



Rec'd 2/7/2017
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RE: FBO
Hand & Concrete

Dear Taxpayer

Enclosed is the Tax Commissioner's final determination regarding your case. The title is captioned either "Journal Entry" or "Final Determination".

You have the right to appeal this decision to the Board of Tax Appeals. Unlike appeals to the Tax Commissioner, proceedings before the Board of Tax Appeals are very formal, and the Board's procedures must be carefully followed. An appeal to the Board may be done in the following way:

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- If you choose to appeal, you must send the Board of Tax Appeals your original notice of appeal **and** two copies. A copy of the enclosed final determination should also be attached to each notice of appeal. Your notice of appeal must **clearly** state why you are appealing. The law requires you to describe carefully each error which you believe the Tax Commissioner made.
- You must also send the Tax Commissioner a copy of your notice of appeal **and** a copy of the enclosed final determination.
- The Board of Tax Appeals and the Tax Commissioner **must each receive** the notice of appeal and the copy of the final determination within 60 days of your receipt of this final determination. In order to file your appeal on time, you must mail the notices by certified mail, express mail, or authorized delivery service and make sure that the recorded date is within 60 days of your receipt of the enclosed final determination. Ordinary mail delivery is not considered received until each agency actually receives your notice of appeal. Alternatively, you may personally deliver the notices before the 60 days are up to be sure both agencies receive it within the 60 day time limit. Appeals which are received late do not meet the requirements of the law and cannot be considered.

For your information, Ohio Revised Code Section 5717.02 appears on the back of this letter. This is the section of the Code stating the requirements for a proper appeal to the Board of Tax Appeals. You **must** follow all of these **mandatory** requirements in order to appeal. If you don't, you may lose your right to appeal. If you have questions regarding this determination, you may reach our office at 614-466-5744.

The mailing address for the Board of Tax Appeals is:

Rhodes State Office Tower
30 East Broad Street, 24th fl
Columbus, OH 43215

The mailing address for the Tax Commissioner is:

Rhodes State Office Tower
30 East Broad Street, 22nd fl
Columbus, OH 43215

5717.02 Appeals from final determination of the tax commissioner; notice; procedure; hearing.

Except as otherwise provided by law, appeals from final determinations by the tax commissioner of any preliminary, amended, or final tax assessments, reassessments, valuations, determinations, findings, computations, or orders made by the commissioner may be taken to the board of tax appeals by the taxpayer, by the person to whom notice of the tax assessment, reassessment, valuation, determination, finding, computation, or order by the commissioner is required by law to be given, by the director of budget and management if the revenues affected by such decision would accrue primarily to the state treasury, or by the county auditors of the counties to the undivided general tax funds of which the revenues affected by such decision would primarily accrue. Appeals from the redetermination by the director of development under division (B) of section 5709.64 or division (A) of section 5709.66 of the Revised Code may be taken to the board of tax appeals by the enterprise to which notice of the redetermination is required by law to be given. Appeals from a decision of the tax commissioner concerning an application for a property tax exemption may be taken to the board of tax appeals by a school district that filed a statement concerning such application under division (C) of section 5715.27 of the Revised Code.

Such appeals shall be taken by the filing of a notice of appeal with the board, and with the tax commissioner if the tax commissioner's action is the subject of the appeal or with the director of development if the director's action is the subject of the appeal, within sixty days after service of the notice of the tax assessment, reassessment, valuation, determination, finding, computation, or order by the commissioner or redetermination by the director has been given as provided in section 5703.37 of the Revised Code. The notice of such appeal may be filed in person or by certified mail, express mail, or authorized delivery service. If the notice of such appeal is filed by certified mail, express mail, or authorized delivery service as provided in section 5703.056 of the Revised Code, the date of the United States postmark placed on the sender's receipt by the postal service or the date of receipt recorded by the authorized delivery service shall be treated as the date of filing. The notice of appeal shall have attached thereto and incorporated therein by reference a true copy of the notice sent by the commissioner or director to the taxpayer or enterprise of the final determination or redetermination complained of, and shall also specify the errors therein complained of, but failure to attach a copy of such notice and incorporate it by reference in the notice of appeal does not invalidate the appeal.

Upon the filing of a notice of appeal, the tax commissioner or the director, as appropriate, shall certify to the board a transcript of the record of the proceedings before the commissioner or director, together with all evidence considered by the commissioner or director in connection therewith. Such appeals or applications may be heard by the board at its office in Columbus or in the county where the appellant resides, or it may cause its examiners to conduct such hearings and to report to it their findings for affirmation or rejection. The board may order the appeal to be heard upon the record and the evidence certified to it by the commissioner or director, but upon the application of any interested party the board shall order the hearing of additional evidence, and it may make such investigation concerning the appeal as it considers proper.



Department of
Taxation

Office of the Tax Commissioner
30 E. Broad St, 22nd Floor
Columbus, OH 43215
www.tax.ohio.gov

FINAL DETERMINATION

January 31, 2017

Portage Cty Regional Airport Authority
John Trew A I C P
4029 Nanway Blvd
Ravenna, OH 44266

Re: DTE No: WE 1906
Auditor's No.: 2014-39
County: Portage
School District: Crestwood LSD
Parcel Number(s): 33-059-00-00-021 FBO

This is the final determination of the Tax Commissioner on an application for exemption of real property from taxation filed on August 19, 2014.

I. Factual Background

The applicant, Portage County Regional Airport Authority, seeks exemption of real property from taxation, consisting of improvements on approximately one acre. The applicant acquired title to the property in 1996.

The applicant entered into a management agreement and also a lease and purchase agreement with Michael Hoyle in 1999 to operate as the Fixed Base Operator on the property. The management agreement and land lease are for fifty year terms with a one year lease on the building, which was to be purchased by Mr. Hoyle after this term. In December of 2001, the applicant consented to an assignment and assumption of the above agreements to Portage Flight Center, LLC, a for-profit limited liability company. The lease contains a provision retaining an office for the applicant's use. Another provision within the lease requires the lessee to permit the applicant, and the public, to hold "...regular, special, and emergency meetings and hearings..." in a designated conference room.

In correspondence dated January 13, 2017, the applicant stated that the management agreement and the lease and purchase agreement are still in effect that the retained office is 160 square feet and that the applicant uses the designated conference room for its monthly meetings.

II. Ohio Revised Code Section 5709.08

The applicant seeks exemption under Ohio Revised Code Section ("R.C.") 5709.08, which provides exemption for "...public property used exclusively for a public purpose..." The Ohio Supreme Court has held that there are three prerequisites which must be met in order for property to qualify for exemption under this statute: (1) the property must be public property; (2) the use thereof must be for a public purpose; and (3) the property must be used exclusively for a public purpose. *Carney v. Cleveland* (1962), 173 Ohio St. 56.

In *Cleveland v. Perk* (1972), 29 Ohio St.2d 161, the Court held that:

When *** private enterprise is given the opportunity to occupy public property in part and make a profit, even though in so doing it serves not only the public, but the public interest and a public purpose, such part of the property loses its identity as public property and its use cannot be said to be exclusively for a public purpose. A private, in addition to a public, purpose is then subserved.

Additionally, the Ohio Supreme Court held on numerous occasions that property belonging to public entities but leased to private entities may not be exempted from taxation. See *Carney v. Cleveland* (1962), 173 Ohio St. 56; *Cleveland v. Perk* (1972), 29 Ohio St. 2d 161 and *Dayton v. Roderer* (1977), 50 Ohio St. 2d 159.

Here, the property, except for the retained office used by the applicant, was leased to and used by a for-profit limited liability company. Therefore, the property leased to Portage Flight Center, LLC, including the conference room leased to the company but also used by the applicant for monthly meetings, is not entitled to exemption.

III. Conclusion

Based upon information available to the Tax Commissioner, the Tax Commissioner finds that a portion of the property described in the application is entitled to be exempt from taxation pursuant to R.C. 5709.08, public purpose, and a portion is not entitled to be exempt for the reasons set forth above. Pursuant to R.C. 5713.04, the Tax Commissioner orders that the property be split-listed as follows:

Property exempt from taxation:

The 160 square foot office retained by the applicant.

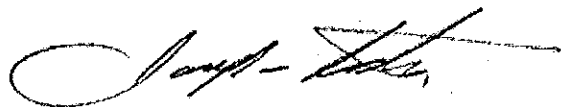
The Tax Commissioner orders that the real property described above be entered upon the list of property in the county which is exempt from taxation for tax years 2014, 2015, 2016 and 2017. The Tax Commissioner further orders that all taxes, penalties, and interest paid for tax years 2011, 2012, and 2013 be remitted in the manner provided by R.C. 5715.22. The subject property shall remain on the exempt list until either the county auditor or the Tax Commissioner restores the property to the tax list.

Property to remain on the tax list:

The remainder of the property not listed above as exempt.

The Tax Commissioner further orders that penalties charged through the date of this determination be remitted.

THIS IS THE TAX COMMISSIONER'S FINAL DETERMINATION WITH REGARD TO THIS MATTER. NOTICE WILL BE SENT PURSUANT TO R.C. 5715.27 TO THE COUNTY AUDITOR. UPON EXPIRATION OF THE SIXTY-DAY APPEAL PERIOD PRESCRIBED BY R.C. 5717.02, THIS MATTER WILL BE CONCLUDED AND THE FILE APPROPRIATELY CLOSED.



Joseph W. Testa
Tax Commissioner



Ohio Department of TAXATION

Hangar 1

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Department of
Taxation

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**FINAL
DETERMINATION**

January 31, 2017

Portage Cty Regional Airport Authority
John Trew A I C P
4029 Nanway Blvd
Ravenna, OH 44266

Re: DTE No: WE 1908
Auditor's No.: 2014-34
County: Portage
School District: Crestwood LSD
Parcel Number(s): 33-059-00-00-033.044 **Hangar 1, rented**

This is the final determination of the Tax Commissioner on an application for exemption of real property from taxation filed on August 19, 2014.

I. Factual Background

The applicant, Portage County Regional Airport Authority, seeks exemption of real property from taxation, consisting of improvements on less than an acre. The applicant acquired title to the property in 2007.

The applicant entered into a lease agreement with Gary Bulzan, on January 13, 2009, that lasted until November of 2011 for the hangar on the property, Board Hangar 1. Beginning January 1, 2012, the applicant began leasing the hangar to Josh Eyring. After Mr. Eyring vacated the property, the applicant began leasing the hangar to Tim Hartong on October 1, 2014. The lessee uses the hangar as a paint shop for stored aircraft.

In correspondence dated January 13, 2017, the applicant stated that this lease is still in effect.

II. Ohio Revised Code Section 5709.08

The applicant seeks exemption under Ohio Revised Code Section ("R.C.") 5709.08, which provides exemption for "...public property used exclusively for a public purpose..." The Ohio Supreme Court has held that there are three prerequisites which must be met in order for property to qualify for exemption under this statute: (1) the property must be public property; (2) the use thereof must be for a public purpose; and (3) the property must be used exclusively for a public purpose. *Carney v. Cleveland* (1962), 173 Ohio St. 56.

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Additionally, the Ohio Supreme Court held on numerous occasions that property belonging to public entities but leased to private entities may not be exempted from taxation. See *Carney v. Cleveland* (1962), 173 Ohio St. 56; *Cleveland v. Perk* (1972), 29 Ohio St. 2d 161 and *Dayton v. Roderer* (1977), 50 Ohio St. 2d 159.

Here, the hangar located on the property was leased to and used by individuals. Therefore, the hangar leased currently leased to Tim Hartong, is not entitled to exemption.

III. Conclusion

Based upon information available to the Tax Commissioner, the Tax Commissioner finds that a portion of the property described in the application is entitled to be exempt from taxation pursuant to R.C. 5709.08, public purpose, and a portion is not entitled to be exempt for the reasons set forth above. Pursuant to R.C. 5713.04, the Tax Commissioner orders that the property be split-listed as follows:

Property exempt from taxation:

The remainder of the property not list below as taxable

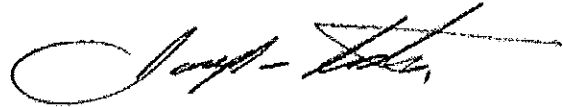
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Property to remain on the tax list:

Board Hangar 1

The Tax Commissioner further orders that penalties charged through the date of this determination be remitted.

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Joseph W. Testa
Tax Commissioner



Hangar 2
Exempt
2014, 2015,
2016, 2017

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FINAL DETERMINATION

January 31, 2017

Portage Cty Regional Airport Authority
John Trew A I C P
4029 Nanway Blvd
Ravenna, OH 44266

Re: DTE No: WE 1909
Auditor's No.: 2014-35
County: Portage
School District: Crestwood LSD
Parcel Number(s): 33-059-00-00-033-047

Hangar 2, storage of tractors, snow
plow equipment

This is the final determination of the Tax Commissioner on an application for exemption of real property from taxation filed on August 19, 2014.

I. Factual Background

The applicant, Portage County Regional Airport Authority, seeks exemption of real property from taxation, consisting of improvements on less than an acre. The applicant acquired title to the property in 2009.

In correspondence dated January 13, 2017, the applicant stated that the hangar, Board Hangar #2, located on the property was leased to Stephen Kuljko, Jr. for his personal use from July 1, 2008 until September of 2012—the applicant honored Mr. Kuljko's lease when it acquired the property in 2009. Beginning October 1, 2012, the applicant leased the hangar to Chris Gilmore of Ardmore Aviation for aircraft storage until the lessee vacated the property on June 15, 2013. Since the date Chris Gilmore vacated the hangar, the property has been used to store the applicant's mowing and snowplowing equipment.

II. Ohio Revised Code Section 5709.08

The applicant seeks exemption under Ohio Revised Code Section ("R.C.") 5709.08, which provides exemption for "...public property used exclusively for a public purpose..." The Ohio Supreme Court has held that there are three prerequisites which must be met in order for property to qualify for exemption under this statute: (1) the property must be public property; (2) the use thereof must be for a public purpose; and (3) the property must be used exclusively for a public purpose. *Carney v. Cleveland* (1962), 173 Ohio St. 56.

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Here, the hangar located on the property was leased to two different individuals for personal use and aircraft storage until June 15, 2013. Therefore, the hangar is not entitled to exemption for tax years 2011, 2012, and 2013.

III. Conclusion

Based upon information available to the Tax Commissioner, the Tax Commissioner finds that a portion of the property described in the application is entitled to be exempt from taxation pursuant to R.C. 5709.08, public purpose, and a portion is not entitled to be exempt for the reasons set forth above. Pursuant to R.C. 5713.04, the Tax Commissioner orders that the property be split-listed as follows:

Property exempt from taxation:

For tax years 2011, 2012, and 2013: The remainder of the property not listed below as taxable

For tax years 2014, 2015, 2016, and 2017: The entire property

The Tax Commissioner orders that the real property described above be entered upon the list of property in the county which is exempt from taxation for tax years 2014, 2015, 2016 and 2017. The Tax Commissioner further orders that taxes, penalties, and interest paid for a portion of the property for tax years 2011, 2012, and 2013 be remitted in the manner provided by R.C. 5715.22. The subject property shall remain on the exempt list until either the county auditor or the Tax Commissioner restores the property to the tax list.

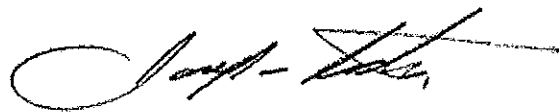
Property to remain on the tax list:

For tax years 2011, 2012, and 2013: The Board Hangar #2

For tax years 2014, 2015, 2016, and 2017: None of the property.

The Tax Commissioner further orders that penalties charged through the date of this determination be remitted.

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5717.02 Appeals from final determination of the tax commissioner; notice; procedure; hearing.

Except as otherwise provided by law, appeals from final determinations by the tax commissioner of any preliminary, amended, or final tax assessments, reassessments, valuations, determinations, findings, computations, or orders made by the commissioner may be taken to the board of tax appeals by the taxpayer, by the person to whom notice of the tax assessment, reassessment, valuation, determination, finding, computation, or order by the commissioner is required by law to be given, by the director of budget and management if the revenues affected by such decision would accrue primarily to the state treasury, or by the county auditors of the counties to the undivided general tax funds of which the revenues affected by such decision would primarily accrue. Appeals from the redetermination by the director of development under division (B) of section 5709.64 or division (A) of section 5709.66 of the Revised Code may be taken to the board of tax appeals by the enterprise to which notice of the redetermination is required by law to be given. Appeals from a decision of the tax commissioner concerning an application for a property tax exemption may be taken to the board of tax appeals by a school district that filed a statement concerning such application under division (C) of section 5715.27 of the Revised Code.

Such appeals shall be taken by the filing of a notice of appeal with the board, and with the tax commissioner if the tax commissioner's action is the subject of the appeal or with the director of development if the director's action is the subject of the appeal, within sixty days after service of the notice of the tax assessment, reassessment, valuation, determination, finding, computation, or order by the commissioner or redetermination by the director has been given as provided in section 5703.37 of the Revised Code. The notice of such appeal may be filed in person or by certified mail, express mail, or authorized delivery service. If the notice of such appeal is filed by certified mail, express mail, or authorized delivery service as provided in section 5703.056 of the Revised Code, the date of the United States postmark placed on the sender's receipt by the postal service or the date of receipt recorded by the authorized delivery service shall be treated as the date of filing. The notice of appeal shall have attached thereto and incorporated therein by reference a true copy of the notice sent by the commissioner or director to the taxpayer or enterprise of the final determination or redetermination complained of, and shall also specify the errors therein complained of, but failure to attach a copy of such notice and incorporate it by reference in the notice of appeal does not invalidate the appeal.

Upon the filing of a notice of appeal, the tax commissioner or the director, as appropriate, shall certify to the board a transcript of the record of the proceedings before the commissioner or director, together with all evidence considered by the commissioner or director in connection therewith. Such appeals or applications may be heard by the board at its office in Columbus or in the county where the appellant resides, or it may cause its examiners to conduct such hearings and to report to it their findings for affirmation or rejection. The board may order the appeal to be heard upon the record and the evidence certified to it by the commissioner or director, but upon the application of any interested party the board shall order the hearing of additional evidence, and it may make such investigation concerning the appeal as it considers proper.



Department of
Taxation

Office of the Tax Commissioner
30 E. Broad St, 22nd Floor
Columbus, OH 43215
www.tax.ohio.gov

FINAL DETERMINATION

January 31, 2017

Portage Cty Regional Airport Authority
John Trew A I C P
4029 Nanway Blvd
Ravenna, OH 44266

Re: DTE No: WE 1907
Auditor's No.: 2014-38
County: Portage
School District: Crestwood LSD
Parcel Number(s): 33-059-00-00-033-038

Castle Hangar, currently rented to
Cales Custom Aviation

This is the final determination of the Tax Commissioner on an application for exemption of real property from taxation filed on August 19, 2014.

I. Factual Background

The applicant, Portage County Regional Airport Authority, seeks exemption of real property from taxation, consisting of improvements on approximately one acre. The applicant acquired title to the property in 2002.

The applicant entered into a lease agreement with Jeff Cales Custom Aviation, LLC, a for-profit limited liability company, on October 1st, 2004, for a two year period for the building, the Castle Hangar, located on the subject property. The lessee uses the hangar as a paint shop for stored aircraft.

In correspondence dated January 13, 2017, the applicant stated that this lease is still in effect.

II. Ohio Revised Code Section 5709.08

The applicant seeks exemption under Ohio Revised Code Section ("R.C.") 5709.08, which provides exemption for "...public property used exclusively for a public purpose..." The Ohio Supreme Court has held that there are three prerequisites which must be met in order for property to qualify for exemption under this statute: (1) the property must be public property; (2) the use thereof must be for a public purpose; and (3) the property must be used exclusively for a public purpose. *Carney v. Cleveland* (1962), 173 Ohio St. 56.

In *Cleveland v. Perk* (1972), 29 Ohio St.2d 161, the Court held that:

When *** private enterprise is given the opportunity to occupy public property in part and make a profit, even though in so doing it serves not only the public, but the public interest and a public purpose, such part of the property loses its identity as public property and its use cannot be said to be exclusively for a public purpose. A private, in addition to a public, purpose is then subserved.

Additionally, the Ohio Supreme Court held on numerous occasions that property belonging to public entities but leased to private entities may not be exempted from taxation. See *Carney v. Cleveland* (1962), 173 Ohio St. 56; *Cleveland v. Perk* (1972), 29 Ohio St. 2d 161 and *Dayton v. Roderer* (1977), 50 Ohio St. 2d 159.

Here, the hangar located on the property was leased to and used by a for-profit limited liability company. Therefore, the hangar leased to Jeff Cales Custom Aviation, LLC, is not entitled to exemption.

III. Conclusion

Based upon information available to the Tax Commissioner, the Tax Commissioner finds that a portion of the property described in the application is entitled to be exempt from taxation pursuant to R.C. 5709.08, public purpose, and a portion is not entitled to be exempt for the reasons set forth above. Pursuant to R.C. 5713.04, the Tax Commissioner orders that the property be split-listed as follows:

Property exempt from taxation:

The remainder of the property not list below as taxable

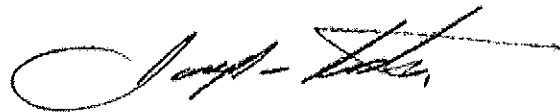
The Tax Commissioner orders that the real property described above be entered upon the list of property in the county which is exempt from taxation for tax years 2014, 2015, 2016 and 2017. The Tax Commissioner further orders that all taxes, penalties, and interest paid for tax years 2011, 2012, and 2013 be remitted in the manner provided by R.C. 5715.22. The subject property shall remain on the exempt list until either the county auditor or the Tax Commissioner restores the property to the tax list.

Property to remain on the tax list:

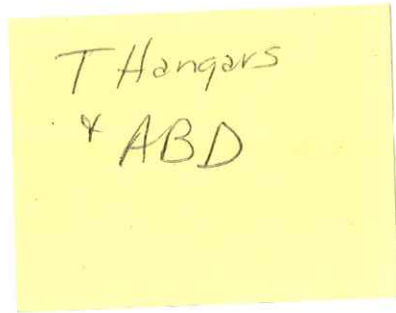
The Castle Hangar

The Tax Commissioner further orders that penalties charged through the date of this determination be remitted.

THIS IS THE TAX COMMISSIONER'S FINAL DETERMINATION WITH REGARD TO THIS MATTER. NOTICE WILL BE SENT PURSUANT TO R.C. 5715.27 TO THE COUNTY AUDITOR. UPON EXPIRATION OF THE SIXTY-DAY APPEAL PERIOD PRESCRIBED BY R.C. 5717.02, THIS MATTER WILL BE CONCLUDED AND THE FILE APPROPRIATELY CLOSED.



Joseph W. Testa
Tax Commissioner



Dear Taxpayer

Enclosed is the Tax Commissioner's final determination regarding your case. The title is captioned either "Journal Entry" or "Final Determination".

You have the right to appeal this decision to the Board of Tax Appeals. Unlike appeals to the Tax Commissioner, proceedings before the Board of Tax Appeals are very formal, and the Board's procedures must be carefully followed. An appeal to the Board may be done in the following way:

- You have only **60 days** from the date you received the final determination to appeal.
- If you choose to appeal, you must send the Board of Tax Appeals your original notice of appeal **and** two copies. A copy of the enclosed final determination should also be attached to each notice of appeal. Your notice of appeal must **clearly** state why you are appealing. The law requires you to describe carefully each error which you believe the Tax Commissioner made.
- You must also send the Tax Commissioner a copy of your notice of appeal **and** a copy of the enclosed final determination.
- The Board of Tax Appeals and the Tax Commissioner **must each receive** the notice of appeal and the copy of the final determination within 60 days of your receipt of this final determination. In order to file your appeal on time, you must mail the notices by certified mail, express mail, or authorized delivery service and make sure that the recorded date is within 60 days of your receipt of the enclosed final determination. Ordinary mail delivery is not considered received until each agency actually receives your notice of appeal. Alternatively, you may personally deliver the notices before the 60 days are up to be sure both agencies receive it within the 60 day time limit. Appeals which are received late do not meet the requirements of the law and cannot be considered.

For your information, Ohio Revised Code Section 5717.02 appears on the back of this letter. This is the section of the Code stating the requirements for a proper appeal to the Board of Tax Appeals. You **must** follow all of these **mandatory** requirements in order to appeal. If you don't, you may lose your right to appeal. If you have questions regarding this determination, you may reach our office at 614-466-5744.

The mailing address for the Board of Tax Appeals is:

Rhodes State Office Tower
30 East Broad Street, 24th fl
Columbus, OH 43215

The mailing address for the Tax Commissioner is:

Rhodes State Office Tower
30 East Broad Street, 22nd fl
Columbus, OH 43215

5717.02 Appeals from final determination of the tax commissioner; notice; procedure; hearing.

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FINAL DETERMINATION

January 31, 2017

Portage Cty Regional Airport Authority
John Trew A I C P
4029 Nanway Blvd
Ravenna, OH 44266

Re: DTE No: WE 1910
Auditor's No.: 2014-36
County: Portage
School District: Crestwood LSD
Parcel Number(s): 33-062-00-00-005.001

T-hangars owned by airport board

This is the final determination of the Tax Commissioner on an application for exemption of real property from taxation filed on August 19, 2014.

I. Factual Background

The applicant, Portage County Regional Airport Authority, seeks exemption of real property from taxation, consisting of improvements on 1.82 acres. The applicant acquired title to the property in 1995. The applicant requests exemption only for the land and not for the improvements on the property.

The applicant initially entered into a land lease with FBO Hangars, L.L.C. in September of 2003 for fifty years at \$5,120.00 per year. On March 23, 2006, FBO Hangars L.L.C. assigned all of its rights and obligations to this lease to Kelly Aviation Helios, L.L.C.

In correspondence dated January 13, 2017, the applicant stated that this lease remains in effect and that the lease encompasses the entire 1.82 acre parcel. The property contains several hangars, one of which the applicant states it does not own and for which it does not request exemption and three of which it owns, leases to many different tenants, and for which it requested exemption in DTE No. WE 1905.

II. Single Estate

Real property tax is assessed as a single estate or interest, and a tax bill is sent to the owner of the property. *In re National Tube Co* (1950), 98 NE2d 78. The Supreme Court held that Ohio law does not provide for a separate tax on leaseholds. *Visicon v. Tracy* (1998), 83 Ohio St.3d 211, at 216. The Board of Tax Appeals found that only “the existence of a permanent leasehold creates a sufficiently separate interest in property that the lessee may be taxed apart from the owner of the property”. *Bd. of Trustees of the Ohio State University v. Limbach* (Apr. 24, 1992), BTA No. 87-B-729, citing *Cincinnati College v. Yeatman* (1876), 30 Ohio St. 276. Here, the lease is for fifty years and Mastodon, LLC retains legal title. See, also, *Ralston Steel Car Co. v. Ralston* (1925), 112 Ohio St. 306, wherein the Court found that only under a total or full assignment of real estate by the owner does “the estate created by such instrument becomes a freehold estate in real property.” An

owner must "part at once with his entire estate, *** and the lessee takes the entire estate" in order for a freehold to vest in the lessee. *Ralston*, supra.

Here, the applicant requests exemption only for the land, while requesting exemption for several hangars located on the same property in another exemption application, DTE No. WE 1905. Also, while the applicant leases the land and the hangars, the applicant has not created a permanent leasehold on the property. As explained above, the property is not taxed separately, as land and buildings, but is taxed as a single estate. Therefore, for property tax purposes, the Tax Commissioner must review the land and buildings as a single estate and not as separately taxable.

III. Ohio Revised Code Section 5709.08

The applicant seeks exemption under Ohio Revised Code Section ("R.C.") 5709.08, which provides exemption for "...public property used exclusively for a public purpose..." The Ohio Supreme Court has held that there are three prerequisites which must be met in order for property to qualify for exemption under this statute: (1) the property must be public property; (2) the use thereof must be for a public purpose; and (3) the property must be used exclusively for a public purpose. *Carney v. Cleveland* (1962), 173 Ohio St. 56.

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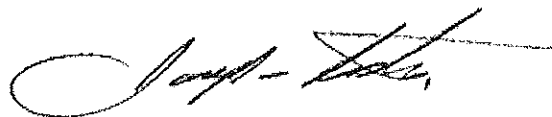
Additionally, the Ohio Supreme Court held on numerous occasions that property belonging to public entities but leased to private entities may not be exempted from taxation. See *Carney v. Cleveland* (1962), 173 Ohio St. 56; *Cleveland v. Perk* (1972), 29 Ohio St. 2d 161 and *Dayton v. Roderer* (1977), 50 Ohio St. 2d 159.

Here, the applicant leases the land to a private entity, Kelly Aviation Helios, L.L.C. For property tax purposes, the buildings on the property are not taxed separately from the land; therefore, the land lease in itself defeats the request for exemption for the entire property, including the hangars. Therefore, the property is not entitled to exemption under R.C. 5709.08.

IV. Conclusion

Based on the information available to the Tax Commissioner, the Tax Commissioner finds that the property described in the application is not entitled to be exempt from taxation and the application is therefore denied for tax year 2014. The Tax Commissioner further orders that penalties charged through the date of this determination be remitted.

THIS IS THE TAX COMMISSIONER'S FINAL DETERMINATION WITH REGARD TO THIS MATTER. NOTICE WILL BE SENT PURSUANT TO R.C. 5715.27 TO THE COUNTY AUDITOR. UPON EXPIRATION OF THE SIXTY-DAY APPEAL PERIOD PRESCRIBED BY R.C. 5717.02, THIS MATTER WILL BE CONCLUDED AND THE FILE APPROPRIATELY CLOSED.

A handwritten signature in black ink, appearing to read "Joseph W. Testa", with a large, stylized initial "J" and a horizontal line extending from the end of the signature.

Joseph W. Testa
Tax Commissioner