

DRAFT MINUTES OF THE NORWICH BOARD OF CIVIL AUTHORITY
JULY 25, 2016

The meeting was called to order at 6:35PM.

Members Present: Selectboard: Ashley and Flanders. JP: Campbell, Ciccotelli, Dean, Gray, Johnson, Rotman and Smith. Town Clerk: Munday

The Board is meeting to hear the appeals of:

John Pepper, 95 Elm Street, Norwich, VT 05055 Parcel ID# 20-308.000.

Scott McGee testified for the appellant. The basis of their appeal is that the Assessors increased this property more than 25% based on a recent sale. They feel that this was a selective assessment and feel that they had been singled out.

Most of the assessments in Town had gone up about 7%, properties on Main Street increased higher at 12 to 13%. They are will to accept the average increase which would be about ½ of the increase they are currently seeing.

Another concern is the amount of highway noise that comes from the Interstate; they did not realize the severity of this noise and feel that this would also add to a reduction in their assessment.

Bill Krajieski testified for the Listers. Krajieski testified that this house meets the criteria that would put it at a grade A1 level. This is a change from B+ to A-. All of the properties were raised on Elm Street due to being under assessed. The land values on Elm Street went up.

Krajieski noted that this year was a Town Wide Reappraisal and that using sales is a part of determining the value of the property and for this reason they feel that this property was selectively reappraised for the value placed upon it.

Johnson moved seconded by Flanders to close this hearing. The hearing closed at 7:05 PM.

An inspection committee was set up to see the property on Thursday, July 28, 2016 at 9:00 AM. Inspection Committee consists of Ciccotelli, Dean and Smith.

William E. Drake Revocable Trust, 221 US Route 5 South, Norwich, VT 05055 Parcel 15-071.000.

Mr. Drake is appealing the assessment of both the land and the building. He stated that there is a factual error in the foundation that states his building is on a slab when in fact the foundation is made of wood and there is a poured concrete floor in the basement. The building was built by Northern Energy Homes and is beginning to show its age. The building has steep sloped roofs and when measuring for floor space they are including unusable space. The assessors measure 4,435 of square footage space while 2,500 square feet of this space cannot be used. There is some common space that they do share.

Drake submitted a two year income statement showing that in 2015 they netted \$8,313 while in 2014 they show a loss of \$3,262.

Drake is also question the land values placed on his property which is \$270,500 which equals out to 135,000 per acre. The front half of the property is located on wetlands which they will not be able to use as commercial property. The land next door the land value is \$42,000 per acre.

Krajesky testified that there are no good comparable properties to use for this property. They used the building space as if were empty and value the potential use of the property. Krajesky noted that in using the cost approach items like property taxes and mortgage depreciation are not used as an expense and that maintenance and plowing would be used as an expense. Krajesky also noted that the common space/ lobby areas should be included in the rents that are received.

Krajeski did not address the land value question as he did not have knowledge at this time about it.

A motion made by Flanders seconded by Rotman to close this hearing. Motion passed with a vote of seven yes and three no. Hearing closed at 7:50 PM.

An inspection committee consisting of: Flanders, Ashley and Campbell to see the property on July 27, 2016 at 9:00 AM.

Sudlow LLC, 312 Main Street, Norwich, VT 05055 Parcel 20-229.000.

Bruce McLaughry testified for Sudlow LLC based on three different methods, the income approach, comparable assessment approach and comparable market approach.

In 1990 The Norwich Nursery school approached him needing space for the school. They went through the permitting process and the School occupies about 55% of the building. This leaves 2 office spaces that they rent.

This whole building was constructed at the same time in 1991 by the same contractor using the same carpeting and laminate flooring throughout the building.

Mr. McLaughry feels that this space has been singled out and using the cost analysis it seems that the per square cost equals \$291.00/square foot adjusted to \$264,000/square foot.

When comparing to properties that are commercial in the immediate area, the Norwich Nursery School (which is in the same building) the square foot depreciated price is 109/101. Cheryl Herrmann 's building at 306 Main Street is 110.00/square foot, Fraser Property (LB Jones House) 107 in back and 97/square foot in front. The bank which is property that McLaughry also owns is 102/square foot.

Mr. McLaughry would like to see a value of the Nursery School to remain the same while adjusting the value of unite E1 and E2 to a value of \$163,800.

Krajeski feels that in the examples McLaughry used is the cost of the building space only and does not include land space. In using the income approach is the best approach and that using property taxes as an expense is not an expense that the IAAO supports.

Krajeski does acknowledge that the Norwich Nursery School should be reassessed as he feels that the Assessors do not have the assessment on this space.

Krajeski also noted that this is considered Condo space and not commercial property.

Flanders moved seconded by Rotman to close this hearing, motion passed. Hearing closed at 8:30 pm.

An inspection committee consisting of Johnson, Gray and Smith will inspect the property on July 26, 2016 at 3:30.

Ted and Martha Austin, 1616 Beaver Meadow Rd., Norwich, VT 03-054.210.

Mrs. Austin stated that their house has been on the market for one and a half years at \$729,000 and this is the reason their property assessment has increased.

They feel that when they placed the house on the market they were given poor advice from a Real Estate agent.

Compared to other properties the increases around them only increased about three to five percent while they received a fifteen and a half percent increase.

Since the original listing of the property they have dropped the asking price to \$639,000 and using the same increase percent based on last years' assessment of \$574,000 of six percent as in other properties that would leave them with an assessed value of approximately \$609,000. They would like to see a value between \$590,000 - \$600,000 placed on their property.

Krajeski spoke for the Assessors stating that he would not argue the information presented and leaves the value of this property up to the BCA.

Flanders moved seconded by Rotman to close this hearing. Motion passed hearing closed at 8:35.

An inspection committee consisting of Gray, Dean and Ciccotelli with inspect the property on July 29, 2016 at 4:00 PM.

Parker House Associates LLC and Beaver Meadow Ventures LLC, 8 Beaver Meadow Rd, Norwich, Parcel 20-121.000.

Henry Scheier spoke for this appeal. Scheier wanted to be clear that there are two separate owners for this property and although he is speaking for both he is a member of the Beaver Meadow Ventures LLC.

Scheier wanted to be clear that the top floor belongs to Parker House Associates LLC and that it is a law firm that takes up the whole space and does not rent space out.

Scheier believes that the income approach would be best for the units downstairs. Each entity pays ½ of the operating space even though they do not lease out space on the second and third floor.

The building has seen an increase of 11.4% since last years' assessment. There have been no improvements to the property although there were \$60,000 in repairs such as adding insulation, windows and siding and upgrading the back parking lot. Scheier does not believe that the Assessors calculated a sixty-six per expense when assessing this property.

Part of the space downstairs is an annex and two people rent this space even though they are never there. They are trying to fix the roof and provide better heat. This is twenty five percent of the space rented downstairs. There are two other offices downstairs.

There are no comparable sales for this property although the property located across the street located at 11 Beaver Meadow Road has a value of \$500,000. This structure was rebuilt in 2011 so in using this structure against theirs they would have to adjust the age from a 1785 structure to a 2011 structure.

The building was purchased in 2007 with each owner paying \$230,000 totaling a purchase price of \$460,000. They agree that the assessed value should be raised but not by eleven percent. They would like to see a value placed from \$575,000 to \$600,000.

Krajeski stated that the building is commercial and they would assess the potential of the space.

11 Beaver Meadow would be a comparable although 1900 square feet smaller is did sell in 2011 for \$500,000 after renovation.

Krajeski also stated that property taxes should not be included in the expense report as an expense.

Rotman moved seconded by Flanders to close this hearing. Motion passed. Hearing closed at 9:15 PM.

An inspection committee consisting of Ashley, Gray and Johnson will inspect the property on August 1, 2016 at 11:00 AM.

B. Justin Krawitt, 752 Bragg Hill Rd., Norwich, VT Parcel 10-009.000.

Krawitt spoke referring to his letter saying that he feels his property is not worth the \$1,063,100 value the listers placed on this property. Based upon other houses that are of similar size, the square foot value is \$265,000/square foot. When comparing to similar sales 207 Willey Hill Road is the only property valued at \$267,000/square foot. Other properties that have sold he was able to go into and look around their houses and feels he is not assessed properly. They have higher end properties, finishing's with addition features that his home do not have. Such as pools, heated workshops, ponds, in- law suites etc.

Since their purchase they have found unsupported flooring, mold in the basement, (this was supposed to be an in-law apartment that they had to tear down due to mold.) Wiring that was not completed, unfinished space, and two chimneys that do not work. This is a restricted lot that cannot be subdivided down the road.

Krawitt stated that there is not a shed on the property, the back side of the house is not painted and he feels that he cannot sell the property for what he paid for the property.

Krajeski spoke saying that this was a B grade house and they used three comparable properties although smaller.

The home has forced hot air and has average to good finishing's. There is a two car attached garage with finished space above it.

The home is unfinished with some trim and flooring to be complete. Krajeski did note that when inspecting the house he did note there is a point where the floor was not connected.

Flanders made a motion seconded by Johnson to close this hearing. Motion passed hearing closed at 10:00 PM.

An inspection committee consisting of Flanders, Johnson and Gray will inspect the property on August 1, 2016 at 9:30 AM.

A motion to adjourn was made. Motion passed.

Meeting adjourned at 10:10 PM.

Respectfully Submitted,

Bonnie Munday,
Norwich Town Clerk