



## Now Available: Video Explaining Appraisal Process to Property Owners

TEAM Consulting, LLC and 502 Media Group have produced an award-winning video that explains the fair and equitable appraisal process. This clear and concise tool provides a quick and convenient way to deliver your message.

### Video Answers Common Questions About Appraisals

As an appraiser, you spend countless hours answering questions and fielding appraisal appeals from taxpayers. With each question, it's undeniable that there is widespread confusion about the appraisal process. Often taxpayers are unclear on exactly how appraisers determine a property's worth. This confusion can lead to unnecessary misunderstandings.

### ***We have created a solution that is more effective than presentations, brochures or phone calls:***

A custom-branded animation that explains this process in terms that are easy for anyone to understand. The video can be uploaded to your website or your YouTube channel for easy access by your property owners. And it is available in English or Spanish. See for yourself! Preview the English version above.

### Let the Video Do the Explaining

Our goal is to help communicate the



### See for yourself!

Preview the video on the TEAM website **here**.

Once you are ready to order your customized video, simply complete the order form online **here**.

appraiser's role in determining fair property values. Our video breaks down each part of this process to clear up any misunderstandings that may exist around property appraisals. Appraisers and property owners alike will appreciate the easy-to-understand information.

### Save Time: Yours & Property Owners'

Fielding questions and processing appeals from taxpayers takes time. Using this video to answer common questions frees you to focus on other demands of your job. ❖

## Alachua County, Fla., Appraiser's Office Awarded

The Alachua County, Fla., Property Appraiser's Office GIS department was honored with a Special Achievement in GIS Award at the 2015 Esri International User Conference in San Diego, Calif. This award acknowledges the appraiser's office for their vision, leadership, hard work, and innovative use of ESRI's geographic information system (GIS) technology.

Alachua County use ESRI ArcGIS technology along with Amazon's cloud services to streamline processes and distribute GIS data. Leveraging ArcGIS Online, they are able to upload and maintain data in one location to be consumed by online apps and maps as well as desktops throughout city and county departments with ESRI's ArcGIS for Desktop mapping software. That same data can be viewed and downloaded by the public.

"The SAG Awards identify the organizations and people who are using the power of geography to make our world a better place," says ESRI president Jack Dangermond. "At ESRI, we are always deeply inspired by the passion and innovation of our users. They deserve recognition for their invaluable contributions to their communities and the continued evolution of geographic science."

Over 17,000 people attended the conference from organizations from around the world and across a variety of industries. *See photo of award winners on page 2.* ❖

# New AAS Designees

Reprinted from IAAO's Fair & Equitable with permission from Chris Bennett & IAAO.

TEAM is proud to recognize more new AAS designees who have used our case study review material. *Congrats!* and *Great Job!* to all the new designees.



**Jennifer Archer, RES, AAS,** earned her Assessment Administration Specialist designation in August of this year. Ms. Archer is a Commercial Appraiser Modeler II for the Sedgwick County Appraiser's Office in Wichita, Kan. Before that, she was a Residential/Agricultural Real Estate Appraiser II for five years and a Commercial Real Estate Appraiser, both with Sedgwick County.

Jennifer holds a Master of Business Administration, a Bachelor of Business Administration in Finance and Real Estate, a Bachelor of Art in Spanish. She earned her RES designation in 2014 and is a Registered Mass Appraiser in the state of Kansas. She is currently 2nd Vice

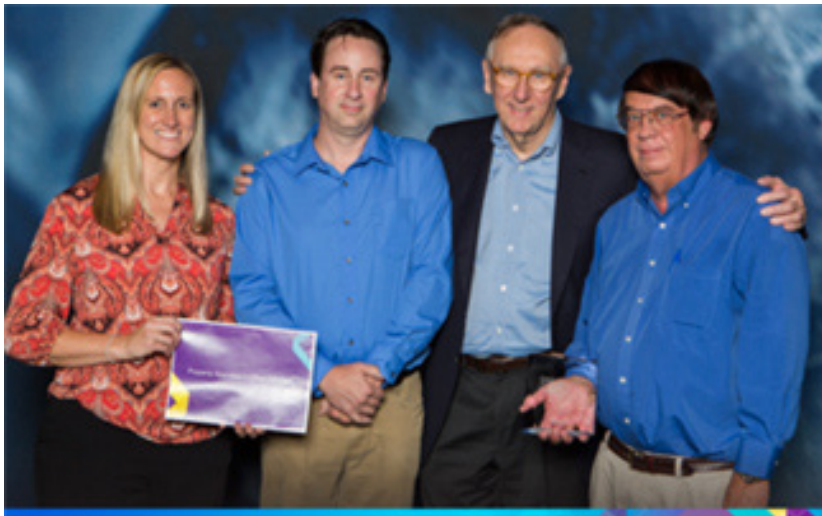
President of South Central Kansas Chapter of IAAO and an Executive Board member. Jennifer has been a member of this chapter since January 2009 and a member of IAAO since April 2011.



**Patrick Ball, AAS,** earned the Assessment Administration Specialist designation in August 2015. Mr. Ball is a Project Supervisor for Tyler Technologies in Indianapolis, Ind. Before his employment with Tyler Technologies, he was a Commercial/Industrial Valuation Specialist for the Marion County Assessor's Office.

Patrick has a Bachelor of Arts in Economics from DePauw University. His first assessment position was in 1977 with the Washington Township Assessor's Office in Marion County, Ind. He is a member of the Indiana Chapter of IAAO. ❖

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**ESRI Special Achievement Award presented to Alachua County, Fla., Property Appraiser's Office, GIS Department** (l-r): Melissa Northey, GISP, GIS programmer analyst; Logan Couch, Sr. GIS programmer analyst; Jack Dangermond, ESRI president; and Bob Bates, CFE, CCF, MCF, executive director of GIS, Technology and Support Services



## I did it!

By David Harper, AAS, RMA, Director, Division of Property Valuation, Kansas Dept. of Revenue

After 25 years in the profession, I quit coming up with excuses not to work towards an IAAO designation and convinced myself I would make time to review for a case study exam and pursue the AAS designation.

Easier said than done. Where do you even start in reviewing the broad range of topics which one needs to be familiar with to be considered an assessment administration specialist and where would I find the time?

The TEAM Consulting LLC review course was exactly the tool I needed to make this happen. Instructor Rick Stuart gave me my start in this profession, so I was well aware of his knowledge, professionalism and enthusiasm for assessment education. He did not disappoint. I recommend anyone planning to take the AAS Case Study exam to seriously consider participating in the TEAM workshop first. It is time well spent! ❖

## Updated TEAM AAS Case Study Review

Our successful AAS Case Study Review material has been updated. Around 50 to 60 professionals have used our material to successfully pass the AAS case study exam.

Have a desire to obtain your AAS? You do not have to attend a workshop you can purchase the material as a self-study guide. Go to <http://bit.ly/1IAOzGv> for a brief overview of the material, and then order your copy of the workshop materials at <http://bit.ly/1Hh2gdU>.

If you have questions, please contact Fred Chmura, AAS, at [fchmura@teamconsulting.cc](mailto:fchmura@teamconsulting.cc) or Rick Stuart, CAE at [rstuart17@cox.net](mailto:rstuart17@cox.net). ❖

# Iowa, Cunningham and Drones

By Caleb Howard, RES, ICA, Linn County, Iowa, Deputy Assessor

The Institute of Iowa Certified Assessors held their annual Summer Seminar July 15th-17th at the Grand Harbor Resort in Dubuque, Iowa, this year. The week started out with a presentation from Keith Cunningham, PhD, from the University of Alaska Fairbanks, and a TEAM member, with a course titled *3D Property Imaging with Drones*.



Keith in the classroom



Launching the drone



Aerial view of local attractions



Aerial view of participants

Over 100 registered attendees from across the state of Iowa listened to Keith's presentation that even included a 3D model of the building that the conference was being held

at with the images captured just a day prior to the event. The 4-hour course demonstrated how regular digital cameras can create photo-models that can be georeferenced and used to measure property.

Drones carrying these simple and low-cost cameras add additional perspective that can improve the photo-models as well as building updated mosaics for GIS. These photo-models can be integrated with GIS as well as PDF files that can be saved in a CAMA system which can be reviewed by an appraiser/assessor at any time.

The course concluded with a live demonstration of a small drone from 3D Robotics called the Iris+. Several onlookers were present and had several questions on how these small drones are operated. I served as the drone pilot, and Keith explained how these small yet very intelligent machines work.

Explanations were given to



Keith prepares the drone

the onlookers on everything from recording a home point so that the drone can return to home if signal is lost, to setting up an autonomous mission on your smart phone.

After a short question and answer session, an autonomous mission was created on the smart phone, and the drone flew a short mission overlooking the mighty Mississippi River that navigates south along the City of Dubuque. ❖

## TEAM Assists Vanderburgh County, Ind., Assessor's Office

By William J. Fluty, Jr., Vanderburgh County Assessor, Indiana

October 12, 2015

This year we have had the pleasure of working with Rick Stuart, CAE and TEAM Consulting LLC in an effort to improve our appraisal processes. With the help of TEAM Consulting, we were able to document processes and procedures for neighborhood delineation and sales validation as

well as create guidebooks for residential grade and condition review. With the guidance and training received, we are confident that we will have assessments that are more accurate and create consistency within our assessment processes. ❖

### Meet Our TEAM

**TEAM**  
Consulting LLC

Learn more about our outstanding consultants at [www.teamconsulting.cc](http://www.teamconsulting.cc)

## TEAM Members Active At IAAO Conference

A number of TEAM members participated in the 80th Annual IAAO Conference that was held in Indianapolis, Ind., on Sept. 20 – 23, 2016.

**Kim Lauffer, RES, RMA**, is completing her term as IAAO immediate past president. Her time was still occupied at conference with meetings and events, but maybe next year it will slow down. Kim did have an exciting meeting with young professionals, which you can read more about below.

**Ken Voss, MAI, AI-GRS, SRA, CAE**, almost had time to catch his breath at conference. As the current associate member on the IAAO Executive Board, meetings were a large part of his conference. Ken always helps with the auction conducted by the Associate Member Committee (AMC).

**Marion Johnson, CAE**, arrived early as one of the instructors for the Instructor Training Workshop (ITW). The ITW is an intensive three-day session where those seeking to become an IAAO instructor must attend training sessions and must demonstrate, three times, their ability to present the material effectively. Marion, as he has multiple times, served as one of the trainers and graders. As a member of the AMC, he was also busy helping prepare and participate in the auction.

**Kenneth C. Uhrich** was a very busy man at the conference. As chair of the Research Committee, he conducted a meeting to go over the committee presentation set as the IAAO Spotlight for Tuesday, Sept. 15, 2015, on the Academic Partnership grant paper and to develop the topics for Fall Leadership Days. Additionally, he participated in the chapter, affiliates and IAAO representative meeting on each of the groups and awards for involvement.

Ken received a Bronze level award for new memberships, member retention and support activities as the IAAO representative for the State of Wyoming. (Congrats, Ken!) Ken also moderated sessions for the Commercial and Real and Personal Property track and IAAO Spotlight.

**Rick Stuart, CAE**, was one of three presenters on the topic "How to do more with less, or is it how to do less with less?" The presentation discussed outsourcing, off-sourcing and co-sourcing, and how to develop a scope of work for requesting outside consulting services. As an associate member, Rick participated in the silent auction. He also taught IAAO's one-day Forum #917: How to

Critique an Appraisal. This was the first time an IAAO one-day forum was ever presented at the annual conference. Rick also was presented with the prestigious Galkin Award. See more on page 5.

TEAM members **Fred Chmura, AAS**, and **Ed Crapo, CFA, ASA, AAS**, were in charge of making sure the rest of TEAM showed up for their assignments.

TEAM member and business partner, **Dan Muthard**, president of Lexur Appraisal Services, was in attendance at his exhibitor's booth. TEAM business partners **The Sidwell Company** and **Pickett & Company Inc.** also had exhibitor's booths. ❖

### IAAO Launches Young Professional Club

By Kim Lauffer, RES, RMA

One of the highlights of my 2015 conference experience was a luncheon that will serve as the launching of IAAO's first Young Professional Club. I am honored to serve as the mentor of this exciting and energetic group. I have droned on and on about the greying of IAAO over the last decade, so it is only appropriate that I put my money where my mouth is.

We offered an email invitation inviting the first 25 attendees to join us for lunch, and all seats were taken within 30 minutes! During lunch several topics were covered quickly. Brainstorming topics included: "What is the biggest issue you feel is keeping IAAO from reaching its fullest and how would you fix it?" "What one big thing can this group accomplish by Conference 2016 and how?"

The attendees were broken into four working groups, and the energy was incredible. Watching

young minds at work that haven't been jaded by the "way things have always been" or "we have already tried that," and with no allegiances or commitments to a certain established mentality, was a refreshing experience for an old, weary and war-scarred past president.

The break out groups each selected a table leader, who will serve as the contact for headquarters and myself. I am excited that IAAO President Marshall has approved the four table leaders to meet at fall leadership days to begin the process of growing this group spontaneously as a grassroots-type body. I will serve as the protector of their right to "free speech and thought" and teach them the ropes regarding how business is done in IAAO, and then ride off into the sunset and enjoy watching them grow as leaders and appraisers/assessors locally and nationally. ❖

## Stuart Receives Galkin Award at IAAO Meeting



Rick Stuart, CAE, of TEAM Consulting LLC, was presented the 2015 Harry Galkin Award at this year's IAAO annual conference in Indianapolis, Ind.

The award was given in recognition of Rick's exceptional work on behalf of IAAO.

Named in honor of Harry Galkin, a longtime subscribing member of IAAO, the award is presented to the IAAO associate member whose contribution, during the past year(s), has been so worthwhile as to demand recognition. Contributions may have been in the area writing or speaking on equalization, assessment, assessment administration or general taxation.

The individual also may have been distinguished by advancing the mission of the organization through fundraising or through the contribution of time, effort, talent, and resources.

Congratulations, Rick!

## Students Praise TEAM Workshops

Marion Johnson, CAE, and Rick Stuart, CAE, presented several TEAM workshops in Boise, Idaho, in July. A recap of each is shown below with some student comments. All classes have a maximum rating of 5.

### Collection, Interpretation & Model Building of Income & Expense

**Data:** 4.6

Comments: Hands-on exercises; best modeling class I have taken

### Valuation of Barndominiums: 4.8

Comments: Interactive-class with pictures; showed pictures that relate to buildings I appraise; practicality, uniqueness of subject.



## New Workshop: How to Teach Adult Students

Purpose of this workshop is to provide some guidance and suggestions on how to teach adult students. The workshop will help the instructor to recognize the fears of adult students and how to help students of all ages be successful. This workshop can also be used to "train the trainer." Topics discussed include:

- Who and what is an adult student?
- What should we expect when teaching adult students?
- How to present to adult students

With the creation of this latest workshop, TEAM now has a total of 33 workshops available. To book this or any other workshop, contact Fred Chmura, AAS, at [fchmura@teamconsulting.cc](mailto:fchmura@teamconsulting.cc) or Rick Stuart, CAE, at [rstuart17@cox.net](mailto:rstuart17@cox.net).

## Workshops in Development

Several new and revised workshops are currently in the development stage and will be available by January 1, 2016.

**Unique Appraisal Problems.** This has long been the most popular and remembered of our workshops. The amount of material that we continued to add and new appraisal problems being presented have lead us to create two separate workshops:

**Contamination & Other Valuation Problems.** This one-day workshop will use actual data to discuss valuation issues related to: mold, mercury, meth, asbestos, historical contamination, Chinese drywall, Chinese laminate flooring, oil spills, fracking, sinkholes, snakes, and stigma.

**Unique & Challenging Homes.** This one-day workshop will use actual data to discuss valuation issues related to: tiny homes, shipping container homes, straw bale homes, hemp homes, floating homes, yurts and tipis, and other weird and unusual homes.

We are also currently working on splitting our current workshop **Valuation of Green Buildings** into two workshops. There is so much material that we will create a one-day workshop on the **Valuation of Green Residential Buildings** and another on the **Valuation of Green Commercial Buildings**. These workshops should be available in the first quarter of 2016.

### Mass Appraisal Analysis & Benchmarks: 4.6

Comments: The class will help me with the next reappraisal cycle. explanation of things I thought I already knew; helped with understanding the process a little more; outstanding class.

### Development of Capitalization Rates: 4.3

Comments: Relevant to job. hands-on-examples. course was well-developed. examples of why and when to use different cap rates.

# Send Me In, Governor

By Rick Stuart, CAE, TEAM Consulting

**Editor's Note:** I have been the editor of this newsletter since its inception. Normally, I will accept and reprint just about anything closely related to our profession. As this is a somewhat different article, I felt it was necessary to make the statement that the views of the author (me) do not represent the views of TEAM Consulting LLC or any of the TEAM members.

As an instructor of tax policy, I find the legalization of marijuana growing and sales in Colorado very interesting. According to the state website, the taxes, licenses and fees collected in 2014, the first full year, totaled \$53 million. This was under the projection, but there is no historical data to review for making an estimate. The amount collected from January – May 2015 is \$102 million. We are talking large money amounts here!

According to an article by Joseph Henchman, published Aug. 25, 2014, by The Tax Foundation, a non-partisan research think tank in Washington, DC:

Colorado's marijuana tax is structured as a 15 percent excise tax on the "average market rate" of wholesale marijuana, plus a 10 percent state tax on retail marijuana sales, plus the state sales tax of 2.9 percent, plus local sales taxes, plus local marijuana taxes such as a 3.5 percent tax in Denver. When these taxes are added up, in Denver for example, a \$30 eighth of pot (1/8 oz.) has about \$8.59 in taxes tacked onto it, or about a 29 percent overall tax rate. (By comparison, the equivalent tax on cigarettes is about 31 percent and on beer only about 8 percent.)<sup>1</sup>

In tax policy this would be referred to as a sumptuary tax (based on consumption) but also is classified as a selective sales tax. Alcohol and cigarette taxes also fall into this category. Alcohol and cigarette taxes are often referred to as "sin taxes." These taxes are generally established under the concept that by taxing at often very high rates, it will reduce consumption and thus provide a social benefit. Although that may be true, legislatures are often looking for more revenue.

I have not heard anyone refer to the marijuana tax as a "sin tax." For some people it would fit into that category. However, we need to remember that the sale and use of marijuana is still illegal by federal law. So applying a sales tax to something that is illegal probably is not directed towards a social change.

Any change in a tax structure creates changes in other taxes and to the economy. This is not an all-inclusive list of possible ramifications of this shift in Colorado legal and tax policy, but it does recognize some of the most obvious effects. The state of Washington also legalized marijuana sales, but Colorado policy is more robust. Although it is illegal to smoke marijuana in public in either state, I have personally witnessed a joint passed between three people about six blocks from the Washington state capitol in Olympia.

1. The number of people entering Colorado from other states has risen considerably. If they fly into Denver, for example, more people in the airport will lead to more food, drink and retail sales in the airport. From personal experience, I can tell you the amount of new construction activity in the Denver International Airport (DIA) over the last year-plus

is amazing. New restaurant spaces are being added in the middle of each of the terminals. More sales will create more sales tax. More stores will create a demand for employees, which can create more income tax. If more people are employed, then they may have more funds to make more purchases and thus more sales tax.

2. For anyone that is flying in, they now need to get to the city from the airport. Renting a car means more fees and taxes from the car rental. Whether renting a car or using a taxi, more gas will be purchased and thus more sales tax and gasoline tax.

3. As more people are coming to the state, hotel vacancy rates have probably declined, and thus room rates possibly can be raised. The end result could be higher values for some hotels with possibly higher property taxes, the increase demand for employees previously discussed, plus all the associated sales and lodging taxes.

4. My understanding of the Colorado law requires that upon application for a growing or retail permit, the applicant must already have a nexus. Nexus means they must have purchased or leased an existing property. I have been told by multiple sources that commercial values are increasing as a result of this. Value increases may create higher property taxes.

According to the Wall Street Journal:

The marijuana industry is poised to expand quickly: The problem for Denver business owners: marijuana producers require lots of space to grow, package and store their products. In all,

growers and distributors took up a third of all the warehouse space leased in Colorado over the past 18 months, according to Cresa Partners, a brokerage. A crunch in warehouse space means higher costs for logistics and transportation providers. Rents in the Colorado warehouse market rose 10% last year, to \$5 a square foot, according to CBRE Inc., a real-estate services firm. The cost to buy warehouse space has doubled to \$80 a square foot since the beginning of last year.<sup>2</sup>

Change in one item that is taxed, normally creates changes to other taxes. In the above example, it is reasonable that all taxes could increase. I remember about 10 years ago, a former Kansas county appraiser stated that if we legalize and tax marijuana, we could raise revenue and save money for all the time spent on law enforcement, prosecution and the expense of housing prisoners. It appears this appraiser was ahead of his time.

As Kansas has an extreme shortage of revenue, and is predicted to continue to be short for several years to come, perhaps this is an avenue for Kansas and local governments to generate more revenue. This brief article does not touch on all the possible positive and negative effects the legalization and sale of marijuana may create. Therefore, in the interest of being a good private citizen and to help state and local governments, I am volunteering to receive a grant to spend a couple of months in Denver on a research project. Send me in, Governor! ❖

**Sources**

- 1 "Taxing Marijuana: The Washington and Colorado Experience," The Tax Foundation website at <http://bit.ly/11RUNQo>
- 2 Robert Whelan and Paul Page, [www.thewallstreetjournal.com](http://www.thewallstreetjournal.com), August 26, 2015.

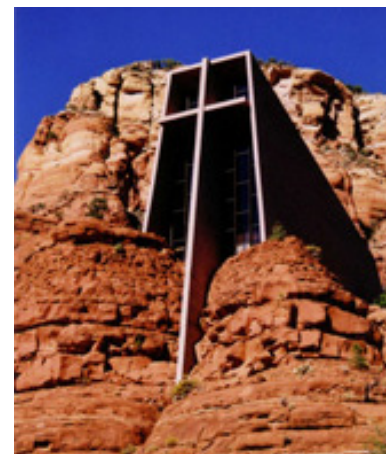
# Upcoming TEAM Workshops

- |   |  |
|---|--|
| <b>Round Rock, TX</b><br>October 15, 2015                           | Contact: Doris Koch, <a href="mailto:dkoch@taad.org">dkoch@taad.org</a><br>Preparation and Presenting an Valuation Appeal  |
| <b>Fairview Heights, IL</b><br>October 19, 2015<br>October 20, 2015 | Contact: Rebecca Rossi, <a href="mailto:RRossi@ipai.education">RRossi@ipai.education</a><br>Valuation of Historic Properties<br>Development of Capitalization Rates                                  |
| <b>Beaumont, TX</b><br>October 19, 2015                             | Contact: Jim Alubaugh, <a href="mailto:JimA@jcad.org">JimA@jcad.org</a><br>Development of Capitalization Rates   |
| <b>McAllen, TX</b><br>October 20, 2015<br>October 21, 2015          | Contact: Robert Peregoy, <a href="mailto:rperegoy@webbcad.org">rperegoy@webbcad.org</a><br>Valuation of Residential Land<br>Residential Quality, Condition & Effective Age                           |
| <b>Waco, TX</b><br>November 3, 2015<br>November 4, 2015             | Contact: Joe Bobbitt, <a href="mailto:JBobbitt@mclennanacad.org">JBobbitt@mclennanacad.org</a><br>Valuation of High-End Residential Properties<br>Valuation of Barndominiums                         |
| <b>Austin, TX</b><br>November 19, 2015<br>November 20, 2015         | Contact: Doris Koch, <a href="mailto:dkoch@taad.org">dkoch@taad.org</a><br>Valuation of Barndominiums<br>Valuation of High-End & Difficult Homes   |
| <b>Lacey, WA</b><br>February 16, 2016<br>February 17, 2016          | Contact: Jordan Dilba, <a href="mailto:jordan.dilba@gmail.com">jordan.dilba@gmail.com</a><br>Valuation of Lodging Properties<br>Valuation of Manufactured Homes                                      |
| <b>Vancouver, WA</b><br>February 18-19, 2016                        | Contact: Rebecca Barrilleaux,<br><a href="mailto:Rebecca.Barrilleaux@clark.wa.gov">Rebecca.Barrilleaux@clark.wa.gov</a><br>Collection, Interpretation and Model Building of<br>Income & Expense Data |

## Interesting Buildings

*By Rick Stuart, CAE*

Over the years I have collected a very large number of photos. They are actually in a file titled "Weird Buildings," but I thought a more appropriate title would be "Interesting Buildings." My intention is to publish a couple each month. If you have pictures that have piqued your interest, email them to me, and I will add to the file and the newsletter.



Above: Capsule Tower, Tokyo, Japan. Right: Chapel in the Rock, Arizona.