

BOARD OF ASSESSORS MEETING
OFFICIAL MINUTES
April 15, 2011

CALL TO ORDER: Chairman George Longfellow called the meeting to order at 2:31 PM.

PRESENT: George Longfellow, Jim Levesque, Daniel Paradis, Todd Haywood (Town Assessor).

1. Administrative Matter of impending Tax Abatements

Windsor Terrace Map 18 Lot 14-35

Windsor Terrace is a 2008 tax appeal that is going to be heard before the Board of Land and Tax Appeals on May 3rd. The Town has to have all of its submissions out two weeks prior to the hearing which would mean by Tuesday. That is why we are meeting today and could not wait until April 20th our next scheduled meeting. The assessor gave the floor to Patrick Bigg and Bob Lisk of Commercial property Tax Management who represent the tax payer.

Bob Lisk stated that the valuations were submitted and some preliminary valuations CPTM had been received from an outside appraiser in preparation to go to hearing and Todd had mentioned he had spoken with Steve Traub as an expert on behalf of the town. He thought it would make sense for both parties to look a resolution.

The original valuation summary presented to the town had a market value of just under \$13 million. Utilizing the Town's ratio, it would have an equalized value \$12,058,420. The 2008 year was an update year for the Town when this value \$13,925,300 became the assessed value. Utilizing the ratio, the value would be in excess of 14.5 million for market value. The difference is substantial between \$12 million and \$14.5. A third party appraiser CPTM spoke with came up with an indicated preliminary value range between \$11.1 and \$11.4 million. Parameters of the report included an 8% overall capitalization rate, a market rent of \$1160 per unit per month, a vacancy and collection loss or an occupancy level for the property of 93% at the time property was operating at 91%. A \$980,000 reduction as a compromise would resolve this case.

Todd Haywood, Town Assessor, stated 2008 was year of our revaluation and our ratio came in at 92.9% . Assessments were less than market value. In 2009 the ratio was 101.2% almost same as market value in theory. In 2010 the ratio was 103.4% Being 7.5 below market value in 2008 definitely affects the town's position because if stated \$13.9 is market value then minus 8% would bring the assessed value to \$12,936,000. 2009 & 2010 are going to heard in Superior Court. This is in the hands of the BTLA. The Town Council has ordered a single property appraisal from Steve Traub, the Town's commercial appraiser, mainly for 2009 & 2010. Nothing was ordered for 2008 because we have the manual from the revaluation and is going to use that to support our case. Steve Traub will be there to testify. The worksheet filed with the appeal breaks out the income and expense and the cap rates. The Town assessment is \$13,925,300 as opposed to their analysis of \$11.2 million CPTM is proposing \$1,292,000 reduction to settle the case. This reduction would affect \$20,000 in cash for 2008. Abatement would come out of the current overlay. If you over expend your overlay, it comes out of fund balance. The Assessor stated that this should not be the reason

that determines your decision. The Assessor is defending a market value of \$12.9 million after applying the equalization ratio. On a per unit basis with 134 units, the Town's value would be \$103,000 per unit. Taxpayer claims this settlement would bring \$96,300 per unit from a market perspective. Using the income approach, the Assessor stated at 34% expenses value would be \$13 million and 45 % expenses the value would be \$11.2 million. These numbers indicate a value of \$96,700 per unit.

Jim Levesque made a motion to enter into nonpublic session under RSA91-A:II(c) at 2:50PM.. Daniel Paradis seconded the motion. The motion carried unanimous.

James Levesque made a motion to come out of nonpublic session at 3:01PM. Daniel Paradis Seconded the motion. The motion carried unanimous.

Daniel Paradis made an offer of \$13.2 million which the Board felt was fair and equitable. It indicates a 14.2 million market value. The taxpayer representative said if the Town reduced the assessed value by 988,400, he would get the client to waive the interest. Daniel Paradis made a motion to revise the assessment to 12,980,000 with interest waived. Jim Levesque seconded the motion. The motion carried unanimous.

Customer Perspectives

Map 24 Lot 29-1

The Assessor received a settlement proposal from Bob Mongan of Mongan Appraisals representing Customer Perspectives at 213 West River Road. The tax representative stated any amount under 300000 would make the case go away. He hasn't given the Board anything to go on. No comparable market leases, no sales, no comparable properties have been provided. Basically he is going on a market lease based on \$9 sq. ft. It is a 2200 sq. above ground and 2100 office space basement finished. He's not considering the office space in basement. Taking his number at triple net which means the tenant pays everything, we should be considering. Using Mr. Mongan's numbers, at \$9 sq. ft. times 4300 sq. ft. would equal \$39,000 a yr. The DRA sets up a cap rate annually for low income housing tax credit. Using DRA's cap rate, the assessed value would be \$600,000. After considering the effective tax rate, a value of \$440,000 would still be the result.

The assessor asked the Board if they wanted to settle or deny and go to BTLA. The Board can authorize him to settle that day of hearing. The Board must give him a range to work with and possibly settle if it is agreed that no appeal until next revaluation. Assessor filed for dismissal today.

Next Wednesday's meeting has been canceled.

ADJOURNMENT

Daniel Paradis made a motion to adjourn at 3:22 PM. James Levesque seconded the motion. The motion carried unanimous.

Respectfully Submitted,

Elayne Pierson
Assessing Clerk