

## MINUTES – DRAFT COPY

### LOCAL BOARD OF APPEAL & EQUALIZATION CITY OF OWATONNA

Council President Schultz called the meeting for the Local Board of Appeal and Equalization (LBAE) to order at 6:00 p.m. on Tuesday, April 20, 2021 in Council Chambers at City Hall. Present were: Council Members Okerberg, Dotson, Burbank, Raney, Svenby, Voss and Schultz; Mayor Kuntz; Steele County Assessor William Effertz; Steele County Assistant Assessor Brock Nelson; City Administrator Busse and Administrative Specialist Clawson.

Council Member Raney made a motion to approve the agenda, Council Member Svenby seconded the motion, all members voted aye in approval. City Administrator Busse explained State Statute requires at least one voting member of the Council be certified with the Department of Revenue for completing an LBAE training course within the last four years. Current certifications are held by Council Members Okerberg, Svenby and Voss.

County Assessor Effertz Council presented the 2021 City of Owatonna Assessment Report prepared by the Steele County Assessor's Department. Their office analyzes real estate sales during a 12-month period to modify the mass appraisal system to the current market as well as to improve equalization amount properties. Sales from October 1, 2019 – September 30, 2020 were used to complete the 2021 Report and analyzed for market trends and assessment to sale ratio. Effertz explained the purpose of the LBAE is to provide a fair and objective forum for property owners to appeal their valuation and/or classification. The goal of the LBAE is to address property owner's issues fairly and objectively.

The objective of the assessor is to be both accurate and uniform. There are three reasons that valuations change each year:

1. Market adjustments due to the ever-changing market conditions of the real estate market. Different types of real estate changes at different rates.
2. Even in a stable market, property values will change due to equalization. If a property value based on analysis of sales, is thought to be under or over assessed, either in relation to other properties or to a range of acceptable guidelines, the valuation may increase or decrease.
3. New improvements.

The Commissioner of Revenue requires all property types be assessed between 90-105% of selling price. Any assessment by aggregate property type that is outside of this range will be adjusted accordingly by the State Board of Appeal and Equalization. Percentage of Property Types within the City for 2021 Estimated Market Values are:

Residential	71.69%
Commercial & Industrial	20.54%
Apartments	5.94%
Agriculture Land	1.64%
Manufactured Home Park (land)	.19%

In comparison to 2020 Assessment Statistics, there was a slight shift due to market changes as the tax shows declining reliance on Ag/Rural and increasing reliance on Residential assessments.

Net Tax Capacity, the effective measurement of the tax base, increased \$1.6 million. This reflects the changes in the market valuations plus the addition of new construction which leads to the expanding tax base. Owatonna’s Net Tax Capacity has been on a steady incline over the last five years creating a ripple benefit for everyone.

The total Estimated Market Values without New Construction expanded 4.6% to \$2.259 billion. Valuations of all property types increased during 2021 (this does not include new construction values):

Total Agriculture / Rural	2.57%
Total Residential	5.1%
Apartments	5.05%
Commercial/Industrial	1.3%
Industrial	4.32%

Estimated Market Value of New Construction was \$52,658,200.

Miscellaneous 2021 Data:

Residential Home Sales:	569 transactions
Median Sale Price	\$187,000; \$7,000 increase over previous year
Residential Vacant Lot Sales:	30 sales
Median Sale Price	\$ 33,000; \$1,100 increase over previous year
Residential Estimated Market Value	
Median Value	\$182,200; \$10,200 increase over previous year
Median Value per square foot	\$144; \$10 increase over previous year
Number of new homes built	33; 1 more than previous year

Assessor Effertz explained property owners have opportunity to appeal their proposed property valuations. Owners’ requests must be presented to the Local Board of Appeal for opportunity to appeal to the Steele County Board of Appeal and Equalization which will be held on June 15, 2021. Prior to tonight’s LBAE meeting, the Steele County Assessor’s Office received valuation protests for 11 parcels within the City and have made these recommendations:

PARCEL ID	DEEDHOLDER	ADDRESS	PROPERTY TYPE	VALUE	ADJUSTED VALUE	CHANGE	REASON
17-002-4101	David Kranda	2330 Kenyon Rd	Residential - Single Dwell	\$ 50,600	\$ 50,600	\$0	No Change
17-016-1243	Steven Scholl & Kari Neumann-Scholl	1050 Redwood Pl	Residential - Single Dwell	\$ 162,100	\$ 154,900	-\$7,200	Value High - Building
17-101-1110	Wayne & Connie Whipps and Mark & Cori Whipps	1031 Elm Ave S	Residential - Single Dwell	\$ 172,500	\$ 154,100	-18,400	Corrected Condition
17-297-0103	B A R Partnership	910 Hoffman Dr N	Com Land/Bld - 1 <sup>st</sup> \$150,000	\$ 149,400	\$ 143,700	-5,700	Value High - Building
17-305-0108	Robert & Kim Dub	180 Cedar Pl	Residential - Single Dwell	\$ 305,100	\$ 305,100	\$0	No Change
17-338-0208	ANS Hospitality LLC	150 St John Dr NW	Com Land/Bld - 1 <sup>st</sup> \$150,000	\$1,230,100	\$759,800	-\$470,300	Value High - Building

PARCEL ID	DEEDHOLDER	ADDRESS	PROPERTY TYPE	VALUE	ADJUSTED VALUE	CHANGE	REASON
17-536-0107	Brian & Kari Bunkers	1946 Woodcrest Dr NE	Residential - Single Dwell	\$736,200	\$694,800	-\$41,400	Value High - Building
17-540-0127	Traditions of Minnesota, LLC	195 24 <sup>th</sup> Pl NW	Res – 4 or More Units	\$3,387,800	\$ 3,124,700	-\$263,100	Value High - Building
17-582-0319	Jeffrey Otto	2490 Fox Hollow Lane	Residential - Single Dwell	\$ 272,900	\$272,900	\$0	No Change
17-602-0103	Traditions of Minnesota II, LLC	150 24 <sup>th</sup> St NE	Res – 4 or More Units	\$ 2,989,000	\$2,745,100	-\$243,900	Value High - Building
17-016-4301	Colin & Charlotte Roetman	1003 Lemond Rd	Residential-Homestead	\$182,600	\$182,600	No Change	Not allowed physical inspection

Council Member Okerberg made a motion to accept the 2021 Property Owner Appeal List as presented by the Steele County Assessor’s office, Council Member Svenby seconded the motion, all members voted aye for approval.

At 6:19 p.m., a motion was made by Council Member Raney, seconded by Council Member Svenby to adjourn.

Dated April 26, 2021

Respectfully submitted,

Jeanette Clawson, Administrative Specialist