CITY COUNCIL'S
BOARD OF ASSESSMENT APPEALS

On June 07, 2011 a hearing was held on the appeal. Three members of the Board were present making a quorum of the Board, those being: William Garfinkel, Chairman of the Board, James Welsh, and Tom Burns. Also present were Cheryl Russell, The city Assessor and Annette Hart, Administrative Assistant to the City of Dover Assessor's Office.

1. Appeal

A.VAUGHN SHERIE

Location: 225 W Loockerman St. - ED05-077.09-01-52.00

Appealed Assessment: $158,300
Requested Assessment: $95,000

Present was the Applicant Ms. Vaughn.

Ms. Vaughn told the board that the building was constructed in 1930. She explained that the building has no heating, plumping and air-conditioning. She testified that she feels the land value of the property is correct. Ms. Vaughn thought that the building is assessed to high, because the building needs too many upgrades in order for it be able to be put on the market.

Ms. Russell told the board that she had meet with Ms. Vaughn prior to the appeal hearing, at which time she made adjustments for the air-conditioning, the heating and the plumbing, which reduced the value from $158,000 to $113,700.

Mr. Burns asked if the building is usable or weather tight.

Ms. Vaughn told him that she had just replaced the roof and that the building is used for storage.

Chairman Garfinkel asked the appellant as well as the City Assessor, if there is anything else either party would like to add, at which time both appellant and the City Assessor, told the Board that they had nothing further to add.

The Board voted to close the hearing. Chairman Garfinkel asked the board if they would like to deliberate now at which time the members voted to deliberate while the appellant was present.

Mr. Burns agreed with the land value of the property, but did point out that the building is in need of upgrades. He then told Ms. Vaughn that he agrees with the recommend new value, as he believes that there is tangible value in the building.

Chairman Garfinkel concurred with statement made by Mr. Burns.

A motion was made by Mr. Welsh and seconded by Mr. Burns, to accept the City's revised value of $113,700. The motion carried unanimously, three to zero.

B. HARMON RONALD & JANET

Location: 1429 New Burton Rd. - ED05-085.11-01-03.02

Appealed Assessment: $1,275,300
Requested Assessment: $690,000

Present was the Applicant Mr. Harman.

Mr. Harman asked if the board was given a copy of his Income and Expense form, which was used to value his property.

Ms. Russell told Mr. Harman that the board was not provided with the income and expense information since it is considered confidential.

Mr. Harman told Ms. Russell that he would not have a problem with the board looking at this information as it was used to calculate the value. He went on to point out that there are no comparable sales for mini storage facilities in the City of Dover. Mr. Harman pointed out that the old State News building, which is located just down the road from his property, sold for $2,000,000 a few years ago. He also told the board about another property down the road from him which was purchased for approximately $800,000, where the owner tried to sell the same property to Mr. Harman, a couple of month ago for, $400,000. Mr. Harman testified that his property is land locked and that he tried to sell the property a few years ago for $90,000 but was not able to do so. This is when he decided to build a mini storage facility. Mr. Harman told the board that the replacement value placed on his property is too high, he explained that it cost him $900,000 to build the facility and that he did not understand why his property value went up that much. Mr. Harman told the board that he is not intending on selling the property. In Mr. Harman's opinion his property should be valued at about $900,000. Mr. Harman told the board that he thought that a revaluation should be revenue neutral but believes that the City of Dover did the revaluation to generate more revenue. He told the board that he is not sure what his occupancy rate is going to be for next year and asked the Assessor if the value of his property was based on income.

Ms. Russell explained that the information used to calculate the value was from the years 2007, 2008 and 2009. She also told Mr. Harman that the revaluation was revenue neutral, that Council did roll the tax rate back to make it revenue neutral but went on to increase the rate due to the budget.

Mr. Harman told the board that he has not raised his rent since 2007 which is the reason he is able to keep his occupancy rate up. In his opinion the value should be based on the land and the building and not on the income it generates.

Chairman Garfinkel asked the appellant as well as the City Assessor, if there is anything else either party would like to add, at which time both appellant and the City Assessor, told the Board that they had nothing further to add.

The Board voted to close the hearing. Chairman Garfinkel asked the board if they would like to deliberate now at which time the members voted to deliberate while the appellant was present.

Mr. Burns pointed out that the land value the City used for Mr. Harman's property is less than others. In his opinion the location of the property is taken into consideration. He believes that the property value is consistent with all the other values.

Chairman Garfinkel concurred with the opinion given by Mr. Burns.

A motion was made by Mr. Burns and seconded by Chairman Garfinkel, to accept the Assessor's Valuation. The motion carried unanimously, two to zero. Mr. Welsh abstained.

C. 1. CHRISTOPHER J RAUBAHER

Location: 534 Greenhill Ave. - ED05077.06-01-36.00

Appealed Assessment: $174,100
Requested Assessment: N/A

Present was the Applicant Mr. Raubacher and his appraiser Mr. McGinnis.

Mr. McGinnis told the board that in his opinion $150,000 would be a better value for the property and handed out a mortgage loan appraisal which was prepared to USPAP standards. He pointed out that all three comps used in the appraisal point to a value of $150,000.

Mr. Welsh asked if the comparable sales used where from the current year, which they were according to Mr. McGinnis.

Ms. Russell explained that the comparable sales used during the revaluation were from the years 2007, 2008 and 2009.

Mr. Burns pointed out that the property information on the sheet, provided by Mr. McGinnis, showed the home only having one bath, at which time Mr. Raubacher told the board that the home does have two baths.

Mr. McGinnis made a $3,500 adjustment for the extra bathroom which brought the requested value to $153,500.

Mr. Welsh asked if there had been recent sales in the neighborhood.

Mr. Raubacher told him that the last sale was for home two doors down, which went for approximately $134,000.

Chairman Garfinkel asked the board as well as the Assessor if they had more questions, which they did not.

Mr. Burns asked if the board could deliberate on the property, at which time Chairman Garfinkel closed the hearing and opened deliberations.

Mr. Burns commented on the sale mentioned which occurred two doors down; he told the board that the property was smaller and in worse shape than the appealed property. In his opinion, if the board has to go back to values from the year 2010, the value requested by Mr. McGinnis is too low but Mr. Burns believes that the value given by the City is too high. In Mr. Burn's opinion the property should be valued around $160,000 because of the age of the home and the location.

Chairman Garfinkel asked if the land value should be adjusted to make the change requested by Mr. Burns.

Mr. Burns suggested adjusting the land value from $75,600 to $61,500 which would adjust the value of the property to $160,000.

Mr. Welsh made the motion, which was seconded by Mr. Burns, to reduce the land value to $61,500 which would bring the total value to $160,000. Motion carried unanimously, three to zero.

C. 2. CHRISTOPHER J & REBECCA RAUBAHER

Location: 106 S Governors Ave. - ED05-077.09-01-40.00

Appealed Assessment: $134,000
Requested Assessment: N/A

Present was the Applicant Mr. Raubacher and his appraiser Mr. McGinnis.

Mr. McGinnis told the board that Mr. Raubacher is accepting the value of $134,000.

C. 3. FORTY S BRADFORD STREET LLC

Location: 40 S Bradford St. - ED05-077.05-03-70.00

Appealed Assessment; $181,900
Requested Assessment: N/A

Present was the Applicant Mr. Raubacher and his appraiser Mr. McGinnis.

Mr. McGinnis handed out an appraisal report for the appealed property. He told the board that the property had been empty during 2007 and 2008 but is fully occupied now. Mr. McGinnis explained that it he could not find comparable sales for the two unit home and therefore the comparable sales used in the appraisal, were sales his company had used in other appraisals. Mr. McGinnis believes that the assessed value for approximately $90,000 per rental unit is too high in today's market place and believes a value of $75,000 per rental unit would be more accurate.

Ms. Russell explained that the market approach was used to value the home. The comparable homes used were single family homes with the same square footage, which did not take into account the two unit complex. She went on to go over the comparable sales used during the valuation.

Mr. Raubacher explained that his half of the home is broken into two rental units and his neighbor's half is used only by the neighbor.

Mr. Burns stated that the home looks very nice and asked if renovations had recently been made.

Mr. Raubacher told the board that he did have new windows installed and had them also installed on the neighbors half for free, so the house would look the same. He told the board that he purchased the home for $90,000 three years ago and renovated the home but believes that the home is valued to high.

Mr. Burns verified that the home was rented before the revaluation date of January 01, 2010 at which time Mr. Raubacher told the board that at least one half of the home was rented.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns told the board that he did not agree with the $150,000 value for the two rental units combined but does express concern about the attached home, which is owner occupied and valued less, which was not appeal. He believes that even this home is valued incorrectly.

Chairman Garfinkel agrees, in his opinion there should be some consistency between the two buildings.

Ms. Russell suggested to the board that they look at the value of the home itself and not so much at the consistency, because this is a unique property and cannot be compared to another home like it in the neighborhood.

Mr. McGinnis believes that the home should be valued as an apartment and even though the neighbor did not appeal his value does not make the value correct.

Mr. Welsh asked if the property would be valued differently if the income approach had been used.

Mr. Burns asked if the board could look at the income approach for the property. He believes this would be a fair way of valuation as the home is used as an income producing property. He also pointed out that Mr. Raubacher holds his properties to a higher standard and should not be penalized because of this.

In Mr. Welsh's opinion the house should be valued higher than the suggested value of $150,000 but lower than $174,000, which is the neighbor's value.

Mr. Burns agrees that the value should not be based on the home attached, even though they look the same up front, because Mr. Raubacher renovated the neighbor's home along with his, they are two completely different homes.

Mr. Welsh made the motion, which was seconded by Mr. Burns, to reduce the assessed value to $155,000. Motion carried unanimously, three to zero.

C. 4. FORTY S BRADFORD STREET LLC

Location: 123-127 W Loockerman St. - ED05-077.09-02-04.00

Appealed Assessment: $679,900
Requested Assessment: N/A

Present was the Applicant Mr. Raubacher and his appraiser Mr. McGinnis.

Mr. McGinnis handed out an appraisal report for the appealed property. He told the board that the income approach was used to value the property. Mr. McGinnis then continued to cover the rental income for the property and explained the rental information used in his report is current and is probably higher than the rents would have been during the revaluation year. He told the board that the store is just an open store with a wall that separates the store from the storage space.

Mr. Burns asked Mr. McGinnis to go over the “gross rent” information provided in the appraisal, which he did. He pointed out the difference in calculation rates used by the City compared to the appraisal report provided by Mr. McGinnis.

Mr. Raubacher testified that a big part of the building is used for storage.

Mr. Burns started to re-calculate the value based on the information provided.

Ms. Russell explained to the board that there are discrepancies in the way the value was valued based on the information provided, but is not sure what the adjustment should be as she does not have access to her computer and the program which is used calculate the values.

The board asked if it would be best if Ms. Russell made the calculation in her office and inform the board about the new value.

Ms. Russell suggested that she re-calculates the value, get in touch with the appellant and then inform the board what the new value would be. She also told the board, that the board might have to meet again if the Assessor and Mr. Raubacher are not able to come to an agreement.

Chairman Garfinkel suggested to recess the meeting until the Assessor has had a chance to make her calculations and get back to the board.

Mr. Welsh made the motion, which was seconded by Mr. Burns, to recess the meeting until the Assessor has had a chance to make the calculation and report back to the board. Motion carried unanimously, three to zero.

Ms. Russell and Mr. Raubacher agreed to stipulate the value to $597,700, which was unanimously accepted by the board via email.

C. 5. FORTY S BRADFORD STREET LLC

Location: 27 W Loockerman St. - ED05-077.09-02-37.00

Appealed Assessment: $307,700
Requested Assessment: $N/A

Present was the Applicant Mr. Raubacher and his appraiser Mr. McGinnis.

Mr. McGinnis told the board that Mr. Raubacher is accepting the value of $307,700.