

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

BOARD OF EQUALIZATION

Madison, Nebraska

July 20, 2017

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

Advance notice of meeting was published in the Friday, July 14, 2017 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed. Chairman Christian Ohl called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Present: Commissioners Christian Ohl, Jim Prauner, and Ron Schmidt, County Assessor Jeff Hackerott, and County Clerk Nancy Scheer.

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

County Assessor Jeff Hackerott submitted his 3-Year Plan of Assessment. Motion was made by Prauner and seconded by Schmidt to accept the 3-Year Plan of Assessment as submitted. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Hearings were conducted on property valuation protests as follows:

Protest #2017-145: Keith Schaecher, 804 Grandview Road, Norfolk
Tara Heights 3rd Addition Lot 2 (19-24-1)

Chairman Ohl opened a hearing at 9:00 A.M. Keith Schaecher was present at the hearing. Chairman Ohl read the statement on the protest form. Keith Schaecher testified that the subject property is located in a nice residential area of Norfolk; however, the lot is not buildable. He stated that the parcel is 3.57 acres and has grassland that he cuts and bales. County Assessor Jeff Hackerott explained that this parcel is assessed as rural residential and is valued at \$803/acre. He said that the highest and best use of the property is residential. He said that Mr. Schaecher owns the only two lots in the area which don't have houses constructed on them. Mr. Schaecher stated that the subject property has areas that are wet bottom ground which can't be sold to build a house because it is all land locked. He said that if the property would be buildable it would be a higher priced parcel; but, in his mind he considers the parcel farm land. He reported that the north side of this lot has access from Benjamin Avenue, but it's very steeply sloped. Mr. Hackerott explained that the lot has no buildable potential and the residential value is greatly reduced because of the steep access from Benjamin Avenue and also the elevation of the parcel. He stated that the City of Norfolk may want to use this parcel as a waterway because there is a controlled drainage located north of this property. He reported that on June 30, 2017, the owner applied for special valuation on this property which he approved because it meets the criteria. He explained that if special valuation is used, then the parcel must be assessed as agricultural land which will increase the valuation on this parcel and no adjustments can be made for the access issue or elevation. Chairman Ohl closed the hearing at 9:22 A.M. Motion was made by Prauner and seconded by Schmidt to set the 2017 property valuation at \$4,598. Roll call vote: Ayes, Prauner and Schmidt. Abstain, Ohl. Nays, none. Motion carried.

Protest #2017-146: Keith Schaecher, 804 Grandview Road, Norfolk
Tara Heights 3rd Addition Lot 3 (19-24-1)

Chairman Ohl opened a hearing at 9:00 A.M. Keith Schaecher was present at the hearing. Chairman Ohl read the statement on the protest form. Keith Schaecher testified that the subject property is located in a nice residential area of Norfolk; however, the lot is not buildable. He stated that the parcel has grassland that he cuts and bales. He said that there is no water or sewer from the City to this parcel. County Assessor Jeff Hackerott explained that this parcel is assessed as rural residential and the parcel has pasture, trees, shelterbelt, and also has a pole shed on it. Mr. Schaecher stated that the subject property can't be sold to build a house because it is land locked. He said that if the property would be buildable it could be valued higher; but, he considers the parcel farm land. Mr. Hackerott reported that on June 30, 2017, the owner applied for special valuation on this property which he approved because it meets the criteria. He explained that if special valuation is used, the assessed value for the property will decrease. Chairman Ohl closed the hearing at 9:22 A.M. Motion was made by Prauner and seconded by Schmidt to set the 2017 property valuation at \$28,338. Roll call vote: Ayes, Prauner and Schmidt. Abstain, Ohl. Nays, none. Motion carried.

Protest #2017-147: Keith Schaecher, 804 Grandview Road, Norfolk
Tara Heights 3rd Addition Lot 4 (19-24-1)

Chairman Ohl opened a hearing at 9:00 A.M. Keith Schaecher was present at the hearing. Chairman Ohl read the statement on the protest form. Keith Schaecher testified that this lot has his home on it, but the extra land is not buildable and he can't sell it because there is no access to it. He said that the lot is wet bottom ground and an appraiser told him that this part of the property is worthless. Mr. Hackerott reported that this parcel has the owner's house located on it and an extended backyard for a total of 2.97 acres. He explained that on June 30, 2017, the owner applied for special valuation on this property which he approved because it meets the criteria. He explained that if special valuation is used, the assessed value for the property will decrease; however, the one acre for the house site will not receive special valuation. Chairman Ohl closed the hearing at 9:22 A.M. Motion was made by Prauner and seconded by Schmidt to set the 2017 property valuation at \$314,563. Roll call vote: Ayes, Prauner and Schmidt. Abstain, Ohl. Nays, none. Motion carried.

Protest #2017-148: 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 Ohl opened a hearing at 11:12 A.M. No one appeared at the hearing to offer verbal testimony. Chairman Ohl read the attachment submitted with the protest form. County Assessor Jeff Hackerott reported that the owners bought the property on July 30, 2015 for \$352,500. He stated that he inspected the property on June 24, 2016 with Mrs. Thompson after a protest was filed. He stated that the property has a ranch-style house which is typical for the area with a built-in garage under the living area. He explained that this area needs to be re-appraised and the valuation is 88.47% of the purchase price. Chairman Ohl closed the hearing at 11:15 A.M. Motion was made by Prauner and seconded by Schmidt to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

Protest #2017-149: Steven Lindstadt, 208 South 16th Street, Norfolk
Hillside Terrace Addition Lot 4, Blk 6

Chairman Ohl opened a hearing at 9:28 A.M. Steve Lindstadt was present and testified that the valuation for his land increased from \$6,877 to \$15,646, which is an increase of 136%. He stated that the building valuation increased 11.6% and that the total increase for his property was over 20%, which seems very excessive. He requested a justification for this increase. County Assessor Jeff Hackerott replied that the land value increased because of the market sales of residential properties in this area. He said that the property is located in an area that was reappraised for 2017. He said that the ranch-style house was built in 1968 and has 1,184 square feet. He reported that there is a single car garage which has access from the alley. He reported that a house located at 203 South 16th Street sold on April 9, 2015 for \$96,500. In addition, he reported that a property located at 210 South 16th Street sold in April, 2015 for \$144,500. He explained that these sales are driving up the property valuations for all houses in the neighborhood. Mr. Lindstadt reported that the house next door had extensive upgrades and his house hasn't had any improvements. He stated that this doesn't explain the increases in the value of the land which is 136%. He explained that his Mom lives in a newer more affluent neighborhood and the value on her property increased 6.9% for both the land and house, which seems more acceptable, and his Mom's lot is much larger. He reported that he has lived in this house for 28 years and removed most of the basement finish including the carpet and paneling so he could use it as a work space. He submitted a handout with information regarding real estate appreciation data from Nebraska which reflected that property valuations had an average rate of appreciation from 1975 through 2016 of 3.84%. Chairman Ohl closed the hearing at 9:39 A.M. Motion was made by Prauner and seconded by Schmidt to table the property valuation protest to allow for an inspection by the County Assessor. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-150: J.W. Chatman and Associates, 7301 West 129th Street, Suite 150, Overland Park, Kansas
Hy-Vee Addition Lot 1

Protest #2017-151: J.W. Chatman and Associates, 7301 West 129th Street, Suite 150, Overland Park, Kansas
N E A D 4th Addition Lot 1, Blk 1

Chairman Ohl opened a hearing at 11:24 A.M. No one was present at the hearing to offer testimony. Chairman Ohl read the statement listed on the protest form. County Assessor Jeff Hackerott reported that these properties are the HyVee grocery stores. He explained that the protestor provided an income analysis for the properties and documents regarding the sale prices of properties in the Midwest, including sales in Nebraska, Iowa, and Kansas. He stated that the County has the property valued at \$65.95/square foot. He explained that there is a difference of 36 feet between the tax representative's total square footage and the County's record. Chairman Ohl closed the hearing at 11:27 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-152: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
Norfolk Heights Apts LP, c/o R.W. Investments, Inc.
Northpark Apartments Addition Lots 1, 2 & 3

Chairman Ohl opened a hearing at 9:45 A.M. Dick Millspaugh, tax consultant from Savage and Browning, was present. Mr. Millspaugh reported that this property is an apartment complex which is a Section 42 restricted property built in 1991 and it's still under a restriction until 2021, which is a restriction for 30 years. He reviewed the income and expense statement that was submitted as an attachment to the protest form. He explained that the original report listed maintenance supplies at \$54,942.74 which was deducted on the original report. He stated that this isn't a normal operating expense; so, he adjusted the calculations by removing the maintenance supplies and arrived at an adjusted net income. He said that the Nebraska mandated cap rate is 6.5% which produces a valuation of \$646,015. He explained that this property is required to pay into a reserve for replacement costs and this was deducted on the form in error. County Assessor Jeff Hackerott reported that the prior year adjustment was \$3,969, which is a significant increase; so, he realized there was a discrepancy. He stated that the county calculates a value based on income approach. Chairman Ohl closed the hearing at 9:55 A.M. Motion was made by Prauner and seconded by Schmidt to table the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-153: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
Dial – Sunset Mall, LLC
Sunset Plaza Subdivision First Platting Lot 5 & Pt Vacated Market Lane

Chairman Ohl opened a hearing at 9:58 A.M. Dick Millspaugh, tax consultant from Savage and Browning, was present. County Assessor Jeff Hackerott reported that the subject property is the land under the bank building. Mr. Millspaugh reported that this property is not included with the list of parcels to protest; therefore, he won't contest the County's valuation. Chairman Ohl closed the hearing at 10:00 A.M. Motion was made by Prauner and seconded by Schmidt to table the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-154: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
Dial – N S P LLC
Sunset Plaza Subdivision First Platting Lot 5 & Pt Vacated Market Lane

Protest #2017-158: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
Dial – Sunset Mall LLC
Sunset Plaza Subdivision First Platting Lot 7

Chairman Ohl opened a hearing at 10:02 A.M. Dick Millspaugh, tax consultant from Savage and Browning, was present. Mr. Millspaugh explained that these protests are for the Sunset Plaza Mall. He stated that these types of malls are located across Iowa, Nebraska, and Kansas. He reported that JC Penney went all over the country and said that if they were going to stay in malls, something needs to be done for them. He said that JC Penney got six months of free rent and this suggests that the big department stores are not hitting their sales per square footage of store space. He stated that there are other stores in the mall that are not hitting their sales targets. He explained that Hallmark is struggling and two or three of their stores have gone bankrupt. He said that he doesn't know what JC Penney will do, but the store in Ottumwa, Iowa closed. Mr. Millspaugh said he wasn't saying that the Norfolk store will close; however, they won't be paying the same rent as in prior years. He reported that Bon Ton is the parent company of Herbergers and they have \$780 million of debt coming due all at once and their stock is trading for 36 cents a share. He explained that Herbergers may shrink the size of the store because they are paying almost one-fourth of the mall rent. He said that he doesn't need to explain what would happen if they would vacate the mall. He stated that his hope is that they will cut the store in half and let someone else use the other space.

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

Mr. Millspaugh said that there are two department stores that are in active discussions about putting their stores together. He submitted a packet of information listing the amount of rent paid by all the stores located in the Sunset Plaza Mall. He said that many of the tenants in the mall have been there a long time and it is one of the nicer 1968 malls that he has seen. He stated that the mall is well maintained and there aren't many vacancies and didn't know what other tenants could be added that would improve the mall. Mr. Millspaugh said that when the malls were started they had too many shoe and apparel stores. He reported that some tenants are starting to grumble about the rental amounts. He explained that Hallmark is going out of many malls and they haven't paid rent in over one year. He said that the valuation on the Sunset Plaza Mall increased this year which he assumed was a county-wide adjustment; but, he suggested lowering the valuation to \$12,250,000 to recognize issues with malls. He stated that the Commissioners have talked about vacancy issues; but, he isn't talking about that this year. County Assessor Jeff Hackerott explained that the valuation on the mall, which is Protest #2017-154, didn't change with a valuation of \$13,165,843 for 2017. He reported that Protest #2017-158 is a vacant piece of land which is valued at \$195,803 and equates to \$2.18 per square foot. He explained that this valuation increased by 9%, which was the same as other commercial properties in the City of Norfolk. Mr. Millspaugh explained that he is trying to get the economic result to \$12,250,000. Chairman Ohl closed the hearing at 10:15 A.M. Motion was made by Prauner and seconded by Schmidt to table the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-155: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
M F P Mid-America Shopping Centers LLC, Commonwealth Park Fifth Addition Lot 2-R

Chairman Ohl opened a hearing at 9:55 A.M. Dick Millspaugh, tax consultant from Savage and Browning, was present. Mr. Millspaugh stated that he can't argue a lower square foot value than established by the County on the Hobby Lobby building. He said that he will stipulate to the County's valuation of \$2,500,000.00. Chairman Ohl closed the hearing at 9:58 A.M. Motion was made by Prauner and seconded by Schmidt to table the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-156: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
S R I SAI LLC
Tax Lots SW1/4 SW1/4 27-24-1 Pt Tax Lot 3-Pt Tract 1 Less Pt To State 3.45 AC

Protest #2017-157: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
S R I SAI LLC
Tax Lots SW1/4 SW1/4 27-24-1 Pt Tax Lot 3-Pt Tracts 2 & 3

Chairman Ohl opened a hearing at 10:16 A.M. Dick Millspaugh, tax consultant from Savage and Browning, was present. Mr. Millspaugh explained that this company is not a client and he retracted the protests. Chairman Ohl closed the hearing at 10:17 A.M. Motion was made by Prauner and seconded by Schmidt to table the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-159: Savage and Browning, 8676 West 96th Street, Suite 100, Overland Park, Kansas
Perkins LLC
Commonwealth Park Third Addition Lots 2 & 3

Chairman Ohl opened a hearing at 10:17 A.M. Dick Millspaugh, tax consultant from Savage and Browning, was present. Mr. Millspaugh stated that Savage and Browning represents this company; however, they didn't provide him with any information regarding the valuation, so he can't argue the value. Chairman Ohl explained that this building is an event center which can be rented for wedding receptions and other events. Chairman Ohl closed the hearing at 10:19 A.M. Motion was made by Prauner and seconded by Schmidt to table the property valuation protest. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-160: Josh Roman, 4904 Post Oak Timber Lane, Houston, Texas
PT W1/2 SE1/4 21-24-2 77.71 AC

Chairman Ohl opened a hearing at 10:24 A.M. Ransom Roman was present to represent his cousin, Josh Roman, and Jenny Johnson, who are the owners of the property. He stated that he is not at the hearing in his professional capacity as a real estate appraiser because he didn't complete an appraisal on the property; but, he is attending as a relative. He explained that the property was owned by Bud Roman, Josh Roman's uncle, who died in 2002 and the property has been vacant ever since. He said that when Bud Roman died, the property was given to a nephew, Jim Roman, who didn't want the property so he gave the property to his children, Josh Roman and Jenny Johnson. Ransom Roman testified that he went to the property on July 19, 2017 and he couldn't get to it because the driveway is totally covered with trees. He said that the last time he was on the property someone had stolen the front door and the windows were all broken out. He testified that the parcel has an abandoned farmstead on it. He said that the person living across the road emailed Josh Roman a video that was taped in the winter of 2016 showing the condition of the inside and outside of the property and he will email the video to the County Assessor. County Assessor Jeff Hackerott reported that he inspected the property on July 15, 2017 and he couldn't get to the house because trees were strewn across the driveway. Chairman Ohl closed the hearing at 10:28 A.M. Motion was made by Prauner and seconded by Schmidt to set the 2017 valuation for the house at \$1,559, with the total property valuation set at \$390,836. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-161: Darold Lemm, 1404 Bluff Avenue, Norfolk
III - Owens Second Addition Blks 1 Thru 7 - MH Lot 85 (1975 Grandview 24x56)

Chairman Ohl opened a hearing at 11:27 A.M. No one was present to offer verbal testimony. Chairman Ohl read the statement on the protest form. County Assessor Jeff Hackerott reported that the recent valuation increase was due to re-appraisal of the area. He said that he can't provide information regarding the interior of the property because the last time someone from the County went to the house, the owner asked the County employee to leave the property. He said that the house is a 1975 modular home which has 1,344 square feet and sits on a crawl space. He explained that pictures reflected on the County assessment record were taken from the neighbor's lot. Chairman Ohl closed the hearing at 11:29 A.M. Motion was made by Schmidt and seconded by Prauner to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

Protest #2017-162: Matt Sharp, 418 Ridgeway Drive, Norfolk
Raaschs Crestview Heights Third Addition Lot 8

Chairman Ohl opened a hearing at 11:30 A.M. No one appeared at the hearing to present verbal testimony. County Assessor Jeff Hackerott reported that he reviewed the property on July 9, 2014 with the owner after a protest form was filed. He explained that the house is very typical for the neighborhood. He said that the valuation change was a 7% increase that was applied to all residential properties within the same price range. He said that he saw that the listing for this property has been removed from the realtor's website; however, he located the property on the Dover Realtor's website with a pending sale for \$174,000. He said that he doesn't know if the sale closed or if the listing was simply removed. Chairman Ohl closed the hearing at 11:33 A.M. Motion was made by Prauner and seconded by Schmidt to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-163: Associated Wholesale Grocers, c/o Ryan LLC, 13155 Noel Road, Suite 100, Dallas, Texas
PT SW1/4 NE1/4 & PT SE1/4 NW1/4 33-24-1 30.55 AC

Chairman Ohl opened a hearing at 10:32 A.M. Brett Grider and Stephanie Charles, representing Associated Wholesale Grocers, were present. Brett Grider stated that the testimony will be presented for multiple accounts which they will value as one economic unit. He reported that the 2017 assessed valuation for all four accounts combined is \$14,050,137. He stated that the valuations on these four accounts have stayed stagnant since 2012. He asked the Board to recognize replacement costs using appropriate depreciation with the subsequent years; so, using the Marshall Swift cost approach he came up an indicative market value of \$8,321,000. He explained that Associated Wholesale Grocers is a distribution company that distributes various groceries to grocery chains and he is valuing all these parcels as one economic unit using Marshall Swift cost approach. Mr. Grider reviewed written documentation submitted during the hearing and explained that they broke out the calculations in three different sections. He explained the calculations and said that refinements were made for the region, replacement costs, square footage perimeter, and miscellaneous costs to determine final square foot costs before depreciation. He reported that his calculations arrived at final square foot costs of \$57.86 for the distribution warehouse, \$88.44 for one cold storage facility, and \$100.43 for the second cold storage facility. Mr. Grider explained that the second cold storage facility is newer and has less square footage, which makes the base square footage increase. He stated that he applied appropriate depreciation using actual age for the warehouse and first cold storage facility since they are older buildings; but, on the second cold storage facility an effective age of 26 years was used. He explained that he used 15% economic obsolescence to all three units which is the same percentage used by the County. He said that he arrived at a depreciated cost of \$6,587,575 and then added back extra features of paving, canopies, and land value for a total cost value of \$8,321,000 or \$11.18 square foot. Commissioner Prauner asked what the purchase price was for the property. Mr. Grider responded that there wasn't an appraisal completed when Associated Wholesale Grocers bought the property. Chairman Ohl asked for an explanation on the economic obsolescence and Mr. Grider replied that the percentage was obtained from the County Assessor. Mr. Grider explained that the obsolescence is either economic or functional; but, the percentage is justifiable and he agrees with the County. County Assessor Jeff Hackerott reported that the recorded purchase price in October, 2016 for all four properties is \$11,989,929. He said that according to the transfer statement, non-real property was not included in the sale price, such as blue sky, non-compete, or personal property. Commissioner Prauner asked what percentage commercial property should be valued and Mr. Hackerott replied that the value should be between 92% and 100% of market value. Mr. Hackerott reported that paving improvements are being made to the property where trucks are parked. Chairman Ohl closed the hearing at 10:45 A.M. Motion was made by Schmidt and seconded by Prauner to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-164: Associated Wholesale Grocers, c/o Ryan LLC, 13155 Noel Road, Suite 100, Dallas, Texas
PT NE1/4 33-24-1 42 AC (More Or Less) Id Tract

Chairman Ohl opened a hearing at 10:32 A.M. Brett Grider and Stephanie Charles, representing Associated Wholesale Grocer were present. Brett Grider stated that the testimony will be presented for multiple accounts which they will value as one economic unit. He reported that the 2017 assessed valuation for all four accounts combined is \$14,050,137. He stated that the valuations on these four accounts have stayed stagnant since 2012. He asked the Board to recognize replacement costs using appropriate depreciation with the subsequent years; so, using the Marshall Swift cost approach he came up an indicative market value of \$8,321,000. He explained that Associated Wholesale Grocers is a distribution company that distributes various groceries to grocery chains and he is valuing all these parcels as one economic unit using Marshall Swift cost approach. Mr. Grider reviewed written documentation submitted during the hearing and explained that they broke out the calculations in three different sections. He explained the calculations and said that refinements were made for the region, replacement costs, square footage perimeter, and miscellaneous costs to determine final square foot costs before depreciation. He reported that his calculations arrived at final square foot costs of \$57.86 for the distribution warehouse, \$88.44 for one cold storage facility, and \$100.43 for the second cold storage facility. Mr. Grider explained that the second cold storage facility is newer and has less square footage, which makes the base square footage increase. He stated that he applied appropriate depreciation using actual age for the warehouse and first cold storage facility since they are older buildings; but, on the second cold storage facility an effective age of 26 years was used. He explained that he used 15% economic obsolescence to all three units which is the same percentage used by the County. He said that he arrived at a depreciated cost of \$6,587,575 and then added back extra features of paving, canopies, and land value for a total cost value of \$8,321,000 or \$11.18 square foot. Commissioner Prauner asked what the purchase price was for the property. Mr. Grider responded that there wasn't an appraisal completed when Associated Wholesale Grocers bought the property. Chairman Ohl asked for an explanation on the economic obsolescence and Mr. Grider replied that the percentage was obtained from the County Assessor. Mr. Grider explained that the obsolescence is either economic or functional; but, the percentage is justifiable and he agrees with the County. County Assessor Jeff Hackerott reported that the recorded purchase price in October, 2016 for all four properties is \$11,989,929. He said that according to the transfer statement, non-real property was not included in the sale price. Commissioner Prauner asked what percentage commercial property should be valued and Mr. Hackerott replied that the value should be between 92% and 100% of market value. Mr. Hackerott reported that this parcel is the main store. Chairman Ohl closed the hearing at 10:45 A.M. Motion was made by Schmidt and seconded by Prauner to set the 2017 property valuation at \$11,000,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

Protest #2017-165: Associated Wholesale Grocers, Ryan LLC, 13155 Noel Road, Suite 100, Dallas, Texas
E 10 FT W 90 FT SW1/4 NE1/4 33-24-1 0.254 AC

Chairman Ohl opened a hearing at 10:32 A.M. Brett Grider and Stephanie Charles, representing Associated Wholesale Grocers were present. Brett Grider stated that the testimony will be presented for multiple accounts which they will value as one economic unit. He reported that the 2017 assessed valuation for all four accounts combined is \$14,050,137. He stated that the valuations on these four accounts have stayed stagnant since 2012. He asked the Board to recognize replacement costs using appropriate depreciation with the subsequent years; so, using the Marshall Swift cost approach he came up an indicative market value of \$8,321,000. He explained that Associated Wholesale Grocers is a distribution company that distributes various groceries to grocery chains and he is valuing all these parcels as one economic unit using Marshall Swift cost approach. Mr. Grider reviewed written documentation submitted during the hearing and explained that they broke out the calculations in three different sections. He explained the calculations and said that refinements were made for the region, replacement costs, square footage perimeter, and miscellaneous costs to determine final square foot costs before depreciation. He reported that his calculations arrived at final square foot costs of \$57.86 for the distribution warehouse, \$88.44 for one cold storage facility, and \$100.43 for the second cold storage facility. Mr. Grider explained that the second cold storage facility is newer and has less square footage, which makes the base square footage increase. He stated that he applied appropriate depreciation using actual age for the warehouse and first cold storage facility since they are older buildings; but on the second cold storage facility an effective age of 26 years was used. He explained that he used 15% economic obsolescence to all three units which is the same percentage used by the County. He said that he arrived at a depreciated cost of \$6,587,575 and then added back extra features of paving, canopies, and land value for a total cost value of \$8,321,000 or \$11.18 square foot. Commissioner Prauner asked what the purchase price was for the property. Mr. Grider responded that there wasn't an appraisal completed when Associated Wholesale Grocers bought the property. Chairman Ohl asked for an explanation on the economic obsolescence and Mr. Grider replied that the percentage was obtained from the County Assessor. Mr. Grider explained that the obsolescence is either economic or functional; but, the percentage is justifiable and he agrees with the County. County Assessor Jeff Hackerott reported that the recorded purchase price in October, 2016 for all four properties is \$11,989,929. He said that according to the transfer statement, non-real property was not included in the sale price. Commissioner Prauner asked what percentage commercial property should be valued and Mr. Hackerott replied that the value should be between 92% and 100% of market value. Mr. Hackerott reported that this parcel is a small strip of ground that is outside the Norfolk City limits. Chairman Ohl closed the hearing at 10:45 A.M. Motion was made by Schmidt and seconded by Prauner to make no change to the 2017 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-166: Midwest Real Estate Holdings LLC, c/o Ryan LLC, 13155 Noel Road, Suite 100, Dallas, Texas
PT NW1/4 NW1/4 34-24-1 Tract 116 FT X 200 FT - Parcel D

Chairman Ohl opened a hearing at 10:32 A.M. Brett Grider and Stephanie Charles, representing Midwest Real Estate Holdings, were present. Mr. Grider stated that the testimony will be presented for multiple accounts which they will value as one economic unit. He reported that the 2017 assessed valuation for all four accounts combined is \$14,050,137. He stated that the valuations on these four accounts have stayed stagnant since 2012. He asked the Board to recognize replacement costs using appropriate depreciation with the subsequent years; so, using the Marshall Swift cost approach he came up an indicative market value of \$8,321,000. He explained that Associated Wholesale Grocers is a distribution company that distributes various groceries to grocery chains and he is valuing all these parcels as one economic unit using Marshall Swift cost approach. Mr. Grider reviewed written documentation submitted during the hearing and explained that they broke out the calculations in three different sections. He explained the calculations and said that refinements were made for the region, replacement costs, square footage perimeter, and miscellaneous costs to determine final square foot costs before depreciation. He reported that his calculations arrived at final square foot costs of \$57.86 for the distribution warehouse, \$88.44 for one cold storage facility, and \$100.43 for the second cold storage facility. Mr. Grider explained that the second cold storage facility is newer and has less square footage, which makes the base square footage increase. He stated that he applied appropriate depreciation using actual age for the warehouse and first cold storage facility since they are older buildings; but, on the second cold storage facility an effective age of 26 years was used. He explained that he used 15% economic obsolescence to all three units which is the same percentage used by the County. He said that he arrived at a depreciated cost of \$6,587,575 and then added back extra features of paving, canopies, and land value for a total cost value of \$8,321,000 or \$11.18 square foot. Commissioner Prauner asked what the purchase price was for the property. Mr. Grider responded that there wasn't an appraisal completed when Associated Wholesale Grocers bought the property. Chairman Ohl asked for an explanation on the economic obsolescence and Mr. Grider replied that the percentage was obtained from the County Assessor. Mr. Grider explained that the obsolescence is either economic or functional; but, the percentage is justifiable and he agrees with the County. County Assessor Jeff Hackerott reported that the recorded purchase price in October, 2016 for all four properties is \$11,989,929. He said that according to the transfer statement, non-real property was not included in the sale price. Commissioner Prauner asked what percentage commercial property should be valued and Mr. Hackerott replied that the value should be between 92% and 100% of market value. Mr. Hackerott reported that this property is the main office building. Chairman Ohl closed the hearing at 10:45 A.M. Chairman Ohl closed the hearing at 10:45 A.M. Motion was made by Schmidt and seconded by Prauner to set the 2017 property valuation at \$300,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-167: Mark Hecht, 301 Walnut Street, Norfolk
East Lawn Subdivision Lots 12, 13, 14 & 15, Blk 3

Chairman Ohl opened a hearing at 11:42 A.M. Mark Hecht appeared at the hearing and testified that he paid \$16,000 for the property in 1992 and hasn't done much work to it. Chairman Ohl read the statement submitted with the protest form which reflected that repairs are required to the house. County Assessor Jeff Hackerott reported that he inspected the property on July 19, 2017 with Mr. Hecht. He explained that the house has three floors and that the third floor is open to the peak in the front, but the back two-thirds is narrow with no knee wall so it slopes all the way to the floor. Mr. Hecht stated that the third floor is only used for storage and there is no heating or cooling. Mr. Hackerott explained that the knee wall is about 3½ or 4 feet and has metal siding on it. He said that the house has a metal roof and vertical wood siding above the concrete block. He reported that there is a detached garage which sits at an angle to the house. He said that there is one bathroom on the main floor and three-fourths bath on the second floor. Mr. Hecht testified that the property was appraised for \$16,000 and he couldn't get a FHA loan because of the close proximity of propane tanks to his property. He explained that he had to purchase the property on contract with the owner because he couldn't get a loan. Chairman Ohl closed the hearing at 11:47 A.M. Motion was made by Prauner and seconded by Schmidt to set the 2017 property valuation at \$29,049. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

Protest #2017-168: Robert and Kathleen Colton, 1643 Hackberry Drive, Norfolk
Berry Hill 9th Addition Lot 24, Blk 10

Chairman Ohl opened a hearing at 10:54 A.M. Kathleen Colton appeared at the hearing. Chairman Ohl read the statement on the protest form. Mrs. Colton reported that they purchased the house in 2013 at a cost of \$350,000 and while reviewing the assessment record she noticed that the County has 4½ bathrooms listed and the house only has 3½ bathrooms. She said that she was unsure why the valuation increased by 12% over the prior year when they haven't done anything to the house. Commissioner Prauner explained that an average of market prices is used to establish property values. Mrs. Colton reported that someone from the County tried to set up an appointment to review the house; however, they were out of town. County Assessor Jeff Hackerott reported that the assessment record reflects that the house was built in 2002 and has 4½ bathrooms. Mrs. Colton explained that the main floor has 1½ bathrooms, with a bathroom in the master bedroom which has two sinks and a separate tub and shower, and a ½ bath in the laundry room. She reported that there is one full bathroom with two sinks and a combination tub/shower upstairs. She further explained that the basement has one full bathroom with two sinks and a combination tub/shower. She said that the house also has a 3-car garage. Mrs. Colton stated that the people who built the house had nine children and they only have three children, so the house has seven bedrooms which is more space than they need. She explained that when they moved to Norfolk, they couldn't find a house and they needed something immediately so they bought this home. Chairman Ohl closed the hearing at 10:59 A.M. Motion was made by Schmidt and seconded by Prauner to table the property valuation protest until inspection of the house by the County Assessor. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-169: Dustin Wells, 1000 Tara Heights Drive, Norfolk
Tara Heights Addition Lot 5, Blk 1 (19-24-1)

Chairman Ohl opened a hearing at 11:37 A.M. No one appeared at the hearing to offer verbal testimony. Chairman Ohl read that statement on the protest form. County Assessor Jeff Hackerott reported that the owner purchased the property in October, 2014 at a cost of \$324,000. Chairman Ohl closed the hearing at 11:39 A.M. Motion was made by Schmidt and seconded by Prauner to set the 2017 property valuation at \$331,603. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2017-170: Shane and Kim Long, 108 West Monroe Avenue, Norfolk
III - Owens Second Addition Blks 1 Thru 7 - MH Lot 77 (1978 Bonnavilla 25x36)

Chairman Ohl opened a hearing at 11:52 A.M. No one was present at the hearing to offer verbal testimony. Chairman Ohl read the statement on the protest form. County Assessor Jeff Hackerott reported that he could not make contact with the owner to inspect the interior of the house; however, he drove by the property and reviewed the outside. Chairman Ohl closed the hearing at 11:55 A.M. Motion was made by Prauner and seconded by Ohl to set the 2017 property valuation at \$15,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

The Board of Equalization recessed at 12:12 P.M. to Tuesday, July 25, 2017 at 1:00 P.M.

County Clerk Nancy Scheer

Christian Ohl, Chairman
County Board of Equalization