



APPRAISING THE PLAINS

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of Kansas



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IAAO Awards Johnson County Certificate of Excellence. L-R seated in front: Susan Avazpour, Paul Welcome, Darla Frank. L-R standing in back: Larry Wilson, Jeff Holsapple, Toni Viens, Dennis Gering and Alex Stewart. Read more about it on page 9.

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My Wacky World— and Welcome to It!

Change is the only constant that we have, and we have been surrounded by it in the past few years.

Della Rowley, RMA
Cowley County
KCAA President

Well, the year has almost ended for me as KCAA president. I want to thank all of you for allowing me to serve in this position. It has been a good year and I am reminded every day of how great an association we have.

Advantages to being a member of KCAA consist of several things in my opinion and here are a few:

1. Having someone to ask “How would or do you do this?”
2. Knowing you aren’t in what seems at times to be the mass appraisal sinking ship by yourself.
3. Having a choice in what education you want.
4. Having a voice in legislation as a group, which results in more impact than one at a time.
5. Hearing topics that concern you and your county.
6. Having committees that help each other with issues that we as an individual county could not tackle alone.

The list goes on...

So many counties are converting to Orion this year and in the previous years that it makes me glad that there

are others to call and ask for support while going through this. I know it sure has and is helping Sumner County. It is not an easy situation for most if not all counties, but knowing you are not the only one having issues or stress or problems, helps. The members of our association are there to help each other not only with the technical aspect, but with the emotional transition as well. Chances are that someone has either been through the same fire or is actually experiencing it at the same time. Don’t hesitate to call on each other! The support by our peers is what helps get us through these times. Besides that, you may be helping them out just by calling and visiting with your fellow appraisers and/or staff.

Everyone is busy and does not have time to take on extra demands—at least, that is what we all think about when asked to run for an office or serve on a committee. Without officers and committees our organization could not function. Please be active and do your part to ensure we continue to have a strong, supportive and functional organization. *IT DEPENDS ON EACH OF US TO MAKE THAT HAPPEN.* What if everyone was too busy and didn’t take the initiative to hold office or be on a committee? What would happen to our education, our support of one another, the opinions given to the legislators, etc? Get involved; everyone is busy, and your ideas might just make the difference.

Kansas County Appraiser’s Association is an association that cares about getting education for the county appraisers’ offices as well as working together with PVD to set guidelines following Kansas’ laws and standard appraisal practices. David Harper, acting director of PVD, has shown a strong desire to working on outdated guides, updating data to the technological world that we live in, as well as improving communication between the association and his department. The affiliate meeting at KAC in November promises to resurrect Director’s Update; I hope you will all come in support of this effort.

Change is the only constant that we have, and we have been surrounded by it in the past few years. As these changes give way to a new approach to doing our jobs more efficiently, it appears the digital and technical wave has taken over. Some of us resisted the RMA (I believe I lead that pack) and now it is being used as a model in other states that is resulting in better-qualified appraisers and assessors.

Fighting against the change doesn’t keep it from occurring. The field tablet, software that allows digital sketching in the field, and other electronic tools have brought us far and open the way to resourceful ways of appraising property. I would hope that the people factor that KCAA was founded upon is not lost and that communication within our organization will not be a thing of the past. What a waste for the next generation of Kansas county appraisers. An imprint has been left by those ahead of us and by us as the appraisers who made the transition from the mass appraisal process being done by hand to it being done by more efficient modern means. We have and are leaving something to be proud of. Proud to be a Kansas county appraiser!

COTA filing fees

If you haven’t seen the latest on the COTA website, you might want to look at the filing fees.
http://www.kansas.gov/cota/Filing_Fees/index.html

Board Meeting Highlights

■ KCAA Executive Board Meeting, June 11, 2011, Topeka

Attendees: Leon Reimer, Greg McHenry, Rod Broberg, Lori Reedy, Jami Clark, Dean Denning, Della Rowley, Mark Hixon, David Harper, Gene Bryan, Bruce Wright, Paul Welcome, Barb Konrade, Lois Schlegel, Janet Duever, Rod Broberg

Previous Meeting Minutes: Approved **Financial Report:** Total funds of \$203,086.77 and includes the \$82,424.00 with \$21,894.40 in A/R.

Voting rights with Tyler was brought up by Mark Hixon. Paul Welcome was asked if Johnson County had vote. He said yes, but the voting rights were a moot point now because the voting was to decide where conference is and they have done away with that. Voting rights don't affect enhancements.

Treasurer's Report: Leon and Cindy balance, and report has been approved

Standard & Ethics Committee: Complaint against Linn County. The complainer appealed his valuation and Linn County won. All documentation went to committee. The committee has found nothing out of line with what happened. Motion was made by Mark Hixon that we send the letter that the committee formats to Mike Montoya, Saline County counsel. Paul suggested the letter be on Mr. Montoya's letterhead. Amended to state the attorney can determine whether letter should be drafted from attorney or from Ethics Committee of KCAA.

It was brought up why are we responding when our committee is for internal purposes only? It was suggested we include in the letter that we are in compliance with PVD. Approved. What are standing committees with our association? Lori, Rod and Gene will review bylaws for what our committees are responsible for.

Education: Motion to include Evaluat-

ing Commercial Construction, Evaluating Residential Construction classes on education survey. All approved.

Legislation: Rod has been nominated to the KAC policy committee. Gene brought up that we need to address statutes that are outdated or unnecessary based on new technology/Orion. It was discussed that it is quite an undertaking to review ALL the statutes and what a "spiderweb" it is. Mark Hixon would like to see this looked into. It was suggested by Greg that maybe a top 10 be arrived at. Lori suggested surveying the appraisers to see what are the top statutes appraisers have issues with. Gene moved that Della appoint a committee that would look into statutes that need changed and report. Gene would chair committee, Lori volunteered to serve.

Enhancement Committee: No report.

David Harper, PVD: Education Committee does exist at PVD. Education committee is trying to define what the criteria is for course approval. Any interest in online education or other education offerings. Reviewing the RMA designation. Wanting to be more involved in our conferences.

Dean asked about hiring of new

staff. No official hiring freeze. 57 out of 69 spots is where they are now with employees. Paul commended the Orion staff. Not receiving I & E at the informal hearing is an issue for Paul. If a no-show, they get no documentation, and Paul feels that the tone is unsavory. Bruce sends a letter on his own.

Guides need updated per Della. David said no plans in the works for updating these.

Gene brought up "appointed" county appraisers and two aren't. Ok with arrangement between KCAA/PVD? No proposed changes at this point.

David would like to begin having Director's Update again. David said his most common call is taxpayers trying to get PVD involved. Tells them the appeal process is what it is there for. Questions on mobile homes—Greg suggested it be brought up tomorrow.

Conference Recap: Proceeds will go to NCRAAO. 171 conference attendees. 22 vendors. Giveaways at all breaks.

VP IAAO: Kim Lauffer is running for VP of IAAO. We have given \$500 in past to VP candidate. Motion made and approved. No opposed.

Meeting adjourned.

KCAA Meeting @ KAC Annual Meeting

NOTE: Director's Update will be one of the concurrent education sessions Monday morning, Nov. 14. See the KAC website (www.kansascounties.org) for conference registration information and for the complete conference schedule. See also The (Acting) Director's Update on p. 4.

KCAA Meeting Agenda Monday, November 14, 2011

1:00 pm

- Financial Report
- Treasurer's Report
- Audit Report
- Committee Reports
- Education Report
- Legislative Report
- Installation of Officers

2:15 pm – Break

- COTA
- 2012 Budget
- Other Business
- Committee Appointments
- Adjourn
- Committee Meetings

The (Acting) Director's Update...

By David Harper, RMA , Acting Director, Property Valuation Division

The Division of Property Valuation (PVD) is pleased to announce that we will offer a Director's Update meeting in conjunction with the 2011 Kansas Association of Counties Annual Conference. The PVD meeting is scheduled to begin at 8:30 a.m., Nov. 14, 2011, at the Capital Plaza Hotel in Topeka.

It is my understanding the Director's Updates have been provided in various formats in past years, from lectures to break out training sessions hosted by PVD staff. This year we intend to provide updates on several topics to the general audience in the morning, and in the afternoon we will have PVD staff sitting in with the various KCAA committees to discuss specifics within each area. The majority of the PVD staff will be in attendance and also available to address questions in their areas of expertise.

We are also pleased to announce Secretary of Revenue Nick Jordan has accepted our invitation to briefly address the attendees at the update. Secretary Jordan is scheduled to open our meeting at 8:30 a.m., and I certainly appreciate his attempting to find the time in his very busy schedule to come meet with PVD and the KCAA. Planning forward, we intend to provide updates at the annual KCAA and KAC conferences. Our goal is to offer more frequent updates at existing conferences to attempt to provide the most convenient times for PVD and KCAA to meet. I continue to encourage your input and suggestions to work towards productive meetings advantageous to all.

Staff Changes continue to impact all of our work. At PVD, we have recently lost three field staff from the west half of the state to retirement: Rogene Heugatter, Vicki Baucum and Dwight Denio. While we wish them the best, their gain is our loss, and this is a big blow to PVD and our field staff. PVD field staff is playing a critical role in the final conversion of the 32 counties to Orion for the 2012 tax year. This

PVD will hold a Director's Update meeting at 8:30 a.m. November 14 in conjunction with the KAC Annual Conference at the Capital Plaza Hotel in Topeka. Secretary of Revenue Nick Jordan will speak briefly.

fall, providing assistance to counties in Orion has been one of our priorities. The PVD county assistance bureau and our Orion staff are working together on the project. Mike Hauptman has been temporarily assigned with our Orion group, and Gene Edwards and Ray Cook are also providing assistance. Additionally, Bob Kent continues to serve as acting appraiser in Labette County and Anna Porter in Wabaunsee. Anna was also acting appraiser for Morris County through Oct. 2, 2011.

PVD will not fill any vacant positions until the Department of Revenue has time to fully evaluate the overall budget impact of the early retirement incentive program. For the fall of 2011, we are proceeding with plans to meet our duties with the current number of staff. We are finalizing plans to reorganize field staff assignments, which will be detailed at the Director's Update.

We are continuing to do our best to meet county requests for assistance. In addition to the field staff's continual work in and with county offices, Ray Cook has spent time in Labette County assisting with commercial and industrial properties, Rae Schnacker and Jim Shontz recently traveled to Johnson County, and the Orion group is fielding on average approximately 25 calls per day from counties and submitting an average of five tickets per week.

In order for us to plan our schedules, we need as much notice from counties as possible when additional assistance is required. Please keep your field staff representative updated on your requests, and please keep me updated on requests which are going unanswered. We will do all we can to get everyone back on the same page for 2012, assigning values and generating value notices with the same com-

puter assisted mass appraisal system.

Oil and Gas, and more specifically horizontal oil/gas well drilling and the potential impact of the Mississippian Limestone play in Kansas, continue to be hot items of discussion around the state. Lynn Kent, PVD Oil and Gas manager, is working to compile data to be able to provide guidance to the county appraisers on the key aspects of horizontal drilling. PVD took part in a meeting with representatives of Woolsey Petroleum Management Corporation at the Kansas Department of Commerce on September 21. Lynn, Della Rowley and Danetta Cook toured a Chesapeake Energy Corporation rig in Sumner County on September 14, which included explanations on the horizontal drilling process, equipment and salt water disposal. Both Woolsey and Chesapeake representatives are to be providing PVD with additional information. Lynn will meet with the KCAA Oil and Gas Committee the afternoon of November 14 to discuss the topic further.

Continuing Education courses to be offered by PVD in 2012 are currently being discussed. In August and September, PVD offered over 20 courses, but we are aware of the challenge to develop new general course material and the need for new Orion courses, with the focus switching from conversion to more advanced uses for the system. We will be seeking students' (county staff) suggestions for new courses and topics. Marilyn Cathey will meet with the KCAA Education Committee at the KAC conference, but all are encouraged to send ideas to Marilyn at any time.

At some point in 2012, Orion courses will begin to be tested and fees charged to attend. One new non-Orion course which will be offered in 2012 by

Assessed Value
Major Classes of Property (Billions)

Year	Residential	% of Total	C&I Real/PP	% of Total	Utilities	% of Total	Ag Land	% of Total	Oil & Gas	% of Total	All Other	% of Total	Total Value	% Change from Prior Year
00	\$8.766	41.91	\$6.128	29.30	\$2.919	13.95	\$1.433	6.85	\$0.937	4.48	\$0.692	3.32	\$20.875	6.46%
01	\$9.487	42.16	\$6.402	28.45	\$2.917	12.96	\$1.553	6.90	\$1.362	6.05	\$0.737	3.28	\$22.459	7.99%
02	\$10.092	43.72	\$6.574	28.49	\$2.817	12.20	\$1.607	6.96	\$1.201	5.20	\$0.744	3.23	\$23.035	2.57%
03	\$10.821	45.08	\$6.847	28.53	\$2.897	12.07	\$1.563	6.51	\$1.067	4.45	\$0.764	3.19	\$23.960	4.02%
04	\$11.467	45.06	\$7.044	27.68	\$3.055	12.00	\$1.607	6.31	\$1.457	5.72	\$0.770	3.03	\$25.398	6.00%
05	\$12.207	45.18	\$7.405	27.41	\$3.117	11.54	\$1.593	5.90	\$1.888	6.98	\$0.809	2.99	\$27.019	6.38%
06	\$13.083	45.09	\$7.926	27.31	\$3.105	10.70	\$1.539	5.30	\$2.456	8.46	\$0.856	2.95	\$28.964	7.20%
07	\$13.957	46.31	\$8.420	27.94	\$3.144	10.43	\$1.420	4.71	\$2.246	7.45	\$0.899	2.99	\$30.087	3.88%
08	\$14.454	46.62	\$8.600	27.74	\$3.173	10.23	\$1.302	4.20	\$2.533	8.17	\$0.940	3.03	\$31.000	3.04%
09	\$14.516	47.81	\$8.188	26.97	\$3.127	10.30	\$1.198	3.94	\$2.391	7.88	\$0.893	2.95	\$30.312	-2.22%
10	\$14.536	49.29	\$7.730	26.21	\$3.286	11.14	\$1.158	3.93	\$1.880	6.37	\$0.861	2.92	\$29.450	-2.84%
11	\$14.647	48.78	\$7.768	25.87	\$3.389	11.29	\$1.180	3.93	\$2.176	7.25	\$0.864	2.88	\$30.025	1.95%

July 2011 Abstract

PVD is a State Appraised Public Utilities Overview. This has been requested by several and will include discussion on the legal, appraisal, allocation and distribution processes involved with the assessment of Kansas Public Utilities.

The July Abstract (above) shows overall property values in Kansas increased slightly from 2010 to 2011, with the largest percentage change being in Oil and Gas.

The Public Utility class value does

include the assessed value for the TransCanada Keystone pipeline from two counties for which an exemption application is pending at the Kansas Court of Tax Appeals (COTA). A status conference on the Keystone exemption application was held at COTA on

Sept. 22, 2011, with deadlines set for motions and responses for both the company and the State.

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This fall, providing assistance to counties in Orion has been one of our priorities. The PVD county assistance bureau and our Orion staff are working together on the project.

I Blew It

By Rick Stuart, CAE

I hate being wrong, especially when it is real estate-related and my wife is right. During our vacation last summer we spent a night in Chattanooga, Tenn. As we were walking along the river, we saw a very large houseboat that had an "Open" sign encouraging people to come in and check about your new river home. Holly asked me if they were selling homes that float on rivers, and I said no, but a few years ago they were selling timeshares (now called vacation homes/shares) on ocean liners. I said there was no way that anyone would buy a timeshare for rivers. I found that crow requires a large amount of salt and pepper to get down.

These are advertised as River Cities Floating Condominiums: "Making the River Your Home." The cruise schedule of rivers and lakes is in the

northern part of the United States in the summer and then working south as the weather gets colder. There are four different models: Illinois (Studio/1 Bath), Tennessee (1 Bedroom/1 Bath), Ohio (1 Bedroom/1 Bath but larger) and the Mississippi (2 Bedroom/2 Bath). Each unit comes fully furnished.

To give you a feel of the costs, I have selected the Tennessee as an example:

- 1 bedroom/1 bath, 585 sq. ft. living area, 75 sq. ft. deck
- Full ownership: \$373,000
- 6-month ownership: \$199,000
- 2-month ownership: \$63,600

Half and 2-month ownership owners pay the standard Home Owners Association (HOA) fee for the months



they own in addition to a reserve fund for furnishings per replacement schedule. On the last day of each two- and six-month cycle, the owner vacates for housekeeping service to prepare the condo for the next owner.

As an owner of a 2-month share, you would be on the boat for two months each year and it would change each year, and in year seven, no one will use the unit so it can be updated. It does not state what cost the updating would be and how much additional you would pay for the reserve fund mentioned above. Your monthly fee for the Tennessee unit would be \$1,732. Check out the River Cities website at www.rivercitiescondos.com.

Orion Enhancement Committee Report

By Kenton Lyon, RMA, Russell County

Currently, we have \$79,366.40 in the enhancement fund. For the first round of enhancements, we have taken delivery of and paid for the pre-defined market variables enhancement in the amount of \$6,550. Pending enhancements due this year include online reporting in the amount of \$11,790, Final Value Review enhancements for \$21,484 and obsolete party records in the amount of \$18,340. Sedgwick County took care of the individual pdf enhancement in the amount of \$13,886 in lieu of their contribution for the current year. Still in development is the history tab that will not be implemented or paid for until next year. That would leave our unencumbered fund balance at \$27,752.40 for this year.

For the second round, we've identified and are pursuing the following enhancements:

1. Sales history PRC
2. Comp sheet formatting to free up additional space
3. Search the transfer tab for COV, deed/book & page
4. Display of the COV, Sale date, Source codes, & Sale Amount/ Adjusted Sale Amount
5. Redesign of the PRC itself

Wyandotte County was pursuing items #3 and #4 at the time we made our enhancement selections. Their request was very, very similar to ours. For next year Wyandotte County has agreed to fund items #3 and #4 in lieu of their contribution to our fund. And we are grateful. Their timeline is much shorter than ours. Item #2 also includes the ability to "match" the correct image to the correct property on the comparable report. Rae is working with Jim to resolve some of the issues so that when the smoke clears, we will be requesting and paying for a smaller, less expensive enhancement.

Items #1 and #5 seem simple. They are not. Prior to archiving anything related to sales history, we need to come to an agreement on the format of that

Orion is now a reality in all 105 Kansas counties. Those folks just now converting will utilize software that has significantly evolved from the initial implementation. All of us owe the original "beta counties" a great deal.

archived item. Formatting the PRC was complicated in the beginning. It will be complicated in the end. One size will not fit all needs. Tyler has suggested the use of embedded links or tokens that would allow the user with a click to access data that would not necessarily need to be a part of the PRC itself. A more detailed, larger sketch or the income report might be good examples of this.

Smaller jurisdictions have different needs / ideas than larger ones. We may wind up with several formats tailored for differing classifications (residential vs. commercial) along with differing county needs. Truthfully, I don't really know where to begin with the PRC requests. Your input is needed. This will be a large, lengthy and, in all probability, expensive undertaking.

Orion is now a reality in all 105 Kansas counties. Those folks just now converting will utilize software that has significantly evolved from the initial implementation. All of us owe the original "beta counties" a great deal. Many needs were identified and solutions developed from those early struggles.

Together we continue to identify needs, develop solutions, and fund the implementation of what we refer to as enhancements to the Orion product.

Tyler has also evolved utilizing their nationwide solicitation of enhancement ideas from their "community" surveys. PVD staff is actively engaged not just in testing and implementing the patches as they are rolled out, but more importantly in actively working with Tyler and with us (counties) to develop enhancements that minimize our cost while maximizing the efficiency of the final product.

As we close 2011, we find ourselves well-funded and moving forward with our enhancement requests. The process is cumbersome, technical, detail-oriented, and at times frustrating. Progress is slow and sometimes painful. Each contribution has improved the functionality of Orion for all Kansas users. The sum of the whole has far exceeded the value of each individual contribution. That is something to be truly proud of and thankful for as we enter 2012.

Oil & Gas Committee Meeting

By Richard E. Batchellor, RMA, CKA, Kingman County

On July 2, 2011, the Oil/Gas Committee met. Also attending was David Harper, interim director of PVD. Discussion involved numerous items, which included the valuation methodology utilized by mineral appraiser, i.e., multi-year production to determine decline as opposed to a year over year.

In addition some critical and crucial data was discussed, such as:

- The reserve studies that have been done, particularly on new wells, so that a decline rate reflective of the well's potential can be calculated.

- The valuation of equipment and its current worth in the marketplace due to the significantly increased demand for drilling.

- The ability to obtain actual sales so that an analysis can be done to determine their worth in the marketplace and the reasonableness of values currently generated. A Court of Appeals decision from Seward County that has an impact on the county's ability to obtain information from discovery was reviewed.

continued on next page

Oil & Gas, continued

- New technology and vertical drilling in particular were discussed and the impact of this new technology on the Guide.

- Continuing education issues relative to this particular industry were discussed so that county appraisers have more tools necessary to value leases. Some of the conclusions and recommendations the committee discussed are:

- The Guide being changed to add verbiage that reserve studies can be utilized when available for the determination of calculating decline, particularly for new leases.

- Present Value Factors be reviewed and updated to reflect current market trends.

- A new section dealing with horizontal drilling and the valuation of these types of leases and equipment to be added.

- That a multi-year approach to calculating reserves be utilized so that a more reasonable indication of value may be obtained. This would reflect what is actually taking place in the fee mineral appraisal process now.

- Terminology or a glossary be developed that would more accurately define what is included in a typical tank battery and pumping unit.

- The schedule of equipment to include the footage of all pipelines associated with each lease.

- Economic life of leases be reviewed, as 7 years appears to be conservative based upon conversations with appraisers in this industry.

In addition, the interim director of PVD suggested that possibly a critique of the current Guide be performed to determine if, in fact, there needs to be any type of substantial changes and identify the specific areas that may need to be addressed, if any. This would be done by an independent firm

...there were times that the discussions became somewhat “intense” as both the industry and the appraisers let their opinions be known in what we will refer to as a very “passionate” way.

that would have the resources and expertise necessary to do so.

August 23, 2011

To All In Attendance:

I want to thank all of you that took time out of your busy schedules and attended the meeting yesterday in Wichita. It was refreshing to see a strong presence on a topic that has a significant impact on the ability for many of us to value these properties in a reasonable way. For those of you that couldn't make it there, I have attached a copy of the agenda for your review.

Kudos to David Harper, RMA, acting PVD director, as I believe he is sincere in trying to make any needed adjustments to the Guide so that it reflects the current market for the valuation year in question. In addition, Lynn Kent did a very good job of answering questions and addressing the issues associated with the Guide. That being said, needless to say there were times that the discussions became somewhat “intense” as both the industry and the appraisers let their opinions be known in what we will refer to as a very “passionate” way.

For those of you who could not make these rounds of meetings, I hope you will be present for the next set as much of the discussion not only hinges on the immediate Guide but the future and direction of the valuation process as well. If you have questions or concerns, please let the Oil/Gas Committee know. We will attempt to address them to the best of our ability.

Finally, I know with the implementation of Orion in many counties this year and the learning curve involved, many of us have more than enough on our plate at this time. However, please monitor transfers and sales of your leases and equipment. It is quite obvious that what is needed is “tons” of data that will assist in the analytical process.

Thank you all, again, for your help.

**In Memoriam:
Eugene W. Wurm**

Eugene W. Wurm, 82, died Saturday, July 2, 2011, at Good Samaritan Hospital, Kearney Neb. Mr. Wurm was born Jan. 2, 1929, on the family farm in Decatur County to Walter and Elsie Wurm. He was Decatur County appraiser from Nov. 1990 through June 1999. He was also a retired farmer and mail carrier. He was a member of the American Legion, National Association of Retired Mail Carriers and St. John's Lutheran Church, Oberlin. He received a Century Farm Award in 2005. Services were held in Oberlin on July 7th. Burial was in St. John's Lutheran Cemetery.

Kansas Top Ten

■ Kansas ranked sixth in the Pollina Corporate “Top 10 Pro-Business States” list. Rankings were based on 32 factors controlled by state governments, including taxes, energy costs, workers' compensation law, economic incentive programs and infrastructure spending. One of the incentives recognized by Kansas Commerce Secretary Pat George is “the new expensing deduction that can be used by companies to purchase business equipment and machinery. (<http://www.pollina.com/top10probusiness.html>)

■ Kansas received *Area Development* magazine's Silver Shovel Award. The award recognizes state economic development agencies that drive significant job creation through innovative policies, infrastructure improvements, and processes and promotions that attract new employers, as well as investments in expanded facilities. (<http://www.areadevelopment.com/Annual-Reports/may2011/2011silver-shovel-population-less-4million-66363636.shtml>)

■ *Site Selection* magazine, a leading publication for site location consultants for capital investment and new facility development, named Kansas sixth most competitive state. (<http://www.siteselection.com/issues/2011/may/comp-awards.cfm>)

Notes From Phoenix

By Dean Denning, RMA, CKA



It was hot. Yes, I know it's a dry heat, but so is the oven and I don't stick my head in there. Actually, it wasn't that bad in our nearly new hotel with the excellent cooling system.

The annual IAAO convention is what drew us to Phoenix this year. What drew people to settle Arizona was the 5 C's, those being copper, cotton, cattle, citrus, and climate. I found it interesting that those big old cactus really are old; they are nearly 100 years old before they grow their second arm. Those with three or more arms can easily be 300 years old. Also of interest are those cute little birds, the road runners, eat rattlesnakes and lizards. Maybe that's why we saw road runners but no rattlesnakes.

IAAO conventions always have dozens of choices of seminars to attend. This year my favorite was titled "Organizational Trust" and was presented by Richard Petree. Key points that I gleaned from this session start with characteristics of high-trust organizations. Information is shared openly among employees and the public. Mistakes are tolerated and learned from. Credit is shared, people are candid and honest. There is a high degree of accountability, energy and vitality. The dividends realized in a high-trust organization are reduced cost, enhanced innovation, improved collaboration, stronger partnering and better execution of tasks.

The overriding principle of public trust is what we contribute to our community. How many of us as employees in a county appraisal office, when asked what we do for a living, would think to answer that we facilitate the existence of fine schools, smooth roads, safe communities with police and fire protection, libraries, parks, recreational facilities? You get the idea. We help make those things possible. Websites are a good place to share with the public what taxes provide. The more taxpayers realize what they get for their taxes, the more they will trust us.

How about self-trust? Do you trust yourself to do the right thing, not necessarily doing things right? Mr. Petree stressed this point as a good four-word mission statement for an office: "Do the Right Thing." Follow that creed, and trust will follow you.

Behavior traits of high-trust people are straight talk, they demonstrate respect, admit mistakes, right wrongs, show loyalty, deliver results, get better, confront reality, practice accountability, listen first, keep promises, and extend trust. You can't talk yourself out of a problem you've behaved yourself into. Integrity is doing the right thing even when no one is watching. There it is again, "Do the Right Thing."

IAAO Member News

Thanks to all of you for your support of the IAAO.

45-year Member: Kansas County Appraisers Association

40-year Member: Walter Staab, CAE, Hays

25-year Member: Mark Low, RMA, Finney County

20-year Member: Cindy Craft, RMA, Edwards County

15-year Member: Kim Lauffer, RES, RMA, Comanche County

10-year Member: Dianna Carter, RMA, McPherson County

5-year Members: Kris Gentry and Erik Preston, Sedgwick County

IAAO Annual Conference-2011

Change Management— Non-residential CAMA Valuations

By Greg McHenry, RMA, Riley County

While attending this year's IAAO Conference, I had the opportunity to be the moderator for a workshop titled "Change Management—Non-residential CAMA Valuations." The workshop presenter was Ian Smoothey, from the valuation company eValuations. Ian has been the CAMA Manager for City of Cape Town, City of Durban (eThek-wini), Port Elizabeth (Nelson Mandela Bay Metro), Ekurhuleni (Johannesburg East Rand), and City of Johannesburg South Africa. I believe he said he was responsible for CAMA oversight of almost 300,000 real estate parcels.

Mr. Smoothey discussed the reasons his South African jurisdictions had decided to use CAMA in their valuation process and the issues they faced. The driving factors for implementation of a CAMA system were mostly due to concerns of equitability among property values and the need for a more cost-effective, less labor intensive valuation process. Their previous valuation methods were outdated, very labor intensive and lacking consistency. This led to inaccurate values and a general lack of trust between property owners and valuation officials. As a result, efforts were made to implement a better valuation system using modern-day CAMA.

He also talked about having to map and better identify parcels, developing data collection procedures, inconsistencies of data, training staff, educating the public, developing trust of the CAMA system by appraisal staff, budgeting for CAMA systems, valuation appeals, etc. Sound familiar? It was like a step back into the early days of Kansas reappraisal. It was very interesting to hear someone from another continent and culture talking about the same issues we have faced in Kansas. Mass appraisal is a unique business. However, appraisers and assessors all over the world seem to face the same problems. Maybe Johannesburg and Manhattan aren't that different after all.

IAAO Annual Conference-2011

**On the Cover:
Johnson County
Receives Certificate of
Excellence in Assessment
Administration**



Congratulations to the Johnson County Appraiser’s Office on receiving a renewal of IAAO’s Certificate of Excellence in Assessment Administration (CEAA). Johnson County first earned the certificate in 2005, and this required re-certification is a demonstration of their continued commitment to best practices. The re-certification was presented last month during IAAO annual conference in Phoenix, Ariz.

IAAO’s Certificate of Excellence in Assessment Administration recognizes governmental units and individuals involved with assessment that integrate best practices in the workplace. This challenging and rigorous program is a self-conducted evaluation of adherence to specific, accepted assessment administration and appraisal standards as defined in the IAAO publication *Assessment Practices: Self-Evaluation Guide*. It is an important recognition of industry professionals who strive to meet the highest standards in their line of work.

**Large Acreage Sale in
Kansas**

Submitted by Lisa Ree, RMA

GARDEN CITY, KS (Marketwire—07/14/11) Approximately 3,754 acres of cropland in western Kansas sold for a total of \$9,558,400 Tuesday, with Schrader Real Estate & Auction Company managing the sale.

The land included tracts in Kearny, Thomas and Sherman counties, 2,828 acres of which are irrigated, according to R.D. Schrader, president of the auction company. The land sold as an entirety to a group of buyers after a protracted competition between those seeking to buy individual tracts and those seeking all of the farmland.

“We had a really good competition between bidders seeking to buy all the tracts as an entirety and those seeking smaller combinations,” said Schrader. “For the better quality land in the northern part of the state, we actually had some individual bids around \$4,800 per acre, but in our proprietary bidding system, the land sells in the combination that brings the highest total price for the seller. In this case, the entirety bid was the highest overall.”

Schrader said the results showed that demand is continuing to grow for agricultural land. “People are focused on the strong rise in prices over the last couple of years, but the reality is that investors and farmers alike understand better than ever the attractive returns of agricultural land. At the same time, the current market offers a good opportunity for owners who wish to lock in their gains to secure their families’ future,” he said.



3,754 acres of cropland
in western Kansas
sold for a total of \$9.55
million in July.

VOTE ★ VOTE

**Don’t Forget:
IAAO Elections Next Month**



Kim Lauffer

We have two of our own running for spots on the IAAO Executive Board next month: Kim Lauffer, RES, RMA, Comanche County; and Jeff Holsapple, CAE, RES, RMA, Johnson County.

Lauffer is seeking the position of IAAO Vice-President. Learn more about Kim on her website at <http://kimlauffer.com/priorities.html>. Holsapple is a candidate for IAAO Executive Board Region #1. More information about all of the candidates can be found in IAAO’s Candidate Profiles & Voter Information guide at http://www.iaao.org/uploads/Candidate_profiles_2011.pdf.



Jeff Holsapple

According to IAAO’s guide, “[a]ll Regular Members of the IAAO, in good standing as of November 1, 2011, may vote in the 2011 election using an official ballot, which will be provided by IAAO, or by voting on-line at www.iaao.org. Candidate profiles will also be available on the Web site at www.iaao.org. The ballot will include proposed amendments to the constitution. The 2011 election does not include the Associate Member position. Elections for the 2012 Executive Board will be held from November 1 through November 30, 2011.

Please watch for notification to vote online or request a paper ballot.



Professional Designation Fall Update

By Darla Frank, RMA, CAE

Your designation time frame is drawing near, and the time has come for all you appraiser professionals to hop on the designation band wagon and earn a prestigious IAAO designation and contribute to our state eligibility of winning the Virginia Cup Award for 2012. The 2011 recipients were Florida and North Carolina. Kansas won this award in 2003 and 2007. In 2003 we tied with the state of Tennessee, and in 2007 there was a three-way tie with Kansas, Florida and Alberta, Canada. The state of Virginia has not won this award since 2000, and Florida proudly displays their state on the cup for years 2004, 2007, 2009, 2010, and 2011.

Earning a designation is a rewarding experience and one of self-pride. Have you selected and completed requirements for your IAAO professional designation of choice? Remember, all the requirements for each designation can be found on the IAAO official website (www.iaao.org) under "Professional Designations":

- Assessment Administration Specialist (AAS)
- Certified Assessment Evaluator (CAE)
- Cadastral Mapping Specialist (CMS)
- Personal Property Specialist (PPS)
- Residential Evaluation Specialist (RES)

It is not too late! And for those of you electing the AAS (Assessment Administration Specialist) designation, a workshop is designed and waiting for your enrollment. The KCAA will be offering the AAS Case Study Review January 24–26 in Topeka. See details below.

AAS Case Study Review

The purpose of this workshop is to provide a review of materials and an understanding of the composition of a case study to help prepare for the AAS Case Study Exam. This is a guide emphasizing the most prevalent items to study for but cannot be all inclusive of what may actually be on the exam. Topics discussed are: USPAP, rates and levies, effective tax rates, economic principles, property definitions, ownerships and rights, three approaches to value, attributes in an effective tax system, role of the assessor, ratio studies and tax policy. Within the material will be multiple problems associated with the assessment and valuation processes and the workshop will conclude with a four-hour case study exam followed by a review of the answers. ***This is not an IAAO workshop but one developed by TEAM Consulting. See registration form on page 14.***

Location: Shawnee County Annex, 1515 NW Saline
Topeka, KS

Date: January 24–26, 2012
8:30 a.m. – 5:00 p.m. on 24th & 25th
8:30 a.m. – 12:30 p.m. on 26th

Cost: \$250

Instructor: Rick Stuart, CAE

The KCAA Professional Designations Committee and all Kansas designees are here to assist you in any way possible.

Education: IAAO Course 400 in November

KCAA is offering IAAO Course 400—Assessment Administration next month in Manhattan, Kan.

Location: Public Works Classroom,
6125 Tuttle Creek Blvd.

Date: Nov. 7–11, 2011

Cost: \$410

Instructor: Marion Johnson

See registration on page 14 or download a copy from the KCAA website at www.kansas.gov/kcaa.

Hotel/Motel Article

By Rick Stuart, CAE

"All Projections are Wrong" by Stephen R. Hennis is one of the best articles I have read in a long time. Here is the author's description:

This trilogy of articles aims to explore new methods of forecasting that reflect both market realities and countless 'unknowns.' Part one examines old practices and the concept of "stabilization." Part two looks at long-term projections. Part three will investigate property-level repositioning.

The article can be found on the KCAA website under "Reports." (<http://www.kansas.gov/kcaa/reports/reports.htm>)



'Fracking' Stirs Water Concerns

By Tim Carpenter, The Topeka Capital-Journal, Sept. 6, 2011
Reprinted with permission

Economic interest in prying more oil from rock layers far beneath the Kansas prairie is fueling controversy about one of the drilling industry's key extraction techniques—hydraulic fracturing.

The Sierra Club of Kansas is raising an alarm about the process, often simply called fracking, that involves injection of an unsavory chemical cocktail, heavy consumption of water and possible contamination of water resources relied upon by agriculture. Critics contend this technology could jeopardize integrity of the Ogallala Aquifer, the underground reservoir making rural life possible in western Kansas.

"We can't possibly threaten our water supplies," said Joe Spease, chair of the Sierra Club's fracking committee and a wind energy advocate. "We're going to appeal to commonsense farmers, ranchers and hunters."

He said state and federal lawmakers should cover fracking with an umbrella of regulations designed to mandate operational transparency at job sites, minimize potential of groundwater contamination and hold violators accountable for mistakes. Of particular concern, he said, was introduction of radioactive minerals in the slurry of fluid to help measure fractures around well bores.

There has been a spike in both mineral rights acquisition and activity by hydrofracking companies in northwest Kansas, where analysts suspect to find shale associated with oil deposits. There is also a movement in the south-central portion of the state. The Oklahoma border counties of Harper and Barber are especially active.

An interim joint committee of the Kansas Legislature is taking an interest in fracking, with the Kansas Independent Oil and Gas Association scheduled to offer testimony on the subject Friday [9/9/11] at the Statehouse. Energy producers, led by KIOGA, are aggressively defending the exploratory method developed during the past 60

"I'm not saying it isn't safe," Teske said. "Pardon me if I just don't take them at their word."

years. Crews drill deep vertically and horizontally before injecting with tremendous pressure water with a chemical brew to open seams in oil- and gas-trapping rock. The mixture can include compressed gases, including nitrogen, as well as acid to increase permeability. Sand or ceramic material is moved into fluid-driven channels to maintain width of openings and stimulate recovery of deposits from low permeability reservoir rocks. It is an expensive but routine approach to securing deposits beyond reach of vertical drill rigs.

"The vast majority of wells are fracked sometime in their life," said Ed Cross, executive director of KIOGA. "There has not been one documented case of fresh water contamination by hydraulic fracturing."

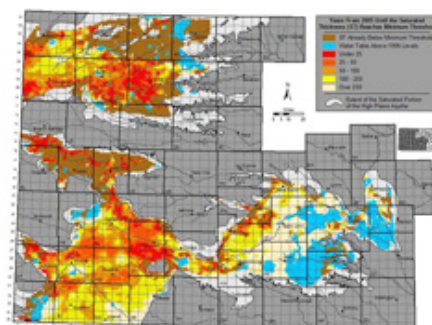
He said opponents of fracking exaggerated environmental ramifications of a process that in Kansas involved drilling about 4,000 feet below the surface and nearly that distance horizontally to reach reserves. The approach requires multiple layers of pipe and cement to encase well bores, which shield groundwater at shallow depths.

The Ogallala runs 500 to 1,000 feet deep in Kansas, he said. "Whenever you frack you're not going to get anything in that fresh water," Cross said. "You've got significant distance between it." He blamed the 2010 anti-fracking documentary film, "Gasland," for twisting public perception of a technique pioneered in 1947 in Kansas. The movie ventures into U.S. communities involved in hydraulic fracturing by companies seeking natural gas deposits. Alarming footage from Dimock, Pa., captured a family lighting their tap water on fire—a circumstance the homeowners blamed on nearby fracking.

In response, national oil and gas advocates created websites to debunk claims made in the film. Among their

points: Fluid used in fracking is 99 percent water. Flammable methane can naturally mix with water beneath the surface. Drilling companies engaged in fracking are regulated by government. "Those environmental groups like to use scare tactics," Cross said.

Don Teske, who represents the Kansas Farmers Union, said he wasn't sufficiently versed on fracking to determine the threat. He remains uneasy with oil-and-gas industry assurances no harm would come to the Ogallala. "I'm not saying it isn't safe," Teske said. "Pardon me if I just don't take them at their word."



Source: Kansas Geological Survey

To frack or not to frack, that is the question...

■ The Hutchinson also covered this story: <http://www.hutchnews.com/todaystop/BC-KS-Fracking-Controversy-1st-Ld-Writeth-20110906-21-36-46>

■ Learn more about the documentary film "Gasland": <http://www.gaslandthemovie.com/>

■ For more information about the Ogallala Aquifer, visit the Kansas Geological Survey <http://www.kgs.ku.edu/HighPlains/maps/index.shtml>

Special Report: Blame Follows \$40M Tax Fiasco in Incline

By Susan Voyles, www.rgj.com, Aug.1, 2011

Reprinted with permission from the Reno Gazette-Journal

Editor's Note: Some of you may remember reading about the problems in the state of Nevada over the guidelines for assessment. A good refresher or introduction would be an article that we reprinted in the April 2010 issue of Appraising the Plains, "Nevada Tax Board Schedules 'Quick Fix' for Property. You can find that article on page 9 at <http://www.kansas.gov/kcaa/newsletter/Apr2010.pdf>

Even in good economic times, a \$40 million refund to property owners in Incline Village would have been a big check for Washoe County to write. But these are not good economic times. Some wonder whether county officials should've cut their losses to avoid racking up \$6 million in interest costs while the dispute over residential property values dragged on. County officials seemed unable to give in, said supporters of Incline Village taxpayers. "Here they are in a \$40 million pickle and there's nothing but finger-pointing and 'woe is me,'" said Chuck Otto, an Incline resident whose name is on the lawsuit that successfully challenged the county's property assessments.

The Nevada Supreme Court ended the court battle earlier this month when justices ordered the Washoe County treasurer to pay refunds to 8,700 homeowners in Incline Village and Crystal Bay. The five-year legal battle started after a group of property owners filed suit saying that the methods used to include Lake Tahoe views and beaches in their property value weren't approved by the state. In March 2006, the county's tax board voted to roll back property values to what they were in the 2002-2003 tax year, a decision the county continued to fight. Public officials involved say they followed the law and don't deserve all the blame.

"With a stroke of a pen, they rolled back the values," said former Washoe County Treasurer Bill Berrum of the state Supreme Court. He had hoped

The Nevada Supreme Court ended the court battle earlier this month when justices ordered the Washoe County treasurer to pay refunds to 8,700 homeowners in Incline Village and Crystal Bay.

the court would recognize that, as part of the county's legal argument, Incline residential properties were undervalued. Berrum was the defendant. "The right thing hasn't been done," he said. "I was hoping someone would wake up and see the mistake that was made. This is black robe syndrome. It's like God talking." But it was a high-stakes gamble.

"Once you're talking 9,000 taxpayers, and then the tax dollars get serious," said Suellen Fulstone, lawyer for the Village League to Save Incline Assets who won the cases. "It's only fair. The assessor used the wrong methods for 9,000 taxpayers. It's not that you have constitutional rights only if you file an appeal."

For the county's \$17 million share, the commission is considering raising motor vehicle registration fees by a full percentage point—a 25 percent increase—until all the refunds are paid. That means, for example, a county resident who registers a 2-year-old car purchased for \$20,000 would pay \$60 more a year. The ordinance to enable this will be discussed in September. County Commission Chairman John Breternitz, who represents Incline Village, said he doesn't believe other entities should have to share in the \$6 million interest cost because they had no part in the series of decisions leading to the lost appeals.

The Washoe County School District, the state, the Incline General Improvement District, the North Tahoe fire district as well as the county benefitted from the overpaid taxes. A resolution for the treasurer to take the entities' incoming property tax dollars to pay their share of the refunds must be approved unanimously. That also is expected to be considered in September

Incline General Improvement officials are balking at paying the interest costs, saying they set aside money each year to pay for the refunds.

Finger-pointing and blame

At the center of the debate are former County Assessor Robert McGowan, Washoe District Attorney Richard Gammick and former Treasurer Berrum. Depending on whom you ask in Incline Village, responsibility for the \$40 million in tax refunds falls on the former assessor who established the rules used to value the properties; the county attorney who kept filing appeals on behalf of the county; or the county treasurer who did not adjust the Incline homeowner's taxes in line with the rolled-back values. And some blame the Nevada Tax Commission for not being clear in its rules on valuing property. Maryanne Ingemanson, president of the Village League to Save Incline Assets, said Gammick unnecessarily kept up the fight.

In several prior cases, the county already had paid \$6.1 million in tax refunds to 1,090 Incline property owners. When the County Board of Equalization voted to roll back property values for 8,700 homeowners in March 2006, it did so to equalize, or to be fair, after rolling back property values in 287 appeals by other homeowners. It was advised by the state Supreme Court to follow the reasoning of Carson District Court Judge Bill Maddox in a recent case. That case was the turning point in the entire Incline Village tax fight.

On Jan. 13, 2006, Maddox struck down rules used by the former assessor to judge Tahoe views and beaches for the 2006-07 tax years, saying the rules had not been sanctioned by the state. Named after Alvin Bakst, one of

17 homeowners who filed the case, the *Bakst* decision was upheld by the Supreme Court nearly a year later. And in lawsuits filed for two tax years after the *Bakst* case, two other judges ruled similarly, ordering tax refunds.

"He was determined he was going to win even though he kept losing. How many times did we have to win before someone woke up to smell the coffee?" Ingemanson said of Gammick. "I think huge egos were involved. At least the fire district, schools and IVGID had sense enough to set money aside. The county made no effort."

Les Barta, a leader in the Village League to Save Incline Assets, said the issue could have been resolved before the first of a dozen lawsuits were filed in 2003 if McGowan had agreed to seek the approval of the Nevada Tax Commission for rules used to judge Incline Village homes. Instead, McGowan steadfastly argued that his appraisers were professionals, applying national standards set by their professional association, Barta said.

County Manager Katy Simon, Gammick and other county officials also blame the tax commission for not having the proper rules in place. "This isn't a situation where someone flagrantly made a mistake," Simon said. She said that after the residents initially protested the rules in appeals hearings, the Nevada Tax Commission didn't change the regulations for years after that. And then the tax refund case for the 8,700 homeowners lingered in the courts. "To say the county unilaterally should bear a burden for the extended interest costs, we just don't agree with," she said.

McGowan's responsibility

McGowan said he was caught in the middle in the initial battles. He was either going to be sued by the Incline Village property owners or the state for not assessing property high enough. He said Nevada laws did not provide any relief to others in Incline Village for a red-hot real estate market when dot.com billionaires bought lakefront homes and tore them down to build mansions, raising values for everyone. In 2003-04, the assessor raised

Incline property values at average of 31 percent to catch up with the market. In 2002, the median price of a single-family home at Incline was \$691,000, up from \$429,500 in 1998. McGowan said the state taxation department, in its audits, never told his office he was doing anything wrong in raising these values. Still, he shoulders the blame, mostly.

"The responsibility lies with the person in charge. I was the person in charge," McGowan said. "But the assessor does not operate in a vacuum."

Residents repeatedly complained the assessor was operating outside the law in creating unique rules to judge Tahoe views, beaches, tear-downs and old home sales—rules used nowhere else in the county or state. McGowan said he was shocked when

"The responsibility lies with the person in charge. I was the person in charge," McGowan said. "But the assessor does not operate in a vacuum."

the Supreme Court in late 2006 struck down those rules as unconstitutional because they were not approved by the tax commission. "The fact is that the rules weren't codified. That would have been such a simple thing to do," McGowan said. He still insists the land values weren't wrong. "But that's why they are called the Supremes," he said.

The appeals

Gammick said all of the county's appeals were based in law. "There wasn't a single appeal that we did not have a major discussion on before we did it," he said, Gammick said he consulted with the county assessor, treasurer and others. The district attorney said he has never in his 27-year legal career seen a case go "down the procedural road this one did." Gammick said that in its July 7 decision, the Supreme Court ordered the tax refunds to be paid even though it hasn't decided on the county's appeal of some aspects of the case.

Ingemanson, Village League president, said the county could have settled for \$55,000 to resolve complaints from 128 people nearly 10 years ago. Gam-

mick said he would have jumped at that chance if it would have ended the dispute once and for all, but he believes that offer was never made. Gammick said the Village League has refused to participate in settlement conferences for cases to be heard by the Nevada Supreme Court in the Incline tax dispute.

Chief Deputy District Attorney David Creekman, who tried the cases, said in a 2010 letter that he couldn't pin down Fulstone on how many clients she represented at the lake. In several cases, however, Fulstone said the settlement judge decided there was no room for compromise. The Village League wanted tax refunds, not a moral victory, she said. Technically, Berrum said there's still a chance the tax refunds could be given and then taken

back.

Washoe County filed the lawsuit to appeal the mass rollback of property values for the 8,700 residents. Carson District Judge James Wilson ruled the county had not adequately provided notice in sending small postcards to Incline Village homeowners. The county has appealed to the Supreme Court and the case has been fully briefed. Normally, the county assessor would be the one to appeal. But current Assessor Josh Wilson decided not to appeal the state board of equalization's decision upholding the county board's decision to roll back the values for the 8,700 homeowners. "I accepted the decision of the two boards rather than drag it out any further," he said.

After the Supreme Court upheld the *Bakst* case in December 2006, Wilson rolled back the property values to levels in 2002-03 on Jan. 23, 2007. But Berrum and current Treasurer Tammi Davis did not adjust the taxes to the rolled-back values. That's possible because of the appeals and because property taxes are now pegged to what homeowners paid the year before in

continued on next page

Special Report, continued

taxes under Nevada's property tax-cap law.

Incline and Crystal Bay properties were not appraised using the new state-approved values for lakes and beaches adopted in 2004 until the 2008-09 tax years. That was after the Supreme Court struck down the old rules. And the delay was also due to the county's five-year appraisal cycle in use at the time. Now the entire county is reappraised every year

Tax board's role

The root of the problem is the Nevada Tax Commission did not have rules in place for assessors to follow in putting values on property from the

early 1990s until just recently, Gammick said. "So instead of 17 counties having rules to follow, making taxes uniform and equal in the state, each assessor had to do it his own way," he said.

Terry Rubald, Nevada Taxation Department's division chief for assessment standards, said that's not true. Rules were in place, she said. She said the Supreme Court found the tax commission did not have sufficient regulations in the *Bakst* case. The board adopted 10 sets of regulations since 2002. Three of those sets address standards to value land, she said.

County commissioners have asked for further study to determine whether the state should be sued for not having

sufficient rules on the books. "(McGowan) had no guidance from the tax commission," Berrum said. "If you want to slap anybody, the tax commission should be paying back that interest." Barta agreed the tax commission is partly to blame. "But it's like the criminal blaming a police officer for not punishing him," he said.

Berrum, however, said trying to blame the assessor (McGowan) for all that's happened is the biggest travesty, miscarriage of justice, I've seen." He said Incline Village residents pay taxes on 38–40 percent of their land's market value while the rest in the county pays 68–90 percent. "That group receiving refunds is getting preferential treatment," Berrum said.

KCAA Class Registration

Name: _____

County State Private Contractor Other

Job Title _____

Office Address: _____

City-State-ZIP: _____

Office Phone#: _____ Fax: _____

Email: _____

Course: _____

Date: _____

Location: _____

Payment Enclosed: Yes No Amount: \$ _____

Make check payable to KCAA Education Fund

Mail or Fax to:

KCAA, P.O. Box 988, Meade, KS 67864-0988. Fax (620) 873-2237
Phone (620) 873-7449 • kcaa@sbcglobal.net

Registration form also available on the KCAA website: <http://www.kansas.gov/kcaa/education/REGFORM.pdf>



Expanding Your Many Talents!

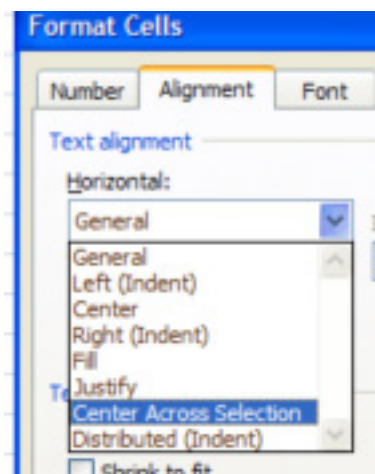
By Lisa Ree, RMA, Ellis County

Center Across Selection vs. Merge & Center – Excel 2007

You may have the occasion to have your spreadsheet titles or column headings span across two or more columns. Excel gives you two options to quickly and easily merge the titles. The example below contains a list of sales. I've decided to center the title of the report. One way to do this is to use the Format Cells/Center across Selection option.

Your first step is to highlight the range of cells you want the title to span. (In this example, cells A1 through G1).

	A	B	C	D	E	F	G
1	2011 Residential Building Sales						
2	QRID	NBHD	SaleDate	Sale Price	Validity	Tot Impr Val	Land Val
3	R2619	1	02/01/06	138500	0	113870	9520
4	R2619	1	03/01/08	138000	0	113870	9520
5	R2625	1	04/01/08	126500	0	106750	9260

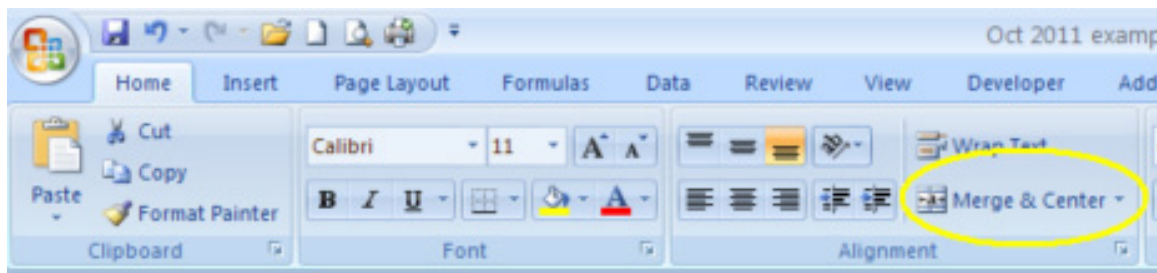


You can access Format Cells dialog box by using the shortcut keys of Ctrl + 1. Select the Alignment tab. Click the drop-down arrow for the Horizontal section and select Center across Selection. The title is now centered across cells columns A through G.

	A	B	C	D	E	F	G
1	2011 Residential Building Sales						
2	QRID	NBHD	SaleDate	Sale Price	Validity	Tot Impr Val	Land Val
3	R2619	1	02/01/06	138500	0	113870	9520
4	R2619	1	03/01/08	138000	0	113870	9520
5	R2625	1	04/01/08	126500	0	106750	9260

If you decide not to keep this format, return to the Format Cells dialog box, Alignment Tab, and select General (or any other option).

A second option to center the headings is called Merge and Center. As in the previous example, begin with the raw data in Figure 1. Highlight the range of cells you want the title to span. (Cells A1 through G1 – see Figure 1). On the Home Tab, select Merge & Center. The title is now centered in columns A through G. If you decide not to keep this format, click the Merge & Center button. You can also select its drop down arrow and select Unmerge Cells.



Although the Merge and Center option is probably the most popular, there are a few drawbacks.

- Inserting columns may not be possible.
- Formulas using the merged area cell references may not work properly.
- Moving the report may require an unmerge of the cells.
- Merge and Center works with only one row at a time. If you try to Merge and Center more than one row, the first row will apply, but you may lose data in the remaining rows.

Center across Selection also has a drawback: If you want to edit the title, you must click in the first cell (A1 in our example). The Merge and Center option is like having one long cell to type in.

Public Relations



Dianna Carter, RMA, McPherson County

In this Issue, the PR page is dedicated to the “Ten Ways technique” to improve our public communication skills.

Top 10 Tips to a Great Web Page

By Jennifer Kyrnin, <http://webdesign.about.com/od/webdesignbasics/tp/aa112497.htm>

There aren't any magic pills to create a great web page that everyone will visit again and again, but there are things you can do to help. Some key things to focus on are making the site as easy to use and user-friendly as possible. It should also load quickly and provide what the readers want right up front.

The ten tips in this article will help you improve your pages and make them something your readers are interested in reading and passing on to others.

1 Keep your focus on fast pages.

Speedy pages are always important. No matter how fast the average connection is for your readers, there is always more data, more content, more images, more everything for them to download. The thing about speed is that people only notice it when it's absent. So creating fast web pages often feels unappreciated, but if you follow the tips in this article, your pages won't be slow, and so your readers will stay longer.

2 Keep your pages short, but not too short.

Writing for the web is different from writing for print. People skim online, especially when they first get to a page. You want the contents of your page to give them what they want quickly, but provide enough detail for those who want expansion on the basics. This article gives you tips for writing web content. <http://webdesign.about.com/od/writing/a/aa061598.htm>

3 Good navigation on your websites is critical.

Navigation on your websites is what gets readers around on the page and the site. Long web pages can benefit from tables of contents using anchor links to help readers

get around. But you should also have good site-wide navigation.

4 Keep images small and use sprites whenever possible. Small images are about the download speed more than the physical size. Beginning web designers often create web pages that would be wonderful if their images weren't so large. It's not okay to take a photograph and upload it to your website without resizing it and optimizing it to be as small as possible (but no smaller).

5 Use appropriate colors. Remember that web pages are, by their very nature, international. Even if you intend your page for a specific country or locality it will be seen by other people. And so you should be aware of what the color choices you use on your web page are saying to people around the world. When you create your web color scheme keep in mind color symbolism.

6 Write as globally as you can. As mentioned above, websites are global: So great websites acknowledge that. You should make sure that things like currencies, measurements, dates, and times are clear so that all your readers will know exactly what you mean.

7 Check your spelling and grammar. Many people are not tolerant of spelling errors. You can write a completely error free topic for years, and then have one simple “teh” instead of “the” and you will get irate emails from some customers, and many will give up in disgust without contacting you at all. It may seem unfair, but people judge websites by the quality of the writing, and spelling and grammar errors are an obvious indicator of quality for many people.

8 Keep links current. Broken links are another sign for many read-

ers (and search engines, too) that a site is not maintained. And why would anyone want to stick around on a site that even the owner doesn't care for? Unfortunately, link rot is something that happens without even noticing. So it's important to use an HTML validator and link checker to help you check older pages for broken links.

9 Annotate your links. Annotating your links means that you should write links that explain where the reader is going to go, and what they are going to find there. By creating links that are clear and explanatory, you help your readers and make them want to click. While I don't recommend writing “click here” for a link, you may discover that adding that type of directive right before a link can help some readers understand that the underlined, different colored text is intended to be clicked on. You shouldn't use “click here” as the text of any link, but that direction can be useful for sites that cater to an older audience who might not understand how links work.

10 Put contact information on your pages. Many web designers are uncomfortable with contact information on their website. It feels like a violation of privacy. You may be thinking “but what if they actually contact me?” It's true, it could happen. But most contacts you receive are going to be related to your site or useful in some fashion. I'm not advocating you place information on your site that you aren't comfortable with, but providing some way to contact you is important for a website.

Contact information reminds people that the site is maintained by another person. This means they may be more charitable and more willing to respect you when they do make contact. Plus by putting contact information on your site, you are helping your readers trust you. If there is an email address

or phone number, they know they can contact you if there's a problem.

And finally, if you do have contact information on your site, follow up on it. Answering your contacts is the best way to create a long-lasting customer, especially as so many email messages go unanswered.

10 Ways to Transform Your Communication in 2011

By Susan Young <http://www.getin-frontcommunications.com/10-ways-to-transform-your-communication-in-2011.php>

I blinked and the decade was gone. Here we are in a new year and a new decade. Consider the enormous changes we've experienced in the past 10 years. VCRs, fax machines, turntables, hard-wired phones, Sony walkmen, and clunky pagers are some of the communication vehicles and toys that have morphed into something else, or simply become obsolete.

How has your communication changed these past 10 years? What will the next 10 years look like? Let's start slowly, with 10 ways to transform your communication right now:

1 Simplify. Texting or 140 characters are great reminders that we need simplicity in communication is beneficial to all. It helps the speaker/writer distill key information for the recipient.

2 Think headlines. Without being a total dork, communicate in eight words that are relevant, punchy, and captivating.

3 Write for the reader. Have you noticed we exist in a turbulent world? Deliver your message with care and a willingness to help others. Your words can have a powerful impact on others. How cool is that?

4 Consider the platforms. Writing blog posts may be passé in a few years. There are new vehicles and mediums for the everyday Joe to reach millions of people. Discover what is

available to you and what best fits your business, skills, and needs.

5 Remove the earbuds. If you truly want to alter your communication, get out of your own head. Listen to the sounds of the world around you, as annoying as they may be at times. Even if you don't open your mouth, your non-verbal communication will be shouting.

6 Get in front of the camera. Video is hot this year, and isn't going away anytime soon. Forget camera-shy or a bad hair day. Learn how to be comfortable in front of a basic flip-cam. It's a huge opportunity for engagement. It's no longer a medium that's exclusive to Katie Couric or Anderson Cooper. We all have access to the same tools. These tools have power.

7 Tell the story. Develop your critical thinking skills by refining your written and verbal communication. Understand the importance of connecting to other human beings through the fine art of storytelling.

8 Use metaphors. Metaphors are extremely influential in business, sales, and leadership. They offer a simple analogy and image to others that they can immediately relate to. They evoke emotion. When used correctly, metaphors build consensus and bridge communication gaps.

9 List things. When writing, use bullet points; when speaking, go for numbers. This separates ideas and helps people to quickly "get it." When talking to someone, try phrases such as, "There are three reasons we should amend the budget..." This mentally prepares listeners for what's to come. It will also help you relate only concise and key information. "First, we need another public hearing on the budget. Second, the current proposal will force us to break a promise and raise taxes. Finally, we should rethink our emergency spending allocation." Bang, bang, bang.

10 Consume carefully. Be selective with how you consume news

and information. How do you share and communicate with people, both online and IRL [in real life]? Mix it up a bit. I pads, Kindles, Facebook, text messages, YouTube, and tweets shouldn't be your only forms of communication and learning. The human factor can not be ignored. Oh, Skype doesn't really count.

Ten Qualities of an Effective Team Player

By Marty Brounstein <http://www.dummies.com/how-to/content/ten-qualities-of-an-effective-team-player.html>

If you were choosing team members for a business team in your organization, who would the best team players be? Assuming that people have the right technical skills for the work to be done, what other factors would you use to select your team members?

- 1 Demonstrates reliability
- 2 Communicates constructively
- 3 Listens actively
- 4 Functions as an active participant
- 5 Shares openly and willingly
- 6 Cooperates and pitches in to help
- 7 Exhibits flexibility
- 8 Shows commitment to the team
- 9 Works as a problem-solver
- 10 Treats others in a respectful and supportive manner

“Loving people live in a loving world. Hostile people live in a hostile world. Same world.”
—Wayne Dyer

Please submit your PR ideas for this page to dcarter@mcphersoncountyks.us. County input is the best PR.



Spotlight on Marshall County

The Trails Capital of Kansas

By Mandy Cook

At Marshall County's establishment (county code MS) by the Territorial Legislature in 1855, influential member General Frank J. Marshall staked his claim to the new county by naming it after himself. Marshall became one of the founding fathers of the county; he established a ferry crossing within the county on the Big Blue River and a trade post at the site which became known as Marysville, currently the largest town in Marshall County. Named for Marshall's wife, Mary, Marysville was declared the permanent county seat by the Territorial Legislature in 1860.

Nearly 20 different trails bisected Marshall County in the 19th century, from the well-known Oregon Trail and the short-lived Pony Express Route to the less recognizable Otoe Indian Trail. Recognizing that unusual characteristic of Marshall County, in 2010 the Kansas Sampler Foundation named Marshall County the "Trails Capital of Kansas."

Marshall County, spanning 903 square miles, boasts many attractive sites for both tourists and history buffs alike. In Marysville stands Pony Express Station #1, the only original home station of the Pony Express in its original location, built in 1859 by Joseph Cottrell.

Another important spot in Marshall County lies just north of Blue Rapids at Alcove Spring. Called "the most significant place along the Oregon Trail in Kansas" by the National Park Service, wheel swales (ruts) where wagons crossed the Big Blue on the Oregon Trail can still be viewed as part of the attraction. Anyone who enjoys a bit of trail lore may also relish spotting a large rock with many Big Blue River crossers' name carvings, the most notable being one of the infamous Donner-Reed Party. There is a historic courthouse which stands on Broadway Street in Marysville. It was built in



Marshall County, 1855

1891-92 to replace the one that burned down, and has been termed by more than one Marshall County child as the "Castle Building." Currently, it serves as the home of the Marshall County Historical Society and Museum, with many sources of genealogy and history of the county.



Pony Express Station #1

Another unique set of attractions in Marshall County are two round barns. They are two of only nine true round barns still standing in Kansas, and both of them have been restored to their original

condition. One, east of Blue Rapids, celebrated its 100th birthday in September of 2011. The other, southwest of Marysville, is the only known barn in Kansas to have been built from a Sears and Roebuck kit.



Marshall County is home to two round barns. Left: the Drennan-Stump Barn, built in 1911. Right: the Rowe Barn, built from a Sears Roebuck kit.

True round and other polygonal barns have been part of American culture all the way back to George Washington's days, with the first President himself having a 16-sided barn on his farm. They became popular in the late 1800s with the Shaker community's belief that they had no corner in which evil could hide. It was also thought the livestock that were housed in the barn took less time to tend since the farmer was able to work in one constant direction. In general, round barns also required less lumber than a traditional barn to build.



Marshall County Courthouse

In the 2010 census, Marshall County's population was 10,117. There are 10 incorporated towns in Marshall County and several other unincorporated towns or areas. A few of the towns did not become ghost towns by choice: Irving, Bigelow, and several other towns not in Marshall County were abandoned in the early 1950s due to the expansion of Tuttle Creek Reservoir. Four of those towns were completely submerged; Randolph (in Riley County) was the only one to rebuild.

Due to the solidarity of several big




firms, including the Union Pacific Railroad, Georgia Pacific and a hometown international business called Landoll Corporation, Marshall County is keeping its head well above water during the nation's economic recession. As of November 2010, the current unemployment rate is 5%, significantly below the state's average of 7%.

Not only is Marshall County's business and industrial world booming, but the county's art scene is also blossoming. Several area arts organizations are continuing to grow despite the recent gubernatorial cut of the Kansas Art Commission, including the Marshall County Arts Cooperative, Marysville Area Community Theatre, Marshall County Community Band, and Marshall County Community Choir, among others.

One of the county seat's claims to fame is its resident population of black squirrels. As of August 1972, Marysville has been dubbed the "City of the Black Squirrels." Legend goes that the unique-colored squirrels escaped from a traveling circus in the 1920s. Black squirrels are not only the town's official mascot, but they also are a prized feature: there is a \$25 fine for harming one. Watch out when you're in Marysville!

Come to Marshall County to ex-

Marshall County Demographics



2010 Population Estimate: 10,117 1900 Population: 24,355 Area: 903 square miles Persons per square mile: 11.2	Median Household Income: \$43,052 2010 Assessed Real Estate: \$65,189,069 2010 Assessed Personal Property: \$6,114,470 2010 Assessed Oil & Gas: \$ -0-
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perience our historic trails, have fun at the Beattie Milo Festival in August, or shop until you drop at the Mother's Day Flea Market in May or the US Highway 36 Treasure Hunt in September. The Marshall County Fair, held at the fairgrounds in Blue Rapids in July, is sure to have something for everyone to enjoy, whereas Wooden Nickel Day in Waterville over Memorial Day weekend can be perfect to while away the hours as your kids play.

Whether you stay for an hour, a day or a lifetime, we welcome you!



Marysville has been dubbed the "City of the Black Squirrels." Legend goes that the unique-colored squirrels escaped from a traveling circus in the 1920s.

Not the typical Florida beach home

Submitted by Ed Crapo, ASA, AAS, CFA, Alachua County, Florida, Property Appraiser

When you think of a Florida beach home, the grain bin-type picture (top right) may not be what comes to mind. As of April 2011, this property was listed for sale at \$1.5 million. The home was built in 2004, has three bedrooms and two baths with two kitchens and two lofts and, of course, boat parking, but the house is shown as only having 1,240 square foot of living area.

If that is not quite the home you want, Ed provided another option. This property was also listed in April 2011 but for only \$1.2 million. This house is smaller, with 544 square foot of living area, and contains one bath and no bedrooms.



Celebrating 150 Years of Kansas History: A Timeline (Part 1 of 4)

Submitted by Lisa Ree, RMA , Ellis County

Editor's note: This is an interesting timeline for the state of Kansas as submitted by Lisa Ree, RMA, Ellis County. Reading this will give you a historical overview of our state. Because of the length of the timeline, it will be published four parts.



Coronado

1541/1542. The Spanish explorer, Francisco Vasquez de Coronado, marched north from Mexico in search of the Seven Golden Cities of Cibola.

Father Juan de Padilla, a priest who had accompanied Coronado, returned to Kansas. He hoped to bring Christianity to the Indians. He was killed, however, by those he tried to help. Father Padilla is said to have been the first Christian martyr in America.

1600s. Kansa and Osage Indians arrive in Kansas.

1650. Taos Indians irrigate lands along Beaver creek in Scott County.

1724. French trader/explorer Étienne Veniard de Bourgmont led an expedition into what are now Atchison and Doniphan counties to establish trade relations with the Indians of the Platte River region.

1739. Pierre and Paul Mallet lead a party of French traders through Kansas.

1744. French build Fort Cavagnial near present site of Fort Leavenworth; closed 1764.

1762. France lost the territory of Kansas to Spain.

1790s. Fur-trading Chouteau family begins trading with Kansa Indians

1803. The United States concluded a "deal" when it signed an agreement to purchase the entire Louisiana Territory from France on April 30, 1803. This transaction ended the trading era for Kansas and brought forth the exploration of a new American settlement.

1804. June/July: Meriwether Lewis and William Clark, while exploring the Louisiana Purchase by order of President Thomas Jefferson, made camp at several points in the Leavenworth area on the Kansas side of the Missouri River.

July 4: At the present location of Atchison, the Lewis and Clark group celebrated what was probably the first Independence Day in Kansas by firing a swivel gun. Later they named Independence Creek and closed the day with another cannon blast.

1806. September: The "Stars and Stripes" (American flag) were first raised in Kansas by a Pawnee Indian Chief. Lt. Zebulon Pike of the U.S. Army crossed the Kansas area on an exploring expedition during which he met with the Indians and signed treaties with them as the representative of the new "White Father." He continued westward on this journey to discover the mountain that is now called Pike's Peak.

1811. George C. Sibley, government trader, works among Osage Indians

1819. Stephen H. Long's party explores portions of Kansas. The Western Engineer was the first steamer to enter

the Kansas River.

1821. William Becknell, a Missouri trader, was the first to follow the route that later became known as the Santa Fe Trail. Because Becknell found a good mode of transportation and a passable wagon route, he is credited as the Father of the Santa Fe Trail.

1825. June: The necessary treaties were negotiated between the federal government and the Kansa and Osage tribes for a cession of Kansa-Osage land onto which eastern Indians could be moved.

Right-of-way for the trail to Santa Fe granted by treaty with Osage Indians at Council Grove, Morris County.

1827. May 8: Fort Leavenworth, first known as Cantonment Leavenworth, was established by Col. Henry Leavenworth on the Missouri River's right bank of Salt Creek as an army post to protect the western frontier and travelers on the Santa Fe Trail.

1829. Sublette's pack-train, en route West by way of Independence, Mo., for the first time traveled out the Santa Fe Trail some distance before turning northwest toward the Kansas River. This became the established Oregon-California trail route.

The largest and historically most important of all the Kansas missions was the Shawnee Methodist, opened as a school by the Reverend Thomas Johnson and his wife in 1829, on the



Shawnee Methodist Mission (East bldg.)

site of present-day Turner (part of Greater Kansas City).

1830. May: The Indian Removal Bill of 1830 uprooted the Kickapoo, Shawnee, Delaware, Pottawatomie, Wyandot, Ottawa, Chippewa, Iowa, Miami and Sac and Fox tribes. An “Act to provide for an exchange of lands with the Indians residing within any of the states or territories, and for their removal west of the river Mississippi” was passed by Congress and signed by President Andrew Jackson.

William L. Sublette took the first wagons along the route (Oregon Trail) to the Rocky Mountains.

1831. Isaac McCoy was instrumental in founding the Shawnee Baptist Mission opened by Johnston Lykins in July. It was located a few miles south and west of the Kansas River mouth in that is now Johnson County.

1833. Jotham Meeker came to the Shawnee Baptist Mission, bringing with him the first printing press to be set up on Kansas soil.

1834. Bent’s Fort (Fort William), a fur trade post on the upper Arkansas, was established. A Bent, St. Vrain and Company wagon party eastbound from Santa Fe, NM, in the late summer traveled by way of Taos and Raton Pass to Fort William; then down the Arkansas to the Santa Fe Trail; thus, opening the Bent’s Fort branch of the Santa Fe Trail.

1835. The Kansa (Kaw) were a small tribe; only 1,606 of them would be counted during the census.

1839. The Shawnee Methodist Mission was relocated in 1839 on a 2,240-acre grant some two miles southwest of Westport, Mo., in what became Kansas’ Johnson County. Here was established a large diversified farming enterprise, including a 12-acre apple orchard, the first on Kansas soil.

1841. First emigrant wagon train for the Pacific. The Bidwell-Bartleson party’s journey west was from Independence, Mo., via “Sublette’s Trace,” the devel-

oping Oregon-California trail.

1842. Fort Scott, named in honor of General Winfield Scott, was established May 30 at Marmaton crossing of the Fort Leavenworth-Fort Gibson military road.

John C. Fremont, the “Path Finder,” travels through northeastern Kansas.

1843. First settlement at present site of Kansas City, Kansas

1844. The first free school was established by the Wyandot Indians.

1846. Crossing points above St. Joseph, Mo., such as Iowa Point (Doniphan County, first settled in 1854) and Elizabethtown, used by Pacific-bound emigrants.

1846/1847, Spring. The Kansa (Kaw) Indians signed a treaty with the government ceding their reservation land along the Kansas River near Topeka of 2 million acres in exchange for a new but smaller reservation located along the upper valley of the Neosho River, near Council Grove. They remained on the Kaw reservation until 1873.

1849-1850. The Kaw Mission at Council Grove was built by the Methodist Episcopal Church South with government funding to serve as a school to

educate the Kaw Indians after they were relocated from their reservation near Topeka in 1847. The mission closed in 1854 and became the first school for the settlers’ children.

1850. August 8: Fort Atkinson was established by Lieutenant Colonel Edwin Vose Sumner. Located about two miles west of the present Dodge City, on the left side of the Arkansas River near the site of old Fort Mann, it was intended to control the Indians and protect the Santa Fe Trail. This small army post was made entirely of sod buildings.

1852. Flour milling got its start in Kansas by Mattitins Splitlog in Kansas City.

1853. Fort Riley was established in Kansas Territory by Captain Charles S. Lovell, on a site recommended by Colonel Thomas T. Flautleroy on May 17.

In the summer, George W. Manypenny, U.S. commissioner of Indian affairs, under a directive from Congress, came into the valleys of the Kaw and Neosho to negotiate treaties with Indians to recede to the U.S. Government all but a fraction of the land that, a quarter-century before, had been assigned them “forever.” Manypenny was reluctant to do so.



Grant Hall at Fort Leavenworth



Real Estate Notes of Interest

■ *www.realtor.org*, June 28, 2011. If you are in the residential market for a home, would you buy a foreclosure or participate in a short-sale? If this is your situation, you might look at <http://www.realtor.org/RMODaily.nsf/pages/News2011062803?OpenDocument>.

■ Julie Schmit, *USA Today*, June 30, 2011. The residential housing market seems to be picking up in some areas, according to Housing IntelligencePro. The states are generally more rural and did not have the extreme increases that most states previously encountered:

Oklahoma + 17% Kansas + 6%
Nebraska + 12% Arkansas + 6%
Mississippi + 11% North Dakota + 6%

■ Nick Timiraos and Maurice Tamman, *The Wall Street Journal*, June 25, 2011. Okay, you have heard this over the last couple of years: “the residential lenders have become too conservative.” This article states that the percentage of mortgage applications rejected last year was higher than in 2009. In 2009, 23.5% were rejected, but it was 26.8% last year.

■ Jon Hilsenrath and Nirmala Menon, *The Wall Street Journal*, June 25, 2011. Canada seems to have paid attention to the mortgage problems in the United States. The governor of the Bank of Canada is proposing tougher lending regulations and better credit ratings for prospective loan applications. The concern is triggered by large price increases; examples of price changes from May 2009 to May 2010 are: Vancouver + 25.7%, Toronto + 8.7% and Canada overall + 8.6%.

■ Kelly Greene, *The Wall Street Journal*, June 25, 2011. Are reverse mortgages over? Two of the largest lenders

that participated in reverse mortgages have stopped issuing them. Wells Fargo & Co. quit June 30 because of the unstable and declining residential market. Bank of America Corp. left the market in February because of the recession. They were having a large number of loans where the borrower (remember these are people 62 or over) were not paying taxes and/or home insurance and thus defaulted on their loan.

■ Nick Timiraos, *The Wall Street Journal*, June 30, 2011. This seems like a worrisome number to me: Almost 20% of mortgages in banks’ portfolios were delinquent as of the end of March. By comparison, just less than 7% of Fannie and Freddie loans are delinquent.

■ Julie Schmit, *USA Today*, July 6, 2011. Foreign money continues to enter the U.S. in the form of house purchases. In the last year, 31% of the home purchases in Florida were foreign buyers versus only 10% in 2007. They are taking advantage of the substantially reduced home prices and the weakened dollar. By far, the largest percentages of purchasers are from Canada.

■ Nick Timiraos and Alan Zibel, *The Wall Street Journal*, July 6, 2011. If you are in need of that jumbo home loan, you better get it quickly! Three years ago Congress raised the maximum loan guarantee from Fannie Mae and Freddie Mac to \$729,750. This maximum will be lowered this summer by various amounts depending upon where you live. The top-tier markets such as New York and Los Angeles will decrease to \$625,500. The new limit is still greater than the median home price in the top-10 areas but will mean a larger down payment in most proper-

ties of higher values. Could this signal a decline or slowing of the higher priced residential properties?

■ Wesley Lowery, *The Wall Street Journal*, July 7, 2011. There is good news for apartment owners as the rents are increasing and the vacancies are decreasing. According to Reis Inc., the average effective rent for the second quarter of this year was \$997 as compared to a year ago at \$974. Effective rent is after any concessions or discounts. Vacancy for the same time period fell from 7.8% to 6%.

■ *www.crenews.com*, June 29, 2011. If the apartment information above is good news, this commercial loan information seems like really bad news. “Roughly half of the \$346 billion of commercial mortgages that mature this year have principal balances greater than the value of their collateral, according to Trepp LLC. And 63 percent of the \$360 billion of loans held by banks, insurance companies and CMBS trusts that come due next year are similarly underwater.” You can see the entire article at http://www.crenews.com/index.php?option=com_content&task=view&id=72204&Itemid=1.

■ *Phoenix Business Journal*, July 7, 2011. Now, here is something that will surprise most people. Phoenix, everybody knows, is one of the nation’s housing market “ground zeroes,” along with Las Vegas, parts of California, and Southwest Florida. Which means nothing’s happening there, right? Wrong. Home building company executives tell us that Phoenix is consistently starting to yield felicitous tidings from division chiefs, because, as it turns out, there are a few “holes in the donut” that builders are identifying and marketing to in an otherwise fiercely distressed market arena.

The Phoenix Business Journal’s Jan Buchholz reports that Phoenix home sales in June produced one for the record books, with 11,125 sales (68% of them “distressed”), the highest number of transactions in a decade. Buchholz writes, “The June number even eclipses the sales figures during

the 2005 housing boom. June sales also were nearly 20 percent higher than June 2010." Starting to emerge out of the ashes?

■ Kenneth Riggs, Jr., CCIM, CRE, MAI, www.ccim.com, July 14, 2011. Some limited discussion on how the various commercial property sectors will perform in the near future for such properties as multi-family, retail, industrial, office and lodging can be found at <http://www.ccim.com/cire-magazine/articles/multifamily-still-rules>.

■ www.nreionline.com, July 12, 2011. "The national office vacancy rate continued to decline in the second quarter of 2011, dropping 20 basis points to 16.2%, according to CBRE Econometric Advisors (CBRE-EA). This was the fourth consecutive quarterly decline for the national office vacancy rate since it peaked at 16.8%." See the entire article at http://nreionline.com/news/us_office_vacancy_rate_dips_to_16_percent_in_second_quarter/.

■ Greg McHenry, RMA, Riley County, Kan., sent an email to me with the following comment: "Interesting video and article from Yahoo. Gary Schilling predicts another 20% drop in housing over the next 2 years. I agree with him and believe that we haven't seen the bottom yet in the national housing market." See the video that Greg is referencing at <http://finance.yahoo.com/blogs/daily-ticker/20-drop-housing-cause-recession-2012-says-gary-161445494.html>

■ Laura Vanderkam, *CNN Money*, July 14, 2011. One part of a neighborhood's life cycle is, hopefully, revitalization. This article discusses that more and more companies are moving back into the urban areas. The article can be read at <http://management.fortune.cnn.com/2011/07/14/companies-head-back-downtown/>.

■ Kris Hudson, *The Wall Street Journal*, July 8, 2011. Reis Inc. is reporting that mall vacancies have increased from 9.1% to 9.3% from the first to second quarter—really no change—and that average lease rates remain steady

at \$16.54 per square foot.

■ Robert Bridges, *The Wall Street Journal*, July 17, 2011. "A Home Is a Lousy Investment" is the title for this article which compares the 30-year median home price to the Dow Jones Industrial Index. The California Association of Realtors conducted this study which shows over the 30-year time period the average annual median home price increase in California was 3.6% with the Dow Jones at 6.61%.

■ Juliet Ching and Candace Jackson, *The Wall Street Journal*, July 15, 2011. Darn, I wished I'd known they would take this big of a discount! The estate of the late television producer Aaron Spelling sold for a mere \$85 million after being on the market since March 2008 for \$150 million. The estate is on five acres with a 57,000 square foot home containing 14 bedrooms, 27 bathrooms and parking for 100 cars. Oh, by the way, it was purchased by a 22 year old. I am quite sure this young man does not work in the government assessment field.

■ Well, this is not pleasant news. "Housing Wire's Jon Prior reports on ways that the federal government and millions of homeowners seem to be losing the war of loan-to-value, risking the loss of many more homes to foreclosure and further house price decreases. Prior writes, "As of May, 2.1 million mortgages sat somewhere in the foreclosure process, according to Lender Processing Services. Of those delinquent home loans, 80% were in negative equity, meaning the borrower owed more on the mortgage than the property is worth. Of the seriously delinquent loans that were current just six months ago, roughly 6% had loan-to-value ratios of 150% or higher."

■ *USA Today*, July 19, 2011. The Commerce Department said Tuesday that builders began work on a seasonally adjusted 629,000 homes last month, a 14.6% increase from May. Still, that's roughly half the 1.2 million homes per year that economists say must be built to sustain a healthy housing market.

Apartment construction, a volatile part of the industry, surged 31.8% last month. Single-family home construction rose a more modest 9.4%. Building permits, a gauge of future construction, increased 2.5%

■ www.crenews.com, July 19, 2011. On the surface good news, but some of it is accounting related. "The volume of loans in the hands of the CMBS industry's 21 special servicers declined by \$3.7 billion in June to \$85.7 billion, marking the largest one-month decline in volume ever, according to Morningstar." (That is the good news). "The 4.2 percent drop in volume is explained largely by the heavy volume of liquidations of troubled loans. Also helping out is the fact that a growing number of loans had been modified in recent months, and some of those have seasoned enough to warrant a shift back to master servicing." (That is the accounting related). Overall, this is encouraging and oh, in case we have forgotten, CMBS stands for Commercial Mortgage Backed Securities.

■ www.calculatedriskblog.com, July 20, 2011. The non-residential building index published by the AIA (American Institute of Architects) dropped again in June to 46.3. A measure below 50 indicates a weakness in new construction orders.

Walter Molony, www.realtor.org, July 20, 2011. The National Association of Realtors reported that existing home sales declined in June to the lowest level in seven months and is about 9% lower than June of 2010.

■ Sarah Max, *Money Magazine*, Aug. 2011. A few interesting items from this article titled "Looking for a bottom in the housing market" are shown below.

- There is a large shadow inventory of homes not on the market yet:
 - 600,000 bank owned
 - 1 million currently in foreclosure
 - 4 million with delinquent loans

REAL ESTATE NOTES, continued

- Sales of luxury homes are on the upswing and shown by the percentage of change in the sales volume versus two years ago:
 - All homes +13% more sales
 - \$1 million & up +56% more sales
- New homes are at a 50-year low:
 - Typical new homes built per year = 1.1 million; currently 409,000
 - Typical new homes per 1,000 people = 7.3; currently at 2.5

■ Jessica Silver-Greenberg, *The Wall Street Journal*, July 23, 2011. If you have been putting off buying that vacation home, now may be the time to buy. It appears the vacation home areas such as Aspen and Hilton Head are seeing value increases. However, Miami Beach, Vail and Palm Beach still are depressed. According to the National Association of Realtors, the median second-home price was down 11% in 2010 as compared to 2009 and roughly 25% lower than in 2006. The overall housing market is down 22% since 2006.

■ *www.htrends.com*, July 20, 2011. “Jones Lang LaSalle Hotels today reported that the volume of hotel investment transactions that closed in the Americas market in the first six months of 2011 reached \$7.4 billion—a robust increase of approximately 180 percent on the same prior-year period.” See the entire article at <http://www.htrends.com/researcharticle56614.html>.

■ Justin Scheck, *The Wall Street Journal*, July 27, 2011. The first paragraph states what is wrong with California’s Proposition 13. “Declining home prices are starting to slam California harder than the rest of the nation, in part due to a state law that sets a ceiling—but no floor—on property taxes.”

If you are not familiar with the infamous Prop 13, here is the story in a nutshell. “The law caps property taxes at about 1% of a home’s value and forbids major tax increases unless a home is sold or rebuilt, though it permits taxes to go down if a home’s value drops.”

■ J.D. Pruitt, *The Wall Street Journal*, July 27, 2011. When Simon Mall Properties was asked about the possibility of default by the federal government and would that affect the rent they received from space leased to them, the response was, “They are always 30 days delinquent anyway.”

■ *The Wall Street Journal*, July 27, 2011. According to Real Capital Analytics and the Federal Reserve, the average capitalization rate for offices in central business districts changed from 6.72% in June of 2010 to 6.47% in June 2011. For the same time period, apartments changed from 6.95% to 6.45%.

■ Candace Jackson, *The Wall Street Journal*, July 29, 2011. Do I have a deal for you! For only \$55,000 you can purchase an island only 45 minutes from Walt Disney World, and the ad says you can build on it. If however, you are insulted by such a small island, then perhaps one of the following will suit your needs.

- Leaf Cay – Owned by actor Nicholas Cage. It is unoccupied and available for \$8.5 million.

- Children’s Bay Cay – Owned by heirs to the Johnson & Johnson fortune. There are a few improvements and the asking price is \$37.5 million.

- Cave Cay – This island has 250 acres, its own marina and landing strip, and has a nice home that would justify the \$110 million asking price. That is a lot of coconuts!

■ Shelley Hutckins, *www.customhomeonline.com*, July 14, 2011. The AIA (American Institute of Architects) is reporting that the custom home building market is recovering faster than the more standard homes. “Although still declining, new construction segments show custom and luxury markets having greater stability and demonstrating better numbers than other segments like entry-level.” The diminishing square foot has leveled out.

■ Justin Lahart, *The Wall Street Journal*, Aug. 1, 2011. Fewer privately owned and rental properties are now sitting vacant, as indicated by the graph shown below.

■ Nick Timiraos, *The Wall Street Journal*, Aug. 3, 2011. Hope you are not repossessing any residential properties in Chicago. A new ordinance in Chicago requires that lending institutions that have started the repossession process, but have not taken legal possession to date, are responsible for all yard mowing and maintenance of the property.

■ Summer Said, *The Wall Street Journal*, Aug. 3, 2011. Taller is better. That must be the thought of the Saudis as they plan a new building that will be 3,281 tall that will dwarf the recently constructed tower in Dubai that is a messily 2,717 feet tall. The new structure has a projected cost of \$1.23 billion.

■ A.D. Pruitt, *The Wall Street Journal*, Aug. 3, 2011. In order to help fill space, even temporarily, malls are leasing

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more and more space to smaller start-up businesses and kiosks. Speaking of malls, General Growth Properties, Inc. is spinning off 30 lower-quality malls containing a total of 21.1 million square feet to a newly formed REIT (Real Estate Investment Trust) named Rouse Properties. So take note appraisers, this is not a sale.

■ Jeremy Sullivan, *www.builderonline.com*, Aug. 3, 2011. Last February, public builder KB Home put into practice its Energy Performance Guide (EPG) label, which now comes standard on every house it builds. Touted as the house equivalent of the miles-per-gallon (MPG) fuel efficiency rating for cars, the EPG sticker appeals to consumers' wallets (and, secondarily, to their environmental conscience) by spelling out the estimated monthly costs for heating and cooling, appliances, and lighting. The sticker also includes a HERS yardstick that charts how the home's energy consumption stacks up against other comparably sized new and resale homes.

■ *www.hotelnewsresource.com*, Aug. 4, 2011. "The U.S. hotel industry experienced increases in all three key performance metrics during the week of 24–30 July 2011, according to data from STR. In year-over-year comparisons for the week, occupancy rose 2.5 percent to 72.8 percent, average daily rate increased 4.1 percent to US\$103.59, and revenue per available room finished the week up 6.7 percent to US\$75.42."

■ Candace Jackson, *The Wall Street Journal*, Aug. 5, 2011. This is not your typical land sale. A 1.84-acre ocean-front vacant tract in Miami Beach sold for \$15 million, or a little over \$8.15 million per acre. Add that to your land sales and see what your mean ratio does!

■ Lorraine Woellert, *www.businessweek.com*, Aug. 10, 2011. The White House continues to try various avenues of disposing of the large inventory of foreclosed homes. As of this date, Freddie Mac has around 60,600

Property Type	Average Cap Rate (based on prior 12 months)
Single-tenant Office	7.9%
Multi-tenant CBD Office	6.5%
Single-tenant Industrial	8.3%
Multi-tenant Industrial	8.1%

Source: Real Capital Analytics

homes and Fannie Mae has more than 135,700 with bulk sales to investors and establishing rental companies being considered for reducing the inventory.

■ Zainab Fattah, *www.businessweek.com*, Aug. 4, 2011. Now, this is something unusual. In Dubai they have a vacancy rate of office space at 40%, but a bank in England has to build in order to have sufficient square footage. That does not make sense on the surface, but here is the rest of the story.

"During the business hub's property boom from 2002 to mid-2008, developers sold sections of yet-to-be-built apartment and office buildings to investors. The result is that in many buildings each floor has a different owner, making it difficult for large tenants to find enough contiguous space and modify it to suit their needs. By the end of last year, 22 percent of Dubai's 61 million square feet of commercial space was held by multiple owners under what are known as strata titles."

■ Walter Molony, *www.realtor.org*, Aug. 10, 2100. The second quarter report on median home prices and any change from the first to second in the metropolitan areas can be found at http://www.realtor.org/wps/wcm/connect/41c2648047e600e7adb7ed93a9f011da/REL11Q2T_rev.pdf?MOD=AJPERES&CACHEID=41c2648047e600e7adb7ed93a9f011da

■ Robert Micera, *www.nreionline.com*, Aug. 8, 2011. It appears that commercial investors currently prefer single-tenant triple net lease properties. This reduces the stress of dealing with and keeping multiple tenants. Some information on national cap rates are

shown in the chart above. Read the entire article at http://nreionline.com/news/investors_single_tenant_triple_net_0810/.

■ Mark Newman, *www.remodeling.hw.net*, July 21, 2011. All projections indicate remodeling to remain slow and even down by 4% through the first quarter of 2012. Projects such as kitchen and bath remodels remain strong, but larger, more expensive additions and remodels are being put on hold. The decline is attributed to the nervousness of the property owner about home prices and the economy.

■ Julie Schmit, *USA Today*, Aug. 11, 2011. According to mortgage tracker LPS Applied Analytics, homes valued over \$417,000 are slower at being foreclosed on. Their research indicates that homes under \$417,000 typically are foreclosed in 534 days, and homes from \$417,000 to \$999,999 take 647 days. The following are the reasons they believe this is happening, although the lending institutions state the analysis is not correct.

- The lower-valued homes are often owned by Freddie Mac and Fannie Mae and the foreclosure process is quicker.
- There are more buyers in this price range and short-sales are speeding up the foreclosure time.
- Homeowners in the higher price range may have more resources and can delay the foreclosure.

■ S. Mitra Kalita and Carrick Mollen-
continued on next page

REAL ESTATE NOTES, continued

kamp, *The Wall Street Journal*, Aug. 12, 2011. The independent fee appraisers are getting blasted for coming in too low. They are being blamed for residential sales not closing and for considering foreclosures. See the article at <http://online.wsj.com/article/SB10001424053111904006104576500170808091148.html?KEYWORDS=judgment+call>.

■ Okay, so which is it? After reading the article above about under-appraisals, see this about inflated appraisals. Nedra Pickler, *The Associated Press*, Aug. 12, 2011. “The most prevalent schemes involve falsifying financial information to qualify buyers who otherwise would be ineligible for a loan. Other crimes involve inflated appraisals, including schemes that use dishonest appraisals to sell homes at elevated prices. Some get-rich-quick schemes persuade investors to buy rental property or land believing the price will appreciate quickly.”

■ www.realtor.org, Aug. 18, 2011. This is good news if you want to buy a home. “Housing affordability continued to be near record highs in the second quarter, hovering near its highest level in the 20-plus years it has been recorded, according to the National Association of Home Builders/Wells Fargo Housing Opportunity Index.” The complete article is at the address below. <http://realtormag.realtor.org/daily-news/2011/08/19/housing-affordability-highest-in-20-years>

■ *The Wall Street Journal*, Aug. 17, 2011. The American Institute of Architects has reported that their Billings Index in July fell to 45.1 from 46.3 in June. This is a consistent measure of new construction orders and a score over 50 indicates a rise in activity.

■ www.hospitalityworldnetwork.com, Aug. 23, 2011. American Express Global Business Travel has reported the following for the hotel industry:

- Average domestic hotel rates increased to \$156 in Q2 2011

- A three percent increase from \$151 in Q2 2010

- A four percent increase over the previous quarter, \$150 Q1 2011

■ Kathy Chu, *USA Today*, Aug. 24, 2011. Bad news in the housing market continues. New home sales fell in July for the third straight month, and if the pace continues, 2011 would be the worst year on record dating back half a century.

■ *USA Today*, Aug. 25, 2011. As if the above news was not bad enough, mortgage applications to purchase a home fell to a 15-year low.

■ Geoffrey Rogow, *The Wall Street Journal*, Aug. 24, 2011. It appears falling home prices have finally reached down under. “One of the few bright spots in real estate amid a three-year global slump, Australia now faces falling home prices and fears of overbuilding.”

■ *New Strategists Publications*, Aug. 31, 2011. “According to the 2010 census, the 45% plurality of the nation’s 117 million households is homeowners with a mortgage or loan on their property. Another 35% are renters, and 20% are homeowners who own their home free and clear.

■ Stanley Freeman, nreonline.com, Aug. 31, 2011. And your commercial property owners think *their* taxes are high—they should see this article. http://nreonline.com/news/property_tax_dc_0831/

■ Nathan Koppel, *The Wall Street Journal*, Aug. 27, 2011. Just in case any of you property tax analysts are keeping track, the “pole tax” in Texas is a defensible tax. A 2007 Texas law imposing a \$5-per-visit charge, dubbed the “pole tax,” on people who visit any of the roughly 170 strip joints around the state has been determined by the Texas Supreme Court to be constitutional. Now, who wants to be in charge of compliance?

■ Robbie Whelan, *The Wall Street*

Journal, Sept. 1, 2011. I think most of us knew parking was a premium in Boston, but \$100,000 to \$125,000 for a 200-square foot stall in a parking garage in addition to the purchase price of your condominium sounds expensive.

■ Carole Fleck, www.aarp.org/bulletin, September 2011. The title of this article is “Living in Limbo,” and it is both disturbing and irritating. Here are the key bullet points I took away from the article.

- An unbelievably large number of people quit paying their home mortgage years ago and are living in the house free.

- Banks appear to be in no hurry to add to their inventory of 862,000 repossessed homes.

- In New York it takes an average of 858 days for banks to foreclosure, in New Jersey it is 728 days, and Florida is 853 days. All of that was further complicated by the robo-signing of foreclosure papers, and now banks are required to go back and properly complete the paperwork.

- This type of activity, or non-activity, by those not paying the mortgage and living free and the slowness of the banks will lead to higher interest rates and condominium fees for those that do, according to lending institutions.

■ Nick Timiraos, Robin Sidel and Ruth Simon, *The Wall Street Journal*, Sept. 3, 2011. The mortgage-backed securities that financial and Wall Street companies invented for residential home loans a few years ago continue to come back at them. The Federal Housing Finance Agency “filed suit against 17 of the world’s largest financial institutions, saying they sold \$196 billion of risky home loans over four years to Fannie Mae and Freddie Mac without adequately disclosing the risks.”

■ *USAtoday.com*, Sept. 9, 2011. “The average rate for a 30-year fixed

mortgage fell to 4.12%, from 4.22%, Freddie Mac said Thursday. That's the lowest level on record dating back to 1971. Freddie Mac says the last time rates were cheaper was 1951, when most home loans lasted just 20 or 25 years."

■ John Gendler, *nreonline.com*, Sept. 7, 2011. "In several cases over the past few years, the Minnesota Tax Court has found a taxable property value higher than the amounts presented in witness testimony from either side of a tax argument." Read the entire article at http://nreionline.com/news/eden_prairie_mall_tax_court_0907/.

■ *Crenews.com*, Sept. 7, 2011. "The volume of CMBS (Commercial Mortgage Backed Securities) loans in the hands of special servicers declined for the third straight month in August, falling \$1.3 billion to \$84.6 billion, according to Morningstar."

■ *www.money.cnn.com*, Sept. 15, 2011. "Foreclosure filings rose in August, as more homebuyers fell behind on their mortgage payments. Filings were up 7% compared to July, but were still 33% lower than they were a year ago—marking the eleventh straight month of year-over-year declines, according to RealtyTrac, a leading online marketer of foreclosed properties."

■ Having a bad day at work? If so, you might read the article referenced below about Pennsylvania and feel much better. http://nreionline.com/news/pittsburgh_exemplifie_penns_tax_discord_09142011/.

■ If you are into hotel/motel valuation, then you will enjoy this article by Stephen Rushmore titled "Values Catching up to Replacement Cost" at the following website. (You can double-click on the graphs to enlarge.) http://lhonline.com/news/rushmore_values_replacement_cost/.

■ Sarah Max, *Money Magazine*, October 2011. Two good quotes from this article: "Real estate is always local, but these days it's hyper-local." The other

quote was: "In general, it's cheaper to buy when the price-to-rent ratio (price of home divided by annual rent) is below 15."

■ Julie Schmit, *USA Today*, Sept. 19, 2011. A \$7.6 billion federal program to help homeowners avoid foreclosure has only distributed about 1% of the money after 14 months. The money was targeted for 18 states that were the most affected, and one of the states, New Jersey, just started using the money last week.

■ Alkman Granitsas, *The Wall Street Journal*, Sept. 12, 2011. For anyone that enjoys tax policy, the Greek government has agreed to the wishes of international creditors and agrees to raise an additional \$2.7 billion in taxes collected through monthly utility bills.

■ Craig Karmin and S. Mitra Kalita, *The Wall Street Journal*, Sept. 13, 2011. Now, this makes sense. Lending institutions that had ordered a home appraisal for lending purposes for homes in the hurricane areas are now requiring another inspection prior to loan approval.

■ Nancy Keates and Mary Lane, *The Wall Street Journal*, Sept. 16, 2011. Just as you can buy some homes at a large discount in the U.S., some very nice homes in Europe also have come down in price. In case you are interested in a second home, here are some of the discounts.

Country	Original Asking Price	Reduced Asking Price
Portugal	\$1,200,000	\$959,000
Greece	\$2,800,000	\$1,800,000
Italy	\$2,700,000	\$2,000,000
Spain	\$2,100,000	\$1,800,000

■ Nick Timiraos, *The Wall Street Journal*, Sept. 21, 2011. Well, this certainly will not fall into the good news category. A survey of more than 100 economists expect home prices to drop 2.5% this year and only rise 1.1% annually through 2015.

■ David Wessel, *The Wall Street Journal*, Sept. 22, 2011. Maybe this could be a large help for the economy. There is some discussion about people with home loans financed by Freddie Mac and Fannie Mae and if they are current in their loans, they would be automatically refinanced at lower rates. A 30-year fixed rate mortgage is at a 50-year low of 4.09%. Research indicates that 28 million loans carry rates above 5.1%. An example of the savings is shown below assuming a 30-year loan with monthly payments.

Current rate: 5.1%
Adjusted rate: 4.1%
Loan Amount: \$150,000
Annual savings: \$1,075

■ Alan Zibel and Jeff Bater, *The Wall Street Journal*, Sept. 22, 2011. The National Association of Realtors report that home sales were up 7.7% in August from July but still remain historically weak.

■ Nathalie Tadena, *The Wall Street Journal*, Sept. 23, 2011. Yum Brands, Inc. has confirmed that they have sold Long John Silvers and A&W Restaurants to different purchasers. Yum has indicated they want to emphasize growth in their remaining chains of Pizza Hut, Kentucky Fried Chicken and Taco Bell.

■ For everyone valuing hotels, this article discussing lower capitalization and discount rates may be of interest to you. <http://www.htrends.com/researcharticle58007.html>.

