

**MINUTES
LANCASTER COUNTY BOARD OF EQUALIZATION
THURSDAY, AUGUST 5, 2010
CITY COUNCIL CHAMBERS
FIRST FLOOR, COUNTY-CITY BUILDING
1:00 P.M.**

Commissioners Present: Ray Stevens, Vice Chair
Bob Workman
Deb Schorr

Others Present: Cori Beattie, Deputy County Clerk
Dan Nolte, 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
Shana Sprackling, Great Plains Appraisal

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 1:17 p.m.

1) REAL PROPERTY VALUATION PROTEST HEARINGS FOR 2010:

Protest 10-106; Jerome Gordman - Appearing on behalf of Gordman Properties and Jerome Gordman was employee Debra Smith. Smith indicated the 2009 Tax Equalization and Review Commission (TERC) appeal for this property was just settled in the amount of \$1,245,000. She explained the appraisal submitted with the 2009 and 2010 protests had a 2009 value and a 2010 value. Smith said the 2009 value was \$1,245,000 and the 2010 value was \$945,000, which was their requested value for this year. She told the Board the building tenant, Gordman's, was not affiliated with Gordman Properties and would be vacating in September of 2010. She said Gordman Properties is requesting a lower value because of the difficulty of leasing the building once it becomes vacant.

Kubert asked Smith how long Gordman's had been a tenant in the building. Smith said 42 years. She also believed the subject property was on the rental market at \$6.00 per square foot. Kubert asked if the subject property was listed for sale. Smith replied no. She explained it was advertised on LoopNet.com and weekly e-mails were sent to brokers. The leasing agent was Gordman Properties. Kubert said he reviewed the appraisal in conjunction with the 2009 TERC case and, although he did not agree with everything in it, he agreed with the 2009 appraisal value of \$1,245,000. He recommended the value remain at \$1,245,000 for 2010.

Protests 10-58, 10-59, 10-60, 10-61, 10-62, 10-63, 10-64, 10-65, 10-66,10-67; Creekside Village - Fred Hoppe appeared on behalf of Creekside Village. He stated the property is located at 10th and Military Streets. It was acquired from the City of Lincoln for the purpose of constructing apartments and townhouses for low-income individuals. Hoppe said the project was supposed to have been well underway in 2009 but it has not made much progress. He added the properties are not improved, individual lots, but rather a large unimproved lot. He believed the properties should be valued at \$4,000-\$5,000 each. Kubert noted the Assessor's Office originally valued the properties as improved lots. He added they will be providing revised values.

Protest 10-231; Rejda Living Trust - George Rejda appeared on behalf of Rejda Living Trust. He stated that he purchased the property on October 1, 2009. Rejda referenced a statute saying that the value of property should be the current market value. He also referenced a statute citing the right of equalization in regards to property valuations. Rejda said his property is valued much higher than his neighbors. He explained his requested value of \$316,000 was based on the valuation of his neighbor's property which he believed was similar to his property.

Kubert asked whether the home was listed by a real estate agent and for what price. Rejda said the property was listed by the builder for \$359,900. Kubert then asked if a trade took place. Rejda explained that he traded houses with the builder and felt they both took a loss in doing so. He added the builder's original asking price was \$399,000. Kubert asked if the referenced neighbor was house number 8924. Rejda answered yes. Kubert said he would review the neighboring property and the sale.

Protest 10-80, 10-81; Abdul Karkash - Appearing was Abdul Karkash, owner. He stated that he is trying to sell both properties because he wants to move to Michigan. Kubert asked if he was trying to sell them through an agent. Karkash said he was using Century 21 and that 2332 Orchard Street has been on the market for about a year. Karkash said he charges \$500/month for rent, although, the last tenant had not paid for three months and caused \$3,300 in damage. Pictures were reviewed that showed soffit damage and an original furnace. Karkash said he originally asked \$79,000 for the property but had no offers. He felt this was due to the property's location.

With regard to the property at 4438 Vine Street, Karkash said this was his residence. Pictures showed a damaged garage, an unfinished basement and water damage. Karkash said he is trying to sell the property by himself and that he has had offers in the high \$30,000's. He noted the property has been for sale for 9-10 months. Kubert recommended that the Assessor's Office inspect both properties.

Protest 10-572; Melissa Frohner - Appearing was Melissa Frohner, owner. She distributed copies of a recent appraisal (copy on file). Kubert noted while her referee hearing was waived, the appraisal she brought was new information. It reflects a value of \$105,000. Frohner said she bought the property from the owner on August 3, 2009, for \$103,000. She added that some repair had been done to the house since that time. Kubert said he will review the appraisal.

Protest 10-568; Diane Rolfsmeyer - Appearing was Diane Rolfsmeyer, owner. Rolfsmeyer said she appealed last year's value to TERC and is still waiting for a decision. She said a three-car garage and breeze way were added to her property with the biggest portion of that expense stemming from having to wrap the garage in stone to preserve the character of the home and neighborhood. Rolfsmeyer said she believes in raising taxes to support services but feels she already pays her fair share.

Rolfsmeyer provided information on a comparable property she believed to be extremely similar to her home but valued \$20,000 less (copy on file). Kubert asked if the comparable was 3475 Woods Avenue. Rolfsmeyer said yes. Kubert asked if there were differences between the properties. Rolfsmeyer noted the comparable had more square footage, a three-car detached garage, stone exterior and a fireplace. When asked if she had ever been inside this home, Rolfsmeyer replied no. Kubert noted that Rolfsmeyer's property had a better condition rating. Rolfsmeyer said her property has original windows and the condition inside the home is not above average. Kubert asked if the Assessor's Office could inspect the home to determine the condition. Rolfsmeyer said she did not believe the Assessor's Office would be subjective, therefore, she preferred not to have her home inspected. She said she could provide interior photos showing the current condition.

Protest 10-72; Christopher & Alisha Stokes - Appearing were David Bargaen, legal counsel, and Chris Stokes, owner. Bargaen noted the property was purchased in 2006 for \$415,000. He said the valuation went up \$41,500, or 11%, in just one year. He added he did not believe the comparable at 2430 Lafayette Avenue was valid because of size, location and condition. Bargaen and his client felt the following comparables were more accurate (copies on file): 3040 Georgian Court (more square footage, new windows and a new roof but assessed lower than subject property); 3000 Georgian Court (similar square footage but over \$73,000 less); and 2930 Georgian Court (similar in size but \$139,800 less). Bargaen said all these comparables were built around the same time with similar exteriors and square footage. Other comparables noted were 2935 Georgian Court (similar square footage but \$108,000 less than subject property); 2940 Georgian Court (all brick house of similar size but \$173,600 less); and 3024 Georgian Court (has over 4,000 square feet but \$21,000 less). Bargaen pointed out the Stokes' property had the highest assessed value in the neighborhood.

Stokes was asked if he previously filed a protest. He said he had not but felt this year's increase was excessive. Kubert asked if there were any renovations since the property was purchased. Stokes said the basement was finished, the kitchen was remodeled and new windows were installed. He estimated the cost to finish the basement at \$10,000-\$12,000. Kubert inquired about the master bedroom. Stokes said another bedroom was converted into a master bathroom. Kubert asked how much was invested in the home since it was purchased. Stokes said it would be a guess. Kubert said he would review comparables.

Protest 10-602; David Murdock - Appearing was Laura Whitaker, employee and representative for David Murdock, and David Maenner, representing the firm trying to sell/lease the property. Whitaker explained the 341,000 square foot warehouse was built in the early 1970s. It has an 18' ceiling (considered too low) and hasn't been leased in over four years. Whitaker said the requested valuation was based on a sales deal that did not materialize as the owner would have had to do \$750,000 of improvements. She said the property will soon be

listed on the market for \$4,700,000.

Maenner noted the subject property was originally on the market for \$8,000,000 then lowered to \$6,900,000. He said there has been virtually no interest in the building. He explained that because of the economy, the party that was interested in the building decided not to buy it. He adds that the location is good, but the building is too large.

Kubert asked when the property would be re-listed. Whitaker replied they were working on owner approval; she guessed within a few weeks. Kubert asked if they were aware of any other leases on buildings with ceiling heights between 16' and 20'. Maenner said they mostly focused on size in their research of comparables. Kubert then asked if there was any data they did not include on the spreadsheet previously submitted. It was noted the Experian building in Seward sold for \$7.72 a square foot. Whitaker added that her company was not a desperate seller but since they have not had any interest from anyone, she thinks the valuation should be lowered. Schorr asked if they would be making changes to the property before they put it on the market again. Maenner said there was a wall with mold that would have to be removed and some other small improvements. Kubert asked when the leak occurred that caused the mold. Maenner replied in June of this year. Stevens indicated the Referee Coordinator would be reviewing the information provided.

Protest 10-71; Mark & Melissa Epp - Appearing were Mark and Melissa Epp, owners. Ms. Epp stated that most of the houses in their neighborhood, including their property, are older and have not been updated. She mentioned the following comparables: a property across the street from their home which has been on the market for \$459,000; a fully-remodeled home on S. 31st that is listed for \$409,000; and a remodeled home next door that just sold for \$425,000. Mr. Epp added that last year the final value for their property was under \$400,000. He said no interior or exterior updating has been done and felt there is an error in the building comments section of the Assessor's information - the roof is eight years old not four years old. Mr. Epp pointed out that house numbers 2801, 2819, 2829, 2736, 2700, 2945, 2929 and 2845 on Van Dorn Street saw no tax increase this year. He also noted that house numbers 2907, 2900, 2943 and 3035 on Sheridan Boulevard also did not see a tax increase. Mr. Epp said there is dampness in the garage and the interior of the home needs to be updated (photos were displayed and copies are on file) - the kitchen and appliances are from the 1960s and the windows and bathrooms are all original (c. 1925).

Kubert noted the following: the 2009 reduced value was challenged by the Assessor's office; the Epps purchased the property in 2007 for \$500,000; and, at one point, the property was listed for \$575,000. He asked if the property was appraised at the time of sale. Mr. Epp said it was appraised but he could not recall the value. Ms. Epp then commented that the other homes in her neighborhood have been completely remodeled and feel brand new yet they are valued lower than their property. Mr. Epp noted that the 2008 assessed value of their property was \$432,938. Workman asked if the Assessor's Office had ever inspected their house. Mr. Epp said no but they would be agreeable to an inspection. Kubert said he will review the sales information and note in the file that the Assessor's Office should inspect the property.

By order of the Chair, the Board of Equalization recessed at 2:55 p.m., to allow the Referee Coordinator time to review today's property valuation appeals.

The Board of Equalization reconvened at 3:16 p.m.

2) FINAL ACTION ON REAL PROPERTY VALUATION PROTESTS FOR 2010 - Tom Kubert, Referee Coordinator, Great Plains Appraisal

Protest 10-165; Greg & Nancy MacLean - Kubert said the MacLeans did not schedule an appointment today but did show up. He spoke with them during the recess and they had no new data to present. He said this is a unique property with unique issues and encouraged them to get a professional opinion. They will likely appeal to TERC. He recommended no change.

Protest 10-20; Joni Hauck - Kubert said an appraisal was submitted for this property. An adjustment was made to the appraisal for the removal of the basement finish. He recommended a change from the referee recommended value of \$70,000 to \$62,000.

Protest 10-41; Chang I. Lin - Kubert verified that this unit was listed for \$125,000 and \$123,000 prior to the purchase. He felt the \$75,000 sale price was forced, therefore, he recommended no change.

Protest 10-42; Chang I. Lin - Kubert said this property was also listed at \$125,000 and \$123,000. He again felt the \$75,000 sale price was forced, thus, he recommended no change.

Protest 10-92; David Miller - Kubert said the data was reviewed and he recommended no change.

Protest 10-124; Alan & Monica Dawson - Kubert said the data was reviewed. The sale of this property and the comparable sales were all foreclosures. He said other sales in the area support the Assessor's valuation, therefore, he recommended no change.

Protest 10-141; David Lange - Kubert said it was verified that the property was on the market for awhile near the sales price. He said the condition of the property was also taken into consideration. He recommended a change from \$60,400 to \$28,000.

Protest 10-185; The Gibbs Firm - Kubert said this property actually had two protests filed on it (see also protest number 10-567). It was formerly the south K-mart store. He recommended a reduction from the referee recommended value of \$3,650,000 to \$2,700,000.

Protest 10-190; Thomas & Sriyani Tidball - Kubert said the data provided was inconclusive as to an error. He said the valuation was reasonable and recommended no change.

Protest 10-206; Robert Wamsley - Kubert said the listing was reviewed and he felt the purchase price reflected a fair value. He recommended a reduction from the referee recommended value of \$97,800 to \$83,000.

Protest 10-207; Robert Wamsley - Kubert said there were four listings on this property and it sold for \$32,500 in an arm's length transaction. The property will be converted from a conversion back to a single family residence. Kubert encouraged the Assessor's Office to inspect the property. He recommended a change from the referee recommended value of \$41,800 to \$32,500.

Protest 10-211; William Mueller & Kim Robak - Kubert said an appraisal was submitted which he felt was the best indicator of value. He recommended a change from the referee recommended value of \$652,300 to \$614,000.

Protest 10-232; Waverly Development Co. - Kubert said this was the YWCA property that is considered a special use property. The sale was verified. He recommended a reduction from \$1,492,300 to \$575,000.

Protest 10-284; Bob Bennie - Kubert said this property is still being settled at TERC for 2009 and, therefore, he recommended no change.

Protest 10-285; Tauno & Elaine Ahola - Kubert said the fire damage photos were debatable with regard to any value to the house. He suggested the Assessor's Office review the property. He recommended a change from \$213,700 to \$195,400.

Protest 10-307; Lloyd Hinn - Kubert said he requested additional data but did not receive anything. He recommended no change.

Protest 10-309; Lloyd Hinn - Kubert said on August 4, 2010, he received a packet of information including income and expense data for the last three years and copies of all building leases. Upon analysis, he felt the data did support a decrease in valuation. He recommended a decrease from \$2,226,600 to \$1,800,000.

Protest 10-312; Lloyd Hinn - Kubert said he requested additional data but did not receive anything. He recommended no change.

Protest 10-315; Lloyd Hinn - Kubert said although new sales and comparable information were analyzed, he recommended no change.

Protest 10-323; Robert & Rebecca Tridle - Kubert said the appraisal and sales information were considered. He recommended a reduction from \$573,300 to \$465,000.

Protest 10-351; Patricia McMillan - Kubert said this was a difficult case. The property is valued on the upper end for this part of town. He felt the assessed value was a little high, thus, he recommended a reduction from the referee recommended value of \$90,700 to \$85,000.

Protest 10-368; Gregory & Donna Shinaut - Kubert said an appraisal was submitted as new evidence, therefore, he recommended a reduction from \$450,900 to \$424,500.

Protest 10-450; Matthew Graff - Kubert said this property is an acreage with a large home and a large outbuilding near 50th Street and Saltillo Road. He said a walk-through was performed by the Assessor's Office and the property is now correctly listed. He recommended a reduction from \$473,800 to \$378,700.

Protest 10-452; Matthew Graff - Kubert said the applicant withdrew this protest from Board of Equalization consideration on August 3, 2010. He recommended no change.

Protest 10-453; Matthew Graff - Kubert said the sale of this property was confirmed and the exterior of the property was reviewed. He recommended a change from \$3,295,100 to \$2,125,000.

Protest 10-454; Matthew Graff - Kubert recommended no change.

Protest 10-455; Matthew Graff - Kubert recommended no change.

Protest 10-456; Matthew Graff - Kubert recommended no change.

Protest 10-457; Matthew Graff - Kubert recommended no change.

Protest 10-458; Matthew Graff - Kubert recommended no change.

Protest 10-459; Matthew Graff - Kubert recommended no change.

Protest 10-460; Matthew Graff - Kubert recommended no change.

Protest 10-461; Matthew Graff - Kubert recommended no change.

Protest 10-462; Matthew Graff - Kubert recommended no change.

With regard to these nine Matthew Graff properties, Kubert said neighborhood analysis, plat and flood plain data were considered. He explained that improvement size on the property is not a valid analysis. It was noted that these properties may be further appealed.

Protest 10-463; Mary Katz - Kubert said while a detailed mathematical analysis was provided, it did not take into account all factors determining value. He recommended no change.

Protest 10-491; Kinport Corporation - Kubert felt that after further analysis, the assessed valuation was correct. He recommended no change.

Protest 10-495; Kinport Corporation - Kubert said he believed the Assessor's Office was correct in that the property was part of Panera Bread. He said lease rates were also reviewed. He recommended a slight decrease from \$247,200 to \$203,500.

Protest 10-537; Rod Hornby - Kubert said additional research was done on this property. It

was listed at \$56,900 for 105 days in 2009 but did not sell. He recommended a slight reduction from \$56,700 to \$52,500.

Protest 10-539; Rod Hornby - Kubert said the data supports the current assessment. He recommended no change.

Protest 10-540; Rod Hornby - Kubert said this property was a duplex attached to an identical sister unit. He recommended no change.

Protest 10-544; Rod Hornby - Kubert said the packet was reviewed but there was not a lot of new data. He recommended no change.

Protest 10-547; Rod Hornby - Kubert said one sale was provided and further researched, although, it was not conclusive. The transfer was a buy back and not an arm's length transaction. He recommended no change.

Protest 10-554; Rod Hornby - Kubert said an appraisal was received in the amount of \$160,000. He noted the improvement type may be an error and recommended the Assessor's Office inspect the property. He recommended a reduction from \$169,900 to \$160,000.

Protest 10-555; Rembolt Development - Kubert said data was submitted but it was not conclusive to an error in valuation. He recommended no change.

Protest 10-556; Rembolt Development - Kubert said a sale across the street, which was the best comparable, supported the Assessor's valuation. He recommended no change.

Protest 10-567; Clinton Wander - Kubert said this was the old south K-mart location. Based on the property listing setting the maximum value, he recommended a reduction from the referee recommended value of \$3,650,000 to \$2,700,000.

Protest 10-568; Diane Rolfsmeyer - Kubert said no new information was presented. The property is pending an inspection by the Assessor's Office and resolution of the 2009 TERC appeal. He recommended no change.

Protest 10-572; Melissa Frohner - Kubert said a valid appraisal was submitted with the owner noting that there will be future improvements. Kubert suggested the Assessor's Office inspect the property in the future. He recommended a reduction from \$128,800 to \$105,000.

Protest 10-581; John & Pamela Rallis - Kubert said the referee originally recommended a lower value which he rejected because he thought there was additional land included. After further review, he felt the referee is correct and he recommended the value be lowered from \$523,100 to \$419,000.

Protest 10-611; Ormand Plautz - Kubert said the protest was further reviewed along with comparables and sales in the area. He recommended no change.

Protest 10-650; Hartshorn Leasing - Kubert said sales support the current valuation. The

factor of easements and the condition of the property were reviewed. He recommended no change.

Protest 10-652; Hartshorn Leasing - Kubert said this was a similar property to protest number 10-650 with regard to quality and sales. He felt the Assessor's value was supported, therefore, he recommended no change.

Protest 10-745; Rowland Welch - Kubert said although a letter with analysis and LoopNet.com listing were provided, he recommended no change.

Protest 10-746; Rowland Welch - Kubert said since new data was not provided, he recommended no change.

By order of the Chair, the Board of Equalization took a brief recess beginning at 3:47 p.m.

The Board of Equalization reconvened at 4:02 p.m.

Protest 10-71; Mark & Melissa Epp - Kubert said there is a big jump in valuations with half-step differences in condition code. He said his staff worked with the Assessor's Office and reviewed the data presented. He recommended a reduction from \$476,200 to \$405,000.

Protest 10-619; John Layman - Kubert said large retail spaces, such as this one, can give the Assessor's Office trouble. He recommended a reduction from \$14,754,600 to \$11,500,000.

Protest 10-72; Christopher & Alisha Stokes - Kubert said he worked with the Assessor's Office and made a decision based on inconsistency in quality grade ratings. He recommended a reduction from \$422,500 to \$372,600.

Kubert noted the following Creekside Village parcels were originally valued as developed lots, although, as of January 1, 2010, they were not. In working with the Assessor's Office, these went from developed lots with developer discounts to raw land values. Recommended changes were as follows:

Protest 10-58; Creekside Village - Kubert recommended a reduction from \$12,100 to \$2,400.

Protest 10-59; Creekside Village - Kubert recommended a reduction from \$12,100 to \$4,400.

Protest 10-60; Creekside Village - Kubert recommended a reduction from \$12,100 to \$2,400.

Protest 10-61; Creekside Village - Kubert recommended a reduction from \$12,100 to \$2,400.

Protest 10-62; Creekside Village - Kubert recommended a reduction from \$12,100 to

\$2,400.

Protest 10-63; Creekside Village - Kubert recommended a reduction from \$12,100 to \$2,400.

Protest 10-64; Creekside Village - Kubert recommended a reduction from \$12,100 to \$2,400.

Protest 10-65; Creekside Village - Kubert recommended a reduction from \$12,100 to \$2,400.

Protest 10-66; Creekside Village - Kubert recommended a reduction from \$12,100 to \$4,400.

Protest 10-67; Creekside Village - Kubert recommended a reduction from \$12,100 to \$2,400.

Protest 10-80; Abdul Karkash - Kubert said sales and condition were reviewed. He felt the Assessor's valuation was valid, thus, he recommended no change. Kubert noted the value was \$50,000 (a figure higher than the original value). He asked staff to review the packet, indicating he would readdress this protest once the correct value was verified. (See bottom of page 10.)

Protest 10-106; Jerome Gordman - Kubert said the 2009 TERC appeal was recently settled based on an appraisal. He added more information will be available as the 2010 case proceeds to TERC and the property is marketed. He recommended no change.

Protest 10-231; Rejda Living Trust - Kubert said sales and equalization with neighboring properties was considered. He recommended a reduction from \$367,900 to \$359,900.

Protest 10-602; David Murdock - Kubert said this property had difficulty getting leased. Income and rent rates were considered. He recommended a change from \$6,313,800 to \$5,100,000.

Protest 10-618; John Layman - Kubert said he asked for lease and income data and received an "offer to release" from the tenant. He decided there was not enough data provided and recommended no change.

Protest 10-653; Karen Kilgarin - Kubert said the packet was reviewed and sales support the referee recommended value. He added some comparables seemed low and that may indicate a problem with 1 ½ story homes in that area. He recommended no change.

Protest 10-80; Abdul Karkash - Kubert recommended the value remain at \$45,100 which was the referee recommended value.

Protest 10-81; Abdul Karkash - Kubert said the current listing was verified and indicated

some updates which were not previously mentioned. No data was provided showing the current valuation was unreasonable, therefore, he recommended no change.

MOTION: Workman moved and Schorr seconded to accept the recommendations of the referees for 2010 real property valuations as established by the record except where the Board of Equalization determined a revised value was warranted during protest hearings. Schorr, Workman and Stevens voted aye. Motion carried 3-0.

3) ADJOURNMENT:

MOTION: Schorr moved and Workman seconded to close the Board of Equalization acting upon individual real property valuation protests for 2010. Workman, Schorr and Stevens voted aye. Motion carried 3-0.

The meeting adjourned at 4:16 p.m.

/s/Dan Nolte

Dan Nolte, County Clerk