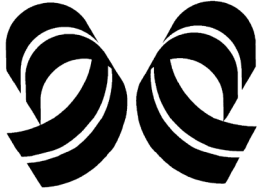


COUNTY ATTORNEY'S OFFICE



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

APPROVED BY: ANDREW C. STEERS,
DEPUTY COUNTY ATTORNEY

DATE: FEBRUARY 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.

IHG PROPERTIES TRUST v. Douglas County BOE,
BAA Docket No. 2023BAA2475

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 7820 Park Meadows Drive, Lone Tree, 80124

Type: Hotel

New Information: The subject property is a 3-story Sonesta Suites hotel located along Park Meadows Drive in Lone Tree. The subject consists of 115 rooms and was built in 2000. The upscale hotel is located on a 3.688-acre lot. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value taking into consideration that

while occupancy and revenue were improving, they had not yet returned to the stabilized levels the hotel exhibited prior to the pandemic by the end of the study period. Analysis via both approaches supported an adjustment, but the greatest weight was given to the Income Approach which is the typical valuation method in the marketplace. 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 \$8,910,000 to \$8,280,000.

In addition, the agent also provided state sales tax reports for Tax Year 2023 that indicated that 61% of the hotel's stays were long-term and a larger portion of the value should be allocated to the residential assessment rate (versus the 27% residential classification assumption in the Assessor's system) Based upon discussions with the owner's agent, a stipulation was accepted to change the Tax Year 2023 value classification to 61% residential and 39% commercial thereby lowering the actual taxes due. This adjustment accounts for the majority of the tax refund related to this appeal. 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

PHVIF LONE TREE LLC v. Douglas County BOE,
BAA Docket No. 2023BAA2473

BOE Decision: November 1, 2023

BOE Action: Petition denied

Current Status: Protest Tax Year 2023; Scheduled at BAA

Property Profile: Address: 9985 Park Meadows Drive, Lone Tree 80124

Type: Hotel

New Information: The subject property is a 4-Story, 123 room hotel under the Element Hotel by Marriott flag. The hotel was constructed in 2009 and is situated on a 2.77-acre site along the Park Meadows Drive commercial corridor in the City of Lone Tree. The subject is considered a limited-service upscale hotel for valuation purposes. The petitioner provided study period income and expense data for review. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value taking into consideration that while occupancy and revenue were improving, they had not yet returned to the stabilized levels the hotel exhibited prior to the pandemic by the end of the study period. Analysis via both approaches supported an adjustment, but the greatest weight was given to the Income Approach which is the typical valuation method in the marketplace. 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 \$11,070,000 to \$10,500,000.

In addition, the agent also provided state sales tax reports for Tax Year 2023 that indicated that 28% of the hotel's stays were long-term and a larger portion of the value should be allocated to the residential assessment rate. Based upon discussions with the owner's agent, a stipulation was accepted to change the Tax Year 2023 value classification to 28% residential and 72%

commercial thereby lowering the actual taxes due. 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.

PHVIF LONE TREE LLC v. Douglas County BOE,
BAA Docket No. 2024BAA2510

BOE Decision: October 29, 2024

BOE Action: Petition denied

Current Status: Protest Tax Year 2024; Scheduled at BAA

Property Profile: Address: 9985 Park Meadows Drive, Lone Tree 80124

Type: Hotel

New Information: The subject property is a 4-Story, 123 room hotel under the Element Hotel by Marriott flag. The hotel was constructed in 2009 and is situated on a 2.77-acre site along the Park Meadows Drive commercial corridor in the City of Lone Tree. The subject is considered a limited-service upscale hotel for valuation purposes. The petitioner provided study period income and expense data for review. For the BAA analysis, the appeals appraiser re-examined the Sales Comparison and Income Approaches to value taking into consideration that while occupancy and revenue were improving, they had not yet returned to the stabilized levels the hotel exhibited prior to the pandemic by the end of the study period. Analysis via both approaches supported an adjustment, but the greatest weight was given to the Income Approach which is the typical valuation method in the marketplace. 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 \$11,070,000 to \$10,500,000.

In addition, the agent also provided state sales tax reports for Tax Year 2024 that indicated that 22% of the hotel's stays were long-term and a larger portion of the value should be allocated to the residential assessment rate. Based upon discussions with the owner's agent, a stipulation was accepted to change the Tax Year 2023 value classification to 22% residential and 78% commercial thereby lowering the actual taxes due.