

**TAYLORS FALLS BOARD OF APPEALS MEETING  
COUNCIL CHAMBERS  
WEDNESDAY, APRIL 16, 2014 – 6:00 P.M.**

**MINUTES**

This Meeting was posted Thursday, February 6, 2014 at City Hall and the Post Office.

The Taylor's Falls City Council met for the purpose of Board of Appeals on Wednesday, April 16, 2014 at 6:00 p.m. in the Council Chambers at City Hall, 637 First Street, Taylor's Falls, Minnesota.

**CALL TO ORDER:**

Mayor Buchite called the meeting to order at 6:00 p.m.

**PLEDGE OF ALLEGIANCE**

All those present at the meeting recited the Pledge of Allegiance to the United States flag.

**ROLL CALL:**

MEMBERS PRESENT: Mike Buchite, Ross Rivard, Mary Jo Murphy

MEMBERS ABSENT: John Tangen, Larry Julik-Heine

OTHERS PRESENT: Clerk-Treasurer Jo Everson, Chisago County Assessors Patrick Poshek and Chase Peloquin, Larry Collins, Rick Anderson

**BOARD OF APPEALS**

Mayor Buchite explained the process of appealing the estimated market value (EMV) of properties. He also reminded the Board that any property owner has the right to dispute the value established by the Assessor. However, it must assume by Statute that the Assessor is correct, and the property owner bears the burden of proof if challenged. He further explained that the Minnesota Property Tax Refund program is available to any qualified property owner.

Assessor Patrick Poshek reported that property values must be reviewed every five years, and that all residential and commercial properties have been revaluated. He had also updated the corresponding Land Schedule Map. The total estimated market value of the City increased in 2014 from \$62,189,000 to \$67,068,000 with \$107,000 of new improvements.

Appearing before the Board were the following:

**Larry Collins**

**R20.00084.00**– 2014 EMV \$302,100

Collins questioned how the value of his property could be raised from \$187,900 in 2012 to \$302,100 in 2014. He explained that the house was 85 years old, finished in pine, basement unfinished, and had very few improvements done over the years. The house has three small bedrooms and a 450 square foot Bed and Breakfast (B&B) area. The Assessor explained that the property had been drastically undervalued for many years (he estimated 50 years), and is only now phasing in the new true estimated market value. He made this determination by taking into consideration the B&B, the land, the high quality of the house, and the spectacular view of the river valley. He compared the property to those in Marine and Stillwater, which were selling for \$1 – \$2 million dollars. Poshek inquired if Collins had had an appraisal done recently. If there was they could compare both values. Collins indicated he did not feel he needed one because they had no intentions of selling the property.

Poshek agreed to bring in comparables, but questioned if the Board was going to adjourn this meeting and if so Collins could appear before the County Board of Appeals. Collins indicated that he preferred to appear before this Board rather than the County's. It was agreed that the Board would recess until Monday, April 28, 2014 at 8:00 a.m. No action was taken at this time.

**Richard Anderson**

**R20.00052.00** – 2014 EMV \$148,100

Anderson questioned how this 9.6 acre piece was valued. He believes the house is not worth much since it is not in good condition, although he receives \$600 per month for rent. The Assessor explained that the house is valued at \$66,700, but he was not able to inspect the property because Anderson, as the owner, did not give him permission to do so. The outbuildings were valued at \$26,000, and the land at \$55,400. Poshek and Anderson will meet to inspect the house, and Poshek will review the aerials of the contiguous properties to verify acreage to determine if the property remains qualified for the programs. No action was taken at this time, but final determination will be made at the April 28, 2014 continued Board of Appeals Meeting.

**R20.00046.00** – 2014 EMV \$72,000

Anderson questioned how the Agricultural Homestead Market Value Credit<sup>1</sup> and the Green Acres Value Deferral<sup>2</sup> program have been applied to this 17 acre parcel. The Assessor questioned if Anderson rents his acreage to the person who is tapping the trees on the property. Anderson stated that he does not rent it, but allows someone from Almelund to do it and then gives a portion of the maple syrup to Anderson in lieu of rent. The Assessors informed Anderson that he needs to sell product from that parcel in order to remain in the programs. No action was taken at this time, but final determination will be made at the April 28, 2014 continued Board of Appeals Meeting.

**R20.00480.00** – 2014 EMV \$28,500

Anderson questioned if this property would be eligible for the above mentioned credits since it is contiguous property. The Assessor stated that he will review the aerials of the properties to verify if the properties qualify for the programs but that the EMV would remain at the \$28,500. No action was taken at this time, but final determination will be made at the April 28, 2014 continued Board of Appeals Meeting.

**R20.00254.00** – 2014 EMV \$322,000

Anderson questioned the increase in value of the former Springs Inn property and requested explanation on how that value was determined. Assessor Chase Peloquin explained that he had purchased the property as a Distressed Sale<sup>3</sup> from the bank, and at a lower cost of the actual value. Despite the fact that the personal property (beds, furniture, restaurant and bar equipment) were included in the sale must be excluded from the sale price of the property to establish value, Peloquin was confident that it was actually immaterial. Anderson indicated that the personal property on the lower level had water damage and unusable, but that the upper two levels could be ready to rent in the near future. Peloquin remained firm with the value of \$322,000. Since a final determination would be made on his other three parcels at the April 28, 2014 continued Board of Appeals Meeting, the Board agreed to include this parcel as well.

**BOARD ACTION**

The Board announced that it would recess the Meeting until 8:00 a.m. on Monday, April 28, 2014, and would not consider any appeals other than those presented at this meeting.

**R20.00179.00 - NATHAN OPATZ**

MOTION BY MURPHY/RIVARD TO ACCEPT THE CHISAGO COUNTY ASSESSOR'S RECOMMENDATION TO REDUCE THE ESTIMATED MARKET VALUE OF SAID PARCEL FROM \$390,800 TO \$351,600. MOTION CARRIED UNANIMOUSLY.

**R20.00182.00 - NATHAN OPATZ**

MOTION BY MURPHY/RIVARD TO ACCEPT THE CHISAGO COUNTY ASSESSOR'S RECOMMENDATION TO REDUCE THE ESTIMATED MARKET VALUE OF SAID PARCEL FROM \$110,800 TO \$99,700. MOTION CARRIED UNANIMOUSLY.

**R20.00040.00 - GAROLD S. AND MARGARET A. SWANSON**

MOTION BY MURPHY/RIVARD TO ACCEPT THE CHISAGO COUNTY ASSESSOR'S RECOMMENDATION TO REDUCE THE ESTIMATED MARKET VALUE OF SAID PARCEL FROM \$74,800 TO \$70,400. MOTION CARRIED UNANIMOUSLY.

**R20.00097.00 - EDWARD J. AND MARY P. SCHELSKE**

MOTION BY MURPHY/RIVARD TO ACCEPT THE CHISAGO COUNTY ASSESSOR'S RECOMMENDATION TO REDUCE THE ESTIMATED MARKET VALUE FOR SAID PARCEL FROM \$146,700 TO \$131,700. MOTION CARRIED UNANIMOUSLY.

**RECESS**

MOTION BY RIVARD/MURPHY TO RECESS THE 2014 BOARD OF APPEALS MEETING FOR THE CITY OF TAYLORS FALLS UNTIL 8:00 A.M. ON MONDAY, APRIL 28, 2014. MOTION CARRIED UNANIMOUSLY.

The Meeting recessed at 7:15 p.m.

*<sup>1</sup>This credit reduces the tax on certain class 2a agricultural homestead land, along with any contiguous class 2b rural vacant land, for qualifying owners. The Minnesota Department of Revenue reviews current sales to establish determine the value, which is then applied to the tillable acres in that County.*

*<sup>2</sup>This program may provide property tax relief to qualifying owners of agricultural property in areas where land values are rising due to development or other non-agricultural factors. Taxes are calculated on both the estimated market value (higher value based on highest and best use) and the agricultural value (lower value). The difference is deferred until the property is sold or no longer qualifies for the program.*

*<sup>3</sup>A Distressed Sale is a sale of property that takes place with the expectation that where the total dollar amount of liens owed against it exceeds its current market value. The sale tends to mean a loss to the owner.*

**CALL TO ORDER:**

Mayor Buchite called the recessed Board of Review Meeting to order at 8:00 a.m. on Monday, April 28, 2014.

**PLEDGE OF ALLEGIANCE**

All those present at the meeting recited the Pledge of Allegiance to the United States flag.

**ROLL CALL:**

MEMBERS PRESENT: Mike Buchite, Ross Rivard, Mary Jo Murphy, Larry Julik-Heine

MEMBERS ABSENT: John Tangen

OTHERS PRESENT: Clerk-Treasurer Jo Everson, Chisago County Assessors Patrick Poshek and Chase Peloquin, Larry Collins, Rick Anderson

**BOARD OF APPEALS**

Mayor Buchite explained the initial Board of Review/Appeals was held on Wednesday, April 16, 2014, which was recessed until this date and time. Two properties were to be reconsidered at this meeting following the Assessor's second review or inspection.

**Larry Collins**

**R20.00084.00**– 2014 EMV \$302,100

Assessor Patrick Poshek submitted comparables for the property owned by Larry Collins. He provided comparable information from the low end of the market, the upper end of the market, and what is the

most average comparable today. In his opinion they were a good representation of the market at this time. Poshek was again confident that the \$302,100 EMV he assigned is accurate.

Larry Collins stated that he pays more property taxes than all the comparables Patrick brought. He was reminded that taxes were not the issue right now, but property values. Collins did an on-line Values Estimate Range for his property, which ranged from \$198,675 - \$218,000. He then made comparables by percentage of value collected for taxes. Once again he was reminded that this meeting was to discuss EMV not property taxes. Collins last submission was a comparison of his property and the property located at 1195 Fox Glen Drive, who may have a value much higher than his (using the same on-line Value program).

Mayor Buchite reminded the Board that Minnesota Statute requires that the Board must consider the Assessor's values to be correct, and that it is the property owner's obligation to prove otherwise. The Board agreed that the EMV proposed by the Assessor for the Collin's property was reasonable.

**Richard Anderson**

**R20.00052.00** – 2014 EMV \$148,100

Poshek reported that he was able to a property inspection and found that the property is in fair to poor condition. The upstairs is unusable, the exterior and interior are in poor condition although the kitchen and bathroom are in good condition. Poshek agreed to lower the house value from \$66,700 to \$38,800, for the overall value went from \$148,100 to \$120,200. What value on the house that remained was due to the fact that Anderson was renting the property for \$600 per month.

**R20.00254.00** – 2014 EMV \$322,000

The Board had agreed with this EMV as their April 16, 2014 Meeting. However, the Board had not taken off

**BOARD ACTION**

**R20.00084.00 – LARRY COLLINS**

MOTION BY MURPHY/RIVARD TO ACCEPT THE CHISAGO COUNTY ASSESSOR'S RECOMMENDATION OF THE ESTIMATED MARKET VALUE FOR SAID PARCEL AT \$302,100. MOTION CARRIED WITH JULIK-HEINE ABSTAINING SINCE HE WAS NOT AT THE INITIAL MEETING.

**R20.00052.00 – RICHARD ANDERSON**

MOTION BY MURPHY/RIVARD TO ACCEPT THE CHISAGO COUNTY ASSESSOR'S RECOMMENDATION TO REDUCE THE ESTIMATED MARKET VALUE FOR SAID PARCEL FROM \$148,100 TO \$120,200. MOTION CARRIED WITH JULIK-HEINE ABSTAINING SINCE HE WAS NOT AT THE INITIAL MEETING.

**R20.000254.00 – RICHARD ANDERSON**

MOTION BY MURPHY/RIVARD TO ACCEPT THE CHISAGO COUNTY ASSESSOR'S RECOMMENDATION OF THE ESTIMATED MARKET VALUE FOR SAID PARCEL AT \$322,000. MOTION CARRIED WITH JULIK-HEINE ABSTAINING SINCE HE WAS NOT AT THE INITIAL MEETING.

**ADJOURN**

MOTION BY RIVARD/MURPHY TO ADJOURN THE 2014 BOARD OF APPEALS MEETING FOR THE CITY OF TAYLORS FALLS. MOTION CARRIED UNANIMOUSLY.

Being no further business to come before the Board, the Meeting adjourned at 8:47 a.m.

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Michael D. Buchite, Mayor

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Jo Everson, Clerk-Treasurer

**APPROVED:** MAY 12, 2014