

**MINUTES
LANCASTER COUNTY BOARD OF EQUALIZATION
WEDNESDAY, AUGUST 3, 2011
CITY COUNCIL CHAMBERS
FIRST FLOOR, COUNTY-CITY BUILDING
8:00 A.M.**

Commissioners Present: Deb Schorr, Chair
Bernie Heier, Vice Chair
Larry Hudkins
Jane Raybould
Brent Smoyer

Others Present: Dan Nolte, County Clerk
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
Shana Sprackling, Great Plains Appraisal
Cody Gerdes, Great Plains Appraisal
Lori Johnson, Great Plains Appraisal
Josh Sapp, Great Plains Appraisal

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 8:00 a.m.

1) REAL PROPERTY VALUATION PROTEST HEARINGS FOR 2011:

Protest 11-640; Mary Jo Theis - Mary Jo Theis appeared and said she purchased the property in 2008 for \$309,000. It is currently assessed at \$296,800. She said there is a huge disparity among the units and the values. Her unit does not have access to an elevator, which would have been an additional \$25,000 at the time of purchase. She has a single stall garage while the other units have two-stall garages and lower property values. Theis mentioned her neighbor filed a protest last year and their value was lowered to \$240,000. She filed a protest this year on a similarly liked property and her value remained \$296,800.

Kubert said they would look at the neighbor's property (Unit #12) because it appears to be exactly the same size and has the same amenities.

Protest 11-45; Brian & Kayla Northup - Brian Northup appeared and indicated his neighbor's house was purchased for \$200,000 and is now assessed at \$168,000. His home was purchased in 2010 for \$187,000 and is now assessed at \$186,700. He felt the lot should not be valued at \$42,800 because it backs up to an apartment complex, nor did he believe the

value should be what it is because the home is a split level. He noted there are ranch style homes in his area that are valued lower and he would like to be treated fairly and equally and not at the 100% level.

Schorr asked when the other houses were built. Northup said most were built in 2009; his was built in 2010.

Kubert said he did not see much "error" in the case and did not believe Mr. Northup is being treated unfairly, however, the Assessor's model is not a perfect model and he will review other sales within the neighborhood.

Protest 11-593; Mark Becher - Mark Becher appeared and said the house sold in 2008 for \$13,000. He purchased it site unseen for \$46,500 in 2009. The house was in a state of disrepair. New shingles were added and the permanent aluminum siding was painted.

In response to Schorr's inquiry, Becher said his cleaning lady lives in the house and she trades her services for some of the monthly rent which is currently \$450.

Kubert asked if there was a mold issue when the house was purchased. It was noted the Assessor's records from January, 2009, indicate there was mold from water damage and that rehabilitation was underway. Becher said he was not aware of any mold issues, however, concrete was poured around the house's perimeter which helps keep the water away. He noted when it does rain, the tenant said water still comes into the basement. Kubert said they would take another look at the property.

Protest 11-459; Bruce J. Sievers Family Trust & Lola H. Sievers Living Trust - Sonia Heckel, owner, appeared and said she has not received an allowance for being in the flood plain or for the conservation easement. The conservation easement should give a 75% adjustment and the flood plain a 30% reduction. She noted she was given a flood plain adjustment on other property she protested but not on the ones now before the Board of Equalization.

Heier asked how much she receives for the conservation easement. Heckel did not recall. Kubert noted there is a conservation easement that runs across the property and they reviewed it versus the market value and not the special agricultural value. The conservation easement allows the owner to still farm the ground, however, it does effect the development value. He did not consider the easement an additional reduction on those properties and the flood plain issue does concern him because most farmers are still farming through it.

Heckel pointed out that one of her other properties was adjusted for being in the flood plain. Kubert said he would need to take another look at that property at 14th & Yankee Hill Road.

In response to Hudkins' inquiry, Heckel said the land is currently planted in corn or beans.

Protests 11-460, 11-461 and 11-462; Bruce J. Sievers Family Trust & Lola H.

Sievers Living Trust - Sonia Heckel, owner, appeared and said these parcels have the same flood plain issue, however, they are still being farmed. Hudkins suggested speaking with the FSA (Farm Service Agency) office to make sure they are getting enough compensation for the conservation easement. Kubert said he would review all properties to see if the flood plain issue should be given consideration.

Protest 11-176; Larry A. & Carol E. Graham - Larry Graham appeared and submitted new comparable property information for homes in his neighborhood (copy on file). He felt his home should be considered below average as the basement is unfinished, although, a new roof was added. He said the house next door has a finished basement and it is valued at \$94,000. Another comparable he provided was a two-story house in his neighborhood valued at \$94,000. He believed he could not get \$70,000 for his property.

Heier exited the meeting at 8:50 a.m.

Kubert said they would look at the additional comparables provided by Mr. Graham.

Protest 11-85; Richard W. Bartek - Richard Bartek appeared and displayed new photos of the inside of the house (copies on file). He said the remodel is only 75% complete - not 100% as stated by the Assessor's office. Kubert said he would review the information submitted as it appeared the home is not complete.

Protest 11-105; Frank A. & Sharon K. Kimmons - Frank Kimmons appeared and indicated he purchased the property in November of 2010 for \$227,300. He said his neighbor built their house at the same time with the same builder and his property is valued at \$220,900. Kubert believed the neighbor's property did not have a finished basement at the time the valuations were established. Kimmons said the neighbor's basement was finished because he looked at both houses when he was buying. Kubert said he would pull the listing for the neighbor and review both properties.

Protest 11-499; Gay N. Martin - Dave Martin appeared and said the property was valued at \$234,000 and is now \$245,200. He said he did not have a problem with the value of the building but rather the land value which increased to \$2,800 an acre. Kubert said farm values have changed with \$3,600 being applied to irrigated acres, \$2,800 for dryland acres, \$1,400 for grassland acres and \$100 for waste acres. These amounts were established for Lancaster County after reviewing data from surrounding counties and the University of Nebraska's farm report. Martin believed he is being treated differently because his neighbor's property is valued at \$3,400-\$3,600 an acre and his is only valued at \$2,800.

Raybould arrived at 9:12 a.m.

Kubert said Martin is taking the combined values, which includes the home site, and incorrectly dividing it by the number of acres. He should be using the agriculture acres only which is \$2,800 an acre minus the 75% that is allotted.

Kubert explained that agricultural land is a special valuation property class and is allowed, under State Statute, to be valued in such a way to remove the development influence on values based on sales from other counties where development is not as much of a factor. Sales data from four other Nebraska counties indicate that farmland values are increasing. Kubert said the Assessor is allowed to put a market value on property consistent with the State Statute provided it does not exceed the actual market value. He felt Mr. Martin is not getting treated any different than any other agricultural property.

Schorr asked who sets the \$1,400, \$2,800, \$3,600 per acre values and how often are they changed. Kubert said the amounts can change annually. They are set by the Assessor's office based on their study of the State Department of Revenue sales file. He said the sales file includes data from four counties located away from metropolitan areas. It is designed to eliminate the influence of development on the agricultural land market sector.

By direction of the Chair, the meeting was recessed at 9:22 a.m., and reconvened at 9:35 a.m.

Protest 11-699; Senad & Leyla Hrustemovich - Senad Hrustemovich appeared and indicated he purchased the property in 2010 for \$35,000. The only improvement made since the purchase was the addition of a two-stall garage. Kubert asked if the property was listed with a realtor and if there was a "for sale" sign in the yard. Hrustemovich said it is listed with a realtor through September and there has not even been an offer of \$60,000.

Smoyer arrived at 9:58 a.m.

Kubert said they would look at the listing, MLS and market exposure data.

Protest 11-418; Robert A. & Sheri S. Martin - Robert Martin appeared and said a lot of his property is wetland and some is dryland and pasture. He noted the value increased 47%. The land is in wetland protection and he has spent a lot of money taking care of the noxious weeds as required. Kubert said grassland is assessed at \$1,400 an acre and because of the wetland easement, the amount on those acres has been reduced to \$700. Martin believed there is about 36 wetland acres according to the FSA map dated January 5, 2011 (copy on file). Kubert said they would review the use allocation within the assessment, the Bruce Johnson Report and the land use which may need some correcting.

Protest 11-265; Deroyce J. & Beverly A. Polak - Beverly Polak appeared and stated the number of acres listed on the Assessor's web site is incorrect. It should reflect 27.82 irrigated acres instead of 29.37. She said this was corrected a couple of years ago and now it is back to 29.37. Kubert displayed the FSA map which showed 27.82 of irrigated acres. Hudkins asked Polak to provide the Board with the most current FSA certification. Kubert said they would take another look at the aerials and the FSA map.

Protest 11-270; 4-R Partnership - John Roberts appeared and indicated a percentage of the property was taken by eminent domain and he was compensated, however, the valuation

was not lowered. They have been trying to rent the building for two years and it still sits vacant even after lowering the rents six different times. He added property access has been removed for the Antelope Valley project. In response to Kubert's inquiry, Roberts said the current rent is \$1,500 a month. Kubert said he would review the property use and land value.

Protest 11-117; David Walker & David Courtright Lange - David Courtright Lange appeared and indicated he purchased the property in 2008 for \$21,625. It is 504 square feet with one bedroom. It was noted the property is in the flood zone and in close proximity to the neighbor's driveway. He provided a comparable of a similarly styled house situated on a smaller lot at 10th and "A" Streets which has 1,100 square feet, two bedrooms and one bath. It is valued at \$28,999. Kubert asked if it was on the market before he bought it in 2009. Lange said it was on the market and was a HUD foreclosure. Kubert said he would take another look at the property and additional comparable.

Kubert next reviewed packets related to hearings held on August 2, 2011. He provided the following recommendations:

Protest 11-1064; Protest 11-1109; and Protest 11-1108; Jason Huck - Kubert indicated he has the new parcel identification numbers for these properties and reviewed all the information. He noted there was a change in land use.

With regard to #11-1064, Kubert recommended a change from \$41,300 to \$20,600.

With regard to #11-1109, Kubert recommended a change from \$107,900 to \$63,900.

With regard to #11-1108, Kubert recommended a change from \$323,300 to \$315,800.

Protest 11-788; Woodbridge Properties - Kubert recommended no change, \$403,400.

Protest 11-313; John Austin - Kubert said he reviewed the neighbor's sale and comparable properties. He recommended no change, \$47,000.

Protest 11-312; John Austin - Kubert recommended no change, \$24,200.

Protest 11-24; Federal Home Loan Mortgage Corporation - Kubert said the additional data was reviewed. He recommended no change, \$335,000.

Protest 11-23; Greg A. & Lisa G. Buchta - Kubert recommended no change, \$310,000.

Protest 11-22; Geico Development, Inc. - Kubert recommended no change, \$85,000.

Protest 11-21; Geico Development, Inc. - Kubert recommended no change, \$80,300.

Protest 11-20; Geico Development, Inc. - Kubert recommended no change, \$109,000.

Protest 11-18; Geico Development, Inc. - Kubert recommended no change, \$84,000.

Protest 11-17; Geico Development, Inc. - Kubert recommended no change, \$65,000.

Protest 11-16; Geico Development, Inc. - Kubert recommended no change, \$77,400.

Protest 11-15; Geico Development, Inc. - Kubert recommended no change, \$172,000.

Protest 11-14; Geico Development, Inc. - Kubert recommended no change, \$97,000.

Protest 11-13; Geico Development, Inc. - Kubert recommended no change, \$7,600.

Protest 11-12; Geico Development, Inc. - Kubert recommended no change, \$67,300.

Protest 11-11; Geico Development, Inc. - Kubert recommended no change, \$102,000.

Protest 11-10; Geico Development, Inc. - Kubert recommended no change, \$164,300.

Protest 11-9; Geico Development, Inc. - Kubert recommended no change, \$69,000.

Protest 11-8; Geico Development, Inc. - Kubert recommended no change, \$110,000.

Protest 11-7; Geico Development, Inc. - Kubert recommended no change, \$90,900.

Protest 11-6; Geico Development, Inc. - Kubert recommended no change, \$101,200.

Protest 11-5; Geico Development, Inc. - Kubert recommended no change, \$84,000.

Protest 11-4; Geico Development - Kubert recommended no change, \$90,700.

Protest 11-3; Larry A. Geiger - Kubert recommended no change, \$63,000.

Protest 11-2; Larry A. Geiger - Kubert recommended no change, \$69,000.

Protest 11-1; Larry A. Geiger - Kubert recommended no change, \$88,200.

Kubert suggested the following recommendations were based on the list provided by Mr. Geiger (copy on file) whereby the waterways, fence roads, etc., should be allocated and considered:

Protest 11-54; Geico Development, Inc. - Kubert recommended no change, \$44,400.

Protest 11-53; Geico Development, Inc. - Kubert recommended no change, \$16,700.

Protest 11-52; Geico Development, Inc. - Kubert recommended no change, \$16,400.

Protest 11-51; Geico Development, Inc. - Kubert recommended no change, \$41,200.

Protest 11-50; Geico Development, Inc. - Kubert recommended no change, \$26,800.

Protest 11-49; Geico Development, Inc. - Kubert recommended no change, \$3,100.

Protest 11-48; Geico Development, Inc. - Kubert recommended no change, \$34,500.

Protest 11-46; Larry A. & Diane K. Geiger - Kubert recommended no change, \$193,300.

Protest 11-676; Daniel D. Whitney, property owner; Duane Wiesen, appellant - Kubert recommended no change, \$1,325,200.

1) REAL PROPERTY VALUATION PROTEST HEARINGS FOR 2011 (CONTINUED):

Protest 11-668; Kay Enterprises LLC - Lloyd Hinn, appellant, appeared and displayed comparables of similar properties in better locations. In response to Schorr's inquiry, Hinn said the building is Star City Sports. He added there are two parcels involved - one is the parking lot and the other is the building. He used Home Depot's lease figures as a comparable.

Protest 11-669; Kay Enterprises LLC - Lloyd Hinn, appellant, said Home Depot has a parking lot and they charge a lease rate of \$6. He used 12.38% for expenses which equaled nearly \$2.9 million for both properties. In response to Kubert's inquiry, Hinn said the property is owner occupied.

Kubert asked Hinn if he was an appraiser in the State of Nebraska, an owner of the property or an employee of the owner. Hinn stated he is none of those and that his services are legal in 50 states. He said he is representing independent businesses that do not have time to attend the hearings. Kubert said Hinn is functioning as an appraiser in front of the Board of Equalization representing his opinion of value.

Protest 11-673; Lester Electrical - Lloyd Hinn, appellant, said he compared the subject property with four others and felt the third comparable is closest to the property in question. He said it is in a better location, is larger with stucco concrete, is of higher quality, has tinted windows, is newer (built in 1984), is in better condition, has interstate visibility and easier access.

Protest 11-731; Gayatri Corp. - Lloyd Hinn, appellant, appeared and submitted two recent sales of motels in the Lincoln area and compared the subject property to the Comfort Inn at the airport. He also presented a Ramada Inn sold this year as a comparable. Hinn said the

AmericInn is assessed at \$34,900 per room and the Ramada Inn is at \$31,000 per room.

Protests 11-282, 11-283, 11-284, 11-285; Donald D. & Elaine A. Rutt Life Estate - Donald Rutt appeared and indicated 15.1 acres is pastureland, not cropland, and has been for the past 17 years. He provided a copy of the commodities report and a 2010 ASCS map (copies on file) indicating land use. Kubert asked if there was any dryland. Rutt said there was not. Kubert said they would need to review the land use.

In response to Heier's inquiry, Rutt said he is getting a "direct" payment not a CRP payment. Heier asked if he was haying any of the property. Rutt said he is haying about 10 acres for his cattle operation.

Protest 11-194; Fred L. & Joyce E. Nass - Fred Nass appeared and distributed a summary of his additional information (copy on file). He said his value increased \$3,000 this year and he hasn't made any improvements to the house since it was built in 2000. He added he has nine neighbors whose values did not change this year. Kubert explained that the value of the home and home site did not change but rather the agricultural land value.

Protest 11-298; Ruth M. Danley, Trustee - Mike Rierden, attorney, appeared on behalf of Ruth Danley (who was also present). Rierden indicated there was a condemnation done on 6.1 acres. Danley asked for an amount equal to the current assessed value, however, the County Engineer came up with a smaller amount which Ms. Danley ultimately agreed to. Rierden said the house is a non-standard use, meaning it does not have the appropriate front yard to comply with the City's standards. He said Ms. Danley protested last year and the value was reduced by \$7,200. This year the value was increased by \$25,000. Rierden added that because the parcel is so small, there is less profit from the agricultural use. It was noted the property was valued at \$137,339 in 2005 and is now \$228,900.

Hudkins asked Rierden if he had a specific damage amount to the farm and the homestead due to the extremely close proximity of the new road to the house. Rierden believes the valuation should remain the same, i.e., a \$25,000 reduction.

Kubert noted while Ms. Danley was compensated for the condemnation, the increase for 2011 has to do with agricultural values going up.

Protest 11-129; David H. Murdock - Appearing were Laura Whitaker, employee and representative for David Murdock; and David Maenner, representing the firm marketing the property. Whitaker indicated the value was reduced last year to \$5,000,000; this year they are requesting a value of \$2,200,000. She noted at the time of the referee hearing, they were in negotiations with a buyer and have since signed an sales agreement for \$2,100,000. This amount includes \$75,000 that will be paid to the buyer to fix the old tanks on the outside of the building that are dilapidated and need to be removed before they can close on the sale.

Maenner distributed a confidential closing and purchasing agreement for the Board's immediate review. He stated there is a contract sales agreement with Quebecor but he does not know the sale price. He found another local sale, Window Technologies at 3500 N. 45th

Street, which is one-third the size (123,000 square feet) and it sold at \$6 per square foot which is comparable to their building.

Protest 11-585; J.H. Lesoing - Richard Schell, owner, appeared and explained that 27 acres is in trees with a pond and two acres includes a camping area with a couple of bathrooms used by a Boy Scout troop. Kubert said it comes down to value and the best land use. He said the property is a buildable lot under the zoning regulations and questioned whether it could bring in \$106,000 as a buildable lot.

Heier said he had a question with how the Assessor came up with the best use of the land as of January 1st. He questioned the potential land use. Kubert said this differs from agricultural use which could include a special valuation category, thus, a lower value. Kubert said he has not heard any testimony which indicates the property is being farmed. If that was the case, it could possibly be classified as a greenbelt property.

Rob Ogden, County Assessor's Office, indicated the property did not qualify for special value because it is not being used for an agricultural purpose. He said if the property does not have a special value designation, then they consider market value when making a determination. Heier pointed out if the property was farmed, the Assessor would recognize the special value.

By direction of the Chair, the meeting was recessed at 11:47 a.m., and reconvened at 1:00 p.m.

Protest 11-357; Donna L. Havener, Jean Marie Petsch, Joann C. Boshart, Melvin H. Deinert, Verna J. Deinert Trust & Harold Deinert - Verna Deinert, Harold Deinert and Melvin Deinert appeared and said the house was built in 1875. There is also one cattle shed. Their property is valued at \$4,200 an acre while the neighbor is only assessed at \$2,400.

Hudkins asked how many acres are farmland and how many are grassland. The Deinert's said there are about 120 acres of farm ground; they receive \$400 a month for rent for the house.

Smoyer arrived at 1:06 p.m.

Kubert noted the cattle shed is 100% depreciated. There are 121 acres of dryland and the house was reduced last year. He said the land values within the agricultural portion of the property increased. He said he will review other comparables including the Klug property.

Protest 11-979; Gary E. & Diane K. Kubicek - Gary Kubicek appeared and submitted photos of his property (copies on file). He looked at three properties, two of which are across the road and the other is one mile away. He questioned the land value not the building. Kubicek briefly discussed his neighboring properties and their values. He also said his land is not cropland but pastureland. Kubert said the referee's reduction is a result in an adjustment from cropland to pastureland acres. However, Kubert did not feel Mr. Kubicek was being treated incorrectly or inconsistently with other properties.

Protest 11-280; Joyce M. Pocras Revocable Trust - Joyce Pocras appeared and indicated

she purchased the property on October 8, 2010 for \$40,500. The prior value was \$48,000 and the current value is \$58,600. She also pointed out the condominium building itself is not in the best condition. Kubert asked how many days the property was on the market. Pocras said she did not know but she purchased it through a realtor. She explained realtors are not permitted to post "for sale" signs in the yard so they post signs in the lobby.

Kubert asked Pocras what she had for market data supporting the sale price as being reflective of the market because the referees found three additional units in the building that sold in 2010 for \$60,000, \$84,000 and \$90,000. Pocras said those sales were not one bedroom units. Kubert said one is 771 square feet which is the same as hers and it sold for \$60,000. In response to Kubert's inquiry, Pocras said she receives \$525 a month for rent but she pays homeowner fees of \$274 a month and covers garbage, water, gas and cable.

Protest 11-278; Joyce Pocras on behalf Hp Properties LLC - Joyce Pocras appeared and indicated she purchased the property on March 14, 2011 for \$49,000. She said property is not selling in the condominium and the building is deteriorating. The current value is \$64,300 and it sold for \$72,139 in 2010. Pocras believed this was a foreclosure. Kubert questioned the rent. Pocras thought this unit was renting for around \$700 a month, however, she said the homeowner fees are higher than the other unit because it has two bedrooms.

Protest 11-416; Larry K. Wrasse - Larry Wrasse appeared and said he found an additional pending sale at 3725 Garfield which he distributed to the Board of Equalization (copy on file). This property listed for \$108,000 and sold for \$106,000. Wrasse also asked that the sale on Hillside for \$95,200 be reconsidered. He said his property rents for \$800 a month and there is a gross rent multiplier involved. Wrasse also noted an adjustment to the second level dimensions should be considered as they are not correct. Kubert recommended the Assessor's office visit the property to check on the discrepancy. He said he would also visit the property to check on renovations. (Note: Mr. Wrasse is a licensed appraiser and has served as a Lancaster County referee in the past.)

Protest 11-636; Richard H. & Marti Ann Hudson - Mike Rierden, attorney, appeared on behalf of the applicant and indicated the property is a 17-acre parcel that is an outlot. He said there are three-acre parcels in the area, however, the Hudsons do not plan on developing them. The property is assessed at \$673,000 and currently is being used for agricultural purposes. He felt it should not be considered development ground.

Hudkins asked if the property was under the greenbelt designation. Kubert said it was not. The Board questioned the land use, how it is zoned and why it is not greenbelt. Rob Ogden, County Assessor's Office, said it does not matter what the use is, property owners have to apply for special value (greenbelt).

Protest 11-851; World Color (USA) Corp. - Mike Rierden, attorney, appeared on behalf of the buyer, B & J Partnership, who has the property under contract for \$1,000,000. He submitted a contract agreement (copy on file) and said it is an arms length transaction.

Kubert asked if there was an agreement on the large parcel to the north which is the main Quebecor building. Rierden said that did not need to be taken into consideration because there is a price tag on the property that is being protested. Kubert noted the contract outlines areas "A", "B" and "C" with item "A" being the property itself. He believed area "B" was the main manufacturing facility and area "C" was personal property. Kubert said he is trying to understand the sale factors because the property's seller has shopped around for an appraisal for a tax write off for a donation associated with the north building. With a \$1,000,000 sale, the buyer would get a 400,000 square foot building for roughly \$2 a square foot.

Rierden explained that B & J Partnership, a for-profit entity, is purchasing the property being protested. The property to the north, which is a larger facility but owned by the same company, is being acquired by The Smith Collection.

By direction of the Chair, the meeting was recessed at 2:10 p.m., and reconvened at 2:30 p.m.

Protest 11-515; Roger A. Hornung - Roger Hornung appeared and noted agricultural values have increased but wondered if the Board considers yield per acre. Hudkins said agricultural land in Nebraska is not valued according to productivity. Hornung believed the law needs to be changed because his mother-in-law's yield is twice the amount as his and she pays the same amount of taxes. He has 90.35 acres and 8.4 acres are considered wildlife food plots because the ground is really poor and not suitable for farming.

Kubert said he would look at the FSA data and compare it to the land use on record.

Protest 11-927; L. Merrill Cook Life Estate - Karen and Merrill Cook appeared and indicated the property is the old Lancaster County Poor Farm. The increase equals roughly \$3,000 an acre. The buildings value also increased \$6,600; the newest one was built 54 years ago. The land is all dryland and according to the FSA, there are 75.22 acres of cropland, 11.9 in alfalfa, 23.34 in pasture and 7.93 acres of waterways for a total of 118.39 acres. The northwest corner is planted in beans and is separated by the main farm by a channel of water.

Kubert said the Assessor shows the home site as 8.23 acres, 122 acres of dryland and no pasture so the field north of the home site is a listing error. Cook provided a copy of the FSA map which shows the number of acres and crop information (copy on file).

Protest 11-247; Rodney L. & Barbara J. Wussow - Appearing were Rodney and Barbara Wussow who submitted an appraisal of their neighbor's property and a copy of the neighbor's referee recommended letter (copies on file). The neighbor's property was protested and reduced to \$115,000 and they would like to be equalized because their property is identical. Kubert said he would need to pull the printouts and compare them to see if there are any listing discrepancies that would indicate a value difference.

Protests 11-500, 11-501, 11-502, 11-505; Summit Homes - Appearing was Craig Chesnut who indicated the properties are all identical duplexes with the same floor plans and finished basements. He felt they should be valued the same. Kubert said there is a property at 3150 King Ridge that according to the property record has an unfinished basement. Chesnut said that basement is finished. Kubert said then there must be an error on the Assessor's datasheet. It was noted the duplexes that do have finished basements are valued at \$169,000. Chesnut indicated 5403 North 32nd has a finished basement and is valued at \$157,600. He also submitted an appraisal (copy on file) dated December, 2010, for the property at 3154 King Ridge. It came in at \$162,000.

Protest 11-171; Ryan J. & Jennifer I. Omel - Ryan Omel appeared and said he currently has a contract with the renter dated May 8, 2011, to purchase the property for \$89,900. He feels there is a classification error on the condition and that it should be lower. Omel stated for the record that he is a licensed appraiser and has served as a Lancaster County referee in the past. Kubert said he would review the purchase option and condition.

Protests 11-900, 11-901, 11-902, 11-903, 11-904, 11-906; Regal Building Systems, Inc. - Dan Klein appeared and said they have not been able to sell townhomes over the last several years so they have been renting them out. He referenced 2425 Northline Court and said they all have the same model, same finish with two bedrooms and two bathrooms upstairs. Rents were lowered in 2009 from \$1,200 a month to \$1,045 and \$995 a month.

Kubert said all of these cases are compared to 2135 Northline Court which has a value of \$115,000. Kubert said the house at 2131 Northline Court sold for \$129,850 so there must be a difference in the listing to account for the difference. In response to Kubert's inquiry, Klein said 2435 Northline Court does not have a finished basement but 2435 Cityview does.

Klein clarified the following basement finishes:

- 2435 Cityview (Protest #901) - one bathroom and one bedroom;
- 2324 Northline Court (Protest #900) - no basement finish;
- 2431 Cityview Court (Protest #902) - no basement finish;
- 2421 Northline Court (Protest #904) - no basement finish;
- 2405 Cityview Court (Protest #906) - one bedroom, a family room but no bathroom;
- 2425 Northline Court (Protest #903) - no bedroom.

Klein noted all of the units rent for \$995 except for 2435 Cityview which rents for \$1,045.

Protests 11-815 & 11-817; Country Plaza South, Inc. - Lloyd Hinn, appellant, appeared on behalf of Dan Klein, property owner, and indicated he used the same comparisons for both properties. He took three different properties within a mile and applied their lease rates to come up with an average of \$8.27 per square foot. Hinn indicated he also used the Assessor's data sheets to figure out the vacancy, expenses and cap rate.

Protest 11-975; Rita J. & Brian J. McAllister - Brian McAllister appeared and indicated he has 20 acres which is landlocked. He said he has been very frustrated because he has not received any answers from the County Assessor regarding his questions on how home site acres and value are determined and how agricultural land values are determined.

Kubert said he is aware of the ongoing discussions between the McAllisters and the Assessor's office. He briefly discussed the difference between private and mass appraisal noting that with the latter, judgment is utilized by the Assessor's office to establish values. Kubert noted both of the McAllister properties are special valuation properties that are entitled under State Statute to be valued based on special valuation principal which is to value the land at a rate which does not include or tries to minimize the development and influence on land. He added the Assessor's Office has responded to the McAllisters and the values have been reviewed by the Nebraska Department of Revenue and the Tax Equalization and Review Commission and have passed.

Kubert noted last year's value was \$28,300 and it is now at \$37,100. There are 17.56 acres of dryland and 2.59 acres of waste.

Protest 11-976; Rita J. & Brian J. McAllister - McAllister indicated his mother-in-law lives in the house on the property and he does not receive any rent. Kubert said there are 13.07 acres of dryland, 3.97 acres of waste and 2.47 acres for the home site for a total of 19.52 acres.

McAllister again questioned how the Assessor determined the home site versus the farm site versus agricultural land. He questioned the home site noting that State Statute only allows one acre but his has 2.47 acres. He wondered if there was an error. Kubert said if a farm site was identified then he would be limited to one-acre for the home site attached to that farm site. In Lancaster County, home sites are primarily used. McAllister said there is a farm site attached to the home site and all the outbuildings are used for the farm.

Raybould asked McAllister what he thought the value should be. McAllister said he wanted to know what the Assessor's Office is using to determine the \$58,000 on the house considering it was built in 1868. He also wanted to know how the Assessor came up with the values of \$2,800, \$1,400 and \$700. Kubert noted the Assessor does not have to provide that detail and can use their appraisal judgement to set those values based on the sales file. It then becomes the referee's responsibility to determine whether the assessed value exceeds market value. Kubert said in this case, he did not believe the assessed value exceeded the market.

McAllister felt there was a discrepancy in the number of acres considered waste. Heier asked McAllister to provide the Board, via the County Clerk, with his certification papers and FSA maps for 2011 to see if a discrepancy exists. (Note: Copies of these documents are on file.)

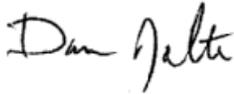
Protest 11-248; Sai Hospitality, Inc. - Mike Patel appeared and distributed two handouts regarding recent hotel sales in the area. The hotel he owns has 37 units and is valued at \$1.216 million. The Best Western next door is a 64 unit hotel valued at \$1.29 million.

Kubert said they did take a look at the income level related to value and there was a reduction to \$1,174,400. He will look at the Best Western sale and the recent sale of the AmericInn on North 27th Street. Patel also noted the AmericInn was built for \$5,000,000 and is a sturdier building.

Protest 11-161; Felix G. & Vivian I. Fortune - Andrea Weaver appeared and distributed an appraisal on the property, dated June 9, 2011, in the amount of \$100,500. She purchased the property on July 14, 2011, for \$88,500. Kubert said the appraisal includes the basement finished and it should only be a partial finish. He said he will encourage the Assessor to review the information next year.

2) ADJOURNMENT:

MOTION: Heier moved and Raybould seconded to adjourn the Board of Equalization meeting at 4:26 p.m. Heier, Smoyer, Raybould, Hudkins and Schorr voted aye. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk

