

**Board of Civil Authority
Tax Appeal Decision
SPAN – 384-119-12470**

To: R & B Investments, LLC
From: Board of Civil Authority
Date: November 16, 2021

This is the decision, with reasons, of the Board of Civil Authority of the Town of Mendon, after hearing and evidence, in an appeal brought by you on your property at 5709 US Route 4.

1. We find that R & B Investments, LLC is the owner of a 31.1-acre lot and a 34-unit senior housing facility at 5709 US Route 4, Mendon, VT. Currently one section of the building is being used for senior housing. The first floor is permitted for 18 memory care units with double occupancy allowed in each room. The plan is to add 17 rooms for residential care, although this is not yet permitted.
2. Although the listers valued the property using a cost approach, based on the availability of closely comparable properties, we find the market sales approach the most reliable methodology for purposes of this appeal.
3. The Assessor appraised the property at a value of \$8,744,500 for the 2021 Grand List. R & B Investments grieved within the proper time frame and the Assessor lowered the appraisal to \$5,697,000 on the basis of the grievance. R & B Investments appealed to this board on July 12, and the board heard their appeal on October 26, at the Town Office. An inspection committee of Rich Carlson, Larry Courcelle, Lindsey MacCuaig, Jim Reddy, and Ann Singiser visited the property on November 2, and made their report to the Board on November 15. A copy of their report is attached to this decision.
4. In support of the appraised value of \$5,697,000, the Assessor presented five sales in Vermont – Bennington Health & Rehab, Berlin Health & Rehab, Springfield Health & Rehab, Crescent Manor, and St. Johnsbury Health & Rehab – a copy of the comparison chart is attached. The appellant presented an appraisal which valued the property at \$5,300,000, but stated that they believe the value of the property to be \$2,600,000, as after one year, there are still only 10 – 12 residents.
5. The Assessor stated after reviewing the appraisal, that he would have no problem accepting the appraised value of \$5,300,000.
6. Based on Appraisal provided by the appellant and with the support of the Appraiser, the board finds the fair market value of the property to be \$5,300,000 for the April 2021 Grand List.

The appellants have a right to appeal this decision to the Director of Property Valuation and Review of the Superior Court of Rutland County by filing a written notice of appeal within 30 days after the mailing of the notice by the town clerk. The fee for the appeal to the Director is \$70; the fee for an appeal to the Court is \$250. Checks should be made payable to the appropriate agency and returned to the Town Clerk with a letter stating the intent to appeal.

I hereby certify that this a true record of the action taken on this appeal by the Board of Civil Authority of the Town of Mendon.

Nancy A. Dondezza, Chair
Board of Civil Authority

Filed in the Town Clerk's office on 11/22, 2021 at 12 p.m.

To be recorded in the Grand List Book of April 1, 2021.

Attest: Jane Bridge

BCA Hearing R & B Investments, LLC

Date: 10/26/2021

Hearing time: 5:00 p.m.

Present: Al Wakefield, Rich Carlson, Dick Wilcox, Lindsey MacCuaig, Ann Singiser, Larry Courcelle, Betsy Reddy, Jim Reddy – BCA members, Spencer Potter – Assessor, Nancy Gondella – Chair/Town Clerk, Jesse Bridge – Secretary/Assistant Town Clerk, Manjari Bhakta & Hitesh Patel - Appellants

Call to Order: Nancy called the meeting to order at 5:00 p.m. This hearing was done via GoTo Meeting.

Appellant Info: R&B Investments, LLC, 5709 US Route 4, 04-02-84.000

Spencer Potter and appellants are sworn in. Nancy asked if anyone needs to excuse themselves from the hearing due to conflicts of interest or ex parte communication, no one does.

Case Introduction: Spencer introduced the property as a commercial property at 5709 US Route 4, 31 acres, assessed at \$5,697,000 (marked R&B T-1).

Appellant Testimony: Hitesh said he has a professional appraisal (marked R&B A-1) which shows two numbers, \$5.2 million on a comparative basis and \$5.3 million on a cost basis. He wanted to point out that there is a big assumption that this property is fully licensed. They were hoping it would have been, but to this day only one floor of the property is licensed with the assisted living license. Basically only 25% of the property is currently licensed. If they wanted to increase the occupancy, they would need a special voucher from the state to allow that to happen. They believe the property is worth \$2.6 million and would like the town to value it at that. He asked everyone to look at page 8 in the appraisal. It says the highest and best use of the property if it were to be vacant is to leave it vacant until economic conditions warrant development. He said the visionary of this project was Ravi Bhakta and he put a lot of time and energy into improving it and developing it as senior living. Friends and Family wanted to see this vision come through for Ravi and the town and dove in to help build it but in hindsight they did not have this appraisal which said to leave it vacant. After a year they are still stuck at 10-12 residents which is a dire situation. They are looking for a reasonable valuation of the property so they can keep going with the business.

Evidence Presented: R&B A-1

Assessor's Response: none

BCA Questions: Betsy asked when the appraisal describes the property as having a combination of memory care units and more independent units, are those numbers maximum capacity or current capacity. Hitesh said they have 34 units requiring

licensing, 18 of them are licensed as memory care units which is one wing. The rest of the property is not licensed. An independent wing, which is 33% of the property, does not require any licensing but currently there is only one resident. Betsy asked if he knew when the licensing would be approved. Hitesh said they have reached out to the state but have not heard back as of yet.

Assessor's Testimony: Spencer presented 5 recent sales in 2020 and 2021, all in Vermont. He has a grid of the information (marked R&B T-2). Spencer would support the 5.2 or 5.3 million the appraisal says.

Evidence Presented: R&B T-2

BCA Questions: none

Appellant response: Hitesh said he has also seen comparable sales and he would like to bring to everyone's attention that Mendon remains a unique location compared to other areas and the comparable properties are most likely much farther ahead in their occupancy.


Follow up: Jim asked Spencer if we were to assess it lower right now because of the lack of occupancy but then it fills up next year, are we stuck at that rate for ten years? Spencer said BCA decision is binding for 1 year. Spencer can change it for the 2022 Grand List. If it goes past the BCA that is a three-year locked assessment.

Inspection Committee Members: Rich Carlson, Dick Wilcox, Lindsey MacCuaig, Ann Singiser, Larry Courcelle, Betsy Reddy, Jim Reddy, Nancy Gondella


Date of Inspection: Tuesday November 2, 2021 at 11:00a.m.
There being no further business, the hearing was recessed at 5:30p.m. and will reconvene on November 15, 2021 at 4:15p.m.

Inspection Report:

Discussion:



Jesse Bridge – Secretary/Asst. Clerk



Nancy Gondella – Chair/Town Clerk

T2

Address	Town	Name	Date of Sale	Sale \$	Building Size	Price/SF	Beds	SF/Bed	Price per bed
2 Blackberry Ln	Bennington	Bennington Health & Rehab	10-2020	\$5,166,000	38,712	\$133	100	387	\$51,660
98 Hospital Dr	Berlin	Berlin Health & Rehab	10-2020	\$14,101,900	47,721	\$296	141	338	\$100,013
105 Chester Rd	Springfield	Springfield Health & Rehab	10-2020	\$7,281,600	36,535	\$199	102	358	\$71,388
312 Crescent Blvd	Bennington	Crescent Manor	08-2021	\$8,400,000	31,433	\$267	90	349	\$93,333
1248 Hospital Dr	St Johnsbury	St Johnsbury Health & Rehab	10-2021	\$9,684,200	36,313	\$267	110	330	\$88,038
5709 US Route 4	Mendon	Vista	04-01-2021	\$5,697,000	60,840	\$94			#DIV/0!
240 Gables Place	Rutland	Meadows at East Mountain		\$5,750,100	40,860	\$141			#DIV/0!

Town of Mendon
2282 US Route 4
Mendon, Vt. 05701

Report of Inspection Committee

To: Board of Civil Authority
Mendon, Vt.

From: Ann Singiser, Lindsey MacCuaig, Rich Carlson, Jim Reddy, Larry Courcelle;
Inspection Committee

RE: Inspection of Vista Senior Living, 5709 US Route 4, Mendon, Vt.

We conducted an inspection of Vista Senior Living on US Route 4 in Mendon, Vt. on November 2, 2021 starting at 11:00 a.m. The inspection committee was accompanied by Luis Marin, Executive Director of Vista Senior Living.

The following information was presented to the Mendon BCA on October 26, 2021 in an Appraisal of the Real Property by Cushman & Wakefield.

The land size is 31.100 acres and the gross building area is 80,000 +/- square feet (based on aerial measurement estimate) built in 1968 and last expanded in 1987 with a conversion in 2019/2020 for its current use as a senior housing facility. A portion of the subject property has been recently renovated. There are 34 units including 16 assisted living units and 18 memory care units. Current ownership is listed as R&B Investments LLC.

The following information is from the site visit:

The section of the complex currently used for senior housing was built in 1987 with a conversion (recently renovated) in 2019/2020. The main entrance leads to a large lobby with wood laminate flooring, a fireplace, extensive bar and bookcases. The suspended ceiling tiles showed areas of water damage and the site committee was informed by Mr Marin that a heating unit exists above this ceiling. At the rear of the lobby a door leads to a large patio area with a white vinyl privacy fence. The patio is a type of stone paver with the remaining being a maintained grass area. This portion of the complex has a better fire rating than the original structure and is the only section currently used by residents. Off the lobby there are two restrooms each with two stalls and two sinks all in good condition. The first floor is permitted for 18 memory care units with double occupancy allowed in each room. The rooms have been remodeled by upgrading the bathrooms to handicap accessible, and the entire wing has had the carpets removed and synthetic wood floors installed. Each room has a closet and the bathroom has a single sink. This wing has a dining area and a lounge, and there is a laundry room for staff use.

There is both an elevator and stairs leading to the second floor. A long corridor leads to 17 rooms for residential care occupancy. These units are not yet licensed. 16 of the rooms have

a balcony, and all units have a closet, a handicapped accessible bath with one sink and a small kitchenette area. Four of the rooms are one bedroom suites. There is a large common area, dining area, and a fully equipped community kitchen that can be used by residents. This wing has a standing seam metal roof system.

The central wing was constructed in 1968 and is not up to current fire codes for full occupancy, and is therefore not able to be permitted for either memory or assisted living care residency. This wing is intended for independent living but is not ready for occupancy and has not been completely remodeled. Any occupancy for independent living would be permitted for nine units on the first floor and five units on the second floor due to fire code restrictions. All of the bathrooms had been remodeled before this was learned. There are signs of water damage in many areas of the ceiling due to a challenging roof design causing leakage when snow and ice backup in the valley areas in the winter. The roofing consists of a combination of EPDM rubber membrane and asphalt shingles.

The west wing, also built in 1968, has the same fire code restriction limiting residences. Currently, there are no plans for residences in this wing. This section of the facility has a pool which is boarded off along with a former exercise room. There is a large unused dining room. The large kitchen is used for serving the current residents. The equipment, including a walk-in freezer, is outdated by today's energy efficient standards. The large dining room is unused. The main floor entrance area to the former hotel, will be the central lobby for the west and central wings and has an elevator in this area. Adjacent to this area is a common room which is two floors high with the former railing on the second floor having been removed and replaced with walls for fire code compliance.

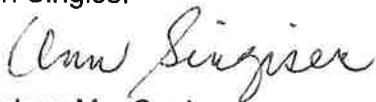
The basement is currently used for storage and is not heated. There are no plans for this area.

There is a significant amount of level ground around the building including the parking lots, the former tennis court area, and the sections immediately around the facility. The remainder of the property consists of sloped areas some of which are fairly steep. There is also a gazebo sitting on a hill on the west side of the facility.

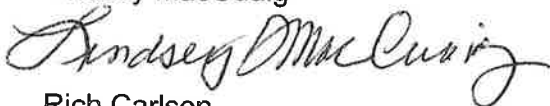
The current use of the subject property represents a senior housing facility offering assisted living and memory care units. The property is zoned commercial and residential 2. The highest and best use of the property as improved is as it is currently utilized as a senior housing facility.

Respectfully submitted,

Ann Singiser



Lindsey MacCuaig



Rich Carlson



Jim Reddy

Jim Reddy

Larry Courcelle

Larry Courcelle