

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE BOARD OF REVIEW
TUESDAY, APRIL 8, 2014 – 6:30 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence Board of Review was called to order by Mayor Johnson at 6:30 p.m.

2. ROLL CALL.

PRESENT: Mayor Johnson, Councilors Betts, Fisher, Wenck, and Spencer

ABSENT: None

STAFF: Administrator-Clerk Hirsch, Residential Appraiser Potter, Principal Appraiser Winge, Residential Appraiser Mott, and Commercial Principal Appraiser Hoogland

VISITORS: Larry & Shirley Segner, Michael Hoppe, Greg Shaughnessy, Steve Merten, Tom Stevens, Ray McCoy, and Lorraine Koch

3. OPENING REMARKS – MELISSA POTTER, HENNEPIN COUNTY ASSESSOR'S OFFICE.

Johnson explained that Independence is one of the communities that have retained its Board of Review at the local level, rather than allowing Hennepin County to conduct the process. Melissa Potter, the area assessor for Hennepin County, came to discuss updates and property inquiries.

Potter informed and recapped the area's values. Sales of properties between October 2012 and September 2013 were studied review and analyzed; which resulted in an average increase of 4.8% for Residential properties, up 4.5% for Residential Lakeshore, down 0.2% for Commercial/Industrial, and up 3.1% for agricultural overall. Agricultural properties enrolled in Green Acres and Ag Preserve values also increased. She stated there are 93 parcels are enrolled in Green Acres and 120 parcels enrolled in Ag Preserve. Potter stated the overall value for properties in Independence increased by 4.1%

Potter stated after the Assessor's Office sent out the notices to the residents, they received a total of 34 phone calls with questions or concerns regarding their property value.

Johnson and Potter discussed agricultural properties in the Green Acres and Ag Preserve Programs. Green Acres properties had an increase in taxable value but a decrease in the market value.

Johnson asked the audience if there were any general questions from the audience. One person asked about the definition of homestead exclusion value. Potter explained this is an exclusion of

value to calculate the taxable value. The taxable value is the estimated market value minus the exclusion. She stated there is no exclusion for properties valued above \$414,000. Johnson stated he feels this exclusion is kind of a gimmick created by the state. This is similar to the previously used program, like the Homestead Credit.

Another person inquired about a simple explanation of how value is calculated per acre. Potter stated the Department of Revenue studies properties in Southwest Minnesota and the analysis is created based on those property sales. She stated they look at true farmer to farmer sales of properties, verses selling an outside influences, like developers. The values here are adjusted to 82% of what land is selling for there. She stated tillable acres are valued at \$7800 per acre.

Larry and Shirley Segner 476 County Rd 92 N. – PID 32-118-24-14-0005

Mr. Segner stated he had questions about his Green Acres deferment and why the property value dropped so much. It dropped \$80,000 in one year. Potter stated the taxable market value went up and the estimated market value went down, the amount being deferred has been reduced. After listening to the Council he was satisfied with the answer.

Michael Hoppe 2950 Nelson Rd – PID 18-118-24-13-0002

Hoppe asked about the accuracy of the neighboring property values on Hennepin County's website. Potter stated if you looked within the last few weeks, the values should be updated.

Hoppe questioned why his home was valued \$100,000 more than many of his neighbor's properties. He stated of the surrounding 22 area lots, all of them decreased in value, except his. His property increased in value. He stated no property improvements have been made since 1998.

Hoppe stated he has contacted the County previously but did not get a lot help; this is why he came tonight. Potter stated she had not heard from the resident previously, but stated she would like to set up a time to meet and review the information.

Greg Shaughnessy 5245 Saddle Ridge Trail – PID 36-118-24-24-0008

Shaughnessy stated where he lives and that he had the smallest home in the neighborhood. He compared a neighboring home that had recently sold and stated his home is valued at \$200,000 more than that home. He stated this does not make sense, as he has lived there for 22 years.

Shaughnessy stated he had not contacted the County about this, but came to the meeting tonight to help get some answers. Potter stated she would need to set up a time to come out to review the property. She stated the sale of the neighboring property, Shaughnessy referred to, was a short sale, and she knew there were a lot of interior issues with the property.

Steve Merten 4265 Town Line Road – PID 01-118-24-41-0011

Merten stated he had met with Potter a few weeks ago. Merten attended the meeting to ask about why his property value had increased so much. He stated Potter found an error in the square footage figure of the property, and even with this change it was reduced from a 29% increase to only a 21% increase. He felt that this increase was excessive. Johnson inquired if any improvements had been made to the property. Merten stated he had added a deck but this should not have affected it.

Potter stated she had been to the property and found the error in the square footage and corrected it. The property value increased from \$285,000 to \$345,000. She stated a couple of sales in the area that indicated the increase in value. Johnson asked if the comparable properties also increased in taxable value. Potter did not know their values at this time, but had quite a few calls from the area inquiring about their increases.

Merten stated with the railroad track so close to the property it decreases the value of the home. Potter stated she did take the location into consideration. Potter stated this area of Independence is part of a re-evaluation happening this summer. She stated they will continue to do some equalization. Johnson stated the Council will discuss the property value.

Tom Stevens 6256 Highway 12 – PID 23-118-24-33-0010

Stevens stated the County assessors were at the property today. He discussed the layout of the property, and he found there is a flood plain on the property. He stated because of the flood plain, not all of it can be developed. He stated the Highway Department is looking at possibly adding a stoplight to the Highway; which would mean the State would need to change the layout of the road.

Hoogland stated an appraiser inspected the property, but he has not had a chance to review it. He stated they may have a recommendation by the reconvene date. Steven's stated the taxes are a lot of money for a property that he cannot completely use. Johnson stated a final decision would be made on the 22nd.

Ray McCoy for Marilyn Hamilton 385 County Road 110 – PID 35-118-24-41-0001 &
A Farm Parcel PID 35-118-24-12-0002

McCoy stated he was attending on behalf of his mother-in-law Marilyn Hamilton's properties; which are both agricultural properties and actively farmed. McCoy stated the farmstead is currently homesteaded and valued at \$385,000. He stated each year there is a lot of repetitive paperwork that needs to be completed, in order for the County, to keep the homesteaded classification. Relatives do live on the property.

McCoy stated the other issue is trying to classify the properties properly. He stated both properties have little tillable acreage.

Johnson inquired if Potter has information on this property. She stated she does not. McCoy stated the cropland is roughly around 35 to 40 acres in one parcel and another parcel has 50 tillable acres. Johnson stated crop land can be reviewed by aerial photos. Potter stated she could contact him or his mother-in-law to review the FSA maps; which helps breakdown the type of agricultural land. She asked if the properties were involved in either of the agricultural programs. McCoy stated the properties were in Ag Preserve. Potter stated this will not change the acreage value of tillable, pasture and wetland, but rather making sure the land is assigned correctly. The Department of Revenue sets the acreage value. Potter explained the house value and one acre of land have to be valued at market value. Potter stated she may need to schedule a time to come out to view the property.

Potter stated she could discuss the homestead issue with the County's Homestead Clerk. Johnson stated a trust maybe causing an issue with the homestead classification.

The Council discussed Steve Merten's property, 4265 Town Line Road – PID 01-118-24-41-0011, so a ruling could be made.

Johnson stated next year the whole area was being reappraised. Betts inquired what the property's square footage is. Potter stated it was 1,707 square feet above grade. The calculation error included part of the vaulted space. She stated the railroad tracks location was taken into account of the value. Wenck stated the calculations of the property equal \$202 per square foot; which is higher than the Eagle Ridge sample property of \$187 square foot. The Eagle Ridge development has a higher quality homes. Wenck stated the Town Line Road sample property is \$181 per square foot. He stated it seems like Merten's property should be valued around \$180 per square foot; which would equal \$308,000. Merten's value of the land is less than the other sample properties. The change in value from last year, with the proposed value, would now be an 8% increase verses the 21% increase.

Motion by Wenck, seconded by Betts, to adjust the value of the Merten property (PID 01--118-24 41 0011) from \$345,000 to \$308,000.

Potter asked if the value adjustment is off the building or the land. The Council decided to reduce the house to \$208,000 and the land to \$100,000 for a total value of \$308,000.

Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Potter stated we need to have a motion for the Segner property even if it is for no change, because they just had questions.

Motion by Betts, seconded by Spencer, to make no change to the value of Segner's property PID 32-118-24-14-0005. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Johnson stated the properties owned by Michael Hoppe, Greg Shaughnessy, Tom Stevens and Marilyn Hamilton will be continued. Potter stated there are another four properties that she is suggesting property value reductions. She is also suggesting a no change to another property she reviewed.

Johnson stated we could do a motion for the four properties discussed tonight and reconvene on April 22nd.

Motion by Wenck, seconded by Spencer, to review PID 18-118-24-13-0002, 36-118-24-24-0008, 23-118-24-33-0010, 35-118-24-41-0001, and 35-118-24-12-0002 at the reconvene meeting on April 22nd. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Potter reviewed the parcel 5050 Fern Drive - PID 01-118-24-42-0025. She is recommending reducing the value from \$176,000 to \$167,000, and the homeowner was satisfied with this reduction.

Motion by Betts, seconded by Fisher, to set reduce the value of PID 01-118-24 42 0025 to \$167,000. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Potter reviewed a vacant parcel - PID 02-118-24-34-0003. She is recommending reducing the value from \$509,900 to \$347,000, and the property owner was satisfied with this reduction. Johnson inquired if this was agricultural land. Potter stated it was, and it was previously part of the Altendorf property. This land is not in any agricultural program.

Motion by Wenck, seconded by Fisher, to set reduce the value of PID 02-118-24 34 0003 to \$347,000. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Potter stated she reviewed parcel 2445 County Road 90 – PID 15-118-24 44-0005 . She is recommending a reduction from \$211,000 to \$197,000. She left a message for the homeowner and if they agreed with the reduction, they did not need to attend the meeting tonight. The homeowners were not present at the meeting.

Motion by Johnson, seconded by Wenck, to set reduce the value of PID 15-118-24 44 0005 to \$197,000. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Potter stated she reviewed parcel 7965 Pioneer Creek Road - PID 28-118-24-22-0003. She is recommending a reduction from \$388,000 to \$325,000, and the property owner was satisfied with this reduction. Potter stated there were some issues with this home that they previously did not know about.

Motion by Betts, seconded by Fisher, to set reduce the value of PID 15-118-24 44 0005 to \$325,000. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Potter stated she reviewed parcel 2855 Lindgren Lane - PID 13-118-24-24-0025. She is recommending no change to this property. She did not view the property but spoke to the future owner of this property, and they are closing on the property May 1st. She viewed the purchase agreement and the County's value is greater than the purchase price. The new homeowner wants to keep his appeal option open for the County Board to review. She stated her recommendation is for no change and to keep it the same for now. After the new property owner takes possession it will be reviewed. If the new owner does not agree with the assessor's value, the owners will have the option to bring it in front of the County Board.

Motion by Wenck, seconded by Spencer, to keep the value of PID 15-118-24 44 0005 the same. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Potter discussed a reconvene date of 5:30 p.m. on April 22nd. Johnson stated there is a lot of activities going on that night, and the Council will be discussing the option of pushing back the start time of the City Council Meeting that night. He asked if Potter could attend reconvene meeting at 8:00 p.m. on April 22nd. Potter stated this time would work.

Motion by Betts, seconded by Wenck, to reconvene on April 22, 2014 at 8:00 p.m. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. ADJOURN.

Motion by Wenck, seconded by Spencer, to recess the Board of Review meeting until April 22, 2014. Meeting closed at 7:28 p.m. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully submitted,
Jolene Nelson, Recording Secretary