

IN THE IOWA DISTRICT COURT FOR DALLAS COUNTY

SCHEELS ALL SPORTS, INC., Plaintiff, v. DALLAS COUNTY BOARD OF REVIEW, Defendant.	CASE NO. EQCV044337 CASE NO. EQCV045253 (Consolidated Cases) FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER
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On December 9-10, 2025, the above-captioned consolidated cases came before the court for trial on Plaintiff Scheels All Sports, Inc.'s ("Scheels") property tax assessment appeals for tax years 2023 and 2024. Scheels was represented by attorneys Sarah K. Franklin and Jenna Wheeler of Dentons Davis Brown PC. The Dallas County Board of Review ("Board") was represented by attorney Jamie L. Cox. The court heard testimony from the parties' expert witnesses—Christopher R. Jenkins and Dennis G. Cronk (for Scheels) and Mark T. Kenney (for the Board)—reviewed the court file, received and reviewed exhibits (including the full appraisal reports, review appraisal, floor plans, comparable photographs, and market data tables), and considered the parties' written closing arguments and proposed findings.

The court finds the following facts and enters the following order.

FACTS

These consolidated cases involve appeals of the Dallas County Assessor's valuations of the subject property ("Subject")—a two-level, single-tenant anchor sporting goods retail store occupied by Scheels at 101 Jordan Creek Parkway #4000, West Des Moines, Iowa (Dallas County Parcel No. 16-12-300-018)—as of January 1, 2023, and January 1, 2024. The Assessor valued the property at \$12,591,760 for both years. Scheels protested the assessments to the

Board under Iowa Code § 441.37, alleging excessive valuation and proposing market values of approximately \$8,100,000 (2023) and \$9,000,000 (2024). The Board denied the protests, and Scheels timely appealed to this court.

The Subject is a 190,912 square-foot build-to-suit retail facility constructed in 2004, with minor improvements in 2014. It features an open sales floor, escalator access to the second level, entrances to both exterior parking lots and the interior mall, 126,562 square feet above-grade (main retail floor space) and additional sub-areas: approximately 9,855 square feet of finished basement office space, 30,948 square feet of basement storage, and 23,547 square feet of mezzanine storage. The property has no dedicated onsite parking, relying on shared Jordan Creek Town Center ("JCTC") lots. JCTC is a fully occupied super-regional mall (approximately 1.34 million square feet) with co-anchors including Von Maur, Dillard's, and Century Theaters, drawing from the Des Moines metropolitan area.

At trial, Scheels presented expert testimony and a detailed appraisal from Christopher R. Jenkins (CBRE; Exhibit 5), concluding "as-is" fee simple market values of \$10,400,000 (2023) and \$10,100,000 (2024). This relied on balanced weight to sales comparison (8 comps) and income approaches (cost secondary), with net operating income of approximately \$884,000 (2024) at an 8.5% overall capitalization rate, emphasizing functional limitations of sub-areas, market challenges for large-format retail anchors (e.g., post-COVID shifts, online competition), and narrower GLA measurement. Dennis G. Cronk provided a USPAP-compliant review appraisal (Exhibit 6) critiquing the Board's expert for alleged data staleness, inconsistent adjustments, unsupported sub-area rents, and failure to account for obsolescence.

The Board presented expert testimony and appraisal from Mark T. Kenney (American Valuation Group; Exhibit I.1), concluding values of \$16,200,000 (2023) and \$16,650,000 (2024).

Kenney weighted the sales comparison approach primarily (consistent with Iowa law for ad valorem taxation), supported by income and cost approaches. He used nine improved sale comparables with qualitative and percentage adjustments (e.g., for leased-fee interests, time, location), market rents of \$9/SF (retail) and stepped rates for sub-areas (\$6/SF basement office space; \$3/SF basement and mezzanine storage) for 2023, increased by \$0.25/SF for 2024, a 7.4% capitalization rate for 2023 and 7.5% capitalization rate for 2024. Supporting exhibits included comparable photographs, site/floor plans, and market analysis.

Jenkins and Kenney apply different valuation methodologies to each distinct space type (i.e., retail, mezzanine, and basement space). Jenkins considered only the retail space of 126,562 SF and made across the board adjustments of 15% to each sale comp that had no basement or mezzanine space (except 20% to sale comp 3, a Scheels in Montana that had a unique layout of approximately 50% retail space and 50% storage space). These -15% adjustments appear to be arbitrary with no distinction for differences between the sale comps with respect to sale price, location, layout, age, condition, or other factors. Kenney, on the other hand, considered the entire building area of 190,912 SF. He adjusted his sale comps for differences in size, which were overall downward adjustments. But more importantly, he used his judgment, knowledge, and experience to distinguish between the higher value of retail space (\$110 PSF in 2023 and \$114 PSF in 2024) versus the lower value of the mezzanine and basement space (\$35 PSF and 2023 and \$36 PSF and 2024). (*Id.*). By doing so, Kenney accounted for the value of each area type and then aggregated those values to determine the building's total value. The court finds this more persuasive than Jenkins' across-the-board approach.

The court does not find Cronk's critique of Kenney's report persuasive. As Defendant correctly pointed out in detail in their post-trial brief / proposed findings, Cronk drew many of the

same conclusions as Kenney, e.g. that JCTC is the premier retail center in Iowa, is in very good condition, and in a good location and with no external obsolescence. Moreover, he conceded that Kenney's approach giving the most weight to the sales comparison approach in his reconciliation of values is appropriate and that Kenney generally used appropriate methodologies and techniques. Although he makes some valid points regarding imperfections in Kenney's reports, he did not show how or to what extent these would impact the valuation, and many of those criticisms apply equally or more to Jenkins report. For the foregoing reasons, the court assigns little weight to Cronk's review.

All the testifying experts are qualified, with significant experience in Iowa retail valuation. The evidence included detailed property descriptions, comparable data, and market context showing JCTC's strong occupancy and regional draw. Having considered the entirety of both expert reports as well as Cronk's appraisal review, the court finds Kenney's to be the most comprehensive, persuasive, and credible in light of its better accounting for basement and mezzanine space as well as location premium as reflected in the lower cap rate. Both parties included extensive detailed restatements of the respective reports and comps and their arguments pertaining to each particular in their proposed orders. While the court has fully considered these, it does not find it necessary to paraphrase or summarize every detail of every valuation comp, method and assumption made and make separate findings on each. The Court's role is not to write, in essence, its own third expert appraisal report, a task it is manifestly unqualified to do, but to make a finding as to which of the experts, in the totality, the court finds most credible. The court's credibility assessment is based on the totality of the record, i.e., the entirety of the reports and supporting appendices and other exhibits admitted, and the witnesses in court testimony. Based on that review, and for the reasons set forth herein, the court finds Kenney's report and testimony

more credible than those of Jenkins and Cronk.

Additional findings may be noted as they become relevant to the court's legal analysis below.

CONCLUSIONS OF LAW AND ANALYSIS

Under Iowa Code § 441.21(1)(a), all taxable property is valued at its actual value, defined as market value—the price a willing buyer would pay a willing seller in an arm's-length transaction. Assessments are presumed correct, but a taxpayer may protest excessive valuation under Iowa Code § 441.37. In such appeals, the taxpayer bears the initial burden to prove grounds by a preponderance of the evidence. If competent evidence shows market value differs from the assessor's, the burden shifts to the officials upholding the valuation, who must sustain it by a preponderance. *See La Posada Group LLC v. Pottawattamie County Bd. of Review*, 974 N.W.2d 169 (Table), 2021 WL 5913614, at *9 (Iowa Ct. App. 2021).

Both parties offered competent, USPAP-compliant expert evidence. Both appropriately relied primarily on comparative sales, as required by Iowa law, while appropriately supplementing with income and cost approaches. *See Iowa Code §441.21(1); Soifer v. Floyd County Bd. of Review*, 759 N.W.2d 775, 778-79 n.2, 782 (Iowa 2009). Using additional approaches to supplement the analysis do not violate the statutory requirement where, as here, it is part of a comprehensive process including comparable sales and provides helpful context and confirmation. *See MC Holdings, L.L.C. v. Board of Review of Davis County*, 829 N.W.2d 190 (Table), 2013 WL 530661 at *3 (Iowa Ct. App. 2013). Scheels' experts provided a conservative analysis highlighting functional obsolescence in atypical sub-areas, and market risks for mall anchors. While not completely unreasonable, the court concludes Jenkins is excessively conservative in over-emphasizing obsolescence while failing to fully account for the superior

location and actual use. Nevertheless, the court concludes that Scheels met their initial burden to show competent evidence that the market value differs from the assessor's.

The Board's expert (Kenney) offered a more comprehensive analysis with broader comparable pools, documented adjustments (including for present use), and industry benchmarks (e.g., ACLI cap rates). His emphasis on JCTC's premier location, full occupancy, and prototype comparability adds persuasiveness. While Scheels raised valid criticisms—such as potential inconsistencies in adjustments and limited direct support for sub-area rents—the overall methodology complies with appraisal standards and Iowa precedents allowing adjustments to reflect fee simple value. *See Walmart, Inc. v. Dallas Cnty. Bd. of Rev.*, 994 N.W.2d 474 (Table), 2023 WL 2670039, at *4 (Iowa Ct. App. 2023); *Hy-Vee v. Dallas County Bd. of Review*, 856 N.W.2d 383 (Table), 2014 WL 4937892, at *2 n.3, *5 (Iowa Ct. App. 2014).

The court finds both sets of experts credible and professional; however, Kenney's analysis is more persuasive in totality due to its breadth, reconciliation, and consistency with JCTC's market position and the Subject's going concern value. *See Soifer*, 759 N.W.2d at 788, 789 (assessor is entitled to consider use of property as a going concern and must consider conditions as they are; "it is this going-concern value that our statute seeks to capture in a comparable-sales analysis"). Scheels met its initial burden with competent evidence suggesting lower value. However, the Board sustained its burden by a preponderance through Kenney's report and testimony, demonstrating the assessments are not excessive.

In this case, the court need not determine an exact market value between the \$10,400,000 (2023) and \$10,100,000 (2024) appraised by Jenkins, and the \$16,200,000 (2023) and \$16,650,000 (2024) appraised by Kenney. It suffices that the evidence supports a finding of actual value at least equal to the assessed \$12,591,760 for both years. Although Iowa Code §

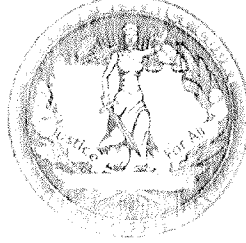
441.43 gives the court authority to “increase, decrease, or affirm the amount of the assessment appealed from,” precedent constrains that power in a taxpayer-initiated appeal, where the court may not increase the assessment above the prior assessed value. *See Central Life Assur. Soc. v. City of Des Moines*, 238 N.W.2d 535, 538 (Iowa 1931) (holding that “on appellee’s appeal from the board of review to the district court, that tribunal has no power or authority to increase the assessment”); *Excel Corp. v. Pottawattamie County Bd. of Review*, 492 N.W.2d 225, 230 (Iowa 1992) (Holding that the trial court properly refused to increase board’s assessment of taxpayer’s machinery and equipment, as board of review did not appeal). Moreover, the Defendant here asks only that the \$12,591,760 assessments be affirmed.

Here, the court has found Kenney to be the most credible of the experts in this case, meaning the court finds the true value of the Subject is closer to his appraisal than that of Jenkins. That is not to say that Kenney’s report was flawless, merely better, persuading the court that the value is something closer to his approximately sixteen-million-dollar appraisal than Jenkins’ approximately ten million. Therefore, Defendant has proved by a preponderance of the evidence, and the court hereby finds that the actual value of the Subject is at or above the assessed value of \$12,591,760 for both years at issue. Accordingly, the amounts assessed do not exceed the value authorized by law. The assessments must therefore be affirmed.

RULING

IT IS THEREFORE ORDERED that the 2023 and 2024 property tax assessments for the Subject property (Scheels) located at 101 Jordan Creek Pkwy #4000, West Des Moines, Dallas County, Iowa, in the amounts of \$12,591,760 for each year as of January 1, 2023 and January 1, 2024, are Affirmed.

IT IS FURTHER ORDERED that the costs of the action are taxed to Plaintiff.



State of Iowa Courts

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Type:

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OTHER ORDER

So Ordered

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