

**BIG LAKE CITY COUNCIL  
BOARD OF APPEAL AND EQUALIZATION MEETING MINUTES  
APRIL 7, 2010**

**1) CALL TO ORDER**

Mayor Lori Kampa called the meeting to order at 5:00 p.m.

**2) ROLL CALL**

Council Members present: Dick Backlund, Raeanne Danielowski, Chuck Heitz, Lori Kampa, and Duane Langsdorf. Also present: City Administrator Scott Johnson, Finance Director Corey Boyer, Police Chief Sean Rifenerick, City Clerk Gina Wolbeck, Sherburne County Assessor Gerald Kritzeck and Assessor's Office staff.

**3) ADOPT PROPOSED AGENDA**

Council Member Langsdorf motioned to adopt the proposed Agenda as presented. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

**4) BUSINESS**

**4A) Board of Review**

Gerald Kritzeck addressed Council with the 2010 Board of Review requirements. Kritzeck reviewed the standards used when figuring increases and/or decreases in valuations. Kritzeck noted that State law mandates the assessor to value property at market value and classify it according to its use as of January 2<sup>nd</sup> of the assessment year. The timeline of the assessment allows for an appeals process and the compilation of tax capacities which are then reported to the Auditor/Treasurer and used to calculate taxes for the following year. The current 2010 Notification of Valuation and Classification statement reflects market values determined as of the January 2, 2010 assessment date which uses statistical data compiled from actual real property sales occurring from October 1, 2008 through September 30, 2009. The residential real estate market is being influenced by extreme economic factors, including foreclosures that have not been seen in recent history. The County's valuation is a snapshot in time, and during periods in which real estate prices are rapidly changing, mass appraisal assessment values will often lag from what is occurring in the current marketplace. Kritzeck noted the importance that values of similar properties are equalized with one another so that even in challenging markets, valuations of similar properties will be treated fairly in the taxation process. Kritzeck identified that the

Assessor's Office reassessed 635 parcels for the 2010 tax year. Kritzeck explained that the building schedule for the 2010 assessment year was lowered by 5% for residential structures excluding lakeshore properties, 30% for residential land value excluding lakeshore properties, and 2% for commercial/industrial properties. Kritzeck also noted that 11.5% of the property owners contacted refused entry or failed to respond and that those properties of homeowners who failed to respond were increased by an additional 50% of the current building value. John Cullen reviewed the commercial/industrial valuations and noted the large quantity of vacant commercial buildings in the County. Council questioned why lakeshore properties were not reduced. County staff explained that valuation was determined by an interpretation of the sales study. Carla Abrahamson indicated that lakeshore sales were at 85% of comparable sales.

Justin Boie; 20452 Junegrass Drive – Questioned why the county disregards 72% of sales that consist of foreclosures, sheriff sales, and short sales. Kritzeck explained that those sales do not meet the arms length transaction criteria of a buyer/seller sale, and that it is the interpretation of the Department of Revenue that foreclosure types of sales do not qualify as "good" sales. It was also noted that fee appraisals are not held to the same statute regulations as the Assessor's Office is so their figures tend to reflect foreclosure types of sales.

Daniel Myers; 1673 Grace Drive – Stated that he disagrees with Kritzeck's response, and feels the Assessor's Office is making up their own rules. Kritzeck reiterated that their valuation process is regulated by the interpretation of the Department of Revenue.

Mayor Kampa invited residents to approach the podium to discuss their grievances regarding the valuation on their properties.

1. **(65-548-0220); Michael Kehn, 20799 Pacific Street**

Michael Kehn addressed Council to appeal the Estimated Market Value placed on his home that he paid \$246,000 for in the Hidden Rivers Development. The EMV for 2010 was \$281,400 and was lowered to \$267,800 for 2011. Kehn noted that he feels the EMV is grossly overestimated and that his property is not equalized compared to other housing in Big Lake. Kehn requested that Council consider a valuation more reflective of the actual purchase price. Abramson reviewed that the property was a new construction foreclosure when it was purchased by Kehn, and that a new deck was built in 2009 which affects the valuation by \$7,100.

Council Member Heitz motioned to reduce the 2011 Estimated Market Value for the property located at 20799 Pacific Street from \$267,800 to \$253,100 with the difference to be split equally between land and structure values. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

2. **(65-519-0115); Daniel Myers**, 1673 Grace Drive

Daniel Myers addressed the Board to contest the valuation of his property and informed Council that he won a ruling in tax court relating to the valuation on his property for the 2008 tax year. He asked Council to reflect this valuation for subsequent years. Abramson noted that a comparable comp sale in 2009 is in line with the County's EMV on Myers' property. Council reviewed the square footage of the property and discussed valuations of neighboring properties.

Council Member Heitz motioned to reduce the Estimated Market Value for the property located at 1673 Grace Drive by \$15,000 to be split equally between land and structure values totaling a 2011 EMV of \$211,900. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

3. **(65-528-0020); Dennis Wold**, 19805 172<sup>nd</sup> Street

Dennis Wold addressed Council to appeal the Estimated Market Value placed on the vacant parcel of land located adjacent to his residential property. Wold noted that the lot was a trade with the developer of the Marketplace Development and had been told that he would be able to combine the vacant land with his larger residential parcel. Wold also informed Council that the lot is not a buildable lot and is not being used for commercial purposes at this time. John Cullen recommended that the classification be changed from Commercial to Residential and that the valuation be lowered to \$1.25 per square foot.

Council Member Danielowski motioned to change the classification for parcel no. 65-528-0020 from commercial to residential and to lower the valuation to \$1.25 per square foot. Seconded by Council Member Backlund, unanimous ayes, motion carried.

4. **(65-537-0154); Justin Boie**, 20452 Junegrass Drive

Justin Boie addressed Council to appeal the Estimated Market Value placed on his home located in the Prairie Meadows Development. Boie stated that he feels it is unfair to expect homeowners to pay taxes on an amount they didn't purchase. He purchased his property in April 2009 for \$150,000. The 2011 EMV is \$172,700. Boie requested that Council consider a valuation more reflective of the actual purchase price. Abramson informed Council that the property was a foreclosure when it was purchased by Boie. Boie reviewed comparable sales which were also foreclosed properties.

Council Member Heitz motioned to reduce the 2011 Estimated Market Value for the property located at 20452 Junegrass Drive from \$172,700 to \$161,350 with the difference to be split equally between land and structure values. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

**5. (65-538-0105); Cobblestone Development**

Assessor's staff informed Council that a written appeal had been submitted by Cobblestone Development for parcel no. 65-538-0105. Cullen indicated that the EMV is based upon development potential. Council questioned why the amount per square foot appeared to be substantially higher than commercial lots at the same intersection. Corey Boyer noted that Ron Klindworth had discussed his wishes to be valued comparably to other vacant commercial properties.

Council Member Danielowski motioned to reduce the 2011 Estimated Market Value for parcel no. 65-538-0105 to \$3.91 per square foot. Seconded by Council Member Backlund unanimous ayes, motion carried.

The Assessor's staff also reviewed residential property valuation changes to the 2010 Assessment for arbitrary reassessment properties that have been reevaluated after the Notices of Valuation and Classification were mailed out. The Assessor's Office is proposing an Estimated Market Value for Parcel #65-493-0608 in the amount of \$153,800, an Estimated Market Value for Parcel #65-021-3130 in the amount of \$119,200, an Estimated Market Value for Parcel #65-030-2218 in the amount of \$173,800, an Estimated Market Value for Parcel #65-507-0310 in the amount of \$132,900, an Estimated Market Value for Parcel #65-493-0216 in the amount of \$142,000, an Estimated Market Value for Parcel #65-433-0120 in the amount of \$115,900, an Estimated Market Value for Parcel #65-493-0214 in the amount of \$145,000, an Estimated Market Value for Parcel #65-515-0504 in the amount of \$154,500, an Estimated Market Value for Parcel #65-430-0350 in the amount of \$150,200, an Estimated Market Value for Parcel #65-424-0330 in the amount of \$118,700, an Estimated Market Value for Parcel #65-493-0402 in the amount of \$129,900, an Estimated Market Value for Parcel #65-511-0424 in the amount of \$168,900, and an Estimated Market Value for Parcel #65-513-0105 in the amount of \$199,800. Staff also identified a valuation change relating to reassessment of a foreclosed property. The Assessor's Office is recommending an Estimated Market Value for Parcel #65-421-0134 in the amount of \$114,600.

Council Member Heitz motioned to approve assessment valuation changes to the residential parcels identified as discussed. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

**5) ADJOURN**

Council Member Heitz motioned to adjourn at 6:30 p.m. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

Gina Wolbeck  
Clerk

04/14/10  
Date Approved by Council