

BOARD OF REVISION

The Geauga County Board of Revision met on Monday, April 3, 2023, at 9:01 a.m. in the Auditor's Conference Room on the first floor of the Courthouse Annex located at 231 Main St., Chardon, OH 44024.

Hearings are scheduled for in person or by Microsoft Teams and open to the public at the Courthouse Annex location.

Present: Fiscal Office Manager Pam McMahan, Deputy Treasurer Donna Borsi, and County Commissioner James W. Dvorak. Also Present: Deputy Auditor Rachel Blystone, Deputy Auditor Bonnie McKenzie, Deputy Auditor Rob Stanton, Deputy Auditor Heather Pipa, GIS Director Lou Marion, Michael Dorka, and Appraiser Tim Severovich.

Present by Microsoft Teams: Auditor Charles E. Walder, Chief Deputy Auditor Ron Leyde, David Seed, and Michael Maschek.

Tax Year 2022 Valuation Complaints Formal Hearings begin as Scheduled.

Let the record note the hearings are digitally recorded.

Cases are in parcel number order, not in order of appearance.

Deputy Treasurer, Donna Borsi left the meeting at 9:07 am and County Treasurer Christopher P. Hitchcock arrived at 9:07 am for the hearings.

06-101100 Joseph D & Laramie P Coyote file by Owner

Present, Laramie P Coyote owner, and her daughter Christine Marvin were also present, but not as a witness. Mrs. Coyote was sworn in by Fiscal Office Manager McMahan and a picture of the subject property was verified. Fiscal Office Manager McMahan noted for the record that the Auditor's Office has the parcel in question valued at \$163,300 yet the owner feels it is worth \$129,442 and asked them to explain to the Board why the value should be reduced.

Mrs. Coyote stated she is having difficulty finding a contractor for a quote for the large crack in the basement. She did receive quotes for the garage floor, driveway, and 11 windows, and the back deck needs to be repaired. She did submit quotes as evidence before the hearing. Mrs. Coyote also stated she does have a creek that runs through the back of the property and when it rains heavily, the water overflows into her yard and is starting to erode.

Fiscal Office Manager McMahan asked if the tie-in has been done on her property, and Mrs. Coyote stated not yet. She was told when the weather gets nicer, they would begin. She mentioned she has an artesian well that is only fifty feet deep, so she is unsure if that will pose a problem when installing the tie-in for the sewer. She stated she was told it would cost \$8,200 for the tie-in but was told the County would cover \$8,000 of the cost.

Treasurer Hitchcock asked Mrs. Coyote about the condition of the roof. She believes it was replaced almost 10 years ago, along with the gutters. Treasurer Hitchcock asked if there was a desire to sell the home, and Mrs. Coyote stated she will not sell her home. No further questions from the Board.

Action

After a review of the testimony and the information available, there was a Motion by Christopher P. Hitchcock, seconded by James Dvorak, to reduce the Tax Year 2022 Market Value from 163,300 to \$119,000 based on the information provided.

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak.
Motion carried.*

10-004800 Austin Family Properties filed by the Owner

Present, Jason Nelson, Owner, is also present, Debbie Mack relative to the owner, and Dan O'Reilly, Realtor from Remax. Mr. Nelson, Ms. Mack, and Mr. O'Reilly were sworn in by Fiscal

Office Manager McMahan and a picture of the subject property was verified. Fiscal Office Manager McMahan noted for the record that the Auditor's Office has the parcel in question valued at \$133,300 yet the owner feels it is worth \$105,000 and asked them to explain to the Board why the value should be reduced.

Ms. Mack stated the residence is a family-owned home and Mr. Nelson inherited the home after his father passed away. Ms. Mack stated the home is in disarray. Treasurer Hitchcock asked Mr. O'Reilly if he was a certified Appraiser, and Mr. O'Reilly said he was not. Mr. O'Reilly stated he was called in to give an evaluation of the property. Upon the inspection of the home, Mr. O'Reilly noted there was mold on the walls in the basement, foundation issues, and water damage in the basement. The home needs a new roof, along with new windows. The interior of the home needs total rehab. Mr. O'Reilly also stated the home has been neglected over the years. Treasurer Hitchcock asked Mr. Nelson if he was going to keep the home or sell the home. Mr. Nelson stated he was keeping the home and wanted to have the home rehabbed.

Mr. Nelson feels the evaluation of the home should be decreased to under \$100,000. Treasurer Hitchcock asked Mr. Nelson to give him a number he feels the home is worth. Mr. Nelson stated \$90,000. Treasurer Hitchcock urged Mr. Nelson to amend his complaint to the value he felt was more comparable to the work that is needed on the home. Mr. Nelson amended his complaint form. Auditor Walder stated to Mr. Nelson, that if the value does not change you are precluded as an owner to not file a complaint again within three years, the exception would be, if the value changes, the clock resets, and he can file a new complaint because of the difference in values. No further questions from the Board.

Action

After a review of the testimony and the information available, there was a Motion by Christopher P. Hitchcock, seconded by James Dvorak, to reduce the Tax Year 2022 Market Value from 133,300 to \$90,000 based on the information provided.

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak.
Motion carried.*

10-037141 Mark Horbay filed by the Owner

It was moved by Pam McMahan, and seconded by James Dvorak, to accept the withdrawal of this complaint.

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak.
Motion carried.*

20-071064 Josh & Lauren Mullins filed by the Owner

The homeowners were not present. Deputy Auditor Alec Richmond spoke on behalf of the owners. Deputy Auditor Richmond stated the property was under CAUV with a prior owner. A sale occurred, however; initial paperwork was not located. Deputy Auditor Richmond stated the error was not on behalf of the owner, but a clerical error per ORC 319.36. The owner has completed the original application process to be able to continue with the CAUV program.

Action

After a review of the testimony and the information available, there was a Motion by Pam McMahan, seconded by James W. Dvorak, to reinstate owners to the CAUV program.

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak.
Motion carried.*

23-158500, 23-192700, 23-385273, 23-385031 Kinsman 30 LTD filed by Owner, Counter by West Geauga LSD

Present, Michael Gatto and Ellie Gatto-Tuohey, Owners. Attorney John Slater, present. Previous owners Chuck and Nancy White were present. Attorney David Seed was present by Microsoft Teams. Michael Gatto, Ellie Gatto, and Chuck and Nancy White were sworn in by Fiscal Office

Manager McMahan and a picture of the subject property was verified. Fiscal Office Manager McMahan noted for the record that the Auditor's Office has the parcel in question valued at \$5,061,200, yet the owner feels it is worth \$3,400,000 and asked them to, explain to the Board why the value should be reduced.

Attorney Slater stated the complaint was filed due to the recent arm's length transaction of the sale of the property. There is no relation between current owners and previous owners. The properties were purchased for \$3,400,000. Mr. Gatto stated he has been a Commercial Real Estate Broker for 40 years in Geauga, Lake, and Eastern Cuyahoga County. Mr. Gatto stated he had worked with Mr. White for the better part of 10 years to assist in leasing his buildings, and they spoke about selling the buildings for about 10 years. Attorney Slater asked if Mr. Gatto's company would get a commission if Mr. White brought interested parties in to discuss leasing.

Mr. Gatto stated no he would not. Mr. Gatto stated that for several years the Whites discussed selling the properties, but when health started declining, they thought it was best to try and sell. Mr. Gatto stated he then started Marketing the property for sale as was Mr. White. Mr. Gatto stated they were actively marketing it for sale between 6 to 8 months before it became under contract. Mr. White had also tried marketing the property. Mr. Gatto stated there were some obstacles in trying to market the property since they could not get an accurate net income operating report because the Whites used the checkbook for both personal and business. Ellie, having an accounting background, worked on the books with Mrs. White and the company accountants for 5 months to try and get a functioning NOI. Attorney Slater asked, once the NOI was correct, were offers coming to purchase the property. Mr. Gatto stated, yes, and they received one official offer for \$3,000,000. A verbal offer also came in for \$2,700,000. During this time, the vacancy at the company became higher, and several tenants were month to month. Mr. Gatto stated there were 2 large constraints with trying to sell the property and that was all the month-to-month tenants along with the due diligence. When potential buyers started to dwindle, Mr. Gatto decided to purchase the property.

Attorney David Seed asked Mr. Gatto if he was the broker over the years for Mr. White, and Mr. Gatto replied yes. Attorney Seed asked Mr. Gatto, what was the best offer received for the property. Mr. Gatto stated \$3,000,000. Attorney Seed asked how many other offers were received. Mr. Gatto stated two, the verbal and the one official offer. Attorney Seed asked if the property was placed on LoopNet, and Mr. Gatto said no, due to the fact they did not want to scare any tenants. Attorney Seed asked what the occupancy was during negotiations. Mr. Gatto stated almost 100%, except for 2 vacant office buildings. Attorney Seed asked if a loan was taken out, and Mr. Gatto stated he did not, he did owner financing with Mr. White. Mr. Gatto stated with all the month-to-month tenants, banks would not offer any type of loan.

Auditor Walder stated the property has its challenges, and understands the transaction was between LLCs, and it was an arm's length transaction and was being advertised on the open market. The BTA states this sets the true value at the time of transfer. Auditor Walder noted he appreciated the approach to purchasing the property and having it on the open market. Mr. Gatto stated in fairness, they did forgo a commission on the property, and the offer was \$3,600,000 and the closing cost was \$3,400,000. No further questions from the Board.

Action

After a review of the testimony and the information available, there was a Motion by Christopher P. Hitchcock, seconded by James W. Dvorak, to reduce Tax Year 2022 from \$5,061,200 to \$3,500,000 based on testimony.

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak.
Motion carried.*

32-074078 Michael A & Yolanda M Maschek filed by Owner

Present, Michael Maschek, owner of the property by Microsoft Teams, was sworn in by Fiscal Office Manager McMahan and a picture of the subject property was verified. Fiscal Office Manager McMahan noted for the record that the Auditor's Office has the parcel in question valued at \$160,000 yet the owner feels it is worth \$140,000 and asked them to explain to the Board why the value should be reduced.

Mr. Maschek stated he will be starting rehab work on the home, interior and exterior work that he believes should take two years to complete. Auditor Walder asked if Mr. Maschek had any quotes, or how soon he would begin working on the home. Mr. Maschek stated he did receive one quote, but has not sought one for the siding, shutters, or windows, and would be starting the work soon. Auditor Walder asked Mr. Maschek if he was hoping the Board would consider the deferred maintenance on the home to reduce the value so he could get a start to improve the value of the property overall. Mr. Maschek replied, yes that is correct.

Treasurer Hitchcock asked Mr. Maschek if he felt he wanted to reduce the value sought on his complaint form. Mr. Maschek, stated, he was unsure what to place as the sought value, but if he could amend the form now, he would like to lower it to \$120,000. No further questions from the Board.

Action

After a review of the testimony and the information available, there was a Motion by James W. Dvorak, seconded by Christopher P. Hitchcock, to reduce Tax Year 2022 from \$160,300 to \$120,000 based on testimony.

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak.
Motion carried.*

General Business

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

Motion by James W. Dvorak, seconded by Pam McMahan to remit and/or refund the following late payment penalties and interest for last half Tax Year 2021 and first half Tax Year 2022 totaling \$11,388.57 due to reasonable cause and not, willful neglect and based upon the recommendation of the County Treasurer Christopher P. Hitchcock:

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak.
Motion carried.*

Approve minutes from March 20, 2023

Motion by Christopher P. Hitchcock, seconded by James W. Dvorak to approve the minutes from March 20, 2023.

*Voice vote, three ayes. Pam McMahan, Christopher P. Hitchcock, and James W. Dvorak
Motion carried.*

Being no further business to conduct it was moved by Christopher P. Hitchcock to adjourn the April 3, 2023, BOR meeting at 10:47 a.m.

Respectfully submitted,
Charles E. Walder, Auditor
Secretary/Board of Revision




