

Press Release
Manchester Signs Grand List

January 30, 2017- The October 1, 2016 Grand List for the Town of Manchester was signed on January 30, 2017. This list is the total of all net taxable assessments of motor vehicles, personal property, and real estate in Manchester. Motor vehicles and personal property are valued annually, while real estate is valued as of Manchester’s recently completed October 1, 2016 Town-wide revaluation.

Manchester’s total net Grand List of October 1, 2016 is \$3,993,259,326. The 2016 net Grand List totals compare to the previous (2015 Grand List after Board of Assessment Appeals) as follows:

Assessment	2016	% of List	2015	% of List	% Change (2016/2015)	# Change (2016/2015)
Real Estate	\$3,331,978,211	83.44%	\$3,302,965,530	83.73%	0.88%	\$29,012,681
Motor Vehicle	\$336,119,945	8.42%	\$331,700,489	8.41%	1.33%	\$4,419,456
Personal Property	\$325,161,170	8.14%	\$310,135,450	7.86%	4.84%	\$15,025,720
TOTAL	\$3,993,259,326	100.00%	\$3,944,801,469	100.00%	1.23%	\$48,457,857

Accounts	2016	% of List	2015	% of List	% Change (2016/2015)	# Change (2016/2015)
Real Estate	18,664	27.66%	18,675	27.95%	-0.06%	-11
Motor Vehicle	45,756	67.82%	45,136	67.56%	1.37%	620
Personal Property	3,050	4.52%	2,998	4.49%	1.73%	52
TOTAL	67,470	100.00%	66,809	100.00%	0.99%	661

This Grand List is based on the recently completed revaluation, effective as of October 1, 2016. Overall, the Grand List rose by \$48,457,857, or 1.23%.

Unlike the prior revaluations from 2000, 2006, and 2011, the 2016 revaluation does not show across the board trends. The 2000 revaluation showed a very clear increase in commercial real estate values, with most of the residential decreasing. The 2006 revaluation show a very clear increase in most commercial and residential values. The 2011 revaluation showed a very clear decrease in most commercial and residential values. The real estate sales data and rental data in 2016 did not show those across the board trends. There are some submarkets in Manchester where the data shows values increasing since 2011 and other submarkets where the data shows values decreasing since 2011. In general, residential properties decreased, but there are some areas that showed increases. Single-family dwellings on the whole dropped about 3.7%, but some went up and some went down, with the overall single-family market showing a decrease. Multi-family dwellings (two-family, three-family and four-family dwellings) overall showed an increase of about 2.8%, but there are some that decreased. Residential condominiums overall showed a decrease of about 15.7%, but there are some that increased, especially newer complexes, with older, converted condominium units decreasing more than the average. Overall, retail and office property values increased by about 2.5% in this revaluation, while industrial property values on the whole increased about 4.3%. Apartment complexes out-performed the market in this revaluation, showing an overall increase of over 14.2%. Though the overall trends are useful information, it is important to note that in many cases, individual streets, individual developments, and individual complexes all varied much more so than they have in our prior, recent revaluations, making comparison to the overall changes or the average change difficult to make.

Another factor in Manchester’s Grand List this year is the issue of defective concrete foundations, which has been very prominent in many recent news stories. An estimated 400± residential properties in Manchester are believed to potentially be impacted by this issue, which is caused by a mineral, iron pyrrhotite that when exposed to moisture expands, and eventually crumbles and fails. The Town has been very active in making its residents aware of this issue as it exists in Manchester. Under a change in legislation in 2016 (Public Act 16-45), owners of residential properties impacted by defective concrete are eligible to have their assessment reduced if they file a report from a

licensed, professional engineer that indicates their property's foundation was made with defective concrete, with the Town, and if the assessment staff inspects the property. To date owners of 48 properties have met these requirements, and the Town of Manchester has reduced the assessments of those properties. The total amount of assessment reduction to those 48 properties is roughly \$3,800,000. The Town of Manchester anticipates that more homeowners will come forward in 2017 and beyond, and that there will be additional legislation proposed regarding the defective concrete issue in Connecticut.

Also worth noting in this revaluation is that the sale of most of the ECHN/Manchester Memorial Hospital properties to Prospect ECHN, Inc./Prospect Manchester Hospital, Inc... This sale actually took place on October 1, 2016, which is the assessment date of this revaluation (the closing took place on a Saturday). As a result, many of the ECHN properties which were previously listed as tax-exempt (though the Town received a payment in lieu of taxes for the State of Connecticut for most of them), are now listed as taxable. The Town entered into an agreement with Prospect ECHN, Inc./Prospect Manchester Hospital, Inc. in the summer of 2016 regarding the 56, 71 and 80 Haynes Street properties, which are the primary Manchester Memorial Hospital properties.

Manchester is also experiencing a significant amount of new, commercial development at this time. This includes a new Homewood Suites hotel, the East Point Cancer Center, Bob's Discount Furniture's new corporate headquarters, and Phase II of the Broadleaf Boulevard apartments. While all of these will provide significant benefits to Manchester's tax base and Grand List, as of October 1, 2016, they had either not started or just started construction, so there is little impact on the 2016 Grand List from these projects yet.

Motor vehicle assessments increased by 1.33% overall, this is a very similar increase to last year's 1.39% overall increase on the 2015 Motor Vehicle Grand List. While not as bad as they were last year, the issues resulting from the Connecticut Department of Motor Vehicles (CT DMV) 2015 software conversion still impacted Motor Vehicle Grand Lists statewide. There are still some issues with motor vehicles being sent to the wrong town for assessment purposes, and issues with obtaining the proper mailing address for vehicle owners, though these problems are a fraction of what they were last year. Manchester continues to work with CAAO (Connecticut Association of Assessing Officers), the CT DMV, and the assessment software vendors in Connecticut to identify and correct these issues.

In addition, due to changes in legislation in 2015 and 2016, motor vehicle tax bills are currently scheduled to be billed at a state-wide mill rate of no more than 32.00 mills, which is less than Manchester's mill rates on last year's Grand List. The 32.00 mill rate was to have taken effect last year, but it was changed to 37.00 mills very late in the legislative session. Currently, the existing legislation calls for a motor vehicle mill rate of 32.00 mills for the 2016 Grand List.

The Personal Property Grand List showed an increase of 4.84%. This was more than last year's 3.29% growth. This was due to the sale of the ECHN/Manchester Memorial Hospital properties to Prospect ECHN, Inc./Prospect Manchester Hospital, Inc. Were it not for the hospital accounts change to taxable status, the Personal Property Grand List would have been effectively equal to what it was last year. There were several accounts that show substantial personal property growth on this Grand List, including Eversource/CLP, CT Water Co., Intuitive Surgical, Dover Saddlery, Bob's Discount Furniture, Best Buy and Five Guys. Also, NRRON, LLC, which also went from tax-exempt to taxable as part of the hospital transaction. However, there were also several accounts that showed a large decrease in their assessments, often due to depreciation from items newly acquired within the last few years, such as Winthrop Resources, Crestmark Equipment Finance, Hartford Distributors, and Dave & Busters. As personal property depreciates rapidly in its first few years, these accounts, and others are likely to continue to depreciate annually for a few more years. In addition, another account, Schneider National Carriers, who provide trucking services for the JC Penney Distribution Center at 1339 Tolland Turnpike, removed some of their trucking fleet from Manchester. These trucks were assessed as personal property as they were not Connecticut registered vehicles.

Despite the new development underway in Manchester, at this time, the Town forecasts that next year's Grand List (October 1, 2017) will show zero to negative overall growth. This is due to the inevitable increase in assessment appeals that result every time a revaluation is conducted, and the anticipated increase in the number of homes that come forward with the necessary documentation to have an assessment reduction due to having a defective concrete foundation.

The October 1, 2017 Grand List will be used for Fiscal Year 2017-2018 Town of Manchester budget calculations, pending the outcome of Board of Assessment Appeals hearings in March and possibly April. The Board of Assessment Appeals issues a final disposition on property values. The 2016 Grand List corresponds to the tax bills payable beginning in July 2017.

As this is a revaluation Grand List, a revaluation assessment notice will be sent to all real estate owners in Manchester. This will represent the final assessments on the signed Grand List. Preliminary revaluation notices were initially sent on November 10, 2016 and a second notice was sent to owners of properties that were reviewed in the informal hearing phase of the revaluation. Property owners or taxpayers who wish to appeal an assessment on their real estate or personal property assessments must file an appeal form with the Assessor's Office by no later than Tuesday, February 20, 2017. Forms are available at the Manchester Office of Assessment & Collection, and on the Assessment & Collection webpage on the Town's website. Taxpayers must appeal their assessment amounts, not the amount of their taxes. The mill rate (tax rate) used to calculate the tax bills due in July 2017 will be established by the Board of Directors within the next few months.

The Top Ten Taxpayers in Manchester for the Grand List of October 1, 2016 are:

#	Names	Nature of Accounts	Net Assessment
1	Shoppes at Buckland Hills, LLC	Buckland Hills Mall	\$118,385,670
2	Eversource/CT Light and Power Co.	Utility	\$107,673,610
3	Northland Pavilions LLC	Apartments	\$65,153,440
4	JC Penney Properties	Retail/Distribution	\$58,484,370
5	Manchester Developers LLC/Buckland Developers LLC/Aspen Woods & Highlands	Apartments	\$43,283,170
6	Prospect ECHN/Prospect Manchester Hospital	Hospital	\$41,907,281
7	Manchester Tolland Development Co.	Apartments	\$30,902,880
8	Wal-Mart/Sam's Club	Retail	\$30,872,620
9	Brixmor Manchester/Brixmor Hale Road/Brixmor Slater Street	Real Estate Mgmt.	\$30,836,600
10	Waterford Realty LLC	Apartments	\$26,166,190

The Top Ten Taxpayers in Manchester for the 2016 Grand List have changes since the 2015 Grand List. This is a function of the 2016 revaluation, and the sale of Manchester Memorial Hospital.