

2014 Local Board of Appeal & Equalization PARK RAPIDS CITY

MINUTES

APRIL 21ST, 2014

2:00 PM

HUBBARD COUNTY LEC
ITV ROOM - BASEMENT

ATTENDEES City Council members - Paul Utke, Rod Nordberg; Mayor - Pat Mikesch; City Clerk - Margie Vik; City Administrator – John McKinney; City Assessor - Loren Tolkkinen, County Assessor- Bob Hansen; Chief Deputy Assessor - Ginger Woodrum & Deputy Assessor – Jill Thompson. Council Members absent were: Erika Randall & Dave Konshok.

MEETING INTRO The meeting was called to order at 2:03 PM. City Assessor, Loren Tolkkinen, presented a handout on sales in the City of Park Rapids. Bob Hansen, County Assessor, handed out, explained and reviewed the sales report for the entire county for water influenced and non-water influenced. This was left with the Council today. Questions, answers and discussion took place as to what has happened in the City over the last year regarding sales, legislative requirements, and the assessment process.

APPEALS

1. **PID # 32.41.00200** **OWNER: GAYLE WALLACE
REVOCABLE TRUST** **CLASS: COMMERCIAL**

DISCUSSION: This is a .48 acre parcel located on Hwy 34 close to the river. It was formerly the Wallace Law Office, but is now sitting vacant, but is listed for sale for \$315,000, through Wolf & Simon Realty. It has been on the market for over 6 months. Mr. Wallace is appealing the value, and would like the value to be reduced to the listing price. He currently does not have an appraisal. It was previously on the market as well. The current EMV is \$353,500 – broken down, the land is \$157,900 and buildings \$195,600. The age Actual Year Built of the building is 1950, but has an EYB of 1978 and 1965 on portions of the building. There is a apartment in the building, that has a note that it is not currently used.

Mr. Tolkkinen addressed the question, and reviewed the land and building details of the property record fieldcard with the board.

The question was asked if the structure was built solely for residential purposes as a home or an office. It was built as a residence but was used as a medical clinic in the past, where the doctor lived in the apartment upstairs and there were offices, exam rooms on the main level and the basement used for storage. Photos of the property through the real estate sales listing were reviewed. The amount of square footage as well as a size or quality adjustment was discussed.

RECOMMENDATIONS: **Would like the City Assessor to view the property again and bring back any recommendations for changes he had to the board when they reconvene on Tuesday, April 22nd, 2014 at 5:45 pm at the lower level of the library.**

M/S/P: UTKE/NORDBERG/MOTION TO TABLE ANY ACTION ON THIS APPEAL, AND WOULD LIKE THE CITY ASSESSOR TO GO OUT AND VIEW THE PROPERTY AND BRING BACK ANY RECOMMENDATIONS FOR CHANGES HE HAD WHEN THE BOARD RECONVENES THE MEETING ON APRIL 22, 2014 AT 5:45 PM.

Other Items brought to the Board for Review by the County, City Assessor or City Board:

2. **PID # 32.23.00500 OWNER: JEREMY & SARA CLASS: COMMERCIAL**
32.23.01000 JENNEN

DISCUSSION: Sent a letter of appeal that was presented to the board for their review and consideration. They feel the property is overvalued. They've lost money, half of which was from the amount of property tax.
 Parcel 32.23.00500 is a 3.27 acre parcel valued at \$106,800 – has a storage facility on it. Parcel 32.23.01000 is a 3.00 acres, valued at \$161,000, which is the main building. This is the former Gulbranson's Outdoor Power Equipment property on Hwy. 34 West, heading out of town. There is currently some sort of seasonal retail sales –like a second hand store, taking place there now. It has been closed all winter. The combined value for both parcels is \$267,800. It is currently listed for sale through Wolf & Simon Realty for \$299,000. There is no rental information available on the storage units, to see what kind of income the storage facility is producing. The value has been dropping over the last 5 years. The larger commercial buildings in the City have been reviewed and any adjustments that need to be made. Mr. Tolkkinen figured that the building is at a rate of \$582 per square foot, so is at a minimum. All storage units are also valued the same.

RECOMMENDATIONS: **No recommendations to make at this time, unless the council wants to make an override amount to the value of the land or buildings.**

M/S/P: UTKE/NORDBERG MOTION – NO CHANGE.

3. **PID # 32.40.02500, CLASS: RES NON-HMSTD**
32.40.02510 & OWNER: STIX & BRIX
32.44.90300

DISCUSSION: Parcel 32.40.02500 - Current value is \$75,000 – broken down, the land is valued at \$15,300 and buildings at \$59,700. It is .24 acres in size. There is question about the quality of the house located on this parcel. The foundation currently is concrete block and graded as a D6, with oil heat. Mr. Tolkkinen was able to view the house last week with the property owner, and agrees there is too much value on the house.

Parcel 32.40.02510 – Current value is \$23,500 – broken down, the land is valued at \$13,900 and buildings at \$9,600. It is .25 acres in size. Buildings consist of extra features such as garage, tar driveway parking lot, concrete slab, wood fence, that was split off the residence.

Parcel 32.44.90300 – Current value is \$215,100 – broken down, the land is valued at \$48,000 and buildings at \$167,100. It is .97 acres in size. This is the old middle school that has been converted in apartment buildings.

Mr. Tolkkinen spoke with Ms. Rech, who stated the income approach to value was the way the property is being valued. If the property owner wants to provide some income information for consideration to see if this would affect value, they may do so.

RECOMMENDATIONS: **For Parcel 32.40.02500 - Revise the value due to the condition and shape of the building. To change the foundation from concrete block to stone foundation, revise the grade of the house and lower it from a D6 to a D5.5, change the heat type from oil to gas and add a 5.00% overall reduction for added physical depreciation. This would lower the value of the house from approximately \$58,300 to \$50,000 or total value from \$75,000 to \$66,700. No change to the land at this time.**

For Parcel 32.40.02510 – Offset the value by making a recommendation to 32.44.90300.

For Parcel 32.44.90300 – Override the building value from \$161,300 to \$139,700 and override the extra feature value from \$5,800 to \$5,000, for a total building value of \$144,700. This would reduce the total EMV on this parcel from \$215,100 to \$192,700.

M/S/P: MIKESH/UTKE - ACCEPT THE CHANGES AS RECOMMENDED BY THE CITY ASSESSOR.

M/S/P: UTKE/NORDBERG – RECESSED THE MEETING AT 3:02 PM, UNTIL TUESDAY, APRIL 22ND AT 5:45 PM WHERE IT WILL RECONVENE TO ACT ON A PREVIOUS APPEAL THAT WAS TABLED.

The meeting was reconvened on Tuesday, April 22nd, 2014 at 5:45 pm at the lower level of the library, with the following council members present: Mayor, Pat Mikesh, City Administrator – John McKinney; Council Members - Paul Utke, Rod Nordberg, & Dave Konshok; City Clerk - Margie Vik; City Assessor - Loren Tolkkinen; & Chief Deputy Assessor - Ginger Woodrum. Council member Erika Randall was absent.

4. PID # 32.41.00200 OWNER: GAYLE WALLACE REVOCABLE TRUST CLASS: COMMERCIAL

DISCUSSION: TABLED FROM THE REGULAR MEETING ON MONDAY, APRIL 21, 2014.

RECOMMENDATIONS: Upon site visit of the property as directed by the Council, Mr. Tolkkinen recommends the following changes be made: Reducing the value due to the condition and shape of the building. Revise the grade due to the quality, miscellaneous measurements, revise the amount of physical depreciation percentages and pick up/add some extra features such as concrete slab, tar driveway and landscaping for retaining walls, sidewalks & railing.

M/S/P: UTKE/KONSHOK - ACCEPT THE CHANGES AS RECOMMENDED BY THE CITY ASSESSOR.

ADJOURNMENT

There being no further business coming before the board, the meeting was adjourned at 5:49 pm.

Respectfully submitted,

Margie Vik
Park Rapids City Clerk