



Staff Report – Property Tax Exemption Resolution Request

Josh Bushner, Commercial Manager - Assessor's Office

Agenda

Background on HB25-1289 - Metropolitan District Leases & Property Tax Exemptions

Leased Property Requested for Property Tax Exemption

Discussion



Reminder – Our Role

The Assessor's Office locates, appraises, and records all of Denver's real and personal properties in accordance with the Colorado Constitution, State statutes, and Board of Equalization procedures.



House Bill 25-1289 Overview

A bipartisan bill that created new requirements for privately owned real estate leased to metropolitan districts seeking a property tax exemption.



Rep. Zokaie



Rep. Richardson



Sen. Weissman



Sen. Frizell

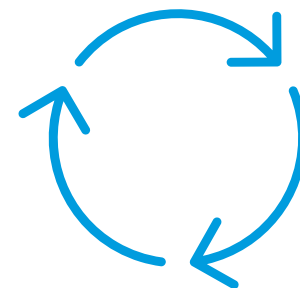
Background

Generally, property used for a public purpose that is leased by a governmental entity is exempt from paying property tax for that portion of the property used for a public purpose.



What did HB25-1289 do?

Increased required transparency and closed a property tax loophole such that if the board members of a metropolitan district also own the underlying property being leased to the metropolitan district, certain information must be shared with the city, and City Council determines whether the leases are being used for a public purpose or not, and thus subject to property taxation or not.



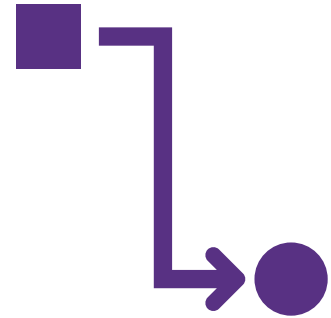
What information does the new law require where a conflict arises?

- 1) the metro district's use of the leased property
- 2) the metro district's authority to use the leased property for metro district purposes
- 3) any use of the leased property by a private person for private purposes, and
- 4) written disclosures by members of the metro district's Board of Directors for any potential conflicts of interest.



Process Required

- If legally-sufficient statement is filed by metro district, Assessor has 14 days to submit statement to City Council
- City Council has 63 days within receipt of statement to issue written decision including findings of fact and a conclusion as to whether the leased property is used for a public purpose




Exemption Review

- Any exemptions granted will be reviewed annually
- The exemption remains valid as long as the exempt use exists
- If the exempt use ends before the end of the lease term, the exemption should end as well

Council Decision

City Council's decision provides no private right of action to the property owner and is not subject to appeal.



Property Tax Exemption Request |
Parcel ID 05152-03-038-000
363 S. Broadway – Broadway Bark

Overview of Lease

- 363 S. Broadway – Parcel 05152-03-038-000
- 2025 Actual Value - \$4,110,100
- Lease between Broadway Park Metro District No. 1 and BMP Northwest LLC, entered into on November 10, 2023, for a 1-year initial term, continued on a year-to-year basis with 60-day written notice to terminate by either side. Consideration of \$1 per year.

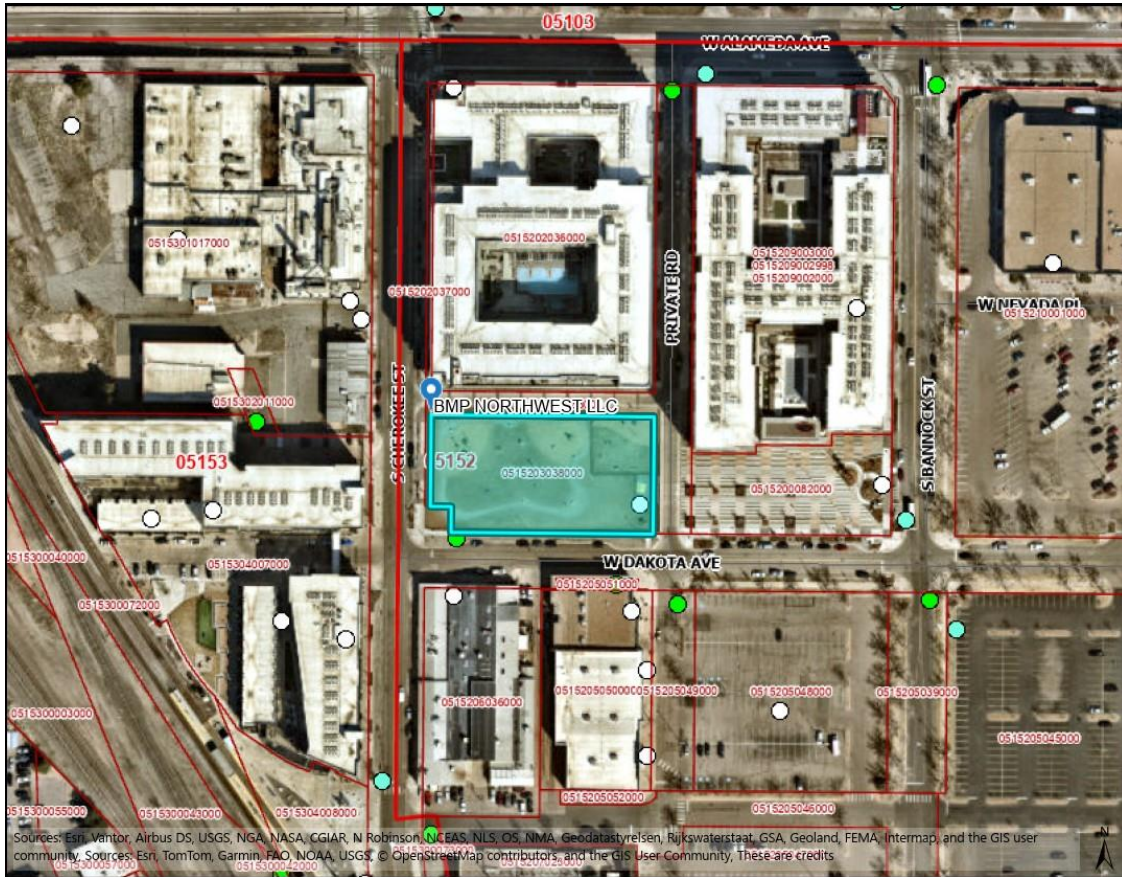
Amount of Tax Exemption Requested (2025)

Parcel	Actual Value (2025)	Assessed Value (2025)	Denver Mills (2025)	Broadway Metro Mills (2025)	Total Estimated Taxes (2025)
05152-03-038-000	\$4,110,100	\$1,109,730	79.602	64.74	
			\$88,336.72	\$71,843.92	\$160,180.64

Board Member Conflict(s)

Submitted to Assessor's Office as of June 23, 2026. Colorado Revised Statutes § 39-3-124(1)(b)(I)(F). The following District Board members have disclosed an interest in the property:

- BMP Northwest, LLC
- Warren P. Cohen
- James S. Frank
- Daniel M. Cohen



Property Tax History

- Partial exemption granted in 2023 based on date of lease signing and full exemption granted for 2024.
- Exemption removed and a Special Notice of Value was sent out in 2025 due to change in law.

Site Details & Observations

- 44,675 square foot parcel
- Currently used as a dog park open to the public
- Fully fenced, numerous apparatuses for dogs to play on, waste bags stocked at the time of site visit
- Site appears to be fully sprinklered (no grass)

Service Plan Broadly Authorizes Parks and Recreation Improvements

6. Parks and Recreation Improvements. The Management District shall have the power and authority to provide for the acquisition, construction, installation, completion, operation and maintenance of parks and recreation improvements and programs as authorized by the Special District Act, including without limitation pedestrian plazas, parks, multi-modal trails and bridges, open space, landscaping, entry and architectural features, recreational facilities, irrigation, public art and cultural activities, together with all necessary, incidental and appurtenant facilities, land and easements, and all extensions of and improvements to such facilities within and without the Service Area. All park and recreation improvements shall be owned, operated and maintained either by the Districts or an owners association. The Districts shall not transfer the parks and recreation improvements or delegate the operation and maintenance thereof to any entity other than as shown on the O&M Matrix, unless the Districts have received the prior written approval of the Manager of Parks and Recreation. All parks and recreation improvements shall be designed and constructed in accordance with any applicable specifications of the City.

Site Photos



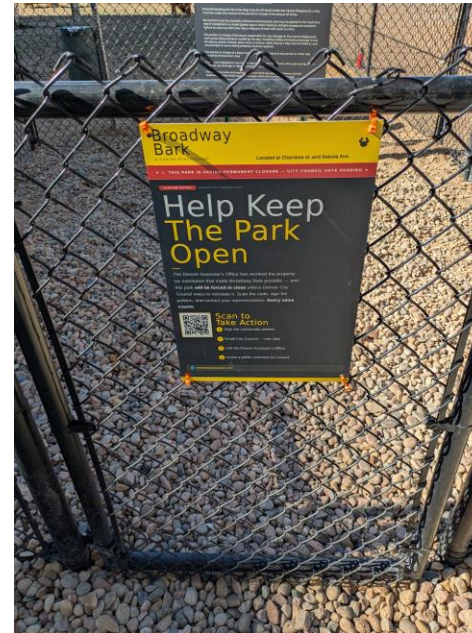
Site Photos



Site Photos



Site Photos



Legislative Timeline

July 7

- Deadline to send conflict disclosures and statement to City Council

July 14

- Resolution at FinBiz (on consent or action)

July 21

- Mayor-Council

July 27

- First and only reading of resolution regarding City Council's decision concluding whether the leased property is used for a public purpose or not and therefore shall be exempt from taxation or not.

August 24, 2026 is the legislative deadline for City Council to adopt a resolution



Discussion