



**LOCAL BOARD OF
APPEAL AND EQUALIZATION
RECONVENE MEETING
AGENDA**

Tuesday, May 12, 2015

6:30 p.m.

City Hall

Council Chambers

-
1. Call to Order
 2. Appoint Secretary for Annual Board of Appeal and Equalization
 3. Pledge of Allegiance
 4. Roll Call
 5. Adopt Agenda
 6. Approval of Minutes from April 28, 2015 Local Board of Appeal and Equalization
 7. Staff Recommendations
 8. Adjourn



LBAE Reconvene

6.

Meeting Date: 05/12/2015

SUBJECT: Approval of Minutes from April 28, 2015 Local Board of Appeal and Equalization

Information

Attachments

2015LocalBoardofAppealandEqualizationMinutes

MINUTES OF THE COON RAPIDS LOCAL BOARD OF APPEAL AND
EQUALIZATION MEETING – APRIL 28, 2015

The 2015 Local Board of Appeal and Equalization meeting was brought to order by Chair Koch at 7:09 p.m. on Tuesday, April 28, 2015 in the City Council Chambers.

Board Members Present: Chairperson Jerry Koch, Denise Klint, Jennifer Geisler, Brad Johnson, Steve Wells

Board Members Absent: Wade Demmer, Ron Manning

Pledge of Allegiance to the Flag

APPOINT SECRETARY

MOTION BY BOARD MEMBER JOHNSON, SECONDED BY BOARD MEMBER WELLS APPOINTING DEBBIE MILLER AS SECRETARY FOR THE 2015 LOCAL BOARD OF APPEAL AND EQUALIZATION. THE MOTION PASSED UNANIMOUSLY.

ADOPT AGENDA

MOTION BY BOARD MEMBER GEISLER, SECONDED BY BOARD MEMBER JOHNSON TO ADOPT THE AGENDA AS PRINTED. THE MOTION PASSED UNANIMOUSLY.

REMARKS FROM CITY ASSESSOR

Ned Storla, City Assessor, welcomed everyone to the meeting. He stated that the purpose of the meeting was to review the 2015 (pay 2016) values. He introduced the City Assessing staff, the City Finance Director, Sharon Legg, and Alex Guggenberg, Anoka County Assessment Compliance Coordinator. He presented information for the 2015 Local Board of Appeal and Equalization and answered questions including this year's Forum attendance.

CONSIDER APPEALS FROM PROPERTY OWNERS IN REGARD TO 2015
ESTIMATED MARKET VALUE IN THE ORDER OF REGISTRATION

PIN 36-31-24-31-0012 and 36-31-24-31-0013, Green Bay Packaging Inc, 555 85th Lane
NW, Coon Rapids, MN 55433 John Towel

Mr. Towel stated that he has two parcels; PIN 36-31-24-31-0012 value increasing from \$452,200 to \$2,429,500 and PIN 36-31-24-31-0013 value decreasing from \$8,838,500 to \$7,678,300 causing a 9% increase in total value. He estimates the 2015 value should be the same as the 2014 value because he did not have enough time to prepare any other numbers. Mr. Towel stated that Mr. Storla did talk to him about the value increase and explained how the total value was split between the two parcels. Mr. Storla provided comparable sales outside of the Coon Rapids area. Mr. Towel said he would be open to

some sort of compromise and does not wish to hire a consulting firm as he has done in the past.

Mr. Storla presented a map showing the two parcel lot lines and explained how the value was split between the two parcels causing an increase on PIN 36-31-24-31-0012 because about 30% of the building value is now on this PIN. PIN 36-31-24-31-0013 value actually decreased because total building value on this PIN changed from 100% to about 70%. He stated that his sales comparison only included “good sales” and if the Board wanted to see Coon Rapids sales he would have to include sales that are not “arms-length transactions”. Discussion followed including questions regarding the general industrial increase of about 5% in Coon Rapids commercial property compared to Green Bay Packaging’s increase of 9%.

Mr. Storla and the Board agreed more time was needed and City Assessing staff would prepare a report on the Green Bay Packaging property for the reconvene meeting.

PIN 26-31-24-42-0029, 9564 East River Road, Coon Rapids, MN 55433 JOHN AND JOYCE MYKULAK

Mrs. Mykulak stated her 2014 value (pay 2015) increased from \$115,400 to \$159,200 and 2015 value (pay 2016) to \$163,600 and there was a 52% increase in their 2015 taxes. She said they think their 2014 value increase is unfair and that they had gone to the County TNT meeting last fall. The Board explained that only the 2015 value could be appealed at this meeting. Brent Reid, Coon Rapids City Appraiser explained that he did visit the property and the 2014 value was lowered. He also stated that the home was re-measured and the square footage increased from 1040 to 1487. Changes to the field card combined with market activity accounted for the 2014 value increase. Discussion followed and Mrs. Mykulak decided to withdraw their appeal of the 2015 value.

A MOTION BY BOARD MEMBER JOHNSON, SECONDED BY BOARD MEMBER WELLS TO NOT ACCEPT ANY NEW APPEALS BUT TO RECONVENE MAY 12, 2015 6:30 PM. THE MOTION PASSED UNANIMOUSLY.

Recorded and transcribed by:
Debbie Miller
Local Board of Appeal and Equalization Secretary



LBAE Reconvene

7.

Meeting Date: 05/12/2015

Subject: Staff Recommendations

From: Ned Storla, City Assessor

Information

INTRODUCTION

The Local Board of Appeal and Equalization directed staff to review the property listed below.

DISCUSSION

Green Bay Packaging, Inc., PIN #'s 36-31-24-31-0012 and 0013

Green Bay Packaging appealed the January 2, 2015 value of \$10,107,800. The representative of Green Bay Packaging, Inc. expressed a concern that the estimated market value for January 2, 2015 increased more than the average industrial property in the City of Coon Rapids.

Because the number of sales of similar properties in Coon Rapids is limited for this type of building, staff selected and visited the six most comparable properties that have sold in the metro area. Attached is an adjustment grid showing values, photographs of the subject property and photographs of the six comparable sales. After adjustments were made for differences between the subject property and similar sold properties, staff's current assessed value falls within the range of the comparable sale prices and the indicated values.

On this particular property, the value had been adjusted downward over the past few years due to market conditions. However, the market has been moving upward, especially for larger industrial properties such as this one.

Staff will make a presentation at the meeting to more fully explain the comparisons.

RECOMMENDATION

Staff recommends the assessed value be upheld at \$10,107,800.

Attachments

GreenBayPackagingPresentation

SALES COMPARISON

Below is a description of the subject property under appeal and the most comparable sales in the metro area since the beginning of 2013. In addition to the descriptions, there is an adjustment grid whereby appraisers adjust for the differences in property in order to make the sales more comparable to the subject. Not all sales are equal in the amount of weight given to each. Based on the amount of adjustments made as well as the appraiser's judgment after reviewing the sales, some are given more weight than others with those higher in comparability listed in order from sale 1 to sale 6. The bottom line shows the subject property's 2015 assessed value per square foot followed by the adjusted sale price per square foot of each comparable sale. Based on staff analysis, the assessed value is within the comparable range of values both before and after adjustments and it is recommended that the board make no change.

Sales Summary and Adjustment Grid							
	<u>Subject</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>	<u>Sale 5</u>	<u>Sale 6</u>
Location	555 87th Ave NW Coon Rapids	9420 83rd Ave N Brooklyn Park	3500 Lyman Blvd, Chaska	1187 Park Place, Shakopee	9450 Winnetka Ave N, Brooklyn Park	677 Transfer Rd, St. Paul	3005 Millard Ave, Hastings
Land Size (SF)	1,249,794	354,495	1,263,240	982,823	1,556,973	262,231	447,896
Age	1995/2011	1972/1978	1995	1997	2003	1980	1997
Quality	Average	Average	Average	Average	Average	Average	Low
Condition	Good	Fair	Good	Good	Very Good	Average	Good
Clear Height	25'	20'	24'	28'	20'	14'	18'
Finish area	5%	11%	27%	21%	32%	24%	2%
Date of Sale	--	3/19/2015	5/17/2013	8/6/2013	2/28/2013	1/30/2013	5/30/2013
Sale Price	--	\$7,120,000	\$6,800,000	\$13,894,000	\$9,900,000	\$3,925,000	\$3,250,000
Gross Buildable Area (SF)	257,129	102,012	152,002	359,500	188,078	123,398	100,756
Land/Bldg Ratio	4.86:1	3.47:1	8.31:1	2.73:1	8.28:1	2.13:1	4.45:1
Price per SF	\$39.31	\$69.80	\$44.74	\$38.65	\$52.64	\$31.81	\$32.26
Adjustments							
Terms	Market	--	--	--	--	--	--
Sale Conditions	Arms length	--	--	--	--	--	--
Location	Average	--	--	--	--	--	10%
Quality	Average	--	--	--	--	--	10%
Age/Condition	Good	10%	--	--	-5%	5%	--
Clear Height	Average	--	--	--	--	10%	--
Physical Characteristics	Fair	-8%	-9%	-7%	-7%	4%	3%
Building Size	200,000+ SF	-8%	-6%	5%	-4%	-7%	-8%
Land/Bldg Ratio	Average	2%	-7%	4%	-7%	5%	--
Gross Adjustments		28%	22%	16%	23%	31%	31%
Net Adjustments		-4%	-22%	2%	-23%	17%	15%
Adjusted Price per SF	\$39.31	\$67.00	\$34.89	\$39.42	\$40.53	\$37.21	\$37.09

Green Bay Packaging
(From staff tour May 6th, 2015)



Front entrance



Rear loading docks/paved surface

Green Bay Packaging continued...



Main Lobby



Conference Room

Green Bay Packaging continued...



Larger Meeting Room

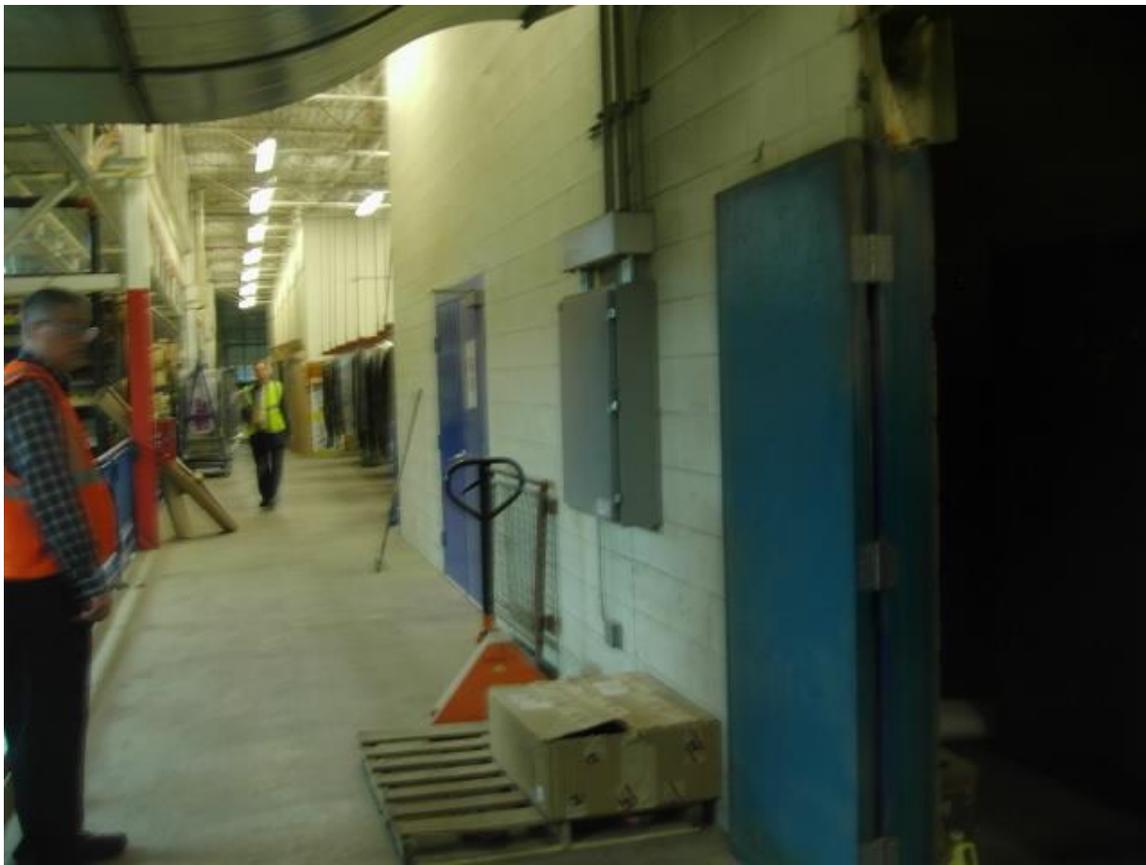


Production Area with Steel Mezzanine

Green Bay Packaging continued...

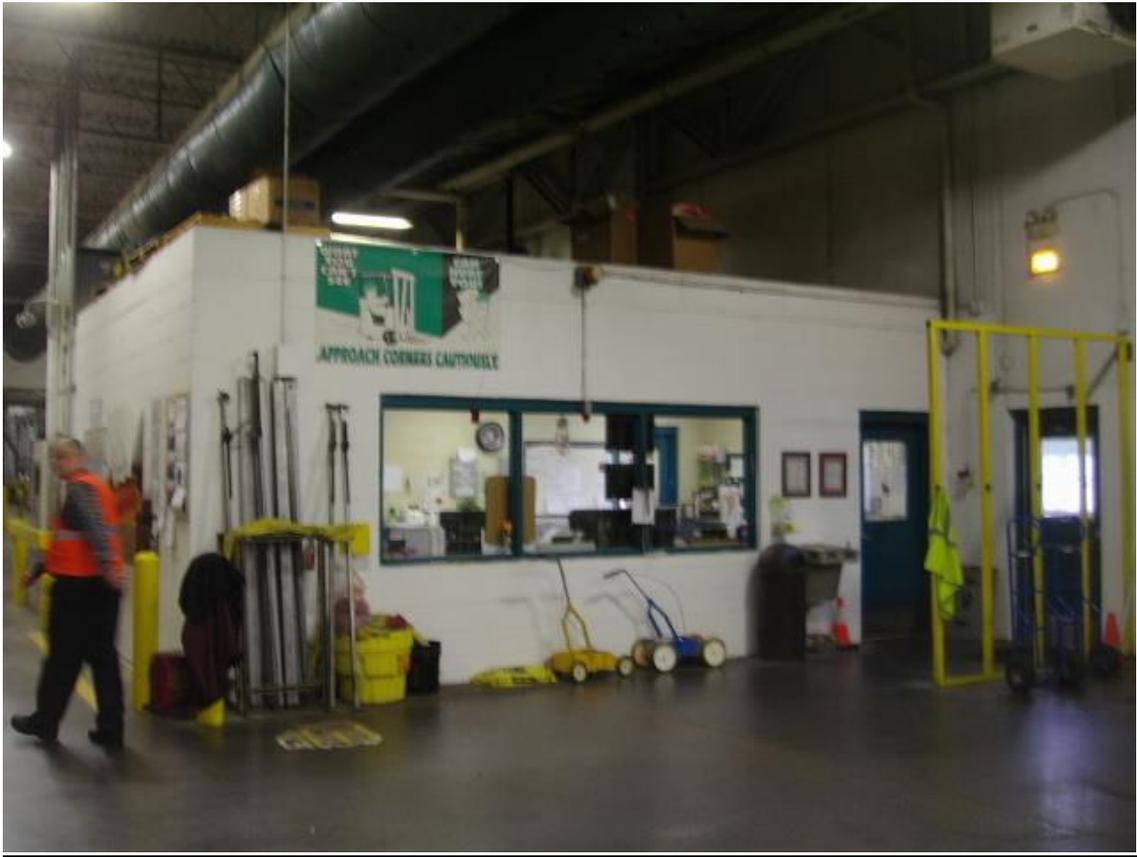


Upper Level Steel Mezzanine



Upper Level of Concrete Block Mezzanine

Green Bay Packaging continued...



Production Area/Small Office



Production Area

Comparable Sales

(From staff visits May 5th, 2015)

Sale 1 – 9420 83rd Ave N, Brooklyn Park



Sale 2 – 3500 Lyman Blvd, Chaska



(Photo from Carver County Assessor's Office)

Sale 3 – 1187 Park Place, Shakopee



Sale 4 – 9450 Winnetka Ave N, Brooklyn Park



Sale 5 – 677 Transfer Rd, St. Paul



Sale 6 – 1187 Park Place, Shakopee

