

Greenwood City Council as Local Board of Appeal and Equalization

Thursday, April 25, 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, Quam and Roy

Councilmembers absent: None

Staff present: Clerk Karpas

Hennepin County Assessors: Melissa Potter and Rob Winge

Councilmember Fletcher moved to approve the agenda subject to an amendment that properties along Fairview Street and Linwood Road be placed at the end of the agenda to permit a more detailed discussion regarding land valuation. Second by Mayor Kind. Motion carried 5-0.

2. Hear Resident Property Valuation Appeals

Mayor Kind reviewed the appeals process.

John Musgjerd, 5145 Curve Street, submitted an appeal in writing outlining his argument for a reduction based on the reductions in his neighborhood. Melissa Potter, Hennepin County, said the original assessment assessed the land at \$608,000 and the improvements at \$252,000 for a total valuation of \$860,000. After reviewing the appeal she determined that no change was warranted since the actual valuation reduction on the property has been 34.7% due to local board action since 2008. She said Mr. Musgjerd has received a Board reduction twelve times in the last fifteen years. His 2013 valuation is seeking to equalize with the valuations of the neighbors.

John Musgjerd said the reduction on the property last year was due to the loss of two trees on the lakeside of his property. He said he brought the value of those trees to the Board for a reduction on his value. The assessors disagree that trees add value and said his reduction was less than his neighbors' this year due to the increased reduction granted by the Board last year. He said the assessor can't use a previous year's reduction for setting the next year's valuation. He said he comes before the Board every year because he's not being treated equal to his neighbors. Councilmember Quam asked if Mr. Musgjerd disagreed with the reduction percentages submitted by the County. Mr. Musgjerd said he hasn't had time to review them, but said other numbers have shown a different result using other criteria. Mayor Kind noted the spreadsheet she provided at the previous meeting showed the valuation before the Board's changes. Mr. Musgjerd also noted a lake lot on Queen's Circle that does not pay taxes.

Councilmember Fletcher said he made the motion last year to reduce Mr. Musgjerd's valuation, not because of the trees, rather he felt the area had not seen enough reduction when compared to the rest of the city and only Mr. Musgjerd had appealed. He said the Board was unaware it could have made a blanket approval last year to reduce the property value in a targeted area or it may have done that.

Councilmember Roy asked how the County views identical lots with and without trees. Rob Winge, Hennepin County, said it is extremely difficult to quantify the value of trees to a potential buyer so the lots are viewed the same. He said in regards to the lot on Queen's

Circle, it is in common ownership and all the properties on King's Court are assessed as part of their individual lots for the value of that lot. Mr. Musgjerd does not believe if those taxed taken together would equal the market value of that property if it were deemed a buildable vacant lot.

Councilmember Cook said he has some concerns about valuations in other areas of the city and questioned whether reductions could be made even if people don't attend the meeting. Mayor Kind said the Board can make reductions for people who do not attend the meeting, but didn't know that last year. Cook asked Councilmember Fletcher if his opinion was the same about Curve Street being overvalued this year as he thought last year. Fletcher feels the assessor has "caught up" this year with the reductions in the neighborhood. Mayor Kind noted the average reduction in the neighborhood was more than the average reduction in the city.

Councilmember Cook moved that no change be made to the valuation of 5145 Curve Street and that the overall assessed value of \$860,000 remain. The valuation is based on a land valuation of \$608,000 and an improvement (building) valuation of \$252,000. Second by Fletcher. Motion carried 4-1. Mayor Kind voted nay.

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. Melissa Potter said the assessment of the land is at \$1,420,000 and the improvements at \$18,000 for a total valuation of \$1,438,000. After reviewing the appeal it was determined that no change was warranted since the information presented to the Board was outdated and the valuation amount indicated on his personal research was greater than the assessed value.

Bob Burns discussed the size of his lot and said, based on the valuation of the County, his lot is worth \$96 a square foot. He said a lot that sold down the street this past year sold for approximately \$43 a square foot. He also questioned the lot area listed for his property on the county's website which shows it much larger than its actual size. He asked how that impacted his valuation. Councilmember Quam asked if the lot that recently sold was similar to Mr. Burns' in terms of dimensions and size. Mr. Burns said it was, but unlike that lot, his lot cannot have a basement due to its topography.

Councilmember Cook asked about the lake frontage. Mr. Burns said he has about 110' of frontage. Councilmember Fletcher asked about the Excelsior Bay lakeshore reductions and noted the assessor did not carry those all the way along Meadville Street. Ms. Potter said he was correct. Mr. Burns asked why the burden fell on him to prove his lot area since it's always been the same since the day he bought it. Mr. Winge said the field card used by the assessor for valuation purposes lists the property as just over 14,000 square feet, so he doesn't know why the computer system is wrong, but they can make sure that gets change. He stated that the lot square footage is not used to determine land value.

Mr. Burns discussed the recent sale of the property on Meadville noting it sold well below the valuation of his property, though it is larger than his. He feels that should be reflected in the valuation of the neighborhood.

Councilmember Cook moved to reduce the valuation of 5080 Meadville by \$110,000 to an overall assessed value of \$1,328,000. The valuation is based on a land valuation of \$1,310,000 and a structure valuation of \$18,000. Second by Quam. Motion carried 4-1. Fletcher voted nay.

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. Melissa Potter said the original assessment assessed the land value of the island and the landward lot a total of \$2,361,000 and \$110,000 for the improvements on both properties for a total valuation of \$2,471,000. After reviewing the appeal it was determined that no change was warranted for the improvements on both properties, but the land value for the landward parcel would be reduced by \$206,000, from \$861,000 to \$665,000 and the valuation for the island reduced by \$390,000, from \$1,500,000 to \$1,110,000. The change in land valuation was warranted because it reflected the actual value paid for the property.

Councilmember Fletcher asked how the valuation of the personal property was attained. Ms. Potter said it was based on the certificate of sale and what the property owner said. Fletcher asked if there would have been a difference in valuation if the sale would have been a bank sale. Rob Winge said probably not since the property is so unique and its longevity on the market, the belief is the sale of the property was the best indication of its market value.

Councilmember Cook asked about the lake frontage for the island. Ms. Potter said the number is not known for the island, but the mainland has a frontage of 115'. Cook said he's trouble there is a system in place to determine a valuation for property based on lake frontage then we have a property we don't include in that system because it would be too expensive.

Councilmember Fletcher moved to reduce the valuation of PID 35-117-23 11 0092 to an overall assessed value of \$665,000. The valuation is based on a land valuation of \$655,000 and a structure valuation of \$10,000. Second by Quam. Motion carried 5-0.

Councilmember Fletcher moved to amend the valuation of PID 35-117-23 12 0001 to an overall assessed value of \$1,400,000. The valuation is based on a land valuation of \$1,300,000 and a structure valuation of \$100,000. Second by Roy. Motion carried 4-1. Cook voted nay.

Paul Boedecker, 21925 Byron Circle, contacted Ms. Potter with a concern about his value in comparison with the neighboring properties. The original assessment assessed the land at \$600,000 and the improvements at \$511,000 for a total valuation of \$1,111,000. After reviewing the appeal Ms. Potter recommended a reduction of \$80,000 on the land and \$68,000 on the structure.

Councilmember Cook moved to reduce the valuation of 21925 Byron Circle to an overall assessed value of \$963,000. The valuation is based on a land valuation of \$520,000 and a structure valuation of \$443,000. Second by Roy. Motion carried 5-0.

Jeff Svendson, 5050 Kings Court. Ms. Potter said Mr. Svendson's concern was the overall valuation of the land and building. After reviewing the appeal it was determined that a reduction of \$39,000 on the structure was warranted.

Councilmember Roy moved to reduce the valuation of 5050 Kings Court to an overall assessed value of 450,000. The valuation is based on a land valuation of \$252,000 and a structure valuation of \$198,000. Second by Quam. Motion carried 5-0.

The Board determined that action on the remaining properties would be limited to structures only since the Board will be discussing an overall reduction in land valuation in the neighborhood.

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. Melissa Potter said the original assessment assessed the land at \$1,211,000 and the improvements at \$277,000 for a total valuation of \$1,488,000. After reviewing the appeal she recommended no change. Ms. Potter said that an agreement could not be reached with Mr. Strothman.

The Board took no action since the Board was going to review a blanket action on property valuation which included his property later in the proceedings.

Frank and Suzanne Brixius, 21720 Fairview Street, submitted their appeal in writing. Their concern was that the value of their property was increased by \$200,000. Ms. Potter said the original assessment assessed the land at \$2,616,000 and the improvements at \$125,000 for a total valuation of \$2,741,000. After reviewing the appeal she recommended a reduction of \$55,000 on the structure.

Councilmember Quam moved to reduce the structure valuation by \$55,000 at 21720 Fairview Street to an overall assessed structure value of \$70,000. Second by Cook. Motion carried 5-0.

Jason and Amy Spaeth, 21700 Fairview Street. The Spaeth's submitted a letter indicating they felt their double-digit increase was too much. Ms. Potter said the original assessment assessed the land at \$1,495,000 and the improvements at \$1,213,000 for a total valuation of \$2,708,000. After reviewing the appeal Ms. Potter recommended a reduction of \$388,000 on the structure since the home did not have the attributes one would expect in a structure valued at 1.2 million dollars.

Councilmember Quam moved to reduce the structure valuation by \$388,000 at 21700 Fairview Street to an overall assessed structure value of \$825,000. Second by Cook. Motion carried 5-0.

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. Ms. Potter said the original assessment assessed the land at \$1,918,000 and the improvements at \$96,000 for a total valuation of \$2,014,000. After reviewing the appeal she recommended a a reduction of \$46,000 on the structure.

Councilmember Quam moved to reduce the structure valuation by \$46,000 at 21710 Fairview Street to an overall assessed structure value of \$50,000. Second by Fletcher. Motion carried 4-1. Roy voted nay.

Councilmember Cook discussed reductions based on characteristics the assessors didn't anticipate existed, he hoping those aren't actually discounts given based on whether the home is viewed as a teardown. He said if valuations for potential teardowns are given, the city would be in trouble given its current housing stock.

David and Susan Walsh, 21630 Fairview Street submitted a letter stating their land value is too high. The original assessment assessed the land at \$1,157,000 and the improvements at \$242,000 for a total valuation of \$1,399,000. Ms. Potter said she was not able to view the Walsh's home prior to the reconvene. Because of this, the Walsh's would not qualify for any Local Board reduction, including any blanket property reduction.

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. Ms. Potter said the original assessment assessed the land at \$1,157,000 and the improvements at \$285,000 for a total valuation of \$1,442,000. After reviewing the appeal she recommended no change.

Blanket Reduction for Fairview and Linwood. The Council discussed a blanket reduction on the Lakeshore properties on Fairview Street and Linwood Road and whether it could be done within the Board's legal reduction limit. Councilmember Cook said his prior motion for a reduction on the Burns property was a \$1,000 reduction based on the first fifty feet of lakeshore, he would like to do the same for the Fairview properties and wondered if that would fall within the legal limits. Mayor Kind inserted the numbers into a spreadsheet including the previous reductions and said it could be done.

Councilmember Cook moved the Board reduce the per-foot cost from \$16,500 to \$15,500 for the first fifty feet of lakeshore for properties located on Fairview Street. Second by Kind. Motion carried 5-0.

Councilmember Fletcher asked if a letter was sent out to impacted property owners to see if they supported this action? Mayor Kind said the Board discussed sending a notice out, but never directed staff to do so.

Ms. Potter said the Board has to make an individual motion on each property, based on its PID, for the reduction it just approved.

Mayor Kind moved to set the land value for PID number 26-117-23 11 0060 at \$1,165,000, the building value at \$277,000 for a total valuation of \$1,442,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 12 0003 at \$1,353,800, the building value at \$182,000 for a total valuation of \$1,535,800. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 12 0004 at \$1,372,500, the building value at \$682,000 for a total valuation of \$2,054,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 12 0005 at \$962,500, the building value at \$0 for a total valuation of \$962,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 12 0006 at \$997,500, the building value at \$384,000 for a total valuation of \$1,381,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 12 0020 at \$1,221,300, the building value at \$326,000 for a total valuation of \$1,547,300. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 12 0022 at \$285,000, the building value at \$0 for a total valuation of \$285,000. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 13 0005 at \$855,000, the building value at \$15,000 for a total valuation of \$870,000. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 13 0010 at \$1,625,000, the building value at \$38,000 for a total valuation of \$1,663,000. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 13 0011 at \$58,100, the building value at \$0 for a total valuation of \$58,100. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 13 0075 at \$1,087,500, the building value at \$485,000 for a total valuation of \$1,572,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 13 0076 at \$1,642,500, the building value at \$798,000 for a total valuation of \$2,440,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 13 0077 at \$1,822,500, the building value at \$1,044,000 for a total valuation of \$2,866,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 13 0078 at \$1,822,500, the building value at \$362,000 for a total valuation of \$2,184,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 24 0010 at \$1,430,000, the building value at \$825,000 for a total valuation of \$2,255,000. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 24 0011 at \$806,000, the building value at \$110,000 for a total valuation of \$916,000. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 24 0012 at \$1,176,500, the building value at \$205,000 for a total valuation of \$1,381,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 24 0013 at \$1,092,000, the building value at \$245,000 for a total valuation of \$1,337,000. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 24 0015 at \$1,121,300, the building value at \$18,000 for a total valuation of \$1,139,300. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 24 0023 at \$1,852,500, the building value at \$50,000 for a total valuation of \$1,902,500. Second by Cook. Motion carried 5-0.

Mayor Kind moved to set the land value for PID number 26-117-23 24 0024 at \$2,558,800, the building value at \$70,000 for a total valuation of \$2,628,800. Second by Cook. Motion carried 5-0.

Councilmember Fletcher discussed whether it would be appropriate to reconvene the Board one last time to verify the reductions approved tonight were within the legal limits. Rob Winge said the Board has twenty days to conclude business from their first meeting which was April 11, so it would have to meet by April 30. Melissa Potter said she would not be available on that date. The Council was not supportive of scheduling another Board meeting.

1. Adjourn

Councilmember Quam moved to adjourn the Board of Review. Second by Councilmember Roy. Motion carried 4-1. Councilmember Fletcher voted nay. The Board adjourned at 7:50 p.m.

Respectfully submitted,

Gus E. Karpas
Greenwood City Clerk