

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

BOARD OF EQUALIZATION

Madison, Nebraska

July 17, 2018

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

Advance notice of meeting was published in the Saturday, July 7, 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.

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.

Hearings were conducted on property valuation protests as follows:

Protest #2018-62: Ronald Unger, 108 22nd Drive, Norfolk
Sunset Addition Lot 9, BLK 5

Chairman Schmidt opened a hearing at 9:30 A.M. No one appeared at the hearing to offer verbal testimony. The protest form was read. County Assessor Jeff Hackerott reported that the ranch-style house was built in 1957 and has 1,200 square feet on the main floor. He stated that the house has two bedrooms and 1¾ bathroom on the main floor. He said that a majority of the basement is finished. He also reported that an addition was added onto the back of the house in 2009, but it has no basement under it. He explained that the valuation change was an 8% increase which was the same increase that was applied to other residential houses in the neighborhood. He reported that a house located at 113 22nd Drive sold in 2017 for \$164,000; but, is a slightly bigger house. Chairman Schmidt closed the hearing at 9:32 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-63: James and Melinda Simonsen, 1704 East Berry Hill Drive, Norfolk
Berry Hill 1st Addition Lot 5, BLK 5

Chairman Schmidt opened a hearing at 9:04 A.M. James Simonsen was present at the hearing and presented 2017 property valuation information on houses in the area. He said that he calculated the valuation of each of the comparable houses using the square footage on the County Assessor's GIS website. He testified that all the comparable houses are split foyer homes. He testified that the house hasn't had any improvements since it was built in 1984 and still has the original carpet and kitchen. County Assessor Jeff Hackerott advised that the valuation was a 12% increase like all the other homes in the neighborhood. He said that the home is a split-entry house with 1,120 square feet on the main floor and doesn't have a full basement. He stated that the house has a two car attached garage with no living space above it. He said that the last inspection of the house was on July 12, 2015 and the current owners purchased the home in 1991 for \$64,950. He reported that the house located at 1703 East Berry Hill Drive sold in August, 2016 for \$195,000 and the house located at 1703 West Berry Hill Drive sold in March, 2017 for \$173,000. Chairman Schmidt closed the hearing at 9:12 A.M. Motion was made by Prauner and seconded by Schmidt to make no change to the 2018 property valuation. Roll call vote: Ayes, Prauner, and Schmidt. Abstain, Ohl. Motion carried.

Protest #2018-64: Karen Patton, 202 Westridge Drive, Norfolk
Westridge Hills Second Addition Lot 2

Chairman Schmidt opened a hearing at 9:35 A.M. No one appeared at the hearing to offer verbal testimony. The letter submitted with the protest form was read. County Assessor Jeff Hackerott explained that the house is a brick ranch style home which was built in 1967 and has 2,572 square feet on the main floor. He stated that the staff left a telephone message with the owner on July 13, 2018; but, the phone call wasn't returned. He stated that an inspection should be completed because the County hasn't been inside the house in a long time and it would benefit the owner to have the Assessor's office perform an inspection. Chairman Schmidt closed the hearing at 9:38 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-65: Patrick McKee, P.O. Box 180792, Coronado, California
PT SE1/4 SE1/4 20-24-1 4.40 AC

Chairman Schmidt opened a hearing at 9:17 A.M. Charles Young of Swartz & Associates in Kansas City appeared at the hearing and testified that the property is professionally managed by Kundson Management of Council Bluffs, Iowa with the owners in California. He explained that the property is HUD apartments and receives a subsidy. He presented appraisals completed by CBRE that were performed 14 months before the appraisal date January 1, 2018. He stated that the valuation conclusion is \$2,000,000 and the Assessor has a value of \$2,192,050. Mr. Young reported that the subject property produces approximately \$185,000 per year in net operating income which includes rental income from the tenants and subsidies, fewer expenses. He stated that HUD requires a market rent survey to make sure that market rents charged are not over or below and then expenses are monitored. Mr. Young advised that he feels that an 8% capitalization rate is appropriate based on age and being HUD, even though in some metro areas newer apartments are capping out at 4% or 5% because of the demand. He stated that when 20 year contracts are signed, there is very limited ability to increase rental rates or profitability. He asked the Board to consider setting a valuation at \$2,000,000. He reported that the apartments have a high occupancy rate. County Assessor Jeff Hackerott stated that the apartments were built in 1979 and have two and three bedroom units. Chairman Schmidt closed the hearing at 9:24 A.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 #2018-66: Rick and Susan Nitz, 908 Park Way, Norfolk
Parkhill Second Addition Lot 42

Chairman Schmidt opened a hearing at 9:41 A.M. No one appeared at the hearing to offer verbal testimony; but, a letter submitted with the protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property on July 15, 2018 with Mrs. Nitz. He advised that the house has 2 bedrooms, 1¾ bathrooms, vaulted ceiling in the great room, and gas fireplace on the main floor. He advised that the basement has 2 conforming bedrooms and 3/4 bathroom, family room, and a couple of unfinished rooms. He advised that the valuation increased 7% similar to other houses in the neighborhood. He stated that the valuation was based upon estimates and that some revisions must be made to the assessment record based upon the review. Chairman Schmidt closed the hearing at 9:44 A.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$249,420. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, Prauner. Motion carried.

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Protest #2018-67: Jon and Angela Hausmann, 901 Kelland Drive, Norfolk
Deer Hollow Addition Lot 11, BLK 1 7.04 AC (24-24-2)

Chairman Schmidt opened a hearing at 10:56 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott stated that the valuation change was a 9% increase which was applied to all rural residential properties. He explained that the 1½ story house was built in 1999 and is located on 7.04 acres. He reported that the current owners bought the house in October, 2017 for a purchase price of \$690,000. Chairman Schmidt closed the hearing at 10:58 A.M. Motion was made by Ohl and seconded by Schmidt to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl. Nays, Prauner and Schmidt. Motion failed. After discussion a motion was made by Schmidt and seconded by Prauner to set the 2018 property valuation at \$502,146. Roll call vote: Ayes, Prauner and Schmidt. Nays, Ohl. Motion carried.

Protest #2018-68: Julie Thompson, 2402 Sheridan Drive, Norfolk
Haase's Acres Pt Lots 7 & 8, BLK 4 (16-24-1) (Tract B-Lot Boundary Change-1995)

Chairman Schmidt opened a hearing at 9:47 A.M. Julie Thompson was present at the hearing and stated that she has several questions. She asked what entity or Governing Board determines trending values in Madison County, especially if there has been no appraisal or on-site inspection of the property. Commissioner Prauner stated that the County Assessor makes this determination. Ms. Thompson asked if the Assessor solely, alone, determines whether or not values are trending. Commissioner Prauner replied that the State Department of Revenue needs to approve values. Ms. Thompson asked what guidelines and/or parameters are used in Madison County for trending values. County Assessor Jeff Hackerott responded that sales determine trending values. Ms. Thompson stated that the County asks her to pay more taxes and she stated that she has a right to know the exact reasons why so she can clearly understand. Commissioner Ohl stated that there are many entities who tax, but the hearing is about valuation. Mr. Thompson asked who, or what, determines how the percentages are calculated for trending values. Mr. Hackerott said that he determines the percentages. Ms. Thompson asked where the documentation is that shows how these numbers are calculated and the formula used in making such calculations. She said that she would like to see the documentation and/or formula used to determine that her home valuation should be increased this year by 9%. Mr. Hackerott stated that he could provide this information, but not today. He stated that the information would be very generic. Ms. Thompson asked if the formula is used for everybody. Mr. Hackerott explained that the County has a set of ratios received from the Nebraska Department of Revenue and the initial statistics received from the Department of Revenue showed that the rural residential valuations were low. He explained that the subject property is grouped with other rural residential properties. He stated that the State requires the valuations to be set between 92% and 100% and if they are low, he needs to determine how much to change the valuations for compliance. Ms. Thompson stated that she was told that the 9% raise was the overall level of value for rural residential property because values were below 92% of market value that were required. She asked who or which entity is requiring this. Mr. Hackerott replied that the Nebraska Department of Revenue requires this. Ms. Thompson asked if there is a State Statute requiring this level of value and Mr. Hackerott responded affirmative, but he didn't have the Statute number. Ms. Thompson asked whose purpose it serves to continue to raise property valuations at alarming rates. She asked if it was better from property owners down the road when they list their property or if it is better for an elite few who will benefit from others hard earned tax dollars. She said that she just wants to know the benefit because she is not seeing any benefit. Commissioner Ohl responded that a large part of tax dollars are going to the schools and a large amount of County taxes go towards law enforcement. Ms. Thompson asked if basically the overall answer is infrastructure. Commissioner Ohl stated that a portion of the taxes going to the County will go towards roads, infrastructure, and a large portion to law enforcement, including the jail and judicial system. In addition, he reported that other entities receiving a portion of her taxes are Norfolk Public Schools, Lower Elkhorn NRD, Educational Service Unit #8, Norfolk Fire District, Northeast Community College, Railroad Transportation Safety District, and the Sanitary Improvement District where she resides. Mr. Thompson stated that if market value is being determined then it stands to reason that there should be at the very least documentation that reflects how the market value is determined. She stated that at no time was the term fair market value ever used to make any determinations or conclusions of the true and actual value of the property. She explained that she requested analysis documentation describing how the value was determined, what properties were used for analysis that were comparable to her property to form the analysis; but, there was no documentation given. She stated that she requested documentation that explains all of the information taken to reach the justification and conclusion of an increase, but there was no documentation given. She stated that what she was given had absolutely nothing to do with how calculations were made in order to justify and determine a 9% valuation increase for her property. She stated that in the last three years her property valuation has gone up a total of \$122,283. She stated that this seems excessive considering that there have been no changes whatsoever to warrant such high valuations, especially when no consideration seems to be given for depreciation of the structures. She stated that an increase over \$122,000 is a lot of money. Commissioner Prauner asked if a lot of homes in her area have sold and Ms. Thompson replied no. Chairman Schmidt asked when Ms. Thompson purchased her property. Ms. Thompson responded that she bought her property in August, 2015. County Assessor Jeff Hackerott reported that the assessment record reflects that the house was built in 1999. Commissioner Prauner asked how much she paid for the house and Ms. Thompson replied that she paid too much; but, she wanted it bad enough that she paid the price of \$352,000. Commissioner Prauner stated that the purchase price is part of setting the valuation. Ms. Thompson stated that the house is everything that she wanted and needed and the owner was not budging on the sale price. Mr. Hackerott asked if the house was listed for sale and Ms. Thompson replied that it was a private sale and that she personally knew the owners. Commissioner Ohl reiterated that the sale price is considered when establishing valuations. Ms. Thompson asked why the valuations have not increased gradually and Chairman Schmidt replied that the values are reflective of the housing market in the area. Commissioner Prauner explained that the valuations are based on three years of sales so in some areas the valuations are reducing because the sale prices declined. Ms. Thompson stated that once valuations are raised, they aren't reduced because she hasn't experienced this and she has lived in Norfolk for nearly 20 years. She stated that she needs to get a little relief and her taxes are over \$5,000 when her income is \$800 per month. She stated that she only lives where she does because her parents died and this was their gift to her. Chairman Schmidt closed the hearing at 10:01 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-69: Richard Sunderman, 1712 E Sycamore Avenue, Norfolk
Walters East Knolls Tenth Addition Lot 16, BLK 11

Chairman Schmidt opened a hearing at 10:07 A.M. Richard and Brenda Sunderman appeared at the hearing. Mr. Sunderman testified that they bought the property in 2013 and then built a home. He stated that the first year the County completed an inspection and the valuation was set for the house. He reported that the following year the valuation was raised and now the value raised again. He explained that they built the house and they haven't changed much other than landscaping. He reported that the interior was completed at the time of the first inspection and he questioned why the valuation is increasing two consecutive years. He stated that they built the house; but, now they want to downsize so they are trying to sell the house. He stated that they tried to sell it for three months and initially they set the price at \$394,000, then after a period of time they reduced the price to \$384,900 and it sat at that price for six weeks. He explained that since the house wasn't selling, they went to the realtor again and lowered the price to \$379,900. He stated that they've had people look at the house; however, there are no buyers. He questioned if the valuation was set right since it was just increased last year. He stated that when looking at the selling price, a lot of that includes realtor fees. He stated that right now may not be a good time to raise the valuation, and the value may not warrant being raised since no changes have been made in the last three years. Commissioner Ohl asked what would happen to the valuation if the house sold at the listing price. County Assessor Jeff Hackerott explained that the sale price would be included with all other home sales and would probably raise valuations. He stated that the house is a ranch style house built in 2013 and is very typical for the area. He stated that the assessment record lists the actual purchase price of the property as \$306,326 and that is what drives values up. He reported that the County valuation for 2017 was \$268,988 and an 8% increase adjusted the value for 2018 to \$288,163. He stated that the County valuation is still approximately \$18,000 under the purchase price which is now four years old. He stated that there are other home sales in the area which will likely affect the valuations in the future.

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Mr. Hackerott stated that if the owners sell their home for \$325,000 or \$350,000, or any other price that is higher than the County's current valuation, it will be another sale that tells the County that the valuations need to be adjusted. Commissioner Prauner explained that the State of Nebraska requires that the property valuations for residential properties be set between 92% and 100% of actual value. Mr. Sunderman said that their concerns were that the valuation increased last year and increased again this year. Chairman Schmidt closed the hearing at 10:14 AM. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-70: Daniel Lyons, 1801 Hillview Drive, Norfolk
College View Subdivision Second Addition Lot 1, BLK 10

Chairman Schmidt opened a hearing at 10:27 A.M. Daniel Lyons appeared at the hearing and reported that he protested his property valuation last year and the Board of Equalization established a value higher than he requested. He stated that a house which is newer was constructed by a builders apprentice and sold; but, has a lower square foot value and better curb appeal. He explained that they are located on the edge of College View Subdivision and when he bought the lot, it was cheaper because it had an irregular shape. He stated that across the street to the north, east, and southeast the homes are older, with the newer addition located to the west. He stated that he analyzed his valuation based on the resale of the house. Mr. Lyons stated that the curb and gutter are showing some age, the house has hardy board siding, and no improvements have been made to the roof. He stated that he has no problem with the valuation increasing a little bit; but, last year's value was a significant increase so he asked that the valuation remain at the 2017 level. He stated that there is now a lot of street traffic because it is a main thoroughfare for all the newer homes located to the west. He reported that the price of lots located west of him were \$10,000 more than what he paid for his lot. He reported that a house located at 2122 Sheridan Drive, which is a much newer home, has more brick, four bedrooms, and a three car garage and sold for \$105/square foot. He stated that 1632 Hackberry Drive sold for \$140 per square foot, but the home has more square footage. He reported that the valuation of his home is \$151/square foot; so, he feels that the valuation of his property is above some of the valuations for newer homes in the newer addition. Commissioner Prauner stated that there may be a difference in the amenities inside the home. Mr. Lyons agreed and stated that they have a full finished basement with a vent free fireplace. County Assessor Jeff Hackerott reported that he reviewed the house in July, 2016 with Mr. Lyons and there probably haven't been any changes. He stated that the ranch-style house has a three car garage and was built in 2004. He said that the valuation change was a 9% increase which was the same as other homes in the neighborhood. He stated that the best comparable house is the back yard neighbor, which has the same external factors with a small yard, curved lot, age of the house which was built in 2003, and the house sold in November, 2016 for \$315,500. Chairman Schmidt closed the hearing at 10:40 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-71: Janet Van Asperen, 606 North 13th Street, Norfolk
Hillview Addition Lot 25 Less Pt To State

Chairman Schmidt opened a hearing at 11:22 A.M. No one appeared at the hearing to offer oral testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the house with Ms. Van Asperen on July 14, 2018. He stated that the ranch-style home was built in 1950 and was a rental property until Ms. Van Asperen moved into it about three years ago after a divorce. He said that there are two bedrooms and one bathroom on the main floor and that the house is in rough shape. He stated that there is one bedroom in the basement and that part of the garage was converted to living space several years ago; so, there is only a one car garage. Chairman Schmidt closed the hearing at 11:25 A.M. Motion was made by Ohl and seconded by Prauner to set the 2018 property valuation at \$93,277. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-72: William and Leata Blank, P.O. Box 548, Madison
W1/2 NW1/4 32-24-3 80 AC

Protest #2018-73: William and Leata Blank, P.O. Box 548, Madison
E1/2 NW1/4 LESS RR 32-24-3 79.88 AC

Chairman Schmidt opened a hearing at 10:42 A.M. Warren Blank appeared at the hearing to testify on behalf of his parents, William and Leata Blank. Warren Blank testified that the properties are irrigated and are located southeast of Meadow Grove. He reported that on the west 80 acre parcel of property about 10 acres of the property were enrolled in the CRP program in October 2017. He said that on the east 80 acre parcel 46.5 acres were enrolled in the CRP program in 2017. He requested that the valuations be changed from irrigated to grassland for the acres enrolled in the CRP program. He submitted comparable property sales for the irrigated portion of the farms and explained that all the comparable parcels are center pivot irrigated farm ground and are located south of Meadow Grove and Battle Creek within three or four miles of the subject properties. He pointed out that one farm sold in October 2017 for \$848,262 or \$5,550 per acre and the County had it valued at \$1,146,475 which is overvalued by \$298,000. He stated that he is making the point that the lower quality farmland in Madison County is way overvalued. He submitted the soil maps and sale information for several other farms which sold in Madison County and explained the soil types, sale prices, and County valuations for the parcels. He stated that some of the farms are valued between \$250,000 and \$300,000 over the sale prices. He stated that farms which have Class 1 soils are still selling at good prices; however, farm ground with poorer soils, such as Thurman sand, Ellesmere sand, and Gibbon silty clay loam soils, have sale prices which dropped 25% to 30%. He reported that Klein's farm sold at public auction and the County had it valued \$301,000 over the selling price. He stated that it is not fair to the guys who were selling farmland with the high taxes because it's costing the people selling farms about \$500 to \$600 per acre because of the over valuation. He stated that it's not fair to agricultural property owners and that the commercial, residential, and industrial property owners need to also pay. Chairman Schmidt stated that one problem is the 3-year average of sales prices. Warren Blank asked the Board to look back as far as 2015 on the farm purchased by Sunderman. He challenged the Board to find higher priced sales with the lower classes of soils because these are the facts and the farms are way overvalued. The stated that his Dad's farm is valued at \$7,755/acre and that is why they put part of it in CRP because they can't farm it since it's too wet. He explained that the values on farmland with Thurman, Ellesmere, and Gibbon soils are 25% and 30% too high. He said that when corn was \$7/bushel land would sell for \$7,500/acre, but not anymore. He reiterated that all sales are within 3 to 4 miles of the subject property. He explained that he calculated the grassland at \$2,500 per acre and the farm ground \$6,057 per acre times 73% is his requested valuation. He stated that the land would not appraise for anymore because there aren't comps; so, the County values need to come down. County Assessor Jeff Hackerott stated that the valuations of these two farms are somewhat different because a portion of the ground is in the CRP program. He stated that they will have adjusted valuations based upon the number of CRP acres. He asked if the pivot on the east 80 acre parcel makes a full circle and Mr. Blank responded no. Mr. Blank stated that if you look at the soil types for the east 80 acre parcel on the assessment record it reflects that most of the soil types occasionally flood. He explained that the soil types are not like silty clay loam soils because the values for these types of properties have held their value. Chairman Schmidt closed the hearing at 10:54 A.M. Motion was made by Prauner and seconded by Ohl to table a decision on the property valuation protests. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2018-74: Stacie Klosterman, 2812 Pinnacle Drive, Norfolk
Berry Hill 12th Addition Lot 3, BLK 2

Chairman Schmidt opened a hearing at 11:28 AM. No one appeared at the hearing to offer oral testimony. The written protest form and the letter attached to the protest were read. Commissioner Prauner stated that the current owners purchased the property at a cost of \$465,000 on April 10, 2016. County Assessor Jeff Hackerott explained that he did not inspect this property for the current appeal. He reported that the house was built in 2005 and has 2,800 square feet on the main floor and the majority of the basement is finished. He said that the house is located right at the edge of where newer houses are located. He stated that the owner referred to the condition of the house at the time that it was purchased; so, that is why the purchase price was less than the prior home owner paid in 2013. He explained that they don't know what the current condition of the inside of the house is because it hasn't been recently inspected by the County. He reported that the 2018 property valuation is approximately \$30,000 below the current owner's purchase price. Chairman Schmidt closed the hearing at 11:30 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-75: Caleb and Brittney Dunker, 1322 Verges Avenue, Norfolk
Beckers Addition Lot 11, BLK 5

Chairman Schmidt opened a hearing at 11:05 A.M. Brittney Dunker appeared at the hearing and requested that the building valuation be lowered. She stated that in 2017 the building valuation was \$87,000 and the County is proposing to increase it to \$153,420, which is a huge increase of about \$55,000. She reported that they finished their basement at a cost of \$10,000 because they did a lot of the work themselves. She reported that the neighboring property located at 1324 Verges Avenue is valued at \$103,700, which is almost a \$60,000 difference. She stated that both houses have about the same square footage, but the neighboring house has one less bedroom. She said that she understands that her house is newer; but, \$60,000 is a big difference. She reported that they purchased the property in February, 2016 at a purchase price of \$135,900. County Assessor Jeff Hackerott explained that a fire destroyed the original house and the Norfolk Housing Authority purchased the lot out of foreclosure in 2015. He explained that the house was built in 2016, but the valuation for 2017 was based upon information received from the Norfolk Housing Authority who said that the house was incomplete. He said that the 2017 valuation was probably too low based upon the condition of the house on January 1 of that year. He explained that 2018 valuation reflects the house completely finished and also adding the basement finish. He said that the Norfolk Housing Authority reported that the current owners finished the basement after they purchased the house. He confirmed that the house is finished and the basement is also finished; so, the owners have a large valuation increase this year. Chairman Schmidt closed the hearing at 11:16 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-76: E. John Werner, 505 South Preece Street, Battle Creek
PT S1/2 NE1/4 LESS RR & PT NW1/4 SE1/4 33-24-3 100.39 AC

Chairman Schmidt opened a hearing at 12:42 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott explained that a portion of the subject property is in the CRP program. He stated that Mr. Werner met with Deputy County Assessor Judy Bickley and reviewed the assessment record. He reported that the County records already reflects that a portion of the property in the CRP program as listed on Mr. Werner's FSA contract. Chairman Schmidt closed the hearing at 12:45 P.M. Motion was made by Ohl and seconded by Prauner to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-77: Janice Luttmann, 781 North 58th Road, Nebraska City
NW1/4 17-22-2 160 AC

Chairman Schmidt opened a hearing at 12:47 PM. No one appeared at the hearing. The written protest form was read. County Assessor Jeff Hackerott reported that he inspected the property on July 14, 2018 and confirmed that all the old buildings are removed. He stated that the only buildings on the parcel are a house, car port, three grain bins, and a Morton building. Chairman Schmidt closed the hearing at 12:48 P.M. Motion was made by Ohl and seconded by Prauner to set the 2018 property valuation at \$1,195,704. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-78: Jay Kruse, 1204 South 3rd Street, Norfolk
Dorsey Place Lot 3, BLK 7

Chairman Schmidt opened a hearing at 11:33 A.M. Jay Kruse was present and testified that the valuation increased \$4,000 from last year and the value also increased the prior year. He explained that when he looks at the neighbor's homes some of them are very run down. He said that he has been doing some renovating on the house and in its current condition; he can't sell the house because it is unfinished. County Assessor Jeff Hackerott reported that the valuation change was a 9% increase. He stated that he reviewed the property on July 14, 2018 with Mr. Kruse. He confirmed that the owner is currently in the process of renovating and re-siding the house. He stated that the house has two bedrooms and one bathroom on the main floor, an unfinished basement, and no garage. He explained that the attic area is the original old bare floor and plaster walls and is set up for two bedrooms. He said that there is a very steep staircase to get to the attic. He explained that some of the windows on the main floor have been replaced, plaster has been removed and replaced with drywall; however, most of the windows do not have the millwork trim completed yet. Mr. Kruse explained that when he bought the house it was listed as insulated; however, in the winter months he could feel cold air coming through the windows. He reported that only the west and north walls were insulated. Mr. Hackerott reported that sometime a new kitchen was installed, but there is still some millwork left to do in that room. Mr. Kruse reported that the first thing he did after purchasing the house was install new steel doors on both the front and the back. He stated that he purchased the house in January, 2007; so, renovations are taking a long time because he only has one day per week to work on them. Chairman Schmidt closed the hearing at 11:37 A.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 #2018-79: Paul Medelman, 702 West Benjamin Avenue, Norfolk
Country Club Plaza Lot Subdivision Lot 1

Protest #2018-80: Paul Medelman, 702 West Benjamin Avenue, Norfolk
Country Club Estates 3rd Addition Lot 3

Protest #2018-81: Paul Medelman, 702 West Benjamin Avenue, Norfolk
Tax Lots SW1/4 SE1/4 15-24-1 PT TAX LOT 8 & VAC Alley (Parcel 2)

Chairman Schmidt opened a hearing at 11:50 A.M. Paul Medelman and Jim Cox appeared at the hearing to offer testimony. Mr. Cox reported that over the past two years the valuation has increased over \$60,000 per building for two of the buildings and the larger building, which is leased to Godfathers Pizza, increased over \$110,000. He stated that these increases were a 9% increase last year and an 8% increase this year on each building. He explained that there haven't been any improvements made to the buildings over the past two years. Commissioner Prauner asked if all the buildings were leased and Mr. Medelman responded that three tenants, including Godfathers Pizza, Set the Bar, and Panda Garden lease the large building. Mr. Cox reported that there is over 2,000 square feet of space that is empty in the large building, and the middle building has one space that is not rented which is about 1,800 square feet, and the East building has two or three empty spaces which totals about 3,000 square feet. Mr. Medelman reported that there are a lot of empty commercial spaces throughout the City of Norfolk and the percentage of increase seems excessive.

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County Assessor Jeff Hackerott reported that the valuations for commercial properties increased the last two years and the percentage of increases for these properties are similar to other commercial parcels. He explained that the valuations for commercial properties hadn't change prior to 2017 since 2013 and prior to that in 2008. He stated that it was fortunate that valuations for commercial properties hadn't changed every year like other properties. He stated that they are starting to see valuation changes to commercial properties because the valuations are not set at the level required. He asked how many tenants can occupy the larger building located on the corner. Mr. Cox stated that the building is set up for five tenants and currently one tenant occupies two spaces, but 3,000 square feet is vacant. Mr. Hackerott requested the rent rolls, income, and expense statements because these will be used to determine values. He asked for an update on Panda Garden because they are seldom open. Mr. Medelman responded that the Panda Garden operators took an extended leave to take care of medical issues and while they were gone they had a freezer go bad which he had to remove from the building. He explained that they have maintained their lease and plan to come back. Mr. Cox stated that Panda Garden has been closed since May due to health issues. Mr. Medelman stated that he finds it strange that the County wants his rent rolls and profit and loss statements since he's never been asked for this information before. Mr. Hackerott explained that these types of properties are bought and sold based upon their income producing capabilities and even though the County has never asked for this information the company who contracts with the County to do appraisals on commercial properties will be requesting this information. Mr. Medelman asked why he would give his rent rolls and expense information to the County and Mr. Hackerott replied that they are requesting all this information for apartment complexes because they are income producing properties. Chairman Schmidt explained that Mr. Medelman doesn't have to provide this information to the County; however, it would probably be to his advantage. Mr. Hackerott explained how the rent rolls and expense statements are used to established valuations. Mr. Medelman asked who sets the cap rates. Mr. Hackerott replied that he sets the cap rate and Mr. Medelman said that this is very subjective. Mr. Hackerott explained that a potential buyer will look at all the same information. He stated that the County will request commercial property owners to provide the necessary information for the County to do their job because he doesn't know what the rent rolls, expenses, and lease information. Mr. Cox asked how this information will be kept confidential because when leases differ between tenants, he doesn't want them to access the data. Mr. Hackerott responded that the information won't be available to the public or put on the website; but, will be used by the County and company contracted with who will also evaluate it to establish property valuations. Mr. Medelman stated that interest rates also must be considered and he asked how this was factored into establishing a valuation. Mr. Hackerott responded that they take a look at current interest rates and typical mortgage to equity positions for a commercial buyer. Mr. Cox asked if the County needs lease information and operating expenses immediately and Mr. Hackerott responded that he would like to have them now since the County needs to establish the 2018 valuation. Mr. Medelman replied that he is unsure if he will provide this information because, in his opinion, it is very intrusive. He stated that the percentage of increase is excessive. Mr. Cox reported that the strip mall is from the 1980s and doesn't have a typical market. Mr. Medelman explained that some of his leases are month-to-month which is worth less than a three-year lease and he asked how this is factored into the equation. Mr. Hackerott explained that a month-to-month lease will have a higher risk and it would be reflected in the cap rate. He stated that, as an investor, if a strip mall is 50% vacant they could expect to do a lot of work to get all of the spaces leased. He stated that he realizes that Mr. Medelman doesn't anticipate selling; however, the County needs to look at the property from a selling perspective. He stated that he doesn't want to go to an online website, or to another County, to try to establish a cap rate for income producing properties. Chairman Schmidt closed the hearing at 12:10 P.M. Motion was made by Ohl and seconded by Prauner to table the decision on the property valuation protests. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-82: Paul Medelman, 702 West Benjamin Avenue, Norfolk
Medelmans Lake Developer Vacancy Program

Chairman Schmidt opened a hearing at 12:11 PM. Paul Medelman and Jim Cox appeared at the hearing. Mr. Cox reported that two lots were sold for \$87,500 and those are the only lot sales. He stated that the utilities are not all completed yet including the public water, sewer, gas, and streets. Mr. Medelman reported that the streets were just put in; but, the intersections are not completed and no one can drive on the streets. Commissioner Prauner asked if all the lots are the same size and priced the same. Mr. Medelman responded that on-lake lots are available for houses built on slabs, and progressing around the lake the streets go up and the floodplain goes down so there will be some lots where houses with walk-out basements can be built at the end of Phase I. He explained that there are also off-lake lots on the south side of the lake and these lots are priced less. Mr. Cox reported that Phase I doesn't have enough lots to pay the cost of the infrastructure because excavation, water, sewer, and streets need to be developed. He said that to take the project from a working mine and make it ready for a housing development doesn't profit out until a later phase because of all the costs; so, this is why they thought that the developer's discount would be higher. Mr. Medelman explained that they put together a pro forma for the bank; so, this is how they arrived at a value. Commissioner Prauner asked if there were any other lot sales and Mr. Medelman replied that two lots are sold and three more sales are pending. Chairman Schmidt asked if sewer installation adds value to the property and Mr. Hackerott replied affirmative and explained that Mr. Medelman needs to complete a majority of the infrastructure before the City of Norfolk will allow them to turn on the water and sewer. Mr. Cox explained that the water lines aren't installed yet because the City is running the water line down Highway 81 and over to 1st Street; so, the water isn't 100% functional for this development. He explained that there will be two points for access to water lines, one from Highway 81 and one from 1st Street and they will connect along the river which will create the circulation loop. He stated that the City is paying to run the water line from Highway 81 on the north side of the lake; but, he is paying it back on individual lot sales. He explained that the tap fee is \$2,500 for the one mile of water main along the river. Chairman Schmidt asked if any of these costs have anything to do with setting a valuation. County Assessor Jeff Hackerott replied that this property is treated differently than most others because the developers have applied for the Developer's Discount Program under L.B. 191. He explained that the developers need to complete a lot of work to apply for this program. He stated a number of lots in the development are platted and lots of record and by applying for this program, the developer has agreed to have all the lots treated as one lot and to be valued as such. He stated that while actually 18 platted lots for sale, the County treats it as one for the 2018 assessed valuation. He reported that the developer has agreed to allow the County to value this as one parcel; so, as each lot is sold, the lot must be removed from the big parcel and valued separately. He stated that the County has the development valued at \$1,321,450 as one parcel and the developer will probably never pay taxes on that one parcel; however, as the lots are sold the County will pull the value off the big parcel and the buyer will get a discount for the current year just like the developer, but next year the buyer will see the valuation increase because the owner will no longer be eligible for the developer's discount. He stated that the other lots which didn't sell in the same year will be valued lower because they will still get the developer's discount. He reported that the Assessor's Association didn't like this Legislative bill because it creates serious inequity with two lots that are side by side with extremely different values. Mr. Medelman stated that Mr. Hackerott is looking at this wrong because the Legislative bill was meant to help developers. He explained that he asked the Senator to do more than the bill allows by letting the value as the base before the property was subdivided until the lots sell which would give the developer breathing room because the County wants to drastically increase the valuation and the street isn't even open. Mr. Hackerott stated that L.B. 191 forces the County to set a value. He said that as a developers they must complete the forms required by the Legislative bill and give the County anticipated sell out period, asking prices for every lot in the development, anticipated selling prices, and information on the developers' loan position. Mr. Cox explained that Mr. Medelman submitted the pro forma because when the paperwork was completed they didn't use the construction loan, so provided the costs associated with the development that would need to be borrowed. Mr. Medelman reported that he is borrowing \$2.5 million and has \$3 million into the project and he is losing \$1.5 on the first phase. Commissioner Ohl explained that when looking back at the housing crisis, developers got crushed, which is part of the reason that the Legislature looked at this issue because none of the developers wanted to get back into the business if they couldn't sell lots, have potential risks, and also pay taxes on the lots. Chairman Schmidt asked when the valuations would need to be increased and Mr. Hackerott replied that the values would increase the year following the sale of the lot. Chairman Schmidt asked what the developers had to complete before the County raised the value in 2018. Mr. Medelman stated that the valuation set by the County was not there until now because nothing was done last year even though the lots were listed for sale in hopes of selling lots to offset costs. He said that July 20th will be the first day that anyone can drive into the development on hard surfaced roads. Mr. Cox explained that they requested that the 2018 valuation remain at the 2017 rate which was \$1,455 for each of the 18 lots that were platted.

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Chairman Schmidt asked if the County's 2018 proposed valuation is the value on January 1, 2018 and Mr. Hackerott responded affirmative. Mr. Medelman responded that he moved 300,000 yards of dirt with probably about 100,000 yards moved in 2017 and the balance finished in March, 2018. He explained that there was nothing of any value in the development until the dirt work was completed which had to be completed before the water, sewer, and streets could be started. He argued that the 2017 value was the same value on January 1, 2018. He said that the County's value may be there today; but, not on January 1st. Chairman Schmidt closed the hearing at 12:27 P.M. Motion was made by Schmidt and seconded by Ohl to set the 2018 property valuation at \$660,725. Roll call vote: Ayes, none. Nays, Ohl, Prauner, and Schmidt. Motion failed. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$720,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-83: Lori Miller, 84454 560th Avenue, Norfolk
Peterson's Replat (Lots 2 & 3 Hille's) Lot 1 Less Hwy

Chairman Schmidt opened a hearing at 1:04 P.M. Lori Miller was present at the hearing and stated that she compared her property valuation to other apartments in the City of Norfolk. She stated that the building was constructed in 1977 and she submitted pictures of the interior showing that the units have old kitchens and countertops. She reported that the parking lot for her building is not paved, but the other apartment units at Gold Strike have paved parking lots. She stated that the assessment listing reflects a deck which is not been on the building since she purchased it. County Assessor Jeff Hackerott explained that the decks reflected on the assessment listing are actually landings. Ms. Miller said that she didn't understand the difference in square footage from the first and second floors which is listed at 1,440 square foot and the third floor which is listed at 1,612 square foot. She said that the individual unit value should be less than buildings that are 20 years newer. Ms. Miller testified that the valuation of her building is more than the building across the street which has a fully paved parking lot. She said that the building across the street has improvements and she hasn't made any updates. County Assessor Jeff Hackerott asked the rental rates and Ms. Miller replied that the units rent between \$325 and \$450/month. She said that there are 6 one-bedroom units and 5 two-bedroom units, with two renting for \$400/month and two renting for \$450/month. She stated that her units are the smallest per square foot of all the Gold Strike apartments, except the building across the street. She stated that the units are 720 square feet which are quite small. Ms. Miller stated that she purchased the apartment complex in 2007 and pays water, sewer, and garbage and the tenant pays for electric services. Mr. Hackerott asked what the occupancy is and Ms. Miller replied that Gold Strike is harder to rent just because of the reputation, but the occupancy is about 80%. Chairman Schmidt closed the hearing at 1:12 P.M. Motion was made by Schmidt and seconded by Prauner to table a decision on the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-84: Lori Miller, 84454 560th Avenue, Norfolk
Koenigsteins First Addition S1/2 S1/2 Lot 9, Blk 8

Chairman Schmidt opened a hearing at 1:12 P.M. Lori Miller appeared at the hearing and reported that she compared the valuation of this home to other houses in the neighborhood. She testified that she paid \$71,000 for the property in 2016. She explained that she owns the property next door which has an encroachment onto the subject parcel and they need to legally get that separated off. She submitted pictures of the interior of the house which shows the original old house. She stated that no updates have been made and the building valuation is \$69/square foot compared to the house next door at 310 South 5th Street which is valued at \$56/square foot. She stated that other houses on the block are 308 South 5th Street which is valued at \$50/square foot and 306 South 5th which is valued at \$36/square foot and these houses have double car garages. She stated that the property is a single family rental house. County Assessor Jeff Hackerott asked what the rental rate is and Ms. Miller responded that the rent is \$750/month and tenants pay all utilities. Chairman Schmidt closed the hearing at 1:18 P.M. Motion was made by Schmidt and seconded by Prauner to table a decision on the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-85: Lori Miller, 84454 560th Avenue, Norfolk
Koenigsteins First Addition S1/2 S1/2 LOT 10, BLK 8

Chairman Schmidt opened a hearing at 1:18 P.M. Lori Miller appeared at the hearing and testified that the subject property has an encroachment on the adjacent property at 504 West Park Avenue. She stated that both the subject house and the house at 504 West Park Avenue were built in similar years and are in similar condition. She stated that this property is a single family rental house. County Assessor Jeff Hackerott asked what the rental rate was and Ms. Miller responded that the rent is \$550/month and the tenants pay all utilities. Chairman Schmidt closed the hearing at 1:20 P.M. Motion was made by Schmidt and seconded by Prauner to table a decision on the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-86: Klay Kluver, 607 Charles Street, Norfolk
Town and Country Second Addition Pt Lot 22

Chairman Schmidt opened a hearing at 2:58 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that the current owners bought the property in December, 2017 for a purchase price of \$298,750. He reported that the valuation change was a 9% increase that was applied to many residential properties in the neighborhood. He stated that they were unable to schedule an appointment for an interior review; so, he is unsure of the condition of the inside of the home. He stated that they are estimating the interior condition of the home; so, he doesn't know if any renovation work has been completed. Chairman Schmidt closed the hearing at 3:01 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$319,822. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-87: Cindy Ganskow, 305 West Sherwood Road, Norfolk
PT S1/2 SW1/4 (TRACT 208.72 FT X 208.72 FT) PT TRACT A 10-23-1 1 AC

Chairman Schmidt opened a hearing at 1:31 P.M. Cindy Ganskow was present at the hearing and testified that she gave away an old trailer house that was located on this parcel. She stated that there was an addition on the trailer house which will be demolished and hauled away. She stated that the only thing that will be left on the parcel is an old garage which will probably also be demolished when she gets it empty. County Assessor Jeff Hackerott stated that he was at the property on May 17, 2018 and confirmed that the trailer house has been removed from this parcel. He advised that there was a two car garage and a small entryway into the old trailer house which is tipped over and falling apart. He explained that the only building value left on this parcel is the garage which was built in 1966. Chairman Schmidt closed the hearing at 1:34 PM. Motion was made by Prauner and seconded by Schmidt to set the 2018 property valuation at \$27,305. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-88: Gary Miller, 9601 Firethron Lane, Lincoln
Braaschs Suburban Lots S 88 FT E 135 FT W 490 FT Lot 6

Chairman Schmidt opened a hearing at 1:37 P.M. Gary Miller was present at the hearing and stated that he submitted a copy of an appraisal completed for the bank which was completed in December, 2017 and reflected a valuation of \$156,980. He explained that he took the County's land valuation and the bank appraisal, and the difference is his requested valuation of \$156,980. County Assessor Jeff Hackerott explained that Mr. Miller sent a copy of the appraisal report which will be considered. Mr. Hackerott asked the owner to confirm the number of bedrooms and bathrooms in the house. Mr. Miller responded that the main floor has two bedrooms and one bathroom and the basement has one conforming bedroom and one bathroom. Mr. Hackerott asked if the house has a fireplace and Mr. Miller replied that the house has not had a fireplace since he has owned it. Chairman Schmidt closed the hearing at 1:40 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$165,374. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2018-89: Gary Miller, 9601 Firethron Lane, Lincoln
Pasewalks Second Addition Lot 11, BLK 3

Chairman Schmidt opened a hearing at 1:40 P.M. Gary Miller appeared at the hearing and testified that the subject property is located at 710 South 1st Street in Norfolk. He explained that he had an appraisal completed for the bank for property located at 706 South 1st Street which he owned since November, 2016. He explained that he inflated the 2016 appraised value 3% per year and arrived at an estimated value of \$57,895 for the house and used the county's land valuation of \$7,668 for a total of \$65,563. He stated that both houses are similar in size, construction, and age. County Assessor Jeff Hackerott asked if the subject property is a single family rental property. Mr. Miller responded that the house is a rental and there are two units in it. He reported that the upstairs rents for \$450 month and the main floor rents for \$550/month. He reported that the house located at 706 South 1st Street is a single family house which rents for \$1,000 month and provides another comparable factor. Chairman Schmidt closed the hearing at 1:44 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-90: Gary Miller, 9601 Firethron Lane, Lincoln
Pasewalks Fifth Addition S 6.9 Ft Lot 1 & All Lot 2, BLK 3

Chairman Schmidt opened a hearing at 1:44 PM. Gary Miller was present and stated that this property had an appraisal for the bank completed in July, 2015 and he used that appraisal and inflated it 3% per year for every year to arrive at a requested value of \$120,429. He explained that there are two houses on this parcel, with one being a cottage house; but, the valuation includes both houses. Chairman Schmidt asked what the rent was for these houses and Mr. Miller responded that the cottage house rents for \$450/month and the main house rents for \$800/month. He reported that the main house has gas heat, central air conditioning, and electric hot water heater; but, the cottage house is all electric. Chairman Schmidt closed the hearing at 1:47 P.M. Motion was made by Schmidt and seconded by Prauner to set the 2018 property valuation at \$128,305. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-91: Gary Miller, 9601 Firethron Lane, Lincoln
Glenwood Addition Lot 13, BLK 8

Chairman Schmidt opened a hearing at 1:47 P.M. Gary Miller appeared at the hearing and explained that a bank appraisal was completed on this property in 2014 and he used that appraisal and inflated it 3% per year for each year to arrive at a requested value of \$146,315. He stated that this property is a duplex with two bedrooms, one bathroom, and a single car garage on each side and the units are all electric. He reported that he had the house built about 12 or 13 years ago and that each unit rents for \$700/month. He stated that his requested valuation reflects both the rental and appraisal amount closer than the County's valuation. County Assessor Jeff Hackerott reported that the valuation change was a 12% increase. Chairman Schmidt asked if there any condition of the property that the County would not be aware of which would lessen the valuation. Mr. Miller stated that based upon the appraisals, he inflated the values for each property 3% for each year. He stated that he doesn't pay attention to know how the County changes property valuations because sometimes there aren't changes and sometimes the valuation changes are big. He said that he took what he thought was a reasonable increase each year and added that to the last appraisal amount. He stated that there isn't any condition of the property that is detrimental to the basis for the appraisal and each appraisal is effective and accurate. He explained that the basis is inflated, particularly from the appraisals that are two or three years old; but, a 3% increase every year is reasonable. Mr. Miller said that a 12% increase in one year seems rather high. Chairman Schmidt stated that the valuation changes are based upon an average of three years of sale prices. Mr. Miller stated that appraisals are solid tools to set valuations. Chairman Schmidt closed the hearing at 1:54 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$149,202. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-92: Gary Miller, 9601 Firethron Lane, Lincoln
Durlands Suburban Lots NE1/4 LOT 13

Chairman Schmidt opened a hearing at 1:54 P.M. Gary Miller was present and explained that an appraisal for the bank was completed in 2016 on this property and that he used that appraisal and inflated it at 3% per year for each year to arrive at a requested valuation of \$84,362. He reported that the property is a rental property with two units and that the upstairs rents for \$600/month and the basement rents for \$350/month for a total of \$950/month. He explained that he pays the water, garbage, and gas for this building. He stated that haven't been any major improvements made to the property since the appraisal was completed. County Assessor Jeff Hackerott stated that the appraisal that the owner submitted for this property was in the amount of \$128,000. Mr. Miller stated that he erroneously used the wrong number from the appraisal. Chairman Schmidt closed the hearing at 1:57 P.M. Motion was made by Schmidt and seconded by Ohl to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl. Nays, Prauner and Schmidt. Motion failed. After further discussion, a motion was made by Prauner and seconded by Schmidt to set the 2018 property valuation at \$120,320. Roll call vote: Ayes, Prauner and Schmidt. Nays, Ohl. Motion carried.

Protest #2018-93: William King, 802 Portia Drive, Norfolk
Homestead Addition Lots 67, 68 & 69 & Pt Vac Alley

Chairman Schmidt opened a hearing at 3:02 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 14, 2018 with Mr. King. He stated that the house is a bungalow style and the house is rented; however, the tenants left owing back rent. He stated that this property borders the parcel where Mr. King's business is located and he purchased it so he could have control of the lot and possibly have it available for future expansion. He confirmed that the owner has the gas and water turned off at the meters; but, the electricity is still on because Mr. King uses the garage on this parcel and needs the electricity so he can use the garage. He reported that Mr. King told him that he plans to demolish the house. Chairman Schmidt closed the hearing at 3:05 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$37,473. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-94: Patricia Dodson, 3401 Golf View Drive, Norfolk
Eldorado Hills 7th Addition Lot 12, BLK 3

Chairman Schmidt opened a hearing at 3:09 PM. No one appeared at the hearing to offer verbal testimony. The written protest and the attached letter were read. County Assessor Jeff Hackerott reported that he was unable to schedule an appointment for review of the house. He stated that a message was left with the owners on July 13, 2018 and they did not return a call. He stated that he is unsure if there are any issues with the interior of the home. He stated that the valuation change was a 9% increase that was applied to many houses in this neighborhood. Chairman Schmidt closed the hearing at 3:12 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$305,051. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-95: Darin Epperly, 712 South 7th Street, Norfolk
Durlands Suburban Lots N 50 FT E1/2 LOT 3

Chairman Schmidt opened a hearing at 3:17 P.M. No one appeared at the hearing to offer verbal testimony. The letter submitted with the protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property on July 15, 2018 with Mr. Epperly. He stated that the house is an all brick bungalow style home that does not have an attached garage. He stated that the main floor has two bedrooms and one bathroom and that the basement has one nonconforming bedroom and a 3/4 bathroom. He reported that there is a carport located on the south side of the house which is starting to deteriorate due to water damage. He stated that he discussed the water issues in the basement with the owner to determine if there was a plumbing issue and the owner stated that he hadn't had the drain snaked out for a number of years. Chairman Schmidt closed the hearing at 3:22 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$99,023. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2018-96: Paul Renner, 54545 840th Road, Battle Creek
R E D Addition Lot 1 1.01 AC (18-24-4)

Chairman Schmidt opened a hearing at 2:18 P.M. Paul Renner appeared at the hearing and testified that he purchased the property on May 1, 2018 for a price of \$62,000. He explained that the property had been listed on the market with Blank Agency for 110 days and the price was fair. He stated that he felt that it was a fair price for what they paid. He reported that the County valuation is \$108,079. He explained that the house needs some work which is reflected in the sale price. He said that his requested valuation is 94% of the purchase price. Commissioner Prauner asked if the property was rented and Mr. Renner replied that the house is vacant and after improvements are made it will be a rental property. County Assessor Jeff Hackerott reported that the two-story house was built in 1935. He confirmed that the house is vacant. Mr. Renner reported that house has 1 bedroom and a small bathroom on the main floor, 3 bedrooms and 1 small bathroom upstairs, an unfinished basement, and the house is in a floodplain. Chairman Schmidt closed the hearing at 2:23 P.M. Motion was made by Prauner and seconded by Ohl to set the 2018 property valuation at \$62,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, None. Motion carried.

Protest #2018-97: Paul Renner, 54545 840th Road, Battle Creek
PT SW1/4 2-24-4 150.25 AC

Chairman Schmidt opened a hearing at 2:23 P.M. Paul Renner was present and testified that he purchased the subject property on February 14, 2018. He reported that the property was listed with Elkhorn Valley Real Estate for \$684,000 and he purchased it at a cost of \$638,400. He stated that the property is sandy and has a wetland on it; but, the parcel is irrigated. He explained that in order to arrive at the County's valuation of \$691,706 at a 73% assessment level, the valuation would have to be \$947,000 at 100% valuation. He explained that the County's assessed value is \$4,604/acre at 73% and \$6,306/acre at 100% valuation and his purchase price was \$4,249/acre. He reported that there are two small grain bins on the property which are about 5,000 bushels each. He stated that he also purchased another farm on the Pierce/Madison County line, which is one-half mile north of the subject property, in December, 2017 and paid for \$4,083/acre that property. He stated that these two sales indicate the current land valuations in that area. Chairman Schmidt closed the hearing at 2:27 P.M. Motion was made by Ohl and seconded by Prauner to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-98: Paul Renner, 54545 840th Road, Battle Creek
PT SW1/4 5-23-2 155.58 AC

Chairman Schmidt opened a hearing at 2:27 P.M. Paul Renner was present and testified that he purchased the subject property in 2011. He explained that he did preventive planting on half of the property in 2016 and in 2017 he took preventive planting on the entire farm. He stated that this year there is water everywhere on the farm with half of the farm having oats and alfalfa. He stated that the west half has some wet spots on it; but, the east half is not very good. He stated that there is pasture and meadow in the center of the farm. He explained that the tenant wanted to break up the meadow ground, so they did; but, they just haven't had the right seasons since. He stated that when they cleaned up the old building site they had to get a wetland determination and now they have to deal with wetlands; but, there is nowhere to tile the property. County Assessor Jeff Hackerott stated that he was aware of the wet spots on this parcel. He advised that Mr. Renner brought in his FSA paperwork with the wetlands determination. 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 \$547,861. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-99: Paul Renner, 54545 840th Road, Battle Creek
PT SW1/4 23-23-1 114.27 AC

Chairman Schmidt opened a hearing at 2:30 P.M. Paul Renner appeared at the hearing and testified that the subject parcel was purchased in 1977 and is located in a high water area. He reported that he has a battle every year with a large number of acres that are nonproductive due to wet areas. He explained that there was an area on the farm that was in the CRP program as wetlands and when the first contract expired, it couldn't be re-enrolled because there was no program for wetlands. He stated that two corners of this property were in the Pheasants Forever program for 10 years, but the program expired. He reported that he had it listed on the market for sale; however, he took it off because no good offers were received. He verified that there are no CRP acres on this parcel. Chairman Schmidt closed the hearing at 2:35 P.M. Motion was made by Ohl and seconded by Prauner to make no change to the 2018 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-100: Douglas Sunderman, 55549 834th Road, Norfolk
NW1/4 LESS PT TO STATE 18-23-2 152.84 AC

Chairman Schmidt opened a hearing at 2:40 P.M. Stephen Sunderman was present at the hearing to represent his father, Douglas Sunderman. He presented a spreadsheet listing the protest numbers, owner, legal descriptions, assessed values from the last three years, number of acres of each property, what the 100% value is per acre based upon the assessed value, and the requested valuation amount. He stated that his requested valuations are 73% of actual market value. He complimented the County on using separate market areas in the County and for splitting a portion of the northern portion of the County several years ago, which in his opinion was the right decision in terms of trying to get a more fair sales value. He said that his only argument is that even with that split of the market areas when you look at properties that have a majority of Class 3 and 4 soils, they are still not being assessed at the proper value and do not match what the sales values have been over the past 2 to 5 years. Mr. Sunderman stated that he is using \$5,550 an acre on irrigated properties and in the past he used \$5,400 an acre because they purchased a farm at that amount. He reported that in the fall 2017 they purchased a farm south of Norfolk, which is Protest #2018-100 at \$5,550 per acre. He submitted the sales agreement for the purchase of that property which was formerly owned by Marlin Mozer. He stated that when you look at the Type 3 and 4 soils on irrigated farm ground, the values fall in line with the sale prices which are around the average of \$5,500 an acre. He stated that is using a value of \$5,550 an acre on many of the other farms which they have owned for a number of years. He explained that the values that the County is using are between \$6,200/acre and \$6,800/acre. He reported that they farm all these properties themselves. County Assessor Jeff Hackerott stated that no CRP acres are shown on the subject property and he asked if the paperwork regarding the program dates, and a map showing the acres in the program, could be submitted to the Assessor's office. Chairman Schmidt closed the hearing at 2:53 P.M. Motion was made by Schmidt 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 #2018-101: Stephen Sunderman, 55549 834th Road, Norfolk
NE1/4 25-23-1 160 AC

Protest #2018-103: Douglas Sunderman, 55549 834th Road, Norfolk
SW1/4 & N1/2 SE1/4 36-23-1 240 AC

Protest #2018-105: Douglas Sunderman, 55549 834th Road, Norfolk
S1/2 NE1/4 & SE1/4 34-23-1 240 AC

Protest #2018-106: Douglas Sunderman, 55549 834th Road, Norfolk
NW1/4 NE1/4 34-23-1 40 AC

Protest #2018-107: Douglas Sunderman, 55549 834th Road, Norfolk
PT SW1/4 28-23-1 149.63 AC

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MADISON COUNTY, NEBRASKA

Protest #2018-109: Douglas Sunderman, 55549 834th Road, Norfolk
PT SE1/4 2-22-1 145.71 AC (INCLUDES TRACT 2-L B CHANGE IN
PT NW1/4 SE1/4 & PT SW1/4 SE1/4 2-22-1-2008)

Protest #2018-110: Douglas Sunderman, 55549 834th Road, Norfolk
SW1/4 2-22-1 160 AC

Chairman Schmidt opened a hearing at 2:40 P.M. Stephen Sunderman was present at the hearing to represent his father, Douglas Sunderman. He presented a spreadsheet listing the protest numbers, owner, legal descriptions, assessed values from the last three years, number of acres of each property, what the 100% value is per acre based upon the assessed value, and the requested valuation amount. He stated that his requested valuations are 73% of actual market value. He complimented the County on using separate market areas in the County and for splitting a portion of the northern portion of the County several years ago, which in his opinion was the right decision in terms of trying to get a more fair sales value. He said that his only argument is that even with that split of the market areas when you look at properties that have a majority of Class 3 and 4 soils, they are still not being assessed at the proper value and do not match what the sales values have been over the past 2 to 5 years. Mr. Sunderman stated that he is using \$5,550 an acre on irrigated properties and in the past he used \$5,400 an acre because they purchased a farm at that amount. He reported that in the fall 2017 they purchased a farm south of Norfolk, which is Protest #2018-100 at \$5,550 per acre. He submitted the sales agreement for the purchase of that property which was formerly owned by Marlin Mozer. He stated that when you look at the Type 3 and 4 soils on irrigated farm ground, the values fall in line with the sale prices which are around the average of \$5,500 an acre. He stated that he is using a value of \$5,550 an acre on many of the other farms which they have owned for a number of years. He explained that the values that the County is using are between \$6,200/acre and \$6,800/acre. He reported that they farm all these properties themselves. Chairman Schmidt closed the hearing at 2:53 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuations. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-102: Douglas Sunderman, 55549 834th Road, Norfolk
S1/2 SW1/4 SE1/4 24-23-1 20 AC

Protest #2018-104: Douglas Sunderman, 55549 834th Road, Norfolk
SW1/4 NE1/4 & NW1/4 SE1/4 & N1/2 SW1/4 SE1/4 24-23-1 100 AC

Chairman Schmidt opened a hearing at 2:40 P.M. Stephen Sunderman was present at the hearing to represent his father, Douglas Sunderman. He presented a spreadsheet listing the protest numbers, owner, legal descriptions, assessed values from the last three years, number of acres of each property, what the 100% value is per acre based upon the assessed value, and the requested valuation amount. He stated that his requested valuations are 73% of actual market value. He complimented the County on using separate market areas in the County and splitting a portion of the northern portion of the County several years ago, which in his opinion was the right decision in terms of trying to get a more fair sales value. He said that his only argument is that even with that split of the market areas when you look at properties that have a majority of Class 3 and 4 soils, they are still not being assessed at the proper value and do not match what the sales values have been over the past 2 to 5 years. Mr. Sunderman reported that they purchased a 40 acre parcel of farm ground in the fall of 2017 from the Peterson family with a purchase price of \$4,000/acre and he submitted the purchase agreement for this property. He explained that the County had the parcel that they purchased assessed at \$4,100/acre; so, he didn't file a protest on that property since it was assessed between 3% and 5% of the sale price. He stated that, in his opinion, the purchase of the Peterson farm was a good representation of the other dryland farms that he is protesting the value. Chairman Schmidt closed the hearing at 2:53 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuations. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-108: Douglas Sunderman, 55549 834th Road, Norfolk
E1/2 E1/2 SE1/4 3-22-1 32.55 AC (TRACT 2-BREWER'S LOT SPLIT-1990)

Chairman Schmidt opened a hearing at 2:40 P.M. Stephen Sunderman was present at the hearing to represent his father, Douglas Sunderman. He presented a spreadsheet listing the protest numbers, owner, legal descriptions, assessed values from the last three years, number of acres of each property, what the 100% value is per acre based upon the assessed value, and the requested valuation amount. He stated that his requested valuations are 73% of actual market value. He complimented the County on using separate market areas in the County and splitting a portion of the northern portion of the County several years ago, which in his opinion was the right decision in terms of trying to get a more fair sales value. He said that his only argument is that even with that split of the market areas when you look at properties that have a majority of Class 3 and 4 soils, they are still not being assessed at the proper value and do not match what the sales values have been over the past 2 to 5 years. Mr. Sunderman stated that the subject property is grassland pasture and is assessed at \$3,111/acre at 100% value; so, based upon what sale values are for pasture ground around the area lately, \$2,500/acre is more accurate and fair value at 100% valuation. Commissioner Prauner asked if they are using the pasture ground and Mr. Sunderman responded that the pasture ground is leased and a majority of the parcel is type 3 and 4 soils. He stated that these types of properties did not have the higher sale prices in the \$7,000/acre to \$9,000/acre range like farms with type 1 and 2 soils. County Assessor Jeff Hackerott stated that the assessment record reflects 8.5 acres of dry crop on this parcel. Mr. Sunderman responded that there is alfalfa on the parcel. Chairman Schmidt closed the hearing at 2:53 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2018 property valuations. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2018-124: Lori Miller, 84454 560th Avenue, Norfolk
Pasewalks Sixth Addition S 36 FT LOT 12 & N 28 FT Lot 13, BLK 1

Protest #2018-125: Lori Miller, 84454 560th Avenue, Norfolk
Pasewalks Sixth Addition Lot 11 & N 14 FT Lot 12, BLK 1

Protest #2018-126: Lori Miller, 84454 560th Avenue, Norfolk
Pasewalks Sixth Addition S 22 FT Lot 13 & All Lot 14, BLK 1

Chairman Schmidt opened a hearing at 1:26 P.M. Lori Miller was present at the hearing and testified that the apartment buildings were constructed in 1967; so, they are 10 years older than the apartments on Gold Strike and 30 years older than the Meadow Ridge apartments. She submitted a document comparing the other apartment units in the City of Norfolk. She explained that the apartments on Meadow Ridge are all brick buildings, individual decks, dishwashers, and garbage disposals and these apartment units don't have any of these updates. She stated that they have old kitchens, vinyl countertops, and old bathrooms. She explained that they try to maintain the units and keep them in good condition. She stated that if too many improvements are put into the apartment units, then she needs to increase the rent. She said that if she keeps the units clean, then she can keep the rent rates reasonable. Ms. Miller reported that the valuation of her property is between \$34,000 and \$35,000 per unit compared to the Meadow Ridge apartment units which are valued at \$27,000 and the Golden Strike apartment units which are valued between \$25,000 and \$27,000 per unit. She stated that the apartments at Meadow Ridge are approximately 1,100 square feet, the units at Gold Strike complex are 725 square feet, and the apartments on Blaine Street are approximately 800 square feet. She reported that the bottom floor of each building has 1 one-bedroom and 3 two-bedroom units. She stated that they pay water, sewer, and garbage, and the tenant pays gas and electric. Ms. Miller stated that each building is a four-plex apartment unit. She reported that the one bedroom units rent for \$325/month and the two bedroom units rent between \$425/month and \$450/month. She explained that when a replacement tenant moves into an apartment, they pay the \$450/month rental rate. She explained that the exterior of the building has vinyl siding and the windows have not been replaced. Chairman Schmidt closed the hearing at 1:30 P.M. Motion was made by Schmidt and seconded by Prauner to table a decision on the property valuation protests. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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MADISON COUNTY, NEBRASKA

The Board of Equalization recessed at 4:13 P.M. to Friday, July 20, 2018 at 9:00 A.M.

Nancy Scheer
Madison County Clerk

Ron Schmidt, Chairman
County Board of Equalization