

**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 27, 2025 at 08:00 am in the kiosk on the east courthouse lawn.

The Delaware County Equalization Board met in Regular Session on May 30, 2025 at 09:10 am, with the following members present: Doug Smith – Chairman, Steve Odle – Vice Chairman, Barbara Barnes-County Clerk. Vince Goins – County Assessor’s First Deputy. Larena Ellis-Cook – County Assessor, joined in on phone, and Charles Marts – Member was absent. Doug Smith called the meeting to order and the following business was transacted.

A motion was made by Odle and seconded by Smith to approve the minutes of Regular Meeting held on May 21, 2025. All voted aye. Motion carried.

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

We had two. The first one was Midwest City Nursing Center, Inc. Protest # 24-25/01. 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.

Bryon answers the phone and thanks the Board for allowing him to do the meeting over the phone. He also lets the Board know that there are two others with him, in on the call, Stephen Buford, the property owner, and Cathy Young, the Administrator for a couple of Nursing Homes that Stephen Buford owns.

Byron – asked for someone to repeat the conversation from the previous meeting as to why someone was turned away from the facility.

Larena – stated that it was her neighbor’s father. She said she spoke with him and asked again and was told 3 reasons.

1. The facility had no memory care center
2. The facility didn’t accept Humana at the time.
3. They were finally placed in there and didn’t like it, so the family moved them out.

Byron – That makes more sense. Cathy or Stephen, would you like to address that?

Cathy – (apologized for how things went) and went on to say that they don’t have a Memory Care Center there. She also stated that sometimes issues could be Insurance related, but there’s always an option to pay privately. Covid did affect everything. Services at home are where they would like to be. And with things available like telehealth and etc., I feel like that’s why we are only at a 30-40% occupancy. The market has changed and hospital stays are shorter.

Larena – thank you. What was your occupancy prior to Covid?

Cathy – I would have to get numbers to know exactly. The license is for 133 and we have 49. The average stay is 16 days.

Larena – what about an estimate?

Cathy – maybe ball-parking, 60 Residents over there. Or around that. 60-80 Residents, not percentage.

Byron – Delaware County is a saturated market. Could you touch on that?

Cathy – yes, Delaware County is a saturated market.

Larena – thank you Cathy.

Byron – our point is, it's a reflection of the market itself. We feel like where we are today, a valuation reduction is really in order.

Doug – Larena, you used a cost approach to value this property?

Larena – correct.

Doug – and the reason was?

Larena - Well, we didn't have any comparable sales besides the one dilapidated assistant living place that went out of business and then had all the remodeling done and so we typically don't go outside of Delaware county for comps, but I did when you requested that.

Doug – yes, and what did you find out on that?

Larena – I sent a list of Comps and made notes in the letter I wrote, let me go back to it. I had a Tax Rep search sales for me within 200 miles of Delaware County, for the past 2 years, which included medical facilities, hospitals, surgery centers and etc. The closest one I found was in Charleston, Arkansas. Its smaller square footage, but it does have 12 acres. The Grove nursing center has 20 acres. It sold in January of 2025 for \$12,250,000.00. \$315.00 a square foot, so if I used that on the Grove Nursing Center, it would be about a \$15 million valuation. We basically look at that building as being expensive to build. The way its constructed. It's expensive to construct, and the property is expensive in Grove. There was a carwash in Grove that sold last year for \$775,000.00, and they put another \$50,000.00 or so with it to finish up, I know the nursing home is not on main street. But I think we are way undervalued on the land. The building, I don't know. We just use the cost estimating tables like we do on all other properties that haven't sold.

Buford – that land, the excess land, basically has no sewer. If the building went to capacity, there wouldn't be available sewer.

Doug – Mr. Buford, when did you purchase the Nursing Center?

Buford – We built it in the early 90's. You have to have a Certificate of Needs to build a Nursing Facility. And you have to have permission to own one and operate. When it was built and opened, it filled to approximately 80 Residents in need.

Cathy – we are partnering with an accountable care origination to get people back to being able to live at home. Assisted Living and Nursing Home Buildings are mostly the same. The only difference is the Licenses on the building, and the staff.

Larena – Have you had the property for sale?

Buford – no.

Larena – If you did, what would you ask for it? For the land and the building?

Buford – we have the building valued internally at \$865,000.00

Larena – you have it valued where?

Buford – internally.

Steve Odle – on a balance sheet.

Larena – So, that's its depreciated value at this time?

Buford – That doesn't have anything to do with costs. It would cost more to build it, but a buyer wants to know, if I lay this money down, what am I getting in return, and there's currently negative returns.

Steve Odle – Was the property tied up in a bankruptcy proceeding?

Buford – The property is currently in receivership.

Steve Odle – Was there any valuations or appraisals done at that time?

Buford – no.

Steve Odle – no-one did any evaluations on it? No one appraised it?

Buford – no

Larena – at this time, I feel I have nothing else to contribute to the conversation. Larena excused herself from the call.

Byron – One last point I would like to add. Cost is going to give you the highest possible number when you talk about construction. Cost is just not the way to look at this thing.

Steve Odle – It's hard to compare the near property, because its dilapidated and closed.

Byron – It was a totally renovated property.

Steve Odle – And it hasn't been re-assessed. We have to make sure. Everyone has to pay taxes. The only evidence we have show's that its undertaxed.

At this time Doug Smith made a Motion to keep the value as-is and not make any adjustments. Steve Odle seconded the Motion. All voted aye. Motion carried.

Our second Protest was Season's Leisure Pool Patio – Walgreens. Protest # 24-25/02. This was done over the phone. Doug Smith called Jay Dobson, whom was the tax-payers Representative. The conversation went as follows, to the best of our ability. Doug Smith calls Jay Dobson and then introduces himself and Steve Odle to Jay and tells him that he can start.

Jay – I will make this as concise as I can. Walgreens and CVS are Business Models that sign a long-term lease. The Lease in Grove is 75 years. That is never a guarantee for 75 years, they are based off several factors, and rental rates are structured so it's essentially a cost recovery plus usually a percentage of the sales of the business. It's not a market rate, so if this property were to be rented at market rates, the value would be significantly less. The contract is intangible personal property, so when it sells of course the real property sells, but the reason why the buyer is purchasing the property is not necessarily to own the real property, but to get the long-term lease and that's the intangible part. And, so the only way I know to separate that intangible aspect out which is exempt from property tax is to value the property as if it were being leased at Market Rates. From the information we have now, Walgreens is closing locations, and they are putting them out in the Market to Lease. I've laid out 3 CVS's and 3 Walgreen's, I think the majority of them are in Tulsa, I think one is in OK City, and one is in Sapulpa. I used those comparables, for the one in Grove at 12,13,14\$ a foot, so I feel like it's about a 2-million-dollar property. The one on East 71<sup>st</sup> street in Tulsa is advertised lease at 15.50 a foot. It's not on my spreadsheet. The one in Bixby is almost the same as Grove in size and age and is valued at 3 million. If I use the 15.50 rental rate and I use the 8.5 cap I used, it puts the Grove Walgreens value somewhere around 2.5 million.

Steve Odle – so why do they use a leased amount instead of a sale?

Jay – because the sale includes the value of that long term contract which is intangible personal property which is exempt from taxation. It is an issue that's been going on a number of years. Larena and I have discussed it over the last couple of years.

Steve Odle – I guess that intangible part is the hard part that I'm dealing with there, because I look at the same thing with the dollar general, like if that building is going to sell for a VA Clinic or whatever the case may be, has the value, because the lease is going to come with it.

Jay – that's absolutely right, so its like how do you separate what's intangible and what's exempt from what the real property is.

Doug Smith – in 2015 that sold for 5.1 million, so that included the intangible?

Jay – Absolutely, I doubt the buyer even went to look at it, just looked at the Lease.

Steve Odle – is the Lease considered intangible?

Jay – it is a Contract. You would only do it for buildings that are leased at above market. If the lease is at market rates, then that's a representation of market rates then you can use it. That's only if its above market rates, and this one is.

Doug Smith – we have others that haven't come to us in this situation, but we know they are in the same situation.

Jay – I don't expect anyone to accept what I'm saying.

Doug Smith then calls Larena.

Doug Smith – we now have both of you on the phone, you had a conversation about intangibles. Correct?

Larena – yes

Steve Odle– with the contract being the intangible portion of this value?

Larena – That’s the assumption and I disagree.

Doug Smith – how do we disagree?

Larena – I believe There’s value on both sides of that lease. Its valuable to Walgreens the business and the property owner. If the value of the Lease had been claimed by Walgreens, the owner of the Business, then there is a form they can fill out to ask that that value be exempt as an intangible. Instead, they are asking that the bundle of rights that go with the real property, which is the right to occupy or not occupy, or lease or accept the rents from, the Attorney believes that is an intangible, and that excess income over what they call market rent should be excluded from taxation. Based on a case for tax credit. On a wind farm I think, and another case, that went through the court, I don’t think those are relatable. I think its something that the court will need to decide. I wish it wasn’t me that they would try it on but I just don’t believe that the courts were clear in that case, and I have a lot of documentation there’s a lot of opinions on both sides, I will just say that.

Jay – I don’t disagree with anything she said,


Larena – Larena starts explaining how she has to estimate the value and then the call dropped with Mr. Dobson. Doug and Steve thanked Larena for her input.

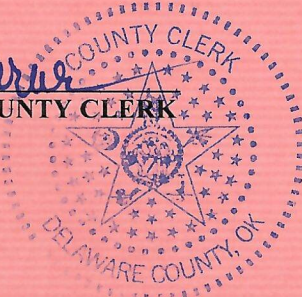
At this time, Steve Odle made a motion to keep the value as-is and not make any adjustments. Doug Smith seconds the motion. All voted aye. Motion carries.

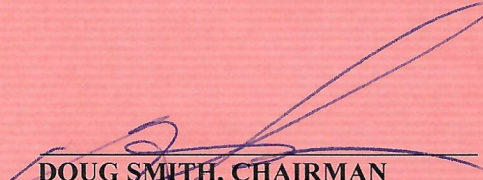
Then, at this time Jay calls us back and Doug lets him know that the Board made the decision to keep the value the same. Jay thanks the Board for their time.


A motion for Citizens Participation/Comments was not needed.

A motion was made by Doug Smith and seconded by Steve Odle to adjourn the meeting at 10:10 am. All voted aye. Motion carried.

  
BARBARA BARNES, COUNTY CLERK  
(SEAL)



  
DOUG SMITH, CHAIRMAN

  
STEVE ODLE, MEMBER