



HB25-1289

Metropolitan District Leases & Property Tax Exemptions

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



Bill 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

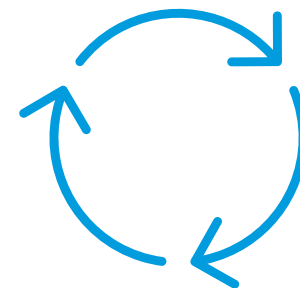
Background

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 does HB25-1289 do?

Increases required transparency and closes 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.



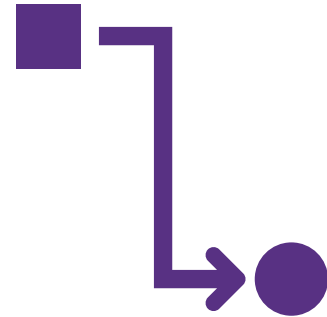
What information does the new law require where a conflict arises?

- 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

Overview of the Four Leases

Dog park, parking lot, open air entertainment venue & beer garden

Parcels

- 07084-05-004-000
- 07084-05-006-000

Nature Trail

Parcels

- 07084-11-016-000
- 07084-11-017-000
- 07084-11-006-000
- 07084-11-010-000
- 07084-11-015-000
- 07084-11-014-000
- 07084-11-009-000
- 07084-11-018-000
- 07084-11-019-000

Storage and parking for construction materials and equipment

Parcel

- 07084-08-004-000

Storage and parking for construction materials and equipment

Parcels

- 07084-09-002-000
- 07084-05-003-000
- 07084-05-005-000



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Legislative Timeline

Wednesday,
February 18

- Deadline to send conflict disclosures and statement to City Council

Tuesday, March 10

- Resolution at FinBiz (on consent or action)

Tuesday, March 17

- Mayor-Council

Monday, March 23

- 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.

Monday, April 6, is the legislative deadline for City Council to adopt a resolution



Property Tax Exemption Requests

Lease One – Dog park, parking lot, beer garden/entertainment venue

07084-05-004-000 – 6752 E. Layton Avenue, 66,786 square feet, 2025 Actual Value – \$5,009,000

07084-05-006-000 – 6751 E. Chenango Avenue, 36,641 square feet, 2025 Actual Value - \$2,748,100



Lease Two – Nature Trail

07084-11-016-000 – 4690 S. Newport Way, 148,910 square feet – 2025 Actual Value - \$6,701,000
07084-11-017-000 – 4652 S. Newport Way, 72,008 square feet – 2025 Actual Value - \$3,240,400
07084-11-006-000 – 4602 S. Newport Way, 93,950 square feet – 2025 Actual Value - \$4,227,800
07084-11-010-000 – 4542 S. Newport Way, 12,300 square feet – 2025 Actual Value - \$553,500
07084-11-015-000 – 4520 S. Newport Way, 46,789 square feet – 2025 Actual Value - \$2,105,500
07084-11-014-000 – 4502 S. Newport Way, 87,995 square feet – 2025 Actual Value - \$3,959,800
07084-11-009-000 – 4225 S. Newport Way, 4,575, square feet – 2025 Actual Value - \$100
07084-11-018-000 – 4492 S. Newport Way, 67,773 square feet – 2025 Actual Value - \$3,049,800
07084-11-019-000 – 4496 S. Newport Way, 1,370 square feet – 2025 Actual Value - \$100



Lease Three – Storage for Construction Materials and Equipment and Parking

07084-08-004-000 – 5091 S. Quebec St, 48,099 square feet, Actual Value - \$2,164,500



Lease Four - Storage for Construction Materials and Equipment and Parking

07084-09-002-000 – 4702 S. Newport Way, 159,530 square feet, 2025 Actual Value - \$7,178,900

07084-05-003-000 – 6702 E. Union Ave, 45,464 square feet, 2025 Actual Value - \$2,045,900

07084-05-005-000 – 6711 E. Chenango Ave, 42,891 square feet, 2025 Actual Value - \$1,930,100



Discussion