

SUPREME JUDICIAL COURT OF MAINE

Tremblay v. Land Use Regulation Commission, 2005 ME 110

883 A.2d 901 (Me. 2005) · Decided October 13, 2005

SUMMARY

The Supreme Judicial Court of Maine affirmed a judgment upholding the Land Use Regulation Commission's approval of a six-lot subdivision on property owned by John Hofmann. The court held that the record supported LURC's finding that Hofmann's prior intra-family land transfers did not constitute illegal subdivisions or demonstrate an intent to evade subdivision review. Because the agency's factual findings were supported, the court did not reach whether a prior illegal subdivision would legally bar approval of a later subdivision application.

CASE DETAILS

COURT	Supreme Judicial Court of Maine
WRITING FOR THE COURT	Saufley, C.J.; Clifford, J.; Dana, J.; Calkins, J.; Levy, J.
JURISDICTION	Maine
DECIDED	October 13, 2005
DISPOSITION	affirmed
PROCEDURAL POSTURE	Abutting landowners appealed the Superior Court's judgment affirming the Land Use Regulation Commission's approval of a six-lot subdivision. The Supreme Judicial Court reviewed the agency decision directly because the Superior Court acted in an intermediate appellate capacity under Maine Rule of Civil Procedure 80C.
STANDARD OF REVIEW	When the Superior Court acts in an intermediate appellate capacity under Maine Rule of Civil Procedure 80C, the Supreme Judicial Court reviews the agency's decision directly for legal errors, an unsustainable exercise of discretion, or unsupported findings of fact.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Judicial Court of Maine.
PARTIES	Gabriel Tremblay, Katherine Tremblay v. Land Use Regulation Commission, John Hofmann, Lise Hoffman

TOPICS

judicial review of agency action

administrative law

zoning

real estate

appellate procedure

PRACTICE AREAS

administrative law

land use and zoning

real estate

appellate procedure

QUESTIONS PRESENTED

1. Whether LURC's finding that Hofmann's prior intra-family land transfers did not create an illegal subdivision was supported by the record.
2. Whether the alleged prior illegal subdivision independently barred LURC from approving Hofmann's later subdivision application.

HOLDINGS

1. LURC did not clearly err in finding that Hofmann's prior intra-family transfers did not create an illegal subdivision or demonstrate an intent to avoid subdivision review.
2. The court did not reach the legal question whether a prior illegal subdivision would bar approval of a subsequent otherwise valid subdivision because LURC's finding that no prior illegal subdivision existed was supported by the record.
3. Tinsman did not require vacatur because that case involved a different factual finding: the local decisionmaker had found an intent to evade subdivision laws, whereas LURC found no such intent here.

KEY QUOTATIONS

“When the Superior Court acts in an intermediate appellate capacity pursuant to M.R. Civ. P. 80C, we review [the administrative] agency's decision directly.” (883 A.2d at 903)

“We cannot substitute our own factual determination for that of the agency charged with oversight when the record is sufficient to support the agency's finding.” (883 A.2d at 905)

“Accordingly, we conclude that LURC did not err when it approved the current subdivision application presented by Hofmann.” (883 A.2d at 906)

FACTUAL BACKGROUND

John Hofmann owned several parcels near Cupsuptic Lake, including Parcels B and C. After LURC denied a proposed twenty-six-lot subdivision of Parcel B, Hofmann divided portions of his property among himself, his wife, and his sons, and later additional parcels were created and transferred. LURC subsequently approved a six-lot subdivision involving portions of Parcels B and C, finding that the prior transactions did not constitute illegal subdivisions or reflect an intent to evade subdivision review.

PROCEDURAL HISTORY

LURC approved John Hofmann's six-lot residential subdivision in May 2003. The Tremblays challenged the approval, arguing principally that Hofmann's earlier intra-family land transfers had created an illegal subdivision that barred approval of the later application. The Superior Court affirmed LURC's decision and dismissed the Tremblays' independent nuisance and declaratory-judgment claims. The Supreme Judicial Court affirmed.

DISPOSITION

affirmed

CASES CITED

- S.D. Warren Co. v. Board of Environmental Protection, 2005 ME 27, ¶ 4, 868 A.2d 210, 213
- Suzman v. Commissioner, Department of Health & Human Services, 2005 ME 80, ¶ 24, 876 A.2d 29, 36
- Tinsman v. Town of Falmouth, 2004 ME 2, ¶¶ 11-15, 840 A.2d 100, 103-04

OPINION

SAUFLEY, J.

883 A.2d 901 (2005)

2005 ME 110

Gabriel TREMBLAY et al.

v.

LAND USE REGULATION COMMISSION et al.

Supreme Judicial Court of Maine.

Submitted On Briefs: April 20, 2005.

Decided: October 13, 2005.

*902 Gabriel V. & Katherine Tremblay, Wolfeboro, NH, for plaintiffs.

G. Steven Rowe, Attorney General, Amy B. Mills, Asst. Atty. Gen., Lucinda E. White, Asst. Atty. Gen., Jeffrey R. Pidot, Asst. Atty. Gen., Augusta, Roy T. Pierce, Esq., Virginia E. Davis, Esq., Preti Flaherty Beliveau Pachios & Haley, LLC, Portland, (for John & Lise Hoffman), for defendants.

Panel: SAUFLEY, C.J., and CLIFFORD, DANA, CALKINS, and LEVY, JJ.[*]

SAUFLEY, C.J.

[¶ 1] Gabriel and Katherine Tremblay appeal from a judgment entered in the Superior Court (Kennebec County, Studstrup, J.) in which the court affirmed the decision of the Land Use Regulation Commission approving a six-lot subdivision on land owned by John Hofmann. The Tremblays, whose land abuts the Hofmann land, argue, inter alia, that LURC erred in approving the subdivision without considering the alleged earlier illegal subdivision of John Hofmann's land. We affirm the judgment of the Superior Court.

I. BACKGROUND

[¶ 2] In May 2003, LURC granted John Hofmann's application for subdivision approval *903 regarding land abutting Cupsuptic Lake in Oxford County. That approval followed almost twenty years of Hofmann's ownership and transfers of land near and abutting the lake, primarily among family members.

[¶ 3] In 1984, Hofmann purchased a roughly seventeen-acre parcel of land (Parcel A) from the

Oxford Paper Company on the southern tip of Pleasant Island Peninsula abutting Cupsuptic Lake. In 1985, he applied for and received LURC's approval for an eleven-lot subdivision of that land. In February 1987, Hofmann purchased an eighty-two acre tract (Parcel B) abutting Parcel A, again from the Oxford Paper Company. The paper company also sold several lots on the peninsula to other people around this same time, including the Tremblays.

[¶ 4] In 1988 and 1989, LURC denied Hofmann's applications for a zone change and a twenty-six-lot residential subdivision of Parcel B. LURC determined that the subdivision would have violated the zoning laws in effect at the time, and that Hofmann had not adequately demonstrated a need for rezoning the parcel. Hofmann did not appeal from that denial.

[¶ 5] Hofmann made no further effort to obtain approval of the twenty-six-lot subdivision, but instead, in June 1989, he divided Parcel B into six separate lots, retaining one for himself, giving two to his wife, and giving one each to his three sons. In 1991, Hofmann conveyed a fifty-foot-wide road from Parcel B to the Pleasant Island Estates Association to be used as access to the Parcel A lots. When the road was challenged, LURC explicitly concluded that although the road cut through Parcel B, Hofmann had not illegally subdivided his land on Parcel B through that transaction.

[¶ 6] In March 1994, Hofmann purchased another eighty-four acres immediately north of Parcel B (Parcel C). In 1995, LURC approved his request to build another road, this time on Parcel C. In September 1997, Hofmann deeded over thirty acres of Parcel C to his wife. Around this time, Hofmann's wife and sons began dividing their land into building lots and selling them, so that by 2000, at least fourteen separate parcels had been carved out of Parcels B and C.

[¶ 7] In 2001, LURC reclassified Hofmann's Cupsuptic Lake property from a Great Pond Protection Subdistrict and General Management Subdistrict to a Residential Recreation Development Subdistrict as part of the "Rangeley Plan." This plan made significant zoning changes in anticipation of increased residential growth in the Rangeley area. The zoning change reclassified the Hofmann property as falling within a zone where subdivisions are allowed, "reflecting its suitability [for] residential development."

[¶ 8] In 2002, Hofmann's wife received an advisory ruling from LURC regarding plans to develop her portion of Parcel C as well as the one in her name within Parcel B. This LURC ruling stated that she could legally subdivide both lots without LURC subdivision review and approval.

[¶ 9] Hofmann applied for the subdivision permit at issue here in 2002. In the application, he requested permission to subdivide approximately fifty-six acres of his propertythe part of Parcel B still in his name and a portion of Parcel C that his wife deeded back to himinto a six-lot residential subdivision, with three lots in the Parcel B section and three in Parcel C. A seventh lot was to be retained by Hofmann and an eighth lot was designated to remain as open space.

[¶ 10] LURC approved Hofmann's subdivision application in May 2003. The abutters challenged the approval in part *904 based on their allegations of prior illegal land transactions by Hofmann. LURC's fifteen-page decision addressed the allegations as follows:

The Commission makes note of the arguments of opponents to this project to the effect that some of the applicant's prior land transactions in this area may have occurred in violation of the intent, if not the letter, of applicable subdivision requirements. On this issue, the Commission recognizes what is an ambiguous factual and legal history. However, what is clear is that this agency has been aware of this history for more than 10 years and has never taken a position that these prior transactions required a subdivision permit. To the contrary, this agency has taken actions in the past that implicitly acknowledge that it views these transactions as not creating a subdivision. It is also clear that an appropriate remedy for an unapproved subdivision, if any existed with regard to the property in question, would be for the owner to seek subdivision review and approval, and that is exactly what the applicant has done here.

(Emphasis added.)

[¶ 11] The Tremblays appealed from LURC's decision to the Superior Court pursuant to 12 M.R.S.A. § 689 (2005) and M.R. Civ. P. 80C, primarily arguing that Hofmann's prior intra-family transfers created an illegal subdivision that precluded LURC from approving the further subdivision of Hofmann's land. The Tremblays also stated independent causes of action alleging public and private nuisance and seeking a declaratory judgment. The court affirmed the LURC decision and dismissed the Tremblays' three independent causes of action.[1] This appeal followed.

II. DISCUSSION

[¶ 12] The first question before us is whether LURC erred in rejecting the Tremblays' factual assertions that the prior transfers of Hofmann's land created one or more illegal subdivisions. Only if we conclude that LURC erred in that factual finding would we address the Tremblays' second argument that the existence of a prior illegal subdivision of land prohibits, as a matter of law, the approval of a subsequent and otherwise valid subdivision application involving some of the same land. The Superior Court found no error in LURC's factual finding that the prior transfers did not create any illegal subdivisions. We agree and thus do not reach the second issue.

[¶ 13] "When the Superior Court acts in an intermediate appellate capacity pursuant to M.R. Civ. P. 80C, we review [the administrative] agency's decision directly." *S.D. Warren Co. v. Bd. of Envtl. Prot.*, 2005 ME 27, ¶ 4, 868 A.2d 210, 213. We review the agency's decision for legal errors, an unsustainable exercise of discretion, or unsupported findings of fact. *Id.*

[¶ 14] The Tremblays urged LURC to preclude Hofmann from receiving approval for his current subdivision application because, the Tremblays argued, the previous Hofmann transfers were undertaken to avoid subdivision review. A subdivision is "a division of an existing parcel of land into 3 or more parcels or lots within any 5-year period, whether this division is accomplished by platting of the land for immediate or future sale, by sale of the land or by leasing." 12 M.R.S.A. *905 § 682(2-A) (2005).[2] Although no statutory family gift exemption existed in 1989,[3] at the time of the Hofmann intra-family gifts, the LURC regulations did exempt gifts to relatives from

the definition of subdivision, as long as such transfers were not for the purposes of avoiding subdivision review. See, e.g., Me. Dep't of Conservation, Land Use Regulation Comm'n, Land Use Dists. & Standards 10.02(86)(B)(3) (Sept. 22, 1990); Me. Dep't of Conservation, Land Use Regulation Comm'n, Land Use Dists. & Standards 10.02(71)(b) (Nov. 19, 1988).[4]

[¶ 15] LURC was unconvinced that the prior transfers created illegal subdivisions and concluded that this earlier conduct did not preclude the current approval. We cannot substitute our own factual determination for that of the agency charged with oversight when the record is sufficient to support the agency's finding. See *Suzman v. Comm'r, Dep't of Health & Human Servs.*, 2005 ME 80, ¶ 24, 876 A.2d 29, 36. The record supports LURC's factual finding: most of the transfers were individual lots to family members; the family members held the lots for several years, often for five or more years, before any further transfers occurred; the Hofmanns sought and received LURC's guidance several times; and LURC had never identified the intra-family transfers as violating the subdivision laws.

[¶ 16] Nonetheless, relying on *Tinsman v. Town of Falmouth*, 2004 ME 2, ¶¶ 12-15, 840 A.2d 100, 103-04, the Tremblays argue that we must vacate LURC's approval. Our holding in *Tinsman* does not, however, support the Tremblays' argument. In *Tinsman*, we affirmed the Town's decision to deny *Tinsman* approval to create a street to serve a subdivision that the Town concluded had been created illegally. *Id.* ¶ 15, 840 A.2d at 104. In contrast to the matter before us, the entity charged with land use oversight in *Tinsman* the Town made a factual finding that *Tinsman* had acted with the intent to avoid the subdivision laws and that the requested road would therefore benefit an illegal subdivision. *Id.* ¶ 12, 840 A.2d at 103-04. Reviewing the record before the Town, we concluded that the Town did not err in its factual findings or in exercising its discretion to deny the application. *Id.* ¶¶ 12, 15, 840 A.2d at 103-04.

[¶ 17] Here, on different facts, LURC found no such intent on the part of Hofmann, and we do not disturb LURC's finding. *906 [5] The Tremblays' argument that Hofmann illegally subdivided other parts of his property was simply not accepted by LURC, as demonstrated in its finding that this agency has been aware of [Hofmann's land use] history for more than 10 years and has never taken a position that the[] prior transactions required a subdivision permit. To the contrary, this agency has taken actions in the past that implicitly acknowledge that it views these transactions as not creating a subdivision.

As we previously concluded, the record supports this finding.[6] Moreover, the record shows that Hofmann, contrary to the Tremblays' contention that he was avoiding the regulations, sought LURC's advice on other land divisions that occurred before the latest subdivision request. This is particularly true of Parcel C; the record does not support any assertions that divisions of Parcel C have occurred without LURC's knowledge or approval. Additionally, the fact that Hofmann's subdivision application was approved after LURC implemented zoning changes that accommodate subdivisions further supports LURC's decision.

[¶ 18] Accordingly, we conclude that LURC did not err when it approved the current subdivision

application presented by Hofmann.[7]

The entry is:

Judgment affirmed.

NOTES

[*] Justice Paul L. Rudman sat at oral argument and participated in the initial conference, but retired before this opinion was certified.

[1] The court dismissed the declaratory judgment action because of the exclusive nature of the administrative appeal process and it dismissed the public and private nuisance claims as unripe because the Tremblays alleged no actual injury.

[2] Unless specifically exempt, all subdivision developments in unorganized territories must be approved by LURC. 12 M.R.S.A. § 685-B (2005).

[3] In 2001, the Legislature enacted a statute to exempt certain divisions of land from the definition of subdivision, including a division of land accomplished by a gift to a relative. P.L.2001, ch. 431, § 3. To be exempt, the current statute requires five years of continuous ownership by the donor before dividing the land by gift and five years of continuous ownership by the recipient, without division or transfer, following the gift:

A division accomplished by the following does not create a subdivision lot or lots unless the intent of the transfer is to avoid the objectives of this chapter.

1. Gifts to relatives. A division of land accomplished by gift to a spouse, parent, grandparent, child, grandchild or sibling of the donor of the lot or parcel does not create a subdivision lot if the donor has owned the lot or parcel for a continuous period of 5 years immediately preceding the division by gift and the lot or parcel is not further divided or transferred within 5 years from the date of division.

12 M.R.S.A. § 682-B (2005).

[4] The current LURC regulation incorporates the statutory requirement of continuous ownership by the donor for five years before making the gift and by the recipient for five years after receiving the gift. See 4 C.M.R. 04 061 010-137 § 10.17(B)(9)(a)(6)(d) (2002) (citing 12 M.R.S.A. § 682-B(1)).

[5] Hofmann met his "burden of proving that he did not intend to avoid the subdivision laws." See *Tinsman v. Town of Falmouth*, 2004 ME 2, ¶ 11, 840 A.2d 100, 103.

[6] Note that such conduct would comply with the current provisions of the family gift exemption. 12 M.R.S.A. § 682-B(1).

[7] We have considered the Tremblays' other arguments on appeal and find no error.