

**MINUTES OF BOARDS OF REVIEW OF THE PRINCETON CITY COUNCIL HELD ON  
APRIL 3, 2008, 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Mayor Riddle called the meeting to order. Council members present were Mayor Jeremy Riddle and Councilors Paul Whitcomb, Dick Dobson, Victoria Hallin, and Lee Steinbrecher. Staff present was Mark Karnowski and Ann Bien.

**SHERBURNE COUNTY BOARD OF APPEAL AND EQUALIZATION HEARING – 4:30 P.M.**

Jerry Kritzek, Sherburne County Assessor; John Cullen, and Doug Beise were present.

Kritzek reported there is a good possibility there may be changes in 2009, with reductions in value based upon current sales this year. He explained foreclosure sales are not included in determining values.

Cullen reported commercial/industrial values are at 96%, while vacant land is only 64%, indicating land is being bought for development. Two areas they are working on is billboards and cell towers. He also reported Coborn's went on full value this year.

There were no appointments and no one from the public appeared.

WHITCOMB MOVED TO CLOSE THE PUBLIC HEARING. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**MILLE LACS COUNTY BOARD OF APPEAL AND EQUALIZATION HEARING – 5:00 P.M.**

Pat Stotz, Mille Lacs County Assessor, Mary Jo Coleman, and Steve Chmielewski were present.

**Robert Soule, Jr., 24-041-0370, 110 6<sup>th</sup> Avenue South**, stated he owns a business in town and noticed 2009 values are going up 15%, while 2008 went down 1%. Stotz explained they have to look at sales each year. This year there were six sales to compare to. Because they have been low in their appraisals, the State Board of Equalization said they had to address this this year, The average increase was 23%. Last year's reduction could have been an automatic depreciation.

**Betty McAlpine, 24-920-0170, 206 14<sup>th</sup> Avenue North**, stated her value went up 212%. She had pictures of other comparable homes in the area which had market values quite a bit lower. Coleman reviewed the information and pointed out two of the homes were 500-1,000 square feet smaller and were quite a bit older. She explained all she can do is look at the raw square footage of the house and basements do not have same value as the main level. McAlpine stated she does not think they can sell it for the value placed on it and the fairgrounds and race track would hinder their sale.

Stotz stated the value had dropped from \$298,000 to \$277,000 and McAlpine said that was because they had it with cathedral ceilings. Coleman explained they were not able to get into the house and it appeared there were cathedral ceilings. When it was found out they didn't, an adjustment was made. Since they did not attend last year's Board of Review, nothing could be changed on this year's taxes.

McAlpine stated last year's value was \$168,000 and they are not arguing that value. Then they got notice their market value was \$298,000. She stated she thought taxes were paid on limited market value.

Riddle asked if the dollar per square foot is same for all three properties in question. Coleman answered no, and explained the differences. She also explained that they take sales during a specific time period, and that can change with this year's sales. She stated all they deal with is estimated market value and the State deals with limited market value (new construction should not have limited market value). She also stated the Council can only deal with estimated market value.

**Art Skarohlid, 24-041-0660, 202 Rum River Drive South**, stated he was representing Bremer Bank and asked about the fluctuation in value on their building, stating in 2005 it was valued at \$609,000 and now it is over \$800,000, a 15% increase. He stated the Legion building, which is similar in size, was sold for \$600,000. Coleman explained that the sales ratio period for this estimate is 10-01-06 to 09-30-07. The State mandates how they determine value and all commercial was increased 15% on buildings. Skarohlid asked for the statute, stating he thinks it is an exorbitant increase. Stotz gave him a copy of their directives from the State and gave him a phone number of their State contact. Riddle also gave him possible statute numbers. Coleman informed him if the City does no adjustment, he can appeal to the County and he will get letter from the County within 10 days.

**Erland Hugget, 24-556-0030, 306 11<sup>th</sup> Avenue South**, stated he bought his house in September, 2006, for \$149,000 and he now has a \$40,000 increase in value. Coleman explained that when she established the value for these townhomes in this area, there had been no sales so she had to use sales on other townhomes in the city. She determined the value of \$189,000 and a notice was sent to the property owner in 2006 for 2007 taxes. She explained in Minnesota you pay taxes this year on the value last year, so the notice they received now is payable in 2009. She stated that since the homes sold from \$149,000 to \$162,000, the value has now been decreased, and this is reflected on this year's notice.

**Arlene Bibeau, 24-556-0080, 316 11<sup>th</sup> Avenue South**, asked if the \$162,000 home, which is completely different than the other townhomes, are taxed the same way. Coleman answered yes, if the square footage is the same, the value is the same. Bibeau asked if the taxes will be lower next year since the value is lower. Coleman answered not necessarily, the value is decreased but she cannot say what the City, County and School will tax.

**Kathy York, the realtor for Progressive Homes**, stated they built patio homes which were never over \$149,900 unless they were upgraded. She stated she does not know where the \$189,000 value came from. Coleman explained that back in January, 2007, there were no sales so they had to look at similar sales. She explained she cannot use an asking price. Progressive Homes was notified of that value and if they had wanted to disputed the value, they should have been at this meeting last year.

York stated she thought it was unfair that the current owners are being taxed on a value that has never been and the assessor could not have used similar homes because these are unique. Coleman stated they could only use similar homes at the time. Progressive Homes should have complained when they were initially notified of value. She informed York and the others that changes cannot be made for last year at this time. Karnowski agreed that there is nothing this City Council can do at this time for last year's value.

**Marlene Hellman, 24-556-0040, 308 11<sup>th</sup> Avenue South**, stated she was the first one to move in. When she got her taxes, she did call in about the value and was told they could not do anything. Riddle explained the Legislature dictates that the Assessor cannot look at an asking price, only sales prices during the 12 month period.

**Duane Strombeck, 24-201-0060, 24-032-0220, 24-033-0150, 24-761-0320,** asked how they determine the valuation, if it is just a drive by. Coleman clarified that she has been through every house of his with him about 2-3 years ago and they do not do drive bys. She stated the City of Princeton will be reviewed again this summer, every four years. Strombeck stated he does not know why his values went up \$3,000. Coleman stated his market value did not go up, last year the value was \$37,800 and this year the value is \$37,500. She stated the limited market value (which legislature establishes) may have gone up; but the market value is the only value they control.

**Bob and Jennifer Gerold, 24-028-3503, 1302 7<sup>th</sup> Street North,** asked the Council to reevaluate their market value. Jennifer provided pictures of their home and reviewed past and current values. She also provided 7 comp sets and reviewed those values and sales. She asked for their property to be valued more in line with what the market is currently bearing. She stated they had argued about the amount of taxes before, but are now arguing the value. Gerold stated their home is valued higher than similar or larger homes in area.

Coleman explained she does not assess properties outside of city limits and asked to see the comps. She stated she would like to take a look at the homes they are providing, but it is hard to compare sales in the townships to the City of Princeton. She stated Gerolds are a unique situation since they have no sewer or water and she takes that into account when determining the value.

Riddle stated one thing the Council thinks about is the increase of value when putting in utilities since they argue the value of property will go up with utilities.

Coleman stated an adjustment was made to the land value, reducing it to \$20,000; if it had sewer and water it would be valued at \$34,000.

Steinbrecher stated from a lay person's perspective looking at livable space, Gerold's are paying \$143/sq. ft. while McAlpines are paying \$115/sq. ft. Coleman explained that when you add in the garage and basement, Gerolds are paying \$115/sq. ft.

Stotz advised the Council to address the adjacent property also since it would also be unique without sewer and water.

**Gregory Dahlman, 24-636-0150, 1506 12<sup>th</sup> Avenue North,** was present. Coleman explained she did not have an opportunity to look at his property and recommended he come to the Council so she should go look. Dahlman stated he put the property on the market, starting at the assessed value but got no viewings. He lowered the price \$15,000 and only got one viewing. Coleman explained the value has been lowered a little for this year and it is valued as if the basement is finished but she is not sure it is. Dahlman stated it was not finished last year, but he has finished it this year. Coleman reviewed his values, noting his market value has gone down. She will also make an appointment with Dahlman to view his home.

**Vicki Neal, 24-924-0020, 1229 11<sup>th</sup> Avenue North,** did not show for her 6:30 appointment.

**Letter from 24-033-0440 William Dunkley Thunder Alley** – Coleman explained that when Dunkley's attorney called, there was not enough time for her to check the property. This hearing is the avenue for her to do so. She stated the property was valued at \$1.163 million and sold for \$1.55 million in 200. She has not been in the building, which is 108,122 sq. ft. for about 8 years.

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**VFW, 24-040-0220 and 24-040-0250** - Dobson asked if his appeal options are still open since he talked to Coleman about the VFW building and he has not heard back anything else. Coleman stated she thought the value decrease had been done already but has just not shown up yet. She recommends \$115,900 on 24-040-0220 and \$110,600 on 24-040-0250. She explained the problem is the building is valued as two buildings but it is really only one.

### **COUNCIL DISCUSSION**

**Robert Soule, Jr.** - a reduction in square footage was given by the Assessor's Office; No more adjustments given

**Betty McAlpine** – Council agreed their square footage value is comparable to others, no adjustment made.

**Art Skarohlid** – No Council action taken, they believe Skarohlid will go to the County.

**Strombeck** - no action taken.

**Gerold** – Council has concerns and would like to see something resolved. Riddle asked if there was a large difference between Gerold and McAlpines. He took Odger's property into consideration. Coleman explained everyone has to be treated the same and schedules are used to determine value. She stated it is better to use specific uniqueness for lowering values. Karnowski suggested that sometimes other communities have similar problems and thought they would have options. Coleman stated the biggest argument is that they sold their other house, which is adjacent to this property, for \$279,000, It is basically the same location and this house is quite a bit more. She stated if Gerold's value is adjusted, then other house should be similarly adjusted. Riddle asked if other buildings in this area should be looked at too and Coleman explained commercial is valued different than residential.

STEINBRECHER MOVED TO REDUCE THE VALUATION BY 10% ON THE BUILDINGS AT 1302 7<sup>TH</sup> STREET NORTH (24-02803503) BASED ON INFORMATION PRESENTED AT THE MEETING. DOBSON SECONDED THE MOTION.

Whitcomb asked what the difference would be and was told it would be about \$35,000.

ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**Dahlman** – Coleman will visit the residence to review.

**Neal** - did not show up

**Meadow View 7<sup>th</sup> Addition** – Council agreed nothing can be done with last year's value and the property owners seemed to be okay with this year's value.

**DUNKLEY** – Council thought \$10/sq, ft was reasonable.

There being no further business, HALLIN MOVED TO ADJOURN AT 7:05 P.M. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Ann Bien, Deputy City Clerk

ATTEST:

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Jeremy Riddle, Mayor