
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: Assessing Officials, Vendors

FROM: Barry Wood, Assessment Division Director

RE: Additional 2012 Cost Schedule Correction and Updates to 2012 Real Property Guidelines

DATE: January 17, 2012

This memo details additional corrections to the 2012 cost schedules. It also describes changes to the section on agricultural land assessment in Chapter 2 of the *2012 Real Property Guidelines*.

There are two corrections to the 2012 cost schedules: First, the values in the Fast Food Restaurant Base Cost table on page 42 have been revised to include the cost of heating and air conditioning. Second, the schedules in Appendix C have been reformatted to correct typographical errors.

There are also two updates to the section on agricultural land assessment in Chapter 2 of the *2012 Real Property Guidelines*. The first update changes the description of how the base rate is calculated to match the statutory language in IC 6-1.1-4-4.5. The second update changes the best and poorest soil Productivity Indices to match the 2012 calculations of the soil Productivity Index. A separate memo detailing the revised soil Productivity Indices will be released soon.

Barring the discovery of a significant error leading to substantially incorrect assessments, this release of the 2012 Real Property Guidelines and cost schedules will not be revised further.

Appendix G: Special Use Commercial Properties Errata

All values in the Fast Food Restaurant Base Costs table (pg. 42) have changed. These values were originally calculated without including the cost of heating and air conditioning (HVAC). The revised values include this cost.

The square foot costs for HVAC for different use types are located on pg. 239 of the 2011 *Craftsman National Building Cost Manual*. For restaurants, a cost range is given from \$14.23 to \$22.05 per square foot, with instructions to use higher costs when more heating and cooling density is required. The cost of \$22.05 was used in calculating the GCM cost schedules, and was used again here for consistency.

To add the cost of HVAC, this value (\$22.05 / square foot) was added to each base cost value in the Fast Food Restaurant Base Costs table. The sum was then reduced by the 30% commercial market adjustment factor. As a result, every base rate increased by \$15.44 per square foot (± 0.01 on some interpolated rates due to rounding).

A PDF document containing the Appendix G errata page accompanies this memo. The page has the footer “Errata: January 17, 2012” to note the date of correction. To apply the correction, replace the existing page in Appendix G with the errata page.

Appendix C: Residential Cost Schedules Reformatting

All pages of Appendix C: Residential Cost Schedules have been reformatted to correct typographical errors. Most of these errors were misspellings or text that was not aligned correctly. Two formatting errors deserve special comment:

- **Schedule F: Quality Grade and Design Factor:** The initial release of this schedule did not include grades “D” and “D+1”. This was a typographical error. The 2012 Real Property Rule was approved with this error, which required the Department to work with the Attorney General’s office to correct the Indiana Register and Indiana Administrative code. This has been done, and the updated Appendix C release has the corrected Schedule F.
- **Page Numbering:** Beginning on page 7, all page numbers of the initial Appendix C release are incorrect by one digit. This was due to an error in formatting the Percent Completion table at the bottom of page 5, which led to an extra page being inserted between pages 5 and 6. The updated Appendix C release has the corrected page numbers.

The updated Appendix C is included as an attachment with this memo.

The updated Appendix C contains the December 22, 2011 errata to Schedule A: Dwelling Base Prices. **No other values have been changed from the initial release.** Each page has the footer “Errata: January 17, 2012” to note the date of correction.

This update to Appendix C is provided for your convenience. The initial release of Appendix C with the December 22, 2011 errata may be used instead with corrections by hand to the page numbers if so desired.

Real Property Guidelines Chapter 2: Agricultural Land Base Rate Value and Soil ID Type Range

There are two changes to the Chapter 2 of the 2012 Real Property Guidelines. Both changes revise the section on agricultural land assessment to match current legislation and data.

First, the section titled Agricultural Land Base Rate Value on pages 77 - 78 has been superseded by statute. This section defines the current agricultural base rate as the average of the base rates from 2004 - 2009. In 2011, the General Assembly changed this calculation to exclude the

highest base rate from 2004 - 2009 . This change is codified in IC 6-1.1-4-4.5, which should be referred to instead of the description on pages 77 - 78.

Because of this change, Table 2-18 on page 78 that details the input values for the 2012 base rate shall remain incomplete. These input values and additional details on the calculation of the 2012 base rate can be found in the December 30, 2011 Department memo “Certification of Agricultural Land Base Rate for Assessment Year 2012” (see [http://www.in.gov/dlgf/files/111230 - Certification Letter - 2012 Agricultural Land Base Rate.pdf](http://www.in.gov/dlgf/files/111230_-_Certification_Letter_-_2012_Agricultural_Land_Base_Rate.pdf)).

Second, page 96 of this chapter states that:

The best soil in the state has a productivity factor of approximately 1.28; the poorest soil has a productivity factor of .50.

These values have been revised for the 2012 Productivity Index calculations. The best soil productivity in the state is now approximately 1.66, while the poorest remains 0.50.

No Additional Corrections

Barring the discovery of a significant error that would result in substantially incorrect assessments, this release of the 2012 Real Property Guideline and cost schedules will not be revised further. Please submit any suggested corrections to the Department for inclusion in future releases.

Questions on this memo may be directed to Barry Wood, Assessment Division Director, at bwood@dlgf.in.gov or 317.232.3762, or David Schwab, Senior Statistician/Application Systems Analyst, at dschwab@dlgf.in.gov or 317.234.5861.