



This note is to clarify some of the statements that have been made recently regarding the possible installation of generators for the Coach Homes.

Originally it was believed that the generators would be installed near the gas lines. That was never the case. All those the contractors that examined the project recommend placing the generators on the side of the building near the electrical meters. This is the recommendation of the experts.

Yet, there was a recent statement indicating it is more costly to locate the generator there. The generator must be coupled with the Automatic Transfer Switch (ATS) and should be near the power inlet of the building to avoid line losses. If the electrical connection and ATS is installed inside the building it would sacrifice a parking space. That was judged as unacceptable. If the ATS is outside the building near the electrical meters, there is a disturbance on both sides. In that case, the electrical wires would have to penetrate two walls. It will be lower cost to have the small gas line penetrate the two thick garage foundation walls into and out of the garage space.

Please provide the rationale for that statement and the exact cost differential. This will take a re-visit of the vendors to determine the costs. That will be done after the vote and a location is agreed on. The exact location will be decided in consultation with the B&G Committee and Contractor.

If there is a committee for this project, is everyone on the committee in favor of the project? It is believed this is the case. No committee member has raised an objection.

Please provide full disclosure of the make-up of the committee and how members were chosen. Who determined membership on the committee and do all members have a desire for a particular outcome? The committee a cross-section from each building comprised of those that have been involved as building supervisors. Two were from the Town Homes with expertise in the subject area. The building supervisor people were selected by Winnie along with Nelson from those that have served as go-to people for each building. They are self-starting volunteers.

Is there any one on the committee who does not believe it is in the best interest of the community to secure generators? No, but it is likely there will be those in buildings that will vote No. There needs to be at least 23 Yes votes for the board to proceed.

Does the committee represent a cross-section of the community and its diverse opinions? The task of the committee was to assist in the fact-finding to bring a proposal to the coach homeowners. That task was completed at no cost to NV. If Scalzo, or an outside consultant did the leg work, there

would have been a fee. With the fact-finding done and presented, it is the collective decision of the community of coach homeowners to render the opinion.

Please provide an analysis of what the return on investment is for the installation of a generator for each building.

In the history of Newbury Village, how many impactful power outages have there been?

Residents can stay in a hotel for a significant number of nights, or with relatives or friends, with an expense well under the initial cost of a generator and its ongoing maintenance. This is a quality-of-life decision, not a ROI decision. It is the same for the 15 or more Town Home people that have recently or in the past installed generators.

If there is to be a vote, please provide corresponding costs cast in stone and not one that will be subject to modification. It would be unconscionable to ask people to commit to a number that can be, and very possibly will be raised exponentially. It is unlikely there will be an "exponential" increase as part of the fact-finding process was to collect firm bids for the biggest elements of the project. There is no commitment to a number at this point. It is a budget estimate in a relatively narrow range. If only a few vote "YES", the project will be dropped. As with any construction project, there cannot be a cast-in-stone number until the project is complete and all the bills are paid.

Should each building's commitment be determined individually? No. This is not an option that is being offered. That would be awkward and probably negatively affect the resale of units in the building without a generator. Further, this scenario would make annual assessment unfair since the Declaration requires all 45 coach homes have the same assessment. And, similarly, all 75 town homes must collectively have their own uniform assessment.

Perhaps the population of each building has different needs? Perhaps. Needs change over time. The proposal is all buildings or none.

Owners purchased their units with full knowledge that there were no generators. That is correct. This is an upgrade for NV.

While the buildings were represented as being handicapped-accessible, the reality is that this was misleading advertising. Maybe, but this thought is not likely to get support from the experts. Know that a handicapped-accessible building in Connecticut does not include emergency generators for elevators or to operate anything else. This is a matter of the CT building codes. Emergency generators are still not required in CT to this day for handicapped-accessible buildings. It is required to have a means for emergency evacuation from an elevator. This is provided if the elevators are working as purchased. As a backup, there is the phone system and back up batteries. Separately, it is required to have emergency lighting hallway and stairwell for up to 4 hours. This is provided as well. The function of the emergency lighting is checked annually.

What happens if one set of numbers is proposed yet the final cost comes in quite a bit over that estimate? That is covered in the Q&A piece which can now be found online at <https://newburyvillage.com/generator> It is unlikely the final tally will be EXACTLY as budgeted. See the discussion on the Generator Summary with Q&A items 17 & 18.

Will that indicate that inadequate due diligence? Yes. Everyone will be the judge of that. Obviously, the Board must be aware of liability regarding its fiduciary responsibility. Yes. NV has done a special assessment in the past.

Has there been any evaluation as to how the generators will impact property assessments? The matter of property assessments has not been considered in the fact-finding process. See more detail below in response to other questions. But the short answer is that it is likely there will be no affect. This is explained below.

Will the town increase the property values significantly, believing that it raises the value of the property when it could be challenged that it decreases certain property values? It is unlikely. In the appeal process of 2019, the BAA added only \$3,000 if a NV town home had a generator even though the cost to install is \$10-\$15K. But the real estate professionals report a home does not sell for more if there is a generator. So, the adder for a Town Home with a generator is between \$0 - \$3,000. This is multiplied by the mil rate to get the dollar change in tax. People typically buy for location and layout. It is the resale history that dominates the tax assessment. More to the point, know that the existence of the Club House, a common element, does not increase the taxes for any NV unit. Units are valued for what they sell for, club house included. Since the generator is will be a common element, the tax adder is likely to be closer to \$0. Assessment science is windy, so this may not be correct.

Appraisers can reflect various constituents quite differently, as has been experienced in the past. It is unlikely there will be an impact on the tax assessment unless the resale prices are enhanced because the building has emergency generation. The assessment process is not an exact science, so there is no way to predict if there will be an impact. Each property is generally assessed based on neighborhood resale history of equivalent properties, not the specific amenities.

The owners in Building 100 were subject to a sales price differential based on location. This is off topic. As the project sold out, prices increased for both coach homes and town homes at NV. That is normal practice for a developer. Future assessments are based on the last 18-24 months of sales history. So, the initial price will only be an historical artifact and should not be a factor in the upcoming re-assessment for any property in Brookfield.

In some instances, those locations have since been negatively impacted and perhaps will be further so by the location of the generators.

Obviously, this could lead to court challenges when the units are reassessed. It is unlikely specific location of a unit within the NV Coach Homes buildings will be a factor in the 2021 revaluations. However, for condos of this type, it is the lower floors that are now more desirable and sell for more money. It was just the opposite of the original pricing from the developer. It is the resale purchase price experience that will determine the value.

Prepared January 6, 2021, by Nelson Malwitz