



RECONVENE BOARD OF REVIEW AND APPEAL- MINUTES
TUESDAY, APRIL 19, 2022
5:30 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 reconvened by Mayor Johnson at 5:30 p.m. in the City Hall Chambers.

2. ROLL CALL

PRESENT: Mayor Johnson, and Councilors Spencer, Grotting, McCoy and Betts (virtual)
ABSENT: None
STAFF: City Administrative Assistant Horner, City Administrator Kaltsas
VISITORS: Hennepin County Assessor Mel Potter and Joe Vischel from Hennepin County,
John Reuter, Joe Stevens and Martin Chelstrom

All votes were roll call votes

3. Hennepin County Assessor Mel Potter: Present Local Board of Appeals and Equalization Information.

Potter explained the handout sheets the Council was given. The first 12 properties listed are residents that agree with the new evaluations. Properties 13-24 she left messages for and either did not hear back or is not sure if they are okay with the evaluation. Johnson said number 14, Marty Chelstrom's property should be added to the approved list.

The 12 properties that agree with the new valuations are:

4390 Woodhill Dr, Potter recommended no change from the valuation of \$632k
3657 County Road 90, reduced from \$1,076,000 to \$902k
3560 County Road 90, recommending no change from the \$1,413,100
3411 Brei Kessel, reduced from \$1,781,000 to \$1,591,000
6515 Meadow Ridge, reduced from \$923k to \$862k
2365 Nelson Rd, reduced from \$687k to \$658k - There is also an improvement amount that needs to be removed on this property.
1985 Copeland Rd, reduced from \$329k to \$310k

235 Game Farm Rd N, reduced from \$824k to \$712k
650 Wild Oak Trail, reduced from \$775k to \$722k
5270 Saddle Ridge Trail, recommending no change from \$953k
3150 Brei Kessel, reduced from \$1,151,000 to \$1,085,000

Spencer asked what are the reasons that play into the larger adjustments. Potter said the condition of the home and pictures from the residents that shows work needs to be done on the interior and exterior. The quality of the home may have been overestimated; the quality of construction plays a role as well. Spencer said it's important that people understand that they may be warranted a change if these apply to them. Johnson said it is nice that we have the option to send pictures now of these things.

Motion by Spencer, second by Betts to approve #1-7, 9, 10, 12 and 14 as previously agreed between assessor and property owner and to removed improvement amount on 2365 Nelson Rd. Ayes: Johnson, Betts, Grotting, Spencer and McCoy. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

Grotting recused himself due to conflict of interest

Potter recommended a reduction in value from \$331k to \$300k and property owner was okay with that.

Motion by Spencer, second by Johnson to approve #8 for 6064 Drake Drive, reducing the value from \$331k to \$300k per Melissa Potter's recommendation. Ayes: Johnson, Betts, Spencer and McCoy. Nays: None. Abstain: Grotting. Absent: None. MOTION DECLARED CARRIED.

Grotting rejoined the LBAE meeting.

McCoy recused himself due to conflict of interest.

Potter recommended reducing the value of 385 County Road 110 N from \$453k to \$399k and property owner was okay with this value.

Motion by Betts, second by Grotting to approve the valuations of 385 County Road 110 N from \$453k to \$399k per Melissa Potter's recommendation. Ayes: Johnson, Betts, Grotting and Spencer. Nays: None. Abstain: McCoy. Absent: None. MOTION DECLARED CARRIED.

McCoy rejoined the LBAE meeting.

Potter reads the following valuations for properties that she has not heard back from:

4015 Woodhill Dr, reduce from \$322k to \$277k
2555 County Road 90, reduce from \$412k to 357k
7950 Egret Drive, reduce from \$794k to \$705k
2376 Nelson Road, reduce from \$738k to \$697k

8386 Pioneer Creek Rd, reduced from \$407k to \$371k
971 County Road 19 N, reduce from \$689k to \$586k

Motion by McCoy, second by Spencer to approve the valuations of #13, 16, 17, 19, 20 & 22 per Melissa Potter's recommendation noting that they have opportunity to appeal with Hennepin County. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

6275 Main St, Potter recommended reducing the value from \$711k to \$670k. The owner wasn't thrilled with the value and John wishes to speak.

John said he agreed to the amount reluctantly. It's an excess of 25% and the average is 19% in Independence. HE proceeded to email to have Melissa take into consideration the work that needs to be done on the property. He wants to convey that he is okay with it but doesn't like it since it is still too high.

Motion by Spencer, second by Grotting to approve the valuation of 6275 Main Street from \$711k to \$670k per Melissa Potter's recommendation. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

Johnson mentioned that John and any other property owners that are not satisfied with their new valuations, they have the right to appeal further with Hennepin County.

Potter explained that the value of property 25 Timber Island Trail was reduced from \$1,141,000 to \$1,065,000. Mr. Knight is also here to speak tonight.

Mike Knight said that the notice he received in the mail had the wrong address listed. He stated that the valuation was \$937k and it was raised to \$1.141M and now reduced to \$1.065M. Melissa did address some concerns about the property, and it is a nice property, but he doesn't feel like the condition of the neighborhood puts a negative impact on the homes. There is equipment and garbage in the yards. The sheds are in disrepair and there are some with down trees and dead trees that are just lying there. He recommended that Council members drive down Moline to view these homes. His neighbors don't clean up their property. He hopes that this is reflected in the valuation. It is in Mound school district which has an effect on the value as well. His request and suggestion would be to do a valuation of \$987k. He does understand the market, but the neighborhood doesn't warrant that valuation.

Johnson asked how much they can do based on neighborhoods. Potter said that the property backs up to the golf course. There were pluses and negatives to this property.

Spencer said that doing the math on the surrounding properties, the average increase on that same street and area is about 17% with market force. If Knight was in line with the neighbors, it would be more than what Potter is recommending. Potter is recommending an increase of 12% right now. Spencer said this seems pretty reasonable. McCoy said that he drove by there today and there is some unkept properties. Knight said in terms of the properties around him and has to go past these other unkept properties to get to his house. Betts said that she grew up in a house on Moline and there are some unkept homes in that area.

Johnson said if it was directly on Knight's Road, he would be more inclined to agree to a point, but because it's on Moline, we have to stick with Mel's recommendation.

Motion by Grotting, second by Betts to approve the valuation of 25 Timber Island Trail from \$1.141M to \$1.065M per Melissa Potter's recommendation. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

Johnson reminded Knight to appeal with Hennepin County if he is not satisfied with this valuation. Knight asked what he can do about the properties that are not being taken care of. He said it is an eye sore. Johnson said unfortunately the only guarantee is to buy it and clean it up, but if there is an ordinance issue then the City may be able to help. McCoy said he wasn't looking for a violation when he drove by, but he just commented on the properties that were not being taken care of. Johnson said that the staff will look into it.

Joe Stevens owns property at 6250 US Highway 12. He is representing Joanne, Dick and Mary Stevens as well. His family bought this property in 1970 and a little over a year ago 22% of their land was taken away for the roundabout. The property still went up by 37.5%. His main argument is a property that has a water table issue. Since the state redid that corner, they lost their drainage ditch. Now they are trying to move water to the East. He has standing water in the mini storage area where they haven't usually seen standing water. They have a lot of outdoor storage and Joe, an assessor came back with a different tactic. He based a value on the outdoor storage. He said they should be generating around 20% in profit off of their outdoor storage. They couldn't do that now and wouldn't come close to even paying their current property taxes. Stevens said he would gladly take 25% increase versus the 37.5% that they are recommending.

Joe Vischel explained the property is up about 37.5% due to market appreciation and correction to a historically under-valued property. The state of Minnesota had an appraisal conducted at the time. The land alone was \$2.35/sqft or about \$730k. The appraisal did not mention the water issues. The 2022 assessment stated that the value was historically low. The method they wanted to use did not include excess land or the 50,000sqft of permitted outdoor storage. The valuation increased to \$1M since that is what it would sell for in the open market. After discussion with the owner, roughly 8,000sqft would not be buildable without mitigation. The mini storage was experiencing foundation issues, but it was about 88-90% occupancy. The excess land was walkable but there was water pooling and the land felt softer. He would agree that some soil or mitigation would be needed.

Vischel said the value should be much more than \$1M due to sales approach and comparables. Johnson said that we are not talking about the whole complex. The valuation should only be on the Western portion. Spencer said that the undeveloped space is of value. There is roughly an acre of outdoor storage that is income producing. If you were an investor or buyer, you would value that space. The number he arrived at was \$1,050,000. Or to account for water issues, it gets him to \$1,152,000.

Johnson said that the East portion is Dick's and the West side is the storage building. We are not talking about the entire piece down there. The value should only be on the Western portion.

Johnson said he doesn't think that there was this much discussion on the work put into the value. Stevens said that the mound system is in the fence area so there is no buildable area where that sits. The office is just a small office as well. He said it is not worth this amount out here. Most people have outdoor space.

Spencer asked if we value commercial property for what the maximum use would be. If it's never for sale, it will never be used for those reasons. Vischel said that it is valued at market rate on the open market if it was for sale. It is valued off of its highest and best use. His calculations value it at \$1.152M and recommends no change. McCoy said he would not agree with the assessment since there is so much water and need for mitigation to help that property. The increase is unreasonable. We should take it back to 19% increase. Spencer said we would have to use this property and screen it for outdoor storage use. Spencer said about 15% of the fenced area needs to be removed. There isn't much office space in that building. You can't use any of the area, about 22% for where the mound and septic are located. Spencer appreciates the numbers, but we value these things on their current use. He did give up a portion for the roundabout.

Spencer recommended to raise the previous year by 25%. Other local properties have city water and sewer and this one does not.

Motion by Spencer, second by McCoy to change the valuation of 6250 US Highway 12 at an increase of 25% from previous year's valuation to be \$909k. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

The Tammy Wenz properties

6150 Pagenkopf Road – recommends reducing value from \$355k - \$345k. She emailed Mayor Johnson and Council member McCoy saying that Potter is about \$5k-\$10k too high. She is requesting \$335-\$340k. There is a listing on Perkinsville that is pending around \$339k. Betts asked if there were only 2 bedrooms since she thought there was a bedroom in the basement.

Motion by Betts, second by Grotting to change the valuation of 6150 Pagenkopf Road from \$355k to \$345k per Potter's recommendation. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

2585 Valley Road – Potter recommends reducing value from \$375k - \$335k. The average increase is 19.2% in Independence. These comps were listed in Delano with 0.6 acres of land versus hers on acreage. She backs up to the swamp, wetlands and the road. It is a slab home. Tammy recommends no more than \$299k after the adjustments. She also sent Potter an email notifying her that Tammy is working with the current renter to sell it to them for \$350k and it hasn't gone through yet. Potter said there is one property located at 2870 Lake Sarah Rd that was used as a comp. It's a 1972 rambler with 1500sqft, 1.89 acres, and 3.9 acres of wetland sold in 2021 for \$521k.

Motion by Johnson, second by McCoy to change the valuation of 2585 Valley Road from \$375k to \$335k per Potter's recommendation. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

1030 Marsh Ridge Circle – Potter said she is recommending no change at a valuation of \$607k, Tammy recommended the value be at \$588k. Potter said this property was in front of the Council a couple times before. We have this property on an override because the council has made changes previously. We must be concerned with total market value. Based on sales around the area, selling for \$780k, etc, she supports a value much higher than the \$607k value they have on the property. She said we are still low but taking into consideration what council has done in the past on this property.

Mccoy said that's less than the average in the city. Spencer said he agrees, and this property has been valued historically low.

Motion by Spencer, second by McCoy to approve the valuation of 1030 Marsh Ridge Circle at \$607k per Potter's recommendation. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

Meeting adjourned at 6:55 p.m.

Respectfully Submitted,
Amber Simon / Recording Secretary