

**MINUTES OF THE BOARD OF REVIEW
TUESDAY, MAY 8, 2007, 6:30 P.M.**

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

2. ROLL CALL.

PRESENT: Mayor Johnson, Council Members Fisher, Betts, Strong, Gyllenblad.

STAFF: Clerk-Administrator Hirsch, Hennepin County Assessor Phil Jensen and Josh Hoagland.

VISITORS: List attached.

3. OPENING REMARKS - PHIL JENSEN, HENNEPIN COUNTY ASSESSOR.

Mayor Johnson stated that this meeting is held annually for property owners who wish to question the valuations placed on their properties. He stated that the Board will listen to people in the order that they signed up for the meeting, and the Board will not make any decisions until everyone has spoken. He also stated that there will be a recess at 7:20, after which the regular council meeting will take place, and then the Board of Review will reconvene after that.

Mr. Jensen stated that this year has been a challenge because the market is in transition. Although it has gone up the past couple of years it is showing a slowdown. The values are based on sales from October of 2005 till September 30 2006. Jensen is required by State law to value property related to that sales period. The 2008 assessment will use the sales period from October 2006 to September 30 2007. The estimated market value of the entire city is \$783,025,100. The area that was reviewed this year surrounded Maple Plain on the north, south and west sides.

4. BOARD OF REVIEW.

Steve Crees

5054 South Lakeshore Drive

24-118-24-12-0010.

Mr. Crees's new house increased 20% in one year. He thinks something must be wrong with the process. How can this be right? This is on the south end of Lake Independence. The land in 2006 was \$290,000, for 2007 it was \$305,000 and for 2008 it is \$437,000. The land increased more than 30%. Jensen has all similar land values in this area priced at \$437,000 also.

Motion by Fisher, second by Betts to leave this value as is. All present voted aye. MOTION CARRIED.

Kevin Kask

3435 County Road 92

09-118-24-31-0003.

Mr. Kask stated that he was shocked at the 50% increase in his proposed taxes. He reviewed his complaint with the assessor. He has 60 yards of cattail to get through before reaching water, so he doesn't feel that he should be charged taxes for lakeshore property. Jensen agreed to reduce the value of \$665,000 to \$587,000, which is not satisfactory to Mr. Kask. A broker valued his house at \$525,000. A professional appraiser valued it at \$520,000. Mr. Kask stated his property was very over valued last year, so he's already paid too much in taxes.

Motion by Mayor Johnson, second by Fisher to approve the value that Jensen will place on the property after reviewing again. Aye: Mayor Johnson, Fisher, Betts, Strong. Nay: Gyllenblad. MOTION CARRIED.

Carroll Gabriel

2331 North Budd Street

24-118-24-21-0004.

Mr. Gabriel stated that the market value for the land was \$726,000 in 2007. In 2008 it is valued at \$1,400,000. So its value increased \$674,000 in one year according to Hennepin County. He compared his property to one very similar in Medina on Lake Independence, and it showed no increase. He noted that a similar property has been for sale for two years, and has not been sold. Mr. Gabriel has looked at tax records for many properties, and the values appear to be "all over the place." Mr. Gabriel wonders why the land values increase and the house values decrease. Mr. Jensen stated that this would be considered an under-developed property. If someone were to look at this property to purchase he would value the house at \$50,000 - in comparison to other properties on metropolitan lakes. The value of this property was based on what the property would sell for if it were split into two lots. This property is 12.16 acres when the road right-of-way is excluded.

Fisher stated that there is no way we can price this property on the basis that it COULD be subdivided. It should be priced at today's market value. Motion by Fisher, second by Gyllenblad to reduce Gabriel's value to last year's, showing no increase.

Albert Hammerlund

7565 Pioneer Creek Road

28-118-24-12-0001.

Mr. Hammerlund stated that he lives in the flood plain. His house was built in 1891, with a small addition and a couple of porches added. The property has not changed since 1976, yet the value keeps going up. He stated that he doesn't want to sell his land, so he doesn't care what it's worth if he were to sell it. Hammerlund stated that we are being taxed off our land. If budgets are affecting our property taxes so drastically it's time to look at budgets. Hammerlund's has 38.64 acres valued at \$123,000 for one acre and \$50,800 for the remaining acres and the house is valued at \$187,000 and the other buildings at \$24,000 for a total of \$384,800.

Jensen stated that sites for Ag Preserve and Green Acres have a market based value for one acre, which is a change from previous years. Mr. Hammerlund asked how a property can be valued at what it COULD be sold for. Mayor Johnson noted that most of the increase shows on the house and 1 acre of land. Mr. Jensen stated that Ag land generally increased in value approximately 15%.

Motion by Mayor Johnson, second by Fisher to reduce Ag land value of the one acre-building site to \$103,000. All present voted aye. MOTION CARRIED.

Ruth Clark

2365 Nelson Road

19-118-24-21-0006.

Ruth Clark stated that her property value went from \$208,000 to \$279,000, which is a 34% increase. She felt that was much too high. Her two neighbors each have 15 acres; she has 10 acres and the parcels are similar, and yet the land value is the same on all the parcels according to the assessor. She feels there is a big difference between 10 acres and 15 acres. She asked that three properties on Nelson Road which are similar to hers have their values decreased.

Motion by Fisher, second by Strong to reduce the land value from \$279,000 to \$230,000. All present voted aye.

Kenneth Nordin

5350 County Road 6

25-118-24-34-0009.

Mr. Jensen reported that he met with Mr. Nordin and they came to an agreement, so he no longer wishes his property to be reviewed.

Jeff Nistler

3315 Lake Sarah Road

10-118-24-32-0003.

Mr. Nistler stated that he has 10 acres, valued at \$579,000. For 2008 it will be valued at \$649,000, double what he considers the value, and a \$70,000 increase from last year. Mr. Jensen lowered the house valuation, dropping the value to \$571,000, (deferred for Green Acres.) Mr. Nistler feels that it is still at least \$100,000 too high. His concern is long-term: If he sells he will be paying back taxes on inflated land values. Mr. Jensen quoted some sales figures from the Ag area in Independence, and Mr. Nistler felt that those figures confirmed his belief that his property should be valued in the \$300,000 range. Fisher asked how taking \$100,000 off the deferred value affects his net taxes. Jensen said by reducing the house value he saves about \$1000.

Lynda Franklin

6615 Franklin Hills Road

15-118-24-11-0001

Mrs. Franklin is concerned about a 40-acre parcel that has continually gone up in value. The parcel is land-locked. Mr. Jensen reviewed the ASCS map and thinks an adjustment is in order. He would like to review his suggested changes with Mrs. Franklin before the Board reconvenes. She asked if the green acres deferment is considered a liability when one goes to sell the property. Jensen answered that yes, it is a bill for the last 3 years of taxes over and above the green acres portion. Mr. and Mrs. Franklin are concerned with the increases they are seeing, and the taxes that result.

Wyman Haberer

**Construction Systems
1889 County Road 90**

22-118-24-41-0006

Mr. Haberer stated that two years ago his property increased \$447,000. Last year they built a \$22,000 storage building, and this year the value went up \$335,000. He is in the process of putting up another building this year, and he's afraid what will happen next year. He has decided he will have to hire an expert to get comparable sales and bring them to the County because he can't afford the huge increases that are being imposed. Mr. Jensen stated he would like to get the county's commercial appraiser involved, who will contact Mr. Haberer.

Barbara Zachman

Copeland Road and Hitsman Lane

17-118-24-22-0004

Barbara Zachman stated that her son is living on the family property at 8725 Hitsman Lane. The house was built in 1929 and is in very poor shape. In 2005 the value went from \$290,000 to \$596,000, but the assessor agreed to lower the value to \$342,800. In 2006 it went to \$543,800 and in 2007 it went to \$571,000. For 2008 it increased to \$701,600. There was a 50-acre parcel nearby that sold for \$1,500,000. She has 19.55 acres. The farm land is \$26,000 per acre; 16 acres is tillable and 6.5 acres is wetland which is of no use or value. She would like the value reduced. Jensen noted that he shows different acreage amounts. He wants to look at this property again and will come back to the Board of Review with his recommendation, and will talk to Mrs. Zachman as well.

(Mayor Johnson reminded the group that any decisions that are not made tonight will be made when the Board reconvenes. He also stated that anyone not satisfied with the decision at the local Board of Review may go to the County Board of Review.)

Motion by Mayor Johnson, second by Fisher to have Hennepin County review the properties of Jeff Nistler, Lynda Franklin, Wyman Haberer and Barbara Zachman. All present voted aye. MOTION CARRIED.

Tom Young

2575 Nelson Road

18-118-24-34-0001

Mr. Young stated that since 1990 his property value has increase 451%. It increased 15.26% for 2008. The improvements over this period of time are limited to a 1-car garage addition in 2003. The house is a 1964 rambler. The lot is about 5 acres, with 50% swamp. He has about 2 acres of usable land. Jensen

stated that the house value increased \$1000 and the land increased from \$141,000 to \$189,000, based on Nelson Road sales over the last couple of years. Board members agreed that the land could be valued for less since so much of it is wetlands. Mr. Young had appraisals from two realtors that showed his property to be valued less than Hennepin County's valuation.

Motion by Johnson, second by Fisher to reduce the land value to \$165,000. All present voted aye.
MOTION CARRIED.

Mary Printy **6276 Drake Drive** **26-118-24-32-0002**

The neighbor sold his 30-acre piece to developers, which seems to have affected the value of her land, raising the value 71%. She has made no improvements, she has no desire to sell it, and a 71% increase on three 3 1/3-acre parcels (totaling 10 acres) in one year is unreasonable. In 2005 it was valued at \$63,600 and it almost doubled in 2006 to \$112,700. She has a total of 10 acres, with about 9 acres tillable. Mr. Jensen did not have field cards for this property so could not look at the values for the past several years.

Motion by Fisher, second by Betts to look at this property when the Board reconvenes. Fisher, Betts, Strong, Gyllenblad voted aye. Mayor Johnson abstained. MOTION CARRIED.

Tammy Wenz **1030 Marsh Ridge Circle** **25-118-24-31-0010**

Mrs. Wenz stated that her land value increased from \$266,000 to \$316,000. This is a 4.35 acre parcel. She wonders why hers is the highest value in her neighborhood. She noted that two considerably larger parcels are valued similarly to hers. She asked that her value be reviewed. Jensen stated that he used a base rate for her area in southeastern Independence. Jensen will review this property again.

1985 Copeland Road **19-118-24-41-0001**

This house was built in 1955. The Wenzes have renovated this, but they feel this is valued higher than it should be. Jensen will review this.

6150 Pagenkopf Road **14-118-24-34-0005**

This property value increased from \$173,000 to \$204,000 for 2.85 acres. The house is only 1600 square feet. Mr. Jensen will review this property.

Randy Kyrola **4725 Lake Sarah Heights Circle** **02-118-24-12-0008**

His property has gone from \$442,000 to \$593,000 to \$616,000. The limited value has increased 15% each year for the past three years, and he stated that these increases must stop, as he is absolutely getting taxed out of his house. There has been a 78% increase on his land values in the last two years. He asked that his value be reduced by \$100,000. His lot is less than an acre in size. Jensen stated that the land value increased from \$370,000 to \$390,000, a 5% increase. Mr. Kyrola said he understands that, but the year before he saw a 69% increase.

Motion by Fisher, second by Betts to reduce the land value from \$390,000 to \$370,000. All present voted aye. MOTION CARRIED.

Ed and Eleanor Kalash **5835 Lake Sarah Heights Drive** **02-118-24-12-0002**

Mr. and Mrs. Kalash's valuations went up \$11,000 in 2004, \$25,000 in 2005, \$135,000 in 2006 and \$26,000 in 2007. They felt that the increases were much too much. Their lakeshore is entirely filled with cattails and very muddy. 3.19 acres is dry land, and the remainder is wet. Two lots on Lake Sarah

Heights Drive sold last year, one for \$21,000 less than the appraised value and the other for \$132,000 less.

Motion by Betts, second by Strong to reduce the value from \$512,000 to \$486,000. The land would be valued at \$383,000. Gyllenblad felt that it is still too high, because the lake shore does not compare to others. Lance would like it reduced at least \$46,000. Motion withdrawn by Betts. Motion by Gyllenblad, second by Fisher to reduce the land value \$46,000 to \$313,000 All present voted aye. MOTION CARRIED.

Scott Bergerson **5825 Providence Curve** **14-118-24-43-0010**

Mr. Bergerson was not present.

Mike Loegering **5150 Sunset Lane** **01-118-24-13-0001**

Mr. Loegering was not present.

Kyle Newkirk **3520 County Road 90** **11-118-24-32-0004**

Mr. Newkirk was not present. Mr. Jensen will contact

Joe Avery **5715 Providence Curve** **14-118-24-44-0008**

Mr. Avery was not present. Motion by Betts, second by Mayor Johnson to have Mr. Jensen contact Messrs. Bergerson, Loegering, Newkirk and Avery. All present voted aye. MOTION CARRIED.

Jim Bull **7978 County Road 11** **04-118-24-33-0001**

His values went up about 63% this year, in the house. (The house was built in 1900, with no closets and a dirt floor basement, and it went from \$132,000 to \$358,000. There must be a mistake.) Last year the value was \$432,000 and this year it is \$683,000. Part of the land went from \$71,000 to \$106,000; the ag portion went down from \$149,000 to \$139,000. Mr. Bull does not understand this. He has 11.5 acres. Mr. Jensen would like to review this.

Jed Reed **7789 Pioneer Creek Road** **28-118-24-21-0003**

Mr. Jensen stated that he and Mrs. Reed will be meeting to talk about her property.

Mark Patterson **2635 Nelson Road** **18-118-24-31-0005**

Mr. Patterson stated that his valuation had increased from \$238,000 to \$274,000 last year and to \$325,000 this year. Mr. Jensen had spoken with Mark's dad and agreed to lower the value \$37,000. Mark still feels the value is too high. He realizes these figures are based on what properties were selling for a year ago. He has had appraisals from two top realtors in the area. They both stated they would not list the house for its appraised value. This is a 5-acre parcel. The outside has new siding and roofing, but the inside is very small and outdated.

Motion by Fisher, second by Betts to reduce the value by \$35,000 on the house. All present voted aye. MOTION CARRIED.

Steve Arneson **4585 South Lake Sarah Drive** **02-118-24-24-0016**

Mr. Arneson was not present.

Mr. Mika expressed his disappointment in being assessed \$69,000 for a deck improvement that cost him \$1800. Mr. Jensen could find no information for this, so he would like to review it. Mr. Mika also stated that he has a real concern for older people on fixed incomes, particularly, who are being faced with large tax increases. He thinks they won't be able to continue to live in Independence.

Motion by Fisher, second by Betts to review the properties of Tammy Wenz, Jim Boll, Jed Reed, Harvey Dalbec, John Mika and Steve Arneson when the Board of Review reconvenes. All present voted aye. MOTION CARRIED.

5. ADJOURN.

Motion by Betts, second by Fisher to recess and reconvene at 6:30 on May 22 before the regular council meeting. All present voted aye. MOTION CARRIED. Meeting adjourned at 11:15 p.m.

Respectfully submitted,

Mollie Little, Recording Secretary