

LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 27, 2010

The continuation of the Local Board of Appeal and Equalization was called to order at 5:15 P.M. by Mayor Byrnes in the Professional Development Room at Marshall Middle School, 401 South Saratoga Street. In addition to Byrnes the following members were present: Hulsizer, Sanow, Doom, DeCramer, Boedigheimer and Ritter. Absent: none. Staff present included: Ben Martig, City Administrator; Glenn Olson, Director of Public Works/City Engineer; Thomas M. Meulebroeck, Finance Director/City Clerk; Jane DeVries, Deputy City Clerk; Lorna Sandvik, City Assessor; and Carole Snyder, City Appraiser.

Doom moved, Sanow seconded, that the minutes of the Local Board of Appeal and Equalization held on April 20, 2010 be approved as filed with each member and that the reading of the same be waived. All voted in favor of the motion.

Lorna Sandvik, City Assessor, indicated that the following property owners appealed and/or requested a review of their property valuation or classification at the 2010 Local Board of Appeal and Equalization or contacted the office prior to it. Each property owner's appeal must be voted on separately.

**27-100010-0 – Jeff Kuiper (307 South 4<sup>th</sup> Street)**

Ms. Sandvik, City Assessor, viewed this property on April 26<sup>th</sup> with Mr. Kuiper. While viewing the property, it came to her attention that a large deck was added to the property in 2009, but had not been assessed. Mr. Kuiper is aware that she will be recommending the addition of the deck to the 2010 proposed estimated market value. After viewing the property, Ms. Sandvik also reviewed the proposed 2010 valuations for the 8-plexes in the City of Marshall built between 1966 and 1978 (Mr. Kuiper's 8-plex was built in 1970 with the garage being built in 1977). Review of the 5 comparable 8-plex valuations indicates that Mr. Kuiper's property is fairly assessed when compared to those similar apartments.

Ms. Sandvik provided Mr. Kuiper's 2009 financial information for the apartment at his request. Certain expenses reported by Mr. Kuiper are not considered "expenses" for purposes of valuation via the income approach (i.e. taxes and depreciation). They are instead part of the capitalization rate. The reported income includes 7 apartment units and 4 of the garage stalls. Mr. Kuiper occupies one of the 2 bedroom units and uses 2 of the garage stalls personally. This financial data was considered by the assessor when reviewing the 2010 estimated market value.

Sanow moved, Doom seconded, to increase the proposed 2010 estimated market value from \$245,600 to \$246,900. All voted in favor of the motion.

**27-933003-0 – Timothy & Patricia Lutterman (804 Viking Drive)**

The city's appraiser viewed this property with the owner on April 26<sup>th</sup>. It is a good quality 2 story home built in 1999 with 2,068 square feet on the first floor and 912 square feet on the 2<sup>nd</sup> floor. It has 1,200 square feet of good basement finish with an additional 800 square feet of partially finished basement (walls only). The interior finish and features are typical of a higher quality home. It also has a 1,094 square foot, 3 car finished garage.

Upon review, a calculation error was discovered. Additionally, the city's appraiser compared the Lutterman home with sales in the area which were used in the 2010 residential sales study. Other

LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 27, 2010

sales Mrs. Lutterman felt were comparable were also considered. The majority of the comparable sales she chose were not in the City Assessor's study because they did not meet the Department of Revenue's criteria for inclusion. Based on the review of the property, including the error correction, Ms. Sandvik recommended to decrease the proposed 2010 estimated market value from \$386,000 to \$360,600.

Sanow moved, DeCramer seconded to decrease the proposed 2010 estimated market value from \$386,000 to \$360,600. All voted in favor of the motion.

**27-677196-0 – Marshall Residential Properties, LLC (304 North 3<sup>rd</sup> Street)**

This property is a two story 4-plex (4-1 Bedroom Units). It was built in 1915 and averages 648 square feet per unit. The proposed 2010 estimated market value is **\$83,200** (\$20,800 per unit). The 2009 estimated market value was \$77,800 (7% increase for 2010). The owners purchased this property in 1995 for \$44,800 and remodeled in 1996/1997 at a reported cost of \$35,500.

Ms. Sandvik spoke with the property owners and their concern is with valuation increases in general in light of what they consider a down economy. They did not dispute the 2010 estimated market value of \$83,200.

Doom moved, Ritter seconded, to affirm the proposed 2010 estimated market value of \$83,200. All voted in favor of the motion.

**27-825075-0 - Marshall Residential Properties, LLC (614 West Lyon Street)**

This property is a 1 ½ story 4-plex (4-1 Bedroom Units). It was built in about 1900 and averages 475 square feet per unit. There is also a 2 car garage on the property. The proposed 2010 estimated market value is **\$62,400** (\$15,600 per unit). The 2009 estimated market value was \$58,300 (7% increase for 2010).

Ms. Sandvik spoke with the property owners and their concern is with valuation increases in general in light of what they consider a down economy. They did not dispute the 2010 estimated market value of \$62,400.

DeCramer moved, Doom seconded, to affirm the proposed 2010 estimated market value of \$62,400. All voted in favor of the motion.

**27-189001-1 – Stephen & Kaye Klein (1501 East Lyon Street)**

This is a commercial property built in 2001 at a reported permit cost of \$258,000, located on approximately 1 acre. Mr. and Mrs. Klein purchased the land in 2000 for \$50,000. The building has 6,000 square feet on the main level (upper mezzanine level of approximately 1,100 square feet) and is a mix of retail, office, production, and storage space. The proposed 2010 estimated market value is \$408,400. The 2009 estimated market value was \$397,400. The \$11,000 increase for 2010 is for the addition of approximately 15,000 square feet of paved parking lot. Mr. Klein indicates that the parking lot was paved in approximately 2003, but had not been assessed until this year.

Ms. Sandvik reviewed correspondence that was received on April 22<sup>nd</sup> from Mr. Klein outlining his concerns and justification for appeal. Mr. Klein's land is currently valued at 25% less than

LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 27, 2010

comparable commercial parcels located on East Lyon Street west of Highway 23, which have a paved street and city curb, gutter and storm sewer. The commercial sales ratio study for the City of Marshall does not support a reduction in assessed market value. Mr. Klein supplied no other information which would support an adjustment to the proposed 2010 estimated market value of \$408,400.

Sanow moved, Boedigheimer seconded, to affirm the proposed 2010 estimated market value of \$408,400. All voted in favor of the motion.

**27-941007-0 – Apartments of Marshall LLC (1303 Birch Street)**

This property is a three story 24 unit apartment (9-1 Bedroom units and 15-2 Bedroom units). It was built in 1979 and averages 710 square feet per unit. The proposed 2010 estimated market value is **\$612,500** (\$25,520 per unit). The 2009 estimated market value was \$572,400 (7% increase for 2010).

Ms. Sandvik spoke with the property owners and their concern is with valuation increases in general in light of what they consider a down economy. They did not dispute the 2010 estimated market value of \$612,500.

DeCramer moved, Doom seconded, to affirm the proposed 2010 estimated market value of \$612,500. All voted in favor of the motion.

**27-121010-0 – Gordon Edwards (1119 Skyline Drive)**

This property is a 2 story home built in 1999. Mr. Edwards purchased his home in June of 2009 for \$249,000. The estimated market value for 2009 was \$309,100. The 2010 proposed estimated market value is \$267,300, which reflects an adjustment for the location which backs up to the commercial area on East College Drive. The sale involved a relocation and company buyout which is not considered a valid sale by the Department of Revenue. The city appraiser left a message at the phone number listed on the meeting roster for Mr. Edwards. As of Friday afternoon, he had not responded.

Sanow moved, Doom seconded, to affirm the proposed 2010 estimated market value of \$267,300. All voted in favor of the motion.

- 27-400009-0 – ALLUVUS LLC (603 Heritage Circle)**
- 27-400005-0 - ALLUVUS LLC (604 Heritage Circle)**
- 27-400010-0 - ALLUVUS LLC (605 Heritage Circle)**
- 27-400004-0 - ALLUVUS LLC (606 Heritage Circle)**
- 27-400011-0 - ALLUVUS LLC (607 Heritage Circle)**
- 27-400003-0 - ALLUVUS LLC (608 Heritage Circle)**
- 27-400012-0 – ALLUVUS LLC (610 Heritage Circle)**
- 27-400013-0 - ALLUVUS LLC (611 Heritage Circle)**
- 27-400001-0 - ALLUVUS LLC (612 Heritage Circle)**
- 27-400014-0 - ALLUVUS LLC (613 Heritage Circle)**

Jaci Garvey inquired about the “new improvement” amounts on the notices they received. The owner did not indicate that the proposed 2010 estimated market values of these homes were in dispute. An itemized breakdown of the new improvements was prepared and the city’s appraiser contacted Ms.

LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 27, 2010

Garvey on Wednesday, April 21<sup>st</sup>, to advise that the information was ready for her review. Ms. Garvey informed our office to contact Ronald Schilling regarding the properties. New improvements consisted of decks, central air conditioning, basement egress windows, a garage, and varying miscellaneous minor completion items for these properties. The city's appraiser left a message for Mr. Schilling, but did not hear back from him as of Friday afternoon.

The city's appraiser reviewed the property records and finds no discrepancies which would cause her to adjust the proposed valuations.

Sanow moved, Doom seconded, to affirm the proposed 2010 estimated market values for the above captioned Heritage Circle properties. All voted in favor of the motion.

**27- 100050-0 - Donna Schilling (408 West Saratoga Street)**

This property is a two story 6 unit apartment (4-2 Bedroom units and 2-1 Bedroom units). It was built in 1930 and averages 776 square feet per unit. There is a 4 car garage on the property. The proposed 2010 estimated market value is **\$164,200** (\$27,367 per unit). The 2009 estimated market value was \$153,500 (an increase of 7% for 2010). The Schillings purchased this property in 2003 for \$137,000 and remodeled in 2005 at a reported permit cost of \$22,700. The property was purchased as a 4-plex and the remodeling included adding two new 1 bedroom apartments in the basement.

The city assessor left messages at the phone numbers listed on the meeting attendance roster for Jaci Garvey and Donna Schilling. A message was also left on a cell phone for Ronald Schilling. As of Friday afternoon, neither the city assessor nor staff had received a call back from the Schillings. The city assessor reviewed the property record and finds no justification for reducing the proposed 2010 estimated market value.

Doom moved, Sanow seconded, to affirm the proposed 2010 estimated market value of \$164,200. All voted in favor of the motion.

**27-813002-0 – Beverly Heim (400 Dogwood)**

This property is a two story 8-plex (1-1 Bedroom Handicap unit and 7-2 Bedroom units). It was built in 1977 and averages 1,092 square feet per unit. There is a 6 car garage on the property. The proposed 2010 estimated market value is **\$281,500** (\$35,188 per unit). The 2009 estimated market value was \$253,600 (11% increase for 2010). Ms. Sandvik spoke with Mrs. Heim and she indicates that routine maintenance (painting, new flooring, etc.) is performed as needed. Two of the units recently had new kitchen cabinets installed. She acknowledges that her rents may be less than current market as she has not increased rents for long term tenants in some time. She has very few vacancies, with one unit vacant for one month in 2009 and one unit vacant for 3 months in 2009 due to the kitchen renovation.

Ms. Sandvik reviewed the income and expense data provided by Mrs. Heim. Valuation via the income approach supports the 2010 proposed estimated market value of \$281,500.

DeCramer moved, Ritter seconded, to affirm the proposed 2010 estimated market value of \$281,500. All voted in favor of the motion.

LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 27, 2010

**27-814018-0 – Beverly Heim (810 Southview Court E)**

This property is an owner occupied two story 4-plex (4-2 Bedroom units). It was built in 1991 and averages 1,338 square feet per unit. It has an attached 4 car garage. The proposed 2010 estimated market value is **\$239,800** (\$59,950 per unit). The 2009 estimated market value was \$216,000 (11% increase for 2010). Routine maintenance (painting, new flooring, etc.) is performed as needed. The owner occupied unit has had additional upgrades. She acknowledges that the current rental rates for her tenants are less than market. She had no vacancies in 2009.

Mrs. Heim received information regarding recent apartment sales. This property is nearly identical to the 4-plex located at 1006 Dano, which sold in 2009 for \$279,200 (\$69,800 per unit). She indicated that she attended the Local Board of Appeal and Equalization meeting to get general information regarding why apartment values were increased and to make sure that personal property was excluded from the sale prices.

Ms. Sandvik reviewed the income and expense data provided by Mrs. Heim. Valuation via the income approach supports the 2010 proposed estimated market value of \$239,800.

DeCramer moved, Doom seconded, to affirm the proposed 2010 estimated market value of \$239,800. All voted in favor of the motion.

**27-677084-0 - Marshall Commercial Properties (121 North 3<sup>rd</sup> Street)**

This is a two story commercial property built in the early 1900's with 1,760 square feet of doctor's office on the main level with 2 new apartments (1 Bedroom units) added to the second floor in 2005. The proposed 2010 estimated market value is **\$89,600**. The 2009 estimated market value was \$85,600. The \$4,000 increase in market value was due to a calculation error correction. The owner's were unaware of this correction prior to the Local Board of Appeal and Equalization meeting. Marshall Commercial Properties purchased this property in 2004 for \$51,875 and remodeled the second floor in 2005 at a reported permit cost of \$45,000.

Ms. Sandvik spoke with the property owners and their concern is with valuation increases in general in light of what they consider a down economy. They did not dispute the 2010 estimated market value of \$89,600.

Doom moved, DeCramer seconded, to affirm the proposed 2010 estimated market value of \$89,600. All voted in favor of the motion.

**27-677030-0 - Marshall Commercial Properties (313 West Main Street)**

This is a one story commercial property built in the early 1900's with 3,538 square feet of retail space on the main floor (2 retail bays). There is an open mezzanine area used by the tenant as additional retail space (approximately 900 square feet) and a small second floor office mezzanine. The 2010 estimated market value is **\$100,200**. The 2009 estimated market value was \$82,300. The increase in market value of \$17,900 was due to a square footage calculation adjustment. The owners were unaware of this correction prior to the Local Board of Appeal and Equalization meeting. Marshall Commercial Properties purchased this property in 1996 for \$55,000 and remodeled after the purchase

LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 27, 2010

at a reported permit cost of \$11,000. The roof was replaced and new windows were installed in 2001 at a reported permit cost of \$14,900. Steps were replaced in 2006 at a reported permit cost of \$1,000.

Ms. Sandvik spoke with the property owners and their concern is with valuation increases in general in light of what they consider a down economy. They did not dispute the 2010 estimated market value of \$100,200.

Doom moved, Ritter seconded, to affirm the proposed 2010 estimated market value of \$100,200. All voted in favor of the motion.

**27-604124-0 – Viking Coca-Cola (407 E. Main)**

This property is a production/warehouse facility built in 1948 with additions added in 1976 and 1985 for a total of 26,059 square feet on the main floor and 5,148 square feet on the upper level. The proposed 2010 estimated market value for this property is **\$422,000** (2009 estimated market value was \$415,700). The \$6,300 increase is attributed to adding approximately 10,000 square feet of concrete pavement to their assessed value. The condition of the pavement was considered by the assessor. Ms. Sandvik spoke with Donald Popowski and he indicated that the paved parking lot had been in place for many years, but it was inadvertently omitted from the assessed value until this year. Mr. Popowski provided no additional information to the assessor to disprove the proposed 2010 estimated market value of \$422,000.

Sanow moved, Doom seconded, to affirm the proposed 2010 estimated market value of \$422,000. All voted in favor of the motion.

The following adjustments are assessor recommendations based on clerical corrections, and property issues resolved with the owners prior to the Local Board of Appeal and Equalization meeting on April 20<sup>th</sup>.

**27-101002-0 – Robert L. Carr (1109 E. College Drive)**

The city assessor viewed the property and recommends the following adjustment based on a change to the building value.

Sanow moved, Doom seconded, to reduce the 2010 estimated market value from \$409,500 to \$405,700. All voted in favor of the motion.

**27-121045-0 – Gary St. Aubin (1108 Horizon Drive)**

The city's appraiser noticed that the owner removed some concrete pavement previously assessed on the property. The city assessor recommends the following adjustment to reflect the removal of the concrete pavement.

Sanow moved, DeCramer seconded, to reduce the 2010 estimated market value from \$260,800 to \$259,700. All voted in favor of the motion.

**27-603008-0 – Linda Grong (1000 Country Club Drive)**

A calculation error was discovered and the city assessor recommends the following adjustment.

LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 27, 2010

DeCramer moved, Doom seconded, to reduce the 2010 estimated market value from \$308,900 to \$297,300. All voted in favor of the motion

**27-677179-0 – Rongxvan Cai (305 N. 3<sup>rd</sup> Street)**

The city's appraiser viewed the property and based on the overall condition, the city assessor recommends the following adjustment.

Doom moved, Sanow seconded, to reduce the 2010 estimated market value from \$58,200 to \$53,400. All voted in favor of the motion.

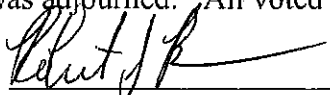
**27-144024-0 – Brent Schumacher (507 Mercedes Drive)**

Mr. Schumacher contacted the office prior to the Local Board of Appeal and Equalization meeting regarding the estimated market value of his home. The city appraiser viewed the property and the city assessor recommends the following adjustment.

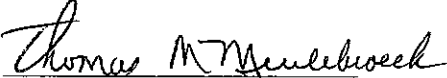
Doom moved, Ritter second, to reduce the 2010 estimated market value from \$303,700 to \$300,100. All voted in favor of the motion.

Ms. Sandvik indicated that all the property owners will be notified by mail by the Assessor's office of the final decisions made by the Local Board of Appeal and Equalization and their right to appear at the County Board of Appeal and Equalization.

Upon motion by Sanow, seconded by Doom, the meeting was adjourned. All voted in favor of the motion.

  
\_\_\_\_\_  
Mayor of the City of Marshall

ATTEST:

  
\_\_\_\_\_  
Financial Director/City Clerk