

Lincoln Board of Civil Authority Meeting and Hearing MINUTES

September 27, 2016, 6:30 p.m. at Burnham Hall

Present: **BCA members:** Sally Ober, Sally Taylor, David Wetmore, David Marsters, Bill Finger, James Needham, Nancy Stevens **Listers:** Lisa Truchon and Dan Adam

6:30 p.m. we began our organizational meeting to prepare for Gordon Sadler's hearing.

David Marsters made a large chart, outlining our procedural order, and we assigned approximate time limits to each section.

Nancy Stevens read Gordon Sadler's appeal letter aloud.

All BCA members were sworn in and signed the oath form.

7:00 p.m. The Appellant: Gordon Sadler joined us and Nancy Stevens opened the hearing at 7:00 p.m.

Listers and appellant took their oath.

Nancy asked Gordon if he received the copy of our BCA Rules of Procedure, and if he had any questions. Gordon replied that he did receive the rules, no questions.

Nancy asked if anyone had any conflicts or ex-parte communication to disclose? None.

Sally Ober presented Town Exhibit # 1, a two-page letter of appeal from Gordon Sadler, which was received on Sept. 13, 2016. Town Exhibit #2 is a 1-page letter of reply from Sally Ober, acknowledging Mr. Sadler's appeal and setting the date for this hearing. Town Exhibit # 3 is a record of the oaths taken by BCA, Appellant, and Listers for this hearing.

The Listers briefly presented the property owned by Gordon Sadler, as a 62.3 acre parcel of land off South Lincoln Road near Page Hill, with parcel ID# 01070381.200, and SPAN number 354-109-10096. The assessed value of the property is \$183,600.

The appellant, Gordon Sadler, submitted 6 items for evidence as follows:

- Sadler Exhibit #1: A Vermont Center for Geographic Information map of the South Lincoln Road Area, showing parcels overlaid on an ortho photo background, dated Sept. 26, 2016. (one page)
- Sadler Exhibit #2: A topographic map with red contour lines, depicting the Sadler property. Unknown source. (one page)
- Sadler Exhibit #3: A parcel map of the Sadler property on South Lincoln Road, created by the VT Center for Geographic Information, Dated Sept. 26, 2016. (one page)

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- Sadler Exhibit #4: A letter from Gordon Sadler to the Board of Civil Authority, with a narrative of his appeal and some comparable property descriptions. (17 pages)
- Sadler Exhibit #5: A list of properties actively on the market (6 pages)
- Sadler Exhibit #6: A spreadsheet of a variety of parcels in Lincoln recently sold or assessed. (1 page)

Mr. Sadler reviewed Sadler Exhibit #4, discussing his “apples to apples *NOT* apples to oranges” perspective on property tax assessment. He clarified that he is only appealing the valuation of \$47,100 for the 2.3 acre portion of his property, which is excluded from the Current Use Program. Mr. Sadler purchased the property in 2001. He explained that a prior owner excluded that portion, and he was not the one who selected it. He discussed the challenging access to the excluded area. It is steep, wet, there are no utilities, and no road frontage or trail to access the site. This is not developed as a building lot. The estimated costs associated with improving the site are approximately \$56,000, and Mr. Sadler presented a table, showing the breakdown of these itemized costs from septic to utilities.

Mr. Sadler referred to the *Current Use Program: Training manual from the VT Dept. of Taxes*, which he obtained from Terri Gildersleeve (VT Dept. of Taxes), and which Lisa Truchon forwarded to all of the BCA. Land values from the land schedule are multiplied by a grade multiplier, which takes into account attributes and deficiencies of the land (such as access, topography, view, drainage, etc.)

Mr. Sadler spoke with realtor, Susan Gulrajani, who thought that there was little demand for a small lot without a developed access, and a list price would reflect the added cost of improving the lot.

Mr. Sadler compared his land to the George and Wendy Truax property (his neighbors), who own two acres which is listed as \$65,000, with a land grade of 1.00. He also presented a hypothetical analysis of a 2-acre subdivision by David and Mary Harrison.

Listers' Response: Lisa Truchon indicated that an apples to apples comparison in Lincoln is very difficult because of a small number of comparable properties of the exact size and with the same exact attributes, and a small number of sales. Mr. Sadler's suggestion of a sales approach to value is not the approach used in Lincoln, we use a replacement cost new, less depreciation approach to value, because it is the model that works best here, and it is the standard in the State of Vermont.

Questions from the BCA: Dave Wetmore asked how the excluded lot was established and why not enroll it in Current Use if there is no plan to develop it? Mr. Sadler replied that he did inherit them from the former owner, and previously, there was no tax

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disadvantage to having this portion removed from Current Use, and now the re-enrollment process would take two tax years. Dave Wetmore pointed out that there is road access on the Sadler property as a whole. Sally Ober asked if Mr. Sadler thought the 2.3 acre excluded portion of his land should be valued at \$9,000? Mr. Sadler doesn't know an exact value, but he does think it is worth more than \$9,000, but not much more than that. \$6,000 was the previous excluded value of the 2.3 acres before the change in the Current Use law.

Listers' testimony: Lisa Truchon, Lister, began by explaining that in the past couple of years, there have been some changes to the Current Use Program. In 2015, an "easy out" option was given, for people to exclude land from the program. After that, the rules changed in 2016: Previously, Lincoln valued the excluded portions of land at a prorated economy of scale rate. Now the language in Vermont Statutes requires the Listers to value excluded land as a stand-alone parcel. Economy of scale is no longer allowed by statute. This applies to landowners across the whole state.

Listers Exhibit #1: a 10-page packet of testimony titled, *2016 Current Use Allocation Sadler Appeal to BCA* was submitted. Also, submitted was Listers Exhibit #2, a one-page copy of the Current Use Map for the Sadler property. Listers Exhibit #3 contained two packets of information:

1. A 6-page pamphlet titled: *Current Use and Property Valuation Guidance: How to Assess Land Subject to Use Value Appraisal*, from the Vermont Department of Taxes.
2. A 39-page booklet titled: *Current Use Program: Training, 2016 Training Materials*, which was also published by the Vermont Department of taxes.

Both items from Exhibit #3 were distributed via E-mail, to the Board of Civil Authority members and to the Appellant prior to the meeting.

Lisa Truchon outlined and briefly discussed the items presented by the Listers, by following the order of page 1 of the Listers Exhibit #1 packet. The Listers argue with their evidence, that they followed the procedures as required by Vermont Law and they reduced the land grade of Mr. Sadlers excluded land from a 0.8 to 0.7 following his grievance to them, concerning the estimated cost of improving the lot. Page 10 of Listers Exhibit #1 is a copy of the result of grievance appeal giving notice to Mr. Sadler that they heard his appeal and dropped the land grade of the 2.3 acre excluded portion from a 0.8 to 0.7, which reduced the value of the excluded portion to \$47,100. Page 2 of the Listers' packet shows the cost sheet which is where this value was calculated. Pages 3 and 4 of the Listers' evidence shows the Sadler's Current Use applications, describing the excluded acreage as meadow. The Listers argue that they followed the procedures required by Vermont Statute and as recommended by Vermont Property

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Valuation and Review of the VT Department of Taxes, as outlined in the two documents shared with all parties here tonight. (Hereby submitted as Listers Exhibit #3). The Listers also took into consideration the attributes of the land grade. Pages 7 and 8 of the Lister packet identify the land attributes considered for determining land grade for the excluded parcel. Page 9 of the Lister packet shows the cost sheet for the excluded land, and the value assigned with the 0.7 land grade multiplier. The cost sheet uses the same methodology for calculating value as for the full acreage. The Listers estimated that if the excluded lot were developed, its land grade would likely be upgraded to a 1.0 or 1.25, with all the improvements, depending on the views.

Nancy invited Mr. Sadler to rebut the Listers' testimony. Mr. Sadler indicated that the meadow of excluded land includes all the boundaries of neighboring properties owned by Truax, Harrison, and Tatro. He questions the assertion that if developed, the excluded lot would deserve a higher than average land grade. He asked about Miscellaneous adjustments to property valuation which the Vermont Department of Taxes informed him are a tool available to towns, for valuing property. He felt that not every property fits the mathematical formulas in the property valuation program and he believes his is one of them.

Questions from BCA: Bill Finger: this excluded land is not a separate lot. Wouldn't Mr. Sadler have to subdivide it to sell it, which would make it a landlocked parcel. Lisa replied that he could not subdivide a landlocked parcel; it would have to come with an easement for power and a right of way for access. Dave Wetmore pointed out that Mr. Sadler would not have to subdivide it if he were to develop it for his own use, and could still keep his remaining lands enrolled in Current Use. James Needham asked to clarify that this excluded land must be valued as a stand-alone parcel. Reply from Listers: Yes, and we must assume a 2-acre housesite, unless the landowner proves that it is not able to be developed. Bill Finger: what would need to be done to re-enroll this land into Current Use? Answer from Listers: There was a Sept. 1 deadline to do this for the 2016-17 tax year. A new application would need to be filed, an amended map, and an updated forest plan would be required, to include more land into the program. James Needham: do we consider our Zoning Regulations vis a vis subdivisions? Answer: Lisa said it is in a 2-acre zone and could be developed.

Dave Wetmore: Is the whole entire parcel at a 0.7 grade? Lisa: Yes, the Listers originally had the 2.3 acres of excluded land at 0.8, but reduced it to 0.7 after Mr. Sadler's grievance.

Sally T. question: How much of the 2 acres is the meadow? Almost all of it is overgrown meadow.

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Dave Wetmore asked the Listers to explain the difference between residual land adjustment vs. homestead land adjustment attributes. Lisa said that the total acreage is on the Land Schedule for our town. The attributes of residual land are protection, privacy, trails. The building lot value is front loaded for its own attributes.

Nancy asked about whether miscellaneous adjustments are used in Lincoln property valuation? Lisa answered yes, but these are very rarely used in Lincoln. Specific uses were for solar arrays over 10 KWH. Miscellaneous adjustments are used for properties going to the BCA, which change value outside of the program's normal calculations. Instead of changing our data and formulas to match the BCA decision, we use the miscellaneous adjustment option. In Lincoln, we probably have 10 miscellaneous adjustments out of 700 properties, so it is not commonly used.

Dave W. asked about the topographic map which was Sadler Exhibit #2, which seemed enhanced. What is the contour interval? Reply: This is the brand new LiDar data from the State of VT. Mr. Sadler thought it was a 1-foot interval. Dave said he was familiar with the land, and didn't remember it being quite as steep as shown on the map.

Mr. Sadler asked about how neighborhood and grade contribute to value on cost sheets and how the Land Schedule is reflected in cost sheets. He asked the Listers to explain a certain property he referred to on his spreadsheet. Lisa said she was uncertain whether the land schedule Mr. Sadler was referring to was the current one, because she did not give it to him, and she had not seen it. She did not want to get into analyzing cost sheet values on the fly without the proper information to work with.

An inspection committee was identified: David Marsters, James Needham, Ann Pollender, and Sally Ober. The inspection committee will meet and park at the A-frame near David Harrison's house and ask David Harrison, a Lister and neighbor to Gordon Sadler, to show us around the subject property. Mr. Sadler indicated that he would not be able to attend, but was fine with us inspecting the land without him there.

David Wetmore made a motion to recess until Tuesday, Oct. 25, 2016 at 7:00 p.m. The location is to be announced, as Sally Ober had to first check with the Burnham Hall schedule or perhaps we will be able to meet in the new Town Office if it is ready by that date. Sally Ober will let everyone know as we get closer to that date. Bill seconded. Passed.

Adjourned at approximately 7:58 p.m.

Minutes respectfully submitted by Sally Ober, Clerk of the Lincoln Board of Civil Authority