Board of Assessment Appeals

June 02, 2015

The Board of Assessment Appeals was brought to order by Chairman Garfinkel. Board Members present were: Chairman William Garfinkel, James Welsh, and Tom Burns. Also present were Cheryl Bundek, City Assessor, Annette Hart, Administrative Assistant to the City of Dover Assessor's Office and Ryan Zuck, representing Tyler Technologies.

Appeals

3. A. 1. Thaiss Roger & Mary Ann

Location: 184 Maple Glen Dr.

BACKGROUND AND ANALYSIS

An appeal form was submitted to the Assessor's Office.

An offer was made to the homeowner after a grade change was made to the property.

Tyler Technologies will be presenting evidence and answering any questions from the Board since this is a revaluation year.

Appealed	Requested	Revised Assessor/Tyler Amount
$256,500	$232,200	$249,100 (rejected by homeowner)

RECOMMENDED ACTION: Recommend that the revised number generated by the 2015 Revaluation remain the same.

Mr. Thaiss was present for the hearing, he started by telling the board that he purchased the home in 2003 at which time there were 13 homes in the neighborhood assessed higher than his property. In 2015 there was only one home assessed higher. He asked the board why his home was assessed higher than similar homes in his neighborhood and provided assessed values of homes that were larger in square footage but assessed lower than the subject property.

Mr. Zuck explained that home sales from 2013 & 2014 were used to calculate the values. He proceeded to go over the sales in the neighborhood.

Mr. Thaiss pointed out a home across the street, having more square footage but assessed $20,000 less than his asking if the homes are assessed based on basements and pools, or square footage.

Mr. Thaiss pointed out again that in there were 13 homes assesse higher than his in 2003 and now his homes is number 2 on this list. Shouldn't the assessed values for all of the homes have gone up at the same rate?

Mr. Zuck told Mr. Thaiss that he cannot look back at the last revaluation, he has to look at the current numbers and went on to go over two recent sales in the neighborhood which were smaller than the subject home and sold for $220,000 to $240,000.

Mr. Thaiss brought up the home across the street from him, which was bigger, had a pool and a porch and was assessed at approximately $24,000 less. If his home was assessed higher, why weren't the other homes assessed higher.

When asked what Mr. Thaiss believed his home should be assessed at he replied that $238,000 would be a fair value.

Mr. Zuck went over the sales used in the study and pointed to one sale that had sold for more than it was assessed.

Board Member Burns pointed out that the homes assessed value should have gone up based on this sale, but yet was assessed at about $20,000 less than the subject home.

Mr. Thaiss pointed out the home across the street which was assessed at $232,000 and was approximately the same style and size; he suggested taking the assessed value of this home and adding $6,000 for his unfinished basement, to calculate the value of his home.

Mr. Zuck did the calculation and came up with a suggested assessed value of $238,000.

The appellant was satisfied with this new value.

Board Member Welsh made the motion to agree to the new value of $238,000 which was seconded by Board Member Burns.

Motion carried 3-0.

3. C 1. Stehle Suzie

Location: 154 S State St. Alley

BACKGROUND AND ANALYSIS

An appeal form was submitted to the Assessor's Office.

An offer was made to the property owner after an adjustment was made to the income.

Tyler Technologies will be presenting evidence and answering any questions from the Board since this is a revaluation year.

Appealed	Requested	Revised Assessor/Tyler Amount
$113,000	$70,000	$94,700 (rejected by property owner)

RECOMMENDED ACTION: Recommend that the revised number generated by the 2015 Revaluation remain the same.

Ms. Stehle was present for the hearing and expressed her concern about the assessed value generated during the Revaluation. Ms. Stehle mentioned that she did contact a real-estate agent regarding listing the property for sale, but decided not to when she was told that she could only ask $50,000. She mentioned that there is a "For Sale" sign in the window, and when people come to look at the property they take note of the poor parking, crime in that area and foot traffic from the liquor store nearby.

When asked how much she was trying to rent the store for she told the board that she was asking $200, just to occupy the space, but has not had any luck.

Board Member Burns asked if the apartment above the store was rented for, and if so for how much? Mr. Stehe replied that was receiving $625 in rent, but noted that she did pay for the parking.

Mr. Zuck pointed out that the $200 rent she would charge for the store would be below what warehouse space would rent for. Ms. Stehle replied that she was not asking for much in rent, because would just love to have somebody occupy the space.

Mr. Zuck went over the information rental information Ms. Stehle provided and was able to make adjustments to the assessed value brining it down to $85,400.

Chairman Garfinkel asked if the property was limited to being used as a store and apartment only, or if it could perhaps be rented as a warehouse.

Ms. Stehe replied that she did look into other avenues, but was not able to do so, due to the City's strict rules and regulations.

Board Member burns agreed with the new assessed value Mr. Zuck suggested.

Board Member Burns made the motion to accept the city's new value of $85,400, which was seconded by Board Member Welsh.

Motion carried 3-0.

3. D. 1. Dover South Coast Partners GP

Location: 1001-1091 N DuPont Hwy.

BACKGROUND AND ANALYSIS

An appeal form was submitted to the Assessor's Office.

An offer was made to the property owner after an adjustment was made to the income.

Tyler Technologies will be presenting evidence and answering any questions from the Board since this is a revaluation year.

Appealed	Requested	Revised Assessor/Tyler Amount
$26,089,800	$22,877,700	$24,717,800 (rejected by property owner)

RECOMMENDED ACTION: Recommend that the revised number generated by the 2015 Revaluation remain the same.

Mr. Stavitski was present for the hearing and told the board that after filing the appeal for his client, he did receive a call from the City of Dover Assessor's Office with the new value of $24,717,800. While he and his clients did appreciate the new value, they did believe that the value was still too high.

Mr. Stavitski went over the packet he supplied at the time the appeal was filed, which included sales of similar properties in the state of Delaware and information regarding the rental income of the property.

Mr. Zuck went over the numbers used by Tyler Technologies to evaluate the property, he also pointed out that the property is located in a prime location in Dover. He was wondering why the rental income is so low.

Mr.Stavitski explained that one of the junior anchor stores is charged a lower rental rate in order to keep the store from leaving the shopping center.

Based on the information Mr. Stavitski provided Mr. Zuck was able to make adjustments to the rental income of the property which brought the value down to $23,071,400.

Mr. Stavitsky accepted this new value.

Board Member Welsh made the motion to accept the new value which was seconded by Board Member Burns.

Motion carried 3-0.

3. E.1. 90 Saulsbury Associates LLC

Location: 90 Saulsbury Road

BACKGROUND AND ANALYSIS

An appeal form was submitted to the Assessor's Office.

Tyler Technologies will be presenting evidence and answering any questions from the Board since this is a revaluation year.

Appealed	Requested
$727,700	$375,000

Mr. Caterino, representative for 90 Saulsbury Associates LLC, was present for the hearing and started by going over the packet he handed out. He went over the past assessed values asking the board to reduce the assessed value to $375,000.

Mr. Caterino told the board that the property had been purchased two years ago for $325,000 and had been on the market for quite some time. Mr. Caterino explained that his company purchased the property for potential parking or clubhouse site for the apartment complex adjacent to the property.

The appellant also mentioned that shortly after the property had been purchased the company received multiple verbal offers for $375,000. The offers were turned down because the company was not sure whether the property would still be used for the parking lot as mentioned earlier or not.

Mr. Caterino went over the comparable sales listed in the packet, realizing that it had not been easy to find recent comparable sales. He also mentioned that the property had a number of challenges for re-development, one being the irregular shape, plus exiting the property could be very dangerous due to the heavy traffic.

Mr. Caterino went over different scenarios the company had developed, trying to find the best use for the property, including a redeveloping model, a rental model (as is) and a land only model.

The appellant told the board, that in his opinion, the properties assessed value should be $375,000 based on the offers the company had received, explaining that these offers showed the true value of the property.

Mr. Zuck asked if the property had been vacant at the time it was purchased and if the property was to be used as a rental property. He also mentioned that the area the property is located in a vital area, going over current listings in that area. Mr. Zuck proceeded by making adjustments to the land value of the property based on the information provided by Mr. Caterino, reducing the total value to $522,700.

When asked about the condition of the building, Mr. Caterino told the board that the building needed of a lot of work and would probably be demolished.

Mr. Zuck made further adjustments to the building based on the condition, which reduced the assessed value to $476,500.

Mr. Caterino agreed to this new value.

Board Member Burns made the motion to accept this new value which was seconded by Board Member Welsh.

Motion carried 3-0.

3. F. 1. Dover Bay Court Plaza LLC

BACKGROUND AND ANALYSIS

An appeal form was submitted to the Assessor's Office.

An offer was made to the property owner after an adjustment was made to the income.

Tyler Technologies will be presenting evidence and answering any questions from the Board since this is a revaluation year.

Appealed	Requested	Revised Assessor/Tyler Amount
$14,707,600	$5,500,000	$13,056,200 (rejected by property owner

Representing the appellant were Mr. Gorman, designated representative and in-house attorney for the appellant. Mr. Wilk, National Chair of the Corporate Real Estate Advisory Group, licensed appraiser, present to advise Mr. Gorman. Also present was Mr. Phil McGinnis, real-estate appraiser.

Mr. Gorman started by going over his background as well as the reason for the appeal and the history of the property. He told the board that the assessed value of $14,707,600 was too high; the property would never sell for this price, the appellant believed that the property should be valued at $5,500,000.

Mr. Gorman proceeded by going over the most recent comparable sales information he was able to find and told the board that currently there is a $5,000,000 debt against the property; also the occupancy rate was currently at 38% and dropping. Mr. Gorman also said that the appellant had looked into demolishing the existing strip mall.

Mr. Zuck started by telling the Board that changes had been made to the vacancy rate, which generated a new value of $13,056,200. This new value had been offered to the appellant prior to the appeal hearing but was rejected. He proceeded by going over the rent and occupancy information provided by Mr. Gorman and offered a revised assessed value of $11,070,700.
Mr. Zuck also pointed out that, in his opinion, the rental income seems extremely low.

Mr. Gorman agreed, but assured Mr. Zuck, that the property was not able to produce more income, based on age and location.

Board Member Burns asked Mr. Zuck what the average price per square foot his calculation uses, not including the Buffalo Wild Wings.

Mr. McGinnis asked Mr. Zuck to go over the numbers used to calculate the proposed $11,070,700. Mr. Zuck pointed out that this number did include the Buffalo Wild Wings.

In Mr. McGinnis' opinion, the rent per square foot Mr. Zuck used for his calculation was too high.

After a discussion about the rental income per square foot Tyler Technologies used to calculate the value, Mr. Zuck made some more adjustments based on rental information provide, which lowered the assessed value to $8,893,400.

This new value was accepted by the appellant after a short recess.

Board Member Welsh made the motion to accept the new value of $8,893,400 which was seconded by Board Member Burns.

Motion carried 3-0.

4. I. 1. Moses David & Cecilia

Location: 46 Delaware Ave.

BACKGROUND AND ANALYSIS

An appeal form was submitted to the Assessor's Office.

An offer was made to the homeowner after a grade change was made to the property.

Tyler Technologies will be presenting evidence and answering any questions from the Board since this is a revaluation year.

Appealed	Requested	Revised Assessor/Tyler Amount
$163,700	$140,000	$159,800 (rejected by homeowner)

RECOMMENDED ACTION: Recommend that the revised number generated by the 2015 Revaluation remain the same.

Mr. Moses was present for the hearing and started by going over the history of the property. He told the board that he barely has the money to keep up with the normal repairs of the home, there have not been any interior updates made the home since he purchased the home in 1992.

The appellant also expressed his concern regarding the condition of the road, telling the board that he has contacted the City regarding the poor condition of the road and nothing has been done as of today and because of this, he has not been able to keep up with the appearance of the home.

Mr. Moses does not believe he would be able to sell the home unless he would invest $60,000 into repairs and upgrades. He mentioned that his mother in-law's home right next door has been on the market for several months and is listed for $161,000, but had not been sold, even though it had been updated.

The appellant started to go over sales on his street and expressed his concern about the falling sales prices on that street.

Mr. Zuck went over the comparable sales in the subject's neighborhood, he also went over the information the city has on file regarding this property to making sure the information was correct.

Mr. Moses presented information he collected regarding comparable sales in his neighborhood.

Chairman Garfinkel asked Mr. Zuck to explain why he initially changed the assessed value from $163,700 to $159,800.

Mr. Zuck replied that when he looked at the properties in that area he made a change from a B- to C+ to the grade to the subject property, which reduced the assessed value. When asked by Mr. Zuck whether the attic is finished or not, Mr. Moses explained that the home had an unfinished attic. After making this correction from finished to unfinished attic, the assessed value was reduced to $149,900.

Chairman Garfinkel asked if the subject properties price per square foot falls in line with the homes in the comparable sales.

Mr. Zuck proceeded to go over sales in the neighborhood showing that the subject home falls well within line.

Board Member Burns made the motion to accept the revised value of $149,900 which was seconded by Board Member Welsh.

Motion carried 3-0.