

Greenwood City Council as Board of Appeal and Equalization
Thursday, April 11, 2013 - 6:00 PM
Council Chambers 20225 Cottagewood Road Deephaven, MN 55331

MINUTES

1. Call to Order/Roll Call/Approval of Agenda

Mayor Kind called the meeting to order at 6:00 PM

Councilmembers present: Cook, Kind, Fletcher, and Roy

Councilmembers absent: Quam

Staff present: Clerk Karpas

Hennepin County Assessors: Melissa Potter and Rob Winge

Councilmember Roy moved to approve the agenda. Second by Councilmember Fletcher.
Motion carried 4-0.

2. Hear Resident Property Valuation Appeals

Mayor Kind reviewed the appeals process. She said there were a number of appeals before the Board of Review.

- a. Jake Strothman, 4636 Linwood Road submitted his appeal in writing. He raised concerns about the amount of lake frontage attributed to his property and the formula used by the county which gave the property an additional ten feet of frontage that did not exist. Rob Winge, Hennepin County, said the lake frontage was determined using the effective lake frontage formula. Councilmember Fletcher asked if that was an average of the road frontage and lake frontage. Mr. Winge drew a diagram showing how effective lake frontage was obtained and explained how a property with less lake frontage can be valued greater than one with more frontage due to a larger building pad. He said this frontage is measured at the building line and that this method is applied uniformly across the entire lake. Melissa Potter, Hennepin County, said they were still working with Mr. Strothman. Mr. Winge added if they had to make a recommendation today, they would recommend no change, but they are still working with him.
- b. John Musgjerd, 5145 Curve Street, submitted an appeal in writing outlining his argument for a reduction based on the reductions in his neighborhood. Even though he's received reductions, his have not been at the same percentage as the other homes. Mayor Kind said she conducted her own research, since she lives next door to Mr. Musgjerd, and said it appears he is correct. She noted he did build a garage addition which could account for some of the disparity. She said that Mr. Musgjerd did get a reduction from the board in the past. Ms. Potter said she was not prepared to speak about the previous years' reductions, but said he did receive a reduction last year that the other properties did not receive which they are receiving this year. If he's been getting annual reductions from the Board, his reductions may be coming a year prior to the rest of the neighborhoods.
- c. Robert and Maureen Burns, 5080 Meadville Street. Robert Burns presented an appeal based on a recent property valuation search on the internet showing a lower valuation than the assessed valuation for their property. Ms. Potter noted the valuation being used by the Burns was based on the previous year's assessment and the property has actually been assessed at a value lower than the valuation shown on the website visited by the Burns.
- d. Frank and Suzanne Brixius, 21720 Fairview Street, submitted their appeal in writing. Their concern was that the value of the house was increased by \$200,000. Ms. Potter said she has tried to contact the Brixius' and have not heard back from them. She said she would have to see the house and has nothing to report at this time.

- e. Kevin and Amy Connors, 21650 Fairview Street. Amy Connors said she and her husband purchased the property in September without seeing the property or comparing it with any comparables in the area. She believes she and her husband paid too much for the property. She noted the price paid for the property included a number of items above and beyond the land and the home including a boat, a dock system and furniture. She said the current assessment of the property was made without this knowledge. Ms. Potter said there was no personal property indicated on the sale, if there is some documentation of the amount it will be subtracted. Councilmember Cook asked if a reduction would ripple throughout the neighborhood since this sale was used to assess other properties. Mr. Winge said they, as Assessors, don't have the authority to do so, but the Board does. Mayor Kind stated that the Board has the power to make a street-wide adjustments, but asked whether the assessor needed to physically get inside the homes. Mr. Winge said the board can make market-based adjustments to a street without the assessor viewing the inside of the homes, but suggested that the board may want to notify those involved because some people may not want their land value lowered.
- f. Kam Talebi, 5560 Maple Heights Road. Mr. Talebi said he paid \$1,875,000 for the property and an additional \$200,000 for some furniture and stone. He said the property is very unique and they've been trying to figure out what to do with it. He was hoping the value would be based on the purchase price and increased as the property is developed. Mayor Kind asked if the purchase price included both the island and the property on the mainland. Mr. Talebi said it did. Ms. Potter said she would like to view both structures to get a better idea of their condition.
- g. Jason and Amy Spaeth, 21700 Fairview Street. They submitted a letter indicating they felt their double digit increase was too much. Ms. Potter said they are still reviewing this property.
- h. David and Susan Walsh, 21630 Fairview Street. Concerned their land value is too high. Ms. Potter would like to visit the property.
- i. Paul Boedecker, 21925 Byron Circle, contacted Ms. Potter with a concern about his value in comparison with the neighboring properties. Mayor Kind said it looks like he went down more than his neighbors. Ms. Potter said Mr. Boedecker is looking at value, not percentage. She said she has scheduled a meeting with him.
- j. Tom Warner, 21710 Fairview Street, said he would like to meet with Ms. Potter. He would like her to take a look at his house which is one of the oldest on Lake Minnetonka.
- k. Jeff Svendson, 5050 Kings Court. Ms. Potter said Mr. Svendson's concern was the overall valuation of the land and building. She met with the property owner and has yet to get back to him and let him know that she has reduced the building from \$237,000 to \$198,000.
- l. Councilmember Fletcher asked about the process since he was under the impression that this was the meeting to make your appeal and that the second meeting is when the assessors come back with their recommendation. He questioned whether those appealing would have an opportunity to speak at the April 26th meeting. Councilmember Rose felt they should be able to. Ms. Potter said it was up to the Council serving as the board of appeal.

Mayor Kind asked if the assessors would follow up with those appealing to gain access prior to the next meeting. Ms. Potter said she would follow up and if they aren't able to gain access, they would recommend no change but that doesn't prohibit them from going on to the County Board. Mayor Kind clarified that according to law, the local board cannot make a change

benefiting a property owner who refuses access to the assessor. So if Ms. Potter and the property owners are unable to find a time for her to review their homes, the local board cannot take any action.

Jeannie Bowers-Stead, 21600 Fairview Street, commented the use of the effective foot frontage negatively impacts her property and said the Board does have the authority to lower the valuation in a neighborhood provided they do not exceed the one percent threshold. She feels the lakeshore value on Fairview Street is too high and said when people purchase property above what they're worth, the rest of the neighborhood should not be penalized.

Councilmember Fletcher asked if the two recent sales drove the value increases. Ms. Potter said they did along with a sale from the previous year. She said the sale of 21580 Fairview Street at \$1,850,000 was viewed as a vacant lot since the home was immediately demolished. This gave the impression the land had that value. Ms. Bowers-Stead said that depends on who the buyer is, noting someone may have bought the property and kept the home as it was.

Councilmember Fletcher discussed the different in the per foot valuation between Fairview and Meadville Street lakeshore and questioned whether there was that much difference between the quality of the lakeshore. Ms. Potter said the increase on Fairview Street was based on equalization due to sales. She said pending sales are pointing to increases in valuations next year so if the Board were to do a unilateral decrease this year, next year's increase would seem even higher. She noted the ratio used by the County for increases is set by the Department of Commerce. Ms. Bowers-Stead said that assessing used to be done based on the lot and what existed on the property, now it's so subjective on what people may be willing to pay for the property.

3. Recess

Councilmember Cook moved to recess the Board of Review to April 25 at 6 p.m. Second by Councilmember Roy. Motion carried 4-0. The Board adjourned at 7:13 p.m.

Respectfully submitted,

Gus E. Karpas
Greenwood City Clerk