

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

BOARD OF EQUALIZATION

Madison, Nebraska

July 20, 2016

The Board of Equalization of Madison County, Nebraska met at 9:00 A.M.

Advance notice of meeting was published in the Thursday, July 14, 2016 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 Ohl and seconded by Prauner to approve the agenda for the meeting. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-71 Roxanne Kline, 1009 West Nebraska Avenue, Norfolk
Koenigsteins Second Addition W 61 Ft N 30 Ft Lot 14 & W 61 Ft Lots 15 & 16, Blk 4

Chairman Schmidt opened a hearing at 9:25 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property on July 15, 2016 with the owner's daughter, who is a tenant in the house. He stated that the basement finish has all been removed and it is bare block walls; but, he didn't see any mold as the owner noted on the protest form. He said that according to the tenant, the City of Norfolk won't allow the owners to refinish the basement due to the condition of the foundation. He reported that the main floor was renovated in 2010. Chairman Schmidt closed the hearing at 9:27 A.M. Motion was made by Prauner and seconded by Ohl to set the 2016 property valuation at \$64,098. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-72 Daniel and Lisa Lyons, 1801 Hillview Drive, Norfolk
College View 2nd Addition Lot 1, Blk 10

Chairman Schmidt opened a hearing at 9:05 A.M. Daniel Lyons appeared at the hearing and reported that he prepared a listing of Norfolk home sales between December, 2015 and June, 2016 as listed on Realtor.com website. He explained that the properties that are marked with an X on the right side are comparable to his house and are located close to the College View area. He explained that he selected 42 homes and that the average sale price was \$136 per square foot and this does not include a five bedroom house that sold by the lake or anything like that which is out of comparison with his home, nor does it include an \$80,000 house which sold down by Norfolk High School. He further explained that if you look at the seven houses which are located within the immediate area of his home, the sale prices averaged \$129 per square foot. He submitted copies of the seven houses which were used as comparables. He presented an aerial view of his house and pointed out that the lot where his house is located was the last lot sold in College View Addition. He pointed out that the lot is irregular shaped, so they don't have a backyard. He explained that with this lot they couldn't have a walkout basement and they raised the lot enough to have daylight windows instead of egress windows. Mr. Lyons reported that the lot is at the bottom of the hill, so all the water comes down into the sewer at this corner and they have water that comes up into their backyard for about two blocks. He explained that he bermed his yard so that the water actually goes through the lot to a corner that he pointed out on the aerial photo. He stated that the lot where his house is located was probably supposed to be green space for a mini park. Mr. Lyons stated that the lot cost them less; so, for lot pricing the value looks high in comparison to lots in a different neighborhood. He said that when looking across the street the homes were built in the early 1970s. He reported that a house located on 1907 Sheridan Drive was listed for sale and has more square footage, but the listing price was \$297,000. He explained that his house has 1,615 square foot and at \$136 per square foot the value would be \$219,640, which is a substantial difference from \$254,761 as assessed by the County. Mr. Lyons reported that County Assessor Jeff Hackerott inspected his house yesterday. He said that fixtures go into the calculations for valuations; but, if there is an extra sink in the garage would that add extra value to the home. He said he understands that the County needs to use something for a benchmark. He stated that they knew when they purchased the lot in February, 2004 that they wouldn't get the best return for it; but, there weren't any lots available without costing twice the price. He submitted a copy of seven different properties that were listed on Realtor.com website. County Assessor Jeff Hackerott reported that he inspected the property with Mr. Lyons on July 19, 2016. He explained that the house is ranch-style, with two bedrooms, two bathrooms, laundry room, and fireplace on the main floor. He stated that the basement has one conforming bedroom, family room, wet bar, 3/4 bathroom, and an unfinished area. He reported that there is a storm shelter under the front porch, a covered deck on the back of the house, three car garage, and small utility shed. He confirmed that the lot is shallow front to back and that the owners do not have a backyard. Chairman Schmidt closed the hearing at 9:16 A.M. Motion was made by Prauner and seconded by Ohl to set the 2016 property valuation at \$242,382. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-73 Edward and Sandra Cahoy, 1815 West Taylor Avenue, Norfolk
Bel Air 10th Addition Lot 7, Blk 18

Chairman Schmidt opened a hearing at 9:20 A.M. No one appeared at the hearing to offer verbal testimony. The statement attached to the protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property with Mr. Cahoy and that the house is a ranch style which has 2,300 square feet on the main floor and a three car attached garage. He stated that the basement of the house is predominantly finished. He said that the house has been listed on the market for a significant amount of time and that the first listing price was \$485,000, then the price was reduced to \$394,500. He reported that the owners recently sold the house for \$335,000 and closing is scheduled in September, 2016. He explained that the previous valuation was based upon an estimate. Chairman Schmidt closed the hearing at 9:24 A.M. Motion was made by Prauner and seconded by Ohl to set the 2016 property valuation at \$330,924. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2016-74 Don and Stacy Stolze, 809 North Boxelder Circle, Norfolk
Walters Wedgewood 9th Addition Lot 6, Blk 7

Chairman Schmidt opened a hearing at 9:35 A.M. Don Stolze was present at the meeting and testified that there are two other properties in the neighborhood that he would like to use as comparisons. He reported that the first property is located at 917 North Boxelder Street which has the same floor plan as his house, but the basic difference is that his house has a three car garage and the other house has a two car garage. He stated that the other property is 801 North Birch Street and he selected this property because when they re-financed their house, this property was selected as a comparison because it sold at approximately the same time. He stated that when he reviewed the valuations of other homes most of the valuations increased about \$9,000 on the improvements from 2013 to 2014, and then from 2014 to 2015, the other two comparable properties went up \$40,000 and \$42,000 respectively and the valuation of his house increased \$49,000. He said that all the houses are still the same, everyone is taking care of them, and the houses all have the same rating as far as condition. He requested an explanation of the lot size as listed on the GIS record of the website. County Assessor Jeff Hackerott responded that the lot sizes are pre-set ranges. Mr. Stolze commented that this is a wide range since his lot size is approximately half an acre, not one acre in size. He submitted the parcel information from the County website for his property and also for the two comparable properties owned by Travis Christiansen and David Henning. He stated that he went to the preliminary meetings held at the Norfolk Public Library and the person he met with said that based upon the square footage, his valuation may be a little high and it would be adjusted; however, no change was made. He explained that, when he compared the two properties, the valuations were \$63.42 per square foot and \$62.41 per square foot and the valuation of his house is \$78.87 per square foot, which is \$16 per square foot out of line. Mr. Stolze stated that the valuation of his house increased \$58,000 in the last two years and everything in the subdivision was increased by \$9,000 the year before and then went up another \$49,000 last year. He reported that these increases raised the valuation 40% in two years. He reported that these are Walters' houses which were an economical option and there are some inherent flaws that haven't changed with these houses. He stated that he realizes that the County thought that the houses were undervalued; but, there are some things about the houses that don't change. He explained that the basements were all made with one course short a block and if the basement is finished, an eight foot ceiling won't fit in the basement. He reported that you can ask any roofer in town that has worked on the roofs because there is not much bracing in the rafters and 7/16 sheathing was used. He explained that his house has Seal-Right windows and almost everyone in the neighborhood has replaced their windows because the original windows were really not the best quality. He stated that all the homes have furnaces that were made in Texas and after everyone fights with it for a while to keep it working because the company used an inferior system for the flame control, they replace the furnace. He stated that the Walters' houses are still the Walters' houses and the market has made the values change and he realizes that the County goes by the market; but, those who live in the houses are still the same houses as when they bought them. He said the other point that he wanted to make was that the County is in the middle of a three or four year assessment in the City of Norfolk and he looked at some houses in areas that weren't assessed. He stated that he took a \$9,000 increase in valuation two years ago and now he took another \$50,000 increase while he looked at some comparable houses in areas that haven't been reassessed yet and they haven't seen any kind of an increase like this. He said that, in his opinion, the assessed value should have been held off until the entire City was increased at the same time, or at least increased in steps. He asked if there was any precedence on what percentage the valuation could go up. Commissioner Prauner responded that there isn't any precedence. Mr. Stolze said that he is paying a mortgage and his escrow account manager contacted him and told him that his payment was going up \$200 per month because the insurance increased, but mainly because the taxes went up; so, in order to fund his escrow account, his monthly mortgage payment went up \$189 per month. He said that his proposed valuation of \$186,895 is more than fair. Commissioner Prauner asked if there were any homes sold in the neighborhood and Mr. Stolze responded that there haven't been any sales because it's a fairly stable neighborhood. County Assessor Jeff Hackerott reported that the subject house has 1,886 square feet on the main floor and 735 square feet of finish in the basement and the house was built in 1991. He stated that the house located at 604 East Maple Avenue sold for \$105 a square foot. He reported that there were several other sales of houses that are similar in age and size which sold for \$121 per square foot and \$130 per square foot. He stated that the sale prices seem to support the value. He stated that the houses in this area are not entry-level houses, but spec houses which were not custom-built. He stated that the basement has block walls, not poured foundations. Chairman Schmidt closed the hearing at 9:50 A.M. Motion was made by Ohl and seconded by Prauner to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-75 David Classen, P.O. Box 396, Humphrey
Pt NE1/4 Less PT to RR 25-21-2 143.01 AC (Error On Deed)

Chairman Schmidt opened a hearing at 9:55 A.M. David Classen and Tom Haiar were present at the hearing. Mr. Classen testified that he purchased this property in 1997 at a land sale and paid for a total of 150 acres and has been paying taxes on 150 acres. He said that he owned the property for 19 years and received a statement from the County Assessor that said that there was an error on the deed and the acres were reduced to 143.01 acres. He stated that he talked to Norman Small about this issue and Mr. Small explained that the railroad was taken off. He said that he asked about the taxes and Mr. Small said that he hadn't been paying taxes on the 6 acres. Mr. Classen said that if hasn't been paying taxes on the 6 acres, but he was paying taxes on another 6 acres on that farm that he doesn't own because his tax statement says 149.99 acres and he has been paying this for 18 years. He said that Mr. Small is telling him that he only owns 143.01 acres and he paid for 150 acres. He asked who is going to pay him back for the amount that he paid for the 6 acres, plus the interest, plus the taxes. Commissioner Prauner asked if the property was sold as more or less than 150 acres. Tom Haiar responded that the land would have been sold as 150 acres more or less because there was no actual survey. Mr. Classen reiterated that he paid for 150 acres. Commissioner Prauner stated that Mr. Classen bought the property as 150 acres more or less, meaning he could have bought 140 acres, or 170 acres because this is how property is sold. Mr. Classen stated that according to the Register of Deeds he has been paying for 149.99 acres because that is the taxable acres and that should be what he owns. County Assessor Jeff Hackerott reported that the Nebraska Central Railroad runs North and South through this property and it is an active railroad. He stated that when Mr. Classen purchased the property there was no survey recorded and typically when properties without surveys sell, in order to protect everyone, it is sold as more or less because no one wants to put the exact acreage on the paperwork. He stated that he can't speak for what Mr. Classen feels that he purchased; but, he is guessing that Mr. Classen did not purchase the railroad because if he did he should have been receiving a lease payment from the railroad every time they run the train across the property. He said that what Mr. Small told the owner is true because the deeds were researched back to September 22, 1879 and none of the deeds mentioned the railroad. He stated that the last deed that was filed was in 1998, which was a survivorship warranty deed, and the property has been listed on the County records as 149.99 acres. He explained that Mr. Classen has not been paying taxes on the railroad and he has verified that there are 6 acres of railroad right-of-way on this parcel.

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He stated that both the Register of Deeds office and the Assessor's office had this property listed as 149.99 acres and it is their opinion that Mr. Classen does not own the railroad, so they are adjusting the acres to 143.01 acres because that is what the County feels that Mr. Classen owns on this parcel. He showed the assessment record which listed a total of 149.99 acres and also reflected 6 acres of railroad with no value. Mr. Classen stated that when he purchased the land, he figured that the same thing was done with the railroad as with the County roads where the land owner buys it, but doesn't get to farm it. Chairman Prauner stated that Mr. Classen doesn't pay taxes on the road right of way or on the railroad. Mr. Classen asked if he has to pay taxes on the creek and Mr. Hackerott responded that the creek is listed as waste acres on the assessment record. Mr. Classen stated that the County may not be charging him taxes for the 6 acres of railroad; he is charged him for 6 acres of something else that he doesn't own. Commissioner Ohl asked if the total number of acres changed from prior years and Mr. Hackerott responded that the assessment record reflects that the acres were 149.99 acres in 2015 and changed to 143.01 acres in 2016. He explained that Mr. Classen was not paying taxes on the 6 acres of railroad listed on the assessment record. Mr. Classen asked why the 6 acres were not taking off of the 149.99 acres if he was not paying taxes on it. He reiterated that he is still paying taxes on 6 acres someplace, maybe not on the railroad acres, but the County is charging him for 6 acres someplace else. He emphasized that the County charged him for 149.99 acres last year. Commissioner Prauner stated that he is not paying taxes on the railroad. Mr. Classen stated that this is correct, he is not paying taxes on the railroad, but the County is charging him for 6 acres that he doesn't own. Commissioner Prauner stated that the property was not deeded right which was the biggest problem because if it was deeded right to Mr. Classen would have 143 acres to begin with. Mr. Classen stated that if he makes an error, he needs to pay for it. He stated that it looks like the error was made at the County, so he feels that the County owes him for 6 acres that he paid for, plus interest, plus the taxes that he is paid for all these years, which amounts to about \$14,000. Commissioner Prauner reiterated that Mr. Classen was not paying taxes on the railroad property but he was paying taxes on 143 acres. Commissioner Prauner stated that if a survey was completed when the property was bought, the error would have been caught then. Commissioner Ohl explained that the Assessor is saying that the 6 acres were indentified on the assessment record; but, according to itemized list, the 6 acres were not being taxed. Mr. Classen stated that he doesn't believe that for one minute and that he is being taxed on 149.99 acres. Chairman Schmidt stated that he added the acres that are listed on the assessment record and it totals 143 acres. Mr. Classen requested the Assessor to go back to 1998 and show where he paid \$0 on the 6 acres. Chairman Schmidt showed Mr. Classen the 2014 assessment record which reflects 6 acres of railroad with no valuation and 3.34 acres of road with no valuation, so even though the total number of acres is listed as 149.99 acres, there was no valuation on the railroad or road. He stated that he assumes that all the records dating back to 1998 will show the same thing, even though the parcel size shows 149.99 acres. Mr. Classen asked if it was the Register of Deeds job to make sure that the total number of acres is correct and Commissioner Prauner responded that the number of acres is between the buyer and the seller. Chairman Schmidt said that he was surprised that the title insurance didn't catch this error. Tom Haiar reported that he spoke to a title insurance company and they don't ensure acres, they only ensure that the title is free and clear. He stated that this is a bad situation where a survey was not done by either party. He explained that his Mom and Dad were the sellers and it was assumed that the property was 150 acres. Chairman Schmidt closed the hearing at 10:17 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-76 Robin Jones, 309 North 10th Street, Norfolk
Pasewalks Addition Sw1/4 Lot 9, Blk 4

Chairman Schmidt opened a hearing at 9:30 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form and attached letter were read. County Assessor Jeff Hackerott reported the property is a rental house. He explained that his staff tried to arrange an appointment with the owner several times; however, she was too busy to meet for an interior inspection of the property so he does not have any verified information regarding the interior of the house. He reported that the assessment record reflects that the ranch-style house was built in 1952 and has approximately 1,000 square foot on the main floor. He reported that there is a single car detached garage and an outside stairwell into the basement. Chairman Schmidt closed the hearing at 9:33 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-77 Robin Jones, 309 North 10th Street, Norfolk
Millers Addition S1/2 E 125 FT Lot 1 & N 15 FT E 125 FT Lot 4

Chairman Schmidt opened a hearing at 11:48 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 two-story house was built in the 1920s. He stated that his staff tried to arrange an appointment with the owner several times; however she was too busy to meet for an interior inspection of the property. He explained that he does not have any verified information regarding the interior of the house. Chairman Schmidt closed the hearing at 11:50 AM. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-78 Robin Jones, 309 North 10th Street, Norfolk
Froehlichs Subdivision Lot 8, Blk 1

Chairman Schmidt opened a hearing at 11:52 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that the house is ranch-style and was built in 1976. He stated that the main floor has approximately 1,700 square foot and the basement is one-third finished. He said that the house was recently listed for sale so he looked at pictures of the house on the realtor's website which had the listing price at \$149,000. Chairman Schmidt closed the hearing at 11:55 A.M. Motion was made by Ohl and seconded by Prauner to set the 2016 property valuation at \$151,341. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-79 Douglas Popp, 2122 Sheridan Drive, Norfolk
College View 6th Addition Lot 14-R, Blk 11

Chairman Schmidt opened a hearing at 10:24 A.M. Douglas Adam Popp appeared at the hearing and testified that he purchased the house in April, 2016 and he is unfamiliar with the valuation process in Nebraska. He stated that he moved from Texas two years ago and has rented a house up until this time. He stated that he feels the valuation was at fair market value when looking at the valuations from the prior couple years compared to the retail bubble that exists in Norfolk. He stated that there is an empty lot next to him and an empty lot across the street; so, he is asking for a consideration of a step up increase as opposed to a makeup valuation.

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He reported that he looked at his neighbor's valuations compared to his own and also a few further up the street. He stated that the valuation of his house is at the high end of what appears to be some of the other comps on the street, and certainly high compared to his direct neighbor. He stated that there are a few differences in the houses, but they are fairly comparable in size. He said that his neighbor's basement is a little bigger which would require more concrete, but his garage is a little bigger and required more concrete. Mr. Popp stated that the total square footage of both houses is fairly similar, and even though there are a few differences, the differences are not \$36,000. Commissioner Prauner asked what the owner paid for the house and Mr. Popp responded that he paid \$335,000 for the house. He stated that the 2 or 3 years prior to the new assessment, the property was valued between \$220,000 and \$222,000. Commissioner Prauner explained that the County's valuation should be set between 92% and 100% of market value. He stated that when Mr. Popp bought the property, he established a market base for all the properties in the neighborhood and the County uses a three-year average of market sales to establish valuations. Mr. Popp stated that his retail purchase impacted the street and he doesn't have an issue with that, but he asked for a step up valuation increase instead of a makeup valuation. He stated that he has no issue with how the value is set because it's a retail bubble and the value is not really set based upon replacement. He said that it is very much a seller's market as opposed to a buyer's market. Commissioner Prauner asked what percentage the County's assessed value is of the purchase price and County Assessor Jeff Hackerott responded that the assessed value is 86.85% of the purchase price. Mr. Popp reported that he saw the article in the newspaper that the County uses 92% of market and other people who have gone through the valuation process have stated anecdotally that valuation is between 86% and 90%. County Assessor Jeff Hackerott reported that the ranch-style house has 1,800 square feet on the main floor and the basement is predominantly finished. He stated that the house was built in 2010 and he confirmed the purchase price of \$335,000 in April, 2016. He explained that the sale was not used to establish the property valuations for 2016, but purchases like this are one of the reasons why the County needs to adjust values. He reported that the previous value was \$222,376 which was 66% of the sale price. He stated that the 2016 valuation is about 6% lower than low end of the range the County should be using, but the County doesn't look at individual market sales and instead looks at groups of properties. Mr. Pope stated that in terms of looking at groups sales, the County has made up ground on the valuations on the street from where the County had values the last several years, so at the 86% value set now, the County has made up ground whether it is being called step up or not, what he is proposing is probably too low compared to the other comps on the street. He stated that he didn't know the other comps at the time he submitted the protest form. He said that there is certainly room for an adjusted value and the County would still be in compliance given the impact on the rest of the street when lumped together into groups. Chairman Schmidt closed the hearing at 10:30 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-80 Michael Figueroa, 101 East Pasewalk Avenue, Norfolk
Pasewalks Sixth Addition Lot 15, Blk 3

Chairman Schmidt opened a hearing at 12:00 Noon. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott explained that this property is located at the corner of Pasewalk Avenue and 1st Street. He reported that the building was previously an auto repair shop, then an upholstery repair business, and is now being converted to apartments. He stated that the owner purchased the property in December, 2015 for \$25,000 at an auction. He reported that he spoke to realtor Tom Haiar in April, 2016 regarding the sale who advised that the owner probably paid more than it was worth and that, in his opinion, the building should have been demolished. He explained that he had an appointment with the owner, but no one responded when he arrived. Chairman Schmidt closed the hearing at 12:04 P.M. Motion was made by Prauner and seconded by Ohl to adjust the 2016 property valuation to \$25,000. Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-81 Savage & Browning/NSP LLC, 8676 West 96th Street, Suite, Overland KS
Sunset Plaza Subdivision First Platting Lots 6A & 6B & PT Vac Market Lane

Chairman Schmidt opened a hearing at 10:35 A.M. Ray Browning appeared at the hearing and submitted documents to support his requested valuation. He stated that they tried to approach the valuation considering the Statues in the State of market value in transfer. He stated that if they were going to buy the property, what would they pay, and how would they determine what they were going to pay. He explained that this premise is an income approach and this is how buyers of commercial real estate, especially of this magnitude, look at a property and determine what they would pay. He stated that in addition to this being an income approach, it's based on a fee simple market analysis which is also within the Nebraska statues. He explained that a fee simple market analysis is what the market would bear on January 1st, so if you are a buyer and you're an investor looking at this property, you would analyze it in this manner and you are going to look at what fee simple market would be. Mr. Browning stated that some leases in the shopping center are above market and some are going to be below market and the more recent leasing transactions give them an indication of what that market rent actually would be. He explained that on his handout, anything that is vacant is highlighted in orange on the left-hand side and anything highlighted in blue is a recent lease and this gives him an idea of what markets would be. He stated that the ones highlighted in green are not just recent leases, but are new inception leases. He explained that they are not roll over, or tenants that were there before, but they are a brand-new leases and that is the purest form of fee simple market. He stated that lease rates highlighted in green are \$10.00, \$13.24, \$14.63, \$3.92, and \$9.42. He explained that in the yellow bracket is the net market rent based on the simple market, what they would anticipate based upon a fee simple analysis as of the first of the year. Mr. Browning reported that the restaurants get more rent and they have \$22 per square foot in market rent for all the restaurants. He stated that the actual contract rents vary as high as \$40 and as low as \$18, but in the middle at \$22 is a good place as far as fee simple market. He stated that everything else based upon the size of the space is driven by more recent leasing activity and its determination of fee simple market. He explained that using the income approach method, if there was 100% market rent for every space leased at the simple market rent, the total projected gross income would be \$1,791,245. He explained that he applied a 10% market vacancy and credit loss, and then added in a recovery income of \$566,807 to get a total effective income of \$2.1 million. He stated that this is what they could expect to bring in at a 10% vacancy at fee simple market rent. Mr. Browning stated that he added expense in at \$1.50 per square foot and added in management fee at 5%, anticipated expense is \$1,055,000 to give a net income of \$1,123,255. He stated that he applied that against a cap rate of 9.75 and the value falls in at \$11,520,000. He explained that on his analysis the value of \$13,795,510 is for all three parcels as one bundle for the Sunset Plaza. He explained that what they are seeing at the Sunset Plaza shopping center is similar to other shopping centers that are in similar communities. He stated that similar shopping centers are located in Fremont, Kearney, and North Platte. He stated that market rent isn't as high as it used to be for this type of shopping center because there is some competition in the marketplace and shopping habits change over time. He said that people don't go into the shopping centers as much as they used to because they want the convenience of pulling up and leaving.

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Mr. Browning stated that the rents are trending downward with the newer signed leases and that is one of the reasons that he is attending the hearing. He stated that included with the packet is three years of income and expense information, rent roll as of January 1, 2016, and RealtyRates.com investor survey for the first quarter of 2015. He stated that on page 56 of the packet is a chart that shows cap rates and in the column that shows retail rates, 9.26 is what the RealtyRates.com investor survey indicates as the rate and they use 9.75 in the analysis considering that the shopping center is a little more remote in location than most of the surveyed properties would indicate. He explained that overall, there is risk in interior malls which is also the reason that they bumped the cap rate to 9.75 from 9.25. Commissioner Prauner asked if very many shopping centers have been selling and Mr. Browning responded that the Salina Mall located in Salina, Kansas recently sold for \$21 a square foot and he is requesting a value of \$50 per square foot. Mr. Browning explained that the Salina Mall is newer and was built in the 1980s; but, it has similar anchor tenants including JC Penney and Sears. He stated that interior malls take a special buyer and unfortunately when these interior shopping malls sell; it is because they are horribly distressed. Chairman Schmidt stated that the Pizza Ranch is being leased at \$5.29 a square foot which is considerably less than the \$22 per square foot that Mr. Browning stated was the average rate. Mr. Browning explained that what they are seeing when they have a vacancy and it is filled, the lease rate is not at the level they used to get. He stated that the \$5.29 lease rate demonstrates part of the problem. He said that he sees Pizza Ranch Restaurants is all over the place and they seem to do pretty well and he assumes that this one will also do well. He reported that he would imagine that the owner would love to have more rent for that space, but that is all he could get. County Assessor Jeff Hackerott asked if Mr. Browning is the tax representative for the mall located in Columbus and Mr. Browning responded that the owner of the Sunset Plaza also owns the mall in Columbus. Mr. Hackerott stated that the 9.75 cap rate may be on the conservative side and he suggested using a cap rate between 9 and 9.5. He explained that he reviewed all the information previously submitted with the protest form and use the 9.5 cap rate which calculated to a valuation of \$13,234,000. He stated that this property is the Sunset Plaza Mall and the vast majority of the parking lot. Mr. Browning explained that the original information submitted with the protest form had the management fee miscalculated which were underestimated and he added back in the recovery for tax to offset the expense. Chairman Schmidt closed the hearing at 10:51 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-82 Savage & Browning/NSP LLC, 8676 West 96th Street, Suite, Overland KS
Sunset Plaza Subdivision First Platting Lot 5 & PT Vacated Market Lane
Protest #2016-83 Savage & Browning/NSP LLC, 8676 West 96th Street, Suite, Overland KS
Sunset Plaza Subdivision First Platting Lot 7

Chairman Schmidt opened the hearing at 10:51 A.M. Ray Browning appeared at the hearing. Chairman Schmidt stated that he doesn't understand why the requested valuation on the protest forms is the same as the 2016 valuation set by the County. Mr. Browning stated that this was a mistake because he developed the information based on one economic unit and rolled the valuation into one protest and he recognizes that the County needs to have a valuation on each separate parcel. He stated that he would not request a change on the valuation for this property and would accept the County's 2016 valuation because that would be the easiest thing to do. County Assessor Jeff Hackerott reported that one parcel is leased to Norwest Bank and the other parcel sits to the North and East of the mall and fronts on Center Drive. Chairman Schmidt closed the hearing at 10:52 A.M. Motion was made by Prauner and seconded by Ohl to make no change on the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-84 Savage & Browning/NSP LLC, 8676 West 96th Street, Suite, Overland KS
Commonwealth Park Fifth Addition Lot 2-R

Chairman Schmidt opened a hearing at 10:52 A.M. Ray Browning appeared at the hearing and submitted documents to support his requested valuation. He explained that the subject property is a 34,000 square foot space where the former Hastings store was located. He stated that he is projecting a \$5 per square foot lease when a tenant is located which hasn't occurred yet. He stated that it has been six months since the tenant vacated the building and during an interview with the broker he thinks the reason they are struggling to find a tenant is because almost every business that wants to be in the City of Norfolk is already located there. He explained that they don't want to have to divide the space up unless they need to because when they start dividing a space of this size, they end up with long skinny bays. He reported that when a viable tenant is located, they would be excited about \$5 per square foot rent on a triple net basis. Mr. Browning stated that the entire income approach calculates to \$358,504 and they are applying a 20% vacancy until they can get the space leased and a 25% recovery. He explained that at \$2 per square foot in operating expense the total would be \$189,842 and last year the operating expense was \$199,508, but they had a tenant in the building. He reported that the net operating income is \$168,661 and using a cap rate of 9%, the value would be \$1,874,015. He stated that what was submitted with the original appeal was a value of \$2,120,000 and the differences is expense because the staff estimated the operating expense at a \$1.75 per square foot and he raised it to \$2 per square foot considering some of the vacancy issues. Mr. Browning reported that two years of income and expense and the rent roll are also included and the same Realty Rates cap rates. He stated that he used a lower cap rate than on the shopping center because there just isn't as much risk in a retail center even with only two tenants. County Assessor Jeff Hackerott reported that on the income and expense statements originally submitted with the non-reimbursable operating expenses totaled \$69,531 and the number that he saw in the operating expenses is \$153,000 and he questioned why there was such a substantial difference. He stated that the net operating income is the same way from \$397,000 to \$190,000. He stated that numbers can't all be attributable to the fact that the store occupied by Hastings is now vacant, but for calendar year 2015 this space was not vacant. He stated that it looks like the rent from Hastings was accounted for in the income approach and he questioned where the differences were. Mr. Browning stated that the differences are in the vacancy. He stated that the space was 100% occupied on March 20, 2015 at \$5.50 per square foot in rent and now they are anticipating receiving \$5 per square foot. He explained that the difference is essentially the application of the vacancy rate versus 100% occupied. He stated that on January 1, 2016 the property was vacant and the lease had expired and going forward they would anticipate they're going to have a vacancy issue that wasn't there during 2015. He stated that the expense statement is the same as the original submission and these are generated by the owner. Mr. Browning stated that the non-reimbursable expense of \$69,000 is categorized as such on the operating statement, but it isn't the only thing that the owner is susceptible to. He stated that the owner needs to pay everything that is above and beyond what they have been able to get reimbursed, so it ends up being more than just the \$69,000. He explained that in 2015 the total expense of the property was \$199,508, but they were only reimbursed \$76,000, so there was almost \$123,000 that the owner had to pay out-of-pocket which wasn't reimbursed by the tenants. He stated that the true net deals don't exist much anymore because the owners are always picking up expenses. He said that when you have tenants like Hobby Lobby you want to keep them happy and his understanding is that if they don't want to run all the expenses through, the owners will be okay with that because they want the tenant to stay.

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He stated that \$123,000 is what the actual expense was that the owner had to pay out-of-pocket in 2015, which was the total expense minus the reimbursements that the owner got. He stated that in the workup, they projected \$118,000 in ownership expense which was less than the owner had in 2015. In addition, he stated that \$189,000 in expense minus \$71,000 in reimbursement would be with the owner would be responsible for. Chairman Schmidt closed the hearing at 11:01 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-85 Stephen Sunderman, 83386 556th Avenue, Norfolk
NW1/4 NE1/4 34-23-1 40 AC

Protest #2016-86 Stephen Sunderman, 83386 556th Avenue, Norfolk
SW1/4 2-22-1 160 AC

Protest #2016-87 Stephen Sunderman, 83386 556th Avenue, Norfolk
NW1/4 11-22-1 160 AC

Protest #2016-88 Stephen Sunderman, 83386 556th Avenue, Norfolk
PT SW1/4 34-23-1 143.52 AC

Protest #2016-89 Stephen Sunderman, 83386 556th Avenue, Norfolk
SW1/4 & N1/2 SE1/4 36-23-1 240 AC

Protest #2016-90 Stephen Sunderman, 83386 556th Avenue, Norfolk
NE1/4 25-23-1 160 AC

Protest #2016-91 Stephen Sunderman, 83386 556th Avenue, Norfolk
S1/2 NE1/4 & SE1/4 34-23-1 240 AC

Protest #2016-92 Stephen Sunderman, 83386 556th Avenue, 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 #2016-93 Stephen Sunderman, 83386 556th Avenue, Norfolk
PT N1/2 NW1/4 27-23-1 60.41 AC

Protest #2016-94 Stephen Sunderman, 83386 556th Avenue, Norfolk
PT NW1/4 Less Hwy & W 120 AC SE1/4 3-22-1 271.68 AC

Chairman Schmidt opened a hearing at 11:01 A.M. Stephen Sunderman appeared at the hearing and reported that he met last year with the Board of Equalization on two properties and subsequently appealed the decision to the Tax Equalization and Review Commission (TERC). He submitted a copy of the proceeding from the TERC hearing reflecting a revised valuation. He explained that his protests last year reflected around the fact that two farms were purchased within the last three years and one farm was within six months and he was looking at trying to get the valuations set at 70% of the sale price. He reported that his argument was that when it comes to farm ground that has a majority of type 3 and 4 soils there is a tendency to overvalue these properties. He stated that taking this information into account and looking at recent land sales, he requested that the valuations be pulled down to where he thinks the market actually is at. He explained that the County set a new market area this year around the Elkhorn River and there is a significant amount of ground that is sandier type 3 and 4 soils area. Mr. Sunderman said that the protests that he filed are all on farms that are lying within that area and he is trying to get the valuations more in line with the sales in that area. Chairman Schmidt asked if the sales were within the last three years or just recent sales and Mr. Sunderman responded that the sales were within the last three years. He stated that in calculating a requested valuation, he took the current valuation set by the County and calculated the difference between the valuation and the sales and the percentage difference was around 32%; so, he decreased the valuation by 32% to be at line with the decrease in land sales. Chairman Schmidt asked if the recent land sales are within the timeframe that the County operates with and Mr. Sunderman responded affirmative. Commissioner Prauner asked if the requested values are at 70% and Mr. Sunderman responded that he put the requested valuation at 70% using his land sales. Mr. Sunderman explained that some of the valuations decreased slightly this year versus last year which he was encouraged to see; but, the decrease was only a couple percent versus what he thinks the valuation really is for that market area. County Assessor Jeff Hackerott reported that the vast majority of these are in market area 2 and Mr. Sunderman is correct that some of the valuations decreased. He stated that the valuation for these properties decreased between 2.34% and 11.75%. He explained that the valuations on different parcels dropped at different percentages because of the different soil types. He stated that a new market area was created this year representative of the sandier, lighter soils that is seen in the vast majority of the northern part of the County. He explained that this market line was created along soil lines instead of along Township lines like in previous years. He stated that vast majority of valuation changes on agricultural land is due to the new market area and the majority of values in the southern part of the County increased this year. He estimated that the agricultural values in 2012 increased 20%, 2013 values increased 40%, 2014 values increased 30%, 2015 values were back down to 20%, and the 2016 values increased 7%. He said that while values are going up due to using the 3-year time frame and because the County lags behind actual market, the values are still in the catch-up mode, although the catch-up has been much less dramatic than the actual valuation increase that was trending very steep and is now only slightly increased. He stated that next year the agricultural values may tip and a slight decrease may occur in the southern part of the County. He stated that he does not have a handle on the values for next year because the new market area was just established and he hasn't reviewed the sales roster with the liaison to begin the process for 2017 valuations. Mr. Sunderman stated that he is glad that the County has established the new market area along soil types and he asked if a new sales roster was compiled based upon the new market area. Mr. Hackerott responded affirmative and explained that the valuations in the new market area don't take into consideration any sales in the southern part of the County. He explained that one of the hardest selling points with the Department of Revenue to create the new market area was the fact that it shrinks the potential sales pool and the Department of Revenue had to borrow sales to measure compliance, with the vast majority of sales coming from Pierce County. Chairman Schmidt closed the hearing at 11:17 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuations. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2016-95 Stephen Sunderman, 83386 556th Avenue, Norfolk
PT NE1/4 & All SE1/4 22-23-3 244.67 AC

Chairman Schmidt opened a hearing at 11:01 A.M. Stephen Sunderman appeared at the hearing and reported that he met last year with the Board of Equalization on two properties and subsequently appealed the decision to the Tax Equalization and Review Commission (TERC). He submitted a copy of the proceeding from the TERC hearing reflecting a revised valuation. He explained that his protests last year reflected around the fact those two farms that were purchased within the last three years and one that was within six months and he was looking at trying to get the valuations set at 70% of the sale value. He said that his argument then was that when it comes to farm ground that has a majority of type 3 and 4 soils, there is a tendency to overvalue these properties. He stated that taking this information into account and looking at recent land sales, he requested that the valuations be pulled down to where he thinks the market actually is at. He explained that the County set a new market area this year around the Elkhorn River where there is a significant amount of ground that is sandier type 3 and 4 soils area. Mr. Sunderman said that all the protests that he filed are all on farms that are lying within that area and he is looking to get these valuations more in line with the sales in that area. Chairman Schmidt asked if the sales were within the last three years or just recent sales and Mr. Sunderman responded that sales are the last three years. He explained that on the back page of the submission document the revised values for the 2015 tax year are listed and these values are approximately 74% of the sale price for the property. He stated that the requested valuation that he listed on the current protest forms is at a 70% level of the sale prices because he thinks that the value will stay consistent at the 70%. Chairman Schmidt asked if the recent land sales are within the timeframe that the County uses to set valuations and Mr. Sunderman responded that this is correct. Mr. Sunderman explained that some of the valuations decreased slightly this year versus last year which he was encouraged to see; but, the decrease was only a couple percent versus what he thinks the valuation really is for that market area. County Assessor Jeff Hackerott reported that the vast majority of these are in market area 2 and Mr. Sunderman is correct that some of the valuations decreased. He stated that the valuation for this property increased 2.35%. He explained that the valuations on different parcels dropped at different percentages because of the different soil types. He stated that a new market area was created this year representative of the sandier, lighter soils that is seen in the vast majority of the northern part of the County. He explained that this market line was created along soil lines instead of along Township lines like in previous years. He stated that vast majority of valuation changes on agricultural land is due to the new market area and the majority of values in the southern part of the County increased this year. He estimated that the agricultural values in 2012 increased 20%, 2013 values increased 40%, 2014 values increased 30%, 2015 values were back down to 20%, and the 2016 values increased 7%. He said that while values are going up due to using the 3-year time frame and because the County lags behind actual market, the values are still in the catch-up mode, although the catch-up has been much less dramatic than the actual valuation increase that was trending very steep and is now only slightly increased. He stated that next year the agricultural values may tip and a slight decrease may occur in the southern part of the County. He stated that he does not have a handle on the values for next year because the new market area was just established and he hasn't reviewed the sales roster with the liaison to begin the process for 2017 valuations. Mr. Sunderman stated that he is glad that the County has established the new market area along soil types and he asked if a new sales roster was compiled based upon the new market area. Mr. Hackerott responded affirmative and explained that the valuations in the new market area don't take into consideration any sales in the southern part of the County. He explained that one of the hardest selling points with the Department of Revenue to create the new market area was the fact that it shrinks the potential sales pool and the Department of Revenue had to borrow sales to measure compliance, with the vast majority of sales coming from Pierce County. Chairman Schmidt closed the hearing at 11:17 A.M. Motion was made by Ohl and seconded by Prauner to consider the decision made by the Tax Equalization and Review Commission regarding appeal of the 2015 valuation and set the 2016 property valuation at \$963,389. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-96 Stephen Sunderman, 83386 556th Avenue, Norfolk
SW1/4 Less Hwy 3-22-1 154.44 AC

Chairman Schmidt opened a hearing at 11:01 A.M. Stephen Sunderman appeared at the hearing and reported that he met last year with the Board of Equalization on two properties and subsequently appealed the decision to the Tax Equalization and Review Commission (TERC). He submitted a copy of the proceeding from the TERC hearing reflecting a revised valuation. He explained that his protests last year reflected around the fact those two farms that were purchased within the last three years and one that was within six months and he was looking at trying to get the valuations set at 70% of the sale value. He said that his argument then was that when it comes to farm ground that has a majority of type 3 and 4 soils, there is a tendency to overvalue these properties. He stated that taking this information into account and looking at recent land sales, he requested that the valuations be pulled down to where he thinks the market actually is at. He explained that the County set a new market area this year around the Elkhorn River where there is a significant amount of ground that is sandier type 3 and 4 soils area. Mr. Sunderman said that all the protests that he filed are all on farms that are lying within that area and he is looking to get these valuations more in line with the sales in that area. Chairman Schmidt asked if the sales were within the last three years or just recent sales and Mr. Sunderman responded that sales are the last three years. He explained that on the back page of the submission document the revised values for the 2015 tax year are listed and these values are approximately 74% of the sale price for the property. He stated that the requested valuation that he listed on the current protest forms is at a 70% level of the sale prices because he thinks that the value will stay consistent at the 70%. Chairman Schmidt asked if the recent land sales are within the timeframe that the County uses to set valuations and Mr. Sunderman responded that this is correct. Mr. Sunderman explained that some of the valuations decreased slightly this year versus last year which he was encouraged to see; but, the decrease was only a couple percent versus what he thinks the valuation really is for that market area. County Assessor Jeff Hackerott reported that the vast majority of these are in market area 2 and Mr. Sunderman is correct that some of the valuations decreased. He stated that the valuation for this property decreased 2.14%. He explained that the valuations on different parcels dropped at different percentages because of the different soil types. He stated that a new market area was created this year representative of the sandier, lighter soils that is seen in the vast majority of the northern part of the County. He explained that this market line was created along soil lines instead of along Township lines like in previous years. He stated that vast majority of valuation changes on agricultural land is due to the new market area and the majority of values in the southern part of the County increased this year. He estimated that the agricultural values in 2012 increased 20%, 2013 values increased 40%, 2014 values increased 30%, 2015 values were back down to 20%, and the 2016 values increased 7%. He said that while values are going up due to using the 3-year time frame and because the County lags behind actual market, the values are still in the catch-up mode, although the catch-up has been much less dramatic than the actual valuation increase that was trending very steep and is now only slightly increased. He stated that next year the agricultural values may tip and a slight decrease may occur in the southern part of the County. He stated that he does not have a handle on the values for next year because the new market area was just established and he hasn't reviewed the sales roster with the liaison to begin the process for 2017 valuations.

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Mr. Sunderman stated that he is glad that the County has established the new market area along soil types and he asked if a new sales roster was compiled based upon the new market area. Mr. Hackerott responded affirmative and explained that the valuations in the new market area don't take into consideration any sales in the southern part of the County. He explained that one of the hardest selling points with the Department of Revenue to create the new market area was the fact that it shrinks the potential sales pool and the Department of Revenue had to borrow sales to measure compliance, with the vast majority of sales coming from Pierce County. Chairman Schmidt closed the hearing at 11:17 A.M. Motion was made by Ohl and seconded by Prauner to consider the decision made by the Tax Equalization and Review Commission regarding appeal of the 2015 valuation and set the 2016 property valuation at \$573,975. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-97 J. W. Chatam and Associates, 7301 West 129th Street, Suite 150, Overland KS
Hy-Vee Addition Lot 1

Chairman Schmidt opened a hearing at 12:18 P.M. No one appeared at the hearing to offer verbal testimony. The written protest documents submitted with the protest form were reviewed. County Clerk Nancy Scheer reported that a representative from J. W. Chatam and Associates called yesterday and reported that they wouldn't be able to appear at the hearing and they requested that the information submitted with the protest form be considered. County Assessor Jeff Hackerott explained that this protest is for the Hy-Vee East grocery store and that the building is approximately 55,000 square feet. He reported that he reviewed the documents submitted with the protest form and also reviewed nearby comparable properties. Chairman Schmidt requested that the record reflect that the members of the Board of Equalization have reviewed the written documents submitted with the protest form. Chairman Schmidt closed the hearing at 12:21 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-98 J. W. Chatam and Associates, 7301 West 129th Street, Suite 150, Overland KS
N E A D 4th Addition Lot 1, Blk 1

Chairman Schmidt opened a hearing at 12:23 P.M. No one appeared at the hearing to offer verbal testimony. The written protest and documents submitted with the protest form were reviewed. County Clerk Nancy Scheer reported that a representative from J. W. Chatam and Associates called yesterday and reported that they wouldn't be able to appear at the hearing and they requested that the information submitted with the protest form be considered. County Assessor Jeff Hackerott explained that this protest is for the HyVee West grocery store and that the building is approximately 60,000 square feet. He explained that he reviewed the packet of information submitted with the protest form and also reviewed nearby comparable properties. Chairman Schmidt requested that the record reflect that the members of the Board of Equalization have reviewed the written documents submitted with the protest form. Chairman Schmidt closed the hearing at 12:26 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-99 John and Katherine Fox, P.O. Box 482, Norfolk
Andrews Regency North Lot 7B

Chairman Schmidt opened a hearing at 12:27 P.M. No one appeared at the hearing to offer verbal testimony. The protest form was read. County Assessor Jeff Hackerott explained that he reviewed the exterior of this house and confirmed that the shake shingles were replaced with asphalt shingles. Chairman Schmidt closed the hearing at 12:29 P.M. Motion was made by Ohl and seconded by Prauner to set the 2016 property valuation at \$225,146. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-100 Kurt Dostal, 83849 549th Avenue, Battle Creek
PT NE1/4 NE1/4 SE1/4 9-23-2 3 AC (Jesse Tillotson Lot Split-2010)

Chairman Schmidt opened a hearing at 12:29 P.M. No one appeared at the hearing to offer verbal testimony. The written protest and attached letter were read. County Assessor Jeff Hackerott reported that he did not physically inspect the property prior to this hearing. He explained that the valuation increase was a 9% increase on the house which was the same for all rural residential houses. In addition, he stated that the homesite value increased by \$5,000. He reported that he paid \$265,000 for the property in November, 2013. He explained that the 2015 valuation was 74.7% of the sale price and the 2016 valuation is 82.7% of the purchase price which is one of the reasons why the valuations for the rural residential properties increased. Chairman Schmidt closed the hearing at 12:31 P.M. Motion was made by Ohl and seconded by Prauner to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-101 Sherri Prim, 4600 North Deer Run Drive, Norfolk
Deer Run Addition Lot 3, Blk 1 9.57 AC (19-24-1)

Chairman Schmidt opened a hearing at 11:18 A.M. Sherri Prim appeared at the hearing and testified that they refinanced their property several years ago and the appraisal on the property at that time was \$405,000. She stated that they received a letter that the property valuation was going up significantly, so she thought it would be best if she would come and protest the increase. She reported that she looked at the valuation of some of her neighbors and also at the comps that were provided with the appraisal and noticed that the comps assessed values were significantly lower than the sale price. She stated that if she used her appraisal price as the sale price, then the average of the tax assessed value of the comps was about 75% of the sale price so that would put the assessed value of her property closer to \$305,000, which is considerably too low. She stated that she asked for a tax assessed value of \$405,000 because that is what the appraisal says. Commissioner Prauner asked when the appraisal was completed and County Assessor Jeff Hackerott responded that the appraisal was completed in February, 2012. Mrs. Prim stated that the property has been valued at \$420,213 since 2008; so, realistically she probably should have been in a long time ago to protest the value. County Assessor Jeff Hackerott reported that the property is an acreage located West of Norfolk in Deer Run Addition. He stated that the house is ranch style, built in 2004, and has 2,200 square feet on the main floor. He stated that the basement is predominantly finished and that there are no outbuildings like some of the other homes in the subdivision. He verified that the valuation on the property has stayed at \$420,213 since 2008. He stated that the 2016 valuation change was a 9% increase on the house which was applied countywide to all rural residential properties. He stated that the increase was necessary because values for rural residential properties were below market value.

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He reported that a house built in 2007 in this subdivision which had 2,078 square feet sold for \$240 a square foot. He reported that another house which was built in 2005 and has 2,004 square foot sold for \$213 a square foot. He stated that all the houses in this subdivision are very comparable. He reported that the appraisal is four years old and the market has definitely changed in the last four years; so, if current appraisal was done it would most likely be significantly higher. Chairman Schmidt closed the hearing at 11:27 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-102 Curtis and Joni Borchers, 101 North 7th Street, Battle Creek
Westwood Subdivision Lot 6

Chairman Schmidt opened a hearing at 12:29 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he reviewed the property with Mr. and Mrs. Borchers on July 15, 2016. He stated that the ranch-style house has 3 bedrooms and 2 bathrooms on the main floor. He stated that the basement is 100% unfinished because the creek sits close to the back side of their property and came out of its bank and was about one foot high on the egress window well. He stated that when the house was constructed, the owners decided to put in a sump pump and the water came up through the pit and flooded the basement. Mr. Hackerott confirmed that the house does not have a fireplace. Chairman Schmidt closed the hearing at 12:32 P.M. Motion was made by Ohl and seconded by Prauner to set the 2016 property valuation at \$173,971. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

The Board of Equalization recessed at 12:35 P.M. to Friday, July 22, 2016.

County Clerk Nancy Scheer

Ron Schmidt, Chairman
County Board of Equalization