



# City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"

6800 BRECKSVILLE ROAD

INDEPENDENCE, OHIO 44131

(216) 524-4131

## **MEMORANDUM**

To: Mayor Gregory P. Kurtz  
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, October 1, 2021

Re: Finance Department Updates

### **Property Valuation/Tax Relief Filings**

Although the next window to file appeals of property valuations here in Cuyahoga County runs from January 1, 2022 through March 31, 2022, a bill creating a special one-month window of opportunity for property owners whose property value was impacted by the Covid-19 pandemic or state regulations (mandated shut-downs) to file a special appeal, was passed in Columbus earlier this year.

House Bill 57 was passed in April of this year, and it allowed property owners in the situations noted above to file an appeal of property valuations between August 3 and September 2 of this year.

Crain's Cleveland Business reported this week that the Cuyahoga County Board of Revision received almost 200 of these special complaints requesting some \$581 million in property value reductions.

The article did not cite in it any Independence properties, but a little research revealed that six of Independence's hotels/motels filed for some \$15.5 million in property value reductions during this special one-month window.

The travel industry was decimated for a good part of 2020 due to voluntary and mandatory shut-downs, and Independence hotels and motels were not immune to these negative market circumstances.

Independence receives an Admissions Tax from guests staying at hotels and motels within the City. Prior to 2020, the amount received from this Admission Tax was very consistent the previous four years, ranging from \$1.3 to \$1.4 million each of those years.



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## **Property Valuation/Tax Relief Filings**

In 2020, the Admissions Tax Independence received fell to \$666,000 – a 50% reduction. The travel industry has recovered somewhat here in 2021, but Year-to-Date Admission Tax receipts are tracking such that the total received in 2021 will still likely not exceed \$1.0 million.

A total Admissions Tax for all of 2021 in that \$1.0 million range is better than 2020's amount of \$666,000, but is still well below the previous range of lodging activity within Independence.

So while material property value reductions would ultimately result in less property taxes being paid to the various public entities that share in the distribution of them – including the Independence School District and to a lesser degree, the City itself - it's not hard to at least agree that 2020 was a very difficult and challenging year for hotels and motels located in Independence.

How much the significant decrease in travel during 2020 and somewhat still here in 2021 has impacted the value of these hotels and motels will be up to the Cuyahoga County Board of Revision to determine.