

**City of Minnetonka Beach
Local Board of Review**

REVISED AGENDA REV. 2 ON 04.15.24 AT 3:15pm

April 15, 2024 6:00 pm

1. Call to Order

Mayor Pagano called the meeting to order at 6:00 pm.

Board members present: Mayor Joe Pagano, Council Members: Tracey Breazeale, Chris Dovolis, Jennifer Halverson, and Jason Mohr. Absent: Treasurer Chris Zinn.

Staff Present: City Administrator Heidi Honey and City Clerk Jane Burgess

Also Present: Mike Smerdon, Principal Residential Assessor for Hennepin County and Hennepin County Appraiser Ryan Bauman

2. Purpose of the Meeting

Pagano stated that the purpose of the meeting is to provide an opportunity for residents to appeal their 2024 estimated property tax valuation or market valuation for taxes payable in 2025, and/or to appeal their property classification. He stated that property owners may only appeal their estimated market value, and to strengthen the appeal property owners appeal must be based on facts and supporting detail provided. The burden of proof rests with the property owner.

3. General Background –Mike Smerdon, Hennepin County Assessor’s Office

Smerdon presented the property tax process and stated that the Board can’t change the classification of a property. They cannot reduce the City’s aggregate assessment by more than one percent or none of the adjustments will be allowed. He added that appellants should have facts and real estate market to support their appeal. If a decision is made to recess and reconvene the meeting that meeting must take place within 20 days including today. There were eight appellants this year. One of them will need discussion at this meeting. Five of the appellants concurred with Smerdon about a reduction amount. Smerdon clarified that the resident at 2505 Lafayette Rd. felt that the assessment should be closer to if not at the purchase price. He bought the home in September of 2023, three months before 2024 valuation statements were issued. In the end he told Smerdon that the reduction offered is close enough although he wanted his opinion to be on record in the packet.

4. 2024 Valuation Changes being Brought to the Board by the City Assessor

4.1. Niklas Fredriksson 2323 Huntington Pt. Rd. W., reduce to \$1,392,000; original valuation: \$1,454,900; Concur

4.2. Jack Swenson 2505 Lafayette Rd., reduce to \$1,812,000; original valuation: \$1,905,900; see Clerk’s Memo previously in packet. Swenson stated that the valuation should match his purchase price as it was three months prior to the valuation review. Concur

- 4.3. Kyler Harder 3011 Brooks Lane, reduce to \$unknown; original valuation: \$2,879,500; **needs discussion**
- 4.4. Rhonda O'Neill 3144 Northview Rd, reduce to \$3,258,200; original valuation: \$3,923,300; **Concur**
- 4.5. Matt Cookson 3132 Northview Rd., reduce to \$2,682,000; original valuation: \$2,896,400; **Concur**
- 4.6. Luke Stoker 3030 Westwood Rd., reduce to \$701,300; original valuation: \$802,500; **Concur**
- 4.7. Craig Moriarty 2203 Huntington Pt Rd W. **needs an inspection**; original valuation: \$2,363,300;
- 4.8. Charles (Chip) Zawislak 2204 Huntington Pt Rd. E. **Inspection on 4/17**; original valuation \$1,587,900

Breazeale made a motion to affirm the Assessor Smerdon's recommended reduction valuations for Item's # 4.1 4.2 4.4 4.5 and 4.6. Mohr second. All ayes, the motion carried.

Smerdon stated that for Item 4.3, Mr. Harder purchased that property in September of 2023 for \$2,200,000. Harder told Smerdon that he had an appraisal for \$2.3 million. Smerdon and Bauman stated that they think the home was undersold. Five comps showed that that property's value is \$2,800,000. They looked at other properties that sold in the area that did not have direct lakeshore like this home. Bauman stated that there were many adjustments for time missing from Harder's \$2.3 million appraisal he received, and no comments were included. Bauman stated that it was not a good appraisal. Smerdon stated that this is an example of market value equal not equalling the sale price – they got a good deal. They restated that \$2,879,500 is the valuation.

Breazeale asked if Smerdon spoke to Harder and Smerdon stated that in their email thread Harder stated that he wanted to appeal to the Board of Appeal & Equalization. He never emailed City Staff and did not attend the meeting tonight. Harder did not give Smerdon a requested valuation number but told him that he agreed with his \$2.3 million appraisal. Mike and Bauman restated that their analysis supports the original assessed value of \$2.8 million due to no direct lakeshore and co. Rd. 15 involved. Breazeale stated that even though Lafayette Road does not have direct lake shore it is a quiet road to cross to get to the lake. Bender's home on Lafayette Rd is pending at over \$4 million.

They discussed that Harder provided no facts for an appeal, but they would like him to come to the reconvene meeting to hear what he has to say why he wants a valuation reduction. He should bring the appraisal and his closing documents. They restated that the burden of proof lies with the resident and the case they build and present. Otherwise, the county valuation should stand.

5. Residents Appealing in Person or By Letter

6. Adjourn

Pagano stated that there are no waiting appellants and Item 4.7 and 4.8 need their inspections and review by Smerdon. Therefore, he asked for a motion to continue this meeting to 6:00 pm on April 29, 2024, and wants the property owner of 3011 Brooks Lane to be made aware that he can attend that meeting and present his appeal with his reasons why he wants a reduction.

Halverson motion, Dovolis second at time 6:51 pm to recess and reconvene the Local Board of Appeal and Equalization Meeting on April 29, 2024 at 6:00 pm. All ayes, the motion carried.

PUBLIC IN ATTENDANCE – The following individuals were in attendance: Matt Cookson

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Monday, April 29, 2024 6:00 PM – Reconvene Meeting from April 15, 2024

Board members present: Mayor Joe Pagano, Council Members: Chris Dovolis, Jennifer Halverson, and Jason Mohr

Absent: Council Member Breazeale and Treasurer Chris Zinn

Staff Present: City Administrator Heidi Honey, City Clerk Jane Burgess

Also Present: Hennepin County Assessor for Minnetonka Beach Mike Smerdon and Hennepin County Appraiser Ryan Bauman

1. Call to Order

Mayor Pagano called the meeting to order at 6:04 pm.

2. Purpose of the Meeting

Pagano stated they will address three additional appellants tonight as listed below.

3. General Background – Mike Smerdon, Hennepin County Assessor's Office

As this was discussed at the April 15th meeting it was decided that this did not need to be repeated at this meeting.

4. 2024 Valuation Changes Being Brought to the Board by the City Assessor

4.1. Craig Moriarty 2203 Huntington Pt Rd W.; original valuation \$2,363,300;

Smerdon did not heard back from Moriarty for further discussion, so he recommended no change of valuation. They can still appeal to the Hennepin County Board of Appeal & Equalization. Burgess will inform the resident that they have the option to do so.

4.2. Charles (Chip) Zawislak 2204 Huntington Pt Rd. E.; original valuation \$1,587,900; reduce to: \$1,452,000.

Smerdon inspected the property and recommends a reduction to \$1,452,000 from \$1,587, 900. The property owner agreed to that. Concur.

Halverson motion Mohr second to affirm Assessor Smerdon's recommended valuation for item #4.1 for the property at 2203 Huntington Pt Rd. W. All ayes, motion carried.

Halverson motion, Mohr second to affirm Assessor Smerdon's recommended reduction valuations from \$1,587,900 to \$1,452,000 for Item #4.2 for the property at 2204 Huntington Pt Rd. E. All ayes, motion carried.

5. Residents Appealing in Person or By Letter:

5.1. Kyler and Lauren Harder 3011 Brooks Lane; original valuation: \$2,879,500; reduce to: ?; **concur?**

Lauren Harder was present at the meeting and stated that they paid \$2,195,000 for this home closing in October of 2023. They made an offer on the home 48 hours after the listing went live and they were told there were other offers as well. They received a real estate appraisal for \$2.3M. She stated that they have not made any improvements to the home yet. Halverson stated that although the home is very large at over 6200 square feet, it is dated, and Mohr agreed. They discussed crossing busy Shoreline Drive to access the lake, and the fact that in looking at the six comps used in the appraisal, they average \$2.4M.

Pagano presented his research of all homes on Shoreline/Brooks Lane on the lake side up to his house on Old County Rd. He stated that the assessor's valuation is high but lowering it to \$2.3M is low. He stated added that in 2022 this home's valuation was \$2.4M and he thinks the valuation should be somewhere between \$2.3M and \$2.8M.

Council members discussed that this property was on the market in 2018 at \$1,849,000 for a very long time and never sold. That homeowner remained in place until the Harder's purchased the home.

Pagano praised Smerdon for all his efforts as the assessor for Minnetonka Beach and said he has a great deal of credibility and council should trust the experts utilized.

Dovolis motion, Mohr second to approve the Board of Appeal & Equalization's reduction of the valuation of 3011 Brooks Lane from \$2,879,500 to \$2,300,000, Item #4.3 now Item #5.1. All ayes, motion carried.

6. Adjourn

Mohr motion, Dovolis second to adjourn the April 15, 2024 and April 29, 2024 Local Board of Appeal & Equalization meeting. All ayes, motion carried.

The meeting adjourned at 6:32 pm.

PUBLIC IN ATTENDANCE – Lauren Harder

Respectfully submitted,

Jane Burgess, City Clerk