

OCTOBER 3, 1991

The Special Master for the Value Adjustment Board, Manatee County, Florida, convened a REGULAR hearing in the Administrative Center, 1112 Manatee Avenue West, Bradenton, Florida, Thursday, October 3, 1991 at 9:16 a.m.

Presiding was: Beth E. Antrim-Berger, Special Master

Also present were:

Lowell Walden, Alternate Special Master
Susan G. French, Deputy Clerk, representing
R. B. Shore, Clerk of Circuit Court
Donald Hadsock, Attorney for Property Appraiser.

Representatives of the various news media were present.

The meeting was called to order by Ms. Antrim-Berger.

All witnesses/staff giving testimony were duly sworn.

91-91 THROUGH 91-104 SARASOTA-MANATEE AIRPORT AUTHORITY

The following petitions were filed by Charles Bailey for the Sarasota-Manatee Airport Authority:

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|--|----------------------------------|
| <u>91-91 WATERS</u> | <u>91-98 OFFSHORE MARINE</u> |
| <u>91-92 MERIDIAN</u> | <u>91-99 BOCA GRANDE</u> |
| <u>91-93 AIRPORT ASSOCIATES</u> | <u>91-100 SASSAMAN</u> |
| <u>91-94 TRANSWORLD TIRES</u> | <u>91-101 SASSAMAN</u> |
| <u>91-95 LORAL</u> | <u>91-102 JONES AVIATION</u> |
| <u>91-96 GULF COAST KARTING ASSOC.</u> | <u>91-103 DOLPHIN AVIATION</u> |
| <u>91-97 SPECIALTY RESTAURANTS</u> | <u>91-104 F.I. INTERNATIONAL</u> |

91-96 GULF COAST KARTING ASSOCIATION - GRANTED

Dan Bailey, representing the Sarasota-Manatee Airport Authority (SMAA), stated the parcel is leased for a public go-cart facility. The facility has been in operation for two years. Prior to this year, there was no charitable exemption application filed, nevertheless, the property was not assessed for taxes. However, this year, the association was assessed for \$8,300.

Bill Toelle, Race Director, stated the facility is used two or three times a month and is run on a non-profit basis. Proceeds revert to the participants or are donated to charities. Intentions are to keep the program a charitable operation and it should be entitled to exemption.

Based upon the facts presented, Ms. Antrim-Berger determined that the facility is a charitable use in accordance with Florida Statute, and recommended that a charitable exemption be granted.

91-99 BOCA GRANDE - DENIED

Mr. Bailey distributed a document entitled "Issues for Adjudication by Special Master" and stated Item 2 pertaining to the Boca Grande parcel (Petition 91-99) has been resolved. The parcel was not under lease as of January 1, 1991.

Ms. Antrim-Berger recommended that Petition 91-99 be denied based upon the fact that the property was not leased on January 1, 1991.

Mr. Bailey addressed the primary issue, Item 1, relating to whether the Airport Authority is immune from taxation including subordinate issues relating to taxation on any tenant owned improvements, and whether the SMAA's interest in land, buildings and improvements, which may be subject to ad valorem taxes, is limited to reversionary interest.

Mr. Bailey stated Item 4 relates to the issue of Fixed Base Operators (FBO's) as three of the parcels 91-102 - Jones Aviation, 91-103 - Dolphin Aviation, and 91-104 - F.I. International are used as FBO's which are aviation or governmental related uses.

91-102 JONES AVIATION - GRANTED
91-103 DOLPHIN AVIATION - GRANTED

91-104 F.I. INTERNATIONAL - GRANTED

Mr. Bailey stated the following testimony pertains to Petitions 91-102, 91-103 and 91-104.

Rick Hamrick, Vice President of Dolphin Aviation and F.I. International, stated Dolphin Aviation operates as an FBO or "truckstop" for airplanes. The main terminal handles commercial jets while Dolphin handles the smaller, general aviation aircraft. Dolphin sells fuel and oil, maintains/services aircraft, sells new and used aircraft, and runs a charter service. The F.I.I. parcel houses a flight school building.

The Dolphin parcel is owned by the SMAA. Dolphin entered into a long-term lease for land and an existing building. F.I.I. entered into a lease requiring construction of a building on the leased land which they would own during the term of the lease. He distributed excerpts from a 1969 management associates lease.

Discussion: Both Dolphin and Jones Aviation are private, non-government enterprises in business to earn profit; both have employees who provide general aviation services; both supply aircraft parts and offer public aircraft storage; in prior years, Dolphin paid taxes on the building but not the land; Dolphin does not claim ownership of the building.

Vince Canna, Property Manager for Sarasota-Manatee Airport Authority, defined general aviation as anything other than commercial aircraft. He stated the Federal Government has waived the airport's requirement to assess fair market value for lands used for general aviation. He stated SMAA does not claim ownership of the Dolphin or Jones building.

Mr. Bailey cited case law describing governmental uses of aviation property by an FBO involving both land and building, concluding that although an FBO performs a governmental function, tenant-owned improvements are subject to taxation.

Mr. Kersey stated Dolphin Aviation has been receiving tax bills for the building since 1975. He stated no other lands, other than the buildings occupied by Dolphin and F.I.I., have been assessed.

Mr. Bailey distributed Sarasota-Manatee Airport Authority Enabling Legislation Chapter 77-651 and Florida Statute Section 196.199 citing Subsection (4).

Discussion: Immunity; reversionary interest, etc.

Donald Haddock, Attorney for Property Appraiser, stated the position of the Appraiser, under Chapter 196.199(1c), is that properties of political subdivisions are to be judged as properties of municipalities of the state. He stated the determination of the Property Appraiser should be upheld.

The Special Master stated petitions 91-91 through 91-104 will be taken under advisement.

Recess/Reconvene.

91-123 AIRPORT ASSOCIATES - DENIED

Testimony: Petitioner/Representative not present. Determination based upon petition.

Ms. Antrim-Berger stated the petition references a 1984 appraisal which is considered too remote to hold any value. Findings are that the taxpayer has not overcome the presumption of correctness and therefore, a recommendation of denial was given.

91-45 Z.J. ESPINOSA/COASTAL FUELS MARKETING, INC.

Mr. Kersey stated he received a letter (9/3/91) from Mr. Espinosa requesting that Coastal Fuels Marketing, Inc. receive a separate tax bill for the improvements (building) only on land leased from the Manatee County Port Authority.

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(Cont'd)

Coastal Fuels owns the building and the Port Authority owns the land, therefore, the lessee's improvement value should not be combined with the lessor's value, and the assessments should be split under separate tax bills.

Mr. Kersey stated the lessee had been taxed for both the land and the building; however, the request was granted and separate tax bills were mailed in care of Coastal Fuels Marketing.

Ms. Antrim-Berger recommended the petitioner's request be granted in light of the action taken by the Property Appraiser's office.

Due to the uncertainty of the action taken, Ms. Antrim-Berger rescinded her recommendation and deferred petition 91-45 until later in the hearing.

91-78 OCEAN PROPERTIES, LTD./HOLIDAY INN RIVERFRONT - DENIED

Robert Garcia, representing Ocean Properties Ltd., stated the petition concerns the assessment of tangible personal property at the Holiday Inn Riverfront hotel. Constructed in 1983, the 150-room hotel opened for business in 1984. A tax return was filed in 1985 reflecting a value of \$416,000 in tangible personal property; however, no tangible personal property tax reports were filed for 1986 and the following four years.

Inasmuch as the 1985 tax report represented room furnishings only and no other tax reports were filed until 1990, the Appraiser excluded the restaurant equipment and carried forward an assessment of \$750,000 for four years. An asset list was prepared in 1990 and an assessment of \$749,814 was made.

Mr. Garcia referenced an asset listing sheet of tangible personal property as of January 1, 1991, and stated he estimates fair market value at \$337,289.01. He stated no depreciation allowance has been given to the hotel property since 1986.

Lofton Cobb, Property Appraiser's Office, stated he received a list of estimated replacement costs with a tax return; however, original cost information was never provided, therefore, the cost approach was not used. Mr. Cobb stated the \$750,000 assessment was based upon the value of three comparable properties. Depreciation was not applied.

Ms. Antrim-Berger stated the petition would be taken under advisement.

91-82 CONTRACTORS TOOLS & EQUIPMENT - WITHDRAWN

Steven Lindall stated that a settlement on assessed value had been reached for most of his equipment prior to the hearing with exception of a few pieces of construction machinery. He obtained a professional appraisal on the office equipment and construction tools reflecting an overall difference of approximately \$4,000 which is equivalent to the net result of the settlement change.

Mr. Cobb stated the assets were presented as a whole and were assessed as such. He offered to work with the petitioner to establish agreeable values for the equipment in discrepancy.

Upon comments by Mr. Cobb, Mr. Lindall withdrew his petition.

91-160 & 161 HEWITT CONTRACTING - DENIED

Testimony: Petitioner/Representative not present. Determination based upon petition.

Ms. Antrim-Berger stated no evidence was presented to overcome the presumption of correctness of the Property Appraiser and therefore, recommended denial of petitions 91-160 and 161.

91-168 JDCI LEASING INC. - DENIED

Testimony: Petitioner/Representative not present. Determination based upon petition.

Ms. Antrim-Berger stated no evidence was presented to overcome the presumption of correctness of the Property Appraiser, and denial of the petition was recommended.

91-174 MOTEL 6 - DENIED

Testimony: Petitioner/Representative not present. Determination based upon petition.

Inasmuch as Ms. Antrim-Berger declared conflict with petition 91-174, Lowell Walden, Alternate Special Master, considered the petition.

Mr. Walden stated no evidence was found to overcome the presumption of correctness by the Property Appraiser, and recommended denial of the petition.

91-17 LAWRENCE F. TAYLOR - DENIED

Testimony: Petitioner/Representative not present. Determination based upon petition.

Garner Merrick, Property Appraiser's Office, stated the property was assessed at \$64,991.

Ms. Antrim-Berger stated the information submitted with the petition is not sufficient to overcome the presumption of correctness and therefore, recommended that the petition be denied.

91-25 EDWARD J. CANAVAN - GRANTED

Mr. Canavan stated he purchased the home in Village Green in 1980 for \$76,400. The property was assessed at \$84,956 but was reduced to \$84,793. An appraisal was done by an experienced real estate broker who set the anticipated selling price between \$89-91,000 and recommended listing price of \$92,500.

A home, much larger than his with full view of the golf course, was one of five comparables used by the Appraiser's office and was assessed less than his. Three of the five have larger living areas and of all five comparables, his property was assessed the highest. He estimates fair market value at 15 percent less than the anticipated selling price.

Mr. Merrick displayed an area map stating the lakefront home has 1,541 square feet of living area among other amenities and is worth \$105,000. Three lakefront comparables indicated values from \$65.82 to \$78.68 per square foot. Mr. Canavan's property was assessed \$55.02 per square foot.

Mr. Canavan stated an underground utility line crosses the back of his lot which is a negative selling factor. The utility line also crosses the back of the other lakefront lots.

Ms. Antrim-Berger stated the information will be reviewed, and a recommendation will be made to the Value Adjustment Board.

91-57 RAYMOND DAMROW - GRANTED

During the five years he has lived on the property in Anna Maria, Mr. Damrow stated he and the City of Anna Maria have tried to no avail to correct a problem involving a tidal drainage ditch abutting his property. It is a health hazard and is causing increasing erosion. Stagnant water causes a stench and is a breeding ground for mosquitos. The ditch cannot be sprayed because the water drains into the bay and would affect aquatic life. The Department of Regulation has denied the City a permit to correct the problem.

Mr. Merrick addressed a map depicting Mr. Damrow's lot and stated the ditch, which runs approximately 3-4 feet along the property, was not factored. Comparable neighborhood sales from 1989 to 1991, ranging from \$122,000 to \$159,000, were noted. The subject property has bay view.

Mr. Damrow stated the property across the street, also located along the ditch, sold in 1989 for \$82,000. He stated the ditch reduces the value of his property by an estimated \$7,000 to \$10,000.

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Ms. Antrim-Berger stated Petition 91-57 will be taken under advisement.

91-58 NORBERT & ARDEN KREISCH - GRANTED

Testimony: Petitioner/Representative not present. Determination based upon petition.

Mr. Merrick stated a field check was done and the assessment was reduced to \$126,291.

Ms. Antrim-Berger recommended that Petition 91-58 be granted with the Property Appraiser's adjusted value of \$126,291.

91-80 LAWRENCE V. LAUTH - GRANTED

Testimony: Petitioner/Representative not present. Determination based upon petition.

Mr. Merrick stated the assessed value was lowered to \$169,735.

Ms. Antrim-Berger recommended that Petition 91-80 be granted with the corrected assessed value of \$169,735.

91-81 ADRIENNE A. FISCHER - GRANTED

Mrs. Fischer purchased the middle unit of a quadplex at Seaside Gardens in Holmes Beach in July 1984 for \$70,000. The owner of an end unit of the same size, but with a side window, enclosed porch, waterfront view, dock access and other amenities, was assessed \$58,630. She was assessed \$64,991. She estimates fair market value at \$80,000.

Mr. Merrick stated a field check was done on the property and the assessment was reduced to \$64,134.

Ms. Antrim-Berger recommended the petition be granted with the Property Appraiser's adjusted value of \$64,134.

91-45 Z.J. ESPINOSA/COASTAL FUELS MARKETING, INC. - DENIED

Gary Knuckles, Property Appraiser's Office, stated the petitioner's request was granted. Land value was divided out from the improvement value and the corrected TRIM notices were sent to the Port Authority in care of the petitioner. Assessed values (improvements - \$679,146; land - \$795,400) have not changed.

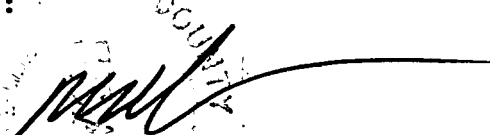
Based upon the fact that the taxpayer has not appeared and no evidence was presented as to ownership of land or improvements, Ms. Antrim-Berger recommended denial of the petition with the caveat that the Property Appraiser has split out the value of the land and issued a new TRIM notice to the Port Authority in care of Coastal Fuels Marketing, Inc.

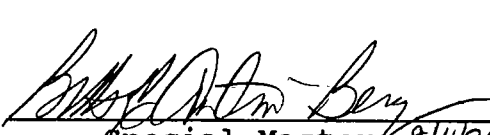
HEARING ADJOURNED

There being no further business, the hearing was adjourned.

Attest:

APPROVED:


Clerk


Special Master 8/11/92

Adj: 12:55 p.m.
/rll