

Minutes of the City of Marshall Local Board of Appeal and Equalization  
5:30 p.m. – April 20, 2010

Council Members Present: Byrnes, Boedigheimer, Ritter, Doom, Reynolds, Sanow, Hulsizer

Council Members Absent: None

Staff Present: L Sandvik, C Snyder, D Huber, B Martig, T Meulebroeck

Others Present: Dean Champine, Lyon County Assessor's Office

The 2010 City of Marshall Local Board of Appeal and Equalization was called to order at 5:30 p.m. by Mayor Byrnes in the Professional Development Room at the Marshall Middle School. Byrnes outlined the purpose of the meeting, which was to review the January 2, 2010 valuations, not taxes. The meeting was then turned over to City Assessor Sandvik.

Sandvik reviewed the assessment process and other background information for the 2010 assessment. At the conclusion of the presentation, there were no questions from the board. There were no general questions from the audience. The Mayor requested the members of the audience to state their name, address, property address, and their concern.

Sandvik indicated a letter had been received by the Assessor's office from Don Popowski, Viking Coca-Cola Bottling Company (Parcel Number 27-604124-0) regarding their value increase. A copy of the letter was given to the Board members.

Marshall Residential Properties, LLC - Al Greig – Norm Gregerson – 304 North 3<sup>rd</sup> Street, and 614 West Lyon Street Both properties are four unit apartments. Gregerson commented on the sales analyzed to determine if an increase in apartments was necessary. 1006 Dano is on a circle, near the cemetery, built in 1993, great neighborhood and very nice. Only thing in common with their properties is the number of units. 1230 Birch Street – newer, built in 1988. 300 Walnut Street – Built in 1918-193 – 85 years old same as theirs. Has a 94.67% ratio which is the only sale they consider acceptable.

Sandvik handed out a listing of apartment sales for the last five years which were also used to determine the apartment increase.

Gregerson indicated the sales at 209 North 3<sup>rd</sup> Street, 309 West Redwood Street, and 305 West Redwood Street on the five year list were purchased by Schwan's and cannot be considered arms length sales. These properties have not been rented since their purchase, therefore they are not valid. Also the economy is down now.

Stephen Klein – 1501 East Lyon Street – Walnut Grove Mercantile. Mr. Klein was concerned with the value increase. He has visited with area appraisers and real estate people. There are a number of vacant commercial properties along Highway 23. At the moment there is a lower demand for commercial space, and a limited amount of commercial sales for comparisons. Almost all of the properties sold have to be remodeled for the new owner. Mr. Klein would like to see no increase in value based on the current economy and the fact commercial demand is down. His property increased from \$397,000 to \$408,000, up \$11,000 or 2.5 – 3%.

Jeff Kuiper – 307 South 4<sup>th</sup> Street – Mr. Kuiper's property had a proposed increase of 11% (\$24,300). There has been no improvements to the property, there is deferred maintenance, some of the original paneling still exists, and some of the original tenants. This was built in the mid 1960, has 6 garages, no dishwashers, and no disposals. Due to the current economy, there have been no rent increases in the last three years. In October of 2006, a private appraisal indicated a value of \$161,000. Mr. Kuiper is willing to pay his fair share, but a value increase at this time is not fair. His property increased from \$221,300 to \$245,600. Kuiper indicated his unit has four 1-bedroom units and four – 2 bedroom units, which you cannot compare to 3 bedroom units.

Mayor Byrnes questioned whether or not the income approach could be used to determine the value of this property. Sandvik indicated the income approach had been reviewed for this property, and the value

seems reasonable. The proposed value does take in the account the number of bedrooms. Kuiper indicated he would get a copy of his private appraisal to Sandvik.

Apartments of Marshall, LLC – Al Greig – Norm Gregerson – 1303 Birch Street. Gregerson indicated the apartment building increased from \$572,000 to \$612,000 which is a \$40,000 increase. Gregerson indicated he did not agree with using 4 plex sales on larger multi units. The rents have not been raised, therefore the value increase is not justified. The vacancy factor is needed to do an income approach, but there is also the factor of people not paying their rent due to the economy.

Gordon Edwards – 1119 Skyline Drive – 201 North 11st Street. Edwards indicates he appreciates the services he receives. He indicated MMU has base charges on electric, water, and sewer which have been increasing. His taxes nine years ago were \$1,800 and are now \$4,500. Edwards bought his home on Skyline Drive last August. It is located behind the Dairy Queen. The property had been on the market for a year because of the apartments surrounding it and the Dairy Queen behind it. They moved from Jewett Street which is a very busy street. He paid \$249,000. His home had decreased from \$309,000 to \$267,300. He would like to see the value at his sale price of \$249,000. Other homes have sold for less.

Jaci Garvey – Donna Schilling – had questions on 11 properties.

408 West Saratoga Street – The value increased 7%. This is an older 4 plex. The value has increased by \$10,000. The market data is not strong enough to justify a value increase.

603 Heritage Circle – Why is there an increase of \$600 for new improvements?

604 Heritage Circle – The value increased \$8,800 for new improvements. A new garage was attached for a cost of \$7,000. There should be an increase but not more than the cost of the garage.

605 Heritage Circle – Value increase of \$5,600 for new improvements. A garage door and garage siding was added in 2009.

606 Heritage Circle – Value increased by \$1,000. The fall of 2008 was the last time improvements were made to the property.

607 Heritage Circle – Value increased by \$7,000 for new improvements. No changes were made to the property in 2009.

608 Heritage Circle – Value increased \$4,800 for new improvements. No improvements have been made to the house since fall of 2007. A used garage was added in 2008.

610 Heritage Circle – Value increase of 5,400 for new improvements. No changes have been made since the fall of 2008.

611 Heritage Circle – The value increased by \$5,000 for new improvements. No changes were made to the property in 2009.

612 Heritage Circle – Value increase of \$12,100 for new improvements. This property was occupied January 2009, and no changes have been made since the date of occupancy.

613 Heritage Circle – Value increase of \$1,200 for new improvements. No improvements have been made to the property in 2009.

Sandvik indicated new improvements are picked up as of January 2, 2010. They usually occur in 2009, but some may be from late 2008. The Assessor's office will make an itemized list of what the changes were.

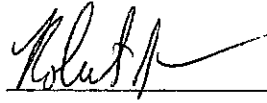
Beverly Heim – 810 Southview Court East (4 plex) and 400 Dogwood Avenue (8 plex). Heim indicated 400 Dogwood Avenue had increased by \$27,900 for a new value of \$281,500. She does not feel she can sell the property for that amount because it does not include all the personal property such as stoves, refrigerators, etc. The value is only the land and building. Heim questioned whether Taylor's 12 plexes

were valued the same as her 8 plex? 810 Southview Court E was increased by \$23,800 up to \$239,800. Heim indicated this apartment was an 8 plex with seven 2 - bedroom units and one handicapped unit containing 1 bedroom.

Marshall Commercial Properties LLC - Greig - Norm Gregerson - 121 North 3<sup>rd</sup> Street and 313 West Main Street. Gregerson indicated there have been no rent changes and no improvements to these properties. There should be no value increase because of the economic downturn, the 2006 downtown reconstruction, special assessments, and because of a vacancy of one year and four months. 313 West Main Street was increased by \$17,000. 121 North 3<sup>rd</sup> Street was increased by \$4,000.

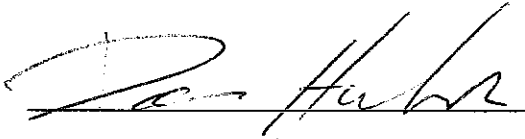
There were no further questions from those in attendance. Mayor Byrnes indicated the next step in the process will be for the City Assessor to review each of the properties, meet with the property owner, and bring a recommendation back to the Local Board of Appeal and Equalization.

There being no further comments or questions, Mayor Byrnes recessed the 2010 Local Board of Appeal and Equalization at 6:35 p.m. The 2010 Local Board of Review and Equalization will reconvene on Tuesday, April 27, 2010.



Mayor Robert Byrnes

Attest:



Sr. Assessment Technician