REAL ESTATE ASSESSMENT COMMITTEE

COMMITTEE MEMBERS: John Brescher (Chair), Rhoda Weinman (Vice Chair), Penny Dey (Secretary), Thomas Barada, Lee Saperstein

MINUTES
Monday, November 14, 2022
Remote Meeting *via* Zoom – 2:00pm

ATTENDING COMMITTEE MEMBERS: John Brescher; Lee Saperstein, Rhoda Weinman
ABSENT: Penny Dey, Thomas Barada
STAFF IN ATTENDANCE: Ken Beaugrand (Real Estate Specialist), Hayley Cooke (Housing & Real Estate Office Manager)
ANTICIPATED SPEAKER: Rob Ranney
PUBLIC PRESENT: *None*

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1. **CALL TO ORDER**
John Brescher calls the meeting to order at 2:02pm & reads participation & open meeting guidelines.

2. **APPROVAL OF THE AGENDA**

The **MOTION** was made by Rhoda Weinman and seconded by Lee Saperstein that REAC approve the agenda.
<u>ROLL CALL</u> of those participating:

1.	Lee Saperstein	Aye
2.	Rhoda Weinman	Aye
3.	John Brescher	Aye

The **MOTION** is carried by a 3-0 Vote.

3. **PUBLIC COMMENT**

None

4. **APPROVAL OF MINUTES**

- Minutes from 9.12.22

Item moved to December Meetin

5. REAL ESTATE MATTERS

John Brescher recuses himself.

- Review proposed taking of portions of Hollister Road (Tom Nevers) shown as Parcels 1-6 (inclusive) on Plan No. 2022-33, recorded at Nantucket County Registry of Deeds, as authorized by the affirmative vote of Warrant Article 96 of the 2014 Annual Town Meeting.

Lee Saperstein: I see there are 6 separate lots.

Ken: That is correct. I've made sure that each of them has access, which was a concern and that has been resolved.

The **MOTION** for REAC to recommend the Taking of portions of Hollister Road to the Select Board was made by Lee Saperstein. It was seconded by Rhoda Weinman.

ROLL CALL of those participating:
1. Lee Saperstein Aye
2. Rhoda Weinman Aye

The **MOTION** carried by a 2-0 vote.

John Brescher abstains, as he had previously recused himself.

6. DISCUSSION ON LAND PRICING – WITH ROB RANNEY

John Brescher: We've made this an annual event – to check in and make sure we are doing the right thing. Are the assessed values…are we on track in terms of the values of vacant land? In the dollars per sq. footage, are we still between in the ballpark and market value?

Rob Ranney: Sort of. Because of how our process, we are behind somewhat. This fiscal year our values are determined using sales that took places in calendar year 2021, which is the highest record year in real estate on Nantucket. We are still calculating what the new values will be for fiscal 2023, which should happen in the next month at the most. We do catch up eventually [in our pricing] it just doesn't happen as quickly as people think it should.

John Brescher: In the foreseeable future, do you anticipate the values to decrease in any way?

Rob Ranney: Possibly, but not for another year or two because of the fiscal year cycle that we are in. Next year is fiscal '24, which is a major revaluation year for us.

Lee Saperstein: In terms of inflation [in our economy], the GDP has been rising just below 8%. Is that a good number for Nantucket, is Nantucket real estate greater or less than?

Rob Ranney: Greater. Last year, we are looking at a 20-25% increase alone.

Lee Saperstein: Does that include the land value and the structure?

Rob Ranney: It applies for the whole thing. The structure value will be reexamined next year as part of our revaluation process.

Lee Saperstein: So John, with respect to your questions, should we elect to raise the value or price that we suggest we charge?

Rob Ranney: Let me back up a bit. Prior to 2021, we started with a base number of $1/sq. foot for Yard Sales. During our revaluation in 2019, we doubled our excess value price so that REAC doubled from $1 to $2. So the base figure is fine, but the factors that we multiple that by, depending on the location of where it is, those tend to slide more with the market. So, if you wanted to go up from $2 to $2.50 or $3.00, that is probably ok. That is up to you guys. Some of the beneficiaries who buy these things say it is too much, and some say it is too little.

John Brescher: What's also worth noting is that $30,000 is our limit. Once a piece goes for more than $30,000 we have to go through the RFP process. I think we've only seen one or two of those, but we want to be cognizant of that.

John Brescher: Rob, will you have new numbers by the end of 2022?

Rob Ranney: We will have new values. I think what we will see is that this is the peak, and I don't know that we will go much higher and the market will turn in the next year or so. So, I don't want you guys to come up and then things go back down and you're back to lowering it. My opinion: you keep it at $2 or $2.50, and not go much higher than that.

John Brescher: It is an interesting point that, for the most part, nobody's really griping that much who is buying. They're just grateful to get it.

Ken Beaugrand: They haven't walked away because of the $2/sq. ft. price.

John Brescher: And the Town doesn't want these things on their tax bracket. It's a win-win. It's a good point about not wanting to go down in price.

Rhoda Weinman: We should wait.

Lee Saperstein: To summarize, we raised the price in 2019, we doubled it. Rob is talking about a .50 cent increase. Rhoda is saying to defer this decision until we get more information on values. And I asked the question about the separation between land and structure values. I agree, it's not critical in terms of the physical year. We are in the midst of negotiations. Let's defer to early 2023.

John Brescher: I tend to agree with that as well.

Ken Beaugrand: Let's defer [a decision] until at least the February meeting.

John Brescher: For what it's worth, too, I know Thomas isn't here but it's not up to this committee to try to recapture any more of the Town's legal fees. We shouldn't just add a surcharge for the sake of charging.

Ken Beaugrand: That [the fees charged] is the decision of KP Law with the respect to the amount they charge. It is not our role to challenge that.

John Brescher: I think it makes sense to have it on the same Agenda when we finalize pricing in January or February.

Ken Beaugrand and Lee Saperstein Agree.

7. OTHER BUSINESS
Next Meeting:

- Monday, December 12, 2022 at 2:00pm

8. ADJOURN.

The **MOTION** was made by John Brescher and seconded by Lee Saperstein to adjourn the meeting.
ROLL CALL of those participating:
1. Lee Saperstein Aye
3. Rhoda Weinman Aye
4. John Brescher Aye

The **MOTION** carried by a 3-0 Vote.

Open Session Meeting ended at 2:25pm.

Submitted by: Hayley Cooke