

**Milton Town Council  
Board of Appeals  
Mariner Middle School, Harbeson Road  
Monday, December 14, 2009  
6:30 PM**

1. Mayor Post called to order the Milton Town Council sitting as the Board of Appeals on Monday, December 14, 2009 at 6:30 pm and this is in regards to hearing and addressing the 2010 Property Tax Appeals.

2. A Moment of Silence was led by Mayor Post.

3. The Pledge of Allegiance to the Flag was said by all in attendance.

4. Roll Call was called by Mayor Post

C Martin-Brown	Present
C Hudson	Present
Mayor Post	Present
C Betts	Present
C Abraham	Present (Joined at 6:40 pm)
C Duby	Present (Joined at 7:02 pm)

5. Additions or Corrections to the Agenda

Vice Mayor Betts: I move that we accept the agenda, as amended.

C Martin-Brown: Second

Mayor Post: We have a motion and a second. All in favor say "aye". Opposed.  
Motion carried.

6. Presentations of the 2010 Property Tax Appeals

Mayor Post: What you would do is as I call about the property address, if whoever is representing that property would come forward and just talk in the microphone, state your name, state your address, and the property you are representing and give your reasoning for the appeal and why you feel that your assessed value was incorrect. What will happen is that it is possible our assessment firm might have some questions of you tonight; other than that, what we will do is we will hear every property tonight; we will have the assessor prepare a detailed report on each of those properties; and they will be presenting those to Council on the reasoning of the assessment; and from what they hear tonight; and we will determine on January 8<sup>th</sup> decide when we are going to vote on each of the property assessments. So we may do it at a special meeting in January or we'll discuss whether we want to do it at January's Council meeting. But we would have a list of each of the properties and then go down that list and vote whether to readjust the assessment or vote the assessment as it stands today. So we will begin with:

a. Henry Carter of 108 Carriage Drive: The first appraisal came in at \$347,000, I believe. I felt that that was out of line, because I originally paid \$325,000 for

it, at the top of the housing market, in 2006. I had just refinanced, two months prior to the assessment and it was appraised for \$292,000; which I think it looks like you guys have copies of that also; so I went to the first appeal with the appraiser, Mr. Larsen, I believe it was. I showed him my supporting data; I had a copy of the sales contract; a copy of the appraisal from my refinance; and we went over a few things; he showed me his appraisal; and in my neighborhood some of the houses are deceiving, because there are windows in the upper level; for like show, I guess; but it's really just attic space; and I had the same situation with the County appraisal originally. I had them come out and reassess and they say that the appraisals were done based on outside appraisals, and also by builders sample layouts and specifications; so then it was determined that the rooms upstairs were attic space; not livable space; they had us down for a finished basement, etc.; so I know the County reduced greatly about \$600-\$700 once everything was corrected; but now we're talking about the town here this time. So we went over it and he assured me, he said that in looking at it that if he adjusted then it would be somewhere it would be somewhere it would be around the \$292,000 appraisal. I said, okay, great. I left, I got the reassessment that was sent to me and it came at \$323,900; which he said that it would probably come down around the \$292,000; so I was a little surprised that it was \$323,000; which like I stated previously I paid \$325,000 for it; the appraisal is \$292,000; so I just kind of feel like; he agreed it was a good appraisal, so I think it should be somewhere around the \$292,000, or even lower. I mean honestly there are other houses sold in the neighborhood recently for like \$250,000 and \$290,000 which I looked up on the County web-site where you can see what sales are and stuff. So that's it; like I said, I'm not good at this, but that's my information. If you have any questions or anything.

Mayor Post: Does the assessor have any questions?

Curt Riley: We will complete another review on your property and we will submit in writing to the Town, our findings.

Mayor Post: And the one thing is that you're bringing up tonight is for example, the second floor, although it might appear that there was a second floor, it is totally attic space.

Henry Carter: Not totally, but you'll see windows over the garage, is attic space; over the master bedroom on the other side, is attic space; just in the center is livable space. Then also the basement is unfinished. We're also down for like hardwood floors throughout; ours was bare bones; there's not a bunch of upgrades or anything. Like I said, I even offered if he wanted to come out and come in you're more than welcome; because originally the first guy came out from the Town beforehand and came to the front door and I told him to come in and he said he wasn't allowed to come in; which...

Mayor Post: That's a state law.

Henry Carter: That's fine. I understand. Anybody's more than welcome to come in and see anything they want to see. I had nothing to hide.

C Martin-Brown: I do have one question, Mr. Mayor. Is the attic space hardwood flooring?

Henry Carter: No, it's just insulation and I added another whole layer myself.  
Mayor Post: Thank you very much. Also, let it go on record C Abraham has now joined us.

- b. Mary Ann Johnson: For the record my name is Dennis Schrader. I'm an attorney from Georgetown and I represent Mary Ann Johnson and Nathaniel Johnson. They have two properties here that are in question. One is tax map no. 235-14.15, parcel 63 and the other is parcel 64. If you will permit me, Sir, I have five copies of an appraisal that I can give you. I also have a copy of a survey of a property.

Mayor Post: If I'm correct on this, this property is out on Route 16, next to Kwik Stop, is it?

Dennis Schrader: It's around Kwik Stop and Parcel 63, if you take a quick look at the survey is a little 5,700 square foot property that's located next to County Road 212 or Mulberry and the other one is 32,000 square feet and it's located on Route 16. Let me give you the 25 cent tour of what our problem is. Obviously when you reassess the property, if you combine the two properties together, these two parcels have now been reassessed at something in the neighborhood of \$613,000; which is supposed to represent Fair Market Value as of July 1, 2009. As much as I believe Mr. and Mrs. Johnson would want to agree with him and would accept that if somebody were to make the offer; we don't think it's necessarily supported by the data that's available. Inside this particular appraisal you'll see that there are some comparables that have been taken by the appraiser when he did the appraisal for the refinance of this property in November of 2007 and there is also more detailed data then was available to you from your assessment service, as to the interior of the property. But in both cases, each the assessment and the appraiser that was used by my client have taken the improvements to the property; tried to calculate what the reproduction costs were; and depreciated those and there are different ways to do that; and neither I nor the appraiser or you all are going to be able to accomplish much of an intelligent conversation about that tonight. Where I suppose the numbers jump off the page are that if you take a look at the value that was placed upon the property by the Town's assessment company; we're looking at \$10 a square foot for this property, for land value. In my world, that means that this property is worth \$463,500 an acre in Milton and I have to question in my mind whether or not on July 1, 2009 there was any property that was worth that kind of money. In particular, the smaller property, which is the 5,700 square foot property, even though it is a separate parcel; probably has significant limitations on it by way of the front, rear and side yard setbacks.

Mayor Post: Is that the back lot.

Dennis Schrader: That is the small parcel that is adjacent to Mulberry. That property is probably functionally not usable to the extent that it would justify a \$57,000 valuation using that \$10 a square foot. Now for what it's worth, the guy who did the appraisal for the Johnson's came in at \$2.21 a square foot; I

suspect that your company and I will argue back and forth with each other at some point; which is greater; which is lesser and which is more accurate.

Mayor Post: Could you tell me the total on that lot of the assessment?

Dennis Schrader: For the small parcel it was assessed by Milton at \$57,300.

Mayor Post: \$57,300 and I don't know if it's even billed. I'm just looking here because it looks to me like the back is 37.32 feet. It seems like it wouldn't meet the buildable. It might be right over the buildable. But it's an odd shape.

Dennis Schrader: It's a non-improvement property. The appraisal that was performed by the Johnson's indicates that the value of raw land in that area is \$85,000 an acre. The significant difficulty that was approached by our appraiser was that comparables were difficult to find, for two reasons: one of them was that there was no real uniquely comparable property for any other property in the Town of Milton; but secondly the market has not helped the situation. There were three comparables listed and the appraisal performed by my client's appraiser; there is one that is not in Milton and I'm inclined, personally, and I'm not encouraging you to do it; but I'm asking you to look at it; it may be so remote from Milton that it's lost its value in terms of having any probative weight to anything that takes place. In the absence of that one property, which is distant, and using only the ones that are in town; we're still at the \$2.70-\$2.80, with both parcels in mind; rather than the larger number that came out of the assessment.

Mayor Post: Because they would make that large parcel, I don't know if you have the figure right there, but \$500,000; it was assessed that.

Dennis Schrader: \$473,400. I misspoke. I said \$613,000; it was not \$613,000.

Mayor Post: It was \$500,000+. It was a little over \$500,000.

Dennis Schrader: It was about \$530,000 - \$540,000. If you'll permit me, Mr. Post; I'm just going to hand out some other information.

C Martin-Brown: Where, Sir, is that distant comparable?

Dennis Schrader: If you take a look at the map, it's in the next to the last page; you'll see that it is on the other side of Route 18, off Shingle Point Road.

C Martin-Brown: Okay and there was no other comparable on Route 16, say, starting on Ellendale running east?

Dennis Schrader: No, Ma'am, just the two in town.

C Martin-Brown: Thank you.

Dennis Schrader: Let me explain briefly the chart that I have given you. If you take a look at it, there are two columns on the right hand side, one of which describes tax map parcel no. 63; the other parcel 64; one is 5,700 sq. ft. without improvement; one has an improvement and I've taken you through the comparisons of the prior assessment; the current assessment; the appraisal; what the prior taxes were; and how those calculate; and in my last note in the bottom row is how this site evaluation is expressed on a per acre value, either as assessed or as appraised. I think we all can see that the valuation of real property is a bit of an art, as much as it is science, but the disparity here between the two does require some judgment to be used and some

consideration to be given; as to whether or not the value of \$473,400 and \$57,300 is really accurate for this property at the time of July 1, 2009. I'll be glad to answer any questions that you may have. Mr. and Mrs. Johnson are here if you have any questions. I should point out one thing. There were no additional improvements made to the property after the appraisal was done in November of 2007; so the factual basis remains.

Mayor Post: And on the very large parcel there is a home and on the small parcel there's just land.

Dennis Schrader: Just land.

Mayor Post: He is going to be taking this and doing a report for us with this information on it. He will be giving us a comprehensive report on how he evaluated this property. We're here to listen to the property owner.

Dennis Schrader: The way this works is you get to hear from me tonight and of course everything I told you is fair and accurate.

Vice Mayor Betts: Yeah.

Mayor Post: Are there any other questions.

Curt Riley: Mr. Schrader, I just need to get a copy of the comparisons.

Mayor Post: Thank you very much.

- c. Cannery Village and Preserve on the Broadkill: Mayor, I've been advised by our tax people, that they corresponded with Harold, the Appraiser there, you are going to be meeting them later; they want to try to work it out with them, without appearing before you tonight.

Mayor Post: Okay, so they will be reviewing it.

Curt Riley: It's been scheduled for the 22<sup>nd</sup>.

Mayor Post: So are we saying that we're not hearing them tonight?

Curt Riley: They have filed a formal appeal.

Mayor Post: I thought this would be the formal appeal.

Curt Riley: Yes, Sir, its our understanding as long as their paperwork was filed, they have an appeal registered, we need to respond to it; which we will provide a written response to the Town relative to the appeal.

Mayor Post: I thought tonight was the purpose of the appeal and I'm just a little confused because I thought they would be in front of us, if they're asking for an appeal, our assessment firm certainly wouldn't be representing them, so I'm confused on why they at least didn't send someone here tonight to say that they've requested an appeal and we hear it and they could have had a meeting with you and they could still have come in front of us. I really don't know how we should handle this at this point.

Vice Mayor Betts: I have a problem with it.

C Martin-Brown: If they filed an appeal, do they have to speak?

Curt Riley: As far as we know, they do not have to speak.

Vice Mayor Betts: I filed an appeal, too.

C Martin-Brown: That's what I thought.

Mayor Post: So they can appeal it and not present their case.

Curt Riley: We have to give a written response to what they've filed with the Town.

C Martin-Brown: Right.

Curt Riley: Which we will do.

Mayor Post: I would have liked to have heard the reasoning for why they were appealing and what they were appealing; but that's...

Vice Mayor Betts: I just have a problem with that; when everyone was supposed to be here if they have an appeal. I filed an appeal with the Town, also. But I wasn't told I could file a letter with you and appeal it to you.

Curt Riley: I'm sorry.

C Martin-Brown: Mr. Mayor, how can we...

Mayor Post: Just wait, I want to clarify that comment; because my understanding was the appeal with you has already been done and those people that don't like the outcome from the appeal with you as the Assessor making the decision; then come forward in front of Council to ask Council for the appeal; since they got no results because you held yours as they are and saying you either reduced them or you kept them the same and then if they didn't like your decision; then that came over to Council; I'm just a little confused on this.

Vice Mayor Betts: I am too because I appealed mine and went to the appraiser and I did not like my decision so I brought it to the appeal tonight and I think that's the way all of them should have been. I don't think one can appeal privately to the Assessor. I have a problem with this.

C Martin-Brown: Madam Vice Mayor I'm wondering if in fact since they are not here as part of what was the required process to make their appeal; that we can not abide by them not working out an agreement and then asking us to appeal it later; that's not an acceptable process either.

Vice Mayor Betts: When I went to appeal my property, I went to the Assessor, just like I was told by the Town and he denied me; so I was told that I had to come tonight to be appealed and I don't see why one gets an advantage of taking it to the Assessor, other than what we're doing. I have a problem.

Curt Riley: It was not a requirement that everyone who has a formal appeal go for an informal appeal. They did not have to do that; they could have bypassed and come straight to Council or the formal appeal.

Vice Mayor Betts: Where was that told to the taxpayers?

Mayor Post: Even at that point, tonight is the formal Council appeal and I feel that they should have been here representing themselves. If they didn't want to get an attorney, I believe they have an attorney; then that attorney should have been here and they should have been appealing in front of us; even if they had not gotten paperwork back in time and my understanding is that their assessments had not come in or whatever; and they had asked for an extension. We, under Charter, are required to hold this appeal; it establishes the law and process for appeals. I don't feel comfortable with this. I have a problem with it. I would be surprised if everybody here had not been in front of you already and if not, my understanding is there's one lady that is not, that I know of, so she's having hers tonight, but it will be her formal appeal in front of us. Then we decide. But tonight, the bottom line was what I felt was part of the appeal process; so if they did not want to come in front of us to

hear it; then we will have to determine how we will have to make that decision.

Curt Riley: As of late last week, we had not received all the information relevant to the Appellants appeal. We inquired with the Town and the procedure is what we should do; what can be done; relative to this particular appeal.

Mayor Post: And my understanding was the Town said that they needed to come in front of us. That they had to proceed; that they could not have a deadline extended. That's my understanding. So I would like the Town Manager now to speak to that.

George Dickerson: The first issue here was that I learned at our meeting from Mr. Riley and his group that Chestnut Properties had retained Mr. Carmine to look over all the properties; and there are quite a few in Cannery Village, as everyone knows, there were quite a list. That Mr. Carmine had told Chestnut Properties that they were unable to do that in a timely enough manner to meet this hearing here tonight. At which time, they asked for an extension; at which time I researched the Charter and the Charter does not allow for that extension to occur; there's no provision for extending that to anyone. It is what it is and the meeting happens when it does; which is tonight. I learned tonight when I got here from Mr. Riley that they have been in communiqué with Mr. Carmine for Chestnut Properties and that's why I got up to relate what I was told and that's all I know about it. But I expressed my concern, as with the Mayor and Vice Mayor that being here and filing an appeal, once you've filed the appeal, they did, they wanted an extension; but they're not here to represent themselves tonight; so the least perhaps tonight that would happen is that the report come in and then we seek legal opinion whether or not what decision would have to be made. That's my recommendation.

Mayor Post: And I just want to say to Council, though, but just wait one minute, go several pages past and you will see a lot more documentation on this, because there was a page that was in front of those; that there was another parcel that we will be dealing with next. But go past that and you will see all the parcels that we're talking about. It's tax map 235-14.19 and these are lots but my understanding is even though they have stated them as lots; some of them do have improvements on them; but at this time it looks like it's lot 188, 189, 190, 191, 192, 193, 194, 195 all the way up to 208 and then tax parcel 235-20.00 and there's a bunch of them that will be on the list and then something regarding tax map 235-20.11 parcel and then tax map 235-21.00 parcel. My understanding is this is the time for those people that are not in agreement with their assessment to come forward; present their case in front of us; and then we are to take that information; digest it; review it; get the report from you; and then make the decision when we set that date for the appeals; so we will be seeking probably legal representation as far as how we would handle this; whether we would accept their paperwork.

C Martin-Brown: Well, Mr. Mayor, other people got their assessments several months ago and in that context learned what the required process was.

Mayor Post: Correct.

C Martin-Brown: And the Charter is very clear that people have to be here to do this in order for us to hear them. My own concern would be that this dynamic would drag along and we would have to have a special hearing and the question I would have, as a member of Council, is whether or not if they do not work out a satisfactory agreement with the Assessors working for the Town; do have a right to have a hearing; or do they waive that right?

Vice Mayor Betts: C Martin-Brown I understand what you're saying, but we didn't have the opportunity to go to our Assessors; we went to the one that performed our assessment of the Town.

C Martin-Brown: Correct.

Vice Mayor Betts: If I had known, I could have gone and made a deal with him.

C Martin-Brown: That's my point. That's exactly my point, Vice Mayor Betts.

Mayor Post: That's what she's saying. But I do want it to go on record that C DUBY has joined us at 7:02 pm. I think this is something that once we hire our new solicitor, that will be an immediate attention for our new solicitor.

C Martin-Brown: The question I would suggest, Mr. Mayor, is do they have the right to request a special appeal hearing by Council?

George Dickerson: The Charter has no provision for a special hearing.

C Martin-Brown: Exactly.

Mayor Post: Right. They were told that it was moving forward tonight, as well.

- d. James D. and Mary Beth Parker: I'm James D. Parker and I'm representing both me and my wife tonight. I would like to ask the Town to reconsider my appraisal value on the property located as parcel A 2-33 14.15 and part of 70 and parcel B 2-35 4.11 Parcels 57, 58, 60 and parts of 70. What I would like to do is say that I was in front of the Council about a month ago and asked the Council to consider putting these properties together because of the confusion with having so many parcels underneath one property; and based on the information that I received from the Town on the new assessment; they had these properties being assessed at \$2,813,100. In August, I had the properties re-appraised and it cost me \$7,000 to do that; but in having the properties appraised, the new appraisal came in at \$2,110,000. Based on what you're basically saying the properties' worth that's a \$703,100 difference. In talking with realtors and in my professional opinion, as a developer and a builder, I think the property really has a market value of \$1.9 million. When I submitted this, I did submit a copy of the appraisal that I just had done and it was done on August of 2009. That appraisal was done by Harold Carmine.
- Mayor Post: This parcel includes the Milton House Restaurant.
- James Parker: The Milton House Restaurant.
- Mayor Post: The car wash.
- James Parker: That's on parcel A.
- Mayor Post: But is that all part of this?
- James Parker: Yes, correct.

Mayor Post: The storage units?

James Parker: It is parcel B.

Mayor Post: Are there any other lots on that, or anything? That's it, it's those three properties.

James Parker: Those three buildings, correct.

Mayor Post: Improvements - Milton House, car wash and storage units.

James Parker: Correct.

Mayor Post: Are there any questions from the Assessor?

Curt Riley: No we have Mr. Parker's phone number and we'll see if this whole complex; we just now got our hands on the appraisals; so we'll review them.

James Parker: And I would like to say if he can get \$2.8 million for it, I would like for him to sell it and I will donate \$300,000 to the Town of Milton.

Mayor Post: We'll take it, thank you.

- e. James Welu: I'm in complete agreement with the Mayor and Vice Mayor about people acting outside this hearing. I just find that quite unreasonable; but I raise another issue, if I may, before I get into discussing my properties. C Joanie Martin-Brown seemed to indicate that people can go back to the Assessor and if they work out something with the Assessor...

C Martin-Brown: Mr. Welu, what were you listening to?

James Welu: I was listening to you; you said if they go back to the Assessor and work something out.

C Martin-Brown: I was quoting the Charter.

Mayor Post: Stating that it can't be done.

C Martin-Brown: As Chair of the Charter Committee Rewrite, I'm quite familiar with the language.

James Welu: Okay, very good. I have a number of appeals here, but I would like to talk more in general.

Mayor Post: We're here tonight not to disrespect you; but here tonight you're here pleading your case for your appeals of your taxes and I advise you to take your time now that you want to do this and I'm just saying, take each parcel; explain why you don't agree.

James Welu: I'm not going to take each parcel, because it's the same argument for all of them, if I may.

Mayor Post: Okay, you approach it however you like.

James Welu: I think these people must have done a very good job in generally reaching market value of properties in the community of Milton; since we have so few people here tonight; but what I think is most people looked at their assessments and they said oh, the value is X and I think that's pretty much where I could sell the property for or maybe I could sell it for even more than that. That's why we don't see a lot of people here tonight. I think it was helpful that the paper that came out with the new assessment showed what the property tax would be on the property, based on the total of all the assessments in the town. I don't think people looked at their assessments real closely as to how much was attributed to the improvements and how much

was attributed to the land. I had a discussion with the one gentleman that was in City Hall after the assessments came out and he was giving me the rationale of how they arrived at the difference; how they arrived at the land value; and I found it rather curious that I hadn't look at all the assessments; but most of the assessments of the land value of properties came in at \$80,000-\$90,000 per lot; whether it was 5,000 sq. ft., 10,000 sq. ft.; 15,000 sq. ft. My experience in real estate has always been land and location, location, location; in that a 5,000 sq. ft. lot is not going to be valued as highly as a 10,000 sq. ft. lot, or a ¾ acre lot. So that is the basis of my appeal and it mainly on the value of the land associated with these various properties.

Mayor Post: It's up to you, so you don't want to address each one.

James Welu: Everything I have to say goes to each property. When I finish, hopefully, it will be a little clearer.

Mayor Post: I think what would be good, is first of all, for them, they have a copy of it; but I would love it on record to go on what addresses that we are addressing here tonight so that we would have a record of it. If you want me to read it into the record, I would be glad to do that.

James Welu: If you want to read each of the properties into the record, because to get here on time, I did not pick up my file at home.

Mayor Post: That's all right, and you can tell me if I am saying the address wrong: 30231 East Mill Street.

James Welu: That's wrong, that's my address. That's not in the Town of Milton.

Mayor Post: I'm sorry, thank you. 420 Chestnut Street; 409 Union Street; 610 Union Street; 302 Collins Street and 310 Collins Street; 120 Hazard Street and 118 Hazard Street.

James Welu: I think that's it.

Mayor Post: I assume that what you've written under current market value is what it's been assessed at; these are what you are appealing.

James Welu: I kind of hoped the people from Cannery Village had been here, because I presume they have a similar issue with land values. I don't know how much research they've been able to do. I have not been able to do a whole lot of research, but I did pick out two properties that I want to use as the basis of the appeal from my perspective. There is not a lot of land that has been selling in the Town of Milton recently. I guess there is not a lot of building going on; but I picked out one sale that took place in October, which was 116 Tinley Street; it's almost an out-parcel; it does have some improvements on it; nicely landscaped and all of that; and it was assessed at \$117,900 and the settlement date was in May of 2009 for \$67,500. That was broken down to \$117,900 was the total and \$80,000 was the land value.

Mayor Post: Did that sell through real estate broker, not through a foreclosure?

James Welu: Yes, this was a direct sale, seller to buyer. I have the MLS which you could put in the record if you would like that as the evidence of that. I just did a quick analysis. I'm sorry, it was assessed at \$111,000; not \$117,000 and if the improvements that were on that assessment were \$31,400,

based the market value of the improvements to the property, that would actually put the land down to about \$48,000, as a portion of the breakdown of that.

Mayor Post: I have a question of our Assessor. When we do our assessments, are they based on actual?

Curt Riley: They are based on actual sales.

Mayor Post: No, no, I'm sorry. Maybe I need to reword it and I don't know how to say it. But are they based on actual; in other words, sometimes a property is assessed at 50% of value; what are these compared to value of the property assessed at?

Curt Riley: At 100%.

Mayor Post: That's what I needed to know. That's an important thing.

James Welu: That is important, because I've been in jurisdictions where they value them at 45% or 50% of market.

Mayor Post: And it gets computed up that way too; but I thought these must be being done at 100%; which is what I thought.

Curt Riley: With all due respect, with the value at 100%, whatever the assessment might be 42%, 60%, 30%, whatever that might be; depends on the jurisdiction; but in the Town of Milton every property is valued at 100% market value and taxed at 100%; in other words its valued and assessed at 100%.

Mayor Post: But the tax rate might be higher elsewhere because all they do is they get it in the dollar amount per \$100 value; so if we have a low value per \$100; you're being taxed at the full and somebody else taxes at the half; but charges two or three times more; you're really paying more. I know it gets confusing but that's how they're making the difference up. The bottom line is the amount you're paying per \$100 of assessed value.

James Welu: What Milton is doing is if we need to raise \$3 million in this town then you take that by the amount of the total assessments and figure out your rate per \$100 because that lowers the rate per \$100 now; based on the face that we have a much higher assessment dollars throughout the town. The other property that I picked up which was a recent sale, this is the one which was in October was at 313 Coulter Street; it was a small house; a one bedroom, one bath, two story house; I would call it a story and a half and it was assessed at \$111,400; with the land being assessed at \$80,000 and it sold for \$80,000; so if you do some adjustments on that, it looks like the land on that could be worth about \$46,000. I assume that a one bedroom house assessed at market value of the house itself at \$31,000 is pretty reasonable. It might be low, I don't know; but by just these two examples and I as I say I didn't have a chance to do a whole lot more of research and there haven't been a whole lot of sales to start with; it looked to me like the market value; and I looked through some of them in the register in Town Hall; the market value of the homes seemed to be pretty much in line; maybe a little bit low in some instances; of what people would probably ask for their house. When you look at the breakdown and you see house after house after house having a land value of \$80,000 or \$90,000, it just doesn't make sense to me that

someone that invests in land and has been in real estate for a long time; I'm thinking that maybe the lot values have been jumped up as close as much as 40%-50% of what the real land values are.

Mayor Post: When you say that, I do have a question for you. It would be 302 Collins Street and 310 Collins Street.

James Welu: Those are vacant.

Mayor Post: You gave a purchase price.

James Welu: This is way over the market.

Mayor Post: But it is what you paid.

James Welu: That's what I paid, but that has nothing to do with the assessments.

Mayor Post: I know that, but I'm just saying. You paid \$150,000 and we came back and assessed it at \$90,000, so I'm just trying to put that into perspective there. What I'm trying to figure out is that \$150,000; you paid that for both parcels.

James Welu: No, each one.

Mayor Post: Each parcel.

James Welu: Yes, in the old heydays; when we went wild.

Mayor Post: Per property.

James Welu: I've been talking with a couple of builders who are looking for lots; in fact I talked with one realtor this weekend, Capstone; \$60,000 is the max they'll pay for a brand new lot in a sub-division; they're not even going to touch land if it's more than \$60,000 a lot. And I've talked with one of the sales people at Insight Homes out on Windstone on Route 88 going towards Route 1 and they're basically in that same market; you know \$60,000-\$70,000 for a lot in a new sub-division. Now the other thing that I think needs to be taken into account; even if you were to accept all of your houses in the Town of Milton having a \$90,000 land value; if I have a vacant lot, I've got to put close to \$20,000 into that lot before I can build a house. So even if it was \$90,000, it's really \$70,000 just from that standpoint, because you have to pay for sewer tap fees; water fees; water lines, sewer lines and so...

Mayor Post: But that's any empty lot; even if it's in Cannery Village.

James Welu: If you can justify \$90,000 for the land of your house or Joanie Martin-Brown's house or Leah Betts' house; that \$90,000 land already has water, sewer lines, no impact fees have to be paid to get to that stage, before you get to the improvements. Basically, I'm not asking for the Town to go through and have somebody readjust all of the assessments based on this issue; because you can't; you can only do it for those people that appeal. So we're not dealing with 300, 400, 500 or 6,000 properties, we're only dealing with 8. In conclusion, I believe that the assessed value of the lot value of my properties is 40%-50% higher than the real value of those lots. The assessment should be what the market value of those lots is in the year 2009. The nice thing is, is that if we have an improvement of the economy and homes start to sell, the assessments on the sale houses are going to start to go up; because it's based, I presume, every time there's a sale they get reassessed even though within the next ten years, until the whole town is reassessed.

Curt Riley: If I may, that is not the way it works.

James Welu: I thought when the sale contract came in that you then were able to up the reassessments. That's typical of most jurisdictions.

Mayor Post: It's not how it's done in Milton and I have questioned that many times and I don't know how we do it; but I feel that we should be doing it that way.

C Duby: We adjusted it down; up until now they've been readjusted down to 1992.

Curt Riley: But you have to wait for 10 years before we reassess again. If a house sells for \$1 million in 5 years...

Mayor Post: It's assessed at today's rate. Nine years from now... So the key is to buy your property right before we do our next assessment. So nine years and eleven months from now. It's amazing, but that's how it's done. That's how it's done in other towns in Delaware. Is it the law? Is it the State law or is it just how they do it?

Curt Riley: It's a State law.

Mayor Post: See, so you can't do it that way. Because I always thought it was reassessed at the time of purchase, but it's at the new value. They will certainly review all your properties and then that report will come forward to us.

James Welu: Do you want me to leave these?

Mayor Post: You might want to leave them with the assessor. Thank you very much.

- f. Donald Alexander: 111 Tilney Street, which is parcel no. 235-14.19-71.01. In 1985, I bought that piece of ground from Ms. Helen Scott for \$8,500 and in 1992 I was reassessed for \$12,800; and my proposed assessment for 2010 is \$90,000. It has no improvements on it; except that it is mowed every two weeks; it has no sidewalks. Tilney Street is a one-way street, Reed Street is a one-way street; no sidewalks on either side, of either street and no storm sewers and I just think that price is absolutely insane and I couldn't get \$90,000 for it.

Mayor Post: Could you tell me where it is, exactly.

Donald Alexander: Do you know where Ms. Scott's is?

Mayor Post: I know where her house is.

Donald Alexander: It was the other part of her property and she chopped it in half. I bought what was left of it.

Mayor Post: All right, I know which one it is now.

Donald Alexander: I really plan on building a house and every time I plan on building a house there, the Town of Milton changes the requirements; now it has to be up to 11,000 square feet and I can't afford it yet. But I have compared other properties in Milton and it seems to be that \$90,000 is the going price for the land whether it has improvements or not. Your parcel 235-20.70-134 has an improvement on there of \$116,600, but the land value is \$90,000 and they have sidewalks and they have sewer drains and storm sewers; I don't have any of that at 111 Tilney Street. Another parcel 235-

20.08-68 is .351 acres; once again \$90,000 value on that. That's on Front Street. I don't see any water. I don't see anything except the house across the lane. 601 Mulberry Street has sidewalks; it has storm sewers. Next property 235-14.15-39 they have the improvement assessed at \$58,000, but the land at \$90,000. Ms. Scott, the lady I bought the piece of ground from at 316 Union Street; has her property 235-14.19-71 and the land is assessed at \$90,000; the improvement is \$98,900 for a total of \$188,900. These are all bigger pieces of land than mine. I think this should be per square foot price; a premium location price; a sub-standard location price; but none of this has been taken into account. It's all just nitty gritty; \$90,000 for the lot; and that just doesn't seem fair to me. When I talked to Mr. Mike Didawek, who worked for you gentlemen, he said he'd get back to me with comparables, but I've never heard of any comparables and so I have only got you to appeal to. But I hope that you can do something for me.

Mayor Post: They're going to be doing the report and then submitting it over to us and they will have to have backup documentation on why they chose that number. I was just trying to figure it out; I was just looking and I'm not a tax assessor.

Donald Alexander: Mike asked me what I thought was the actual value of the ground and I said I thought a price around \$35,000 would be a fair market price. I think I could possibly get that for it. But for \$90,000, I could never get that.

Mayor Post: Is it a 10,000 sq ft. lot? How big is the lot? That's a pretty good size lot though, isn't it?

Donald Alexander: I'm just not certain, I think its 75'X100'; something like that.

Mayor Post: I'm just looking at it because it looks to me like your current taxes are \$52.48 and that was based on an assessed value of \$12,800.

Donald Alexander: Right, from 1992.

Mayor Post: I know that was the \$52.48; unless I'm looking at this wrong, it is what it's based on; it's based on a \$12,800 assessment. So \$162 would be about three times that of the prior estimated value; just a touch over three and if you multiply \$12,800 times three it looks like it comes out to \$38,400 as the new assessment.

Donald Alexander: That sounds realistic. That really sounds realistic.

Mayor Post: I don't know what I'm doing. Obviously I've gotten my calculations wrong; because we haven't raised the tax at all; so even though we've lowered it, it's the same value; the tax value as it was before.

Donald Alexander: But the money has gone up every year.

Mayor Post: We've made no adjustment because of how it has been reassessed lowered the tax base. I'm just confused of how it would come out at. I'm looking at the records. I'm looking at prior estimated value is \$12,800 and it's taxed out at \$52.48. Now we've gone up to \$162, which is a little over three times the \$52.48, so I would think you were three times the old value. So maybe I'm wrong.

C Duby: The tax rate changed.

Donald Alexander: Mr. Mayor, shouldn't that property have sidewalks and storm sewers if it is going to be assessed at that \$90,000 price rate?

Mayor Post: Others aren't, I'll be honest. They will need to review it and they will present it to us and like I say, we'll need to know the square footage of that parcel as well.

Donald Alexander: It's not right. That's it, that's all I have to say. Thank you.

- g. Leah Betts: I'm going to recuse myself. I would like to have an appeal on two properties on mine: the first one is 111 Magnolia Street. It is parcel no. 235-14.19-10.201. The assessment in 1992 was \$8,100; it jumped to \$225,200; it was a 27.8% increase in the assessment for a vacant lot. I wouldn't mind it quite as badly; I might complain a little; if I didn't have water problems in that yard and it arises from the parking lot across the street and I don't think it should be raised that much due to the fact of the problems in the parking lot which our engineer said once that could be remedied if the Town had the money. I would like to show you some pictures of every time it rains how it floods. I feel that the assessed value be \_\_\_ of \$8,100 to go to \$225,200; that I couldn't possibly build anything on it until that problem across the street had been corrected. This is higher than my property next door with an improvement on it and I bought the yard, just to keep it cut and pay to have it cut every week.

Mayor Post: Is the lot the same size as your house?

Leah Betts: It's a smaller lot than mine with the house on it.

Mayor Post: What is your house lot assessed at, do you know off hand?

Leah Betts: No I do not know.

Mayor Post: This is more than my house with all the improvements is assessed for.

Leah Betts: Exactly, with all the improvements. The other one is at 115 Magnolia Street, parcel no. 235-14.19-104.00 was assessed for \$12.30 and it increased to \$144; but now is assessed at \$80,000 and it had been assessed at \$3,000 in 1992. It went from \$3,000 to \$80,000. It's a lot, but it can't be used because we have a fence from our home.

Mayor Post: Where is that one?

Leah Betts: It is in between our house and the one on the corner. We've put a fence on that lot, so it is not available.

Mayor Post: So it's like the corner of your house up towards the next parcel.

Leah Betts: So it cannot be built on, because we've used it for the fence. I just think it's an awful increase from \$3,000 to \$80,000 assessment and the one on the vacant lot where the water stands it went from \$8,100 to \$225,200. I would any consideration that can be given to me. Thank you.

Mayor Post: Thank you.

Leah Betts: Does anyone have any questions?

C Martin-Brown: The land that is fenced between your house and the house on the corner of Mulberry; that's the lot.

Leah Betts: Yes, it's sort of split. I kind of split it because we own the corner house and we weren't about to sell that lot between it because it's small.

C Martin-Brown: So the lot between wouldn't convey with your house, if it was ever sold, its not part of it. That's what I wanted to get clear.

Leah Betts: No, but I guess we could have it joined on our deed, maybe.

C Martin-Brown: I was just wondering how that would work.

Mayor Post: Do you know the size of that lot?

Leah Betts: I don't know.

C Martin-Brown: .1 of an acre?

Mayor Post: .1 of an acre. Say how much it is, again.

Leah Betts: Less than 1/4 of an acre. It's assessed at \$80,000. But I appreciate any consideration.

Curt Riley: Ms. Betts, please, the one at 113 Magnolia Street, you mentioned that it is approximately a 1/2 acre lot and it's unbuildable or there's an issue from across the street, is that the water coming up?

Leah Betts: That's 111. That's the lot beside my house; not where my house is.

Mayor Post: I think he's questioning that about why you were talking about the water coming up.

Leah Betts: It's at 111 Magnolia; the lot beside of my house and when it rains, and when the water comes up in the parking lot, it comes on over and floods that lot.

Curt Riley: Okay, so 111 is the \$225,200.

Mayor Post: That has the drainage ditch going between it.

C Martin-Brown: It's behind the museum and her home; it's that swail and the land; not all of that.

Leah Betts: That other belongs to someone else. I'm on that side of the ditch.

C Martin-Brown: But it's going in that direction towards the museum.

Curt Riley: On the .176 acres that there's a value of \$80,000 on that, did I hear you say it's unbuildable.

Leah Betts: Because we have our fence on it.

Curt Riley: Have you had it sub-divided or combined?

Leah Betts: No.

Curt Riley: Okay, so it's only the fence.

Leah Betts: That's stopping it, but that's why I put it there, because I wasn't planning on selling it. I used it for my yard; it's part of my yard. It just hasn't been changed from the deed.

Curt Riley: Okay, thank you.

Leah Betts: Thank you.

- h. Mayor Post: Michaela Kafaro was next one, but I believe she has pulled hers. I think that got resolved. I know she was talking to the Town and I think she understood her assessment.

C Martin-Brown: So she has basically shut down her desire to come before us at any time in the future, which is a very different situation then we discussed earlier.

Mayor Post: She's decided not to bring it to us today.

C Martin-Brown: Or no other time.

Mayor Post: I think if anybody wanted to come... Since this is the first time we've had an assessment for years, don't we have an appeal again next year, or not?

George Dickerson: Every year.

Mayor Post: Every year you have to have an appeal, so if she chose to come, I can never tell her she can never come in front of us.

C Martin-Brown: No, no, Mr. Mayor, I'm just talking in terms of what we were dealing with Chestnut; in other words, she is satisfied to withdraw at this juncture.

Mayor Post: That is my understanding.

C Martin-Brown: That is what I want to be clear for the record.

- i. Costa Tsoukalas: 900 Palmer Street – Nobody is here.
  
- j. Josephine L. Brett: 220 Chandler Street. A lot with no improvements. My concern was the taxes from \$52.00 to \$252.00; from \$12,000 up to \$140,000; and as I have heard that I might have been able to speak to Council before now; or to the gentleman over there.  
Mayor Post: No, this is it. This is your chance.  
Josephine L. Brett: Then again, you're assessing the lots. The average lot is going for about \$90,000 today, in Town.  
Mayor Post: It depends upon the neighborhood.  
Josephine L. Brett: Then I heard a statement earlier that it didn't matter whether you were on the east side, north wide, west side, low side, or the high side.  
Mayor Post: That was a presenter. He was speaking and he assumes that every lot is valued at the same price. The assessor is the one that does the evaluating. These two gentlemen over here are the ones that did the assessment for the Town. So if you're questioning your assessment value, if you would just tell me what... You've got to understand, whatever the assessment was, it hasn't been assessed for 12 years in the Town of Milton. This is a new assessment and that's why you have new values.  
Josephine L. Brett: There was someone that said \$10 a sq. ft. or something; is that what I heard earlier?  
Mayor Post: That's what this gentleman over here said. That's what somebody from the public said. It all differs around here, depending upon where you live.  
Josephine L. Brett: Are we recorded?  
Mayor Post: Yes you are.  
Josephine L. Brett: Good.  
Mayor Post: If you would just tell your value and what you are disputing of that value.  
Josephine L. Brett: For twelve years I don't believe the increase in value has gone from \$12,000 to \$140,000; wherever the lot may be.

Mayor Post: So you're saying that your lot is currently in the Preserve on the Broadkill Phase I for \$140,000.

Josephine L. Brett: That I was paying previous taxes on for the past couple of years since I purchased at about \$52; with an assessed value of \$12,000.

Mayor Post: Because that was based on the 1992 assessed value.

Josephine L. Brett: According to the market and what not, I would have been living there by now; but it went into the can. The values have also dropped another reason that the jump is not acceptable.

Mayor Post: Write down the address; 220 Chandler Street; review it.

Supposedly it was filed with the Town.

Josephine L. Brett: It was. Thank you very much for your time.

Mayor Post: Thank you.

7. Old Business – There is none.

8. New Business

Discussion and vote on the request to appeal the 2010 Property Tax Appeals. Order of the decisions on the appeals will be at the discretion of the Mayor and Council.

Mayor Post: We need to discuss when we want to hear these appeals? Do we want to hear them at the January Town Council Meeting? Our assessors will do the homework for us and give us the reasoning on why they assessed or maybe after they review it, they may recommend that possibly after their review that some should be reduced. Then it will come over to us. Then we will make that decision. Do we want to do that in a special meeting in January or do we want to do it at the regular Town Council Meeting. I would prefer mid-January.

Vice Mayor Betts: I think it should be a special meeting.

Mayor Post: Let's do it at a special meeting in January, mid-January sometime.

C DUBY: I'm out of town from the 14<sup>th</sup> until the 29<sup>th</sup>, so if it's after the 14<sup>th</sup>, I won't be a part of it; that doesn't mean you can't do it; I'm just letting you know I won't be there.

C Martin-Brown: We would have a quorum though.

Mayor Post: Whenever we would like to do it, but let's see when we can get some dates pulled together. So sometime in January; we're not doing it at the Council meeting; that's the important thing.

C Abraham: How long would these gentlemen need to get their information together?

Mayor Post: They could get it to us by the Council meeting, but they said they could get it to us by then. C DUBY will not be able to be there.

C Martin-Brown: I make a motion that we have a meeting the third Thursday in the month and if this comes up, we may have another agenda item in addition, on January 21<sup>st</sup>.

C Abraham: Second.

Mayor Post: We have a motion and a second. Is there any discussion to the motion? All in favor say aye, opposed, motion carried.

9. Adjournment

C Martin-Brown: I make a motion we adjourn.

C Abraham: Second.

Mayor Post: All in favor say "aye". Opposed. Motion carried. Adjourned at 7:49 p.m.