

January 25, 2006

Meeting with Town of Framingham Assessor Mike Flynn

- 1. Do towns and cities adhere to the guidelines from the State for determining property assessment?**

Yes. A full evaluation is done every 3 years and re-evaluations every year in between.

The State is very strict and insists that all communities adhere to the guidelines. It is very time consuming, especially the re-evaluations years. The State is continually asking for different versions of the data, or more information, spreadsheets...

Follow up: the details given in the FAQ's regarding assessment on the website are carefully followed

- 2. What happens if the State doesn't agree with an assessment?**

Out of the 351 cities and towns, the FY2006 assessments have not been approved for 30. They will not approve them until they are satisfied that all guidelines are being followed. The State is very particular about the re-evaluations of State owned lands, which they make payments on. The State makes payments on Prisons (MCI), State Parks (Callahan), State school, land surrounding the reservoir. They determine a total dollar value payment for the entire state and divide it by all the land they pay for. Then the towns and cities get their portion. Use of land does not have an effect. The State does not reimburse for the Armory, State Police Barracks, Court House..

- 3. Are all properties assessed equally?**

Yes. There are no allowances for evaluations or reevaluations.

- 4. Are taxed properties assessed differently than tax exempt properties?**

No. Tax exempt properties are evaluated exactly the same as taxable properties.

- 5. Are properties owned or used by social service agencies assessed differently than other properties?**

No. All properties are assessed equally.

- 6. How do renovations impact an assessment?**

They look at the permits pulled. If it is considered mechanical or normal maintenance, roof, windows, a/c, heating, it does not convert dollar for dollar. The impact of renovations will depend on the sale prices for properties. There is usually a smaller impact than one would think and smaller than the permit value. Some renovations would have no impact on the actual sale price for the property. The

location of the property, the type of property and the neighbors would add into the equation.

The evaluations are based on sale prices, narrow sale prices. i.e. limited to the neighborhood of the property. The factors taken into consideration are: lot size, style, age, size as well as: where the house is, type of home and the neighborhood.

**7.** Does new housing construction affect the total assessment?

Minimally to not at all in Framingham and towns with similar maturity.

**8.** How does a government assessment compare to an outside, private appraisal?

Outside appraisals are very expensive and they do not have to be justified. Town and City Assessors are monitored by the State and the oversight requires many levels of justification. Framingham pays about \$15/parcel for assessments. (note from Laurie: 26,734 properties = \$401,100)

The actual values determined for appraisal and assessment are not that different, except for the time lag for a town to evaluate an entire community. However, doing the entire town offers a level of uniformity that an independent appraiser cannot achieve.

**9.** How are the property codes determined?

Property codes are determined by use.

**10.** Why is the Salvation Army building in Framingham coded 905?

The predominant use of the building is for charitable work. A very minor section of it is used as a church. The rest is used to provide services.

**11.** Do any properties pay a PILOT?

The Lawrence school on Lincoln Street houses medical condo's that pay rent and a formal PILOT based on % : they have a 50 year lease.

Of course the State pays for the properties mentioned.

Pelham pays an excise payment of \$75,000 a year under chapter 121A.

**12.** Do you have any experience with PILOT's?

Yes. I worked in Boston and helped create and implement their PILOT program. In 1997 I created a PILOT and presented a detailed report on how to implement it for the BoS. It did not get instituted. I will look and see if it is still around.

In Boston, the assessor is in charge of the negotiations and implementation. The PILOT program there has enabled a strong community connection between the City

and the PILOT payee. The City has also found many techniques to promote and encourage PILOT 's. It has been a success.

In Framingham, the BoS has that power to negotiate. They also have the authority to authorize someone to be responsible for the negotiations and implementation.

**13.** Do you have any recommendations for the PILOT committee?

Yes. PILOT's need to be flexible

- You might want to consider what department or services in town are impacted by a social service property(s). Then you can determine what % of the overall budget goes to those departments in total. If it is 35%, a "payment" option could be 35% of normal tax rate. If 80%, 80% of tax rate.
- There also should be room to be creative. In other words, I like to consider not only a PILOT but an ILOT (P left out intentionally). That is, something else, in lieu of taxes. That could be services, fees or donations: something specific to benefit Framingham residents or any government department affected. For example, what services can be given to Framingham residents free of charge. Can a purchase be made for the police department? Fire department....

Laurie Lee

Nick Sanchez