

Minutes of the City of Marshall Local Board of Appeal and Equalization
5:30 p.m. – April 3, 2017

Local Board of Appeal and Equalization Members Present: Byrnes, Sturrock, DeCramer, Lozinski,

Meister, Bayerkohler

Local Board of Appeal and Equalization Members absent: Schafer

Staff Present: David Parsons, Carolyn Runholt, Doris Huber

Others Present: Jane DeVries, City Clerk

Sherri Kitchenmaster, Lyon County Assessor

The 2017 City of Marshall Local Board of Appeal and Equalization (LBAE) was called to order at 5:30 p.m. by Mayor Byrnes in the Community Room of the Marshall Lyon County Library at 201 C Street. Mayor Byrnes outlined the purpose of the meeting, which was to review the January 2, 2017 valuations and classifications. The meeting was then turned over to City Assessor Parsons. Assessor Parsons reviewed the assessment process and other background information for the 2017 assessment. All work must be completed by the LBAE no later than April 23, 2017. At the conclusion of the presentation, there were no questions from the board.

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

Brian Pellowski – Marshall Square Shopping Center Ltd Partnership

Parcels: 27-516001-0 27-516002-0 27-516003-0 27-516004-0 27-516005-0

Mr. Pellowski indicated he started to redo the mall in 2013, but there were setbacks as the TIF process took longer than anticipated and the City requested other improvements, which made the project unworkable. There had been a minimum assessment agreement on the property which was terminated the end of 2016. The mall is currently 75% vacant. Pellowski handed out a copy of a May 8, 2016 appraisal on the mall, and operating statements for all of 2016 and 2 months of 2017. Pellowski indicated he is looking for a reduction in value for the 2017 year. Mayor Byrnes indicated Assessor Parsons would review Mr. Pellowski's information and be in contact with him.

Scott Kuecker

Parcels: 27-383009-0 27-626020-3 27-626020-2

Mr. Kuecker owns the Marshall Animal Clinic in the Industrial Park. He indicated his value had increased 30% from 2016 to 2017, \$401,900 to \$521,800. The main reason for the increase was a new computer program in the Assessor's office. This building was built in 1979 as a veterinary clinic. Mr. Kuecker checked with James Carr, Ralco, and Jay Cattoor, who have similar office buildings, who did not have any value

increases. Mr. Kuecker indicated the Assessor's new computer program was unfair, and needed human interaction to make it fair. He stated he had remodeled in 2010, but this is not a modern medical building. Mayor Byrnes questioned if Mr. Kuecker was appealing the 2017 value or the proposed reduction to \$519,800. Kuecker indicated he was appealing the \$519,800 value.

The second and third parcels are vacant lots north of the clinic. Kuecker indicated these lots have doubled in value, and the shed is a liability to the property. The property was reclassified from agriculture to commercial property. He feels he is being singled out because of the property use. Kuecker indicated the taxes are greater on the vacant land percentage wise. Mayor Byrnes stated Assessor Parsons would review the properties and be in contact with Mr. Kuecker.

Roger Untiedt – 609 DeSchepper Street
27-930-011-0

Mr. Untiedt indicated he had a \$2,100 new construction on his parcel and he wished to know why. He had replaced his driveway, so why was the value increased. Assessor Parsons stated we do value driveways in town based on size. When a driveway is replaced, the value increases because the original driveway was depreciated because of its age. When the driveway is replaced, there is no depreciation as it is new, therefore there is a value increase. Mr. Untiedt questioned what type of items are viewed on homes. Assessor Parsons stated all improvements are viewed, but not all improvements increase value. The Assessor values driveways from the sidewalk to the house. All parking areas for residential, commercial/industrial, and apartment are valued within the city.

Kevin Stroup – for Chuck Hess – Properties on Legion Field Road
Parcels: 27-485004-0 27-485007-0 27-485005-0 27-485008-0

Mr. Stroup indicated he was representing Chuck Hess who was still in Arizona. The first parcel (27-485004-0) is a bare lot which was valued at \$14,800 in 2015 and was valued at 37,800 in 2016 and 2017. The second parcel (27-485007-0) is also a bare lot which was valued at \$6,600 for 2014 and 2015, and valued at \$17,200 in 2016 and 2017. The third parcel (27-485005-0) is also a vacant lot which was valued at \$3,600 in 2014 and 2015, and then valued at \$23,100 in 2016 and 2017. The last parcel (27-485008-0) is a shop building which was valued at \$182,900 in 2014 and 2015, and then valued at \$297,300 for 2016 and 2017. Mr. Stroup indicated he did not find any comparable sales available to justify the 2017 values. Mayor Byrnes indicated Assessor Parsons would be in contact with Mr. Stroup regarding the values.

Doug McDaniels – 1002 West College Drive
Parcel 27-600129-1

Mr. McDaniels indicated he had a 100% increase in value and a 51% increase in taxes. He has driven around town and there are many vacant commercial buildings for sale such as: Kruse Motors, SW Wholesale, Marshall Machine Shop, Doug's Salvage, Bill Zieghagen, Cattoor building, and the State Farm Claims office. \$100,000 change in one year is very radical. He had checked with Art Olson at Wilson O'Brien Realty. McDaniels indicated the Bowling Alley was valued at \$338,300 and was sold for \$100,000 at auction. He questioned why some of these types of sales are not within the sales study. Assessor Parsons indicated all sales are reviewed by the City, the County Assessor, and the Minnesota Department of Revenue representative. Sales such as the old Liquor store are not valid as it is a government sale. The Assessor's office cannot choose which sales they wish to include or exclude from the sales study. McDaniels indicated the city is bringing in more taxes, but is still in debt. Why? The new value assessments are crazy. His building value increased by \$19,200 and he wants it decreased. Mayor Byrnes indicated Assessor Parsons will review the information and contact Mr. McDaniels.

Gary Voss – 508 South 1st Street
Parcel: 27-604063-0

Mr. Voss indicated he was there for informational purposes only.

Mr. Kuecker indicated he felt the increases were random increases with no pattern. Mr. McDaniels indicated East College Drive values and sales were used to determine values in the remainder of town.

Mr. Kuecker stated Jay Cattoor purchased the gas station at a discounted price. Why the big increases in commercial/industrial properties when there was so few comparable sales? The increase should have come in increments rather than one lump sum as a \$12,000 to \$16,000 increase.

Mayor Byrnes stated Assessor Parsons would review the properties and the information and report back to the Local Board of Review and Equalization. Kuecker questioned whether or not the public can speak at the reconvene meeting. Mayor Byrnes indicated no.

The LBAE received a list of property owners with Assessor's recommendations for change. These property values were based on exterior estimates, which have now been viewed. Sturrock questioned why the large value changes, which ranged from 18% to 36%. Assessor Parsons indicated it is the Assessor's policy to estimate the overall condition of the property if we do not have access to the interior. The property is then considered to be in excellent condition with an extra bath and full basement

finish. Once we have viewed the interior of the property, we can change it to the actual condition. The recommendations for change are as follows:

27-927006-0 - Darryl & Susan Bursack - 207 E. James Ave. Motion by Lozinski, seconded by DeCramer, to reduce the 2017 proposed estimated market value from \$211,900 to \$201,500. ALL VOTED IN FAVOR OF THE MOTION.

27-837018-0 – Thomas VanMoer - 206 Sunrise Lane. Motion by Meister, seconded by Lozinski, to reduce the 2017 proposed estimated market value from \$159,700 to \$117,300. ALL VOTED IN FAVOR OF THE MOTION.

27-121014-0 – Peter Thor - 1110 Skyline Dr. Motion by DeCramer, seconded by Meister, to reduce the 2017 proposed estimated market value from \$255,600 to \$233,400. ALL VOTED IN FAVOR OF THE MOTION.

27-837009-0 – James Doom - 216 Carrow Circle. Motion by Lozinski, seconded by DeCramer, to reduce the 2017 proposed estimated market value from \$199,100 to \$168,400. ALL VOTED IN FAVOR OF THE MOTION.

27-257026-0 – Dang Yang - 601 6th St N. Motion by DeCramer, seconded by Meister, to reduce the 2017 proposed estimated market value from \$139,400 to \$111,500. ALL VOTED IN FAVOR OF THE MOTION.

27-794030-0 – Bank of the West - 812 Boxelder Ave. Motion by Sturrock, seconded by DeCramer, to reduce the 2017 proposed estimated market value from \$105,500 to \$102,800. ALL VOTED IN FAVOR OF THE MOTION.

27-837019-0 – Francis VanKeulen - 208 Sunrise Lane. Motion by DeCramer, seconded by Lozinski, to reduce the 2017 proposed estimated market value from \$180,500 to \$161,400. ALL VOTED IN FAVOR OF THE MOTION.

27-837061-0 – Edward & Audrey Knutson - 1314 Horizon Drive. Motion by DeCramer, seconded by Sturrock, to reduce the 2017 proposed estimated market value from \$187,300 to \$167,600. ALL VOTED IN FAVOR OF THE MOTION.

27-708020-0 – Jean & John Brobst - 601 Van Buren St. Motion by DeCramer, seconded to Lozinski, to reduce the 2017 proposed estimated market value from \$299,200 to \$241,500. ALL VOTED IN FAVOR OF THE MOTION.

27-604063-0 – Gary and Karen Voss - 508 1st St S. Motion by Meister, seconded by DeCramer to reduce the 2017 proposed estimated market value from \$114,800 to \$97,000. Motion withdrawn. Mr. Voss would like his value reviewed. He would like the value to be between \$90,000 - \$92,000. The Assessor's office will review all information.

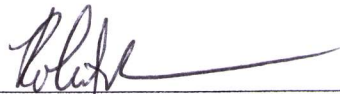
27-652025-0 – Carol Przymus - 813 Nuese Lane. Motion by Bayerkohler, seconded by DeCramer, to reduce the 2017 proposed estimated market value from \$207,100 to \$190,900. ALL VOTED IN FAVOR OF THE MOTION.

27-677005-0 – Dennis & Mary Lozinski - 118 Main St E. Motion by DeCramer, seconded by Meister, to reduce the 2017 proposed estimated market value from \$92,500 to \$53,700. ALL VOTED IN FAVOR OF THE MOTION except Lozinski who abstained.

Mayor Byrnes indicated everyone will be reviewed and/or contacted by the Assessor's office.

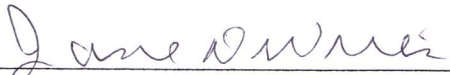
Motion by Meister, seconded by Lozinski, to recess the meeting until 4:30 p.m. on April 11, 2017, at the Middle School. At this time the LBAE will receive and act upon recommendations. All voted in favor of the motion.

Meeting recessed at 6:30 p.m.



Mayor

ATTEST:



City Clerk

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