

**ST. LOUIS COUNTY SPECIAL BOARD
OF APPEAL AND EQUALIZATION
FOR THE ASSESSMENT YEAR
OF 2014 PAYABLE 2015**

The meeting of the 2014 St. Louis County Board of Appeal and Equalization (the “Board”) was called to order at 10:00 a.m. on Tuesday, June 17, 2014, in the St. Louis County Board Room, 2nd Floor, Courthouse, Duluth, MN, by Phil Chapman, Deputy Auditor / Clerk of County Board. By Resolution No. 14-232, adopted April 22, 2014, the St. Louis County Board of Commissioners appointed the following to serve on the Special Board of Appeal and Equalization; roll call was taken:

John Heino	District 1, present
John Doberstein	District 2, present
Kevin O’Brien	District 3, present
Leonard Cersine	District 4, present
Tim Peterson	District 5, present
Dawn Cole	District 6, present
Frank Bigelow	District 7, present

The oath of office was administered to each member present by Deputy Auditor Chapman.

Deputy Auditor Chapman asked for nominations for Chair of the 2014 Special Board of Appeal and Equalization. Cersine/Peterson nominated Frank Bigelow for Chair; no other nominations were received. Heino/Cole moved to close nominations and declare Frank Bigelow Chair by unanimous ballot. (7-0)

Chair Bigelow asked for nominations for Vice-Chair of the 2014 Special Board of Appeal and Equalization. Heino/Cersine nominated Dawn Cole for Vice-chair; no other nominations were received. Heino/Cersine moved to close nominations and declare Dawn Cole Vice-Chair by unanimous ballot. (7-0)

County Assessor David Sipila was present for all meetings of the Special Board of Appeal and Equalization.

Hearing appeals start time: 10:05 a.m.

Case No. 25A, Edwin & Linda Hendrickson Trust, 7405 Highway 8, Saginaw, MN. The appellant agreed with the assessor’s recommendation to reduce value by \$110,800, bringing the recommended assessment to \$406,600. O’Brien/Peterson moved to accept the assessor’s recommendation. (7-0)

Case No. 30A, Susan Radtke, 514 2nd Avenue, Two Harbors, MN appealing parcel 415-0010-03510 (Radtke Road). The appellant agreed with the assessor’s recommendation to reduce value by \$19,400 due to unbuildable land and access restrictions. The recommended assessment is \$19,400. Heino/Peterson moved to accept the assessor’s recommendation. (6-1, Cersine)

Case No. 14A, Thomas & Theresa Engelmann, 6992 Seville Road, Saginaw, MN. The appellant agreed with the assessor's recommendation to reduce value by \$22,200 due to corrections on the property record to reflect a dated interior, lower quality of materials, and deferred maintenance. The recommended assessment is \$149,500. O'Brien/Heino moved to accept the assessor's recommendation. (7-0)

Case No. 10-L, Debra Oliver, 5821 Industrial Road, Duluth, MN appealing parcel 010-2744-00170 (83rd Ave W). The appellant agreed with the assessor's recommendation to reduce value by \$23,200 due to the lack of water, sewer, and gas, and the costs required to bring these services to a buildable site on the land. The recommended assessment is \$35,700. Cole/Peterson moved to accept the assessor's recommendation. (7-0)

Case No. 22-A, Mark & Audrey Sertich, 6964 Bear Island Road, Duluth, MN. The appellant agreed with the assessor's recommendation to the value changes on the following parcels due to changes in land grading and land model corrections. Parcel 010-3450-00090 reduced by \$31,000; recommended assessment \$15,600. Parcel 010-3450-00620 reduced by \$39,900; recommended assessment \$6,100. Parcel 010-3450-00630 increased by \$800; recommended assessment \$8,100. Parcel 010-3450-00030 reduced by \$39,900; recommended assessment \$7,900. Parcel 010-3450-00040 reduced by \$3,400; recommended assessment \$2,700. Parcel 010-3450-00540 reduced by \$5,600; recommended assessment \$2,300. Parcel 010-3450-00550 reduced by \$4,400; recommended assessment \$1,700. Parcel 010-3450-00560 reduced by \$4,000; recommended assessment \$1,800. Parcel 010-3450-00570 reduced by \$3,100; recommended assessment \$900. Peterson/Doberstein moved to accept the assessor's recommendation. (7-0)

Case No. 15-L, Lawrence Zywicki, 5434 Hwy 53, Saginaw, MN appealing parcels 380-0140-00150 and 380-0140-00160 (Hwy 53, West of Canosia Road). The appellant disagreed with the assessor's recommended assessment of \$28,100. Mr. Zywicki felt the value of the billboard sites was too high. The Assessor recommended no change in valuation, since the valuation was based on typical market rents for the area and Mr. Zywicki did not provide any current or historical rent information for the billboards. Heino/Peterson moved to accept the assessor's recommendation. (7-0)

Case No. 7-A, Robert Talarico, 3799 S. Lake Road, Moose Lake, MN appealing parcels 185-100-30, 185-100-35, 185-100-40 Record #1 (201-0), 185-100-40 Record #2 (233-0) (Westgate Blvd.) The appellant agreed with the assessor's recommendation to reduce value by \$120,600 due to effective age of the buildings and land revaluation. The recommended assessment is \$413,500. Peterson/Doberstein moved to accept the assessor's recommendation. (7-0)

Case No. 2-A, Daniel Maryland, 324 W Superior Street, Duluth, MN appealing parcel 090-10-6500 (S. 2nd Ave). The appellant agreed with the assessor's recommendation to reduce value by \$19,400. The recommended assessment is \$87,500. Heino/O'Brien moved to accept the assessor's recommendation. (7-0)

A recess was taken from 10:59 a.m. to 11:11 a.m.

Case No. 34-A, Leonard Edwards, 1717 Dunedin Ave, Duluth, MN. The appellant agreed with the assessor's recommendation to reduce value by \$10,900. The recommended assessment is \$154,500. Heino/Cersine moved to accept the assessor's recommendation. (7-0)

Case No. 16-L, Glen Bergstrand, 6846 Bergstrand Road, Duluth, MN. The appellant agreed with the assessor's recommendation to reduce value by \$52,800. The parcel did not have any new improvements and were not scheduled to have their Estimated Market Value change for 2014. The recommended assessment is \$105,900. Cole/Doberstein moved to accept the assessor's recommendation. (7-0)

Case No. 21-A, Charles Landon, 14400 NE 89th St, Elk River, MN appealing parcels 205-0010-2670 Record #1, 205-0010-2670 Record #2 (Highway 47). The appellant agreed with the assessor's recommendation to reduce value by \$4,100. The grade of the building site was reduced. The recommended assessment is \$50,200. Peterson/Heino moved to accept the assessor's recommendation. (7-0)

Case No. 29-L, Ross & Pamela Johnson, 6740 Sioux Trail, Greenfield, MN appealing parcel 380-10-6920 (Canosia Road). The appellant disagreed with the assessor's recommended assessment of \$63,600. The Assessor stated that the valuation was consistent with others in the area. Peterson/Heino moved to accept the assessor's recommendation. (7-0)

Case No. 6-A, Patrick Yeshe, 1335 Silverwood Road, Woodbury, MN appealing parcel 140-0030-00510 (19th Ave East). The appellant disagreed with the assessor's recommended assessment of \$23,200. Mr. Yeshe provided handouts to the Board including an adjustments grid, appraisal and review appraisal. Mr. Yeshe discussed the history of the parcel and expressed concern that the parcel was over-valued. Cersine/O'Brien moved to accept the assessor's recommended assessment of \$23,200. After further discussion, the motion was amended to reduce the land valuation by \$6,100; resulting in a total assessment of \$17,100. (5-2, O'Brien, Heino)

A recess was taken from 2:46 p.m. to 2:59 p.m.

Case No. 26-A, Steven & Carla Preston, 4912 Kingston Street, Duluth, MN. The appellants disagreed with the assessor's recommended assessment of \$471,900. The appellants provided handouts to the Board detailing recent home sales in their neighborhood. Mr. & Mrs. Preston discussed comparable home sales and felt their home was over-valued due to a basement swimming pool. After further discussion, Heino/Peterson moved to change the basement classification from superior to good, resulting in a reduction in valuation by \$24,900; resulting in a total assessment of \$447,000. (7-0)

A recess was taken from 3:25 p.m. to 3:41 p.m.

Tim Peterson did not return to the meeting after the recess.

Case No. 32-A, Curt Teberg, 5161 Miller Trunk Highway, Duluth, MN appealing parcel 395-0010-00841 (Highway 53 west of Lavaque Road). Mr. Teberg disagreed with the assessor's recommended assessment of \$61,800; Mr. Teberg felt the billboard site value is too high based on rent. Mr. Teberg provided a handout to the Board and discussed the parcel and the billboard.

Due to a conflict of interest, John Heino abstained from voting and did not participate in the discussion. After further discussion, Doberstein/O'Brien moved to accept the assessor's recommended assessment of \$61,800. (5-0, Heino abstention, Peterson absent)

Case No. 33-A, Maynard & Patricia Eng, 1301 E. Skyline Pkwy, Duluth, MN appealing parcel 010-0790-00700 (Tioga Street). Mr. Eng disagreed with the assessor's recommended assessment of \$134,600. Mr. Eng provided a handout to the Board and described the condition of the home. After further discussion, Heino/Cole moved to accept the assessor's recommended assessment of \$134,600. (6-0, Peterson absent)

A recess was taken from 4:25 p.m. to 5:02 p.m.

Tim Peterson returned to the meeting at 5:02 p.m.

Case No. 12-A, Arne Wourinen, 229 Sugar Maple Lane, Esko, MN appealing parcels 731-0010-00721 and 731-0010-00729 (Ash River Trail). Mr. Wourinen felt the assessor's recommended assessment of \$125,000 was too high. Mr. Wourinen discussed the property purchase and building limitations. After further discussion, Cersine/Heino moved to accept the assessor's recommended assessment of \$125,000. (6-1, Cole)

John Doberstein exited the meeting at 5:33 p.m.

At 5:34 p.m. Chair Bigelow recessed the Board until 10:00 a.m. Thursday, June 19, 2014, in the Northland Office Building, Prebich Room, Virginia, MN.

On Thursday, June 19, 2014, at 10:09 a.m. the County Board of Appeal and Equalization reconvened in Northland Office Building, Prebich Room, Virginia, MN. All members present except Tim Peterson.

Case No. 13-A, Edmund Roskoski, 5409 N Court, Mt. Iron, MN. Mr. Roskoski felt the assessor's recommended assessment of \$143,500 was too high due to sight lines from his property to the adjacent Hoover Construction property and various property concerns. Mr. Roskoski distributed a handout detailing property issues and various photos of the property and discussed concerns he had with the valuation of his property. After further discussion, Cersine/Bigelow moved to drop the quality classification of the building; the motion failed (3-3) Yeas: Doberstein, Cersine, Bigelow; Nays: Cole, Heino, O'Brien. Cole/Bigelow moved to remove the assessor's recommended net increase in value of \$3,800; keeping the assessed value at \$139,700, the motion passed. (6-0, Peterson absent)

Case No. 8-A, Timothy Kotzian, 9420 Rivers Road, Tower, MN appealing parcels 80-20-10, 80-20-10 Record 2, 80-20-11 (HooDoo Point Road). The appellant agreed with the assessor's recommendation to reduce value by \$59,400 due to quality factor changes of the cabins and valuing the parcels as contiguous ownership. The recommended assessment is \$346,700. Heino/Doberstein moved to accept the assessor's recommendation. (6-0, Peterson absent)

Case No. 4-A, Lee Herseth, 10078 Gappa Road, Kabetogama, MN appealing parcels 402-10-1390 Record 1, 402-10-1390 Record 2, 402-10-1400, 402-10-1410, 402-10-1440 Record 1, 402-10-1440 Record 2 (Melheim Road). The appellant agreed with the assessor's recommendation to

reduce value by \$4,100 due to the rudimentary nature of the site and the distance from Lake Kabetogama. The recommended assessment is \$204,900. Heino/Cole moved to accept the assessor's recommendation. (6-0, Peterson absent)

Case No. 31-A, David Christenson, 816 5th Avenue South, Virginia, MN appealing parcel 387-0035-04815 (Retreat Lodge Rd). The appellant disagreed with the assessor's recommendation of no change to the recommended assessment of \$458,700. Mr. Christenson distributed a handout to the Board detailing tax history of the parcel. Mr. Christenson expressed concern regarding value fluctuations of his property. After further discussion, O'Brien/Heino moved to accept the assessor's recommendation of no change to the recommended assessment. (5-1, Bigelow, Peterson absent)

A recess was taken from 12:29 p.m. to 1:22 p.m.

All Board members were present after recess.

Case No. 27-A, William Morse, 300 Maple Ave, Kinney, MN. The appellant disagreed with the assessor's recommendation to reduce value by \$500 due to underground mining tunnels, debris, and city encumbrances. Mr. Morse distributed handouts to the Board detailing property information. Mr. Morse discussed the property split and the overall condition of the parcel. After further discussion, Heino/O'Brien moved to accept the assessor's recommendation to reduce value by \$500. The motion failed (1-6) Yea: Heino; Nays: Bigelow, Cersine, Cole, Doberstein, O'Brien, Peterson. Cole/Peterson moved to reduce value by \$1,500. The motion was amended to reduce value by \$1,000 (approximately 10% reduction due to underground mine tunnels, approximately 10% due to city encumbrances) bringing the total recommended assessment to \$4,100; the amended motion passed. (5-2, Cersine, Heino)

Case No. 28-A, Darin Christenson, 110 Halsey Ave NE, Buffalo, MN appealing parcel 320-0020-03770. The appellant agreed with the assessor's recommendation to reduce value by \$48,000. After a review of the property, it was determined that an adjustment to the access and site was needed. The recommended assessment is \$130,900. Heino/O'Brien moved to accept the assessor's recommendation. (7-0)

Case No. 20-A, Bruce Lavigne, Boundary Waters Land & Timber LTD, Ranier, MN appealing parcels 215-10-1060, 215-10-1150, 215-10-1130, 215-10-1300, 215-10-2890, 215-10-2900, 215-10-2920, 215-10-3030, 215-10-3060. The appellant agreed with the assessor's recommendation to reduce value by \$134,200. The decrease in valuation was due to a review of the acreage types using aerial photos and infrared aerial photos resulting in a recalculation of the land grading. The recommended assessment is \$419,000. Doberstein/Cersine moved to accept the assessor's recommendation. (7-0)

A recess was taken from 2:41 p.m. to 5:46 p.m.

Case No. 23-A, Steven Lerol, 4493 Lilac Road, Gilbert, MN. The appellant disagreed with the assessor's recommendation of no change to the recommended assessment of \$314,100. Mr. Lerol expressed concerns regarding the land classification. After further discussion, Peterson/O'Brien moved to accept the assessor's recommendation. (7-0)

Case No. 24-A, Mark Peterson, 7798 Bodas Road, Eveleth, MN. The appellant disagreed with the assessor's recommendation of no change to the recommended assessment of \$414,500. Mr. Peterson discussed options available to get the land classification changed. After further discussion, Peterson/Heino moved to accept the assessor's recommendation. (7-0)

County Assessor Dave Sipila presented a list of appellants who agreed no change was required and withdrew their appeal. Cersine/Heino moved to approve the list as presented. (7-0)

County Assessor Dave Sipila presented a spreadsheet of valuation changes. Assessor Sipila stated that the changes were due to a number of different reasons. A discussion was held regarding the Gateway Towers valuation reduction. Leonard Cersine abstained from the vote. Heino/Peterson moved to approve the changes as presented. (6-0, Cersine abstention)

With no further appeals to consider, Doberstein/O'Brien moved to approve the following resolution:

COUNTY BOARD RESOLUTION

RESOLVED, that the assessment rolls from the several assessment districts of the County of St. Louis, Minnesota, for the year 2014, to-wit: Cities of Aurora, Babbitt, Biwabik, Brookston, Buhl, Chisholm, Cook, Duluth, Ely, Eveleth, Floodwood, Gilbert, Hermantown, Hibbing, Hoyt Lakes, Iron Junction, Kinney, Leonidas, McKinley, Meadowlands, Mountain Iron, Orr, Proctor, Tower, Virginia, and Winton; and Towns of Alango, Alborn, Alden, Angora, Arrowhead, Ault, Balkan, Bassett, Beatty, Biwabik, Breitung, Brevator, Camp 5, Canosia, Cedar Valley, Cherry, Clinton, Colvin, Cotton, Crane Lake, Culver, Duluth, Eagle's Nest, Ellsburg, Elmer, Embarrass, Fayal, Fairbanks, Field, Fine Lakes, Floodwood, Fredenberg, French, Gnesen, Grand Lake, Great Scott, Greenwood, Halden, Industrial, Kabetogama, Kelsey, Kugler, Lakewood, Lavell, Leiding, Linden Grove, McDavitt, Meadowlands, Midway, Morcom, Morse, Ness, New Independence, Normanna, North Star, Northland, Owens, Pequaywan, Pike, Portage, Prairie Lake, Rice Lake, Sandy, Solway, Stoney Brook, Sturgeon, Toivola, Van Buren, Vermilion Lake, Waasa, White, Willow Valley, Wuori and all the Unorganized Towns, as returned by the respective assessors and local Boards of Review, are hereby ordered placed upon the tax lists by the County for the year 2014.

YEAS: Heino, Doberstein, O'Brien, Cersine, Peterson, Cole, and Chair Bigelow – 7
NAYS: None
ABSENT: None

At 6:38 p.m., Heino/O'Brien moved to adjourn the 2014 Board of Appeal and Equalization. (7-0)

Phil Chapman, Deputy County Auditor/Clerk of County Board