



BOARD OF FINANCE

STAMFORD GOVERNMENT CENTER
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To: Mayor Malloy
David Martin – President, Board of Representatives
Members, Board of Representatives

From: Joe Tarzia *Joe Tarzia*
Bob Kolenberg *Bob Kolenberg*

September 28, 2009

On September 10, 2009, the contract to purchase One Whittaker Place was approved (four in favor and two opposed) by the Board of Finance in the amount of \$1.2 Million. The purchase price was justified by Mayor Malloy based on an outdated market appraisal, which was not presented to the Board for Finance for review. There was vigorous debate at the meeting as to the validity of the old appraised value because of the significant market reduction in real estate values, especially with multi-family homes. Members Tim Abbazia and John Louizos lead the debate in favor of the purchase and Joe Tarzia and Bob Kolenberg in opposition.

In order to determine the current fair market value of this property, members Joe Tarzia and Bob Kolenberg personally paid for a number of bank appraisals along with a market valuation from a local real estate professional which reflected a market value of between \$375,000-\$405,000. In addition, the citywide re-evaluation conducted by Vision in 2007 placed a City assessment value of \$450,000 with a market value of \$650,000 and this was prior to downturn of the real estate market. Furthermore, City records show that in 2003, the current owner actually paid \$240,000 for this property.

Based on this actual market data, the current value of One Whittaker Place in its present condition is between \$375,000 and \$405,000. According to the real estate professionals, the current use as a two family home is the "highest and best use" of this property in today's market. In summary, the following is the data which we used in reaching our conclusion as to the current market value of this property.

- September 24, 2009 - Report by Licensed Bank Appraiser - \$405,000: Attachment # 1
- September 22, 2009 - Report by Licensed Bank Appraiser - \$395,000: Attachment # 2
- September 20, 2009 - Report by Licensed Realtor - Market Analysis - \$375,000: Attachment # 3
- 2007 - City assessment by Vision of \$450,000 based on market value of \$650,000: Attachment # 4
- 2003 - Property was sold and title was transferred for \$240,000: Attachment # 5

We want to make it perfectly clear that we are both in favor of the Mill River Corridor and the beautification of our downtown area. The only caveat is that the City pay fair market value for the acquisition of land to be used for this purpose. In this case, from a fiscal standpoint, it is irresponsible that in these tough economic times the City pay \$1,200,000 or over three times (\$800,000) the current market value for this small parcel of land. As elected officials, we have a fiduciary responsibility and commitment to the taxpayers to act prudently when spending their money.

Therefore, we respectfully request that both the Mayor and the Board of Representatives nullify this contract and re-negotiate the purchase price to reflect current market value. In addition, we are asking that the City obtain three independent certified appraisals before entering into a new purchase agreement. The three independent appraisals should include one from the mayor's office, one from the Board of Finance, and one from the Board of Representatives to ensure that the taxpayers are paying the current fair market value for this property.

cc: Members, Board of Finance

- [Attachment 1](#)
- [Attachment 2](#)
- [Attachment 3](#)
- [Attachment 4](#)
- [Attachment 5](#)
- [Attachment 6](#)