

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>JOSEPH CHONG,</p> <p>v.</p> <p>Respondent:</p> <p>DOUGLAS COUNTY BOARD OF EQUALIZATION.</p>	▲
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: John Felton, Agent Address: 6075 South Quebec #200 Englewood, Colorado 80111 Phone Number: (303) 221-0021 E-mail: Attorney Registration No.:</p>	<p>Docket Number: 37181</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on February 14, 2001, Mark R. Linné and Harry J. Fuller presiding. Petitioner was represented by Joseph Felton, Agent. Respondent was represented by Kelly Dunnaway, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**LOT 7A-1C HIGHLANDS RANCH #127A 6TH AMD .697 AM/L
(Douglas County Schedule No. 0408739)**

Petitioner is protesting the 2000 actual value of the subject property: a 30,354 square foot (.7 acre) vacant, commercial pad site in Highlands Ranch.

ISSUES:

Petitioner:

Petitioner contends that the subject property has been overvalued. He contends the subject ought to be valued as vacant land and be discounted for present worth.

Respondent:

Respondent contends that the subject property has been properly valued using the market approach to value. They will present an appraisal where present worth discounting has been applied and an amended value is recommended.

FINDINGS OF FACT:

1. Petitioner's witness, Mr. John Felton, Agent and Commercial Developer, presented the appeal on behalf of Petitioner.

2. Based on a personal opinion, Petitioner presented an indicated value of \$50,000.00 for the subject property.

3. Petitioner presented no comparable sales for the Board's consideration. The witness testified his valuation estimate is based on the examination of other vacant land parcel valuations in Douglas and other Denver metropolitan counties.

4. The Petitioner's witness related a conversation with an individual from the Division of Property Taxation. That individual shared some appraisal data with the witness. Based on this data, the witness believes the subject is vacant land and ought to be valued as such. He referenced present worth discounting procedures and the 80% threshold. He testified the subject qualifies as a discounted parcel within the development.

5. The witness offered equalization comparables from Jefferson, Arapahoe, and Douglas Counties. The Board advised him that this information had little, if any, effect on the market valuation of the subject parcel.

6. After a question from the Board, the witness admitted the subject is worth \$50,000.00.

7. Petitioner is requesting a 2000 actual value of \$50,000.00 for the subject property.

8. Respondent's witness, Mr. Larry Shouse, Certified General Appraiser with the Douglas County Assessor's Office, presented an indicated value of \$368,801.00 for the subject property based on the market approach and the application of subdivision discounting. This discounting procedure was not used in determining the assigned value.

9. Respondent's witness presented four comparable sales ranging in sales price per square foot from \$14.83 to \$17.66 and in size from .41 to 1.47 acres. After adjustments were made, the sales ranged from \$14.83 to \$18.00 per square foot. These sales formed the basis of the \$14.00 per square foot market value estimate. Three additional sales were noted that occurred in calendar year 1996. These sales ranged from \$15.39 to \$20.43 per square foot and from \$15.39 to \$20.43 per adjusted square foot.

10. The witness then addressed the present worth discounting of the subject site value. This analysis was not performed at the county level. He analyzed comparable commercial developments and compared them to the subject development to determine an appropriate absorption period. The comparable developments sold out in less than one year. The subject filing had one of six sites sold as of the valuation date. The subject development was determined to have a two-year absorption period. A 10% present worth commercial discount rate was applied to the two-year absorption period. The resultant (present worth of one per period) discount factor was applied to the base market value and the actual value was recalculated.

11. Respondent assigned an actual value of \$424,956.00 to the subject property for tax year 2000, and recommended that the value be reduced to \$368,801.00.

CONCLUSIONS:

1. The Board agrees with the recommended reduction by Respondent.

2. The Board has carefully considered all admitted evidence and testimony and has affirmed the Respondent's recommended value. We could find no basis to support the Petitioner's value of less than \$2.00 per square foot. We agree with both parties that the subject is vacant, commercial land. The Respondent presented confirmed base year vacant land sales that support the base value of \$14.00 per square foot. Additionally, the Board finds the Respondent properly applied the present worth discounting procedures to the valuation of the subject site. The recommended value is affirmed and so ordered.

3. The Board concluded that the 2000 actual value of the subject property be reduced to \$368,801.00, with all of the value assigned to land.

ORDER:

Respondent is ordered to reduce the 2000 actual value of the subject property to \$368,010.00, with all value assigned to land.

The Douglas County Assessor is directed to change her records accordingly.