

**MEDINA CITY COUNCIL LOCAL BOARD OF APPEAL AND EQUALIZATION MINUTES OF
APRIL 9, 2003**

The City Council of Medina, Minnesota met as the Local Board of Appeal and Equalization on April 9, 2003 at 7:12 p.m. in the City Hall Chambers. Jim Lane presided.

Members present: Workman, Lane, Zietlow (arrived at 7:39 p.m.), Brinkman (arrived at 7:12 p.m.)

Members absent: Smith

Also present: City Assessor Rolf Erickson; Mike Carroll, Rolf Erickson's Associate; Chris Bennett, Representative of the Hennepin County Assessor's Office; City Administrator Chad Adams.

Rolf Erickson provided an overview of the tax system. He stated that citizens should go to the County Board of Equalization if they do not agree with the City's decision. Rolf added that there were several more sales in the past year of \$2,000,000 plus homes. He also explained that his numbers are based on mass appraisals, not specific neighboring comparables.

Jim Lane provided an overview of how the meeting would be conducted. The Council would hear all requests first, then decide on each request at the end of the meeting.

Dan Ribnik, Twinco

Mr. Ribnik stated their building as being 66,424 sq.ft. Ribnik stated the need to compete with other buildings going to South Dakota and Nebraska that have less taxes. The valuation of the building site increased to \$1,982,000 from \$1,770,300. Agricultural lots were also briefly discussed. Ribnik does not believe the building would sell for \$1,982,000 and is requesting that it be reduced.

Rolf Erickson explained that the agricultural property is subject to a limited value, required by statute. He also clarified that the building site valuation increased because it is similar to others in the area, but formerly had a smaller valuation.

*Moved by Lane, seconded by Workman to reduce the value for the building site to \$1,850,000 from \$1,982,000.. Ayes: Lane, Workman, Brinkman. Zietlow abstained. **Motion carried.***

Note: Council action was taken on each request at the end of the meeting. In the minutes, action taken will follow each request.

Adams Pest Control

Property owner discussed that one parcel of approximately 33,000-sq. ft. increased to \$116,000 from \$26,100. Owner stated that land is poor to build on. He has no objections to increases on other lots. Owner explained that soil test was conducted on the lot in question. Owner felt that land is worth about \$40,000.

*Moved by Brinkman, seconded by Lane to reduce the value to \$50,000 from \$116,000. Ayes: Brinkman, Lane, Workman. Zietlow abstained. **Motion carried.***

James Martin

Martin explained that property is located in Foxberry Farms. He presented sale comparables of homes at \$520,000 in June 2002, \$860,000 in June 2002 (lakeside); \$519,000 in August 2002; \$842,000 in September 2002 (lakeside); \$544,000 and \$525,000 of homes about six to seven lots away.

Martin's valuation was \$489,000 in 1999, \$550,000 in 2002, and recent \$584,000.

Erickson stated that the average increase in city for all residential was 13.4% for off-lake and 21.2% for on-lake.

Workman stated that houses do not typically sell under their appraised values.

Martin added that recent sales in neighborhood are best evidence.

*Moved by Workman, seconded by Lane to take no action. Ayes: Workman, Lane, Brinkman. Zietlow abstained. **Motion carried.***

Darcie Malchow

Malchow explained that her valuation increased from \$311,000 to \$393,000, but was reduced to \$344,500 after discussing with assessors. The house is approximately 1100 sq. ft.

Malchow presented two appraisals, one from October 2002 at \$293,000 and the other from Caldwell Bankers at a range of \$296,000 to \$305,000. She also detailed that the lot is 9200 sq. ft and is not a lakeshore property. She requested a reduction to \$325,000.

*Moved by Workman, seconded by Lane to reduce value to \$325,000. **Motion passed unanimously.***

Tracy Otis

Otis provided an appraisal document to the Board. The appraisal was listed at \$282,500 and Otis would be comfortable with that assessment. The valuation was increased to \$301,000 from \$263,000. She stated the appraisal was conducted for re-financing.

Workman mentioned that appraisals are often conducted based on need. Erickson reminded the Board that appraisals include opinions.

*Moved by Workman, seconded by Zietlow to reduce value to \$290,000. **Motion passed unanimously.***

Dorothy Anderson/Les Rascob/Suzie Sween

First parcel discussed was approximately 1.8 acres. Owners stated, that with the highway setback, there is very little land left for development. Owners also referenced appraiser, who believed land was unbuildable.

Erickson stated that a written statement from a certified engineer, or someone comparable, would be needed to demonstrate that a lot is unbuildable.

The valuation increased to \$174,000 from \$46,000.

An estimated 6-acre parcel was also discussed. The valuation increased to \$219,000 from \$87,800.

*Moved by Workman, seconded by Zietlow to take no action. **Motion passed unanimously.***

Jim Leviton

Leviton explained that he lived at Independence Beach and has a non-lakeshore property. The valuation increased to \$297,000 from \$273,900. He disagrees that home values in Independence Beach could have gone up that much, and referenced a neighbor not being able to sell their home. No comparables were presented.

Erickson reminded the Board that he conducts mass appraisals, not comparables.

Leviton stated the home is unusual and will be difficult to sell. He believes his current valuation is more appropriate and that he can not sell the home for \$297,000.

*Moved by Brinkman, seconded by Zietlow to take no action. **Motion passed unanimously.***

Jim Andrews

Andrews explained that his valuation increased to \$899,600 from \$745,600. Prior years the valuation was at \$717,000, \$689,800, and \$652,000. He feels that this year's increase, for one year is excessive. He mentioned that the property does face the lake, and is a corner piece. Andrews requested the valuation be based on an 8% to 10% increase based on what he has been hearing from other cities and by reading in newspapers.

Erickson explained this property is not considered lakeshore. House is approximately 3800 sq. ft.

*Moved by Brinkman, seconded by Workman to reduce the value to \$850,000. **Motion passed unanimously.***

Robert Waag

Waag explained that the valuation was increased to \$347,000 and that recent appraisal came in at \$330,000. He requested the valuation to be at \$330,000. Last year's valuation was \$312,700.

*Moved by Workman, seconded by Lane to reduce the value to \$335,000. Ayes: Workman, Lane, Brinkman. Nays: Zietlow. **Motion carried.***

Pravin Parekh

Parekh explained that his property is located in Northridge Farms and that valuation increased to \$969,000 from \$842,000. He added that he has received large increases the past three years. He cited a November 2002 appraisal at \$850,000 from Wells Fargo, for the purpose of refinancing. House is 3578 sq. ft.

*Moved by Workman, seconded by Zietlow to reduce the value to \$926,000. **Motion passed unanimously.***

Jim Simons

Simons explained that estimated 10-acre vacant lot is located on Morgan Road. The valuation increased to \$516,800 from \$422,800 and \$335,100 the year before. Simons presented comparables of vacant lots in area that are valued at \$27,000, \$31,000 and \$22,000 per acre, and his is at \$49,000 per acre.

Erickson noted that this lot is an agricultural piece and there are not any good direct comparables available.

*Moved by Workman, seconded by Zietlow to reduce the value to \$475,000. **Motion passed unanimously.***

Doug Malikowski

Malikowski explained that his valuation increased to \$524,000 from \$451,700. He refinanced in October 2002, with an appraisal at \$480,000. He presented handouts to the Board for review. He added that 3 acres of the 10 acres is dry land, and is not sub-dividable. He feels that \$480,000 valuation would be fair.

*Moved by Workman, seconded by Brinkman to reduce the value to \$480,000. **Motion passed unanimously.***

Al Reckner

Reckner explained that he has experienced double-digit percentage increases the past number of years. The valuation increased to \$199,000 from \$181,000. He added that he is close to retirement and that taxes are hurting.

*Moved by Zietlow, seconded by Brinkman to take no action. **Motion passed unanimously.***

Jeff Evanson

Evanson explained that he lived on Willow Drive and that valuation increased to \$1,241,000 from \$909,400, and \$830,000 and \$611,000 the years before. He added that the house was purchased in 2000 for \$915,000. He believes value should be \$950,000 and there are a lot of comparables in neighborhood.

*Moved by Workman, seconded by Brinkman to reduce the value to \$1,050,000. **Motion passed unanimously.***

Richard Stout

Stout explained that his valuation increased to \$222,000 from \$196,300.

Erickson discussed the limited market values and that it will be phased out in 2006.

Stout stated that valuations are moving working people out of Medina and he has lived here since 1997. He mentioned comparables of \$205,000 and \$229,000. Stout requested an increase of \$211,000 and stated that no improvements have been made.

*Moved by Workman, seconded by Brinkman to reduce the value to \$211,000. **Motion passed unanimously.***

Bill Cavanaugh

Cavanaugh presented written materials to the Board and discussion was held to clarify numbers.

*Moved by Zietlow, seconded by Brinkman to take no action. **Motion passed unanimously.***

Galen Bruer - written document

Discussion was held that County may be more suitable to address the circumstances affecting this property.

Moved by Zietlow, seconded by Brinkman to take no action. Motion passed unanimously.

Farmers State Bank of Hamel - written document

The Board reviewed the written document. Two lots are in question, one being the bank, the second being an adjacent lot to the bank.

*Moved by Workman, seconded by Brinkman to reduce the bank property value to \$435,000 from \$513,000 and to take no action on the adjacent lot at 135 Hamel Road. **Motion passed unanimously.***

Richard Townshend - written document

The Board reviewed the written document. A note was made that appraisal was listed at \$935,000.

*Moved by Workman, seconded by Zietlow to take no action. **Motion passed unanimously.***

Susan Witcraft - written document

The Board reviewed the written document. Property is in Northridge Farms and increased to \$800,000 from \$690,000. Request made for \$630,000 to \$650,000.

*Moved by Workman, seconded by Zietlow to reduce the value to \$750,000. **Motion passed unanimously.***

*Moved by Lane, seconded by Brinkman to adjourn at 10:23 p.m. **Motion passed unanimously.***

Philip K. Zietlow, Mayor

Attest:

Chad M. Adams, City Administrator