

**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 28, 2024 at 8:30 am in the kiosk on the east courthouse lawn.**

**The Delaware County Equalization Board met in Regular Session on May 31, 2024 at 10:00 a.m. with the following members present: Doug Smith - Chairman, Charles Marts – Member, Larena Ellis-Cook – County Assessor and Barbara Barnes-County Clerk. Steve Odle was absent. Doug Smith called the meeting to order and the following business was transacted.**

**A motion was made by Marts and seconded by Smith to approve the minutes of Regular Meeting held on May 15, 2024. All voted aye. Motion carried.**

**A motion was made by Marts and seconded by Smith to review receipt of any formal appeals received. All voted aye. Motion carried.**

**Byron Burke attended the meeting as the Representative for Stephen R Buford, Midwest Land and Investment Company/Grove Healthcare Center and Security Investments, LLC. These are the notes of the conversation from the recording taken during the meeting, as closely as possible:**

**DS - Mr. Burke, you are up.**

**BB - first one is Security Investments. The home is located in Cherokee Yacht Club.**

**DS – I am very familiar with it.**

**BB - the owner purchased from a friend that was upside down on the house. He was helping her out. The house has a lot of damage and has sat for a long time. The Assessor and I discussed the property and my concern is the land value. In our discussions, the system you use has some limitations. The Assessor made an adjustment from 396,000 to 295,000. We are asking for 175 for the lot.**

**DS – you’re showing the valuations of pieces of property around you, correct?**

**BB – so what we have now is a value of 296,250, and the value of the other lots were substantially lower than our lots. Vacant lots near us are around 132.**

**DS – are those water front?**

**BB – no they are not. They are just vacant lots and that’s kind of what we are, so this is just simply a matter of we ought to be equalized.**

**DS – have you recently purchased this?**

**BB – no sir. Several years ago, he bought it in 2017.**



DS – this lot with a house for 390. I have seen this house.

BB – like I said the lady worked for him for a long time, she lost her husband. He was just helping her out. I don't know if that was a reflection of fair market value, but that is what he paid for it.

DS – ok.

BB – then he started working on the house and found that there was a lot of damage in the house. It was just beyond anything that he had feared. So now it's just sat there for a couple of years. Unfinished. So, what we're asking really, is that 1-1-2024 we have a house in really poor condition and a lot, and we would like for it to be valued similar to other vacant lots that we have found around there. One last property. There is a property owned by TLN, and their property includes 2 lots and a home, a usable home, and the total value of that is the same as our lot. So, we have an equalization issue out here that needs to be addressed. And, once my clients able to finish the home, he will be more than happy to pay the tax based on the usable structure. But as it sits right now, as a piece of vacant ground that's unused, we would just like to be valued in line with the other vacant lots out there. And that's about all I have.

DS – does anyone have any questions? I am familiar with the property.

LEC – they paid 398 for that in 2017. And then in the last 3 years we had vacant lots in the area. He mentioned the lot values on the property on the north and the south, and this property that sold in 2009, on the south sold for 380,000. And now we have it for 480. What we do is, when we are in the neighborhood and we have some sales, first we cost everything out, and when stuff sells, and we are up here or down here, we adjust up to market or down to market, and we use that same multiplier on all the other properties in the neighborhood to bring them up to what we think is the correct amount fair market value. And, there's several methods to do that, the simplest method to do that, to take the least amount of time, is just using the multiplier and unfortunately in our software it only applies to the improvement and not to the land, but our total is correct. So, as you can tell, we had this house valued at 300,000 and the lot valued at 125,000, but as you can see it's obviously not a 300,000-dollar house. The value is in the land. In the perfect world we would just go back and make the multiplier apply evenly to the land and the house. But it's just a simpler process to apply to the old account and the limitation of the software only allows it to be applied to the improvement. Now, this property (another example) just sold in January and it looks like a 13 wide singlewide with a window unit that sold next door to it for 580,000. So obviously the value is in the land not in the house.

DS – yeah, as it is around this lake everywhere.

LEC – we had it at 396, like I said they paid 390 in 2017, and our field appraisers went back out there and they agreed that the structure is probably not worth anything. And we took off 100,000 for that. It's now 296 and I think that's fair. I think it's more than fair. And this off water lot sold for 300 something thousand. 340 in 2022. And this one, 2 doors north sold for 1.2 million, but of course that's a new house. But it's just a really nice water front neighborhood. I'm not familiar with some of the vacant lots near this. But the Board does not have the authority to raise appraisals on other properties.

DS – at this point, it appears that we have done our due diligence here, you went back out there right?

LEC – yes, we did and re-adjusted.

DS – and took a hundred grand off right? Well to tell you the truth Mr. Burke it kind of sounds fair to me with these lots.

BB – from (inaudible) standpoint I couldn't agree more, but from an equity standpoint, I disagree.



DS – I understand – we have to look at the sales of the properties. At this point I don't see how the Board can adjust, I feel like she took off 100,000 and I think that's pretty fair.

BB –(inaudible)

DS – I understand 100% but we are limited on what we can do here and I think she has done a fair thing on this one to tell you the truth

DS – are you ready to go to the second one?

BB – are you finished with this one?

DS – I think so, we are just going to stay where you're at and of course you have the right to appeal this. We are going with current retained.

BB – this is the same owner – I want to start this one with talking a little about the industry. I want to talk a little about the Nursing Home Industry in the state of Oklahoma, particularly in Delaware County. This particular facility in 2019, pre-Covid, had an income of 629,000 dollars. Then in 2020 the loss was higher than around 1 million dollars. This place hasn't recovered. Think of the price of inflation, the cost of food, utilities, everything has gone up and at the same time Medicaid has been cut and this is mostly Medicaid so income has been restricted and expenses are going up and that affects value, so in this case in 2020 they lost 998,000, and in 2021 they actually made 357,000 but that's because of PPP. In 2022, the loss was 175,000, in 2023 the loss was 1.5 million. So, the question I ask is where do you pay for something that's losing 1.5 million a year. And you got to realize there's a loss of value here. We had an Appraiser out here and the Appraiser pointed out several sales that had incurred, we are talking about nursing homes, one next door, Autumn Place. It apparently shut down for some time. Our value was, adjusted value at this point was about 82\$ a square foot, but the one that sold next door was 32. At this point we are one third occupied. The Appraiser was an expert in Nursing Homes. Oklahoma is a certificate of needs state. So, to build a nursing home, you have to prove a need for the nursing home. Most of the people that live here are not from here, so they go back to Wichita or to St Louis when they need a nursing home, so the demographics lie. So, using that alone you don't have the demand here that they originally thought they had. So, we have a serious problem here. This type of facility is almost all Medicaid and now Medicaid is being cut.

DS – I know how much it costs to go to a nursing home; I had to put my dad in there.

BB – yes, so we have all experienced that.

DS – I'm trying to think where this is.

Larena explains where its located.

DS – ok, I know where it is

BB – we have a serious issue.

LEC – so we started out at 6.3 million, we just use cost, we don't have any kind of business figures. There's also a 1500 sq ft home – originally when Mr. Burke sent in the informal protest, we hadn't increased yet. He submitted an Appraisal but the valuation was only 800 and something thousand, 865. So, when I looked at them when we did roll our values and send the notices it was at 6.3 million, we were just so far apart I couldn't even see the point of discussion. When I read the Appraisal, I did tell him about the property. It is 20 acres. And, right across the road this 4.2 acres sold for 255,000. So, I was saying that 800 and something wouldn't even cover the land. So that's where we kind of stalled out before. I called Homes by Herb to talk



to them about his purchase of the Autumn House which is next door. It's obviously a little fancier. Herb said that he bought it at an auction and the people that had it left the utilities all on except the electric and all of the pipes froze and busted and it was a total gut, in fact, he has owned it about a year and he is still working on it. His plan is to make it into apartments for 55 and older.

DS – so what we are talking about is that there's a lot of land here right?

LEC – there is 20 acres, a house, and a nursing home. Was the appraisal 865?

BB – I think he was appraising more of the operation of the nursing home.

LEC – I felt like that too that he was appraising the business. But we did go back and review it and made adjustments. It was 4.7 last year and then it went to 6.3 and we adjusted it to 4.2.

DS – so the 4.5 acres nearby sold for?

LEC – for 255,000 in 2022. Things have changed since 2022.

DS – that's true, things are changing dramatically.

LEC – I don't have an argument against his income.

DS – so per that 4.2, how much is that per acre.

LEC – 60,000 an acre.

DS – it appears to me that even with no improvements.

(inaudible)

CM – and a 600-foot garage? It said something about 600 feet.

BB – it's not used as a residence. It's used for when Therapists come to stay for extended times. It's not a year-round residence.

BB – can I say one more thing, the property that sold for 255,000, in 2022, the taxable value was 54,000. And I think if you take the use of that land and compare to our excess land, it's all the same. Even though it's on the same parcel as the nursing home. That's what has happened here is the land value. It looks just like the extra land that is on our parcel.

LEC – I don't have an explanation for that.

DS – they are building houses on every piece of property they can find at this point so the values are unpredictable.

BB – part of the reason he can't work on the other property.

DS – I know you can't afford to not make any money but of course that's not our business. Sounds like he paid too much for it for one.

BB – it was a friend, a lady that worked for him for years that lost her husband.

DS – what year did he buy it?



BB – 5 or 6 years ago.

DS – so before Covid?

BB – covid caused a loss of value.

DS – at this point, Charles do you have anything?

CM – no, that's a pretty big reduction.

DS – yes, it is.

CM – you are more familiar with this stuff than I am, with what you do.

DS – it appears that Larena went through every possible avenue you have here to evaluate this one, so at this point as much as I understand your argument, I 100% understand your argument and I have heard the argument before at different facilities, it's just really hard for us to change valuations on that so I'm going to...

BB – before you make your decision, may I say one more thing?

DS – sure.

BB – I'm having a hard time understanding why it can't be recognized that there's a loss of value, but I do appreciate your time but there's an awful lot showing here that the value is gone. I know my client is at a point now of taking it to the next level.


DS – of course – I understand, and think that's what you need to do. I understand.

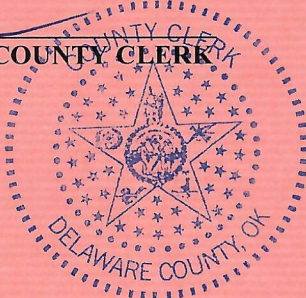
BB – thank you, I appreciate it.

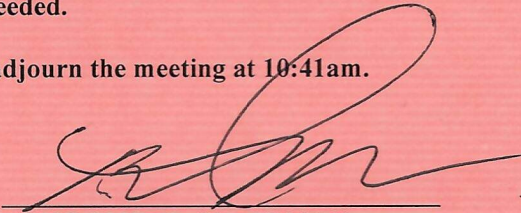
DS – I am going to say to leave the value the same at this time and I would recommend you go to a higher level. It's going to take more work on this from you and the Assessor to get to where you need to be on this. I just don't feel comfortable at this point reducing it, so we are leaving it the same, at this point, but I do appreciate you coming in and I hope it works out.

A motion for Citizens Participation/Comments was not needed.

A motion was made by Marts and seconded by Smith to adjourn the meeting at 10:41am.

  
BARBARA BARNES, COUNTY CLERK  
(SEAL)



  
DOUG SMITH, CHAIRMAN

  
STEVE ODLE, MEMBER

CHARLES MARTS, MEMBER