

CHATTOOGA COUNTY  
BOARD OF TAX ASSESSORS

Chattooga County  
Board of Tax Assessors  
Meeting of April 27, 2011

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Attending:

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

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- I. Meeting called to order 9:00 am.
  - a. Leonard Barrett, Chief Appraiser – present
- I. **BOA Minutes:**
  - a. **Meeting Minutes April 20, 2011** – Board reviewed, approved and signed
- II. **BOA/Employee:**
  - a. **Time Sheets: PE 4/27/2011** - Board reviewed, approved and signed
  - b. **Assessors Office Budget:** Emailed to BOA earlier – Board acknowledged
- III. **Appeal Report:** Presented unchanged – BOA acknowledged
  - a. Appeals Filed – 100
  - b. Appeal Decisions by BOA – 97
  - c. Appeals Remaining – 3
- IV. **BOE Report:** Presented unchanged – BOA acknowledged
  - a. Total cases certified to the Board of Equalization – 44
  - b. Cases Reviewed – 32
  - c. Total Cases Remaining For Review – 1
- V. **Employee Group Session:** Acknowledged by BOA as being scheduled for June 1, 2011.
- VI. **Employee Annual Reviews: Board asked about status of reviews** – BOA informed by Leonard Barrett that he plans to have reviews for Board on meeting of May 2, 2011.
- VII. **Pending Appeals, letters, covenants & other items:** Nothing pending – Board acknowledged

**NEW BUSINESS:**

- VIII. **Appeals:**
  - a. **15-91C; WRIGHT, PHILLIP H; 2008; 12.86 ACRES UNIMPROVED LAND**

**CONTENTION: WAS NOT GRANTED A 2008 APPEAL**

**BACKGROUND:** Mr. Wright filed an appeal on this property on 08/5/2008. His appeal was based on the market value set on the property in 2007. He had attempted to appeal that valuation, but he had filed his 2007 appeal February 22, **2008**; this filing attempt was 169 days past the appeal deadline, and 64 days past the 2007 tax bill's due date. The Board denied his 2007 appeal request as not having been timely filed.

**FINDINGS:**

- a) There is no record of owner filing a PT-50R (real property return) for 2008 – therefore per § 48-5-20 Mr. Wright was deemed to have returned this property at its 2007 final value.
- b) There was no reassessment of this property by the Assessors Office for the 2008 tax year – therefore no notice of value change was generated or sent.

c) Under the rules and regulations governing appeals, this property did not qualify for appeal status for the year 2008, and Mr. Wright was sent a notification of such dated 12/27/2008.

d) Legally, the Board of Assessors has no standing to accept this appeal. Mr. Wright has already been notified, as prescribed by per § 48-5-311(e)2(B).

e) However, Mr. Wright's account was flagged as under appeal (per his filing) and that flag was never removed. Therefore Mr. Wright was billed on 85% of his 2008 appraisal instead of the full amount.

f) On 10/12/2010, Mr. Wright was sent a letter requesting any documentation he had to support his contentions as to outstanding appeals pre-dating 2007, and/or verifying his status to file an appeal. The deadline for response was set at 10/26/2010. As of this time there has been no response.

**DISPOSITION:** How does the Board instruct this case to be disposed?

1. Schedule Mr. Wright an appointment to meet with the Board?
2. Send Mr. Wright a letter stating that the appeal has been closed and authorize a second bill for the remainder of tax owed?
3. Other?

*Requesting BOA instructions*

Board accepted recommendation #2 to send Mr. Wright a letter stating that the appeal has been closed and authorize a second bill for the remainder of tax owed.

Motion: Mr. Barker

Second: Mr. Richter

Vote: all in favor

#### **b. 15-75; WRIGHT, PHILLIP H; 2008; 32.41 ACRES WITH IMPROVEMENTS**

**CONTENTION:** WAS NOT GRANTED A 2008 APPEAL

**BACKGROUND:** Mr. Wright filed an appeal on this property on 08/5/2008. His statement, as recorded on the appeal form, is "Land over valued at 3000+ per acre. Recent sales were 2000.00 acre in area around property and (*unreadable*) property." Mr. Wright has consistently stated that he has not been granted an appeal for tax years 2006 or 2007 on this property.

**FINDINGS:**

a) Property was appealed in 2006. The Board of Assessors adjusted the value from \$ 69,200 to \$ 68,830. Mr. Wright was sent a notification of such dated 07/14/2006. This was the value set by the County Board of Equalization in its decision of 10/12/2005 regarding Mr. Wright's 2005 appeal of this property. Mr. Wright's 2006 tax bill, (#014109) was corrected 10/17/2006 prior to payment.

- There is no record of owner filing a PT-50R (real property return) for 2007 – therefore per § 48-5-20 Mr. Wright was deemed to have returned this property at its 2006 final value.
- There was no reassessment of this property by the Assessors Office for the 2007 tax year – therefore no notice of value change was generated or sent.
- There is no record of an appeal having been filed on this property for the 2007 tax year.

b) For the tax year 2008, the valuation of this property increased from \$ 68,833 to \$ 99,735. As was noted above, Mr. Wright filed an appeal on this reassessment on 08/05/2008.

c) The Board reviewed this case on 08/30/2010, however there is no record in the file of a Board decision, a sign-off of any kind, or a notification sent to the property owner. The recommendation at that time was to adjust the value from \$ 99,735 to \$ 90,953.

- This was an adjustment of the land class on approx 13 acres of this property.

- Since the land is under a C/LU covenant, this would make no difference in the property's taxable value.

**RECOMMENDATION:** Put the value of the property at \$ 90,953 for tax years 2008 2010.

Need file from Roger - Requesting BOA signatures

BOA signature sheet not with the file – Held over till next meeting.

**c. 50-58B, 50-57B01, 39E-48: Aladdin. 2010 appeal:**

Contention: Ernst & Young LLP., representative for Aladdin Manufacturing Corp., submitted a letter of appeal dated 08/10/2010 stating the following:

Dear Assessor:

On behalf of our client Mohawk Industries, Inc. (Mohawk), we respectfully request to appeal the proposed 2010 real property valuations on the following parcels:

Account Number	Map/Parcel	2010 Valuation
007050 010	50 58 B	\$2,349,190
007100 010	50 57 B01	\$2,271,714
007150 010	39E 48	\$2,337,248

We are appealing the proposed 2010 real property values for the above parcels on the basis that the proposed real property values do not take into account the effect of the downturn in the industrial real estate market and the economic obsolescence inherent in industrial properties as a result of the decline in the industrial real estate market.

Over the last 18 months, production capacity at the subject property has ranged between 45.19% and 74.62 %, with average production capacity being approximately 61.32%. This significant deviation from the stated production capacity is a direct result of the downturn in the residential housing market, which has affected those manufacturers that are heavily dependent on the housing market, such as Mohawk. Builders are building fewer homes, which causes textile companies like Mohawk, whose business is so closely tied to the building sector, that when fewer homes are being built, there is less demand for flooring materials, such as carpet. These external factors are instrumental in the significant reduction in production, which is a form of economic obsolescence and are directly outside the control of Mohawk.

As a result of the decrease in production at the plant, we are seeking a reduction on the 2010 real property value of 30%, which will reflect the economic obsolescence inherent in the real property as a result of less production. As such, we are asking the Chattooga County Assessors to reduce the 2010 real property values for the above parcels to the following:

Account Number	Map/Parcel	Proposed Valuation
007050 010	50 58 B	\$1,644,433
007100 010	50 57 B01	\$1,590,200
007150 010	39E 48	\$1,636,074

Attached please find the production data for the last 18 months that will more than support a reduction of 30% of the 2010 real property valuations.

We would like to schedule a meeting or a call with the assessor handling this appeal to discuss the proposed valuation and our documentation supporting the requested lower real property values.

Thank you for your cooperation in handling this appeal. If you have any questions or need additional information, please do not hesitate to call me at (404)817-4581.

Sincerely,

Jeffery Rash  
Senior Manager

Findings: map and parcels 50-58B, 50-57-B01 and 39E-48 are all industrial land and buildings located in the Summerville Industrial Park on Highway 100 south of Summerville. The industrial buildings are located on approximately 44 acres east of the highway and the total building area equals approximately 458,580 square feet. The total value of all the land and buildings for tax year 2010 is \$6,958,152. Based on the building square footage and the total property value, \$15.17 per square foot is the overall unit value. Buildings are valued at a total of \$6,615,088 resulting in a value per square foot for the buildings only of \$14.43. Land is valued at \$315,202 for 44.1 acres for a value of \$7,779 per acre. The buildings are modern metal industrial buildings built in the mid to late 1990's (1994, 1995, and 1998). They are the newest large industrial buildings in Chattooga County. One of the buildings (50-57-B01) is located on the first site developed in the Industrial Park. The land for this site still belongs to the City of Summerville.

The subject properties are on the tax digest as indicated by the appellant in three individual accounts. The following indicates the overall property tax value per square foot for each property and the overall proposed value per square foot.

Map/Par	Area	2010 value	Proposed value	2010 per sq ft	Prop per sq ft
50-58B	148,750	\$2,349,190	\$1,644,433	\$15.79	\$11.06
50-57B01	153,860	\$2,271,714	\$1,590,200	\$14.76	\$10.34
39E-48	155,970	\$2,337,248	\$1,636,074	\$14.99	\$10.49
Total	458,580	\$6,958,152	\$4,870,707	\$15.17	\$10.62

The appellants' representative indicated due to the reduced production of the facility, a reduction in value due to economic obsolescence is warranted. Documentation of production and its reduction is provided with the submitted appeal. Market data from North West Georgia (GAAO sale list) was examined to determine if the reduced production correlates with sales of industrial properties. The following was determined:

Sales for the years 2009 and 2010 were extracted from the data published. Thirty-one of transactions were identified as "Fair Market" Value. These 31 sales had a median sale price per square foot of \$25.55. They were spread out over 10 counties in North West Georgia. Counties in which the sales occurred consist of Catoosa, Dade, Fannin, Gilmer, Gordon, Haralson, Murray, Pickens, Walker and Whitfield. Because all these sales took place after the down turn in the housing market, they should be a good indicator of the economic obsolescence suffered by industrial properties in North West Georgia. Transactions in the list with buildings 20,000 square feet and over have a median of \$20.28 per square foot.

The Office Staff also did an equity review to determine if the properties are valued out of line with other industrial properties in Chattooga County. The following was determined:

Six different industries have 11 properties in Chattooga County. These properties range from the smaller industries such as Century Glove and Wire Tech to the larger such as Mount Vernon and Mohawk. These properties have total building values ranging from \$5.31 to \$31.67 per square foot. The median is \$8.86 per square foot. The older properties in poor condition represent the lower values per square foot. The

subject property buildings are newer, in better condition and therefore above the median and nearer the upper end of the range. Map 50-58B has an overall building value per square foot at \$15.79. Map 50-57B01 has an overall building value per square foot at \$14.76. And map 39E-48 has an overall building value per square foot at \$14.99.

Conclusion: Based on the reviewers study, the subject seems to be valued in line with other industrial property in Chattooga County. Based on the above market data, the subject does not seem to be valued in excess of market value. The subject seems to be valued less than market indicated by the above sales data. And the appellants' proposed estimate of value seems to indicate economic obsolescence in excess of that indicated by the sale of industrial property in North West Georgia. The following is a numerical charting of this conclusion:

	TOTAL VALUES	TOTAL AREA	PER SQ FT
MARKET EST.	\$9,300,002	458,580	\$20.28
2010 TAX VAL	\$6,958,152	458,580	\$15.17
PROPOSED	\$4,870,707	458,580	\$10.62

Recommendation: leave all three subject properties as notified for tax year 2010.

Owner's representative, Jeffery Rash, from Ernst & Young arrived at 9:10 a.m. for his 9:30 a.m. appointment. The Board heard his presentation requesting a value reduction by approximately 30% based on reduced production at the locations. Mr. Rash also presented information about an industrial in Walker County (2776 US Hwy 27 Bypass Lafayette, GA) and rental income on an industrial building in Gordon County (371 Edmond Street, Calhoun, GA) as support for his contention for lowering the 2010 property tax value.

Board accepted recommendation to leave value as notified for tax year 2010.

Motion: Mr. Barker

Second: Mr. Richter

Vote: all in favor

**IX. Conservation Covenants:** No covenants presented for review or approval – BOA acknowledged

**X. Exempt Properties:** No report

**XI. Information Items & Invoices:**

- a. **Monitor:** Computer Central: BOA approved – Board signed invoice acknowledging purchase.
- b. **Email Correspondence:**
  - i. Wayne Blakwelder update forwarded to BOA – BOA acknowledged
  - ii. Value freeze: Ms. Ellen's response forwarded to BOA – BOA acknowledged

**XII. Refund Request and Billing Errors:** No items to present at this time

**XIII. Other Items:**

- a. Course cancellation: Board acknowledged information about Course V being cancelled.
- b. 18-27B: Robinson, John G: request for refund. Board acknowledged request was forwarded to County Commissioner by e-mail.
- c. Mount Vernon Mills: 2005 personal property billing: Board informed Tax Commissioner Kathy Brown inquired about billed and held inventory billings in the name of Mount Vernon Mills for tax year 2005.
  - i. Board instructed property name and address for billing be researched and reported to Ms. Brown.
- d. Board had no other business for morning.

**XIV. Meeting Adjourned: 9:43 a.m.**

Hugh T. Bohanon Sr. Chairman

HTB

William M. Barker

WMB

David A. Calhoun

DAC

Gwyn Crabtree

Richard L. Richter

GR

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