

COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

**APPROVED BY: ANDREW C. STEERS,
DEPUTY COUNTY ATTORNEY**

DATE: April 8, 2025

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.

IHG PROPERTIES TRUST v. Douglas County BOE,
BAA Docket No. 2024BAA2488

BOE Decision: October 29, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 7820 Park Meadows Drive, Lone Tree 80124

Type: Hotel

The subject property is a 3-story Sonesta Suites hotel located along Park Meadows Drive in Lone Tree. The subject consists of 115 rooms and was built in 2000. The upscale hotel is located on a 3.688-acre lot. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value taking into consideration that while occupancy and revenue were improving, they had not yet returned to the stabilized levels the hotel exhibited prior to the

pandemic by the end of the study period. Analysis via both approaches supported an adjustment, but the greatest weight was given to the Income Approach which is the typical valuation method in the marketplace. Based upon discussions with the owner's agent, and upon approval of the property owner, a stipulation was accepted to change the Tax Year 2024 value from \$8,910,000 to \$8,280,000.

In addition, the agent also provided state sales tax reports for Tax Year 2024 that indicated that 57% of the hotel's stays were long-term and a larger portion of the value should be allocated to the residential assessment rate (versus the 27% residential classification assumption in the Assessor's system) Based upon discussions with the owner's agent, a stipulation was accepted to change the Tax Year 2024 value classification to 57% residential and 43% commercial thereby lowering the actual taxes due. This adjustment accounts for the majority of the tax refund related to this appeal.

***GSR PYRAMID & MWH CHIMNEY PYRAMID LLC & GMD PYRAMID LLC ET AL v.
Douglas County BOE,
BAA Docket No. 2023BAA2464***

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 9777 Pyramid Court, Englewood, CO 80112

Type: Office Building

The subject property is a 3-story, Class B, multi-tenant office building located in the Meridian Office Park and built in 1996. The 126,540 SF building is situated on an 8.37-acre lot at the corner of Pyramid Court and Meridian Boulevard near the south boundary of the business park. Petitioner provided rent rolls and income & expense statements for the TY 2023 study period. For the BAA analysis, the appeals appraiser re-examined the sales comparison and income approaches as well as the actual performance of the property during the study period. Recovering from historically high vacancy, actual performance was significantly affected by offsets for bad debt and lease-up concessions in 2021. Further, the property sold post-study period in June 2023 for \$9,997,300. Continued risk of tenant rollover through the end of the study period increased the financial risk associated with the fee simple valuation above levels assumed in the mass appraisal model thus adjustment of the comparison sales and income assumptions were impacted. The results of both approaches support a reduction in value. Based upon discussions with the owner's agent, and upon approval of the property owner, a stipulation was accepted to change the Tax Year 2023 value from \$13,919,400 to \$12,100,000. 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 the final settlement refund amount.

PROVIDENCE PARTNERS LLC v. Douglas County BOE,
BAA Docket No. 2024BAA2478

BOE Decision: October 29, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 9777 Pyramid Court, Englewood, CO 80112

Type: Office Building

The subject property is a 3-story, Class B, multi-tenant office building located in the Meridian Office Park and built in 1996. The 126,540 SF building is situated on an 8.37-acre lot at the corner of Pyramid Court and Meridian Boulevard near the south boundary of the business park. Petitioner provided rent rolls and income & expense statements for the TY 2023 study period. For the BAA analysis, the appeals appraiser re-examined the sales comparison and income approaches as well as the actual performance of the property during the study period. Recovering from historically high vacancy, actual performance was significantly affected by offsets for bad debt and lease-up concessions in 2021. Further, the property sold post-study period in June 2023 for \$9,997,300. Continued risk of tenant rollover through the end of the study period increased the financial risk associated with the fee simple valuation above levels assumed in the mass appraisal model thus adjustment of the comparison sales and income assumptions were impacted. The results of both approaches support a reduction in value. Based upon discussions with the owner's agent, and upon approval of the property owner, a stipulation was accepted to change the Tax Year 2024 value from \$13,919,400 to \$12,100,000.