

**TOWN OF WILMINGTON
BOARD OF CIVIL AUTHORITY
WEDNESDAY, AUGUST 22, 2018 at 5:45pm
MINUTES**

The meeting of the Board of Civil Authority was convened at 5:45pm.

IN ATTENDANCE: A quorum was achieved with 10 members present. Justices of the Peace – Elizabeth McEwen, Scott Moore, Tom Consolino & Fred Houston; Selectboard – Tom Fitzgerald (also as JOP), John Gannon, Vince Rice, Sarah Fisher & Ann Manwaring; Town Clerk Susie Haughwout.

Absent: Marcia Dorey, Peter Barton

Also Present: Listers Len Chapman, Lynne Matthews & Jerry Osler; Lister Administrator – Deb Kingsley; Lister Consulting Appraiser – Brian DeCesare Appellants – Frank Cotrona for Lizandra LLC (via phone), Gary Richetelli for Brotherhood Limited Partnership, Appellant Agent - Alexander Shriver Esq.; Appellant Expert Witness – Brian Graham

1. CHANGES TO AGENDA – none; **PUBLIC INPUT** - none

2. MOTION TO APPROVE MINUTES OF JULY 18, 2018 as made by Tom Consolino, seconded by Fred Houston. Voice Vote - All in favor – So Voted. **MOTION TO APPROVE MINUTES OF AUGUST 8, 2018** made by John Gannon, seconded by Vince Rice. Voice Vote – 9 in Favor – 1 Abstention (Consolino due to absence) – So Voted.

3. INTRODUCE BCA: BCA members introduced themselves

4. BRIEF EXPLANATION OF QUASI-JUDICIAL HEARING:

Chair gave brief explanation on composition of the BCA and its duties during tax assessment appeal hearings. Instructed that all testimony be given to the BCA, questions of any party should be directed to the Chair, and no cross-talk is allowed among parties.

5. CONFLICT OF INTEREST DECLARED: Sarah Fisher recused from Lizandra LLC appeal.

6. ADMINISTER OATHS TO BCA, LISTERS, LISTER ADMINISTRATOR, APPELLANTS; AGENT; EXPERT WITNESS.

Chair swore in the BCA. Chair swore in the Listers, Administrator, Appellants, Agent and Expert Witness for the hearing.

7. HEARING OF TAX ASSESSMENT APPEALS:

Property	Street Address	Tax ID#	SPAN#	Value
LIZANDRA LLC	OFF GATEHOUSE TRAIL-POWDERHORN	HSPOWDHN.LND	762-242-12400	\$3,280,000

SUMMARY OF APPELLANT TESTIMONY: Frank Cotrona, principal of Lizandra LLC, appeared via telephone. Under appeal is the \$650,000 assessment of new Powderhorn Unit 8C and \$915,000 assessment of new Powderhorn Unit 8C. Cotrona referred to an email from Kingsley at 3:36pm today

noting correction to both assessments made by DeCesare. Cotrona testified regarding an email this morning from DeCesare to Kingsley, DeCesare says that he had made an error, that he assessed the units at what he believed was full value and they should have been assessed at half value about 44% less. DeCesare corrected 8C to \$364,000 and 8D to \$512,400 both as of April 1st. Note that DeCesare made on his appraisal is that he is saying he is now putting them at 56%, however on the tax sheet or DeCesare's inspection worksheet his percentages do not add to 56%, they add to 51% for both units, so his math was incorrect on both units. Cotrona asked the Board to review inspection sheet for 8C and 8D because DeCesare's math was wrong. Initially back on April 1 DeCesare says inspections were completed on interior and exterior. Cotrona submitted pictures showing that there was no finished content within either unit, except for on one, some rough plumbing was done after April 1st.

Remaining question – common interest owned units. The owners do not own the exteriors. This appraisal in percentages reflects all the exteriors, which were essentially almost completed. However, refer back to the Declaration of Condominiums dated June 1, 1988, Exhibit C, under description area, it walks through what the homeowners taxation responsibilities are, and that is the interior contents, and it breaks it down further.

Cotrona agreed Lizandra LLC is responsible for taxation on interior contents, structure of the building, but asked the BCA to refer back to the Declaration. Appellant Cotrona was allowed to forward Declaration of Condominium as an exhibit – was never received by Clerk. Appellant forwarded Exhibit C with notation that it was no longer applicable. Appellant was allowed to forward email string with Deb Kingsley regarding “exterior” taxation – Clerk received – it suggested the BCA should look up certain documents – Clerk replied that BCA doesn't look things up, Appellant needs to submit.

The two units are not completed and will not be completed this year, through the taxation time.

He asked for following values unit 8D \$150,000 and 8C \$100,000. He withdrew appeals on units 7C and 7D.

He stated that as the owner of these two units he is not a member of the association that manages the exteriors. The association dues are in question at this time.

APPELLANT EXHIBITS: Emailed photos of units 8C & 8D interiors; letter requesting hearing and adjusted amounts with tax bills attached; email to Deb Kingsley; Appellant Cotrona was allowed to forward Declaration of Condominium as an exhibit – was never received by Clerk; Appellant forwarded Exhibit C with notation that it was no longer applicable; Appellant was allowed to forward email string with Deb Kingsley regarding “exterior” taxation – Clerk received – it suggested the BCA should look up certain documents – Clerk replied that BCA doesn't look things up, Appellant needs to submit.

SUMMARY OF LISTER TESTIMONY: DeCesare inspected the properties on April 1, and agrees there were just stud walls on the interior, outside was finished. It was an error and Listers are comfortable with the 51% complete. Listers submitted construction inspection forms for 8C and 8D. DeCesare explained that in the appraisal process we look at units, and we did use units that sold within the project, they sold for a certain amount of money, by comparison we established a full value, and they reduced it to the percent of complete construction. In terms of value for the inside and the outside, DeCesare stated that he's never run into this kind of thing. We value condos based on whatever the buyer pays for the inside is how it works and that's how we value the other units. The Listers have never broken exterior and interior values apart for condominiums. Value of a condo unit is based on comparable sales. Units in the same development have the same conditions.

The construction inspection form that was submitted, was acquired from Peoples United Bank, goes through the phases, and it breaks it down to foundation, frame, all the components. The total value is based on the sales of the other Powderhorn units. 8C is \$650,000 and 8D is \$915,000 so the adjusted value of 51% completion is 8C \$331,500 and 8D \$466,650. This is a change of about another 5% reduction from the original email that was submitted in the Listers' evidence today which had values based on 56% completion.

LISTER EXHIBITS: Lister information sheet; map; DeCesare 8/22/18 email to Kingsley regarding correction to values of Units 8C & 8D; Construction inspection worksheet for 8C and 8D; footprint drawing of units; appraisal reports for units 7C & 7D (no reports were submitted for units 8C & 8D)

Property	Street Address	Tax ID#	SPAN#	Value
BROTHERHOOD LIMITED PARTNERSHIP	356 STOWE HILL RD	007-01-012.000 007-01-016.000	762-242-11561	\$1,000,000

Summary of Appellant Testimony: Gary Richetelli appeared representing Brotherhood Limited Partnership. The property is a vacation home. Appellant bought the house and land across the street for \$600,000 about 6 years ago. At that time the taxes were \$10,500 and it was assessed at about \$450,000. After adding a small addition, about 25% of the original house, the taxes increased to \$22,000 and assessment increased to \$1M essentially a 100% increase on assessment. Appellant doesn't see property values and sales increasing by 100% in 6 years, if anything property values are declining.

Issue 1 - mathematical error in calculating the square footage of the house. Looking at the floor plan from the Listers' information, all the calculations are correct with exception of the new addition that was added which is about 1040sf, which includes the first floor kitchen, master bedroom and master bath. 1011sf of new addition, but the second floor area formerly above the new addition, containing two bedrooms and a bath, was demolished and that contained 504sf. So deduct the 504sf from the 4683sf and results in 4179sf which is the correct square footage of the house.

Issue 2 – Presented three neighboring properties and their assessed values. 442 Whites Rd assessed at \$1,050,000, has 3000sf first floor, 1500sf finished basement with 10' ceilings heated and air conditioned and additional finished 1500sf in the barn, 21 acres. 326 Stowe Hill Rd is assessed at 425,000, 12 acres, 5500 sf roughly 25% larger than subject and completely renovated 4 years ago. 418 Stowe Hill Rd, is assessed at \$575,000, 30 acres, a lot of privacy, 3800sf similar to subject.

Issue 3 – new 1000sf addition. Bones of house, condition, 75% of the old farmhouse. Presented slides. Existing crawl space under old part of house, crumbling concrete and stone walls. Old 1935 heating system, cast iron steam pipes, steam radiators with 6" cast iron pipes that constantly leak and cannot be replaced, bangs, clangs, makes all kinds of noise and cast iron radiators are built right into the walls of the house so you cannot change the heating system. Not appealing to a new buyer, lender or home inspector. Crumbling stone wall in landscape which needs to be replaced, crumbling fireplace behind the house that needs to be taken down. 2-bay original garage, all the neighboring homes have new garages. Stall in barn, decrepit. 1937 bathroom on second floor, must have been built for midgets, sink is about 12"x16" and tub is right next to it. Front window view is of 32 windmills. Proximity to road. From corner of house to street is 29'. At night every car that turns on to Stowe Hill from Whites Road at lights up the whole family room with their headlights – room is at the same level as headlights on a vehicle. All the exterior siding needs to be replaced. Previous owner painted the siding in the rain with lead paint which is now peeling off – needs to be resided.

Submitted broker opinion valuing the house parcel at \$625,000, and broker opinion of market conditions indicating market for properties in \$450K range extremely slow, with downward market

trends and decline in near future. Submitted Graham appraisal of \$734,000 is one year old. Believe this value is not valid a year later due to market forces such as Hermitage Club foreclosure. Submitted Graham appraisal of land of \$125,000. Requesting total value of \$750,000. Listers assessed the land only parcel at \$235,000 which was the price paid by appellant in 2015. Appellant believes he overpaid, purchased the property to protect the other parcel, has been trying to sell the parcel for about 1 year, divided it into 3 parcels, had no offers. Graham stated regarding land comparables that DeCesare did 58%, 46%, 37% adjustments. Graham cannot adjust over 25%, said they must have different rules. Final price can never be higher than your highest unadjusted comparable. The appraised value of the subject is way above the values of the newly submitted comps. Graham is uncomfortable with these practices.

The number of sales this year compared to last year is not inconsistent with the submitted broker opinion on market conditions – the broker was stating that sales are strong in the \$100K-\$200K range, but sales in the \$450K range are not moving or selling as strongly as they used to.

123 Haynes Rd – 51.23 acres – for that in comparison to the subject, DeCesare had a negative \$76,000 in value, more acres has to be adjusted down, but he's saying that the 7 acres is plus \$235,000. So 30 acres is negative \$76,000 and 7 acres is \$235,000, even though the 7-acre parcel has a better view, this is a huge difference in numbers.

405 Whites Rd – DeCesare makes no adjustment for the fact that the quality of 405 Whites Rd is probably higher given that it is 9 year old construction.

Subject house is assessed at \$550,000 with total of 4683sf works out to \$117 per sf, which is more than the estimate given by DeCesare of \$50 per sf for the demolished portion of the house. Kitchen area is valued higher than bedroom area, but this is huge difference. Recognize that the house is 504sf smaller, it should be adjusted down by \$58,000. House originally had 6 bedrooms and is now reduced to 4 bedrooms.

Requested value of \$625,000 for house parcel 00701012.000, and \$125,000 for the 7-acre land parcel 00701012.000. As to house parcel 00701012.000, Appellant did not wish to change the \$40,000 for site improvement stating that the reduction requested should be applied to house & land proportionately.

Appellant Exhibits: Letter from Shriver requesting appeal hearing; Result of Grievance Notice; Graham appraisal dated June 15, 2017 for parcel 00701012.000; Graham Land Appraisal Report dated June 2, 2018 for 7-acre parcel 00701016.000; Hearing Memorandum with Exhibits; Grand List Reports for subject and 3 properties in neighborhood.

Summary of Lister Testimony: DeCesare stated that there is no rule limiting percentage on adjustments, you can do whatever you need to do as long as you justify whatever you're doing. There are also no standards in the USPAP regulations (Uniform Standards of Professional Appraisal Practice), no guidelines limiting the percentage on adjustments. Must add qualifying statements.

Listers' evidence contains all the sales used in the town's appraisal, and added three additional sales, one is in the subject's neighborhood. Went through the assessments of comparables offered by the appellant, and reconciled 442 Whites Road – 2979sf above grade, subject is 4683sf. 418 is an ultra-contemporary that has no similar appeal to the subject. 326 Stowe Hill – news that it has been completely renovated – when last there I gave it average quality and average condition – old Misty Mountain Lodge – last time visited it was falling down around itself – no comparison to how we perceive the subject.

Adam Palmiter stated that it's declining market – DeCesare disagrees and stated first 7 months this year there have been just about the same amount of sales, maybe a couple more as in the same time period last year. Premature to start saying it's a declining market because of the Hermitage issue. Three sales over \$400K this year to date compared to last five years being 3-5 in same time period. 2015 saw 6 sales over \$400K for entire year, then jumped to 12 the next year, it's a moving target.

As to the 7-acre parcel – has been subdivided into 3 parcels – has been on the market – listed at \$189K for 1.6 acres dropped to \$159K – still two other lots – lots more valuable than total of \$125K for all 7 acres. DeCesare did two appraisals – one for the house parcel – one for the land parcel – took the value, because we have to merge these things in for state filings – probably largely why the adjustment are higher. Listers did our duty in establishing value for the 7 acres. Stressed that Listers did two appraisals, a land appraisal and an appraisal on the main (house) lot, merged them so they come out as one value on the tax bill, land across the street is considered contiguous by state standards. BCA asked DeCesare if there was a new land appraisal done on the 7-acre parcel after it was subdivided into 3 parcels. DeCesare said they didn't know about it. However, the Listers presented a copy of the VTDEC Wastewater and Potable Water Supply Permit in their evidence packet.

DeCesare added some of the appellant's property submissions into a sales grid. Explained that when you're evaluating a property on any level, if you have a comparable, you have to do a direct comparison between the comparable and the subject. Take first comparable and compare it to the subject, take the second comparable and compare it to the subject, you do plusses and minuses – you just don't throw an MLS sheet or Lister Card out and say here is a good comp. You have to determine if it's a good comp – Listers chose the best comps that were available.

Comparable 1 - 123 Haynes Rd sold for \$900,000 51 acres, very serious com, please look at this closely. Subject is 4683sf, comp is 4508sf with 10 rooms 4 bedrooms 4.1 baths. Comp 1 adjusted out to \$1,076,240. If there is an adjustment to made on the subject the BCA will tell us on quality and condition – the only place I see to make an adjustment other than sorting out the square footage.

Comparable 2 - 104 Minor Rd & Comparable 3 – 14 Wakelee Rd, Dover. DeCesare skipped over these but pointed out they appear in the Listers' evidence packet. More importantly is the new batch of comps added as follows:

New Comparable 1 – 405 Whites Rd, very recent sale, \$730,000, 13.16 acres, very similar in size to the subject's site, both have good views, slightly different styles, comp is newer house, subject is better than your typical 217 year old farmhouse, both are equal. Comparable is 2735sf, significantly smaller than subject, 8 rooms/3 bedrooms/2.2 baths, significantly inferior in functional utility, 2-car attached, does not have the additional 4-bay detached that the subject has. One fewer fireplaces than subject, no additional barn, no extra 7-acre lot. Comp 1 is recent sale in the subject's neighborhood about a ¼ mile up Whites Rd.

New Comparable 2 – 199 Ray Hill Rd, 9.32 acres, \$737,500, after purchased was torn down to studs and being rebuilt, 8 rooms/3 bedrooms/3.1 baths, smaller by 1000sf, on a crawl so has no basement, made small adjustment for basement understanding the subject's old basement, does not have extra 7-acre lot.

New Comparable 3 – 31 Tessahok Ln, \$750,000, not a good comp, added because it shows continued activity in the price range.

Lister information sheet shows appraisal breakout of House-\$550,000/Total Land-\$410,000(2 parcels 7-1-12 & 7-1-16)/Site Improvements-\$40,000.

Regarding the portion of the home that has been removed/demolished, DeCesare said "When we do the inspection, we can make an adjustment to the sketch. We should, if there is a difference in the sketch, we should correct that." DeCesare estimated the square footage adjustment for the demolished section at \$50 per sf. Appellant testified that 504sf was removed. DeCesare and Listers said that Appellant testified that the perimeter dimensions were correct, so they want to verify the other (removed) dimensions and make the adjustment.

Lister Exhibits: Lister Information Sheet; Tax Map; Memo; Appraisal Report with sketch; Additional Appraisal Report with added comparables; VT Real Estate Sales Data sheet for 7-acre parcel; Copy of VTDEC Wastewater System & Potable Water Supply Permit WW-2-4997 for 3 lot subdivision of the 7-acre parcel (00701016.000); CAD map; MLS Listing sheets from when the 7-acre parcel was on the market.

8. CLOSE HEARINGS chair closed hearings at 8:03pm.

9. ASSIGN INSPECTION TEAMS, DISCUSS DATES & TIME OF INSPECTIONS

Lizandra LLC: John Gannon, Fred Houston, Ann Manwaring & Elizabeth McEwen
Brotherhood Partnership Limited: Elizabeth McEwen, Sarah Fisher, Tom Fitzgerald, Scott Moore & Tom Consolino

10. HEAR INSPECTION COMMITTEE REPORT:

Tom Consolino and Scott Moore left the meeting prior to the inspection report as they had not been present at the Mount Snow hearing or Inspection.

Fred Houston presented the report for 259 Coldbrook Road.

Property Owner	Street Address	TaxID#	Span#	Value
MOUNT SNOW LTD	259 COLDBROOK RD	002-02-068.200	762-242-12604	\$13,500,000

MOTION TO ENTER DELIBERATION made by John Gannon seconded by Fred Houston.
Voice Vote – All in Favor – So Voted.

11. DELIBERATION – ENTER CLOSED SESSION 7:26pm

12. DECISION – RETURN TO OPEN SESSION 8:07pm

MOTION to reinstate the 2017 Grand List value for the property owned by Mount Snow Ltd. at the total value of \$5,555,000 made by Fred Houston, seconded by Sarah Fisher. Breakdown of total value is \$5,000,000 for the improvements, and \$555,000 for the land.

Voice Vote – All in Favor – So Voted. (S. Moore and T. Consolino were not present for vote)

13. OTHER BUSINESS set date for final meeting on Tuesday, September 11, 2018 at 5:30pm

14. CHAIR RECESSED meeting until September 11, 2018.

RECESSED at 8:11pm

TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THESE MINUTES ARE A TRUE AND OFFICIAL RECORD OF ALL ACTION TAKEN AT THE BOARD OF CIVIL AUTHORITY MEETING HELD, AUGUST 22, 2018.

MINUTES PREPARED ON THURSDAY, AUGUST 29, 2018 & SUBMITTED TO WEBMASTER ON TUESDAY, OCTOBER 2, 2018 AT 5:50PM.



ATTEST: _____
Susan Joy Haughwout

DATE: August 29, 2018

TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THESE MINUTES ARE A TRUE INDICATION OF THE BUSINESS OF THE BOARD OF CIVIL AUTHORITY MEETING HELD, AUGUST 22, 2018.

ATTEST: _____

DATE: _____

ATTEST: _____

DATE: _____