SPECIAL ISSUE—

February, 2009

NewsLinks



APPRAISERS . CONSULTANTS

In this special issue of **NewsLinks** we depart from our customary mix of informational articles, and GPA news and happenings to focus on two services that we think are more timely than ever in today's challenging economic environment.

- Tax Assessments
- Club Advisory Program

Our Spring, 2009 issue is currently being prepared and will offer insightful articles on the following issues:

- Succession Planning
- Facilities Due Diligence
- Operations
- "Augusta Syndrome"
- The Practice Tee



Tax Assessments Pose Opportunity/Challenge

Like most appraisal firms, through the years GPA has provided valuation and expert testimony support for clients involved in ad-valorem tax assessment cases. We've worked for both taxpayers and taxing authorities with consistent success in providing reliable appraisals and litigation support, where needed. In addition, Larry Hirsh has presented lectures on the topic to golf course owners, golf associations and tax assessors groups around the nation.

2009 is likely to be a year where many clubs and golf course owners focus on their tax assessments as a way to balance budgets in challenging times. Accordingly, we feel it is a most opportune time to discuss some of the issues relevant to property taxation and how the fairness of an assessment can be calculated.

First and foremost, it is important that all taxpayers realize that a property owner cannot dispute taxes. However, you can dispute your assessment, which is typically based on the market value of the property.

In many states only real property (land and improvements) is assessed, so an adjustment must be made to the going concern value that is typically associated with golf properties, which normally trade inclusive of equipment, goodwill and other personal property. This can make a big difference, given the significant amount of personal property typically included with golf courses. With several methods of developing this adjustment, it is important to understand the impact on value as well as appropriate law guiding the valuation.

In pursuing a possible appeal, legal counsel and the appraiser must be intimately familiar with the statutory law and case law in the jurisdiction (usually state) in question. Each state may have specific requirements for the method of valuation or elements to be considered and laws in one state may contradict those in others and conflict with traditional valuation approaches.

In some states, like New York, golf courses and clubs can (and must, according to case law) be valued as golf properties. In most other states, all properties must be valued according to their highest and best use. Some states require the use of specific approaches and others preclude the use of certain approaches and valuation methods. In states having personal property tax, often the allocation of real and personal property is accomplished simply by deducting the personal property value (from the return) from the go-

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CLUB ADVISORY PROGRAM

As many of you may know, we recently introduced our **Club Advisory Program (CAP)** which is designed to provide club boards, managers and municipal owners of golf courses, as well as lenders with the finest in advisory services on either a retainer or an as-needed basis in a most cost-effective manner.

We have assembled a diverse team of experienced professionals who are ready to tackle the most complex challenges ranging from operations, management and food and beverage issues to market positioning, planning, maintenance and golf course design and facilities analysis. CAP can be structured to meet any clubs needs, either on a year-round, monthly retainer basis or a more focused approach for specific problems or challenges.

We at GPA are acutely aware of the financial challenges that nearly all clubs and golf courses face in these unprecedented times and have learned through nearly 30 years in business that a proactive approach is usually the best recipe for success. Our team combines a mix of long-time GPA professionals with extensive experience in valuation, market and feasibility analysis, development and agronomy with affiliated partners of the best in the business at operations, golf course design analysis and facilities engineering.

By engaging GPA as your "co-pilot" we promise to deliver the most timely and professional independent advice available. With a focus on the many unique challenges facing golf courses and clubs, we hope to emphasize through this program the many ways we can be of assistance and help enhance operations through expert, timely and independent advice.

To learn more, please visit our website at www.golfprop.com and click on Club Advisory or call Larry Hirsh at GPA.





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WWW.GOLFPROP.COM

Tax Assessments, (continued)

ing concern value to produce the real estate value.

Your tax assessment and an understanding of how it should be developed may be an opportunity to enhance the bottom line.

Our website at www.golfprop.com/tax has a calculator which should enable someone with some basic information to calculate whether it may be worthwhile to consider a tax assessment analysis. We welcome your calls to discuss your situation and learn more about how we can be of service.

