

## MINUTES

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

City Adm. Bldg. Owatonna, Minnesota Tuesday, April 23, 2019 7:00 o'clock p.m.

Council Members Present: Doug Voss, Jeff Okerberg, Nate Dotson, and Greg Schultz

Council Members Absent: Kevin Raney, Brent Svenby and Dave Burbank

Present: Steele County Assessor William Effertz; Assistant County Assessor Tyler Diersen;  
Mayor Tom Kuntz and City Administrator Kris M. Busse

Council President Schultz called the meeting for the Local Board of Appeal and Equalization (LBAE) to order at 7:00 p.m. City Administrator Busse explained State law requires each Board of Appeal and Equalization meeting include a voting member who has completed a Department of Revenue training course within the last four years. Currently, Council Members Okerberg, Dotson and Dotson are certified trained members.

County Assessor Effertz Council presented the 2019 City of Owatonna Assessment Report prepared by the Steele County Assessor's Department. The 2019 annual assessment period is October 1, 2017 – September 30, 2018. 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 2019 Estimated Market Values are:

Residential	74%
Commercial & Industrial	20%
Apartments	5%
Agriculture Land	1%
Manufactured Home Park	<1%

The total Estimated Market Values expanded 4.3% to a total of \$2.01 billion; this increase is a result of a combination of market adjustments and new construction. Valuations of all property types increased during 2019 (this does not include new construction values):

Total Agriculture / Rural	0.78%
Total Residential	5.52%
Apartments	0.68%
Commercial/Industrial	1.76%

Miscellaneous 2019 Data:

Residential Home Sales:	562 transactions
Median Sale Price	\$170,000; \$10,000 increase over previous year
Residential Vacant Lot Sales:	36 sales
Median Sale Price	\$ 37,000; \$7,000 increase over previous year
Residential Estimated Market Value	
Median Value	\$161,900; \$10,300 increase over previous year
Median Value per square foot	\$125; \$7 increase over previous year
Number of new homes built	40; three 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 in June. Prior to this LBAE meeting, the Steele County Assessor's Office received valuation protests for 25 parcels within the City of Owatonna.

The Steele County Assessor's Office recommends eight of these requests receive adjustments:

Parcel	Deedholder	Property Address	Original Value	Adjusted Value	Value Changed	Reason for Change
17-015-3409	Robert & Holly Hole	148 Hobart St	192,200	162,800	29,400	Corrected Measurements
17-016-1104	Wells Fargo Bank	522 Cedar Ave S	131,900	115,500	16,400	Corrected Condition
17-101-0119	Andrew Enzenauer	517 Cedar Ave S	106,900	80,000	26,900	Property Inspected
17-136-0328	Jason & Jill Butkovich	515 Main St E	244,000	191,700	52,300	Property Inspected
17-241-0300	Central Valley Coop	605 Cedar Ave N	1,050,400	913,200	137,200	Overstated Values - Land & Bldg
17-455-0201	Darcie Buskovich	1363 Rice Lake St	155,600	147,900	7,700	Corrected Condition
17-536-0206	Craig & Lori Thompson	1957 Woodcrest Dr Ne	459,100	396,000	63,100	Corrected Condition
17-598-0408	Andrew & Rhonda Michaletz	1840 White Oak Lane NE	496,500	450,100	46,400	Clerical Error

The Steele County Assessor's Office recommends no adjustments be made to the Property Valuations for these 17 parcels:

<b>Parcel</b>	<b>Deedholder</b>	<b>Property Address</b>
17-105-0304	Randy Christey	115 North St E
17-129-0703	Darick Wold	445 Larch Ave
17-132-0514	Sidney Gwin	231 Larch Ave
17-158-0205	Davie Kelvie	372 Murray St
17-197-0109	Marie Schuette	622 11 <sup>th</sup> St SE
17-251-0103	Stephen & Natalie Tschopp	180 Shady Ave
17-279-0101	Laurel Kruckeberg	1427 School St E
17-316-0104	Lindsay & Christine Zaharris	1931 7 <sup>th</sup> Ave NE
17-425-0102	Tyler Jay Company	171 Park Dr
17-425-0103	Tyler Jay Company	Bridge St W
17-481-0103	Barry & Lori Butler	1830 Mapleview Pl
17-487-0307	Ronald & Gaye McCann	1949 Pheasant Run Dr
17-488-0405	Peter Michaletz, Trustee	2150 Sunflower Lane
17-498-0217	Curtis & Brenda Homeier	1969 Wildflower Dr
17-547-0102	Roger Plath	Greenleaf Pl SE
17-547-0202	Roger Plath	Robin Hood Lane SE
17-596-0113	Just, LLC	1355 State Ave NW

Nikki Hable, 2571 Stony Creek Drive was present and requested review of her property's valuation; they haven't made any improvements within the last year and their property value was increased by \$47,000. County Assessor Effertz explained the adjustment could be due to any one of the three reasons previously listed; he advised the Assessor's Office will review this property and also requested this parcel be added to the list of properties which could file an appeal to the Steele County Board of Appeal and Equalization.

Council Member Dotson made a motion to accept the eight recommended valuation adjustments and the addition of Ms. Hable's property at 2571 Stony Creek Drive to the list of properties with potential to appeal to the County Board of Appeal and Equalization. Council Member Voss seconded the motion and all members present voted aye for approval.

At 7:19 p.m., a motion was made by Council Member Dotson, seconded by Council Member Okerberg to adjourn.

Dated April 30, 2019

Respectfully submitted,

Kris M. Busse, City Administrator