

**Value Adjustment Board Meeting
Gadsden County, FL
County Commission Chambers
9 East Jefferson St.
Quincy, FL 32351**

**October 5, 2010
1:00 p.m.**

Present: Doug Croley, Chair, BCC- District 2; Judge Helms, School Board, District 2; Bill McMillan, Commercial Representative; Emily Rowan, Homestead Representative, Bradley Munroe, VAB Attorney; Sherrie Taylor, BCC, District 5; Property Appraiser Clay VanLandingham; Alex Hinson, Attorney for Property Appraiser, Mike Moore, assistant to Property Appraiser; Muriel Straughn, VAB Clerk

Commissioner Croley Called the meeting to order at 1:31 p.m. (The petition that was scheduled for 1:00 p.m. withdrew prior to this meeting.) He reviewed the procedure the board would follow for this hearing. Each member of the board introduced themselves.

Croley: This is the 2010 meeting of the Gadsden County Value Adjustment Board. I would like to start by asking all members of the board to introduce themselves. Mr. McMillan, if you would introduce yourself and state for the record what capacity you are serving.

McMillan: My name is Bill McMillan and I am here as a business owner and was appointed by the School District.

Taylor: I am Sherrie Taylor and I am here as a County Commissioner appointed by the Chairman.

Rowan: I am Emily Rowan and I represent the taxpayers, the homesteaders.

Croley: I am Doug Croley, County Commissioner from District 2 and I am serving as Chairman of the Value Adjustment Board.

Munroe: I am Bradley Munroe and I am the attorney for the Value Adjustment Board.

Helms: I am Judge Helms, School Board representative from District 2.

Croley: Thank you.

Now for the benefit of everyone, the process will be that we will begin with the first petition. The first petition is from Mr. Billy and Gaylynn Pitts at 62 Reed St., Chattahoochee, FL.

Now, the format will be that the property appraiser will present his information relative to your petition. Then you will have an opportunity to come up and present your information. Then he, the property appraiser, will be able to give any rebuttal and then you will be able to respond to anything that he is got. You can ask questions along the way of each other. Then we will call for public comment if there is any. Then this board

will make a decision regarding your petition based upon the factual information presented in this meeting. Nothing else outside this meeting can be considered. Therefore, the board will have to act on the information presented here today and make findings of fact. I am going to have to start by asking someone to represent the property appraiser's office.

Hinson: Excuse me, I am Alexander Hinson. I am the attorney for the property appraiser. This is Mike Moore, who will be representing Mr. VanLandingham until he arrives.

Moore: My name Mike Moore and I am the Tax Roll Administrator for the property appraiser's office. I do not have all the information and records to this particular petition, but I can tell you that in Chattahoochee this year, 2010, that we raised no values. We did not raise any land or square footage on houses. Countywide we went down \$1.00 per square foot on houses. Everything is a year older and it has 1% more depreciation - that is natural depreciation. The only thing that I can see that we did differently on Mr. Pitts was that we assessed a driveway that I can show you on this property. The driveway has been there for years, but never been assessed before. We have that at \$400. The shed – we picked it up at \$800. That is the only increase in value that we went up on Mr. Pitts. I cannot tell you what last year's was because I do not have that information in front of me. However, I imagine that the judicial depreciation and the decrease in the square footage price would have offset this.

It was built in 2002 in an area that has fairly well maintained homes. They are all older homes. This is probably the newest home of Reed St. He purchased it in 2005 from a bank for \$118,900. We cannot consider this purchase price or any other purchases from banks or lending institutions (on the direction from the Department of Revenue) for a basis of a valuation. This was not an arm's length transaction. An arm's length transaction being a transaction when two individuals under no duress will conduct a sale.

At this point, I am pretty much at a standstill until Mr. VanLandingham gets here with his documentation, whatever he is got. He has all the information.

Croley: Well, procedurally, I believe that we must keep moving forward. You know, the time was clearly stated for both the property appraiser's office as well as the petitioner. Mr. Munroe, unless I am stating this incorrectly or unless Mr. Hinson or the Pitts have any objections, I do not think there is anything else we can do but keep moving forward.

Munroe: If that is all that he's got to present.

Croley: Mr. Helms?

Helms: Mr. Chairman, I suppose that Clay in on his way, the property appraiser. And I guess we want to give him an opportunity to present what information he has when he gets here. Is that correct, concerning this particular situation?

Croley: Yes, but at the same time, we had hoped he would be here to present his up front, which is supposed to have been the process. Then the Pitts would present theirs

following.

Moore: Typically what would cause values to change in any given area is - if you want to use Chattahoochee for example, would be any sales in that area. Any sales in 2009 in that area would affect whatever we did in 2010 on the tax roll. Whether we went up in values or down in values. I don't know of any sales in Chattahoochee (not a lot happens in Chattahoochee) for us to go up. So, we basically stagnated the values other than going countywide with a reduction on the base rate on all homes by \$1.00. Then again, it is naturally one year older and it's got another 1% depreciation. There were no sales to indicate that we needed to go down on any land values or down any more than \$1.00 per square foot in that particular area. The house is just a nicer house than most houses in that area. It is the newest one out there. The others are probably 30 – 40 years old. Again, I don't have any other information in front of me. I didn't come prepared to get up here and talk. I did not see any other rationale for us to go down on the value anymore, based on activity in Chattahoochee.

Croley: Well, your property appraiser has just walked in. He may want to take up your presentation on his own behalf.

Helms: Mr. Chairman, can I ask a procedural question?

Croley: Sure.

Helms: The decision that this board makes, is that final or can they go to the County Commission or the next step?

Croley: No, this is the final decision unless they go before a circuit judge, is that not right, Mr. Attorney?

Munroe: That is right. There is an appeal process.

Croley: There is, but that is up to them.

Mr. VanLandingham?

VanLandingham: Ladies and gentlemen, I apologize for being late. I was trying to make it a little more presentable and a little easier to understand. Technology is a wonderful thing if you have fast equipment, which the property appraiser's office does not. Mr. Pitts, I apologize for being late to you also.

Croley: While he is setting up, I think one more thing procedurally that we do need to mention. In the past, it was assumed that the property appraiser's office was correct. And it was up to the petitioner to show enough evidence to overcome that presumption of correctness. The law has changed, as I think most of you have studied in your review, that would now make it where the presumption of correctness has been removed. So, now it is a preponderance of evidence. Have I stated that correctly?

Munroe: You have.

Croley: Preponderance of evidence meaning basically who has the most evidence favorable to their side.

Munroe: The evidence of greater weight.

Croley: The greater weight. Now.

(There was a brief recess while the property appraiser got his equipment working . He also spoke privately with the Pitts in the hope of coming to some agreement.)

Croley: Mr. & Mrs. Pitts, you may want to move up front if he is going to show something. Or to whatever side you can see best from.

VanLandingham: I was going to do show and tell today.

(He passed out a packet of information that he entered as evidence 2010-003 Exhibit # 1)

The first petition is Mr. and Mrs. Billy Pitts from Reed St. in Chattahoochee. If you will look at the third page, there is a screen shot from our computer system that shows the values of the property and the overall total value. Land at \$5,000; building at \$115,164; extra features which consists of driveway, sidewalk, fencing, patios, electrical hookups, landscaping and what not - valued at \$1,200. So they have a total assessed value of \$121,364.

The next page is a brief shot of our TRIM sheet. You all got one this year, Mr. & Mrs. Pitts got one. Down at the bottom at the left hand side, the 2009 value was \$123,481; Current Value - \$121,364. The assessed value and the market value are the same. With their \$50,000 exemption, their taxable value is \$71,364.00.

The next five pages are pictures of the residence of Mr. & Mrs. Pitts. You can see that it is a rather large house. It has vinyl siding. It has a deck on the back. The pride of ownership looks to be very high. Mr. & Mrs. Pitts have taken very good care of the property and it shows.

The next page is from the Marshall and Swift Valuation Service. If you look down on the bottom right hand corner, the date is 12/2009. As you are aware, our assessment dates for tax purposes are of January 1 st. of the tax year. Marshall and Swift does not put out one of these on a monthly basis. So, this was as close as we could get to January 1st, 2010.

Mr. & Mrs. Pitts have approximately 1879 square feet heated. If you look on this one-story residence and go down on the total area on the right hand side at the top to 1800, go across the page to the second column where it says metal or vinyl siding, that is \$70.80 per square foot to replace the Pitts residence.

The next page is a current cost multiplier and this is a factor that is used against the cost per square foot. If you will look at the map at the very bottom of the page, you will see that Florida is in the eastern division. So, if you go back to the middle of the page and look at eastern, look at frame construction, and it says low, fair, average single family detached houses – Mr. & Mrs. Pitts house is considered to be average so the multiplier is .98. That is 70.80 times .98. If you will go to the next page, this is a local multiplier. Marshall and Swift looks at different areas of the county, differ cities and towns of the country and figures out the cost per square foot for materials And labor then makes adjustments. If you will look under Florida, go down to Tallahassee – under frame, it is .93. So, it is $70.80 \times .98 \times .93 = \64.53 per square foot. Based on the condition that we show Mr. & Mrs. Pitts house, it is considered 93% good.

To give you some idea of the historical value of this house, the next document is 2002 mortgage on the property for \$141,300.00. That document consists of two pages.

The next page is a foreclosure on Mr. Williams where he could not make his mortgage payment. If you will look at the second page of that document, right there in the middle it talks about the principle balance, the late charges, property appraisal inspection, property preservation, advances, and all of that. They've got a total of \$165,739 at the house. They have some other fees that are added to that and that is at the bottom of the page. At the very top of the next page, the bank has \$168, 613.39 in this house.

Skip a page after that. The next page is a special warranty deed from DLJ Mortgage Capital to Mr. & Mrs. Pitts dated February 11, 2005. The sales price was \$118,900. This sale is not considered a qualified sale by the property appraiser's office or by the Department of Revenue because it was a foreclosure sale.

The next page contains some comparable sales that we found and used for the basis of our square foot price. These are sales in the Chattahoochee area from 2007 thru 2010 of qualified sales on houses from 1650 – 2,000 square feet in size. If you go from March of 2007 thru August of 2010, the median sales price was \$110,500. The median square footage size was 1833 square feet and the median price per square foot was \$60.27.

Underneath that I have the subject information for you. It is assessed at \$121, 364; it has 1879 square feet; it is assessed at \$64.59. You will probably notice that is higher than the \$60.27, but that figure is just to give you some historical perspective from 2007 thru 2010.

Mr. Pitts, in February 2005 paid \$118,900; it is 1879 square feet; that equals \$ 63.28 per square foot including the land. This is the whole package – land, house and any other improvements.

I have broken out the 2007 sales for you. The medians are \$106,000 for 1922 square feet and the price per square foot was \$58.43.

2008 sales, the median sales price was \$80,000. The size was 1711 square feet and the

price per square foot was \$48.37. It keeps falling.

Then in 2009 and these are the sales that we used as comps, they are the latest sales, they occurred prior to January 1, 2010 and they are the most recent to that day. The median sales prices was \$130,000. The heated square foot size was 1853 square feet, which is very similar to Mr. & Mrs. Pitt's home. The median price per square foot was \$70.16 per square.

The next sheet, which would be this one if you all are following me, is a breakdown between the Marshall and Swift Evaluation Service, what the property appraiser's office has it on and then the price that Mr. & Mrs. Pitts paid for the house breaks down for.

Under Marshall and Swift, it is an average quality 1800 square foot house with vinyl siding \$70.80 a square X .98 (quarterly multiplier) X .93 (local multiplier). We consider the house to be 93% good. That equates to \$64.53 a square foot with a house value of \$112,759. Does anybody have a calculator, that figure doesn't seem right. Would you multiply 1879 X 64.53?

Moore: That would be \$121, 251.

VanLandingham: \$121,251. I thought that was a mistake. So, instead of the \$112, 759.21, it is now \$121,251.

Mike, add to the \$121,251 \$5,000 and \$1,200.

Moore: That would be \$127,451.

VanLandingham: \$127,451. So, according to Marshall and Swift, the cost of the house only, just the 1879 square feet is \$121,251.

The next little section is the property appraiser's improvement value. We have the house assessed at \$115,164. That equates to \$61.29 per square foot, which is lower than Marshall & Swift. Lower than the 2009 median.

If you will take that \$115,164, add the assessed value of the lot of \$5,000, which is directly under that, add the extra features of \$1,200 to that, you come up with the property appraiser's value of \$121,364 versus the \$127,451 by Marshall & Swift.

The very last section shows the purchase price of Mr. & Mrs. Pitts at \$118,900. If you subtract from that purchase price the land and the extra features (that is a total of \$7,200), the value attributable to the house is \$111,700. If you divide that by the number of heated square feet, you come up with \$59.45.

But, like I said, that sale is considered an unqualified sale because it came from a bank. However, the difference between the property appraiser's value of \$61.29 per square foot for the house versus the \$59.45, it is not that far apart nor is the \$64.53 from Marshall and Swift. We found a mid range of that value and it comes in at a lower per

square foot value than the 2009 comparable sales. It falls in line with Marshall and Swift, which we use as a check. We set Marshall and Swift to be the higher end of the market replacement cost.

Any questions?

Helms: Clay, you said this \$1,200 is extra features. Is that the sidewalks and so forth?

VanLandingham: The sidewalks, landscaping, decks.

Unidentified Property Appraiser Employee: On that particular one, it also includes the shed and the driveway.

VanLandingham: They also have a small out building and a concrete driveway.

Croley: Are there any other questions?

Taylor: I have one just for clarification. I am the new kid on the block trying to learn as I go.

Where you have here 93% is an amount you put in saying that is the percentage that you say as good. What factors in to give you such a number?

VanLandingham: You look at the effective age of a house, which is thought to be 50 years. Then you take the number of years that a house is old and divide that into the 50 and you come up with a number. Then if pride of ownership, which means that there is no deferred maintenance, you know, all the painting looks like it has been done and everything is in good condition and there is no need of repair noted on the outside – that might be worth another percent or two. But, if a house is expected to be for 50 years and it is only 6-7 years old, then it is thought to be 93% good.

Taylor: So, the expectancy of that house is for 50 years. But from the ground up was just 7 years.

VanLandingham: Correct.

Taylor: Alright, we will talk later.

VanLandingham: And, is 50 years correct? I mean, the house that I live in is almost 100 years old. I bought it in the late 80's and had it completely reworked. New plumbing, re-wired, insulation put in, and a new roof. We kept the floor and the inside walls and all that stuff. But, the standard unit of measurement on the expected life of a house is 50 years.

Taylor: Thank you.

VanLandingham: Are there any other questions?

Helms: Clay, have you had an opportunity to talk to Mr. & Mrs. Pitts concerning these facts and figures and explain it to them?

VanLandingham: I had a brief discussion.

Helms: Other than that brief discussion here today?

VanLandingham: No, other than that brief discussion, no. That was it.

Helms: O.K. That, in my opinion, that should have been done before this meeting.

VanLandingham: Well, the opportunity is available to the petitioner, but it is not mandatory.

Helms: O.K. Thank you.

Croley: Any other questions?

Taylor: Well, along that same line, I noticed in the last _ I don't know how long, - but there were others that were stricken from our agenda. Originally,

Croley: Excuse me, Commissioner. Let me ask Mr. Munroe if discussion of any other

Taylor: This is just a general statement, I won't go there.

Croley: I am just trying to protect everybody.

Taylor: I guess the question is as a general question, do you offer those who are petitioning the opportunity to come in? I guess that is the question.

VanLandingham: Absolutely.

Munroe: The Law provides that they can do that.

VanLandingham: There is even a place on the form, I believe.

Munroe: Everybody.

Taylor: Everybody. Thank you.

Mrs. Pitts passed out printed materials, which were entered as evidence exhibits for them.

Croley: Mr. Appraiser, if you will stand down a minute, we will hear from Mr. & Mrs. Pitts, then we will allow you to come back.

Billy Pitts: My name is Billy Pitts. This is my wife Gaylyn and we reside at 622 Reed St., Chattahoochee, FL.

We got burned out in 2004. We were living out on Hosford Highway. Completely burned out. We were actually looking for some land to build a house, but property had gone up so high that we decided we would try to find something already established. So, we found this house in Chattahoochee. O.K. On the first three sheets in that, in your folder

Gaylynn Pitts: Which you have already seen the house.

Billy Pitts: You will see where we purchased the house in 2005. Mrs. VanLandingham was the appraiser. She indicated on page 3 that the house was selling at market value of \$118,900. On page 4, it shows that in 2004, the assessed value was \$94,632.

Gaylynn Pitts: That was by the tax appraiser's office. Page 4.

Billy Pitts: Do you want to say this now?

Gaylynn Pitts: Also, in Mr. VanLandingham's pictures, it is showing all that back yard. That is not our land. When we step off our deck that is the end of our land.

Billy Pitts: We are trespassing.

Gaylynn Pitts: And also, that shed – we got approval from the person that owns that land to put that shed there, so we should not be paying any taxes on that. Now, if I am wrong, please correct me.

VanLandingham: You are corrected.

Gaylynn Pitts: So, I am wrong?

VanLandingham: Yes, ma'am.

Billy Pitts: O.K. All the land we got is .20 acre. That is what we've got on that property. If you will look at this picture here, on one side of my house, I can't even walk down, but we will get around to showing you that. The company that did not complete this house. I don't know how much money Barry Williams got on this house; he did a lot of the work himself. The previous owner tried to complete some of the work that was botched up. As you can see, (Show them that picture.)

Gaylynn Pitts: We could not run 8 pictures for everybody, so ya'll please pass this around.

Billy Pitts: You can see that the tile was not professionally did. I think Joe Louis, who works for the School Board and Barry Williams tried to do this work.

(To Gaylynn: Did you give them the sidewalk)

Gaylynn: Yes.

Billy Pitts: This sidewalk. I want you to see the pictures of this sidewalk. We never had a sidewalk. He tried to mix some concrete and pour a sidewalk, but the whole thing crumbled up. The grass grew up through it. You can't even see where the sidewalk leads to the driveway. We feel that the assessed value is too high because of the reasons quoted, plus that market value on homes has been down for 7 years 30-40% and in some areas higher. Our assess value has not gone down. We have several houses to show.

No. 1 –

Gaylynn Pitts: These of the other houses in the area. What he is showing here is where they purchased these houses around the same time that we did. The book value of the house compared to assessed value has gone down from 14-20% I believe.

Billy Pitts: The no. 1 house was purchased in 2008 and the price was \$135,000 but the assessed value in only \$104,000. 23% difference.

House 2, as you see, in 2004, it was bought for \$182,000. The assessed value is \$132,00 – 25% less.

Croley: For the record, all this other information has a date on it, date these pictures for us. What was the date of these pictures?

Gaylynn Pitts: We just took these.

Billy Pitts: A couple of days ago. The sidewalk was poured – he tried to mix some ready-mix concrete and pour the sidewalk. It has been messed up ever since we have been there.

Three weeks after we bought our house, my wife had a bad accident and broke both legs, crushed her hip and crushed her ankle. We could not afford to fix none of this stuff because she has been through five surgeries and still more surgeries that are due. I went back to work and worked for four years after my retirement just to help her go through her surgeries.

Getting back to the house –

House number 3. 2268 square foot – valued in 2004 at \$127,000. It just sold for \$45,000 in our area.

Gaylynn Pitts: The reason we are saying this is because the area that we live in is real bad. See the crime report in your folders.

Billy Pitts: Oh, they didn't get the last house. The last house that was purchased in 2009 was \$130,000, but the classified value is \$85,00.00. 35% down.

Gaylynn Pitts: The point we are trying to make is they went down. Ours has not gone done. Now, he mentioned something like \$111,000 or either \$121,000. But, we paid taxes on \$123,000

and it has not gone down. Every house and everybody that we researched, the assessed value of the homes have gone down except for ours in that area. Although it is a new house, because of the area that we are in, we don't feel like the taxable value is justified.

Billy Pitts: The test sheet to our sheet in the folder of a comparable to our house at the time of purchase has even gone down. You will see that attached to our house. (To Mrs. Pitts – do you have a paper on that?)

Gaylynn Pitts: Yes.

Billy Pitts: Do you want to say anything about that?

Gaylynn Pitts: No.

Billy Pitts: Another reason that we feel that the taxes are not justified is because of the quietude of our home. We don't feel comfortable and safe in our home. People walk up through our yard. Me and my wife were sitting with the garage open a couple of weeks ago, just sitting in a chair eating some ice cream and people walked right by me coming down beside my bedroom window. I put trespassing signs up and you can see police report for our area also in the folder. I talked to them and I've got all of it highlighted. I put the signs up all over the area back in 2009. It has not stopped the traffic from coming up through there. They walked right by the garage, right up through the yard.

Along the streets – people walk by and drive by and throw their beer bottles and I have to go out and pick up before the garbage man comes every day. I go out with gloves on and pick up all the stuff off the side of the road.

You will see the enclosed police report. It also highlights everything that has happened on my street at my house where people, drug people were coming at 2:00 o'clock in the morning, knocking on the doors wanting a hot dog and all this kind of stuff. That is what we have been through.

I know you are asking the question, "Why don't we move?" But, if we sell our house right now – there was a two hundred and something square foot house down the street that just sold for \$45,000. I know we would not get half of the house's value.

That is the house that sold right there. The one that I told you was 2,268 square foot and the valued in 2004 at \$127,000, that is the one that just sold for \$45,000.

This is what my neighbor wrote. He bought a house. I go out my back door into his back door. This is his words. He lives in Jacksonville and he bought this house. There is no telling how many times this house has been broken into. They just pass through and knock out his windows for the devil of it. He just put ply board over some of them, he don't even try to put the windows back in.

In closing, as I said, I am retired and my wife is totally disabled. We are on a fixed income and we really don't feel like our taxes are fair compared to the research we

have done in this area. We want to thank ya'll for your time and we would appreciate any help, like I said, that ya'll might consider giving us.

Gaylynn Pitts: In closing, I would like to say that Mr. VanLandingham made a statement that drugs are sold everywhere. Yes, they are, but we all know that it is worse in some areas than others. The value of our home will go down because of the area that we are in. If we tried to sell it, we couldn't even sell it and get any money for it. Therefore, we do think that our taxes are too high based on the area that we live in and also when we compared it to all other houses in the area, nobody is paying the taxes that we are paying. We researched and researched and researched.

Billy Pitts: I've got a cousin that lives in Navarre Beach and his house cost almost twice as much as mine and he teases me about my taxes. He doesn't even pay the taxes like we pay.

Gaylynn Pitts: We thank ya'll for your time.

Billy Pitts: I want to say this before we go. I don't know if any of you knows how this feels, but when I leave home and come back at night, my wife has all the lights on. So, I say to her, "Why are all the lights on?" She is scared to stay in that house. I hardly leave home at night and I sleep with a 9MM under my bed. I'll just be honest with you.

Croley: Hold on Mr. Pitts, we've got some questions now. Mr. Helms?

Helms: Thank you, Mr. Chairman.

Mr. Pitts, these pictures that you gave me of these brick homes – are they located in your community?

Gaylynn Pitts: Yes, all those.

Helms: They are nice homes.

Billy Pitts: Most of those are up town. These are up town Chattahoochee.

Helms: Up town. So, they are not in your immediate community?

Billy Pitts: Did you give them the one that sold for \$45,000?

Gaylynn Pitts: (not audible)

Billy Pitts: Those are downtown. Those are in safe areas and you can see that we are paying more taxes than they are paying.

Helms: So, do you feel like you have one of the nicest homes in your area?

Billy Pitts: Right in that area, we do. Yes. It would really be nice if we could enjoy it.

Croley; Any other questions?

For the record, let me ask. You presented an appraisal and it was prepared by Marissa VanLandingham. Mr. Property Appraiser, is not that your wife?

VanLandingham: That is my wife.

Croley; O.K. and through her appraisal company.

VanLandingham: Correct.

Croley: Just to make sure that it is all out there.

VanLandingham: Please note the date on the appraisal, Mr. Chairman.

Croley: I noticed. It was dated January 26th, 2005.

Now, do you have any rebuttal?

VanLandingham: Yes.

Croley: We will hear that, then we will let you all come back, Mr. Pitts.

VanLandingham: The evidence that Mr. Pitts has provided you - the appraisal that my wife did back in 2005, I believe it was, Mr. Pitts has the summation page, he does not have the page that actually shows what value she arrived at. She made a comment, I believe, that it was selling at the market at \$118,900. I don't know what she appraised it at. That sheet is not included in the appraisal.

The tax page that Mr. Pitts showed you as evidence where it was assessed at some \$94,000 was the value off the 2004 tax roll. Some of the sales that Mr. Pitts quoted you all did not occur in 2009. You have to use the most recent, most similar comps. I have to pass out for your review, while I continue talking, these are pictures of the homes and the street scenes in Mr. & Mrs. Pitts neighborhood. I would assume that the neighborhood has not changed that much since Mr. & Mrs. Pitts bought it. As far as people trespassing, walking through his yard, that happens everywhere. Mr. Pitts could put up a fence or Mr. Pitts could have the police sitting there waiting and do it enough times that trespassing would not happen.

As far as the crime reports are concerned. I think that all of us are aware that if we went to the police and asked for a police report of any criminal activity reported in our general vicinity, we could also get a print out from the Police Department and the Sheriff's Department. Crime and drugs, as Ms. Pitts said that I stated to her, that is a common everyday thing. They are everywhere. They are in all neighborhoods residential, they are in all neighborhoods commercial.

Croley: Will you date these pictures for us?

Gaylynn Pitts: Yes, I will.

Croley: I was speaking to Mr. VanLandingham.

The pictures that you presented, when did you take them?

VanLandingham: Last Wednesday.

You will see that there are some nice homes in the area. There are a couple of mobile homes. If you will notice the yards and the properties in general, the majority of them of them also display a pride of ownership. They are well kept. The street scenes that you see, it appears to be a regular average neighborhood.

Rowan: I have a question.

VanLandingham: Yes, ma'am.

Rowan: I am familiar with Chattahoochee. Will you tell me what area their home is located in relationship to US90 and Main Street.

Gaylynn Pitts: Have you ever heard of "Happy Town?"

Rowan: Yes.

Gaylynn Pitts: Well, in that neighborhood.

VanLandingham: What about five blocks, six blocks south of US 90?

Gaylynn Pitts: It would be at least that.

Rowan: I am familiar with some of the houses that she showed and I know that they are quite a distance from there.

VanLandingham: Right.

Croley: Any other questions?

Taylor: Just a comment.

Obviously, the value of the houses in the neighborhood drives the value of other houses. Is that a correct statement?

VanLandingham: I am going to say, "Yes" because I think I understand what you are saying.

Taylor: Yes. With that being said and taking a look at some of the pictures that we have seen taken just a week ago, obviously, and you said just a few minutes ago in your presentation that their house is nicer compared to others that are there.

VanLandingham: It is nicer than some, yes. It is the newest house on the block.

Taylor: That is the term you used, I apologize.

Again, going back to my first question, what pops in my head is when I first became commissioner, this is one thing that some of the communities were up in arms about. An abandoned house right next to a very nice brick house or a house that really looks like it is one leg from being blown over next to a house where people had spent their time trying to build up. But, then the property value went down because of what was around them. So, what I am saying is – Does that not fit this situation whereas in every other house still, no matter that they are nice or not, still the value of those houses – would it not bring the value of this house down? Is that clear as mud, Clay?

VanLandingham: Clear as mud. It is the newest house on the block. It is the largest house on the block. It has suffered the least amount of depreciation. As far as the assessed values of those other home, those homes have been built 25, 15, 10 years ago. Those folks have been living in them since Save Our Homes took effect in the mid 90's. So, their increases have been capped at 3% or the Consumer Price Index, whichever is least, every year. So, if the market, during the boom, went up 10%, the assessed value of those houses could only go up 3%. When Mr. Pitts was letting you know that the houses in his neighborhood around him were assessed at a much lower value than his, it is because of Save Our Homes. Mr. & Mrs. Pitts have not been in their house long enough to acquire that Save Our Homes value. They bought when the market was high. Last year, the increase was .01% for all homesteads in the state. This year, it is 2.7%. So, all homesteads in the state went up 2.7% regardless of what the market does.

This item will be addressed at the upcoming legislative session, but as it stands now, even in a declining market, homesteads in the State of Florida "shall," not "may," "shall" increase by 3% or the consumer price index, whichever is less. My homestead went up. It is a year older. Your homestead went up. It is a year older. The market value came down. We recognize that. If you will look on your TRIM notices, you will see where your market value came down, but your assessed value went up. We recognize the decline in the market.

As Mr. Pitts said, it has been 30 and 40%. That is true in some areas of the State. Gadsden County, Quincy, Chattahoochee has not seen that kind of decline. If you can remember back, those of you on the Board of County Commissioners, to the presentation I gave you earlier during the budget workshops, it showed that houses last year were \$151,500 and this year, they are \$150,000. There is only a decrease of \$1500 on a \$150,000 house. That is what? 1%. Gadsden County has been fortunate up until this point. I have let you commissioners know that next year is the year that you need to worry about values because, in fact, they are falling.

The information that Mr. Pitts gathered off the website, they are 2009 certified values.

We have not finished the 2010 tax roll so those values are not posted yet. There is going to be a difference – if Mr. Pitts handed out some of the web pages that he shot from our site. All the homesteads went up 2.7%.

Again, our value – we checked the high side based on Marshall and Swift. We used 2009 sales as comps. You see what we used in our computer system to value that on mass appraisal. All those numbers are in line. Our assessed value is the mid-range between what Mr. Pitts paid per square foot at an unqualified sale and what the price per square foot for qualified sales are in 2009.

Rowan : Mr. Assessor, would you tell me what his taxable value was last time the taxes were paid on the property?

VanLandingham: Because the millage vary and the exemptions vary, with the school board, you don't get the extra \$25,000, I am just going to give you the county taxable value. Just the county taxable in 2009 was \$73,481. The taxable value this year is \$71,364. The value came down. There is no Save Our Homes in Mr. and Mrs. Pitts house yet, so the assessed value and the market value are equal. Mr. Pitts paid \$1500.82 last year. This year, he will pay \$1473.98, savings of \$23 and some change.

Croley: What I asked the attorney was - does the board need to be focused on the market value or the assessed value. In this instance, they are both the same that you are using, but less the exemptions to come up with the taxable value. So, my question was – Does the focus of the Value Adjustment Board need to be on the market value or the assessed value? Since they are the same, I am going to assume that it is the assessed value that we -

VanLandingham: No, sir. You need to focus on market value.

Croley: Market value, I meant to say because they are the same. Is that right, Mr. Attorney.

Munroe: In this instance they were the same were they not?

VanLandingham: In this case, they happen to be the same, but most homesteads would have that Save Our Homes difference. So, you will see a difference between the market value and the assessed value.

Croley: Alright. Any other questions?

Now, Mr. & Mrs. Pitts, do you have any questions of the Property Appraiser? Then we are going to have to come back. Do you have questions for him?

Billy Pitts: I can state it to him or to you all.

Croley: Alright. Step up.

Billy Pitts: Each paper that I gave you of those houses, the ones that I gave you the pictures of and the attached sheet to it. Each one of those houses assessed value is lower than the market value except mine. Each one I gave you. Did you look at all three or four? Each one of them.

Croley: Is there anything else that you would like to add?

Billy Pitts: No, that will be all.

Croley: Alright. The next part of this process will be a deliberation by this Value Adjustment Board.

Attorney: You have to call for public comments.

Croley: Oh, we do have to ask for any comments from the public. Officially, there is no public present other than the employees and attorney for the Property Appraiser and the petitioners.

(no response)

Now, to clarify again, the focus is on market value, which is the same in this instance as the assessed value.

Let's start with you, Mr. McMillan. Do you have any observations or comments to make about the testimony and evidence presented?

McMillan: No.

Croley: Commissioner Taylor?

Taylor: I am still learning. If you will, give me the difference between market value and assessed value.

Croley: Well, the market value, I'll tell you what, do you want to define that according to the statute?

Munroe: Well, the market value is what a willing purchaser and a willing seller would pay for something in an open market. In other words, it is not a forced sale and nobody is under any duress to sell.

Croley: It is an "arms length" transaction. No guns to your head to buy or sell.

Taylor: O.K. And, we have concluded that the market value is around \$71,000?

Croley: No ma'am. We haven't concluded anything. That is what we have to decide – if it has dropped at all.

- Taylor: But, that is what the property appraiser has said in his report that it is \$71,000.
- Croley: But, remember that we cannot assume that he is correct.
- Taylor: Oh, no. I am just trying to put facts and figures in my mind. That is what we are looking at is the market value.
- Croley: Just the market value.
- Taylor: Well, let me ask the property appraiser and then I am done. Here is the question. What factors do you look at to come up with the market value? Do you look at the neighborhood as well as the house? You may have said this. And the economy?
- VanLandingham: We look at qualified sales of similar properties in the area. The spreadsheet that I presented you showed the houses, the year they were built and the number of square feet and all and we came up with the medians .
- Croley: Mr. Helms?
- Helms: Yeah, a couple of comments. I know there is a lot of work that has been put in here. I've got a lot of paper work today that I didn't have before so that I could look at it and review it and I know that in my opinion, Mr. VanLandingham has done a lot of research as far as the other houses and the year and so forth. He is known to me as a fair and honest person and tries to do the right thing as far as the many factors are concerned. I know there is a formula in here that has been used. We have looked at different years and so forth and the cost of them.
- What still concerns me is that Mr. & Mrs. Pitts did not come and share all this information with the Tax Assessor like they could have before this meeting and talked about several of these issues and tried to reach an agreement before we came to this meeting. Because Mr. VanLandingham knows more about this information than I will ever know. So, I think that needed to have been done before we got to this particular meeting.
- Now, my question is, "How soon do we need to make this decision form this board?" I mean , I can meet – personally, I can meet anytime, you know, next week, on this issue if I need to. But, I still think that the Tax Assessor and Mr. & Mrs. Pitts need to get together and discuss some things that maybe neither of them knew before this meeting. So, I don't know if we are on a set time schedule that we have to - I know that tax bills have to go out soon and blah, blah, blah. But, I would like for them to get together and meet and discuss this and look at these issues before and hopefully a suitable decision can be made between them before we have to make the decision. Like I say, I have no reason to say that the figures that Mr. VanLandingham gave us are not correct. I have no reason for that. That is the reason that I am asking, "How soon do we need to make this decision?"
- Croley: Mr. Attorney, will you respond to the timeframe.

Munroe: Well, as I understand it, today is the day to get all that out. This is your duty now to make that decision based on what you have heard and from the evidence here today, not what could be brought in and what might have been brought in or what was done in the past. Today is “D” day. The law provided that the parties could have gotten together and shared information. There are even procedural rules in there where they could have exchanged all this stuff with each other if they had asked for it. That was not done and it is now your duty to do this based upon what you have heard here today.

Croley: So, the decision, based upon that, is that it’s got to be made by this board today. This is our process and that is what we are all here to do.

Now, are there any other questions?

From my perspective – in the course of my business dealings, every day we are dealing with replacement value related to market value of homes, commercial buildings and other properties of a multi-state basis. We are very familiar with the Marshall Swift Process used. It is not much different than what the Property Appraiser does. But, I must say that in recognition of the current market conditions here in the State of Florida, there is no question that real estate values are falling, especially single-family homes all across the State. Whether that decline in market value may be the result of foreclosures, as evidenced by those foreclosures, in my opinion really is a sign of the overall market conditions. When these rules or the position that this was not an arm’s length transaction first came up, those were exceptions. Now we are seeing the decline in market values and the foreclosures are just evidence of that over and over and over and they are increasing as the property appraiser has pointed out.

I am addressing this board, now, not the property appraiser or the petitioner. So, on that basis, when I get an appraisal that was done in 2005 – guess what? \$118,900 market value might be a pretty reasonable value even today for this particular property. Now, there is not a lot of difference between \$121,364 and \$118,900, but I think to be realistic, the \$118,900 is probably more right than it is wrong. Now, that is how I see it.

McMillan: I would just say that I completely agree with Judge on this. I think the opportunity, that a great opportunity has been missed. For us to get here, and when we do it, when we sit here and talk about this, we are going over facts and figures and procedures. An enormous number of these are dictated on the property appraiser by the State and the Department of Revenue. If he has done all of that, it becomes difficult for us to override that type of thing especially the amount of money that you are talking about, Commissioner. We are not in the negotiating business.

You folks could have been. (talking to the Pitts and the Property Appraiser)

So, here we are now. I am concerned. If we have no concrete issue with the way that the Property Appraiser has approached this value, and we start adjusting values at random because we feel like something is not quite right and we don’t have any basis

for that other than what we are (inaudible). I am concerned that would set a precedent for the future.

I don't disagree with either one of those numbers. Either one of those numbers could be a fine number. But, from what I have seen and what I have heard, and I certainly understand the Pitts' situation, but I can't find fault and I can't find anything wrong in what the Property Appraiser has done in performing his duty.

Now, where does that leave us? That is more discussion I suppose.

Croley: Well, the only response I can give you is that we cannot assume any longer that the Property Appraiser is correct according to what we understand, or I understand the guidelines to be. Correct me if I am wrong on that.

What we can do, of course, is weigh fairly the evidence presented and we have to make the decision based on that. Have I stated that correctly? Help me with that, Mr. Attorney.

Munroe: That is pretty much it. Had we come in here and nothing had been presented either way, you would have had a tie and it would not have gone in favor of the property appraiser in that situation. But, now you are going to go by the greater weight of the evidence, based on what you have heard in this meeting and the evidence that they presented. Not what you think, not what could have been introduced. And, you must realize that you are talking about the values at a point in time when he did all of this - as of January 1, 2010. Some things have happened since then.

Taylor: Mr. Chair.

Croley: Yes, ma'am.

Taylor: I, too, agree with Mr. McMillan and Judge. Here is a question. If at all possible, there is 30 minutes, well actually 40 minutes before we hear our next case. If we could allow the two parties just one more stab at it, if it is not out of protocol. If they could have a chance to have a sidebar just for a few minutes to see if they can come up with something agreeable between the two – the Pitts and the Property Appraiser. I know he tried when he got here and it was really a rushed presentation on his behalf. But I would certainly like to see, if it is not out of order, to adjourn for just a few minutes, then come back. Maybe give them a chance.

Croley: Well, let's get a ruling on this first. I am not sure that we can, but –

Munroe: You can recess, but you all cannot deliberate among yourselves. We are in an open forum here. I don't think there will be any problem with the two of them talking.

Alex, do you see a problem. (Alex is the attorney for the Property Appraiser)

Alex Hinson: No problem.

- Croley: That is assuming that they are willing to talk.
- Munroe: Ya'll can't talk to each other out of the presence of these folks here. Apparently there is no more evidence to come.
- Croley: The question becomes if they are willing to talk. I can't force them to talk and I don't know if they want to talk.
- Mr. & Mrs. Pitts, do you want to talk to the Property Appraiser?
- Pitts: I can, no problem.
- Croley: Mr. Property Appraiser, would you like to talk to the Pitts?
- VanLandingham: Mr. Chairman, I would be willing to listen to Mr. and Mrs. Pitts. Based on the evidence they have presented, I would find it very hard to change my value.
- Billy Pitts: May I ask a question?
- Croley: Yes, Mr. Pitts.
- Billy Pitts: May I ask the Property Appraiser a question.
- VanLandingham: Yes, sir.
- Billy Pitts: I am really just not satisfied this. The pictures that I sent up there where a guy just bought a house a few months ago and paid \$139,000 for it and he is only paying taxes on \$85,000. These are the things that I presented up there. Three or four of them. Everybody paid a certain amount of money, but they are not paying taxes on all this money. So, why are we? That is the only thing that I wanted clear.
- The only thing that really hurts me is to see the unfairness in those papers. One of those papers that you've got up there is a friend of mine. He said, "Let me show you my taxes." He bought it for \$130,000 and portability was not taken from that. But, I can buy my house and pay more in taxes than I paid for the house. He bought a house for \$130,000 and he pays only on \$85,000.
- Croley: Commissioners, I think you can see that there is not a lot of room here. It is time to
- Gaylynn Pitts: Could I say something?
- Croley: Yes, ma'am.
- Gaylynn Pitts: The purpose of you all being here is to make a decision whether it is our favor or his favor and I think that is what needs to be done. There was no purpose in us coming in here otherwise. If the opportunity had been given to us, we wouldn't have ended up being here. We didn't have the opportunity.

We talked to one of your employees. She sat at the desk. And that is not the way to do business. She sat at the desk telling me what we owed and why we owed it. She never did bring the paper over to us. Never did give us, I think, the respect to even sit down and talk to us. She didn't say, "Well, I will set up you a meeting with Mr. VanLandingham." That was never said. So, therefore, that is why we ended up in here. So, I would just like for ya'll to make decision. If we have to pay the taxes, we will pay them. If we don't, we don't. That is the way I feel.

Croley: Thank you, Ms. Pitts.

Helms: Mr. Chair.

Croley: Yes.

Helms: One other thought along the same lines as Sherrie just mentioned. So, we will make a decision today, that is fine. But, I guess both these parties still have the opportunity after this meeting because anybody would have an opportunity to meet with him.

Croley: They can meet, but on this decision, it is going to be decided by us.

Gaylynn Pitts: He is saying, "No."

Billy Pitts: He is saying "No." He made us an offer and we didn't accept it. So, now he is saying, "no."

Croley: This issue is going to be decided now.

Helms: What about another issue that was not brought forward at this point?

Helms: Well, they can meet on any other subject, but this one will be decided right now on this market value. So.

Billy Pitts: Nobody will still give me an answer to what I asked. I still can't get an answer to what I asked.

Croley: O.K., let's close the testimony and take any comments from the floor.

(There was no public present to offer comments.)

We've got to look forward. The chair will entertain a motion. Whatever you all wish to recommend.

McMillan: I would to hear Clay's response to the question.

Billy Pitts: Yes, that is what I want. Give me some consideration.

VanLandingham: The difference – the 22%, the 23%, the 35% differences that Mr. Pitts was talking about – in the sales price of what somebody paid and what they are assessed at depends on how long they have owned that house. O.K. Again, I think the sale that Mr. Pitts is talking about occurred in July of this year.

Billy Pitts: They've got the papers up there.

VanLandingham: I am showing \$130,000 for it instead of \$135,000. I am showing 1853 square feet for the house, which is about the same size as Mr. Pitt's house. That works out to \$70.16 per square ft. for the house. Again, the web page that Mr. Pitts is looking at is 2009. Anytime a property sells, the property appraiser is required to revisit that house and reassess it for the coming year. This house that Mr. Pitts is referring to that sold this year – after January 1, 2010 – you have to remember that is our assessment date – if it occurred after January 1, 2010, it is not considered by the property appraiser's office as a comparable sale. Our assessment date is January 1st. The sales have to occur on January 1st or prior.

The data that I have given you shows those sales in 2009. Again, to explain the difference that Mr. Pitts was talking about, the assessed value and the fair market value depends on how old the sale is - Did it sell this year? Does it need to be reassessed? Is the market going up? Is the market going down? We won't know those numbers for next year's tax roll until we finish our market analysis of what is going on in 2010.

The number on this TRIM notice is January 1st. We are in October. This value is 9 months old. Could there have been a decrease in value in Gadsden County in these past nine months? Absolutely, there could have been. But the assessment date by Statute is January 1st. If the values come down in Mr. and Mrs. Pitts' neighborhood, it will be reflected on the 2011 tax bill.

Billy Pitts: We are not talking about the same house. Here is that one.

Tell me that is not \$130,000 and he is paying taxes on \$85,000.

VanLandingham: Right. This is the house. \$130,000; 1853 square feet; sale occurred July 8..

If you will look on this spreadsheet, it is the last house on the bottom, right here. \$130,000.

Billy Pitts: And he is only paying taxes on \$85,000.

VanLandingham: It sold for \$70.16 a square. The assessed value per square foot of Mr. & Mrs. Pitts house is considerably less than this.

Pitts: Well explain to me why we are (inaudible) and he is only paying taxes on \$85,000.

VanLandingham: Well, again, that piece of paper is a 2009 value. It is not showing up on the tax roll.

Croley: Hold on everybody. We can't just keep going back and forth. I don't, I mean I want

everybody's question answered because we should. But remember, we have to determine what the market value of the house was. The fair market value on January 1st, 2010. That is what the issue is. Not what the market value is after that date. Only what the value was on that date. And we have to make a decision based on - we can't go on and on like this. I know this is one of the first ones that we have gotten into like this and it is a learning curve for everybody and that is to be appreciated and respected. But at the same time, we have to make a decisions.

Straughn: Doug, you've got to make specific findings based on the law.

Croley: Right. I understand that. And that is what she is saying. We've got to have specific findings – either the property appraiser is correct or the Pitts are correct in their request as they are stating as of January 1st, 2010.

So, that is why I am asking.

McMillan: I move, Mr. Chairman, that we accept the property appraiser's valuation as correct.

Croley: Do we have a second?

Rowan: I second it.

Croley: Will there be any discussion of the matter?

Taylor: Not a question, just a comment and it is just a comment.

I have heard both sides and I will say that there are facts on both sides. This is one that I wish we didn't have to make, but I understand the process and that we need to do so. I will say that I am sitting here today based upon facts that you have given, but I would like to have known more so that whatever law would have helped either side, I would have been more familiar with it to bring in. If a property value is not impacted by what is around him, then I need to know the law that says that. Everywhere I have gone, the property value does have to do with the community. It is one where we have to lean on the fact that you are knowledgeable of your profession.

Someone said a few minutes ago that we don't want to start a precedent where we are overruling. That creates an issue that has a domino effect on a lot of other things. So, I guess what I am saying is that I would liked to have known more today that that I could have been more informed and more helpful. But I am having to lend to the knowledge of others.

That is all.

Straughn: What are your findings and the reason for them?

Croley: O.K.

- Munroe: You need to be more specific in your motion.
- Croley: I am going to ask you to restate your motion.
- McMillan: I don't know how much more specific I can be. I move that we accept the Property Appraisers valuation as correct
- Croley: Based upon the information presented
- McMillan: Based upon the evidence and testimony shown here today. Tell me how to do it Mr. Bradley.
- Munroe: I think you would be better off if you state that you find the Property Appraiser's appraisal to be a just valuation using a lawful methodology and generally accepted professional appraisal practices supported by preponderance of the evidence presented at this hearing.
- Croley: Is that your motion?
- McMillan: That is my motion.
- Croley: And, Ms. Rowan, you second it?
- Rowan: I second that.
- Croley: Now. It has been moved and properly seconded that the Value Adjustment Board accept the Property Appraisers valuation as of January 1st, 2010 market value of the property in question based upon his formulas provided.
- Straughn: And that market value is what?
- Croley: The market value would be set at \$121,364.00.
- Munroe: Based upon the greater weight of the evidence.
- Croley: Based upon the greater weight of the evidence. That is his motion. It was seconded by Ms. Rowan.
- Now, all in favor, signify by saying, "Aye."
- Helms: Aye.
- McMillan: Aye.
- Rowan: Aye.
- Croley: All opposed?
I am saying "No."

Taylor: I am voting “No.”

Croley: Make that 3 – 2.

Helms: Let me make a comment. In the future, when we see one of these or hear one of these, I would like evidence that the parties were contacted, the ones who filled out this request. I would like evidence that the party was contacted and that they had the opportunity to come in before we reach this point to discuss it.

Croley: Mr. Appraiser, I understand that it states that very clearly at the top of the petition. Ms. Pitts, if you look at the top of the petition that you completed, it says that you have a right to an informal conference with the property appraiser. Now you have the right, but it is not mandated that you have that conference.

But, Mr. Appraiser, I think what I am hearing the Value Adjustment Board say is and I think it is unanimous in this feeling that we would like to ask you and encourage your staff to make a special effort. According to Ms. Pitts, she did not understand that process.

VanLandingham: My staff should have asked Ms. Pitts if she would like to make an appointment to meet with me.

Gaylynn Pitts: That was not asked. I was in twice and my husband went in.

Croley: Well, that is something that will benefit everybody.

VanLandingham: Right. And you could have asked and they would have made the appointment.

Billy Pitts: When I went in to get that paper to file that complaint, the girl was real rude to me. She said, “What are you going to complain about?” And I said, “The neighborhood that I live in.” She said, “That has nothing to do with the value of your property.” I said, “You can’t tell me that. If my house was in Killlearn, it would sell for \$200,000.”

Croley: Mr. & Mrs. Pitts, we want to thank you for taking part in this process. While the outcome may not have been what you wanted. You do have a decision. We ask that you move forward as good citizens and taxpayers. In the future, as these evaluations are made that you please, as has been suggested by the members up here, that you meet with Mr. VanLandingham personally, register your concerns with him and avail yourself of every opportunity to have a meeting of the minds. As you can see, in this process here, there are only winners and losers. We would like to see everybody and all our citizens be winners.

So, I thank you. And I request that this board stand in recess until the hearing scheduled at 3:30 p.m.

The board recessed at 3:08 p.m.

Chair Croley reconvened the meeting at 3:30 p.m. and explained how the hearing would be conducted.

PETITION NO. 2010-011 2159 Kennedy Lane, Quincy, FL

Croley: We will reconvene this 2010 meeting of the Gadsden County Value Adjustment Board. We will hear our next petitioner. The taxpayer's name is Sherman Curry. I believe that he will have a representative here so we will begin by hearing from the Property Appraiser on this petition. Go ahead, Mr. VanLandingham.

(The property appraiser passed out information that was entered as Property Appraiser Evidence Exhibit 2010-011 # 1)

VanLandingham: Ladies and gentlemen, the first petition that we will take up now will be Petition No. 2010-011 filed by Mr. Sherman Curry. Parcel ID Number 3-14-2N-4W-1527-0000E-0060

It is up to the property appraiser through a preponderance of the evidence to prove his case and to preserve his presumption of correctness. What I have done is I have gathered some definitions of the word "preponderance." It is a superiority in weight, power, importance or strength. A superiority or excess in number or quantity or majority. Synonyms are: advantage, domination, prevalence, superiority, and weight.

You are to determine by or I am to show you by a preponderance of the evidence - that definition means superiority in weight of an evidence that is more convincing even if minimally than the evidence presented by the other parties. In civil cases, which this is not, the jury is instructed to determine which party on the whole has the preponderance of the evidence and to return a verdict in its favor, that party's favor.

Next to the last paragraph, "Evidence that is more convincing than evidence offered in opposition to it." Standard of proof in civil cases requires that one side's case must be more likely than not when deciding liability or in this case, more likely than not when deciding the value. The last one is "a more convincing amount of evidence that the other side has." The general standard for finding for one side in a civil case is enough proof to convince the judge that something is more likely to have occurred than not to have occurred.

In this instance, you all will be representing the party of the judge, so to speak.

This first sheet that I gave you is a screen shot from our computer system, which gives the overall assessed value and just value this year. The breakdown is that the land is valued at \$22,000. The building is valued at \$72,885. We have \$1800 worth of extra features, which consists of landscaping, driveway paving, sidewalk paving, patios, what not. The total value by the property appraiser this year is \$96,685.00.

The next page is a brief shot of the TRIM notice that Mr. Curry received. This is non-homestead properties so market value and assessed value in this case are the same.

Last year, the value was \$98,743. This year's value is \$96,685.00.

The next two pages are pictures of the house front and back. It is fairly new construction with brick on one side on the front. It has vinyl siding on the other three sides. The house looks to be new and in good condition.

Next is the building permit on the house that was taken out in 2006. You will see right here in the middle it says the estimated cost was \$114,000.

This is a page from Marshall and Swift. The average quality stud framed metal or vinyl siding residence, Marshall & Swift, roughly 1256 sq. ft. You go across to 1300 and it show a value of \$75.30 per square. The quarterly multiplier of .98 for the eastern region. The local multiplier for Tallahassee is .93. I've got my columns switched of % good and cost per square foot, but it is 98% good and if you multiply that factors by the \$75.30, you come out with \$68.63 per square foot. If you were to value just the house itself, that would give you a value of \$81917.63.

Property Appraiser, we had the house itself, just the home valued at \$72,885.00. That is a value of \$59.84 per sq. ft, which is about \$10.00 per sq. ft. less than Marshall and Swift, which we use to serve as a check of the upward limit of value. If you take our assessed value of the house, add our assessed value of the land, which is 22,000, and the assessed value of \$1,800, you come up to \$96,685.

If you were to use Marshall and Swift cost, less depreciation of \$81,917 and add the land and the extra features back in it, that value would be \$105,717 and some change.

Down at the bottom, Mr. Curry purchased this house for \$74,400.00. If you take the contributory value of the land and the extra features of \$23,800 from that, you would come up with \$50,600.00 for the house. Divide that number by the number of square feet and you come up with \$41.54 per square foot.

The next couple of pages show the quarterly and local multiplier.

Just to give you a little history, the prior sales, in 2006 DDB Investments paid \$27,000 for the land. Skip a page and the next document is a sale from the builders of the house to Denise Oliver. This sale occurred March 22, 2007 for \$144,000.

The next document shows a foreclosure. If you look at the second page of that foreclosure - by the time the bank finished with the late payments, the interest, the appraiser fees, the attorney fees and all this kind of stuff, together with the interest, they have \$156,330.71 in the house.

December 21, 2009, the next document is a quitclaim deed from the United States of America to Mr. Sherman Curry. The sale price was \$74,400.

This next page, we are talking sales in the same subdivision. These sales are from January of 2007 through 2009. There happened to be one sale in 2009. The median sales price was \$148,650.00. The median square footage was 1264.5. The median price

per square foot was \$116.92.

Based on the assess value, which is a little hard to read, but it is \$96,685 is the assessed value. 1218 is the square footage. That equates to \$79.38 a square foot, which is well below the \$116.92. But, like I said, those sales cover a period of time from 2007 through 2009. In 2007, the median sales price was \$147,200. Median size was 1220, very similar to the subject parcel. The median sales price was \$119,042. In 2008, the median price was \$149,900. It went up a little bit. 1275 on the square footage and \$116.28 on the median square foot price for that year. There has been only one sale in 2009 for \$165,000. A much larger house with 1800 square feet. \$91.67 per square foot.

Here is our check with Marshall and Swift. Like I said, you've got the \$75.30 per square from the December 2009 Marshall and Swift for single family residential. It all works out. I think this sheet is self-explanatory. I went over it briefly.

Do you all have any questions?

Croley: Just for clarification, what part of the city is this in?

VanLandingham: This is off of MLK Blvd. near the

Croley: North side, south side?

VanLandingham: Virginia Street out by the softball complex is. It is across the street. Those new homes.

Croley: Members?

VanLandingham: Again, please be aware that our assessment date is January 1st, 2010. It has been some eight or nine months since that date.

Croley: Alright, we will hear from the petitioner's representative next.

Please state you name and all for the record.

Picht: Good afternoon. My name is Jason Picht. P-i-c-h-t. I am with Lord and Stanley Realty based out of Tallahassee.

I have included a resume for you in the packet I presented to the board. I have been one of the top producing real estate agents at our Tallahassee Board of Realtors over the past four years since I entered the real estate business.

I would like to say first that I appreciate the board's time. Thank you for being here. I know you are serving the county. I would also like to be brief. Thank you again for your time.

What Mr. VanLandingham has done is presented two of the three types of approaches

for valuing real estate to you. He has spent an inordinate amount of time looking at what is called the “cost approach.” He has spent comparatively very little time looking at the “sales comparable” approach and no time looking at the investment approach to value. As I mentioned, he spent most of his time looking at the cost approach. He looked at some very old numbers. He showed you a building permit from several years ago valuing the property roughly at \$115,000 then spent time looking at the Marshall and Swift numbers which are used by appraiser to calculate the cost approach.

However, as you know, the market has changed drastically since 2006. It continues to decline. Mr. Curry has bought six properties with me over the last 18 months. I have had the opportunity to serve other members of your county in purchasing, buying and selling real estate. What we need to look at and I have provided that information for you in the booklet I gave you, is primarily the sales comparable approach. I have tabbed that book for you so you can look and see that particular information there.

For this particular parcel, 2159 Kennedy Lane, I have included the MLS sheet, the property appraiser’s printout, some more information about the house and an actual appraisal done by a licensed appraiser when Mr. Curry bought the house earlier this year. That appraisal came in at \$82,000. There are two properties that are very comparable to this subject property, one of which has sold and one of which is currently under contract. The sale was at \$77,000 and the other property, which is considerably larger (about 20% larger), is under contract at \$85,000.

This market for new construction, as you are well aware, has been particularly hard hit. Existing established neighborhoods that are heterogonous, that is every house is not the same, had actually fared better than the new construction neighborhoods. Those neighborhoods that were built in mass where homes were constructed extremely quickly (they were cookie cutter type homes) both here in Gadsden County and in Leon County, we have seen those neighborhoods depreciate more quickly than the other neighborhoods.

With respect to the sales comparable approach, which Mr. VanLandingham gave you, you see that he has given you comparables up to three years old. Now, I would ask you, just using some common sense, if you were looking to buy a home for yourself, whether it was an investment property or a personal residence and someone told you that they had an appraisal from 2007, how much would you weight that value based on 2007? I know you would say, “Very little.” You would want to know what sold in the neighborhood recently. Particularly what sold over the last couple of months and in close proximity because those are going to be the houses, which are most comparable, and those, which give you the most accurate idea of what the property is worth.

Again, if you look at the recent sales and listing comparables in the neighborhood, you will see again the property that I mentioned that sold at \$77,000 and the other property, which is listed at \$85,000. Those are both in the same Arlington Circle neighborhood. Mr. VanLandingham has told you where that is so you will be familiar with it. You will know that the homes are primarily new construction and there have been a large number of short sales and foreclosures in that neighborhood. The amount of short sales and foreclosures in the neighborhood is inversely proportional to the way

the values are going. Foreclosures and short sales go up, values go down and often quite precipitously.

So, I would encourage you to look at the most recent information. You will see that the value is as I recommended somewhere in the ballpark of \$77,000. I presented to you my credentials with respect to my real estate career, so I would consider myself an expert. I have also given you the opinion of a licensed appraiser to back up that information.

Croley: Questions?

I do have one question for clarification. On our schedule, I see three parcel ID numbers.

Picht: Yes, sir, that is correct. You have 2159 Kennedy Lane ,which we are discussing now, 216 South Jackson St. and also 724 B.W. Roberts St., all of which Mr. Curry has bought within the last year.

Croley: Is you petition intended to cover all three of these properties?

Picht: It can, but I was assuming that Mr. VanLandingham would cover the other two and I would do that in turn.

Croley; The reason I asked the question is because I only have one petition and that seems to be for the first one.

VanLandingham: There is a separate petition for each one.

Rowan: Each one.

Croley: Well, somewhere in the process, I may not have those.

VanLandingham: If you will look at the package that I gave you, it has the petition on top.

Picht: And, if you are looking for the other petitions, they can be found within the tabbed binder that I gave you. There is an individual petition for each property.

Croley: O.K. Alright. I appreciate that clarification.

Board Member Helms, do you have any questions?

Helms: No, I don't have any right now.

Croley: Mr. McMillan?

McMillan: No.

Croley: Commissioner Taylor?

Taylor: None.

Croley: Ms. Rowan?

Rowan: I have one question for you.

When you said that homes have sold recently in that area and how much they have sold for. I think you said in the \$77,000 range. When did they sell? The date and the year?

Picht: The date – there is one in that information that I gave you that sold for \$77,000 and I believe that was in June of this year.

Rowan: June of ?

Picht: 2010.

If you go to the 2159 Kennedy Land tab, then go all the way to the back, there will be two printouts there. One of which is a listing on Arlington Circle, which is under contract for \$85,000 and the other is a sale for \$77,000. It was certainly this year.

Rowan: All of these are this year?

Picht: Yes, ma'am.

Croley: I think that the question that has been raised earlier this afternoon was, - what was the value on January 1, 2010 based upon the information that anyone may have?

Picht: Mr. Curry purchased the property in February of this year. The appraisal from February was \$82,000. So, even though the market has declined, I would argue strenuously that it is very close to that \$82,000.

Again, as Mr. VanLandingham noted, there was only one sale in 2009 and I don't think that would fit his definition of a preponderance of evidence. One sale in an entire subdivision in a year hardly gives you a direction for a subdivision.

Croley: O.k. If there are no more questions and you have nothing else to add – Mr. VanLandingham, do you have anything you want to rebut there?

VanLandingham: I would like to ask Mr. Picht – the house that sold for \$77,000 – was that a short sale?

Picht: I believe so. It was either a short sale or RAO. It was say so there in the information I provided.

VanLandingham: So, either it was a short sale and it came from a lender. Correct?

Picht: Yes.

VanLandingham: This sale that is under contract for \$85,000 –

Picht: Is a short sale.

VanLandingham: Is also a short sale – sales from a lender.

Picht: Yep.

VanLandingham: As I have told you all before, sales from lenders, foreclosures, and whatnot are not considered arms length transactions. The two sales that Mr. Picht referred to, in fact, by Department of Revenue standards are unqualified sales, number 1 because they come from RAO or they are coming from a lender or they are a short sale or basis of after foreclosure. Also, they did not occur on January 1st or prior to January 1st, 2010. Therefore, the property appraiser's office cannot use those sales based on the current statutes.

You said that the date of the appraisal was February of 2010?

Picht: Correct.

VanLandingham: And it was done by an independent fee appraiser?

Picht: Yes.

VanLandingham: And, you yourself, you are not an appraiser, but you are a realtor. Is that correct?

Picht: Yes.

VanLandingham: The approach that Mr. Picht described are cost market and income. The income would relate to the investment side of the equation as to why you would buy property. We do not have any current rental information from Mr. Curry on what he may rent this house for. I am sure that if we had that information, we could probably support the value that we have or even a higher value. It is a fairly new house. Very little maintenance required on it. That would be the third approach. I did rely on the cost approach. I used the cost approach to check the upper limit of value. That is what our office does. If we assess property at higher than what Marshall and Swift comes along with, that tells us that we need to look harder at that sale to make sure there were no extenuating circumstances. Did it include any kind of personal property or anything special in the deal? If our values fall below Marshall and Swift, then we feel like we are in the neighborhood of where we need to be.

Also looking at sales within the neighborhood itself, within the same subdivision, gives a good indication of value, regardless of how old they are. As I have stated before, before the county commissioners and some of you all, the value of homes in Gadsden County in 2009 did not decrease that much. The two sales that Mr. Picht presented – number

1, they were not the correct dates to use and number 2, they were also unqualified sales. So, I would say that evidence doesn't carry any weight in the decisions that this board will be making today.

Thank you.

Any questions?

Picht: This is good fun, isn't it?

With respect to the information that Mr. VanLandingham just presented to you, I would apologize. I was not aware that your evaluation date was as of the first of this year. However, I would use the information that I have presented to you in order to establish market direction. That is to say that the values have been deteriorating rather rapidly from 2007 until today. So, with only one sale from which to pull in 2009 until the sales now, and Mr. Curry's \$77,000 sale in 2010, I would say again that the values are declining rapidly from that time until the beginning of the year and has continued to do so.

Again, even though the appraisal that was done in 2010, it was done very close to the beginning of the year. Even if you assume that it was worth more, it could not have been worth much more at the beginning of the year.

With respect to arms length transactions, you will be aware that practically speaking, the criteria is that the two parties are supposed to have competing interests. Ordinarily, the type of non-arms length transactions that you would find when there is a deviation from market value would be sales between family members. So, you might imagine if you were to sell a property to your son or daughter to an in-law, you might give them a break. You would sell it to them for considerably less than market value because you wanted to help them out.

When you are talking about a sale from a bank, an RAO, which Mr. Curry's purchase was, it was purchased from USDA, Rural Development, obviously, the bank's interest is to get the highest price possible. Mr. Curry's interest is to get the lowest price possible. Those are certainly competing interests. So, in that respect, I would say that it should be considered an arm's length transaction because they are working in opposite directions.

With respect to the short sales, again, it is the owner's desire because the owner is still a person in the case of a short sale. It is their desire to get the highest price possible. In the short sale, their lender is forgiving a certain amount of debt and that debt could be attributed to them later in the form of a deficiency judgment. The higher that deficiency judgment is, the more money they are going to owe down the road to the bank. So, again, the interests are competing. I believe they should be considered arms length transactions.

It is also important to note that the vast majority, when speaking of preponderance of evidence, that the vast majority of sales in the price range where Mr. Curry has been

purchasing have been short sales and foreclosures. Primarily foreclosures, in fact. Unfortunately, both in Tallahassee and here, more and more of our homes are going into foreclosure. It is thanks to people like Mr. Curry that we are able to get them off the market, to get them sold and to get them rehabbed and get them back on the market as suitable housing units for the members of our communities.

Thank you.

Any questions?

Croley: Board members?

I have a question. As you have referenced yourself and Mr. VanLandingham did, you can use market value, you can use the sales that are going around. But in your case, this is not an owner occupied home. This is a rental property so rental value comes into the picture. What does this house rent for per month?

Picht: Mr. Curry has five rentals at this time and he rents all of them for between \$800 and \$900 per month. Ordinarily, an investor would look at the monthly value, the amount that he is getting in rent each month and he wants that to be about .9% of his purchase price. That is a pretty common multiplier in the market. So, to make math easier, if you use the 1% rule, you would say – if you were going to buy a property for \$100,000, you would want the monthly rent to be about \$1,000. Ordinarily that would represent a good cash flow. Given the way the market is, most investors are looking at a .9 factor, which on a house that is renting for \$900 per month would give you a value of approximately \$81,000.

Croley: Mr. VanLandingham, would you respond to the question of rental value from your perspective on that point in your evaluations?

I am asking you, Mr. VanLandingham, based on his comment about the rental values, what you said – that may have some bearing on your appraisal if you knew what the rental values were. How would you have used that information?

VanLandingham: I would have taken the gross rent, subtracted any expenses and vacancies, developed a cap rate, multiplied times the net operating income and come up with a value.

Croley: But that has not been done in the value that you used?

VanLandingham: No.

Croley: O.K. Does it generally work out to be higher than what you see in terms of replacement costs?

VanLandingham: I would think on single-family residences, it would probably tend to be higher than assessed values, but not necessarily replacement cost values.

Croley: Well, board members, if there are no other questions, then we are ready to make a decision on this petition. I understand that the question is the specific value that you are requesting, Mr. Picht, for your client is what?

Picht: \$77,000.

Croley: \$77,000. And I understand that the market value used by the property appraiser's office was \$96,685 as of January 1, 2010. So that is our question. Any discussion?

Taylor: I am shell-shocked.

Straughn: Pull your mics down. They can't hear.

Taylor: I don't have any questions at this time although some of the information that was stated by the gentleman does raise concern. I guess the only question that I might have is – entertaining the thought that we have looked at old data from 2007, Clay, would that have that much bearing on what is happening? Obviously it does, but, you used that information to support your position. I guess what I am trying to understand is from 2010, there has been a large difference in the market. So, what more current information would be valid for you to present to us?

VanLandingham: More current meaning after January 1, 2010?

Taylor: Absolutely. Because that has been presented by the petitioner.

VanLandingham: No. I cannot use data dated after January 1, 2010. I have tried to show a trend here in the same subdivision. You can see that in 2007, it was \$119,042; in 2008, it was \$116,028. The only sale in 2009 is some twenty some odd dollars a square foot less. We are still showing that it supports Mr. Picht's presentation to you that values, in fact, are falling. Yes, they are. Mr. Picht also stated to you that the market that we are experiencing now, unfortunately, is full of RAO. That is real estate owned properties being sold by banks.

To rebut Mr. Picht's definition of fair market value and the bank trying to get the most they can for this property and the petitioner trying to buy it for as cheap as he can – Yes, I understand that, but you also have to recognize that while the bank is holding that piece of property, they are responsible for taxes, they are responsible for insurance, they need to have somebody looking after it to make sure it is not vandalized. With the City of Quincy's current code enforcement, I imagine that the lawn has to be mowed. All those bills go to the bank. The bank is not in the business of owning real estate. They want this back on the books at some fair rate so that they "can cut their losses and run" is what I ought to say. That is why it was such a short sale.

Croley: Alright. We need to move on. If we had all of the petitioners here, we would be quite crowded. So, one side to the other, based on the factual information that has been presented here, we need to have a value for January 1st, 2010. I suppose it could be between the values, but you need to substantiate why. So, will there be a motion?

Helms: Mr. Chairman, based on the factual information , I would like to make a motion to approve the property appraiser’s recommendation on parcel no. 3-14-2N-4W-1527-0000E-0060 Lot 6 at 2159 Kennedy Lane.

Croley: And that motion is based upon the factual information and the methodology system used by the property appraiser.

Helms: The factual information that we received today having the greater weight of evidence.

Croley: Do I hear a second?

McMillan: Second.

Croley: It has been moved and properly seconded that the value of the property in question be approved at the value set by the property appraiser as of January 1, 2010 based upon the factual information he has provided. Will there be any discussion.

All in favor, please signify by saying, “Aye.”

All: Aye.

Croley: All opposed?

(no response)

Hearing none, make that unanimous.

Now, we have two additional properties. For the sake of time, if there is no objection from Mr. Picht, - is the format used on this property the same?

VanLandingham: Yes, sir.

Croley: O.K. If you would share those petitions and you information, then state the market value that you arrived at on January 1, 2010. Then, Mr. Picht, in your presentation, if you could give us the value that you arrived at and if you have any sales or other information that would qualify before or up until January 1, 2010. I think we can save everyone’s time.

Mr. VanLandingham passed out information that was used as evidence Exhibit 2010-0113 #1.

VanLandingham: This is petition 2010-013. Part of the original Quincy parcel ID number 3-07-2N-3W-0730-0000-1816; 216 Jackson St, Quincy.

Ladies and gentlemen, if you will go to the next to the last page of the document, there should be two spreadsheets. You will see one highlighted in yellow. We will go over the one highlighted in yellow first.

Marshall and Swift says that an average quality 1000 square foot vinyl sided house is worth \$79 –

Croley: Clay, I don't want to interfere with the board's questions and the process here, but I think we are looking to you to assess this property at a market value on January 1, 2010, which would be on page 3 of your handout, at \$77,716.

VanLandingham: That is correct.

Croley: And the process that you used to come up with that figure is the same process that you have already shown us twice before.

VanLandingham: That is correct.

Croley: O.K. Does he need to go back over this with any of the board members?
(speaking to the board members)

All: No.

Croley: Mr. Picht, you are a professional, you understand the process here. Would you like to step forward and tell us what you believe the value should be as of January 1, 2010, and the basis upon which you establish that value.

Picht: Well, let me start by saying that I haven't gotten that sound of a whopping since high school basketball. So, hopefully, I won't do that again. 6 – 0. That is pretty bad.

But, again, I do appreciate your time and the opportunity to represent Mr. Curry here. I would say again, I am at somewhat a disadvantage. I was not aware that the valuation was as of the first of the year. But, I would stress again is that we need to establish a trend. Though I may have given you comparables from this year, if we look at market direction, and obviously January 1, 2010 is part of that market direction, then the value is decreasing substantially. I believe that I have given you a recommended value for Mr. Curry's parcel here at \$55,000. I do not believe that his purchase of \$37,500 was a valid sale. It was Fannie Mae foreclosure and that was actually an auction sale, which would be different from a sale, which is presented to the market through ordinary channels, which would be through listing, multiple listing service where it has broad exposure to the 1300 realtor members of the board and all their various customers. So, that is a unique situation. As I said, I will not argue for the value of \$37,500, but I do believe, given the recent sales and the market trend, I would strongly encourage you to use that market trend and it's decrease. Something in the range of 455,000 would be fair value. Again, I have provided significant evidence for what the value should be today. I hope that Mr. VanLandingham will take that into account for next year when he values the property at the first of the year.

There have been several sales in the neighborhood, very close by, of \$45,000 and \$55,000. Mr. Curry himself has purchased some of those. We just closed one for him on East Clark Street at \$55,000. Also a newer construction home built in mid-2000,

which would be almost identical to this home on South Jackson St. That is why I recommended to the board a value of \$55,000.

Croley: Do you recommend that value as of January 1, 2010 or at that value today?

Picht: All my recommendations were as of today. Again, I was not privy to the fact that we would be valuing as of the first of the year, but if we are establishing market trend, then that needs to be downward and downward fast. If we look at where the market is going, then we need to look at it as being lower than what Mr. VanLandingham has expressed to you.

Croley: On that basis, I am sure that everyone up here will agree that is a conversation that you need to hold with Mr. VanLandingham before January 1, 2011.

Now, on that basis, are there any questions from the board on this particular piece of property?

(no response)

Alright. I will entertain a motion if somebody will make one.

McMillan: You obviously understand that those sales that you have given to us is absolutely useless to him until next year.

Picht: Well, you can

McMillan: Other than the trend, we all readily admit the trend, regretfully. But trends don't mean anything to us as a board in making a judgment here.

Croley: The chair will entertain a motion on this property.

Taylor: So moved. – I wrote down one of the sentences that we are suppose to say, but I am sure there is another one. The only one that I wrote down is based on factual information entered into the system by the property appraiser and the value aforementioned of \$77,000 based upon his professional expertise. That is my motion.

Croley: \$77,716, I believe I heard Commissioner Taylor say that.

Taylor: Yes, you heard Commissioner Taylor say that, absolutely. (laughter)

Croley: Will there be a second?

Helms: Second.

Croley: It has been moved and properly seconded that the Value Adjustment Board accept the property appraiser's fair market value dated January 1, 2010 for the property in question based upon the systematic manner in which he handled the valuations thus far.

All in favor, please signify by saying, "Aye."

All: Aye.

Croley: Any opposed?

(no response)

Please make that unanimous on the second property.

Now, we can go to the third. Again, please just give us the market value as shown on your supporting information.

(Mr. VanLandingham then passed out a packet of information as evidence Exhibit 2010-014 # 1.)

Board members, if you will please turn to page 4, I believe that will give you the market value that we are in need of. I believe that is \$68,183.00

VanLandingham: That is correct.

Croley: And the same process was used?

VanLandingham: Yes, sir.

Croley: Mr. Picht.

Picht: My turn already.

Croley: Your turn already. Do you have any information to counter his valuation as of January 1, 2010?

Picht: I believe I can. I am a quick study. I did play on a basketball team that went 2 and 20, so I did get used to losing or at least I learned some humility, Lord willing.

If the board will please turn to the last few pages, specifically to the second and third pages. Mr. VanLandingham has given you a list of recent sales. Some of these, most of these, in fact, are prior to January 1st of last year. So, I will submit to you his information for your review. If you will look, you will see a sales dated July, 2009 of \$53,000. 960 square feet. Very similar to Mr. Curry's parcel. His is just over 1,000. This is for the property at 724 B.W. Roberts St.

Then again, there is a sale in November of 2008 at \$35,000. Again, just below Mr. Curry's square footage of 1,000. If you go back further to June 2008, a sale of \$50,000 – 984 sq. ft. again, very close to Mr. Curry's square footage. If I may go quickly, in May 2008, \$35,000; January 2008, \$39,000; November 2007, \$38,000. Again, all of these

are within the square footage range. Ordinarily, we like to look at 10% high and low, which would be about 100 sq. ft. either way high or low of Mr. Curry's value. You will see that all of these are in the range of Mr. Curry's purchase of 724 B.W. Robert's St.

Croley: Question, Mr. Property Appraiser. You have 2007 through 2010 qualified sales in the City of Quincy. Explain to me what the word "qualified sales" means since you have provided this information in your documentation.

VanLandingham: These sales are considered to be "arms length transactions" by the property appraiser's office.

Croley: Alright. Would you consider then the sales that he is referencing here as "arms length transactions?"

VanLandingham: All those sales are arms length transactions.

Croley: The square footage on the property in question, Mr. Picht?

Picht: I believe it is 1,056.

Croley: 1,066.

VanLandingham: 56.

Croley: 56.

Picht: If I may, I would ask Mr. VanLandingham a question.

Would you say, sir, that ordinarily an arm's length transaction sells for more than a non-arms length transaction?

VanLandingham: In what we have seen, if you are considering foreclosures and short sales as non-arms length transactions, then to answer your question, yes.

Picht: Very good.

So, if I may repeat that to the board, Mr. VanLandingham has just admitted that ordinarily, an arm's length transaction will sell for more than a non-arms length transaction. He is defining Mr. Curry's purchase here on B.W. Roberts Street as non-arms length. All the sales that I have referenced to you are arms length.

VanLandingham: Good try.

(laughter)

Picht: And they support Mr. Curry's value. As a matter of fact, they would support a value, since these are ordinarily higher being arms length, they would support a value even lower for Mr. Curry's purchase. He purchased this property for \$35,000. Based on the

strength of this evidence, I would recommend that the board accept that as a valid purchase at \$35,000.

Croley: Your request is for \$35,000 as of January 1st, 2010.

Picht: Yes, sir. On the strength of

Croley: Based upon what the property appraiser just said.

Picht: Yes, sir.

McMillan: Let's just play the devil's advocate here. If we were to cherry pick the numbers here, we've got one at \$120 per square foot in 2009. We've got others at \$62.00. So, just from ignorance of my own standpoint, taking the median would seem to be the better way to value this rather than you cherry picking and Clay cherry picking and you each select – I understand your position and what you are trying to come across as. I certainly do. You do an excellent job.

Picht: Thank you.

McMillan: But, when you take the median of these sales together and he has a tremendous number of them here, it is hard to argue the fact. You were doing a good job, but it is hard to.

Picht: I appreciate that. What I would say is when you look at the lower end of these sales, it would be fair to assume that they are in some type of distressed condition. Now, that may be varying degrees of distress. It may be one that needs a new roof. It may be one that needs a new roof and mold remediation and a new A/C and it needs to be re-plumbed and who knows what else. What I have given you in the packet that I provided was the summary of the home inspection and also the termite inspection for B.W. Roberts to show you that it was in distress condition. There was a significant amount of work that Mr. Curry had to do to bring that property up into habitable condition. He had to do work on the foundation. He had to fix a bathroom. He had to repaint it. He had to put on a new roof. It was a significant amount of repair. So, again, I would argue that based on these sales, I am certainly cherry picking the lowest ones, but it is because if we were to go out and survey each one of those, I would submit to you that those are the most comparable in condition to Mr. Curry's sale.

Mr. VanLandingham has given you a square footage range of 900 – 1250. I would certainly accept that as valid. But when looking at those that are most comparable, it is important to consider not only location, but also condition. These, I believe, are most comparable to the condition of Mr. Curry's purchase.

Croley: Question. What is the rental value on this one.

Picht: Again, it is between \$800-\$900. I believe it is \$800 for this one. It is on the lower end. He has something of a hard time getting it rented, so he dropped it.

Croley: Any other questions, board members?

Croley: O.K. Any discussion?

Taylor: I think he presents a greater argument on this one and I can understand Mr. McMillan wanting to get the median here. But how can you compare a \$35,000 piece of property with that of \$142,000 value and that is part of this chart. It has several different variables. In other words, I see one for \$144,000 then I see one for \$11,000. So, what he is saying and he may be cherry picking, but when you are looking at houses on the same level or on the same level as the house that you are representing here today. If we were to average those together, I think we would be closer to your value as opposed to averaging everything on these two sheets.

So, with that being said, I would like to make a motion.

Croley: Go right ahead.

Taylor: Go right ahead.

Croley: Yes, ma'am.

Taylor: I would like to make a motion not to accept the property appraiser's recommendation at this time based on factual information that he (Mr. Picht) has entered. It looks like the property's value is probably a little lower than what was presented before us (by the property appraiser) That is my motion.

Croley: Yes, ma'am, but we are going to need a value.

Taylor: What was your value?

Picht: \$35,000.

Taylor: Could you give me an exact amount?

Picht: \$35,000.

Taylor: I would like to set the value at \$35,000.

Croley: Will there be a second to the motion?
(no response)

Hearing none, Commissioner Taylor, your motion dies for lack of a second.

Will there be further discussion?

Now, I would like to add this to the Value Adjustment Board's consideration. I do not think there is any question that this is somewhat, despite what the Department of

Revenue would have you believe, and I know that the property appraiser is being very diligent in the manner in which he has gone about it. But you, sir, have learned to make a better case for your client's interest on the third go round.

What I am trying to say is that there are apparently some different approaches. Fair rental value – Like how many eggs does a chicken have to lay before you can pay for it? The replacement cost with the depreciation considered. Then, of course, the comparable sales within the market area. So, basically three different approaches that we are all somewhat familiar with. I am not sure that any one of them is always right all the time.

Now, we have heard the property appraiser say that there is a reduction and a decline in the trend. Mr. McMillan made mention of it, trending downward in real estate values, but at the same time the sale was not an arm's length transaction that you referenced here. Your client did buy this from a foreclosure and for all the reasons that have been pointed out by Mr. VanLandingham and the Department of Revenue and others, those are not always accurate gauges of what a property is truly worth because of the fact that it is not arms length. But you may have merit as Commissioner Taylor is of the opinion that the \$68,183 on January 21, 2010 was a little higher on this property than what maybe it should have been. But that we need to figure out. Is there something in between or do we continue to adhere to the processes that the property appraiser has set forth?

Now, is there any discussion?

Is there a motion that we take any particular action?

Rowan: I move that the Value Adjustment Board rule in favor of the tax assessor based on the grounds that he used accepted formulas for his evaluation that are used by assessors when they set their values.

Croley: Will there be a second to Ms. Rowan's motion?

Helms: Second.

Croley: O.K. It has been moved and properly seconded that the property in question be assessed at the market value as of January 1, 2010 at \$68,183, which is based upon the formula that has been consistently presented by the property appraiser. Will there be any discussion?

All in favor, signify by saying, "Aye."

Rowan: Aye.

Helms: Aye.

McMillan: Aye.

Croley: Make that 4 – 1.

Taylor: I vote “No.”

Croley: Make that 3 – 2. Excuse me

(Croley and Taylor voted, “No.”)

Taylor: You knew that from the beginning. You knew I was voting “no.”

Croley: I needed to hear you say it.

Taylor: I am just kidding with you.

Croley: Silence is considered an affirmative vote.

Thank you, sir. You did a good job. We ask if you would, please meet with the property appraiser in the future.

Before we adjourn, let me say that I do not believe, Mr. Munroe and Ms. Straughn that we have any other petitions to be considered at this time. We will need to set a meeting to come in after you have had an opportunity to complete your minutes and then we have to vote to accept and approve those minutes. Is that not right? Then we have to sign them.

Are you ready to set a date right now, or would you like for Ms. Straughn to poll us after you have had a chance to review your calendars? Obviously, the next meeting will be much shorter by far. I don’t think it will last more than 10 minutes.

Helms: What is the best thing for you commissioners – right before a meeting?

Croley: That would be the best.

Rowan: That would work for me, too.

Croley: Mr. McMillan?

McMillan: Ya’ll give me a date and then I can tell you.

Croley: Why don’t you see how long it will take to complete the minutes and then let us know.

Rowan: Clay has his hands up.

VanLandingham: I would like to make a suggestion that if possible. These hearings were tentatively set for two days – today and tomorrow. So, I would assume that you all have cleared your calendar for tomorrow.

Rowan: She can’t get it typed up that quickly.

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VanLandingham: Ms. Straughn, can you have your minutes done by then?

Straughn: No.

Rowan: Not with the Commission meeting tonight.

Croley: That brings up my next question just procedurally and we just need to know. Mr. Attorney, is there any reason for the board to reconvene tomorrow or are we clear even though it was advertised?

Munroe: No. There is no business. No.

Croley: For the record, are there any members from the public that wish to comment on this particular item? It is after the fact, but we need to have asked that. There were no members of the public present. I see only county employees and attorneys.

VanLandingham: I would like to make one comment if possible concerning your next meeting. The tax collector needs a certain amount of time to have his tax roll prepared in order for the tax bills to go out by November 1 for every jurisdiction to start collection their money on time. So, I would ask that in your consideration of the next meeting, as soon as possible suits the property appraiser and the tax collector, especially if it could be Thursday.

Thank you.

Croley: Ms. Straughn, you as the deputy clerk, you need

Mike Moore: All I need is to have that form signed in order to do the roll.

Straughn: That is all we need to do today – the Certification of the Value Adjustment Board - in order for you to go forward with what you have to do .

VanLandingham: Well, if we don't have to meet on that, it won't matter.

Straughn: No values changed, so the chairman can sign this today.

VanLandingham: So, we are done.

Helms: Mr. Chairman, do ya'll meet next Tuesday?

Croley: No, we don't. I think, really and truly, she needs a chance to look at these minutes as to how soon it is going to be ready. If there is a form that we can complete now and take action on, we can be done and you all can go on about your business.

Mr. Picht, is there anything that you will like to add?

Picht: I would like to thank the board for your time. It was a good bit of fun, the mental

sparring with Mr. VanLandingham there. I would encourage the board in going forward to ask Mr. VanLandingham to provide photos of his comparable that he has used. If you can imagine, if you and I were meeting together and you had asked me to list your home for sale, and I handed you a blank list and said, "Let's just list your house at the median value." As a real estate professional, you would not be very happy with me. You would want me to prepare for you those comparables that are most similar to your home. With respect to future meetings of this nature, I would encourage Mr. VanLandingham to prepare that type of report and for you to request that type of report in order for your information to be most accurate.

Thank you again for your time. I appreciate it.

Rowan: One thing for you, Mr. Picht. This notebook that you brought up here. It is probably all well and good, but it did not give all of us a chance to look at it because you were giving your presentation as we were supposed to be looking through this book. If you come before this board again, please furnish a copy for everybody so that we can look at it at one time.

Picht: Absolutely, I apologize. I did not know how many commissioners would be here. So, I do apologize. Thank you very much for that recommendation.

Rowan: And I have one question for Mr. VanLandingham.

It came as a shock to me that he did not know when the year came. Do you all have different years for the assessors?

VanLandingham: It is January 1st of the tax year statewide.

Rowan: That is what I thought. I just wanted to be sure that I wasn't dreaming. Thank you.

Croley: Is there any action that the board has to take or to approve, Mr. Attorney?

Munroe: Next week, you will have to meet to approve the minutes.

Croley: I think we can probably get that done next week. But, let me close on this note so we can adjourn. Here is the thing.

Mr. McMillan, again, we thank you for your services. As a citizen, we know that this is an uncompensated job for you. Thank you so much for doing that.

Ms. Rowan, we thank you very much on the same basis for all your public services.

On that basis, if there is no other business, let's stand adjourned.

ADJOURNMENT

**THERE BEING NO OTHER BUSINESS BEFORE THE BOARD, THE CHAIRMAN DECLARED THE MEETING
ADJOURNED.**

Doug Croley, VAB Chair

ATTEST:

Muriel Straughn, Deputy Clerk