

## BOARD OF EQUALIZATION MEETING

Madison, Nebraska

July 24, 2012

The Board of Equalization of Madison County, Nebraska met at 9:00 A.M. to conduct hearings on property valuation protests.

Advance notice of meeting was published in the Tuesday, July 17, 2012 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgement of receipt of notice of meeting as published was executed. Chairman Jerry McCallum called the meeting to order and notified the public of the location of the Open Meeting Act information posted in the meeting room.

Present: Commissioners Jerry McCallum, Martin Griffith, and Lee Klein, County Assessor Jeff Hackerott, and County Clerk Nancy Scheer. Deputy County Treasurer Jan Fullner was present from 9:01 A.M. to 9:03 A.M.

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

Chairman McCallum opened a public hearing at 9:01 A.M. to receive testimony regarding the following motor vehicle exemption application:

Mosaic, 105 East Norfolk Avenue, Suite 200, Norfolk 2008 Chevrolet Uplander (2), 2010 Toyota Sienna, 2010 Chevrolet Express (4), 2008 Chevrolet Express, 2011 Chevrolet Cruze, 2004 Chevrolet Astro Van, 2011 Toyota Sienna (2), 2006 Chevrolet Uplander (2), 2005 Ford Freestar, 2007 Toyota Prius, 2010 Chevrolet Impala (2), 2008 Chevrolet Van

No one appeared at the hearing to offer verbal testimony. Deputy County Treasurer Jan Fullner reported that exemptions have previously been approved for Mosaic. Chairman McCallum closed the hearing at 9:02 A.M.

After discussion, it was moved by Griffith and seconded by Klein to approve the motor vehicle exemption application for Mosaic. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Hearings were conducted on property valuation protests as follows:

Protest #2012-112: Christine Fossen, 1101 South 7th Street, Newman Grove  
Railroad Addition Lot 6, Blk 10

Chairman McCallum opened a hearing at 9:05 AM. No one was present during the hearing to present verbal testimony. The written protest form and letter were read. County Assessor Jeff Hackerott reported that he inspected the property with Christine Fossen and made updates to the assessment record. Chairman McCallum closed the hearing at 9:10 A.M. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$46,847. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-113: Craig Lilja, P.O. Box 525, Newman Grove  
Subdivision Lots 1-2-13-14, Blk 10, Railroad Addition Lot 21

Chairman McCallum opened a hearing at 9:12 A.M. Craig Lilja appeared at the hearing and questioned how the property valuation increased from \$555 to \$2,500 on this vacant lot. County Assessor Jeff Hackerott explained that all lot values in the City of Newman Grove increased considerably for 2012 based upon a re-evaluation of the City. He reported that the last reevaluation completed in the City of Newman Grove was in 1995. He stated that he has several lot sales between \$2,500 and \$3,000. Mr. Lilja questioned if the County Assessor could provide examples of these lot sales because he is unaware of any lot sales for this amount. Chairman McCallum closed the hearing at 9:15 AM. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-114: Craig Lilja, P.O. Box 525, Newman Grove  
Subdivision Lots 1-2-13-14, Blk 10, Railroad Addition E 6 Ft Lot 19 & All Lot 20

Chairman McCallum opened a hearing at 9:15 A.M. Craig Lilja appeared at the hearing and testified that this building is his office and he requested several corrections to the assessment record. He reported that the County record reflects a basement of 720 square feet and this basement is actually red clay tile, is only 243 square feet, and is basically a hole for a furnace and water pipes. He reported that a commercial property located one block west of his business sold for \$6,000, which included the lot and building. He stated that the building that sold was larger and better than his building. Chairman McCallum closed the hearing at 9:16 AM. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$6,956. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-115: Craig Lilja, P.O. Box 525, Newman Grove  
Railroad Out Lots S 253 Ft E 132 Ft Lot 5 & (TRI Piece 14.75 Ft X 43 Ft) E 43 Ft Lot 1, Blk 22  
Subdivision Out Lot 5, Railroad Addition

Chairman McCallum opened a hearing at 9:16 A.M. Craig Lilja was present at the hearing and testified that he purchased the property approximately six years ago for \$15,000 when they settled his parents' estate. He stated that the local Coop made an offer for this amount and he stated that no one else would probably buy the property because of the proximity to the Coop station. Chairman McCallum closed the hearing at 9:17 AM. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$21,083. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-116: Craig Lilja, P.O. Box 525, Newman Grove  
Railroad Addition Lots 6 & 7, Blk 5

Chairman McCallum opened a hearing at 9:18 A.M. Craig Lilja appeared at the hearing and testified that the County assessment record listed the house as masonry, but the house is 40% brick and 60% stucco. He reported that the house has a red clay tile basement, not poured. He stated that the house only has one bathroom, but the assessment record shows that it has two. He stated that the assessed valuation for this property is substantially higher than the median market value based upon the 21 examples that were given at a meeting held in the City of Newman Grove in May. He explained that the 2011 valuation for his house was \$20.16 per square foot, which is about what the average value was for ten stucco houses in the 2012 projection; however, his 2012 valuation is up to \$34.69 per square foot. He stated that the ten houses are comparable as far as being stucco construction and built in the same era. He explained that of the stucco houses that he compared, there is one house that is valued at \$8.74 per square foot and this house does not appear to be very good on the outside; however, a few years ago this house was on the tour of homes so he knows that the inside of this house is very good. Mr. Lilja stated that it amazes him that the houses that were sold during the last few years had assessed valuations decrease; but, the properties that did not have a market test had valuation increases. County Assessor Jeff Hackerott reported that he was unable to make contact with the owner to make an appointment for interior inspection of this house. Chairman McCallum closed the hearing at 9:23 P.M. Motion was made by Griffith and seconded by Klein to set the 2012 property valuation at \$60,080. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-117: Daniel Weier, 211 North 2nd Street, Newman Grove  
Railroad Addition Lot 14 & S 7 Ft Lot 15, Blk 17

Chairman McCallum opened a hearing at 9:27 A.M. Daniel Weier was present and testified that after they received the first notification of the 2012 projected valuation, they met at an informal meeting in the City of Newman Grove and noted that there was an error on the assessment record. He stated that the County record shows a full basement under the house and also a full HVAC system; however the entrance from the outside only goes to a crawlspace under the house where the water heater and dehumidifier sit. He stated that when the County corrected the assessment record to remove the basement and HVAC system, the valuation decreased by \$837. He stated that he was curious to inquire where the number came from for corrections made to the assessment record. Mr. Weier stated that a report was handed out at the informal meeting in Newman Grove that listed various house valuations and these properties were used to establish valuations. He stated that he completed research to locate houses that were compared to his house, he couldn't find any. He stated that the prices on this report were actual house sales. He stated that the house that was most comparable to his in age and size was assessed 8.68% lower than what was listed on the report. Mr. Weier stated that the house was originally purchased by Robin Bender for \$31,000 in September 2006 from Dennis Fowlkes. He stated that Dennis Fowlkes had purchased the house three months prior to that for \$26,000. He also stated that they spoke to Dennis Fowlkes last summer when they were thinking about selling the property and Mr. Fowlkes said that they would be lucky to get their original \$31,000 out of the property. He stated that this house was bought prior to the housing recession and he was curious to find out how the valuation was determined. He stated that when he researched the 21 properties on the document handed out at the informal meeting in Newman Grove, there was a variance between the sales price and the assessed valuation. County Assessor Jeff Hackerott addressed Mr. Weier's question regarding the cost of a basement versus the cost of HVAC system and explained that the cost to put a basement under a house may be \$20,000; however, when he removes the basement from the valuation, it won't reduce the valuation by \$20,000 because depreciation would be applied based on the age of the house. He explained that if the house was brand new and the County was calculating the valuation based on construction costs, then the assessment would reflect this change. He stated that when they remove the basement finish and HVAC from the assessment record, the valuation won't equate to the cost of putting in a basement or HVAC system. He reported that the assessment amount does not equate to actual cost of replacement. Mr. Weier stated that he does not expect that the valuation will be reduced by \$20,000; however, he was curious to determine where the \$834 reduction of value came from. He stated that if he would actually put a basement under this house, the valuation would increase by the same amount that he actually spent. He stated that the house which is most comparable to his property is 100 North 10th Street which sold in June 2011 for \$37,500 and the valuation is \$34,244, which is down 9% from the sale price. He explained that he determined his requested value by taking the purchase price of \$31,000 and reduced the amount by 8.68%. He reported that he removed a shed that was shown on the County records. Chairman McCallum closed the hearing at 9:35 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-118: Annette Bender, P.O. Box 315, Newman Grove  
Haughes Church Addition Lot 16, Blk 4 & Pt Vac Alley

Chairman McCallum opened a hearing at 9:51 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that the subject property is a vacant lot that was purchased in 2006 along with an adjoining parcel. He reported that the adjoining parcel has a house on it and the total purchase price for both properties was \$27,500. He reported that the combined valuation for both properties is \$25,572. He explained that the valuation is based on the lot sales in the City of Newman Grove over the last three years. Chairman McCallum closed the hearing at 9:53 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-119: Annette Bender, P.O. Box 315, Newman Grove  
Railroad Addition Lot 16, Blk 17

Chairman McCallum opened a hearing at 9:53 A.M. No one was present at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he completed an interior and exterior inspection of the property with Annette Bender. He stated that the house that was built in 1925 and had a major two-story addition added to it in 1997, which includes an unfinished basement, large kitchen, office area, utility room on the main floor, and master bedroom and closets in the upstairs. He reported that the house has been well maintained. Chairman McCallum closed the hearing at 9:55 A.M. Motion was made by Griffith and seconded by Klein to set the 2012 property valuation at \$95,008. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-120: Craig Tegeler, 304 Highway 275, Meadow Grove  
Scott's Backhoe & Well Service LLC'S Replat Pt Lot B 0.233 AC (24-24-4) (Outside)

Chairman McCallum opened a hearing at 9:56 A.M. Craig Tegeler appeared at the hearing and testified that he purchased two properties in March 2012 for \$20,000. He reported that the bare lot is valued at \$902 and he requested that the valuation be set at \$500. County Assessor Jeff Hackerott reported that the subject property is outside the city limits and sits behind Mr. Tegeler's the other property where the house is located. Chairman McCallum closed the hearing at 10:00 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-121: Craig Tegeler, 304 Highway 275, Meadow Grove  
Scott's Backhoe & Well Service LLC'S Replat Pt Lot B 0.397 AC (24-24-4) (Inside)

Chairman McCallum opened a hearing at 9:56 A.M. Craig Tegeler appeared at the hearing and testified that he purchased two properties in March 2012 for \$20,000. He reported that the property with the house is valued at \$38,893 and he requested that the valuation be set at \$19,500, based upon the recent purchase price. Chairman McCallum explained that this property sale was not included in the study to establish property valuations for 2012, because the sales for this valuation period ended on June 30, 2011. County Assessor Jeff Hackerott reported that the house has 1,008 square feet on the main floor and 672 square feet upstairs and was built in 1900. He stated that some renovation work was completed on the house in 2004, including a new kitchen. He stated that the basement is unfinished and there is a two-car detached garage. Chairman McCallum closed the hearing at 10:00 A.M. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$19,098. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-122: Keith Rohde, 3620 West Nucor Road, Norfolk  
NW1/4 17-24-2 160 AC

Chairman McCallum opened at hearing at 9:37 A.M. Keith Rohde was present and testified that the valuation for this property increased 22%, which is extreme. He reported that the property has 104 irrigated acres; however, he believes that the County is basing the valuation on 133 irrigated acres. He explained that he does not own the pivot or irrigation motor on this property, only the well. He presented a map and pointed out the location of 97.7 acres on one part of the property, and 4 acres at another location, for a total of 103.7 acres under the pivot. He also pointed out the portion of the property that is in CRP. He reported that the property is located along a minimum maintenance road and a Butler building is also located on the parcel. Mr. Rohde explained that the valuation on his property that this sandy ground is much higher than the ground located five miles north into Pierce County. Chairman McCallum explained that the valuations are established by market areas. Mr. Rohde responded that if the County wants to use market areas within the County, you could go within a two mile radius of his property and compare it with an 80 acre parcel that sold last year for \$3,600 an acre and another farm sold for \$3,400 an acre. He stated that he does not understand how you can take ground located south of his property, which is so much better ground, and compare it to his sandy ground. County Assessor Jeff Hackerott explained that all of Madison County is in one market area this year, but prior to that the County had three market areas established. He stated that if the County had not switched to one market area this year, the valuation for the subject property would possibly been as much as \$300 per acre higher. He stated that all the higher sales have been located in the area that was designated as market area one. In addition, Mr. Hackerott reported that there were not any significant sales located in the former market area three. He explained that the County has worked on the market area for several years with a liaison from the Nebraska Department of Revenue. He stated that the County was put into a position this year of either changing to one market area or keeping two market areas and having the northern part of Madison County with higher values than the southern portion and possibly borrowing sales from Platte County. Keith Rohde questioned if values in the northern portion of the County would have been higher even with properties just a few miles away selling for \$3,600 and \$3,400 per acre. County Assessor Jeff Hackerott questioned when the land sales occurred, and Keith Rohde responded that the properties just sold in 2011. County Assessor Jeff Hackerott explained that the cutoff date for including sales was June 30, 2011. Keith Rohde stated that everyone knows that the bubble of high agricultural land will burst. Chairman McCallum stated that the County must use the sale prices to establish property valuations. Keith Rohde reiterated that he does not have 133 acres of irrigated ground. County Assessor Jeff Hackerott responded that the assessment record reflects 110.62 acres of irrigated ground. Keith Rohde submitted a copy of the record from the FSA office which reflects 97.7 acres in one area and 4 acres in another area and he questioned how the County arrived at 110 acres. County Assessor Jeff Hackerott responded that he measured 110 acres. Keith Rohde stated that the County should go by the FSA records because these records are used for the farm program. He reiterated that his biggest concern was the 22% valuation increase. Chairman McCallum stated that it is the owner's responsibility to prove the correct number of acres. Chairman McCallum closed the hearing at 9:49 A.M. Motion was made by Griffith and seconded by Klein to set the 2012 property valuation at \$462,116. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-123: Mejstrik Properties, L.L.C., PO Box 123, Howells  
Green Meadow Addition Lot 3 & W 210 Ft Lot 5, Blk 4 (Tract B-Lot~Boundary Change)

Chairman McCallum opened at hearing at 10:04 A.M. Chris Mejstrik appeared at the hearing and testified that the property was purchased in April 2012 for \$355,000 and 97% of the purchase price is \$344,350, which is an acceptable property valuation. He stated that office space in the City of Norfolk is overbuilt. He stated that the Jed Christian commodity building located next to his property is half rented and the Golf USA building is 65% rented. He reported that there are a number of stand-alone buildings within the City of Norfolk with the same situation. He stated that out of a total of 7,000 square feet in this building, only 4,500 square feet is rented. He explained that the purchase price of the building is higher than the construction costs of \$315,000, and the lot price was \$30,000. Mr. Mejstrik reported that another building close to Golf USA is the Heartland Physical Therapy building. He explained that the realtor told him that the bank loaned between \$1 million and \$1.2 million to build that property; but the County has this property assessed at \$659,200, and the property has been sold for an amount less than the assessed valuation. He stated that in comparison to the Heartland Physical Therapy building, the valuation for the Golf USA building is too high. He stated that the purchase price would be a reasonable valuation for everyone. He stated that according to the Heartland Physical Therapy building, he overpaid because the purchase price was approximately the same as the cost of construction. He stated that the Board should consider rent versus revenue and revenue versus expense. County Assessor Jeff Hackerott stated that the assessment record reflects a closing date of May 1, 2012, with a purchase of \$355,000. He reported that he met with Chris Mejstrik and verified that the building is not fully occupied. Chairman McCallum closed the hearing at 10:08 A.M. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$355,000. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

- Protest #2012-124: Mejistrik Properties, L.L.C., PO Box 123, Howells  
Green Meadow 3rd Addition Lot 3, Blk 1
- Protest #2012-125: Mejistrik Properties, L.L.C., PO Box 123, Howells  
Green Meadow 3rd Addition Lot 2, Blk 1
- Protest #2012-126: Mejistrik Properties, L.L.C., PO Box 123, Howells  
Green Meadow 3rd Addition Lot 3, Blk 1

Chairman McCallum opened a public hearing at 10:08 AM. Chris Mejistrik was present and testified that the subject property is a condo unit. He stated that he keeps the rent at a reasonable rate so that he could keep them rented. He stated that he could either have a vacancy rate, or keep the rents reasonable so that the units are kept rented. He reported that the last five condo units that sold in the subdivision had an average sale price of \$100,000, including 303 North 32nd Unit A, 305 North 32nd Unit A, 305 North 32nd Unit B, 303 North 33rd Unit B, and 303 North 32nd Unit C. In addition, he stated that the five previous condo sales included 303 North 33rd Unit A, 309 North 32nd Unit A, 309 North 32nd Unit B, 309 North 32nd Unit C, and 303 North 32nd Unit B. He stated that the average sale price of the last ten condo sales is \$112,600. Mr. Mejistrik reported that there are 21 units in the condo association and half of the units sold for \$106,285.40. He stated that some of the condo units have basements and some do not; however, that is the only difference between the condos. He stated that since 2008, property values have turned downward, but the assessed valuations have continued to climb. He read a portion of an article from the July 22, 2012 Sunday World Herald which stated that five years ago it is likely that your home was worth more than it is today. In addition, he said that the article stated that the Federal Housing Finance Agency said February home prices were 19.4% less than they were in 2007. He reiterated that the article points out that the average home is worth 20% less today than it was in 2007. He stated that the trend of the condo sales is following the trend outlined in this article. He stated that in the city limits of Norfolk during the last nine months there have only been seven building permits issued for single-family houses or condo units. He stated that this number has increased from the year before, so housing is not exciting in the City of Norfolk and that is why the prices are sliding down. Mr. Mejistrik reported that the valuations for three condo units, including 303 North 33rd Unit B, 305 North 33rd Unit B, and 309 North 33rd Unit B, have an average valuation of \$97,853. Chairman McCallum closed the hearing at 10:17 A.M. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$94,000 for each individual property. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

- Protest #2012-127: Richard Fowlkes, 502 Pete's Drive, Newman Grove  
Fowlkes Addition Lot 9

Chairman McCallum opened a hearing at 10:23 A.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he met with Mrs. Fowlkes to inspect the property. He reported that the house is a brick ranch-style home built in 1964. He explained that an addition was added onto the back of the house and includes a family room with a vaulted ceiling and a basement under the addition. He stated that the assessment record shows that the addition only has a crawlspace under it, not a full basement and a correction would be made for 2013. Chairman McCallum closed the hearing at 10:25 A.M. Motion was made by Griffith and seconded by Klein to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

- Protest #2012-128: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt W1/2 SE1/4 3-23-1 77.59 AC
- Protest #2012-130: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt S1/2 SW1/4 NE1/4 & Pt W1/2 NW1/4 & Pt S1/2 SE1/4 NW1/4 & Pt N1/2 SW1/4 3-23-1 130.56  
AC

Chairman McCallum opened a hearing at 10:28 A.M. Paul Medelman was present at the hearing and stated that the property is a gravel pit with a lot of sand and nothing can be planted on it, so he considers it waste. Paul Medelman stated that he looked at the acre prices and the County's breakdown and it is confusing how the County classifies the various parcels. He explained that he owns some recreation areas that are valued between \$500 and \$1,000 per acre, but he doesn't understand how other areas are valued differently. County Assessor Jeff Hackerott pointed out the location of the property on a map. He reported that a majority of this parcel is water; however, it is not valued as recreational. He reported that the property is valued as a gravel pit, waste acres, and grass where it has been seeded to keep it from blowing; however, since pumping is almost completed, the classification is fast approaching being changed to recreational. Paul Medelman reported that Lyman-Ritchie is no longer leasing this property for a gravel pit. He stated that there are no farmable acres on this property and there is some soil dispersed back on the top of the sand, approximately one to two foot deep in places, but it is not suitable for growing a crop. He stated that for 60 years the water rights have been leased to a boat club. Chairman McCallum closed the hearing at 10:35 A.M. Motion was made by Griffith and seconded by Klein to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

- Protest #2012-129: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt E 3/4 NW1/4 3-23-1 10.15 AC ID Tract (Medelmans Lake Tract Two)
- Protest #2012-131: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt E 3/4 NW1/4 3-23-1 10.59 AC ID Tract (Medelmans Lake Tract One)
- Protest #2012-132: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt E1/2 NW1/4 3-23-1 10.99 AC ID Tract (Medelmans Lake Tract Three)
- Protest #2012-133: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt SW1/4 NE1/4 3-23-1 10.15 AC ID Tract (Medelmans Lake Tract Eight)
- Protest #2012-134: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt W1/2 W1/2 NE1/4 3-23-1 10.2 AC ID Tract (Medelmans Lake Tract Four)
- Protest #2012-135: Elkhorn Construction Company, PO Box 168, Norfolk  
Pt E1/2 W1/2 NE1/4 3-23-1 10.15 AC ID Tract (Medelmans Lake Tract Seven)

Chairman McCallum opened a hearing at 10:28 A.M. Paul Medelman appeared at the hearing and testified that he didn't proceed with his planned subdivision because he couldn't get utilities to the properties, so he parceled off some 10-acre tracts. He reported that he completed the division of the property approximately five years ago and the value of these tracts increased significantly; but, there is no difference between the current condition of the property and the way it was prior to subdividing it. He questioned why the 10-acre tracts increased by \$5,000. County Assessor Jeff Hackerott explained that all rural acreages in the County received a \$5,000 valuation increase for the first acre. He stated that these lots are on the north side of the lake.

Paul Medelman questioned if the valuation would change if these lots were not subdivided. County Assessor Jeff Hackerott responded that since the lots were subdivided, they are valued as acreages. He explained that the valuations would be adjusted if they were combined back into one parcel. Paul Medelman explained that nothing changed, except for the boundary lines drawn on a map. County Assessor Jeff Hackerott stated that these lots are now separate saleable parcels. Chairman McCallum stated that if someone wanted to buy one of the lots to build a house, it would possibly sell for \$40,000. Paul Medelman responded that he is not trying to market the lots because he needs to get water and sewer to the parcels first. He stated that he may pursue the option of combining the lots together if the property valuation would be reduced. Chairman McCallum closed the hearing at 10:35 A.M. Motion was made by Griffith and seconded by Klein to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-136: Elkhorn Development L.L.C., PO Box 168, Norfolk  
Pt W1/2 NE1/4 29-24-1 47.60 AC

Chairman McCallum opened a hearing at 10:36 A.M. Paul Medelman appeared at the hearing and testified that he is looking at the percentage of valuation increase and trying to justify the amount. He stated that the property is blighted and substandard and is virgin hayland. County Assessor Jeff Hackerott reported that the subject property is located west of Walmart and south of Highway 275. He explained that the parcel is valued as grass and the valuation increase is based upon agricultural land sales. He stated that the property's highest and best use is not for agricultural purposes. Chairman McCallum closed the hearing at 10:38 A.M. Motion was made by Griffith and seconded by Klein to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-137: CNW Development, L.L.C., PO Box 1482, Norfolk  
Pt E1/2 E1/2 3-23-1 65.5 AC

Protest #2012-138: CNW Development, L.L.C., PO Box 1482, Norfolk  
Pt E1/2 NE1/4 & Pt W1/2 E1/2 & Pt S1/2 SE1/4 SE1/4 3-23-1 58.64 AC

Chairman McCallum opened a hearing at 10:38 A.M. Paul Medelman was present at the hearing and stated that he is looking at the water, recreational, and gravel pit classifications assigned to these parcels by the County. He reported that none of this property can be farmed and the potential for farming has been ruined due to the lease of the property for a gravel pit. Chairman McCallum closed the hearing at 10:41 A.M. Motion was made by Griffith and seconded by Klein to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-139: Paul Medelman, 501 Miles Drive, Norfolk  
Pt W1/2 NE1/4 3-23-1 10.25 AC ID Tract (Medelmans Lake Tract Six)

Chairman McCallum opened a hearing at 10:41 A.M. Paul Medelman appeared at the hearing and he questioned the valuation increase. County Assessor Jeff Hackerott explained that all rural acreages in the County received a \$5,000 valuation increase for the first acre. Paul Medelman asked that the property be looked at as a whole because it is mainly sand and grass. He explained that there is no income derived from the property, except what the boat club pays for a lease. He reported that there are electrical hookups and club members have the right to boat and camp. Chairman McCallum closed the hearing at 10:44 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-140: Monica Dolezal-Bruning, 1707 Skyline Drive, Norfolk  
N1/2 NE1/4 9-23-3 80 AC

Chairman McCallum opened a hearing at 10:54 A.M. Monica Dolezal-Bruning and Kurt Bruning appeared at the hearing. Kurt Bruning showed a map reflecting the location of the subject property and compared it to neighboring parcels. He stated that their property is a dry land 80 acre parcel which is valued at approximately \$2,700 per acre. He compared it to a dryland 80 acre parcel owned by Allen Knapp that has very similar soil types and is valued at approximately \$2,500 per acre. He stated that the property located right next to this property has similar soil types and is irrigated, but the valuation is only about \$300 per acre higher. In addition, he reported that there is another parcel close to their property that is also irrigated and is valued only slightly higher than their property. He stated that they don't understand how their property is valued approximately the same, or slightly less, than irrigated ground. He also reported that Unkels have some dryland properties that have a little bit of grass on them, but it is mainly farmable cropland, and the valuation is \$2,200 per acre. County Assessor Jeff Hackerott reported that the subject property is planted to beans, and there is also some grass on the west and east and shelterbelt on the south side. Kurt Bruning confirmed that there is a significant amount of grass on the west side of this property. Chairman McCallum closed the hearing at 10:58 A.M. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$234,178. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-141: Monica Dolezal-Bruning, 1707 Skyline Drive, Norfolk  
Pt NW1/4 Less E 49 Rods 4-23-3 99.52 AC

Chairman McCallum opened a hearing at 10:58 A.M. Monica Dolezal-Bruning and Kurt Bruning appeared at the hearing. Kurt Bruning testified that this parcel is all dry land and there is a lot of grass on the parcel. He reported that all the cropland on this parcel is now CRP and has been for a long time. He stated that the valuation for this property is approximately \$2,150 per acre. He showed a map reflecting the location of his property which he compared to several other parcels. He reported that a property previously owned by the Volk family looks exactly like their property. He explained that the comparable property is approximately half grass and pasture and half cropland and it is valued at \$1,734 per acre compared to the valuation of his property which is \$2,150 per acre. He stated that there is a large difference between the property valuations of these two parcels. Mr. Bruning also stated that across the road to the north of their property, is a parcel owned by Gertie Hoffman, that has been converted to grass and is valued at \$1,055 per acre. He also reported that Ron Koch owns a dry land parcel in Section 32 of Highland Precinct that is grass and crop, which is valued at \$1,807 per acre. He reported that a very good comparison, which is all planted to crops, is the property previously owned by Volks because it has similar soil types and drainage. Chairman McCallum closed the hearing at 11:01 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays, none. Motion carried.

Protest #2012-142: Monica Dolezal-Bruning, 1707 Skyline Drive, Norfolk  
NW1/4 NW1/4 10-23-3 40 AC

Chairman McCallum opened a hearing at 11:01 A.M. Monica Dolezal-Bruning and Kurt Bruning appeared at the hearing. Kurt Bruning testified that he filed an appeal on this property; however, he is probably okay with the valuation on this parcel when he looks at similar ground around the parcel, especially the property owned by Allen Knapp. He stated that this parcel could be used as a comparison to the 80 acre parcel. He stated that he farms both properties and they have similar soils. He explained that there are both good and bad spots on the 80 acre parcel and also on the 40 acre parcel. He reported that the valuation for the subject property is \$2490 per acre. Chairman McCallum closed the hearing at 11:05 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays none. Motion carried.

Protest #2012-143: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Divot's Addition Lot 1 (19-24-1) 4.14 AC

Chairman McCallum opened a hearing at 11:35 A.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he met for over an hour with Donna Herrick to review the valuation of this property. He explained that the valuation from the Donna Herrick's accountant is approximately \$30,000 lower than the County's assessed valuation. Chairman McCallum closed the hearing at 11:40 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays none. Motion carried.

Protest #2012-144: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Divot's Addition Lot 2(19-24-1) 3.53 AC

Protest #2012-145: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
SE1/4 SW1/4 Less Hwy 19-24-1 36.46 AC

Protest #2012-146: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Pt SW1/4 SE1/4 19-24-1 29.32 AC

Chairman McCallum opened a hearing at 11:35 A.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he met for over an hour with Donna Herrick to review the valuation of these properties. He explained that Mrs. Herrick didn't disagree with any of the information on the assessment record for the subject properties. Chairman McCallum closed the hearing at 11:40 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuations on the foregoing parcels. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays none. Motion carried.

Protest #2012-147: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Pt E1/2 28-23-3 289.84 AC

Protest #2012-148: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
NE1/4 21-23-3 160 AC

Protest #2012-149: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Pt S1/2 SE1/4 12-22-3 73.31 AC

Protest #2012-150: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
NW1/4 4-24-2 160.96 AC

Protest #2012-151: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
N1/2 SW1/4 & NW1/4 SE1/4 3-24-2 120 AC

Protest #2012-152: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Pt SW1/4 7-23-2 141.56 AC

Protest #2012-153: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Pt NE1/4 32-23-2 155.65 AC

Protest #2012-154: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
Pt S1/2 SE1/4 11-23-3 76.12 AC

Protest #2012-155: Donna Herrick, 4200 West Norfolk Avenue, Norfolk  
SW1/4 & N1/2 SE1/4 11-23-3 240 AC

Chairman McCallum opened a hearing at 11:35 A.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he met for over an hour with Donna Herrick to review the valuation of these properties. He stated that the owner had questions about how agricultural land was valued. He stated that they discussed land use, dry land versus irrigated or grass land, how pivots are measured, and how corners are subtracted on irrigated parcels. He stated that they also discussed how land sales affect the property valuations. Chairman McCallum closed the hearing at 11:40 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuations on the foregoing parcels. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays none. Motion carried.

Protest #2012-156: Spirit SPE Portfolio 2006-1 LLC, 700 Pilgrim Way, Green Bay, WI 54304  
Replat 2 of Lot 1-R, Blk 1 of Replat of Shopko Acres Lot 1, Blk 1

Chairman McCallum opened a hearing at 11:41 A.M. No one appeared at the hearing to offer verbal testimony. The written protest was read and attachments were reviewed. County Assessor Jeff Hackerott reported that he reviewed the valuation summary presented by the protestor and noted that a 5% vacancy rate was used, 21% expenses, and 9% cap rate. He stated that the income approach points to a \$3.2 million valuation and the comparables that are used point to a value of \$2.2 million. He stated that the protestor's calculations apply solely to the subject parcel and nothing has been backed out for excess land to account for the other two parcels owned by Shopko. He explained that the County looks at the property owned by Shopko as three separate saleable pieces of property. He reiterated that the income approach used by the protestor shows a valuation of \$3.18 million and the market approach points to a valuation of \$3.2 million. Chairman McCallum closed the hearing at 11:46 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays none. Motion carried.

Protest #2012-157: IRET Properties, 1125 Seventeenth Street, Suite 1575, Denver, CO 80202  
Gordon Moritz Addition Lots 2 & 3

Chairman McCallum opened a hearing at 11:46 A.M. No one appeared at the hearing to offer verbal testimony. The protest form and valuation analysis was reviewed. County Assessor Jeff Hackerott reported that he analyzed the calculations and straight age-life method is used for depreciation and expected economic life. He stated that the comparables presented in the protest document are two 4-plexes and one 6-plex, which he doesn't think are good comparable properties. He stated that he views the comparables as multi-family rental units. He reported that there are ten units located in the subject building and it is arranged as a residential facility. Chairman McCallum closed the hearing at 11:50 A.M. Motion was made by Griffith and seconded by Klein to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays none. Motion carried.

Protest #2012-53: Harold Jr. and Kathy Clausen, 83693 555th Avenue, Norfolk  
Pt NE1/4 NE1/4 21-23-1 Parcel 3 1.02 AC

Chairman McCallum opened a hearing at 11:24 P.M. Harold Clausen Jr. appeared at the hearing and testified that he owns the lowest lot on the west side of the road. He reported that he has trouble with all the remaining lots flooding to this lot. He explained that there are ten lots that are on a tiling system and he has surface drains and everything that goes into the tiling system comes up his surface drain. He submitted pictures showing the surface drain and the inside of the basement of his house which floods. He reported that he has completed some dirt work, but he can't change the tiling system in any way because when he purchased the property he signed an agreement that the tiling system can't be changed unless the changes are to improve it. He stated that he is trying to divert the water the best that he can. He stated that he did not realize when he bought the lot that there was such a water problem on this property. County Assessor Jeff Hackerott reported that the valuation change was an increase of \$5,000 for the first acre. He explained that the valuation increase was applied to all rural acreages throughout the County. He stated that he does not show any basement finish. Mr. Clausen confirmed that the basement is not finished because of the flooding problems. He explained that the water problems are related to the tiling. He stated that he has a sump pump located at the end of the line which was shut off and the water backed up through his basement and then broke the seal from the inside out. He reported that he tiled the property himself and installed tile all around the outside of the house. He explained that he has owned this property for eight years and every year the valuation has increased. He reported that the only change made to the property during the last eight years was landscaping completed to try to divert the water to the back of the property. He reported that he has four surface drains, two on each side of the house. Chairman McCallum closed the hearing at 11:28 A.M. Motion was made by Klein and seconded by Griffith to make no change to the 2012 property valuation. Roll call vote: Ayes, McCallum, Griffith, and Klein. Nays none. Motion carried.

The Board recessed for lunch at 11:50 A.M. and re-convened at 12:45 P.M.

The Board reviewed evidence and took action on the following property valuation protest heard on June 28, 2012:

Protest #2012-4: Frank Murphy Jr., 54010 839th Road, Meadow Grove  
Northside Addition N1/2 Lots 1 & 2 & Vac Alley, Blk 2

County Assessor Jeff Hackerott reported that he completed an on-site physical inspection of the property with Mrs. Murphy. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$42,367. Roll call vote: Ayes, McCallum, Griffith and Klein. Nays, none. Motion carried.

The Board reviewed evidence and took action on the following property valuation protests heard on July 9, 2012:

Protest #2012-56: 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

County Assessor Jeff Hackerott reported that he completed a physical on-site inspection of the property with Roxanne Kline. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$49,260. Roll call vote: Ayes, McCallum, Griffith and Klein. Nays, none. Motion carried.

Protest #2012-60 J.W. Chatam and Associates, 7301 West 129th Street, Suite 150, Overland Park, KS 66213  
Hy-Vee Addition Lot 1

County Assessor Jeff Hackerott reported that the 2011 property valuation for this property was appealed to the Tax Equalization and Review Commission and that a negotiated valuation was recently agreed upon. He recommended that the 2012 property valuation be set at the same amount negotiated for the 2011 appeal. Motion was made by Griffith and seconded by Klein to set the 2012 property valuation at \$3,500,000. Roll call vote: Ayes, McCallum, Griffith, and Klein. Absent, Klein. Nays, none. Motion carried.

Protest #2012-61 J.W. Chatam and Associates, 7301 West 129th Street, Suite 150, Overland Park, KS 66213  
N E A D 4th Addition Lot 1, Blk 1

County Assessor Jeff Hackerott reported that the 2011 property valuation for this property was appealed to the Tax Equalization and Review Commission and that a negotiated valuation was recently agreed upon. He recommended that the 2012 property valuation be set at the same amount negotiated for the 2011 appeal. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$3,800,000. Roll call vote: Ayes McCallum, Griffith, and Klein. Nays, none. Motion carried.

The Board reviewed evidence and took action on the following property valuation protest heard on July 17, 2012:

Protest #2012-96:       Rachelle Bollig, 200 North 1st Street, Newman Grove  
                              Railroad Addition Lot 9 & N1/2 Lot 10, Blk 15

County Assessor Jeff Hackerott reported that he completed a physical inspection of the property. Motion was made by Klein and seconded by Griffith to set the 2012 property valuation at \$41,440. Roll call vote: Ayes, McCallum, Griffith and Klein. Nays, none. Motion carried.

The Board of Equalization adjourned at 12:55 P.M.

---

County Clerk

---

Chairman