

**Minutes of the Board of Assessors
Meeting of January 11, 2007**

A meeting of the Board of Assessors was held on Thursday, January 11, 2007 in the Auditorium at City Hall. The meeting was called to order at 8:03 AM by Chair, Marylou Blaisdell.

Members Present

Marylou Blaisdell

Kevin Moriarty

Dominic D'Antoni

Assessing Staff Present

Robert Lakeman

Douglas Dame

Angelo Marino

Gary Turgiss

Louise Brown

Becky Schrader

Cheryl Walley

Minutes of the Meeting:

Minutes for the meeting held on December 14, 2006 were approved unanimously.

Abatement Requests Presented:

Approvals/denials are available in the Assessor's Office.

Appointments: 8:15 Mr. Paul Levesque, Regarding Acct. #20580, Property located at 1081 West Hollis Street
Following Commercial Appraiser Douglas Dame's presentation of the agreed upon settlement agreement, the Board invited Mr. Levesque to speak to the Board and advised him they have read the material they received. Mr. Levesque advised the Board that he had come back from a tour of duty in Iraq and found that his property tax bill had gone up 250% with no justification why. He advised he asked questions but got no honest, straight answers. He filed an abatement and it was denied so he had to go to court where the case is still pending. He said he researched but did not see any comparable sales. Most had structures or different zoning. This property has been in his family since early 1900's and he has no intention of developing it, however he cannot guarantee that. Because he lives in the community he knows the school system is already overburdened and there are also many infrastructure changes. He explained that he was hoping for more of a reduction, possibly reducing his assessment by \$250,000. Chair Marylou Blaisdell clarified that Mr. Levesque feels that his 2006 assessment of \$695,000 should be reduced by \$250,000 to bring it down to \$445,000. Mr. Levesque confirmed that is what he feels. Mr. Dominic D'Antoni asked Mr. Levesque if he has ever considered putting this 20-acre lot in current use noting that the market value indicates the assessment is fair. He continued saying that what Mr. Levesque is concerned about is tax dollars so if he wants that lowered and he is sincere about never wanting to develop the property, to protect himself, Mr. D'Antoni strongly recommends putting the property in current use. Chair Blaisdell said that is a good suggestion and the positive side of this is that Mr. Levesque has a nice nest egg sitting there. She feels the property has been under-assessed for quite some time, unfortunately. Mr. D'Antoni explained that the assessors have a responsibility to fairly assess all of the 20-30,000 parcels in the City and explained this is not anything personal. Mr. Levesque stated he understood and said his property may be a valuable resource but it doesn't reproduce itself and with some of the issues such as traffic issues and schooling troubles, he would think that it would be looked at differently.

Mr. Kevin Moriarty asked Mr. Dame why there had been such a delay in tending to this abatement pointing out the abatement was filed in February 2006 and is just now being settled. Mr. Dame advised that the Assessing Department is so overburdened dealing with the court filings and required interrogatories, as well as other duties such as performing inspections on the completed building permits. He stated staff has to constantly struggle and strategize the work. He said he is still working on some abatements from 2004. Mr.

D'Antoni inquired of Mr. Marino how long the office has been under-staffed. Mr. Marino replied that for over a year they have been down one assessor and over two years down one administrative staff person. He noted this does not excuse it, just explains it.

Chair Blaisdell asked Mr. Levesque if he is receiving the veteran's credit on his property taxes and he said yes. She summarized by advising Mr. Levesque that the assessment is indicative of the market value but he is welcome to get information from the Assessing Department on how to put the land in current use.

Mr. Marino then introduced Ms. Becky Schrader to the Board advising that she has been hired to fill the vacant position that has come about as a result of the promotion of Ms. Louise Brown. The Board welcomed Ms. Schrader aboard and wished her luck.

Ms. Louise Brown, Supervisor Assessing Administration, presented a warrant for the Board's approval for two Reports of Wood Cut for cutting done on Map G/Lot 24 and Map 41/Lots 1, 10 and 24. The Board signed the warrant.

8:45 – Mr. Peter Benet and Mr. Colin Shanks - Regarding Coburn Woods Development

Ms. June Haskell, a member of the Board of Directors at Coburn Woods and Mr. Mark Cookson, Ward One Alderman also were in attendance for this appointment. Chair Blaisdell advised that they have read the information submitted and asked Mr. Shanks to explain to the Board why they feel Coburn Woods was treated differently noting that the Board of Assessors had a long discussion with them last year about land so she asked them to please summarize. Mr. Shanks began by stating the reason they feel this way is it is their understanding that it is regular practice that June's billing is based on the previous year, however in the case of Coburn Woods this was compounded by an agreement between Coburn Woods and the Assessing Department that the land value would be allocated on an equal basis on their billing, but when you take 2005 assessment and then take the agreed upon amount and divide by 220 (for each unit owner) and add to each individual unit owner you would find that the assessment on the June bill and then on the December bill exceeded this. This was not immediately recognized or acted upon by Coburn Woods because we were expecting it to go up, but not everyone was familiar with procedures to recognize it. 40-50% of unit owners have their property taxes paid by their mortgage company out of their escrow account and do not pay close attention to tax bills.

Chair Blaisdell asked if he is stating that the land value for each of the units is incorrect. Mr. Shanks said they need to know how the assessment was calculated. Chair Blaisdell said we discussed this with the attorney for Coburn Woods and it was all set. Mr. Marino explained that there is no longer an assessment to the holding company. The land assessment was subdivided between the homeowners. It is included as part of the total assessment as a "condo pad site". Chair Blaisdell clarified that the total assessment is building and land. Mr. Marino said the individual tax bill was just for the building and for 2005 the land was assessed separately and paid separately with the management company dividing the cost between the condo owners. Colin Shanks said that the assessment on Ms. Haskell's property was \$183,000 in 2005 and this was just the unit. If you take \$3,650,000 divided by 220 you get \$16,600 per unit owner, so her assessment should have gone to \$199,000 but it went to \$209,000 for the June 2006 bill. That is the pattern throughout and he said they would just like an explanation. Mr. Marino said that prior to 2006 there was a separate assessment for each unit and a separate one also for the land. In 2005 the City agreed with the management company on the assessment of land as \$3,650,000, the management company divided that by 220 and then issued bills to owners and the management company paid the bill lump sum. In 2005 the assessments were below market value. If you took the land portion and added it to the building, the general assessments were lower than the general community. Through discussion with Corporation Counsel it was decided to modify the approach and put land values with units like other condominiums in the City. The Coburn Woods unit owners have an undivided interest in the land because of a long term lease, it was determined that was essentially the way this should be. We used 2005 sales and that analysis showed we need to put \$5,000 to the land portion to

come out to be where the rest of the City was with regards to assessment level. We followed State Statutes by trying to maintain proportionality and if you coupled divided land value with the condos these were underassessed. That is why there was an increase for 2006.

When Ms. Haskell asked if this is the building or land value, Mr. Marino replied this is the combined value for the building and land. Ms. Haskell said she did not get a letter or any notice advising of the increase of her assessment. Chair Blaisdell explained that the property tax bill is the property owner's notice of what the assessment is and said that each individual has a right to file an abatement. Mr. Shanks said it had been common practice to send letters to owners telling them their assessment has increased. Chair Blaisdell said that is true, when the entire City has been updated. Mr. Shanks said the most important point is that we were treated differently. He asked if the rest of the City evaluated on price changes from 2005. Mr. Marino said he used exactly the same time period (10/1/2004 to 9/30/2005) to do the analysis as he used for 2005. Mr. Benet said when he called and told Mr. Marino he had done a great job, Mr. Marino replied "yeah, we get it right once in awhile" but less than six months later Mr. Marino says we had it wrong. Mr. Marino said the reason it was perceived to be correct was the assessments were lower than they should have been. Mr. Shanks commented that he believes Mr. Marino is inviting 200 abatements.

Mr. D'Antoni noted the letter sent to the Board of Assessors states this is not an assessment issue. The suggestion he would make was what was presented to us has no substance to it. What has to be shown is 3 sales or 3 examples showing that there is an error in the assessment. What is the bottom line assessment.

Mr. Shanks said they have achieved their purpose for coming to the meeting and that was to understand how the numbers were arrived at. They may recommend to owners to spend their time more efficiently.

Mr. Benet asked what precipitated this change of assessments. Mr. Marino replied as he had previously explained Corporation Counsel advised treating it separately. Chair Blaisdell said it all began when Coburn Woods came to us regarding land and that is where the discussion began.

Mr. Cookson introduced himself as the Alderman of Ward One and said he hadn't seen Corporation Counsel's response and asked if that was specific to Coburn Woods or specific to condominiums with leased property. Chair Blaisdell answered that in this instance, specific to Coburn Woods because that is the property in question. He asked which RSA Mr. Marino quoted earlier, and was answered RSA 75:8. Mr. Marino said that is a separate issue, however part of the process, because there was an abatement filed on the land. Alderman Cookson confirmed that the land assessment had gone up to \$10,000,000 and then lowered to \$3,600,000. Mr. Marino agreed and said that in all of that, through discussions with Corporation Counsel it was decided that totaling it as a separate land value was not appropriate. Mr. Shanks asked what Mr. Marino attributes \$5,600 to and Mr. Marino said the vesting of land rights and a portion of the total that ascribes to the fact that you have a condo pad site. It comes from an analysis of sales abstracting condo portion from those sales and arriving at an allocated pad site to be used. He explained that the assessment is for the land and building which cannot be divorced. It is all part of the whole. Mr. Benet said that in 2005 we were in constant legal relationships with the Holdens to buy the land. The City lumped the land together with all the units and now there is no value on the land. We cannot buy the land because it has no value. You can't treat us like other condos. By law we are not condominiums. Mr. D'Antoni asked if each of the 220 unit owners agreed to be taxed directly for the land. Mr. Shanks advised that the Board of Directors advised them of the change.

Mr. Benet wished to cover one more thing. There was a chargeback on interest owed for unpaid taxes and the agreement stated there would be no interest due. Mr. Marino explained that was a misunderstanding and that the agreement states that interest on the abatement shall be waived.

Alderman Cookson asked if minutes are taken of these meetings and Chair Blaisdell replied affirmatively. Mr. Shanks, Mr. Benet, Ms. Haskell and Alderman Cookson thanked the Board and then left the meeting.

Staff Items

Mr. Marino advised the Board that due to all the changes to the property at St. Joseph's Hospital, the portion that was attributed as charitable had not been updated and the 2006 property tax bill was calculated with less of an exemption than they should have gotten. The only portion of the property that is taxable is the cell tower, so the rest should be exempt.

MOTION BY Marylou Blaisdell to accept the increase in the exempt portion of the assessment for the property located at 172 Kinsley Street.

SECONDED BY Dominic D'Antoni.

MOTION CARRIED unanimously

Southern New Hampshire has a PILOT program under which payment for taxes is either based on 10% of the shelter rents from all sources or the non-school portion of the taxes. For 2006 it had been based on 10% of the shelter rents but the non-school portion of the property taxes was lower this year, so that is what they should be taxed on so the difference should be abated.

MOTION BY Marylou Blaisdell to allow the payment of taxes for tax year 2006 for the properties located at 101 Burke Street and 143-145 Ledge Street, to be based on the non-school portion of taxes instead of 10% of the shelter rents with the difference to be abated.

SECONDED BY Kevin Moriarty.

MOTION CARRIED unanimously

MOTION BY Marylou Blaisdell to adjourn at 9:45 AM.

SECONDED BY Kevin Moriarty.

MOTION CARRIED unanimously.

Transcribed by
Cheryl Walley
Department Coordinator