

MINUTES OF BOARD OF REVIEW
May 31, 2012

1. Call to Order, Roll Call

The meeting of the Village Board of Review of the Village of Slinger was called to order by Chairperson Murphy at 300 Slinger Road, Slinger, WI, at 12:00 p.m. on Thursday, May 31, 2012 with the following members present: President Brandt, Administrator Murphy, and Trustee Gundrum. Also present were Village Assessor Michael Grota of Grota Appraisals and Deputy Clerk Wilber.

2. Election of Chair and Clerk

Motion Brandt/Gundrum to appoint Chairperson Murphy as Chairperson of the Board of Review and to appoint Deputy Clerk Wilber as Clerk of the Board of Review; carried.

3. Verify Member Training Affidavit

Clerk Wilber informed the Board that Administrator Murphy completed Board of Review training on April 10, 2012 as required under WI Stat 70.46(4). She stated that the training affidavit had been filed electronically with the Department of Revenue on the same date.

4. Receive 2012 Assessment Roll and Signed Affidavit from Village Assessor

Clerk Wilber informed the Board that the 2012 Assessment Roll had been received from Assessor Grota. Assessor Grota submitted his signed Assessor's Affidavit and Clerk Wilber accepted it for inclusion in the Board of Review record.

5. Examine the 2012 Assessment Roll

Clerk Wilber informed the Board that the Clerk's preliminary review had been conducted prior to this meeting and most questions or concerns had been addressed with the Village Assessor. She informed the Board that there was still a question concerning the status of the assessment for parcels in the Pleasant Farm Estates subdivision. Clerk Wilber explained that the parcels are still listed as assessed as Agricultural but it was the Village's understanding that this was to be changed to Residential in the 2012 roll. She stated that when she contacted Assessor Grota about this, he explained that he was not sure that a change could be made at this time due to the ongoing litigation between the Village and the developer.

Clerk Wilber informed the Board that she had consulted with the Village's attorney who is handling the litigation, Val Anderson with Arenz, Molter, Macy, Riffle & Larson, and his recommendation was that the Board should instruct Assessor Grota to issue a change of use notice to the property owners of the Pleasant Farm Estates subdivision. Assessor Grota informed the Board that the notice will require a 15-day waiting period to allow the property owner sufficient time to respond.

Motion Brandt/Gundrum to instruct the Village Assessor to issue a change of use notice to Polk Properties, LLC as the owners of the vacant parcels in the Pleasant Farm Estates subdivision. A roll call vote was taken on this motion with the following result: Yea's: Brandt, Gundrum, Murphy; Nay's: None. The motion was passed.

The Board then conducted a brief review of the Assessment Roll. Assessor Grota informed the Board that the preliminary estimate of the Village's assessment ratio for 2012 is 113% and he expected the final assessment ratio to be approximately 110%. He stated that there are many issues with equalization calculations now due to the very low volume of valid sales. He provided as an example that in 2011 there were only 4 valid sales of commercial property in the Village and these sales show an average assessment ratio of only 82.5%, which could not be considered typical.

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

Chairperson Murphy stated that at this time, the Board would hear any requests for a waiver of the 48-hour notice of intent to file objections. There were no requests presented.

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

Chairperson Murphy stated 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 #V5-0606-00H American Eagle Drive

Tax Key #V5-0606-00K American Eagle Drive

Tax Key #V5-0606-00L American Eagle Drive

Tax Key #V5-0606-00N American Eagle Drive

Park Bank

Chairperson Murphy informed the Board that the property owner filed a lawsuit regarding the property's 2011 assessment and the case is still being processed by Washington County Circuit Court. She stated that a stipulation for this objection was received from the objector's attorney, Robert Gordon with Michael Best & Friedrich. Chairperson Murphy informed the Board that the stipulation was reviewed by the attorney representing the Village in this matter, Amie Trupke with Stafford Rosenbaum, and Ms. Trupke advised that the stipulation was in order and could be signed by the Village Assessor and the Board of Review Chairperson.

Motion Brandt/Gundrum to approve the stipulation regarding the Park Bank objection to the 2012 real property tax assessments of tax parcels #V5-0606-00H, #V5-0606-00K, #V5-0606-00L and #V5-0606-00N as presented. A roll call vote was taken on the motion with the following result: Yea's: Brandt, Gundrum, Murphy; Nay's: none. The motion was passed.

**B. Tax Key #V5-0187-00A 601 Kettle Moraine Drive S
Douglas & Marlyss Thiel
Tax Key #V5-0173-00A 120 Storck Street
Ferret Laboratories – Marlyss Thiel, Agent**

Clerk Wilber introduced the hearing for tax key parcels #V5-0187-00A assessed at \$213,900 and #V5-0173-00A assessed at \$47,700. 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 should be assessed at \$150,723. Clerk Wilber swore in all witnesses to this hearing, which were property owner Marlyss Thiel and Assessor Grota. Ms. Thiel asked that the residential property at 601 Kettle Moraine Drive S should be discussed first.

Ms. Thiel informed the Board that her objection was based on an appraisal she had obtained from Chris Haines, a licensed real estate broker. Chairperson Murphy asked if Mr. Haines would be present to discuss his findings, to which Ms. Thiel stated she was not aware until just a couple of hours ago that the broker should be present. Chairperson Murphy explained that the Property Assessment Appeal Guide for Wisconsin Real Property Owners that is provided by the Department of Revenue gives the procedure that must be used for anyone wishing to present an appraisal as evidence. She stated that in order for an appraisal to be given full consideration as evidence in an objection hearing, the person who prepared the appraisal must appear before the Board of Review so the Assessor has the opportunity to ask questions regarding the appraisal and how it was calculated.

Ms. Thiel asked when the last full Village revaluation was performed and Assessor Grota stated it was in 2009. Ms. Thiel asked why the assessment for this property had gone up since 2009 when no changes were made to the property or its improvements.

Assessor Grota presented a description of the subject property and discussed his calculations in arriving at the assessed value. He stated that the assessment for this property has not changed since the 2009 revaluation, although the effective market value may have fluctuated since then due to changes in the economy and real estate market. Assessor Grota provided 3 comparable properties and explained how they supported the assessment for the subject property.

Assessor Grota informed the Board that he had reviewed the document provided by the property owners and stated it was a broker price opinion and not a true appraisal. He explained that a broker price opinion is an analysis of the sales to assessment ratio for selected properties that had recent sales. The average sales to assessment ratio is then applied to the subject property to calculate an estimated value for the property. Assessor Grota stated that of the three comparables used for this broker price opinion, the second property was a bank sale and could not be considered as an arm's length transaction. He stated that the third property offered as a comparable was an estate sale and after the property was purchased, it required extensive improvements due to its overall poor condition.

Both the objector and the assessor were given an opportunity to present additional evidence and summarize their cases.

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 \$213,900 for parcel #V5-00187-00A located at 601 Kettle Moraine Drive S. A roll call vote was taken on the motion with the following result: Yea's: Brandt, Gundrum, Murphy; Nay's: none. The motion was passed.

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

Assessor Grota informed the Board that a late Open Book adjustment was made to the property at 120 Storck Street, tax key #V5-0173-00A, after he spoke with the property owners. Ms. Thiel confirmed that she was in agreement with the change that had been made and wished to withdraw her objection at this time. Assessor Grota stated that the change in the assessment would be reported with the other late Open Book adjustments and provided to the Village at a later date.

**C. Tax Key #V5-0580-055 2332 Cedar Crest Lane
Jason Parish & Carrie Schneider**

Clerk Wilber introduced the hearing for tax key #V5-0580-055 located at 2332 Cedar Crest Lane and assessed at \$260,000. 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 should be assessed at \$244,000. Clerk Wilber swore in all witnesses to this hearing, which were property owner Jason Parish and Assessor Grota.

Chairperson Murphy gave a brief explanation of the Board of Review procedures and informed Mr. Parish that in accordance with State statute, the Board of Review is required to assume that the Assessor's valuation of a property is correct and binding unless the property owner presents evidence showing it to be incorrect. She explained that this means that the burden of proof is on the part of the property owner and Mr. Parish stated he understood this.

Mr. Parish presented a copy of an appraisal he obtained for the property in February 2012 that showed a value of \$244,000. Chairperson Murphy asked if the person who completed the appraisal would be present for questioning and Mr. Parish stated he would not be. He stated that he was not aware that the appraiser should be present, but even if he were it would have been unlikely that the appraiser could have arranged to attend this hearing. Chairperson Murphy explained that the appraisal presented by Mr. Parish could not be given full consideration as evidence since the person who prepared it would not be available for questioning.

Mr. Parish stated he was not objecting to the overall value given to his property but specifically to the fact that the assessment increased by \$3,300 since last year. Mr. Parish also questioned why a neighboring property was assessed at \$8,200 less than his when it appeared to be very similar to his.

Assessor Grota presented a description of the subject property and 5 comparable properties. He discussed the comparable properties and stated it was his opinion that they support his assessment. Assessor Grota stated that the property assessment was in line with other properties in the Village when considering the Village's assessment ratio. He discussed the importance of maintaining uniformity among assessments throughout the Village.

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 \$260,00 for parcel #V5-0580-055 located at 2332 Cedar Crest Lane. A roll call vote was taken on the motion with the following result: Yea's: Brandt, Gundrum, Murphy; Nay's: none. The motion was passed.

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

**D. Tax Key #V5-080-064 424 Cedar Crest Lane
Stephen & Rachel Blonski**

Clerk Wilber introduced the hearing for tax key parcel #V5-0580-064 located at 424 Cedar Crest Lane with a total assessment of \$274,600. 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 \$237,000. Clerk Wilber swore in all witnesses to this hearing, which were property owner Stephen Blonski and Assessor Grota.

Mr. Blonski stated that his objection was based on an appraisal he obtained for refinancing purposes that lists the property's value at \$237,000. He stated it was his opinion that it is not fair for him to be taxed at a much higher level than the actual market value of the property. Chairperson Murphy explained that the appraisal could not be given full consideration as evidence without the appraiser present to answer any questions about it.

Assessor Grota provided the subject property description and 5 comparable properties. He stated that the effective fair market value listed on the comparables used an assumed assessment ratio of 105% when the Village's actual effective fair market ratio will probably be closer to 110%. He reviewed each of the comparables and stated it was his opinion that they support the assessed value. He stated that each of the properties reflects the Village's current assessment ratio.

Mr. Blonski asked Assessor Grota to explain how the adjustment amounts were calculated for each of the comparable properties. He stated that his garage is actually a 2 ½-car garage and not a 2-car garage as listed in the description.

Assessor Grota explained that for assessment purposes, garages are rated on how many vehicle entry points they have and additional space within the garage does not change the classification. Assessor Grota reviewed each of the calculations and explained that comparable values are adjusted upward when comparable properties have deficiencies when compared with the subject property and value is deducted when the comparable properties have items that the subject property does not have. He stated that the goal is to make the properties as even as possible to determine if the subject assessment is consistent with other assessments.

Mr. Blonski gave a summation and stated that his main purpose in attending this Board of Review was to express his opinion that it is not fair to tax a property on a value that is higher than what it is actually worth on the market.

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 \$274,600 for parcel #V5-0580-064 located at 424 Cedar Crest Lane. A roll call vote was taken on the motion with the following result: Yea's: Brandt, Gundrum, Murphy; Nay's: none. The motion was passed.

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

**E. Tax Key #V5-0747-124 584 Farmstead Drive
Rick & Gloria Knipfer**

Clerk Wilber introduced the next hearing for tax key parcel #V5-0747-124 at 584 Farmstead Drive with a total assessment of \$272,300. She informed the Board that an objection form had been submitted prior to the meeting indicating that the objector's opinion is that the property should be assessed at \$220,100. Clerk Wilber swore in all witnesses to this hearing, which were property owner Rick Knipfer and Assessor Grota.

Chairperson Wilber explained the Board of Review process and informed Mr. Knipfer that under State statute, the burden of proof that an assessment is incorrect lies with the taxpayer.

Mr. Knipfer informed the Board that the reason for his objection to his property's assessment is the fact that vacant lots in the Farmstead Creek subdivision are now selling for only \$29,900 while his land is assessed at \$69,600. He provided 2 e-mails from the developer confirming the new price and stated it was his opinion that this is a clear indication of the land's actual market value. Mr. Knipfer stated he was also requesting a reduction in the assessment of the improvements on his property due to the fair market value as listed on the Village's most recent tax bill for the property.

Assessor Grota asked Mr. Knipfer if the e-mails were advertising only or if they indicated any actual sales, to which Mr. Knipfer stated they were advertising the new price of the lots. Assessor Grota asked Mr. Knipfer if he was aware of any closed sales using the new price and Mr. Knipfer stated he knew that properties have been sold since last year, but he had not researched any actual sale amounts. Assessor Grota asked Mr. Knipfer if he knew why the property prices had been reduced and Mr. Knipfer stated it was his opinion that the prices were changed to reflect the actual market value of the properties at this time.

Chairperson Murphy asked Mr. Knipfer if he was aware of the bank's level of involvement with this subdivision. Discussion was held on the fact that BMO Harris/M&I Bank is considered to be an active partner in the subdivision and has directed the developer to liquidate as much of the inventory in vacant lots as possible.

Assessor Grota provided a description of the subject property and 5 comparable properties. He discussed the price of vacant lots in the subdivision and explained that the new price was directly tied to the bank's financial stake in the subdivision. Assessor Grota referred to the e-mail advertising lots in several Bielinski subdivisions and pointed out that the lots in a subdivision in the Village of Jackson are being advertised for \$44,900. He stated this indicates that the bank's investment in the Jackson development is higher than their investment in Slinger. Assessor Grota stated that the sale price was dictated by the bank as mortgage holder for the development and this situation would be considered a duress sale.

The Board asked Assessor Grota to provide further information on how total assessments are calculated with regard to a property's land and improvements components. They also asked if assessments are ever adjusted in situations such as this, where developers are attempting to liquidate inventory.

Assessor Grota discussed land values throughout the Village and stated that recent sales indicate that vacant lots are still selling for much higher amounts than the sale price in this subdivision. He stated that when reduced land prices begin to affect overall sales, it is possible to reduce the assessment on vacant land until sales are made, and after the sale the assessed value is readjusted to reflect the infrastructure and other improvements normally associated with land parcels. Assessor Grota stated that at this time, there is not enough evidence to show that this type of adjustment is necessary, but he will continue to monitor sales and will reevaluate the situation for next year.

Chairperson Murphy asked if this situation could be compared to foreclosure sales, which are not considered to be arm's length transactions. Assessor Grota stated that this arrangement with the bank is in place to avoid a full foreclosure, so it would not be considered an arm's length transactions. He stated that the bank prefers this over a foreclosure because they can work with the developer to try to market the parcels and complete the build-out of the subdivision.

In his summary, Mr. Knipfer stated he knew there were more properties that have closed than the assessor reviewed today and he was disappointed that not all of the sales within the Farmstead Creek subdivision were taken into consideration. He stated it was his opinion that lowering the cost of the remaining vacant lots in the subdivision has a direct and immediate impact on the value of his property and all properties in the development.

Mr. Knipfer stated it was his goal to make sure that the Village's elected officials are aware of this situation and that some type of action will be needed, particularly since the new lot prices represent a reduction of 57% from the original sale price of lots in the subdivision.

Board members discussed this situation and agreed this was a unique situation, but at this time there have not been enough sales to determine if the reduced price will have a negative impact on land prices in general.

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 \$272,300 for parcel #V5-0747-124 located at 584 Farmstead Drive. A roll call vote was taken on the motion with the following result: Yea's: Brandt, Gundrum, Murphy; Nay's: none. The motion was passed.

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

**F. Tax Key #V5-0747-010 191 Farmstead Drive
Billye & Daniel Survis**

Clerk Wilber introduced the next hearing for tax key parcel #V5-0747-010 located at 191 Farmstead Drive and informed the Board that an objection form had been submitted prior to this meeting indicating that the objector's opinion was that the property should be assessed at \$225,200. Clerk Wilber swore in all witnesses to this hearing, which were property owner Billye Survis and Assessor Grota.

Ms. Survis informed the Board that she attended the Village's Open Book process on April 30th but was not able to resolve this matter at that time. She stated she also spoke with Kyle from Grota Appraisals on May 17th. She stated she asked for copies of the property records used for comparisons and Kyle told her they could not be released because all sales were considered from comparison. She stated she called again on May 18th and left a message for Kyle but did not receive a call back. Ms. Survis stated she called again on May 21st but again did not receive a response. Ms. Survis stated called a third time on May 22nd and stated in her voicemail that she would be contacting the Village to see if her questions could be answered there. She stated that Kyle then called her back and she asked him to provide copies of the property records for the Farmstead Creek subdivision. Ms. Survis stated that Kyle informed her the records could be e-mailed so she could waste her paper, but he would not provide paper copies due to the large amount of records.

Ms. Survis presented an appraisal of the property that was completed in April 2012. She also presented a list of vacant parcels being sold by Bielinski for \$29,900 and stated she spoke with a salesperson for Bielinski and was informed that all but 2 of the lots are now under contract to be sold.

Ms. Survis informed the Board that she had conducted a large amount of research on the assessment process and she referred to the latest Department of Revenue report on the Village's equalized values by assessment category.

Ms. Survis stated she had several questions about how her property was assessed. She explained that Lot 105 in the subdivision is larger than hers but is assessed for less. She asked if the property's location next to the pond had been taken into consideration. Ms. Survis explained that when they first purchased the property, she believed the pond would be a positive factor for them but she has since found that the pond is normally stagnant and overgrown and detracts from the property's value.

Assessor Grota provided a description of the subject property and 6 comparable properties. He stated that no adjustments either positive or negative were made to reflect the lot's location next to the retention pond. He stated it was his opinion that the comparables support his assessment of the property. Assessor Grota stated he was aware of recent sales in the subdivision but the sales have been package arrangements with land and improvements and he does not have access to any information showing how the values are divided between land and improvements.

Assessor Grota stated he was concerned with the report of comments made by his staff and the lack of response indicated here. He stated he would be looking into that further and would possibly make a conference call between staff and Ms. Survis to investigate the matter.

Ms. Survis asked Assessor Grota to explain how the assessment for her property was calculated. Assessor Grota stated that the last full revaluation in the Village was conducted in 2009. He explained how the assessment model was created and how properties are selected to compile assessed values. He stated that all appropriate sales are considered and placed into classifications based on the age of the buildings and other pertinent factors.

Ms. Survis expressed concern over the Village's high assessment ratio. Assessor Grota explained how the ratio reflects the current trend in market value. He discussed the importance of maintaining uniformity and equity throughout the Village. He stated that at this time, those factors must be given higher priority over market value considerations due to the current economic conditions.

Assessor Grota explained that individual properties could not be adjusted down to market values without negatively affecting uniformity in the Village. He stated that if the assessments for all properties in the Village were adjusted to reflect current market values and the levy amount remained the same, it would not change individual tax bills since the tax rate would have to increase to distribute the levy over a lower amount of assessed value.

In her summary, Ms. Survis stated she could understand that lot values are not being adjusted at this time, but it was her opinion that all lots should be treated the same. She stated that Lot 105 located at 190 Farmstead Drive was not assessed the same as her property since Lot 105 is larger than her parcel but was assessed at a lower value. Ms. Survis stated she would still like to receive an answer regarding that error.

Assessor Grota stated they will definitely continue to monitor the situation regarding the vacant lots in the Farmstead Creek 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 \$282,200 for parcel #V5-0747-010 located at 191 Farmstead Drive. A roll call vote was taken on the motion with the following result: Yea's: Brandt, Gundrum, Murphy; Nay's: none. The motion was passed.

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

- G. Tax Key #V5-0606-429-001 1817 Woodland Way**
- Tax Key #V5-0606-429-002 1815 Woodland Way**
- Tax Key #V5-0606-429-004 1811 Woodland Way**
- Tax Key #V5-0606-430-001 1834 Woodland Way**
- Tax Key #V5-0606-430-002 1832 Woodland Way**
- Tax Key #V5-0606-430-003 1838 Woodland Way**
- Tax Key #V5-0606-430-004 1830 Woodland Way**
- Tax Key #V5-0606-431-001 1844 Woodland Way**
- Tax Key #V5-0606-431-002 1842 Woodland Way**
- Tax Key #V5-0606-431-003 1848 Woodland Way**
- Tax Key #V5-0606-431-004 1840 Woodland Way**
- Tax Key #V5-0606-432-001 1854 Woodland Way**
- Tax Key #V5-0606-432-002 1852 Woodland Way**
- Tax Key #V5-0606-432-003 1858 Woodland Way**
- Tax Key #V5-0606-432-004 1850 Woodland Way**
- Tax Key #V5-0606-00M Woodland Way**

Verrada Development – David Cull, Agent

Clerk Wilber informed the Board that the objector in this matter, Dave Cull, had contacted the Village yesterday and notified staff that he wished to withdraw his objection to these assessments.

Chairperson Murphy stated that this was the 2-hour mark and it should be noted that no further objection forms have been filed. She stated that the Board would take a brief recess before continuing with the hearing. The Board resumed the hearing at 2:40 p.m.

**H. Tax Key #V5-0224 224 Kettle Moraine Drive N
Tax Key #V5-0224-00A 105 Cedar Creek Road
Tax Key #V5-0315-00A 105 Cedar Creek Road
Tax Key #V5-322-00Z 280 Cedar Creek Road
Wayne Erickson – Gary Kohlenberg, Agent**

Clerk Wilber informed the Board that this hearing was for 4 separate parcels. She stated that tax key #V5-0224 located at 224 Kettle Moraine Drive N is a residential property located next to Little Switzerland Ski Hill. She stated that tax key #V5-0224-00A and tax key #V5-315-00A located at 105 Cedar Creek Road are both associated with the Little Swiss Chalet property. She stated that the fourth parcel, tax key #V5-0322-00Z located at 280 Cedar Creek Road, was the Slinger Speedway property. Clerk Wilber asked the Board for direction on how these parcels should be presented.

Mr. Kohlenberg, acting as the agent for property owner Wayne Erickson, stated he would prefer to discuss the 3 ski hill properties first. Clerk Wilber introduced the first 3 properties and informed the Board that objection forms had been submitted for each of them prior to this meeting. She stated that the parcel at 224 Kettle Moraine Drive N, tax key #V5-0224, is assessed at \$312,700 and the objection form indicates that the objector's opinion is that the property should be assessed at \$150,000. Clerk Wilber stated that tax key #V5-0224-00A located at 105 Cedar Creek Road is assessed at \$16,600 and the objection form indicates that the objector's opinion is that it should be assessed at \$15,000. Clerk Wilber stated that tax key #V5-0315-00A is assessed at \$355,500 and the objection form indicates that the objector's opinion is that it should be assessed at \$300,000. Clerk Wilber swore in all witnesses to this hearing, which were agent Gary Kohlenberg and Assessor Grota.

Mr. Kohlenberg introduced himself and informed the Board he is a licensed assessor, a commercial real estate broker and holds degrees in finance, accounting and international business. He presented a recent history of the subject properties and stated that Mr. Erickson purchased 66 acres in January 2011 that included a house, a chalet and 2 storage buildings. Mr. Kohlenberg stated that in December 2011, Mr. Erickson sold 17 acres for \$100,000 and some time in 2012 he sold an additional 37 acres containing the 2 storage buildings for \$650,000. Mr. Kohlenberg stated it was his position that Mr. Erickson's net investment in this property has been reduced to \$250,000 and he wished to amend the opinion on what tax key #V5-0315-00A should be assessed at to the \$250,000 amount.

Mr. Kohlenberg informed the Board that even though the amount Mr. Erickson paid for the three parcels was \$1 million dollars, the purchase agreement for this transaction shows a sale price of \$1.144 million. He stated it was necessary to show the additional amount to reflect a life estate agreement that was granted for a portion of the property.

Mr. Kohlenberg stated that the life estate arrangement has a negative effect on the value of the parcel since Mr. Erickson purchased the house but cannot use it as he sees fit until the life estate agreement ends. He stated this would be a maximum of 15 years per the agreement.

Mr. Kohlenberg distributed a handout showing a portion of a Life Estate & Remainder Interest Table and stated this excerpt was from Chapter 26 of the Code of Federal Regulations, Section 20.2031. He stated that the Wisconsin Assessment Manual states that any property subject to a life estate agreement must be adjusted to show the encumbrance. He stated that the table shows that the property's value should be reduced to 47% or \$147,000. Mr. Kohlenberg informed the Board that he wished to amend the value given on line 5 of the objection form from \$150,000 to \$147,000.

Assessor Grota asked Mr. Kohlenberg if a copy of the life estate agreement was available because he had requested a copy of it previously and had not received one. Mr. Kohlenberg distributed copies of the life estate agreement but upon review it was discovered that 2 of the 4 pages were missing. Mr. Kohlenberg stated that the important part of the agreement can be found on the first page, where it states that the seller is allowed to remain on the property for a certain length of time not to exceed 15 years from the date of the agreement.

Assessor Grota asked whether permissions to subdivide the property had been granted. He informed Mr. Kohlenberg that a Certified Survey Map had been recorded to show that the property had been subdivided and Mr. Kohlenberg agreed that such permissions would add value to the property.

Assessor Grota reviewed the Life Estate & Remainder Interest Table and asked Mr. Kohlenberg if the table is normally used for medical settlements. Mr. Kohlenberg stated the tables are used by the State to calculate Social Security estimates for person applying for benefits. He stated there is no specific table provided for calculating land values in the case of a life estate situation, but the numbers shown in this table could be used. Assessor Grota stated that the 47% level selected by Mr. Kohlenberg did not appear to be correct. He explained that this number is listed in the Life Estate column, but that column shows the value declining as the person ages when the value of a property would increase as the person gets older. Mr. Kohlenberg agreed and stated that the Remainder column should be used instead, which would mean that the value of the property should be reduced to 53%.

Assessor Grota questioned how much of tax key #V5-0224 should actually be restricted by the life estate agreement. He pointed out that the agreement specifies that the Seller's use is limited to the house and other structures located on the property as well as the land surrounding the house up to 10' to the north, 20' to the south, 51' to the west and 42' to the east. Assessor Grota provided an aerial photo of the parcel and showed that there was a large amount of land still available for Mr. Erickson's use. Board members stated that the stormwater pond was normally used for snowmaking operations and a portion of the land was used for overflow parking, both of which would still be available for Mr. Erickson to use.

Assessor Grota presented a description of the subject property and 6 comparable properties for the house located on tax key #V5-0224. He discussed the life estate issue and stated this could have already been reflected in the sale price, since the agreement states that no payment was made for the life estate agreement. Assessor Grota stated that he agreed some type of reduction should be made for the life estate agreement if it has not been taken into account already, but in his professional opinion the amount of discount should be no more than 20 – 30%. He explained that most of the property is still available to Mr. Erickson. Assessor Grota stated that without a complete copy of the life estate agreement and more information on the Life Estate & Remainder Interest Table, he would be unable to calculate an accurate assessment for the property.

Assessor Grota stated that the assessment for the chalet, tax key #V5-0315-00A, is supported by commercial sales in the Village. He stated it was his opinion that value was definitely added to the property through its subdivision. Assessor Grota asked Mr. Kohlenberg if the sales of portions of the original lot were arm's length transactions and Mr. Kohlenberg stated it was his understanding that they were. Assessor Grota asked if the parcels had been marketed for sale prior to these transactions. Mr. Kohlenberg stated he believed they were but he did not have any documentation to show that at this time.

Mr. Kohlenberg submitted a statement from seller Jane Herte confirming that she did not receive any written offers for the property. He stated this was being provided in response to an earlier statement from Assessor Grota that a higher offer for the property had been declined.

Assessor Grota stated it was his opinion that he had addressed all pertinent issues in the assessment of these properties, other than the life estate issue. He stated since this was the first time he had seen written documentation of the life estate agreement and even this documentation was incomplete, he was not in a position to calculate a more accurate assessment of tax key #V5-0224 at this time.

Assessor Grota suggested that this matter be held over to the June 21st Board of Review meeting due to time constraints and the lack of adequate documentation. The Board requested that Mr. Kohlenberg return on that date to continue the hearing on the properties at 224 Kettle Moraine Drive N and 105 Cedar Creek Road. The Board also requested that prior to June 14th, Mr. Kohlenberg shall provide the missing pages from the life estate agreement and further information on the proper use of the Life Estate & Remainder Interest Table as it pertains to land assessment.

Chairperson Murphy stated that Mr. Kohlenberg was also the agent for the remaining objections. She stated that the hearings for those objections would be held immediately after this one is completed on the 21st. Mr. Kohlenberg requested that he be given 45 minutes to discuss the Speedway objection and another 45 minutes for the objections relating to the Farmstead Creek subdivision.

Motion Gundrum/Brandt to hold the objections on tax key # V5-0224, #V5-0224-00A and #V5-0315-00A over until 1:00 p.m. on Thursday, June 21, 2012. A roll call vote was taken on this motion with the following results: Yea's: Brandt, Gundrum, Murphy; Nay's: None. The motion was passed.

9. Adjournment

Motion Gundrum/Brandt to adjourn the Board of Review at 3:42 p.m. until 1:00 p.m. on Thursday, June 21, 2012. A roll call vote was taken on this motion with the following results: Yea's: Brandt, Gundrum, Murphy; Nay's: None. The motion was passed.

Maureen A. Murphy, Village Chairperson