

1
2 **Resolution Relating to**

RESOLUTION
Sponsor(s): Councilors Shannon,
Bushor, Aubin, Knodell: Bd. of Finance

Introduced: _____
Referred to: _____
Action: _____
Date: _____
Signed by Mayor: _____

3
4
5
6 ACQUISITION OF 150 SHELBURNE STREET IN THE EVENT
7 A BID NOT EQUAL TO THE DELINQUENT TAX AND COSTS
8 IS MADE AT TAX SALE

9
10
11
12
13 **CITY OF BURLINGTON**

14 In the year Two Thousand Thirteen.....
15 Resolved by the City Council of the City of Burlington, as follows:

16
17 That WHEREAS, the owner of the property at 150 Shelburne Street, Bilmar Team Cleaners, a Vermont
18 partnership with Margaret Murray as its sole remaining partner, is severely delinquent in the payment of
19 her property taxes, owing approximately \$128,168.44 in delinquent taxes, penalties and interest for the tax
20 years 1995 through 2013 as of October 13, 2013; and

21 WHEREAS, the house on this property has been rented out as a residential rental property since
22 1997, with the owner currently receiving \$1700/month in rent, and has been continuously lived in since
23 1987; and

24 WHEREAS, despite the fact that this property is on the Vermont Hazardous Sites Management
25 List due to the presence of petroleum contamination and has been since 1994, neither city nor state
26 regulators have found any condition related to the contamination that has caused them to place any
27 restriction on the continued habitation or rental of the house; and

28 WHEREAS, despite being told in May, 2010, by state regulators that further testing is needed to
29 determine the full extent and limits of the contamination before the property can be given a site
30 completion status, the owner has steadfastly refused to do such testing; and

31 WHEREAS, despite also having been told since 1994 by state regulators that the property is
32 eligible for participation in the Vermont Petroleum Cleanup Fund (VPCF), a fund which assists owners in
33 assessing and remediating petroleum contamination on properties and limits their liability for addressing
34 this problem, the owner has refused and continues to refuse to enroll in the VPCF; and

35 WHEREAS, the City has for several years unsuccessfully tried to assist the owner in dealing with
36 the property's petroleum contamination issues and resolving her significant tax delinquency, all such
37 assistances being rebuffed; and

38 WHEREAS, on September 17, 2013, the Vermont Superior Court set the fair market value for the
39 property at \$215,000, agreeing with the value set by the City's Assessor, an independent appraiser and the
40 City Board of Tax Appeals, and rejecting the owner's claim that the property is worthless; and
41

42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76

Resolution Relating to

**ACQUISITION OF 150 SHELBURNE STREET IN THE
EVENT A BID NOT EQUAL TO THE DELINQUENT
TAX AND COSTS IS MADE AT TAX SALE**

WHEREAS, on September 13, 2013, the Vermont Supreme Court rejected the owner’s complaint against the 2010 decision of the City’s Board of Abatement and upheld the board’s decision only abating the oldest two years of the delinquency, thereby clearing the way for the resolution of this tax delinquency; and

WHEREAS, the City, through its Community and Economic Development Office, has the capability and capacity to manage the investigation and remediation of the petroleum contamination on the property and assist in the property’s development to its highest and best use; and

WHEREAS, this property had the required tax warrants extended on it and the required tax collector’s notices issued because the owner continued to refuse to pay property taxes on the property; and

WHEREAS, the owner has continued to refuse to pay off her tax delinquency despite receiving such notices and is adamant that the City is paid no taxes on the property; and

WHEREAS, as a consequence of the failure to pay her taxes, the City has begun taking the steps required by law to initiate a tax sale of the property, a sale which is scheduled for November 13, 2013; and

WHEREAS, although when the City last held a tax sale in February 2011 there were no bidders, the City is currently taking additional steps to encourage the presence of bidders to bid on the property at the November 13th tax sale at a price equal to or greater than the tax and costs owed to the City; and

WHEREAS, state law 32 V.S.A. § 5259 authorizes municipalities to acquire a tax delinquent property in a tax sale “if a bid not equal to the tax and costs is made at such sale”; and

WHEREAS, if a property that a municipality buys at tax sale has petroleum contamination upon it, the municipality has the right by law “prior to the expiration of the redemption period, to enter on to the land for the purpose of assessing and remediation on the land”; and

WHEREAS, state law 32 V.S.A. § 5260 authorizes a municipality that has purchased contaminated land at tax sale to include in the cost to redeem the property all costs expended for the assessment and remediation of the contamination, including the expenses incurred or authorized by any local, state or federal government authority; and

WHEREAS, there is good and prudent reason to authorize the City to be the buyer of last resort at the tax sale if a bid not equal to the tax and costs is made at the November 13 tax sale based on the combination of factors including (1) the rights and protections afforded by law to the City in this circumstance, (2) the City’s experience and ability to remediate contaminated properties and work with

77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97

Resolution Relating to

ACQUISITION OF 150 SHELBURNE STREET IN THE
EVENT A BID NOT EQUAL TO THE DELINQUENT
TAX AND COSTS IS MADE AT TAX SALE

housing developers to redevelop them as tax paying properties, (3) the very large tax delinquency, (4) the fair market value of the property which is still above the amount owed to the City, (5) the continued rental of the property at a market rent, (6) the owner's total and absolute refusal to pay this significant tax delinquency, and (7) the owners refusal to take the necessary steps to assess and remediate the contamination; and

WHEREAS, in the event that the City is the purchaser at tax sale, the City can offer a cleaned up property for sale to a private buyer to recoup the costs it will have expended or to use the property for another public purpose if that is preferred;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the Chief Administrative Officer to acquire 150 Shelburne St. in tax sale if there is not a bid equal to the tax and costs made at the sale.