The concluded value by the income approach was \$111,500. Respondent's witness testified that he placed all weight on the sales comparison approach, and utilized the income approach as a test of reasonableness for the sales comparison approach. Respondent's witness testified that this is due to the fact that a typical buyer for a property similar to the subject would be an owner-user, and would not generally buy the property as an investment.

The Board finds that Respondent supported its recommendation for a reduction in value to \$116,400 through the testimony and appraisal report of Mr. Sayer. However, Petitioner has not met its burden to show that any further downward reduction in value is warranted. Insufficient evidence was presented for the Board to find that the Board of Equalization's value was incorrect, or that a lower value was warranted due to the condition of the subject property.

ORDER

The petition is **GRANTED**, based on the recommendation of Respondent for a reduction in value to \$116,400. The Assessor's Office is ordered to update its records accordingly.

APPEAL RIGHTS

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.

See § 39-8-108(2), C.R.S. (rights to appeal a tax protest petition); *see also* § 39-10-114.5(2), C.R.S. (rights to appeal on an abatement petition).

DATED and MAILED this 5th day of April, 2021.

BOARD OF ASSESSMENT APPEALS:

Drafting Board Member:


Valerie C. Bartell



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

Jesenia Araujo

Jesenia Araujo

Concurring Board Member:

Amy Williams

Amy Williams
*Concurring without modification
pursuant to § 39-2-127(2), C.R.S.*