

**LOCAL BOARD OF APPEALS AND EQUALIZATION
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
MAY 1, 2023**

1. CALL TO ORDER

Mayor Rice called the meeting to order at 6:00 p.m.

2. ROLL CALL

Present at roll call: Mayor Rice, Councilmembers Scott, Skogquist, and Weaver.

Staff present: City Manager Greg Lee; City Assessor Ryan Kirby; Appraiser Mike Brown; City Attorney Scott Baumgartner; and former City Assessor Scott Varner.

Others present: Anoka County Assessment Support Manager Lisa Schultz, Deputy Assessor Diana Stellmach.

Absent: Councilmember Wesp.

3. BOARD OF APPEALS AND EQUALIZATION

City Assessor Ryan Kirby shared a staff report stating annual assessments of all taxable property were made to provide the means for measuring each taxpayer's relative share of the cost of local government. Notice to property owners had been mailed and legal notices had been posted and published. Valuation/classification changes made by staff or Council do not affect the overall revenue received by the City but does affect how the tax burden is distributed. He said upon review of all property owner appeals, either present or in writing, Council should adjourn the 2023 Board of Equalization. He said overall estimated market value increased up 6.52% which included the HOM Furniture addition, six new single family homes, 50 townhomes, and numerous additions and alternations. He said sales are used to establish values were from October 2021-September 2022 and that this was the 10th year increases were seen after five years of consecutive decreases. He stated commercial values were up 9%, industrial values up 17%, apartments up 16% and 1-3 units were up 3%. He said staff received 20 phone calls from property owners with general questions and that all properties were reviewed and some adjusted, then reviewed staff recommendations outlined in detail in his report (included in the Council packet) for the Board's potential adjustments.

4. PUBLIC COMMENT

Property owner, Charles Thibodeau, asked how his valuation could increase \$70,000 when no work was done on his home. He commented how the LBAE

had no power with regard to legislative power and how could his home value increase that much. He spoke about how much homes were sold for and comparables and how this could result in more than \$7,000 a year in property taxes. He shared frustrations about how his taxes were used towards welfare and that his valuation was \$291,000 in 2022 and was now \$376,000.

Mayor Rice explained the power assigned to cities for appraisals and property taxes and how the assessor reviews trends and sales data and reviews 1/5 of the City's homes to make determinations. He said some homes had projects done some without but that the City then values the properties based on the appraiser's opinion. He said the power in the City is in making the appraisal and a basis taxes between the City and Anoka County along with the school district. He said once the valuation is made then we can either agree with the assessor or adjust based on input and discussions, adding the average home in Anoka was valued at \$250,000 then spoke about the how the valuation is based on what a property owner could sell their home for, which would be more than what it was purchased at. He spoke about the historic change in market value in 2008 when values decreased significantly.

Mr. Thibodeau said no one came to inspect his home and noted it was unsellable due to a crumbling rear wall. He said he paid \$221,000 in 2004 and now its worth \$370,000 and did not make sense, adding this is more tax driven then people driven and that the money is needed to assist others. He shared he needed help too as he had been injured in 2021 and will have to close his business until he recovers and shared how they had to make some changes to afford the taxes. He said the property has not changed much since he moved in and did not understand how the valuation could be this high without any property improvements. He invited the assessor to come view the property then thanked the Council for listening to his concerns and said he intended to remain in Anoka because he liked the City.

Mayor Rice said property value was related to taxes and was for run the City, County, and school districts, other taxes are federal. Increase in value is relative to increase in all neighboring properties, doesn't mean taxes go up but maybe only be value, would sell for more than what was assessed and said he could call to come see but noted it will likely be in align with what was already done. Everyone's in the City went up for the most part, relative to each other and then taxes stay flat, only if you improved your home, you'd see a tax increase.

Resident Donna Thibodeau, said she did not understand how much their taxes increased as she had been busy with their business and her husband's injury. She said she loves her home and did not want to move but was surprised about the increased valuation and concerned about paying the taxes. She suggested a stop gap be implemented that would not increase valuations more than 10% per year then shared frustrations about not knowing much property taxes will increase and suggested senior programs for those on fixed incomes. She said the money has

come from someone else then spoke about their new siding and how they took out a CEE loan for some cement work and that they wanted to remain in their home. She shared the 2022 proposed taxes was appropriate but felt this year's was too high.

Councilmember Skogquist encouraged the Thibodeaus to consider the State property tax refund program based on income and tax rate and encouraged them to also apply for the special property tax refund program if more than 12% increase. He also shared about the senior citizen property tax deferral program then explained further how property taxes work and that homes were the smallest increase and will likely receive a smaller share of the budget. He said if they had questions in any year to contact the City and request an actual review for final determination and noted their attendance tonight qualified for an official appeal and that staff would review and respond.

Mayor Rice thanked the Thibodeaus for attending and asking their questions as it was important that everyone understood the valuation process.

5. COUNCILMEMBER COMMENTS

Councilmember Skogquist inquired about the Sharps' property and its increase and the square footage of the buildings. Mr. Kirby shared that property had a significant increase of almost 30%, with a current value of \$4,180,000 compared to last year's \$3,225,600. He said the property was built in 2015 and had an existing storage/warehouse that was converted with some work to the warehouse and when sold had significant mold issues and needed work. He said he was unsure if the interior was renovated for rental but said the building was approximately 55,000 square feet.

Mayor Rice noted half the building was sold and asked if there was a zero-lot line on the duplex. Mr. Kirby said the property was a single-family home on Ferry Street and was a duplex but the new owners lived in one side and converted to a single-family home and that there was some lot area present.

Councilmember Weaver asked if any of the larger projects came in with current appraisals as they would be difficult to refute. Mr. Kirby said no outside appraisals were received but if there had been any they would have been reviewed and used as a tool to form his own opinion. He noted appraisals were not necessarily shared and that they may not lower the amount but would definitely be reviewed and consider.

Councilmember Skogquist asked if it would be possible to make no adjustments to Items 5, 6, and 7 to allow staff to review and then reconvene the LBAE on May 15.

Motion by Councilmember Skogquist, seconded by Councilmember Scott, table recommendations outlined in the Assessors report until the reconvened LBAE meeting on May 15, 2023, at 6:30 p.m.

Upon a roll call vote: Mayor Rice, Councilmembers Scott, Skogquist, and Weaver voted in favor. Motion carried.

6. RECESSED

Motion by Councilmember Weaver, seconded by Councilmember Scott to recess the meeting 6:54 p.m. until the Local Board of Appeals and Equalization meets at 6:00 p.m. on May 15, 2023. Motion carried.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*

Approval Attestation:

Amy T. Oehlers, City Clerk