

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

BOARD OF EQUALIZATION

Madison, Nebraska

June 27, 2017

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

Advance notice of meeting was published in the Thursday, June 22, 2017 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 Christian Ohl 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.

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.

#3267: Rumor Has It, 507 South Kent Street, Madison
Addition to the tax rolls in the amount of \$29.64 for acceleration of 2017 personal property taxes due to closing of the business in spring of 2017

#3268: China Gate, 2002 North Highway 35, Norfolk
Addition to the tax rolls in the amount of \$80.20 for acceleration of 2016 personal property taxes due to closing of the business on May 6, 2017

#3269: General Wireless Operations, Inc., 300 Radioshack Circle, Fort Worth, Texas
Addition to the tax roll in the amount of \$106.28 for acceleration of 2016 personal property taxes due to closing of the business in 2017

Motion made by Prauner and seconded by Schmidt to approve the tax list corrections 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 2017:

- 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) 2017 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

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Chairman Ohl opened a hearing at 1:01 P.M. to receive comments regarding exemption applications for real and personal property.

Pastor Barry Williams was present and stated that he is the Treasurer of Madison Ministerial Association. County Assessor Jeff Hackerott reported that the exemption application is for a building located at 115 East 3rd Street in Madison. He reported that the Madison Ministerial Association purchased the building in May, 2016.

Pastor Williams reported that the building is used by the Madison Ministerial Association as a food pantry. He explained that a portion of the building is rented as office space for Thrivent Financial. Commissioner Prauner asked if income is received from the office space and Pastor Williams responded affirmative. Commissioner Prauner asked how many square feet is rented to Thrivent and Pastor Williams responded that approximately 120 square feet is rented. Commissioner Schmidt asked if Thrivent is non-profit and Pastor Williams responded affirmative. Mr. Hackerott stated that Thrivent is a taxable business managing investments and selling insurance. Pastor Williams explained that the building was rented for several years and then the owner wanted to re-purpose the building or sell it, so the Madison Ministerial Association purchased the building so they wouldn't need to move to another location.

Commissioner Prauner asked if a portion of the building could be approved as tax exempt and Mr. Hackerott responded that the portion used by Thrivent would be taxable based upon the percentage that the business is using. He explained that he would calculate the percentage based upon the size of the building. Commissioner Schmidt stated that he has helped at the food pantry and can verify the use of the building. He reported that the food pantry is open every Saturday morning.

After discussion, a motion was made by Prauner and seconded by Schmidt to approve a partial exemption for Madison Ministerial Association. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Lee Weander, Pastor of Our Savior Lutheran Church, was present and explained that the current facility is located at 2500 Norfolk Avenue and they plan to move to property located at 2420 West Omaha Avenue. He said that the property is the former Eagle Distribution and was purchased in September, 2016. He explained that they plan to relocate the entire ministry to the new location and the current property at 2500 Norfolk Avenue is for sale, so when it sells it will probably return to the tax rolls because he doesn't know of any other churches who are interested in a larger structure. He reported that they are in the process of getting architectural plans drawn and construction will begin in late summer or early fall with the contractors advising that there may be about nine months of construction. He stated that there won't be any demolition since the front part of the building is offices and the two large warehouses will be modified with walls and partitions for workshop area, Sunday school space, bathrooms, and a day care center.

Commissioner Schmidt asked how much land is included and Pastor Lee responded that the property includes 7.59 acres. Commissioner Schmidt asked what the land is being used for and Pastor Lee explained that the land is not used for anything and the building is being leased back to Eagle Distribution which is relocating south of Walmart. Pastor Lee explained that the lease was through March, but they are continuing on a month to month lease and Eagle Distribution is expecting to be out of the building in August. He stated that the open land is owned by Paul Medelman and eventually some of this land will be gifted by Mr. Medelman or purchased for parking spaces. He explained that they aren't under contract to buy additional land, but it has been a conversation since they will need additional land. He said that if additional land is purchased they will ask for it to be tax exempt. He said that preliminary estimates are a need for 350 parking spaces. He explained that they lease space for a daycare center which is a 501c3 nonprofit organization, but almost all the funds from the lease are returned to the daycare as a mission project. He reported that daycare in Norfolk is at a premium and there is an 11 month waiting period to get on the list for daycare.

Commissioner Schmidt stated that the Board needs to make a determination of what percentage of the building will be granted a tax exemption for the first year since a portion is being leased. Pastor Lee explained that Eagle Distribution is only leasing approximately 10,000 square feet of office space and they are allowing the company to park their trucks inside.

After discussion, a motion was made by Prauner and seconded by Ohl to approve a partial exemption for Our Savior Lutheran Church. Roll call vote: Ayes, Ohl, Schmidt and Prauner, Nays, none. Motion carried.

Lacy Porn, Vice President of the Downtown Norfolk Association, and John Stappert were present at the hearing. Ms. Porn explained that the Downtown Norfolk Association is a 501c3 which has purchased a double faced digital sign which is leased to the Vehicle Parking District. She stated that the Vehicle Parking District sells 9 spots to downtown businesses and the Downtown Norfolk Association sells 2 spots to non-profit organizations. Mr. Stappert reported that the digital sign is located on the edge of the Salvation Army parking lot on property owned by the City of Norfolk. He advised that the Downtown Norfolk Association is a non-profit organization and he questioned if the sign would be taxable. County Assessor Jeff Hackerott replied that the Downtown Norfolk Association qualifies as a permissive exempt entity; but, the concern is leasing digital space. Ms. Porn advised that any money received from the advertisements goes back into the Downtown Norfolk Association to promote downtown events that are free for the community. Mr. Hackerott asked what the cost is to lease space and Ms. Porn replied that this sign can only be leased to downtown businesses for \$95 per month with one spot saved for use by the City of Norfolk. Mr. Stappert reported that Downtown Norfolk Association is the marketing branch of the Vehicle Parking District which has made improvements over the past 10 years by adding hand railings, sidewalks, parking lots, and the digital sign. Commissioner Prauner asked who pays the electrical costs and Mr. Stappert replied that the Downtown Norfolk Association pays electrical costs. Ms. Porn reported that they were having trouble selling all the advertising spots because the original cost was probably set too high. After discussion, Mr. Hackerott recommended approving the exemption application; however, he expressed concerns about payment being received for leasing advertising space, but stated that the advertising space is only leased to businesses associated with the Downtown Norfolk Association.

After discussion, a motion was made by Prauner and was seconded by Schmidt to approve the exemption application for Downtown Norfolk Association. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Paul Warneke, Treasurer of the Orphan Grain Train, was present at the hearing. Mr. Warneke reported that 8 applications were submitted for parcels donated to the Orphan Grain Train and the office building that was purchased in March. He explained that some property was willed by Clayton Andrews after his death in November, 2016. He reported that some of the property was used by Orphan Grain Train even though Mr. Andrews owned it. He reported that Orphan Grain Train may want to expand Mercy Meals into one of the buildings, and the warehouse is overcrowded, so there may need to be some remodeling done to utilize the buildings. Mr. Warneke explained that the building recently purchased still has filing cabinets and desks in it which will be put in inventory until it's requested for use elsewhere. He reported that he serves as the Treasurer for Orphan Grain Train and serves on the Board of Directors; but, he can't make decisions regarding use of the properties.

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County Assessor Jeff Hackerott recommended that the applications be approved for exemption; but, he explained that the applications were filed late, so there will be penalties for late filing. Mr. Warneke asked if the Assessor's office was notified when the properties were transferred to Orphan Grain Train and Mr. Hackerott replied that the applications were submitted on June 14, 2017. Mr. Warneke explained that he didn't receive the forms until the first of June and Mr. Hackerott responded that the owner needs to request the permissive exemption form. Mr. Warneke reported that the taxes were paid on all the properties up to the date of transfer. Mr. Hackerott explained that the penalty for late filing is \$100/month for 6 months or one-half of the total taxes.

After discussion, a motion was made by Prauner and seconded by Schmidt to approve the exemption applications submitted by Orphan Grain Train. Roll call votes: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

No one appeared at the hearing to represent Midtown Health Center. County Assessor Jeff Hackerott reported that the exemption application was for a digital sign. He stated that Chief Financial Officer Michael Drake sent a picture of the sign which advertises programs and events of the clinic, but they don't lease space.

Motion was made by Prauner and seconded by Schmidt to approve the exemption application for Midtown Health Center. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Chairman Ohl closed the hearing at 1:40 P.M.

Hearings were conducted on property valuation protests as follows:

Protest #2017-1: Terry Mead, 3409 Golf View Drive, Norfolk
Eldorado Hills 7th Addition Lot 10, Blk 3

Chairman Ohl opened a hearing at 1:40 P.M. Terry Mead appeared at the hearing and testified that the valuation increased to \$354,565 and the house was purchased in March, 2017. He explained that as part of the purchase an appraisal was completed and the appraisal amount was \$349,000, which was also the purchase price of the property. Mr. Mead stated that the home was built in 1996. County Assessor Jeff Hackerott stated that Mr. Mead submitted a copy of the appraisal to verify the accuracy of his testimony. Chairman Ohl closed the hearing at 1:42 P.M. Motion was made by Prauner and seconded by Schmidt to consider the recent purchase price and set the 2017 property valuation at \$349,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-2: Mark Westerman, 105 South 7th Street, Battle Creek
Scranton Subdivision Lot 5

Chairman Ohl opened a hearing at 1:43 P.M. Mark Westerman appeared at the hearing and testified that he recently refinanced his property and an appraisal was completed reflecting a value of \$225,000. Mr. Westerman reported that the County has the property valued at \$220,441 which is 98% of the purchase price versus the State of Nebraska saying that the value should be 93% or 94% for residential property. Commissioner Prauner replied that the County must set the value between 92% and 100% of actual value. Mr. Hackerott reported that the valuation change was a 6% increase from the prior year. Mr. Westerman requested that the property valuation be set at \$210,000. He said that the valuation increased \$20,000 last year and \$13,000 this year, which is \$33,000 in two years and is a steep increase. Mr. Hackerott reported that he doesn't disagree that the amount of increase is high, but the appraisal confirms that the valuation set by the county is accurate. Chairman Ohl closed the hearing at 1:51 P.M. Motion was made by Prauner and seconded by Schmidt to consider the recent appraisal and make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-3: Kevin and Theresa Becker, 84750 556th Avenue, Norfolk
Hillside Terrace Addition Lot 5, Blk 11

Chairman Ohl opened a hearing at 2:23 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott advised that he inspected the property on June 21, 2017 with Mr. Becker. He reported that the owner plans to demolish the property since it is trashed inside, been vacant for a long time, and is full of termites. He stated that the owner plans to build a duplex on this property in 2018. He explained that the property was purchased on April 14, 2017 for \$7,500. Chairman Ohl closed the hearing at 2:26 P.M. Motion was made by Prauner and seconded by Schmidt to consider the recent purchase price and set the 2017 property valuation at \$7,500. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-4: James and Janice Clausen, 2001 Prospect Avenue, Norfolk
Westridge Hills Third Addition Lot 2, Blk 1

Chairman Ohl opened a hearing at 1:55 P.M. James Clausen appeared at the hearing and stated that the house was assessed for \$425,000 and he purchased it for \$100,000 below the value assessed by the county and that the only changes that have been made were removing wallpaper and painting. He said that the only reason homes don't sell for \$500,000 is because anyone that is going to spend that kind of money will go out and build a new home the way they want it. He stated that he purchased the home 4 years ago and he isn't disputing that the value has gone up a little, but the value is getting so high that it's not worth the assessed value of \$416,000. He stated that there are no recent comparable sales in the area. County Assessor Jeff Hackerott reported that the valuation change was a 7% increase that was applied to all properties within the price range of the subject property. Mr. Clausen stated that last year's value is fair, but the 2017 value is to the point where he may consider selling. Mr. Hackerott explained that properties valued under \$30,000 didn't change; but, houses valued between \$30,000 and \$99,999 increased 12% and houses valued between \$100,000 and \$400,000 increased 7% in value. Mr. Clausen stated that he paid \$347,000 for a 1½ story house and other sales are for ranch style houses. Chairman Ohl closed the hearing at 2:03 P.M. Motion was made by Schmidt and seconded by Ohl to accept the County Assessor's recommendation to set the 2017 valuation at \$397,544. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-5: IB Investments LLC, P.O. Box 565, Humphrey
PT NW1/4 SW1/4 25-24-1 .31 AC

Chairman Ohl opened a hearing at 3:10 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he inspected the property on June 25, 2017 with the tenant's girlfriend. He explained that the house is a small bungalow house built in the 1950's with a small finished attic and 672 square feet on the main floor. He reported that the house has two small bedrooms, one bathroom, utility room with a bare concrete floor, an updated kitchen, and laminate flooring in the kitchen and living area. Chairman Ohl closed the hearing at 3:14 P.M. Motion was made by Prauner and seconded by Schmidt to accept the County Assessor's recommendation to set the 2017 at valuation at \$48,273. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2017-6: Marlo and Elva Hins, 83697th Jerry Drive Norfolk
Jo-D's Subdivision Lot 5, Blk 2 (20-23-1)

Chairman Ohl opened a hearing at 2:08 P.M. Elva Hins appeared at the hearing and testified that the house has not been habitable since it was purchased due to the failed septic system. She reported that a new septic system was installed last week and they moved into the house on June 19, 2017. She stated that the home is now livable; but, still needs a lot of work. She reported that they purchased the property on September 9, 2016 for \$51,000. She explained that they were living in Nevada until her husband could complete a contract and they started in November trying to get a contractor to install a new septic system. County Assessor Jeff Hackerott reported that he reviewed the property on June 26, 2017 with Mr. Hins. He confirmed the sale date and price of the home and said that the subdivision has a very high water table and when a septic system backfills, the only solution approved by Department of Environmental Quality is installing a mounded septic system. Commissioner Schmidt asked if they were aware of the septic system issue when the property was purchased and Mrs. Hins responded that they were aware of the problem. Chairman Ohl closed the hearing at 2:12 P.M. Motion was made by Schmidt and seconded by Prauner to consider the recent purchase price and set the 2017 property valuation at \$51,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-7: Satheesh Malur, 2708 Ursula Circle, Norfolk
Parkhill Lot 84

Chairman Ohl opened a hearing at 3:33 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that his staff unsuccessfully tried to contact the owner by telephone to make an appointment for an interior inspection. He stated that a letter was also mailed on June 20, 2017 to request an appointment and the owner did not reply. He stated that the two comparable properties listed by the owner on the protest form are both smaller houses. He explained that the comparable houses have 1,690 and 1,375 square feet and the subject property has 1,975 square feet. He said the subject property has more finish in the basement. He stated that the house was originally constructed in 1999; but, an addition was added onto the house in 2002. Mr. Hackerott reported that the owner purchased the property on December 23, 2015 at a cost of \$200,000. He reported that the sale prices of five comparable houses ranged from a low of \$191,000 to a high of \$265,000, with the average sale price of \$142 per square foot and the subject property is valued at \$101.26 per square foot. Chairman Ohl closed the hearing at 3:38 P.M. Motion was made by Prauner and seconded by Schmidt to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-8: Cheryl Myers, 108 21st Drive, Norfolk
Sunset Addition Lot 8, Blk 3

Chairman Ohl opened a hearing at 2:27 P.M. Cheryl Myers and her daughter, Dani Noelle, appeared at the hearing. Ms. Myers testified that the valuation of the lot increased from \$8,804 up to \$19,500. She explained that the house on this property is sinking and there is a lot of sloping in the yard. She had pictures of her house that she reviewed with the Board and submitted as evidence. She explained that she put a carport by her house because the property is not zoned to build a garage. She stated that when the carport was put in the parcel was level; however, the land has since receded. She stated that if her property was at another location, the possibility of it appreciating would be great; however, at the current location, the value is not increasing. She stated that the neighborhood has turned into a rental area, so the homes are all lived in by people who don't take care of them. She stated that, in her opinion, the area is blighted. Dani Noelle testified that she spoke to someone in the County Assessor's office and was told that the valuation of the land was based upon what the selling price would be without a building; but, that is completely inaccurate because a lot of the neighboring parcels are more flat and at least one half of the subject parcel is a very sloped. She explained that her mother hires someone to mow her property because the lot is so steep. She stated that the lot is not zoned to even build a garage on it or to build a larger house on it. County Assessor Jeff Hackerott reported that he reviewed the property with the owner and that the testimony presented is accurate. He stated that the parcel slopes from north to south and is very severe from the back of the house south to the neighbor's property line. He stated that the City of Norfolk won't allow a garage to be constructed because the setbacks are too small. Chairman Ohl closed the hearing at 2:36 P.M. Motion was made by Schmidt and seconded by Prauner to accept the County Assessor's recommendation and set the 2017 land valuation at \$11,700. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-9: Pete Becker, 3506 Portia Place, Norfolk
Berry Hill 15th Addition Lot 28, Blk 2

Chairman Ohl opened a hearing at 2:40 P.M. Pete Becker appeared at the hearing and testified that the County Assessor's office made an error in determining the valuation of the subject property. He explained that the house is unfinished; however, a yard was planted because they were trying to prevent erosion. County Assessor Jeff Hackerott reported that he reviewed the property on June 22, 2017 with Mr. Becker. He explained that from the exterior, the house looks finished; however, the drywall is up, the cabinets have been delivered, but are not all installed. He stated that there are no floor coverings. He explained that the 2017 valuation was based upon an assumed complete house. Mr. Becker reported that they started the house and became very busy; so, they use this house as a fill-in project. He stated that they completed some work inside the house after January 1st and he estimated that the cabinets were delivered in January, some trim work was done, and the doors are hung but none have hardware installed. He stated that not all the plumbing fixtures are installed, there is no air conditioning, and no kitchen countertops. He explained that the recessed lights are installed; but, no other light fixtures are installed. Chairman Ohl closed the hearing at 2:45 P.M. Motion was made by Schmidt and seconded by Prauner to set the 2017 property valuation at \$188,520. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-10: Pete Becker, 3506 Portia Place, Norfolk
Lakeview 4th Addition Lot 2

Chairman Ohl opened a hearing at 2:45 P.M. Pete Becker appeared at the hearing and testified that the subject property is an empty lot which he has owned for over 20 years. He stated that there are business buildings, such as Elkhorn Valley Bank, a dentist office, and the USDA office, are located around this lot. He explained that the parcel is 3.96 acres and a 6 acre parcel located West of the subject property sold for \$158,000 and is zoned as R-3, Multi-Family District. Commissioner Schmidt asked what the lot would be used for if it was sold and Mr. Becker responded that the lot would be used as Office District. Commissioner Schmidt stated that even though the lots are close, they are not comparable because of the zoning and land use. Mr. Becker stated that the recent sale makes it justifiable to request a valuation adjustment. He stated that the lot is L-shaped so it is not as desirable as a parcel that has full frontage along a street. Chairman Ohl closed the hearing at 2:49 P.M. Motion was made by Prauner and seconded by Schmidt to set the 2017 property valuation at \$229,826. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2017-11: Pete Becker, 3506 Portia Place, Norfolk
Lakeview 4th Addition Lot 1

Chairman Ohl opened a hearing at 2:49 P.M. Pete Becker explained that the USDA office is located on the subject property. He submitted a copy of the lease with the USDA. He reported that he leases two different buildings to the Madison County Probation Office. He explained that the juvenile services program is located in a building with the Nebraska Department of Revenue and Nebraska Central Railroad. He reported that within the last six months the lease with the Nebraska Department of Revenue was up for renewal and the Department of Revenue wanted to sign a four-year lease. He explained that he asked for a 2% annual increase; however, the Nebraska Department of Revenue would sign the lease with a 2% increase, but only for three years. He said that this gave them an indication of how tight budgets are everywhere. He stated that the USDA will be in their building three years on September 1st. He explained that the lease is for ten years; however, the USDA can terminate the lease with 120 day notice. He stated that during the first three years of the lease he cannot make any increases on the rent, insurance, trash removal, taxes, or repairs and the first three years are the basis for the remainder of the lease agreement. Mr. Becker stated that if the taxes are raised 9%, that increase computes to approximately \$100 per month, and he needs to absorb these expenses for another seven years without being able to pass along the costs to the tenant because of the wording in the lease agreement. He stated that the County values property based upon comparable sales, rental income, and cost of replacement and he is locked into the lease for this property for another seven years. He asked for some relief on the valuation because there is no negotiation on the lease agreement. He explained that when the advertisement for the lease was published, there were approximately 16 people who asked for bid proposals; but, only 6 proposals were returned because there isn't any negotiating with USDA. County Assessor Jeff Hackerott reported that he reviewed the lease on June 12, 2017 and confirmed that the details of the lease as presented by Mr. Becker were accurate. Chairman Ohl closed the hearing at 2:59 P.M. Motion was made by Schmidt and seconded by Prauner to set the 2017 property valuation at \$722,456. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-12: Edwin Evans, 306 Domar Drive, Norfolk
Domar Subdivision Lot 2, Blk 1

Chairman Ohl opened a hearing at 3:40 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he inspected the property on June 22, 2017 with Mr. Evans. He explained that the house is a 1999 modular with panels instead of drywall. He reported that the house needs some work inside, but the siding, windows, and roof were replaced due to storm damage. He reported that the modular is 1,284 square feet, sits on a poured basement, has no basement finish, has three bedrooms and two bathrooms on the main floor, and a vaulted ceiling in the living room. He stated that the floor coverings need to be replaced and the house has a modular feel. Chairman Ohl closed the hearing at 3:44 P.M. Motion was made by Prauner and seconded by Schmidt to set the 2017 property valuation at \$118,015. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-13: Denise Brockhaus, 43255 280th Avenue, Humphrey
All W of U P Right-of-Way In NE1/4 17-23-1 93.03 Ac

Chairman Ohl opened a hearing at 3:47 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 parcel and presented several pictures of an old building site with dilapidated buildings. Chairman Ohl closed the hearing at 3:49 P.M. Motion was made by Schmidt and seconded by Prauner to make no change to the 2017 property valuation until the buildings are completely removed from the parcel. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-14: Floyd Geiser, 703 East Park Avenue, Norfolk
Tax Lots NW1/4 NW1/4 26-24-1 Pt Tax Lot 9

Chairman Ohl opened a hearing at 3:15 P.M. Floyd Geiser appeared at the hearing and testified that the property was purchased in 2010 and every year the taxes have increased. He reported that the only improvement made was replacing the roof and siding twice due to hail damage; otherwise, the house is the same as when purchased. He reported that the first year he thought that the valuation increase was probably right; however, this year the valuation increased \$11,000 for no reason. County Assessor Jeff Hackerott reported that he reviewed the property on June 26, 2017 with the owners. He explained that the ranch-style house was built in 1965 and has three bedrooms and one bathroom on the main floor. He said that the basement is three fourths finished and the house has vinyl siding. He reported that at some time the subject house had a 16 by 28 foot addition built onto the back of the garage which is walled off with plywood swinging doors and is used as a workshop. Mr. Geiser stated that he hasn't made any improvements on the house so he questioned why the valuation increased \$11,000 in one year when it's already being valued more than all the other houses in the neighborhood. County Assessor Jeff Hackerott responded that the valuation change was a blanket increase of 7% for all residential properties within the valuation range of the subject property. Mr. Geiser explained that he checked the internet for the valuation and taxes for other houses in the neighborhood. He stated that his neighbor's house sold in 2013 for \$105,000. He reported that the house located across the street at 702 E. Park Avenue is valued at \$101,000 and the house is almost identical to his house. Chairman Ohl closed the hearing at 3:24 P.M. Motion was made by Schmidt and seconded by Prauner to set the 2017 property valuation at \$131,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-15: Sirhal Management LLC, PO Box 159, Pierce
Commonwealth Park First Addition Lot 6, Blk A

Chairman Ohl opened a hearing at 3:51 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that the subject property is an office building occupied by three tenants, including Town and Country Insurance, Krier Technologies, and Measure of Life. He said that he was hoping to obtain some lease rates, and income and expense statements from the owner. He explained that the building is prime office space and the comparable property submitted by the protestor is located west of Faith Regional Health Services is a vacant lot valued at \$3.50 per square foot and the subject property is valued at \$4.73 per square foot. Mr. Hackerott stated that a comparable office building is the former Daycos office space which is listed for sale at \$725,000. He explained that the valuation change was a 9% increase. Chairman Ohl closed the hearing at 3:56 P.M. Motion was made by Prauner and seconded by Schmidt to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

The Board of Equalization recessed at 4:03 P.M. to Wednesday, July 5, 2017.

County Clerk Nancy Scheer

Christian Ohl, Board of Equalization Chairman