

**MINUTES
LANCASTER COUNTY BOARD OF EQUALIZATION
TUESDAY, AUGUST 3, 2010
CITY COUNCIL CHAMBERS
FIRST FLOOR, COUNTY-CITY BUILDING
10:30 A.M.**

Commissioners Present: Bernie Heier, Chair
Ray Stevens, Vice Chair
Bob Workman
Larry Hudkins
Deb Schorr

Others Present: Cori Beattie, Deputy County Clerk
Melissa Virgil, Board of Equalization Specialist
Norm Agena, County Assessor/Register of Deeds
Rob Ogden, County Assessor/Register of Deeds
Tom Kubert, Referee Coordinator
Richard Keith, Great Plains Appraisal
Cody Gerdes, Great Plains Appraisal

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 10:35 a.m.

1) REAL PROPERTY VALUATION PROTEST HEARINGS FOR 2010:

Protest 10-368; Donna Shinaut - Donna Shinaut appeared and indicated she submitted additional information to the County Clerk's Office. She included several comparables from the last six months which were all over \$400,000, had more square footage and had finished basements. She said her house does not have a finished basement. Shinaut also noted it cost \$250,000 to build the house, which they did themselves, plus \$99,900 for the lot. She felt their labor equity would not be equal to \$100,000.

Stevens asked when the house was built. Shinaut said 2009. Hudkins asked if the house had any special features above the norm. Shinaut said not for a house in this neighborhood. She said they do have some storage space underneath the garage that the other houses do not have, however, she did not believe storage space has much value. She added the exterior stone is not grouted, the siding is not finished and the front pillars are not complete. There are also a number of interior features that are not finished.

In response to Schorr's inquiry regarding an appraisal, Shinaut said it came in at \$429,000, but in the notes of the appraisal, the house was expected to be finished.

Hudkins asked Shinaut for her thoughts on a proper appraisal price. Shinaut said a house next door sold last year for \$422,000 which was comparable in size and had a finished basement.

Kubert said he has a copy of the market analysis but would like to look at a full copy of the appraisal. He asked for a list of the unfinished items. Shinaut said she sent photos with a list of the items. She thought it would cost \$23,500 to complete them.

Protest 10-450, Sundance L.L.C.; 10-452, 10-453; Sampson Properties, L.L.C.; 10-454, 10-455, 10-456, 10-457, 10-458, 10-459, 10-460, 10-461, 10-462; South Industrial Park L.L.C. Et. Al. - Appearing was Matt Graff.

Kubert informed the Board that Nebraska Law has now clarified that people who testify on behalf of their clients need to be credentialed in the State of Nebraska. He said the following people are exempt: real estate owners, an employee of the owner (i.e., someone who receives a W-2 form from the owner as opposed to a 1099 form) or an attorney licensed to practice law in the State of Nebraska. Kubert said there are typically a number of tax representatives involved in the protest process who do not meet the aforementioned criteria. Taking that into consideration, Kubert said it is up to the Board of Equalization as to whether or not to allow their testimony.

Protest 10-450; Sundance L.L.C. - Graff said he did not believe \$473,800 accurately reflected market value because the interior layout is very chopped up. He requested the value be lowered to \$350,000.

Kubert asked about the 2008 sale for \$460,000 and whether it included more than one parcel. Graff said he did not believe so. Kubert then asked if the property was listed by an agent. Graff confirmed that his client was represented by an agent, although, he did not know if the property was listed.

Kubert believed the Assessor had not visited this property and recommended an inspection. Graff concurred.

Protest 10-452; Sampson Properties - Graff withdrew this protest and accepted the referee's recommended value of \$546,100.

Protest 10-453; Sampson Properties - Graff indicated this property was sold to his client on June 10, 2010, as an arm's length transaction. He said the property was on the market for several months and it sold for \$2,125,000 or 64% of the assessed value.

In response to Stevens' inquiry, Kubert said he was aware of the sale, however, the sale conditions were unknown. Kubert asked if the seller was a customer or client of the buyer. Graff said he did not know. The property was on the market for several months.

Kubert indicated they will take another look at the sale and see if it appears to be more reflective of the market. He added a sale can sometimes be a good indicator of value as long as everyone is subject to market motivations, there is market exposure and people are not motivated sellers (foreclosure). He said he will talk to the Assessor's Office to see if they have any more information.

Protest 10-456; South Industrial Park L.L.C., Et. Al. - Graff noted he will be using a comparable value for the next few properties based on the recent sale of a property which was equal to \$13.77 a buildable foot. Kubert asked if this was based off of the sale on 16th Street. Graff said yes. Kubert asked if he extracted out the building value? Graff said yes. Kubert then clarified that it appeared Graff took the total sales price of \$2,200,000 and deducted a value for the improvements and then took the remaining value divided by the square foot of the building to get an improvement value per square foot. Kubert asked how the value of the improvements was ascertained.

(Heier exited the meeting at 10:55 a.m.)

Graff explained that it was 25% of the overall price per square foot. He said a building pad of 12,000 square feet, multiplied by \$13.77 a square foot, equals a value of \$165,240. He requested this property be valued at that amount. Kubert questioned the source of the 12,000 square feet pad size. Graff said it was an approximation from his client. Kubert asked where the number came from, i.e., was it on a preliminary plat. Graff did not know.

Kubert noted that industrial park properties are confusing for the Assessor's Office. There are pad sites and common areas and differing improved square footage. It is not a normal development with uniform lots. It is variable with cross access easements where people park in different places even though it may not be close to the property. He said as the area develops, the layout will be better clarified.

Protest 10-455; South Industrial Park - Graff said they are again assuming a 12,000 square foot pad on this property and used the \$13.77 per square foot multiplier. Kubert felt the value on these properties is going to come down to current market value. They will likely be an ongoing challenge. He added the predominant value does lie in the pad site, which does not have a high value by itself unless a person has rights to the common area. He noted this property could be a stand alone unit and believed the area needs to be looked at on a price per square foot of buildable area basis.

Protest 10-454; South Industrial Park - Graff said he is using the same formula of \$13.77 per buildable square foot. This lots assumes a pad site of 10,000 square feet for a requested value of \$137,700.

Protest 10-457, 10-459, 10-460, 10-461; South Industrial Park - Graff indicated these properties are located next to each other in the Horizon Business Center. They used 5200 S. 19th Street as a comparable and requested a value reflecting \$7.50 a square foot.

Kubert asked if the property on 19th Street was a sale. Graff said the amount is based off the current assessed value. Kubert asked if the Assessor's land value was used or an extracted land value. Graff said they used the extracted value based upon the assessed value. He said parcel 09-12-314-001-000 has a current appraised land value of \$650,000 and the building has 87,040 square feet (\$7.50 per square foot). He noted this comparable is being used for the next four properties.

Kubert asked Graff if he studied the land values within the actual subdivision where this property is located. Graff said they are assuming a 20,000 square foot pad. There is a grade on the back of the property which impacts how big the pad can be. He said another comparable referenced in the attachments to these protests is in north Lincoln which shows retail space and unimproved land at \$1.48 a square foot. It was noted those properties are 3340 and 3320 E. Park Circle.

Kubert said they will have to look at the subdivision to see if everything is being valued consistently and reasonably. They will also look at market values including floodway and floodplain issues.

Graff noted they are assuming 20,000 square foot pad size on each of the four lots.

Protest 10-458; South Industrial Park - Graff indicated they are using the same comparable at 5200 S. 19th Street and are assuming a 48,000 square foot building pad. He requested a value of \$360,000 with the same argument as the four preceding protests.

Protest 10-462; South Industrial Park - Graff noted this is improved property which houses a retail establishment. He did not have any additional comments other than a request that the information previously submitted be further reviewed.

Kubert said the property would be bought and sold based on income and expenses combined with leases. He asked Graff if he had copies of three years worth of operating history combined with a summary of leases in place on the date of valuation. Graff said his client chose not to submit formal documentation and indicated the income for the last five years has been less than \$52,800 per year.

Protest 10-41, 10-00042; Chang Lin - Appearing was Chang Lin. Lin noted he purchased the building (two units) on July 30, 2009, for \$152,000. He said his unit is currently valued at \$105,700 but felt both should be valued the same - \$76,000. Lin noted the units are similar, however, the condition of one is very poor.

Kubert noted the Assessor disqualified the sale because there were two units and it probably didn't fit into their sales ratio analysis.

Lin said he used to receive \$1,000 per month per unit for rent but now receives \$800 for one and \$820 for the other. Hudkins asked when the rent was lowered. Lin said August of 2009. He added he may have to reduce the rent again as the economy is not getting any better.

Kubert asked if the property was appraised at the time of purchase. Lin said he got an equity loan to purchase the property so no appraisal was performed.

Kubert said he will research this property and take a look at other units. He said while one sale does not make the market, there may be others that support a lower value.

Protest 10-190; Thomas and Sriyani Tidball - Appearing were Thomas and Sriyani Tidball. Thomas Tidball indicated there are 17 units in their area that were built at the same time. Some have more square feet and are valued lower. Sriyani Tidball submitted several comparisons (copy on file) regarding their property and indicated there are several units in their subdivision that are bigger and have more amenities but are valued lower. She outlined the comparable units and requested theirs be valued at \$196,000.

Kubert indicated he will look at all the comparables submitted. He said sometimes there are physical differences or property conditions that lead to different values so he will take all of that into consideration.

Protest 10-211; William Mueller and Kim Robak - Appearing was Bill Mueller. Mueller submitted an appraisal (copy on file). He said their house is valued at \$711,700, however, the referee lowered the value to \$652,300. He provided comparables showing that their property is valued higher than others in the neighborhood. In looking at the property at 9101 Thornwood, Mueller said this house is within four square feet of theirs with the same number of bedrooms, same size garage, fireplaces, etc., and it is valued at \$605,700. He mentioned another neighbor's house is within fifty square feet of theirs and is valued at \$608,800.

Kubert said the appraisal was dated July 21, 2009, and came in at \$614,000. He said the appraisal and the additional comparables will be considered in the analysis.

Protest 10-307, Karla Enterprises L.L.C.; Protest 10-309, Linrea L.L.C.; Protest 10-312, R & D Investments L.L.C.; Protest 10-315, Lloyd Hinn, Jr. - Appearing was Lloyd Hinn, Jr. Kubert asked Hinn if he is currently an owner, employee or lawyer representing these properties? Hinn said no. He said he was hired by these clients to reduce the property tax. He was told he can come to the referee hearing and to the Board of Equalization but he cannot appear before the Tax Equalization and Review Commission (TERC). Kubert said in the State of Nebraska in order to testify to value, you have to be credentialed within the State or fall into an exempt categories: owner of the property, employee of the owner or legal representative licensed to practice law in the State of Nebraska.

The Board of Equalization allowed Mr. Hinn to testify.

Protest 10-309; Linrea L.L.C. - Hinn indicated this property was valued as an income approach and they are treating the property as a triple net lease. Kubert questioned the rent roll. Hinn said the data the County is using is very comparable to the rent roll or actual income received, although, the expenses are different, whereas, the County is using roughly \$23,000 for expenses and not a loaded cap rate. Hinn noted there was actually \$178,000 worth of expenses on the property including the taxes. He added the cap rate is not loaded so there is a lot of money unaccounted for. Hinn also indicated that this is a modified lease which shows that customers are only responsible for their utilities.

Hudkins asked how much of the building is vacant. Hinn said approximately 25% and the County used a 15% vacancy rate.

Kubert noted he does not have a copy of the rent roll. Hinn said a copy was included with his protest. He said he also submitted copies of the leases.

Hudkins asked for clarification regarding the loaded cap rate. Hinn said the County is using a 9.5% cap rate; a loaded cap rate would be 2% which is the County's tax rate. He added there is an allowance for property taxes because the property owner is not reimbursed.

Kubert asked Hinn for a historic summary of the income and expenses on this property.

Protest 10-307; Karla Enterprises, L.L.C. - Hinn said if 100% of the rent was received, that amount would equal \$131,000. The County used \$168,000 for income with a difference of \$336,000. If that figure was used, the property would be valued at \$896,200 instead of \$1,232,000.

Kubert asked Hinn if he was requesting \$896,200 or \$943,700 (the amount originally listed on the protest form). Hinn indicated he redid the figures following the referee hearing. He also clarified that the property is not 100% rented.

Kubert requested three years of income and expense data along with copies of the leases. Hinn added this property has never been protested in the past.

Protest 10-315; Lloyd Hinn Jr. - Hinn reported this property has a two-stall garage, no granite countertops and standard interior. A similar house at 9330 Thornwood has a three-stall garage, granite countertops and the same square footage but is valued at \$375,000. Hinn also noted there is another two-story house in Wilderness Ridge with a three-stall garage and granite countertops and it sold for \$399,000 in October, 2009. Kubert said he would review the property.

Protest 10-312; R & D Investments, L.L.C. - Hinn indicated this is the Anderson Ford property which includes a lot of land. He compared it to others nearby, as well as land available for sale along Interstate 80. Kubert said he would take another look at the property.

Protest 10-185; The Gibbs Firm on behalf of Bank of America Na Trustee - There was no appearance by the applicant. Kubert noted there were actually two protests filed on this parcel which is the old K-Mart Building at 56th Street & Highway 2. Both applicants requested to meet with the Board of Equalization. Kubert said this property sold in a foreclosure and one applicant is requesting that value. The other protest was filed by the building's tenant, Seven Day Furniture. Kubert said the value was lowered because the big box tenant market is very difficult. It was noted there is a summary of a listing for sale on the property at \$2.7 million. Kubert asked that this protest be held until additional information is provided.

Protest 10-285; Tauno and Elaine Ahola - There was no appearance by the applicant. Kubert displayed pictures showing the condition of the farm property which sustained significant fire damage. He said the house's shell is valued at \$18,000 and no demo permit has been filed. Hudkins asked why the value was increased from \$188,800 to \$213,700. Kubert

said there has been no building value on this property since 2006; the \$18,300 was related to putting the improvement back on the tax rolls. He believed everyone anticipated a demo permit to be filed. He added there were a few property fires from 2006 to 2008 which he will review with regard to the contributory value of the improvement. He will also review the pictures and the letter.

By order of the Chair, the Board of Equalization recessed at 12:15 p.m.

The Board of Equalization reconvened at 1:00 p.m.

Protest 10-611; Ormand Plautz - Appearing was Ormand Plautz. Plautz noted the lot is valued at \$14,300 and is unbuildable. The house next door, which is 1319 Goodhue, is a twin to his and has the same square footage, however, it is valued at \$65,100.

Kubert asked Plautz what he is receiving for rent. Plautz said \$625.

(Schorr arrived at 1:05 p.m.)

Kubert asked if there were any differences in the house next door. Plautz indicated the neighbor has a window air conditioner whereas he has central air. He also thought the neighboring property had less insulation in the walls and an unfinished basement. He considered that property to be in worse condition. Kubert said he would review the information.

Protest 10-618; Trophy Properties L.L.C. - Appearing was John Layman and Kent Thompson. Layman distributed documentation (copy on file) regarding a trend analysis from the Planning Department. He said both of the protested properties (10-618 and 10-619) have not been reviewed since 2005. He added such things as square footage and rental rates are wrong. Layman noted the market has been in a mini-recession since 2003 and rental rates have stabilized. Tenants are now controlling the market. Layman also distributed documentation (copy on file) regarding the property's lease income and current sales. The sale properties included 4425 "O" Street, 4630 Antelope Valley and West Gate Bank on 59th Street and Highway 2. Layman said West Gate Bank had a long-term lease in 2002 with Wells Fargo for space on the 2nd floor. At the time, the lease rate was \$13 per square foot. It recently took them two years to find a tenant at the rate of \$8. Layman added newer buildings are being hit hard as the owners are trying to recapture their investment.

(Hudkins arrived at 1:10 p.m.)

Kubert asked Layman if he included a copies of the leases in the data and if they covered the whole building. Layman said yes.

Kubert asked Thompson if he is receiving rent on the property and if there were any months they did not receive rent. Thompson said Kenexa failed and missed years 2001, 2002 and 2003.

Kubert asked if there was ever an appraisal done on the property. Layman said no. Kubert then asked Laymen if he used actual expenses. Layman said 2009 figures were used.

Hudkins inquired about the current occupancy rate. Layman said they are at 100% occupancy. The Assessor used a 10% vacancy rate. He used 14.6%; the market is now at 17.7% vacancy.

Powder Mountain L.L.C.; Protest 10-619 - Layman indicated the square footage is different by 3,000 square feet from what the Assessor shows in their records. This was based on the leases. Layman said he used a 15% vacancy rate because there are currently three vacant offices. Layman added there are currently three foreclosures around the 84th Street and Pine Lake area because anything along the City's peripheral cannot meet the densities or the per household requirement. Thompson also noted national tenants have been asking for rent reductions, which he felt is related to the poor economy.

Kubert asked Layman if he was using the Assessor's cap rates or his own data. Layman said he was using the Assessor's information. Kubert said he would review the property.

Protest 10-351; Patricia McMillan - Appearing was Pat McMillan. Also present was Karen Snyder, Home Real Estate. McMillan indicated she purchased the property four years ago and it took three years to move in. She is surrounded by homes that are foreclosures, short sales and abandoned houses. The house next door is in total disrepair and does not have gutters on it which causes her basement to leak. She displayed pictures of her house and her neighbor's house and distributed a list of the sales and foreclosures in her neighborhood (copy on file).

Schorr asked how much she invested in the property since she bought it. McMillan said roughly \$70,000. She said \$15,000 was an Urban Development Loan and \$45,000 was an Urban Development Grant. Kubert asked how much it would cost to finish the repairs. McMillan said roughly \$15,000.

Snyder noted she did a market analysis for McMillan for the protest process. She sold the house to McMillan four years ago and did not anticipate her having to do so much work to get the house up to code. Snyder also noted the neighborhood has deteriorated immensely and McMillan could never sell the house for what its current value.

Kubert said he would like to take another look at this property.

Protest 10-207; Robert, Rex and Lou Cinda Wamsley - Present was Robert Wamsley. Wamsley indicated the property was listed by Woods Bros. for over a year for \$39,000 and he purchased the property for \$32,500 which was an arms length transaction. The house has been re-zoned and is no longer allowed to be a duplex. It either has to be converted back to a single family home or torn down. He displayed pictures of the house and indicated the house needs a new roof, a partial foundation, the back porch is collapsing, there is termite damage, the driveway is overgrown, there is asbestos siding and it was also recently vandalized.

Kubert said he will need to review the re-zoning.

Protest 10-206; Robert, Rex and Lou Cinda Wamsley - Wamsley indicated this house was listed at \$98,000 and he purchased the property for \$83,000. He displayed photos of the condition of the house.

Protest 10-141; Federal National Mortgage Association - Appearing was David Lange. Lange said he purchased the property on July 27, 2010, for \$28,600 and he submitted a copy of the real estate transfer statement (copy on file). He said the sales price was so low because the pipes froze during the winter so there was significant water damage in the basement and the previous owner also took out the sump pump. Schorr asked if it was inhabitable. Lange said not right now, but once the plumbing and repairs are complete he will rent it.

Kubert said he will check the former listing and look over the information.

Protest 10-284; Bob Bennie Properties L.L.C. - Appearing was Bob Bennie. Bennie distributed documentation regarding his property (copy on file). He said they occupy half of the building and have tried renting out the other half. The Assessor's datasheet indicates the whole building is rentable and they used \$15 per square foot as the rental rate. He believed that is too high. He added there is also not 7,553 square feet of rentable property as two large open areas account for 1,656 square feet. He outlined other properties that are being charged less per square foot.

Kubert said he will review the information brought forward, as well as the Ritchie Bros. sale.

Protest 10-232; Waverly Development Co. L.L.C. - Appearing was Will Scott. Scott indicated this property was bought at auction on October 14, 2009, for \$525,000.

Hudkins asked why the referee did not change the value. Kubert said they were interested in the income and expense data on the property. He also noted that the transfer statement listed the property's current market value of the real property at \$1,492,300 which is the current assessed value.

Kubert asked if more people attended the auction. Scott said yes. Kubert then asked about the building's leases. Scott said there are currently two and a third may be added which is indirectly related to the YWCA. He added the boiler is old, there is no insulation and the building has a lot of rough issues and challenges.

Kubert said he will need to take another look at this property. He inquired if the lease with the YWCA was in place at the time of sale. Scott said yes. Kubert asked for a summary of the income received from the property as this would help support the sale price.

Protests 10-491 and 10-495; Kinport Corporation - Will Scott reported this property is part of the Arbor Day building project. It is basically a dark shell with no electrical work and dirt floors. The property is broken up into four units. Units 2 and 3 are dark; Unit 1 is Panera.

Kubert said he will have to work through the information with the Assessor's Office because on the datasheet there was some reallocation of the units and there may be some confusion about what units are included with Panera. Scott noted an additional unit, Unit 4, was cut out of Unit 3 and converted into the kitchen for Panera. Kubert said he will review the units and the finish.

Protest 10-323; Robert and Rebecca Tridle - Appearing was Rebecca Tridle. Tridle indicated they purchased the property for \$420,000, however the appraisal came in at \$465,000. She believes \$465,000 is too high and provided comparable sales and an outline of why it should be readjusted. She noted their house has basic finishes, original appliances and light fixtures and less square footage.

Kubert noted the appraisal is new information (copy on file) and warrants another look.

Protest 10-567; Bank of America Na Trustee - Appearing was Clinton Wander.

Kubert asked Clinton to clarify if he is the owner or if he is representing the tenant. Wander said he is representing the tenant, Seven Day Furniture. He said the tenant's biggest argument is the bank that owns the property recently listed the property for sale with the loan company at a list price is \$2,700,000. The property is currently assessed at \$6,000,000. Wander added while the referee did lower the value to \$3,650,000, he is appealing that recommendation as the building needs a \$500,000 new roof and tenant improvements are estimated to be \$500,000 to \$600,000.

Kubert noted the listing is new information and asked if the tenant pays the taxes and how he ascertained the requested valuation of \$1,000,000. Wander said the tenant does not pay the taxes. They arrived at that figure by taking the list price minus the cost to cure the roof deficiencies, the cost of renovating and the estimated hold cost for both lost income due to vacancy and interest carryover assuming it would take two years to rent the space.

Kubert asked Wander if he attended the auction when the property sold for \$2,200,000. Wander said he did not because he knew the bank was going to bid that amount and he did not think anyone would outbid the bank.

Kubert asked Wander if he was familiar with The Gibbs Firm. Wander thought they were a firm working for the Kansas City bank. Kubert explained that there is another protest filed on this property under a different name. He said he will look for a consistent conclusion that supports market value.

Protest No. 10-00581; John Rallis - Appearing was John Rallis. Rallis said he protested last year and the value was lowered to \$416,000. This year the value was raised to \$523,100. He said this property is listed as two pad sites, however, there is only one lot - it has not been subdivided. He said the City allows one water meter per lot which means the lot would have to be subdivided to allow for water service for a second building. There are also limitations on square footage which would not allow two 12,390 square foot pad sites. He added there are utility easements that greatly reduce the buildable area of the lot. He reviewed several

commercial sites on the Assessor's website and found many with potential additional building area, however, none of them had residual land value added. These assessments were strictly on the income approach and he, too, would like to be assessed on only an income basis.

Hudkins asked why the value went up for 2010. Kubert indicated the building had a partial value for 2009. The Assessor's Office reviewed the property last year and deemed it complete. He questioned the vacant pad site which does have a contributory value.

Kubert asked Rallis if the property is currently leased. Rallis said it is leased to his son.

Kubert said he will need to give some thought to the residual land issue. He asked if the property was approved for a certain square footage through the preliminary plat. Rallis noted the preliminary plat allows for 30,000 square feet; there are currently 25,000 square feet constructed. He added he does not have the ability to add another 12,000 square foot site.

Kubert said he will further review the property.

Protest 10-652; Hartshorn Leasing L.L.C. - Appearing was Roger Hartshorn. Hartshorn indicated the building (a truck garage) was moved to the current location and reassembled. He displayed pictures of the building and noted it does have water and sewer, however, the gutters are in need of repairs and there is damage to the building.

Kubert noted the building is roughly 3,600 square feet and the condition is below average. It is currently being assessed at \$32.75 a square foot. He said he will take another look at it.

Protest 10-650; Hartshorn Leasing L.L.C. - Hartshorn reported the building is a pole shed with no footings, no insulation, problems with the roof and door, truss damage, no heat and it has a concrete floor. He displayed pictures of the building. It was clarified that only the office area is heated.

Kubert said he will also take another look at this property.

Protest 10-124; Alan and Monica Dawson - Appearing was Alan Dawson. Dawson indicated the property was purchased two months ago for \$137,000. The property was on the market for 120-160 days. It was a Fannie Mae repossession and the neighboring townhouse sold around the same time for \$137,000. His property is currently valued at \$162,500.

Kubert said he will need to check the listing data. Foreclosure sales often include non-market motivations by the seller which causes the property to sell below market value. However, if there is a sale in the area that supports a value closer to the assessment, he will recommend no change as a foreclosure sale usually does not represent market value.

Protest 10-745, US Bank Corp Real Estate; Protest 10-746, American Nebraska LTD Partnership - There was no appearance by the applicant. Kubert indicated he will review the additional documentation submitted.

By order of the Chair, the Board of Equalization recessed at 3:20 p.m.

The Board of Equalization reconvened at 3:35 p.m.

Protest 10-463; Mary L. Katz Revocable Living Trust - Appearing was Ron Katz. Katz submitted additional comparables for review (copy on file). He noted 9555 Cotswold is very comparable to his property and it was purchased on September 1, 2009, for \$350,000. Katz also noted that 6626 So. 86th Street and 7110 So. 97th Street could be used as comparables.

Protests 10-537, 10-539, 10-540, 10-544, 10-547, 10-554, 10-555, 10-556; Rod Hornby

Protest 10-554; Rembolt Development LTD - Appearing was Rod Hornby. Hornby submitted an appraisal (copy on file) dated September 17, 2009, for \$160,000.

Protest 10-537; Rodney Hornby - Hornby indicated he purchased the property for \$49,500 in July, 2009, however, the house was on the market for six months. Kubert asked if the house was bought between relatives. Hornby said yes.

Protest 10-539; Rod Hornby - Hornby noted the rental income information he provided supports the lower value. He is renting out the units for a total of \$1,180 and he pays water, garbage and partial gas.

Protest 10-540; Rod Hornby - Hornby indicated the square footage is wrong as there should be 700 square feet on the first floor and 300 square feet above the garage. He noted the basement is totally finished except for the furnace room. Kubert said he would have the Assessor's Office take another look at it.

Protest 10-547, Rodney Hornby; 10-555, Rembolt Development - Hornby felt these were virtually the same units - on corner lots with the same floor plan and of the same age. He said he had a purchase agreement on one of the properties for \$262,000. Kubert indicated the sale is qualified so he will take another look at it.

Protest 10-544; Rodney Hornby - Hornby indicated the property has been rented through housing for the last 10 years. It rents for \$850-\$925 per month and is valued at \$110,600. Hornby requested an inspection of this property be performed.

Hornby submitted documentation (copy on file) to apply to protests 10-547 and 10-555.

Protest 10-556; Rembolt Development - Hornby believed the current value to be fair.

Protest 10-653; Karen Kilgarin - Appearing was Karen Kilgarin and Jim Gordon. Kilgarin submitted a list of comparables (copy on file) she felt were more in line with their property. She questioned why their property's assessed value increased to \$369,000. Hudkins asked if any improvements were made to the property. Kilgarin noted some landscaping was added and work was done to the basement in 2006. She felt their home was assessed a little high as

many homes along their cul-de-sac recently had valuation decreases. She specifically referred to a similar property located at 3300 Crown Pointe which was valued at \$272,000. Kubert said he would review the information submitted.

Protest 10-20; Elford and Betty Gunnels - Appearing was Joni Hauck. Hauck said she purchased this property on June 11, 2010, for \$62,000. She noted the basement walls are no longer finished as a bowing wall was repaired. She added the basement plumbing also may not work and there are cracks in the driveway. Her intent was to only paint the basement walls at this time due to financial constraints. Schorr asked if this will be used as a primary residence. Hauck said yes. Kubert believed the initial valuation decrease was based on an appraisal. It was noted this property is getting some assistance from Neighborhood Works. Kubert estimated the cost to make repairs is roughly \$5,000. He added he will take another look at this property.

Protest 10-92; David Miller - Appearing was David Miller. Miller said he did some comparisons in his area and felt that his property was \$10,000 higher than most. He questioned his property classification as "good" versus others in his neighborhood listed as "fair." Hudkins inquired about any recent remodeling. Miller said additions were done in 2001 and 2002. Kubert sought clarification on the Assessor's rating of "good" as he sees an "average" listing. Miller said he didn't have that information in front of him.

Kubert explained the referee's interpretation of the comparable data. He asked Miller if he was correct in assuming that the issue was with equalization and not market value. Miller said he thought so. Kubert said he will go back and review the additional comparables to see if there was a pattern of mistreatment. He said he will also review the average quality grade and average CDU (condition desirability and utility). Kubert further explained that as of June 1, 2010, the Assessor is basing the value of the property off an "average" rating, as opposed to "good." The previous "good" rating was likely changed during the informal hearing process in February, 2010.

ADJOURNMENT:

MOTION: Schorr moved and Hudkins seconded to adjourn the Board of Equalization meeting at 4:48 p.m. Stevens, Workman, Heier, Hudkins and Schorr voted aye. Motion carried 5-0.

/s/ Dan Nolte

Dan Nolte
Lancaster County Clerk