

**Hartford Board of Civil Authority  
Property Tax Appeal Hearing  
August 31, 2023  
MINUTES(draft)**

**BCA Members present:** Ryan Walther; Mike Morris; Nancy Russell, Vice-Chair; Melinda Brooks; Pat Cook; Nancy Howe, Chair; Lynn Bohi; Brett Mayfield; Lisa O'Neil, Clerk.

9:00am: Nancy Howe, Board of Civil Authority Chair, called the meeting to order. Mike Morris moved to reconvene the BCA meeting recessed on August 14, 2023; Brett Mayfield seconded the motion. The motion passed unanimously. The chair explained the purpose is to hear the Execusuite, LLC Tax Appeal recessed on August 14, 2023. She reviewed the procedures for the Tax Appeal process stating it is a quasi-judicial hearing whereby the BCA considers the evidence presented by the assessor and the appellants and as observed by the BCA during the site inspection. The hearing pertains to the assessed value. She explained the BCA may sustain, increase or decrease the assessment.

**9:10am:** Nancy Russell moved to reconvene the hearing for the Execusuite, LLC Tax Appeal for property located at 104 S. Main St., parcel I.D. #46-30; SPAN #285-090-11713. Mike Morris seconded the motion. The motion carried by unanimous vote.

**Appellants present:** Mike Davidson and Tim Sidore and attorneys Barney Brannen and Joe Tremblay from Brannen and Loftus.

**Assessors: Present:** Rick Vincent, Assessor and Cristina Tardie, Assistant Assessor.

The appellants acknowledged receipt of the Policy and Procedures. The Chair asked the assessor to introduce the property. Rick Vincent explained the identified property consists of several buildings/parcels: 104 S. Main St. is a turn of the century building built in 1900-1910 housing C & S Pizza and six residential units; 112 S. Main St. is a nine-unit apartment building built in the late 1800's to early 1900's; 132 S. Main St. is a newer 69-unit apartment building with a commercial unit. The building was started in 2020 and completed in 2021; and a storage/warehouse building converted to mini-storage units in 2023. Rick Vincent explained in 2022 the value was little because the conversion had not yet occurred; after the conversion it increased the value by about \$165,000. He explained the main point of contention is the valuation of 132 S. Main St. but the entire property is considered for valuation.

The Chair invited the appellants to explain the documents delivered to the Clerk at 4:05pm, August 30, 2023. Tim Sidore explained as follows: Pages labeled Execusuite 1 and 2 are a summation primarily about 132 S. Main St.; pages labeled Execusuite 3 and 4 are a summation of the timeline from 2021-2022; page 5 shows numbers presented by Joe Turner, former assessor, with numerical notations/explanations by Execusuite; pages 6 and 7 are e-mails from Joe Turner providing comparable properties. Mr. Sidore indicated they detected mathematical errors; pages 8-10 are pages from an appraisal prepared for Execusuite for 241 S. Main St. provided in 2017-the property was converted to 26 apts. in 2017; page 11 shows a comparison of 2017, 2021 and 2023. The BCA was given an amended version at the start of the hearing.

Mike Davidson recapped the development for all the properties explaining it is rare to have redevelopment happen at such a fast pace. Tim Sidore explained they began communicating with Joe Turner in the spring of 2021; at that time Joe Turner was utilizing the cost/construction method for valuation. In November 2021 he changed to the income method explaining the assessor has the discretion to choose the assessment method used. Execusuite testified it was unfair to change the methodology and there was not a full year of income to consider. Mr. Sidore indicated the income method greatly increased the assessment and exceeded what they had budgeted. He explained there were not stabilized numbers, therefore the numbers used were not accurate because there was not a full year. In addition, he explained the inventory form sent by the assessor was mailed to Execusuite's old address; Execusuite did not receive it thus missing the grievance deadline and the assessor was not willing to hear the grievance. The applicant testified the process has been changed and manipulated against them, and they are being treated differently and unfairly. Execusuite stated a new townwide assessment is needed; values should change at that time—"don't cherry-pick".

Tim Sidore reviewed the amended table delivered to the BCA at the time of the hearing on August 31, 2023. He explained the expense numbers presented by Joe Turner outlined on page 5 of the packet delivered on August 30, 2023 (\$98,583.00) are low. Execusuite presented \$184,242.00 as a more accurate expense figure. Mr. Sidore noted on page 6 Joe Turner had suggested the only comparable property was 129 S. Main St. however the rent calculation was not multiplied by 12 to reflect a full year. Mr. Sidore also stated the market rate for rents was not \$1375 at that time; he suggested a more accurate average rent rate was \$629. Mr. Sidore presented Execusuite's analysis of the rental market trends for 2017 versus the data Joe Turner was using in his analysis.

Mr. Davidson also noted the town parking requirement changed therefore Execusuite needed to secure a parking lease from the railroad. He stated other buildings in this area do not have this requirement or expense, so it skews the expense numbers. He added the RR could terminate the lease with a 30-day notice; Execusuite would then be forced to build a parking deck.

Rick Vincent, assessor, responded stating "we treat everyone fairly and the same; we are not cherry-picking." The assessor requested a copy of the RR lease but did not receive it. He said this put him at a disadvantage; the company leases from the RR and then leases it as an expense internally. The lease rates are not the same.

The Chair invited questions from the BCA. Mike Morris asked about the lease arrangement. The response indicated Execusuite expenses the parking internally at \$300/space/month for 50 spaces. Lisa O'Neil asked what the amount of monthly lease rate with the RR is; Execusuite responded \$1000/month. Lynn Bohi noted Execusuite made a business decision to take on the risk of losing the spaces leased from the RR with the potential need to build a parking deck structure. Mr. Davidson acknowledged the risk but reiterated it skews things since no other building in that area has this requirement. Attorney Barney Brannen explained his clients may have to tear down another income producing property to establish a parking deck if the RR lease parking spaces goes away; he argued "that would be an additional burden and expense" and that improvement of the property and acquisition have not been fully taken into account.

Mr. Sidore re-stated Execusuite disagrees with the income approach but if the Town is going to use it, they should factor in the expense of the parking.

Melinda Brooks asked if the assessor had received the requested lease. The assessor indicated they had not. Mr. Davidson contended their testimony regarding the lease arrangement should stand absent a copy of the lease. Mr. Sidore stated the expense is stated on the inventory form signed by them and should stand as their testimony. The assessor stated he did do some income analysis including parking after Mr. Davidson mentioned the lease during the grievance hearing.

The assessor explained he jumped into the middle of the process when he came on board, so he was at a disadvantage. He stated he reviewed all the work completed by the previous assessor, but he wanted to start from scratch with his own approach and analysis. He needed to look at 2017 when the last revaluation was done to be consistent; if a property has had a physical change after 2017 it can impact the value. He explained if a change occurred in 2023, we then need to look at what the change would have been in 2017. He stated 132 S. Main St. did not exist in 2017 so he tried to project backward to 2017. He looked at 241 S. Main St. and adjusted for property differences, estimated rents and value if 132 S. Main St. had existed in 2017. He ran the income analysis based on this approach to value the property.

The assessor provided additional documentation on August 31, 2023 titled **Value Estimate Income Approach 104, 122 & 132 So Main St White River Junction** as part of his testimony (the Clerk labeled is **Exhibit A**). He explained the total income of \$1.4 million does not include the recent conversion of the storage facility. He utilized the State CLA (Common Level of Appraisal) of 77% set in 2022; he explained there were not enough sales to determine a different CLA rate. The State does an Equalization Study each year. He used a 35% ratio which is common in the industry (includes the three buildings) and included a 5% vacancy rate. He suggested his projections account for the parking expense. He said the 2022 market value is \$9.5 million unless there is another appraisal value. The assessor requested a copy of an appraisal report used for a mortgage obtained by Execusuite during the grievance process. He stated it was a last-minute request, but he had still not received it as of the hearing date. He stated there would be value in the appraisal report for this analysis. He stated estimating the 2017 valuation and income is challenging; it can be more challenging with commercial properties because there are fewer comparable properties to consider due to the different types of use e.g., apartments versus industrial versus office buildings. He estimated the 2017 value for all three would be \$6.4 million and \$5.8 million for 132 S. Main St. alone.

Nancy howe asked what the CLA was in 2017. The Assessor indicated the goal would have been 100% because it was at the time of townwide revaluation but over time values change. He explained the ultimate goal is to determine fair market value and assessment.

Mr. Davidson questioned whether the 77% CLA applied to all town properties and challenged the use of the metric of 77% CLA. He suggested the valuation should revert to the construction method. The chair asked Execusuite what they recommended for values. Mr. Sidore replied by using the cost method suggested to Joe Turner the value for 2022, when substantially completed, would be \$5,244,000.00. The value for 2023, including the new storage facility valued at \$162,000.00, would be \$5.4 million.

The assessor explained in the 2017 valuations some commercial properties had been assessed using the cost approach while the income method was applied to others. The goal is to determine fair market value and to have it be equitable. In this case, he argues the cost approach causes some inequity.

Mr. Davidson suggested starting down one path and changing the method used to another is unsettling and inequitable. He stated waiting for the townwide reappraisal is reasonable.

The assessor said there is no easy answer. He worked to determine which approach best represents fair market valuation and is equitable. Using the income method for 2017 brings the estimated valuation to \$6.4million; the cost approach results in an estimated value of \$5 244,000; and, based on the actual income from 2022 the estimated value would be \$9.5 million.

**11:00am:** Brett Mayfield moved to recess the hearing for 10 minutes. Ryan Walther seconded the motion. The motion passed unanimously.

**11:10am:** Brett Mayfield moved to reconvene the hearing. Melinda Brooks seconded the motion. The motion passed unanimously.

The assessor outlined the estimated value using the cost approach for 2022 at \$4,860,800; and \$5,022,900 for 2023. He said in his opinion the cost approach was low. He stated his analysis, based on the income approach, results in a total value of \$6,415,404. The value today based on the income method would be \$9,500,000.

Nancy Howe explained the site inspection visit includes interior and exterior of the buildings. No further testimony can be offered or taken. Mr. Davidson confirmed the only building they are requesting a site visit for is 132 S. Main St. The chair indicated the majority of the BCA would participate in the site visit except for the Chair and Clerk. She appointed Nancy Russell, Vice Chair, as the head of the inspection committee.

**11:30am:** Mike Morris made a motion to recess the hearing for the purpose of conducting the site visit. Brett Mayfield seconded the motion. The motion passed unanimously.

**12:35:** Brett Mayfield made a motion to reconvene the hearing for the purposes of hearing the inspection report. Lynn Bohi seconded the motion. The motion passed unanimously.

Nancy Russell presented the report. The inspection was conducted at 11:40am at 132 S. Main St. She described the building as a tall structure of modern design; and well-maintained inside and out. There is a 2800 s.f. commercial space but the inspection committee did not access the space out of respect for privacy due to the nature of the business and its clientele. The residential portion of the building has access via stairs or an elevator; there are security keypads for safety of residents; it is near bus stop for access to public transportation; there is ample parking in leased space; walkable to downtown to visit shops, restaurants, get groceries; and well-placed in the neighborhood. Twenty-nine of the 69 units have balconies; the apartments range from 415-460 square feet. There was only one unit available for the committee to inspect. It had a balcony; the apartment interior condition and features are above average for our area; washer/dryer available in each unit; kitchen had quality cabinets and finishes; vinyl-plank flooring for easy care; designed for accessibility; well-lit; and each unit has individual heat and air conditioning.

The Chair asked the assessor if he had anything to add. He stated it was a good representation of the property. Mr. Sidore indicated he did not have anything to add.

Mike Morris asked Execusuite to compare square footage between 132 S. Main St. and the former American Legion building. Mr. Sidore indicated the former American legion building has a bigger footprint and the units have lofts but not the same amenities. Pat Cook asked about the rent ranges today. Mr. Sidore indicated the range is \$1500-\$1600/month today. The assessor referred to page one/ fourth column of the document he presented at the beginning of the hearing whereby he uses an average of \$1582 in the income approach.

Ryan Walther made a motion to close the hearing. Melinda Brooks seconded the motion. The motion passed unanimously.

Brett Mayfield made a motion to move into deliberative session. Mike Morris seconded the motion. The motion passed unanimously.

Brett Mayfield moved to come out of deliberative session. Mike Morris seconded the motion. The motion carried unanimously.

Lynn Bohi moved to assess 104 S. Main St., identified by Span # 285-090-11713 and parcel ID #46-30, a total of \$6,253,304.00 for 2022. Pat Cook seconded the motion. The motion passed unanimously.

Mike Morris made a motion to assess 104 S. Main St., identified by Span # 285-090-11713 and parcel ID #46-30, \$6,415,404.00 for 2023. Melinda Brooks seconded the motion. The motion passed unanimously.

Nancy Howe asked if there was any further business to discuss before the BCA.

**2:00pm:** Brett Mayfield made a motion to adjourn. Melinda Brooks seconded the motion. The motion carried unanimously.

Respectfully Submitted, Lisa O'Neil, Clerk