

MINUTES OF BOARD OF REVIEW
June 5, 2014

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 12:00 p.m. on Thursday, June 5, 2014 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 Brandt/Gundrum 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 04-23-2013 as required under WI Stat 70.46(4). She stated that the training affidavit was filed electronically with the Department of Revenue on May 6, 2014.

4. Receive 2014 Assessment Roll and Signed Affidavit from Village Assessor

Treasurer Wilber informed the Board that the 2014 Assessment Roll had been received from Assessor Grota. Assessor Grota submitted his signed Assessor's Affidavit and Treasurer Wilber accepted it for inclusion in the Board of Review record.

5. Examine the 2014 Assessment Roll

Treasurer Wilber provided the Board with the preliminary and final assessment rolls for 2014. The Board conducted a brief review of the Assessment Roll. Treasurer Wilber informed the Board she had also conducted a review of the roll prior to this meeting and Assessor Grota had answered any questions she had.

Assessor Grota distributed the 2014 Statement of Real Estate Assessments and the Summary of Reasons for Change. He informed the Board that the Village's 2014 assessor's totals were \$440,382,300, which is a decrease of \$47,295,800 from the 2013 totals. Assessor Grota explained that there was a decrease of \$57,373,700 due to revaluation, property exemption or property that was destroyed, removed or reduced in utility. He stated there was also an increase in value of \$10,077,900 due to revaluations, higher land uses or exemption changes.

Assessor Grota submitted a Mass Appraisal Report for 2014 and explained that this is the first year this type of report is required by the State. He discussed some of the information provided by this report and stated that the Village is already in compliance with the reporting requirements that take effect this year.

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 no waiver requests were received prior to this meeting.

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

Treasurer Wilber informed the Board that no objection forms had been received as of this time that had not been filed prior to this meeting.

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

A. Tax Key #V5-0747-124 584 Farmstead Drive

Rick M. and Gloria J. Knipfer

Treasurer Wilber introduced the hearing for tax key parcel #V5-0747-124 located at 584 Farmstead Drive with a total assessment of \$239,400. She informed the Board that an objection form had been submitted prior to this meeting indicating that the objector's opinion was that the property's assessed value should be \$216,700. Treasurer Wilber swore in all witnesses to this hearing, which were property owner Rick Knipfer and Assessor Grota.

Mr. Knipfer stated that his objection was to the land portion of his assessment. He stated that the land assessment of \$55,600 was far higher than it should be since neighboring lots in the subdivision are being sold for \$32,900. Mr. Knipfer stated he had discussed this with staff from Grota Appraisals and was told that the land value included infrastructure improvements. He stated it was his opinion that the Notice of Assessment form is misleading since it breaks the assessment out into land and improvements, but doesn't show that the land also includes certain improvements. Mr. Knipfer also stated that he did not agree with the fact that a parcel's value could increase just because a house is built on it. He stated the increase in value would have to come from the house alone.

Mr. Knipfer stated that even if the different improvements he had made to the parcel were considered, they would add only \$10,240 to the value of \$32,900 and the assessed value would still be less than the assessor's valuation. He stated he could provide receipts showing the costs of the landscaping and other work he has had done on the property since he purchased it. Chairperson Brandt asked Mr. Knipfer if he had any other evidence to present and Mr. Knipfer stated he had nothing further at this time.

Assessor Grota provided a description of the subject property including an aerial GIS photo and a sketch of the layout. He stated that the lot is slightly larger than a typical lot in this subdivision and its location on a cul-de-sac increases its value as well. Assessor Grota stated that State law requires all assessments to be divided into land and improvements, which makes municipal assessments different from commercial property appraisals. He stated that market conditions have an effect on vacant land assessments, whereas parcels that have been built out are considered to have contributory value.

Assessor Grota showed three comparable properties that had recent sales within the Farmstead Creek subdivision and discussed how they supported the assessment of the subject property.

Chairperson Brandt asked Mr. Knipfer if he had any questions of the Assessor or anything further to say. Mr. Knipfer stated he could understand a certain amount of intrinsic value to a parcel that has been built on, but he still did not agree that the value of a lot should go up simply because now there's a house on it.

Board members asked Assessor Grota about the previous assessed values for this property. Assessor Grota stated that last year the land was assessed at \$69,600 and the improvements were assessed at \$202,700 for a total assessed value of \$272,300. Mr. Knipfer stated he had no objection to the original value placed on the lot because when he purchased the property that was the market value as well. He stated that since then the market has changed a lot and it was his opinion that the value placed on his parcel should be changed as well.

In his summary, Assessor Grota stated that it is typical to have a ratio of 3:1 between the assessed value of a house and the land. He stated in this case, the ratio is a little higher than that, which shows that all possible value has been included in the house with the remaining value shown as land. He stated that due to the revaluation, the value of the house has decreased by 10% while the value of the land decreased by 21.5%. Assessor Grota stated it was his opinion that this shows that consideration was given to the changed market conditions in this subdivision.

Motion Brandt/Gundrum 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 \$239,400 for parcel #V5-0747-124 located at 584 Farmstead Drive. 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.

Assessor Grota provided Mr. Knipfer with the Notice of Board of Review Determination and further appeal procedures information.

**B. Tax Key #V5-0299-00F-101 140 W Commerce Blvd #101
Shirley Kunding**

Treasurer Wilber introduced the hearing for tax key parcel #V5-0299-00F-101 located at 140 W Commerce Boulevard #101 with a total assessment of \$75,500. She informed the Board that an objection form had been submitted prior to this meeting indicating that the objector's opinion was that the property's assessed value should be \$65,500. Treasurer Wilber swore in all witnesses to this hearing, which were property owner Shirley Kunding and Assessor Grota.

Ms. Kunding stated she had purchased this condo on June 18, 2013 for \$65,000. She stated when she got the tax bill that showed the property's assessment at \$105,200, she was very surprised. Ms. Kunding stated that even now that the property has been revalued to \$75,500, she does not believe that the value of her property has increased by more than \$10,000 since she bought it in June.

Ms. Kunding provided real estate sales records for several condo units in her building that were sold within the last couple of years and stated that the prices ranged from \$45,000 to \$92,500. She stated that the unit that sold for \$92,500 is much larger than the other ones in question.

Assessor Grota asked if there were any major differences between her unit and others in the building. Ms. Kunding exhibited a floor plan of the units and pointed out the ones she had included in her comparisons.

Assessor Grota provided a description of the subject property and four comparable properties. He stated there had been a number of units in the building that sold in the \$40,000 range, but each of those sales involved some type of duress and could not be considered to be arm's length transactions. Assessor Grota stated he is not aware of any more foreclosed units in this building. He stated that units in this building are assessed at slightly higher than market value due to the depressed market that existed until recently.

Ms. Kunding asked Assessor Grota to explain what constitutes an arm's length transaction. Assessor Grota explained the State statutes that govern assessment procedures and stated that for market comparison purposes, an assessor is not allowed to include sales that involved foreclosures or transactions between family members or other situations that are considered a type of duress.

Ms. Kundinger stated she was very happy with her condo, but she had not purchased it as an investment and it was still her opinion that the value had not increased as much as the assessment would show.

Assessor Grota stated he believed the sale of her unit occurred at the low end of the market. He stated it was his opinion that the comparable sales he provided supported the assessment of this property.

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 \$75,500 for parcel #V5-0299-00F-101 located at 140 W Commerce Boulevard #101. 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.

Assessor Grota provided Ms. Kundinger with the Notice of Board of Review Determination and further appeal procedures information.

C. Tax Key #V5-0214-011 51 Heder Drive

Joseph and Jennifer Zignego

Treasurer Wilber introduced the hearing for tax key parcel #V5-0214-011 located at 51 Heder Drive with a total assessment of \$264,800. She informed the Board that an objection form had been submitted prior to this meeting indicating that the objector's opinion was that the property's assessed value should be \$235,000. Treasurer Wilber swore in all witnesses to this hearing, which were property owner Jennifer Zignego and Assessor Grota.

Ms. Zignego informed the Board that their objection to the assessment was based on the fact that they just paid \$250,000 for the property on April 25, 2014 and the sale price included \$15,000 in various fees. She presented the HUD settlement statement for the sale that included a detailed list of the fees in question.

Assessor Grota presented a description and aerial GIS image of the property and stated the house is a 2-story structure constructed in 1971. He provided four comparable sales and stated it was difficult to find close comparisons for this property since most houses built in the 70's were ranch style and not 2-story. He explained that because the comparable sales were all much newer than the subject property, larger adjustments were needed in the comparisons.

Assessor Grota stated that closing fees are included in all sales transactions and do not affect assessment values. He stated that Grota Appraisals was aware of this property sale that took place in late April, after the change notices were sent out for the January assessment.

Ms. Zignego asked Assessor Grota to explain how the comparable values were calculated. Assessor Grota discussed the various factors used to adjust sale amounts on comparable properties. Assessor Grota stated that the comparable adjustments were based on the assumption that the building is in good condition. He asked Ms. Zignego if this assumption was correct and Ms. Zignego stated that the house is in good condition.

Board members asked if there had already been a change in the assessed value, since the Notice of Assessment included with the objection form stated the total assessed value was \$285,200 while the assessed value is now listed as \$264,800. Assessor Grota stated that the Zignegos attended the open book meeting in May and discussed the property with Assessor Kyle Waters. He stated that the open book meeting resulted in a reduction of \$20,400 to the previous assessed value.

Motion Tennies/Brandt 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 \$264,800 for parcel #V5-0214-011 located at 51 Heder Drive. 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.

Assessor Grota provided Ms. Zignego with the Notice of Board of Review Determination and further appeal procedures information.

**D. Tax Key #V5-0279-00V-02A 200 James Street Unit A
200 James Street LLC - Matt Yogerst, Agent**

Treasurer Wilber introduced the hearing for tax key parcel #V5-0279-00V-02A located at 200 James Street Unit A with a total assessment of \$109,700. She informed the Board that an objection form had been submitted prior to this meeting indicating that the objector's opinion was that the property's assessed value should be \$65,000. Treasurer Wilber swore in all witnesses to this hearing, which were Matt Yogerst representing property owner 200 James Street LLC and Assessor Grota.

Mr. Yogerst presented a sales history for units in the development and two comparable appraisals. He stated he obtained the appraisals from two realtors who are very experienced in the local market. Mr. Yogerst stated it was his opinion that several factors had not been taken into consideration when this assessment was calculated. He stated that the status of this development has a very negative effect on the value of the units and he does not feel this is adequately shown in the assessment.

Mr. Yogerst explained that the development should be twice as large as it is but the rest of the project is now owned by a bank. He stated that homeowner association dues are much larger than they would have to be if the entire project were built out, and this discourages potential buyers from considering the units. He stated he has also been informed by the realtors he consulted that units in the complex do not qualify for financing because of the status of the development as a whole. He stated this also has a negative impact on value.

Mr. Yogerst provided an aerial map of the neighborhood and discussed other factors he thought should be included in the calculation. He stated the building is next to a manufacturing facility, close to a septic tank pumping business and surrounded by railroad tracks. Mr. Yogerst stated that a large portion of the remaining neighborhood is rental properties. He stated there is another condo development located in the neighborhood that has been unable to sell the units as condos and has resorted to renting the units out.

Mr. Yogerst stated he had spoken with Grota Appraisals previously and had received information on comparable sales, but it was his opinion that many of the comparable units considered were in nicer areas. Mr. Yogerst informed the Board that he received the change notice that reduced the assessment from its 2013 level of \$125,200 to \$109,700, but it was his opinion that the assessment was still much higher than actual value.

Assessor Grota provided a description of the subject property with an aerial GIS map and five comparable sales. He stated that the neighborhood factor was taken into consideration for each of the comparisons. Assessor Grota stated that the assessment was calculated giving the necessary consideration to the requirements for equity and uniformity. He stated that one of the comparable neighborhoods was also located near commercial properties and railroad tracks.

Assessor Grota also stated he has worked with one of the realtors that Mr. Yogerst consulted for several years and found his determination regarding the impact of financing difficulties to be credible. Discussion was held on the number of bank-held properties on the market and whether the level was high enough to consider foreclosure sales to be market value. Assessor Grota stated that any bank-held property is still considered a duress sale and explained that the property is obtained by the bank under duress and the banks are usually very motivated sellers.

Assessor Grota asked Mr. Yogerst about his rental income for the unit and Mr. Yogerst stated he receives \$700 a month in rent revenue. Assessor Grota stated that using that number to calculate an income-based assessment, the assessment would still be approximately \$94,000.

Board members asked about the status of the unbuilt lots. Mr. Yogerst stated the rest of the development is still owned by the bank and there is a large amount of unpaid homeowner dues that should be paid by the bank but have not been paid as of this date. Mr. Yogerst stated that attempts to work with the bank to correct this situation have not been successful.

Board members discussed the neighborhood factors presented and the status of this specific development. The subject property and comparable sales were reviewed and consensus was reached that the unusual circumstances regarding the homeowners association's difficulties and the obstacles to obtaining financing for units in the building justify a larger reduction in the assessed value than originally calculated.

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 to \$17,500 land and \$62,700 improvements for a total assessed value of \$80,200 for parcel #V5-0279-00V-02A located at 200 James Street Unit A. 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.

Assessor Grota provided Mr. Yogerst with the Notice of Board of Review Determination and further appeal procedures information.

9. Adjournment

Motion Gundrum/Tennies to adjourn the Board of Review at 3:05pm until Monday, June 23, 2014 at 12pm. A vote was taken on this motion with the following results: Yea's: Brandt, Gundrum, Tennies; Nay's: None. The motion was passed.

Russell E. Brandt, Village Chairperson