



BOARD OF REVIEW AND APPEAL- MINUTES
TUESDAY, APRIL 5, 2022
6:00 P.M.

1. CALL TO ORDER

Pursuant to due call and notice thereof, a pre-appeal meeting of the Independence City Council/ Board of Review was called to order by Mayor Johnson at 6:00 p.m. in the City Hall Chambers.

2. ROLL CALL

PRESENT: Mayor Johnson, and Councilors Betts, Grotting, McCoy and Spencer
ABSENT: None
STAFF: City Administrative Assistant Horner, City Administrator Kaltsas
VISITORS: Hennepin County Assessor Mel Potter and Mitch King from Hennepin County, Ray Caruso, Pam and Gary Ballhagen, Tammy Wenz, Mark Perman, John Engel, Ruth Clark, Robert Eibensteiner and many more visitors that did not sign-in or speak

Johnson explained that this is an annual event. This is the first step and if someone wants to appeal their evaluation you need to come before the Council and regardless of what our decision is, you can still appeal with the HC LBAE. We need to have at least 2 council members that have gone through training for the LBAE and we have 4 members that have gone through this training this year. Johnson mentioned that the average home value increase in Independence was 19.2%. Hennepin County valuation increases were all over the place. Saint Louis Park and Saint Anthony did not see the increases as large as other cities.

Mel Potter is with the Hennepin County Assessors office. She is one of the residential principal appraisers with Mitch King to help Mel Potter gather information from the meeting tonight. The increase of 19% in residential areas in Independence is very typical in the Western side. Suburban Hennepin was up overall 18%. They looked at the sales from October 2020 through September 2021 to come up with the assessed value for January 2022. There were values all over the place with the sales. Wright County was up about 19% and Carver County was up 20%.

Johnson asked for the residents to make the comments short, and we won't make any votes or changes until everyone is heard.

Ray Caruso at 3560 County Rd 90, said that he has 3 properties and 2 of them only increased by 18% but his primary residence increased by \$251,000. He stated that he has to pay more to stay in his home and shouldn't be assessed until the sale. He said he also has empty land that went up 18% also. Johnson said after the 2008 market fall it took about 10-11 years to catch up to those values. Mel Potter said in the State of MN the property taxes is based on market value and that is a state statute. The value and what will happen to the taxes is yet to be determined. She doesn't know what the impact will be yet. Johnson said that is our responsibility come Fall and if we leave the tax rates the same then there will be a major increase in taxes for people and we have to be extremely careful in our budgeting. Spencer said that is kind of a misconception because one of the things the city does is levy a dollar amount against your taxable market value. In cases like this where the entire community goes up, unless the levy increases by the same amount, your taxes should not climb by that amount as well.

Ballhagen's at 6030 Drake Drive said they have lived there 27 years and have never been to a meeting. Pam wanted to compliment Mel for helping the residents out. Their property went up about 30% and was able to help take it down somewhat after providing pictures. Her main concern with a levy, if it goes up, why can't we spend some of that money on parks or activities for our children or grandchildren. There isn't a community here, it's a bedroom town. Pam said the board does not need to look at their property.

Tammy Wenz said we talked to Mel this afternoon so they will be working together. She said 3 of her properties went up more than 19.2%. Mel said that was just the average and it all comes down to what the property would sell for. Tammy said she agrees with Caruso, in selling real estate, a house isn't worth anything until someone agrees to pay that. In her neighborhood, nobody sold a home in over 20 years so we have no idea what it would sell for. Johnson asked if Tammy wishes to have a conversation with Mel. Tammy said yes. Johnson said if Mel hasn't looked at it so she would have to look at it first. Mel said there are 4 properties of Tammy that we will be addressing.

Mark Perhman on Becker Road. He is coming at this at a different angle. He said he is concerned with what happens next year when there are no sales and are stagnant for a year. Mel said we have already had some sales for the year. She looks at sales throughout the county market. He said if there are no transactions, how do you find your valuation. Mel said everything they do is based on sales and comps. Mel said they are within 90-105% of the sales price. Grotting said if residents don't agree with that and they think the assessor should stay off the retail price, is that something a complaint should happen tonight. Mel said that's a state law. Where do people go if people do not agree with being in 95% of the retail sales. Pehrman said he wants to make sure there is something in place that adjusts with the changes.

John Engel at 3670 County Road 90 said he talked with Mel on the phone, and they went through the process of taking photos. He originally saw an increase of 20.35% and she came back to about a 13.35% because of some deferred maintenance on the property. He said he agrees with this, but he is with everyone else tonight and that the increase in general is very large. We are going on a peak in the market right now. Around his property the Koch property is going to be taking place and million-dollar homes will be built around him. He said he will be the poor guy in the neighborhood when these homes are built. He has 5.7 acres which includes

trees. He said that land has no value to him, and he can't make any money off of what he has like someone with more usable land could.

Ruth Clark at 2365 Nelson Road said she is going to meet with Mel at a future date.

Robert Eibensteiner at 5270 Saddleridge Trail said he will work with Mel.

Marty Chelstrom at 3150 Brei Kessel Road said he would like to have a conversation with Mel due to his 22% increase.

Jim Busch lives at 5010 Fern Dr. said his property valuation went up 32% with no improvements and only a 2-bedroom home. With the large surplus he would like some help. Mel said we have spoken. The current value is \$229,000 on a 1-acre lot. What she was looking at, there was nothing in Independence. Outside of Independence in Greenfield was an older home sold in Jan 2021 that sold for \$190k with very few updates. It is now pending at \$345k. Mel said this best represented the property. Betts said there is a home on Moline Rd that is probably comparable to his, it is a brick home.

Tom Young lives at 2575 Nelson Road thanked the Council, Mayor and Mel for their work. His property was around 25% increase and Mel lowered the rate. He has a nonconforming business in his neighborhood that is a problem for him to fully enjoy the use of his property. There is a tree care business at 2515 Nelson Road. The impact is the noise at Steven Melco's property. The smell is year-round. The ordinance enforcement is not happening. He would like this looked at by the City and County for taxes and ordinance violations.

Doug Campbell at 4390 Woodhill Dr would like to talk with Mel.

John Reuter at 6275 Main Street said his property increased more than 30% based on comps. He asked if he would have access to those comps. Mel said he will have access to those, and they are offering virtual or in-person. She said he wanted to do this virtually. He said he lives on the worst road in the city. There's going to be a development put behind my house which is only going to decrease my property value. He looks out and sees woods, trees and farmland and now he will see houses.

Aaron Ratfield at 1915 Baker Park Road said he has spoke with Mel on the phone. His property went up over 38%. He paid a lot of money for the property and now paying a lot more for taxes. Mel said they can vote on this tonight. The value was valued at \$539k it increased to \$747k and was purchased for \$900k in the Fall 2021. Spencer confirmed that he paid \$900k for the home but is attesting that the valuation was at \$747k. Aaron said yes. It's a crazy real estate market. Spencer said if it was worth \$900k for Aaron than it must be worth \$900k or he's paying way too much money for a piece of property.

Mel said people can still call and be entered into the re-convene. It will depend on Mel's availability and if she can get to the properties.

3670 County Road 90 Owner John Engel, Mel's recommendation is to reduce the value from \$550k to \$518k.

Motion by Betts, second by Grotting to approve re-evaluation of 3670 County Road 90 per Melissa Potter's recommendation. Ayes: Johnson, Betts, Grotting and Spencer and McCoy. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

5010 Fern Dr, owner Jim Busch, Mel is suggesting no change. The value went from \$182k to \$229k. McCoy said that is too high. Betts said that is still low compared to others in the city and to a very comparable property that is much higher than this one. McCoy said it going up 32% seems high for a manufactured home vs a brick home. Spencer said about \$217k for 19% over the original \$182k. Busch agreed to \$217k.

Motion by Betts, second by Grotting to approve re-evaluation of 5010 Fern Dr to \$217k per Council recommendation. Ayes: Johnson, Betts, Grotting and Spencer and McCoy. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

2575 Nelson Road, owner Tom Young, Mel recommended that the value be reduced from \$355k to \$342k.

Motion by Grotting, second by Betts to approve re-evaluation of 2575 Nelson Road per Melissa Potter's recommendation. Ayes: Johnson, Betts, Grotting and Spencer and McCoy. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

1915 Baker Park Road, owner Aaron Ratfield, Mel recommends no change to her assessed value at \$747k.

Motion by Spencer, second by Johnson to approve assessed value of 1915 Baker Park Road at \$747k per Melissa Potter's recommendation. Ayes: Johnson, Betts, Grotting and Spencer and McCoy. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

The following properties have been reviewed, given recommendations and the owners have agreed to the values of:

3330 Lake Sarah Rd – Mel reviewed the classification. It was RR and she recommends that the board take it to AG plat. They would be over 11 acres without the road. There is horse boarding at the property and that classifies as AG.

5175 Fern Dr, reduce value from \$560k to \$529k
4749 Lake Sarah Dr S, reduce value from \$675k to \$655k
5080 S Lakeshore Dr, reduce value from \$932k to \$885k
9295 Pagenkopf Rd, reduce value from \$291k to \$275k
5450 Timber Trail, reduce value from \$842k to \$818k
10 Ingerson Rd N, reduce value from \$449k to \$405k
872 County Rd 92 N, reduce value from \$388k to \$350k

4987 County Rd 6, reduce value from \$502k to \$403k
7225 Us Hwy 12, reduce value from \$339k to \$306k
2223 Nelson Rd, reduce value from \$706k to \$677k
6000 Providence Curve, reduce value from \$921k to \$823k
End of her recommendations

Motion by Betts, second by McCoy to approve the valuations listed above per Melissa Potter's recommendation. Ayes: Johnson, Betts, Grotting and Spencer and McCoy. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

Mel said she has 4 other properties that she has reached out to the owners with the new evaluations and the owners have not reached back out to her. Mel asked if she wants them read in and vote on them and if they don't agree they can come to the April 19th meeting or if council wants to wait on these until they get back to her. Johnson said he would rather wait until they get back to her.

The following addresses are next for re-convene and haven't heard back from:

4015 Woodhill Dr
6516 Meadowridge Rd
2225 Co Rd 90
7950 Egret

The following addresses have appointments scheduled or Mel has not had time to get to yet:

3411 Brei Kessel
235 Game Farm Rd N
2376 Nelson Rd
8386 Pioneer Creek Rd
971 County Rd 19
3657 County Rd 90
6250 US Hwy 12
25 Timber Island Trail

The following addresses Mel will be in contact with:

3560 County Rd 90
5270 Saddle Ridge
3150 Brei Kessel
4390 Woodhill Dr
6275 Main St
The 4 properties owned by Tammy Wenz
2365 Nelson Rd
6064 Drake Dr

Those who had met with Mel Potter and agreed to changes prior to 10 days before this council meeting, do not have to be recognized by the LBAE.

Motion by Spencer, second by Grotting to re-convene on April 19th at 5:30pm. Ayes: Johnson, Betts, Grotting and Spencer and McCoy. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

Meeting adjourned at 7:07pm.