



**MINUTES**  
**BOARD OF REVIEW CITY COUNCIL MEETING**  
**April 23, 2013**

**CALL TO ORDER**

The meeting was called to order at 6:32 pm.

**Present:** Mayor: Tim Hultmann; Council: Kurt Kaminski, and Donny Chillstrom

**Staff Present:** City Administrator: Terrance Post; City Assessor: Mike Schachterle and Mike Sheplee; and City Clerk: Jeanette Moeller

**Absent:** Council: Tom Skjaret and Liz Olson (both with prior notice)

**APPROVE AGENDA**

*A motion was made by Chillstrom, seconded by Kaminski, to approve the Agenda as presented.  
Ayes: all.*

**BOARD OF REVIEW PRESENTATION**

Annually the City Council meets as the Local Board of Appeal and Equalization (Board of Review) to hear objections made by property owners regarding the property class and/or market value of their property. The property owner is responsible for presenting evidence to the Board as to why the value determined by the City Assessor is not fair and equitable. The Board has the authority to decrease, sustain, or increase the market value.

City Assessor Mike Schachterle introduced Earl Zent, representing the Hennepin County Assessor's office.

**Jeffrey Shultz, 245 Lindawood Lane**

Mr. Shultz indicated that a professional appraisal conducted of his property last year had valued the property at \$339,000. His initial property tax statement received showed a valuation of \$434,000 for his property. After meeting with City Assessor Schachterle, Mr. Schachterle had revised his assessment of the property and proposed a valuation of \$416,000. Mr. Shultz requested the Board consider further reducing his valuation and pointed out the significant discrepancy between the professional appraisal's valuation versus the assessed value.

Mayor Hultmann stated that City Assessor Schachterle had presented the Board with a revised calculation recommending a reduction in valuation to \$369,000 for the property, and asked whether the revised valuation would be acceptable to the applicant.

Mr. Shultz responded that the revised value, while not completely satisfactory, would be more acceptable than the current proposed valuation.

Earl Zent, Assistant County Assessor, advised Mr. Shultz of the process for presenting an application for review before the Hennepin County Board. He clarified that accepting the reduction in value to \$369,000 would not prohibit Mr. Shultz from applying to the County Board for further review.

*A motion was made by Chillstrom, seconded by Kaminski, to approve a change in valuation of the property at 245 Lindawood Lane from \$416,000 to \$369,000. Ayes: all.*

**William Peterson, 282 Charles Street**

City Assessor Schachterle reported he had completed a walk-through of the property and recommended a reduction in valuation from \$188,000 to \$162,000.

Mayor Hultmann noted that the applicant was not in attendance at the meeting, but had personally conveyed his agreement of the reduction in value to Council member Chillstrom.

*A motion was made by Chillstrom, seconded by Kaminski, to approve a change in valuation of the property at 282 Charles Street from \$188,000 to \$162,000. Ayes: all.*

**William Bradley, 1126 Underhill Circle**

The applicant was not in attendance at the meeting.

Mayor Hultmann reflected that the City Assessor's recommendation is to leave the valuation unchanged. City Assessor Schachterle further recommended that the applicant obtain a professional appraisal of his property should he wish to continue pursuing a reduction in valuation at the Hennepin County level.

City Assessor Schachterle also noted the applicant is involved in a pending lawsuit involving an easement impacting his property.

*A motion was made by Chillstrom, seconded by Kaminski, to leave the valuation unchanged for the property at 1126 Underhill Circle. Ayes: all.*

**Gary Roller, 1905 Watertown Road**

City Assessor Schachterle indicated he had completed an onsite review of the property, and due to some issues with the condition of the house, he would recommend a reduction in valuation from \$270,000 to \$244,000. Schachterle noted his recommendation also falls in line with examples of comparable sales provided by Mr. Roller which were included with his application for review.

*A motion was made by Kaminski, seconded by Chillstrom, to approve a change in valuation of the property at 1905 Watertown Road from \$270,000 to \$244,000. Ayes: all.*

**Cliff Otten, 1877 Symes Street**

Mr. Otten stated he had purchased both the property at 1877 Symes Street and the adjacent property on the corner with intent to potentially redevelop the two lots; however, due to changes in the economy, he has maintained the properties as rental homes. Other than some painting, no further improvements have been made to 1877 Symes Street. In his application, Mr. Otten noted that the corner property adjacent to 1877 Symes Street with a larger house is valued at \$261,000, versus a valuation of \$325,000 for 1877 Symes Street which has a smaller house on the property.

Assistant County Assessor Zent discussed the Board's options for either closing the hearing and encouraging Mr. Otten to pursue his application for review at the County level; or continuing the City Board's hearing in order to review Mr. Otten's application further, thereby allowing the City Assessor ample time to review and prepare a recommendation for action regarding the application.

Mr. Otten indicated he would have no issue with presenting an application before the County Board.

Mayor Hultmann determined it would be advisable to move forward with the meeting agenda before making a decision on whether to continue the Board of Review hearing to further review Mr. Otten's application.

**Kim Mitchell, 945 Wayzata Boulevard W**

Mr. Mitchell discussed the history of his purchase of the property and provided examples of comparable sales and estimated market values similar to his property. Mr. Mitchell purchased the property for \$273,000 in a multiple offer situation; however, believes the valuation should be closer to \$230,000 based on past valuation and sales trends for the property. After receiving his notice of the property's valuation, he met with City Assessor Schachterle who recommended a valuation of \$278,000, which was \$5,000 higher than his purchase price under a multiple buyer scenario.

Board members agreed that as City Assessor Schachterle would not recommend any reduction in valuation, the Board should take action upholding the City Assessor's recommendation, with the applicant being encouraged to apply to Hennepin County for a reduction in valuation and further review.

*A motion was made by Kaminski, seconded by Chillstrom, to leave the valuation unchanged for the property at 945 Wayzata Boulevard W. Ayes: all.*

**Patrick Brickley, 1798 Martha Lane**

Mr. Brickley had been unable to submit an application for review prior to the Board meeting due to health reasons. His property, 1798 Martha Lane, is a largely vacant lakeshore lot with only a garage on the site. He indicated the property's valuation had increased by \$96,000, and he does not believe there is any justification for an over 30% increase in value.

City Assessor Schachterle clarified that the land value of Mr. Brickley's property had increased by \$118,000, but the valuation of the garage structure on the lot was decreased, netting a total valuation increase of \$96,000. He further explained that Hennepin County had requested he review all the lakeshore properties in his neighborhood, and for equalization purposes, the land value of Mr. Brickley's lot had increased to be more consistent with land values of the neighborhood's lakeshore lots.

Mr. and Mrs. Brickley emphasized their lot should not be compared to the new homes recently built on the corner of Martha Lane, and strongly objected to the high increase in valuation of their property.

Assistant County Assessor Zent added that Hennepin County had required the City Assessor to review a number of neighborhoods in Long Lake to create more uniformity in values. Those that were low in comparison to their neighborhoods were raised, and those that were high also were lowered. He stated that the land value of their lot has likely been undervalued in the past in relationship to the land values of other lots on the same street. For example, the land values of the properties on the corner of Martha Lane referred to are over \$400,000. The increase in the Brickley's land value for the property appears to have come closer to conformity with land values in the neighborhood, excluding any structure valuations. Without comparables to view and further review, he would not be comfortable recommending any adjustment at this time. He would advise the applicant pursue an application for review at the County level under the circumstances.

Mr. Brickley expressed disappointment in the Board's reluctance to take action reducing his property's valuation.

**CONTINUED DISCUSSION - Cliff Otten, 1877 Symes Street**

With no other applications having been tabled for further action at a continued hearing, and with the applicant's understanding and agreement that he could pursue an application for review at the County level, Mayor Hultmann entertained a motion to take action leaving the value of 1877 Symes Street unchanged at this time.

*A motion was made by Chillstrom, seconded by Kaminski, to leave the valuation unchanged for the property at 1877 Symes Street. Ayes: all.*

Hearing no further appeals of valuation, Mayor Hultmann entertained a motion to adjourn.

**ADJOURN**

*A motion was made by Chillstrom, seconded by Kaminski, to adjourn the meeting. Ayes: all. The meeting was adjourned at 7:25 pm.*

Respectfully submitted,

Jeanette Moeller  
City Clerk