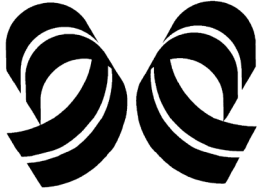


COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

APPROVED BY: W. CASEY BROWN,
ASSISTANT COUNTY ATTORNEY

DATE: DECEMBER 10, 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.

WPC PR6 CO LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2468

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 10350 PARK MEADOWS DRIVE, LONE TREE 80124
Type: Office Building

New Information: The subject property is a 5-story, Class A single-tenant office building of 164,584 SF built in 2001. The improvement is situated on a 10.98-acre site along Park Meadows Drive in the City of Lone Tree. The property was sold post-study period (December 2023) for \$23,000,000. Study period income and expense, rent rolls and a several deferred maintenance estimates were provided for analysis. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income approaches to value. While a slight downward adjustment was

supported by two approaches to value the primary support for reduction was supported by deferred maintenance costs related to roof and HVAC replacement that were considered in the final stipulation offer. After discussions with the petitioner's representative and upon the approval of the client, the Tax Year 2024 value was adjusted from \$32,916,800 to \$31,417,000. 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.

**374 INVERNESS DRIVE SOUTH LLLP v. Douglas County BOE,
BAA Docket No. 2023BAA2516**

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 374 INVERNESS PKWY, ENGLEWOOD 80112

Type: Health Club

New Information: The subject property is a former athletic club with tennis courts and indoor/outdoor pools as well as a balcony level in-house childcare area. The improvements were originally constructed in 1983 and they are situated on a 10-acre site. It is located in the Inverness Business Park along Inverness Drive South just south of S. Valley Highway. Known as the Colorado Athletic Club, the original operator exited the property years ago and another operator was occupying the property at the end of the study period but had not paid traditional rent since the start of the pandemic. An inspection was conducted by county staff at which significant physical condition issues were identified related to the parking lot, roof, HVAC and both swimming pools. The property was vacated in mid-2023 and is most likely going to go forward as a redevelopment project in the coming years. For the BAA analysis, the appeals appraiser re-examined all three approaches to value and determined that an adjustment was merited given the building's condition when compared to model data. A stipulation has been agreed to by the parties to adjust the Tax Year 2023 value from \$6,695,044 to \$5,000,000. 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.

**374 INVERNESS DRIVE SOUTH LLLP v. Douglas County BOE,
BAA Docket No. 2024BAA2468**

BOE Decision: November 1, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 374 INVERNESS PKWY, ENGLEWOOD 80112

Type: Health Club

New Information: The subject property is a former athletic club with tennis courts and indoor/outdoor pools as well as a balcony level in-house childcare area. The improvements were originally constructed in 1983 and they are situated on a 10-acre site. It is located in the Inverness Business Park along Inverness Drive South just south of S. Valley Highway. Known as the Colorado Athletic Club, the original operator exited the property years ago and another operator was occupying the property at the end of the study period but had not paid traditional rent since the start of the pandemic. An inspection was conducted by county staff at which significant physical condition issues were identified related to the parking lot, roof, HVAC and both swimming pools. The property was vacated in mid-2023 and is most likely going to go forward as a redevelopment project in the coming years. For the BAA analysis, the appeals appraiser re-examined all three approaches to value and determined that an adjustment was merited given the building's condition when compared to model data. A stipulation has been agreed to by the parties to adjust the Tax Year 2023 value from \$6,695,044 to \$5,000,000. 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 EQUITIES LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2469***

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 9785 MAROON CIRCLE, ENGLEWOOD 80112

Type: Office Building

New Information: The subject property is a 4-story, Class B, multi-tenant office building originally constructed in 1984 consisting of 139,851 SF. The property is located in the Meridian Office Park and the building is situated on a 7.04-acre lot. Post-study period the owner turned the property back to the lender and it was placed in receivership (foreclosure) on behalf of the lender. Rent rolls and income and expense statements were provided by the petitioner for review. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value. While occupancy during the study period was stable the petitioner was aware at the end of the study period of an upcoming vacancy of ~68,000 SF by mid-year 2023 significantly impacting the valuation risk associated with the property via the income approach to value. After extensive analysis of the property's situation and comparing it to properties of similar age and condition, a downward adjustment to value was determined. Blending the findings of the sales comparison and income approaches and after discussions with the petitioner's representative a stipulation was agreed to adjust the Tax Year 2023 value from \$15,383,611 to \$13,981,000. 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 EQUITIES LLC v. Douglas County BOE,
BAA Docket No. 2024BAA2466

BOE Decision: November 1, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 9785 MAROON CIRCLE, ENGLEWOOD 80112
Type: Office Building

New Information: The subject property is a 4-story, Class B, multi-tenant office building originally constructed in 1984 consisting of 139,851 SF. The property is located in the Meridian Office Park and the building is situated on a 7.04-acre lot. Post-study period the owner turned the property back to the lender and it was placed in receivership (foreclosure) on behalf of the lender. Rent rolls and income and expense statements were provided by the petitioner for review. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value. While occupancy during the study period was stable the petitioner was aware at the end of the study period of an upcoming vacancy of ~68,000 SF by mid-year 2023 significantly impacting the valuation risk associated with the property via the income approach to value. After extensive analysis of the property's situation and comparing it to properties of similar age and condition, a downward adjustment to value was determined. Blending the findings of the sales comparison and income approaches and after discussions with the petitioner's representative a stipulation was agreed to adjust the Tax Year 2023 value from \$15,383,611 to \$13,981,000. 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.