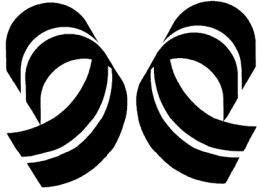


COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

APPROVED BY: W. CASEY BROWN,
ASSISTANT COUNTY ATTORNEY

DATE: SEPTEMBER 24, 2024

RE: PROPOSED SETTLEMENT AGREEMENTS

The Assessor's Office has requested a reduction in value for the following properties. The values of the subject properties have been appealed from the Board of County Commissioners ("BOCC") sitting as the Douglas County Board of Equalization ("BOE") to the State Board of Assessment Appeals ("BAA"). These cases may not be settled without approval of the BOCC. The Attorney's Office will need settlement authority from the BOCC before signing the stipulations with the taxpayer. The information in this memo is a summary of the settlement justifications offered by the Assessor's Office.

Wal-Mart Real Estate Business Trust v. Douglas County BOE,
BAA Docket No. 2023BAA2551

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 6675 Business Center Drive, Littleton 80130
Type: Commercial Retail

New Information: The subject property is a Wal-Mart Superstore of 191,501 SF built in 1995 that is situated on a 17.021-acre site in Highlands Ranch along the C-470 corridor. For the BAA analysis, the appeals appraiser reviewed the Cost, Sales Comparison, and Income approaches to value. While the Cost approach supported the current value, an adjustment was merited via the Sales Comparison and Income approaches to value given the size and market data analysis related to the other two analyses. The final stipulation value is a blend of all three approaches to value

with the most weight placed on the Cost approach. The owner's representative and the Assessor's Office have agreed to adjust the TY 2023 value from \$15,864,405 to \$14,600,000. The difference between the Douglas County rebate for Tax Year 2023 paid and the adjusted rebate amount based on this stipulation will be deducted from final settlement refund amount.

***Kentwood Investors v. Douglas County BOE,
BAA Docket No. 2023BAA2947***

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 10047-10091 Park Meadows Drive, Lone Tree 80124

Type: Commercial Retail

New Information: The subject property consists of 400 apartments (within 11 buildings) and 11,087 SF of retail development within the entry building's first floor facing Park Meadows Drive. The complex was built in 2002 and is located near the C470/I-25 interchange in Lone Tree. It is situated on a 14.46-acre site.

For the residential portion of the BAA analysis, the appeals appraiser re-examined the sales comparison approach and reviewed the complex's study period rent rolls to determine if conducting a GRM analysis of the subject suggested an adjustment. After considering the most similar sales and using them to develop a market GRM, the appraiser recommended that the value per unit be reduced from \$390,000 per unit (A-10 model) to \$355,000 per unit. The model assignment for this account will be reviewed for the Tax Year 2025 re-appraisal due to the number of units and the consistently lower rental rate the complex has historically commanded.

The analysis for the commercial portion of the account also merited an adjustment based upon the study period rent rolls and income and expense statements when compared to the commercial model assumptions. The parties agreed to adjust the Tax Year 2023 value from \$3,905,478 to \$3,137,621.

Taxes for the residential portion of the account are assessed at 6.7% while the commercial portion is assessed at 27.9%. Based upon our discussion with the agent and upon approval of the owner, the combined stipulation adjusts the 2023 value account value from \$159,880,451 to \$145,137,621 – a 9.21% combined reduction. The difference between the Douglas County rebate for Tax Year 2023 paid and the adjusted rebate amount based on this stipulation will be deducted from final settlement refund amount.