

**Minutes of the Board of Assessors
Meeting of March 22, 2007**

A meeting of the Board of Assessors was held on Thursday, March 22, 2007 in the Auditorium at City Hall. The meeting was called to order at 8:05 AM by Chair, Marylou Blaisdell.

Members Present

Marylou Blaisdell

Kevin Moriarty

Dominic D'Antoni

Assessing Staff Present

Robert Lakeman

Gary Turgiss

Cheryl Walley

Minutes of the Meeting:

Minutes for the meeting held on March 8, 2007 were approved unanimously.

Abatement Requests Presented:

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

At the suggestion of Chief Assessor Angelo Marino, the Board discussed reconsidering the 2005 Superior Court appeal on the abatement filed on 16 Adella Drive, which was denied at the last meeting.

MOTION BY Kevin Moriarty to reconsider the 2005 abatement for 16 Adella Drive.

SECONDED BY Marylou Blaisdell

MOTION CARRIED unanimously.

Mr. Marino informed the Board that the Trial Management Conference is today at Superior Court and Corporation Counsel will be attending for the City. He explained that at the Trial Management Conference both sides go before the Judge and the Judge asks if both sides are ready for trial and how much time each side needs for their presentation of the case. Then it will be seen sometime in the next couple of weeks. Mr. Marino provided the Board with additional information regarding this appeal and advised that staff has done the investigation and arrived at an assessment which they feel is equitable for this particular property and its condition. He feels the proposed assessment is defensible and stands by the recommendation of staff that the assessment be reduced from \$574,200 to \$560,000.

MOTION BY Kevin Moriarty to approve the 2005 abatement filed on 16 Adella Drive based on the additional information presented.

SECONDED BY Dominic D'Antoni

MOTION CARRIED unanimously

Regarding future abatements presented to the Board for their consideration, Mr. Marino assured the Board that the Assessing Department will be more diligent in gathering information and will take pictures of the subject property so that when they are being asked to make a decision on an abatement this information can be reviewed and considered. Comparable sales presented by the taxpayer with the abatement will be also forwarded to the Board for their review.

Appointments: 8:30 – Mr. Bernard Plante regarding properties described as Map 62/Lots 61 and 232 (Bennett/Prescott Streets Properties)

Chair Blaisdell welcomed Mr. Bernard Plante and introduced the Board members. She advised the Board has reviewed the information presented and asked Mr. Plante to present his case. Mr. Plante introduced Attorney Brad Westgate, also in attendance, and then referred the Board to a plan he brought with him while explaining that the property was divided into grids and that there were three soil tests per grid and the soil tested for asbestos, lead and arsenic. This site is made up of three separate lots and from the 1940's to the 1980's the site was an oil storage facility under the name of Security Oil. In 1986 Security Homes, which was owned by Mr. Ronald McLaren, an area builder, purchased the property and used it for construction storage and repair. These owners later filed bankruptcy and from 1989 until 2004 the property sat vacant with the exception of actions taken by the City and DES. DES cleaned out the tanks and the City received funds to perform a study on the Whitney Screw site. The intention was to use these funds to do a study so the property could be sold. They had a meeting at Amherst Street School to discuss this with the area residents.

The cost to clean up the site was estimated by the City's consultant, GZA to be between \$1.1 million dollars and \$5.5 million dollars. This was necessary to make it ready for development.

Mr. Moriarty asked if the site was dormant during this time and Mr. Plante explained that the site was vacant and Security Homes owned the property but they went bankrupt. In 1991 he had rights to take this property for the bankruptcy estate and he chose to abandon it. So Security Homes dissolved and from 1989 until 2004 the property was vacant. Mr. Kevin Moriarty asked if they paid their property taxes and he was told the property taxes have not been paid since 1986. Mr. Plante told the Board that nobody wanted this property, including the City. There are two structures on the property, one being a home that was occupied. Chair Blaisdell recalled this situation which was discussed at a previous meeting and recalled that the person occupying the building was a homesteader. Mr. Plante added that the homesteader had put his daughter through the Nashua school system while living on this City property, and the City had collected no money from him. He noted that this could have been an opportunity for the City to have some income from the property but nothing was done and Bennett-Prescott LLC evicted him when they took possession of the property.

Chair Blaisdell asked how they bought the property and Mr. Plante explained that they secured the deed from Security Homes. Attorney Brad Westgate explained that they got the deed from the defunct business but a more normal process was followed for the lot that had been owned by Mr. Q. Peter Nash. Mr. D'Antoni asked how many acres is the lot and Mr. Plante advised 3.5 acres. Mr. Plante said that once they obtained the deed they had to clean the back title to Nashua Trust purchases as well as the liens the City had on the property for back taxes and the DES lien

for \$25,000 which was related to the removal of the tanks. Ms. Kathy Hersch of Community Development, requested funds for the GZA study they did and we agreed to \$60,000 in five payments of \$12,000 each payment. In June, 2007 the final payment of \$12,000 will be made. Currently \$45-48,000 has been paid on this. He said he took action to get the deed from Security Homes and entered into contracts for the Nash piece. Then we started our own investigation and applied for a Brownsfield approval through the State. We are building 41 units, 11 of which will be one-level buildings so it will be easier for elderly to get around in them and 30 will be 1,400 sf townhouses. We got site approval and Planning Board approval and considered moving the material off site. Our report indicated that 7-8,000 cubic yards of material was infected with asbestos. The cost amounted to \$1,600,000 and with tipping fees at \$200/yard and the cost of transporting and handling, it brought the cost to \$2,000,000 to get the contaminated material off site. It was more advantageous to keep the contaminated waste on site, with it being encapsulated and surrounded by concrete so we could build on top of it. The Board asked him if the prospective owners are advised of this. He said the location of this cement encasement needs to be disclosed in the condo documents. Mr. D'Antoni asked if it is a common practice to leave it on site. Mr. Plante replied it depends on the nature of the contamination. All of it is nonfryable asbestos. This is bar stock that was used to make lab tables. It took 4 or 5 sixteen foot foundations to control it.

Chair Blaisdell confirmed that their cost is \$1,300,000 to clean up the site. Mr. Plante said that includes the foundation and all the special treatment and handling that has to be done.

Mr. D'Antoni asked if there was an appraisal done on the property and Mr. Plante answered no but there will be one soon because the bank will require one for financing. Mr. D'Antoni asked if he could please have a copy of that appraisal when it is done. Mr. Plante said yes. Mr. Plante said that in June, 2006 they met with Mr. David Fredette, Treasurer, Mr. Marino and a representative from the Mayor's Office and in December, 2006 construction was started and we said \$28,000 in back taxes would be in order. Mr. Marino came back and said this was rejected by the Board and gave a revised figure of \$40,000. Then Dave Connell, Corporation Counsel, said that we don't have standing to bring this before the Board of Assessors. Mr. Westgate clarified that when the property owner has Brownsfield's approval then he has authority.

Mr. D'Antoni asked how much back taxes are owed and Mr. Marino replied about \$190,000 including principle, interest and fees. Mr. D'Antoni asked about the assessment. Mr. Marino replied that there hasn't been anything done on the assessment yet but it would appear to be taxable. There has been a lot of improvements so we will put a value on it representing everything that has happened. Mr. D'Antoni asked if the property is clean now and who has the authority to say it is clean. Mr. Plante replied no it is not yet clean and the DES solely has this authority and will give us a clean bill of health when it is confirmed all the waste has been removed.

Mr. Plante said that this is a lot more involved than they thought it was when they first started but they have to keep going at this point. Mr. D'Antoni asked what the expected sale price is for these units. Mr. Plante answered \$190-195,000 for the flats and about \$225,000 for the townhouses. Mr. Moriarty asked if the Board of Assessors had denied this and Mr. Marino advised that the Board sent it back for more negotiation and Mr. Plante asked for an opportunity

to make this presentation to the Board. Mr. D'Antoni asked how the \$40,000 was arrived at and Mr. Marino replied by trying to make a determination of what was due and what was offered and it was in line with the percentage of past due we have accepted from other similar properties like Whitney Screw. Mr. Marino said he wasn't privy to all this information before he presented this to the Board at the meeting on 2/28/2007 and given this information he now feels \$40,000 is probably reasonable. He has a difficult time dealing with interest and fees that mount up pretty quickly. This is part of the problem. It really gets to be a big number rather quickly because the interest is 18% after it goes to lien. Mr. Marino said this will clear back taxes to 4/1/2006 and the bill that comes out in June, 2007 would reflect the condition of the property now, which is almost clean. Mr. Moriarty asked if they are aware they will be getting a property tax bill in June based on the full assessment and they said they are aware.

MOTION BY Marylou Blaisdell to accept the proposed settlement as presented

SECONDED BY Kevin Moriarty.

MOTION CARRIED unanimously

Old Business:

Mr. Marino advised the Board that he has gotten approval from the Finance Committee to hire Patriot Properties to do inspections and get data verification on properties. He advised that the Assessing Department has not yet started on the update but advised the Department is still on an update plan for 4/1/2007.

The preliminary ratio study is in, but it is not official because he has not agreed to it yet. The preliminary ratio for 2006 assessments is 96.2% with a COD somewhere around 8.5. Mr. D'Antoni noted that anything better than a 10 is exceptional and to have a COD three years in a row in this category is remarkable. Mr. Marino answered that our COD is always good however the market increases and the ratio drops. He explained we haven't dropped a lot because the market has slowed down. Mr. D'Antoni asked if the sale prices have dropped. Mr. Marino said that he began tracking sales using the Telegraph's sales listings to see which ones sold for less than the assessed value. They started off at about 13-15% of properties reported and that is slowly increasing to a greater proportion. This is typical of the fourth quarter or the first quarter of the subsequent year, but then it starts to go back up. He said he has statistics for the past six years and if quarter to quarter is compared, the single family homes and condominiums are always higher than the previous year's quarter. The differences look almost the same for the entire six years. He told the Board that he will make copies of these statistics available to the Board for the next meeting. He advised that we are still increasing but not as rapidly. We are seeing bigger increases in the commercial sector than we have in the past relative to residential properties, so we will have little shifting.

Mr. Marino advised that court cases are being pushed back. A number of them have been continued. Appraiser Steve Traub continues to work on some of these. Mr. D'Antoni asked the reason for the delay and Mr. Marino replied the reason is the other side is not ready.

Regarding the application for a new 2007 charitable exemption filed by MP Housing for a condominium located at 3 Roedean Drive, Unit 307, the Board discussed the fact that this is a charitable organization already receiving a charitable exemption on several properties owned by this organization and therefore the charitable nature of this organization has already been determined. The Board noted that the organization purchased this property in February of 2007 and therefore will be the owner as of 4/1/2007. The property is used and occupied directly for the purpose for which the organization has been established in that the condominium is transitional housing. The Board determined that the criteria stated in RSA 72:23 are met.

MOTION BY Dominic D'Antoni to approve the 2007 charitable exemption application filed by MP Housing for the property located at 3 Roedean Drive, Unit 307 as they qualify under State law.

SECONDED BY Kevin Moriarty.

MOTION CARRIED unanimously

The Board was asked if they have considered the application for a property tax exemption filed by Southern New Hampshire Rescue Mission for the property at 40 Chestnut Street, which had been tabled at a previous meeting. The Board was reminded that the organization requested an exemption on the taxes from the date of purchase but since the property was purchased after 4/1/2006, Mr. Blacksmith of the organization was advised that the property would not qualify for the 2006 tax year and the application being considered is for the 2007 tax year. Chair Blaisdell asked that a summary of the facts be typed up and the item be put on the agenda for their consideration at the next meeting.

MOTION BY Dominic D'Antoni to adjourn at 8:45 AM.

SECONDED BY .

MOTION CARRIED unanimously

Transcribed by
Cheryl Walley
Department Coordinator