

**City of Columbus**  
**Board of Appeal and Equalization**  
**April 27, 2015**

The April 27, 2015 meeting of the Board of Appeal and Equalization for the City of Columbus was called to order at 7:03 p.m. by Mayor Dave Povolny at the City Hall. Present were Board Members Mark Daly, Jeff Duraine & Bill Krebs. City Administrator Elizabeth Mursko; Assessor Ken Tolzmann and Public Information Coordinator Bronwyn Pope.

Absent: Denny Peterson.

Also in attendance: Diana Stellmach & Alex Guggenberger Anoka County Assessor's Office, Jesse Preiner, Al Kraska, Orman Anafarta, Michael Mulvihill, Doug Herman, Roberta Gronquist, and Jody Krebs.

**1. Call to order 7:03 p.m.**

**2. Approval of Agenda**

**Motion by Krebs to approve the agenda. Second by Daly. Motion approved unanimously.**

The purpose of the meeting is for the public to question or discuss their 2015 property market value assessment for taxes payable in 2016. The Public Notice and an informational sheet regarding the duties of the local board and clerk and the 2015 pay 2016 Assessment Report from the Assessor were included in the agenda packet.

**3. INTRODUCTION & PRESENTATION: KEN TOLZMANN CITY OF COLUMBUS ASSESSOR, DIANA STELLMACH & ALEX GUGGENBERGER ANOKA COUNTY REPRESENTATIVES. (PAGES 1-8 & ENCLOSURE)**

The Assessor reviewed the 2015 Assessment Report. The Assessor said he is available normal working hours during the week and evenings and weekends by appointment.

The Assessment Report includes general information about both the appeals and assessment process, as well as specific information regarding the 2015 assessment.

Minnesota Statutes establish specific requirements for the assessment of property. The law requires that all real property be valued at market value, which is defined as the usual or most likely selling price as of January 2, 2015.

The estimated market values established through the 2015 assessment are based upon actual real estate market trends of City of Columbus properties taking place from October 1, 2013 through September 30, 2014. This is the process state wide. From these trends a mass appraisal system is used to determine individual property values. Property owners who have questions or concerns regarding the market value set for their property were asked to contact the Assessor prior to this meeting.

Statistically, based upon the 23 qualified (good) sales within the City during this sales period, and after value adjustments made accordingly by zone, the final result was an assessment that qualifies

as “excellent” in the eyes of the Minnesota Dept. of Revenue with a median of 93, a coefficient of dispersion of 810.4, and a Price Related Differential of 10.

Changes made to this 2015 assessment from the 2014 assessment were as follows:

- Columbus Commercial/Industrial land:
- I-35 corridor                      No change
- Lake Drive corridor              -18%
- Commercial/Industrial building rates were adjusted on a County-wide basis based on County-wide sales.
- All residential buildings rates were adjusted (+3-7%) countywide by style and quality.
- Adjustments to Columbus land zones in Columbus were as follows:
  - Zone 0 (Ag site)                  +10%
  - Zone 1 (Res 1 - 3 ac )          +16.4%
  - Zone 3 (Res 4 – 9 ac)          +10.4%
  - Zone 7 (Lakeshore)\*\*          +32.5%
  - Zone 9 (Res. 10+ ac)          -10%

*\*\* Columbus lakeshore land rates are calculated together with sales in East Bethel. For this 2015 assessment there were 13 qualified sales during the sales period beginning on 10/1/2013 and ending on 9/30/2014. Lakeshore rates for this 2015 assessment went from \$1950/front foot to \$2584/ff.*

In summary, we saw last year’s overall (all property types) estimated market value of the City at \$434,146,977, increase by 8.2% for this 2015 assessment to a new overall taxable market value of \$469,768,673. This is a continued increase in the City’s tax base from the 5.8% increase in market value the City experienced last year. In my opinion, it is directly related to an increase in the demand for homes in Columbus, while the number of bank owned properties sold remained about the same as last year at 13.

In terms of where Columbus stands with respect to the rebounding real estate market, the answer is probably better than average. While other area communities were plagued by an overwhelming number of foreclosures, Columbus has consistently had significantly less foreclosure sales, which translates to higher sales prices.

## **GENERAL QUESTIONS**

No questions were asked by the Board.

### **Al Kraska and Orman Anafarta 15131 Feller Street NE – Pin# 24-32-22-42-0006**

Kraska and Anafarta questioned why their property taxes have increased to include the value of the perpetual easement billboard on their property, since they don’t own the billboard and do not receive any revenue from it.

The Assessor explained property owners may own an entire piece of property, but if it includes a perpetual easement, the party who owns the easements has the right to use that portion of the property perpetually. In this case, the property assessment includes a billboard with a perpetual easement on this property.

Stellmach explained in 2014 the state required Anoka County no longer send personal property tax bills to billboard users with easements. The billboard portion of the property tax must now be included with the personal property tax bill for whoever owns the underlying property. Property owners will need to work with billboard users to pay their portion of the tax bill. Most easements do include language clarifying that the billboard user will pay the property tax on that piece of the property. In 2015 Anoka County will be sending courtesy letters to billboard users and property owners to explain which portion of the taxes are attributable to each piece. Either a tax court decision or legislative changes would be required to allow the County to change how billboards are taxed.

Board members discussed how the City might help property owners deal with this issue. Board members agreed they do not have the authority to address the billboard tax billing issue, and was not something that could be addressed by the Board of Appeal and Equalization although they understood the frustration with the issue. It was agreed that this issue might be better addressed in tax court or by the legislature.

Mursko offered Kraska and Anafarta help from the City to address any additional questions they might have while dealing with this year's tax bill.

**Motion by Krebs for the City staff to help Kraska and Anafarta regarding their tax bill questions. Second by Duraine. Vote as follows: Daly – aye; Duraine – aye; Krebs – aye; Povolny – aye. Motion carries.**

**Michael Mulvihill 9141 Lake Drive NE – Pin# 24-32-22-22-0006**

Mulvihill and his sister inherited the three sections of property at this address. Property has been for sale since Aug. 2, 2014 with no offers. Mulvihill had questions about their tax bill, property value and assessments. At issue in particular are the special sewer and water assessments for this property. Mulvihill intends to try to continue to try to sell the property.

The Assessor said the property is valued at a rate comparable to others in the area. The bulk of this property's taxes are the special assessments, but property tax value is separate from special assessments.

Mayor Povolny explained that it is not in the Board's purview to address questions or requests regarding the special assessments. Board members discussed the values of each parcel of this property and determined that they were appropriately valued.

Mayor Povolny recommended that Mulvihill, and other property owners in this area come to the Council with suggestions about how to address issues in the freeway district area. The Council is interested in working with residents who would like to sell their property and wants to address community members' issues and concerns.

**Roberta Gronquist 9252A Lake Drive, NE – Pin# 24-32-22-24-0007**

Roberta Gronquist co-owns this property with Karl Gronquist. She has had her property up for sale since 2014 but would like to work to stay in the home. She asked the Board for assistance or suggestions regarding selling her home, turning it into a business or selling the property to the City.

Board members asked for background information on how the property is split between the owners, and the current valuation of the land, home and commercial building at the address.

Mayor Povolny asked the resident if she was at the meeting to specifically challenge the valuation of the property, she was not. The City would not be interested in purchasing the property at this time.

The Assessor explained the valuation comes out to \$1.16 per square foot. The majority of the land is being taxed as residential and within the current market value.

**Jessie Preiner 14536 West Freeway Drive – Pin# 25-32-22-24-0007**

Preiner expressed concern with increasing fiscal disparities, which were \$20,000 in 2013, \$28,000 in 2014, and almost \$39,000 in 2015. Preiner asked the Board what can be done in Columbus to help change the course of these increasing fiscal disparities.

Mayor Povolny said an answer would be to add population to normalize disparities. The population in Columbus has been flat which has skewed this number because of the unbalanced ratio of commercial to residential property values.

Board member Krebs suggested the fiscal disparity formula should be changed for Columbus because a large portion of the City's land is Carlos Avery and cannot be developed. Krebs suggested the City work to have the formula changed.

There were no other people in the audience wishing to voice an appeal and there were no other written appeals submitted.

**WRITTEN APPEALS**

No written appeals were received.

**Motion by Krebs to adjourn. Second by Daly. Meeting adjourned at 8:31 p.m.**

Respectfully Submitted:

Bronwyn Pope  
Public Information Coordinator