

Monday, April 9, 2018 6:00 PM
CITY OF MINNETONKA BEACH
LOCAL BOARD OF APPEAL MINUTES

Roll Call:

Council Members present: Mayor Pro Tem Jaci Lindstrom, Council Members: Jill Bartel, Paul Kozloski, and Andrew Myers; Treasurer: Steve Howarth. Absent: Mayor Mike Taylor

Staff Present: City Administrator Susanne Griffin; City Clerk Heidi Honey; City Assessor Rolf Erickson

Also Present: Rolf Erickson, City Assessor; and Thomas Kunik Hennepin County Assessor's Office

1. Mayor Pro Tem Lindstrom called the meeting to order at 6:00 p.m.

2. Purpose of the Meeting

Lindstrom stated the purpose of the meeting which is to provide an opportunity for residents to appeal their 2018 estimated property tax valuation or market valuation for taxes payable in 2019, and to appeal their property classification.

3. General Background – City Assessor's Office, Rolf Erickson

Rolf Erickson, City Assessor, stated that it was a quiet year with very small increases to values in the City. Lafayette Ridge was lowered slightly. Crystal Bay had small increases driven by sales. The outliers are not included as part of the equation for determining assessed values. The Board and Assessor discussed the process for determining valuations and the checks and balances. Lindstrom reminded everyone that the burden of proof is on the property owner.

Minnesota law requires that the assessor value property at market value. Market value is defined by the Minnesota Department of Revenue as:

“ ‘Market value’ means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's-length transaction. The price obtained at a forced sale shall not be considered.”

Under current law there is no limit to the amount that the market value of a property can be increased any year and the assessor is required to value properties on January 2nd at full market value.

The Local Board of Review can address only questions of “Estimated Market Value” and “Classification” (see definitions below) for the January 2, 2018 Assessment (taxes payable in 2019). The Board can make reductions in value not to exceed one percent of the current total market value of the City. There is no limit to the change allowed of individual properties.

2017 Market Value	\$341,087,100
2018 Market Value	\$349,099,800 (+.084% net increase)
2018 Improvements (included in above)	\$5,130,800

Classification: Classification is the use of a property as defined by state law. The most common classifications are apartment, double bungalow, triplex, commercial, industrial, farm, residential and residential lakeshore. Homestead is also a classification.

AGGREGATE PROPERTY TYPE GROWTH (Total market value growth of each property type) THIS IS TOTAL GROWTH BY PROPERTY CLASS INDIVIDUAL PARCELS GROWTH VARIES BY PARCEL.

	2014	2015	2016	2017	2018
Residential (off lake)	+21.6%	+2.4%	+3.9%	+6.2%	+2.0%
Residential Lakeshore	+27.8%	+3.0%	+7.7%	+9.6%	+0.7%

4. Residents Appealing in Person or By Letter:

4.1. Nathan Arnold – 2320 Lafayette Road

Erickson initially valued the property at \$527,000 and then reduced it to \$480,000 after speaking with Mr. Arnold. Mr. Arnold stated that he paid \$475,000 for the home. He intends to demolish the home and it currently is not livable. He thought 2328 Lafayette Road was a good comparable which is valued at \$256,000. Bartel questioned lowering the value just because the owner wants to demolish it and build a new home. Erickson valued the property at \$384,000. Erickson will review land value equalization next year with other properties in the neighborhood and he thinks the land value at 2328 Lafayette Rd. will increase. Arnold is asking the value to be reduced to \$300,000.

A motion was made by Council Member Kozloski and seconded by Council Member Bartel to accept the assessor’s recommendation of \$384,000 for 2320 Lafayette Road.

Myers discussed 2328 Lafayette Road. Erickson will re-assess that property next year.

With all members voting in favor, the motion carried.

4.2. Kent Dahlen – 2922 Northview Road

Mr. Dahlen stated that 2018’s assessed value of the home is \$25,000 and in 2017 it was reduced to \$11,000. Erickson stated the home is an under improvement and the assessed value is based almost entirely on the property, not the home. There have been no improvements to the home.

A motion was made by Council Member Bartel and seconded by Council Member Myers to accept the assessor’s valuation of \$1,001,000 for 2922 Northview Road. With all members voting in favor, the motion carried.

4.3. Changes Presented by Assessor Erickson

4.3.1. Richard Check – 2422 Lafayette Road

Erickson stated that the numbers used in the material submitted by Mr. Check were from 2017 and 2018 and his assessed value actually decreased for 2019 to \$2,224,000. Erickson also does not think Mr. Check’s comparable is a good comparison. Erickson stated that Mr. Check actually had a decrease and not an increase for 2019.

A motion was made by Council Member Bartel and seconded by Council Member Kozloski to not change the Assessor’s recommendation of an assessed value of \$2,224,000 for 2422 Lafayette Road. With all members voting in favor, the motion carried.

Lindstrom closed the meeting to new applicants at 6:57 pm.

5. Adjourn

A motion was made by Council Member Kozloski and seconded by Council Member Bartel to adjourn the meeting at 6:58 pm. With all members voting in favor, the motion carried.

PUBLIC IN ATTENDANCE – The following individuals signed the sign-in sheet: Nathan Arnold, Kent Dahlen

Respectfully submitted,

Heidi Honey, City Clerk