

BOARD OF SELECTMEN WORKSHOP
Minutes of 01/24/11
4:15 p.m.

Selectmen:

Charles G. Palm, Chairman
Colette Worsman, Vice Chairman
Peter F. Brothers
Miller C. Lovett
Nathan J. Torr

Town Manager:

Phillip L. Warren

Recording Clerk:

Karin Landry

Call to Order: Chairman Palm called the meeting to order 4:15 p.m. He introduced the Board, Town Manager, and the Recording Clerk and made announcements pertaining to fire exits and cell phones.

W 11-01 Consideration of Abatements

Assessor Jim Commerford presented a potential Settlement Order with Haynes Management, Inc, the owners of the Citizens Bank property located at 66 NH Route 25. Haynes Management appealed their 2009 assessment in the amount of \$1,318,500, but failed to provide details regarding their opinion on the value of the property prior to the July 1, 2010 deadline, and their appeal was denied. They subsequently appealed the decision to the NH Board of Tax and Land Appeals (BTLA), and have provided the Town with information supporting their appeal. When Haynes Management initially appealed the 2009 assessment, their opinion of value was \$753,000; the appeal to the BTLA is for \$500,000.

Mr. Commerford inspected the property with a representative from Haynes Management in 2010 and verified the rental data. Approximately one half of the two acre lot is not utilized. The first floor is rented by Citizen Bank at \$15/sq. ft., and a law office rents the space on the second floor at \$4.72 a sq./ft., which is below market rate. The remainder of the space, approximately 5,000 square feet, is below ground level. With the exception of 247 sq. ft. of office space utilized by the Bank, the lower level has been vacant for the past five years despite several efforts to rent the space. The finished basement is a big factor in the assessed value, adding almost \$500,000 to the value of the property.

Based on the inspection and the income the property generates, it is Mr. Commerford's recommendation to adjust the value to \$772,600 and attempt to settle the appeal prior to hearing. This would equate to an abatement of \$6,845.59 for 2009 and \$7,261.44 for 2010, for a total abatement of \$14,107.03.

Selectman Brothers wants to make sure that the process that is being followed is appropriate and that the owners are not being treated differently than anybody else. He needs to understand what took place and how that would impact other landowner's requests for similar treatment. Mr. Commerford reviewed the appeal process, and explained that the Town was within its rights to deny the original appeal, and that Haynes Management followed the procedures that would apply to anybody to appeal the matter to the BTLA.

Mr. Commerford told the Board that the next step is to hold a settlement meeting and order before the BTLA, in order to make an attempt at settling the matter prior to the hearing. Part of the discussion will include negotiations regarding the amount that will be abated in view of the owner's failure to provide details by the Town's deadline in 2009. In most cases, if the matter goes to hearing before the BTLA, its ruling will apply to 2009 and 2010, and remain in effect until another update or value change takes place. Although Mr. Commerford believes the adjustment he is recommending is very reasonable, the owners are proposing an assessment closer to \$500,000, and the case may not be settled.

Selectman Worsman inquired about comparable values for the property. Mr. Commerford explained that the owners provided a few comparable values, but the property is unique because the lower level is 100% below grade and has a lot of functional obsolescence. There are no similar properties that have sold. The Marshall Swift cost manual was used to determine a building value and the land value was incorporated.

Selectman Lovett is startled that something that is currently valued at \$1.3 million might go as low as \$500,000. His understanding is that the issue is not whether or not parts of the building remain vacant, but the market value of the building. Mr. Commerford explained that the owners arrived at the \$500,000 valuation using the income approach method of evaluation, which is used to determine commercial market values. He agreed that the drop in value is unusual, and mostly due to the fact that it is an unusual, unique piece of property. In addition, he did not view the interior of the property prior to the 2009 update, and consequently did not recognize that the basement is unfinished.

There was a general consensus among the Board that Mr. Commerford should attempt to settle the appeal prior to hearing with an offer of \$772,600, contingent on a formal vote of the Board at the February 7 meeting. The Town Manager will update the Board on the matter at the February 7 meeting.

The Town Manager announced that the Board will move into a non-public session for litigation and personnel matters under RSA 91-A:3(II)(a) and (e) once the Workshop is adjourned.

Selectman Torr motioned to adjourn the Workshop at 4:40 p.m. Seconded by Selectman Lovett. 5-0. All in favor. Motion passed unanimously.

Respectfully submitted,

Phillip L. Warren, Town Manager

Charles G. Palm, Chairman

Colette Worsman, Vice Chairman

Peter F. Brothers

Miller C. Lovett

Nathan J. Torr