

COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

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

DATE: May 13, 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.

***CSM Park Meadows LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2476***

BOE Decision: November 01, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 8322 S. Valley Highway, Englewood, CO 80112

Type: Neighborhood Shopping Center

The subject property is a Residence Inn hotel built in 2000. The 4-story structure includes 112 rooms and is situated on a 3.19-acre site off S. Valley Highway in Unincorporated Douglas County. The petitioner provided study period income and expense data and monthly sales tax reports which helped us understand the percentage of long-term stays at the property. For the BAA analysis, the appeals appraiser re-visited the Sales Comparison and Income Approaches to

value, taking into consideration the hotel's actual performance during the study period. The appraiser concluded that a reduction in value was merited via both approaches to value. Please note review of sales tax data revealed that 23% of guest stays (versus 18% in the account profile) were considered extended stay in Tax Year 2023, thus a 23% portion of value is allocated to the residential assessment rate of 6.7% versus the 27.9% commercial rate typically utilized for commercial lodging. This allocation applies to both improvements and land. 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 \$11,760,000 to \$10,760,000. 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.

CSM Park Meadows LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2477

BOE Decision: November 01, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 8322 S. Valley Highway, Englewood, CO 80112

Type: Hotel

The subject property is a 4-story Marriott Courtyard-branded limited-service hotel located just east of I-25 along South Valley Highway in the Inverness Business Park neighborhood. The subject consists of 156 rooms and was built in 2000. The Upscale (chain scale) hotel is located on a 3.23-acre lot. The petitioner provided study period income and expense as well occupancy information for review. They also provided state sales tax monthly reports for consideration of a mixed-use valuation based upon 30-day plus stays that qualify for residential assessment. For the BAA analysis, the appraiser examined both the Sales Comparison and Income approaches, taking into consideration the property's actual performance as well as its physical condition at the time of value. Inspection revealed that the subject is in need of a property improvement project (PIP) that was postponed during the pandemic. Blending the two approaches but giving greater weight to the Income Approach, since this is the typical methodology for hotel valuation, an adjustment was recommended. Please note review of sales tax data revealed that 13% of guest stays (versus 0% in the account profile) were considered extended stay in Tax Year 2023, thus a 13% portion of value is allocated to the residential assessment rate of 6.7% versus the 27.9% commercial rate typically utilized for commercial lodging. This allocation applies to both improvements and land. 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 \$16,380,000 to \$13,260,000. 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.