

**LOCAL BOARD OF APPEAL AND EQUALIZATION  
APRIL 10, 2018**

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

Local Board of Appeal and Equalization Member Absent: Bayerkohler

Staff Present: David Parsons, Carolyn Runholt, Doris Huber, Kyle Box, Sharon Hanson

Public Present: Scott Kuecker

The 2018 City of Marshall Local Board of Appeal and Equalization (LBAE) was reconvened at 5:00 p.m. by Mayor Byrnes in the Professional Development Room, 401 South Saratoga Street. Mayor Byrnes outlined the purpose of the meeting, which was a reconvene of the LBAE meeting of April 2, 2018 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 19, 2018.

**27-626020-3 - Scott Kuecker – (1602 Highway 59 N)**

This property is a 124' x 300' (37,200 sq.ft.) piece of land located along Highway 59. Also on this parcel is a 17' x 67' quonset that was built in 1950 and 1,433 sq. ft. of concrete. The current valuation on this parcel is as follows: 27,900 sq. ft. at \$1.50 per square foot and 9,300 sq. ft. at No Value due to road right of way for a total land value of \$41,900 plus \$11,500 for improvements equal an overall EMV of \$53,400. This property was purchased by Mr. Kuecker on 7/29/2015 for \$66,000. This sale was not considered to be a valid sale to be used in our sales study due to the fact it was purchased on a Contract for Deed with less than the minimum down payment allowed by the MN Department of Revenue. Although not a valid sale for sales ratio analysis, it can be considered an indicator to support the current Estimated Market Value. Below is a historical chart of the valuation to the property: *Note: Please refer to the Total Value column, once a LBAE or CBAE change has been directed, we may need to pull value from different areas to compute the total value, as you can see for the 2017 CBAE change, in our system, it was less complex to pull out the building value and adjust the land value than to pull all the land value to equal the directed adjustment.*

Year	Land	Dwlg Value	Impr Value	Total Value	Value Type	Location	Class	Comment
▶ 2018	\$41,900	\$0	\$11,500	\$53,400	Appraised	Urban	Commercial	
2017	\$38,700	\$0	\$0	\$38,700	Appraised	Urban	Commercial	2017 CBAE CHANGE
2017	\$41,900	\$0	\$12,700	\$54,600	Board of Review	Urban	Commercial	2017 LBAE CHANGE
2017	\$41,900	\$0	\$17,100	\$59,000	Imported Values	Urban	Commercial	import from mnaloc value
2016	\$41,900	\$0	\$17,100	\$59,000	Imported Values	Urban	Commercial	import from mnaloc value
2015	\$16,000	\$0	\$13,000	\$29,000	Imported Values	Urban	Commercial	import from mnaloc value
2014	\$16,000	\$0	\$13,000	\$29,000	Imported Values	Urban	Commercial	import from mnaloc value
2013	\$16,000	\$0	\$13,000	\$29,000	Imported Values	Urban	Commercial	import from mnaloc value
2012	\$16,000	\$0	\$13,000	\$29,000	Imported Values	Urban	Commercial	import from mnaloc value
2011	\$16,000	\$0	\$13,000	\$29,000	Imported Values	Urban	Commercial	import from mnaloc value
2010	\$16,000	\$0	\$13,000	\$29,000	Imported Values	Urban	Commercial	import from mnaloc value

Mr. Kuecker approached our office on the valuation of this property in 2017. An adjustment was made to the structure only on this property. A recommendation was made to the 2017 LBAE to reduce the value from \$59,000 to \$54,600. Mr. Kuecker also contested the value of \$54,600 to the 2017 LBAE with the board voting to affirm the value of \$54,600. Mr. Kuecker then appealed to the Lyon County Board of Appeal and Equalization on this parcel requesting a further reduction. Below are the minutes from that meeting:

Scott Kuecker discussed his property value that was doubled from 2016 to 2017. Kitchenmaster: This section of town was the last commercial section that was put on Vanguard. We haven't had a lot of vacant land sales in that area. Ritter: The City of Marshall has been way behind west of the tracks. Kuecker: I do not think it is fair to have one property owner take the burden. Graupmann: The lack of comparison is troublesome. Sanow: Do you know how much the County paid for the lot across the tracks? Kitchenmaster: \$21,500. Sanow: There are rules in assessing in what the values should be. Graupmann: There have been a number of years that the value has not been increased, it is unfortunate that the increase happened all at once. Kuecker: Why would you want to raise taxes more than 10% at once? This raise should be done over a number of years. Sanow: That did happen over 5 years in the city of Marshall and each property was affected in different years.

Motion made by Ritter, seconded by Sanow to lower the value to \$26,000 for the land and \$12,700 for the building for Scott Kuecker, 27-626020-3. All voted in favor, motion carried.

I further discussed the CBAE changes with the County Assessor Sherri Kitchenmaster, to determine the justification of the changes. We could find none, other than the CBAE comparing the sale between Lawrence Moore and Lyon County (8/31/2016). This sale was of 0.327 acres at a sale price of \$21,500 or \$1.50 per square foot, this parcel is an unimproved parcel (27-542004-4) located on a gravel road with no sewer or water accessibility. Mr. Kuecker's land value in question was at \$1.50 per square foot. The 2017 CBAE approved a reduction of \$15,900 to the land value and affirmed the value of the shed of \$12,700 for a total EMV of \$38,700. It was not clear as to the justification or calculations used by the CBAE to arrive at this value. I do not have any knowledge to either concur or deny Mr. Kuecker's claim that he tried to appeal his value of 27-626020-2 (the narrow strip of land) other than the minutes provided above. I was not in attendance at the CBAE.

Since this action there has been other activity in that general area which does support the original value. They are as follows:

**8/31/2016 Ziegenhagen to Hisken.** This is a vacant unimproved lot set back on South 8<sup>th</sup> Street on a gravel road with no sewer or water. It is 3.480 acres with an EMV of \$46,000 or \$.30 per square foot. This parcel sold for \$69,600 or \$0.46 per square foot. This price per square foot is considerably lower than Mr. Kuecker's. We are acknowledging location, gravel road access and no sewer and water to the property in our EMV and those considerations are reflected in the sales price.

**4/7/2017 CDI to Douglas Anderson.** This is a 1.3-acre parcel located on Hwy 68 that has a 24 x 60 shed on it, the 2017 EMV was \$110,100. This property was listed for sale for some time and eventually was purchased by Mr. Anderson for \$140,000, who also owns the adjacent parcels.

**4/7/2017 Four Seasons to Douglas Anderson.** This property is also adjacent to other properties of Mr. Anderson. It is a 0.367-acre parcel that contains two rental houses, our 2017 EMV was \$34,700. This parcel sold for \$60,000.

**4/7/2017 Tholen to Mr. Anderson.** This is a 0.133-acre vacant lot adjacent to other properties owned by Mr. Anderson. Our 2017 EMV was \$4,600. This parcel sold for \$4,750.

Of the aforementioned sales only the Ziegenhagen/Hisken sale is considered a valid sale for our sales study. Even though these sales are not considered arms-length transaction by the Department of Revenue, they were enough of an indicator that our value to Mr. Kuecker's parcel in question should be reverted to the prior year's value. Adjustments to the structure were made to arrive at a value of \$41,900 for the land and \$11,500 to the building for a proposed value of \$53,400 for 2018 pay 2019. No other market changes have occurred on this side of town since the 2016 assessment.

Since the LBAE meeting Monday April 2, 2018, I have had conversations with Mr. Kuecker about this parcel. Mr. Kuecker brought up the fact that there is no sewer or water to this parcel. I did confirm with the

Engineering Department and found that the sewer and water ends on Huron Road just south of Mr. Kuecker's veterinary clinic. This is something that we adjust for whenever it is known to our office on vacant property. The adjustment is based on the theory that an informed buyer would pay more for a similar piece of land if it has sewer and water connections accessible than a piece of land that does not. Also, this property has some topography inadequacies that we felt would should be adjusted for. If Mr. Kuecker were to build on this property, it is possible that the cost to prep the land could be substantial. There are three other properties within the city that are being adjusted for topography, the reduction is minimal as the cost to cure is unknown, but we are acknowledging those inferior lots. MOTION BY SCHAFFER, SECONDED BY DECRAMER, to reduce the proposed 2018 Estimated Market Value from \$53,400 to \$43,300 for parcel 27-626020-3 located at 1602 Highway 59 N. ALL VOTED IN FAVOR OF THE MOTION.

**27-626020-2 (the narrow strip of land) – Scott Kuecker (Highway 59 N)**

This parcel is a 25' x 300' (7,500 sq.ft.) piece of land that was created when Mr. Kuecker purchased the adjoining property that has the residential home on it. It was originally not included in the legal description of the original transaction and a corrective legal description was recorded, thus creating this standalone unbuildable parcel. If this parcel would have been part of the original transaction it would have maintained a residential classification on it. In 2015 a zoning change occurred to allow a dog kennel on parcel 27-626020-3. This parcel was included in the rezone from an Agriculture District to I-2 General Industrial District, therefore the classification was changed. This parcel could go with either the commercial parcel (27-626020-3) or the residential parcel. The value of this parcel is in line with adjacent parcels and would not change if combined to the residential parcel. Since there has been no further use change to this property or the adjacent parcel, it is my opinion that it should be reverted to the residential classification.

Below is a historical chart of the valuation to the property:

Year	Land	Dwig Value	Impr Value	Total Value	Value Type	Location	Class	Comment
▶ 2018	\$8,400	\$0	\$0	\$8,400	Appraised	Urban	Commercial	
2017	\$8,400	\$0	\$0	\$8,400	Imported Values	Urban	Commercial	import from mnaloc value
2016	\$8,400	\$0	\$0	\$8,400	Imported Values	Urban	Commercial	import from mnaloc value
2015	\$3,300	\$0	\$0	\$3,300	Imported Values	Urban	Commercial	import from mnaloc value
2014	\$3,300	\$0	\$0	\$3,300	Imported Values	Urban	Commercial	import from mnaloc value
2013	\$3,300	\$0	\$0	\$3,300	Imported Values	Urban	Commercial	import from mnaloc value
2012	\$3,300	\$0	\$0	\$3,300	Imported Values	Urban	Commercial	import from mnaloc value
2011	\$3,300	\$0	\$0	\$3,300	Imported Values	Urban	Commercial	import from mnaloc value
2010	\$3,300	\$0	\$0	\$3,300	Imported Values			import from mnaloc value

MOTION BY SCHAFFER, SECONDED BY DECRAMER, to affirm the proposed 2018 Estimated Market Value of \$8,400 for parcel 27-626020-2 located at Highway 59 N. ALL VOTED IN FAVOR OF THE MOTION.

MOTION BY DECRAMER, SECONDED BY SCHAFFER, to change the classification of 27-626020-2 located at Highway 59 N. from Commercial to Residential. ALL VOTED IN FAVOR OF THE MOTION.

**27-794025-0 – Charlie Poe – (220 N. Whitney St.)**

The above property was viewed by our residential appraiser on April 2, 2018. The subject is a one-story home with a finished attic and basement constructed in 1952 with 1,154 square feet on the main level, a fully finished attic of 635 square feet and a full basement with 468 square feet finished. There is a 2-car attached garage of 597 square feet that was built in 1987. The home has central air, one full bath (tub/shower), one shower stall bath, one half bath and two extra service sinks. The exterior has vinyl siding (partially replaced in 2011), newer style asphalt roof, and average windows. The overall condition is being considered at normal. The sale information on this property is highlighted in blue on the sales chart below.

The owner attended the 2018 LBAE meeting on April 2, 2018 questioning the value increase (\$116,900 to \$122,100). An appointment to review the property was made that evening with the homeowner and his daughter whom acted as the interpreter. The results of that inspection prompted the following changes:

- Area of concrete patio changed from 192 square feet to 80 square feet.
- The rate the basement finished was being calculated changed from \$8.00 per square foot to \$4.00 per square foot based on overall condition and style of basement finish.
- A shower stall bathroom located in the basement was added to the valuation.
- Two extra sinks located in the basement were added to the valuation.

Address	Parcel Number	Map #	Style	Age	Square Foot	Sale Date	2017 EMV	Sale Price	RATIO	2018 EMV	RATIO	
207 North Hill Street	27-472-003-0	14	1.25	1955	708	6.17	\$94,200	\$113,200	83.22	\$98,800	87.28%	
225 North Hill Street	27-794-014-0	14	1.00	1956	1,078	9.17	\$106,200	\$126,500	83.95	\$111,700	88.30%	
1002 Pine Avenue	27-918-015-0	14	1.00	1962	1,092	8.17	\$88,200	\$95,600	92.26	\$92,400	96.65%	
1004 Pine Avenue	27-918-014-0	14	1.00	1960	1,204	5.17	\$106,800	\$136,000	78.53	\$112,400	82.65%	
229 Hill Street North	27-794-012-0	14	4.00	1956	1,328	6.17	\$117,100	\$134,000	87.39	\$122,900	91.72%	
902 Boxelder Avenue	27-198-009-0	14	1.00	1960	1,372	4.17	\$154,400	\$140,400	109.97	\$162,200	115.53%	
MEDIAN									87.39%	MEDIAN		91.72%

STYLE CODES:                    1.00 - 1 STORY                    2.00 - 2.00 STORY  
    1.25 - 1.25 STORY                3.00 - SPLIT ENTRY  
    1.50 - 1.50 STORY                4.00 - SPLIT LEVEL

All of the noted changes were prior to 1/2/2018. The result of above changes to the 2018 proposed Estimated Market Value was an increase from \$122,100 to \$122,900. The increase to the EMV from 2017 (\$116,900) to 2018 (\$122,100) was a result from market changes that affected all the neighboring properties.

MOTION BY SCHAFFER, SECONDED BY LOZINSKI, to increase the 2018 proposed Estimated Market Value from \$122,100 to \$122,900 for parcel 27-794025-0 located at 220 North Whitney Street. ALL VOTED IN FAVOR OF THE MOTION.

**27-573026-0 – Sangnyeol Jung and Yeong Kwon – 113 Thomas Ave W**

The above property was viewed by our residential appraiser on April 4, 2018. The subject is a split entry home that was constructed in 1978 with 1,092 square feet on the upper level, 40 square feet on ground level and 1,092 square feet of lower level of which 964 square feet is finished. There is a 2-car attached garage of 672 square feet, exterior is a 168 square foot block patio and 168 square foot deck. The home has central air, one full bath (tub/shower), one shower stall bath, one extra sink and a gas fireplace. The kitchen has been remodeled in 2012 and a well-maintained exterior with steel siding. The overall condition of the home is being considered at very good.

The home owner attended the 2018 LBAE meeting on April 2, 2018 questioning the value increase (\$157,500 to \$169,600). An appointment was made with the homeowner to review the property and to share sales information in that neighborhood which prompted a neighborhood wide increase in home values. The results of that inspection prompted the following changes:

- Overall condition of the garage was lowered (some interior finishes were removed).
- Extra sink was added to the valuation.

All of the noted changes were prior to 1/2/2018. The result of the above changes to the 2018 proposed Estimated Market Value was a decrease from \$169,600 to \$169,500. The increase to the EMV from 2017 (\$157,500) to 2018 (\$169,600) was a result of market changes that affected all of the neighboring properties. Below is a list of similar split entry/level homes that have sold in the prior year's sales study that are in the same area as the subject.

Address	Parcel Number	Map #	Style	Age	Square Foot	Sale Date	2017 EMV	Sale Price	RATIO	2018 EMV	RATIO
1004 Cheryl Avenue	27-213-002-0	24	3.00	1977	816	8.17	\$84,900	\$105,500	80.47	\$90,500	85.78
903 Elaine Avenue	27-966-009-0	24	3.00	1980	864	10.16	\$146,100	\$163,000	89.63	\$156,900	96.26
30 West Southview Dr.	27-572-018-0	24	3.00	1972	1,086	9.17	\$124,600	\$164,798	75.61	\$144,700	87.80
20 Schepper Street	27-925-044-0	24	3.00	1978	1,098	7.17	\$129,800	\$149,000	87.11	\$139,100	93.36
810 Westmar Circle	27-966-025-0	24	3.00	1979	1,104	8.17	\$133,100	\$163,900	81.21	\$142,400	86.88
303 West Southview Dr.	27-572-017-0	24	3.00	1972	1,144	12.16	\$138,800	\$157,800	87.96	\$149,100	94.49
504 Lawrence Street	27-925-023-0	24	4.00	1968	1,424	2.17	\$158,400	\$181,500	87.27	\$170,800	94.10
								MEDIAN	87.11	MEDIAN	93.26

STYLE CODES:

1.00 - 1 STORY  
 1.25 - 1.25 STORY  
 1.50 - 1.50 STORY

2.00 - 2.00 STORY  
 3.00 - SPLIT ENTRY  
 4.00 - SPLIT LEVEL

MOTION BY MEISTER, SECONDED BY STURROCK, to reduce the 2018 proposed Estimated Market Value from \$169,600 to \$169,500 for parcel 27-573026-0 located at 113 Thomas Ave W. ALL VOTED IN FAVOR OF THE MOTION.

**27-516004-0, 27-516003-0, 27-516005-0, 27-516001-0, 27-516002-0 -Marshall Square Mall – 111 Market Street**

The above property was discussed at the Local Board of Appeal and Equalization on April 2, 2018. Mr. Pellowski submitted a letter of appeal to preserve his right to appeal at the County Board of Appeal and Equalization in the event a settlement is reached involving the MN Tax Court appeals involving these five parcels. It is unclear if a motion by this board is needed to reserve Mr. Pellowski's right to appeal to the County Board of Appeal and Equalization or if the appeal letter provided by Mr. Pellowski itself is sufficient. To be safe, I would recommend a motion of "no change" be made to affirm the validity of the appeals.

MOTION BY SCHAFFER, SECONDED BY LOZINSKI, for a no change in value to parcel 27-516001-0 located at 110 Market Street. ALL VOTED IN FAVOR OF THE MOTION.

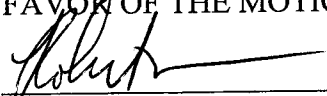
MOTION BY MEISTER, SECONDED BY SCHAFFER, for a no change in value to parcel 27-516002-0 located at 106 Market Street. ALL VOTED IN FAVOR OF THE MOTION.

MOTION BY LOZINSKI, SECONDED BY DECRAMER, for a no change in value to parcel 27-516003-0 located at 107 Market Street. ALL VOTED IN FAVOR OF THE MOTION.

MOTION BY LOZINSKI, SECONDED BY SCHAFFER, for a no change in value to parcel 27-516004-0 located at 111 Market Street. ALL VOTED IN FAVOR OF THE MOTION.

MOTION BY LOZINSKI, SECONDED BY DECRAMER, for a no change in value to parcel 27-516005-0 located at 1420 E. College Drive. ALL VOTED IN FAVOR OF THE MOTION.

MOTION BY SCHAFFER, SECONDED BY STURROCK, TO ADJOURN THE 2018 LOCAL BOARD OF APEAL AND EQUALIZATION AT 5:15 P.M. ALL VOTED IN FAVOR OF THE MOTION.

  
 Mayor

Attest:

  
 City Clerk