

September 25, 2025

Matthew T. Joe, Esq.
Holland & Knight
1180 W. Peachtree St, Suite 1800
Atlanta, GA 30309
by email to matthew.joe@hklaw.com

Re: *OmniTRAX / Savannah Industrial Development, LLC real
estate in Effingham County*

Dear Mr. Joe:

In response to your letter of August 8, 2025 regarding the referenced property, and in the event that letter was intended as an appeal, the Board of Tax Assessors of Effingham County is issuing a “no change” decision and notice, enclosed herewith. This determination is based at least in part on the Board’s prior correspondence to your client and on the conclusion that all legally significant indicia of ownership remain with Savannah Industrial Development, LLC (referred to herein also as the presumed parent company “OmniTRAX”). The form of ownership may have been left in the Effingham County Industrial Development Authority, but all of the substance of ownership is in OmniTRAX.

More generally, regarding the public good argument you reference, the deal at issue does not appear to promote the public good given the significant attempted tax shelter contrasted with the small public benefit. Courts often look past the form of a transaction to its economic substance, and claims of exemption must be proved by the taxpayer. If the development authority holds only a bare legal title in the property records room, while a private entity enjoys all the real and substantive benefits and costs of ownership, the property should be treated as privately owned and taxable. But as before, we would welcome any documents you can provide that show differently than what we have available so far.

As your letter notes, we relied in part on case law addressing

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tenancies, because that is the underlying relationship in most of the cases addressing these ownership issues. But the general laws they set forth can be applied to other contractual relationships. To quote my prior letter, “[m]ost of the caselaw involves agreements styled as some sort of leaseback, not styled as a principal-agent agreement, but the holdings concern the level of total control, and that is what’s important.”

You also raised an argument that OmniTRAX isn’t the actual owner because it owes a fiduciary duty to the Development Authority, does not possess land for its own business purposes, and has no right of quiet enjoyment. You contend that the Development Authority retains “full control and access.” But Article 3 of the Agreement, at least the one of which we have a copy, shows that “... no fiduciary relationship between OmniTRAX and ECIDA exists...” and that OmniTRAX has “... free and unfettered access to the Land for all purposes....” The Development Authority does not guarantee a right of quiet enjoyment using those words—instead, the Agreement assigns to OmniTRAX all of the rights embodied by a right of quiet enjoyment. These include the right to sell, lease, or encumber the land up to any dollar amount it wishes, to build or tear down whatever it wants on the land, to receive all insurance proceeds related to the land, to seek rezoning and otherwise obtain entitlements on the land, to sub-divide the land, make agreements about the land, to exercise all the rights the Development Authority might otherwise have in the land, to sell land to itself at a price it decides upon, and on and on.

In payment for all of these rights in the land, OmniTRAX pays the Development Authority, though not much, when land is sold or leased by OmniTRAX to other businesses.

You mention that the College Park “Parcel Design, Development and Operating Agreement” in 2008 was found not to create a taxable property interest, despite more lease-like traits. This presumably was part of a bond validation proceeding, which didn’t occur here and at any . I also saw that project had a PILOT agreement in place

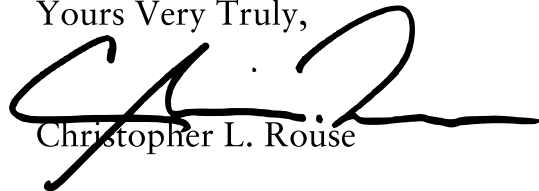
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(apparently calling for payment of something more than zero dollars).

You mention that the Agreement calls for the Development Authority to indemnify and otherwise “backstop” OmniTRAX’s tax liability. There is nothing in Georgia law that allows for tax exemption just because a Development Authority signs an indemnification agreement. And while administrative taxability decisions are not a forum for public policy arguments, taking so much private property off the tax rolls, for so little benefit, for so long, seems like poor policy and not a public purpose.

Your letter to me did not contain any documents beyond the letter itself, so I assume there are no documents you are relying on to show a lesser level of control. We are concerned that we don’t have all the relevant documents—I will follow up with a subpoena to get and review relevant documents.

Yours Very Truly,

A handwritten signature in black ink, appearing to read "C. L. Rouse", written over the printed name.

Christopher L. Rouse

CLR/s

cc: Neal Groover (by email)
Christopher L. Murphy, Esq.