



The Town of Fenwick Island

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SPECIAL MEETING OF THE TOWN COUNCIL JUNE 28, 2019 AT 1:00 PM

MINUTES

In Attendance

Town Council Members:

Mayor Langan, Vice Mayor Mais, Treasurer Bunting, Secretary Merritt, Council Member Carmean, Council Member Lee, Council Member Williams

Staff in Attendance:

Town Manager Tieman, Finance Manager Gary, Town Clerk Martin

Also in Attendance:

Fred Pearson (Pearson's Appraisal Services)

Mayor Langan began the hearings at 1:00 PM, noting that the Council will decide their action on the appeal today.

713 Bunting Avenue

One of the owners of the property, Debbie Lundy, presented her request. She stated that she previously had spoken to Mr. Pearson on May 14th. He did make corrections to the building, but Ms. Lundy feels that the value of the land at \$2,000,000 is too high since the handicap dune crossing that is in front of her home has obstructed her view and devalues the land.

Mayor Langan questioned if Person's has every experienced something like this before. Mr. Pearson replied not ever of this kind of situation. He added that it is at the judgment of the Town Council, but he does not see where the ramp hurts to land value.

Council Member Lee asked if Mr. Pearson went into the house. Mr. Pearson replied no.

A MOTION was made by Council Member Carmean, seconded by Secretary Merritt, to discuss the revaluation of 713 Bunting Avenue.

Council Member Williams noted that he is leaning in favor of the property owner. Council Member Lee agreed, stating that she feels that the handicap ramp does diminish the property value.

Vice Mayor Mais questioned if the Town has heard if the handicap ramp will be relocated in the future. Town Manager Tieman replied that she is still waiting to hear back from DNREC.

Council Member Carmean commented that for properties that are near a crossover and have a parking lot, the parking lot and crossover does not decrease their property values, so she is inclined to let the assessment stand as is.

Council Member Williams noted that this is a special case since the ADA ramp was relocated and the house was built before the ramp was altered.

Council Member Carmean would like to hear the other appeals before deciding.

A MOTION was made by Secretary Merritt, seconded by Council Member Carmean, to table the decision. The MOTION passed unanimously.

37 W. Dagsboro Street

The property owner, David Rosseau, began his appeal by asking if Mr. Pearson used the Uniform Standards of Professional Appraisal Manual when he did the revaluation. Mr. Pearson confirmed that he did use the latest version of the manual.

Mr. Rosseau wanted to confirm that the appraised value is ½ of the market value. Town Manager Tieman confirmed yes and noted that she already confirmed this with Mr. Rosseau over the phone.

Mr. Rosseau then read a letter he received from Treasurer Bunting on July 6, 2018 noting his 2018 value. Town Manager Tieman replied that the letter he received in 2018 was based on 1976 values, not 2019 values.

Mr. Rosseau then asked if one property is adjusted if it affects other property values. Mr. Pearson replied no.

Mr. Rosseau commented that if the roll-back rate is 91% then property values must have gone up 180%. Town Manager Tieman replied that although she does not have the percentage, the 1976 value was \$36,000,000 while the 2019 value is \$398,000,000.

Mr. Rosseau commented that the revaluation was not based on sales. Mr. Pearson noted that this statement was incorrect, adding that he made a judgement on value and construction then based the revaluation on home sales. Since Mr. Rosseau's home was built in 2018, he had an "A" grade home.

Mr. Rosseau then asked if his property value is the same as those directly on the bay. Mr. Pearson replied no, that Mr. Rosseau's land value is less.

Mr. Rosseau stated that he does not agree with his assessment since it went up over 6 times in less than a year. Mr. Pearson asked if Mr. Rosseau had his home appraised, and Mr. Rosseau replied no. Mr. Pearson suggested that any appraiser would be certified to give an honest assessment of Mr. Rosseau's property.

A MOTION was made by Council Member Carmean, seconded by Secretary Merritt, to table the decision. The MOTION passed unanimously.

1107 Bunting Avenue

The owner of the property, John Nason, began his appeal by stating that he disagrees with his property value since the last 2 ocean front homes that sold were \$2,400,000 and \$2,250,000.

Mr. Nason recently spoke to John Kleinstuber who agreed that the interior of Mr. Nason's home at 1107 Bunting Avenue should be valued less. Mr. Nason noted that everything in his house is the original (excluding the kitchen, deck, and roof), and his roof is currently leaking.

When the house was original built, Mr. Nason was able to walk directly out to the beach, but since the dune has been built up, he now has a limited view and the lack of view impacts the value of the property.

He compared his house to the Rayne house at 809 Bunting Avenue, which is similar in size. The improvement value of the Rayne home is \$288,000 while his is \$307,884. He also added that his lot should be \$1,900,000, not \$2,000,000, since he has an interior lot and the lots at the street ends are more valuable.

Mr. Pearson commented that it is up to the Town Council to decide since when the revaluation was done, there was only one ocean front property for sale to compare values to.

A MOTION was made by Council Member Carmean, seconded by Treasurer Bunting, to table the decision. The MOTION passed unanimously.

711 Bunting Avenue

Christine Keisling, the owner of 711 Bunting Avenue, noted that she would never have bought her property if she new the handicap ramp would be directly in front of her house. When she purchased the home, the ADA ramp was on the side of her house and did not obstruct her view. Ms. Keisling added that the ramp was redesigned without any warning or input from the nearby property owners. The ramp devalues her property.

Mr. Pearson questioned if Ms. Keisling has spoken to a realtor in regards to the value of her property. Ms. Keisling responded that she has spoken to John Kleinstuber who was absolutely devastated but did not provide her a revised value estimate of her property. He did mention that with the ramp in front of her home that the property would now be comparable to one directly on the Ocean City boardwalk.

Mr. Pearson noted, as he had previously with the appeal at 713 Bunting Avenue, that he did not see the handicap ramp devaluing the property.

The decision on the appeal was tabled.

1601 Coastal Highway

Reid Tingle presented his appeal by noting that his lot is double the valuation as others on Coastal Highway.

Mr. Pearson agreed, and will correct the error. He recommended that the Town Council approve an adjustment, along with the property at 1701 Coastal Highway whose value was also doubled in error.

A MOTION was made by Council Member Carmean, seconded by Secretary Merritt, to approve the adjustment of the revaluation of Mr. Tingle's lot as well as an adjustment to 1701 Coastal Highway. The MOTION passed unanimously.

4 W. Houston Street

Gary Hunter, one of the owners of 4 W. Houston Street, proceeded with his appeal by stating that the property has been in his family since 1939. He had an appraisal completed in 2018 which valued the property at \$442,000.

Mr. Hunter was unsure why Pearson's graded his house as a "B" grade, since "B" means above average. The house is the original, with little to no repairs since 1973. He does not think it is above average since it sits on concrete block, not an actual foundation, and the concrete blocks have several cracks. The house has its original appliances and windows. If anything, the home should be rated below average, or a "D" grade, due to deterioration and depreciation.

Mr. Hunter stated that he spoke to Pearson's who stated that the values were based on comparable market sales. When he asked how the comps are adjusted, he received no answer from Pearson's. Since the actual building is over 2/3 of the property, he should have received a comp for the land value.

Mr. Hunter noted that the property is approximately 205 feet from Coastal Highway. He is also near the commercial district, including Warren's Station and Jimmy's Kitchen, where he can smell the grease from both restaurants.

Mr. Hunter commented that he continually has runoff from the property next door and his land is constantly wet and his property feels like "walking on a sponge".

Mr. Hunter also commented that to be fair, the Town should have hired a local appraiser who is familiar with the area, not an out-of-town appraiser.

Mr. Pearson questioned why Mr. Hunter had an appraisal done in 2018. Mr. Hunter replied it was done for the estate. Mr. Pearson requested a copy of the appraisal so he could review.

Mr. Pearson also commented that there were no "D" grade homes in Town and no interior inspections were completed of any of the homes. Mr. Hunter asked how his home then could be rated above average if the interior was not looked at. Mayor Langan replied that Mr. Pearson made his decision based upon his 40 years of experience.

A MOTION was made by Council Member Carmean, seconded by Secretary Merritt, to deny the appeal request of 4 W. Houston Street.

Council Member Lee commented that the motion should be deferred until Mr. Pearson receives the copy of the 2018 appraisal that Mr. Hunter will be sending in.

A revised MOTION was made by Council Member Lee, seconded by Council Member Carmean, to defer the decision until after the appraisal is received. The MOTION passed unanimously.

Action on Appeals

711 Bunting Avenue and 713 Bunting Avenue

A MOTION was made by Secretary Merritt, seconded by Treasurer Bunting, to defer both properties until additional information is received from Mr. Pearson.

Council Member Carmean commented that she is sorry to see what DNREC has done but feels that the Council needs more information to decide.

Mr. Pearson stated that he spoke to John Kleinstuber who commented that he feels that some buyers would have a problem with the ramp while other buyers would not, but Mr. Kleinstuber did note that the properties could each have a 5-10% adjustment.

The MOTION to defer both properties until more information is received passed unanimously.

37 W. Dagsboro Street

Council Member Carmean commented that she thinks the owner is confused from 2018 to now and she feels the assessment is fair.

Mr. Pearson noted that when he spoke to Mr. Rosseau, he stated that the house cost him \$975,000 to build.

A MOTION was made by Council Member Lee, seconded by Council Member Carmean, to deny the appeal for 37 W. Dagsboro Street. The MOTION passed unanimously.

1107 Bunting Avenue

Council Member Carmean commented that she feels the property value is worth as stated.

Council Member Lee noted that the Rayne house, which is a newer home, has a lower value and sits in the middle of the block. Town Manager Tieman confirmed that 1107 is valued around \$308,000 while the Rayne property is valued around \$288,000.

A MOTION was made by Treasurer Bunting, seconded by Council Member Carmean, to deny the appeal of 1107 Bunting Avenue and keep the assessment as stated. The MOTION passed unanimously.

Review

A MOTION was made by Secretary Merritt, seconded by Vice Mayor Mais, that after the last appeal there will be no additional appeals. The MOTION passed unanimously.

713 Bunting Avenue, as well as 711 Bunting Avenue, will be reviewed again by Mr. Pearson and will be decided on by the Town Council at a later date.

37 W. Dagsboro Street was denied his appeal.

1107 Bunting Avenue was denied his appeal.

1601 Coastal Highway (along with 1701 Coastal Highway) will be adjusted since the property value was determined too high.

4 W. Houston Street will be reviewed again by Mr. Pearson, upon the receipt of the appraisal from the owner, and will be decided on by the Town Council at a later date.

Adjournment

A MOTION was made by Vice Mayor Mais, seconded by Treasurer Bunting, to adjourn the meeting. The MOTION passed unanimously, and the meeting adjourned at 3:14 PM.