

# EQUALIZATION BOARD OF CLEVELAND COUNTY

## MINUTES

July 14, 2017

The scheduled special meeting of the Cleveland County Equalization Board was called to order this 14th day of July 2017 at 10:00 a.m., in the conference room of the Cleveland County Office Building by Chairman Waldo Blanton. Linda Atkins, Deputy County Clerk/Secretary, called roll and those present were:

Waldo Blanton, Chairman  
Larry Heikkila, Vice-Chairman  
Charles Thompson, Vice-Chairman  
Linda Atkins, Secretary

Tammy Belinson, County Clerk, was absent.

Others present were: Assistant District Attorney Heather Darby, Doug Warr, Jerry Wisdom, Mary Anne Kennedy, Russell Chronister, Mike Weddle, Justin Baker, Aaron Jaqua, Alex Pace, Rod Cleveland and Larry Backus.

After the reading of the minutes of the Special Meeting of June 29, 2017 and there being no additions or corrections, Charles Thompson moved that the minutes be **approved**. Waldo Blanton seconded the motion.

The vote was: Waldo Blanton, yes; Larry Heikkila, yes; Charles Thompson, yes.  
Motion carried.

### A. Items of Business:

1. Chairman Blanton called for **discussion and/or action** on the following Letters of Protest:

Aaron Jaqua, Tax Agent, appearing for Baker Energy Solutions, begin his presentation on the following:

- a. Baker Energy Solutions, LLC, Justin Baker, Protested Property Address: 11500 S Meridian, Oklahoma City, OK 73173, Mailing Address: 11500 S Meridian, Oklahoma City, OK 73173, for #P0173123, OCC2: Aaron Jaqua, CPA, Tax Manager, 2402 Westport Drive, Norman, OK 73069.

Aaron Jaqua said Mr. Justin Baker is in attendance with him today and said he has a time-line sheet to walk the Board through the process of events through the

years. (A copy is attached and made a part of these minutes.) Aaron said that they are penalizing Mr. Baker for property that he does not own.

Jerry Wisdom from TASC represented Cleveland County in this matter. Mr. Wisdom said that Mr. Baker did not appear at the meeting last year for the final summarization of what they had found and made photographs of to present to the Board. He said that this year Mr. Baker sent a rendition that they deleted the security system, the Dell Computers, the MAC Computers, the generator, the shop fan, and the fork lift, all of which is still there. He said that Baker merely said they deleted them. Mr. Wisdom said there is value on these items and are assets.

Chairman Blanton said there is obviously a difference in opinion on value. He recommended that Mr. Baker and Jerry Wisdom get together to go over the assets once more. County Assessor Doug Warr said that they will go to the site to verify what is there and what isn't there. Therefore, Charles Thompson moved, seconded by Waldo Blanton, to **table** until a later date for further review.

The vote was: Waldo Blanton, yes; Larry Heikkila, yes; Charles Thompson, yes. Motion carried.

Chairman Blanton called for **discussion and/or action** on the following:

- b. Alex Pace, Campus Crest at Norman, LLC, 14850 Quorum Dr. Suite 300, Dallas, TX 75254, Protested Property Address: 3201 13<sup>th</sup> Place, Norman, OK 73072, NC29, #R0166075.

Alex Pace, Tax Agent representing Campus Crest at Norman, LLC, said that this is student housing and the owner's opinion of value is \$12,211,410. In his workup he took their potential gross minus their loss to lease, added in the other income to get an economic income of \$2,866,908.00. He said that for them to stabilize they need 85% occupancy. Marketing expenses in 2016 was \$512,436.00 and he used 7% of the income to get to marketing. It gets it close to what the real marketing was in 2015. The performa was \$719,111.00 in 2017; in 2016 it was \$63,793.00. So that shows that the property is not doing very well. I added back in the taxes and used a 6.75% cap rate, plus the tax rate for an effective cap rate of 8.20% to account for the taxes to get the \$12,576,910.00 and it is \$365,500.00 more in lease up because it is not stabilized to get to that \$12,211,410.00. On the following pages the Board will see his supporting evidence. He provided two years of income and expenses and rent-roll. He returned to explain the high cost marketing for \$512,436.00. He learned that it mainly went to buy gift cards offered for leasing incentives, because it is very difficult to get students into this property. This year they are 76% occupied. Last year it was around 56% occupied, but one can see the cost it took to get the occupancy up and stabilized. The competition is great with new property being built for the students.

Deputy County Assessor Mike Weddle said that they placed it on the tax rolls originally for \$22,571,674 and was steadily adjusted. They are after what is market value. Adjustments lowered it to \$19,962,124.00 and now lowered even

more to \$19,192,320.00, market value. From the equity standpoint, it is not that high from the others. Mr. Weddle said that they are after market value and being equal.

Charles Thompson moved that due to the problems Campus Crest is having with this property and based on their assessed value of \$12,211,410.00 to lower from \$19,192,320.00 to \$15,000,000.00. Larry Heikkila seconded the motion.

The vote was: Waldo Blanton, yes; Larry Heikkila, yes; Charles Thompson, yes. Motion carried.

Chairman Blanton called for **discussion and/or action** on the following:

- c. Alex Pace, Westwood Park, LLC, 14850 Quorum Dr. Suite 300, Dallas, TX 75254, Protested Property Address: 1836 W Robinson St, Norman, OK 73069, NC29, #R0051246.

Alex Pace said their valuation analysis contends that the fair market value is \$9,660,000.00. It is currently assessed for \$11,011,695.00. In 1971 they built the Westwood Park Apartments consisting of 257 units. Alex presented four other properties in the area to use as a comparable. The number of units in each comp averaged \$37,587.51, which would support their fair market value of \$9.6 million. He presented a copy of the rent-rolls that shows an increase in vacancy over the years due to the economy.

Mike Weddle said that in 2014 to 2015 the fair market value increased from \$7,632,900.00 to \$12,504,478.00, because the property sold August 26, 2014 for approximately \$16 million dollars. He said that they took out a mortgage on the property for \$12 million dollars in 2016. Mike said there is some sort of appraisal to back up that value, no lender loans money without some evidence of value. County Assessor Doug Warr affirmed Mr. Weddle's comments that the \$11 million dollars is a fair market value.

Larry Backus, an associate of Alex Pace, said for years he has represented his client BRS Trust, based out of Little Rock, Arkansas. In 2014 oil was \$100.00 a barrel, now it is down as low as \$37.00 a barrel. His client is struggling; they are trying everything they can to fix the place up, but it is a lot of lipstick; maintenance. They are doing everything to keep the tenants because if a tenant is lost it costs a lot of money to turn a unit. Oil prices are coming back and there is sunlight at the end of the tunnel based on sales for vintage property such as this and how it is performing. Mr. Backus said that Mr. Pace's recommendation of \$9.6 to \$9.8 is fair.

Charles Thompson asked, "Would you settle for \$10.0 million?"

Alex Pace said that \$10.0 million is close, but \$9.8 million would be a fair compromise.

Mike Weddle said that it is up to the Board to decide what they want to do.

After a brief discussion, Charles Thompson moved to lower from \$11,011,695.00 to \$10,000,000.00 for Westwood Park, LLC, 1836 W Robinson St, Norman, OK 73069, NC29, #R0051246.

Larry Heikkila seconded the motion.

The vote was: Waldo Blanton, yes; Larry Heikkila, yes; Charles Thompson, yes. Motion carried.

Chairman Blanton called for **discussion and/or action** on the following:

d. David W. Little, 5420 36<sup>th</sup> Ave NW, Norman, OK 73072, NC29, #R0174021.

County Assessor Doug Warr said that he met Mr. Little on Thursday, July 13, 2017 and they came to an agreement. He said Mr. Little is recommending to the Board to strike his protest from the agenda. Mr. Warr said that he made some adjustments which met with Mr. Little's approval.

Waldo Blanton moved to **strike** this item from the agenda. Larry Heikkila seconded the motion.

The vote was: Waldo Blanton, yes; Larry Heikkila, yes; Charles Thompson, yes. Motion carried.

**B. No Board Members discussions regarding County Business.**

**C. No comments from the public were made at this time.**

D. There being no further business to come before the Board, Waldo Blanton moved that the meeting be **adjourned** at 11:17 am. Charles Thompson seconded the motion. The vote was: Waldo Blanton, yes; Larry Heikkila, yes; Charles Thompson, yes. Motion carried.

(Clerk's Note: Agenda was posted July 7, 2017 at 10:51 AM.)

**CLEVELAND COUNTY EXCISE BOARD  
CLEVELAND COUNTY, OKLAHOMA**

*Waldo Blanton*

Waldo Blanton, Chairman

ATTEST:

*Tammy Belinson*

Tammy Belinson, County Clerk and Secretary to the Board



Minutes Prepared by: *Linda Atkins*  
Deputy County Clerk

