

COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

APPROVED BY: ANDREW C. STEERS,
DEPUTY COUNTY ATTORNEY

DATE: MARCH 11, 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.

4991 FACTORY SHOPS BLVD LLC v. Douglas County BOE,

BAA Docket No. 2023BAA2655

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 4991 Factory Shops Blvd., Castle Rock, CO 80108

Type: Neighborhood Shopping Center

New Information:

The subject property consists of a one-story multi-tenant retail building of 11,557 SF. The structure was constructed in 2015 and is situated on a 1.441-acre lot. The property is located at the corner of Meadows Parkway and Factory Shops Boulevard at the entrance to the Promenade

of Castle Rock development. The petitioner provided study period rent rolls and income and expense reports for consideration alongside market data. For the BAA analysis the appraiser re-examined the study period actuals which reflected on-going vacancy in one of the building's seven spaces and second tenant that failed to pay rent and CAMs until legal action was taken after they left the space which significantly affected the overall performance of the property. After analysis of both the Sales Comparison and Income approaches a downward adjustment was supported. Both approaches to value support an adjustment of the TY 2021 value with slightly more weight given to the income approach. Based upon our discussion with the property owner's representative and upon approval of the owner, a stipulation was agreed upon to change the 2021 value from \$6,934,200 to \$5,960,000.

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.

***4991 FACTORY SHOPS BLVD, LLC v. Douglas County BOE,
BAA Docket No. 2024BAA2782***

BOE Decision: October 29, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 4991 Factory Shops Blvd, Castle Rock 80108
Type: Neighborhood Shopping Center

New Information:

The subject property consists of a one-story multi-tenant retail building of 11,557 SF. The structure was constructed in 2015 and is situated on a 1.441-acre lot. The property is located at the corner of Meadows Parkway and Factory Shops Boulevard at the entrance to the Promenade of Castle Rock development. The petitioner provided study period rent rolls and income and expense reports for consideration alongside market data. For the BAA analysis the appraiser re-examined the study period actuals which reflected on-going vacancy in one of the building's seven spaces and second tenant that failed to pay rent and CAMs until legal action was taken after they left the space which significantly affected the overall performance of the property. After analysis of both the Sales Comparison and Income approaches a downward adjustment was supported. Both approaches to value support an adjustment of the TY 2021 value with slightly more weight given to the income approach. Based upon our discussion with the property owner's representative and upon approval of the owner, a stipulation was agreed upon to change the 2021 value from \$6,934,200 to \$5,960,000.

COLORADO WORLD RESORTS LLC v. Douglas County BOE,
BAA Docket No. 2023BAA3224

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 19302 Cottonwood Dr, Parker, CO 80138

Type: Hotel

New Information:

The subject property is a 5-story, 58-room limited-service hotel that began construction in 2020. As of January 1, 2023 construction was considered 75% complete with no furniture, fixtures & equipment yet in place. Previous plans indicated that the hotel would be a Hawthorne Suites by Windham but prior to completion, the developer filed for bankruptcy and as of settlement of this appeal the hotel has still not been completed. The improvement is located near the AdventHealth Parker Hospital campus off Cottonwood Drive on a 1.367-acre lot. Given the unfinished condition of the construction, the most appropriate approach to value is the Cost Approach. The petitioner provided an independent appraisal which valued the property as of 6/30/2022 at \$5,400,000. Based upon discussions with the petitioner's representative and upon approval of the property owner the Tax Year 2023 value was adjusted downward from \$7,570,391 to \$5,400,000. 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.

DENVER MERIDIAN GATEWAY EQUITIES LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2470

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 9800 Meridian Blvd., Englewood, CO 80112

Type: Office Building

New Information:

The subject property is a Class A, 4-Story multi-tenant office building that was constructed in 1994. The property is located within the Meridian Office Park in Unincorporated Douglas

County. The building is situated on a 9.87-acre lot. Study period rent rolls and profit & loss statements were provided for review as part of this appeal. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value while also considering the above-market vacancy as of June 30, 2022 at 34%. Since the end of the study period the building has continued to suffer and was 96% vacant by 4Q 2024. As of the settlement date the property's real estate loan was placed in "special servicing" by their lender. Taking into consideration the vacancy and age of the building a downward adjustment to value was appropriate via both approaches to value. Based upon discussions with the petitioner's representative and upon approval of the owner, the Tax Year 2023 value was adjusted from \$20,926,552 to \$18,500,000. 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.

DENVER MERIDIAN GATEWAY EQUITIES LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2470

BOE Decision: October 29, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 9800 Meridian Blvd., Englewood, CO 80112

Type: Office Building

New Information:

The subject property is a Class A, 4-Story multi-tenant office building that was constructed in 1994. The property is located within the Meridian Office Park in Unincorporated Douglas County. The building is situated on a 9.87-acre lot. Study period rent rolls and profit & loss statements were provided for review as part of this appeal. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value while also considering the above-market vacancy as of June 30, 2022 at 34%. Since the end of the study period the building has continued to suffer and was 96% vacant by 4Q 2024. As of the settlement date the property's real estate loan was placed in "special servicing" by their lender. Taking into consideration the vacancy and age of the building a downward adjustment to value was appropriate via both approaches to value. Based upon discussions with the petitioner's representative and upon approval of the owner, the Tax Year 2024 value was adjusted from \$20,926,552 to \$18,500,000.