

LOCAL BOARD OF APPEAL AND EQUALIZATION
APRIL 11, 2017

Local Board of Appeal and Equalization Members Present: Byrnes, Schafer, Meister, Bayerkohler, DeCramer, Sturrock and Lozinski.

Staff Present: David Parsons, Carolyn Runholt and Jane DeVries

Public Present: Scott Kuecker; Chuck Hess and Kevin Stroup

The 2017 City of Marshall Local Board of Appeal and Equalization (LBAE) was reconvened at 4:35 p.m. by Mayor Byrnes in the Professional Development Room, 401 South Saratoga Street. Mayor Byrnes outlined the purpose of the meeting, which was to review the Assessor recommendations. Mayor Byrnes indicated that if the owners do not agree with the recommendation of the LBAE, they may appeal at the County Board of Appeal and Equalization on June 20, 2017.

27-600129-1 – Douglas & Dayna McDaniel – (1002 W. College Drive – MCD Sprayfoam / Storage Stalls)

27-600129-1 – This parcel has a land area of 2.680 acres. The 2017 EMV for the land value is \$109,400 which equates to \$.94 per s.f. This change occurred in 2015 for the 2016 assessment. Prior to the change, the EMV for the land was at \$.46 per s.f.

The following are the most recent commercial/industrial land sales. In 2007, Farmer's Coop (311 Burlington Cr) paid \$139,000 (\$.86 per s.f.) for 3.72 acres of bare land. In 2009, Centrol (351 Burlington Cr) paid \$59,000 (\$1.19 per s.f.) for 1.14 acres of bare land. In 2016, Murphy (345 Burlington Cr) paid \$40,000 (\$1.13 per s.f.) for .816 acres of land. In 2016, Boerboom (201 8th St S) paid \$9,000 (\$1.25 per s.f.) for 0.166 acres of bare land. In 2016 Werner (801 Michigan Road) paid \$40,000 (\$.55 per s.f.) for 1.678 acres (the total parcel is 2.008 acres with .33 acres at no value due to wet lands).

The city assessor inspected the property on April 4th 2017 with improvements to this property consisting of 3 buildings. There is a 1959 block/steel warehouse at 3,600 s.f. (unheated with a small office/shop area which is heated and air conditioned) with a 1964 block shop addition at 3,000 square feet (heated, half bath and mix match liner of metal and exposed spray foam insulation), and a small unheated/unfinished pole frame lean-to of 544 s.f. which was added on in 2000 having a total square footage of 7,144 s.f. The second building is a concrete block warehouse, separated into two bays built in 1958 (2,106 s.f.). The third building is a 1941 unfinished wood frame storage building (1,536 s.f.). In 2011/2012, a permit was acquired in the amount of \$84,000 to re-roof all the buildings with metal and a partial metal reside on some. After further review of the properties, a few changes were made to the overall condition of the block and frame building, an overhead door was incorrectly added to the value of the wood frame building, also the condition of the concrete and asphalt was reduced.

MOTION BY MEISTER, SECONDED BY SCHAFER to reduce the 2017 proposed estimated market value from \$263,900 to \$248,600. All voted in favor of the motion.

27-930011-0 – Roger Untiedt – (609 DeSchepper St – Residence)

In 2016, building permit #2016-00359 was applied for and viewed by our Residential Appraiser, Carolyn Runholt. A standard 3-wide driveway is valued at \$5,400 and is depreciated for age. For the 2016 assessment, we valued the 1993 3-wide driveway at the \$5,400 rate minus 40%

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depreciation for a total value of \$3,200 (rounded). For the 2017 assessment, the driveway was replaced with new concrete. We continued to value it at the \$5,400 rate. Since driveways depreciate at a faster rate than other improvements, a 1% depreciation rate reduction was automatically applied, resulting in a final value of the improvement at \$5,300 (rounded). The difference between the 1993 value and 2016 value of the driveway equates to an increase of \$2,100 which is equal to the change in EMV from 2016 to 2017. This difference is then reported as new construction to Lyon County.

MOTION BY DECRAMER, SECONDED BY SCHAFFER, to affirm the 2017 proposed estimated market value of \$345,300. All voted in favor of the motion.

27-516001-0/27-516002-0/27-516003-0/27-516004-0/27-516005-0 – Marshall Square Shopping Ctr (Mall)

Four of the above properties were re-platted prior to the 2016 pay 2017 assessment and saw no change in EMV from the 2016 to 2017 valuations. The remaining parcel consist of the mall itself and will be addressed separately

27-516001-0 – The 2016 and 2017 estimated market value currently is \$228,400. This land value is equalized with neighboring land values and has improvements of asphalt parking included in the current EMV. The appraisal provided by Mr. Pellowski has an estimated value using the Sales Approach method of \$285,000.

SCHAFFER MOVED, MEISTER SECONDED, to affirm the 2017 proposed estimated market value of \$228,400. All voted in favor of the motion.

27-516002-0 – The 2016 and 2017 estimated market value currently is \$189,100. This land value is equalized with neighboring land values and has improvements of asphalt parking included in the current EMV. The appraisal provided by Mr. Pellowski has an estimated value using the Sales Approach method of \$220,000.

MEISTER MOVED, DECRAMER SECONDED, to affirm the 2017 proposed estimated market value of \$189,100. All voted in favor of the motion.

27-516003-0 – The 2016 and 2017 estimated market value currently is \$175,000. This land value is equalized with neighboring land values and has improvements of asphalt parking included in the current EMV. The appraisal provided by Mr. Pellowski has an estimated value using the Sales Approach method of \$205,000.

STURROCK MOVED, DECRAMER SECONDED, to affirm the 2017 proposed estimated market value of \$175,000. All voted in favor of the motion.

27-516004-0 – The 2016 and 2017 estimated market value currently is \$191,100. This land value is equalized with neighboring land values and has improvements of asphalt parking included in the current EMV. The appraisal provided by Mr. Pellowski has an estimated value using the Sales Approach method of \$225,000.

MEISTER MOVED, SCHAFFER SECONDED, to affirm the 2017 proposed estimated market value of \$191,000. All voted in favor of the motion.

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27-516005-0 – The 2017 estimated market value currently is Land: \$765,500 – Improvements \$3,033,400. This land value is equalized with neighboring land values and is improved with a regional shopping mall of approximately 147,182 square feet, and concrete and asphalt parking. The appraisal provided by Mr. Pellowski has an estimated value using the Sales Approach method of \$1,380,000. The mall was built in 1976, the original area is 141,047 s.f. In 1983, an additional 6,135 square feet was added to the mall. Some areas of the mall have received significant upgrades in the past years while other areas have remained vacant. In 2014, two building permits were pulled for an interior remodel of the DaVita suite 900 for a permit total of \$292,000 and in 2016 a permit was pulled for an interior remodel for expansion of DaVita. This permit amount was for \$800,000. The current valuation is broken into two different prices per square foot, the DaVita areas and Bigstone Therapy area are being valued as Medical/Dental areas with an average square foot price of \$32.66.

The remaining retail space is valued \$15.01 per square foot. The retail space is being valued equally throughout the mall, no discount is being applied to “dark” areas. With the recent sale of K-Mart, our largest “dark” store, and County Fair, both had a sale price of \$18.38 per s.f. and \$19.78 per s.f. respectively.

The appraisal provided by Mr. Pellowski contains references to five sales of shopping malls located across Minnesota. The average selling price per square foot of the sales, land included, was \$122.22 per square foot. The current EMV for this property per square foot, land included, is \$25.81.

SCHAFER MOVED, MEISTER SECONDED, to affirm the 2017 proposed estimated market value of \$3,798,900. All voted in favor of the motion.

27-604063-0 – Gary & Karen Voss – (508 1st St. S – Residence)

27-604063-0 – This parcel is in a neighborhood that was re-assessed for the 2017 assessment using our CAMA system. Initially we were not allowed entry to the property and were estimating the 2017 EMV at \$114,800. On 3/28/17, Mr. Voss allowed Carolyn Runholt to view the property. All the information has been confirmed with Mr. Voss and deemed correct. After inspection, our proposed Estimated Market Value is \$97,000. This property is equalized with its neighborhood. Below is a list of closest comparables to 27-604063-0 along with their selling price and EMV's.

OCTOBER 1, 2015 - SEPTEMBER 30, 2016 CITY OF MARSHALL RESIDENTIAL STUDY SALES

Address	Parcel Number	Style	Yr Blt	Size (Sq. Ft.)	BSMT FINISH	Garage	Sale Date	Adjusted Sale Price	2016 EMV	2017 EMV*
508 1ST ST S GARY VOSS	27-604063-0	1 STORY	1953	832	680SF	2 stall attached				97,000
410 South 2nd Street	27-566-004-0	1 STORY	1956	1,136	568SF	1 stall detached	8.16	108,429	98,600	91,100
302 South 1st Street	27-604-037-0	1 STORY	1946	1,008	0	1 stall detached	2.16	78,050	65,000	77,600
107 West Maple Street	27-604-067-0	1 STORY	1948	884	0	1 stall detached	8.16	79,430	69,900	77,800
603 Southview Drive West	27-206-092-0	1 STORY	1955	1,080	350 SF	1 stall detached	11.15	99,747	95,100	95,100
403 Donita Avenue	27-208-023-0	1 STORY	1962	1,008	800 SF	2 stall detached	5.16	123,500	120,200	120,200
201 Robert Street	27-303-004-0	1 STORY	1962	992	820 SF	2 stall attached	4.16	149,900	123,400	124,700
700 South 2nd Street	27-568-015-0	1 STORY	1964	1,120	610 SF	2 stall attached	7.16	129,900	124,700	130,100

MEISTER MOVED, SCHAFER SECONDED, to reduce the 2017 proposed estimated market value from \$114,800 to \$97,000. All voted in favor of the motion.

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27-383009-0 – Scott Kuecker – (704 Huron Road)

27-383009-0 – The city assessor recommendation for this property was originally made for an adjusted average price of \$55.84 per square foot for the Animal Clinic. In my original calculations, I was erroneously adding in the square foot area of the garage which is currently being valued at a warehouse rate. The warehouse rate is equalized and the purpose of the adjustment was to differentiate the rate between Medical/Dental type properties and Veterinarian type properties. Systematically the setups are similar in the fact that they both consist of main lobby areas, and multiple exam rooms with extra plumbing and electrical services, and public restrooms. With the square footage of the warehouse deducted from the total area and using the targeted square foot rate of \$55.84 the corrected motion is as follows:

STURROCK MOVED, SCHAFFER SECONDED, to reduce the 2017 proposed estimated market value from \$521,800 to \$420,300. All voted in favor of the motion.

27-626020-2 – This parcel is a vacant strip that is contiguous to parcel 27-626020-3 (Quonset parcel). In 2015 for the 2016 assessment, land values were adjusted in this area. The EMV has remained the same for both the 2016 and 2017 assessment. This parcel is a 25 ft x 225 ft (5,625 s.f.) strip of bare land. We are currently valuing the property as if it was one with the adjacent parcel. Both are equalized with other property along Hwy 59 at \$1.50 per square foot.

SCHAFFER MOVED, MEISTER SECONDED, to affirm the 2017 proposed estimated market value of \$8,400. All voted in favor of the motion.

27-626020-3 – This parcel is adjacent to the Marshall Animal Clinic located at 704 Huron Road. It is a 124 ft x 225 ft lot with access to Hwy 59. Improvements on this site include a Quonset, approximately 17 ft x 67 ft, and a concrete parking pad of 1,433 square feet. The city assessor viewed the property upon the owner's request. The concrete pad is in poor condition, and the Quonset, due to sidewall height, has limited functions. Adjustments were made to reflect these issues. The assessor also looked at the land valuation and it is equalized with other properties along Hwy 59. The owner purchased this property on 7/29/2015 for a recorded purchase price of \$66,000 and has since re-roofed and resided the building with metal steel, permit amount of \$6,000.

MEISTER MOVED, SCHAFFER SECONDED, to reduce the 2017 proposed estimated market value from \$59,000 to \$54,600. All voted in favor of the motion.

27-485004-0/27-485005-0/27-485007-0/27-485008-0 – Chuck Hess

27-485004-0 – This parcel is an unimproved vacant piece of bare land adjacent to South 8th St. The deeded acres of this lot are 1.939 acres. Approximately 50 ft x 403.93 ft (.464) acres is dedicated for public road use and is not being valued. Total acres being valued on this parcel equal 1.475 acres. For the 2016 assessment, this land was reassessed from \$0.23 per square foot to \$0.80 per square foot for the first acre, and \$0.60 per square foot for the remaining land, and is discounted for no improvements, for an average EMV of 0.59 per square foot. This rate reflects access only from a gravel alleyway and unimproved. On 6/15/2016, a sale between Moorse and Boerboom took place. The recorded sale price was \$9,000 (\$1.25 per s.f. for .166 acres). Since the time of sale, this property has been improved with a building. Our current value of this parcel, as improved, is \$0.75 per s.f. Also, for informational purpose only, this sale is a

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government sale and not allowed to be used in our sales study. Lyon County also purchased a tract of land adjacent to Mr. Hess. This sale was \$21,000 (\$1.51 per s.f. for .327 acres).

Mr. Hess also owns the adjacent parcel of 27-485007-0 (see below appeal) which has an EMV land rate of \$0.75 per square foot and reduced for no improvements. After review I believe that the two parcels should be equalized at the \$.75 per s.f. rate, both will receive the discount for unimprovement to the land and are equalized with other properties along the gravel alley.

MEISTER MOVED, DECRAMER SECONDED, to reduce the 2017 proposed estimated market value from \$37,800 to \$34,400. All voted in favor of the motion.

27-485007-0 – This property is adjacent to the above listed parcel, and is equalized with adjacent lots. As with parcel 27-485004-0, we are not valuing the gravel alleyway. Please read the above details for more information.

DECRAMER MOVED, STURROCK SECONDED, affirm the 2017 proposed estimated market value of \$17,200. All voted in favor of the motion.

27-485005-0 – This property is a vacant lot immediately adjacent to Mr. Hess building. It is .353 acres with a public road of 50' x 308' that is not valued. The base price for this parcel for the 2017 assessment is \$1.50 per square foot. This parcel is being valued as a whole with 27-485008-0, through this lot is the only access to Mr. Hess' building. The current EMV for the land rate is \$1.50 per s.f. for the first acre. The original presumption was that these lots could be accessed off 10th St., which could be deemed more desirable to a potential buyer. After review with our engineering department, it was discovered that it would more than likely not be allowed to build an approach directly off 10th Street, since access was already obtainable off the gravel alley. Therefore, my recommendation will reflect a land value decrease to line the value up with all the adjacent land owners along that gravel alley. This recommendation will be applied to all three of Mr. Hess' properties along 10th Street equally.

MEISTER MOVED, SCHAFFER SECONDED, to reduce the proposed 2017 estimated market value from \$23,100 to \$11,600. All voted in favor of the motion.

27-485008-0 – This property is an improved property consisting of a land area of 60' x 120', a steel framed shop, with in-floor heat, insulated, with a 1,140 s.f. office/bathroom/breakroom with kitchenette. The building was inspected by the city assessor on 4/7/17. The information and valuation of the building was deemed correct. Currently the land is being valued at \$1.50 per s.f. The recommendation would be to lower the land value, as with the above parcel 27-485005-0, to align it with neighboring parcels.

SCHAFFER MOVED, MEISTER SECONDED, to reduce the proposed 2017 estimated market value from \$297,300 to \$281,400. All voted in favor of the motion.

27-485001-0 – This property is the third and adjacent property that Mr. Hess owns. This parcel was originally not on Mr. Hess' appeal list; however, I feel that if I recommend changes to the land on Mr. Hess' other two parcels, this parcel also should receive the same adjustment from the \$1.50 per s.f. rate to the \$0.75 per s.f. rate to equalize it with neighboring parcels.

MEISTER MOVED, SCHAFFER SECONDED, to reduce the proposed 2017 estimated market value from \$93,800 to \$79,400. All voted in favor of the motion.

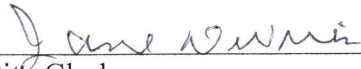
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Meister moved, Schafer seconded, the meeting be adjourned at 4:55 P.M. All voted in favor of the motion.



Mayor

ATTEST:



City Clerk