
INTEROFFICE MEMORANDUM

TO: JEFF KOBROCK
FROM: CURT LABEL
SUBJECT: APPRAISAL OF THE RIDGEWOOD HYDRO DAM.
DATE: 3/9/2006
CC: JASON SIMCOCK

Jeff,

I am writing in regards to the assessment of the Ridgewood Maine Hydro Dam located at map 30 Lot 36-B. I am requesting supplementary funding of the 2005-2006 assessment budget for a reassessment of the property for the April 1, 2006 assessment date in order to honor a verbal agreement between myself as Assessor of Gardiner and the property owners representative, Bernstein, Shur, Sawyer & Nelson, P.A.

I would like to provide some background information as to how this agreement was arrived at:

The current valuation of this property was essentially established in 1997 by Cole Layer and Trumble as part of a city wide revaluation. The property was valued using the income approach which has been typical for properties of this nature and was based in large part on generous CMP contracts awarded in the mid 1990's. This valuation has gone essentially unchanged for the past 8 years. The properties current valuation is 1,552,700. However, currently the City has only this number. There is no supporting documentation on file to show how this value was arrived at.

In December 2004 the Property owner filed an application for abatement for the 2004 tax year based on overvaluation. The property owner requested a reduction in value of \$1,042,428. City Assessor, James Murphy, made a request to the property owner to provide additional information such as IRS statements, income and expense documents and current contracts. The Property owner furnished some of the items requested, but not all. The abatement was denied February 24, 2005 by Mr. Murphy on the basis of the property owner not providing all of the requested information.

I took over the position of Assessor on March 1, 2005 from Mr. Murphy. On April 27, 2005, Ridgewood Maine Hydro filed appeal with the Gardiner Board of Assessment Review.

On June 9, 2005 a hearing was held by the Gardiner Board of Assessment Review. Ridgewood Maine Hydro was represented by Robert J. Crawford, Esq., the City of Gardiner was represented by myself. The Decision by Mr. Murphy to deny the abatement on the basis of non compliance in providing requested information was upheld by the board.

Due to the fact that the City had no evidence to substantiate the valuation of the dam. It was agreed that the City would establish a new value for the dam as of April 1, 2006.

Due to the specialized nature of appraising hydroelectric dams, I have obtained a quote from William Van Tuinen Assessment Services to appraise the property for 2006. Mr. Van Tuinen has a wealth of experience in valuing this particular type of property. The estimated cost of the appraisal is 3,500-4,000.