# MINUTES OF A REGULAR MEETING OF THE INDEPENDENCE BOARD OF REVIEW TUESDAY, APRIL 10, 2012 – 6:00 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 6:00 p.m.

### 2. ROLL CALL.

PRESENT: Mayor Johnson, Councilors Betts, Fish, and Spencer

ABSENT: Councilor Wenck

STAFF: Administrator-Clerk Hirsch, Senior Appraiser Potter, Principal Appraiser Winge

VISITORS: Wyman Haberer, David Gagne, Joyce Twedt

## 3. <u>OPENING REMARKS – MELISSA POTTER, HENNEPIN COUNTY ASSESSOR'S</u> OFFICE.

Johnson stated that Independence is one of the communities that retains its Board of Review at the local level rather than allowing Hennepin County to conduct the process with open book meetings. He stated the Council feels they are closest to the residents in the City and should handle the responsibility. He stated at least two Councilors present at the meeting must have attended training to conduct the Board of Review meetings.

Johnson explained the Board of Review does not deal with taxes but with valuation only. He stated the County looks at sales in the time period of October 1, 2010 to September 30, 2011 for 2012 valuations. He explained the Board can raise or lower the valuation, keep it the same or defer it to Hennepin County to review.

Melissa Potter, Hennepin County Senior Appraiser, and Robert Winge, Hennepin County Principal Appraiser, were present at the meeting. Potter stated Hennepin County had received a total of 25 calls from Independence residents since the notices went out. She stated Independence has many properties that are enrolled in the Green Acres and Agriculture Preserve programs and those are what saw an increase in value. Those values are set by the MN Department of Revenue. She stated that the Board cannot make any changes to value per acre for Green Acres or Agricultural Preserve properties. She added they can look at the breakdown for each property, such as amounts of tillable land but the Board cannot change the value per acre the Dept of Revenue has set.

#### 4. <u>BOARD OF REVIEW</u>

#### Wyman Haberer XXXX Lindgren Lane. PID# 13-118-24 24-0024

Haberer stated he purchased the property in 1978. He developed a plan and received a permit from the City and they began digging the basement. They decided then to discontinue and covered the hole. It has not been touched since that time. Over time, the property has risen in value. He stated that his value went from \$44,000 to \$200, 000. He stated the property is not on the lake. Haberer met with Hennepin County staff to discuss the value and he later received a letter from Hennepin County stating the value was dropped to \$140,000 and he feels it is overvalued.

Johnson stated the property now has sewer availability. Potter stated that built upon properties are in the \$200,000 range and under further analysis the value was reduced to \$140,000 because the vacant lots are selling for less. She stated the reason for the big jump in value was the sewer coming in. Previously, the property was listed as unbuildable and now with the sewer that has changed.

#### Joyce Twedt 2750 County Line Road

Twedt stated that she received the re-evaluation notice and has not heard anything further. She stated that no one has come to look at her property. She stated her value went down but taxes went up. She asked if the gas line that was put in would affect the value. Potter stated that it should not affect the property and the reason for the decrease in value is based on decreasing values all over Independence.

Johnson stated Twedt is one of the fortunate few whose value went down on farm land. Twedt wanted to know why the taxes went up. Johnson replied that many of the other entities that receive tax money have raised taxes and he suggested that she meet with someone at Hennepin County to discuss it at length. Potter gave Twedt her business card to call for an appointment.

#### David Gagne 5680 Pagenkopf Road

Gagne stated they purchased the home in 2010. The home was valued at \$612,000 for two years straight and now was valued at \$834,000 for a \$222,000 increase. Hennepin County staff came out to re-evaluate the property and subsequently re-valued it at \$740,000.

Johnson inquired if Gagne did any improvements or remodeling. Gagne stated he converted a room above the garage into two bedrooms and a bathroom. He stated it is still a \$128,000 increase. Potter stated that an appraiser did stop at the house and deemed the improvements completed based on what could be viewed from outside the property. She stated that they did do a MLS review and based on the sale price and improvements, it all contributed to the \$834,000 price. Johnson inquired what the purchase price of the

property was in 2010. Gagne replied it was \$770,000. Johnson stated that sale price sets a plateau.

Betts inquired if there is a set rate or formula the appraisers use to determine value. Potter explained that they usually go by square footage and also look at the quality of construction and materials use.

Johnson felt Haberer was lucky Hennepin County came down to \$140,000 for the property. Betts inquired if Haberer was planning on selling the property and Haberer replied he didn't feel it would sell at \$140,000. Betts stated some builders felt that buildable lots are hard to come by in Independence so it may sell better than originally thought. Fisher felt it was high for a buildable site and even though access to Lake Independence can be had from the channel it does not have direct lake access. Fisher felt the property could maybe sell for \$125,000. Spencer stated it is difficult to find a vacant lot on lakeshore where you don't have to tear down an existing house.

Motion by Spencer, seconded by Fisher, to set the value of the Haberer property (PID 13-118-24-24-0024) at \$125,000. Ayes: Johnson, Betts, Fisher, and Spencer. Nays: None. Absent: Wenck. MOTION DECLARED CARRIED.

Motion by Betts, seconded by Fisher, to leave the value of 5680 Pagenkopf at \$740,000. Ayes: Johnson, Betts, Fisher and Spencer. Nays: None. Absent: Wenck. MOTION DECLARED CARRIED.

#### 5. ADJOURN.

Motion by Betts, seconded by Fisher, to adjourn the Board of Review meeting at 6:51 p.m. Ayes: Johnson, Betts, Fisher, and Spencer. Nays: None. Absent: Wenck. MOTION DECLARED CARRIED.

Respectfully submitted, Kimberly A. Olson, Recording Secretary