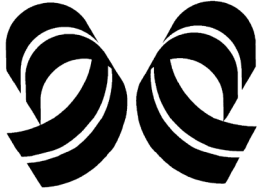


COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

APPROVED BY: W. CASEY BROWN,
ASSISTANT COUNTY ATTORNEY

DATE: July 23, 2024

RE: PROPOSED SETTLEMENT AGREEMENT

The Assessor's Office has requested a reduction in value for the following property. The values of the subject property has 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"). This case may not be settled without approval of the BOCC. The Attorney's Office will need settlement authority from the BOCC before signing the stipulation with the taxpayer. The information in this memo is a summary of the settlement justification offered by the Assessor's Office.

***Axal, LLC (aka: Alax LLC) v. Douglas County BOE,
BAA Docket No. 2023BAA2953***

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 755 S Perry Street, Castle Rock 80104
Type: Commercial Medical Office Building

New Information: The subject property is a mostly 1-story mixed medical and traditional office building (originally built as a mortuary) of 17,197 SF. Originally built in 1996, it is situated on a 2.071-acre lot in Castle Rock. At the end of the study period, the owner was aware that they would experience a 16% vacancy just after the end of the study period which ultimately would take 16 months to fill. For the BAA analysis, the appraiser considered both the sales comparison and income approaches. In addition, the subject property sold in January 2020 for \$4,000,000. The

price paid was based on an independent appraisal. Given the credibility of the subject sale and a blend of the income and sales comparison approach with non-stabilized vacancy considered, a stipulation was agreed to between the petitioner's representative and the county to adjust the 2023 value from \$6,018,950 to \$4,514,000. 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.