

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 11, 2023 at 9:04 a.m. at Southside Township Hall. Wright County MN. The following members were present: Chairman Jim Hallstrom, Supervisors Marty Ferguson and Dan Berg and Clerk/Treasurer Carmen Merrill. Also present: Chase Phillipi, Appraiser, Keith Triplett Assistant County Assessor. Adam Blomquist, Appraiser, Bruce Nystrom, John Walter, Tom Lundeen, Bridget Weis, John & Denise Tracy, Mike Boonstra, Tom Zimmer, Richard Baker, Kirk Champlin, Tim Engle.

Supervisor Ferguson opened the meeting and stated the purpose of the meeting is to review the 2023 assessment for taxes payable in 2024.

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

Chase Phillipe, Keith Triplett and Adam Blomquist reviewed the information for Southside Township for 2024 assessment.

The purpose of this Local Board of Appeal and Equalization is to review the 2023 assessment for property taxes due and payable in 2024.

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 2023
- 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. Prior to making a change, a physical inspection of the property should be conducted by the Assessor to ensure the property data is accurate. If access is denied, an adjustment can not be made by the Local Board of Adjustment.

The sales ratio study period is from October 1, 2021, thru September 30, 2022. Sales that occurred during this time frame are the basis for the January 2, 2023, assessment date. The following statistics summarize what has occurred with the Wright County Assessment for 2023:

- County wide valuation change for the Sales Ratio Study Period as follows:

Residential +14.95% Seasonal Residential +17.30% Ag/Rural +21.31%

Commercial +20.99% Industrial 25.29% Apartments +18.52%

Manufactured Home Parks +28.07%

Across all taxable property types, Wright County had an increase in market value of 17.12% for the 2023 Assessment. The total 2023 assessment estimated market value is \$25,695 billion.

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

The 2023 assessment is based on qualified market sales that took place from October 1st, 2021, through September 30th, 2022. It is these sales that determine the assessed market values as of January 2nd, 2023. Sales that take place after September 30th, 2022, will be included in next year's sale study. This will represent the current market conditions and will be used for the 2024 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 14 qualified sales used in the sales ratio study with a sales ratio of 90.40%. This was down from 28 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. Following all changes for market conditions and equalization, our state time adjusted median sales ratio following all changes for market condition and equalization for the 2023 assessment is now 93.99%. This was a result of a 11.73% increase of total township residential & seasonal market value excluding new construction.

Agricultural property valuations, whether up, down, or remaining the same, are the result of 40 sales used in the AG sales ratio study, with a final median sales ratio of 92.89%. This was down/up from 66 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. 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 \$2,200/ac, and Waste B is at \$700/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 \$10,000/acre. Land in general saw increases in market value as demand for rural properties has exceeded market supply.

2023 Summer Review Area:

South side of Lake Louisa, Marie, Caroline and Augusta. In addition, the northwest portions of West Sylvia.

Since the beginning of the new sales study on 10/1/22, there have been approximately 12 residential and seasonal market sales. The qualified sales will be used for the 2024 assessment, and our current sales ratio would be approximately 97% based on non-verified personal property adjustments.

As of March 16th, 2023, there are currently only 2 improved properties for sale in Southside Township. There continues to be a lack of supply and strong demand for rural and lakefront property. However, higher interest rates and other market forces have kept sales prices mostly stable. While sale prices appear to have plateaued, there is currently no evidence of a declining market.

The meeting was turned back to Chairman Hallstrom.

John Walters, 217-043-000260-16252 109th St NW – was present because his property value went up 40%. His property value for 2022 was \$222,300. The new valuation is \$323,600. He would like someone to review. Someone from the County will contact him to set up a time to review. Motion by Supervisor Ferguson for no change due to need to review. Second by Supervisor Berg. Motion carried.

Tom Lundeen, 217-000-233100- 13796 State Hwy 55 NW, was present due to the valuation of his property. He purchased the land for \$225,000 and he built the house for \$339,000 so his valuation should be at \$564,000. The valuation is at \$247,200 land and \$347,900 structure for total value of \$595,100. Chase explained the value of the home is not in what you paid for it but is in what the market value is. The home is 2431 sq ft with a 40x60 outbuilding. Tom stated the outbuilding is only 60% concrete. Assessor Adam had gone out to remeasure the inside of the home. He noted the 2nd story has knee walls so he would recommend a reduction in the value. He also has the construction quality at 7.5% but that could also be lowered to 7% since it is a slab on grade. Assessor Adam did note the value is based on only 73% completion. It will change once the final grade is done and all work is complete. County recommends adjustment to structures from \$347,900 to \$322,800 or \$570,000 total value due to knee wall and construction quality of 7% rather than 7.5%. Supervisor Ferguson made a motion to approve the change in value for parcel 217-000-23310 from \$595,100 to \$570,000 due to 2nd floor knee wall, value of construction at grade 7 and concrete in shed only at 60%. Supervisor Berg seconded the motion. Motion carried.

Bridget Weis, 217-065-001150, 15647 112th St NW, was present due to her valuation. Her home value went from \$336,500 to \$549,500; land \$229,800 and structure \$319,700. Brad went out to review the property. The deck which surrounds the home is quite old. He stated he already had a 10% adjustment due to the topography of the lot. The sales for the lake where the lake shore was fair or poor sold as high as the excellent lake shore due to demand. Brad recommends dropping the value for the structure to \$307,400 from \$319,700 for a total value of \$537,200. Supervisor Ferguson made a motion to change the value of the structures from \$319,700 to \$307,400 and keep land at \$229,800 for a total value of \$537,200 due to review and deterioration of the deck. Supervisor Hallstrom seconded the motion. Motion carried.

John and Denice Tracy, 217-065-001130, 15687 112th St NW, could not be present but asked Chase to recommend no change so they can appeal to the county. Motion by Supervisor Hallstrom, second by Supervisor Berg for no change so the owner can appeal to Wright County. Motion carried.

Michael Boonstra, 217-000-351400, 13206 65th St NW, was present to request a review of his valuation. He felt the valuation was high. His home is 1592 sq ft and the increase was 24%. It's a 2-bed home on slab with a detached garage that is 35 years old with all original roof, siding, flooring. He owns 10 acres. The value of the property is \$389,300. The Assessor will set up a time to review the property. Motion by Supervisor Ferguson for no change to 217-000-351400 so the owner can appeal to Wright County and the Assessor can review the property. Second by Supervisor Berg. Motion carried.

Thomas Zimmer, 16962 108th St NW, 217-042-000030 & 000020, was present due to the valuation of his property. The value is \$162,500 for land and \$69,600 building for 000030 and \$54,700 for land for 000020. The back lot is not buildable and only used for septic. Brad explained the 2nd lot is of lesser value due to it is an extension of the original lot. Adam visited the site but could only view the exterior. The decks and porch were in poor condition. He will need to get inside for a full review. Motion by Supervisor Hallstrom, second by Supervisor Berg for no change so Assessor can review the property and the owner can appeal to Wright County. Motion carried.

Richard Baker 217-062-001040, 13922 68th St NW, was present due to the valuation of his property. His values went from \$49,500 Land for 2022 to \$69,300 in 2023 and building went from \$281,000 in 2022 to \$331,800 in 2023. No review has taken place by Assessor so it will have to be reviewed. Motion by Supervisor Berg, second by Supervisor Ferguson for no change so they can appeal to the county and the Assessor can review. Motion carried.

1031 EP1 Inc, 217-058-000200, 6590 Quinn Ave NW, asked Chase to open an appeal so they can appeal to Wright County. The value of the property is \$823,300 and he just purchased the property in September 2022 for \$740,000. Motion by Supervisor Berg, second by Supervisor Ferguson for no change so they can appeal to the county. Motion carried.

James Janos, 217-020-000170, 17224 108th ST NW, contacted Chase for a review of the property. They have not used the property for 3 years and it is in bad shape. Value went from \$206,000 in 2022 to \$290,300 in 2023. Chase reviewed on 04/03/2023. He recommends change in land value from \$208,900 to \$211,700 and building value from \$81,400 to \$16,800. The building is a tear down. Total value will be \$228,500. Motion by Supervisor Hallstrom, seconded by Supervisor Berg to approve the change in land value from \$208,900 to \$211,700 and building value from \$81,400 to \$16,800 due to County recommendation. Motion carried.

Steven Holmstoen , 217-000-343400, 6173 Osland Ave NW, sent a letter asking Adam to open a claim due to him being out of the state. The 2022 assessment for the property was \$802,200. The 2023 assessment was \$1,046,200 and the 2024 assessment is \$1,134,400. The 2023 and 2024 assessments represent a 41% increase. Motion by Supervisor Berg, seconded by Supervisor Ferguson for no change so the appeal can be brought to the County. Motion carried.

Kirk Champlin, 217-056-001020, 6657 Newcomb Ave NW was present due to an increased value of his property. He has deeded access to Lake John and his property got a market adjustment change as well as omitted value change of \$40,000 for the deeded access. Chase explained when a sale occurred in the vicinity of his land it was discovered the property had deeded access to Lake John but the value had been omitted from that property. The Assessor's had to review all the deeds for the properties in the area to see if any others had access and omitted value. It was found that 9 properties did have deeded access and omitted value. Champlin's did not get assessed for the \$40,000 value of the access in previous years. Motion by Supervisor Berg, seconded by Supervisor Ferguson for no change to property value so the Assessor can review and the owner can appeal to the County. Motion carried.

Tim Engle, 217-000-242101, 12529 90th ST NW, was present due to the increased value of his property. His 2022 value was \$312,800 and \$366,400 in 2023. The property has not been reviewed by the Assessor. They will set up a time for a review and remeasure. Motion by Supervisor Berg, seconded by Supervisor Hallstrom for no change so Assessor can review and the owner can appeal to Wright County. Motion carried.

The meeting was adjourned at 11:50 a.m.

The meeting was adjourned at 12:00 noon.