City Council's
Board of Assessment Appeals

October 25, 2012

The Board of Assessment Appeals was brought to order by Chairman Garfinkel. Board Members present were: Chairman William Garfinkel, James Welsh and Tom Burns. Staff present was City Assessor Cheryl Russell and Administrative Assistant Annette Hart.

Exemptions

1. B. 1. Friends of the Capitol Theater, Inc.

Location: 226 S. State Street – ED05-077.09-04-22.00

BACKGROUND AND ANALYSIS

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

This property was recently added to the taxable property in July 2011.

In 2000, this property was approved for a10 year property tax abatement under the Dover Downtown Development Incentives.

Property taxes have been paid for 2011 & 2012.

Exemption Request (2012 & future billings)
$2,023,500

Representing the Friends of the Capitol Theater were the following:
Connie Welde
Dr. William Johnston
Sylvia Cowell
Sandra Conner
Kim Ritter
Amir Mohammadi
Vita Pickrum

Ms. Cowell explained to the board how important the organization is to the City of Dover and its surrounding area. She told the board that the Theater had been exempt from taxes for the past 10 years and would like to be exempt from property taxes for another 10 years.

Mr. Mohammadi expressed concern about the troubling economy. He explained that when the economy is in decline so are the ticket sales for the art center. Mr. Mohammadi told the board that the expenses for the center are currently going up while the revenue is going down.

Ms. Ritter went over the program which was handed out to the board members.

Mr. Burns asked the board members if the Theater had the 501(c)3 status.

The members explained that the theater does have the exempt status which is consistent with Wesley College and Delaware State University.

Mr. Burns asked if the organization was also exempt from taxes with the county.

Mrs. Welde explained that due to the fact that the organization did not have the exempt status before the year 1987, they do not qualify for the exemption with the county. She told the board about a law that kept them from automatically getting the exemption. The organization is in the process of appealing this decision.

Chairman Garfinkel wanted to make sure that everybody present knew that the purpose of the Board of Assessment Appeals was to make sure the organization falls under the requirement needed to qualify for the exemption.

The Assessor wanted to clarify that the tax exemption the Theater had previously was due to a 10 year Tax Abatement, which is a program the city offers to property owners who purchase property in the Downtown Dover Area. Renovations made to the property are not taxed for 10 years while in this program. This 10 year period had just come to a close.

Mr. Burns asked how the art center falls within the already exempt properties within the city, such as churches, colleges, museums, or for example the Dover Art League. He wanted to make sure the board would be consistent if they decide to grant the exemption.

The Assessor explained that schools and colleges are state owned and therefore are exempt. She gave examples of other organizations which are tax exempt.

Mr. Burns asked the Treasurer Mrs. Welde if the theater is able to sustain itself.

Mrs. Welde explained that they are applying for grants and sponsorships which help sustain events. She told the Board that Wesley College and Delaware State University contribute on a monthly basis as well. Mrs. Welde told Mr. Burns that they are sustaining, but a lot of this is based on the contribution made by the Colleges.

Chairman Garfinkel asked how many board members the organization had and if this was in compliance with the bylaws of the organization. He was told that there were in all, 9 members. 3 of which were associated with Delaware State University and 3 were associated with Wesley College.

The board members explained that both of these colleges help financially in keeping the doors of the theater open.

When asked about the rental of the room in the Theater, the applicants present, explained that while they do have rooms for rent, the income made is used to fund expenses of the Theater. They also let area schools use the rooms.

Mr. Burns was concerned that in the future the theater could start making a profit on the rental of their rooms and ticket sales and would no longer qualify for the exemption. He was wondering if there were checks and balances in place to ensure the organization still falls within the requirements of the exempt qualifications.

The Assessor explained that the city can request current 501(c)3 paperwork at any time, to ensure the organization still falls under the exempt status.

Mr. Burns made the motion to honor the request for exemption but with the stipulation that the City would request proof of the 501(c)3 status periodically.

Mr. Welsh seconded that motion.

Motion carried 3-0

A copy of the by-laws for this organization had been requested by the board members. After reviewing these by-laws, the members of the board felt that their decision to approve the request for exemption was consistent with other exempt properties within the city.

1. C.1. Rector Wardens & Vestryman of Christ Episcopal Church

Location: 509 S State St. – ED05-077.09-05-45.00

BACKGROUND AND ANALYSIS

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

This property was purchased by the church in April 2012.

At this time, the building is vacant.

Exemption Request (2012 & future billings)
$125,100

Rector Weaver was present for the hearing. He told the board that the church purchased the property in April of 2012 and was planning to demolish the home on the property due to the fact that it is an eyesore and unsafe. The church is not planning on building anything on this property and therefor has no plans for this property.

Mr. Burns wanted to make sure that the church has no plans to use the building in the future and that the church is actively pursuing the demolition permit.

Rector Weaver assured Mr. Burns that the home located on the property is unsafe and needs to be demolished.

Chairman Garfinkel asked if Rector Weaver had anything else to add, when Rector Weaver explained to the board that the church is tax exempt and that all of the properties owned by the church are used for the purpose of the church.

Chairman Garfinkel asked the Assessor if she had anything to add.

Ms. Russell explained to the board that all the properties adjoined to the properties, which are owned by the church, are exempt from taxes.

Mr. Burns told the board that he is familiar with the property and agrees with Rector Weaver, that the building was in bad shape.

Chairman Garfinkel explained that the state laws require the entity to use the property for their mission and based on what had been told the property would not be used for church purposes.

Rector Weaver requested the application to be withdrawn which would give him time to prepare for the hearing.

Mr. Welsh made the motion to accept the withdrawal made by Rector Weaver, which was seconded by Mr. Burns. Motion carried 3-0

Disabled Citizen Tax Reduction Request

2. A. 1. Taylor-Brooke, Myra K

Location: 825 Miller Dr. – ED05-068.10-01-05.00

BACKGROUND AND ANALYSIS

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

The deadline for the Senior Citizen/Disability Reduction was May 31, 2012.

On July 6, 2012, Ms. Brooke came into the office and requested information on the Disability Reduction. She was told at this time that she would be placed on the mailing list for future years, but the deadline had passed for this billing cycle.

On July 12, 2012, we received a call from Kay Dietz-Sass, Public Affairs Coordinator. Mrs. Dietz-Sass asked us about the disability reduction application and deadline and informed us that Ms. Brooke had come to the office to discuss this matter.

We informed Mrs. Dietz-Sass of our deadlines and that we had verbally informed Ms. Brooke that the deadline had passed. At this time, an application had not been completed and turned in so no official denial had been made. We informed Mrs. Dietz-Sass that Ms. Brooke could fill out the application and submit to our office. We could then officially deny the application and she could appeal.

On July 12th, the application was submitted; the denial letter was mailed July 13th; and the application for appeal was submitted on July 15th.

Per our application, the deadline was May 31. Per our City Code Sec 102-183 (8) the Assessor ***May*** accept and act upon applications received after any established application filing date. The Assessor's Office ***Will*** accept and approve qualified applications after the deadline, if the City has made an error in the application process.

Disability Reduction Requested (July 2012 Tax Billing)

$50,000 reduction from assessed value or $168.90 in property taxes

Recommended Action: Recommend that the request for reduction for disability be reviewed by the Board

Mrs. Taylor-Brook was present for the hearing and explained to the board that she has been disabled for a long time. She told the board that even though she turned 65 years of age and does now collect Social Security, she still is disabled.

Chairman Garfinkel explained to Mrs. Taylor-Brook that the disability is not the issue, but the late filing of the application.

The Assessor explained that the issue was the late filing, she explained that once the taxes have been calculated and the bills have gone out, the Assessor cannot accept applications unless there was an error made by the office. Since Mrs. Taylor-Brook filed after the dead line of May 31 and after the bills had gone out the office of the Assessor could not accept the application.

Mrs. Taylor-Brooke told the board that her husband passed away and was the one who took care of all of this. She believed that he had been qualifying with the City for a while.

The Assessor explained that Mrs. Taylor-Brooke had not been receiving the exemption from the City in the past and asked if perhaps she is thinking of Kent County, because once an individual has received the reduction with the county they don't have to apply again, which differs from the City where every individual has to apply for the reduction every year.

Mr. Burns made the motion to deny the request for this year, with the assurance that Mrs. Taylor-Brook will be on the mailing list for the year 2013, Mr. Welsh seconded the motion. Motion carried 3-0.

2. B.1. Panchmatia, Harry K

Location: 18 Arbor Dr. – ED05-068.10-01-05.00

BACKGROUND AND ANALYSIS

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

The deadline for the Senior Citizen/Disability Reduction was May 31, 2012.

During the first week of July 2012, Mr. Panchmatia brought an application and paperwork from the Social Security Administration. When the application was submitted he was informed that the incorrect paper work was submitted for back-up of the application and the deadline had passed for the submission of the application.

On July 10, 2012, we received an opinion from the City Solicitor about late filings for the Disability Reduction Applications and how the Appeal Process would work. (If it was the same for Disabled as for Senior Citizen)

On July 13, 2012, a letter denying the disability reduction was mailed to Mr. Panchmatia.

Shortly after this mailing, we received a call from Scott Koenig, City Manager. Mr. Koenig asked us about the disability reduction application and deadline and informed us that Mr.Panchmatia had come to the office to discuss this matter.

We informed Mr. Koenig of our deadlines and that we had verbally and officially notified Mr. Panchmatia that the deadline had passed.

On August 1, the application for appeal was submitted by way of the City Manager's Office.

Per our application, the deadline was May 31. Per our City Code Sec 102-183 (8) the Assessor ***May*** accept and act upon applications received after any established application filing date. The Assessor's Office ***Will*** accept and approve qualified applications after the deadline, if the City has made an error in the application process.

Disability Reduction Requested (July 2012 Tax Billing)

$50,000 reduction from assessed value or $168.90 in property taxes

Recommended Action: Recommend that the request for reduction for disability be reviewed by the Board

Mr. Panchmatia as well as Mrs. Kay Sass (Public Affairs Coordinator for the City of Dover) were present for the hearing.

Mr. Panchmatia explained to the board that he came to the Assessor's Office on July 02, 2012 to file for the Disabled Citizen Tax Reduction at which time he was told that the letter he had from the Social Security office was not sufficient, and therefore he went to the Social Security Office to get the required letter. He explained that he was also told that he was too late and that he would receive a call back as soon as a decision by the Assessor regarding the late filing could be made, because she was on vacation at this time.

Chairman Garfinkel tried to explain to Mr. Panchmatia that the denial of his request has nothing to do with disability but with the fact that he filed too late.

Mr. Panchmatia went on explaining that when he received a call letting him know that the request for exemption was not filed in a timely manner, he was also told that if he wishes to file officially, he would receive a formal letter of denial, with an application for appeal.

The Assessor explained that she had not been in the office at the time Mr. Panchmatia came to the office. She told the board that he filed the application late and that the information he provided was not correct. He had also been told; that his name would be added to the list which is used to mail the application to the homeowners every year and that he would receive the application per mail next year.

The Assessor told the board that she obtained a legal opinion from the City Solicitor regarding this matter and was advised that the request for the Disabled Citizen Reduction fall under the same guidelines as the request for the Senior Citizen Reduction, which has a deadline of May 31, which is also stated on the application itself. She went on to explain, since Mr. Panchmatia had already expressed that he was going to contest this decision, the office requested Mr. Panchmatia to formally apply for the reduction, so the office could send him an official denial letter with an

application to appeal. This had to be done to create a paper trail. The letter of denial was mailed to Mr. Panchmatia on July 13, 2012, with a filing deadline of July 31, 2012. Shortly after this mailing the Assessor received a call from the City Manager Scott Koenig at which time the Assessor informed Mr. Koenig about the deadlines and that Mr. Panchmatia had verbally been informed that his application was too late for this year. Ms. Russell explained that Mr. Panchmatia received help from the city manager's office as well as Ms. Sass in filing the appeal application.

Chairman Garfinkel wanted to make sure that the board understood correctly, that the paper trail was created so that Mr. Panchmatia could file an appeal and that he had been told from the beginning that the application was turned in too late for this year.

Mr. Panchmatia expressed his frustration, as to why he had to make so many trips to file the application.

The Assessor explained again, that he had mentioned that he was going to dispute the Assessor's decision to deny the request for Disabled Citizen Tax Reduction, and that is was for this reason, the office tried to establish a paper trail to give Mr. Panchmatia the opportunity to appeal.

Mrs. Sass told the board that she had been asked by the city manager to intervene because it was difficult to communicate with Mr. Panchmatia over the phone. She explained that in her and Mr. Panchmatia's opinion, the Assessor's office had not been clear in telling Mr. Panchmatia that his request for the reduction had been filed too late. She expressed that Mr. Koenig as well as Mrs. Sass were concerned about the fact that an application has to be filed with the Assessor's office every year in order to receive the reduction.

Chairman Garfinkel pointed out again, that he had been told that he was late filing for the reduction when he first went into the office, but because he expressed interest in contesting the decision to deny, he was asked to provide the Assessor's Office with the correct paperwork so he could receive a letter of denial and an application to appeal.

Mr. Panchamtia explained that he understood he was late but expected to still be able to qualify.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns asked if this was the first time Mr. Panchamatia had tried to apply and that he understands Mr. Panchmatia's frustration, since he had just found out about the program. He also made it clear that the board had just denied a request which was for the same reason and to keep consistent he felt that the request should be denied.

Mr. Burns made the motion to deny the request for this year, with the assurance that Mr. Panchmatia will be on the mailing list for the year 2013, Mr. Welsh seconded the motion. Motion carried 3-0