

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

BOARD OF EQUALIZATION

Madison, Nebraska

June 26, 2018

The Board of Equalization of Madison County, Nebraska met at 1:00 P.M.

Advance notice of meeting was published in the Friday, June 15, 2018 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed. Chairman Ron Schmidt called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Present: Commissioners Christian Ohl, Jim Prauner, and Ron Schmidt, County Assessor Jeff Hackerott, and County Clerk Nancy Scheer. County Treasurer Donna Primrose was present from 1:03 P.M. to 1:05 P.M.

Motion made by Prauner and seconded by Ohl to approve the agenda for the meeting. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Chairman Schmidt opened a public hearing at 1:03 P.M. to receive testimony regarding the following motor vehicle exemption applications:

Community Concern of Norfolk, Inc., 222 North 4th Street, Norfolk	2006 Ford Econoline Bus
Victory Road Assembly of God, Inc., 200 North Victory Road, Norfolk	2017 Ford Econoline Bus, 1996 Ford Van, 2012 Look Enclosed Trailer

County Treasurer Donna Primrose reported that Community Concern of Norfolk acquired a different vehicle and that Victory Road Assembly of God acquired an enclosed trailer; however, both organizations were previously approved. No public comments were received during the hearing. Chairman Schmidt closed the hearing at 1:05 P.M.

Motion was made by Ohl and seconded by Prauner to approve the motor vehicle exemption applications as submitted. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

County Assessor Jeff Hackerott presented the following documents that were accepted by the Board as part of the official record for all property valuation protest hearings conducted in 2018:

- 1) Rules and Regulations of the Tax Equalization and Review Commission (TERC)
- 2) Written statement of the basic procedures used to send valuation notices
- 3) Copy of Notice of Valuation Change
- 4) Omitted and Undervalued Property Listing
- 5) Generalized overview of the procedures used in Madison County Assessor's Office to determine value of real property
- 6) Nebraska Assessor's Reference Manual
 - A) Article 15 of Nebraska Statutes, Chapter 77
 - B) Real Property Appraisal Regulations: 44-001 through 44-005
 - C) County Officials Regulations: 49-001 through 49-010
 - D) Real Property Regulations: 40-001, 003, 004, 008, 010, 011, 012 and 013
- 7) I.A.A.O. Textbooks: Property Appraisal and Assessment Administration, Property Assessment Valuation, and Mass Appraisal of Real Property, and IAAO Glossary for Property Appraisal and Assessment
- 8) Tax Equalization and Review Commission General Orders #4 through #8
- 9) Madison County Sales File Record (Residential, Commercial, and Agricultural)
- 10) Copy of Madison County Measures of Central Tendency as required under Nebraska Revised Statute §77-1315(4) (2000 Cum. Supp., as amended by Nebraska Laws L.B. 170 § 6)
- 11) Copy of Property Valuation Protest Form 422
- 12) Nebraska Agricultural Land Valuation Manual
- 13) Map of Madison County Agricultural Market Areas
- 14) Copy of confidential intra-office spreadsheet of adjustments made by location
- 15) Copy of Ag land values spreadsheet – 3 year comparison
- 16) Copy of Ag land values spreadsheet – values by market area
- 17) Soil Survey of Madison County published by US Dept. of Agriculture / Soil Conservation Service
- 18) 2018 Reports and Opinions of the Property Tax Administrator
- 19) Copy of Nebraska Administrative Code, Chapter 1; TERC Enabling Authority
- 20) "Real Property Valuations and Damage Due to Natural Disasters" Notification from P.A.D. dated June 10, 2011
- 21) U.N.L. Department of Agricultural Economics "Financial Outlook for 2015 Production Agriculture in Nebraska" dated April 8, 2015
- 22) U.N.L. Department of Agricultural Economics "2016 Trends in Nebraska Farmland Markets: Farming and Ranching on the Margin" dated March 9, 2016
- 23) U.N.L. Department of Agricultural Economics "2015 Trends in Nebraska Farmland Values and Rental Rates Reflect changes in Agricultural Commodity Prices" dated March 4, 2015
- 24) U.N.L. Department of Agricultural Economics "2014 Nebraska Farmland Values and Rental Rates: dated July 2, 2014
- 25) U.N.L. Department of Agricultural Economics, "Nebraska Farm Real Estate Market Highlights 2011-2012" dated June 2012
- 26) U.N.L. Department of Agricultural Economics, Cornhusker Economics "Land Booms, Bubbles and Busts: Some Beginning Year 2013 Reflections" dated January 16, 2013
- 27) U.N.L. Department of Agricultural Economics, Cornhusker Economics "Agricultural Land Values and Cash Rental Rates Continue to Climb" dated March 20, 2013

Hearings were conducted on property valuation protests as follows:

Protest #2018-1: Susan Fuoss Koehler, 3207 South 12th Street, Lot 43, Norfolk
ILL – Ewin Properties Addition Lot 2 (3-23-1) – MH Lot 43 (1991 Bel-Air 16 X 66)

Chairman Schmidt opened a hearing at 1:07 P.M. Susan Koehler appeared at the hearing and testified that the house was purchased in 1997 for \$24,500 and the current valuation is \$27,213.00. She stated that no improvements have been made to the house since 2010 when she put a metal roof on it. She reported that the house is in a mobile home park, so she doesn't own the property. She explained that in 2009 new windows and wood siding were added. She stated that the house doesn't have central air and a re-built furnace was put in the house in 2008. She reported that two windows and some doors are not trimmed and the bathtub is starting to fall in. County Assessor Jeff Hackerott reported that he reviewed the property with the owner on June 19, 2018. He stated that the home has 3 bedrooms and one bathroom. He confirmed that the house has 4' by 8' sheets of pressboard siding and that a new metal roof was installed in 2010. He stated that modifications were made to the interior along the north bedroom to allow for handicap access. In addition, he confirmed that the bathroom floor is soft in several spots. Chairman Schmidt closed the hearing at 1:14 P.M. Motion was made by Ohl and seconded by Prauner to set the 2018 property valuation at \$17,790.00. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2018-2: Randy Mather, 508 Grove Avenue, Meadow Grove
SE 1 /4 3-22-4-160 AC

Chairman Schmidt opened a hearing at 1:17 P.M. Randy Mather, Roy Martisen, and David Fowlkes attended the hearing. Randy Mather reported that Dave Fowlkes took pictures which were accepted into the record. Mr. Mather stated that the valuation is too high and the requested building valuation of \$40,000 that he listed on the protest form is also too high. He reported that the buildings are bad and the house is uninhabitable. Mr. Martinsen, who is a carpenter, looked at the house and he testified that it would cost between \$40,000.00 and \$45,000.00 to repair the house. Mr. Fowlkes confirmed the deteriorating condition of the buildings. Mr. Mather reported that he lived in the house from 1979 to 1998. He stated that the buildings should have no value because if he needs to tear them down, it will cost a lot of money. County Assessor Jeff Hackerott reported that he inspected the buildings with Mr. Mather and Mr. Fowlkes on June 22, 2018. He stated that most of the buildings are bad and the only buildings with value are the two Monarch grain bins, the Quonset, and the barn. David Fowlkes reported that the corners are breaking out on the barn and the wall is off the foundation on the north side. Chairman Schmidt closed the hearing at 1:26 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 building valuation at \$15,089 and set the total valuation of the entire parcel at \$961,656. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-3: Brian and Kaley Cram, 1716 East Sycamore Avenue, Norfolk
Walters East Knolls Tenth Addition Lot 14, Blk 11

Chairman Schmidt opened a hearing at 1:46 P.M. No one appeared at the hearing to offer verbal testimony. The written project form was read. County Assessor Jeff Hackerott reported that he reviewed the property with Brian Cram on June 19, 2018; however, he didn't complete an interior inspection because the owner confirmed that the assessment listing was correct. He stated that the house was built in 2012 and the owner's concern is that the concrete in the driveway and garage floor are stippled with divots. He said that the concrete is not infiltrated with moisture because the majority of divots in the garage are where vehicles are parked. He reported that the owner put acrylic paint on the floor as a sealer and some of the divots are the size of golf balls and 3/8 of an inch deep. He explained that there are about 150 holes and the owner put a concrete patch filler in the larger holes. Mr. Hackerott reported that the owner stated that the builder of the house blamed the concrete contractor; but, the concrete contractor blamed the problem on the salt brine placed on roadways during snow storms. He said that he doesn't know what affect the concrete problem will have on the re-sale of the house. He said that the owner estimates that it will cost about \$22,000 to replace the concrete. He reported that the purchase price was \$235,000 and the owners finished the basement after they bought the house. He explained that the comparable property listed in the protest is an incomplete valuation since the owner is building the house himself and during the last inspection the house didn't have a kitchen. He reported that sale of other homes in the neighborhood range from a low of \$99 per square foot up to \$179 per square foot. Chairman Schmidt closed the hearing at 1:53 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Prauner. Nays, Ohl and Schmidt. Motion failed. After further discussion, a motion was made by Schmidt and seconded by Ohl to reduce the building valuation by \$5,000 for the concrete problem and set the 2018 property valuation at \$335,794. Roll call vote: Ayes, Ohl and Schmidt. Nays, Prauner. Motion carried.

Protest #2018-4: Benjamin Conover, 2501 Timber Meadows Lane, Norfolk
Original Town N 44 Ft Lots 1 & 2, Blk 9

Chairman Schmidt opened a hearing at 1:27 P.M. Benjamin Conover was present at the hearing and testified that he purchases buildings and renovates them into apartments and store fronts to re-vitalize small towns. He said that he expects the buildings to be re-valued and increase. He stated that he knows that he won't be able to sell the property for the amount of money spent on renovations; but, they do it for cash flow for retirement. He said that the building was re-valued at \$160,457.00 and there aren't any comparable properties in downtown Tilden. He reported that he paid \$75,000 for the building 2½ years ago and that he paid \$26,000.00 for a building located across the street which is currently valued at \$65,000; so, he probably overpaid for the subject property. He explained that the bottom of the building was a bakery and the second floor was living space. He stated that the grocery store is a good example of a 5,000 square foot building which has good upkeep and is valued at \$77,000.00. He stated that the 2018 valuation of this property is 450% of the average and 244% of the second highest value in Tilden. County Assessor Jeff Hackerott reported that he reviewed the property with Mr. Conover on June 19, 2018. He explained that the main floor is retail space and the second floor has been renovated into three apartment units which each have two bedrooms and one bathroom which is newly constructed. He reported that the apartments are accessed from a common entrance in the back part of the building which has a staircase leading to the apartments. He explained that there are three locked storage areas on the main floor for each apartment unit and all three apartment units are occupied. Chairman Schmidt closed the hearing at 1:33 P.M. Motion was made by Prauner and seconded by Schmidt to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-5: Benjamin Conover, 2501 Timber Meadows Lane, Norfolk
Pt NE 1/4 NE 1/4 34-24-1 1.189 AC9 (Tract 1 – Medelman's Lot Boundary Change)

Chairman Schmidt opened a hearing at 1:34 P.M. Benjamin Conover was present at the hearing and testified that the subject property is known as the Norfolk Depot. He reported that it was built in 1907 for use as a train station and in the 1960s it was renovated into a high-end restaurant. He stated that during the past decade the building was used as a night club and the owner lost the property to tax liens and he purchased it after it was on the market for 18 months. He reported that the property has been rezoned to R-3 multi-family with a planned development. He stated that the windows are pieces of glass that were framed in and all the water lines are broken, so the building is dilapidated. Mr. Conover reported that he is working with the architect on the planning phase and he hopes to start working on the project in 1½ years. He estimated that the renovation will cost approximately \$1.2 million because the interior of the building will probably need to be taken down to the studs and re-built. He reported that he paid \$140,000 for the property several months ago. County Assessor Jeff Hackerott reported that he reviewed the property with Mr. Conover on June 19, 2018 and he confirmed that the building has been vacate for several years. He stated that the interior is still set up with a bar and night club with three big rooms and a kitchen. He stated that the intended use is for 10 single family apartment units which will require the structure to be gutted with new wiring and plumbing. He stated that mirrored glass was placed over boarded up window spaces and there is no functionality for the current change in zoning. Chairman Schmidt closed the hearing at 1:39 P.M. Motion was made by Ohl and seconded by Prauner to set the 2018 property valuation at \$140,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-6: Werner Blank, P.O. Box 548, Madison
ILL – Tax Lots NE 1/4 NE 1/4 5-21-1 Pt SE1/4 Tax Lot 10 .25 Ac

Chairman Schmidt opened a hearing at 1:40 P.M. Warren Blank was present for his brother, Werner Blank, who filed the protest form. He reported that Werner Blank left on June 24, 2018 for a trip to Alaska and he requested that the Board re-schedule the hearing until he can return to attend a hearing. Warren Blank explained that his brother protested the value in 2016 and filed an appeal with the Tax Equalization and Review Commission who hasn't heard the appeal yet. He stated that the protest is for a 6,000 bushel grain bin that is about 30 years old. Chairman Schmidt stated that the hearing would be re-scheduled and he closed the hearing at 1:43 P.M. Motion was made by Ohl and seconded by Prauner to table a decision and re-schedule a hearing. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2018-7: Matthew Hampl, 611 Blue Stem Circle, Norfolk
Meadow Ridge – Phase 23rd Addition Lot 3, Blk 1

Chairman Schmidt opened a hearing at 2:28 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property with Mr. Hampl on June 22, 2018. He explained that the house is typical for the neighborhood and has three bedrooms and one bathroom on the main floor. He stated that the basement has one conforming bedroom, a ¾ bathroom, and two unfinished areas. Chairman Schmidt closed the hearing at 2:30 P.M. Motion was made by Ohl and seconded by Prauner to set the 2018 property valuation at \$175,425. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-8: SirHal Management LLC, P.O. Box 193, Norfolk
Commonwealth Part First Addition Lot 6, Blk A

Chairman Schmidt opened a hearing at 2:10 P.M. Mark Sirek attended the hearing and stated that he owns the building with his partner, Mark Weidner. He submitted a handout which stated that the Sears store located next door to the subject building is the same size lot and larger building and is valued at \$519,964. He stated that if the store square footage is divided by the valuation, it comes to \$48.50 per square foot. He reported that Mutual of Omaha is an insurance office building on the same street, with the same size lot, smaller building, but the valuation is only \$207,883. He said that if the building square footage is divided by the valuation it comes to \$62.90 per square foot. He reported that the subject building has a valuation of \$730,012 with 8,338 square feet, which makes the square foot evaluation of \$87.55 per square foot. Mr. Sirek said that the subject property is 6,538 square feet of office space and 1,800 square feet of simple storage space. He said that they aren't asking to match anyone around their building, or even to go down in valuation, but they are asking to stay as is for the year. He said that the properties around them, one of which is a similar business, are valued far less than what their building and they are asking the Board to reconsider the 2018 valuation. Mr. Sirek reiterated that the subject building is located next to the Sears store which has a lot more square footage and a valuation of \$48.50 per square foot compared to their building valued at \$87.55 per square foot. He explained that Town & Country Insurance office, Krier Technologies, and Measure of Life are located in the subject building. He reported that Mutual of Omaha is located close by and their valuation is \$62.90 per square foot. County Assessor Jeff Hackerott requested the owner to submit the 2015, 2016, and 2017 income and expense statements for the leased areas. He asked who uses the storage area in the building and Mr. Sirek responded that Town and Country Insurance uses 500 square feet for old record storage and the remainder is used by Mark Weidner for personal storage. Chairman Schmidt closed the hearing at 2:17 P.M. Motion was made by Prauner and seconded by Ohl to table a decision on the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-9: Mark Hunke, 800 South 8th Street, Norfolk
Durlands Suburban Lots NE1/4 Lot 19

Chairman Schmidt opened a hearing at 2:31 P.M. No one appeared at the hearing to offer verbal testimony. The protest form was read. County Assessor Jeff Hackerott reported that he inspected the property with Mr. Hunke on June 22, 2018. He stated that the house is a 1951 bungalow style house with two bedrooms and one bathroom on the main floor and an unfinished basement. He stated that the kitchen is small and was updated in the 1980s. He said that the owner put on new roofing and vinyl siding in 2014; so, the house has good street appeal. He stated that the assessment record reflects basement finish; however, the basement is unfinished. He confirmed that the neighbor's house located at 708 South 8th Street is listed on the market for \$78,143. He stated that the house is typical for the neighborhood. Chairman Schmidt closed the hearing at 2:33 P.M. Motion was made by Ohl and seconded by Prauner to set the 2018 property valuation at \$95,051. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-10: Kristin Farmer, 83847 547th Avenue, Battle Creek
Pt NE 1/4 NE 1/4 SE 1/4 7-23-2 3.04 AC (Eugene L. Reeves First Lot Split – 2009)

Chairman Schmidt opened a hearing at 2:19 P.M. David and Kristin Farmer appeared at the hearing. Kristen Farmer submitted copies of similar comparable properties. She stated that they built their house in 2017. She reported that the biggest discrepancy is the finished square footage of their house which is less compared to the other homes. She stated that many of the other comparable properties are located between Battle Creek and Norfolk and they also have out buildings; but, they don't have any additional buildings. County Assessor Jeff Hackerott reported that he inspected the property with Kristin Farmer on June 22, 2018. He explained that the 2018 valuation is an estimate because the County didn't complete an interior inspection, so the valuation reflects a completely finished basement; however, the basement is not finished. Chairman Schmidt closed the hearing at 2:27 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$396,640. Roll call vote: Ayes, Ohl, Prauner and Schmidt. Nays, none. Motion carried.

Protest #2018-11: Lawrence Janssen, 203 South 10th Street, Norfolk
Koenigsteins Third Addition Lot 15, Blk 6

Chairman Schmidt opened a hearing at 2:33 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property on June 19, 2018 with Lawrence Janssen. He explained that the house is a small bungalow style home which was built in 1948 and has two bedrooms and one bathroom on the main floor. He reported that the original hardwood floors are very worn and don't have any finish. In addition, he stated that a kitchen update was started about 11 years ago and is not finished. He said that Mr. Janssen purchased the house in 1998 for the purchase price of \$47,000. Chairman Schmidt closed the hearing at 2:37 P.M. Motion was made by Ohl and seconded by Prauner to set the 2018 property valuation at \$67,111. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-12: Lawrence and Gladys Praeuner, P.O. Box 13, Battle Creek
Westwood Subdivision Lot 2

Chairman Schmidt opened a hearing at 2:38 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property on July 19, 2018 with the owner. He said that the parcel has an old detached garage with a lean-to on the back side and a double wide mobile classroom formerly used by a school which has been converted into a hobby shop. He said that the hobby shop is basically one large room with a partial wall in one area. He said that there is still carpet on the floor and the mobile home panels on the walls and ceilings are still in place. He reported that there is no heat or plumbing; but, there is electricity and a window air conditioning unit. Chairman Schmidt closed the hearing at 2:42 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$21,384. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

County Assessor Jeff Hackerott submitted the following tax list corrections:

- #3388: Troy and Suzanne Uhler, 2703 Parkhill Drive, Norfolk
Addition to the tax rolls in the amount of \$787.14 for correction of 2017 personal property taxes after reviewing 2018 depreciation worksheet
- #3389: Dave Johnson, 1227 Eldorado Road, Norfolk
Addition to the tax rolls in the amount of \$653.60 for correction to the 2017 personal property taxes after reviewing 2018 depreciation worksheet

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- #3390: Full Throttle Service, 1102½ Riverside Boulevard, Norfolk
Addition to the tax rolls in the amount of \$631.10 for correction of 2017 personal property taxes after reviewing 2018 depreciation worksheet
- #3391: Full Throttle Service, 1102½ Riverside Boulevard, Norfolk
Addition to the tax rolls in the amount of \$645.50 for correction to the 2016 personal property taxes after reviewing the 2018 depreciation worksheet
- #3392: Full Throttle Service, 1102½ Riverside Boulevard, Norfolk
Addition to the tax rolls in the amount of \$537.38 for correction to the 2015 personal property taxes after reviewing the 2018 depreciation worksheet
- #3393: Don Roberg, 308 North 4th Street, Newman Grove
Addition to the tax rolls in the amount of \$46.08 for correction to the 2017 personal property taxes after reviewing the 2017 depreciation worksheet
- #3394: Thomas Dover Sr., 1000 West Norfolk Avenue, Norfolk
Addition to the tax rolls in the amount of \$115.40 for correction to the 2017 personal property taxes after reviewing the 2017 depreciation worksheet
- #3395: Donald Gerdes, 83773 557th Avenue, Norfolk
Addition to the tax rolls in the amount of \$213.58 for correction of 2016 personal property taxes due to purchase of a mobile home
- #3396: Donald Gerdes, 83773 557th Avenue, Norfolk
Addition to the tax rolls in the amount of \$212.34 for correction to the 2017 personal property taxes due to purchase of a mobile home
- #3397: Market Plaza, c/o Market Investments LLC, 6846 Belmont Drive, Shawnee, Kansas 66226
Addition to the tax rolls in the amount of \$69.66 for acceleration of the 2018 personal property taxes due to sale of equipment in April, 2018
- #3398: Midstates Data Transport LLC, P.O. Box 634, Blair, Nebraska
Deduction from the tax rolls in the amount of \$608.68 for correction to the 2017 personal property taxes due to a clerical error of double taxing the equipment
- #3399: Tamera Bierman, P.O. Box 11, Battle Creek
Addition to the tax rolls in the amount of \$104.04 for correction to the 2017 personal property taxes after reviewing the 2017 depreciation worksheet

The Board of Equalization recessed at 2:50 P.M. to Tuesday, July 10, 2018 at 1:00 P.M.

Nancy Scheer
Madison County Clerk

Ron Schmidt, Chairman
County Board of Equalization