

## **Minutes of the City of Marshall Local Board of Appeal and Equalization 5:30 p.m. – April 7, 2014**

Local Board of Appeal and Equalization Members Present: Boedigheimer, Conyers, Doom, DeCramer, Byrnes, Hulsizer, Bayerkohler

Local Board of Appeal and Equalization Members Absent: None

Staff Present: Lorna Sandvik, Dave Parsons, Doris Huber, Ben Martig, Thomas Meulebroeck

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

The 2014 City of Marshall Local Board of Appeal and Equalization (LBAE) was called to order at 5:30 p.m. by Mayor Byrnes in the Marshall Municipal Building at 344 West Main Street. Mayor Byrnes outlined the purpose of the meeting, which was to review the January 2, 2014 valuations and classifications. The meeting was then turned over to City Assessor Sandvik.

Assessor Sandvik reviewed the assessment process and other background information for the 2014 assessment. At the conclusion of the presentation, there were no questions from the board.

The LBAE acknowledged receipt of the letter of appeal from SDJ Properties, LLC, and the Assessor's recommendations dated April 7, 2014. Assessor Sandvik stated Mary Lou Peterson, 307 South 5<sup>th</sup> Street, was also appealing the value of her property. This property had a fire about 2 years ago, and is now being sold.

Mayor Byrnes requested the members of public present to state their name, address, and address of the property in question, and the reason for being present.

Ashley Potter – 301 South 2<sup>nd</sup> Street – The Escape Spa.

Ms. Potter indicated her property was valued at \$282,000, which she would like to be lowered. Ms. Potter has talked to a local realtor who indicated the land in her area is worth about \$2.50 per square foot, which would give her a land value of \$95,175, not \$114,210. The parking lot is very large, but still requires a lot of maintenance. Ms. Potter paid \$130,000 for the property. When Schwan's originally purchased the property, they paid \$285,000. Ms. Potter put some work into the building, but it was for maintenance purposes only. Some of the issues included a sagging roof, lead paint on the walls, the sump pump starts in February, and none of the basement is finished. The cost to update the building was:

Materials:	\$ 109,867.00
Concrete:	\$ 15,000.00
Misc:	\$ <u>5,000.00</u>
Total:	\$ 129,867.00

Ms. Potter indicated no labor was included in her numbers, as she was informed by her attorney that labor did not count towards the value of the property. She indicated the realtor stated the property should sell for about \$235,000. Ms. Potter thought the value should be between \$255,000 and \$260,000.

Assessor Sandvik will review the property, and a recommendation will be sent to the LBAE at their next meeting.

Mr. Charles Kost on behalf of the Marshall Golf Club requested an appeal of the taxable market value of the Marshall Golf Club. Mr. Kost had a handout for the Council which showed the location of all parcels, the Open Space Property Tax Law, a graph showing the Cumulative Percentage Change from 2009 Taxable Market Valuation, and a summary of the Marshall Golf Club Taxable Market Values for Taxes Payable in 2009 to 2015.

Mr. Kost reviewed the requirements for Open Space, and indicated he saw no reason they did not qualify for Open Space. The Golf Course's value should be based on its use as a golf course and not as farm land. In the past the value has been based on farm land prices, but in the last two years, farm land has jumped considerably. The Golf Course's revenue has been down over the last few years, therefore the thought is that the value should also go down. The 2014 value had been reduced to the 2012 value. From 2009 to 2012 there was no change in the taxable value. The 2014 value is now 150% higher than the 2010 value, but the club is down 20% in revenue. There are no golf courses being built at this time. The Golf Club does appreciate the reduction, but it is still 50% higher. They would like the value to return to the payable 2010 value.

Mr. Kost indicated other golf courses in Lyon County have increased in value because they are based on farm land prices.

Assessor Sandvik indicated she had researched the issue and has information on about 15 other golf courses around the state. The Marshall Golf Course raw land is currently assessed at \$5,000 per acre. Assessor Sandvik gave a brief explanation of open space. Open space requires the assessor to carry two values on the property. One value is for the highest and best use of the property if they were to sell it, and the other is the value as a golf course. Because of the airport zoning, the Marshall Golf Course does not have a second use at this time, therefore the highest and best use is as a golf course.

Mr. Kost indicated there are no golf course sales available. He also indicated the Redwood Falls and Worthington courses have gone down in value. Open space valuation is for recreational use of Golf Courses, therefore there is no reason to raise the value.

Assessor Sandvik indicated the value had been equalized with other golf courses. Sandvik indicated she could only consider the 2014 value, and could not go back to other years.

Mayor Byrnes indicated that Assessor Sandvik would review the property and give the LBAE a recommendation as to the value.

The LBAE reviewed the April 7, 2014 Assessor Recommendations and asked for questions from the LBAE. Bayerkohler questioned the large percentage decrease in some of the properties. Sandvik stated three of the recommendations for reduction occurred because the property was an estimate from the quintile inspections. Boedigheimer questioned if the owners had ample time to review the new values. Sandvik stated all owners had received a phone call prior to LBAE and had agreed with the new values. A letter will also be sent to each of the recommendations confirming the new value. After reviewing all the information received and the recommendations, the LBAE made the following adjustments to the 2014 assessment.

**27-677227-0 – Jerred Lee (204 N. A St.)**

Motion by DeCramer, seconded by Doom to reduce the 2014 proposed estimated market value from \$114,000 to \$84,400. All voted in favor of the motion.

**27-258022-0 & 27-191023-2 – Joseph Tillemans (102 Ranch Ave.)**

Motion by Doom, seconded by Boedigheimer to reduce the 2014 proposed estimated market value from \$83,600 to \$80,900 for 27-258022-0. All voted in favor of the motion.

Motion by DeCramer, seconded by Conyers to affirm the 2014 estimated market value of \$1,000 for parcel 27-191023-2. All voted in favor of the motion.

**27-496025-0 – Patrick & Linda Johnson (101 S. High St.)**

Motion by Conyers, seconded by Doom to reduce the 2014 proposed estimated market value from \$199,600 to \$159,600. All voted in favor of the motion.

**27-757075-0 – Archie & Rayanne Sillers (208 Walnut St.)**

Motion by Doom, seconded by DeCramer to reduce the 2014 proposed estimated market value from \$120,300 to \$119,200. All voted in favor of the motion.

**27-677232-0 – Mark & Paula Jacobs (209 E Lyon St.)**

Motion by Doom, seconded by Conyers to reduce the 2014 proposed estimated market value from \$59,400 to \$50,200. All voted in favor of the motion, except Boedigheimer who abstained.

**27-160017-0 – Steven & Julia Martin (107 Circle Dr.)**

Motion by DeCramer, seconded by Doom to reduce the 2014 proposed estimated market value from \$207,600 to \$160,900. All voted in favor of the motion.

**27-114001-0 – Ahmed Omar (200 E. Main St.)**

Motion by DeCramer, seconded by Doom to increase the 2014 proposed estimated market value from \$91,200 to \$92,300. All voted in favor of the motion.

**27-506004-0 & 27-506003-1 – SDJ Properties, LLC (1240 Floyd Wild Dr.-Former Savvy Salon/Salon 101)** To be reviewed and a recommendation received at the reconvene meeting.

Mayor Byrnes asked for further questions from the audience. Mr. Kost asked who makes the final decision. Mayor Byrnes indicated Assessor Sandvik will review the property values and give a recommendation to the LBAE, who will make the final decision. Sandvik questioned whether or not the owners would be able to make a presentation at the reconvene meeting or if the LBAE would just take recommendations at the reconvene meeting. Mayor Byrnes stated the owners had a chance to make their presentation tonight, no presentations have been given at the reconvene meeting in the past. Hulsizer requested Ms. Potter to email her presentation to the council for further consideration.

The 2014 Local Board of Appeal and Equalization Board recessed at 6:30 p.m. It will reconvene on April 22, 2014 at 5:00 p.m. in the Professional Development Room at the Marshall Middle School at 401 South Saratoga Street, Marshall, Minnesota.

  
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Mayor

ATTEST:

  
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Finance Director/City Clerk