

## BOARD OF EQUALIZATION MEETING

Madison, Nebraska

July 9, 2013

The Board of Equalization of Madison County, Nebraska met at 8:54 A.M., in continuation of the June 25, 2013 meeting, to conduct hearings on property valuation protests.

Advance notice of meeting was published in the Tuesday, July 2, 2013 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgement of receipt of notice of meeting as published was executed. Chairman Jerry McCallum called the meeting to order and notified the public of the location of the Open Meeting Act information posted in the meeting room.

Present: Commissioners Lee Klein, Jerry McCallum, and Christian Ohl, County Assessor Jeff Hackerott, and County Clerk Nancy Scheer.

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

Hearings were conducted on property valuation protests as follows:

Protest #2013-32: Todd E. Munderloh, 2006 North 18th Street, Norfolk  
Pt W1/2 NE1/4 16-24-1 Tract 1 10.73 AC

Chairman McCallum opened a hearing at 8:54 A.M. Todd Munderloh appeared at the hearing and testified that he purchased the property on March 9, 2012 at a cost of \$274,900. He stated that the County has the property valued at \$280,028 and he requested that the valuation be reduced to 93% of the purchase price, which would be \$255,657. County Assessor Jeff Hackerott reported that the subject property abuts College View Subdivision on the south and the Nebraska Game and Parks Commission office on the east side. He stated that the house was built in 1996. In addition, he reported that the owner is currently building a pole shed on the property; but, the construction started after January 2013. Mr. Hackerott stated that he understood that the house had items missing when the owner purchased it. Mr. Munderloh responded that the previous owners removed the ceiling fans and replaced them with light fixtures, but the house was not in bad shape when they bought it. Chairman McCallum closed the hearing at 8:56 A.M. Motion was made by Klein and seconded by Ohl to set the property valuation at \$274,900 after giving consideration to the recent purchase price. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-33: Todd E. Munderloh, 2006 North 18th Street, Norfolk  
NE1/4 33-23-3 160 AC

Chairman McCallum opened a hearing at 8:56 A.M. Todd Munderloh appeared at the hearing and testified that five buildings, a grain bin, and concrete feed bunks and pads were removed from the subject property. County Assessor Jeff Hackerott reported that he inspected the property on July 3, 2013. He stated that there is a gate across the driveway; however, he received permission from the owner to inspect the property. He verified that the feed bunks are gone, a house has been removed, and that another house on the property is abandoned. In addition, he stated that other buildings are in poor shape. Chairman McCallum closed the hearing at 8:57 A.M. Motion was made by Klein and seconded by Ohl to accept the County Assessor's recommendation and set the property valuation at \$520,106 based upon a physical inspection. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-34: Todd E. Munderloh, 2006 North 18th Street, Norfolk  
Pt NW1/4 NE1/4 & S1/2 NE1/4 18-23-2 111.79 AC

Chairman Klein opened a hearing at 8:57 A.M. Todd Munderloh appeared at the hearing and testified that the grain bin which was built in the early 1980s has the floor sweeping equipment removed from it. County Assessor Jeff Hackerott reported that he inspected the property on July 3, 2013 and confirmed that the grain bin does not have an auger or stirator. He stated that there is no change to the farm ground. Chairman McCallum closed the hearing at 8:59 A.M. Motion was made by Klein and seconded by Ohl to accept the County Assessor's recommendation to set the valuation at \$391,064 base upon a physical inspection of the property. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-35: Paul's Grocery dba Thriftway Market, 101 East 2nd Street, P.O. Box 170, Tilden  
Original Town W 52 Ft Lots 10 & 11, Blk 4

Chairman McCallum opened a hearing at 9:08 A.M. Paul Bichlmeier was present and testified that he sold a property located at 214 2nd St. in Tilden for \$25,000 when he combined the two grocery stores that he owned. He explained that he moved to the current building because of the access into the store, a bigger entryway, and a newer addition onto the back. He stated that the previous grocery store had a slanted entryway which was very dangerous. He reported that it took over a year for the realtor to sell the building. Mr. Bichlmeier reported that there is not much activity left in retail for downtown Tilden, because the shoe store closed and one of the two barber shops closed, so there's not much need for commercial retail property in the City of Tilden. He explained that this building has a newer addition on the back; but the receiving area is questionable because semi's need to cross the corner of a neighboring property to get 54' trailers in behind the store to unload groceries. He stated that he does not see the valuation of commercial properties in downtown Tilden increasing during the last 10 years. He stated that he has not completed any major improvements to the building during the last 10 years and all changes were either maintenance or repairs. County Assessor Jeff Hackerott reported that he inspected the property with the owner on July 3, 2013. He stated that a number of years ago the grocery store was two buildings and more recently an addition was added onto the south side of the building. He stated that the two original buildings have a basement underneath, with unfinished brick walls, concrete floors, and 7 foot ceilings. Mr. Bichlmeier reported that the original buildings have wooden floors, which is problematic with the weight of groceries that may cause the floors to crack. Chairman McCallum closed the hearing at 9:14 A.M. Motion was made by Klein and seconded by Ohl to accept the County Assessor's recommendation for no change to the property valuation based upon a physical inspection. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-36: Linda S. Butterfield, 1212 South 4th Street, Norfolk  
Tax Lots SW1/4 SE1/4 27-24-1 E 150 Ft S 75 Ft Tax Lot 1 Less Pt to State .22 AC

Chairman McCallum opened a hearing at 9:22 A.M. County Assessor Jeff Hackerott reported that he reviewed the independent appraisal submitted by the protester. He reported that in 1976 a 24' x 24' building was constructed along the west side of the house and was used for the retail business of Tri-State Sewing. He explained that after the business closed in 2007, the owner cut a hole in the west side of the building and converted it to a single car garage and shop area. He stated that the building still has a window air conditioner and two wall furnaces. He reported that the house was built in the 1920s and previously had an apartment in the basement, which is still there, but no longer rented. He stated that there is also a single car garage and carport connecting the two garages. He explained that there was an attic in the building used as a business; however, the stair well has been removed so there is no functional attic space in the building. He stated that the property is zoned C-1, which is a non-conforming use, so if the house would burn down, it could not be rebuilt. He stated that he reviewed the property on July 3, 2013 with Mr. Butterfield. Chairman McCallum closed the hearing at 9:26 A.M. Motion was made by Klein and seconded by Ohl to accept the County Assessor's recommendation and set the valuation at \$83,500 based upon a physical inspection. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-37: Eagle Ridge Management, L.L.C., P.O. Box 693, Norfolk  
Glenwood Addition Lot 1, Blk 8

Chairman McCallum opened a hearing at 9:28 A.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he reviewed the property on July 5, 2013. He reported that the owners purchased the property in March 2013; however, it is currently not occupied. He stated that the house had old asphalt rolled siding which was full of termites, so the siding has all been removed. Chairman McCallum closed the hearing at 9:29 A.M. Motion was made by Klein and seconded by Ohl to accept the County Assessor's recommendation to set the property valuation at \$8,725 based upon a physical inspection. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-38: Oscars Collection Systems of Fremont/Republic Services, PO Box 29246, Phoenix, AZ 29246  
E 158 Rods NE1/4 13-23-1 158 AC

Protest #2013-39: Oscars Collection Systems of Fremont/Republic Services, PO Box 29246, Phoenix, AZ 29246  
SE1/4 13-23-1 160 AC

Chairman McCallum opened a hearing at 9:35 AM. Daniel Bodily, representative for Oscars Collection Systems, testified through a telephone call. He explained that he sent an e-mail and maps with additional information regarding the protest. He testified that he would like to address Protest #2013-38 and Protest #2013-39 as one economic unit. He stated that the southern parcel is a closed landfill that has not been used since 1995 and is currently going through a post closure remediation process until 2029. He stated that both of these parcels are assessed as agricultural property. He reported that the company recently recorded an Environmental Covenant which stipulates what the property was previously used for on both tracts and the restrictions on the deed indicate that agricultural use for the property is limited because any sort of product derived from the property can't be used for human consumption. Mr. Bodily stated that the property classification and the current property use are the main drivers to determine the market value and he can't see how the actual use of the property is in line with how it is being assessed as agricultural property. County Assessor Jeff Hackerott explained that these properties are valued as agricultural, not cropland, but as grass and trees. He stated that in the Environmental Covenant one of the allowable uses is grazing, but groundwater cannot be extracted to water the animals or for human consumption. He explained that there are monitoring wells located on the property; however, the majority of the property on both parcels is assessed as grass and trees. Mr. Bodily stated that the historical trend is that the valuation continues to increase from about \$220,000 in 2009 to approximately \$350,000 in 2013 and he does not understand the reasoning for these valuation increases. He stated that if the increases in value are based upon increases of pasture or grassland in the area, that does not fit the use of the subject properties. He explained that if the land is classified as open native pasture, at best it can be used for that; however, it does not fall in line with other agricultural properties that had a valuation increase during the past few years. He stated that the other agricultural properties have the ability to produce an income by producing crops or grazing livestock and the subject property is strictly prohibited from doing that. Mr. Bodily stated that he does not know how the County separates the native pasture land from production agricultural land, but it seems like those two types of property valuations would not run in line with each other, especially in this case where the land is limited. County Assessor Jeff Hackerott responded that all the sales of grassland are kept separate. He explained that when a sale of grassland is purchased and converted to dry crop production, the County is not allowed to use these sales and the Nebraska Department of Revenue removes these from the sales file. In addition, he explained that if dry cropland is purchased and subsequently converted to irrigation, the Nebraska Department of Revenue pulls these sales out of the sales file because the land is significantly changed. He stated that the County only uses grassland sales to set valuations for grassland properties and crop land sales to set valuations for crop land. Mr. Bodily stated that in a hypothetical scenario, if he was looking at two properties, one which was the subject property, and another property that did not have the deed restriction on it, would he be willing to pay the same amount for the subject property if all other factors were equal except for the deed restriction. He stated that, in his opinion, there should be some sort of obsolescence associated with this property due to the nature of what it currently is and what it was previously used for. He stated that he cannot say that this property is similar to other native pasture when this parcel has clearly been used as a landfill and has environmental concerns which need to be monitored for several more decades. County Assessor Jeff Hackerott stated that he is somewhat confused regarding the remediation period because the e-mail states that the remediation period runs through 2029, but the protest form states that the property must be monitored until 2024. Mr. Bodily clarified that when he originally filed protest he did not have all the information available to him and he made an assumption based on the closing date; but, after looking at the documents and talking to the environmental staff they advised him that the remediation period runs through 2029. He explained that when all landfills go through a closure process they are required to have between 30 and 40 years of post-closure monitoring. He explained that if there is some sort of issue that arises with the closed landfills then that period is extended. He reiterated that the company would like some sort of valuation based upon the fact that the property is a closed landfill. He stated that the valuation is not going to trend with the typical market properties, whether they are agricultural or commercial. He stated that the property is a liability for anyone who would want to purchase it and any buyer would want a huge discount to buy this property. Chairman McCallum closed the hearing at 9:49 A.M. Motion was made by Klein and seconded by Ohl to apply a 50% obsolescence factor since the property is a closed landfill and has deed restrictions and set the property valuation for Protest #2013-38 at \$91,249 and set the property valuation for Protest #2013-39 at \$85,150. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-40: Gerald Neilsen, 2923 Dover Drive, Norfolk  
Berry Hill 9th Addition Lot 26, Blk 10

Chairman McCallum opened a hearing at 9:54 A.M. Gerald Neilsen appeared and testified that he purchased the property on December 15, 2010 at a cost of \$184,000. He stated that at the time the property was purchased an independent appraisal listed the valuation at \$180,000. He reported that the original listing price of the property was \$250,000 and that the market was tested for over two years before he purchased it on a short sale. He stated that there was no damage to the property when it was purchased, but there was some water damage that was repaired before the house was sold. He stated that there are no bedrooms located on the main floor of the house which may have affected the sale price. County Assessor Jeff Hackerott reported that he reviewed the property on April 5, 2011 with the owner. He confirmed that there are three bedrooms located on the second floor and one bedroom located in the basement. He stated that the basement is three-fourths finished. Mr. Neilsen explained that he did not protest the property valuation the two prior years because he did not understand the valuation process. Chairman McCallum closed the hearing at 10:00 A.M. Motion was made by Klein and seconded by Ohl to set the property valuation at \$205,000 after giving consideration to the independent appraisal submitted by the protester and information from the County Assessor's sales file. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-41: Gary V. and Peggy S. Sellin, 4591 South 157th Road, Bolivar, Missouri 65613  
Pt W1/2 NE1/4 30-24-1 76.22 AC

Protest #2013-42: Gary V. and Peggy S. Sellin, 4591 South 157th Road, Bolivar, Missouri 65613  
Pt E1/2 NW1/4 30-24-1 64.18 AC (Tract 2-Sellin's Planned Development-1999)

Chairman McCallum opened a hearing at 11:45 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that the subject properties are located west of Norfolk on Highway 275 within close proximity of the Stahla Mobile Home business. He reported that the properties are cropland and that Protest #2013-41 is valued at \$3,627 per acre so at 100% market, the value would be \$4,836 per acre. He stated that the parcel is not being valued as potential development, but as agricultural land. Chairman McCallum closed the hearing at 11:48 A.M. Motion was made by Klein and seconded by Ohl to make no change to the property valuation since the land is classified correctly and the valuation appears to be equitable with similar properties. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-43: Donald Burke, 500 East Pasewalk Avenue, Norfolk  
Green Acres Subdivision Lot 4, Blk 5

Chairman McCallum opened a hearing at 10:05 A.M. Donald Burke appeared at the hearing and reported that he had some issues with hail damage and he sent this information to the County earlier. He submitted a list of items that needed attention including the condition of the driveway, patio door, roof, two bathrooms, brick veneer, paint, soffit, furnace, and carpet and the total cost to replace or repair these items would be \$51,730. He explained that he notified the County in June of 2012 and was told that these items would not affect the property valuation until January 2013. He stated that different properties next to his went down in value. Chairman McCallum asked if both properties are the same type of houses and have the same square footage. Donald Burke replied that the comparable property is located at 404 East Pasewalk Avenue and there are only a few variations between the two houses. He explained that the valuation of 404 East Pasewalk Avenue went down when the house needed repairs, but he was told that if the roof is not leaking, that the roof doesn't need to be replaced. He reported that every roof in his neighborhood was replaced from hail damage. He stated that his house was inspected by Mr. Hackerott and a document that he obtained from the Nebraska Department of Revenue website stated that inspection means to look at carefully or examine critically. He reported that Mr. Hackerott stated that there was no damage to his house. Mr. Burke stated that he has a record from the insurance company with the damages from the hail including windows, roof, and gutters. He stated that he thought the valuation should go down a little, but it stayed the same. He stated that Mr. Hackerott would not answer any of his questions and in the Nebraska Department of Revenue guidelines it states that the Assessor is supposed to be able to answer questions. Mr. Hackerott inquired which questions he wouldn't answer and Mr. Burke responded that he was told that his questions would be answered at the hearing. Mr. Burke said Mr. Hackerott inspected the property at 500 East Pasewalk Avenue and he questioned what the condition was of the driveway, patio door, roof, two bathroom faucets, brick veneer, paint, soffit, furnace, and carpet. Mr. Hackerott responded that he can't speak to the interior things because that is not why he was at the house because he was told that there was hail damage to the house and the hail didn't penetrate the roof and do any damage inside the house, so he didn't even Mrs. Burke to go into the house. Mr. Burke asked about the bricks on the outside of the house. Mr. Hackerott responded that he didn't notice any hail damage to the brick and Mr. Burke stated that he didn't say that there was hail damage to the brick. Mr. Hackerott reported that the brick is typical 37 year old brick with some cracks and stress fractures. Mr. Burke explained that he had pictures of the shingles and he questioned if Mr. Hackerott did a thorough investigation. Mr. Hackerott responded that he did an inspection like he completes for every other house. Mr. Burke questioned what the condition of the roof was and Mr. Hackerott responded that Mr. Burke told him that the roof was not leaking. Mr. Burke questioned how the County Assessor could inspect the shingles if he never went up on the roof. Mr. Hackerott explained that he has never gone on a roof on any house and he stated that 99% of fee appraisers do not climb the roof of a house to complete an appraisal. Mr. Burke stated that his insurance company climbed on the roof and he has documentation that the roof needs to be replaced. Mr. Hackerott questioned why the roof has not been replaced and Mr. Burke responded that he cannot afford it. Mr. Hackerott questioned if Mr. Burke had replacement cost insurance for his roof and Mr. Burke responded that he did not receive all the money necessary to replace the roof. Mr. Hackerott questioned if Mr. Burke had the paperwork to submit to the Board and Mr. Burke submitted a document from Farm Bureau Property and Casualty Insurance Company for replacement of the roof. Chairman McCallum questioned how old the roof was and Mr. Burke responded that the roof is 7 years old. Mr. Burke reported that the property located next door, which is 404 East Pasewalk Avenue, replaced the windows, roof, and carpet and the valuation increased from \$64,000 to over \$100,000. He also reported that a property located at 400 East Park had condition issues and the County dropped the valuation on the property and when the repairs were made and the properties sold two years later, the valuation increased again. He questioned why repairs on some properties make a difference in the valuation, but not on his property. Mr. Hackerott reviewed the assessment record for 404 East Pasewalk Avenue and confirmed that the valuation did not decrease as reported by Mr. Burke. Chairman McCallum closed the hearing at 10:23 A.M. Motion was made by Klein and seconded by Ohl to make no change to the property valuation as the valuation appears to be equitable with similar properties. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-44: Donald Burke, 500 East Pasewalk Avenue, Norfolk  
Western Town Lot Companys Addition E 56 Ft Lots 3 & 4, Blk 15

Chairman McCallum opened a hearing at 10:23 A.M. Donald Burke appeared at the hearing and testified that the property needs a lot of repairs. He submitted pictures of the roof and windows and a list of repairs required and estimated cost. He reported that a piece of property located at 1315 Blaine Street, which is around the corner, has a lot and building which are twice the size of his property. He stated that he reported that there are condition issues with his property and his valuation increased; however, a property located in 1315 Blaine Street did not have condition issues and have no valuation increase. County Assessor Jeff Hackerott reported that he inspected the outside of the subject property on April 29, 2013. Mr. Burke questioned what the condition of the roof was and Mr. Hackerott responded that Mr. Burke requested him to sign a piece of paper stating that he did not access the roof to make an inspection. He explained that the subject building is constructed as a residential garage and has brick exterior walls with gable ends. He reported that there are two overhead doors on the south end of the building. Mr. Burke questioned what the condition was of the overhead doors and Mr. Hackerott responded that the condition was consistent with the age of the building. Mr. Burke stated that the doors need to be replaced. Mr. Hackerott stated that if the Board was willing to table a decision on this protest and Mr. Burke agreed, he would be willing to complete an inspection of the property. He reported that he called Mr. Burke on July 8, 2013 and he didn't reach anyone at home. Mr. Burke replied that the Assessor's Office called his house on July 5, 2013 and inquired if he would be available on July 8, 2013 and he gave the staff his cell phone number and told the person to have the Assessor call his cell phone to get in contact with him. Mr. Hackerott stated that his staff failed to give him the message. Mr. Burke questioned if Mr. Hackerott already made a thorough inspection like the Nebraska Department of Revenue regulations require and Mr. Hackerott responded that he did not complete an interior inspection. Mr. Burke questioned if a thorough inspection of the exterior was completed and Mr. Hackerott responded that he did not access the roof. Mr. Burke questioned if all other items were inspected except the roof and Mr. Hackerott responded that he did complete an exterior inspection. Mr. Burke stated that a thorough inspection should include the roof and Mr. Hackerott agreed. Mr. Hackerott reiterated that he is not aware of any appraiser who accesses the roof, but if Mr. Burke wants this done, he would be glad to come out and take care of that. He questioned if Mr. Burke wants to set up an appointment and Mr. Burke responded that Mr. Hackerott stated that he already completed an inspection. Mr. Hackerott stated that if Mr. Burke wants to be present during the inspection that would be fine with him. Mr. Burke reiterated that he already did that once and Mr. Hackerott clarified that he met with Mr. Burke's wife at the house. Mr. Burke left the hearing without setting up an appointment. Chairman McCallum closed the hearing at 10:31 A.M. Motion was made by Klein and seconded by Ohl to make no change to the property valuation as the valuation appears to be equitable with similar properties. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-45: Joseph E. and Jane B. Stucky, 1480 County Road O, Oakland  
Pasewalks Second Addition Lot 7, Blk 2

Chairman McCallum opened a hearing at 10:32 A.M. Joseph Stucky appeared at the hearing and testified that the subject property was torn down in February 2013. Chairman McCallum reported that property is assessed as of January 1st of each year so the assessment must remain for the tax year 2013. County Assessor Jeff Hackerott reiterated that the statutory assessment date is January 1st and since the structure was still on the property on that date the valuation must remain on the property for the entire tax year. He reported that the County does not receive condemnation or demolition orders unless the owner obtains a demolition permit. Joseph Stucky stated that, in his opinion, the assessment should be pro-rated for the tax year 2013. Chairman McCallum closed the hearing at 10:36 A.M. Motion was made by Klein and seconded by Ohl to set the property valuation at \$37,333 by applying additional depreciation due to the condition of the house on January 1st. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-46: Barry R. Harper, 102 County Line Road, Newman Grove  
Railroad Out Lots Lot 2

Chairman McCallum opened a hearing at 10:42 AM. Barry Harper appeared at the hearing and submitted parcel information on his property and four other comparable properties within the City of Newman Grove. He stated that the letter dated April 26, 2012 informed him of the proposed valuation change and gave information on a meeting scheduled at the Newman Grove library, but he couldn't attend the meeting so he came to the Courthouse to meet with Mr. Hackerott. He questioned if the property would sell for the assessed amount of \$119,624 if he wanted to sell it. He pointed out that on the County's residential data sheet the quality/condition is 40 good and he questioned how subjective this data was. Chairman McCallum stated that Mr. Harper probably has good upkeep on the property. Mr. Harper responded that things deteriorate and that he does not have new pipes, plumbing, or drains and there are a lot of things that would not be called good if someone takes a close look. He disputed the total area on the data sheet which is listed as 2,536 square feet saying that the basement area was added to arrive at that total. He stated that other properties that he is using for comparison are not adding the basement area to calculate the total area even though the comparables have basements. He stated that he understands that he needs to pay taxes, but he should be getting something and instead the streets in town are very poor and the roads to the town of Newman Grove are very poor. He stated that County Line Road that he lives on is in poor shape even though it has been worked on. He reported that he does not have a water line that runs directly to his property, but he has a three-quarter inch water line that runs from the neighboring property instead of a 2 inch water line directly to his property. He also reported that he does not have a fire hydrant close to his property and that if he wanted to sell his property, people would be really hesitant to pay that much money if they know that the City needs to run a 400 foot hose from the closest hydrant to put out a fire on his property. Mr. Harper reported that the data sheet for property owned by Paul and Jean Wyant located at 201 Hale Avenue lists the basement area as 900 square feet, but the basement square footage is not added into the total area like the data sheet for his property. He stated that the assessed value for the Wyant property is \$48,000 and the house is very comparable to his property. He reported that the property owned by Mark Nelsen located at 305 Hale Ave. is assessed at \$52,980 and the house is approximately the same size as his house and the basement area is not added into the total square footage. He reported that the property owned by Roger Widhalm located at 206 County Line Road is valued at \$49,511 and he also pointed out the quality and condition on the data sheet compared to his property. Mr. Harper reported that property owned by Mr. Baechinger located at 112 North 1st Street is valued at \$52,283 and it is a very nice house and well kept and that an enclosed porch is not even added into the total square footage. He explained that there are some dissimilarities in the County's data sheets. He also presented the parcel information for properties owned by Jerome Sawyer and Milan Sawyer, which are much newer properties, but the assessed valuations are very similar to the valuation of his house. He stated that he worries about whether the assessment records are accurate because a lot depends upon whether he could sell the property for the amount assessed.

Mr. Harper reported that the bedrooms are all upstairs in his house, so it would take a while for him to find the right person to buy the house for the assessed amount. He asked the County Assessor to take another look at the assessment record. County Assessor Jeff Hackerott reviewed the assessment record with Mr. Harper to verify the accuracy of bedrooms and bathrooms and access to the attic. Chairman McCallum closed the hearing at 11:05 A.M. Motion was made by Klein and seconded by Ohl to accept the County Assessor's recommendation to set the property valuation at \$100,670 based upon testimony by the protester and review of the assessment record. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-47: Nancy and Steven Hughes, 366 North 1600 Road, Lawrence, Kansas 66049  
NE1/4 6-22-4 161.73 AC

Chairman McCallum opened a hearing at 11:52 AM. 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 3, 2013. He confirmed that the house, a grain bin, and five grain bin pads have been removed, and that the only buildings remaining on the property are an open front machine shed and a detached garage. He stated that the area where the grain bin and the bin pads were located is now cropland. Chairman McCallum closed the hearing at 11:55 A.M. Motion was made by Klein and seconded by Ohl to accept the County Assessor's recommendation and set the property valuation at \$573,421 based upon a physical inspection of the property. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-48: Robert G. Huntley, 301 State Hwy 35 North, Norfolk  
PT NE1/4 SW1/4 & PT S1/2 SW1/4 24-24-1 33.56 AC

Chairman McCallum opened a hearing at 11:08 AM. Robert Huntley appeared at the hearing and testified that approximately half of his property was put into a floodplain. He presented two maps which showed his land and the portion that was put into the floodplain. Commissioner Klein questioned which area was just recently removed from the floodplain. He explained that part of Walters Addition was in a floodplain because the owners of the houses were paying flood insurance. He explained that he had a conversation with Norfolk City Mayor Sue Fuchtman and engineer Mark Mainelli when he found out that the City of Norfolk was involved, but in early spring many of the properties were removed from the floodplain. Robert Huntley stated that he had no knowledge of other homes that were removed from a floodplain and he recently found out that his land was placed in a floodplain. He stated that, in his opinion, having his property in a floodplain decreases the valuation. He reported that he met with the City of Norfolk to encourage a drainage study of the entire area because there is a lot of drainage from the Northeast Community College and Regional Center properties. County Assessor Jeff Hackerott questioned why the flood area was changed. Commissioner Klein stated that the Corp of Engineers has the authority to change the flood plain. He stated that it is easy for the Corp of Engineers to put land into a flood plain; however, it is very difficult to remove the designation. County Assessor Jeff Hackerott stated that the County records show a natural drainage that runs along the west side of Mr. Huntley's property, coming out of Walters East Knolls Addition. He stated that a good portion of Mr. Huntley's property is in grass and trees and the County records show that this is in a floodplain. He stated that the assessment records reflect that the property is valued as dry crop, grass, and trees and the parcel is planted to corn this year. He reported that the digital elevation models do not show much elevation change between the natural waterway where the trees are located and the crop ground. He stated that the entire area is relatively flat and there is not much change in elevation for approximately one-half mile. He stated that the County is not notified when there is a change in the floodplain and he questioned what affect the floodplain would have on the valuation of agricultural land. He stated that since the property has been placed in a floodplain, it could not be developed for housing. He stated that the property was not being valued as potential development for housing. Chairman McCallum closed the hearing at 11:18 AM. Motion was made by Klein and seconded by Ohl to make no change to the property valuation since the land is classified correctly and the valuation appears to be equitable with similar properties. Roll call vote Ayes: Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-49: DeWayne Erickson, 54503 838th Road, Battle Creek  
PT S1/2 SW1/4 12-23-3 11.84 AC (Tract 1 - August's 3rd Lot Split)

Chairman McCallum opened a hearing at 11:56 AM. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he was unable to schedule a review with the owner; however, he completed an exterior review on July 8, 2013 and took pictures of the house. He stated that the assessment record reflects that the owner purchased the property in June 2012 at a cost of \$176,000. He stated that the house is a modular home from Stahla Mobile Homes with a patio and deck added to the back. He stated that there is also a small machine shed on the property. Chairman McCallum closed the hearing at 11:59 AM. Motion was made by Klein and seconded by Ohl to give consideration to the purchase price of the property and the information presented by the protester and set the property valuation at \$196,000. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-50: Savage & Browning/Perkins Delaware, L.L.C., 8676 W 96th, Suite 100, Overland Park, Kansas 66212  
Market Square Subdivision Lots 1, 3 & 4

Protest #2013-52: Savage & Browning/Perkins Delaware, L.L.C., 8676 W 96th, Suite 100, Overland Park, Kansas 66212  
Commonwealth Park Fifth Addition Lot 2-R

Chairman Klein opened a hearing at 11:24 AM. Tom Savage, agent for Perkins Delaware LLC, appeared at the hearing. He stated that he is protesting the valuation of property known as Market Square which is comprised of two parcels that make up one economic unit. He reported that the two parcels have three tenants which are Hastings, Hobby Lobby, and Mid-City Stereo/Slumberland. He stated that the property is 159,500 square feet. He reported that he provided the Assessor's Office with an appraisal that was completed in the late 2010 for refinancing purposes that reflected a valuation of \$4.5 million for the two parcels. He stated that the property was purchased by Perkins Delaware LLC for \$3,600,000. He stated that he is requesting a valuation of \$4,227,600 as of January 1, 2013. He submitted an income approach to value, which considers when it was purchased, and explained that when it sells the selling price will be based upon what it can produce and net income capitalized. He stated that the analysis establishes the current market rent as of January 1, 2013 for the Hobby Lobby and Hastings stores at \$4.00/square foot and the market rent for the Mid-City Stereo/Slumberland store at \$3.00/square foot. He reported that the most recent space that was rented was the Mid City Stereo space at \$2.93 per square foot. He explained that the analysis deducted a minimum vacancy and used a cap rate of 9%, which indicates a valuation of \$4,227,600.

Mr. Savage summarized that, in his opinion, if the property was placed on the market place with a willing buyer and a willing seller, it would sell for \$4,250,000. Chairman McCallum closed the hearing at 11:30 AM. Motion was made by Klein and seconded by Ohl to set the property valuation for Protest # 2013-50 at \$2,000,000 and set the property valuation for Protest #2013-52 at \$2,500,000 based upon the information presented during the protest hearing and also the decision of the Tax Equalization and Review Commission on the appeal of the 2011 property valuation. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays none. Motion carried.

Protest #2013-51: Savage & Browning/Perkins Delaware, L.L.C., 8676 W 96th, Suite 100, Overland Park, Kansas 66212  
Commonwealth Park Third Addition Lots 2 & 3

Chairman McCallum opened a hearing at 11:30 AM. Tom Savage, agent for Perkins Delaware LLC, was present at the hearing. He testified that he looked at the market rent, vacancy, and expenses on January 1, 2013. He explained that the subject property is a shopping center strip that has six spaces, three of which are vacant. He stated that the anchor space is 9,356 square feet of the total 21,430 square feet and is occupied by the Time Square Event Center with a lease rate of \$7.70/square foot. He stated that he adopted this rate as the market rent since it is a fairly new lease from 2008. He explained that one of the spaces is occupied by the USDA and is rented at \$14.30/square foot, but the federal government insists on using a gross lease. He explained that the difference between a gross lease and a triple net lease is that in a triple net lease the tenant pays all the expenses and in a gross lease the owner pays all the expenses. He stated that if the federal government leases a space it insists that it must be a gross lease. Mr. Savage explained that when the expenses are deducted from the \$14.30/square foot that the owner pays, the rate comes in at \$10/square foot. He stated that the other occupied spaces are leased on a triple net lease at \$9.34 per square foot. He stated that they have adopted \$7.70/square foot on the anchor space where the Time Square Event Center is located and \$10/square foot on the other spaces. He explained that he deducted market vacancy and added back in recovery income that would be received from the tenants who are paying for expenses and deducted the owner's expenses and used a 9% cap rate. He stated that his calculations reflect a valuation of \$1,820,400 and the County's value is \$2,381,476. County Assessor Jeff Hackerott reported that Mr. Savage has the County's valuation listed at \$2,381,476 on his computation; however, the County's assessed valuation for 2013 is \$1,023,309. Based upon the information presented by the County Assessor, Tom Savage withdrew property valuation Protest #2013-51. Chairman McCallum closed the hearing at 11:35 A.M. Motion was made by Ohl and seconded by Klein to accept the request to withdraw the protest form and make no change to the property valuation. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-53: Jeff White, 214 North 7th Street, Suite 2, Norfolk  
Koenigsteins Third Addition W 28 Ft Lot 11 & W 28 Ft S 33 Ft Lot 12, Blk 2

Chairman McCallum opened a hearing at 12:01 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 completed an exterior review of the property on July 5, 2013. He explained that the house is a small 802 square foot house that was built in 1920 and is located east of Trinity Episcopal Church in Norfolk with an alley separating the two properties. He stated that the house appears to be rented and that he has no information on the owners planned date of donation to the church. Chairman McCallum closed the hearing at 12:04 P.M. Motion was made by Klein and seconded by Ohl to set the property valuation at \$22,500 after giving consideration to the recent purchase price of the property. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

Protest #2013-54: Jordan and Michael Carnes Jr., 301 South Oak Street, P.O. Box 188, Tilden  
Kimball & Blairs Addition Lot 10, Blk 9

Chairman McCallum opened a hearing at 12:06 PM. No one was present 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 8, 2013 with Mrs. Carnes. He stated that the owners purchased the property on March 8, 2013 at a cost of \$18,400. He explained that he did an exterior inspection of the property and that the previous owners completed a lot of renovation work in the house including a new kitchen and bathroom on the main floor, laminate flooring in the kitchen and dining room, and installed sliding glass french doors. He explained that the previous owners installed patio doors on the front of the garage and were operating a daycare in this area. Mr. Hackerott stated that the current condition of the house is much different. He stated that the house went into foreclosure in January 2013 and the previous owners tore out the kitchen, the main floor bathroom, some wiring, light fixtures, and put large holes in some of the drywall. He stated that the current owners planned to renovate the house, switch the garage from living space back to a garage, and then live in the house. Chairman McCallum closed the hearing at 12:10 P.M. Motion was made by Klein and seconded by Ohl to set the property valuation at \$37,940 after giving consideration to the County Assessor's report of a physical inspection of the property. Roll call vote: Ayes, Klein, McCallum, and Ohl. Nays, none. Motion carried.

The Board of Equalization recessed at 12:15 P.M. to Tuesday, July 16, 2013 at 11:00 A.M.

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County Clerk Nancy Scheer

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Chairman Jerry McCallum