



AGENDA ITEM: i .

MEETING DATE: January 24, 2012

STAFF PERSON RESPONSIBLE: Larry Shouse, Deputy Assessor Appeals

DESCRIPTION: Approval to follow the recommendations of Douglas County Assessor's Office regarding settlement of Board of Assessment Appeals cases.

SUMMARY: Section 39-8-108(1), C.R.S., provides taxpayers with the opportunity to appeal the decisions of the Douglas County Board of Equalization ("CBOE") to the Colorado Board of Assessment Appeals ("BAA"), the District Court or to binding arbitration. The taxpayers listed on the attached memo have elected to appeal the CBOE's decisions to the BAA. The Assessor's Office and the taxpayers have exchanged evidentiary information and have reached agreement as to the value of the subject properties. The rationale for these agreements is also outlined in the attached memo. Upon review, the Douglas County Attorney's Office requests the Board to approve the proposed agreements and authorize the Douglas County Attorney to enter into stipulations with the taxpayers for filing with the BAA.

RECOMMENDED BOARD ACTION: Approval of the settlement agreements as recommended by the Douglas County Assessor and to authorize the County Attorney to sign the proposed stipulations.

REVIEWED BY THE COUNTY ATTORNEY: Robert D. Clark, Senior Assistant County Attorney

REVIEWED FOR FISCAL CONTENT: Andrew Copland, Director of Finance

REVIEWED BY THE COUNTY MANAGER: Douglas J. DeBord, County Manager



MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

**APPROVED BY: ROBERT D. CLARK,
SENIOR ASSISTANT COUNTY ATTORNEY**

DATE: JANUARY 24, 2012

RE: PROPOSED SETTLEMENT AGREEMENTS

The Assessor's Office has requested a reduction in value to the following properties. The values of the subject properties have been appealed from the Board of County Commissioners sitting as the County Board of Equalization ("CBOE") to the State Board of Assessment Appeals ("BAA"). These cases may not be settled without the approval of the Board. The Attorney's Office will need to receive settlement authority from the Board to allow them to sign stipulations with the taxpayers. The information in this memo is a summary of the settlement justifications offered by the Assessor's Office.

***Car Burt LLC v. Douglas County Board of Equalization,
BAA Docket No. 56443***

CBOE Decision: August 5, 2010

CBOE Action: Petition denied.

Current Status: 2010 Protest – Scheduled at BAA

Property Profile:

Address: 19201 East Lincoln Avenue
Parker, CO

Type: Commercial – Auto Dealership

Quality: Good

Year Built: 2004

GBA: 32,163 sq. ft.

Land: 6.222 AM/L

New Information: Upon review of additional account data and a physical inspection of the subject property, the Assessor's Office determined that the subject lot warranted an adjustment for access and size elements. These adjustments resulted in a change to the Assessor's valuation from \$5,061,148 to \$4,492,000.

St. Paul Properties Fire & Marine Insurance Co. v. Douglas County Board of Equalization, BAA Docket Nos. 55181 and 57119

CBOE Decisions: November 1, 2009 and August 5, 2010

CBOE Actions: 2009 Petition Value Adjusted from \$27,405,019 to \$27,250,000
2010 Petition Denied

Current Status: 2009 and 2010 Protests – Scheduled at BAA

Property Profile:

Address: 9780 Meridian Blvd.
Location: Meridian Office Park
Type: Commercial Office Building
Quality: Average
Year Built: 1997
GBA: 180,810 sq. ft.
Land: 11.50 AM/L

New Information: Prior to the hearing before the Board of Assessment Appeals, the Petitioner's agent provided both the rent rolls and the income and expense data on the subject property. The indicated overall rental rate was \$20.66 for 2007 and the indicated rent rate for 2008 was \$22.18. Expansion leases were executed in the base period for \$23 per square foot with an existing tenant. After giving consideration to the rent roll data, a \$21.00 rental rate was applied to the subject. Based on this information, the Assessor's Office determined that giving consideration to a reduction in the rental rate and vacancy and expenses to the subject property warranted a change in value. This resulted in a reduction in value from \$27,250,000 to \$22,500,000.

Car Parker Land LLC v. Douglas County Board of Equalization, BAA Docket No. 56396

CBOE Decision: August 5, 2010

CBOE Action: Petition denied.

Current Status: 2010 Protest – Scheduled at BAA

Property Profile:

Address: Parker, CO
Type: Vacant Land
Land: 5 parcels ranging in size from 1.60 AM/L to 15.95 AM/L

New Information: After a review of the account data and a physical inspection of the subject properties, the Assessor's Office has determined that these lots qualify for Present Worth Discounting. This application of Present Worth, with attributes and an increase in the absorption period, resulted in a recommendation for adjustment to the Assessor's value from \$5,347,268 to \$3,354,800.

***Pivotal Parker Commercial LLC v. Douglas County Board of Equalization,
BAA Docket No. 56466***

CBOE Decision: August 5, 2010

CBOE Action: Petition denied.

Current Status: 2010 Protest – Scheduled at BAA

Property Profile:

Location: Stroh Ranch Development
Type: 13 Vacant Land Parcels

New Information: In preparation for the approaching BAA hearing, a review of account data and a physical inspection of the subject vacant land parcels was completed. It was determined that, while Present Worth Discounting was applied to all parcels, the absorption period used on 10 of the 13 parcels needed to be increased due to the number of lots in that particular filing. This correction resulted in a reduction in total value for all 13 parcels from \$6,492,996 to \$4,643,894.

***Denver Hospitality LP v. Douglas County Board of Equalization,
BAA Docket No. 56589***

CBOE Decision: August 5, 2010

CBOE Action: Petition denied.

Current Status: 2010 Protest – Scheduled at BAA

Property Profile:

Address: 9985 Park Meadows Drive
Lone Tree
Type: Commercial – Extended Stay Motel
Quality: Good
Year Built: 2009
GBA: 78,892 sq. ft.
Land: 2.77 AM/L

New Information: Upon further review of account and income/expense data, the Assessor's Office determined that a reduction in value was warranted. The income approach using data specific of the subject property supported a lower valuation. The Assessor's Office is recommending a reduction in value from \$6,888,000 to \$5,000,000.

***MB Highlands Ranch Ridgeline LLC v. Douglas County Board of Equalization,
BAA Docket No. 55169 and 57268***

CBOE Decisions: November 1, 2009 and August 5, 2010

CBOE Action: 2009 and 2010 Petitions denied.

Current Status: 2009 and 2010 Protests – Scheduled at BAA

Property Profile:

Address: 8822 Ridgeline Blvd.
Highlands Ranch
Type: Commercial
Quality: Good
Year Built: 1986
GBA: 90,912 sq. ft.
Land: 5.917 AM/L

New Information: During the discovery process prior to the hearing before the BAA, the Petitioner's Agent provided rent roll and income and expense data which had not previously been made available for review by the Assessor's Office. All three approaches to value were considered and it was determined that the information on rents, vacancy and expense data should be given greater weight specific to the subject property. Applying this data in the income approach warranted a change in value from \$12,066,189 to \$10,100,000 for both 2009 and 2010 tax years.

***Redwood ERC Littleton LLC v. Douglas County Board of Equalization,
BAA Docket No. 56073***

CBOE Decision: November 1, 2010

CBOE Action: Petition denied.

Current Status: 2011 Protest - Appealed to BAA

Property Profile:

Address: 3005 Mill Vista Road
Type: Commercial
Quality: Average
Year Built: 2007
GBA: 263,522 sq. ft.
Land: 47.97 AM/L

New Information: After a review of the account data and Petitioner's fee appraisal report, and an internal review of the Assessor's analysis, it was determined that the subject property warranted a reduction in value. Application of the sales only approach, using data specific of the subject support the value recommendation, The Assessor's Office is recommending a reduction in value from \$79,757,250 to \$60,500,000.

RDC:clh