

December 1, 2018

Valuation Adjustment Board
1115 Manatee Avenue West
Bradenton, FL 34205

Dear Valuation Adjustment Board:

This letter is in response to the Recommendation of the Special Magistrate with respect to my Value Petition #2018VB000264AX dated November 19, 2018 which partially granted my petition with a proposed revised just value of \$153,425 (reduced slightly from \$156,000 proposed by the PAO). As a point of reference, the just value for 2017 was \$142,500.

I agree with the Special Magistrate that there is competent and substantial evidence to overturn the \$156,000 just valuation by the PAO... specifically, that the PAO failed to adequately consider size pursuant to Florida Statute 193.011(4) in determining the just value of the subject property in 2018.

However, I object to the \$153,425 value determined by the Special Magistrate because a) the value is based on a single 2017 sale and ignores other relevant similar sales, including three 1Q2018 sales presented at the hearing and 2016 sales referenced in my testimony and b) the Special Magistrate changed the adjustment for costs of sale from the 17.5% used by the PAO to 15%. Both of these deficiencies in the Special Magistrate's valuation were to my detriment and have the end result of materially overstating my 2018 just value.

The Special Magistrate totally ignored two 2017 property sales used by the PAO in its valuation, sales #8 and #9, but did not explain why. Had he used those sales and the 17.5% adjustment for sales cost used by the PAO, the just value of the subject property would be \$131,043... with a 15% adjustment for costs of sale the value would be \$135,014.

I'm guessing that the Special Magistrate ignored the two sales because they were larger square footage than the subject unit. I can understand that, but at the same time is it unacceptable to base the valuation on a single 2017 sale. In the hearing, I advocated including three relevant 1Q2018 sales of 1,444 sf units in addition to the sales considered by the PAO. If one includes those three 1Q2018 sales in addition to the single 2017 sale relied on by the Special Magistrate and retains the cost of sale adjustment used by the PAO in its valuation, you get a just value of \$145,000... 2.8% higher than the 2016 just value of \$142,500... and a more reasonable result based on the data.

PARCEL	ADDRESS	Unit	SALE DATE	PRICE	SFLA	BED/BTH	SF \$
1920665757	7130 FAIRWAY BEND LN	196	03/02/17	\$180,000	1444	03/02/00	\$125.00 *
1920666102	7070 FAIRWAY BEND LN	269	03/29/18	\$185,000	1444	03/02/00	\$128.00
1956207706	7860 PALM AIRE LN	201	03/28/18	\$165,000	1444	03/02/00	\$114.00
1920664404	7070 FAIRWAY BEND LN	169	02/14/18	\$175,000	1444	03/02/00	\$121.00

Calculation advocated by petitioner based on 4 relevant sales	Median	Mean
Less 17.5% for sales costs as used by PAO in valuing these units	\$123.00	\$122.00
Average value adjusted for sales costs		<u>-\$21.35</u>
Square feet		<u>\$100.65</u>
Value		1,444
Value, rounded		\$145,339
		\$145,000

* sole sale used by Special Magistrate... \$125.00 * (1-15% for sales costs) * 1,444 sf = \$153,425 value recommended by Special Magistrate

Similarly, I testified in the hearing that given that the PAO didn't separate out the larger units due to few sales of larger units in 2017, they could have, but failed to, include 2016 sales. If the PAO had based their valuation on the single 2017 sale and 2016 sales the 2018 just value would have been \$144,000.

PARCEL	ADDRESS	Unit	SALE DATE	PRICE	SFLA	BED/BTH	SF \$
1920665757	7130 FAIRWAY BEND LN	196	03/02/17	\$180,000	1444	03/02/00	\$125.00
1920664958	7090 FAIRWAY BEND LN	180	07/29/16	\$172,000	1444	03/02/00	\$119.00
1920667100	7130 FAIRWAY BEND LN	289	06/15/16	\$172,500	1444	03/02/00	\$119.00
1920664354	7050 FAIRWAY BEND LN	168	04/19/16	\$173,000	1444	03/02/00	\$120.00
1920664354	7050 FAIRWAY BEND LN	168	03/03/16	\$140,000	1444	03/02/00	\$97.00 Note 1
1920603410	6973 WEST COUNTRY CLUB DR N	151	02/01/16	\$175,000	1444	03/02/00	\$121.00

Median \$120.00 Mean \$120.80

Less 17.5% for sales costs as used by PAO in valuing these units

Average value adjusted for sales costs

Square feet

Value

Value, rounded

- \$21.14
 \$99.66
 1,444
 \$143,909
 \$144,000

Note 1.... sale excluded... unit was sold in March 2016, improvements made and flipped in April 2016

If one uses multiple sales data there is no way that the data suggests a value anywhere near the \$156,000 proposed by the PAO or the \$153,4725 recommended by the Special Magistrate.... the data suggests a just value of around \$145,000. The single sale used by the Special Magistrate is the highest sale of a 1,444 sf unit in our neighborhood in 2016-2017 and the second highest sale in 2016-1Q2018. Also, two of the three sales in the 3 months subsequent to the valuation date were lower than the sale used by the Special Magistrate.

Finally, if the PAO had separately valued the 1,118 sf units separately as it had in past years, the PAO would have valued the 1,118 units at \$115/sf (compared to a just value of \$118/sf in 2017) based on the evidence the PAO presented at the hearing. Historically, the just value per square foot of the 1,444 sf units have been 79-85% of the per square foot just value of the 1,118 sf units (2013 to 2017, inclusive). The PAO and Special Magistrate recommended values would be 100% and 98%, respectively. The \$145,000 suggested by the multiple sales data for the 1,444 sf units is 87%, slightly higher than recent years but much closer to the recent trend. See table below:

	Assessed values			Percentage change from last year	1,444 sf unit per sf	1,118 sf unit per sf	1,444/sf divided by 1,118/sf
	1,444 sf units	Percentage change from last year	1,118 sf units				
PAO proposed 2018	156,000	9.5%	121,000	-8.4%	108.03	108.23	100%
Special Magistrate recommendation	153,425	7.7%			106.25		
Petitioner request	145,000	1.8%	129,000	-2.4%	100.42	115.38	87%
2017	142,500	17.4%	132,150	18.0%	98.68	118.20	83%
2016	121,329	10.0%	112,000	3.8%	84.02	100.18	84%
2015	110,308	10.0%	107,850	18.0%	76.39	96.47	79%
2014	100,280	10.0%	91,414	10.3%	69.45	81.77	85%
2013	91,164		82,867		63.13	74.12	85%

I request that the Valuation Adjustment Board reduce my 2018 just valuation to \$145,000 based on the data presented above.

Sincerely,

John L. LaGue, Jr.



**DECISION OF THE VALUE ADJUSTMENT BOARD
VALUE PETITION**

DR-485V
R. 11/12
Rule 12D-16.002, F.A.C.
Effective 11/12

County Manatee

The actions below were taken on your petition.

These actions are a recommendation only, not final

If you are not satisfied after you are notified of the final decision of the VAB, you have the right to file a lawsuit in circuit court to further contest your assessment. (See sections 193.155(8)(l), 194.036, 194.171(2), 196.151, and 197.2425, Florida Statutes.)

Petition #: 2018VB000264AX

Parcel ID: 19206.6710/0

Petitioner name: John L Lague Jr.

Property address 7130 Fairway Bend Lane Unit 289
Sarasota, Florida 34243

The petitioner is: taxpayer of record taxpayer's agent
 other, explain: _____

Decision Summary Denied your petition Granted your petition Granted your petition in part

Value Lines 1 and 4 must be completed	Value from TRIM Notice	Before Board Action Value presented by property appraiser Rule 12D-9.025(10), F.A.C.	After Board Action
1. Just value, required	\$156,000	\$156,000	\$153,425
2. Assessed or classified use value,* if applicable	\$156,000	\$156,000	\$153,425
3. Exempt value,* enter "0" if none	\$0	\$0	\$0
4. Taxable value,* required	\$156,000	\$156,000	\$153,425

*All values entered should be county taxable values. School and other taxing authority values may differ. (Section 196.031(7), F.S.)

Reasons for Decision

Findings of Fact

John L. Lague, Jr. ("PETITIONER"), appeared before this Special Magistrate on November 13, 2018 at 10:00am to provide documentary and testimonial evidence relating to the 2018 property assessment for real property located in Manatee County, Florida, identified on the tax rolls as Parcel Number 19206.6710/0. The Manatee County Property Appraiser ("PAO") was represented at the hearing by Mark Chadwick, CFE. An opening statement regarding an overview of the hearing and the rules of procedure was presented and all witnesses were sworn in.

The subject of this petition is a residential condominium unit located at 7130 Fairway Bend Lane Unit 289 with a Sarasota street address, in Manatee County, Florida. The PAO provided evidence that the subject is a three-bedroom, two-bathroom unit with a heated living area of 1,444 square feet constructed in 1979. The 2018 just value is confirmed by the PAO to be \$156,000. The assessed value is \$156,000. The taxable value is \$156,000. The PETITIONER is seeking relief in the 2018 assessment based upon a reduction in just value to \$138,000.

Section 194.011(4)(a), F.S. and Rule 12D-9.020(1)(a)1., F.A.C. provide that at least fifteen (15) days before the petition hearing, the PETITIONER shall provide to the PAO a list of evidence to be presented at the hearing, a summary of evidence to be presented by witnesses and copies of all documentation to be presented at the hearing. During this hearing the parties have testified that the PETITIONER has complied with this document exchange. No objections were made by either party as it relates to the evidence provided at the hearing. The Special Magistrate has reviewed all evidence presented by the parties and has determined that all evidence was relevant and credible to the valuation issue at hand. Thus, the evidence, as presented, was admitted for consideration in relation to the appropriateness of the real property assessment of the subject property.

In accordance with Rule 12D-9.024(7), F.A.C., the PAO presented evidence first. The Department of Revenue ("DOR") has developed specific evidence rules for presenting relevant and credible evidence. See Rule 12D-9.025(1), Florida Administrative Code ("F.A.C."). Generally, "relevant evidence" is evidence that is reasonably related, directly or indirectly, to the statutory criteria that apply to the issue under review. This

description means the evidence meets or exceeds a minimum level of relevance necessary to be admitted for consideration, although it does not necessarily mean that the evidence has sufficient relevance to legally justify a particular conclusion. See Rule 12D-9.025(2)(b), F.A.C. The following evidence has been put on the record by the PAO: Exhibit "PAO-A"; includes a hearing evidence log, a PAO summary page, aerial photographs, the request for evidence letter, market sales analysis, sales location maps, and a page of statistical measurement definitions.

The Florida Legislature has enacted eight criteria that the PAO must consider when determining just value. In any administrative or judicial action in which a taxpayer challenges an ad valorem tax assessment of value, the PAO's estimate of just value is presumed to be correct if proven that assessment was arrived at by complying with the eight criteria of Section 193.011, F.S. and professionally accepted appraisal practices, including mass appraisal standards, if appropriate. The only standard of proof that applies in this administrative review of the assessment is "Preponderance of the evidence", meaning "greater weight of evidence" or "more likely than not". The Florida Courts have consistently held that the eight criteria need only be considered by the property appraiser, the application of each factor is not mandatory and further goes on to say if any one factor is not reflective of just value, it should not be used by the Property Appraiser. The extent to which the PAO has considered of each of the eight criteria specified in section 193.011, F.S. is summarized as follows:

(1) The present cash value of the property which is the amount a willing purchaser would pay a willing seller, exclusive of reasonable fees and costs of purchase, in cash or the immediate equivalent thereof in a transaction at arms-length – This is generally supported by comparable sales analysis. The PAO testified that that the subject property was purchased by the current owner for \$172,500, or \$119 per square foot in 2016. This PETITIONER testified that the unit was purchased fully furnished and therefore the purchase price is not indicative of real estate value only. In consideration of the first criterion, the PAO has presented the following improved sales in support of just value:

Improved Sale 1 is located in the subject condominium complex at 7022 West Country Club Drive, Unit 132. This unit is a two-bedroom, two-bathroom that sold July 7, 2017 for \$132,000 or \$119 per square foot.

Improved Sale 2 is located in the subject condominium complex at 7041 West Country Club Drive, Unit 218. This unit is a two-bedroom, two-bathroom that sold March 31, 2017 for \$171,000 or \$153 per square foot.

Improved Sale 3 is located in the subject condominium complex at 6973 West Country Club Drive, Unit 152. This unit is a two-bedroom, two-bathroom that sold July 28, 2017 for \$158,000 or \$141 per square foot.

Improved Sale 4 is located in the subject condominium building at 7130 Fairway Bend Lane, Unit 191. This unit is a two-bedroom, two-bathroom that sold November 7, 2017 for \$145,000 or \$130 per square foot.

Improved Sale 5 is located in the subject condominium building at 7130 Fairway Bend Lane, Unit 195. This unit is a two-bedroom, two-bathroom that sold December 20, 2017 for \$145,000 or \$130 per square foot.

Improved Sale 6 is located in the subject condominium building at 7130 Fairway Bend Lane, Unit 291. This unit is a two-bedroom, two-bathroom that sold August 24, 2017 for \$171,000 or \$153 per square foot.

Improved Sale 7 is located in the subject condominium building at 7130 Fairway Bend Lane, Unit 293. This unit is a two-bedroom, two-bathroom that sold June 9, 2017 for \$165,000 or \$148 per square foot.

Improved Sale 8 is located in the subject condominium building at 7130 Fairway Bend Lane, Unit 196. This unit is a three-bedroom, two-bathroom that sold March 2, 2017 for \$180,000 or \$125 per square foot.

Improved Sale 9 is located in the subject condominium complex at 7880 Palm Aire Lane, Unit 203. This unit is a three-bedroom, two-bathroom that sold February 24, 2017 for \$140,000 or \$93 per square foot.

Improved Sale 10 is located in the subject condominium building at 7130 Fairway Bend Lane, Unit 285. This unit is a three-bedroom, two-bathroom that sold February 24, 2017 for \$182,000 or \$112 per square foot.

No adjustments have been made to these sale prices. The average price is indicated by these ten 2017 sales is \$158,500. The average per-unit price is \$130 per square foot. The sales further indicate a mean level of assessment of 84.8% of value with a weighted mean of 84.3%. These sales have been reconciled to \$108 per square foot, or a value of \$156,000 which accounts for cost of sale contemplated by 193.011(8) F.S.;

(2) Highest and best use – For improved properties, there are two aspects of highest and best use that must be considered; the Highest and Best Use, as if vacant and as improved. Properties are classified by the PAO through the use of land use codes after considering what use is physically possible, legally permissible, financially feasible, and maximally productive. This criterion has been appropriately considered;

(3) Location of the property – The PAO assigns a neighborhood code to every property in the county. Sales of properties in the same or similar neighborhoods are typically used to determine locational adjustments. Often, site-specific location adjustments are made to reflect either an enhanced location (such as commercial sites located at traffic-light corners) or an inferior location (such as single-family home abutting a major thoroughfare). The location of this property was taken into consideration in the analysis of just value;

(4) Quantity or size of the property – The PAO considers the quantity or size of the property by determining and recording the correct land size, building size, and extra features sizes and quantities. Land size is determined by reviewing the legal description and calculating the land size from recorded plats or metes and bounds. Building size and extra features sizes are often determined through inspections and measurement by PAO deputy appraisers. The quantity or size of the property has been considered;

(5) The cost of the property and present replacement value of any improvements thereon – This type of analysis is generally not used in the valuation of a single condominium unit due to fractional property interests and shared ownership and utility in common areas;

(6) The condition of the property – The PAO considers the condition of properties through periodic property inspections, no less than once every five years as required by statute. Other events can trigger more frequent site inspections, including the sale of a property, issuance of a building permit, assessment appeal, or at the taxpayer's request. This is considered in a factor applied to the CAMA value calculation for value losses from all sources based upon an age/life method.;

(7) The income from the property – In considering the value of an improved property, the PAO considers the income generating potential regardless of whether or not the property is currently leased. This is an owner-occupied residential condominium unit not typically valued by the market using this method of valuation;
AND

(8) The PAO is further required to consider the net proceeds of a sale of the property, as received by the seller, after deduction of all of the usual and reasonable fees and costs of the sale, including the costs and expenses of financing, and allowance for unconventional or atypical terms of financing arrangements. When the net proceeds of the sale of any property are utilized, directly or indirectly, in the determination of just valuation of realty of the sold parcel or any other parcel under the provisions of this section, the property appraiser, for the purposes of such determination, shall also exclude any portion of such net proceeds attributable to payments for household furnishings or other items of personal property. The PAO testified that the typical "Level of Assessment" is 85%, which is defined as the overall ratio obtained by dividing the property appraiser's just value by the Program estimate of market value. The PAO has appropriately considered the costs associated with the sale of the property by reconciling 17% below the value indicated by comparable sales.

It is implicit in mass appraisal that even when properly specified and calibrated mass appraisal models are used, some individual value conclusions will not meet standards of reasonableness, consistency and accuracy. The purpose of this valuation review is to determine whether the Just Value of the property is over-stated, after considering the eight criteria of 193.011 F.S. Based upon relevant, competent and substantial evidence presented during the hearing, in the opinion of the Special Magistrate, the PAO has established the presumption of correctness by a preponderance of the evidence.

Next the PETITIONER presented their evidence. The following documentary evidence has been admitted on the record by the PETITIONER:

Exhibit "PET-1" is an analysis of the prior assessments of the subject property since 2013, an analysis of the ten sales used by the PAO, an expanded dataset including sales from the first quarter of 2018, and a copy of a letter submitted to Mark Chadwick dated October 29, 2018.

The crux of the PETITIONER's argument is that the PAO has failed to adequately considered size, pursuant to Florida Statute 193.011(4) in determining the just value of the subject property in 2018. The subject condominium complex has both three-bedroom, two-bathroom units containing 1,444 square feet and two-bedroom, two-bathroom units containing 1,118 square feet. The PETITIONER has presented a grid of per-square-foot assessments for the 1,444 square foot units compared with 1,118 square foot units over the past five years. This analysis shows how the larger units have been assessed at a per-square-foot price between 79% and 85% of the price of the smaller units every year except 2018, when they were both assessed at the same per-square-foot price.

The PETITIONER testified that the PAO's sales data presented at the hearing further supports this argument. Seven of the sales (Sales 1 thorough 7) are two-bedroom units that are 1,118 square feet in size. These are two-bedroom, two-bathroom units ranging in price from \$119 per square foot to \$153 per square foot, indicating a mean of \$139 per square foot. The three larger units (Sales 8, 9 and 10) being three-bedroom, two-bathroom units range in price from \$93 per square foot to \$125 per square foot, with a mean of \$110 per square foot.

Six additional sales closing in the first quarter of 2018 support this trend in lower per-square-foot prices for larger units. Four sales of 1,444 square foot, three-bedroom, two-bathroom units indicate a range of \$114 per square foot and \$128 per square foot, having a mean of \$122 per square foot.

Based upon documentary and testimonial evidence presented by the PETITIONER, there is competent and substantial evidence to overturn the just valuation by the PAO. From evidence on the record, this Special Magistrate has revised the just value considering prices of the four 1,444 square foot three-bedroom, two-bathroom units sold in the subject condominium complex and placing primary weight on the 2017 sale at \$125 per square foot, then deducting 15% for cost of sale in consideration of 193.011(8) F.S. This indicates a revised just value of \$153,425.

Conclusions of Law

In administrative reviews of the Just Valuation of property pursuant to Florida Administrative Code section 12D-9.027, the special magistrate has followed this sequence of general procedural steps:

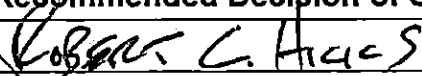

1) Determine whether the property appraiser established a presumption of correctness for the assessment, and determine whether the property appraiser's Just Valuation methodology is appropriate. The presumption of correctness is not established unless the admitted evidence proves by a preponderance of the evidence that the property appraiser's Just Valuation methodology complies with Section 193.011, F.S., and professionally accepted appraisal practices, including mass appraisal standards, if appropriate. Based upon documentary and testimonial evidence presented during this hearing, the presumption of correctness has been established by the property appraiser.

2) In administrative reviews of Just Valuations, if the property appraiser establishes a presumption of correctness, the special magistrate must determine whether the admitted evidence proves by a preponderance of the evidence that: a) The property appraiser's Just Valuation does not represent Just Value; or b) The property appraiser's Just Valuation is arbitrarily based on appraisal practices that are different from the appraisal practices generally applied by the property appraiser to comparable property within the same county. The PETITIONER has provided relevant, competent, substantial evidence that the PAO has failed to appropriately consider criteria of Florida Statutes 193.011(1) and 193.011(4) and has proven by a preponderance of the evidence, that the just valuation does not represent the just value of the property. Therefore, the presumption of correctness has been overcome.

3) If the property appraiser does not establish a presumption of correctness, or if the presumption of correctness is overcome, the special magistrate shall determine whether the hearing record contains competent, substantial evidence of just value which cumulatively meets the criteria of Section 193.011, F.S., and professionally accepted appraisal practices. It is the opinion of the Special Magistrate that the record contains such competent and substantial evidence of just value.

4) If the hearing record contains competent, substantial evidence for establishing a revised just value, the appraiser special magistrate shall establish a revised just value based only upon such evidence. In establishing a revised just value, the special magistrate is not restricted to any specific value offered by one of the parties. In view of the findings of fact and conclusions of law as they relate to this Petition before the Value Adjustment Board, the Special Magistrate recommends the request for reduction in the Property Appraiser's determination of the 2018 just value of the property be **PARTIALLY GRANTED** with a revised just value of \$153,425.

Recommended Decision of Special Magistrate Finding and conclusions above are recommendations.

	Robert C. Hicks, MAI	Nov 19, 2018
Signature, special magistrate	Print name	Date
	Vicki Tessmer	11/19/18
Signature, VAB clerk or special representative	Print name	Date Mailed

The board will consider the recommended decision on January 31, 2019 at 10:00 A.m.

Address Manatee County Administration Bldg, BOCC Chambers, 1st floor, 1112 Manatee Ave W, Bradenton, FL 34205

Pursuant to Resolution R-18-129, UNLESS you submit a written objection to this Recommendation within 15 days from the date mailed above, there will be **no** further opportunity for comment on your petition. If you do submit an objection, you will be given **five (5) minutes** to summarize why you believe the Special Magistrate's Recommendation is incorrect. You may **not** present any new evidence which was not raised before the Special Magistrate.

For a copy of the Value Adjustment Board uniform rules of procedure, contact:

Phone: 941.741.4058

Web: www.manateeclerk.com

If you are disabled and need accommodations to participate in the hearing, you are entitled to assistance with no cost to you. Please contact the Value Adjustment Board at the number above within two days of receiving this notice. If you are hearing or voice impaired, call 711.