

BOARD OF REVISION

The Geauga County Board of Revision met on Monday, July 29, 2019, at 9:07 a.m. in the Auditor's Conference Room on the first floor of the Courthouse Annex.

Present: County Auditor Charles E. Walder, County Treasurer Christopher P. Hitchcock, County Chief Deputy Treasurer Caroline Mansfield, and County Administrator Gerry Morgan.

Also present: Chief Appraiser Chris Greenawalt and Deputy Auditor Rachel Blystone.

GENERAL BUSINESS**Remissions/Refunds of Late Payment Penalties per ORC 5711.33 and 5711.39**

Motioned by Charles E. Walder, seconded by Gerry Morgan to remit and/or refund the following 2017 late payment penalties totaling \$861.28 due to reasonable cause and not willful neglect and based upon the recommendation of the County Treasurer Christopher P. Hitchcock:

Voice vote, three ayes. Charles E. Walder, Gerry Morgan and Christopher P. Hitchcock. Motion carried.

1.	Gallagher, Mary Ellen	02-234141	\$861.28
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Motioned by Charles E. Walder, seconded by Gerry Morgan to remit and /or refund the following 2018 late payment penalties totaling \$2,660.63 due to reasonable cause and not willful neglect and based upon the recommendation of the County Treasurer Christopher P. Hitchcock:

Voice vote, three ayes. Charles E. Walder, Gerry Morgan and Christopher P. Hitchcock. Motion carried.

1.	Foster, Kathleen	13-006100	\$202.35
2.	Siegler, Barry	26-186600	\$220.85
3.	Best, Robert	21-176545	\$319.64
4.	Caruso, Carol	32-072306	\$403.17
5.	Bean, Margaret	10-088600	\$103.00
6.	Arbuckle, Timothy J	01-119173	\$56.49
7.	Hufgard, John	10-017600	\$155.34
8.	Brady, James	21-014470	\$342.33
9.	Douglas, Nancy	11-380000	\$168.73
10.	Fosnot, Ronald	06-110000	\$119.61
11.	Armstrong, Judith	06-002100	\$243.13
12.	Dahlhausen, Melissa	06-048910	\$204.19
13.	Wolpert, Joyce	23-255551	\$13.37
		23-255550	\$108.43
		Total:	\$2,660.63

Motioned by Charles E. Walder, seconded by Gerry Morgan to remit and/or refund the following 2019 late payment penalties totaling \$287.54 due to reasonable cause and not willful neglect and based upon the recommendation of the County Treasurer Christopher P. Hitchcock:

Voice vote, three ayes. Charles E. Walder, Gerry Morgan and Christopher P. Hitchcock. Motion carried.

1.	John/Tammy Pyles	29-052700	\$287.54
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Destroyed Properties**30-053500 Kiggins Joseph A**

Motioned by Charles E. Walder, seconded by Gerry Morgan to remit 100% reduction in value for Tax Year 2018 and remit 100% for Tax Year 2019 for existing structure due to fire. Destroyed Property Form filed 7/14/19.

Voice vote, three ayes. Charles E. Walder, Gerry Morgan and Christopher P. Hitchcock. Motion carried.

BTA Case Reviews**Chesterland Investments**

Case # 2018-1457

Upon consideration of the stipulation jointly filed by the parties, this matter is hereby remanded to the County Auditor/Fiscal Officer to take action as appropriate to give effect to the parties' settlement.

<u>PARCEL NUMBER</u>	<u>LAND</u>	<u>BUILDING</u>	<u>TOTAL</u>
11-363700	\$278,700	\$921,300	\$1,200,000

Action

To adjust Tax Year 2017 market value to \$1,200,000. Motioned by Charles E. Walder, seconded by Gerry Morgan.

Voice vote, three ayes. Charles E. Walder, Gerry Morgan and Christopher P. Hitchcock. Motion carried.

Tax Year 2018 Valuation Complaints in Lieu of Formal Hearings

Chris Greenawalt Representing

29-044600 Steel John P Trustee counter filed by Chagrin Falls EVSD

Motioned by Caroline Mansfield, seconded by Gerry Morgan to reduce the Tax Year 2018 Market Value from \$324,900 to \$270,000 based on a field check, corrected data and comparables.

Voice vote, three ayes. Charles E. Walder, Caroline Mansfield and Gerry Morgan. Motion carried.

02-420320 Apelis Markus & Erika & Flynn Mara

Motioned by Caroline Mansfield, seconded by Charles E. Walder to reduce the Tax Year 2018 Market Value from \$579,700 to \$510,000 based on a sale. Based on sale.

Voice vote, three ayes. Charles E. Walder, Caroline Mansfield and Gerry Morgan. Motion carried.

29-108181 Cox Jeffrey L & Denise G

Motioned by Caroline Mansfield, seconded by Gerry Morgan to reduce the Tax Year 2018 Market Value from \$47,900 to \$30,000 based on an agreement between Mr. Greenawalt and Mr. Zawadski.

Voice vote, three ayes. Charles E. Walder, Caroline Mansfield and Gerry Morgan. Motion carried.

Withdrawn/Dismissed**29-091000 Bell Market Xpress LLC**

Motioned by Caroline Mansfield, seconded by Charles E. Walder to accept withdrawal of complaint by Bell Market Xpress LLC and counter withdrawal by Chagrin Falls EVSD.

Voice vote, three ayes. Charles E. Walder, Caroline Mansfield and Gerry Morgan. Motion carried.

11-010119 Petronzio Management Company LLC counter filed by West Geauga LSD

Motioned by Christopher P. Hitchcock, seconded by Charles E. Walder to accept dismissal by Petronzio Management Company LLC and counter dismissal by Mr. Seed, Attorney for West Geauga Board of Education.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried.

Tax Year 2018 Valuation Complaints Formal Hearing begin as Scheduled.

Let the record note the hearings are digitally recorded.

21-162300 & 21-162300 Bertie Way LLC counter filed by Chardon LSD

Charles E. Walder swore in Ryan Morrie, seller's representative, Rich Stousky, Advisor, Roger Upton and Sean Saari, experts for owner. Present were Jim Aveni, owner's attorney and Peter Zawadski, attorney for the Chardon LSD. Auditor

Walder noted for the record that the Auditor's office has the parcels in question valued at \$2,995,700 yet the owner feels they are worth \$1,922,500 and Chardon LSD feels they are worth the current value. The Board asked the parties to explain why the value should be reduced or remain at the current value.

Mr. Aveni stated the sale in May 2018 between Areco Golf and the two privately combined Country Clubs was an arm's length transaction. There was no conveyance based on the structure of the sale. Mr. Aveni questioned Mr. Morrie about the value, members, and the conservation easement with Western Reserve or prior owner. Mr. Aveni presented Exhibit 1 that included the purchase asset agreement, debt and two notes explaining the purchase paid off debt. Mr. Stousky, Advisor to Areco stated the purchase was an arm's length transaction, confirmed documents presented were accurate and PWC did not provide calculations. Mr. Zawadski asked questions to Mr. Upton on examples of improvements. Mr. Hitchcock asked why there was no conveyance. Mr. Walder asked questions on class calculation. Mr. Saari explained Exhibit 2, evidence of the Purchase Price Allocation IRS form 8594. Mr. Greenawalt presented comparables on three properties.

Action

After review of all testimony and all the other information available, it motioned by Christopher P. Hitchcock, seconded by Charles E. Walder to reduce the market value for Tax Year 2018 from \$2,995,700 to \$1,922,500 based on a sale.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried

29-108138 100 Park Place, LTD counter filed by Chagrin Falls EVSD

Steve Maier, Attorney for owner and David Seed, Attorney for Chagrin Falls EVSD were both present for the hearing. Auditor Walder noted for the record that the Auditor's office has the parcel in question valued at \$424,700 yet the owner feels it is worth \$360,000 and the school feels the value should remain and the Board asked both parties to explain why the value should be reduced or remain at the current value.

Mr. Maier stated the sale price reflects the fair market value. Property was purchased in an arm's length transaction prior to auction. Mr. Walder asked about the conveyance statement. Mr. Greenawalt asked about the previous owner on purchase. Mr. Maier presented copies of current leasing information; property is half leased and half vacant. Mr. Walder asked if the owner and buyer knew each other prior and response was no. Mr. Seed asked how many properties were purchased in the transaction, any allocations and appraisal. One purchased prior to auction and the other two were purchased at open advertised auction. Mr. Greenawalt questioned any wear and tear on the property. Mr. Walder asked about acquiring the LLC on the property.

Action

After review of all testimony and all the other information available, it was motioned by Gerry Morgan, seconded by Christopher P. Hitchcock to reduce the market value for Tax Year 2018 from \$424,700 to \$360,000 based on a sale.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried.

29-107922 300 Park Place LTD counter filed by Chagrin Falls EVSD

Steve Maier, Attorney for owner and David Seed, Attorney for Chagrin Falls EVSD were both present. Auditor Walder noted for the record that the Auditor's office had the parcel in question valued at \$256,600 yet the owner feels it is worth \$187,000 and the school feels the value should remain and the Board asked both parties to explain why the value should be reduced or remain at the current value.

Mr. Maier stated the property was advertised and was a cash purchase at an open auction for \$187,000. The purchase price reflected the current market value and noted the property is not currently leased up. Mr. Seed asked about assumed

liability and Mr. Maier presented a purchase agreement. Mr. Seed stated CoStar showed a previous attempt to sell the property at \$195,000.

Action

After review of all testimony and all the other information available, it was motioned by Christopher P. Hitchcock, seconded by Gerry Morgan to reduce the market value for Tax Year 2018 from \$256,600 to \$187,000 based on a sale.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried.

29-107876 Riverbend Realty Investors, Ltd

Steve Maier, Attorney for owner was present. Auditor Walder noted for the record that the Auditor's office has the parcel in question valued at \$56,000 yet the owner feels it is worth \$32,300 and the Board asked him to explain why the value should be reduced.

Mr. Maier stated the value of the property reflects the sale price. The property was bought in an arm's length transaction with the current mortgage held by the previous owner. \$68,000 was the total purchase with \$8,000 put down that covers two units but the mortgage encumbers this particular property.

Action

After review of all testimony and all the other information available, it was motioned by Christopher P. Hitchcock, seconded by Charles E. Walder to reduce the market value for Tax Year 2018 from \$56,000 to \$32,300 based on sale.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried.

15-025400 ARC Resources LLC, filed by Chardon LSD, counter filed by owner, previously tabled hearing from July 15, 2019

Auditor Walder swore in Imre Karetka, owner and Peter Zawadski, Attorney for Chardon LSD was present. Auditor Walder noted for the record that the Auditor's office has the parcel in question valued at \$295,700 yet the school feels it is worth \$400,000 and the owner feels it is worth \$320,000. The Board asked both parties to explain why the value should be reduced or remain at the current value.

Mr. Karetka asked the board to change the value to the appraised value by the bank of \$320,000, due to an arm's length transaction. Mr. Zawadski presented the deed and conveyance fee statement with the sale price of \$400,000 asking the Board to adopt the price as fair market value. Mr. Greenawalt went over his comparables, ran a proforma and spoke on income.

Action

After review of all testimony and all other information available, it was motioned by Caroline Mansfield, seconded by Charles E. Walder to increase the market value for Tax Year 2018 from \$295,700 to \$400,000 based on a sale.

Voice vote, three ayes. Charles E. Walder, Caroline Mansfield and Gerry Morgan. Motion carried.

10-069000 & 10-091800 Perrino Investments LLC filed by Chardon LSD previously tabled hearing from July 15, 2019

Auditor Walder swore in Tony Perrino, owner. Peter Zawadski, Attorney for Chardon LSD was present. Auditor Walder noted for the record that the Auditor's office has the parcels in question valued at \$697,100 yet the school feels it is worth \$1,300,000 and the owner feels the value should remain and the Board asked both parties to explain why the value should be increased or remain at the current value.

The dilemma to the hearing on July 15, 2019 was due to a fire in one of the buildings and more calculations and investigation needed to be completed before a decision was made. Mr. Zawadski presented evidence of deed and conveyance

statement of \$1,300,000 and asked the Board to adopt price as fair market value. Mr. Perrino stated the bank appraisal was not broken down as it should have been and he was not going to get the property re-appraised. Mr. Greenawalt ran allotment of value on the two buildings, ran comparable sales and proforma.

Action

After review of all testimony and all other information available, it was motioned by Gerry Morgan, seconded Charles E. Walder to increase the market value for Tax Year 2018 from \$697,100 to \$1,300,000 based on a sale and evidence provided.

Voice vote, three ayes. Charles E. Walder, Caroline Mansfield and Gerry Morgan. Motion carried.

02-253300, 02-253400, 03-011100, 03-011400 & 03-011500 Mayhem Industries LLC counter filed by Chagrin Falls LSD & Kenston LSD

Auditor Walder swore in Peter L. Snavelly and Grant Wilk, owners. Robert Danzinger, Attorney for the owner and David Seed, Attorney for Kenston Board of Education were present. Auditor Walder noted for the record that the Auditor's office has the parcel in question valued at \$1,388,000 yet the owners feel it is worth \$400,000 and the school feels the values should remain for all parcels and the Board asked both parties to explain why the values should be reduced or remain at the current value.

Noted for the record these parcels are two separate complaints due to being in two separate school districts but will be heard together. Mr. Danzinger stated there were five parcels acquired together as one \$400,000 arm's length transaction. He presented evidence and stated the property was not in good shape. Mr. Snavelly gave information on the sale history of the property, stated no previous relationship with the prior owner, confirmed purchase agreement amount as accurate and negotiated the price to \$400,000 in an open market purchase, due to the condition of the property. Mr. Walder questioned the bridge between names to determine the name Mayhem as documents have other companies listed not including Mayhem. He also asked how the property was zoned, it was stated as Industrial. Mr. Seed confirmed a mortgage on the property for \$300,000 with a bank appraisal of \$630,000. The original amount was contracted at \$500,000 but closed at \$400,000 due to condition of the buildings. He noted a Conveyance Fee Statement was submitted in an arm's length transaction. He asked if the future plan would be re-development and the owner stated a possibility. Mr. Greenawalt completed a field check concluding the buildings are mostly gutted. Grant Wilk, partner with Mr. Snavelly stated asbestos tests were concluded prior to pre demolition.

Action

After review of all testimony and all other information available, it was motioned by Caroline Mansfield, seconded by Charles E. Walder to reduce the market value for Tax Year 2018 from \$1,388,000 to \$400,000 based on sale and evidence provided.

Voice vote, three ayes. Charles E. Walder, Caroline Mansfield and Gerry Morgan. Motion carried.

10-009103 Petronzio Management Company LLC counter filed by Chardon LSD

Robert Danzinger, Attorney for the owner and Peter Zawadski, Attorney for Chardon LSD were present. Auditor Walder noted for the record that the Auditor's office has the parcel in question valued at \$2,796,600, the owner feels it is worth \$2,400,000 and the school feels the value should remain. The Board asked both parties to explain why the values should be reduced or remain at the current value.

Mr. Danzinger presented Exhibits which included an income approach and rent roll. He stated Mr. Petronzio was unable to attend the hearing, but he does feel the value on his property is too high. Mr. Danzinger gave history on the property and stated in years 2016, 2017 and 2018 the property had fairly consistent revenue of \$390,000. There is no recent appraisal, property is not for sale, has not been refinanced, and has deferred maintenance. Mr. Zawadski questioned how the owner has marketed the property but was not able to confirm the information as the owner was not present. He asked the Board to recognize that there was no appraisal presented. Mr. Greenawalt ran comparables and a proforma.

Action

After review of all testimony and all other information available, it was motioned by Christopher Hitchcock, seconded by Charles E. Walder to not reduce the market value for Tax Year 2018 from \$2,796,600 to \$2,400,000 based on lack of evidence.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried.

11-265800 Petronzio Management Company LLC counter filed by West Geauga LSD

Robert Danzinger, Attorney for owner and David Seed, Attorney for West Geauga Board of Education were present. Auditor Walder noted for the record that the Auditor's office has the parcel in question valued at \$1,188,200 yet the owner feels it is worth \$900,000 and the school feels the value should remain and the Board asked both parties to explain why the value should be reduced or remain at current.

Mr. Danzinger amended the complaint from \$900,000 to \$700,000 on the record to be consistent with the information provided to the board. He presented evidence and stated there was no recent appraisal as the property is not for sale. Mr. Seed questioned income, reimbursements, CAM charges, utilities and expenses and went over comparables from in and out of county. Mr. Greenawalt ran in county comparables and proforma. Mr. Walder asked questions about the vacancy percentage. Mr. Danzinger spoke on rental rate and answered Mr. Seed's questions on Exhibit B regarding rent rolls.

Action

After review of all testimony and all the other information available, it was motioned by Charles E. Walder, seconded by Gerry Morgan to not reduce the market value for Tax Year 2018 from \$1,188,200 to \$700,000 based on lack of evidence.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried.

21-149420 Petronzio Management Company LLC counter filed by Chardon LSD

Robert Danzinger, Attorney for owner and Peter Zawadski, Attorney for Chardon Board of Education were both present for the hearing. Auditor Walder noted for the record that the Auditor's office has the parcel in question valued at \$475,000 yet the owner feels it is worth \$300,000 and the school feels the value should remain and the Board asked both parties to explain why the value should be reduced or remain at the current value.

Mr. Danzinger went over the history of the property and presented exhibits such as rent roll and income expense. He stated there is no recent appraisal, the property is not for sale, and has not been refinanced.

Documents presented showed a revenue rate each year of \$50,000 for 2016, 2017 and 2018 which includes a 25% vacancy. Mr. Zawadski questioned the extent of advertisement on the property due to the vacancy and Mr. Danzinger stated there are signs on the property and advertisement on the internet. Mr. Hitchcock asked information on who holds the mortgage and it was unknown to him and asked to

review the last page of the exhibit and Mr. Danzinger explained the breakdown. Mr. Greenawalt reviewed his comparable sales and proforma using a rent and cap rate. He stated at re-appraisal the 25% vacancy was taken into consideration for valuation.

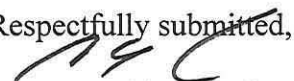
Action

After review of all testimony and all the other information available, it was motioned by Christopher P. Hitchcock, seconded by Charles E. Walder to not reduce the market value for Tax Year 2018 from \$475,000 to \$300,000 based on lack of evidence.

Voice vote, three ayes. Charles E. Walder, Christopher P. Hitchcock and Gerry Morgan. Motion carried.

Being no further business to conduct it was moved by Caroline Mansfield, seconded by Charles E. Walder to adjourn the BOR meeting at 2:45 p.m.

Respectfully submitted,


Charles E. Walder, Auditor
Secretary/Board of Revision