

MINUTES OF BOARD OF REVIEW
June 8, 2015

1. Call to Order, Roll Call

The meeting of the Village Board of Review of the Village of Slinger was called to order by President Brandt at 300 Slinger Road, Slinger, WI at 1:00 p.m. on Monday, June 8, 2015 with the following members present: President Brandt, Clerk Tennes, and Trustee Gundrum. Also present were Village Assessor Michael Grota of Grota Appraisals and Treasurer Wilber.

2. Election of Chair and Clerk

Motion Gundrum/Tennes to elect President Brandt as Chairperson of the Board; carried unanimously.

Motion Gundrum/Tennes to appoint Treasurer Wilber as Clerk of the Board of Review; carried unanimously.

3. Verify Member Training Affidavit

Treasurer Wilber informed the Board that Clerk Tennes completed Board of Review training on March 5, 2015 as required under WI Stat 70.46(4). She stated the training affidavit was electronically filed with the Department of Revenue on March 10, 2015.

4. Receive 2015 Assessment Roll and Signed Affidavit from Village Assessor

Assessor Grota submitted his signed Assessor's Affidavit and Clerk Tennes accepted it for inclusion in the Board of Review record. He informed the Board that the final 2015 Assessment Roll was delivered to the Village in early May.

5. Examine the 2015 Assessment Roll

Treasurer Wilber provided the Board with the preliminary and final assessment rolls for 2015 and informed the Board that staff had reviewed the roll prior to this meeting. She stated that all questions resulting from that review had been answered.

The Board conducted a brief review of the 2015 roll. Clerk Tennes asked Assessor Grota about changes made during the Open Book session. Assessor Grota explained that since Open Book was held before the County had completed printing the final roll, any changes made at Open Book were incorporated into the final roll. He stated there were no late open book changes to report.

6. Hear Waiver of 48-Hour Notice of Intent to File Objection Requests

Chairperson Brandt stated that at this time, the Board would hear any requests for a waiver of the 48-hour notice of intent to file objections. Treasurer Wilber informed the Board that one request for a waiver had been received from Julian Laufer, who was present to discuss his request.

Mr. Laufer asked the Board to waive the 48-hour notice requirement for his objections due to his lack of familiarity with the Board of Review process. He explained that he happened to come into Village Hall this morning to ask about the procedure when he was informed that the Board was being held this afternoon. Mr. Laufer stated he completed his objection forms as quickly as possible and would like to have the opportunity to discuss his properties with the Board today if possible.

Motion Tennes/Gundrum to waive the 48-hour notice requirement and hear Mr. Laufer's objections to his property assessments during today's meeting; carried unanimously.

7. Receive Objection Forms Not Previously Filed (first two hours only unless waived)

Treasurer Wilber provided copies of the objection forms filed earlier on this date by Park Bank and Mr. Laufer. She informed the Board these were the only objection forms received as of this time.

8. Hear Objections to Property Assessments and Take Action as Necessary

Gregory Stein with Reinhart Boerner Van Deuren informed the Board he represented Park Bank for the objections entered on their parcels. He asked if it would be possible to hear the objections for Park Bank after Mr. Laufer's objections had been presented. Mr. Stein explained that the property owner and the Village Assessor had reached a possible agreement but he was waiting for confirmation from Park Bank. The Board members agreed this would be acceptable provided the delay was not too long. Mr. Stein stated he expected to hear from the bank within the two hours already scheduled, and if that did not happen he was prepared to present their objections before the end of the meeting.

A. Tax Key #V5-0299-00G W Commerce Boulevard

Tax Key #V5-0299-00Z W Commerce Boulevard

Julian F. Laufer

The Board discussed the best process for hearing the multiple objections presented by Mr. Laufer. Mr. Laufer stated that it would probably make sense to discuss the two single parcels located along W Commerce Boulevard together since they are located next to each other and have similar issues. The Board agreed to hear the objections for those two parcels together.

Treasurer Wilber introduced the hearing for tax key parcel #V5-0299-00G located at W Commerce Boulevard with a total assessment of \$100,500. She informed the Board that the objection form submitted indicates that the objector's opinion is that the assessed value should be \$1,000. Treasurer Wilber next introduced the hearing for tax key parcel #V5-0299-00Z located along W Commerce Boulevard with a total assessment of \$142,800. She stated that the objection form for this parcel indicates that the objector's opinion is that the assessed value should be \$10,000. Treasurer Wilber swore in all witnesses to this hearing, which were property owner Julian Laufer and Assessor Grotta.

Mr. Laufer stated that his objections to the assessments on these parcels were based on several issues. He stated that both parcels are landlocked and to gain access to either one he would have to negotiate an easement agreement with one of the surrounding property owners. He stated that Parcel G is also a wetland parcel, based on a wetland delineation map he had that was issued by the Army Corps of Engineers in 1994. Mr. Laufer stated he did not have the map with him at this time, but he presented a map of the concept plan for the area that was also from 1994 and referred to the wetland designation.

Mr. Laufer discussed the concept plan for the development and explained how the parcels were originally set up. He stated that he is presently working on gaining access to the parcels, but at this time he has to consider them landlocked.

Mr. Laufer stated he had found other properties that appeared to be similar to these parcels but had much lower assessed values. He presented a tax bill for a neighboring parcel that is larger than Parcel Z and has direct access from Howard Avenue, but is assessed at only \$105,700. He also noted that the parcel located at the corner of Kettle Moraine Drive N and Cedar Creek Road is smaller than these parcels but in a much better location, and is assessed at only \$13,400.

Mr. Laufer stated he was looking into other uses for the parcels, such as combining them for a mixed use development, but even that would require a solution to the access problem.

Assessor Grota stated he would not be able to provide copies of any comparable parcels due to the late submission of these objections. He stated that the Board may wish to consider the limited access to the parcels as it appeared the assessment included the assumption that an easement was already available.

Assessor Grota discussed the fact that the parcels are also assessed as commercial rather than residential zoning, which explains some of the differences with the comparable properties presented. He stated that if both parcels were assessed as residential R1, Parcel G would have an assessed value of \$70,000 and Parcel Z would have an assessed value of \$76,000, but neither property would be very feasible for residential use due to their locations.

Assessor Grota stated that the assessment files do not show any wetland designation for Parcel G but he could research this further. He explained that the Assessor's office does not receive any information automatically from the Army Corps of Engineers and it is usually the property owner's responsibility to provide this information.

Mr. Laufer stated he had attempted to correct this situation a few years ago by attending an Open Books session, but he had been unable to achieve any changes at that time. He stated that he was requesting that the wetland status, lack of access and similar properties be taken into consideration for a reduction of the assessed values on these parcels.

Assessor Grota stated that he was not aware of any recent sales of similar parcels. He stated that commercial property would have a greater value if a developable market for it existed, which does not seem to be the case here. He further stated that the Board could consider the lack of access for the parcels and how any access that could be arranged would be dependent on surrounding property owners.

Board members discussed the two parcels and agreed that the access and wetland issues should have a significant impact on the assessed value.

Motion Brandt/Gundrum to determine that the taxpayer has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to amend the total assessed value to \$1,000 for parcel #V5-0299-00G located at W Commerce Boulevard. A roll call vote was taken on the motion with the following results: Yea's: Brandt, Gundrum, Tennes; Nay's: None. The motion was passed.

Motion Brandt/Gundrum to determine that the taxpayer has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to amend the total assessed value to \$76,000 for parcel #V5-0299-00Z located at W Commerce Boulevard. A roll call vote was taken on the motion with the following results: Yea's: Brandt, Gundrum, Tennes; Nay's: None. The motion was passed.

- B. Tax Key #V5-0361-00F-301 324 Kettle Moraine Drive N #1**
 - Tax Key #V5-0361-00F-302 324 Kettle Moraine Drive N #2**
 - Tax Key #V5-0361-00F-303 324 Kettle Moraine Drive N #3**
 - Tax Key #V5-0361-00F-304 324 Kettle Moraine Drive N #4**
 - Tax Key #V5-0361-00F-401 322 Kettle Moraine Drive N #1**
 - Tax Key #V5-0361-00F-402 322 Kettle Moraine Drive N #2**
 - Tax Key #V5-0361-00F-403 322 Kettle Moraine Drive N #3**
 - Tax Key #V5-0361-00F-404 322 Kettle Moraine Drive N #4**
- JLN & Associates, Inc/Julian Laufer**

After discussion, it was agreed that it would be best to hear the objections for the parcels located at 322 and 324 Kettle Moraine Drive N together since all 8 parcels are vacant land platted for condo development.

Treasurer Wilber introduced the hearing for the above-listed parcels and stated that each parcel has an assessed value of \$28,000. She informed the Board that the objection form submitted for these parcels indicates that the property owner's opinion is that the assessed value for each of these parcels should be \$13,750. The witnesses to this hearing, Julian Laufer representing JLN & Associates, Inc and Assessor Grota, remained sworn in from the previous hearing.

Mr. Laufer stated his objection to the assessments for these parcels was based on an appraisal he received recently for financing purposes. He also presented the tax bill for a condo unit in the Meadowbrook Manor Condominiums building and stated he believed this to be a comparable situation, yet the Meadowbrook Manor condo has an assessment for land that is much lower than the subject parcels. Mr. Laufer stated he only had his copy of the appraisal with him, but he could arrange to make a copy for the Board if needed. Chairman Brandt explained that for an appraisal to be accepted as evidence, the appraiser who completed the report has to be made available for questioning, however the Board could still take the appraisal into consideration as they feel is appropriate.

Assessor Grota reviewed the appraisal presented by Mr. Laufer for a few minutes. After his review, he stated that a vacancy consideration may be in order due to the age of the parcels and the fact that they remain unbuilt after several years. Assessor Grota stated that a reduction of approximately 25% of assessed value would be typical in this type of situation. Assessor Grota informed the Board that he was not aware of any comparable sales of condominium pads, and the sales he is familiar with are in non-comparable communities.

Motion Gundrum/Tennies to determine that the taxpayer has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to amend the total assessed value to \$21,000 each for parcels #V5-0361-00F-301 through #V5-0361-00F-304 located at 324 Kettle Moraine Drive N #1-4 and for parcels #V5-0361-00F-401 through #V5-0361-00F-404 located at 322 Kettle Moraine Drive N #1-4. A roll call vote was taken on the motion with the following results: Yea's: Brandt, Gundrum, Tennies; Nay's: None. The motion was passed.

- C. Tax Key #V5-0361-00F-201 326 Kettle Moraine Drive N #1**
- Tax Key #V5-0361-00F-202 326 Kettle Moraine Drive N #2**
- Tax Key #V5-0361-00F-203 326 Kettle Moraine Drive N #3**
- Tax Key #V5-0361-00F-101 328 Kettle Moraine Drive N #1**
- Tax Key #V5-0361-00F-103 328 Kettle Moraine Drive N #3**
- Tax Key #V5-0361-00F-104 328 Kettle Moraine Drive N #4**
- BML Investments LLC**

Treasurer Wilber introduced the hearing for the above-listed parcels and provided the assessed values for each as follows:

- #V5-0361-00F-201 \$28,000 land \$134,100 improvements \$162,100 total
- #V5-0361-00F-202 \$28,000 land \$129,600 improvements \$157,600 total
- #V5-0361-00F-203 \$28,000 land \$130,000 improvements \$158,000 total
- #V5-0361-00F-101 \$28,000 land \$134,100 improvements \$162,100 total
- #V5-0361-00F-103 \$28,000 land \$129,600 improvements \$157,600 total
- #V5-0361-00F-104 \$28,000 land \$134,100 improvements \$162,100 total

She informed the Board that the objection form submitted for these parcels listed the assessments as a total value of \$959,500 and indicates that the property owner's opinion is that the total assessed value for all parcels combined should be \$839,400. The witnesses to this hearing, Julian Laufer representing BML Investments LLC and Assessor Grota, remained sworn in from the previous hearing.

Mr. Laufer informed the Board that these parcels are part of the built-out portion of the same development that was discussed in the last hearing. He stated that six of the units are still owned by his company and used as rental properties. He stated he was basing his objections to these assessments on the same appraisal that he provided in the previous hearing.

Assessor Grota stated that the appraisal for the constructed portion of this development was based on the assumption that these were apartment buildings so the income method was used to calculate the value. He explained that this will usually result in a lower estimated value than when each unit is assessed as separately owned.

Assessor Grota provided information on recent sales of comparable properties, which were 1815 Woodland Way – sold in March 2015 for \$133,500, 487 Cedar Court – sold in August 2014 for \$133,900, and 452 Cedar Court – sold in June 2014 for \$135,000. Assessor Grota went through the differences in each property that would have to be adjusted and stated that after making those, the adjusted values for each of the comparables would be around \$165,000. He stated each of these parcels is currently assessed around \$157,000, with the land value for each set at \$27,300.

Board members asked Mr. Laufer about the sales history for the properties. Mr. Laufer stated he has not had them on the market for several years, but one of the other owners tried to sell his unit about 3 years ago for an asking price of \$140,000 and received no offers.

Discussion was held on the difference between multi-family buildings and condominiums located in multi-unit structures. Mr. Laufer asked if the fact that the units are leased has an impact on their assessed value, to which Assessor Grota stated that was not usually the case since the units were designed to be owner-occupied. Assessor Grota stated the rental use of the property may be a factor in obtaining financing.

Board members discussed the objections and assessments and stated that the appraisal based on an apartment format did not really apply in this situation, even though the condos are presently being rented out. They also noted that similar condos in the Village are being assessed and sold at comparable levels.

Motion Gundrum/Tennies to determine that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's valuation of the subject parcels as follows:

#V5-0361-00F-201 \$28,000 land \$134,100 improvements \$162,100 total
#V5-0361-00F-202 \$28,000 land \$129,600 improvements \$157,600 total
#V5-0361-00F-203 \$28,000 land \$130,000 improvements \$158,000 total
#V5-0361-00F-101 \$28,000 land \$134,100 improvements \$162,100 total
#V5-0361-00F-103 \$28,000 land \$129,600 improvements \$157,600 total
#V5-0361-00F-104 \$28,000 land \$134,100 improvements \$162,100 total

A roll call vote was taken on the motion with the following results: Yea's: Brandt, Gundrum, Tennies; Nay's: None. The motion was passed.

Treasurer Wilber informed Mr. Laufer that Assessor Grota will be mailing him the Notices of Board of Review Determination for each of the parcels for which objections were heard today. She stated these notices will include information on further appeal procedures. Assessor Grota confirmed that the notices will be mailed from his office later on this date.

**D. Tax Key #V5-0606-00K American Eagle Drive
Tax Key #V5-0606-00L American Eagle Drive
Tax Key #V5-0606-00S American Eagle Drive
Tax Key #V5-0606-00V American Eagle Drive
Park Bank, Reinhart Boerner Van Deuren Agent**

Mr. Gregory Stein with Reinhart Boerner Van Deuren informed the Board that he had not heard back from the property owner regarding the possible agreement on an amended assessed value, so he was prepared to proceed with the objection hearing as discussed earlier. Discussion was held on whether the objections should be heard separately or together. Mr. Stein stated that even though the land has been subdivided, the bank considers them to be combined. It was agreed that since all parcels are vacant land with similar characteristics, it would be appropriate to hear all objections at one time.

Treasurer Wilber introduced the hearing for tax key parcel #V5-0606-00K with an assessed value of \$313,400, tax key parcel #V5-0606-00L with an assessed value of \$657,400, tax key parcel #V5-0606-00S with an assessed value of \$1,832,500 and tax key parcel #V5-0606-00V with an assessed value of \$448,900, all located on American Eagle Drive. She informed the Board that the objection forms submitted for these parcels indicate that the property owner believes the value of Parcel K should be \$142,500, the value of Parcel L should be \$379,600, the value of Parcel S should be \$934,500 and the value of Parcel V should be \$241,800. Treasurer Wilber swore in all witnesses to this hearing, which were Gregory Stein, as agent for property owner Park Bank, and Assessor Grota.

Mr. Stein presented a map of the subject parcels and a list of what they considered to be comparable land sales from other communities. He stated that adjustments have been made to recognize the different situations for each parcel. He again stated that the bank is treating these parcels as one 32.66-acre property, since the likelihood is that this will be sold to a developer as one parcel. He reviewed the comparable property sales provided and gave the net adjustments made to each parcel. Mr. Stein stated the actual sales ranged from 87 cents per square foot to \$1.78 per square foot and after the adjustments were made the sales had values of \$52,000 per acre or \$1.19 per square foot. Mr. Stein stated that the subject parcels presently have an assessed value of \$99,577 per acre or \$2.19 per square foot.

Assessor Grota noted that the parcels under discussion differed from the comparable parcels in that they are already subdivided for development. He asked Mr. Stein if the existing division would add value to the property. Mr. Stein stated that is true, or it could be, but the fact is the parcels have not sold after being on the market for several years. He stated that any developer interested in this location may need to combine the parcels to reach the parcel size necessary for commercial development.

Board members asked about the assessment history of these parcels. Mr. Stein stated he was not aware of any reduction in the assessment. Treasurer Wilber stated that Park Bank had filed objections to these assessments in the past and a reduction in the assessed value was obtained through the Circuit Court process, although she could not confirm that the decision affected all four parcels. Assessor Grota stated he did not have that information available at this time.

Assessor Grota stated that tax key parcel #V5-0606-00R was sold by Park Bank in November 2012 for \$421,900. The parcel measured 5.62 acres and the current assessment is \$724,900 on the land with the building just completed recently. Assessor Grota stated the only other nearby sale he was aware of was the sale of a 2.25-acre parcel in March 2007 for \$215,000.

Assessor Grota stated it was his belief that the parcels have definitely struggled and declined in value over the years. He stated that \$1.72 per square foot, or \$75,000 per acre is a range that is more suited for industrial park parcels. He stated that while he could not consider the recent Park Bank sales to be truly arm's length transactions, it is his opinion that a bank acting as seller will always be under duress since prudent investors will be aware of the situation and assume the bank's priority is to sell. He stated there has been an increase in development activity at locations such as this in other areas such as Fond du Lac. He stated it was his opinion that a value of \$1.19 per square foot would be at the low end of the spectrum.

Mr. Stein stated that the bank and the Assessor had been in the process of agreeing to a reduced amount and asked Assessor Grota if he would still consider the level they had discussed to be appropriate. Assessor Grota stated the decision would now be in the hands of the Board and he could not speak for them.

Mr. Stein stated this was not a situation where the bank was trying to unload the property at whatever price just to get it off their books. He stated this was supported by the fact that the bank has held onto the parcels for as long as they have, because they are trying to get the best price possible for them.

Assessor Grota informed the Board that he had been in discussions with the bank's agent regarding a stipulated reduced assessment for these parcels with the understanding that the agreement could be reached in lieu of future litigation, however since the bank's acceptance of this agreement has not been obtained he did not wish to place the Board in what he considered to be a double jeopardy position. Mr. Stein stated he could not accept the agreement without the bank's permission. Assessor Grota stated he wished to make the Board aware that if a reduction is granted at this time, it could not be guaranteed that further litigation would be avoided.

Board members discussed the subject parcels and expressed the opinion that \$1.76 per square foot may be a more appropriate value. Assessor Grota stated that there is some variance among the parcels that would justify different square foot values for some of the parcels. He informed the Board that the proposed values under discussion were \$208,900 for Parcel K, \$556,500 for Parcel L, \$1,369,900 for Parcel S and \$354,500 for Parcel V. Board members stated it was their opinion that the proposed values were acceptable.

Motion Brandt/Gundrum to determine that the taxpayer has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to amend the assessed value of parcel #V5-0606-00K to \$208,900, the assessed value of parcel #V509696-00L to \$556,500, the assessed value of parcel #V5-0606-00S to \$1,369,900 and the assessed value of parcel #V5-0606-00V to \$354,500. A roll call vote was taken on the motion with the following results: Yea's: Brandt, Gundrum, Tennes; Nay's: None. The motion was passed.

Treasurer Wilber informed Mr. Stein that the Notices of Board of Review Determination would be mailed to Park Bank. Assessor Grota confirmed that the notices will be mailed out later on this date and he stated he would also send a copy to Mr. Stein's attention at Reinhart Boerner Van Deuren.

9. Adjournment

Treasurer Wilber noted for the record that no other requests for waivers had been received during the first two hours of this meeting.

Motion Tennes/Gundrum to adjourn the Board of Review sine die at 3:01pm. A vote was taken on this motion with the following results: Yea's: Brandt, Gundrum, Tennes; Nay's: None. The motion was passed.

Russell E. Brandt, Chairperson

Minutes submitted by Margaret Wilber, Treasurer/Deputy Clerk