

TOOLS OF THE PROFESSION

INTERMEDIATE REAL PROPERTY TAX SCHOOL



May 4-9, 2008
Marriott Kingsgate Conference Center
University of Cincinnati • Cincinnati, Ohio



INSTITUTE FOR PROFESSIONALS IN TAXATION



Instructors

Melanie B. Brigante, CMI
Principal
Brigante & Associates, Inc.
Flower Mound, Texas

Thomas H. Elmendorf, CMI, ASA
Principal
Elmendorf & Associates
Leawood, Kansas

O. Victor Grant, III, CMI
Property Tax Consultant
Complex Property Advisors Corporation
Southlake, Texas

Paul D. Griffith, CMI, MAI
Managing Director
Integra Realty Resources
Sewickley, Pennsylvania

Ted C. Jones, Ph.D.
Senior Vice President – Chief Economist
Stewart Title Guaranty Co.
Houston, Texas

Gregory J. Lafakis, Esq., CMI, CAE
Partner
Liston & Lafakis, PC
Chicago, Illinois

Michael D. Larson, CMI, ASA
Controller, Tax Operations
Xerox Corporation
Rochester, New York

Leonard J. Patcella, Jr., CMI, MAI
Partner
Equity Appraisal Co., Inc.
Springhouse, Pennsylvania

Jonathan W. Ponader, MAI
Manager - Property Taxes
General Electric Company
Ft. Myers, Florida

Mark F. Semerad, Esq., CMI, CPA
Manager, Property Tax
Level 3 Communications
Broomfield, Colorado

Robert S. Svoboda, ASA, PE
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Houston, Texas

Yvette Tahmassian Tatoulian, CMI
Senior Manager - State & Local Tax
Ernst & Young LLP
Los Angeles, CA

TOOLS OF THE PROFESSION

2008 INTERMEDIATE REAL PROPERTY TAX SCHOOL

University of Cincinnati • Cincinnati, Ohio

Marriott Kingsgate Conference Center

May 4-9, 2008

This offering is a comprehensive, five-day school for property tax professionals who have some experience in the real property area. The purpose of the program is to provide students with a fundamental and integrated knowledge of property tax principles, concepts and technical skills essential to the field. The course is designed to investigate in-depth the real property tax valuation process and related subjects.

Who Can Attend

This course is open to IPT members, employees of companies who have members in IPT, and employees of governmental agencies.

Institute for Professionals in Taxation

The Institute, founded in 1976, is dedicated to a high degree of professionalism with a strict code of Ethics and Standards of Professional Conduct for its members, to uniform and equitable administration of ad valorem and sales & use taxes, and to minimizing the cost of tax administration and compliance.

Program Committee

Chair

Jonathan W. Ponader, MAI

Vice-Chair

Michael D. Larson, CMI, ASA

Overall Chair, Property Tax Education

Anthony R. Thompson, Esq., CMI



SUNDAY, MAY 4, 2008

- 3:00 - 6:00 pm **Registration**
- 4:00 - 6:00 pm **Pre-Course Session:**
Introduction of Real Property Valuation
Concepts (Attendance optional)

During this session, concepts introduced in the Property Tax School will be reviewed as a preface to this Intermediate School. Additionally, financial concepts and formulas for time value of money will be reviewed along with the utilization of calculators. This overview and practice material will also be made available electronically upon registration. The committee encourages all registrants to review this material before arriving at the school.

All students must bring a financial calculator. The HP12C is the preferred financial calculator for the course. Instructors have limited familiarity with the HP19B-II and the HP17B-II and are not familiar with other financial calculators. Students will be expected to be familiar with and understand the operation of their calculator for time value of money and cash flow calculations **in advance of the course**. The faculty will provide only limited assistance in using the calculators.

The objective of this review and introduction is to reinforce students' understanding of the following topics, based on work experience and/or learning from the Property Tax School.

- Appraisal Document and Process
- Valuation
- Direct Sales Comparison Approach
- Cost Approach
- Income Approach
- Reconciliation

Instructors: **Michael D. Larson, CMI, ASA**
Controller, Tax Operations
Xerox Corporation
Rochester, New York

Jonathan W. Ponader, MAI
Manager - Property Taxes
General Electric Company
Ft. Myers, Florida

6:30 - 8:30 pm **Get-Acquainted Informal Dinner/
Orientation: (Mandatory)** Students will acquaint themselves with their colleagues.

- IPT Welcome and Brief Highlights of IPT Activities
- Overview of Course
- IPT Code of Ethics and Standards of Professional Conduct

Rolston A. Dyer, CMI
President
Institute for Professionals in Taxation



Jonathan W. Ponader, MAI
Program Chair
2008 Intermediate Real Property Tax School

8:30 - 11:00 pm **Study Room Available**

MONDAY, MAY 5, 2008

6:30 - 7:45 am **Buffet Breakfast** (Guests of Hotel)

8:00 - 12:00 Noon **Lecture & Workshop:**
The Income Approach to Value

This section covers the income approach to value in concept and application. Students will study *direct capitalization*, *yield capitalization* and *discounted cash flow models*. Instructors should strive to clearly delineate differences between the techniques. Differentiation should help students to identify the circumstances requiring the application of each technique.

Instructors: **Thomas H. Elmendorf, CMI, ASA**
Principal
Elmendorf & Associates
Leawood, Kansas

Paul D. Griffith, CMI, MAI
Managing Director
Integra Realty Resources
Sewickley, Pennsylvania

Yvette Tahmassian Tatoulian, CMI
Senior Manager - State & Local Tax
Ernst & Young LLP
Los Angeles, CA

12:00 Noon **Lunch**

1:00 - 4:30 pm **Lecture & Workshop:**
The Income Approach to Value
(continued)

4:30 pm **Wrap Up and Review**

Instructor: **Jonathan W. Ponader, MAI**
Manager - Property Taxes
General Electric Company
Ft. Myers, Florida

6:00 - 9:00 pm **Dinner** (Guests of Hotel)
(Available in Main Dining Room)

7:00 - 11:00 pm **Study Room Available**





TUESDAY, MAY 6, 2008

6:30 - 7:45 am Buffet Breakfast (Guests of Hotel)

8:00 - 9:00 am Quiz and Review

9:00 - 12:00 Noon Lecture & Workshop: The Cost Approach to Value

This section covers the cost approach in concept and application. Students will study the cost approach procedure, types of costs, sources of building cost estimates, and types of depreciation.

- Foundations of the cost approach
• Estimating cost new of improvements
• Estimating total depreciation
• Estimating value via the cost approach

Instructors: Melanie B. Brigante, CMI Principal Brigante & Associates, Inc. Flower Mound, Texas

Michael D. Larson, CMI, ASA Controller, Tax Operations Xerox Corporation Rochester, New York

Robert S. Svoboda, ASA, PE Director Deloitte Financial Advisory Services LLP Houston, Texas

12:00 Noon Lunch

1:00 - 4:30 pm Lecture & Workshop: The Cost Approach to Value (continued)

4:30 pm Wrap Up and Review

Instructor: Jonathan W. Ponader, MAI Manager - Property Taxes General Electric Company Ft. Myers, Florida

6:00 - 9:00 pm Dinner (Guests of Hotel) (Available in Main Dining Room)

7:00 - 11:00 pm Study Room Available

WEDNESDAY, MAY 7, 2008

6:30 - 7:45 am Buffet Breakfast (Guests of Hotel)

8:00 - 9:00 am Quiz and Review

9:00 - 12:00 Noon Lecture & Workshop: The Sales Comparison Approach to Value

In this section students learn to process the Sales Comparison Approach to value. Instructors will identify the aspects of sales

that typically require adjustment. Methods of obtaining adjustments are discussed and a sample grid is developed. Finally, students learn the critical factors to consider in reconciling the various indications of value.

- Factors affecting price
• Adjustment techniques
• Preparing a sales comparison grid
• Correlation and final value estimate
• Analysis and presentation of sales information
• Sales comparison approach industrial properties issues

Instructors: O. Victor Grant, III, CMI Property Tax Consultant Complex Property Advisors Corporation Southlake, Texas

Leonard "Jack" Patcella, Jr., CMI, MAI Partner Equity Appraisal Co., Inc. Springhouse, Pennsylvania

12:00 Noon Lunch

1:00 - 2:30 pm Lecture & Workshop: The Sales Comparison Approach to Value (continued)

2:30 - 4:30 pm Lecture & Workshop: Sales Ratio Studies and Mass Appraisals

Equalization and Ratio Studies

This section introduces the concept of ratio studies and equalization. It is intended to acquaint participants with relevant terminology and general processes.

- Equalization
• Assessment Ratio Studies

Mass Appraisal

This section covers mass appraisal in concept and application. Students will learn the basic procedures of mass appraisal, strengths, weaknesses and inherent problems. Instructors should emphasize a general understanding of how mass appraisal works, model interpretation and overall determinants of accuracy. Mass appraisal is merely a statistical tool, usually computerized version of the sales comparison approach.

- Standard Models of Valuation
• Mass Appraisal Model
• Model Considerations
• Focus Issues When Assessed Via Mass Appraisal
• Alternative Uses of Mass Appraisal Techniques

Instructor: Ted C. Jones, Ph.D. Senior Vice President - Chief Economist Stewart Title Guaranty Co. Houston, Texas





WEDNESDAY, MAY 7, 2008, continued

- 4:30 pm **Wrap Up and Review**
- Instructor:** **Jonathan W. Ponader, MAI**
 Manager - Property Taxes
 General Electric Company
 Ft. Myers, Florida
- 6:00 - 9:00 pm **Dinner** (Guests of Hotel)
 (Available in Main Dining Room)
- 7:00 - 11:00 pm **Study Room Available**

THURSDAY, MAY 8, 2008

- 6:30 - 7:45 am **Buffet Breakfast** (Guests of Hotel)
- 8:00 - 9:00 am **Quiz and Review**
- 9:00 - 10:00 am **Lecture:**
Summation of Approaches/Reconciliation of Value

This section discusses the function of the reconciliation process within the appraisal process. The discussion focuses on:

- Reconciliation process
- Reconciliation criteria
- Final value estimates
- Conclusion

Instructor: **Leonard "Jack" Patcella, Jr., CMI, MAI**
 Partner
 Equity Appraisal Co., Inc.
 Springhouse, Pennsylvania

- 10 - 12:00 Noon **Lecture:**
Legal Perspective and Implications

This section places property tax management in a legal context. The three approaches to value and mass appraisal are discussed in light of their acceptance by assessment and legal authorities.

- Property tax in the American governmental structure
- Success before assessors, appeal agencies, and courts
- Potential weaknesses and how to avoid them
- Potential strengths and how to exploit them

Instructor: **Gregory J. Lafakis, Esq., CMI, CAE**
 Partner
 Liston & Lafakis, PC
 Chicago, Illinois

- 12:00 Noon **Lunch**
- 1:00-2:00 pm **Ethics**

Instructor: **Mark F. Semerad, Esq., CMI, CPA**
 Manager, Property Tax
 Level 3 Communications
 Broomfield, Colorado

- 2:15 - 5:00 pm **Course Review**
- 6:00 - 9:00 pm **Dinner** (Guests of Hotel)
 (Available in Main Dining Room)
- 7:00 - 11:00 pm **Study Room Available**

FRIDAY, MAY 9, 2008

- 6:30 - 7:45 am **Buffet Breakfast** (Guests of Hotel)
- 8:00 - 10:30 am **Final Examination**
- 10:30 am **Course Concludes**

GENERAL INFORMATION

Location/Transportation

The Marriott Kingsgate Conference Center is located approximately 20 miles from the Cincinnati International Airport. Airport Executive Shuttle provides transportation to the Conference Center. The cost is currently \$15 one-way, per person, \$25.00 roundtrip, and advance reservations are required. You must contact Airport Executive Shuttle at (800) 990-8841 toll free or call (859) 261-8841. The cost of a cab one-way is approximately \$40. Current overnight parking is \$15 per night for in/out privileges or \$7.50 for a one time exit.

Accommodations

There are separate costs for the hotel package. Please refer to the hotel reservation form. All registrants and instructors are expected to reside at the Kingsgate Marriott Conference Center and Hotel on the Campus of the University of Cincinnati. The only permissible exceptions are those individuals who reside in the Cincinnati area (see following paragraph). The hotel is located above the Conference Center. The single-occupancy rate for the five-night stay Sunday to Friday noon is \$219 per night plus applicable tax. For double-occupancy, please contact the hotel for the applicable per person rate.

This package plan includes 5 breakfasts, 4 lunches, and 5 dinners for one occupant. There is no lunch or dinner on Friday. The package plan also includes restaurant gratuities. For those arriving before Sunday or staying Friday, the daily charge is \$125 plus applicable state and local taxes. This rate does not include any meals. The hotel accepts all major credit cards.

Cincinnati area registrants are encouraged to stay at the hotel. Peer interaction is an essential part of the program. Should election be made, however, not to stay at the Conference Center, there is a supplemental registration fee of \$425 to cover some of the overhead costs that are a part of the hotel package fee; including the cost of breakfast Monday through Friday, lunch Monday through Thursday, dinner Sunday, refreshment breaks, and the conference center fees. This supplemental fee must be submitted by anyone not under the room package rate. For detailed information on the hotel and conference center, click on the very informative link that follows for the Marriott Kingsgate Conference Center. <http://www.kingsgatemarriott.com>



Course Materials

Overview and practice material will be made available by electronic means to all students upon registration. **All registrants are strongly encouraged to review this pre-course material before arriving at the school.** Doing so will enhance the learning outcomes for everyone.

All students must bring battery-operated financial calculator. Calculators are not available at the course site. The course material requires present value calculations. The HP12C is the preferred financial calculator for the course. Instructors have limited familiarity with the HP19B-II and the HP17B-II and are not familiar with other financial calculators. Students will be expected to be familiar with and understand the operation of their calculator for time value of money and cash flow calculations **in advance of the course.** All registrants are provided, in advance, a link to an online calculator tutorial with sample problems.

The Appraisal of Real Estate, 12th Edition, by the Appraisal Institute is an excellent reference book for real property tax professionals. **Although the book is not required, references are made to it during the course, and the information, terms and explanations contained in the book are very beneficial.** For information regarding obtaining the book go the Appraisal Institute's website at <http://www.appraisalinstitute.org/>

Registrants are encouraged to use the IPT textbook, *Property Taxation*, 3rd Edition, as a reference resource. Members can purchase the book online at IPT's website by logging on to the members only section.

Photos will be taken at this event. These photos may be published in IPT publications, in print, multimedia presentations and/or on IPT's website. Your attendance at this event grants IPT the right to publish these photos.

Fluency in English is required for successful completion of this course. Foreign language dictionaries may not be used during examinations.

Studies have shown that the optimum classroom temperature is 65°. The University maintains an optimum learning environment. Please bring appropriate sweaters or long-sleeved shirts to class.

The registration desk will be open from 3:00 p.m. – 6:00 p.m. on Sunday, May 4, 2008. Registrants should pick up their materials at this time.

Registration

Registrations must be completed in advance through the IPT office and are accepted on a first received basis. There will be a maximum number of registrants accepted per company. Enrollment is limited to IPT members, employees of companies who have members in IPT and also to employees of

governmental agencies. **Please Note:** If a submitted application received by IPT is accepted, and the person declines the acceptance, there will be a \$100 cancellation penalty imposed even if payment has not been processed. **Acceptance letters will be sent to registrants by March 21, 2008.**

In order to encourage early registration, registration fees (in U.S. funds) are:

Payment Received by April 4, 2008:

\$775	Individual personally holds Membership in IPT
\$975	Individual does not hold membership, but company/firm has members in IPT
\$975	Individual is a government employee
\$425	Supplemental registration fee. Applies to local registrants and registrants not staying at the hotel under the IPT group rate.

Payment Received after April 4, 2008:

\$800	Individual personally holds Membership in IPT
\$1,000	Individual does not hold membership, but company/firm has members in IPT
\$1,000	Individual is a government employee
\$425	Supplemental registration fee. Applies to local registrants and registrants not staying at the hotel under the IPT group rate.

All registrations must be paid in full within three weeks of acceptance and prior to the school. **For any payment received after April 4, 2008 there is a \$25.00 surcharge assessed. This includes faxed registration forms received without payment prior to this date.** A \$50.00 surcharge applies if payment is still outstanding as of May 9, 2008. All fees must be in U.S. funds.

The following credit cards can be used: American Express, VISA and MasterCard. In order for the credit card to be processed, it is important that the information requested on the registration form be filled out completely. If the address on your registration form differs from the billing address for your credit card, you must provide IPT with the credit card billing address.

Make check payable to: Institute for Professionals in Taxation, and remit to: Building 600, Suite L-2, 1200 Abernathy Road, N.E., Atlanta, GA 30328.

Cancellation /Substitution Policy

Refunds, subject to a cancellation charge of \$100, will be made upon written notification of cancellations received by April 28, 2008. No refunds will be made after April 28, 2008. Refunds will be processed after the program concludes. There is also a substitution charge of \$40 before April 4, 2008. After this date, the substitution charge is \$50 (plus the cost of delivery of any materials, etc.). For more information regarding IPT's administrative policies such as complaint and refund, please telephone our office at (404) 240-2300.



Continuing Education Credit

Approximately Forty (40) continuing education credits including one (1) IPT Ethics credit hour are available for full attendance. In accordance with the standards of the National Registry of CPE Sponsors. CPE credits have been granted based on a 50-minute hour. CMIs will obtain credit on an hour to hour basis for attendance.

The Institute for Professionals in Taxation is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417. Web site: www.nasba.org.

In order to meet the requirements of regulatory agencies, each attendee must scan their individual badge during the first 15 minutes of each session.

Prerequisites: Basic Property Tax School or 3 years or more property tax experience is recommended. **Program Level:** Intermediate **Field of Study:** Taxation and Regulatory Ethics **Instructional Method:** Group Live **Advance Preparation Required:** Basic familiarity with the individual's calculator and with basic appraisal techniques. A tutorial on the recommended HP12C calculator and a document reviewing appraisal techniques will be sent to all registrants for review, along with their confirmation, before the school.

CMI Designation - Property Tax

The Institute for Professionals in Taxation's designation, Certified Member of the Institute (CMI), is available to anyone who meets specific educational requirements, has five years of property tax experience, and is an active member of the Institute in good standing. The educational requirements to achieve the CMI Property Tax professional designation include successful completion of any two of the following IPT property tax schools: 1) Property Tax School (basic), 2) Intermediate Personal Property Tax School, or 3) Intermediate Real Property Tax School. Finally, successful completion of both the written and oral CMI examinations is required. The CMI requirements and the CMI Candidacy Application can be downloaded from the IPT website at: www.ipt.org.