

DOCKET NO.: HHB-CV-22-6072277-S

SUPERIOR COURT

JEFFEREY A. REINER, TRUSTEE OF
THE LEO P. REINER IRREVOCABLE
TRUST A AND JAR PARTNERS, LLC

JUDICIAL DISTRICT OF
NEW BRITAIN

v.

TAX AND ADMINISTRATIVE
APPEALS SESSION

TOWN OF WEST HARTFORD

APRIL 24, 2024

OFFICE OF CLERK
SUPERIOR COURT
NEW BRITAIN
2024 APR 24 P 3:38
JUDICIAL DISTRICT OF
NEW BRITAIN

MEMORANDUM OF DECISION

The plaintiffs, Jeffery A. Reiner, Trustee, and JAR Partners, LLC, appeal the real property municipal tax assessment levied by the defendant, the town of West Hartford, on the real property and improvements located at 366 Park Road in West Hartford, Connecticut. The plaintiffs proceed pursuant to General Statutes §§ 12-117a and 12-119. As set forth below, the court finds that the fair market value (FMV) of the subject property is \$1,850,000 as of October 1, 2021, the date of assessment.

LEGAL STANDARD

A trial court hears tax appeals pursuant to General Statutes § 12-117a de novo and must arrive at its own conclusions as to the value of the property at issue by evaluating all of the evidence, including the opinions of appraisers. The court is to apply its general knowledge and experience in evaluating all of the evidence presented. See *Davis v. Westport*, 61 Conn. App. 834, 840, 767 A.2d 1237 (2001).

“Valuation is a matter of fact to be determined by the trier’s independent judgment. . . . In actions requiring such a valuation of property, the trial court is charged with the duty of making an independent valuation of the property involved. . . . No one method of valuation is controlling and . . . the court may select the one most appropriate

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in the case before it. . . . Moreover, a variety of factors may be considered by the trial court in assessing the value of such property. . . . The trier arrives at his own conclusions by weighing the opinions of the appraisers, the claims of the parties, and his own general knowledge of the elements going to establish value, and then employs the most appropriate method of determining valuation. . . . The trial court has broad discretion in reaching such conclusion, and its determination is reviewable only if [it] misapplies or gives an improper effect to any test or consideration which it was [its] duty to regard.” (Internal quotation marks omitted.) *Abington, LLC v. Avon*, 101 Conn. App. 709, 715, 922 A.2d 1148 (2007).

DISCUSSION

This matter was tried to the court on March 20, 2024. The court heard from Mr. Reiner, Abby Reiner, an employee at JAR Partners handling financial matters, John Lo Monte, a real estate appraiser testifying on behalf of the plaintiffs, and Christopher Kerin, a real estate appraiser testifying on behalf of the town of West Hartford. Eight exhibits were received into evidence, of which the two appraisals submitted by the parties were the primary evidence. As the trier of fact, the court must weigh the evidence and determine the credibility of witnesses. *Connecticut Light & Power Co. v. Proctor*, 324 Conn. 245, 259, 152 A.3d 470 (2016). “It is the *exclusive province of the trier of fact to weigh the conflicting evidence, determine the credibility of witnesses, and determine whether to accept some, all or none of a witness’ testimony.* . . .” (Emphasis in original; internal quotation marks omitted.) *Palkimas v. Fernandez*, 159 Conn. App. 129, 133, 122

A.3d 704 (2015). With these principles in mind, the court makes the following findings of fact.

The subject property is located at 366 Park Road in West Hartford. On October 1, 2021, the real property and improvements at the subject property were owned by the Leo P. Reiner Irrevocable Trust, of which Mr. Reiner is the trustee. As relevant to this memorandum of decision, the Reiner Trust is essentially a family entity that owns several residential apartment buildings in the greater Hartford area. JAR Partners, LLC is the business entity formed by the Reiner family to run the various properties owned by the trust.

The subject property consists of a .41 acre, rectangular parcel of land on which sits a 12,879 square foot, 18 unit, residential apartment building. The apartment building on the subject property was constructed in 1962 and consists of one and two bedroom market rent apartments. The building is reasonably well maintained, but its interior fixtures and amenities are somewhat dated. It is a C class building. There is limited parking at the subject property. Rents include heat and hot water, but not electricity. There is a coin operated laundry room in the basement. The subject property is three stories. There is no elevator. The building itself has a plain red brick exterior and has the square, institutional style common to the 1960's. The overall appearance and feel of the subject property is functional, but certainly not fancy. It is not disputed that the highest and best use of the property is as a residential apartment building.

Both parties submitted appraisals of the subject property. Both Mr. Lo Monte and Mr. Kerin are well qualified to offer their opinions of value. West Hartford set the FMV

of the real property and improvements at the subject property at \$1,692,700 as of the assessment date, October 1, 2021. Mr. Lo Monte found the FMV of the subject property to be \$1,335,000 (\$1,450,000 via the comparable sales approach/\$1,260,000 via the income approach) as of the date of assessment. West Hartford's appraiser, Mr. Kerin, appraised the FMV of the subject property at \$1,855,000 (\$1,870,000 via the comparable sales approach/\$1,850,000 via the income approach) as of the date of the assessment.

Three important factual conclusions underly the court's ultimate conclusion of value. First, the court concludes that the income approach to value is the most appropriate method of determining value under the circumstances of this case. The subject property is an income producing property and the typical buyer will likely measure value by the amount of money that might be reasonably expected to be earned from the subject property. Both appraisers agreed that the income approach was the most appropriate approach to value in this case. The court agrees. Additionally, the court credits the testimony at trial to the effect that the sales market for residential apartment buildings in West Hartford was somewhat inflated in October 2021 as a result of the COVID-19 pandemic. Therefore, the comparable sales method is a less persuasive method of value in this case.

Second, the court finds that the comparable sales properties selected by Mr. Lo Monte are much less comparable to the subject property than those used by Mr. Kerin. To reach comparable sales values, Mr. Lo Monte had to make net adjustments of 20%, 50%, 20% and 40%, respectively, to his selected properties. These are substantial adjustments and indicate that the chosen properties in fact are not that comparable to the

subject property. By comparison, Mr. Kerin made much smaller adjustments (5%, 5%, 15%, 25%), indicating that his chosen properties are more comparable to the subject property. Additionally, after reviewing the parties' appraisals and the details of each side's comparable sales, the court concludes, based on its own independent assessment, that the properties chosen by Mr. Kerin are more comparable to the subject property.

Third, in reviewing each side's income analyses, the court finds Mr. Kerin's analysis to be more persuasive. Mr. Lo Monte estimated expenses at the subject property (though Ms. Reiner did testify that she believed the estimates were generally accurate). By contrast, Mr. Kerin used the subject property's actual expenses. The court concludes that this is the more accurate and appropriate approach. Additionally, Mr. Kerin used a monthly rent of \$1,200 per unit, which was very close to the actual rent elicited at trial of between \$1,170 - \$1,190. By contrast, Mr. Lo Monte appears to have used a monthly rent figure closer to \$1,100, see Ex. A, at p. 84, that, the court concludes, is not supported by the evidence. Finally, Mr. Lo Monte used a capitalization rate of 6.8%, see Ex. 1, p. 91. The court finds that the 6% capitalization rate used by Mr. Kerin, and the analysis supporting that rate, to be more persuasive given the generally low investment risk associated with the subject property. The subject property is in a generally good location for moderately priced residential housing and there is no indication that there has been difficulty attracting tenants, or achieving a steady cash flow from the subject property.

After closely reviewing the evidence and appraisal analysis employed by both parties, the court finds that Mr. Kerin's income capitalization approach to value to be the most persuasive indicator of value of the subject property and the court adopts it herein.

