

OFFICIAL PROCEEDINGS
CITY OF COLUMBIA HEIGHTS
BOARD OF APPEALS AND EQUALIZATION
MONDAY APRIL 22, 2019

The following are the minutes for the Board of Appeals and Equalization Meeting for the City of Columbia Heights City Council held at 6:00 PM on Monday April 22, 2019 at the Columbia Heights Library, at 3939 Central Ave NE, Columbia Heights, MN.

1. ROLL CALL

Present: Mayor Schmitt, Councilmembers Williams, Murzyn, Jr., and Novitsky
Absent: Buesgens

2. STATEMENT OF PURPOSE OF THE BOARD OF REVIEW

The purpose of the meeting is to review property valuations as of January 1, 2019 for taxes payable in 2020, and to hear appeals from citizens who feel aggrieved or who have questions regarding property valuations.

Motion by Schmitt, seconded by Murzyn, to waive the reading of the complete Official Notice as there were ample copies available to the public. All ayes. MOTION PASSED.

3. INTRODUCTION

Present were Anoka County Appraiser, Alex Guggenberger; Sr. Appraiser, John Leone; and Residential Appraiser, Theodore Anderson. Alex gave an overview of the 2019 Assessor's Report and reported there are 7,593 parcels in the city; which include 6943 residential lots. In 2018 the average sales price for homes in Columbia Heights was \$207,600; an increase of 12.02%. Alex stated that all property classes went up in value, with apartment buildings going up the most. The 2019 values, for taxes payable in 2020, are established using sales information from October 1, 2017 through September 30, 2018.

There were 20 non arm's length (Foreclosures/short sales) transactions; an increase of 25% from the previous year. There were 306 sales throughout Columbia Heights which was a decrease of 12.6% compared to the previous year.

Alex reported state statute requires properties to be inspected every five years, and indicated which sections of the City are scheduled in which year according to a map provided to the Board. He told members that notices are sent out to residents prior to the Assessor coming out for the inspection. Mayor Schmitt asked that the map and a copy of the notice be placed on the City's website prior to the start of the inspection season.

Alex then reviewed the appeals process that property owners have if they disagree with the value or classification placed on their property. The first step would be the informal appeal to County staff when the notices are mailed out. The second step would be to attend the Local Board of Review which must be done in order to proceed to the third step which is the County Board of Review. If there still is no resolution, the owner has the right to take it to the MN Tax Courts. He told the Board that the County Board of Review is scheduled for June 17, 2019.

4. QUESTIONS AND ANSWERS REGARDING PROPERTY VALUES

1. Duane Anderson from 1314 45 ½ Avenue NE was present. He was concerned that he has 4 double bungalows next to his property and that the owners/renters do not maintain them. They are un-kept, need maintenance, and yard work is hardly ever done. He feels this is a detriment to his property value and should be taken into consideration. His neighbors also have concerns about the unsightly properties and the fact that vehicles are parked everywhere throughout the neighborhood.

Alex said it is sometimes hard to ascertain the negative impact of neighboring properties on the value of another, but staff will go back a few years and check sales to see if there is evidence of distressed sales in the area because of those rental properties as compared to the city overall. Anoka County staff will get back to Mr. Anderson with their findings.

2. David Morisette who owns an apartment building at 4621 University Ave NE, was unable to attend this meeting but submitted a letter. The Morisettes are appealing their 2019 valuation (\$1,020,100) which was an increase of 28%. The letter states market values for Columbia Heights generally increased 12%, so they feel an increase of 28% is out of line. Alex stated the 12% figure he noted was for single family residential properties, and that apartments showed a higher increase. Appraiser Shawn Halligan recently went through the building and confirmed the information they had was correct. Then Anoka County staff did a market value analysis which compared the subject property to 5 other apartment buildings that have recently sold. That analysis showed a reconciled value of \$1,040,000. An income approach was also calculated and that depicted a value of \$1,200,000. The result of the two approaches indicates an estimated market value of \$1,100,000. Thus, Anoka County staff recommends no action regarding the 2019 property value for this property.

Alex stated that the comparable sales that the owner provided with the letter were older sales that would have to be adjusted, and that the last two on the spreadsheet were not actual sales. Mr. Morisette did not state what he thought the estimated market value should be in his letter, nor did he provide an independent appraisal or a realtor's estimate of value. He made a statement to the County appraiser that the building would probably sell for what it is valued at, but that wasn't the point. His argument was the percentage of the increase in one year.

Schmitt asked for an explanation of the large increase and if it could be spread out over the next few years. Alex told members that he believes the Morisettes purchased the apartment building in 2012 and that values were inconsistent coming out of the downturn in the real estate market, as there were fewer sales to compare to. They went to tax court in 2013 based on the fact that the value was more than what they purchased the property for. In order to bring the value into compliance the County placed an "obsolescence reduction" on the property that should have been a one or two year fix. Property values have since surged as the economy has improved, and the "reduction" should have been removed but it wasn't until this year, as it was noticeably out of line. So they have actually had an extended reduction in value on the property for the past five years. According to State Statute the Assessor must value the property at the actual market value based on the established criteria.

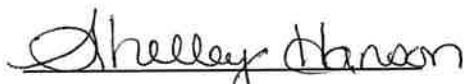
Schmitt asked Alex if they felt that this property has been properly reviewed. Alex stated staff thinks the value is fair based on the market and income approach analysis that was done.

Board members all agreed to keep the value as is. If he still disagrees with the value, he can take it to the County Board of Review.

5. ADJOURNMENT

Motion by Councilmember Novitsky, seconded by Councilmember Murzyn to adjourn.

The meeting adjourned at 6:46 PM


Shelley Hanson, Secretary

