

MINUTES

Thursday, September 6, 2018 at 5:30 pm

Town of Springfield - Board of Tax Appeals

Selectmen's Hall - 96 Main Street - Third Floor

Board of Civil Authority Members Present:

Alice Emmons
Warren Cross
Scott Farr
Mark Greenvall
Cynthia Martin
Elizabeth Gray
Ernest Lamphere
Kathleen Stankevich
Tom Hall
Stephen Matush
Kristi Morris
Chuck Gregory
David Yesman
John Stettner
Peter MacGillivray
Michael Martin
Walter Martone
Barbara A. Courchesne, Town Clerk

Others:

Maxine Aldrich, Assistant Town Clerk
Nichole Knight, Assessor
Terry Perkins, Lister
Bill Krajeski, Town's Appraiser

1. Call to Order

The continuation of the August 30, 2018 meeting was called to order at 5:30 pm by Ernest Lamphere, Chairman.

Appeal: Roger Wheeler, 387 South Street Chairman Lamphere advised the Board that Roger Wheeler withdrew his tax appeal.

Chairman Lamphere reminded the Board of the requirements of the inspection committees. Barbara Courchesne explained to the Board the package that each Appellant gets by certified mail includes Notice of Hearings, Board of Civil Authority Property Tax Assessment Appeal Hearings, Are You Appealing? produced by the Vermont Institute for Government, and Board of Civil Authority Rules of Procedure.

2. Swearing in of Board:

The Board was reminded that they are still under oath. Peter MacGillivray was sworn in by the Clerk.

3. Tax Appeals

Appeal 18-18: Crown Point Country Club, 920 Brook Road, Parcel #002/1/27

Appellant George Lamb, Treasurer and Director of Crown Point Country Club, Lister Terry Perkins, Assessor Nichole Knight and Town's Appraiser Bill Krajieski were sworn in by Clerk. Chairman Lamphere read aloud Appellant's letter requesting tax appeal. Copies of Appellant's letter and additional evidence and Listers' evidence were distributed.

George Lamb stated Crown Point Country Club was incorporated in 1953 and is recognized by the IRS as a tax exempt corporation. It is run by a 9-person Board of Trustees, all of whom are volunteers. He stated it is a land rich, cash poor organization. He referred the Board to his evidence of a 2011 appraisal done in connection with a refinance and financial information provided. He stated they have 189.2 acres in two towns: 103+ acres in Springfield. Mr. Lamb went on to explain Crown Point's role as an integral part of the community.

Town's Appraiser Bill Krajieski asked if the assessed value in Weathersfield was \$405,700. Mr. Lamb stated he believed so but it would be confirmed. Barbara Courchesne asked Appellant what part of the appraisal they are disputing. George Lamb stated the clubhouse was built in 1989, it is all original materials. He asked the Board to consider appraising it on the income approach as opposed to fair market value. He stated the condition of the golf course affects the overall appraisal value, and that it is not in the condition it was even in 2011 when the appraisal was done. He stated their ground crew is about half. David Yesman asked if the Listers had considered the request to assess by income approach rather than by real estate. Bill Krajieski stated that the value from the income approach is \$1,079,750. David Yesman confirmed the real estate assessment is \$1,147,000. Mr. Krajieski stated it is pretty close so it is supportive of the assessment. George Lamb stated that the figures used from 2016 included a one-time sale of approximately 36 acres of land in the Town of Weathersfield.

Bill Krajieski read his report describing the property, 9 holes in Springfield and 9 holes in Weathersfield. He stated the clubhouse is in Springfield. Mr. Krajieski stated he obtained value from Weathersfield and determined that if he removed the clubhouse, Springfield's value for the land was close, but Weathersfield appraisal was done about 5 years ago. He discussed the one comparable in St. Johnsbury. He stated the Listers only saw the 2016 income tax return: he did not see how the expenses were enumerated.

George Lamb restated the one-time sale of 36 acres and stated the income has dropped considerably since 2015-2016. Michael Martin questioned the income approach using the one-time sale, and would it be fairer if using the \$17,000 to \$20,000. Mr. Krajieski stated it would be fairer to break down exactly what expenses were included.

Chairman Lamphere advised Appellant that a 3-person inspection committee would contact the Appellant and visit the property.

Kristi Morris, Scott Farr and Charles Gregory entered the meeting.

Appeal 18-20: Paul and Patricia Healy, 651 Greeley Road, Parcel #007/1/18

Appellant Paul Healy, Lister Terry Perkins, Assessor Nichole Knight and Town's Appraiser Bill Krajieski were sworn in by Clerk. Chairman Lamphere read aloud Appellant's letter requesting tax appeal. Copies of Appellant's letter and Listers' evidence were distributed.

Appellant referred to his additional evidence, a second letter, which was copied and distributed. Chairman Lamphere read the second letter aloud.

Mr. Healy discussed the properties he listed as comparables. He asked the distinction between a pole barn and an arena. Mr. Healy stated he cannot refinance the property conventionally for several reasons, one is that they can't comp it.

Town's Appraiser Bill Krajieski stated the old assessment was not used to establish the new assessment. He stated costs have gone up, land prices have gone up, establishing a fair market value as of April 1, 2018. He stated one of the areas in Springfield that continue to hold value is with large acreage. Mr. Krajieski stated it is a beautiful and unique property. He stated the pole barn is an open structure compared to the other arenas in the area which are enclosed.

Mr. Healy stated the property is in Upper Valley Land Trust and he is heavily restricted as to what it can be used for.

Mr. Krajieski stated the house is on the market for \$695,000. He listed the comparable sales: 315 Parker Hill Road sold March 2018 for \$850,000, 159 acres compared to Appellant's 68 acres, and substantial old Colonial style house, with adjustments made for these differences; and 1065 Eureka Road sold October 12, 2017 for \$375,000, larger acreage with 146 acres but a much lesser home. Mr. Krajieski discussed the adjustments made to the comparables. Mr. Krajieski stated that if the land is not subdivided, it is one house lot. He stated there are many properties subject to development rights and he hadn't seen any evidence of diminished value. He stated there is no pressure in Springfield to subdivide property.

Chairman Lamphere advised Appellant that a 3-person inspection committee would contact the Appellant and visit the property.

Appeal 18-21: One Hundred River Street LLC, 100 River Street, Parcel #023/1/25

John Meekham, representative for One Hundred River Street LLC, Lister Terry Perkins, Assessor Nichole Knight and Town's Appraiser Bill Krajieski were sworn in by Clerk. Chairman Lamphere read aloud Appellant's letter requesting tax appeal. Copies of Appellant's letter and evidence and Listers' evidence were distributed.

Mr. Meekham stated the property is currently under evaluation by the EPA. He stated it is a unique property as it is a mixed use property in the middle of town. He stated it has been difficult to lease out because of its location and because of what it is. He stated there is currently approximately 45,000 square feet of leased space with a remaining 100,000 square feet to occupy. He explained a couple of the tenants do not pay rent, they are new businesses.

Town's Appraiser Bill Krajieski stated there are no comparables. He stated he used the statement provided and came up with a net income of \$190,013. The income assessment equals \$1.7 million on this building. He stated this was a unique issue, there is an enormous amount of vacant space but has value. He stated the income approach doesn't assign a value to vacant space. He explained he took the \$1,727,400 divided by 40,000 square feet and assigned \$43.18 per square foot. He stated there is 25% incomplete area which he assigned \$10 per square foot for \$1.2 million on remaining space, which nets \$2,927,400, which is less than what is on it right now at \$3.67 million.

Mr. Meekham stated there is 1 acre of property in a basement that he doesn't know if they can even use as storage because of fire codes. He stated 43,000 square feet should be taken out of the calculation.

Scott Farr asked if this is similar strategy used by the appraisers in other towns for similar old factory warehouses. Mr. Krajieski answered yes they deal with it a lot by looking at potential and then backing out to what it is right now. Mr. Krajieski stated fit up is close to 75%. Walter Martone asked if the appraisers saw the 43,000 square feet. Mr. Krajieski could not remember seeing the basement. Kristi Morris questioned the agreement made by former Town Manager, Robert Forguites. Mr. Krajieski said they could not find any written documentation.

Chairman Lamphere advised Appellant that a 3-person inspection committee would contact the Appellant and visit the property.

Barbara Courchesne stated that properties representing significant value to the Town require more than 3 people visit. What does Mr. Krajieski think the percentage is of this property to the whole grand list? Mr. Krajieski stated he didn't think it was significant.

The following inspection committees were appointed:

Appeal 18-18 John Stettner, Tom Hall and Stephen Matush

Appeal 18-20 Michael Martin, Kristi Morris and Warren Cross

Appeal 18-21 John Stettner, Michael Martin, Elizabeth Gray and Peter MacGillivray

4. Inspections/Decisions from August 9, 2018 and August 30, 2018 hearings

Appeal 18-12: TEMKO, Inc., 76 Hartness Avenue, Parcel #027/4/38

Cynthia Martin and David Yesman left the meeting. Walter Martone read the Tax Appeal Decision. The committee determined the total square footage for the different uses for the two buildings on the property was different than what was used by the Listers. The committee determined the additional evidence was incomplete and an updated income analysis would not be verifiable. The appraisal was recalculated using the new square footage data and resulted in a value of \$314,300. The Board decides the value is \$314,300.

MOTION: Mark Greenvall moved to accept the decision; Warren Cross seconded. No discussion. Motion passed.

5. Public Comment:

None.

John Stettner moved to recess; Elizabeth Gray seconded. At 7:30 pm, the meeting was recessed until September 13, 2018 at 5:30 pm.

Respectfully submitted,


Maxine M. Aldrich
Assistant Town Clerk