

2024 ABATEMENT REQUEST – Staff Notes

Map 407 Block 220 Lot 1.007-1.033 – NHH 376-394 Union Ave LLC

The property owner filed an abatement request on multiple commercial condominiums at 376 – 394 Union Ave. This complex consists of multiple commercial condominiums throughout several buildings that are commonly used as individual or combined units when rented. The total assessed value of all units owned for tax year 2024 is \$2,175,200.

The taxpayer purchased 27 condominium units in December 2024 for \$1,800,000 with the intention of converting some or all to residential units. The taxpayer asserts that the true value of the units is \$1,200,000 and the \$1,800,000 that was paid is the value that is dependent on the ability to convert some or all of the units to residential units. To date, there have been units that have already been converted to residential units, and the amount paid and recorded at the Registry of Deeds included the known risks to the buyer.

On 12/16/2024 Pat Sohlman did an interior inspection of the units that the owner allowed and made corrections where appropriate. As part of this abatement, all changes have been reviewed again. The majority of these were to the condition of the units and resulted in a total assessment of \$1,943,700 for all units as of 4/1/2024. There have been additional changes based on the status as of 4/1/2025, but those will not be reflected in this abatement recommendation.

It is recommended that abatement be granted to reduce the original assessed value of \$2,175,200 to \$1,943,700, resulting in an abatement of \$231,500 in assessed value.

XO. 20215, 15A-152

2024 APPLICATION FOR ABATEMENT

Please Type or Print Clearly
ONE APPLICATION FOR EACH PROPERTY APPEALED

Upon completion of this form return to:

RECEIVED

City of Laconia/Assessors
45 Beacon St. East
Laconia, NH 03246

FEB 27 2024

Date: 2/24/2025

ASSESSOR'S OFFICE
LACONIA, NH

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name: NHH 376-394 Union Ave LLC

Mailing Address: 84 Countryside Dr, Gilford Email address: Kurt@centralshoreholdings.com
Telephone No: (Cell): 917 297 7362 (Home): _____

*If abatement is granted and taxes have been paid, interest on the abatement must be paid in accordance with RSA 76:17-a. Any interest paid to the taxpayer must be reported by the municipality to the Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A. The W-9 form required is enclosed with this application.

SECTION B. Party's (ies') Representative if other than Person(s) applying (Also complete Section A)

Name(s): _____

Mailing Address(es): _____

Telephone Number(s): (Work): _____ (Cell): _____

SECTION C. Property(ies) for which Abatement is Sought

For the property on which the abatement is sought, please fill in the following:

Map: 407 Block: 220 Lot: 1 Tax Account #: _____
2024 Assessed Valuation: \$ 2,175,400 Units 7-33

Property Location: 376, 382, 384, 390, 394 Union Ave

CODE OF THE CITY OF LACONIA
CHAPTER 215, ARTICLE 1 § 215-1

All delinquent taxes, charges or fees due to the City of Laconia from any person, business or other entity shall in all cases be deducted from any monies that may become due such person, business or other entity from the City of Laconia and such person, business or other entity shall receive the balance over and above the amount due for such delinquent taxes, charges and fees. The City's right to off-set shall be limited by applicable New Hampshire law and all such set-offs shall be credited first against interest due and then against principal. The City shall have no right to set-off against wages due any employee of the City.

Passed and approved the 18th day of October 1990.

<u>407-220-1-007</u>	<u>✓</u>	<u>1.011</u>	<u>✓</u>	<u>1.016</u>	<u>✓</u>	<u>1.021</u>	<u>✓</u>	<u>1.027</u>	<u>✓</u>
<u>407-220-1-008</u>	<u>✓</u>	<u>1.012</u>	<u>✓</u>	<u>1.017</u>	<u>✓</u>	<u>1.022</u>	<u>✓</u>	<u>1.028</u>	<u>✓</u>
		<u>1.009</u>	<u>✓</u>	<u>1.013</u>	<u>✓</u>	<u>1.018</u>	<u>✓</u>	<u>1.023</u>	<u>✓</u>
		<u>1.010</u>	<u>✓</u>	<u>1.014</u>	<u>✓</u>	<u>1.019</u>	<u>✓</u>	<u>1.024</u>	<u>✓</u>
				<u>1.015</u>	<u>✓</u>	<u>1.020</u>	<u>✓</u>	<u>1.025</u>	<u>✓</u>
						<u>1.026</u>	<u>✓</u>	<u>1.032</u>	<u>✓</u>
								<u>1.033</u>	<u>✓</u>

List other property in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property is disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown". "Good cause" generally means: 1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or 2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. **The taxpayer has the burden to prove good cause for an abatement**. To carry this burden, the taxpayer generally must show what the property was worth on April 1 of the year appealed. The property's market value would then be compared to the assessment by using the municipality's assessment ratio. Therefore, comparable sales or other market information are an essential part of most abatement applications.

1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "*taxes too high*", "*disproportionately assessed*" or "*assessment exceeds market value*" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):

- a) **Physical data** -- incorrect description or measurement of property (if you are appealing your assessment due to factual error(s), please explain in detail. Please furnish the assessor's office with any and all information, which supports your reasons. Examples: Sketch of building(s) with outside dimensions, building contracts, surveys, deeds, site plans, appraisals, pictures, etc. If you are questioning land area or frontage, a deed or survey must be included.); and/or
- b) **Market data** -- the property's value on the April 1 assessment date, supported by comparable sales, income analysis, or a professional opinion of value; and/or
- c) **Assessment data** -- the property's assessment exceeds the general level of assessment shown by comparing the property's market value and the city-wide level of assessment.

NOTE: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing, or obtaining some alternative public assistance. Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

See attached letter and spreadsheet

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Map/Block/Lot# _____ Appeal Year Market Value \$ _____

Map/Block/Lot# _____ Appeal Year Market Value \$ _____

See Attached

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show over assessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents (attach additional sheet if necessary).

<u>Map/Block/Lot</u>	<u>Property Address</u>	<u>Sale Price</u>	<u>Date of Sale</u>	<u>Assessment</u>	<u>Rent(s)</u>

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), **the applicant(s) MUST sign the application.** By signing below, the Party(ies) certifies and swear(s) under the penalties of RSA ch. 641, the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Signature of Property Owner(s) and Representatives

Date: 2/7/2025


X _____
(Signature)

X _____
(Signature)

SECTION I. Certification and Appearance by Representative (If other than Party (ies) Applying)

By signing below, the applying party's representative certifies and swears under penalties of RSA ch. 641:

1. All certifications in Section H are true;
2. The Party (ies) applying has (have) authorized this representation and has (have) signed this application; and
3. A copy of this form was provided to the person applying.

Date: _____ X _____
(Representative's Signature)

SECTION J. Disposition of Application* (CITY USE ONLY)

RSA 76:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date..."

Abatement Request: Granted _____ Revised Assessment \$ _____
Denied _____
Date _____

Signature of the Board of Assessors: _____



February 24th, 2025

To the Tax Assessor's Office:

The purpose of this letter is to explain our assessment of value regarding our recent acquisition of the 5 buildings located at 376, 382, 386, 392 and 394 Union Ave in Laconia, NH.

As you know, the initial assessment of value we received in December 2024 was for \$2,175,400, even though the purchase price of the properties was \$1,800,000 and dependent on our ability to convert the units to residential from commercial, which was not guaranteed. The condition of the buildings, grounds and individual units is very poor; the result of 20 years of neglect and deferred capital expenses. It is our assessment that the buildings and units, for commercial use and in their current condition, are appropriately valued at a combined value of \$1,200,000. The attached spreadsheet details value per unit for your convenience.

After asking the town to take a look at the properties more closely, the assessment was adjusted to \$1,873,300, still almost \$75,000 more than we paid for the properties, which again, was a price we were willing to pay with the expectation that we could change the use from commercial to residential. This would require approval of the condominium association and the city Planning Board before being a possibility.

I had a conversation with the Assessor's office regarding the valuation and it was indicated that the assessed values needed to take into consideration the value of each condo unit if it were to be sold separately. However, given the incredibly poor condition of the overall condo complex grounds, with overgrown trees and shrubs, sinking pavers, poor landscaping and damaged parking, in combination with the condition of each of the 5 buildings - roofing, windows, siding, paint, and the presence of mold, pests and decay, the possibility for the sale of individual units was very, very low, as any purchaser of a single unit would be unable to ensure that repairs would be made to the overall property and/or the other units in their building. Regardless, they would also become obligated to the costs of renovating the exterior of their building and an allocation of the expense to repair the other common areas. In fact, these units were on the market for years before we were able to negotiate a deal that reflect the potential value of converting commercial units to residential at a price the seller was willing to accept.

The sale required a developer willing to invest millions of dollars to purchase and restore these buildings and the grounds to their former glory. To make this work economically, it was necessary to convert the buildings' use from commercial to residential. As the developer, we are incurring significant costs and risks to get approval for the conversion, prepare designs for the conversion that satisfy the city building department and finally, all the costs and risks of a major renovation of ~27,000 sq ft of housing.

When we speak about our project, we continue to hear that the city and its people are excited to have more housing in the community, which seems contradictory to the current tax treatment being proposed. The current assessments appear ungrounded based on the extremely poor condition of the property.

We have attached a spreadsheet detailing the condition of each building. It is important to note that as the building owner, in our condo association, the owner is responsible for all the improvements to the buildings we own. In addition, as the owner of 58% of the association with just these 5 buildings, we will bear the brunt of the repairs required to the pathways, lighting, parking surfaces and landscaping as well.

We would be happy to take any of the abatement board through the property if you would like to make your own assessment of the state of the buildings and grounds.

We appreciate your consideration in this matter and look forward to a satisfactory resolution.

Regards,
Kurt Brungardt
Central Shore Holdings and Related Entities

Building	Condo #	Unit Description	Condition	Current Use	Map	Block	Lot	Unit	BRs	Baths	Sq Ft	Habitable Sq Ft	Notes	% of Condo Association	Condition Weighting	Product of Condition and % of Purchase	Market Value
376 Union		Overall Building	Poor	Mixed									Roof replacement - \$45,000 External trim/siding repair \$10,000 External Scrape and Painting - \$25,000				
376 Union	7	Lower Left Front	Tenanted	Commercial	407	220	1	7			798	798	All windows need to be replaced	1.76%	100.00%	1.76% \$	58,451.89
376 Union	8	Lower Right	Unfinished Space	Storage	407	220	1	8			106	106	Not habitable - gutted	0.23%	25.00%	0.06% \$	1,945.14
376 Union	9	Lower Right	Unfinished Space	Storage	407	220	1	9			238	238	No lighting, electric, heat or water				
376 Union	10	Lower Right	Unfinished Space	Storage	407	220	1	10			768	768	Not habitable - gutted	0.53%	25.00%	0.13% \$	4,363.13
376 Union	11	Lower Left Back	Tenanted	Commercial	407	220	1	11			335	335	No lighting, electric, heat or water	1.70%	25.00%	0.42% \$	14,088.81
376 Union	12	Main Left	Tenanted	Commercial	407	220	1	12			1,868	1,868	All windows need to be replaced	0.74%	100.00%	0.74% \$	24,525.89
376 Union	13	Main Right	Vacant	Commercial	407	220	1	13			1,207	1,207	All windows need to be replaced	4.12%	100.00%	4.12% \$	136,914.65
376 Union	14	Second left	Tenanted	Commercial	407	220	1	14			1,602	1,602	All windows need to be replaced	2.66%	75.00%	2.00% \$	66,363.79
376 Union	15	Second Right	Unfinished Space	Commercial	407	220	1	15			1,218	1,218	Not habitable - gutted to the studs	3.53%	100.00%	3.53% \$	117,416.76
376 Union	16	Third Left	Tenanted	Apartment	407	220	1	16	1	1	574	574	No lighting, electric, heat or water	2.69%	25.00%	0.67% \$	22,323.34
376 Union	17	Third Right	Tenanted	Apartment	407	220	1	17	1	1	570	570	All windows need to be replaced	1.27%	100.00%	1.27% \$	42,100.08
376 Union													570 All windows need to be replaced	1.26%	100.00%	1.26% \$	41,791.55.
382 Union		Overall Building	Poor	Commercial									Roof replacement - \$21,250 External trim/siding repair - \$5,000 External painting - \$11,000				
382 Union	18	Lower	Vacant	Commercial	407	220	1	18			890	890	Not habitable	1.96%	25.00%	0.49% \$	16,302.35
382 Union	19	Lower	Vacant	Commercial	407	220	1	19			159	159	Significant black mold and water damage				
382 Union	20	Main Left	Tenanted	Commercial	407	220	1	20			649	649	Some electric, no lighting				
382 Union	21	Main Right	Vacant	Commercial	407	220	1	21			574	574	All windows need to be replaced	1.43%	100.00%	1.43% \$	47,557.52
382 Union	22	Second	Vacant	Commercial	407	220	1	22			941	941	Not habitable	1.26%	75.00%	0.95% \$	31,515.15
382 Union	23	Third	Tenanted	Commercial	407	220	1	23			925	925	Animal damage, no heat	2.08%	25.00%	0.52% \$	17,245.33
382 Union													925 All windows need to be replaced	2.04%	100.00%	2.04% \$	67,764.06
386 Union		Overall Building	Poor	Commercial									Roof Replacement - \$31,500 External Trim/Siding Repair - \$5,000 External Scrape and Painting - \$10,000				

NHH 376-394 Union Ave LLC

Tax Abatement Application

Building	Condo #	Unit Description	Condition	Current Use	Map	Block	Lot	Unit	BRs	Baths	Sq Ft	Habitable Sq Ft	Notes	% of Condo Association	Condition Weighting	Product of Condition and % of Purchase	Market Value
386 Union	24	Main	Vacant	Tenanted	407	220	1	24			1,586		1586 Units don't match physical layout The first floor is the former Edward Jones space, which was re-tenanted as of 1/1/2025	7.23%	100.00%	7.23% \$	240,233.81
386 Union	25	Lower Level, 2nd and 3rd floor	Unfinished Space	Commercial	407	220	1	25			4,718		Not habitable - gutted All of the remaining space is gutted and not habitable, without electric, heat, water, insulation, sheetrock, etc All windows on the 2nd and 3rd floors need to be replaced Basement is less than 80" tall and for storage only - will never be rentable - utilities only	6.96%	25.00%	1.74% \$	57,813.22
390 Union		Overall Building	Poor	Commercial									Roof Replacement - \$28,650 External Trim/Siding Repair - \$12,000 External Scrape and Painting - 16,500				
390 Union	26	Lower Level	Vacant	Commercial	407	220	1	26			649		Not habitable No lighting, mold and no heat All windows need to be replaced	1.43%	25.00%	0.36% \$	11,896.16
390 Union	27	Lower Level	Vacant	Commercial	407	220	1	27			204		No Lighting No working plumbing All windows need to be replaced	0.45%	50.00%	0.23% \$	7,479.34
390 Union	28	Lower Level	Vacant	Commercial	407	220	1	28			290		Not habitable All windows need to be replaced	0.64%	25.00%	0.16% \$	5,321.69
390 Union	29	Main Left	Vacant	Commercial	407	220	1	29			390		390 Heating working, but needs to be replaced All windows need to be replaced	1.26%	50.00%	0.63% \$	20,895.41
390 Union	30	Main Right	Tenanted	Commercial	407	220	1	30			472		472 All windows need to be replaced	1.04%	100.00%	1.04% \$	34,560.64
390 Union	31	Second	Tenanted	Commercial	407	220	1	31			785		785 Vacant as of 1/1/2025 All windows need to be replaced	1.73%	75.00%	1.30% \$	43,196.95
394 Union		Poor	Commercial										Space was heavily water damaged with missing ceilings and flooring No heat on 2nd floor Roof Replacement - \$26,950 Siding and trim repair - \$6,000 Exterior Scrape and Paint - \$12,000				
394 Union	32	Main Front	Commercial	Vacant	407	220	1	32			2,119		Not habitable A pipe burst on the top floor and took out the ceiling and most of the flooring below No water, electric disabled due to water damage All windows need to be replaced	4.67%	25.00%	1.17% \$	38,822.82

NHH 376-394 Union Ave LLC

Tax Abatement Application

Building	Condo #	Unit Description	Condition	Current Use	Map	Block	Lot	Unit	BRs	Baths	Sq Ft	Habitable Sq Ft	Notes	% of Condo Association	Condition Weighting	Product of Condition and % of Purchase	Market Value
394 Union	33	Second	Commercial	Vacant	407	220	1	33			1,430		Not habitable No water, no electric, no heat All windows need to be replaced	3.15%	25.00%	0.79%	\$ 26,196.39
Units	27										26,067	12,336		58.19%	1625.00%	36.12%	\$ 1,200,000.00
														Habitable Square Footage (%)		47.32%	
														Market Value in Purchase Condition		\$	1,200,000.00

376-394 Union Ave
The Union Square Five

Rent Roll

Building	Condo #	Unit Description	Condition	Current Use	BRs	Baths	Sq Ft	Habitable Sq Ft	Notes
376 Union	7	Lower Left Front	Tenanted	Commercial			798	798	
376 Union	8	Lower Right	Unfinished Space	Storage			106		Not habitable - gutted
376 Union	9	Lower Right	Unfinished Space	Storage			238		Not habitable - gutted
376 Union	10	Lower Right	Unfinished Space	Storage			768		Not habitable - gutted
376 Union	11	Lower Left Back	Tenanted	Commercial			335	335	
376 Union	12	Main Left	Tenanted	Commercial			1,868	1868	
376 Union	13	Main Right	Vacant	Commercial			1,207	1207	
376 Union	14	Second left	Tenanted	Commercial			1,602	1602	
376 Union	15	Second Right	Unfinished Space	Commercial			1,218		Not habitable - gutted
376 Union	16	Third Left	Tenanted	Apartment	1	1	574	574	
376 Union	17	Third Right	Tenanted	Apartment	1	1	570	570	
382 Union	18	Lower	Vacant	Commercial			890		Not habitable
382 Union	19	Lower	Vacant	Commercial			159		Not habitable
382 Union	20	Main Left	Tenanted	Commercial			649	649	
382 Union	21	Main Right	Vacant	Commercial			574	574	
382 Union	22	Second	Vacant	Commercial			941		Not habitable
382 Union	23	Third	Tenanted	Commercial			925	925	
386 Union	24	Main	Vacant	Tenanted			1,586	1586	Units don't match physical layout The first floor is the former Edward Jones space, which was re-tenanted as of 1/1/2025 All of the remaining space is gutted and not habitable
386 Union	25	Lower Level, 2nd and 3rd floor	Unfinished Space	Commercial			4,718		Not habitable - gutted
390 Union	26	Lower Level	Vacant	Commercial			649		Not habitable
390 Union	27	Lower Level	Vacant	Commercial			204		Not habitable
390 Union	28	Lower Level	Vacant	Commercial			290		Not habitable
390 Union	29	Main Left	Vacant	Commercial			390	390	
390 Union	30	Main Right	Tenanted	Commercial			472	472	
390 Union	31	Second	Tenanted	Commercial			785	785	Vacant as of 1/1/2025
394 Union	32	Main Front	Commercial	Vacant			2,119		Not habitable
394 Union	33	Second	Commercial	Vacant			1,430		Not habitable
Units	27						26,067	12,336	