

COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

APPROVED BY: ANDREW C. STEERS,
DEPUTY COUNTY ATTORNEY

DATE: FEBRUARY 18, 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.

OLS PRESTON LLC & OLS MEADOWSTONE LLC & OLS PPA LLC & OLS, PPH LLC & OLS 1401 LLC v. Douglas County BOE,

BAA Docket No. 2023BAA2466

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 9380 Station Street, Littleton 80124

Type: Office Building

New Information: The subject property is a 6-story, multi-tenant office building located in the Ridgeway neighborhood south of Sky Ridge Hospital and within easy walking distance of the Lincoln Avenue Light Rail Station. The 154,229 SF building was built in 2008 and is situated on a 1.29-acre lot. The petitioner provided study period rent rolls and income & expense statements

for review. For the BAA analysis, the appraiser re-examined the sales comparison and income approaches. Via both approaches to value an adjustment was merited. Of special note is the significant physical vacancy rate in the building as a result of a 77,960 SF tenant in late 2020. Based upon the adjusted results of both approaches to value and the knowledge that a tenant occupying almost half the space had still not been backfilled, an investor would require a significant discount if the property were sold as of the end of the study period. Per 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 \$27,240,000 to \$25,800,000. 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.

***OLS PRESTON LLC & OLS MEADOWSTONE LLC & OLS PPA LLC & OLS, PPH LLC & OLS 1401 LLC v. Douglas County BOE,
BAA Docket No. 2024BAA2509***

BOE Decision: October 29, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 9380 Station Street, Littleton 80124

Type: Office Building

New Information: The subject property is a 6-story, multi-tenant office building located in the Ridgeway neighborhood south of Sky Ridge Hospital and within easy walking distance of the Lincoln Avenue Light Rail Station. The 154,229 SF building was built in 2008 and is situated on a 1.29-acre lot. The petitioner provided study period rent rolls and income & expense statements for review. For the BAA analysis, the appraiser re-examined the sales comparison and income approaches. Via both approaches to value an adjustment was merited. Of special note is the significant physical vacancy rate in the building as a result of a 77,960 SF tenant in late 2020. Based upon the adjusted results of both approaches to value and the knowledge that a tenant occupying almost half the space had still not been backfilled, an investor would require a significant discount if the property were sold as of the end of the study period. Per 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 \$27,240,000 to \$25,800,000.

**400 INVERNESS OWNER LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2952**

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 400 Inverness Pkwy, Englewood 80112

Type: Office Building

New Information: The subject property is a multi-tenant office building built in 1998 consisting of 118,342 SF. The property also includes a companion parking garage of 24,582 SF. The petitioner provided study period rent rolls and income & expense statements for review of the property's actual performance. During the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income approaches to value. Since the property's purchase in July 2019, the property has experienced higher than market vacancy. It was still above 25% at the end of the study period thus a lease-up analysis was applied. A downward adjustment was merited based on both approaches to value. It should be noted that, after discussions with the property owner's representative and upon approval of the petitioner, the TY 2023 value was adjusted downward from \$17,987,983 to \$16,568,000. 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.

**400 INVERNESS OWNER LLC v. Douglas County BOE,
BAA Docket No. 2024BAA2649**

BOE Decision: October 29, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 400 Inverness Pkwy, Englewood 80112

Type: Office Building

New Information: The subject property is a multi-tenant office building built in 1998 consisting of 118,342 SF. The property also includes a companion parking garage of 24,582 SF. The petitioner provided study period rent rolls and income & expense statements for review of the property's actual performance. During the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income approaches to value. Since the property's purchase in July 2019, the property has experienced higher than market vacancy. It was still above 25% at the end of the study period thus a lease-up analysis was applied. A downward adjustment was merited

based on both approaches to value. It should be noted that, after discussions with the property owner's representative and upon approval of the petitioner, the TY 2023 value was adjusted downward from \$17,987,983 to \$16,568,000.