



EQUALIZATION BOARD OF CLEVELAND COUNTY

MINUTES

THURSDAY, JULY 30, 2020

This Special meeting was held in accordance with 25 O.S. §306 © (Signed and enacted March 18, 2020). The meeting took place in the Commissioners Meeting Room 200 and through teleconference. The public, who are observing social distancing dialed (346)248-7799: the meeting ID is 874 5015 4376 or at 238062 for video. Public was made by calling ahead at (405) 366-0200 to be added to the list.

<https://us02web.zoom.us/j/87450154376>

The scheduled **special** meeting of the Cleveland County Equalization Board was called to order this 30th day of July 2020 at 10:30 a.m., in the conference room 200 of the Cleveland County Office Building by Chairman Larry Heikkila. Linda Atkins, Deputy County Clerk/Secretary, called roll and those present were:

Larry Heikkila, Chairman
Sid Porter, Vice-Chairman
Rick Atkins, Member
Linda Atkins, Secretary

Others Present were: Assistant District Attorney Carol Dillingham, Douglas Warr, Russell Chronister, LaQuetta McGaha, John Roberts, and Tracy Gainey.

After the reading of the minutes of the Special Meeting of July 23, 2020, and there being no additions or corrections, Larry Heikkila moved to **approve** the minutes. Rick Atkins seconded the motion.

The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes.
Motion carried.

A. **Items of Business:**

1. **Discussion, Consideration, and/or Action** on the following Letters of Protest:

Mr. Duggan presented the following information for the Protested Property as follows:

a. **Owner's Name:** Charles Duggan, Agent: ACC OP (Brooks St) LLC;
P.O. Box 530292, Mountain Brook, AL 35253.

Protested Property Address: 333 E Brooks Street, Norman, OK

Account #: 176247

Email Address: cd@campusapt.net **Telephone:** 205-592-2122

He said that the Callaway House Apartment is appraised double as compared to other properties.

2019 Comp Study
Norman, OK

Comparison of Tax Values:

Address	Parcel #	19 Tax Value	18 Tax Value	Campus	Yr Built	# Beds	Units	Rent/Bed	Dec 2018			
									Annual GPI	Val/GPI	Val/Bed	
2900 Student Ats	2900 Oak Tree Ave	R0093014	7,989,878	7,989,878	0.35	1999	516	156	383	2,371,536	3.37	15,484
Commons on Oak Tree	1111 Oak Tree Ave	R0047464	17,000,000	12,800,000	0.35	1995	780	254	402	3,762,720	4.52	21,795
State on Campus	730 Stinson St	R0138821	17,416,830	17,416,830	0.30	2006	612	204	527	3,870,288	4.50	28,459
Crimson Park	2657 Classen Blvd	R0142878	23,809,420	23,809,420	0.45	2005	792	268	509	4,837,536	4.92	30,052
Aspen Heights Norman	2601 S Classen Blvd	R0169483	23,733,391	23,733,391	0.55	2015	684	194	562	4,612,896	5.15	34,698
The Avenue PH 1 & 2	3301 12 Ave SE	R0169926	29,635,200	31,316,267	0.61	2014	895	314	522	5,606,280	5.29	33,112
Campus Lodge	1800 Beaumont Dr	R0148957	19,401,920	19,401,920	1.23	2004	768	192	379	3,492,864	5.55	25,263
The Cottages of Norman	1601 Elmhoff Rd	R0164064	25,413,756	25,413,756	0.74	2008	644	174	537	4,149,936	6.12	39,462
Varsity House (Scion)	3201 13th Pl	R0166075	17,342,775	17,342,775	0.57	2013	600	224	438	3,153,600	5.50	28,905
The Millennium	900 E Lindsey St	R0172018	25,315,000	25,315,000	0.35	2015	698	196	494	4,137,744	6.12	36,268
The VUE												
										Avg.:	5.10	29,351
Callaway House Apartm	333 E Brooks St	R0176247	70,000,000	58,000,000	0.04	2017	917	388	654	7,196,616	9.73	76,336

Newer properties

Address	Parcel #	19 Tax Value	18 Tax Value	Campus	Yr Built	# Beds	Units	Rent/Bed	Annual GPI	Val/GPI	Val/Bed	
Aspen Heights Norman	2601 S Classen Blvd	R0169483	23,733,391	23,733,391	0.55	2015	684	194	562	4,612,896	5.15	34,698
The Avenue PH 1 & 2	3301 12 Ave SE	R0169926	29,635,200	31,316,267	0.61	2014	895	314	522	5,606,280	5.29	34,990
Varsity House (Scion)	3201 13th Pl	R0166075	17,342,775	17,342,775	0.57	2013	600	224	438	3,153,600	5.50	28,905
The Millennium	900 E Lindsey St	R0172018	25,315,000	25,315,000	0.35	2015	698	196	494	4,137,744	6.12	36,268
										Avg.:	5.51	33,715
Callaway House Apartm	333 E Brooks St	R0176247	70,000,000	58,000,000	0.04	2017	917	388	654	7,196,616	9.73	76,336

Mr. Duggan said that his protest is based on the property being unfairly assessed as compared to other properties.

County Assessor Douglas Warr responded by saying that the Callaway purchased the land in April 2015 for \$12,500,000 that had an old apartment complex on it. The construction cost was \$62,310,000 and the total investment cost was \$74,810,000, and the annual report total cost was \$91,254,000. The County Assessor has the land valued at \$9,159,808; replacement cost, \$61,198,520; and their 2019 appraised value is \$70,358,328.

Based on the Income Approach substantiates the 2019 Appraised Value of \$70,845,160; however based on information collected and provided the final value for 2020 Appraised value is \$70,000,000.

Assistant District Attorney Carol Dillingham said that the property is in litigation and recommended that the Board consolidate these cases by accepting the appraised value set by the County Assessor.

Sid Porter moved, seconded by Rick Atkins, to sustain the current fair cash value of \$70,000,000.00 for #R0176247.

The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes.

Motion carried.

Todd Barron presented for the following protest property:

- b. **Owner's Name:** York Luxaire Inc., (Johnson Controls)
% Todd Barron – Barron Corporate Tax Solutions, PO Box 1588, Norman
OK 73070
Protested Property Address: 5005 York Drive, Norman, OK 73069
Account #: 158596
Email Address: tbarron@barrontax.com
Telephone: 630-942-8100 x330

Mr. Barron said that this consists of 71.8 acres of land with 927,445 square foot building built in 1971/2008/2017. It is a HVAC manufacturing plant that is currently assessed at \$53,851,547, or \$58.06 per square foot.

Sales comparison was given that gave an overall value of \$29.15 per square foot as the highest, most averaged \$25.00 per square foot. Mr. Barron contends the correct value should be \$29,600,000 as opposed to the assessor's stated value of \$53,851,547.00.

County Assessor Douglas Warr said that he was happy they added a new 400,000 square-foot laboratory and manufacturing space and renovations to over 150,000 square-feet of office and meeting space. In 2019 they received a Project of the Year Award for Excellence in Economic Development for its critical role in the expansion of the Rooftop Center of Excellence in Norman, OK. They have expanded and done some renovations to the property. He presented a comparable sale of March 20, 2020; it was under \$10,000,000, at \$78.52 per square foot in Tulsa, OK. It was an older property originally built in 1982. It is a smaller property than the one in question. The sale in Norman was impaired and explained the details.

After a brief discussion, Larry Heikkila moved, seconded by Rick Atkins, to sustain the assessor's stated value of \$53,851,547, due to the expansions increasing the fair cash value for #158596.

The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes.
Motion carried.

Kyle Sheehan represented the following protested property:

- c. **Owner's Name:** Paradigm Norman Property, LLC – Kyle Sheehan Tax Agent, 1 North LaSalle Street, Suite 2100, Chicago, IL 60602
Protested Property Address: 1800 Beaumont, Norman OK
Account #: R0148957
Email Address: kyle@fbtax.com
Telephone: Direct Number is 312-540-5641

County Assessor Douglas Warr said that he would like to state for the record that late yesterday, July 29, 2020, they reanalyzed his information on Campus Lodge Apartments and found a mistake and corrected it and is in agreement with Mr. Sheehan as to the value of the property. Mr.

Sheehan had requested \$15,516,244 and as County Assessor, he is in agreement with that value and the information submitted by Mr. Sheehan. Larry Heikkila moved, seconded by Rick Atkins, to set the value at \$15,516,244, as per agreement of the County Assessor.

The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes. Motion carried.

Micha Breen represented the following protested property:

- d. **Owner's Name:** Pep-Virtus Norman LLC, % Micha Breen, Ryan LLC, 13155 Noel Road, Suite 100, Dallas, TX 75240,
Protested Property Address: 2657 Classen Blvd, Norman 73071,
Account #: R0142878
Email Address: micha.breen@ryan.com
Telephone: 214.213.2711 Mobile

Ms. Breen said that this is a 784 bed, 268 units, 300,476 sf apartment communities built in 2005 on 16.64 acres. It's located off Classen about 2 miles from campus. Occupancy is at 92% and is considered stable. The financials indicate a value \$11,200,000. With occupancy steady, they are reducing rents and offering concessions to keep residents. This resulted in an EGI decrease of \$144,000 from prior year and resulting in an NOI decrease of over \$135,000.00. Expenses were at 70% which is in line with prior year and not unreasonable for student housing.

She has an income valuation utilizing actuals as well as a proforma using December rents from the rent roll. She discussed the age of the property with continued deferred maintenance needs.

Russell Chronister presented the following information:

Student Housing					
Acct#	Apartments	Year	Value	Units	\$/Unit
47464	University Commons	1994	12,800,000	254	50,394
93014	University Greens	1999	7,989,878	158	50,569
148957	Campus Lodge	2004	15,516,244	192	80,814
142878	Crimson Park	2005	22,000,000	268	82,090
138821	The State on Campus	2005	17,416,830	204	85,377
164064	The Cottages	2009	22,362,352	174	128,519
166075	Campus Crest	2013	17,342,775	224	77,423
169926	The Avenue	2014	27,692,069	314	88,191
169483	Aspen Heights	2015	23,733,391	194	122,337
172018	Millennium	2015	25,315,000	196	129,158
137550	The Vue	2015	3,934,118	24	163,922

2019 Income Value
 3,546,305 EGI
 - 1,932,736 Expenses
 + 360,689 Taxes
 - 150,000 Reserves
 1,824,258 NOI
 + 8.00% Cap
 22,803,225 Total Value
 - 1,921,521 Personal Property
 20,881,704 Real Estate Value
 268 Apartments
 77,917 \$/Apt.

Mr. Chronister said that it is the County Assessor’s recommendation to adjust the value to \$21,000,000.00.

Sid Porter moved, seconded by Rick Atkins, to accept the recommendation of the County Assessor to alter fair cash value to \$21,000,000.00 for account # R0142878.

The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes. Motion carried.

Micha Breen presented the following information for LQ Properties:

- e. **Owner’s Name:** LQ Properties, % Micha Breen, Ryan LLC,
13155 Noel Road, Suite 100, Dallas, TX 75240,
Protested Property Address: 930 Ed Noble Parkway, Norman, OK
Account #: R0039574
Email Address: micha.breen@ryan.com
Telephone: 214.213.2711 Mobile

She said that this is a limited service hotel with 117 rooms built in 1997 on 2.74 acres. The properties performance declined from 2018 Occupancy of 70.39% to 64.10% and the Revenue per available room went from 57.8% to 54.04 %. Revenue declined in the amount of \$160,850.00. Actual expenses indicate a value of \$4,527,000.00. Their request to lower the assessed value is based on performance year after year.

Russell Chronister presented for the County Assessor’s Office. He said that was lowered years ago when Lindsay Street exit was closed and has remained undervalued. He came up with a 2019 Income Value of \$57,610.61 per room which is in line with other comparable in the area.

It was reaffirmed that the Assessor’s office feels that the current value is too low.

Ms. Breen said she was not sure what he was talking but it is okay with her, but stands by the information she submitted as the actual value. After a brief discussion, Larry Heikkila moved, seconded by Rick Atkins, to sustain the current fair cash value of \$5,455,564.00 since the property was assessed lower than comparable properties.

The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes. Motion carried.

Chairman Heikkila read an affidavit for consideration on the following:

- f. **Owner’s Name:** Kohl’s Department Stores Inc., % Blake Nelon, PO Box 92129, Southlake, TX 76092
Protested Property Address: 2600 S Telephone Road, Moore, OK
Account #: R0102010
Email Address: blake.nelon@altusgroup.com
Telephone: 817-264-9221 Other Phone: 817-251-6666

By sworn affidavit, Mr. Nelon presented the following case:

“The property owner believes the current value of the parcel is over-stated at \$5,897,411. The subject property is an 87,369 square foot Retail store currently occupied by Kohl’s Department Store. We ask the Board to review the accompanying evidence. In it we have provided a Marshall and Swift (M&S) based cost valuation that solves for a value of \$4,410,000. This cost analysis utilizes M&S recommended cost factors for the improvements, along the Assessor’s current land value. In addition, we are providing an income based valuation analysis that solves for a value of \$4,310,000 based on a projected rental rate of \$5.50 psf, 5% vacancy, 15% expenses, and a 9% cap rate. These values are summarized on the final page of the provided evidence.

From this, we respectfully request that the Board place a value of \$4,410,000 or less on the subject parcel.”

County Assessor Douglas Warr discussed interest and cap rates with the Board.

Russell Chronister said that it is in line with the other properties in the area.

Rick Atkins said that he agrees with the Assessor.

Sid Porter moved, seconded by Rick Atkins, to sustain current fair cash value at \$5,897,411,000.

The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes. Motion carried.

B. No Board Members discussions regarding County Business at this time.

C. No Public Comment was made at this time.

- D. There being no further business to come before the Board, Rick Atkins moved, seconded by Sid Porter, to **adjourn** the meeting at 12:09 pm.
The vote was: Larry Heikkila, yes; Sid Porter, yes; Rick Atkins, yes.
Motion carried.

(Clerk's Note: Agenda was posted on Monday, July 28, 2020 @ 8:25 A.M.)

**CLEVELAND COUNTY EQUALIZATION BOARD
CLEVELAND COUNTY, OKLAHOMA**



Larry Heikkila, Chairman

ATTEST:

Minutes Prepared by:


Deputy County Clerk