

Pursuant to due call and notice there of the Southside Township Board of Supervisor's met for the Local Board of Appeal and Equalization on Tuesday, April 12, 2022 at 9:04 a.m. at Southside Township Hall. Wright County MN.

The following members were present: Chairman Marty Ferguson, Supervisors Tim Hable and Clerk/Treasurer Carmen Merrill. Supervisor Jim Hallstrom was present via Zoom due to illness. Also present: Chase Phillippi, Appraiser, Keith Triplett Assistant County Assessor. Adam Blomquist, Appraiser, Bob & Elaine Fleskes, Lynn Rexroth, William & Debra Lester, Arlen Diercks, James Miceli, Kathy Schultz, John Bishop, Joe Ahlstrom, Janet Erickson.

Supervisor Ferguson opened the meeting and stated the purpose of the meeting is to review the 2022 assessment for taxes payable in 2023.

He then turned the meeting over to Chase Phillippi, Township appraiser and Keith Triplett.

Chase Phillippe, Keith Triplett and Adam Blomquist reviewed the information for Southside Township for 2023 assessment.

The purpose of this Local Board of Appeal and Equalization is to review the 2022 assessment for property taxes due and payable in 2023.

The board has the ability to make changes to individual property valuations and classifications based on the appeals presented to them with the exception of the following:

- They are unable to open any prior year's assessment, including for taxes payable in 2022
- They are unable to grant an exemption
- They are unable to order property to be removed from the tax rolls.

A quorum must be present and at least one member must be "Training Certified" under Minnesota statutes, section 274.014.

MN State law requires the assessor to value property at 100% of market value; The Statutes allow Assessors to be within a range of 90 to 105% of market value.

The assessor's estimate of market value is prima facie valid correct. The burden of proof is on the taxpayer to prove that the assessor's value is in error. MN Statutes, section 271.06

The sales ratio study period is from October 1, 2020, thru September 30, 2021. Sales that occurred during this time frame are the basis for the January 2, 2022, assessment date. The following statistics summarize what has occurred with the Wright County Assessment for 2022:

- 2,281 Residential and Seas Rec sales occurred with a time adjusted median sales ratio of 77.21% Values were increased 19.78% county-wide bringing the median ratio to approximately 94.30%
- 23 Commercial Sales with a time adjusted median ratio of 88.87% Commercial values increased 5.44% to get to a median ratio of 94.40
- 9 Industrial Sales with a time adjusted median ratio of 88.45% Overall values of Industrial properties increased 10.79% to get to a median ratio of 95.52
- 3 Apartment Sales with a time adjusted median ratio of 89.22%

Values were increased 15.16% on average to get to a median ratio of 94.52

- Market values on agricultural property increased by 10.96 to a median ratio of 92.70
- Green Acres went up .004% or 4 tenths of one percent

Across all taxable property types, Wright County had an increase in market value of 20.63% for the 2022 Assessment. The total 2022 assessment estimated market value is \$ 21,813,134,800.

The current assessment meets or exceeds standards for uniform assessment in all jurisdictions as established by the International Association of Assessment Officers.

The 2022 assessment is based on qualified market sales that took place from **October 1st, 2020, through September 30th, 2021**. It is these sales that determine the assessed market values as of January 2nd, 2022. **Sales that take place after September 30th, 2021, will be included in next year's sale study. This will represent the current market conditions and will be used for the 2023 assessment.** Each year estimated market values are analyzed, along with sales data for Southside Township. Appropriate adjustments for each property and each class of property are made based on the results of the sales study.

Residential and Seasonal Recreational property valuations, whether up, down, or remaining the same, are the result of market analysis of area real estate transactions. **During this year's study, we had 28 qualified sales used in the sales ratio study with a sales ratio of 80.21%.** This was down from 32 sales last year. The State of Minnesota requires assessors to value property at 100 percent of market value with an allowable range of 90 to 105 percent. **Our state time adjusted median sales ratio following all changes for market condition and equalization for the 2022 assessment is now 94.34%. This was a result of a 22.10% increase of total township residential & seasonal market value excluding new construction.** Below you will see how Southside Township's residential values changed for the 2022 assessment in comparison to surrounding districts within Wright County.

Agricultural property valuations, whether up, down, or remaining the same, are the result of 66 sales used in the AG sales ratio study, with a final median sales ratio of **92.70%**. This was down/up from 50 sales in last year's study. **The Green Acre / Rural Preserve taxable values and county factors are statutorily calculated and controlled by the Minnesota Commissioner of Revenue.**

Land valuation in Southside Township varied depending on location, zoning and future land use. A chart showing the breakdown can be found below for agricultural land. All agricultural zoned land that lies within the AG/RES area of the land use plan may have additional value, as in most cases the highest and best use value is greater than the agricultural value. Waste land is broken down into 2 types, A & B. Waste A is at \$1,400/ac, and Waste B is at \$500/acre.

Border values have seen variable changes depending on location and the current sale trends of fringe development areas. The land bordering the City of Annandale is valued at \$8,000/acre.

Land in general saw increases in market value as demand for rural properties has exceeded current supply.

Properties that were physically reviewed during the 2021 quintile may have experienced mixed valuations (up, down or remained the same). The changes are the result of reviewing properties and equalization that normally takes place during the review process.

2022 Summer Review Area:

All parcels South of State Highway 55 & East of CR 3 in Sections 23,24,25,26,35 & 36; All of Lake John, and portions of East Sylvania and the peninsula. (See map following page = yellowish area)

Since the beginning of the new sales study on 10/1/21, there have been approximately 8 residential and seasonal market sales. The qualified sales will be used for the 2023 assessment, and our current sales ratio would be approximately 95.10% based on non-verified personal property adjustments.

As of March 30th, 2022, there are currently only 2 improved properties for sale and 2 pending sales in Southside Township. The lack of supply and an increase in demand for rural and lakefront property has kept sales prices increasing.

The meeting was turned back to Chairman Ferguson.

Janet Erickson, 217-029-004010, 217028-000161. 217-000-333202, was present to ask the Board to vote no change so she can take it to the county. Motion by Supervisor Ferguson for no change to assessment to allow for time to prepare for County with a second by Supervisor Hable. Motion carried.

Arlen Diercks, 217-026-000080, was present to request reduction in assessed value. He had an appraisal done October 2021 for a refinance that came in at \$740,000. Chase explained the appraiser used Pleasant Lake and Lake John which has different value than Lake Sylvania. The value of the land is \$773,400 and house value is \$154,100 for total value of \$927,500. After review by Chase it was determined the house is a tear down in this market. He recommends changing the value of the building to \$25,500 which is cost of tear down for a total reduction in value of \$128,600. Motion by Supervisor Hable to reduce the value of the building to \$25,500, a reduction of \$128,600 for total property value of \$798,900 due to the property being a tear down with a second by Supervisor Ferguson. Motion carried.

Robert and Elaine Fleskes, 217-014-000100, requested a review by Chase prior to the meeting. Chase reported he reviewed the structure and recommended a reduction to the value building from \$187,500 to \$141,700 due to adjustments for square footage and age of the structure. Original total value \$388,600 changed value \$342,800. Motion by Supervisor Ferguson to reduce building value from \$187,500 to \$141,700 due to adjustments for square footage and age of the structure with a second by Supervisor Hable. Motion carried.

Joe Ahlstrom, 217-000-114101, property value went up 35%. His cabin is on the channel of Lake Augusta. He has no water, no power and no bathrooms. Chase stated it was a clerical error. He coded to Lake Augusta which is valued at \$2100/ft instead of the channel which is \$1300/ft. He recommends a change to the land value from \$309,700 to \$174,200 and the building value from \$15,300 to \$15,700 for a total reduction of \$135,100. Total value changes from \$325,000 to \$189,900, Motion by Supervisor Hable to reduce the total value by \$135,100 due to incorrect valuation of property as lake frontage rather than channel frontage with a second by Supervisor Ferguson. Motion carried.

Lynn Rexroth, 217-000-272404 and 272405 was present to review the value of his two properties. 272404 is a cabin he purchased so his children would have some place to stay when they visited. The cabin has no well or drinking water, no closets, no propane, no carpet. It does have its own drain field. The value went up 32%. He is working with Oak Realty to get an appraised value. Chase reported he had already given credit to the property of \$19,100 due to no well. All property on Lake Sylvia went up 25-35% driven by market. The cabin is a entry level price point. He could see reducing the value due to no air conditioning. Motion by Supervisor Ferguson to reduce the value by \$18,000 to allow for no air conditioning, bringing the total value to \$466,400 from \$484,400 with a second by Supervisor Hable. Motion carried.

The meeting was recessed at 9:53 a.m. due to a conflict in schedule for Supervisor Ferguson. It will be reconvened within an hour.

The meeting was reconvened at 10:33 a.m. by Chairman Ferguson.

Lynn Rexroth continued regarding 217-000-272405 which is the property adjacent to 272404 and used by he and his spouse. The value increased 28% for 2023. He has water in his backyard every spring which makes it unusable. Supervisor Ferguson stated all lake property values are going up due to sales and market. Motion by Supervisor Ferguson for no change with a second by Supervisor Hable. Motion carried.

John Bishop, 217-022-000100, requested a review of the value of his land. This property has a narrow strip of peninsula in Lake Sylvia, barely a path to get to the end. Chase noted the pictures of the property and stated the land is over valued based on use. He recommended reducing the value of the land from \$841,300 to \$657,100 for a total reduction of \$184,200. Motion by Supervisor Hable with a second by Supervisor Ferguson to reduce the land value by \$184,200 to \$657,100 due to it being very narrow strip with limited use. Motion carried.

Bradleigh Ann Nelson, 217-067-000140, 217-000-281400, 217-067-000130, 217-000-281301, asked for Chase to recommend no change so they can appeal to the county. Motion by Supervisor Ferguson, second by Supervisor Hable to recommend no change for 217-067-000140, 217-000-281400, 217-067-000130, 217-000-281301 so the owner can retain the right to appeal to Wright County. Motion carried.

Jeffrey & Beth Matthews, 217-058-000050, asked Chase to recommend no change so they can appeal to the county. Motion by Supervisor Hable, second by Supervisor Ferguson for no change so the owner can appeal to Wright County. Motion carried.

Jerry and Lynette Pettit, 217-053-002050 asked Chase to review the property as the house is sinking and they feel it is overvalued. Chase will review before County meeting. Motion by Supervisor Ferguson, second by Supervisor Hable for no change so Chase can review prior to the County meeting and they can appeal. Motion carried.

Kathryn Schultz 217-018-001020, letter requesting a review by Chase due to the age of the home, basement unfinished and lakeshore is not ideal. Value increased 22.5%. She feels the sale of the Koinonia Retreat center may have affected the value. Chase stated the lakeshore value is already accounted for as not ideal but he will set up an appointment to review prior to County meeting. Motion by Supervisor Ferguson, seconded by Supervisor Hable for no change so she can appeal to Wright County. Motion carried.

Lori Paumen, 217-047-000290, asked for the chance to appeal to Wright County as she feels the value is high. Chase noted he has never been inside the property so until he can review it is difficult to change the

value. Motion by Supervisor Hable, seconded by Supervisor Ferguson for no change so she can appeal to Wright County. Motion carried.

Greg Gerilous, 217-000-343302 asked for a review. Chase recommends no change until he reviews. Motion by Supervisor Hable, seconded by Supervisor Ferguson for no change until Chase reviews. Motion carried.

Cheryl Gullickson, 217-047-000220, sent a letter to Chase asking him to stop in to review the property. The letter was received the day before the meeting so no time to review. Motion by Supervisor Ferguson, seconded by Supervisor Hable for no change until Chase reviews. Motion carried.

Melainie Worm, 217-000-261100, asked for no change so she could appeal to the County. Chase recommends no change. Motion by Supervisor Hable, seconded by Supervisor Ferguson for no change so she can appeal. Motion carried.

George Norgren 217-034-001090, asked for no change so he can appeal to Wright County. Chase recommends no change. Motion by Supervisor Ferguson, seconded by Supervisor Hable for no change so he can appeal. Motion carried.

Dirk Nelson, 217-000-274208, originally assessed at \$704,900 land and \$250,300 for building, total assessment \$955,200. Chase reviewed and determined the building is dated and needs to be gutted. He recommends a reduction by \$92,800 to \$862,400. Motion by Supervisor Hable, seconded by Supervisor Ferguson to approve the reduction in value of \$92,800 due to age of structure and need to be gutted. Motion carried.

Dwight and Leonetta Bruns, 217-014-000080, originally valued at \$237,100 for land and \$283,200 for building for a total value of \$520,300. Chase reviewed the property at the Bruns request and remeasured. He's recommending a reduction of \$17,700 for the building due to square footage adjustment. Motion by Supervisor Ferguson, seconded by Supervisor Hable to reduce the value of the building by \$17,700 to \$265,200 for total value of \$502,600 due to square footage reduction after measure. Motion carried.

Richard and Roberta Leitzke, 217-030-000070, originally valued at \$237,100 for land and \$138,300 for building for total value of \$375,400. Chase did a full review of exterior and interior. The exterior had been updated but the inside is dated. He recommends a reduction of \$33,500 to the total value with land being \$235,900 and building valued at \$106,000 for total value of \$341,900. Motion by Supervisor Ferguson to reduce the total value of land and buildings by \$33,500 to \$341,900 with a second by Supervisor Hable. Motion carried.

Adam and Kellyann Skoog, 217-047-000280, asked for a change in classification as well as value. Originally valued at \$625,700 for land and \$173800 for building for total value of \$799,500. Their property had been used as a short-term rental but was flooded and damaged beyond use. They had to take it off the rental site. They will be tearing down and replacing. Chase recommends reclassify to seasonal recreational from 4b Short Term Rental and decrease building value by \$90,000 due to need to tear down. Motion by Supervisor Ferguson, seconded by Supervisor Hable to reduce the value of the building by \$90,000 due to need to tear down, and reclassify to Seasonal Recreational since they are unable to rent out. New total value \$709,500. Motion carried.

George and Mary Foster 217-021-000010, originally valued at \$531,200 land and \$63,600 building for total value of \$594800. They are tearing down and requested the value of building be reduced. Chase reviewed and recommended reduction in value of building by \$49,100 to \$14500, total value \$545,700.

Motion by Supervisor Ferguson, seconded by Supervisor Hable to reduce the building value by \$49,100 to \$14,500 and total value of \$545,700 due to tear down. Motion carried.

William Lester, 217-049-000120, originally valued at \$179,300 land and \$188,400 building for a total value of \$367,700. Chase reviewed the property. He found there was not a full basement, the interior was dated and square footage was wrong. He recommended a reduction in building value by \$22,500 but an increase in land value to \$178,800 so total net reduction in value of \$22,000. Total recommended value \$345,700. Motion by Supervisor Ferguson, seconded by Supervisor Hable to reduce the total value of parcel by \$22,000 to \$345,700 due to square footage and dated interior. Motion carried.

Richard and Dawn Becker, 217-049-000030, originally valued at \$276100. They plan to raze the cabin in 2022 and build a new home. Chase recommends a reduction in total value of \$85000. Motion by Supervisor Hable, seconded by Supervisor Ferguson to reduce the total vale by \$85,000 to \$191,100 due to the cabin being razed and replaced in 2022. Motion carried.

Brian and Suzanne Crane 217-049-000040, originally valued at \$255700. Chase did a full review and remeasured of the property and buildings. He recommended an increase in land value from \$154000 to \$163100 due to omitted RR and a decrease in building value from \$101700 to \$67300 due to dated interior including paneling. Motion by Supervisor Hable, seconded by Supervisor Ferguson to increase the value of the land to \$163100 and decrease the value of the building to \$67300 for a total reduction of \$25300. Total property value after reduction \$230400. Motion carried.

Colleen Vinkemeier 217-000-252201, originally valued at \$593,200. Chase did a review of the property and he recommended a total reduction of \$2900. Value of land would go from \$380900 to 372000 and the building would go from \$212300 to \$218300. Total revised value would be \$590,300. Motion by Supervisor Hable, seconded by Supervisor Ferguson to reduce the land vale to \$372,000 and increase the building value to \$218,300 for a total valuation of \$590,300. Motion carried.

Colleen Vinkemeier 217-000-243305 originally valued at \$19200. Chase reviewed and recommended no change. Motion by Supervisor Hable, seconded by Supervisor Ferguson for no change to the value as recommended. Motion carried.

Fred & Richard Banholzer 217-031-000050 originally valued at \$550400 for land and \$214500 for building for a total valuation of \$764,900. Chase reviewed the property. The boulder landscaping he had on the property was actually the neighbor's property. He recommends approval for the removal of the value of the landscaping to reduce the value of the land by \$15,000 to \$535,400 for total valuation of \$749,900. Motion by Supervisor Ferguson, seconded by Supervisor Hable to reduce the value of the land by \$15,000 to \$535,400 for total property valuation of \$749,900 due to boulder landscaping removal from valuation. Motion carried.

Peterson Trust/Sherol Farmer 217-030-000090 originally valued at \$412600 total value, \$250400 land and \$162200 building. Chase reviewed and corrected data, square footage, year built. He recommended a total building value reduction of \$30,300 to \$131,900 for total property valuation of \$382,300. Motion by Supervisor Ferguson, seconded by Supervisor Hable to reduce the building value by \$30,300 due to square footage reduction and year-built correction to total valuation of \$382,300. Motion carried.

James Miceli, 217-000-114302, asked for a total review of property by Chase on day of meeting. Chase recommends no change until he can review. Motion by Supervisor Ferguson, seconded by Supervisor Hable for no change until Chase reviews. Motion carried.

The meeting was adjourned at 12:00 noon.

