3-18-1987

Carrara Place, Ltd. v. Arapahoe County Bd. of Equalization

SUPREME COURT, STATE OF COLORADO

Case No. 86 SA 341

REPLY BRIEF

CARRARA PLACE, LTD., MARIN PARTNERS, LTD., M-B ORCHARD FALLS, LTD., TUSCANY ASSOCIATES, TRIAD ASSOCIATES AND PLAZA COLORADO LTD., ORCHARD ASSOCIATES III L.P., FIRST INTERSTATE BANK OF DENVER, N.A., ALLSTATE INSURANCE CO., PARK PLACE ASSOCIATES, LTD., KROH BROTHERS DEVELOPMENT COMPANY, STATE OF CALIFORNIA P.E.R.S. (GREAT-WEST LIFE ASSURANCE COMPANY), THE GREAT-WEST LIFE ASSURANCE COMPANY, JAY C. ROULIER & BILL WALTERS, PLAZA COLORADO LTD., TRAVELERS INSURANCE COMPANY, GLENDALE OFFICE BUILDING LTD., LINCLAY CORP., TOWER I VENTURE LTD., and MEYER & LILLIAN BLINDER, JT. TEN.,

Plaintiffs/Appellants,

vs.

ARAPAHOE COUNTY BOARD OF EQUALIZATION,

Defendant/Appellee.

ANNE MAURER, PROPERTY TAX ADMINISTRATOR,

Intervenor/Appellee.

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March 18, 1987

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I. ARAPAHOE COUNTY'S 1985 TAX ASSESSMENTS VIOLATE ARTICLE X Cl. 3 OF THE COLORADO CONSTITUTION BECAUSE THEY FAIL TO TAKE INTO ACCOUNT ANY ECONOMIC OBSOLESCENCE

Article X of the Colorado Constitution requires that as of January 1, 1985 (the tax year at issue in this appeal) the Taxpayers' office buildings in and about the Denver Tech Center are to be valued by the Arapahoe County assessor on the basis of their actual value as of January 1, 1985. The Taxpayers read Article X of the Colorado Constitution to require that income loss due to extraordinary office vacancy occurring as of January 1, 1985 be taken into account. Otherwise, the "just and equalized" mandate of the Constitution will be undermined, this Court's decision in Colorado & Utah Coal Co. v. Rorex, 149 Colo. 502, 369 P.2d 796 (1962) will be circumvented,[1] recognized appraisal techniques requiring a consideration of economic obsolescence will be disregarded, and two buildings existing side by side -- one empty and one full as of January 1, 1985 will bear the same 1985 property taxes.

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[1] Significantly, Arapahoe County agrees that Rorex requires economic obsolescence to be taken into account in determining property tax values. However Arapahoe County's effort to distinguish Rorex from the present appeals is flawed. Thus Arapahoe County states that Rorex requires economic obsolescence to be taken into account to determine the value of property as of the assessment date, but that in these appeals the level of value statutes (C.R.S. § 39-1-104(10)(a) et al) operate to change the assessment date from 1985 to 1977. (Answer Brief, p. 25.). Of course, Arapahoe County is wrong. The assessment date for these 1985 appeals is January 1, 1985. The 1977 level of value statutes (discussed infra at pp. 3-8) do not change the assessment date. Rather, as we show in this Reply Brief, they are limited to requiring that the tax values for 1985 be adjusted to take into account the 1977 level of value.

In light of these assertions, the Arapahoe County Board of Equalization ("Arapahoe County"), which is defending the assessment practices of the Arapahoe County assessor, should be expected to point to specific Colorado statutes, State policies, or generally recognized assessment practices followed elsewhere in Colorado to justify its "legal" conclusion that 1985 economic obsolescence cannot be considered in reaching actual value. However, in its Answer Brief, Arapahoe County defended its 1985 assessment practices by relying on a narrow technical argument, contending that because no Colorado statute expressly requires that "economic obsolescence should be granted up to and including the current year" (Answer Brief, p. 14), the Taxpayers' claims should be dismissed. In our view, Arapahoe County's defense of its 1985 assessments vividly demonstrates why this Court must determine what Article X means when it says that actual value for property tax purposes must be determined on the basis of recognized appraisal techniques in order to secure "just and equalized" assessments.

We agree with Arapahoe County that there exists no Colorado statute expressly mandating a consideration of current office vacancies. Indeed, we contend that there exists no Colorado statute expressly authorizing or expressly prohibiting an adjustment for economic obsolescence. Rather, we contend that the mandate of Article X - that recognized appraisal techniques be used in order to secure "just and equalized" appraisals -

requires that current obsolescence be taken into account. Further, we rely on the assessment practices of Colorado's largest county, Denver County, which permits an adjustment for current office vacancies (Tr.I: p. 26, l. 17).[2]

Because Arapahoe County cannot find an express statutory provision supporting its 1985 assessments, it points to the general level of value statutes adopted by the Legislature to justify its disregard of economic obsolescence. However, as we show below, the very level of value provisions which Arapahoe County quotes (Answer Brief, p. 17-18) in fact support the appraisal approach of the Taxpayers.

First, the Legislature in C.R.S. § 39-1-103(5)(a) instructed Arapahoe County that:

> All real and personal property shall be appraised and the actual value thereof for property tax purposes determined by the assessor of the county wherein such property is located. The actual value of such property ... shall be that value determined by appropriate consideration of the cost approach, the market approach, and the income approach to appraisal. The assessor shall consider and document all elements of such approaches that are applicable prior to a determination of actual value.

Thus, in C.R.S. § 39-1-103(5)(a) the Legislature (pursuant to Article X), instructed Arapahoe County to utilize recognized appraisal techniques in reaching actual value. Then, as a second and independent step, the Legislature in C.R.S. § 39-1-104(10)(a)

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[2] References to the transcript will be made by volume, page, and line designations to the transcript.

instructed Arapahoe County how actual value is to be lowered to reach property tax assessment values. That adjustment, described below, occurs through operation of the level of value concept.

In C.R.S. § 39-1-104(10)(a) the Legislature stated that the 1977 level of value shall be "utilized" for determining 1985 actual value of real property. Then, in C.R.S. § 39-1-104(9)(c) the Legislature clarified what it meant by the phrase "utilized." The Legislature explained that the 1977 level of value is to be "utilized" by determining 1985 actual value of taxable real property "as ascertained by the application of the 1977 level of value." Id. Next, the Legislature provided a specific example as to how the level of value concept is to be "utilized." In C.R.S. § 39-1-103(8)(e), the Legislature instructed that when using the market approach to determine tax assessment values, a representative sample of comparable sales must be looked to in order to reduce sudden price changes or fluctuations, and the comparable sales once determined "shall be adjusted for time of sale to the base year level of value". See C.R.S. § 39-1-103(a)(8)(e).[3]

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[3] Because any representative sample of 1985 comparable sales of office buildings at Denver Tech Center would necessarily reflect a reduction in market value occasioned by current extraordinary vacancies (Tr.I: p. 12, l. 17 and p. 19, l. 4), the Legislature's instruction to adjust current comparable sales back to a 1977 level of value is virtually identical with the Taxpayers' 1977 level of value adjustment when using the income approach described in the Opening Brief (pp. 8-10).

Arapahoe County fundamentally misreads these statutes. As suggested in footnote 1 of this Reply Brief, Arapahoe County mistakenly reads the 1977 level of value statutes to effectively change the assessment date from 1985 to 1977. Arapahoe County's reading of the statutes is erroneous because it mysteriously extracts from the level of value statutes, C.R.S. § 39-1-104(10)(a) (described in Taxpayers' Opening Brief at p. 15) the troublesome legal conclusion that the actual value to be applied to Taxpayers' buildings existing as of January 1, 1985 is the "actual value of that property as of January 1, 1977, the base year" (Answer Brief, p. 18) apparently accomplished by "taking the property as it existed prior to the base year or 1976" (Answer Brief, p. 20). In effect, Arapahoe County reads the level of value statutes as de facto altering the assessment date from 1985 to 1977.

Arapahoe County's reading of the statutes is wrong. As shown above, the Legislature did not provide that 1977 level of value and associated data published for 1977 is to become in and of itself the actual value of property existing as of January 1, 1985. Rather, the Legislature specifically directed that the 1977 level of value shall be "utilized" for determining January 1, 1985 actual value, and that January 1, 1985 tax values shall be determined "as ascertained by the application of the 1977 level of value." See C.R.S. § 39-1-104(10)(a) and § 39-1-104 (9)(c).

Arapahoe County's misreading of the statutes is abundantly clear when the specific facts of Taxpayers' buildings are examined. Nearly all of the buildings listed below, many of which have significant vacancy as of January 1, 1985, were not in existence as of January 1, 1977.

VACANCY AND TAXPAYERS' BUILDINGS

1985 Exhibit No.	Building	Vacancy as of January 1, 1985
3	Carrara Place	21% vacancy
6	Plaza Marin I	no excess vacancy
7	Orchard Falls	no excess vacancy
9	Tuscany Plaza	100% vacancy
10	Triad West	75% vacancy
and	Triad North	36% vacancy
11	Triad South	17% vacancy
13	Orchard V	no excess vacancy
14	Cherry Creek Place III	21% vacancy
15	Cherry Creek Place IV	17% vacancy
16 & 16A	Plaza 25	no excess vacancy
20	Park Place	67% vacancy
21 & 22	Prentice Point	100% vacancy
23	The Solarium	37% vacancy
24	Great West Life Centre	37% vacancy
25 & 25A	Orchard IV	22% vacancy
26 & 27	Plaza Colorado	no excess vacancy
29	Milestone Tower	55% vacancy
30	South Denver National Bank	83% vacancy
31 & 32	The Cascades	95% vacancy
33	Mountain Towers	82% vacancy
36	The Blinder Building	72% vacancy

Because the buildings were not in existence as of 1977 the Taxpayers are not able to assess the buildings as they "actually existed as of 1977". Rather, the Taxpayers followed the Legislature's methodology specifically outlined for adjusting 1985 comparable sales to a 1977 level of value, (see discussion,

p. 3 supra), and determined the physical and economic condition of each building as of January 1, 1985 and then adjusted that value back to January 1, 1977 values. Using this approach a building substantially vacant as of January 1, 1985 will have a 1985 tax assessment which reflects the value of that building had it been in existence in its vacant state as of January 1, 1977.[4]

In contrast, Arapahoe County refuses to adjust back to 1977 any loss of income occasioned by 1985 vacancies, and as noted in Taxpayers' Opening Brief p. 23, Arapahoe County also disregards any economic obsolescence existing in the office market in 1977, the level of value year.[5] To conclude, the Answer Brief of

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[4] Taxpayers explained (Opening Brief, p. 7-12) that they utilized the preferred income approach adopted by Denver County and followed by the State Board of Assessment Appeals. The income approach focuses on the income flow generated by commercial properties as the basis to calculate actual value. The Taxpayers' approach is to evaluate both the physical and the economic condition of each building as of January 1, 1985 (i.e., to what extent, if any, is a given building generating less income because of market driven economic obsolescence) to determine actual value or market value. That actual value is then adjusted to January 1, 1977 levels in order to determine the proper assessment value for property tax purposes.

[5] That is, Arapahoe County neither takes into account current vacancies specifically documented by the Taxpayer nor does it take into account documented economic obsolescence caused by office vacancies existing at the Denver Tech Center occurring in 1977. See the documentation of substantial vacancies in 1977 at Denver Tech Center buildings found in Opening Brief, p. 23. Taxpayers' Exhibit 1, on chart following page 32, line 18, (introduced at Tr.I: p. 11, l. 1) documents vacancy from 30% to 100% at the Denver Tech Center as of January 1, 1977. The record is clear -- while Arapahoe County arrived at its original 1985 assessment values by applying 1985 Marshall & Swift Cost Manual applications to a 1977 level of value (Tr.I: p. 328, l. 15 to p.

(footnote continued)

Arapahoe County fails to demonstrate why it, in contrast to Denver County, systematically excludes all economic obsolescence caused by rent loss in determining tax assessments.[6] Therefore, Arapahoe County's assessment practices are unconstitutional. In the alternative, if Arapahoe County is correct and the level of value statutes prevent a consideration of current economic obsolescence, then as stated in the Opening Brief, the level of value statutes violate Article X, Cl. 3 of the Colorado Constitution.

II. ARAPAHOE COUNTY'S STATE MANUAL DEFENSE IS A COVERUP -- IT CANNOT HIDE THE COUNTY'S SLOPPY ASSESSMENT PRACTICES

Arapahoe County has not only failed to rebut the principal constitutional claims raised by the Taxpayers, but also has elected to parade what can only be called a dishonest defense -

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(footnote continued from previous page)
329), Arapahoe County failed to make any adjustment in its numbers to reflect the reduction in actual value occasioned either by 1985 or 1977 economic obsolescence caused primarily by extraordinary office vacancies existing during both dates. (Tr.III: p. 289, l. 12 to p. 290, l. 18.)

[6] Arapahoe County's failure to take into account any impact occasioned by rent loss disregards the only instruction introduced into the record from the State of Colorado, Department of Property Taxation Manual, which expressly directs assessors to adjust taxable values in light of documented rent loss. See Taxpayer's Exhibit 45 (Introduced, Tr.III: p. 291, l. 16). See also the recent decision of CF&I Steel Corporation v. R.N. Patton, et al., No. 84CV854 (Pueblo County, November 26, 1986) where the District Court reduced the CF&I Steel Corporation assessment on the basis of current income loss.

namely, suggesting that its assessment practices are specifically mandated by the State of Colorado Assessment Manual. In its Answer Brief, Arapahoe County inserts oblique and obscure references to the State Manual. For example, at its Answer Brief, pp. 5, 11, Arapahoe County suggests that the Taxpayers' approach to vacancy has never been approved by the State Property Tax Administrator. Then on p. 5 of its Answer Brief, Arapahoe County says that its income approach to valuation has been validated by the State Property Tax Administrator.

In fact, the record shows that the Taxpayers adopted income appraisal applications which have been utilized to determine tax assessments in Denver County and before the State Board of Assessment Appeals (Tr.I: p. 28, l. 15), and that the income approach is recognized as the preferred approach for office buildings (Tr.I: p. 11, l. 25 and p. 14, l. 11.) On cross-examination, the Taxpayers' expert, Peter Bowes, consistently indicated that nothing in the State Manual specifically approved or disapproved the income approach utilized by the Taxpayers (Tr.I: p. 141, l. 4; p. 154, l.10; p. 156, l. 19 to p. 157, l. 1) or belatedly used by the Assessor, but that recognized appraisal practices favored the income approach as the "preferred" approach for valuing office buildings (Tr.I: p. 11, l.25). Notwithstanding the State Manual's failure to provide specific direction as to how the preferred income approach should be utilized vis a vis the 1977 level of value requirement, the Taxpayers did find

in the State Manual a directive to assessors to reduce actual value by rental loss and submitted that instruction as the only State Manual excerpt introduced by either side in the proceedings (Exhibit 45, Example 8).[7] Significantly, that rent loss instruction was ignored by the Assessor (see Taxpayers' Opening Brief, pp. 12-15).

Simply stated, there is nothing in the State Manual which either supports or contradicts the Taxpayers' development of an income approach utilizing current vacancies and current tax load, or Taxpayers' other applications of recognized appraisal techniques which are disputed by Arapahoe County. The State Manual is silent and Arapahoe County knows it. Nevertheless, the Taxpayers' obsolescence adjustment to take into account rent loss not only honors Exhibit 45 from the State Manual, but also is mandated by this Court's decision in **Rorex**, supra, where this Court stated:

> The presence or absence of obsolescence enters into valuation, whatever the field of law, where the value of property has importance. This is as true of values for purposes of taxation as it is in condemnation cases ... (emphasis supplied) 369 P.2d at 800.

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[7] Exhibit 45, Example 8 provides:

> The amount of unusual economic depreciation can be determined by rental comparisons and application of a gross rent multiplier to convert the rental loss into its effect on market value ....

To conclude, Arapahoe County defends its "disregard" of economic obsolescence by misstating the contents of the State Manual and ignoring this Court's directive in Rorex.[8]

III. TAXPAYERS ARE NOT ATTEMPTING TO REWRITE THE PROPERTY TAX LAWS -- THEY MERELY SEEK TO HAVE ARAPAHOE COUNTY COMPLY WITH EXISTING ASSESSMENT STATUTES.

Wholly independent of the "just and equalized" constitutional claims, Taxpayers also allege that they are being improperly assessed because of Arapahoe County's systematic refusal to comply with existing tax assessment laws. (Taxpayer's Opening Brief, pp. 26-30). Arapahoe County responds by claiming that Taxpayers are seeking an "unprecedented" (Answer Brief, p. 30) effort to force Arapahoe County to undertake thousands of individual market, cost and income appraisals. To the contrary, Taxpayers do not seek detailed individual building appraisals. All that Taxpayers seek is appropriate applications of appraisal techniques such as Arapahoe County developed in 1984 with respect to several of Taxpayers' buildings (see Taxpayers' Exhibit 42 introduced at Tr.II: p. 250, l. 3 and Exhibits, 51-54 introduced at Tr.III: p. 360, l.1). Indeed, Taxpayers only seek that

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[8] Furthermore, Arapahoe County's Answer Brief fails completely to respond to Argument III of the Taxpayers' Opening Brief -- namely that Arapahoe County in its 1985 assessments has created an unconstitutional two tier system of valuing Taxpayers' commercial properties. (See Opening Brief, pp. 24-26.) Arapahoe County's reference to Exhibit 39 (Answer Brief, p. 41) dealing with average per square foot tax burdens has nothing to do with the unconstitutional two tier assessment claim described in detail by the Taxpayers.

Arapahoe County give appropriate consideration of the cost, market, and income approaches, and not simply rely upon a mechanical application of the Marshall & Swift Cost Manual.

In our view, Arapahoe County's sloppy assessment practices emerge, in part, because of the County's failure to follow the Legislature's detailed assessment scheme. For example, Arapahoe County failed to respond to the Taxpayers' charges that it violated C.R.S. § 39-1-103(5)(a) (this statute requires that the assessor must consider and document all elements of the cost approach, the market approach and the income approach prior to the May 24, 1985, determination of 1985 assessed values). Indeed as we pointed out in our Opening Brief p. 28, as of the May 24, 1985, the tax assessment notice date, Arapahoe County had in fact

(i) considered only the cost approach,

(ii) disregarded the income and market approaches,

(iii) failed to apply any economic obsolescence under the cost approach even though the County is required to do so by the State Assessment Manual (see Taxpayers' Exhibit 45), and

(iv) disregarded both the Taxpayers' exhaustive 1976 appraisal study of buildings at the Denver Tech Center (Taxpayers' Exhibit 1) and the published 1977 Downtown and Suburban Office Building Experience Report of the Building Owners and Management Association (Taxpayers' Exhibit 47 introduced at Tr.III: p. 313, l. 2).

Notwithstanding Arapahoe County's failure to "consider and document" all relevant elements of value prior to the fixing of the 1985 assessments, when Taxpayers first protested their May 24, 1985 assessments, Arapahoe County continued to insist that:

> The Assessor has carefully studied all available information, giving particular attention to the specifics included on your protest form ... (emphasis supplied). (Arapahoe County's Exhibit R-2 - Notices of Denial for each property introduced at Tr.II: p. 193, l. 17).

Hence, Arapahoe County not only failed to consider on a timely basis the constitutionally required approaches to valuation, but also materially misrepresented to the Taxpayers (after the Taxpayers protested the initial 1985 assessments) the scope and contents of its actual assessment procedures (see Taxpayers' Opening Brief, p. 30).

Similarly, Arapahoe County violated C.R.S. § 39-8-106 (1)(b)(III), which requires the assessor to provide in July of 1985 both to the County Board and to the Taxpayers a "specific and detailed statement of the grounds ... upon which the assessor relied to justify such valuation." The assessment grounds referred to in C.R.S. § 39-8-106(1)(b)(III) are the consideration of the income, cost and market approaches to appraisal as expressly required by Article X, Cl. 3 of the Colorado Constitution. Yet as previously noted, Arapahoe County developed appraisals applying the income and market approaches for the first time in July of 1985, in anticipation of the Taxpayers'

appeals hearing and fully two months after the Colorado statutory assessment date of May 24, 1985 (see C.R.S. § 39-5-121(1) and § 39-5-122(2)).

Arapahoe County's primary defense to this demonstration of pervasive statutory violations is its claim that it is not practical for it to develop individual office building valuations, and in any event, Colorado law requires only an appropriate consideration of the cost, income and market appraisals. As a result, in Arapahoe County's view, each County is free in its sole discretion to determine exactly how tax assessment values for office buildings are to be developed. (See Answer Brief, p. 14). We urge the Court to refuse to permit Arapahoe County unfettered discretion when it comes to valuing major office buildings for property tax purposes.[9]

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[9] In defense of its "discretionary" appraisal techniques, Arapahoe County relies on a recent decision of the Court of Appeals, **Montrose Properties, Ltd. v. Board of Assessment Appeals**, ___ P.2d _____ (Colo. App. 1987) Case No. 85CA923 (January 29, 1987), XI Brief Times Reporter 99 (Jan. 30, 1987). But in **Montrose Properties** the Court of Appeals concluded that utilization of the cost approach satisfied the constitutional requirement that an "appropriate consideration" be given to the cost, market, and income methods, because the record before it established that with respect "to the income approach the testimony established that sufficient information was not available to calculate properly the correct tax assessment". Id. Of course in our appeals, the record shows Arapahoe County disregarded the comprehensive 1976 DTC study offered Arapahoe County early in 1985 (Taxpayers' Exhibit 1) as well as the authoritative 1977 Downtown and Suburban Office Building Expense Report of the Building Owners and Management Association (Taxpayers' Exhibit 47) in establishing the 1985 tax assessments. Both exhibits contain significant 1977 level of value data to permit the application of the "preferred" income approach to

(footnote continued)

Finally, Arapahoe County claims that it did apply Colorado law as best as it could by utilizing a "correlated" approach to value in May of 1985. In asserting this defense Arapahoe County ignores the unrebutted testimony of its principal witness, Mr. Higgins, who acknowledged upon cross-examination that Arapahoe County's "correlated" approach constitutes nothing more than the mechanical application of the Marshall & Swift cost approach.

> Q: [Mr. Israel] I see, when he comes to the assessor's office, this is part of the record that's made available to him; isn't that correct?
>
> A: [Mr. Higgins] If that is current. Some of these cards are current, some of them are not. Some of our data is in the computer, and the taxpayer looks at the computer screen to determine the value or data relating to his property.
>
> Q: But that's the basic documentation that you used to arrive at your 1985 assessed value; isn't that correct?
>
> A: That's the basic data, yes.
>
> Q: Okay. Just tell us, what is that data? What approach have you applied there?
>
> A: Well, the approach applied there is a cost approach.
>
> Q: Okay. And you don't have any application of the income or market approach there, do you?

(footnote continued from previous page)
value. Hence, Montrose Properties supports the Taxpayers' claim that Arapahoe County's assessment practices are arbitrary, capricious, and contrary to law.

A: No. (Tr.I: p. 260, l. 12 to p. 261, l. 4).

Not only did Arapahoe County fail to apply at all the constitutionally mandated and "preferred" income approach to assessment (see Taxpayers' Opening Brief, p. 9), but Arapahoe County's cost approach is fatally flawed, because it provided conflicting evidence as to whether its use of the cost approach started in 1985 and trended backwards to 1977 or started in 1971 and moved forward to 1977 (see Taxpayers' Opening Brief, p. 27). Under either scenario, of course, Arapahoe County failed to apply any economic obsolescence even though both the State Assessment Manual and the mandate of this Court in Rorex, supra, require application of obsolescence factors to reach accurate market values.[10]

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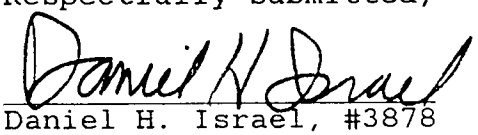
[10] Contrary to Arapahoe County's Answer Brief (pp. 31-35) nothing in Taxpayers' appeal involves an invitation to this Court to become involved in a battle of experts. In urging this Court to back off from reviewing the 1985 assessments, Arapahoe County relies on cases where a court is asked to review specific findings of fact and conclusions of law of an agency or lower court. In such cases the appellate court will not look behind the agency findings and weigh the conflicting expert data. In this appeal there exist no findings of fact or conclusions of law of Arapahoe County to review, only a one sentence denial. Therefore, there is no basis to contend that Taxpayers are seeking to have this Court set aside agency findings by reviewing conflicting expert testimony. However, because there exist no administrative decisions which can be reviewed by this Court to determine whether under C.R.S. § 24-4-106(7) they comply with Colorado constitutional and statutory law, whether they are arbitrary and capricious, and whether they are supported by substantial evidence when the record is considered as a whole, this Court should reverse the summary denials by Arapahoe County and remand the Taxpayers' 1985 tax assessments to the Arapahoe County Board of Equalization for reconsideration in light of this (footnote continued)

CONCLUSION

The 1985 assessment practices of Arapahoe County as they relate to Taxpayers' office buildings are fundamentally flawed. The July 31, 1985 one sentence "denials" of the Arapahoe County Board of Equalization should be reversed and remanded with instructions that current economic obsolescence be applied in arriving at 1985 property tax values and that consistent 1977 level of value numbers be utilized in assessing Taxpayers' buildings.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that I have this 18th day of March, 1987, mailed a true and correct copy of the foregoing REPLY BRIEF by placing same in the United States mail with postage prepaid and properly addressed to:

(footnote continued from previous page)
Court's legal conclusions entered in this proceeding.

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