

Roxbury Estates, Inc. v. Town of Roxbury

1991 Ct. Sup. 8200 (Conn. Super. Ct. 1991)
Decided Sep 11, 1991

No. 052954

September 11, 1991.

MEMORANDUM OF DECISION

PICKETT, J. 8201

The plaintiff, Roxbury Estates, Inc. has appealed the decision of the defendant, Board of Tax Review of the Town of Roxbury, denying its request for relief from the tax assessment on the list of October 1, 1989.

The property in question is a fifteen lot subdivision located at Carriage Lane in Roxbury consisting of 68.090 acres. The lots average 4.251 acres and there is 3,300 more or less feet of linear proposed road. The town assessor valued the property at \$1,105,250.00 with an assessed 70% value of \$773,610.00 including one lot valued at \$53,610.00 which is not involved in this appeal. See Appendix A. This assessment was reached by using an arbitrary \$85,000.00 figure for each three acre lot plus additional acreage reduced by percentages ranging from 50% to 20% for the road.

Robert Nocera, an expert appraiser called by the plaintiff valued the property at \$745,000.00 as follows:

Estimated sale value \$1,830,000.00
Summary of Costs: Development Cost \$700,000.00
Incentive Cost 183,000.00
Carrying Charges 73,500.00
Marketing Cost 128,100.00

Total Costs 1,084,600.00

Project Net Income 745,400.00

John J. Valente, an expert appraiser testified for the defendant that in his opinion the property had a value as of October 1, 1986 of \$1,070,000.00 arrived at as per Appendix B. He placed values on the individual lots totaling \$1,058,580.00. The evidence discloses that the town required a performance bond for the road of \$550,000.00. This is the same figure used by Mr. Valenti in arriving at his value. Mr. Nocera, on the other hand used a figure of \$700,000.00 in arriving at his value of \$745,400.00. If \$550,000.00 were substituted for the \$700,000.00 amount, the Nocera value would be \$895,000.00.

The Court finds that \$550,000.00 is a reasonable figure for the projected road costs. The assessor allowed a reduction for the road of \$358,440.00 rather than \$550,000.00 or a difference of \$191,560.00. Mr. Valenti states that the procedure and formula used by the town was valid in reaching its actual value of \$1,028,660.00. The ⁸²⁰² court finds ^{*8202} that from this figure there should be deducted \$191,560.00 to leave an actual value of \$837,100.00 for the fourteen lots. The reduction of \$191,560.00 is 18.6% of the appealed assessment. Accordingly, the court finds that the actual values for the fourteen lots shown on Appendix A are reduced by 18.6% as of October 1, 1989.

Judgment may enter accordingly.

PICKETT, J.

APPENDIX B DISCOUNTED SELL OUT —
ROXBURY ESTATES

Value Per Average Lot \$122,500 Average Lot Size
 4.25 Acres Number of Lots 15 Gross Sell Out
 \$1,838,000 Discount Rate Per Annum 10.00%
 Discount Rate Per Quarter 2.50% Market
 Appreciation/Quarter 12.00%

Initial Month of Quarter Oct. 86 Jan. 87 Apr. 87
 July 87 TOTALS

Quarter 1 2 3 4

Lots Sold 4 4 4 3 15

TOTAL REVENUES: \$490,000 \$548,800
 \$614,656 \$516,311 \$2,169,767

EXPENSES

Legal Fees \$1,600 \$1,600 \$1,600 \$1,200 \$6,000

Selling Expense \$29,400 \$32,928 \$36,879
 \$30,979 \$130,186

Road Construction \$275,000 \$275,000 \$0 \$0
 \$550,000

Real Estate Taxes \$1,934 \$1,418 \$903 \$387
 \$4,642

Insurance \$500 \$500 \$338 \$338 \$1,675

Construction Interest \$13,750 \$13,750 \$13,750
 \$13,750 \$55,000

Mortgage Interest \$13,362 \$13,362 \$13,362
 \$13,362 \$53,450

Entrepreneurial Profit \$49,000 \$54,880 \$61,466
 \$51,631 \$216,977

TOTAL EXPENSES: \$384,546 \$393,439
 8203 \$128,297 \$111,647 \$1,017,929 *8203

NET REVENUE: \$105,454 \$155,361 \$486,359
 \$404,665 \$1,151,838

DISCOUNT RATE 10.00 0.975610 0.951814
 0.928599 0.905951

PRESENT VALUE OF CASH FLOWS \$102,881
 \$147,875 \$451,632 \$366,606

NET PRESENT VALUE \$102,881 \$250,757
 \$702,389 \$1,068,995

CUMULATIVE (N.P.V.) \$1,068,995 (CALL)
 \$1,070,000