

CHATTOOGA COUNTY
BOARD OF TAX ASSESSORS

Chattooga County
Board of Tax Assessors
Meeting of March 30, 2011

Attending:

Hugh Bohanon, Chairman
William Barker
Gwyn Crabtree
David Calhoun
Richard Richter

- I. Meeting called to order 9:00 am.
 - a. Leonard Barrett, Chief Appraiser – present
 - b. Wanda A. Brown, secretary - present

OLD BUSINESS:

I. BOA Minutes:

- a. **Meeting Minutes March 23, 2011** – Board reviewed, approved and signed.

II. BOA/Employee: Board members received checks

- a. **Time Sheets:** PE March 30, 2011 – Board reviewed, approved and signed

III. Assessors Office Budget: Report monthly after receiving monthly printout from Jason Winters, Commissioner

IV. Appeal Report:

- a. Appeals Filed – 100
- b. Appeals Reviewed by BOA – 94
- c. Appeals Remaining – 6

V. BOE Report: No Updates

- a. Total cases certified to the Board of Equalization – 42
- b. Cases Reviewed – 25
- c. Total Cases Remaining For Review – 6

VI. Employee Group Session: Next group session date June 1, 2011.

- a. **Employee Annual Reviews Due in April:** Chad Bierkamp, Wanda Brown and Cindy Finster

VII. Pending Appeals, letters, covenants & other items:

- a. Express Inn Suites rescheduled their appointment for 9:30 a.m., 3/30/2011. They will fax the information if they can't make it. Representatives for Express Inn did not attend March 30, 2011 – We are now waiting for their fax.

Z DBA Express Inn & Suites: 2010 appeal:

Contention: owner submitted appeal form stating: "no like sale has occurred in the past two years to substantiate the value. Like properties are not assessed uniformly. Income does not support value." Also, owner submitted copies of income tax returns for years 2007, 2008 and 2009 as documentation and a letter of authorization for Property Tax America LLC to represent the owner in the appeal.

Findings: Subject property is a 2 story motel located on approximately 1.3 acres at 14364 Highway 27, Trion, Georgia. The subject building is masonry built in 1997. It consists of 30 units, a lobby, a pool and typical parking area. The property was purchased by current owner in 2003 for \$750,000. The current tax value is \$861,268 (land \$125,930/building \$735,338) and has been the same since tax year 2006. The property was returned at a value of \$575,930 for tax year 2010.

Based on study compiled by field staff, the motel building is valued in line with other motels in Chattooga County. It is valued at \$57.68 per square foot compared to other motels ranging from \$25.29 to \$67.55 per square foot. The most similar comparable is map S28-3A (Coach Inn) valued at \$55.48 per square foot for the building.

While the owners' contention indicated no sale of motels occurred in the last two years to substantiate value, the following sales were found. Research on the GAAO commercial sales web site yielded sales of motels in neighboring counties. Sales during the years 2008 and 2009 occurred in Chattooga, Catoosa, Gordon and Walker County. One sale was in Chattooga, one in Catoosa, three in Gordon and one in Walker County. Those sales had overall sale prices per square foot ranging from \$34.94 to \$108.53 per square foot and a median sale price per square foot of \$52.49. The overall value per square foot of the subject is \$71.39 per square foot (including land, pool, paving etc.). Based on contact with the Assessors Offices in each of these counties, these properties were not determined to be sales between related parties. Some was non-functioning or distressed sales, none had renovations done after the purchase. The sold property nearest in age to the subject was built in 1983 (14 years before the subject). It sold for \$68.53 per square foot overall in July of 2008 and is located at 915 Highway 53 East in Gordon County. It is also near the Interstate, a chain motel (Days Inn) and has a chain restaurant (a Cracker Barrel and KFC) nearby. Maps and photos are taken from Google to substantiate this data. To better verify the condition of the comparables a visit to the properties should be made.

Owner's income tax returns indicate the income stream has been steady for the years 2007, 2008, and 2009. Based on this data compared to the property, the occupancy rate has averaged 29.8% for the three years and was 30.2% for 2009. According to data retrieved from the GAAO website, average hotel occupancy rates for the first of the year 2009 were 50% and near the end of the year 60%. The average for the year 2009 was about 55%. These rates according to the data chart were about 10% below the 2008 rates through the course of the year. The occupancy rate for the subject was about 25% below the Synovus study compiled for the GAAO. Because the income stream has been steady, the subject does not seem to be affected by the market as much as other motels may be affected. The subject income stream stayed steady from 2008 to 2009 while the average in the Synovus study dropped approximately 10%. To better determine the affect of the market on the income stream of the subject, operating cost should be obtained. Also, for comparison purposes, the income data should be reviewed for the comparables.

Based on the descriptive data of the subject and the comparable sales data found so far, the subject seems to be in the \$650,000 to \$700,000 range. \$56 per square foot is in the midrange of this estimate and results in a value estimate of \$675,584. This estimate is above the median sale price per square foot (\$52.49) of all transactions in the study. Note: a comparison based on a sale price per room should also be made (other counties did not have this data on file based on phone conversations).

Recommendation: A total value of \$675,584 is recommended for tax year 2010. Contact owner and representative to schedule an appointment. Also, follow up market studies are recommended for motels for tax year 2011.

b. 68-96: Jenkins, Lester G. 2010 tax billing:

APPLICATION MAILED JANUARY 3, 2011 – Spoke with Mr. Jenkins January 25, 2011. His office should be mailing his application soon – Also, he intends to combine the two parcels. – Received Mr. Jenkins' application, however, there was no notary stamp with the signature.

Mailed Mr. Jenkins application back to him March 11, 2011 requesting notary stamp. His response is due by April 1, 2011.

c. Fisher, Shirley: Various Parcels: 2010 billing:

Contention: owner's representative, Steve Baker, indicated he had filed an appeal for property owner on all property she owned or had an interest in. No notice of action has yet been received.

Findings: no appeal forms can be found on file. Mr. Baker and Mrs. Fisher has visited office in past to discuss property values with documents supporting ownership, billing and contentions. Documents have not been located.

Recommendations: request agent provides replacement documents and signed copies of appeal forms. Copy of appeal requested from Ms. Fisher's representative, Steve Baker.

A letter was delivered to Steve Baker and mailed to Shirley Fisher requesting response within 7 days of receipt of the letter. Property owner and her representative should have received the letter no later than Friday, March 18, 2011. This would allow the respond due date of March 29, 2011.

Motion: Send appropriate notice advising property owner that their response deadline has past. The BOA is removing this item from their agenda.

Motion: Mr. Barker

Second: Mr. Richter

Vote: all in favor

NEW BUSINESS:

VIII. Appeals:

30-76: Morgan, Milford Jr.: 2010 appeal:

Contention: owner contends property is valued in excess of market value. Owner filed a return on the property for tax year 2010 in the amount of \$750,000. Also, owner submitted an appraisal in conjunction with the appeal indicating the value of the property to be \$600,000.

Findings:

Tax records indicate the property is an industrial building located on 10 acres located at 5569 Highway 114, Lyerly Georgia. The buildings total approximately 131,200 square feet according to the property tax records. 3100 square feet is a mini warehouse, 57,575 is an older brick building and 70,525 square feet was added in 1999 constructed of brick and enamel steel. The older brick building was originally a glove mill. The total land value is \$54,600, the total building value is \$1,669,325, and the total property tax value for tax year 2010 is \$1,723,925. The overall value per square foot for the property is \$13.13. The owner submitted an appraisal in the amount of \$600,000 (\$5.04 per square foot) for the property as a whole. The value estimate is as of July 18, 2010. The Appraisal Service did the appraisal for Synovus Bank of Calhoun Georgia. The mortgage holder (Cohutta Banking Company) which foreclosed on the appraised property in September 2010 is a division of Synovus Bank. The appraisal report submitted described the property as being 9.44 acres with a total of 119,000 square feet in the building. 3,000 square feet is reported in the mini-warehouse, 56,550 in the brick section and 59,450 square feet in the newer brick and metal sided section.

The appraiser used the cost approach and the market approach to value. The income approach was deemed not applicable by the appraiser. \$635,000 is the value estimated using Marshall and Swift valuation guides for the cost approach. \$600,000 is the value estimated based on the market approach. Four comps were used to estimate the value from the market approach. Comp #1 is a building of 178,354 square feet on 26.56 acres that sold 08/02/2010 for \$2,350,000 (13.18 per square foot) in Troup County (LaGrange). Comp #2 is a building of 152,387 square feet on 24.67 acres that sold 01/29/2010 for \$1,725,000 (\$11.32 per square foot) in Bartow County (Cartersville). Comp #3 is a building of 50,400 square feet on 2.62 acres that sold 04/29/2008 for \$400,000 (\$7.94 per square foot) in Carroll County (Carrollton). Comp #4 is a building of 150,000 square feet on 41.5 acres that sold 02/08/2008 for \$350,000 (\$2.33 per square foot) in Walker County (LaFayette).

The following conflicts were determined between the tax records and the appraisal:

1. The property is taxed as 10 acres. The appraisal indicates 9.4 acres for a difference of 0.6 acres.

2. Tax records indicate there is a total of 131,200 square feet of building. The appraisal report indicates there is a total of 119,000 square feet of building for a difference of 12,200 square feet.
3. Tax records indicate the property value estimate to be \$1,723,925. The appraisal indicates a value estimate of \$600,000 for a difference of \$1,123,925.

The resolutions of the conflicts are as follows:

1. Correct the tax map and property description to match the deed.
2. The property was visited and building measurements verified in the field and on the aerial photography. Both indicate there is over 130,000 square feet in the buildings. Leave square footage as indicated in tax records.
3. Examine appraisal submitted with appeal and market data from surrounding counties (GAAO commercial/industrial sales databank).

Examination of submitted appraisal indicated the following:

1. Comp # 1 is located in Troup County some distance from Chattooga County. This property sold 08/02/2010 for \$2,350,000. The property was transferred 4 months later to the LaGrange Development Authority according to deed and Troup County tax office records. The grantor in the sale illustrated in comp #1 acquired the property from the Development Authority. Prior title history in the tax records indicate this property was originally owned by the Development Authority. Sale prices of prior owners before the market peak in the 2007-2008 are higher than the current price. The 1996 sale was for \$3,900,000 and the 2004 sale was for \$4,700,000. The current tax value is \$5,670,710. The land value is \$289,500 leaving \$5,381,210 for the buildings. Tax records indicate the property is valued at \$32.83 per square foot ($\$5,670,710 / 172,680$ sq feet).
2. Comp #2 is located in Bartow County. This property sold 01/09/2010 for \$1,725,000. The Grantor in the transaction purchased the property in 1998 for \$3,000,000. The current tax value total is \$2,461,900 or \$16.15 per square foot ($\$2,461,900 / 152,387$ square feet).
3. Comp #3 is located in Carroll County. This property sold 04/29/2008 for \$400,000. Tax records indicate the property sold in 1992 to the Grantor for \$413,511. Tax records also indicate the opinion of the tax office is the transfer from the Grantor to the Grantee in 2008 for \$400,000 is below market. The current tax value indicated by tax records is a total of \$437,031 or \$8.67 per square foot.
4. Comp # 4 is located in Walker County. This property sold 02/08/2008 for \$350,000. The Grantee in this transaction is the City of LaFayette. The subject tract of land (41.5 acres) could be found in the tax office web records but not the building. The land is valued currently on the tax records at \$1,756,965.

Examination of GAAO sales databank indicated the following:

1. The GAAO sales databank contained a total of 175 transactions of industrial properties with buildings located thereon. All the transactions involved considerations according to the databank. Of all the transactions the median price per square foot is \$23.44. The size range is from less than 2000 square feet to over 150,000 square feet.
2. When the list is reduced to sales identified as "Fair Market" warehouse properties the median changes to \$27.02 per square foot.
3. The list of warehouses over 32,000 square feet contained 12 sales and involved the following counties: Gilmer, Gordon, Murray and Whitfield. There were only 2 sales in the list lower than the tax value per square foot of the subject. Both are in Whitfield County. The lowest is \$4.10 and the next lowest is \$12.98 per square foot. This list containing only those identified as "Fair Market Value" and warehouse space 32,000 square feet and above has a median of \$21.97 per square foot.

Conclusion of appraisal / sales data bank review:

1. The basic concern is that 2 of the appraisal comps (Comps 1 & 4) involved governmental entities. The other 2 (Comps 2 & 3) had significant unidentifiable depreciation. The properties' appreciation rate was exceeded by its rate of depreciation. The purchase prices were less than the purchase prices of the same properties before the economic growth years of the mid 2000's.
2. The GAAO sales data bank shows a different view of the "Market Value" of warehouse space in North West Georgia than the submitted appraisal.

Property reviewers with tax office compiled study indicating the following:

1. Subject property is valued at the high end of the range of similar properties.
2. The newer section of the subject is valued higher than any other warehouse space at \$19.46 per square foot. The next highest value per square foot for newer warehouse space is \$12.79 per square foot (map 50-58B).
3. The overall median value per square foot for warehouse space not including those adjusted by appeal is approximately \$9.00 per square foot. The overall value per square foot of the subject is \$13.13.

Conclusion:

1. Subject property is not valued in excess of "Market Value" based on the GAAO sales data bank for the North West Georgia region. It is valued at \$13.13 per square foot overall (land included) and the median for the North West Georgia region is \$21.97. The subject is just above the next to lowest in the regional sales list which is \$12.98 per square foot.
2. The submitted appraisal reflects a value near the bottom of the range indicated by the GAAO sales data bank. It utilizes properties connected with governmental entities and sales that seem to reflect excessive depreciation.
3. Based on the above 2 points, the 2010 property tax value estimate on the subject property does not exceed "Market Value". Therefore, no adjustment is warranted based on the "Market" data. However, the reviewers' local equity study indicates an inequity in the value of the subject property compared to similar warehouse space. The newer section of the subject building is valued higher than any other warehouse space at \$19.46 per square foot. The next highest value per square foot for newer warehouse space is \$12.79 per square foot (map 50-58B).

Recommendation: Invite owner and or representative to hearing to present contentions. Adjust the subject value per square foot for the newer section to \$12.98 per square foot which is the next highest newer warehouse space in the reviewers' study. This will result in the total value being reduced from \$1,723,925 to \$1,253,415 (land value of \$54,600 plus building value of \$1,198,815 equals \$1,253,415). This results in an overall value per square foot of \$9.55.

Note: new owner came in office 03/22/2011. He indicated the following:

1. He and a partner purchased the property from the bank for \$145,000 plus a fee of \$15,000 making a total purchase price of \$160,000.
2. He also indicated that they are going to remove a portion of the older building totaling approximately 22,000 square feet.

Note: reviewer indicated an 1820 square foot section of the newer part of the building is not included in the study. This means there is a total of 133,000 square feet in the building according to tax records.

Boa decision:

Motion to accept recommendation

Motion: Mr. Barker

Second: Mr. Richter

Vote: Mr. Barker, Mr. Richter and Ms. Crabtree

IX. Conservation Covenants:

X. Board of Assessors reviewed, approved and signed the following covenants a-m below:

- a. 65-24-B: Ball, Kathy Teal: applying for covenant on 18.30 acres – approved
- b. 65-24-A: Ball, Kathy Teal: applying for covenant on 4.99 acres – approved
- c. 83A-27: Park, Charles & Brenda: applying for covenant on 14.63 acres – approved
- d. 64-114: Morton, Albert: applying for covenant on 10 acres – approved
- e. 73-1: Dawson, Michael: applying for covenant on 37.97 acres – approved
- f. 73-1-A: Dawson, Michael: applying for covenant on 108.15 acres – approved
- g. 73-1-B: Dawson, John: applying for covenant on 5 acres adjoining the 108.15 acres with Mike Dawson – approved
- h. 9-41: Majors, Lee & Maxine: applying for covenant on 23.28 acres – approved
- i. 9-17: Majors, Maxine: applying for covenant on 49.80 acres – approved
- j. 50-31: Parker, Larry & Margaret: applying for covenant on 30.30 acres – approved
- k. 83-22-L02: Morrow, Michael: applying for covenant on 13.80 acres – approved
- l. 9-56A: Braden, Jerry & Annamarie: applying for covenant on 126 acres – approved
- m. 30-62 & 30-62C: Braden, Jerry & Annamarie: applying for covenant on 55.46 acres – approved
 - i. Motion to approve all above covenants
 - ii. Motion: Mr. Barker
 - iii. Second: Mr. Richter
 - iv. Vote: all in favor

XI. Exempt Properties: No report

XII. Information Items & Invoices:

- a. **Bulk Mail Tax Bills: GSI:** Updating processes for printing and mailing – Fax with price updates for BOA to review – Board acknowledged
- b. **CAVEAT:** Vicki Lambert: Registration will be accepted in April upon receiving forms from Ms. Lambert to be filled out and return to her – BOA acknowledged
- c. **Notary Stamp: Anissa Grant:** Request approval for notary stamp
 - i. Motion to approve notary stamp for Anissa Grant
 - ii. Motion: Mr. Barker
 - iii. Second: Mr. Calhoun
 - iv. Vote: all in favor

Auction: Sale of Duff Property: Email forwarded to BOA regarding the Jimmy Duff estate properties. – BOA acknowledged

- d. **P07-27: Hill, Eddie James:** Question concerning interest on refund:
 - i. Mr. Hill called the office week of 3/21/2011. He asked about interest on amount refunded as result of appeal statement. The question along with Mr. Hill's phone number and a copy of O.C.G.A. 48-5-311 e(6)(D)iii(II) was forwarded to Tax Commissioner, Kathy Brown – Board acknowledged
- e. **S27-96: Crabtree, Gwyn: requested the following be studied.**
 - i. Findings: Sale price, tax value, size and location of following properties should be studied for lack of equity. Also, determine if findings apply to class of property as a whole.
 - ii. Recommendation: examine and discuss concern
 - 1. Motion to consider on agenda for 2011 tax base
 - 2. Motion: Mr. Barker
 - 3. Second: Mr. Richter
 - 4. Vote: Mr. Barker and Mr. Richter

XIII. Property Owner Request Reappraisal:

- a. **S32-25: Warren, Deforest "Brimp":** Property owner came in and wanted property reappraised. Property owner complained of a lot of flooding.
 - i. Determination: After a visit to property, it was discovered that approximately a tenth of the canopy at this lot and the other properties with canopy's (convenient stores, and gas stations) there was an inequity among the properties. After comparing all properties adjustments were made and before and after adjustments are compiled onto spreadsheet, along with chart.
 - ii. Recommendation: Recommends adjustment to properties is left at the new value price per square foot.

Anissa Grant

BOA instructed that Field Representatives review and research further. Board instructed no value changes for 2011 tax year.

XIV. Refund Request and Billing Errors:

- a. **00037-00000-063-000: Carolyn K. Williams:** Refund Request: 2010: Exemptions were taken off of this account in late 2009 in error. Deed Book 569 Page 140 shows where this property was transferred but reserved a life estate. Chad is requesting that this account be refunded for over payment of tax bill #11391.
 - i. Motion to accept recommendation
 - ii. Motion: Mr. Barker
 - iii. Second: Mr. Richter
 - iv. Vote: all in favor
- b. **68-70: Hightower, Timothy S. 2010: request for refund:**
 - i. Contention: owner purchased property at tax sale in 2009 and now wants his money back.
 - ii. Findings: A tax deed to the property was executed 11/03/2009. The owner had a survey done this year that indicated a problem with the legal description. The Tax Commissioner offered the owner a choice of correcting the description or refunding his purchase price. The owner decided to accept a refund of purchase price and let the county have the property lien back. Since the owner had already paid the 2010 tax bill (bill #6046) the owner also requested a refund of the tax payment. Therefore, attached is a refund form indicating the owners' desire. The Tax commissioner has already executed the check (see check number and date on form). However, to complete the paperwork, the Boards' acknowledgement should be indicated.
 - iii. Recommendation: sign form acknowledging the Tax Commissioner has already refunded the payment of the 2010 taxes (bill #6046). BOA acknowledged and no action is necessary from the Board.
- c. **S22-34: Reed, Joe & Jane:** Requesting refund for years 2007, 2008 & 2009
 - i. Contention: Owner paid taxes based on 100% of value for years 2007, 2008 & 2009 which was under appeal.
 - ii. Determination: Payment was made due to computer record not indicating property under appeal.
 - iii. Owner request interest on 15% over payment on billing
 1. Motion to forward to Kathy Brown: Mr. Richter
 2. Second: Mr. Barker
 3. Vote: all in favor

XV. Unknown Properties:**a. 00S35-00000-019-00A: Unknown Properties: Warren, Willie Mae: 2011:**

- i. Our records indicate that Map & Parc. 00S35-00000-019-00A as been listed as "Unknown" for the past several years. After researching deeds, Chad has discovered that this property should be owned by Warren, Willie Mae, according to Deed Book 363 Page 207. This Parcel has been combined with Map & Parc. 00S35-00000-019-000.

b. 00051-00000-043-000: Unknown Properties: Heavin, Joe & Janice: 2011:

- i. Our records indicate that Map & Parc. 00051-00000-043-000 as been listed as "Unknown" for the past several years. After researching deeds, Chad has discovered that this property should be owned by Heavin, Joe & Janice, according to Deed Book 542 Page 417. This Parcel has been combined with Map & Parc. 00051-00000-043-000.

Motion to submit the two unknown properties known as tax map S35-19-A and 51-43 to the County Attorney for verification of owners

Motion: Mr. Barker

Second: Mr. Richter

Vote: All in favor

Meeting adjourned: 10:30 a.m. by Mr. Bohanon, Chairman

Hugh T. Bohanon Sr. Chairman

William M. Barker

David A. Calhoun

Gwyn Crabtree

Richard L. Richter

[Handwritten signatures and initials over lines]