



ALBERTVILLE CITY COUNCIL

April 18, 2011

BOARD OF REVIEW

MINUTES

ALBERTVILLE CITY HALL

5:30 PM

ROLL CALL

PRESENT: Board members Larry Sorensen, John Vetsch, and Dan Wagner

OTHERS PRESENT: City Administrator Larry Kruse, Wright County Assessor Wally Peterson, Wright County Assessor Tony Rasmussen, Finance Director Tina Lannes, and City Clerk Bridget Miller

ABSENT: Board members Mark Meehan and Jillian Schommer

BOARD OF REVIEW

Presentation by the Wright County Assessor(s)

Wright County Assessor Peterson began by explaining the purpose of Local Board of Review and Equalization is to review the assessment of property. This Local Board of Review and Equalization is being held for the 2011 assessment for taxes due and payable in 2012. The Board does not have the authority to change any prior years' assessments. The Local Board does not have the authority to grant an exemption or to order property to be removed from the tax rolls. A quorum must be present and at least one of the members must be 'Training Certified' under Minnesota State Statutes Section 274.014. Peterson acknowledged that there are two (2) members that have completed the training and are certified. State law requires the assessor to be at 100% of market value; however, the Statutes allow the Assessor to be within a range of 90 to 105 percent of market value. The sales ratio study time frame is from October 1, 2009 thru September 30, 2010. The sales date gathered from this ratio period is used to appraise property as of the January 2, 2011 assessment date. The formula for calculating 'Green Acre' taxable value is statutorily determined by the Department of Revenue as required by the 2008 legislative changes. The current assessment meets or exceeds standards for uniform assessment in all jurisdictions established by the International Association of Assessment Officers.

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Peterson reported there were 45 qualified sales during the period of October 1, 2009 and September 30, 2010. The median sales ratio is 94.3%, with the median sale price of \$183,300. Peterson continued with the unqualified or foreclosure/bank sales in the quantity of 67. The median sales ratio for the unqualified sales is 120.08% and the median sale price was \$148,700. Assessor reported that after review and analysis, market based reductions were made on most properties throughout Albertville. **The final sales ratio came in at 90.97%.** The State of Minnesota requires this ratio (estimated market value/sale price) to be between 90-105%.

Peterson stated there are currently nine (9) qualified sales to be used for 2012 valuations. **Those sales have a ratio of 106%** with a median sale price of \$175,000.

County Assessor Rasmussen gave a report on the Commercial properties acknowledging the fact that there is a definite sign of economic times with a fair amount of empty buildings. Wright County focused on vacant and or empty land throughout the County, which staff had a tight range to work with. There was a total of 37 commercial sales throughout the entire Wright County. Rasmussen noted there are funds available through programs to help with commercial development. It was a challenge to factor in the cost associated for the commercial sales in arriving at a fair market value for the shell of a building that is sitting empty or unfinished.

The Assessor's Department realizes that commercial owners have been doing everything possible to keep the business going, in which some have even gone to more of a Contract for Deed.

Rasmussen gave examples of commercial sales that took place within the Buffalo city limits where the sales are occurring or taking place. The Minnesota Department of Revenue is giving staff the range to work within, which the State wants Wright County to remain within the parameter range.

Peterson reported there were three (3) Albertville property owners that contacted Wright County, which Council made the following motion:

BM's Wagner/Sorensen **motioned** to direct staff to review the market value and work with the individuals regarding the fair market valuation, if necessary, present to the Wright County Board of Commissioners for final assessment. Motion carried.

CITIZENS OPEN FORUM

Leon Greenslit owner of the Old Albertville Creamery located on Large Avenue NE within Albertville informed the Board of Review that his building is valued lower than the land. There is a billboard on the site and the property taxes for the area are much higher than my entire business. The land is proposed at a higher value because of the location.

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County Assessor Rasmussen confirmed that 'yes' the land that the billboard is constructed on is being valued at fair market price. Rasmussen took the billboard and compared it to other billboards within Wright County located on the I-94 corridor. The land has a billboard and that is taken into account with the calculation assuming the property owner is taking in or receiving revenue from the billboard company; therefore, rental of the land.

Steve Anderson with Franklin Outdoor Advertisement agrees that the land along the I-94 corridor that houses billboards is valued high. Anderson informed the Board that Franklin Outdoor Advertisement has been cooperative in working with Wright County by providing information related towards land lease agreements they have entered into.

Rasmussen agreed that Mr. Anderson have been very helpful in providing the County with information and is open to discussing the billboard concerns.

Council acknowledged Mr. Greenslit's concern with the land value and is forwarding on the decision to the Wright County Board of Commissioners.

BMs Vetsch/Sorensen **motioned** to refer to staff and present the findings to the Wright County Board of Commissioners for final decision on the fair market value to be assigned to the property located at 6065 Large Avenue NE with a PID of 101-500-364302. Motion carried.

Rex Hult of Greendfield expressed an interest in the Keep it Safe Storage facility. Mr Hult presented a comparison of a storage facility in Albertville, Otsego, and St. Michael. The facilities values of Stan's Storage went down yet the Otsego and St. Michael storage sites remained the same as 2009, which are lower than that of Keep it Safe Storage in Albertville. Mr. Hult continued by stating he is interested in purchasing the facility as the current or previous owners were not good with the bookkeeping.

Both Peterson and Rasmussen stated this is the first time they have encounter a potential buyer of a real estate property. In prior years, the County would have an individual speak on behalf of the property owner or a business owner.

BMs Sorensen/Vetsch **motioned** to refer the findings to the Wright County Board of Commissioners for final decision on the fair market value, upon which Mr. Hult may have to appeal the value of the property. Motion carried.

County Assessor's continued onto the next request to review the property values that involved INH Properties with a possible PID of 101-029-002010.

BMs Wagner/Sorensen **motioned** to refer to the Wright County Board of Commissioners for final decision and set the fair market value. Motion carried.

The last parcel to review was the Fireplace and Lighting business located with the Shoppes at Towne Lakes One. Rasmussen began with the fact that 5-10% of buildings are vacant. The question is when should the County begin looking at higher percentages? Do we look at 15-20% or keep it capped at 10%? Do we look at it as a shell which the wages go down, which snowballs to the thought of when does the County return the vacant building value back when it fills.

County staff will look at the ratio to research the current trend taking into account the recent increase in gas prices with the process. With that comment, the Board made the following motion:

BMs Wagner/Sorensen **motioned** to refer to the Wright County Board of Commissioners for final decision and set the fair market value taking into account Wright County Assessors rationale behind calculating the assessment value. Motion carried.

ADJOURNMENT

BMs Sorensen/Wagner **motioned** to adjourn the Monday, May 3, 2010 Board of Review meeting at 6:45 p.m. Motion carried unanimously.

Bridget Miller, City Clerk (recording secretary)