

**BEMIDJI CITY COUNCIL
BOARD OF REVIEW
May 3, 2016**

Pursuant to due call and published notice, the Board of Review of the City of Bemidji met at City Hall at 5:00 p.m. on Tuesday, May 3, 2016, for the purpose of reviewing and correcting the assessment of properties within city limits of the City of Bemidji for the year of 2016 payable in 2017. Vice Chair Ron Johnson called the meeting to order at 5:10 p.m.

Upon roll call, the following Board Members were declared present: Meehlhause, Johnson, Erickson, Larson, Olson Absent: Albrecht, Hellquist

City Staff: City Clerk Kay Murphy
Beltrami County Assessor's Office: Joe Skerik, Steph Rockensock

PRESENTATION BY ASSESSOR

County Assessor Joe Skerik stated that ratios are required to be between 90% and 105% which is estimated value compared to sale price. The following sales data reflects the timeframe of October 1, 2014 through September 30, 2015:

- Residential values in the City were up with an overall increase of 3.8%. Ratio was at 89.17% with 166 sales, after adjustments the ratio was 92.93%.
- Commercial values mostly unchanged. 15 commercial sales had a median ratio of 95.03%.
- Apartment values are up 5%. Skerik noted that it was difficult to change values due to limited sales activity. 2 sales at 81.74% after changes.
- New construction of taxable property resulted in \$13,013,400 which is an increase of \$6,516,100 from the previous year. He noted that county-wide new construction was up 30.3% to \$39,078,200.
- County-wide sales of residential and seasonal homes – 468 sales with a ratio of 92.18%.

THE FOLLOWING PROPERTY OWNER APPEARED:

Tom Hegland, 51396 Wisteria Drive, expressed concerns about the assessed value on two vacant properties he owns on Washington Avenue S. (Parcels #'s 80.04232.00 and 80.04231.00). He reviewed the history of the parcels. Today, the two parcels are being assessed at a value of \$86,000 and \$70,000. Hegland further stated that he does not agree with the commercial valuation as it is classified as residential non-homestead.

Skerik stated that the two parcels are valued the same as abutting properties which are valued at \$3.30 sf. Skerik relayed that he reduced the back portion of the lots which equates to an average of \$2.10 sf for both lots. He noted that the reason for the commercial valuation is because that is the "highest and best use" for the property. Discussion continued regarding the commercial versus residential class rate. Skerik explained that if the parcels were changed to a commercial class rate it would increase the property taxes by 25%.

OTHER ADJUSTMENT

Skerik recommended the Council approve the adjustments to the Estimated Market Value (EMV) for property owners who have contacted the Assessor's office on the following parcels:

| <u>Parcel #</u> | <u>Changes to EMV</u> |
|-----------------|---------------------------|
| 1. 80.03229.00 | -\$7,700 |
| 2. 80.04329.00 | -\$7,615 |
| 3. 80.00532.00 | - \$77,304 |
| 4. 80.01950.00 | -27,784 |
| 5. 80.04992.00 | -5,178 |
| 6. 80.02522.00 | -11,259 |

Motion by Olson, seconded by Erickson, accepting the 2016 adjustments as recommended by the County Assessor. Motion carried unanimously.

Motion by Erickson, seconded by Olson, that current estimated market value on Parcel #'s 80.04232.00 and 80.04231.00 remain the same. Furthermore, keep the classification as residential non-homestead. Motion carried unanimously.

ADJOURN

Motion by Olson, seconded by Larson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:00 p.m.

Respectfully submitted,


Kay M. Murphy
City Clerk