

ASSESSMENT APPEAL DAY

April 5, 2010

The Assessment Appeal Day proceedings were opened at 4:07 p.m. by Councilman William C. Raynor. Representing the town were Council members Valerie M. White and Anthony H. DeFeo. Assessor William Whitaker was also present.

Also present were James Markow, IT Manager; Attorney Barrett Edwards; Janice Kraynak, CLT; and Recording Secretary Valerie L. Heritage.

Visitors present were Arthur Sedmont and Dana F. Wattay.

Mr. Arthur G. Sedmont, 3201 Brenford Road, Smyrna came forward to speak. Mr. Sedmont stated he was appealing the assessment for 3201 Brenford Road, and passed out a copy of a letter detailing his request. He said the property is 34 acres and there are no structures on it. Mr. Sedmont said Kent County has it assessed at \$23,100.00. He said he received a tax bill from the Town in late January.

Ms. Kraynak stated that at the time the value of this property was changed she was not involved and she is not familiar with this particular property. She said normally her company, if they feel the property is being tilled - still farmland - but then you've said also that you do not have farmland in Smyrna, so... Mr. Markow said we do have one or two properties in Smyrna. Ms. Kraynak said normally they will put a higher assessment if it has some site improvements - curbing, and the utilities already started, that sort of thing, so she would have to look into this particular property, otherwise she is not certain why that higher value was assessed.

Mr. Sedmont said the property does not have any of that yet. Ms. Kraynak said she is not familiar with it so she will need to do some research on that.

Councilwoman White asked Mr. Sedmont to make sure that they have his contact information. She said we already have your letter and then they will research it. Mr. Sedmont said in his cover letter he summarized the documentation in this case and there have been a number of discrepancies, but he just wants to read the letter so it is on the record what he is requesting from the Board. Mr. Sedmont read: 1) void the tremendously inflated assessment of \$1,208,100.00 and the consequent tax

bill; 2) direct that the property be realistically reassessed per current usage; and 3) the property taxes owed based on the realistic reassessment be effective at whatever date the Board determines to be justifiable.

Mr. Sedmont said he has also made some observations and recommendations which he would like to share. He said because of the discrepancies and deficiencies in this case for which there has been neither acknowledgement nor apology, and based on his career experience in public service, including the elected positions of council member and mayor, he submits the following: 1) since the benefit of doubt must always be given to an addressee who claims non-receipt of a mailing in the absence of hand delivery, a certificate of mailing, or certified mail, then the Town should request the addressee's acknowledgement of receipt or else use certified mail; 2) an oversight committee should be established to assess the credibility of the firm that conducts property assessment work for the Town; 3) it appears that the left hand doesn't know what the right hand is doing - Mr. Markow has allowed to act as a loose canon, it is recommended that his correspondence be both monitored by his supervisor and coordinated with the Town Manager. Mr. Sedmont said please advise if further information is needed, and he thanked the Board for their consideration and solicit their equitable decision in this matter. He asked if anyone had any questions at this time. There were no questions. Mr. Sedmont said thank you.

Councilman Memphis P. Evans entered the proceedings.

Mr. Edwards said at this point the Committee essentially has - the three members of the Committee: Councilwoman White, Vice-Mayor Raynor, and Councilman DeFeo - the three of you have... Mr. Edwards said he knows Councilman Evans came in late and asked if he is a part of this Committee. Councilman Evans said yes he is. Mr. Edwards said wonderful, that's great.

Mr. Sedmont left the proceedings. Councilwoman White said she thinks he believed the Board of Assessment was done with his request. Mr. Whitaker said he thinks Mr. Sedmont presented his case and left it for the Board to make a determination. He said he thinks what we have here is we are going to have to send this back to CLT for the documentation.

Mr. Edwards said just as an overview of how this is basically going to work, from speaking with Mr. Jaywork just now, in the Charter basically the Committee that hears these is

supposed to be composed of at least three members of Council. He said you are to make a recommendation and then the entire Council at that point needs to vote on whether to accept your recommendation or not with regards to this appeal. Mr. Edwards said specifically with regards to this appeal the things that you need to consider is that there is a presumption that weighs in favor of the assessment that was done, meaning that there is a presumption indicating that the Town's assessment was valid so Mr. Sedmont has the opportunity to show that it was invalid in some way. He said understands that Mr. Sedmont has not been happy, and at the same time he wishes Mr. Sedmont were here to have heard this that he needs to be able to refute this presumption, he needs to be able to present evidence as to why his property should be valued a different way through a different method at a different value. Mr. Edwards said Mr. Sedmont has not done that; that said because at this point, he is guessing, the appraiser wasn't given the information prior to this meeting as she should have been perhaps. He said she is going to need to go back and find out some of this information - it is not anybody's fault, we need more information in order to do something like this. Mr. Edwards said to do that it is likely that we will probably need to have another hearing or at least consider this hearing held open until such time as the members of the Committee can hear the information - he is guessing that probably can be done via telephone or something so Ms. Kraynak does not have to come down. Ms. Kraynak said yes that could be done via telephone. Mr. Edwards said then Mr. Sedmont would have perhaps the opportunity to rebut whatever information Ms. Kraynak presents. He said so at this point there's not really a whole lot that has been resolved, this is going to be held open, and he asked Ms. Kraynak what time frame she thought she could have more information as to why this parcel was appraised the way that it was appraised.

Ms. Kraynak said she would need to speak with someone; she is not sure how Smyrna handles this if you don't normally have farmland. She said if he tills do you have someone that will go out and verify that; does CLT have to do that - is he actually tilling this land - did he show proof of that?

Mr. Markow said normally what we do is everything that he said is correct to a point, that we normally do, but if we can come to an agreement tonight of what we think that land is and make the assumption and the agreement and go forward to save the money to pay you to go back out there and recheck. Mr. Markow said Mr. Sedmont didn't give us any information to rebut; he didn't do anything except accuse. He said normally we don't

have another meeting; if we have something like this we get the facts, let CLT go back, they present it to us, and then we present it to Council so Council has it next Council meeting they could discuss and approve then.

Mr. Edwards said just as legal counsel we need to make it very clear that without having an opportunity for the Committee to find out this information and have that put into the public record as to why it was valued the way that it was valued, what method was chosen, things of that nature, that if this were to be appealed to the Superior Court afterwards it is likely that there could be issues there - that the judge who would be reviewing this case could see that the record was improper, that it was not established enough and they could remand it. He said the other issue here is that if possible, would be just to come to a compromise. Mr. Markow said normally that is what they do. Mr. Edwards said unfortunately Mr. Sedmont left right now, but that would be perhaps optimal so that this matter could get resolved right now if you could come to a compromise with him, whatever that be, in the best interest of the Town.

Councilwoman White said with the difference in the pricing she does not believe that they would have come to a compromise at this point, because it is too much of a difference. She said normally the difference is less than \$50,000.00 and they can compromise. Mr. Edwards said he guesses in his compromise can take different forms. He said one that that he would perhaps look at - if it were him, and again this is up to the Committee - is to say perhaps the land is not developed quite yet, the appraisal is perfect for the upcoming year, perhaps not for this year; or to reach some medium point for this year, but going forward it is going to be appraised at whatever value that is. Mr. Edwards said he thinks the Committee needs to be careful that a compromise does not have lasting effects - he does not think that there should be a compromise that this appraisal be permanently diminished forever, that certainly is not fair.

Councilwoman White said she does not think that it's fair to assess the property as a development when it's not a development at this time. She said she is glad that Ms. Kraynak is willing to go back and look at it; it very well may have been done incorrectly. Mr. Edwards said he guesses that is one of the things that should be discussed right now is that if the Town is going to grant the appeal and make him happy - basically satisfy his concern for right now - if the Town is willing to do that, then it is not necessary to go back and look at the

appraisal information and stuff because he's not going to be appealing anything, he's going to be appeased.

Councilman Raynor said they don't have to come out and reassess it again, they can look at their... Mr. Edwards said exactly they don't need to come out. Councilman Raynor said they can look at the acreage - it is 30 acres and there was 30 acres sold to another developer down the road and his house may be worth \$400,000.00. Mr. Whitaker said there is no house. Mr. Edwards said it just needs to be presented why it was done the way it was done.

Councilwoman White said Mr. Sedmont said he did not sell it all; he is still right there - he just sold a portion of his overall property. Councilman Raynor said so the house is not part of the overall then. Councilwoman White said it is not part of the 30 acres.

Mr. Markow asked Ms. Kraynak what 34 or 35 acres would be valued at in the Town of Smyrna. Ms. Kraynak said normal land? Mr. Markow said normal land, tillable. Ms. Kraynak said farmland would - she would say his assessment probably would be right if, would the Town be willing to keep it at this and if the approval goes through like next year. She said it is the worth of the future benefits of this property. Ms. Kraynak said if he is going to sell off all of these lots he has a potential for a lot of income there. Mr. Markow said that's right. Ms. Kraynak said so that \$23,100.00, if you would keep it for this year and maybe look into it, and we could raise it again next year. She said she does not know what the Town's stance is on that - she is coming in new - she has not been here for a number of years.

Mr. Whitaker said another thing is that this property was never previously in the Town of Smyrna. Mr. Markow said he brought it in to subdivide and make money. Mr. Whitaker said when he brought it in the Town of Smyrna you have to factor in the fact that you were previously in the county and you didn't have to pay Smyrna taxes, and now when you become part of Smyrna, you have to figure that your part of the Town of Smyrna and you have to pay based on the valuation of the land. He said what is 34 acres worth in the Town of Smyrna - three or four thousand dollars an acre puts it up there - 30 or 40 thousand.

Councilwoman White said her question and concern is that was the assessment done based on the fact that it will be developed and subdivided. She said if that were the case where

it was looking into the future that we are going to assess this now at 1.2 million because next year it is going to be subdivided - she does not think that is fair for this year because the property at this time is not subdivided so she does not believe that the assessment should be based on the subdivision.

Mayor Patricia A. Stombaugh and Assessor Priscilla Williams came late to the proceedings.

Mr. Whitaker said his question would be it was brought into the Town of Smyrna and has to have some type of zoning, so how is it zoned? Staff said they thought it is zoned R-1.

Councilman DeFeo said was it assessed as one R-1 property or a cluster of R-1 properties there. He said it should be one property, so what would the value be - would the value still have been the 1.2 million?

Mayor Stombaugh said it would because R-1 is the lowest density so you get the biggest lot. Councilwoman White said but, if it is a 30 acre lot and it is R-1 would the assessment be different if it was 29 lots on 30 acres? She said would the subdividing the acreage into separate parcels make a difference in the appraisal. Councilwoman White said she thinks that is what they are overall trying to figure out.

Councilman DeFeo said sure it would. Ms. Kraynak said right, but that hasn't been done yet. Councilman DeFeo said that is what it was assessed at. Ms. Kraynak asked when did this value go - this isn't something that they just did this last quarter correct? She said okay so she wasn't involved in this - she is not sure at what point that happened or why, so other than that she needs to look into it.

Mr. Markow said why are we changing it if it came in at R-1. He said if Mr. Sedmont turned around and sold it tomorrow, is he selling it for tillable land, no he is selling it for R-1. Ms. Kraynak said especially out on Brenford Road because that's all... Mr. Markow asked why would we take the hit.

Councilman DeFeo asked what the hit is. Mr. Markow said if we assess it back down to tillable land like he is asking. Councilman DeFeo said but if you kept it as R-1 - maybe this is part of that compromise - if you kept it as R-1 as one lot as opposed to R-1 and being 30 lots or 29 lots, which we said would be worth more than if it was one lot, because as 30 lots then

there is that greater earning potential for him if he sold that. He said we can look at the future, but we're interested right now in what is taking place today.

Ms. Kraynak said value wise you have it about 50 percent of what the potential is, because she would think that an acre lot - is that what he would need to build - would probably go for about 75...

Mr. Markow said he was approved for 129 lots. Mayor Stombaugh said it can't be R-1 for that many lots. Mr. Markow said so if he turned around and sold this property today he's got a nice chunk of change - he's not selling farmland. Ms. Kraynak said absolutely.

Mayor Stombaugh said the thing of it is he is the one that chose to annex, he was the one that chose to come into the Town; if he stayed where he was that's what he would be now - it would be farm or agriculture - but this is what kind of upsets her - the developers and all have these stars in there eyes, they come out, buy the properties, subdivide it and they're going to make all this money, but they don't want to pay anything in between, and she thinks if they're going to come and ask to be annexed, if they're going to ask for rezoning then they need to pay for the rezoning, they need to pay the price that anybody else in that category would pay.

Councilman Raynor left at 5:30 p.m.

Mayor Stombaugh asked how much is he being appraised for. Mr. Whitaker said 1.2 million. Mayor Stombaugh said we are asking him to pay 1.2 million? Mr. Whitaker said no, that is his assessment. He said his assessment prior to annexation into the Town of Smyrna was \$23,100.00, so he got a big jump, but the Town of Smyrna gave him what he asked for. Mr. Whitaker said he wanted building lots and he's got 129 - that's what he asked for.

Mr. Markow said he just does not want to pay for it that's all. He said he just does not see why you would agree to do anything else with it right now. Mr. Markow said he didn't give us any proof; he didn't give us anything on his side. He said now we have worked with developers and said hey, we'll reduce that amount on Phase I, Phase II, Phase III - when you break ground, when you put a road in we're going to start to up it, but let's come to a compromise - we'll bring it down, when you break ground we're going to increase it. Mr. Markow said most

of the developers are like yeah, that's fair, because they start at Phase I but they didn't start Phase II or III yet, so we compromise. Mr. Markow said do you want to compromise here.

Mr. Whitaker said you say the 129 lots have been approved. Staff stated they were approved through the Planning & Zoning Commission, and Mayor & Council. Mr. Markow said so when you go to sell that property wouldn't you sell it as hey, they are already approved - he said there is a lot of money there.

Mr. Whitaker said Mr. Sedmont presented a good case for walking out, but we didn't get to rebut. Councilman DeFeo said he turned around and walked out of here, so how do you compromise with an empty chair. Mr. Whitaker said you can't rebut at all.

Mr. Markow said to be honest he has only seen his letter once, and when he did get the letter we did reply back saying please show up for such and such today. He said he did not do the appraisal on this lot either.

Mayor Stombaugh said so the amount that we are asking him to pay is 1.2 million? Mr. Whitaker said no, that is the assessment. Councilman DeFeo said he thinks we are asking him to pay \$3,280.53 - right? Mayor Stombaugh said and he wants to pay less than that? Mr. Markow said he wants to pay an appraised value of \$48,000.00. Councilwoman White said because that is what the county appraised it at. Councilman DeFeo said it is \$23,000.00. He gave Mayor Stombaugh the copy of Mr. Sedmont's letter that he passed out in the beginning of the meeting.

Mr. Whitaker said he took 1.2 million and divided it by 129 lots - \$9,302.00 a lot. Mr. Markow said that's it? He said we usually have them \$60,000.00 to \$70,000.00 a lot. Mr. Whitaker said but this is before you put in any roads or curbs.

Mayor Stombaugh said if he only owes \$3,200.00 - she owns one acre and she pays almost \$1,500.00. Mr. Markow said it they are only being appraised at \$9,000.00 an acre then he wouldn't deal at all because we've dealt with the builders or developers that had \$60,000.00 and \$70,000.00 lots and agreed to drop them to \$20,000.00 and \$40,000.00 - we did that last year, and these are only \$9,000.00. Mr. Whitaker said \$9,302.00.

Councilwoman White asked how many lots. Mr. Whitaker said 129 lots divided into 1.2 million.

Mr. Markow asked if the Board had a recommendation yet. Mayor Stombaugh said her recommendation is that we leave it is. Councilman DeFeo said he will second that. Mayor Stombaugh said all in favor raise your hand. Mr. Whitaker said he did not hear the recommendation. Mayor Stombaugh said to leave it where it is. Mr. Whitaker said unless we get more information from Mr. Sedmont.

Mayor Stombaugh said at 3280 - all in favor raise your hand. Councilman DeFeo said counsel has a problem.

Mr. Edwards said again, he is not expressing an opinion either way about - all he is saying is that if this were to be challenged we need to show on the record why it was appraised the way that it was, so that when the judge reviews the record they can look at something and say this is what the Town did, this is why it was appraised as residential property, and because it was appraised this way the Town's decision was correct. He said we need to have something like that on the record. Mr. Edwards said now whether you vote or not tonight is up to you, but he is just saying if you are to vote on this without getting on the record why it was appraised the way that it was appraised it is likely that this could be subject to being overturned if he were to appeal this to the Superior Court.

Mayor Stombaugh said the reason she made the recommendation is because he came to the Town and requested to be in the Town limits - to be annexed - he had the zoning changed, he went from agriculture, one piece of property to a development with 129 lots, we subdivided the 129 lots into the appraised value, it comes out to a little over \$9,000.00, which she does not believe there is a lot in the area that you can purchase for that price, and that is the reason it was appraised the way that it was.

Councilwoman White said but what Mr. Edwards is saying, is he is recommending that we look into this further and find out why it was appraised that way - correct? Mr. Edwards said he thinks we need to find out from the appraiser why it was appraised this way. He said again, with due respect to the Mayor, he is not disagreeing with anything that she just said, but just to make sure that it comes from the appraiser just so that we create the record we need to create now. Mr. Edwards said to do that we would perhaps have to have another hearing of this sort - it doesn't need to be a three hour long block, it could even be right before a Council meeting coming up where he

would have the opportunity to come and hear what was said. He said the way that he understands it this is just a recommendation that goes before Council anyway, so then Council would need to make a decision and then perhaps he could also make an appeal to Council at that time. Mr. Edwards said again, you are free to act how you act - these are just things that you need to be aware of that could happen.

Councilwoman White said in the past what we have done is make the suggestion that we ask the assessor to go ahead and look into it, and then if the finding is a, then this is what we want to happen, and if the finding is b, then this is what we want to happen. She said in this case maybe the Mayor's recommendation will be ask the assessor to look into it, if her findings remain the same then this Board has agreed already that it remains the same.

Mr. Whitaker said he thinks what we have here is you are going to have to go step by step - he had a presentation and it sounded good, but then when you look at he had to come to Town and request annexation; the Town responded - what did he ask for, did we give what he asked for? Mr. Whitaker said step by step how we arrived at that and that is probably how we arrived at 1.2 million is we gave him exactly what he asked for, and he thinks if the Board is going to deny his appeal then we should have step by step how we arrived at 1.2 million.

Mr. Markow said granted let's say we do what you are asking CLT to do and they come back and say you know what, we made a terrible mistake it is 5.2 million. Mayor Stombaugh said it could happen. Mr. Markow said from there do we go back or do we stay forward, or are we even going to look at last year's tax? Mr. Whitaker said you have already given an assessment of that amount. Mr. Markow said but Mr. Sedmont has asked us to go back and look at it, and if we come back with a higher assessment, well then we come back with a higher assessment. He said the question he is asking also - do we want to go back and repeal his last year's taxes because that is what we are aggressively going after is the money that he owes us. Mr. Markow said if you are going to go back and say yes let's change it or challenge it or leave it the same we would want to know that also. He said because he had the appeal time to come to the last quarterly appeal when he was assessed then...

Mr. Whitaker said Mr. Sedmont said that he had short notice - we don't know that. Mr. Edwards said Mr. Sedmont said he

received no notice - from what he gathers from Mr. Sedmont - this is just his own words.

Mayor Stombaugh said she does not see any way it is going to go down for less than \$9,000.00 a lot. Mr. Markow said what if CLT comes back with \$20,000.00 a lot. Mayor Stombaugh said most of the lots in Smyrna are going for \$60,000.00. Ms. Kraynak said \$60,000.00 times 129 is \$7,740,000.00. She said that is what she was saying before - he has the potential. Ms. Kraynak said so the 1.2 million would be a fractional assessment.

Ms. Kraynak said she can't testify to the rates that were used or how we came up with that because she wasn't involved in the process; she can look into that and respond with an email to Mr. Markow or however the Council wishes, but she needs to research. She said she really does not know, but that seems like a fair value because that is a fractional assessment of his future potential benefits of this property.

Mayor Stombaugh said if that makes you feel better to go back to the assessor, but she thinks it is kind of foolish because the guy's getting a fantastic deal.

Councilman DeFeo said it is a good deal for him, but if he is not convinced it's a good deal as counsel said he may go running to Superior Court. Mayor Stombaugh said that's fine; she thinks we still have enough to back us up; there's not a lot around here that you can buy for \$9,000.00.

Mr. Whitaker said we still need to go step by step to show how we arrived at that figure. Mayor Stombaugh asked if that is the Committee's recommendation that they want to do some more research - ask the appraiser. She said she made the motion, is there a second? The Board members asked what the motion was. Mayor Stombaugh said to do this step by step, go back to the appraiser, and find out how they reached the conclusion and then we are going to have to have another... Ms. Kraynak asked what sort of response - is an email fine to Mr. Markow - okay. Mr. Markow asked when they would meet again - he said how about the next Council meeting? Mayor Stombaugh said we should do it before the election. Councilwoman White said 7:00 p.m. before the Council meeting.

Mr. Edwards asked Ms. Kraynak if she would be available to speak at that time. Ms. Kraynak said sure, whatever is required is fine. Mr. Markow said whether you come up with the 1.2 -

even if you come up with 10 million - whatever you came up with as long as you can back it up.

Mayor Stombaugh said do you think we should talk to him first? Councilwoman White asked if they could vote on this first because they are all going to forget what the motion is.

Motion was seconded by Councilman DeFeo. Mayor Stombaugh said what she is saying is before we go through all this should we tell him what the alternative may be - he may say okay I'll take this. Mr. Whitaker said we can let him know through the mail that we are working on his package. Mr. Markow said he will send Mr. Sedmont a letter - certified and regular mail - that we are working on his appeal process and we will know at the next Council meeting at 7:00 p.m. what the finding is.

Councilwoman White said what Mayor Stombaugh is saying is should we tell him we're willing to do what you asked to re-evaluate this, but please keep in mind that there may have been an error made somewhere and you very well could have your assessment go up to 5 million versus staying where you are at 1.2 million - should we at least give him the opportunity before... Mr. Markow said there were people who came up before questioning that their appraised value back in 2006 and their assessed value that we assessed them too low, and when he explained it to the people this is what you are asking; this is for taxes - if you were seriously asking us to look into this we will find the answer for it, and they were like, never mind.

Ms. Kraynak asked when the next Council meeting was. Councilwoman White said it is April 19th.

Mr. Edwards said from what he understands is at that point you would come back with your findings, the Committee would then be able to vote on it, and then it would go to Council, and Council would have the ultimate authority by majority vote. He said there is some question about whether he would have an opportunity to present his case again before the Council and if no one is opposed it is always better to let them present their case - he does not think anything is going to change to make the case any better, but by doing that if he were to appeal you can just take away another ground of his appeal for him to say he didn't have adequate opportunity - you could remove that by just letting him if he wants to present his case before Council again.

Mayor Stombaugh said the motion remains the same. She said the motion is for Mr. Markow to send a letter out and tell Mr. Sedmont that we are looking into it, it is being reconsidered, and that CLT will have an answer back to Mr. Markow before April 19th and then we will have to have another meeting before the Council meeting on April 19th at 7:00 p.m. Mayor Stombaugh said all in favor raise your hand. Motion carried unanimously.

Mr. Dana Wattay, 812 Fayette Road, Smyrna came forward to speak. Mr. Wattay said back in 2006 he compared his house to other houses in the neighborhood and properties of similar value, similar square footage, and by the same builder. He said his argument at the time was - the Board asked residents to bring proof - he brought properties that were on the water, etc... that were assessed less than his value, but the argument was that his was assessed at fair value and everybody's was. Mr. Wattay said his thing in the very beginning was he is happy to pay the taxes, because he knows the Town needs it, if we are all assessed apples to apples, apples to oranges was the big thing that he said he disagreed with. He said that was his big argument - there were houses that were assessed for less than his, on the water, on Lake Drive that everyone here knows could sell for double what his could sell for number 1, and he had the addresses and everything with him at the time. Mr. Wattay said his biggest thing though, just staying on with his house, his developer Anderson Homes and his exact house - he showed similar properties, which the company was here that assessed their values, did not even understand what he was talking about when he was talking about the front of the house. He said they have different elevations - he showed the elevations and the blueprints of the same exact house as his which was assessed at \$100,000.00 less than his. Mr. Wattay said it was an identical house except the front looks different, but the blueprint and the walk of the house is identical. He said today he just got an assessment on a deck that he built - he got about \$1,500.00 of materials was assessed at \$4,300.00, but it's a deck. Mr. Wattay said you guys do take-offs, he knows what take-offs are, he is a CPA so they do take-offs, valuations, he understands how all that works, but again he is here for the apples to apples thing. He said there have been several foreclosures in his neighborhood, which you are aware of. Mr. Wattay said Anderson Homes - even though they were called the premier builder they did a lot of shoddy work. He said he has one house here that was one of the vendors for Anderson Homes that is for sale in our development right now - the exact same home as his - this guy has premium floors, premium interior, he has decks, the entire basement was finished by the builder, also he has an

addition on the back which is almost 1,000 square feet more than his house; from the front it looks the same, but if you go off to the side where his house cuts off this house goes back 16 feet and across 20, three floors - that is about 950 square feet. Mr. Wattay said he has a sunroom on his house and that was what he was saying at the time - it looks like his house is bigger than it is because it has a sunroom on it; it was one of the things that if we didn't do it then they would move your house to a different part of the lot and you can't get it, so they decided to go ahead and spend the money at the time when they built. He said it is about 13 by 15, so it is about 200 square feet - so the other house, in all reality, is 750 square feet more than his and it is selling right now for \$335,000.00 - it has been for sale for four months and it hasn't moved and it hasn't had very many people looking at it that he knows of. Mr. Wattay said another house that is for sale, same development, this house was about \$25,000.00 less than his...

Councilwoman White asked for the address of the first house. Mr. Wattay said it is 720 Dorchester Court, and the second house is 732 Dorchester Court. He said this one is a different house, same builder, they are all similar in square footage, and this one is a little bit smaller than his. Mr. Wattay said again this one has a full deck on the back, a full fence - this one just sold about two years ago from the original owner who actually dropped the price \$100,000.00 because they could not sell the house, and it is for sale right now for \$285,000.00. He said again, this house sold for about \$25,000.00 less than his house when he purchased his home. Mr. Wattay said there is another one that just went up for sale that is the exact same house as his - it even looks just like his - at the exit to his development. He said it went up for Sheriff sale and then he does not know if the bank got it or who got it, but right now it is listed with Century 21 and it is listed for about \$300,000.00. Mr. Wattay said his house is assessed at about \$370,000.00. He said he is not asking for anything except for his assessment to be based at what the Town is saying fair value of what he could sell his house for. Mr. Wattay said these houses are selling - same ones, sitting here, not moving for a lot less than what his is assessed for.

Mr. Markow said what CLT said at the time when he came in is that yes, we appraised your house correctly and we appraised everyone else's wrong - if they come in they will be reassessed. He said that is the answer Mr. Wattay got, and he said that is not fair.

Mr. Wattay said he knows we are all in the same boat - he agrees with what is happening - we had to reassess the properties, we need the money for the Town, but he does not agree with such a range for the same exact properties, and they are in the same development. He said now some of them are a lot bigger than his house, they are right on the water; but he is landlocked across the street where these other similar houses are and he should be where theirs are.

Mayor Stombaugh said so when you say you should be where theirs are what would you like. Mr. Wattay said he would like his to be lowered to what these are considered at fair market value that the Town says we are valued at. Mayor Stombaugh said well you gave us several different prices, so where are you trying to go. Mr. Wattay said this one is... Councilwoman White said 732 Dorchester Court - how does that compare to your house. Mr. Wattay said that is just smaller than his. Councilwoman White asked Mr. Markow if the book she had has the current assessments. Mr. Markow said yes. Councilwoman White said 732 Dorchester Court is \$281,600.00.

Mr. Wattay said that is a good thing right there - if you look at the prices from Anderson when he bought his home that one was about \$25,000.00 cheaper than his so that would put his right now at about \$305,000.00. Councilwoman White said 720 Dorchester Court is at \$347,100.00. Mr. Wattay said that one is the one that is 720 square feet larger than his. Mr. Markow asked Mr. Wattay what he thinks his home is worth. Mr. Wattay said he would think somewhere around \$300,000.00 - \$335,000.00, whatever you guys think it is fair for the same properties. Councilwoman White said Mr. Wattay's property is at \$361,300.00. Mr. Wattay said he just got a new one that is \$369 something... Councilwoman White said if you take the parcels - 816, 817, 820, 821, and 825 within Mr. Wattay's area he is only one of - one is \$389,000.00, he is \$361,000.00, and all the other ones are less. Mayor Stombaugh asked how much. Councilwoman White said they range from \$274,000.00 to \$389,000.00. Mr. Wattay said there are a couple of really big ones, and there's two or three that are on the water on the corner that actually have lake access, so he can understand those being higher.

Mr. Markow said you are also asking to lower it to whatever they agree upon, plus to have back to 2006... Mr. Wattay said that would be reasonable - he only wants what's reasonable. He said he is not asking to lower his lower than anybody else's or anything; he just wants what's reasonable. Mr. Markow said we should have done that in 2006.

Councilman Evans asked Mr. Wattay if he would be satisfied with \$325,000.00. Mr. Wattay said absolutely. Mr. Markow asked if the Board wanted to go back two years and credit him or no. He said we can go forward if that is what you want to do. Mayor Stombaugh said she thinks we have to go forward.

Mayor Stombaugh said we have a motion, is there a second. Motion was seconded by Councilman DeFeo. Mayor Stombaugh said all in favor of changing his assessment to \$325,000.00? Motion carried unanimously.

Mr. Markow said we have one more thing to discuss before we dismiss - we have open space throughout town - stormwater ponds and everything else that have been assessed at fair market value if you could build a house on it. He said he was asking CLT - Ms. Kraynak - what would be a fair appraisal or assessment on anything that is open space or used as a stormwater pond or unbuildable for any type of reason, and what were you saying the fair market should be? Ms. Kraynak said they would maybe do 5 percent of what the value would be if it were a buildable lot, so say you had it assessed at \$100,000.00 we would only put the \$5,000.00 on it because it is not buildable, it is there specifically as a storm drainage basin - there is no use or utility for that land so it is just minor.

Mayor Stombaugh said but it is still something that they would have to have. Ms. Kraynak said yes they have to have it, but it is not buildable. Mayor Stombaugh said it does have value because a developer has to have it. Ms. Kraynak said they do have to have it, but it shouldn't be valued as high as a buildable lot would be - she would say no more than 10 percent, but that would be the highest.

Mr. Markow said knowing that now what he would like to do now is anybody who has an open space such as a lot of homeowner's associations that are paying this fee is to write them a letter with the Board's blessing saying basically you have been reassessed and lowered to 10 percent of the value because of this, effective immediately. He said any past taxes they would have to come before the Board next year. Mayor Stombaugh said no; don't put that - just from here forward. Mr. Markow asked if that was okay to do. He said we do have one company that has been asking us - Carriage Realty - to do that previous. The Board members all agreed not to go back, just move forward. Mr. Markow said he will send everybody that he

knows that has open space that we value them at 10 percent or 5? Ms. Kraynak said she would probably say 10 percent.

Mayor Stombaugh asked for a motion. Councilman DeFeo made the motion that Mr. Markow proceed with his plan. Motion was seconded by Councilman Evans and carried unanimously.

Mayor Stombaugh said we did receive this letter from Carl Helton, so we do have to do something with it. She said it says 229-231 North Main Street was assessed at \$445,000.00 - it is a commercial property. Councilwoman White said for Main Street - is that...? Mr. Markow said is that the medical building on the end?

Mr. Whitaker said in the letter the owner said they are only worth 50 percent of what they were in 2006, which is kind of a loose statement - based on what information? Mayor Stombaugh said that is not a true statement either. Mr. Whitaker said the writer of that letter should be able to substantiate that, you can't just say okay it's worth 50 percent of what it was worth in 2006.

Councilwoman White said so the building on North Main Street is \$445,000.00? Mr. Markow said that is correct. Ms. Kraynak said again, this is just a random - they are saying 50 percent without an appraisal to substantiate that - he needs proof.

Councilwoman White said she does not know if this matters or not, but she was trying to find something in the area to say, well this piece of property was assessed at this - the shopping center where Tracy's Vines is and the vet's office - Freedom Plaza - that whole parcel is assessed at \$867,000.00. She said that is an older area. Councilwoman White said so that was assessed at \$867,000.00 versus Mr. Helton's one building there, which is a very nice building for \$445,000.00.

Mr. Whitaker said there are probably properties that are closer that if you go down by the Wilmington Trust - across the street they have a newer office/retail building. He said that might be a better comp.

Councilman DeFeo asked about that little piece that is over by Towne & Country. Mr. Markow said they were both made by Stover Builders.

Mayor Stombaugh said Mr. Helton's building on East Mount Vernon Street has four apartments upstairs and business downstairs. Mr. Markow said eight apartments. Mayor Stombaugh asked who has eight apartments. Staff said Mr. Helton's building at 28 East Mount Vernon Street.

Mr. Whitaker asked what it is valued at. Councilwoman White said 1.1. Mr. Markow asked if that is a little low. Mayor Stombaugh said she thinks it is a little low. Councilman DeFeo said that is the one by the Salvation Army, correct?

Mayor Stombaugh said he just sold that building. Mr. Whitaker said 10 units - that's \$100,000.00 a unit - that's a push, in his opinion. Mr. Markow said you don't think it is worth \$100,000.00 a unit? Mr. Whitaker asked if they were one or two bedroom apartments. Councilwoman White said some are one and some are two. Mr. Whitaker said that is a push for a one bedroom apartment. Mr. Markow said then you have three commercial units downstairs. Mr. Whitaker said it is still a stretch - how are you going to get \$100,000.00 a unit for one bedroom or two bedroom apartments.

Mayor Stombaugh said wait a minute - that wasn't taking into consideration the three units downstairs - the three business units. Mr. Markow said and you are also not thinking of now, you are thinking of back in 2006.

Mayor Stombaugh said he sold that one property, so he doesn't even own it now, so she doesn't know why he's coming in here asking for something that he doesn't even own.

Mayor Stombaugh asked for a motion. Councilman Evans made the motion to leave it like it is until he can come in here with proof. Mr. Whitaker said probably it should come from the owner, not the previous owner.

Councilwoman White said she just always wants to try to be fair, and if the shopping center by Xbos - the new one right? She said that shopping center is assessed at \$388,000.00. Councilwoman White said his new place on Main Street is \$445,000.00. Mr. Markow said he is saying that the North High Street Extension is wrong.

Mayor Stombaugh said we have a motion to leave it where it is unless he can bring appraisals in - was there a second? Mr. Whitaker said the owner needs more information to present to us, correct? Councilwoman White said yes. Mayor Stombaugh said and

they have to be the owner of the property, and we are not going back. Mayor Stombaugh said okay, let's do it in two things. She said and we can tell you he just came to Council and got - she does not know if we gave him a refund or credit - for the Town has a thing if you take a property that is blighted and you tear it down and build something better you can come to Council and you can ask for half - we approved half. Mayor Stombaugh said so he's gotten half off of his taxes. She said what is it - taxes and... Mr. Markow said electric for six months when people move into the apartments - is that the one we are talking about or are we talking about the medical? Mayor Stombaugh said either one. Mr. Markow said but that will go away if he sells the property. Mayor Stombaugh said he got half off of the taxes.

Councilwoman White said she thinks it was a break in the taxes and then a break in his impact fees - she believes. She said that is what we give to all individuals that do blighted properties. Mayor Stombaugh said so he's already gotten a discount.

Mayor Stombaugh said we have a motion to leave it where it is. She said is there a second. Mr. Whitaker said leave it where it is and have all appeals presented by the owners - he said he would second that. Motion carried unanimously.

Mayor Stombaugh said the second part was he wanted to be reimbursed - we think... Staff did not know. Mayor Stombaugh said then we will leave that one out.

Ms. Williams said he is saying he wants to be reimbursed in this letter. Councilwoman White said that is if we go ahead and approve the requested changes, then the differences of the taxes paid be refunded. She said so apparently he has already paid these, and if we change our mind then he wants to be refunded the difference.

Mr. Markow said we have one more thing - the Senior Citizen Tax Exemptions. He said we received 119 applications for the Senior Citizen Tax Exemptions for 2010. Mr. Markow said of those one does not qualify because she is not 65 years of age, four do not qualify because they are over the income limit, and that leaves 114 applicants who meet the requirements as listed on the application. He said he believes the Board members all have a copy - if we could get a motion on that.

Councilwoman White made the motion to approve the Senior Citizen Tax Exemption list for April 5, 2010. Motion was seconded by Councilman Evans and carried unanimously.

Councilwoman White made the motion to adjourn. Motion was seconded by Councilman DeFeo and carried unanimously. The proceedings were adjourned at 6:57 p.m.

vlh