

**EQUALIZATION BOARD
DELAWARE COUNTY
P.O. BOX 309
JAY, OK. 74346
918-253-4520**

**DOUG SMITH, CHAIRMAN
STEVE ODLE, MEMBER
CHARLES MARTS, MEMBER**

Agenda was posted on May 15, 2025 at 11:00 am in the kiosk on the east courthouse lawn.

The Delaware County Equalization Board met in Regular Session on May 21, 2025 at 08:30 am, with the following members present: Doug Smith – Chairman, Steve Odle – Vice Chairman, Charles Marts – Member, Larena Ellis-Cook – County Assessor and Barbara Barnes-County Clerk. Doug Smith called the meeting to order and the following business was transacted.

A motion was made by Odle and seconded by Marts to approve the minutes of Regular Meeting held on May 14, 2025. All voted aye. Motion carried.

A motion was made by Marts and seconded by Odle to review receipt of any formal appeals received.

We had one. Midwest City Nursing Center, Inc. This was done over the phone. Doug Smith called Byron Burke, whom was the tax-payers Representative. The conversation went as follows, to the best of our ability.

Byron answers the phone and thanks the Board for allowing him to do the meeting over the phone.

Byron – this is kind of the same issue we had last year. This case is pending in the Court of Tax Review. We have a whole new year to look at, and the situation itself has not really improved. We are talking about a Commercial property that is still experiencing about a 60% vacancy. This kind of goes back to when Covid hit and the Nursing home industry changed drastically. And, not just in Delaware County. The main competition for a nursing home became a staying at home. People were passing away, and at the same time with inflation, costs have increased, occupancy has gone up, so in our opinion, it can't be what it was worth pre-covid. And, that's speaking strictly as an income approach.

Doug – right

Byron – we have a really rare fact here that we have a nursing home next door that did go out of business, and it did sell. And, that's what I asked the Clerk to bring you, and it shows that we had a property right next door that sold for less than half of what we were asking for. And, that's really the strongest piece of evidence that the value on this facility is excessive and that it exceeds fair market value.

It is interesting now that that property has been converted to efficiency apartments, and I'm not sure if you all are aware of that.

Doug – I didn't know that.

Byron – Yeah, so after the last time we met, I walked through it, the comparable sell next door, and it was totally gutted out and being converted to small apartments, in which it is now.

I'm not sure if it was open on January 1, 2025 or not, if it wasn't, then the Assessor's value shouldn't of changed, but the value remains at the same level for 25, as it did at the time the sale occurred.

The problem with that is, if that property was open on January 1 of 2025, and the Assessor didn't change the value, then they are really barred from changing it going forward. There is a Supreme Court case, Frankenberg vs Strickland, and it basically says that if the Assessor doesn't change the value from the presiding year that they are really barred from increasing it more than 5% going forward. So, I'm hoping that the building next door did have a certificate of occupancy on January 1, and is still subject to reassessment. But, it's a different view since it's not a nursing home, it's efficiency apartments. So, in some regards it's very similar, they just don't have to feed their tenants or give them medicine. And, I think my guy is like – that was a smart move to convert it. But it had to be at a tremendous expense to convert it from a nursing home to efficiency apartments. So, that's what we are asking the Board is to just recognize the fact that there is a loss of value, that it's indicated from the sale and it's indicated from income and that we would respectfully ask the Board to adjust the value to what we are requesting.

Doug – I have the Assessor here now, Larena.

Larena – Hello Byron, Unfortunately I do not have your Informal Protest paperwork in front of me. Can you remind me of what amount you are asking for?

Steve – So, what we currently have it assessed at is 4.4 million?

Larena – Correct

Larena – But, your informal protest you requested a valuation of \$895,000?

Byron – I think we had \$865,000.00 but, I believe that was a typo – I think I had just copied from the form from before. We looked at that again and decided that you had made a really excellent point about how much land we had.

Larena – Ok, so now you're asking for a reduction, instead of 865,000 to 2.4 million?

Byron – yes, that is correct. You made a very valuable point, that we had extra land. We have a nice building, but on that extra land, what I've learned is that we would have to go to great expense to put in a lift station. There is a lift station there for the nursing home, but it's at capacity with the use it receives and the rest of the land can't be developed in any way unless a lift station was installed and my client tells me that it's just not worth the cost to put it in.

So, we do have a lot of land. It makes for a beautiful park like setting for the nursing home, but it's just not as valuable as it could be otherwise. And, I looked around a little bit, and the land is kind of in line with what's around it. Which is important to us that we be taxed uniformly.

But I think we amended it when we went to State Board to 2.8 million Value.

Larena – Ok, I should have read this formal appeal closer. I had assumed that you were asking for the same reduction, down to less than a Million. Is Phoenix Healthcare in Grove still involved in this? Do you know?

Byron – asked Larena to repeat her question

Larena – repeated the question

Byron – stated that it was called Grove Nursing Center

Larena – I was wondering if the Buford's contract out to a company to run this facility?

Byron – I think the property is actually in receivership and that's the receiver. Because this group of homes is in Bankruptcy court.

Larena – The nursing homes in Bankruptcy court?

Byron – yes

Byron – and I think the Phoenix Health Care is the receiver that is managing the property for the parties. I believe my client had sold the property, then got it back.

Larena – well, I thought so too, like back in 2014, for 2 million something. But, when I look at the signatures on the Deed, they are from the same person. From a Buford. So, it looks like they just changed companies from one Incorporation to another. Because the same Buford signed for both companies.

Byron – Well, I can't speak for that, but I can certainly find out. I should have had Buford on the call with me.

Larena – And, do you happen to know, I'm not really familiar with Bankruptcy proceedings, do they declare valuation on their properties for bankruptcy?

Steve – Yes, they will

Byron – I don't know where valuation would come in, I guess unless the property was being appraised for sale. And, we did have that appraisal that came in very low.

Larena – all right

Byron – But, the guy that did the appraisal was one of the top appraisers in Oklahoma for nursing homes.

Larena – yeah

Byron – I've spoken with him and it makes a very convincing argument

Larena – Right.

Byron – but we felt like he was too low on his value.

Byron – let me amend my statement from earlier, but our request for this year was 2.4 million.

Larena – I also was curious, back in the old days, I took a Business Appraisal Course where you actually appraised the business and not the real property. And, I wondered if that appraisal was more related to the business model especially since the neighboring Nursing Home has gone out of business

Larena – Why are there so many vacancies at the Grove Nursing Center?

Byron – I think a lot of it is staffing. And people go into nursing homes for different reasons. Some for rehab. And, there are so many beds for rehab. And so many for long term care. When you go in this facility, there are whole wings that are vacant but they are still air conditioned/Heated.

Byron – but you go in there and there's not a person there. A lot of that is difficult. It's hard to find licensed staff to put in that facility at Grove.

Steve – so its 65% vacant? My wife's grandma is in there and I just haven't seen that. I've been in there.

Steve – When I asked a Health Care Professional in Grove, this was the place that they recommended. They said it was the best.

Larena – at Grove Nursing home?

Steve – That's correct, we had to wait to get her in there.

Larena – that's what I've heard too, that there was a waiting list.

Steve – so, I'm curious, since I haven't seen that vacancy yet, I would like to verify that vacancy and staff. I'm concerned because I haven't seen it, but maybe I haven't been down the right wing.

Larena – Right. Well, let me explain what we do. We value the land and do cost and depreciation on the building. It has about 50,000 square feet, plus a house on the property. We don't have the time or expertise to do an income approach.

Steve – I know you talked about an income approach, but what we are looking at is completely separate, correct? And the value of the one across the street was given as it was closed, correct?

Larena – yes. And their handyman had told me about all the plumbing that had busted because of no heat was left on. And that it was a bad situation at that place that had shut down

(inaudible)

Steve – but the price per square foot we are looking at was given as it was closed, right?

Larena – for the sale of the other property?

Steve – yes

Larena – We put it on as purchase price when it sold.

Steve – it's hard to compare because it wasn't in operation at that time, right?

Larena – Right, But then again, are we comparing the Building or the Business?

Doug – you don't assess anything on a business model.

Larena – not typically, no. Now, if we go on to the Board of Tax Review, then I will probably have to hire an outside Appraiser to do that.

Byron – that's one of the problems you run into. Is someone valuing McDonalds Restaurant. Are they valuing the building, or the operation of McDonalds? Those are 2 different levels of value for sure.

Byron – in the case of 2.4 million, the value we are asking for is right around 47\$ a square foot. The sale that occurred on the closed nursing home, and she's right, apparently there was some damage to that building, and that sale was at 35, so its at 10-11\$ a square foot lower than what we are asking on a square foot basis. So, it's a matter of economics and a matter of what the market is worth in Delaware County. As I talked to the Appraiser, we talked about Delaware County being kind of unique, that a lot of people come to live on the

lake. But then they get to a point 10-15 years after they move to the lake, they think it might be time to think about the next step of assisted living or into a nursing home. And, people don't stay in Delaware county to do that. If they came from St Louis or Wichita, they go back to St Louis or Wichita and move into assisted living to be closer to their families. So, this facility may just be super adequate for Delaware County, but the demand just isn't there to keep it full on a regular basis and that's why our average occupancy is at 40%.

Byron – So, it's tough, but that's what the records show. I will have to find out about why someone would be turned away from the facility. If they had to add staff, it may not be feasible economically. The requirements of beds to licensed personnel are a tricky balance. So, I would have to say that's what we are looking at. Not that they are full, because they aren't. You walk through there and a lot of the rooms are only partially furnished. We can arrange a tour, if that's something you would like to do, but there are 2 wings of that the building that are vacant.

Steve – Larena, now that you know his asking is 2.4 million divided by the square foot of 49,903 is \$48.09 per square foot, what's your feeling on that?

Larena – what I would have to do to make a determination on that is to look at other nursing homes, not in Delaware County and see what they have sold for.

Larena – I know it would be difficult to determine, but I talked to another Tax Rep

(inaudible)

Steve – would it be fair to table this until you have time to look into it?

Larena – they have offered us a tour, multiple times

Steve – I am familiar with the facility. I don't feel like another tour would help me establish that value much. To be honest with you. I think knowing your information and on other nursing homes would probably help me more than anything to be honest.

Doug – Mr. Burke, did you understand what was said?

Mr. Burke then stated that he could not hear Larenas last few comments, so Doug stated to Mr. Burke that we are tabling this and that Larena is going to look at a couple other Nursing Homes and do some more research on this.

Byron – that's fair.

Doug – Does this sound fair to you?

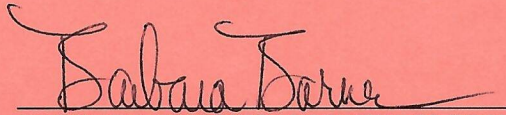
Byron – Yes, that sounds like a great idea.

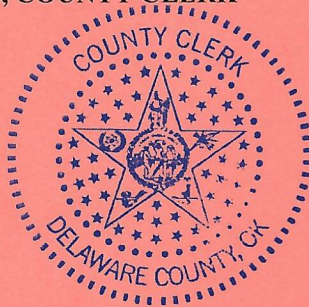
Doug – ok, so its going to be tabled.

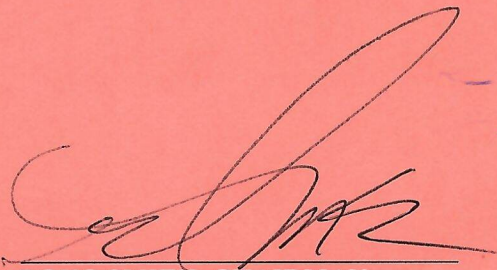
Steve Odle then made a motion to table this Agenda item #2, and Charles Marts seconded the motion. All voted aye. Motion carried.

A motion for Citizens Participation/Comments was not needed.

A motion was made by Marts and seconded by Odle to adjourn the meeting at 09:07 am. All voted aye.
Motion carried.


BARBARA BARNES, COUNTY CLERK
(SEAL)




DOUG SMITH, CHAIRMAN


STEVE ODLE, MEMBER

CHARLES MARTS, MEMBER