

PROJECTED REVENUE LOSS IS BASED UPON THE FOLLOWING ASSUMPTIONS

The information presented in this report is based upon an assumption that the Kansas Board of Tax Appeals accepts and applies part or all of the Dark Store appraisal methodology. The intention of this report is for the county to prepare for potential loss of value and revenue due to the Dark Store methodology. The future determinations could be less or more depending on the Board of Tax Appeals position in which the Dark Store model is adopted.

While not all commercial property would be subject to the dark store methodology, we categorized and included all commercial property by jurisdiction that we believe to be subject to Dark Store theory. There is not a set amount of loss for each jurisdiction because the property types differ for each district.

We used 2017 values for the basis of the calculations, and we applied a reduction of 40% of value based upon those proposed taxpayer values submitted to Johnson County on recent appeals and included in appeals now pending before the Board of Tax Appeals.

The Dark Store Methodology is not adopted by the Appraisal Institute or by International Association of Assessing Officers (IAAO).

Cases in Litigation (Johnson County):

- Target Stores – Year 2016 BOTA decision expected sometime March 2018.
- Heard by BOTA – “on hold” until above Target decision.
 - CVS (2015 & 2016) – November 2017
 - Walgreens (2015-2016) – December 2017
- Future BOTA hearings
 - Sam’s Club/Walmart (2016) – March 2018
 - Best Buy (2016) – April 2018

Potential Revenue Loss Due to Dark Store Theory

2017 Assessed Values

Taxing Unit	Jurisdiction	County Potential Loss	State Potential Loss
101	State (1.5 mills)		\$1,649,099
102	County	\$21,238,916	
701	Library	\$3,616,497	
104	Parks	\$3,359,442	
103	JCCC	\$10,447,591	
551	Blue Valley Rec.	\$791,070	
556	Spring Hill Rec.	\$17,380	
SCHOOLS			
301	Blue Valley USD 229	\$16,768,951	
303	Spring Hill USD 230	\$249,711	
305	Gardner/Edgerton USD 231	\$948,591	
307	DeSoto USD 231	\$1,467,709	
309	Olathe USD 233	\$13,186,797	
316	Shawnee Mission USD 512	\$14,312,265	
SCHOOLS (20 mill)			
301	Blue Valley USD 229		\$7,194,813
303	Spring Hill USD 230		\$18,565
305	Gardner/Edgerton USD 231		\$403,819
307	DeSoto USD 231		\$618,413
309	Olathe USD 233		\$3,688,852
316	Shawnee Mission USD 512		\$8,503,262
CITIES*			
205	Bonner Springs	\$50,376	
210	DeSoto	\$189,196	
215	Edgerton	\$17,736	
242	Fairway	\$58,055	
220	Gardner	\$236,957	
244	Lake Quivira	\$118	
248	Leawood	\$2,036,563	
252	Lenexa	\$5,995,973	
256	Merriam	\$1,121,766	
258	Mission	\$388,195	
260	Mission Hills	\$0	
262	Mission Woods	\$22,439	
225	Olathe	\$4,339,090	
264	Overland Park	\$6,007,931	
268	Prairie Village	\$361,213	
270	Roeland Park	\$183,417	

272	Shawnee	\$2,093,466	
230	Spring Hill	\$92,745	
231	Spring Hill N/F	\$84,497	
276	Westwood	\$34,168	
278	Westwood Hills	\$2,078	
FIRE DISTRICTS			
600	JoCo Cons #2	\$613,829	
601	JoCo Fire #1	\$250,861	
602	JoCo Fire # Bd A	\$23,472	
611	JoCo Fire #2	\$98,649	
617	JoCo #2 Bd F	\$452	
618	JoCo #2 Bd G	\$1,015	
624	NW Cons Fire	\$159,720	
		<u>\$110,868,897</u>	<u>\$22,076,822</u>

GRAND TOTAL \$132,945,719

*Did not include Gardner N/F, Olathe No C/F, Lenexa No C/F, Overland Park N/F due to nominal values.