From: Eric Grossman
Sent: Friday, September 29, 2023 1:33 PM

Subject: Tippecanoe County 2024 LCM request

Dear fellow LCM researchers & DLGF Cost Co-conspirators,

Thanks again for your openness to chat about solutions to pressing legislative and corresponding valuation matters. I would like to follow up our discussion with a formal request that the DLGF consider increasing the 2023 LCM of .93 to 1.32 for the 2024 cost table update for Tippecanoe County. The details and support for this request are described below:

Tippecanoe County utilizes the DLGF supplied cost tables as a starting point to derive the market value-in-use of residential, agricultural and some commercial/industrial facilities. Periodic regression testing using physical CAMA data as independent variables to predict market activity (via validated sales data) shows a ***high correlation between DLGF cost tables and market value***. This strong correlation is the reason that applying replamcent cost factors to similar property groupings is effective, however, the factors necessary to bridge the gap are large and ever increasing.

With the recent additions to Ind. Code § 6-1.1-4-39, applying trending factors at the local level to achieve market-value-in-use seem barred by the plain wording of the statute. Due to this change, a prominent and valuable class of property is not trend-able at the local level thus making it imperative for the DLGF cost table to not only be correlated to market value, but also reflect the ***level*** of market activity on the relevant assessment date. We left our conversation thinking that a research-driven LCM was the most feasible way to maintain both market value and legal compliance with Ind. Code § 6-1.1-4-39 utilizing the current cost tools in place.

Quantifying an LCM

We began the process by consulting with Ginny Whipple and obtained her research to quantify a LCM in Bartholomew County. Ginny gathered verified building permit information and compared the reported cost to the RCN cost utilizing the DLGF cost schedules. The simple philosophy in this approach is that the RCN for a dwelling from a cost table should equal what it generally costs to build.

We began looking at permits that were pulled for single family new home construction since Covid, 2020 and forward. We filtered our list of permits to isolate projects that had a reported cost. Most of the 53 new homes with reported construction costs are supplied by prolific firms that we recognize. Please find attached a spreadsheet titled “LCM cost analysis”. Comparing the reported builder cost to the RCN from the DLGF cost model shows that our median required LCM is 70% too low, suggesting an increase from .93 to 1.58. We are happy to make digital copies of the building permits available upon request.

For assessments to reflect market value, the methodology used must satisfy the law of substitution. Of the 53 new homes with listed permit costs, 13 of them sold within a year of completion. Most of these are in Provenance SD, a new subdivision near Purdue Airport. We have a web application that defines grading and valuation information for most neighborhoods, including provenance: NBHD 525 (arcgis.com). Calling these A- Grade houses is a stretch (see pics on the web app), but a negative effect of drastically low cost base is over-grading; calling these Bs, or C+X would indicate a higher LCM differential. Land is predicable in new subdivisions due to high, concentrated sale volume during development. The median difference between reported cost and sale price attributed to improvements (sale-land AV) is 16.5%. This indicates that the cost reported by the builders, that drive their permit fees, are hard costs plus soft costs, but do not include entrepreneurial profit or change orders. Entrepreneurial profit is a vital component of a cost value to satisfy the law of substitution. As a former contractor, I can tell you that we would try very hard not to engage in work unless the payout was a substantively above our actual cost. USPAP standard rule 1-4, in describing the parts of a credible cost approach, requires the appraiser to:

> analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (depreciation).

In looking at the 13 sales where we can compare the sale and cost of a new home, the LCM appears to be 76% too low, or indicating an increase from .93 to 1.64.

Looking at the sale of the new home appears to be the best indication of the total cost including any changes during construction and entrepreneurial profit. The median profit margin for the 13 new home sales is 16.5% based on the reported cost and sale price attributable to improvements. It is vital to capture all components of the cost approach to create a value that satisfies the law of substitution and not just the material plus labor incurred by the builder. To this end, there are 861 sales of single lot, single family homes built in Tippecanoe County since 2020; these new homes have negligible physical depreciation and sold new to their first occupant. The sale price of these homes minus the land value should reconcile with the replacement cost of the improvements. These homes would not have any physical depreciation at the time of sale and new subdivision lot values are generally predictable and consistent. Please find attached "LCM sale analysis" spreadsheet that contains information on these 861 sales. With one LCM for all types of property, there is not one magic number that will perfectly equalize all classes and township. Our goal was to create an LCM that will be the most beneficial for the greatest number of properties and drastically reduce the need for additional local factors. Comparing the sale price attributable to improvements (minus land) to the DLGF cost indicates that **the current LCM is 42% too low, suggesting an increase of LCM from .93 to 1.32**. To get a visual indication of LCM spread throughout Tippecanoe, this map can be used to see the difference between cost and (sale-land) for the 861 sales described above: [RCN PROJECT (arcgis.com)](). The line charts at the bottom of the map highlight the correlative relationship but differing levels of cost and value that we are attempting to bridge via LCM. Additionally, I have attached the average LCM per neighborhood and taxing district based on the 861 sales, but our request is based on the median. The average neighborhood and district LCM highlight the County-wide need for higher LCM across the board:

To summarize: We are requesting the median LCM of 1.32 based on the analysis of cost, land and sales of 861 new homes built after 2020.

If you have any questions about our methodology or data, I am free to discuss at your convenience,

Have a good weekend,

Eric Grossman

From: Wood, Barry
Sent: Friday, September 29, 2023 3:24 PM
To: Eric Grossman
Subject: RE: Tippecanoe County 2024 LCM request

Eric:

Thank you for the information. This may be a case of putting the cart before the horse. We expect to release the January 1, 2024 Location Cost Multipliers (LCM) by the end of next month. At this point, we do not know what the final LCM will be for Tippecanoe County. Hence, after reviewing the 2024 LCM, if you decide to continue with your request, we can do so.

Thanks for your understanding.

Barry Wood

From: Eric Grossman
Sent: Wednesday, October 4, 2023 3:00 PM
To: Wood, Barry
Subject: RE: Tippecanoe County 2024 LCM request

Hey Barry,

That makes sense. When you mentioned the end of Oct deadline, I mistakenly saw that as a deadline to submit our LCM research and wanted to get it in ASAP. In thinking about the process a bit more, it does seem preemptive. So, in early November, we can apply the new 2024 cost update with updated base rates, depreciation, LCM, etc. If we feel that the 2024 costs are still under-predicting after the 2024 cost update, then we can renew our LCM calcs and revisit an official request? Sorry for the confusion on timetables, just want to confirm I'm on the same page now,

Thanks,

Eric

From: Eric Grossman
Sent: Friday, January 5, 2024 3:35 PM
To: Wood, Barry

Subject: RE: Tippecanoe County 2024 LCM request

Hello DLGF LCM advisors,

We have downloaded and applied the 2024 cost patch made available via our CAMA provider and updated our LCM calculations. The various changes to base rates, depreciation and a slight LCM decline caused an overall minor decline in RCN in 2024 Vs 2023. The attached spreadsheet "LCM Cost Analysis 2.0" is the same as previously submitted with 2 new columns: O & S. Column O is the 2024 RCN of the dwelling, and column S is the LCM indicated by the 2024 RCN and reported costs. These 13 properties still represent the most contemporary builds with known cost submitted through the permitting system. By updating to 2024 cost, the indicated LCM is 1.39. Using the sale prices instead of reported costs, indicates an LCM of 1.78 for these 13 properties. The explanation for this difference in the first request holds true:

> This indicates that the cost reported by the builders, that drive their permit fees, are hard costs plus soft costs, but do not include entrepreneurial profit or change orders. Entrepreneurial profit is a vital component of a cost value to satisfy the law of substitution.

For a new home with no depreciation, that sold new to its first occupant, the LCM should hypothetically make the following formula true: (RCN*LCM)+land AV = sale price. In this formula, RCN = hard costs + soft costs + entrepreneurial profits. Since most individuals are not builders, to "replace" a house would require a general contractor or developer. Consequently, entrepreneurial profits are a valid competent of cost modeling because the vast majority of buyers would require a GC or developer to satisfy the law of substitution. I filtered the sales database to homes that were built in 2022 & 2023 that sold in 2023 to their first occupant. So, we are looking only at 2023 sales and 2024 costs for the 1/1/2024 assessment date. Based on the 98 sales that meet this criteria, applying the 2024 cost patch generates a median required LCM of 1.65 and an average LCM of 1.7 required. Ive attached the descriptive statistics from the 98 sales of new construction. Based on the attached data (2024updatessalesLCM.xlsx), we are 95% confident that the true average LCM lies somewhere between 1.6 and 1.74; making it statistically clear that the current LCM of .92 is drastically low. The statistical 1 percentile GRM, the very low range based on new home sales is 1.07; meaning based on market activity, an LCM of .92 is not supported in the range of statistical probabilities. To show the geographic distribution and locations of the sales analyzed, we made the following map:

RESIDENTIAL LCM CHECK (arcgis.com)

The data included in 2024updatessalesLCM.xlsx was exported from the map. As you zoom and scroll around the County reviewing clusters of LCM activity, the statistics on the left will update based on the data visible on the screen. This map demonstrates that the low LCM issues persists in every township.

Based on the research that Assessor Whipple has previously submitted, we think the analysis of the 13 homes with costs provided by the builders is still the most similar to her prior analysis. Therefor, we request that the DLGF approve an increase of the 2024 LCM for Tippecanoe County from .92 to 1.39. I am happy to chat further about of process or philosophy we used to approach LCM calculations. If there is anything additional that we can provide, please let me know. Im hoping a fresh, new LCM will help kick off a productive annual adjustment season for us both,

Have a good weekend all!

Eric

From: Wood, Barry
Sent: Thursday, January 25, 2024 9:04 AM
To: Eric Grossman
Subject: RE: Tippecanoe County 2024 LCM request
Eric:

My apologies for the inordinate delay in responding to your request. I have had a couple of colleagues review your request, and we have the following observations:

We have a real concern with increasing the LCM to 1.39 as requested. We completed an analysis of the 2024 LCM's of all the surrounding counties that border Tippecanoe and found those LCM's ranged from .89 to 1.00, or a median LCM of .92. It would be very difficult to explain to the average taxpayer that Tippecanoe's LCM is increasing that much in one year when all the surrounding counties LCM is remaining at a median of .92.

Hence, I believe we should keep the LCM at .92 and the county would adjust to market values with the use of the trending/market factor adjustment. Even though we would like to see the assessment level close to 100%, Tippecanoe has historically always been closer to 90% as shown by last year's ratio output file.

1	StudySect	Grouping	Median	MedianCl	MedianCl	weighted	COD	PRD	N
2	ComImp	County	0.913	0.856	0.953	0.961	0.157	1.003	58
3	ComVac	Wea	0.844	0.844	0.844	0.844	0	1	1
4	IndImp	IndCounty	0.999	0.729	1.333	1.024	0.166	1.035	6
5	ResImp	Fairfield	0.895	0.886	0.907	0.912	0.138	1.029	848
6	ResImp	JR	0.896	0.844	0.955	0.895	0.071	1.005	17
7	ResImp	Lauramie	0.864	0.795	0.944	0.877	0.15	1.022	35
8	ResImp	Perry	0.913	0.89	0.932	0.917	0.119	1.017	202
9	ResImp	Sheffield	0.895	0.866	0.927	0.914	0.089	1.002	62
10	ResImp	Shelby	0.895	0.838	0.955	0.902	0.095	1.007	28
11	ResImp	Tippecanoe	0.895	0.886	0.91	0.9	0.085	1.007	271
12	ResImp	Union	0.897	0.881	0.923	0.91	0.102	0.986	41
13	ResImp	Wabash	0.895	0.885	0.902	0.91	0.094	1.013	543
14	ResImp	Washingtor	0.899	0.857	1.089	0.926	0.089	1.018	16
15	ResImp	Wayne	0.902	0.757	1.182	0.906	0.149	1.017	13
16	ResImp	Wea	0.898	0.89	0.906	0.913	0.111	1.011	783
17	ResVac	FairWeaShe	0.9	0.861	0.939	0.914	0.073	1.008	36
18	ResVac	Perry	0.897	0.865	1.014	0.898	0.057	1.012	11
19	ResVac	ShelJackRar	0.9	0.724	1.033	0.884	0.087	0.996	7
20	ResVac	Tippecanoe	0.945	0.936	0.945	0.923	0.064	1.022	56
21	ResVac	Union	0.939	0.883	0.963	0.938	0.046	1	26
22	ResVac	Wabash	0.915	0.833	0.943	0.905	0.096	0.993	42

Additionally:

- On the LCM cost analysis schedule, the LCM factor is calculated using column L which is labeled "estimated cost." Is this the cost from the building permit or does it reflect actual cost of construction based upon information obtained from the general contractors? If this is building permit costs, we have seen times where the permit value is different than actual construction costs. For an analysis like this, actual construction costs should be used. Does the "estimated cost" column also include a land value if that was included in the permit value and that is what was used?

- In using the county information, we would be accepting the quality grade factor being assigned to each of the new builds. Without physically viewing each of these properties, we would be hesitant in accepting the assigned quality grades without verification.

- The requested 1.39 LCM is being based upon the analysis of 13 new properties in the county. Basing a countywide LCM on 13 new properties in the county is questionable. The sample size would need to be much larger. Based upon the 2023 AV Pivot table report, the county had more than 97,000 Res Imp parcels.

- If memory serves me correctly regarding Bartholomew County's request for a different LCM, Ginny's sales were all high C grades. Your information has grades all over the place so this could lead to a more subjective analysis rather than objective. Also, the final sales used are predominantly from the West Lafayette market which is quite different from even the Lafayette market due to Purdue's prominence in West Lafayette. This may lead to more inflated values for the county as a whole due to the dominance of West Lafayette in the sample.

Thank you for your understanding. Please let me know if you have any further questions or if I can be of additional assistance.

Barry Wood

From: Eric Grossman
Sent: Thursday, January 25, 2024 6:23 PM
To: Wood, Barry
Subject: RE: Tippecanoe County 2024 LCM request

Hello Barry ETAL,

The denial of a county specific LCM and failure to respond to our inquiry/presentation to implement a modern cost system spells out catastrophe. I believe many of the concerns noted are misguided. Please see my response below in blue:

Eric:

My apologies for the inordinate delay in responding to your request. I have had a couple of colleagues review your request, and we have the following observations:

We have a real concern with increasing the LCM to 1.39 as requested. We completed an analysis of the 2024 LCM's of all the surrounding counties that border Tippecanoe and found those LCM's ranged from .89 to 1.00, or a median LCM of .92. It would be very difficult to explain to the average taxpayer that Tippecanoe's LCM is increasing that much in one year when all the surrounding counties LCM is remaining at a median of .92.

This is what the manual says about LCMs in appendix C, pg 22: (https://www.in.gov/dlgf/files/2021-assessment-guidelines/Appendix-C.pdf) for the Res LCM intro, and appendix G, pg 43 for commercial (https://www.in.gov/dlgf/files/2021-assessment-guidelines/Appendix-G.pdf). The wording on both is identical.

> Location Cost Multipliers
>
> The residential cost schedules in this manual are based on the building costs for residential structures in the Indianapolis metropolitan area as of January 1, 2019. By applying these cost schedules, the assessing official is attempting to calculate the replacement cost new of a residential structure within his/her jurisdiction. Since construction costs vary from one jurisdiction to another, it shall be necessary to apply location cost multipliers to the costs published in this guideline in order to accurately reflect actual costs within his/her jurisdiction.

These location cost multipliers can be determined in one of two ways. The first and most accurate method is for the county assessor to develop a location cost multiplier for his/her respective county. This can be done using techniques such as surveying residential contractors to determine actual construction costs or by comparing the cost of residential structures built and sold on or about January 1, 2019 to the costs published in this manual. The county assessor may use any acceptable technique of estimating a location cost multiplier and must submit the technique and resultant multiplier to the DLGF for review and approval prior to its application in the county.

The second method, which is presented as an alternative to the preferred method, is to use the location cost multipliers listed in Table G-1 below. These multipliers have been developed by reviewing comparative cost multipliers for various Indiana localities as published in several national cost services.

The location cost multiplier is to be applied to all residential improvements, not just the main structure, in order to arrive at replacement cost new. The only exception to this is with manufactured and mobile homes, they will not receive a cost multiplier, as they are typically built in a given location and delivered to various locations to be used. The proper place for applying the location cost multiplier is discussed in Chapters 3, 4 and 5 of this manual.

I believe the average taxpayer in Tippecanoe County would be capable of understanding why the LCM increased: new legislation required the cost base to be accurate. **This is a non-issue**. Per our cost table discussion, the average taxpayer will not feel the effect of an LCM change, or any change to a base value, because the system is based on correlating values with sale prices – any increase in LCM for properties that are assessed based on cost would be offset by the newly recalculated trending factor that would be applied to reach market-value-in-use. We currently have had a market system and LCM has never been a topic of discussion. Ive been in hundreds of residential discussion about assessments; the validity of a residential assessment hinges on meaningful sale comparisons in a market system, not the LCM. The real question that I will not be able to answer is: why did my value and taxes go up when the value of some of the most valuable properties in the county got chopped in half?

Denying Tippecanoe the use of what the manual states is the “preferred method” of county specific LCM computation because dissimilar neighboring counties decline this opportunity is unfair to Tippecanoe. Not every county is in the same phase of the transition to market and cannot be treated the same. The manual expressly states “construction costs vary from one jurisdiction to another.” That’s the whole purpose of applying an LCM in the first place. I believe the information Tippecanoe submitted more than justifies an increase in LCM. Can you share the research that you claim validates the accuracy of LCMs in surrounding counties less than 1? It would be enlightening to see the specific data the DLGF used to develop the Tippecanoe LCM, especially when our local data shows both building permit costs and post-construction new home sales far, far outpacing the values derived by using the state-issued cost table and LCM. There are also counties that do not trend to sales, use mostly unadjusted cost and remove most sales from the ratio study. The denial of county specific LCM penalizes jurisdictions severely that are taking market value more seriously. This law constitutes a huge departure from market value that will result in AV loss of between 700M – 6B in AV depending on application – see options below.

Hence, I believe we should keep the LCM at .92 and the county would adjust to market values with the use of the trending/market factor adjustment.

This is not a viable solution anymore: too many highly valuable properties are legally barred from implementing trending factors, and thus market value is not attainable with the DLGF cost table. **Are you suggesting we ignore new apartment legislation or maintain separate definitions of value for various property types**? **The major dilemma I have is that, either answer is illegal in some way.** This is the legislation being cited. Section A is included for reference, but the bolded bits are the new stuff:

> (a) For assessment dates after February 28, 2005, except as provided in subsections (c) and (e), the true tax value of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental units is the lowest valuation determined by applying each of the following appraisal approaches:
>
> > (1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences.
> >
> > (2) Sales comparison approach, using data for generally comparable property.
> >
> > (3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.
>
> **(f) Notwithstanding IC 6-1.1-4-4.5, for assessment dates beginning after December 31, 2023, the county assessor or township assessor making the assessment shall perform an assessment of property qualifying under subsection (a) annually, and for each assessment year, perform a valuation of the property qualifying under subsection (a) using each of the appraisal approaches in subsection (a)(1)through (a)(3) and annually report to the taxpayer each of the values under those approaches as determined by the assessor on a form as prescribed under subsection (i).The assessor shall use the department cost schedules without modifiers, adjustments, or other trending factors.**
>
> **(g) The county assessor or township assessor making the assessment of property qualifying under subsection (a) has the burden of proof to establish that the assessment is correct and that the assessed value is the lowest value of those determined using the three (3) appraisal approaches performed by the county assessor or township assessor regardless of the percentage change in the assessed value.**
>
> **(h) Upon request of the taxpayer, the county assessor or township assessor making the assessment shall provide an explanation to the taxpayer concerning how the assessed value of the property was calculated.**
>
> **(i) The department shall prescribe a specific form for property qualifying under subsection (a).**

Using an LCM of .92 causes an approximate $700M loss in AV for apartments with more than 4 units in Tippecanoe County. This loss will be felt by local government units as revenue lost to the caps and felt by the average homeowner in the form of the shifting burdens. I am disappointed that the DLGF is more concerned with explaining hypothetical questions someone will never have about the LCM while ignoring the very real taxes being lost and tax burden shifted to regular folk unconstitutionally. What about the questions from auditors, treasurers, councils, mayors & school boards about the loss of billions in AV as we shred the constitution and move away from a market system?

Even though we would like to see the assessment level close to 100%, Tippecanoe has historically always been closer to 90% as shown by last year's ratio output file.

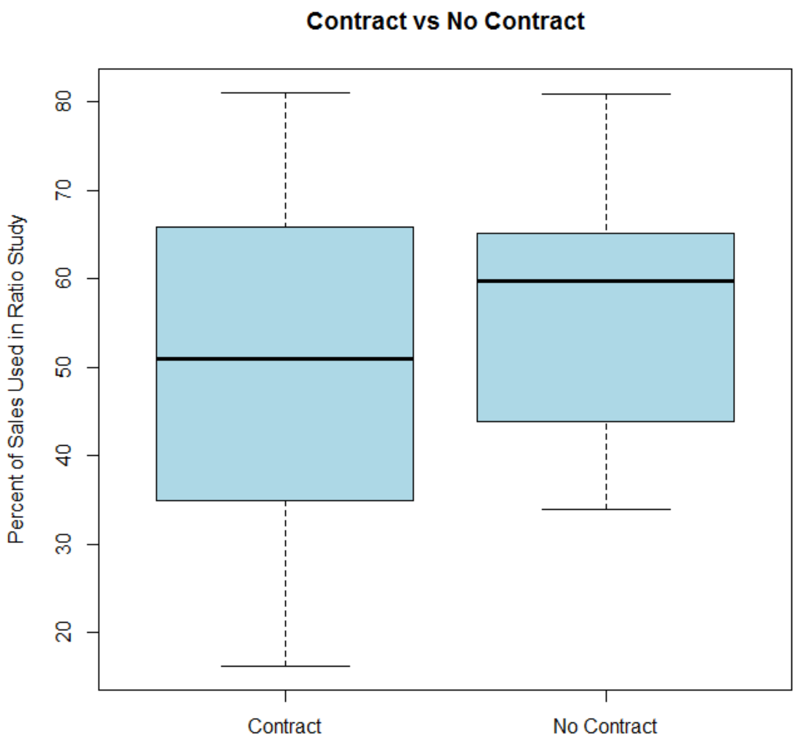
	StudySect	Grouping	Median	MedianCl	MedianCl	weighted	COD	PRD	N
2	ComImp	County	0.913	0.856	0.953	0.961	0.157	1.003	58
3	ComVac	Wea	0.844	0.844	0.844	0.844	0	1	1
4	IndImp	IndCounty	0.999	0.729	1.333	1.024	0.166	1.035	6
5	ResImp	Fairfield	0.895	0.886	0.907	0.912	0.138	1.029	848
6	ResImp	JR	0.896	0.844	0.955	0.895	0.071	1.005	17
7	ResImp	Lauramie	0.864	0.795	0.944	0.877	0.15	1.022	35
8	ResImp	Perry	0.913	0.89	0.932	0.917	0.119	1.017	202
9	ResImp	Sheffield	0.895	0.866	0.927	0.914	0.089	1.002	62
10	ResImp	Shelby	0.895	0.838	0.955	0.902	0.095	1.007	28
11	ResImp	Tippecanoe	0.895	0.886	0.91	0.9	0.085	1.007	271
12	ResImp	Union	0.897	0.881	0.923	0.91	0.102	0.986	41
13	ResImp	Wabash	0.895	0.885	0.902	0.91	0.094	1.013	543
14	ResImp	Washingtor	0.899	0.857	1.089	0.926	0.089	1.018	16
15	ResImp	Wayne	0.902	0.757	1.182	0.906	0.149	1.017	13
16	ResImp	Wea	0.898	0.89	0.906	0.913	0.111	1.011	783
17	ResVac	FairWeaShe	0.9	0.861	0.939	0.914	0.073	1.008	36
18	ResVac	Perry	0.897	0.865	1.014	0.898	0.057	1.012	11
19	ResVac	ShelJackRar	0.9	0.724	1.033	0.884	0.087	0.996	7
20	ResVac	Tippecanoe	0.945	0.936	0.945	0.923	0.064	1.022	56
21	ResVac	Union	0.939	0.883	0.963	0.938	0.046	1	26
22	ResVac	Wabash	0.915	0.833	0.943	0.905	0.096	0.993	42

If the DLGF would like to see higher median ratios, this LCM denial is counterproductive. Every IAAO guide to ratio studies includes parameters on trimming sales from ratio analysis and recommends a minimum of 90% sale inclusivity, or up to 80% in extreme cases. The DLGF trimming minimum of 35% is so absurd, broad and seemingly unenforced for trending vendors that no county's ratio studies can actually be compared in any meaningful way to each other or the cited standards. The IAAO articulates the DLGF folly:

> 5.2.2 Outlier Trimming Statistics calculated from trimmed distributions, obviously, cannot be compared to those from untrimmed distributions or interpreted in the same way. **This is especially problematic when making interjurisdictional comparisons**. For this reason, oversight agencies may wish to promulgate uniform trimming procedures, based on sound statistical principles. Regardless of the chosen procedure, trimming of outliers must not occur more than once for any sample.

In 2019 we performed extensive research to Indiana sale inclusivity and posed the results at: https://www.opensourceassessing.com/research

Reporting median ratios at 1 while removing a high percentage of sales, sometimes even the vast majority of sales, is unfortunately the preferred method to achieving compliance. Tippecanoe County is consistently in the top 5 counties in sale inclusivity and cannot be compared to ratio standards for counties using half as many (as a %) of valid sales. The ratio is more reflective of sale inclusivity than valuation competence in Indiana. All sources and data files are available at https://www.opensourceassessing.com/research but the following chart highlights the absurdity of citing median ratio goals in an environment that ignores standards on data trimming:

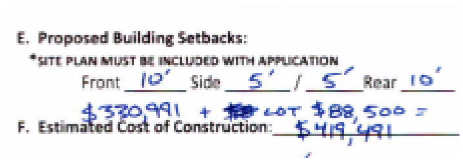


Smoking cures cancer if you delete all the data points that don't support that statement. Our goal is to achieve IAAO compliant trimming standards while maintaining level of assessment compliance. An absurdly low LCM forces cost-mandated property to be absurdly low. Using an LCM of .92 doesn't get anywhere near .9 level of assessment for any class of property in any township – mandating its use for one of our most valuable types of commercial property moves us far away from your stated goal of raising values approximately 10%. Achieving higher ratios while cutting almost 1B of apartment AV is a callous and clearly unconstitutional measure that establishes 2 lopsidedly different methods and levels of assessment while exasperating the tax burden shift to homeowners.

Additionally:

- On the LCM cost analysis schedule, the LCM factor is calculated using column L which is labeled "estimated cost." Is this the cost from the building permit or does it reflect actual cost of construction based upon information obtained from the general contractors? If this is building permit costs, we have seen times where the permit value is different than actual construction costs. For an analysis like this, actual construction costs should be used. Does the "estimated cost" column also include a land value if that was included in the permit value and that is what was used?

I have founded/owned both residential and C&I construction companies but traded in my tool belt for a church key upon being elected Assessor. So, I don't have access to "actual cost." However, permits in West Lafayette are used to drive fees. Dishonesty would be an actionable form of fraud if you believe the costs are inaccurate. The costs in column L were referred to us by the building department as being the most trusted new home costs reported that were broken down between Land and Improvements. So, this cost does not look at the acquisition cost of land, we are strictly comparing RCN to RCN of dwellings sans land. This is an example of how the costs were reported on the permit:


E. Proposed Building Setbacks:
*SITE PLAN MUST BE INCLUDED WITH APPLICATION
Front 10' Side 5' / 5' Rear 10'
$330,991 + LOT $88,500 =
F. Estimated Cost of Construction: $419,491

The land and dwelling are accounted for separately on the permit. If you would like copies of the permits, please let me know. The manual sanctions both looking at costs or using the sale of newly constructed homes:

> This can be done using techniques such as surveying residential contractors to determine actual construction costs **or by comparing the cost of residential structures built and sold on or about January 1, 2019 to the costs published in this manual.**

The latter is a more reliable approach by far because you are not relying on a conflicted 3rd party for cost data. Based on the subsequent sales, the reported cost and therefor our LCM request was significantly lower than using relevant sales including entrepreneurial profit. The cost reported by the builders, that drive their permit fees, are hard costs plus soft costs, but do not include entrepreneurial profit or change orders. Entrepreneurial profit is a vital component of a cost value to satisfy the law of substitution. It appears the DLGF has a set of standards that they are not willing to publish. For a new home with no depreciation, that sold new to its first occupant, the LCM should hypothetically make the following formula true: (RCN*LCM)+land AV = sale price. In this formula, RCN = hard costs + soft costs + entrepreneurial profits. Since most individuals are not builders, to "replace" a house would require a general contractor or developer. Consequently, entrepreneurial profits are a valid component of cost modeling because the vast majority of buyers would require a GC or developer to satisfy the law of substitution.

In using the county information, we would be accepting the quality grade factor being assigned to each of the new builds. Without physically viewing each of these properties, we would be hesitant in accepting the assigned quality grades without verification.

This seems like valid hesitation but a nonsensible reason to deny our LCM request. Grades, conditions and factors are generally inflated due to systemically low cost tables. This is a common topic at conference because it creates data integrity VS accuracy conflicts. Provenance, for example, is most likely C+/B- grade homes. We use an A grade to try to keep the factor under 200%. Can you provide insight on how you verify residential grades? The examples in the manual are from the 1960s. We have previously sent over web applications that the describe grading scheme per neighborhood. This is the link provided for Provenance:

NBHD 525 (arcgis.com)

There is a link at the bottom for grade descriptions complete with representative exterior pictures and 3D internal renderings of sample dwellings. One reason the requested LCM from Provenance is so much lower than indicated by the rest of the County's data is due to over-grading. It is nonsense to refuse a 1.39 LCM for being too high while citing reasons contributing to our LCM request being lower than reality dictates. The requested LCM is indeed the result of poor grades, due to poor cost tables, and a justification for a higher LCM. You are welcome to review these properties, but the results will support a higher LCM. Did you previously review/validate any properties submitted as part of an LCM request or accept them as listed?

The requested 1.39 LCM is being based upon the analysis of 13 new properties in the county. Basing a countywide LCM on 13 new properties in the county is questionable. The sample size would need to be much larger. Based upon the 2023 AV Pivot table report, the county had more than 97,000 Res Imp parcels.

What data is contained in the pivot table and how was it created? Tippecanoe has slightly over 49,000 improved res parcels; we have about 70K parcels total. Its not clear the purpose of the pivot table – but it is clear that it is malfunctioning.

It is questionable how low the LCM for those 13 properties is compared to the LCM computed more inline with the manual's methodology: "comparing the cost of residential structures built and sold on or about January 1, 2019 to the costs published in this manual." Using a pool of sales that represent the whole county suggests, per the manual's methodology, a median required LCM of 1.65 and an average required LCM of 1.7. A more accurate LCM calculation put the LCM much higher than requested. We requested the minimum LCM needed to maintain market value in use of legally un-trend-able properties. The statistical 1 percentile LCM, the very low range based on new home sales is 1.07; meaning based on market activity, an LCM of .92 is not even supported in the range of statistical probabilities. If you reviewed hundreds of sales, its statistically unlikely any of them would be occur at a .92 LCM – its mathematically and economically improbable. An LCM of .92 is completely detached from any market activity taking place in Tippecanoe County. To show the geographic distribution and locations of the sales analyzed, we made the following map:

RESIDENTIAL LCM CHECK (arcgis.com)

Looking around the county on this map – the sales on both sides of the river, in every township, show abysmally low LCMs. If the cost method is questionable – all other indications point to a much higher LCM. Please provide your analysis that supports an LCM less than 1. With full access to our sales file, what data does the DLGF think should be analyzed to create a fair LCM comparison?

If memory serves me correctly regarding Bartholomew County's request for a different LCM, Ginny's sales were all high C grades. Your information has grades all over the place so this could lead to a more subjective analysis rather than objective. Also, the final sales used are predominantly from the West Lafayette market which is quite different from even the Lafayette market due to Purdue's prominence in West Lafayette. This may lead to more inflated values for the county as a whole due to the dominance of West Lafayette in the sample.

Assigning a C grade is just as subjective as assigning any other grade. Did you verify that they were C grade, what if they were actually an A or B? When analyzing county-wide new home sales, the spectrum of grades will be included. I disagree that our grades are "all over the place." There is a diversity of quality, designs and materials and we assign grades accordingly. These grades are explained in terms of features, floorplans, pictures, etc in web applications that we created to demystify grading to the public. Calling everything C grade is questionable when there is a variety of qualities in the market. **Increasing the LCM will not have an impact on the overall market value based on sales.**

This comment is contradictory. In your denial, you cite what you perceive as low assessment and want to generally see an approximate 10% increase – you claimed to want to see values inflated across the board. Wouldn't that help attain your stated goal? Lafayette and W. Lafayette are in different townships so the DLGF wouldn't approve a ratio of more than 5% different than the Tippe mean between WLaf and Laf for imp residential. There is already a check in place to prevent this from happening and it has to do with value and not LCM – these are separate concepts (if the DLGF acts to maintain a market value system).

As stated earlier, we feel that we have 2 choices:

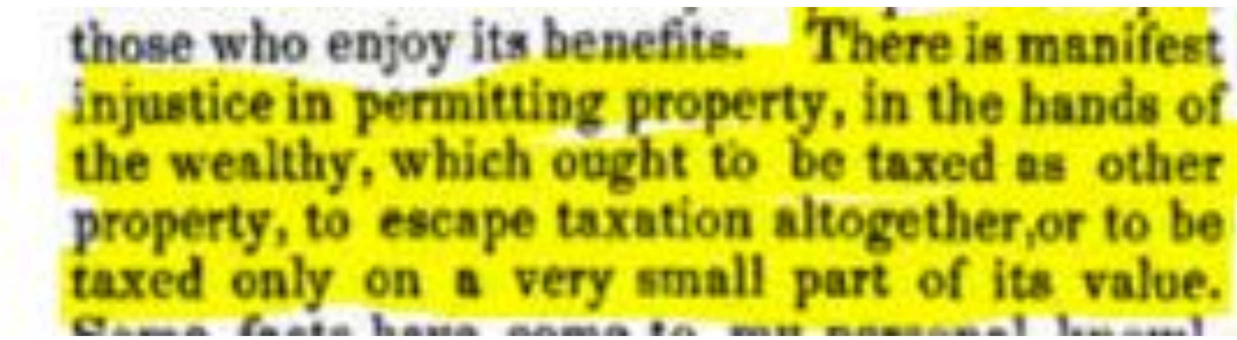
Option 1: Per new legislation and drastically outdated cost/LCM, decrease the total 5+ multifamily assessed value a total of approximately $700M. This creates an unconstitutional shift and is not appropriate per St John litigation:

> It is readily apparent that concerns about the fairness of the then current taxation system animated the adoption of Article X, section 1 with its uniformity and equality provision and its just valuation provision. The framers intended to make Indiana's property tax system fair with these new provisions.[7] The idea of fairness, however, does little to elucidate the question at hand, i.e., what judicially cognizable standards are provided in Article X, section 1.
>
> Fortunately, the answer lies in how the delegates evaluated the system then in place. They evaluated its fairness, not by any rules of assessment, but rather based on a real world understanding about what the particular property was worth. They were not concerned with whether the law in place at that time dictated the unequal assessments.[8]See id. at 950. To them, the inherent fairness of property assessments was determined with reference to real world values.[9] The Supreme Court explicitly recognized that such a real world reference is a prerequisite to a constitutionally valid property tax system. "We think the constitution requires that property, wealth, substantial values should be taxed, but not imaginary values." Florer v. Sheridan, 137 Ind. 28, 42, 36 N.E. 365, 369 (1894) (language cited with approval in St. John II, 675 N.E.2d at 325). Real world values are the opposite of "imaginary values."

Town of St. John v. BD. OF TAX COM'RS :: 1997 :: Indiana Tax Court Decisions :: Indiana Case Law :: Indiana Law :: US Law :: Justia

Option 2: to remove all trending factors and roll cost uniformly from the DLGF tables. Our ratio study would be able to utilize similar sales levels of other counties. This constitutes a fair, but steep $5.5B AV loss. This is our best option to avoid an unconstitutional burden shift – its also the death of market value in Tippecanoe. This is how we will proceed based on my oath to protect the constitution of Indiana.

The DLGFs tables can be empirically proven to be drastically low and neglected – the dictionary definition of "imaginary values." I am confident that the constitution will eventually prevail because this matter has already been litigated:


those who enjoy its benefits. There is manifest injustice in permitting property, in the hands of the wealthy, which ought to be taxed as other property, to escape taxation altogether, or to be taxed only on a very small part of its value.

Best,

Eric

From: Wood, Barry
Sent: Thursday, February 22, 2024 10:47 AM
To: Eric Grossman
Subject: RE: Tippecanoe County 2024 LCM request

Eric:

My apologies for the delay in responding.

As pointed out initially, a study for a higher LCM should include an analysis of more than 13 properties. Of the 13 sales used, 11 of the sales were from two neighborhoods. Not only are the sales primarily in West Lafayette, but the vast majority of the sales used are directly adjacent to the university. The 11 sales from West Lafayette are the highest LCMs, whereas the two sales from Lafayette are also the lowest LCM measures in your analysis. Hence, this could indicate a distortion in value due to the proximity of the improvements to the campus.

Since the LCM is applied to commercial/industrial properties, the county analysis needs to also include those type of properties, and not have it limited to 13 residential new builds. The sales used should be compared to the assessment value reflecting the replacement cost new less depreciation, and not the depreciated value. There were also sales used that are questionable, such as Habitat for Humanity sales.

I understand your frustration, as well as others, with the current cost tables. Please know that we are taking steps to update our cost tables, including a Request for Proposal (RFP) for a cost provider, as well as changing the frequency in which we update them (at least every two years). As part of the RFP process, we will be exploring the possibility of having an outside vendor review and enhance our current cost table structure. Additionally, one component of the cost tables that we expect to have in place for the January 1, 2025, assessment date is an update of the verified economic factor (VEM). The VEM updates the cost calculations to the Indiana average listed where we get the LCM information. This update would not require a full-scale cost schedule update from the Department, and could help bring the costs closer to market value.

We look forward to working with you in the future on developing an LCM for 2025 (if needed).

Barry Wood

From: Eric Grossman
Sent: Friday, February 23, 2024 10:10 AM
To: Wood, Barry
Subject: RE: Tippecanoe County 2024 LCM request

Hi Barry et al,

Apologies for the length of this email, however, I believe it is important for the parties on this email chain to understand the timeline of the LCM request, and the steps Tippecanoe took in order to meet the DLGF's standards for approval in a timely manner. For clarity, Barry's response of 2/22/24 is in black text, and my response is in blue.

As pointed out initially, a study for a higher LCM should include an analysis of more than 13 properties. Of the 13 sales used, 11 of the sales were from two neighborhoods. Not only are the sales primarily in West Lafayette, but the vast majority of the sales used are directly adjacent to the university. The 11 sales from West Lafayette are the highest LCMs, whereas the two sales from Lafayette are also the lowest LCM measures in your analysis. Hence, this could indicate a distortion in value due to the proximity of the improvements to the campus.

This discussion regarding developing what the Indiana Assessment Guidelines refers to "the most accurate" LCM (developed by the county assessor, as opposed to using the LCM developed by the DLGF) began with a phone call between several people on this e-mail chain. Barry, during this call, you claimed that only one other county has ever had a successful LCM request approved, and advised that we reach out to that county and follow their submission process. In that submission, the LCM for the entire county – residential, commercial, agricultural, and industrial parcels alike – was based on a spreadsheet listing a total of **12 residential parcels in a single development**, seen below:

State Parcel Number	Property Address	Neighborhood Name	Effective Year	Grade	WIP Land AV	WIP Impr AV	WIP Total AV	Estimated Cost	WIP IMP / Esti. Cost	Abs Dev		
03-85-02-240-000.172-005	1907 LAKECREST DR	Shadow Creek South	2019	C+2	23500	149300	172800	148000	1.01	0.01	1.00	**Median**
03-85-02-240-000.183-005	1886 LAKECREST DR	Shadow Creek South	2019	C+2	26000	146100	172100	146900	0.99	0.00	0.01	**Avg Abs Dev**
03-85-03-140-000.185-005	2407 CREEKLAND DR	Shadow Creek New	2019	C+2	29300	172600	201900	172800	1.00	0.00	1	**COD**
03-85-02-240-000.154-005	2004 SHADOW CREEK BL	Shadow Creek South	2019	C+2	23500	151000	174500	154000	0.98	0.02	1.00	**Wt. Mean**
03-85-03-140-000.187-005	2387 CREEKLAND DR	Shadow Creek New	2019	C+2	29300	191900	221200	195400	0.98	0.01	1.00	**Mean**
03-85-03-410-000.119-005	2351 CREEK BANK DR	Shadow Creek New	2019	C+2	29300	194100	223400	196900	0.99	0.01	1.00	**PRD**
03-85-03-410-000.112-005	2421 CREEK BANK DR	Shadow Creek New	2019	C+2	29300	143000	172300	145000	0.99	0.01		
03-85-02-240-000.157-005	1974 SHADOW CREEK BL	Shadow Creek South	2019	C+2	23500	139000	162500	140000	0.99	0.00		
03-85-02-230-000.165-005	2054 SHADOW CREEK BL	Shadow Creek South	2019	C+2	23500	158900	182400	159000	1.00	0.00		
03-85-02-230-000.163-005	2074 SHADOW CREEK BL	Shadow Creek South	2019	C+2	26900	113000	139900	112400	1.01	0.01		
03-85-02-240-000.150-005	2044 SHADOW CREEK BL	Shadow Creek South	2019	C+2	23500	117100	140600	115500	1.01	0.02		
03-85-02-240-000.152-005	2024 SHAWDOW CREEK	Shadow Creek South	2019	C+2	23500	117300	140800	114500	1.02	0.03		
						1793300		1800400				

Unless we are vastly mistaken, this spreadsheet and a brief, one-page narrative, was enough to justify the DLGF approving an increase in LCM.

We were skeptical of the simplicity of using a single LCM based on 12 properties where the builder told the assessor what it cost to build, and then using this factor to value all commercial, industrial, agricultural and residential properties countywide – including the entire city of Columbus, Indiana. There is no single factor that will equalize any antiquated cost table for every property type across the 180 years' cross section of year build dates for any county – the premise is unworkable. The other glaring problem here is that the cost data is reported from a conflicted 3rd party; it is not objectively verifiable. Despite these flaws, we were advised by Barry Wood to take the same approach as the other county who had gotten their own developed LCM approved. We mention these flaws in our request, and also provide our own analysis backed by the wording in the guidelines.

Sept 29, **2023:** I submitted an LCM request of 1.32 based on costs reported by the contractor for 13 properties, the vast majority in a single area, the same methodology as was previously approved by the DLGF in Bartholomew County's LCM change request. This was based **on exactly what you told us to do**. I also performed what I considered legitimate research of **861 new home sales** over several years to demonstrate that the LCM based on **countywide** residential properties was substantially higher than requested based on your advisement. We included a map so you could see that an **LCM increase was equally needed on both side of the Wabash**.

> It is vital to capture all components of the cost approach to create a value that satisfies the law of substitution and not just the material plus labor incurred by the builder. To this end, there are 861 sales of single lot, single family homes built in Tippecanoe County since 2020; these new homes have negligible physical depreciation and sold new to their first occupant. The sale price of these homes minus the land value should reconcile with the replacement cost of the improvements.

Barry immediately replied that we wait on the 2024 cost update to calculate an LCM. At this point, he is fully aware of our process and the scope and contents of our planned submission, but says nothing about his concerns or mentions commercial property. So, we wait for the DLGF update before resubmitting our LCM request.

Jan 5, 2024: We apply the DLGF cost update, recalculate all properties and update the LCM request based on comparing the new 2024 values, which showed a decline as the DLGF lowered the LCM for

Tippecanoe County to .92 from 2023's .93. Since we are comparing the same reported builder cost to the new lower DLGF cost, our LCM request increases to 1.39. **The DLGF 2024 update makes the problem worse**. We are still skeptical of Barry's advice to look at reported costs in a single area as previously approved, so we include legitimate research to show that **the true LCM needs to be at least 1.6**:

> For a new home with no depreciation, that sold new to its first occupant, the LCM should hypothetically make the following formula true: (RCN*LCM)+land AV = sale price. In this formula, RCN = hard costs + soft costs + entrepreneurial profits. Since most individuals are not builders, to "replace" a house would require a general contractor or developer. Consequently, entrepreneurial profits are a valid component of cost modeling because the vast majority of buyers would require a GC or developer to satisfy the law of substitution. I filtered the sales database to homes that were built in 2022 & 2023 that sold in 2023 to their first occupant. So, we are looking only at 2023 sales and 2024 costs for the 1/1/2024 assessment date. Based on the 98 sales that meet this criteria, applying the 2024 cost patch generates a median required LCM of 1.65 and an average LCM of 1.7 required. I've attached the descriptive statistics from the 98 sales of new construction. Based on the attached data (2024updatessalesLCM.xlsx), we are 95% confident that the true average LCM lies somewhere between 1.6 and 1.74; making it statistically clear that the current LCM of .92 is drastically low. The statistical 1 percentile GRM, the very low range based on new home sales is 1.07; meaning based on market activity, **an LCM of .92 is not supported in the range of statistical probabilities**. To show the geographic distribution and locations of the sales analyzed, we made the following map:
> RESIDENTIAL LCM CHECK (arcgis.com)

Again, we created a map with access to hundreds of new home sales for you to download, filter etc. We asked that you look at the map to see that the LCM increases was needed all over Tippecanoe.

Jan 25, 2024: Barry responds with various concerns including:

- worries about explaining how LCMs are calculated to curious tax payers
- desire for Tippecanoe to increase value approx. by 10%, in the same email mandating drastically low values for many apartments
- Various obvious problems with asking a builder what it cost to build something and comparing to an archaic cost table: not looking at a narrow group of C properties in the same place, etc.

It is unclear in this email if Barry or others at the DLGF looked at Tippecanoe's full submission for the LCM change request. No mention of anything from the narrative, any descriptive statistics, or any information gleaned from the map was mentioned. The DLGF essentially denies our request by ignoring our research, while at the same time attacking a deeply flawed approach we used **based on Barry's own request**. Again – *this same approach yielded a DLGF approval in an assessor-created LCM in a different county*. Tippecanoe used the requested approach, and applied a vast swath of additional supporting information, only to be rejected.

Eric replied highlighting that a complete look at new home sales shows the 95% confidence interval for the true median LCM. That response led to a month of silence from the DLGF before Barry's newest email.

Feb 22, 2024: Barry writes back to trash the absolutely absurd method that **he told us to use in the first place** because that what was what he approved for others, and now claims we need to use commercial properties in our analysis as well.

Since the LCM is applied to commercial/industrial properties, the county analysis needs to also include those type of properties, and not have it limited to 13 residential new builds. The sales used should be compared to the assessment value reflecting the replacement cost new less depreciation, and not the depreciated value. There were also sales used that are questionable, such as Habitat for Humanity sales.

So, at this point we have Barry Wood not only contradicting the LCM development methodology listed in the latest version of the Indiana Assessment Guidelines, which is, essentially, the Bible of any Indiana Assessor's Office, we also have a clear case of the DLGF arbitrarily applying different standards to different counties. The procedure for an assessor to develop an LCM – again, the manual states that an assessor-developed LCM is the most accurate method – does not, in either section – mention a single word about using commercial and industrial properties as part of the analysis:

This is what the manual says about LCMs in appendix C, pg 22: (https://www.in.gov/dlgf/files/2021-assessment-guidelines/Appendix-C.pdf) for the Res LCM intro, and appendix G, pg 43 for commercial (https://www.in.gov/dlgf/files/2021-assessment-guidelines/Appendix-G.pdf). The wording on both is identical.

> Location Cost Multipliers
>
> The residential cost schedules in this manual are based on the building costs for residential structures in the Indianapolis metropolitan area as of January 1, 2019. By applying these cost schedules, the assessing official is attempting to calculate the replacement cost new of a residential structure within his/her jurisdiction. Since construction costs vary from one jurisdiction to another, it shall be necessary to apply location cost multipliers to the costs published in this guideline in order to accurately reflect actual costs within his/her jurisdiction.
>
> These location cost multipliers can be determined in one of two ways. The first and most accurate method is for the county assessor to develop a location cost multiplier for his/her respective county. This can be done using techniques such as surveying residential contractors to determine actual construction costs or by comparing the cost of residential structures built and sold on or about January 1, 2019 to the costs published in this manual. The county assessor may use any acceptable technique of estimating a location cost multiplier and must submit the technique and resultant multiplier to the DLGF for review and approval prior to its application in the county.
>
> The second method, which is presented as an alternative to the preferred method, is to use the location cost multipliers listed in Table G-1 below. These multipliers have been developed by reviewing comparative cost multipliers for various Indiana localities as published in several national cost services.
>
> The location cost multiplier is to be applied to all residential improvements, not just the main structure, in order to arrive at replacement cost new. The only exception to this is with manufactured and mobile homes, they will not receive a cost multiplier, as they are typically built in a given location and delivered to various locations to be used. The proper place for applying the location cost multiplier is discussed in Chapters 3, 4 and 5 of this manual.

You'll notice the Manual's text quoted above says nothing about concerns that Barry Wood expressed to us, including:

- An LCM that is vastly different from the surrounding counties. Indeed, the manual makes the point that "construction costs vary from one jurisdiction to another," justifying a different LCMs in neighboring counties.
- Building permit costs supposedly being unreliable.
- DLGF needing to verify grades of analyzed properties.
- Analyzing properties that had a grade different than a C range, and why C range properties would supposedly be more reliable in analysis than higher grade properties.
- Submitting data from one specific area in the county, as opposed to properties from all over the county.
- Submitting data from only residential properties, as opposed to also including commercial and industrial properties.

Barry Wood told us that a handful of new houses with reported costs should be used for a county wide LCM. **We offered to do C&I as well, and you told us to focus on reported cost for residential property**. Cost new less depreciation is the exact same thing as depreciated value. Depreciated cost (or value) is the past tense of a cost (or value) that has had depreciation removed or "less depreciation." Once you remove the depreciation from the cost new, you can call the result the depreciated value. You seem to go back and forth between wanting data from only a small group of res property in a single location, while highlighting why this approach is flawed and need to be more comprehensive, while also completely ignoring Countywide LCM data based on new home sales. There is no one perfect LCM that will work for all property, so we are not criticizing Assessor Whipple for picking a "typical" area to represent all properties. She was also doing as advised by DLGF. An LCM for some is better than an LCM for none and we admire her for being an LCM trailblazer.

I understand your frustration, as well as others, with the current cost tables. Please know that we are taking steps to update our cost tables, including a Request for Proposal (RFP) for a cost provider, as well as changing the frequency in which we update them (at least every two years). As part of the RFP process, we will be exploring the possibility of having an outside vendor review and enhance our current cost table structure. Additionally, one component of the cost tables that we expect to have in place for the January 1, 2025, assessment date is an update of the verified economic factor (VEM). The VEM updates the cost calculations to the Indiana average listed where we get the LCM information. This update would not require a full-scale cost schedule update from the Department, and could help bring the costs closer to market value.

We look forward to working with you in the future on developing an LCM for 2025 (if needed).

My frustration is not with the cost tables, an inanimate object. My frustration is because we followed the advice of Barry Wood, representing the DLGF, in order to submit our LCM request in accordance with the specific way we were told to submit it and in a timely manner. In addition, we supplied an incredible amount of statistically analyzed data that proves with statistical certainty that the DLGF's LCM of .92 in not supported by any known math. So we jumped through the DLGF's hoops, but also performed valid research. **You are ignoring the comprehensive study and statistics** and are now trashing the inadequate approach that **you specified and are willing to approve for others**.

I hope it is not lost on this audience how this stall tactic got us here to the week before 3/1, when our real property values for 1/1/24 must be set and submitted to the state for approval. It is now apparent that after our first request, you had no intention of approving anything and deployed a disgraceful tactic of stalling for many weeks to return poorly contrived excuses on why you have to deny our request, even though you approved one with far less substantial evidence for another county.

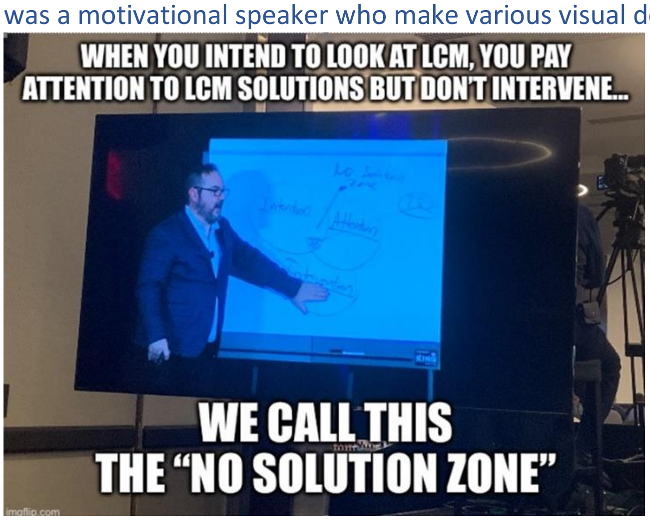
We have submitted the LCM data for new homes sales all over Tippecanoe based on, as you claim, "compared to the assessment value reflecting the replacement cost new less depreciation":
RESIDENTIAL LCM CHECK (arcgis.com)

Tell us what sales criteria you want to see, that's what we wanted to know since our call in Sept 2023. We can run LCM calcs on any grade, age, sale date, location, etc. In our first request we sent you an average LCM in each taxing district, but the DLGF failed to reply to that.

What types of commercial properties would you like to see? Staff and I are willing to make it happen for 2023 to maintain market value.

At this point, it feels like the denial of our LCM request has never been about concerns over research, and that's why you won't provide any specific criteria that you are actually willing to approve. We looked to the Indiana Assessment Guidelines for guidance in assembling our LCM data, but are now informed that there is a new set of possibly Tippecanoe-specific standards that we would need to meet in order to have "the most accurate method" of developing an LCM approved. Many changes to the manual to comply with the legal requirements necessitated by St John are in text only, and the DLGF seems to be enforcing an unwritten, ever changing standard. Will you be modifying the manual to remove to clarify this for future LCM requests?

At the last conference, there was a block of time when the only class available to assessors to attend was a motivational speaker who make various visual demonstrations of why leadership succeeds or fails:



Can you reach out to him? The DLGF has been in the No Solution Zone for cost table updates for decades. I hope my cynicism is proven wrong by a DLGF committed to a fair system based on verifiable valuation data but it’s impossible to believe the DLGF that has fought tooth and nail against market valuation principals since St John, who is complacent in mass trimming fraud, and who refuses to take one of many solutions offered to maintain market value will make accuracy a priority in 2025. This seems like the next obvious stall tactic while depriving most homeowners of basic article 10 Indiana constitutional protections.

If you are serious about an LCM based on countywide commercial, industrial and residential analysis, supply us the parameters and we will do whatever analysis you require. Are these requirements something you have readily available? **Do they even exist?**