

**VILLAGE OF PLEASANT PRAIRIE
BOARD OF REVIEW
9915 39th Avenue
Pleasant Prairie, WI
June 14, 2012
9:00 A.M.**

A meeting of the Pleasant Prairie Board of Review was held on Thursday, June 14, 2012 and called to order at 9:00 a.m. Present were Board members John Braig, John Burke, Mark Riley and Attorney Tom Camilli. Lena Schlater was in attendance for the 1 p.m. hearing. James Kennedy and Jill Sikorski were excused Also present were Rocco Vita, Village Assessor; Ed Judt, Village Appraiser; and Jane Romanowski, Village Clerk and Vesna Savic, Deputy Village Clerk.

1. CALL TO ORDER

2. ROLL CALL

3. HEARINGS

a. 9:00 a.m. David Coles

John Braig:

Are you David Coles?

David Coles:

Yes, sir.

John Braig:

Thank you. Is there a completed objection form on file?

Jane Romanowski:

Yes, there is.

John Braig:

Would you read it into the record please?

Jane Romanowski:

This is the objection form for David L. Coles, property address 10980 14th Court, Tax Parcel Number 93-4-123-303-0309, total property assessments \$290,200. Explanation of why the value is incorrect - in Mr. Cole's opinion it states I had an appraisal done in 2011. The property appraised for less. His opinion of the taxable value of the property as of January 1st would be \$280,000. The property was purchased on December 29, 2004 for \$282,000. An improvement has been made to the property, a concrete patio in 2010 for \$5,000, includes labor. The property

Board of Review Meeting
June 14, 2012

has not been listed for sale in the last five years. An appraisal has been done on the property in December of 2011 for a mortgage refinance, and the appraised value on that appraisal was \$280,000.

John Braig:

Thank you. I note Item 10 on the objection form requested Ed Judt be removed from the hearing.

Jane Romanowski:

Sorry about that, but he is not a Board member. He's staff.

John Braig:

He is not a Board member. He is supporting staff, so he will remain as part of the total activity. I don't know if you've been through this before, but this is actually a judicial type of proceedings. You will have an opportunity to present your case. The staff will present their case, and then this group here will function in a judicial capacity to determine whether any changes should be made. State law requires that we uphold the assessor's assessment as it is until you provide enough evidence and information that causes us to reflect on an inequity, and we would make the appropriate change. So at this point I guess we're ready to start. We need the Clerk to swear in the witnesses.

Jane Romanowski:

Would you please stand and raise your right hand. Do you solemnly swear in the matter now in hearing to tell the truth so help you God?

Voices:

I do.

Jane Romanowski:

Please be seated, and if you could state your name and address for the record.

David Coles:

I'm David Coles, 10980 14th Court, Pleasant Prairie, Wisconsin.

Ed Judt:

Ed Judt for the Village of Pleasant Prairie.

Board of Review Meeting
June 14, 2012

Rocco Vita:

Rocco Vita, 9915 39th Avenue, Assessor for the Village of Pleasant Prairie.

John Braig:

Thank you. With that we're ready to proceed. Mr. Coles, you can make your presentation now. Then they will and you'll have some opportunity to question and clarify any issues. So go ahead.

David Coles:

Yes, sir, thank you. Well, sir, we refinanced the property at the end of 2011, and as part of that refinancing, of course, I had to have an appraisal done. During the course of the refinancing my agent asked me what I felt the property was worth. And based on the previous year's property assessment, knowing property values have been going down, and I'm not an expert, but I said about \$290,000. They started the property, the mortgage refinancing, based on that. Of course, I had to have an assessment or a property assessment done by an assessor which I did, and that property assessment came in I believe the number is \$282,000. So I apologize if I incorrectly stated that on the objection form. But the assessment came in at \$282,000. My mortgage refinancing was at that point anything they had completed based on my estimate of \$290,000, they redid at \$282,000.

So my contention is that because I was only able to borrow based on the value that was determined by this appraiser that the house is only worth \$282,000. I couldn't borrow any more than that based on Mr. Judt's assessment or my own assessment that the house was worth more. So the mortgage company, which is in the business of making money and understanding what the property is valued at, and being willing to loan me money for the house was willing to loan me money based on the appraisal of \$282,000. So it's my contention that that's what the house is worth.

Jane Romanowski:

Mr. Chairman, just for the record, I did distribute Exhibit 1 which is the appraisal that Mr. Coles brought in this morning.

John Braig:

Thank you. Any more to say?

David Coles:

No, sir, only that the appraiser who did this does it for a living, and he makes his livelihood based on his ability to accurately appraise property values, and that's how he's paid, that's how he makes his living. He needs to be good at it, and I would submit that his appraisal of the value is the correct appraisal of the value based on the fact that that's how he makes his living. That's it, sir. Thank you.

Board of Review Meeting
June 14, 2012

John Braig:

Okay, thank you. Any questions?

Rocco Vita:

I do. I'd like the record to show that the appraisal submitted as Exhibit 1 by the property owner, Mr. Coles, is actually the property of Navy Federal Credit Union. That was the client for which the appraisal was done by Bridgewater Appraisal Group out of Walworth, Wisconsin. Let the record also show that we do not have a letter from either the client or the appraiser that an appraisal done for financing purposes is supported by them to use for property tax purposes or that they've even been contacted about the usage of their work for this matter. Thirdly, I'd like the record to show that there's nobody here that produced the appraisal to provide the Board of Review or our office any information regarding any of the determinations or information or processes used in production of the appraised value. I could ask the property owner questions about the appraisal.

David Coles:

Do you care to, sir? I'm happy to answer any questions you have.

Rocco Vita:

Sure. I will ask a couple first before we provide our information. On page 3, actually there's the cover page with the Navy Federal logo on it, then there's a page with the home on it, the letter, then the fourth page, and I guess a fifth page where the comparable sales are. In the comparable sale number one, down a little bit it says the sale price of \$280,000. It provides a –

John Braig:

Hold it a minute. The first page I show that shows comps lists comps four and five. What have you got? Mine might be incomplete. There we are. Thank you.

Rocco Vita:

I have one question at least. Below the sale price of \$280,000 down a few lines you see a zero. To the left you see a site, and you'll see that the square footage of your site is 15,246 square feet. And you'll see that the square footage of the site of comparable number one is 13,504 square feet. My question is why the appraiser didn't provide an adjustment to the sale price for the different size of the two parcels.

David Coles:

I don't know, sir. I'm not an appraiser. I can't answer that question.

Board of Review Meeting
June 14, 2012

Rocco Vita:

I see now going down further, we get down to basement and finished rooms below grade. It indicates that you have 1,257 square feet of basement with no square feet of finished basement. On comparable number two it indicates that there's 1,039 square feet of basement, but 616 square feet of basement is finished, and there is one rec room, one bedroom and one bath perhaps if I'm reading that correctly, and the adjustment is \$9,240. Would you know how that is broken up between the adjustment for the amount of area that's finished versus the bathroom that's finished versus the bedroom that's finished.

David Coles:

No, sir, I didn't do this appraisal. I'm not familiar with these other properties.

Rocco Vita:

One other second. That's all I have.

John Braig:

Thank you. No other questions we'll open the hearing up to the presentation by the staff.

Ed Judt:

The property under appeal, once again, is Parcel Number 93-4-123-303-0309 at 10980 14th Court. It's on the site of 15,084 square feet. It's in the Tobin Creek Subdivision, modern two story. We call it B minus quality. This house was built in 2004, generally good condition and utility. It has a basement of 1,268 square feet. First floor living area of 1,272 square feet, second floor of 1,043 square feet for a total of 2,315 square feet above grade. This house has three bedrooms, two family rooms, two baths, a half bath, a whirlpool, a fireplace, aluminum exterior. We rate the kitchen and the baths as good. There's gas forced air heat with central air. There is an attached garage, and there are no significant attachments or other buildings on the property.

All three of the comparables that I'm giving you come from the same subdivision, Tobin Creek. The first sale is Parcel Number 93-4-123-303-0337 at 1367 110th Street. This house sold for \$280,000 in November of 2011. This property sits on a lot of 13,377 square feet. It's a modern story, B minus quality built in 2005, good condition and utility, 1,424 square feet in the basement. Same size first floor, 611 square feet upstairs for a total of 2,035 square feet above grade. This house has three bedrooms, a family room, two full baths, a half bath, a whirlpool, fireplace, vinyl exterior, kitchen and baths good, gas forced air heat with central air conditioning. There's an attached garage. There is a small porch and a patio in the rear. And taking into account all of those various adjustments results in an adjusted sale price of \$286,000.

Comparable number two is Parcel Number 93-4-123-303-0269 at 11588 14th Avenue. This house sold for \$319,000 in December of 2010. It sits on a lot of 15,547 square feet also in Tobin Creek Subdivision. Modern two story, C plus construction, slightly inferior construction, built in 2003.

Board of Review Meeting
June 14, 2012

Good condition and utility, 1,295 square feet in the basement, 1,319 square feet on the first floor, 1,536 square feet on the second floor for a total area above grade of 2,855 square feet. This house has four bedrooms, two family rooms, two full baths, a half bath, whirlpool, fireplace. The exterior is vinyl, kitchen and baths good, gas forced air heat with central air. There is an attached garage. There is a front porch and a deck in the rear. And, again, taking into account all of those differences results in an adjusted sale price of \$310,400.

And, finally, comparable number three this is Parcel 93-4-123-303-0305 located at 1541 110th Street. This house sold for \$270,000 in September of 2011. It's on a lot of 16,414 square feet. It is in Tobin Creek Subdivision, modern two story. As with comparable number two, C plus construction, built in 2004, good condition and utility, 1,011 square feet in the basement. This house has a little under 600 square feet of rec room area in the basement. There is 1,039 square feet on the first floor and 989 square feet on the second floor giving us 2,028 square feet of living area above grade. This is a four bedroom home, one family room, two baths, one half bath, a whirlpool, a fireplace, vinyl exterior, good kitchen and baths, gas forced air heat with central air. There is an attached garage and a porch and a patio. The adjusted sale price with all those adjustments is \$276,200.

Based on those adjusted sale prices we arrive at an opinion of value as of January 1, 2012 of \$290,900.

—:

\$900 or \$200.

John Braig:

\$290,900.

Ed Judt:

That is the assessment. The estimate based on just these three comparables deviates slightly.

John Braig:

Okay, finished?

Ed Judt:

I think so, yeah.

John Braig:

Do you have any questions or comments regarding their presentation?

Board of Review Meeting
June 14, 2012

David Coles:

Yes, sir. I don't think a four bedroom house is a good comparison to a three bedroom house.

Ed Judt:

Why is that?

David Coles:

Because it has four bedrooms.

Ed Judt:

Are all of the comparables that your appraiser used identical to your house?

David Coles:

They're not.

Ed Judt:

They're not, so he made adjustments for those differences?

David Coles:

He did.

Ed Judt:

As did we.

David Coles:

I still don't think that – someone who is looking for a four bedroom house would not consider my house, and therefore I think your adjustments are – I think to compare a four bedroom house to my house is – I don't think it's fair.

John Braig:

But you have to recognize in the process of making comparisons, unless you've got identical, identical, you have to make adjustments for it. And in the process of establishing these values the adjustments follow a standard practice. I can appreciate your point saying there is a difference between three and four bedrooms, but that's only in terms of desirability to a certain individual or a family.

Board of Review Meeting
June 14, 2012

David Coles:

Yes, sir.

John Braig:

But in the business of real estate appraisal the adjustment process accounts for that. At this point I'm about to close the hearing and open it up to discussion and consideration by the Board. But before I do, do you have any more factual information you want to present?

David Coles:

No, sir, I don't.

John Braig:

Thank you. And does the assessor?

Rocco Vita:

Just in closing, again, regarding the appraisal submitted as evidence two of the comparables used by his or the appraiser for the bank used homes with four bedrooms and made an adjustment to account for that fact similar to what we did. In fact, the adjustment is very close, same type of adjustment. That being said, because there's nobody here to ask questions to to verify for either the Board of Review or for us to question the appraisal, our office would respectfully request the Board to consider it but provide as little weight as deemed in our estimation little – zero weight would be our recommendation. That's all.

John Braig:

Thank you. With that I close the hearing portion of this hearing and open it up to discussion and questions by the Board.

John Burke:

I have no questions, I have a statement, though. Mr. Coles in my opinion if it was three larger bedrooms compared to four smaller bedrooms I'd rather have the larger bedrooms. Just an opinion.

David Coles:

Yes, sir, I appreciate your opinion. But the fact of the matter is the bank loaned me money based on the \$282,000 estimate.

Board of Review Meeting
June 14, 2012

John Braig:

As I look at this, we recognize that we're exposed to different valuations on identical or on the same property which is not unusual because people use different judgment factors, and they also use very definite statistical factors in reaching this. So it's not unusual for appraisals to be slightly different. I think we have to recognize that the effort in reaching an appraisal in a municipality has to be uniform, and while it could be flawed, if that flaw is uniformly applied to every property in the Village we end up with the result that the law requires, and that is that the appraisal and the assessments against the citizens of the community were properly developed and administered. So I can see where Mr. Cole sees that a bank appraisal should be the appraisal or that valuation should be considered.

But I could come up with a scenario, and I know in some communities it happens, the assessment is always significantly less or the appraisal is significantly – no, I'm correct whether it's the assessment or the appraisal, but I know in some communities the stated value of a property is definitely less than market value, and it's because of the technique that the assessor uses and what the municipality wants. Of course, if there's gross inequities between municipalities the State takes over and makes an adjustment between those gross inequities. But as far as the application of the assessment procedure within the municipality as long as it's uniform between all citizens the final result is appropriate. Any other comments?

Mark Riley:

I'd just like to move towards making a motion to recommend that we uphold the Village's assessment of the property. I think the two numbers of the two assessors is well within the range of almost being exact. If they were further than five percent apart it would be looking at. But there's only a three percent difference, and these are only estimates. I believe you're unable to show that the Village is incorrect. It's well within the margin. So I make the recommendation that we uphold the Village's assessment.

John Burke:

Second it.

John Braig:

It's been moved and seconded to uphold the assessment of Parcel 93-4-123-303-0309. Roll call vote. Aye.

John Burke:

Yes.

Mark Riley:

Yes.

Board of Review Meeting
June 14, 2012

RILEY MOVED TO UPHOLD THE ASSESSOR'S VALUATION ON TAX PARCEL NO. 93-4-123-303-0309, PROPERTY ADDRESS OF 10890 14TH COURT, OWNED BY DAVID COLES IN THE TOTAL AMOUNT OF \$290,200; SECONDED BY BURKE; ROLL CALL VOTE – BRAIG – AYE; BURKE – AYE; RILEY – AYE; MOTION CARRIED UNANIMOUSLY.

John Braig:

With that, that concludes this portion of the hearing. The next hearing is scheduled at 9:45. We are in brief recess.

Jane Romanowski:

Not until I deliver –

John Braig:

I'm sorry.

Jane Romanowski:

– the Board of Review determination to Mr. Cole.

John Braig:

Now we are in brief recess.

[Recess]

John Braig:

Okay, we are back in session after a brief recess. Does the staff have any comments at this time?

Rocco Vita:

Mr. Chairman, I'd like to take care of two pieces of business prior to the next property owner making an appearance. One is an objection from AHC Purchaser, Inc. You have in front of you a stipulation indicating that both parties, AHC Purchaser, Inc., and the Village of Pleasant Prairie stipulate to the fact that if a presentation were to be made here in front of the Board of Review, the Board of Review would support the assessor's value, and this stipulation essentially says we both agree that would happen and this preserves their right to appeal that value and file a claim for excessive assessment against the Village this January. In other words, it's doing away with the necessity of coming in front of the Board of Review.

The purpose of this is that AHC Purchaser, Inc., is Wynwood of Kenosha. We are in a process of a claim currently for the years 2009, '10 and '11, and it's being decided right now in the Circuit

Board of Review Meeting
June 14, 2012

Courts of Kenosha County. We had a trial this February. The outcome of that decision will dictate this value. So in that decision if the judge supports our process and our value, they will not file the claim ostensibly. And if the judge supports their opinion and process, they will file the claim and the Village will work with them for a lower value for 2012 essentially based upon that judge's decision. And then 2013 will be back to wherever. But what this does is it just alleviates the necessity of having a hearing and put on a production for an entire day or day and a half or two days with the belief that you would support our value because we had an expert do our work for us and then them filing a claim at the end of the year if necessary.

John Braig:

So is it appropriate that the Board receive and file this stipulation?

Rocco Vita:

It would be appropriate for the Board to receive it and make a motion on whether they accept it or not. If you do not accept this stipulation, then we'll have to make an appointment for the hearing. If you accept this stipulation you will sign this stipulation, and we will send back a copy to the property owner.

John Braig:

Thank you. Gentlemen?

Mark Riley:

I need more of an education. What are our two choices, to sign it and not to sign it?

Rocco Vita:

Is to accept the stipulation that, right, or not to sign the stipulation.

Mark Riley:

And what would be our reason for either one?

Rocco Vita:

Well, the reason for signing it is to acknowledge that they've already appeared before the Board of Review and the Board of Review supported our value and our methods. Since then they've filed a claim of excessive assignment. We hired an expert appraiser for this type of property as did they. We had a four day trial in February, and this value and this process is essentially being decided by an authority higher than the Board of Review.

Board of Review Meeting
June 14, 2012

Mark Riley:

Okay, so we've already heard this case?

Rocco Vita:

You have.

Mark Riley:

And sided with the Board, so we're just restating that?

Rocco Vita:

That's correct.

Mark Riley:

Okay, that makes sense.

Mark Riley:

For this year.

Rocco Vita:

Just for this year.

Mark Riley:

Just for this year.

Rocco Vita:

Right.

Mark Riley:

So we're restating our position.

Rocco Vita:

That's correct.

Board of Review Meeting
June 14, 2012

Mark Riley:

That's all I need to know. Need a motion?

John Braig:

Need a motion.

Mark Riley:

I guess I would make a motion what?

John Braig:

Receive and accept.

Mark Riley:

Receive and accept this stipulation presented by the appraiser.

John Braig:

This stipulation is for a property tax assessment of Parcel Number 91-4-122-043-0086. We need a second.

John Burke:

Second.

John Braig:

It's been moved and seconded to receive and accept the stipulation regarding Parcel Number 91-4-122-043-0086. Roll call vote.

John Burke:

Aye.

John Braig:

Yes.

Mark Riley:

Yes.

Board of Review Meeting
June 14, 2012

RILEY MOVED TO RECEIVE AND ACCEPT THE STIPULATION REGARDING TAX PARCEL NO. 91-4-122-043-0086 FOR PROPERTY LOCATED AT 7377 88TH AVENUE OWNED BY AHC PURCHASER INC. AS PRESENTED; SECONDED BY BURKE; ROLL CALL VOTE – BRAIG – AYE; BURKE – AYE; RILEY – AYE; MOTION CARRIED UNANIMOUSLY

John Braig:

Motion carries. So we have received and accept that stipulation. Signature?

Rocco Vita:

As you're doing that, there's another issue that came up yesterday. Coca-Cola Refreshments provided us recently with an updated reporting of their personal property accounts in the Village. We have two accounts for them, one within the TID and one outside of the TID. You may or may not be aware that personal property value is self-reporting in Wisconsin. So when they provided us an updated amount we updated our value. Unfortunately, the reporting came in after I turned over my authority to this Board. So we're asking the Board to make this value change to the assessment roll. I would be looking for two motions, one motion for each account, a motion saying to update the personal property count 90, yada, yada, yada, from the original assessed value of \$10,700 to the updated assessed value of \$19,500. A motion similar to that for each account.

John Braig:

Curious, how much of an obligation have they report this information in a more timely fashion?

Rocco Vita:

They only have a statutory requirement to report it. There's no penalties. The only penalty is that we can estimate the value if they do not report. The hazard is leasing companies. If we estimate the value and estimate too high, they can file a claim after the fact, perhaps, saying that we really didn't have that equipment there, and then we're in a position to give the money back. So if they don't file the information and we estimate too high, they have a right to file a claim and have the Village give all the tax money back without necessarily the opportunity to get the money back from the school district or the County. So for leasing companies we don't – we don't have to be punitive in any way, but unlike manufacturing personal property in which they don't file by a deadline and they're penalized, there's no such mechanism for local assessors. If they don't provide us information we simply estimate the value, and then for leased property because of the nature of equipment moving in and out it's very hazardous for us to estimate something that might be extraordinary to get their attention to file timely because we'll lose both ways. If it's incorrect then they'll file a claim after the fact and sue the Village.

John Braig:

Okay, thank you. Motion is in order.

Board of Review Meeting
June 14, 2012

Mark Riley:

I would make a motion that we accept the updated amount of \$19,500 on account of 90-001574-000.

John Burke:

I second it.

John Braig:

It's been moved and seconded to accept the updated adjustment for said account. I believe a roll call vote.

John Burke:

Yes.

John Braig:

Aye.

Mark Riley:

Aye.

RILEY MOVED TO ACCEPT THE COCA-COLA REFRESHMENTS PERSONAL PROPERTY REPORTING FORM AND DIRECT THE ASSESSOR'S OFFICE TO UPDATE PERSONAL PROPERTY ACCOUNT NO. 90-001574-000 IN THE AMOUNT OF \$19,500 AS PRESENTED; SECONDED BY BURKE; ROLL CALL VOTE – BRAIG – AYE; BURKE – AYE; RILEY – AYE; MOTION CARRIED UNANIMOUSLY

John Braig:

Motion carries. Second account.

Mark Riley:

Make another motion to accept the updated amount of \$7,100 for account 90-001574-001.

John Burke:

Second it.

Board of Review Meeting
June 14, 2012

John Braig:

It's been moved and seconded to accept the updated figure of \$7,100 for account 90-001574-001.
Roll call vote.

John Burke:

Yes.

John Braig:

Aye.

Mark Riley:

Aye.

RILEY MOVED TO ACCEPT THE COCA-COLA REFRESHMENTS PERSONAL PROPERTY REPORTING FORM AND DIRECT THE ASSESSOR'S OFFICE TO UPDATE PERSONAL PROPERTY ACCOUNT NO. 90-001574-001 IN THE AMOUNT OF \$7,100 AS PRESENTED; SECONDED BY BURKE; ROLL CALL VOTE – BRAIG – AYE; BURKE – AYE; RILEY – AYE; MOTION CARRIED UNANIMOUSLY

b. 9:45 a.m. Robert Adams

John Braig:

Are you Mr. Adams?

Robert Adams:

Yes.

John Braig:

Do we have a proper objection form on file?

Robert Adams:

Yes, I do.

John Braig:

I'd ask the Clerk to read it into the record please.

Board of Review Meeting
June 14, 2012

Vesna Savic:

Property owner Robert Adams, address 12222 85th Avenue, Parcel Number 92-4-122-333-0280. Property assessment \$252,400. Explain why value is incorrect: I paid less for the house when I bought it last year. I have two appraisals that are also less. Taxable value of the property of the year being appealed \$197,000. The house was purchased for \$197,000 on October 14, 2011. No improvements have been done to the property. The house has not been listed for sale within the last five years. Has anyone made an appraisal on this property in the last five years, okay, yes two appraisals. September 15, 2011 home loan, May 3, 2012 for home line of credit. The one on September 15, 2011 was \$220,000; the one May 3, 2012 was \$215,000.

John Braig:

Thank you. This is a quasi-judicial proceeding. The law requires that we uphold the assessor's assessment until you, the objector, provide enough information and facts that causes us to realize that there is an inequity, and we'd make an appropriate adjustment. The proceeding is on record. You will have the initial opportunity to present your case followed by the staff making their case supporting their appraisal. And, of course, there's opportunity for discussion and questions back and forth. And then when that's over then the Board makes the decision as to whether one or the other is correct or somewhere in between. So with that I'd ask the Clerk to swear in the witnesses?

Vesna Savic:

Please stand. Please raise your right hand and repeat after me, do you solemnly swear in the matter now in hearing to tell the truth so help you God?

Voices:

I do.

John Braig:

Name and address.

Vesna Savic:

Please state your name and address.

Rocco Vita:

Rocco Vita, Statutory Assessor for the Village of Pleasant Prairie, 9915 39th Avenue.

Ed Judt:

Ed Judt for the Village of Pleasant Prairie.

Board of Review Meeting
June 14, 2012

Robert Adams:

Robert Adams, 12222 85th Avenue, Village of Pleasant Prairie.

John Braig:

Thank you, and with that you get to speak first so you can make your presentation or give us what information you have.

Robert Adams:

Alright, the information I have is the house when I purchased it, it was listed for \$220,000, and I negotiated and purchased it for \$197,000. And I also have two appraisals, one's for \$220,000 and one's for \$215,000.

John Braig:

That's it?

Robert Adams:

That's the evidence I have.

John Braig:

Thank you. Any questions?

Rocco Vita:

Does the property owner intend to submit the evidence as an exhibit?

Robert Adams:

Yes, I can give you the appraisals. I have them.

Rocco Vita:

Does the Board want copies of the appraisal?

John Braig:

Yes.

Board of Review Meeting
June 14, 2012

Rocco Vita:

The Clerk will need to make copies.

Robert Adams:

That's the most recent appraisal for \$215,000, and then this is the appraisal from 2011 for \$220,000.

[Inaudible Conversations]

John Braig:

Mr. Adams, what did you say the property was originally listed at?

Robert Adams:

When I purchased the house it was listed at \$220,000.

John Braig:

Thank you. Did you have other questions before you proceed?

Rocco Vita:

No, we can cross-examine him afterward.

Ed Judt:

A word before I get into the comparables. I want you to recall our conversation yesterday during the Krumrie case both Chapter 70 of the State Statutes and numerous court decisions have held that a purchase price is the best indication of value if it comports with recent sales of similar properties. Lacking a sale of the subject property, the best evidence of value is recent sales of similar properties. If you have neither of those everything is on the table. So you're asking yourself with a recent purchase here why are we here? Obviously we're here because we feel that this purchase price is not indicative of the market, that there is significant sales activity of comparable property that indicate that this property as of January 1st was worth considerably more than the \$197,000 purchase price, and I'm going to show you why.

Again, the property under appeal is Parcel Number 92-4-122-333-0280 located at 12222 85th Avenue. House sold for \$197,000 in October of 2011. This house is in Greenhill Farms Subdivision on a lot of 125 feet by 200 feet. It is a modern two story C plus quality built in 1992, good condition and utility, 958 square foot basement. You have a first floor of 958 square feet as well, second floor of 924 square feet for a total living area above grade of 1,882 square feet. You have four bedrooms, one family room, two full baths, a half bath, a fireplace, aluminum exterior. We rate the kitchen in this one as excellent and the baths as good. There's gas forced air heat

Board of Review Meeting
June 14, 2012

with central air. There is an attached garage, a substantial porch and a deck. And there's a large detached garage at the rear of the property as well.

Comparable sale number 1 is Parcel Number 92-4-122-252-0145 located at 10762 38th Avenue. This house sold for \$276,500 in January of this year. It sits on a lot of 122 feet by 180 feet. It is in Rambling Trails Subdivision. This is also a modern two story C plus quality as well. You'll find that to be true of all three of the comparables. This house was built in 2003. It is good condition and utility, basement of 1,018 square feet, 646 square feet of that basement is finished in the form of a rec room. You have a first floor of 1,018 square feet, second floor 982 square feet for a total living area of 2,000 square feet above grade. This house has four bedrooms, a family room, two full baths, a half bath, a whirlpool, a fireplace, aluminum on the outside, good kitchen and baths, gas forced air heat, central air. There is an attached garage, a porch and a patio, and this one also has a 24 by 24 garage located at the rear of the property. Taking into account all those adjustments, you have an adjusted sale price on this sale of \$277,500.

Comparable sale number two is Parcel Number 92-4-122-243-0335 located at 9988 32nd Avenue. This house sold for \$268,900 in August of 2010. It sits on a lot of 150 feet by 200 feet. It is in Rolling Meadows Subdivision right here behind the Village Hall. It is a modern two story C plus construction built in 1994. We list the condition as average, the utility as typical. This house has a basement of 1,028 square feet, 768 square feet is finished as rec room. First floor is 1,316 square feet, second floor 884 square feet for total living area above grade of 2,200 square feet. This house has three bedrooms, two family rooms, two full baths, a half bath. There's a fireplace, aluminum exterior. We rate the kitchen and the baths as good, gas forced air heat, central air. There's an attached garage, and there is a porch and a patio.

Finally, comparable sale number three this is Parcel Number 92-4-122-244-0107 located at 9816 29th Avenue. This house sold for \$220,000 in May of 2011. This lot is on a lot of 100 feet by 301 feet in Hickory Grove Subdivision. It is a modern two story C plus construction. This house was built in 1996. It is in good condition and has typical utility. The basement is 951 square feet. There is no finished basement in this house. It has a first floor of 999 square feet, a second floor of 826 square feet for a total of 1,825 square feet. There are three bedrooms, one family room, two full baths, one half bath. This house has cedar on the outside. We rate the kitchen and the baths as good. There's gas forced air with central air, an attached garage, a patio, and a small garden shed at the rear of the property. Taking all those changes, those adjustments into account results in an adjusted sale price of \$252,800. Based on these three sales we offer an opinion of value at \$258,900.

John Braig:

That finished your presentation. We can open it up for questions back and forth right now.

Rocco Vita:

I think I'll provide the statutory reference that Ed spoke to earlier before providing the information. As you know, 70.32 Statute, Chapter 70.32 of the Wisconsin Statutes is titled real estate how valued. And it starts out that real property shall be valued by the assessor in the

Board of Review Meeting
June 14, 2012

manner specified in the Wisconsin Property Assessment Manual provided under 73.03 from actual view or from the best information the assessor could practicably obtain at full value which could ordinarily be obtain there for a private sale. In determining the value the assessor shall consider recent arm's length sales of the property to be assessed, the property has sold, if according to professionally acceptable appraisal practices those sales conform to recent arm's length sales of reasonably comparable property.

And the reasoning for this is that there are always instances where you're going to have sales, that they're arm's length, because of circumstances and low sales because of circumstances, but for property tax purposes the very high and the very low are mitigated by the fact that they don't comport to the typical sales within that area. While they can be considered, they don't necessarily have to be provided as strong of weight as if it was a home that sold at a typical normal range. Then we fall to the second tier of comparable sales of comparable property. So the fact is that while we may not have a great deal of sales in this particular subdivision, we have a group of neighborhoods that comprise these types of subdivisions, essentially the neighborhoods that Ed referred to for our sales of comparables. And quite clearly the acquisition price here of \$197,000 put this at the bottom end of all those sales where most of the sales clustered much higher for this kind of asset. So in that instance for property tax purposes, we're using all the sales as an indication of value rather than just using the sale of the subject property.

I guess and the fact that even the appraisals brought in by the property owner while they're more than his assessed value they're up to ten percent more than his appraised value, than his purchase price, I'm sorry. I don't have the second appraisal to talk to. The only appraisal I have to talk to is the appraisal for the line of equity that is exterior only. And, again, when a property owner brings an appraisal without the appraiser, our office asks that the Board needs to consider this but provide as little weight as deemed reliable in the fact that there's nobody here to answer any questions about the appraisal. It's considered hearsay evidence.

Secondly, I'd like the record to show that the client or owner of this piece of work is Associated Bank. I don't know if the property owner has asked for permission by Associated Bank to use the appraisal in this venue for this purpose. It was not done for property tax purposes. It was done for obtaining a home equity line. While the goals may seem to be similar, the requirements of the appraisers are different in both types of processes. This one was an exterior only inspection, so this appraiser never inspected the interior of the subject property, and obviously never inspected or has information on the interior of the comparable properties either. Is that the other appraisal.

Mark Riley:

Rocco, can I ask for a clarification on that?

Rocco Vita:

Sure.

Board of Review Meeting
June 14, 2012

Mark Riley:

Does the Village, all their comparables, do you do the interior also?

Rocco Vita:

Someone has been inside of these homes, yes.

Mark Riley:

And should less weight be put to an exterior only inspection? Can you do a fair appraisal without going to the inside of a property?

Rocco Vita:

It depends if the interior is the same as the exterior or not. The thing of it is how many people would acquire a home without looking at the interior of the property before deciding what to pay? So it goes to that. So, no, most people wouldn't buy a home, and it would be difficult to really truly determine a value without actually seeing the asset that you're placing the value upon.

John Braig:

I think more significantly is what bank would grant a mortgage without knowing what the inside is?

Rocco Vita:

They weren't granting a mortgage. They were only providing him a line of credit. So they were establishing – they were trying to establish equity in as probably an efficient and using as little resources as possible. I think the one for establishing the mortgage, to your knowledge did that appraiser come into the home?

Robert Adams:

Yes, that appraiser went into the home.

Mark Riley:

Which one went into the home?

Robert Adams:

The one on 9-15.

Board of Review Meeting
June 14, 2012

Rocco Vita:

Koepsel Appraisal Services from Greenfield, Wisconsin.

Mark Riley:

They were inside the home?

Robert Adams:

Yes.

Rocco Vita:

Now, this one says that it was done for Associated Mortgage from Green Bay which is probably a division of Associated Bank, so they are the client and they are the owner of this property. And Mike Koepsel was the appraiser from Koepsel Appraisal Services. I'm going to ask the property owner did you ask for permission from either party, Associated Mortgage or Associated Bank or Mike Koepsel to use this work in this venue today?

Robert Adams:

I asked Associated Bank. Specifically I asked for copies of the appraisal, and I told them I was going to a tax hearing, and then they sent them to me and I printed them out.

Rocco Vita:

So you asked for permission to use them in the venue and they said okay?

Robert Adams:

They didn't tell me not to use them.

Rocco Vita:

Alright.

Robert Adams:

And I did pay for both appraisals.

Rocco Vita:

You did?

Board of Review Meeting
June 14, 2012

Robert Adams:

Yes.

Rocco Vita:

While the property owner paid for the appraisals, they're the property of the financial institution, the client of the appraiser. Again, because there's nobody here to speak to the determination of the appraised value of \$220,000, I would ask the Board to consider the appraisal but not provide it any weight in their decision making process. I could ask the property owner questions to drive home the point, but I think I'll let that go at this hearing.

John Braig:

No other questions?

Rocco Vita:

Well, maybe I do, I apologize. Comparable number one, it's showing that the size of your lot is 25,000 square feet, and comparable number one has 34,144 square feet. Your appraiser said that the value of a 34,144 square foot lot is the same value as yours so he provided no adjustment. Why would he have done that? Comparable number three has a lot that's 10,000 square feet less than yours. So, in other words, your lot is 25,000 divided by 43,560 it's .57 acres. Comparable number three 15,246 divided by 43,560 is .35 acres. So you have six tenths of an acre and comparable number three has three tenths of an acre. Your appraiser did not provide a land adjustment to the sale price of comparable number three to equate or to show the differences between the two properties. I'm wondering why he decided not to do that.

Robert Adams:

I think he was just going by the sale price of the house and comparable homes in the area with the same square footage that sold.

Rocco Vita:

Have you looked at any of these homes that he used to determine whether he did a proper adjustment or whether his opinion of value is right, fair, just or accurate?

Robert Adams:

No, I have not looked at any of those homes.

Rocco Vita:

That's all I have.

Board of Review Meeting
June 14, 2012

John Braig:

Okay, thank you. Do we have any information that would suggest this was anything but an arm's length transaction?

Ed Judt:

We don't. The house was listed with a realtor on the Multiple Listing Service, and I have no information to suggest that it was not a valid sale.

Rocco Vita:

Do you know how long it was on the market?

John Braig:

Mr. Adams, would you know how long the house was on the market before you bought it?

Robert Adams:

I know it was on the market for at least 45 days before I purchased it.

John Braig:

Out of curiosity, how did you come across or find it?

Robert Adams:

I found it on the internet, and then I talked to my realtor and made an appointment to view it.

Mark Riley;

Can you verify that 45 days? Do you have any way of knowing how long –

Rocco Vita:

Yeah, we're doing it right now.

John Braig:

You say you found it on the internet. Was that a listing by owner or by a real estate firm?

Robert Adams:

By a realtor. I found it on realtor.com.

Board of Review Meeting
June 14, 2012

Ed Judt:

The MLS lists 50 as the days on market, 5-0.

John Braig:

That's a good guess, good estimate. I'm about to close the hearing portion of this proceedings, but before I do do you have any other information for us, Mr. Adams?

Robert Adams:

I'd like some more information on comparable number one. I know that you've been saying that my house sold at an unusually low price. What's to say that comparable number one on your list didn't sell at an unusually high price? And I notice that comparable number two also it sold a couple years ago back in August of 2010.

Ed Judt:

I'm going to attempt to answer your questions, bear with me a second, though. Well, you know, your contention may be partially correct given that our new assessment is just slightly over \$250,000. It's the reason you never base an opinion of value on one sale.

Robert Adams:

I know that the bank they quoted that the real estate market is changing on a regular basis. That's why I had to get another appraisal for my home line of credit. I was hoping I could use my original appraisal.

Ed Judt:

With respect to the second comparable I mean you can see there in the first line of the adjustment grid that we're making a substantial adjustment for the amount of time between the date of that sale and the assessment date.

John Braig:

I note that there was no adjustment on comp one for a difference in date of three months. At what point would you begin making an adjustment.

Rocco Vita:

Comparable one is a difference of one month or a couple days.

Ed Judt:

I don't have the date.

Board of Review Meeting
June 14, 2012

John Braig:

Oh, all of November and December. You're right.

Ed Judt:

But in answer to your question where we use sales that occurred in 2012 we made no time adjustment.

Robert Adams:

This is as of January 1st of 2012 so your comparables have to be prior to that or no?

Ed Judt:

No. I mean we're setting our values in the – what sales are available to us at the point that we'll set our values we'll use. In this case it was a couple of months worth.

Rocco Vita:

Typically if the market is continuing to decline we would adjust the sales in 2012 to a higher number, say, in that maybe four months earlier it would have been a percent or two percent more. But like Ed indicated we're using the 2012 sales, the few sales that we have used as they are.

John Braig:

The formula you use to make an adjustment for time obviously has to take in months.

Rocco Vita:

Okay.

Ed Judt:

Yes.

John Braig:

Is one month factor a zero? I mean at what point does it become a factor.

Rocco Vita:

I think the formula takes into effect days.

Board of Review Meeting
June 14, 2012

Ed Judt:

Days, the formula that I use is by days.

John Braig:

So days are always in there?

Ed Judt:

Yes.

Rocco Vita:

Right, because each day is $1/365$ of the year. So if we use a time adjustment of minus six percent it's divided by 365 and applied by the number of days.

Ed Judt:

Although I may have used the old accounting standard of 360 days. I don't recall. Bad habit.

—:

Five days is five days.

John Braig:

What I'm leading up to is the original adjustment there.

Rocco Vita:

For 2012? No, I just said for any sales we use during 2012 —

John Braig:

You make no adjustment.

Rocco Vita:

We're using the conservative tax of using those sales as they are, not adjusting them up for the few days back to the first of the year, and the fact that it sold in January, well —

John Braig:

You've got 31 days. It could flip over one way or the other. Okay. With that, if you have nothing more I will close the hearing portion of this proceedings and open it up to comments and questions by the Board.

Board of Review Meeting
June 14, 2012

Mark Riley:

I would like to ask the assessor to re-look at some of these appraisals that –

Ed Judt:

I'm kind of looking at them now.

Mark Riley:

I'd like you to shoot more holes in that.

Ed Judt:

At this point I'm just looking at the sales. But, for instance, when you look at the September 15th appraisal, the Koepsel appraisal.

Mark Riley:

Which one?

John Braig:

Exhibit 2.

Ed Judt:

Dated September 15th of 2011. And I'm just beginning to look at the sale prices. But comparable number two, for instance, was a foreclosure. The seller in that case was Fannie Mae. The third sale, comparable number three, he lists a sale price of \$210,500 in February of 2011. I have no such activity. The most recent transaction I have was a transfer of the property between BAC Home Loan Servicing which is undoubtedly a mortgage servicing company and the Secretary of the Department of Veteran Affairs. So this was a VA foreclosure, again a foreclosure sale.

Mark Riley:

Number three was?

Ed Judt:

Number three was.

Mark Riley:

And which other was?

Board of Review Meeting
June 14, 2012

Ed Judt:

Number two. Number two the seller was Fannie Mae.

Mark Riley:

And that was a foreclosure?

Ed Judt:

Correct.

Mark Riley:

Any comments on number one?

Rocco Vita:

Did you look at number one?

Ed Judt:

Number one I didn't look at the MLS but I did look at the sale and there was no – it was a sale between private parties. There is never any way to know if it was a distressed sale of some sort, perhaps a short sale that the bank endorsed. But I will tell you on that third comparable on 87th Street he shows that sale price of \$210,500 that I have no record of. Our assessment on that house this year is \$262,000.

Mark Riley:

What would be the reason for not having a record of that. If it was sold, wouldn't you have access to that information?

Rocco Vita:

If they're exempt from filing the transfer fee.

Ed Judt:

Yeah, Fannie Mae is doing the same thing. They're quasi-federal and they've decided they don't have to follow any rules.

Board of Review Meeting
June 14, 2012

Rocco Vita:

So what they're not doing is they're not filing real estate transfer paperwork with the Wisconsin Department of Revenue where we get our sales information from.

Mark Riley:

And they're exempt from paying the transfer fee?

Rocco Vita:

And, therefore, when you look on Kenosha County you will not see anything there except maybe a note of an exempt warranty deed. You won't see a sale price or consideration or a fee.

John Braig:

How long has that been going on?

Rocco Vita:

Well, since really 2008, 2009 when all the foreclosures have been taking place.

Ed Judt:

I can show you the same thing with regard to that second sale, that Fannie Mae sale. Sale price of \$225,000 our current assessment, our new assessment is \$265,000. So when you use – that is the reason that we're not using not only foreclosure sales but foreclosure-related or bank-related sales because they're not indicative of the market as exemplified by sales that don't involve any kind of distress or duress.

Rocco Vita:

And some of the biggest reasons are when you buy from the bank they're sold with no contingencies and they're sold as is. And both of those are risks on the part of the person making the acquisition, and the trade off of risk is sale price. Imagine trying to buy a home or whatever without having the ability to – contingent on you selling your house or buying a home as is. That isn't a typical sale in the Village yet.

John Braig:

Mr. Adams, who did you buy the house from?

Robert Adams:

I bought it from a private party that the house was paid off. I'd have to look up the name of the previous owners.

Board of Review Meeting
June 14, 2012

John Braig:

Okay, but it was a private party and it was free and clear at that point of transaction?

Robert Adams:

Yes.

John Braig:

Was it an elderly owner? By elderly I mean retired or possibly relocating?

Robert Adams:

They relocated to Kenosha. I saw that their new address is Kenosha. But I didn't meet them, they didn't come to the closing. It was a rental house. They were renting it out when I bought it so they weren't ever there when I arrived to look at it.

Rocco Vita:

Do you have any idea how long they were renting it?

Robert Adams:

Four to five years I was told. They built the house and lived there, and then they downsized to a smaller house and they rented it out.

Rocco Vita:

I don't know what to say. You're looking at me for something wise. I can only –

John Braig:

I know of an experience in my neighborhood where a home is being rented out only because of let's say perception of the value of the home as opposed to what the market would provide. I'm looking at what seems to be a disparity when you show an indicated sales value which is significantly by almost 20 percent higher than the transaction value. It makes me question the transaction. Was it at arm's length or what factors – the fact that the property was a rental property I would assume, it's probably improper to assume, but the thought comes to mind that they just wanted to get out from under that property and to accept a lowball offer after 50 days of listing is not typical of the real estate market.

Board of Review Meeting
June 14, 2012

Rocco Vita:

I guess in summary from the assessor's office perspective regarding the appraisal provided by the property owner, the fact that no one is here to testify to the production of the value, the fact that comparable number two and comparable number three were foreclosure by financial institutions, and not even financial institutions but by the federal government to the new property owner, by the fact that there's a lot of questions regarding, for instance, comparable number three the sale occurred in January or February of 2011, and yet there's no time adjustment to account for the change in value between that time and October or September when this appraisal was done, and the fact that for a site there are no adjustments for comparable number three and comparable number one for the fact that the site in comparable number three is .35 acres and the subject is .57 acres or comparable number one that the site is larger than the subject – the comparable property site is larger than the subject site. I don't know anything else.

There's an outbuilding apparently that is valued at \$7,500 on this appraisal. On the other appraisal it was valued at \$10,000. And here the difference between a two car - for instance, here the subject of the two car attached garage comparable number two has a three car attached garage, the appraiser makes a \$4,500 adjustment, again, there's nobody here to help us understand why that type of adjustment is being made. I guess what I'm going to is there's nobody here that can explain or to testify as to the evidence being presented. So we, again, ask the Board to provide it no consideration, or to consider it but to provide it no weight.

Mark Riley:

I think to consider it is providing some weight. Those two can't go hand in hand. I guess I'll make a couple of comments.

John Braig:

We're looking for comments or questions or a decision.

Mark Riley:

I have to assume it was an arm's length transaction because the assessor has said they have no evidence to say otherwise. The seller put the house on the market for \$220,000, so obviously they thought that's what the value was, and most people put it on the market for a little more than they think they're going to get so they can reduce the price and get it sold. I think that's pretty common. The buyer bought it for \$197,000, again, arm's length transaction. So you have a seller and a buyer both feeling that the value of this property is very similar. The mortgage company went out and did an assessment. I know they're not here to talk about it, but I don't see any big holes in the assessment.

I guess I will say that today the distressed sales are so common that there's not one or two, they are common. All land is being sold under distress to get it off the market, and it's getting to be the new norm and price. It is dictating the market in my opinion that if there's sales out there, enough distressed sales out there it's going to drive all the properties down. Then you have two

Board of Review Meeting
June 14, 2012

assessments almost exactly putting it right back into that value, so you have four pieces of evidence that put it in that general range, and it's hard to ignore all of them without something to the contrary.

John Braig:

Any other comments or questions? I guess we're ready for a decision, recognizing State law requires we uphold the assessor's assessment unless the information we have received now is sufficient to alter it.

Mark Riley:

I guess I would make a motion that we alter it to \$220,000.

John Burke:

I would second that.

John Braig:

It's been moved and seconded to adjust the assessment of Parcel Number 92-4-122-333-0280 to \$220,000. Roll call vote please.

Vesna Savic:

John Braig?

John Braig:

No.

John Burke:

Yes.

Mark Riley:

Yes.

RILEY MOVED TO ADJUST THE ASSESSOR'S VALUATION ON TAX PARCEL NO. 92-4-122-333-0280, PROPERTY ADDRESS 12222 85TH STREEET, OWNED BY ROBERT ADAMS, TO THE TOTAL ASSESSMENT OF \$220,000 (LAND \$66,300 AND IMPROVEMENTS \$153,700); SECONDED BY BURKE; ROLL CALL VOTE – BRAIG – AYE; BURKE – AYE; RILEY – AYE; MOTION CARRIED UNANIMOUSLY.

Board of Review Meeting
June 14, 2012

John Braig:

Motion carries. That concludes this hearing. No, it doesn't.

Vesna Savic:

No, I need to give the determination.

John Braig:

Have you completed the findings of fact and determination for delivery to the objector, to Mr. Adams? Well, shortly.

Robert Adams:

Thank you.

John Braig:

Has the Clerk delivered the findings of fact, determinations and decisions to Mr. Adams?

Vesna Savic:

Yes, I have, sir.

John Braig:

Thank you. That concludes the hearing of Mr. Adams.

c. Lawrence and Jennifer Finkler

John Braig:

Are they present?

Jennifer Finkler:

Yes.

John Braig:

Be seated over there please. And do we have a properly filled out objection form?

Vesna Savic:

Yes, we do, Mr. Chairman.

Board of Review Meeting
June 14, 2012

John Braig:

I'd ask the Clerk to read it into the record please.

Vesna Savic:

Okay, objection form for Lawrence and Jennifer Finkler, property address 8717 84th Street, Pleasant Prairie, Wisconsin. Parcel Number 92-4-122-162-1026. Total property assessment \$358,200. Explanation as to why they think the assessed value is incorrect: We feel that the appraisal for our property included comparables located in neighborhoods that would command a higher value than the neighborhood we are located in, Bain Station Crossing. As well within this consideration is the fact that the houses used for comparables sold initially for a higher value than ours which would indicate higher end products that were included in the initial cost of the new construction home. Opinion of what the taxable value of the property should be \$325,000. Property was purchased for \$335,200 March 7th of 2011. No improvements. The property has not been listed for sale in the last five years, and no appraisals have been done within the last five years.

John Braig:

Thank you. This is sort of a judicial process. You'll have an opportunity to make your presentation, they make their presentation, some discussion and questions back and forth, and then this group in effect judges the information we receive. By State law we must uphold the assessor's assessment as it is unless you provide sufficient evidence for us to question it and alter it as you just saw happen in the previous proceedings. So with that I'll ask the Clerk to swear in the witnesses.

Vesna Savic:

Please stand, raise your right hand. Do you solemnly swear in the matter now in the hearing to tell the truth so help you God?

Voices:

I do.

Vesna Savic:

Please be seated. Would each person who will be testifying under oath please state your name and address for the record.

Rocco Vita:

Rocco Vita, Assessor for the Village of Pleasant Prairie, 9915 39th Avenue.

Board of Review Meeting
June 14, 2012

Ed Judt:

Ed Judt for the Village of Pleasant Prairie.

Jennifer Finkler:

Jennifer Finkler, 8717 84th Street, Pleasant Prairie.

John Braig:

Than you. With that we're ready proceed, and you lead off making your case. You have to provide us facts and information that makes us question what the assessor has done.

Jennifer Finkler:

Okay, so I do have a document that I put together. Can I just submit that to you right now?

John Braig:

You can give it to us. Do you have copies for everyone.

Jennifer Finkler:

I didn't know how many copies to make so I have only two copies.

John Braig:

The Clerk will make additional.

Jennifer Finkler:

Would you like me to wait then until you have the copies in front of you?

John Braig:

If it's germane it might be better. We can wait.

Ed Judt:

This might be a good time, Mr. Chairman. I want to dispute one item on the objection form.

John Braig:

Go ahead.

Board of Review Meeting
June 14, 2012

Ed Judt:

You see an acquisition price there of \$335,000. The actual acquisition here was a sale of the lot that occurred in September of 2010. That is the only transaction that has occurred on this property. I assume that this is some sort of a contract price.

Jennifer Finkler:

That was the end loan that we had through our bank, and to verify –

John Braig:

Excuse me a minute. Is there a little green light on your microphone?

Jennifer Finkler:

Yes. Do I need to pull this down?

John Braig:

That's better.

Jennifer Finkler:

I can pull it forward.

Ed Judt:

You can pull it toward you, too, so you're more comfortable.

Jennifer Finkler:

I just want to make sure you can hear me. Okay, so the \$335,000 that was the end price that we had contracted with our bank and how Johnson Bank does the end loans. We don't have like an end closing. You get approved all up front, and then you just have draws, and then you just convert over to your loan. I don't know if that makes sense. Also, to clarify further with that, that \$335,000 also included about \$8,000 to \$10,000 of appliances which I did note on the form that I submitted. I didn't know exactly how to put that on the objection form, but that probably shouldn't be included in consideration of the total cost of the property as to what the appliances were.

John Braig:

Do you have in mind a number that you think you actually paid for the house and lot?

Board of Review Meeting
June 14, 2012

Ed Judt:

I'm sorry, there is a sale price on record. They bought the lot. There was no purchase of the home, they had the home constructed.

Jennifer Finkler:

And I have those documents, I have what the end loan was. So, yes, it was \$335,200 is what our end loan was, but that also included our appliances. That's just how the loan worked for us.

Rocco Vita:

So that was just the loan amount not including any equity or the value of the land?

Jennifer Finkler:

That included the value of the land, yes. That was the total end purchase price, so \$335,000 less the 53 then would be what we paid for the home with the appliances.

Rocco Vita:

So the amount of your loan is?

Jennifer Finkler:

Well, do you want to know how much we put down on the house as well to know what the loan amount is? I mean that would be an accurate loan amount based upon what we put down on the home.

Rocco Vita:

Is the loan amount \$335,000 what's on here? \$335,200 that was the loan amount, the origination, the original loan amount?

Jennifer Finkler:

No, that was the original purchase price. That was our end purchase price for the home with everything included, the lot as well.

Ed Judt:

Did you use a contractor to build the house?

Jennifer Finkler:

Yes, we did.

Board of Review Meeting
June 14, 2012

Ed Judt:

Do you have a contract with them for the entire house?

Jennifer Finkler:

Yes, we do.

Ed Judt:

Landscaping, everything in full?

Jennifer Finkler:

We didn't have any landscaping in with our house, yes. But I have like the contractor's statement, is that what you're referring to?

Ed Judt:

That would be more relevant. You can take a loan out for any amount you want. That doesn't have much to do with the value of the house. The value of the house is what you paid for it, what you paid for the lot.

Jennifer Finkler:

Correct. \$335,000 is what we paid for the total house with the lot. That includes the lot purchase price of \$53,000.

Ed Judt:

So you paid the contractor – you paid for the lot and the contractor \$335,000.

Jennifer Finkler:

Yes, that's correct.

Ed Judt:

How about the landscaping?

Jennifer Finkler:

The landscaping wasn't included in that price.

Board of Review Meeting
June 14, 2012

Ed Judt:

Okay, anything else not included in that price? Driveways?

Jennifer Finkler:

No.

Ed Judt:

Painting.

Jennifer Finkler:

No, we painted it ourselves.

Ed Judt:

So that's not included in that price. There's a few things not included in that \$335,000.

Jennifer Finkler:

Yes.

John Braig:

We're getting into the questions. Let's get back to your initial presentation. We'll start there.

Jennifer Finkler:

Okay, thank you. So if it's okay with you can I just read through the document? I've never done this before so I don't want to take too much time, however, but I'll just try to briefly on what the top key points are.

John Braig:

We're looking for information and it's up to you to give it to us.

Jennifer Finkler:

Okay, thank you. Okay, so I'm here today to appeal to the Board the recent property assessment. We finished building our home in March of 2011 at which point the final purchase price of our home was the \$335,200, which also included appliances of roughly \$10,000. The finished square footage of our home is at 3,470 with five bedrooms, three and three quarter bathrooms and a three car attached garage. We also have a full walkout basement that is unfinished, and there are no

Board of Review Meeting
June 14, 2012

plans at this point to finish it. We do not have any professional landscaping done in terms of bushes, plants, that sort of thing nor a sprinkler system.

When we decided to build our home we put more value into the structural size of the home versus the interior upgrades for this reason alone that we had four small children and we didn't want to have to move again. We also know that long-term interior changes are much easier to change versus structural. Okay, so our home is not a sub par, however we are definitely not living in a higher end home. And the reason why I'm stating this is that the cost difference between the two of them can be considerable.

So in looking at the specific properties that the assessor used to arrive at value for our property, I'd like to point out the following. Now, this is based off the comparables that I was given. So the first property is 9902 81st Place. This is a 3,425 square foot, five bedroom, three and a half bath home with a three car attached garage. It sold for \$390,000 in October of 2010. This property has a full finished walkout basement with rec room, bedroom and bath, whereas we have a completely unfinished walkout basement. This property also has two gas fireplaces, central vacuum system, sprinkler system and professionally landscaped. Those things we also do not have.

The next comparable 9409 Ashbury Lane in Ashbury Creek. This was a builder's model home that was sold in December of 2010 for \$475,000. This is a 2,708 square foot four bedroom, two and a half baths, three car attached garage with a fully finished lower level.

The next comparable was 9243 42nd Avenue. It's located in Prairie Village. It's a 3,700 square foot five bedroom, three and a half bath, three and a half car attached garage. This home sold for \$370,000 in April of 2011. This home features top of the line kitchen appliances, steam shower master bath, sound, intercom, security systems, wet bar, professional landscaping, and is in a much different neighborhood than we are located in.

The next three comparables are all in Village Green Heights neighborhood which is, again, much different than Bain Station Crossing. Number four comp is 10273 48th Avenue. It's a roughly 3,500 square foot five bedroom, three and a half bath, three and a half car attached garage. It sold for \$425,000 in January of 2011. The features include a fully finished basement with wet bar, bathroom and bedroom, floor to ceiling windows, two way fireplace, Brazilian cherry hardwood floors, professionally landscaped lawn with sprinkler system.

The next comparable is 10130 48th Avenue. This is a 4,200 square foot five bedroom, four bath home. As much as I could tell this home wasn't run through the MLS so I was not able to find out that much information outside of the County Assessor website. It shows that this home also has a full finished basement. And this home sold for \$508,000 in June of 2011.

And the last comparable was 10234 51st Court in Village Green Heights, again. And this is a 3,200 square foot five bedroom, three and a half bath, three car attached garage home. This home sold for \$385,000 in October of 2010, and it features the whirlpool tub, cathedral ceilings, cherry hardwood floors and a large master bedroom suite.

Board of Review Meeting
June 14, 2012

So I just tried to go through the six comparables that I was given to arrive at our value in that all the criteria that I pointed out our home is much different even considering the neighborhoods alone. The Bain Station Crossing neighborhood consists on average of 2,000 square foot ranch homes that consists in the majority of that neighborhood right now. It's not comparable to the Village Green Heights. And Ashbury Creek is a similar neighborhood, however it's valued at a higher assessment than Bain Station Crossing currently. And the only comparable from Ashbury Creek was that builder's model home with all the bells and whistles, and not comparable square footage, bedrooms or baths. The selling price of that home clearly indicates the amount of extras that went into this builder's model.

So the comparables now that I've given to you are the ones I would like to use to provide the case for lowering our assessment. The first one is the best comparable that I could come up with. That is the most recent. It's 8400 122nd Street. This is a 3,300 square foot five bedroom, three and a half bath, three car attached garage home that sold for \$332,500 in May of 2012. This is the most current sold priced home available that I could find in Pleasant Prairie with similar structural characteristics to ours. However, this home offers higher end features such as Viking appliances, cherry cabinets, two fireplaces, master suite deck. With the inclusion of all of these extras and selling at nearly the same price as what we built ours for this comparable is the basis of my argument to lower the house assessment.

The next comparable is at 10209 80th Street. This is a 3,900 square foot five bedroom, three bath, three car attached garage home that sold for \$348,000 in February of 2012. Structurally speaking our bedrooms and bathrooms are similar, however the square footage of this home is much larger. It features a gourmet kitchen with Viking appliances, master bath jacuzzi tub, solid Asian walnut floors, finished basement, professional landscaping, security and sprinkler system. So this home with all the additional extras sold for the \$348,000 this past February. I don't understand how our smaller home would be assessed at the \$358,000.

And a third comparable that I have was 10840 45th Avenue. This is a 3,800 square foot four bedroom, three and a half bath, three car attached garage that sold for \$330,000 in September of 2011. The square footage is larger than ours with one less bedroom, however this home all features a gourmet kitchen, mostly brick exterior, whirlpool and master bath, professional landscaping, extra wide staircase, etc.

So in conclusion then my appeal is to look at the major differences between our home and the comparables used to arrive at the current assessment value of \$358,200. I've provided current comparables within Pleasant Prairie and the reasons why I feel those should carry the most weight in arriving at our assessment value. I probably went through that way too fast.

John Braig:

We followed it. Any questions of the objector?

Board of Review Meeting
June 14, 2012

Ed Judt:

Yes. Your characterization of those six comparables – the sales that you’re describing as the comparables that we used to arrive at your value.

Jennifer Finkler:

Mm-hmm.

Ed Judt:

Now, you received those from me in a list, correct?

Jennifer Finkler:

That’s correct.

Ed Judt:

Is that the only list you got from me?

Jennifer Finkler:

It had those comparables along with other.

Ed Judt:

Did you get multiple lists from me?

Jennifer Finkler:

Yes, I did. I took just the first copy.

Ed Judt:

Why did you choose to ignore the sales on the other lists?

Jennifer Finkler:

I didn’t ignore the sales on the other lists.

Ed Judt:

Okay, but you didn’t care to give them any treatment in your document.

Board of Review Meeting
June 14, 2012

Jennifer Finkler:

Well, all of these listings that were on the front sheet I could all find within the other sheet as well. So I didn't ignore anything on the rest of the pages. They were all in the other pages as well.

Ed Judt:

Okay, but you have a significant number of sales there in addition to the six that you chose to characterize here, is that a fair statement?

Jennifer Finkler:

Yes.

Ed Judt:

Okay. And so, again, my question is why did you choose these six to demonstrate our erroneous value as opposed to the other sales that I provided you with?

Jennifer Finkler:

Because the front sheet says market drive validation of valid improved sale of properties in the modern subs two neighborhood group having a residential valuation with a modern two story style with at least 3,000 square foot of living area. That's why I chose this list.

Ed Judt:

Those, okay.

Jennifer Finkler:

The other list that you had in here had like within Bain Station Crossing the one that's in here is a ranch story home. It's not comparable to ours. So that's why I chose what you had pulled out on the first sheet.

Ed Judt:

But let me, and we'll play the gotcha game here all day, but what I provided you with as I recall was a list of all the sales that occurred in Bain Station, which was very limited, all of the sales that occurred in Ashbury Creek, is that correct?

Jennifer Finkler:

Yes, that's what's on here.

Board of Review Meeting
June 14, 2012

Ed Judt:

All the sales that occurred in Prairie Ridge, is that correct?

Jennifer Finkler:

I did pull some of these – yes, well, you gave me –

Ed Judt:

And all the sales that occurred in maybe Westfield Heights?

Jennifer Finkler:

You gave me two from Westfield Heights and four from Prairie Ridge which both of those neighborhoods aren't very comparable to ours.

Ed Judt:

I would argue otherwise but that aside, so you have many more sales than the six that you listed here. And so, well, I'll get into that during the course of my presentation. I've made my point.

John Braig:

Are you finished with your presentation?

Jennifer Finkler:

Yes.

John Braig:

Okay, with that we'll open it up to the assessor's staff.

Rocco Vita:

I have one question. On your comparables do you know who the seller was in your comparable number one?

Jennifer Finkler:

Do I know the seller? No, I don't.

Board of Review Meeting
June 14, 2012

Rocco Vita:

Do you know what type of home is comparable number two, one story or two story house? Your comparable number two on 80th Street is it a one story home or a two story home?

Jennifer Finkler:

It is a one story ranch with a – like a one and half story basically is what it is.

Rocco Vita:

And comparable number three, do you know who the seller was in that house?

Jennifer Finkler:

No.

Ed Judt:

You have our sales analysis in front of you. Again, the parcel under appeal is Parcel Number 92-4-122-162-1026 located at 8717 84th Street. This house sits on a site, and you see an aerial depiction there prior to the house being constructed. But this house sits on a lot of 22,496 square feet. It is in the Bain Station Crossing neighborhood. Modern two story home, B quality, built in 2010, new home so good condition and typical utility. 1,870 square feet of basement. You already heard that this basement is partially exposed in the rear. Has a full walk out. There is no finished space at this point in the basement. There's a first floor of 1,870 square feet, and a second floor of 1,600 square feet for a total of 3,470 square feet. That is the reason that in addition to giving her multiple lists of sales that occurred in different neighborhoods I specifically queried a list of sales of two story homes over 3,000 square feet because this is a substantially larger home than most of the two story sales that we have in the Village over the last two years.

This house has five bedrooms, two family rooms, four full baths. It has a fireplace, cement board exterior. We rate the kitchen and the baths as good. Gas forced air heat, central air. There is an attached garage. There are two porches, the large porch you see at the front. There's also a covered porch at the rear of the house. And then there is a large patio at the basement level.

Our first sale is comparable number one. It is Parcel Number 91-4-122-084-0327. This is at 9417 Ashbury Lane. This house sold for \$384,700 in June of 2010. This sits on a lot of 13,867 square feet in Ashbury Creek. Ashbury Creek is just less than a half a mile to the west of the development that the subject property is in. This is a modern two story home, B quality, also built in 2010. Good condition and utility. This house has a basement of 1,807 square feet. First floor of 1,807 square feet. Second floor of 682 square feet for a total of 2,489 square feet above grade. This house has three bedrooms, one family room, two full baths, one half bath. There is a fireplace, cement board exterior. We list the kitchen and baths as good. Gas forced air heat with central air. There is an attached garage, and there is a significant patio at the rear of the house much of it surrounding an in ground pool.

Board of Review Meeting
June 14, 2012

Our second sale comparable is Parcel Number 91-4-122-083-0566 at 9902 81st Place. This home sold for \$390,000 in October of 2010. This parcel sits on a site of 16,892 square feet. It is in the Prairie Ridge Subdivision. Again, as the crow flies maybe three quarters of a mile northwest of the subject property. This is also a modern two story home. We call this B plus quality, somewhat higher quality and we make an adjustment to reflect that. This house was built in 2005. It is in good condition, typical utility, 1,907 square feet in the basement and 851 square feet of that is finished in the form of living area. 1,907 square feet on the first floor, 667 square feet on the second floor for a total 2,574 square feet. There are five bedrooms, two family rooms, three full baths, one half bath, there's a whirlpool. There are two fireplaces in this home. It has a masonry frame exterior. We rate the kitchen and the baths as good, gas forced air heat with central air. There's an attached garage. There is a patio and a deck.

And our final comparable number three is Parcel Number 92-4-122-233-0128 located at 4974 101st Street. This house sold for \$445,000 in October of 2010. This house sits on a lot of 21,864 square feet in the Village Green Subdivision. We do believe that there's a significant difference between Village Green and the development that the subject is in, and that is the reason for the rather substantial adjustment you see there. This is also a modern two story home. Again, B plus quality, slightly higher quality than the subject property. This house was built in 2005, good condition, typical utility, 1,751 square feet in the basement, first floor the same size, 1,751 square feet, 1,141 square feet on the second floor for a total living area above grade of 2,900 square feet. I chose this comparable because we're at least approaching the size of the subject property with this one. Five bedrooms, no family rooms. There are two full baths, one half bath, a whirlpool, a fireplace, combination of masonry and cement board on the outside of the house. We rate the kitchen and baths on this house as good, gas forced air heat, central air. There is an attached garage. There is a large porch at the front. This house very similar architecturally to the subject if you look at those pictures. And there is a patio in the rear.

Taking all those adjustments into account, comparable number one we arrived at an adjusted sale price of \$397,700. Sale number two \$352,800, and finally sale number three \$362,000 even. And as a result of those three adjusted sale prices we by this analysis come to an opinion of value of \$370,800.

John Braig:

Thank you. Do you have any questions or comments regarding the presentation?

Jennifer Finkler:

Yes.

John Braig:

Go ahead.

Board of Review Meeting
June 14, 2012

Jennifer Finkler:

Within the three comparables that you offered are any of those basements completely finished? It doesn't note that anywhere in here.

Ed Judt:

Yeah, it does.

Jennifer Finkler:

I must have missed it. Where does it say that at?

Ed Judt:

Comparable number two is partially finished. You'll see that. Living area, row and I'm showing 851 square feet finished in that house.

Jennifer Finkler:

Okay, thank you.

John Braig:

Other questions or comments?

Jennifer Finkler:

No.

Rocco Vita:

Mr. Chairman, referring back to the property owner's information, going back to the three sales that she provided as comparables, I'd like the record to show that the sale at 8400 122nd Street, again, is a bank sale sold by Fannie Mae. Now, this assessor's office does not use bank sales as an indication of market value in the Village of Pleasant Prairie. Bank sales have not become a predominant sale type in the Village. While they're present they're not predominant. While they're present they influence the value of property which is why the residential properties have declined so much this year. This property owner may have not seen a decline because it's a brand new construction. If she was here two years ago she would have seen a decline.

It's the same reason that the Department of Revenue does not use bank sales in their equalization process for all the reasons including the fact that none of these sales are published. They're not provided any information, we're not provided any information and the risks involved. Clearly when you look and compile all of the bank sales in the Village there's a clear difference in the sale prices for the same asset as those that don't sell through the bank. Now, that doesn't mean

Board of Review Meeting
June 14, 2012

there's no impact. It is reducing the value of all assets, but the bank sales themselves are not an indication of market value especially when the banks tell us that they're trying to liquidate homes. They don't have any business wanting to own the homes. The homes are selling in a far shorter period of time than typical for that asset. In the last appraisal we saw it was 50 some days. And they're stating that they're marketing these things at 65 percent to 60 percent of what they feel the value is just to eliminate them from their books. So we're not using sale number one as an indication of value.

Sale number two is a ranch style. The property owner said earlier that a ranch style home is not comparable to her style of home. In fact, in our analysis we limit our sales, because we have enough two story sales in that neighborhood group, we may not have enough sales in Bain Station, but we have enough sales in the neighborhood groups in the northern part of the Village to give us an indication of the desirability of two story values.

And comparable number three again is a sale from Fannie Mae, another foreclosure sale, which I indicated earlier – in fact, this sale came up as a point in one of our hearings yesterday, and it was determined yesterday that this was not an arm's length transaction as was the sale in Whispering Knoll. That's the point we went through yesterday on this particular property. So that being said, the property owner chose to ignore all the valid improved sales that our office provided her and provided for evidence two bank sales and a ranch sale which she indicated wasn't comparable to her house as evidence for the value of her property.

John Braig:

Thank you. I'm about to close the hearing portion of these proceedings, but before I do I give you an opportunity to make one last comment or give us additional information.

Jennifer Finkler:

Yes. I guess the only thing I would end with for my comment on the matter would be that because we purchased the lot in October of 2010, we didn't actually close on the house or convert it to a final note until March of 2011, and at which point of time, I mean I've already indicated what the total price was that we paid for the house, so for it to be assessed that much higher than what we actually paid for the house at this point of time in this, I guess, economy and the market that we're in doesn't make much sense to me at all.

John Braig:

Thank you. And the assessor's staff nothing more?

Ed Judt:

We're done.

Board of Review Meeting
June 14, 2012

John Braig:

With that I close the hearing portion of these proceedings and open up to comments and questions by the Board.

Mark Riley:

I've got a question I guess and a comment. Well, it's really a question I guess for the assessor and the owner, too. Was the house on January 1 of 2012 completed, or was it uncompleted?

Ed Judt:

It was complete. That brings up, if you'll allow me to embellish my answer a little bit, the homeowner and I talked about this during the course of one of our phone conversations during the open book period. The house was partially assessed for 2011, it was under construction. And the way this works then is I'll visit the house, I was out there to see the house in November, and then we will remove that discount that we have in place to reflect the fact that the house was under construction. At that time, the increase in value to the house was actually almost \$112,000. Okay? Then during the course of revaluation the market adjustment was a negative \$42,000 or so. So Rocco made the point that she didn't see the reduction here, but effectively that reduction occurred based on the market activity that we were using to get to a value.

Jennifer Finkler:

Do I have permission to ask a question based on what he has said?

John Braig:

Go ahead.

Jennifer Finkler:

Okay, so what was your actual value that you arrived at before you took out the \$42,000? Because you said you added \$112,000 into what – the assessment from 2011 was \$288,000 if I recall, so then you would add another \$112,000 to that before you would take out the distress? I mean that just seems really high to me in a value.

Ed Judt:

That's based –

Rocco Vita:

On two years.

Board of Review Meeting
June 14, 2012

Ed Judt:

That's based on the valuation model that we used for the reassessment two years ago, okay? So your initial value, that partial value, plus the adjustment we made to it to reflect that the house was finished was using the valuation model that we used in 2010 primarily based on 2009 sales. So is that a big number? Absolutely. It was not reflective of the market that we're discussing today with respect to your new assessment.

Jennifer Finkler:

And how did you determine the \$42,000 that you backed off of that number?

Ed Judt:

Based on sales activity last year. I'm giving you the numbers. That is not the mechanics of how we did this. I mean your assessment went up initially or your value went up to reflect the fact that the house was no longer under construction. So let's say your house had been done in 2011, maybe I can illustrate it better this way.

Rocco Vita:

And for Bain Station in 2010 because – effective January 2010 there were very few homes in Bain Station.

Jennifer Finkler:

Four.

Rocco Vita:

We were using the sales of Ashbury as our driving factors for Bain Station in this case because it was in such close proximity.

Ed Judt:

So had your house been completed in 2010 or 2011, your assessment would have been \$400,600. And then the market adjustment we made for this year relative to the sales that occurred lowered that by about \$42,000 to \$358,200.

John Braig:

Question of Ed. That reduction factor was not specific to that house but a reflection of Bain Station Crossing values? In other words, while you treated each parcel independently, the factor that you applied was a function of the area, namely Bain Station?

Board of Review Meeting
June 14, 2012

Ed Judt:

Yeah. I mean this is a mass appraisal process, so I didn't devote one second to thinking about the value of the Finkler residence as we were setting these values.

Rocco Vita:

But you're right, it is very similar to the decline in value of all the two story homes, whether it be in Bain Station, Ashbury, Prairie Ridge, Village Green Heights. Slightly different maybe to some degree because of neighborhood, but essentially the percentages of change were similar and that is the overall decline in value.

Ed Judt:

We can say I would refrain from Village Green Heights again. You can see the big adjustment that we made in the sales grid for that one sale. But to say that the change in value here was similar to what occurred in Prairie Ridge, Ashbury Creek, Westfield Heights, all of those newer subdivisions in the call it the northwest quadrant of the Village, yes, this reduction was consistent with those.

John Braig:

Thank you. Other questions? Recognizing, again, as I indicated earlier the law requires that we uphold the assessor's assessment unless we find that the information that we've been provided in these proceedings justifies changing it. So with that, if there are no further questions or comments a motion would be in order one way or the other.

Mark Riley:

I make a motion that we uphold the assessor's value for the following reasons. One, I don't believe that the homeowner brought us any concrete evidence forward to show us anything different such as a professional appraisal. Also, the cost of your house we don't have anything to go on. You did not demonstrate necessarily what it really cost you. Doing painting on your own, landscaping on your own does not diminish the value of the house. Maybe it cost you less, but the value is still there even though you put in the sweat equity. And they've got to look at the value and not at the cost. So for those two reasons I'm going to make the motion that we uphold the appraiser's value and assessment.

John Burke:

Second.

John Braig:

It's been moved and seconded to uphold the appraised value of Parcel Number 92-4-122-162-1026 at a total of \$358,200. Roll call vote please. Aye.

Board of Review Meeting
June 14, 2012

John Burke:

Yes.

Mark Riley:

Yes.

RILEY MOVED TO UPHOLD THE ASSESSOR'S VALUATION ON TAX PARCEL NO. 92-4-122-162-1026, PROPERTY ADDRESS OF 8717 84TH STREET, OWNED BY LAWRENCE AND JENNIFER FINKLER, IN THE TOTAL AMOUNT OF \$358,200; SECONDED BY BURKE; ROLL CALL VOTE – BRAIG – AYE; BURKE – AYE; RILEY – AYE; MOTION CARRIED UNANIMOUSLY

John Braig:

Motion carries. I ask the clerk to provide the objector with the findings of fact and determinations and decision. Thank you. That having been delivered that concludes this hearing. We will recess briefly reconvening at 1 p.m. this afternoon.

[Break]

John Braig:

Okay, we're ready to reconvene the Village of Pleasant Prairie Board of Review on June 14th after a noon recess. One note is Lena Schlater has joined the Board for this afternoon's session.

d. 1:00 p.m. Target Corp.

John Braig:

Does the Clerk has an objection form properly filled out?

Vesna Savic:

Yes, I do.

John Braig:

I ask that the Clerk read it into the record please.

Gregory Stein:

Off the record I'd like to amend the form before it's submitted to the Board.

Board of Review Meeting
June 14, 2012

John Braig:

Go ahead right now.

Gregory Stein:

I believe on there the fair market value is \$5 million, correct?

Vesna Savic:

No, \$8 million.

Gregory Stein:

Oh, somebody must have called it in then, alright. That's what we wanted to amend. The original form that I had was \$5 million.

[Inaudible]

Gregory Stein:

Okay, good, sorry.

John Braig:

Proceed?

Gregory Stein:

Sorry, proceed.

Vesna Savic:

Owner Target Corporation, property address 9777 76th Street. Tax Parcel Number 91-4-122-082-0152. Property assessment \$12,181,300. Explain why above assessed value is incorrect: Assessed value is in excess of market. Your opinion what taxable value of the property on January 1 of the year being appealed - \$8 million. Method of acquisition - purchase for \$3,085,790 on November 8, 2007. Target store was built on this property. Changes made in '07, approximate cost of the changes was \$6.9 million. The figure does not include labor. Property has not been listed for sale in the last five years. Appraisal of the property in the last five years unknown.

John Braig:

Thank you. With that I'll ask the Clerk to swear in the witnesses.

Board of Review Meeting
June 14, 2012

Ed Judt:

Just so the gentleman to my left doesn't remain a mystery, this is Peter Krystowiak, he's the Deputy Assessor for the City of Kenosha. We've asked Peter here today to possibly serve as a witness for the Village to discuss certain matters. So we'll ask that he be sworn in.

John Braig:

He'll be sworn in, too, yes.

Vesna Savic:

All persons please stand. Raise your right hand. Do you solemnly swear in the matter now in hearing to tell the truth so help you God?

Voices:

I do.

Vesna Savic:

Be seated, and would each person who is going to testify under oath please state their name and address for the record.

Rocco Vita:

Rocco Vita, Assessor Village of Pleasant Prairie, 9915 39th Avenue.

Ed Judt:

Edward Judt, Village of Pleasant Prairie, 9915 39th Avenue.

Peter Krystowiak:

Peter Krystowiak, Deputy Assessor, City of Kenosha.

Gregory Stein:

Gregory Stein, I work for the firm Reinhart, Boerner, Van Deuren, 1000 North Water Street, Milwaukee, Wisconsin.

John Braig:

Thank you. With that I think we're ready to proceed to receive testimony. We'll start with you, Mr. Stein.

Board of Review Meeting
June 14, 2012

Gregory Stein:

Alright, I'd like to pass out a sales grid that I put together related to the Target. What I've done is I've looked at large box department stores or stores that have sold recently. I also have three listings on there just to show you what's out there. They start out with the listing of the Target in Kenosha where Target moved from originally. Currently listed \$3,200,000. That's \$33.54 a square foot. The subject property is on 11.48 acres built in 2008. Currently assessed at \$9,407,200, 126,641 square feet or price per square foot of \$74.28.

Of the listings we have a former Target, a former JC Penney, a Wal-Mart, and then we have sales of a Cops in Oshkosh, a Kohls in Eau Claire, a Wal-Mart in Madison, a Sears Grand in Menomonee Falls, a Kohls in Waukesha, a Hobby Lobby in Monona, and an Office Max in Menomonee Falls. I've taken these in the range that goes anywhere on the sales from \$26.89 a square foot unadjusted to \$67.94 a square foot with adjustments made for age and condition and size on the various different properties. The range on the sales goes from \$37.64 to \$64.55. And I have determined that a comparable sales price per square foot would be \$63.00 a square foot which would give a market value of \$7,978,000 which the objection is \$8 million.

John Braig:

Thank you. Any questions of Mr. Stein at this point?

Ed Judt:

The \$9,407,200 that you list for the subject property is that supposed to represent – that is supposed to represent the building value only?

Gregory Stein:

Should be both, isn't it? Then I've got the wrong value there. Yes, I do have the wrong value. It should be \$9,407,000 plus the \$2,774,000.

Ed Judt:

Right. The total assessment is \$12,181,300.

Gregory Stein:

Which is what per square foot? Do you know off hand?

Rocco Vita:

Do you want a calculator?

Board of Review Meeting
June 14, 2012

Gregory Stein:

I've got one.

Ed Judt:

It's \$96.19 per square foot.

John Burke:

Ed, your total value again is?

Ed Judt:

\$12,181,300. It breaks down this way. \$2,774,100 to the land, \$9,407,200 to the building.

John Braig:

And what's the size of the land? Is 11.48 acres correct?

Ed Judt:

I've got 11.475.

John Braig:

Thank you.

Mark Riley:

Does the value of the building include the texturing or just the building shell?

Ed Judt:

There are certain tenant improvements that are not included in the value here that are reported to us as personal property by Target Corporation. There is not a great deal of that. Give me a second and I can give you a number unless Greg has it.

Gregory Stein:

I do not.

Ed Judt:

Okay. I'll get there. We actually have two Target Corporations in the Village of Pleasant Prairie believe it or not.

Board of Review Meeting
June 14, 2012

Mark Riley:

While you're looking that up, can somebody that has a calculator calculate what the cost per square foot is on the land and on the building separated?

Gregory Stein:

Oh, separated individually? Sure.

Ed Judt:

Target is reporting \$1,578,700 in personal property.

Mark Riley:

And that's not in the \$9 million?

Ed Judt:

And that would include very little in the way of – I'm not sure I understood your question. If we're talking about –

Mark Riley:

It's personal property, it's not real property?

Ed Judt:

Yeah, it's furniture, fixtures and equipment. The internal improvements to the store, what we would call real estate fixtures are included in the real estate assessment.

Gregory Stein:

What you're talking about would be mostly racking would be my guess, would be a big piece of it?

Ed Judt:

In their personal property reporting?

Gregory Stein:

Yeah.

Board of Review Meeting
June 14, 2012

Ed Judt:

And I would think all the electronics incorporated in the store and all those kinds of things would be reported in personal property.

Mark Riley:

Electronics being security systems and such, computers, not the electronics.

Rocco Vita:

Whatever is not exempt, right.

John Braig:

They no doubt have a corporate communication system satellite or facilities, yes.

[Inaudible]

Gregory Stein:

What you had asked for, the building itself is \$74.28 a square foot, and the land based on the building square foot is \$21.90 a square foot.

Mark Riley:

What is the land per square foot?

Gregory Stein:

Oh, per square foot? I can tell you that unless you have it right there.

Ed Judt:

I'm going there. I have it valued I believe at \$5.55 per square foot. That would be correct.

Gregory Stein:

I've got \$5.58.

Ed Judt:

I've got \$5.55.

Board of Review Meeting
June 14, 2012

John Braig:

If the assessor's staff is ready we're prepared to receive their testimony.

Ed Judt:

First I guess I want to visit for a bit with Mr. Stein regarding the sales that he listed.

John Braig:

His column is list price, sales price, so it may be a combination of one or the other.

Ed Judt:

Under date of sale, though, he lists the first three as listings, the remainder as sales.

John Braig:

Thank you.

Ed Judt:

So are these all what we might describe as second generation buildings now? I mean are they Kohls that sold as Kohls, Wal-Mart's that sold as Wal-Mart's, or are they now vacant buildings? Are they buildings that have been vacated by those tenants that you list there?

Gregory Stein:

Except for Hobby Lobby and Office Max I believe they were all vacant buildings, yes.

Ed Judt:

And they were vacant at the time of sale?

Gregory Stein:

Yes.

Ed Judt:

Okay, I'm going to reserve the right to come back to this list. But to put this in some context I think it would be beneficial to just make our presentation at this point.

John Braig:

Go ahead.

Board of Review Meeting
June 14, 2012

Ed Judt:

For purposes of the record I'll have you turn to page 2. The property under appeal is Parcel Number 91-4-122-082-0152. The address is 9777 76th Street. Again, it sits on a parcel of land that is 11.475 acres in size. The building is 126,651 square feet. It was built in 2008. It sits in a B-2 zoning district that is a Community Business District with a Planned Unit Development Overlay District as well. The use is retail specifically as a discount department store. Again, the assessment as of January 1 of 2012 we value the land at \$2,774,100. We value the improvements at \$9,407,200 for a total assessment of \$12,181,300.

I direct your attention to the aerial map there. The Target property is highlighted. Target to the chagrin of many of its shareholders likes to own its own real estate, and you can see there that highlighted portion is actually owned and occupied by Target Corporation. The remainder of the site south of 76th Street there is now owned by Inland, a series of real estate investment trusts based in Chicago, the exception being the Penney building. Penney is a hybrid of Target in that they lease the land that the store sits on but they own the building. And then the two column outlot retail buildings at the north end of the site are also owned by Inland as part of this development. Because of the convoluted ownership but the shared amenities in terms of parking and so forth, common area amenities, that is the reason that this is part of a planned unit development which allows for more flexibility with regard to parking ratios and other zoning criteria.

Let me direct your attention to page 3, and let's just start by showing you precisely how we got to a value. We used an income approach. We believed that that's appropriate in a case like this with a newer building occupied by a national credit tenant. Again, the building is 126,641 square feet in size, and I am using a rent here of \$9 a square foot. I'll tell you that as the Target, and my conversations to this point have been with a tax professional at Target Corporation, an employee of the corporation. Greg and I never discussed the value here. He's representing her today. But her issue as you look at all the math that follows there, her real issue is with that \$9.00 lease rate. So she obviously believes it ought to be something less. As I asked for evidence to go to something less that was never provided to me. In fact, we were supposed to have a conversation late last week, or I'm sorry, late the week previous and that conversation never occurred. She never got in touch with me.

Nonetheless let's go through this very quickly. If you multiply that building size by that lease rate you get a potential income of \$1,139,769. We then by convention make some sort of allowance for vacancy and collection - 99 appraisals out of 100 will have a figure of 5 percent there. I chose to use 10 percent because there is still some significant vacancy in that Highway 50 corridor including the cluster of retail around Highway 50 and I-94. So I've used an elevated number of 10 percent. That obviously has the effect of lowering the value. Applying that 10 percent factor gets you to a gross effective income of \$1,025,792. I then subtract from that an allowance for operating expenses and reserves. And in this case I've used 2 percent reserve, and I've used 3 percent to cover a management fee and any minor incidental non-reimbursable expenses. So subtracting that we get to a net operating income for the property of \$974,502. I then capitalize that income at 8 percent to arrive at the assessment, \$12,181,300.

Board of Review Meeting
June 14, 2012

I chose not to provide evidence here for the allowance I made for vacancy and collection or for the cap rate, for instance, because they really were not an issue with Target. The issue was the rent or the lease rate. And so I give you a selection of rent comparables there at the bottom. I sorted them in building size order. The first, second and fourth store or building listed there are in this development as you undoubtedly are aware, the Ulta Store, the Petsmart and the Dick's Sporting Goods. So taking those you see that in these buildings adjacent to Target you've got rents ranging from \$13.50 to \$18.00 a square foot. I think as the building increases in size it becomes more comparable in terms of the rent. And so Dick's being the largest there at 50,000 square feet it has a rent of \$13.50.

Two other big boxes in the neighborhood, the Best Buy out at the interstate and the Gander Mountain out at the interstate north of Highway 50, the Best Buy at 30,200 square feet currently has a rent of \$17 per square foot, and the Gander Mountain at 87,400 square feet currently has a lease rate of \$11.65 a square foot. While I place no value, or let me say I place no emphasis on the cost approach whatsoever, we do one, and you see a summary of it on page 4. Our estimate of the replacement cost new subtracting depreciation for the age of the building at this point would result in a value of about \$17.1 million. Do you have the objection form?

Gregory Stein:

I do not.

Ed Judt:

Okay. I just want to point out to you what should cause you to question the voracity of anything you're seeing on this objection form, question 7(b) the question is what were the cost of the changes. And the answer you're given is \$6.9 million. Now, I have no idea what that number represents, but let me share with you two things. The first one is a copy of the actual building permit application submitted to the Village by Target back in, there's a date on here somewhere. It was receiving August 17, 2007 at the building inspector's office. And on it they're asked to estimate the cost of construction. They list a figure of \$13,525,000. Hold on, I'll have you do both of these at the same time.

In addition, at the time that the building inspection office was getting ready to issue a permit on commercial properties like this they ask me to do an estimate of construction cost, and that estimate is used to assess certain impact fees on the property owner that are paid at the same time as the building permit fee. And my estimate of the cost to construct at that point, and this is dated October 15, 2007 was, and you can see it at the bottom of the memo there, \$12,441,800. So I have no clue why unless they experienced some sort of supernatural cost savings, I have no idea why they would be listing \$6.9 million in answer to that question. Nonetheless, our current cost estimate of \$17.1 million or \$17.2 million give or take.

And then finally proceeding to page 5 –

Board of Review Meeting
June 14, 2012

Mark Riley:

Ed, before you move on, where is your \$12 million? I can't find that.

Ed Judt:

The what?

Mark Riley:

Your estimate of \$12 million.

Lena Schlater:

It's right here, right behind the second one.

Ed Judt:

You should see something there that's entitled memo.

Mark Riley:

I got it, thank you.

Rocco Vita:

Now, per ordinance the value created in the memo is determined using Marshall and Swift and whatever cost tables were available in the year of creation.

Ed Judt:

So let's proceed to page 5. I have a number of sales here to share with you, five to be exact, all in the region, and these are all buildings that are currently occupied, primarily occupied by major national or regional tenants. And the sales have all occurred in the very recent past. I want to stay really close to the subject to begin with. This is the sale of the Shoppes at Prairie Ridge. That is the remaining retail that you see out there adjacent to and surrounding Target. So this sale would include the Petsmart store, the Ulta store, the Dick's store, the outlot building with the Tazinos and the Cousins for instance, the second outlot building with Weight Watchers as one of the tenants. And this property – well, let's just roll through it quickly.

This is the Shoppes at Prairie Ridge. It consists of three parcels, Parcel Numbers 91-4-122-082-0151, -0153 and -0154. There are a number of addresses associated with this property, one of them being 10347 77th Street. Again, this is in the Village of Pleasant Prairie. It's 20.998 acres. The building size is 128,591 square feet. That number does not include the JC Penney. Again, because Penney is a building on leased land it was not included in this transaction.

Board of Review Meeting
June 14, 2012

Mark Riley:

Can you point to those buildings that add up to the 128,000?

Rocco Vita:

This is the JC Penney, so then this would be the Petsmart, this would be Dick's, this would be Ulta, Charming Charlie's, this would be the outlot with Tazinos and this would be the outlot with the Weight Watchers.

Ed Judt:

You see everything included in this sale is – actually everything you see there outside of the yellow with the exception of the white box that is JC Penney. And it includes that small building up in the corner. The grantee in this case was GB-MA Pleasant Prairie, LLC. It sold to Inland Diversified Pleasant Prairie Ridge, LLC. This property sold in June of 2011. The sale price in there is not really the sale price. I'm going to direct your attention down to the bottom. The actual sale price was \$30,400,000. But my goal here was to give you a sense of the sale price per square foot. That is difficult, again, because the Penney building was not included. It was on a ground lease. I have placed a value on that lease of \$5.5 million. And so I subtract that from the \$30,400,000 to arrive at a residual sale price of \$24,900,000. That's the sale price that I list above. And if you divide that sale price then by the building size you arrive at a sale price per square foot of \$193.64. Now, clearly the \$5.5 million that I allocate to the ground lease at Penney's is not conservative. Remember, this is a piece of land that Penney – let me tell you how big it is.

Rocco Vita:

It's 7.17 acres.

Ed Judt:

Okay, so 7.17 acres, and I allocated a value of \$5.5 million, remember that Target's site of nearly \$12 million I've got a value of about \$2.7 million. So it's about double that on a building that's about 60 percent of the size. So the value on the Penney's ground lease is not based on any land sales. It's based on the rent that Penney's is actually paying to Inland, and I've capitalized that to arrive at an estimate of value. At any rate, the bottom line here \$193.64 per square foot in sale price relative to the Target store at \$96.19.

Page 6, sale two, we're going to stay right at home. These are the three retail buildings at the very front of the site. So these are the buildings between 76th Street and Highway 50. These buildings you would recognize as housing Starbucks, Verizon, AT&T, Panda Express and so forth. The familiar name is Prairie Ridge Commons. Parcel Numbers are 91-4-122-082-0121 and -0122. Again, a number of addresses, one being 9740 76th Street. This is also in the Village of Pleasant Prairie. The building size is 4.165 acres. Total building size of the three buildings is 26,696 square feet. The grantor was BAB Investors, LLC. The grantee was Repak Pridge

Board of Review Meeting
June 14, 2012

Partners. Sale date December of 2011. The sale price per square foot equates to \$319.34 per square foot, again, relative to the subject assessment at \$96.19. I'm sorry, sale price \$8,525,000.

Let's go to sale three, page 7. This is the Best Buy store located north of Highway 50 and the I-94 Frontage Road. This is in front of the Woodman's/Steinhafels, a retail complex. This is Parcel Number 03-122-06-327-002 at 11840 71st Street in the City of Kenosha. It sits on 3.88 acres. The building is 30,200 square feet in size. The grantor was GM Investors, LLC. The buyer was Cole BB Kenosha, WI, LLC. Sale price of \$6.6 million results in a sale price per square foot of \$218.54, again, relative to the subject value at \$96.19 a square foot.

Let's go to sale four, very recent sale. This is the new Pick 'n Save in Mount Pleasant. This sits on what you would remember as the site of the old Town of Mount Pleasant Town Hall, Police Station and so forth. The Parcel Number here is 151-03-22-24-032-041. The address is 2820 South Green Bay Road in the Village of Mount Pleasant. It sits on 6.77 acres. The building is 62,138 square feet in size. The seller was GenCap Mount Pleasant, LLC, the buyer Mount Pleasant Retail Venture, LLC. This sale occurred just three months ago or so in March of 2012 at \$16,749,000 or \$269.55 per square foot, again, relative to the subject's value per square foot at \$96.19. The LLC here, the Mount Pleasant Retail Venture, LLC that bought the property is an affiliate of Inland, the same folks who bought the Dick's/ Petsmart/Penney's complex here in Pleasant Prairie.

And finally we go to sale five, and I'll tell you the buyer here is Inland again. In fact, they don't hide the fact with the name they gave this LLC. So this is also a Pick 'n Save store. This is in Burlington. This is Parcel Number 206-03-19-28-021-102 located at 1008 Milwaukee Avenue in the City of Burlington. It sits on 5.65 acres. The building is 57,000 square feet. Grantor is PBJC Burling, LLC. The buyer is Inland Diversified Burlington Milwaukee, LLC. This property sold in May 2011 for \$8,170,750. That equates to a sale price per square foot of \$143.35, again, relative to our \$96.19.

As you look at these five sales, and I did not make adjustments here, didn't attempt to flavor this for you in any fashion, I will not suggest direct comparability in terms of sales one and two. But I wanted you to have very clear picture of the kind of value that we have out there surrounding this Target store, tremendous value. It's been a very successful development, kudos to our community development people and our Plan Commission, Mr. Chairman. Very successful, both the Shoppes at Prairie Ridge and Prairie Ridge Commons.

The last three sales, three, four and five, I think are more indicative of the value of our Target store. These are larger buildings, single tenant, good tenants, and you can see that the sale prices range from \$143 to \$269 versus the \$96.19 we have on the Target store. You would expect the Target store I believe to have a lower price per square foot than any of these three simply given the difference in size, and it does. In fact, it has a significantly lower value. So I think that based on these sales, based on I think a realistic income approach if this property were leased, I think our value at about \$12.1 million is entirely reasonable. I want to talk about one other thing. I have Pete here today to talk a little – we'll wait with that. That concludes our presentation.

Board of Review Meeting
June 14, 2012

John Braig:

Good enough. Do you have any questions or comments at this point?

Gregory Stein-:

Just a couple clarifications. The least rate of \$9 do you consider that triple net lease rate?

Ed Judt:

Yes. As evidence if you go back to my income approach I'm only tossing 5 percent in there for expenses and reserves, so I think that would indicate a triple net situation.

Gregory Stein:

And then the other aspect, just a simple question or simple response is all of your comparable sales you'd consider to be lease fee sales?

Ed Judt:

Yes.

Gregory Stein:

I have no further questions.

John Braig:

Thank you. Do you wish to continue your presentation if you have any more? Because my next step is to close the hearing.

Rocco Vita:

The sales are lease fee by definition because they're a leased property. But they're representative of the market value of the property as well. The leases are at market rates, so it also reflects the fee simple value of those sales.

Ed Judt:

Well, okay, but we don't have a lease on the Target store, and I would suggest that based on the lease comparables I've given you we may very well be below market here. I would suggest that this might be a conservative number.

Gregory Stein:

The \$9?

Board of Review Meeting
June 14, 2012

Ed Judt:

Yes.

John Braig:

At this point if neither party has any more to present, I will consider closing the hearing. Mr. Stein?

Gregory Stein:

I'm fine, nothing more from me.

John Braig:

Thank you. Assessor's office nothing more? Then I close the public hearing and open the proceedings up to discussion and questions on the part of the Board.

Lena Schlater:

I have a question, Mr. Judt. The sales comparison approach, Starbucks, Federal Express office, those over there, do those properties also own the land? Because the Target owns the land. Was there more weight put on the fact that they owned the land versus not?

Ed Judt:

I'm not sure I understand your question. Are we talking about a specific sale?

Lena Schlater:

Does Starbucks -do they own the land also just like Target?

Mark Riley:

No. The only one that owns their land is Target.

Lena Schlater:

It's just Target.

Ed Judt:

Target is the only owner occupied property in the entire development.

Board of Review Meeting
June 14, 2012

Lena Schlater:

I was just asking if that was –

Gregory Stein:

But the sales price included the land, didn't it? I think that's what she was asking.

Lena Schlater:

So that means the one on Green Bay Road they also own the land and there's no sale there?

Gregory Stein:

I believe they own the land.

Ed Judt:

They own the parcel.

John Braig:

Reflect on the fact that this Board is obligated by State law to uphold the assessor's assessment unless the information we received in this hearing indicates it's incorrect and should be adjusted. If there's no further comments?

Mark Riley:

I have questions. Do you know why you guys submitted the building permit at \$13.5 million?

Gregory Stein:

I have no idea.

Mark Riley:

You don't dispute that that's what you guys felt the value was?

Gregory Stein:

I do not, no.

Mark Riley:

I guess the other question I have for the assessor's office is –

Board of Review Meeting
June 14, 2012

Gregory Stein:

Can I make a comment on the question? In the objection form which I have never seen so I apologize for that, wasn't the \$6.9 million said without labor? Is that what it was?

Ed Judt:

Without what?

Gregory Stein:

Labor I think.

Mark Riley:

Yes, it is.

Gregory Stein:

Okay, I think that's probably your difference.

Mark Riley:

So the \$6.9 million did not include any labor?

Gregory Stein:

Based on what was said on the form, yes.

Mark Riley:

So if one were to add up the \$6.9 and the \$3.1 that you paid for it and add labor in there it's pretty close.

Gregory Stein:

I don't doubt that.

Mark Riley:

So you're pretty much agreeing that it's assessed fairly?

Gregory Stein:

No, I didn't say that. I mean I think what comes into play here is there's a timing difference. Would Target make the same decision today to do this as it did back in 2006? I don't know, I

Board of Review Meeting
June 14, 2012

can't tell you that. But certainly the economic times, things have changed. I would suggest they may have waited until things turn around. At the time in 2006 life was going very well for everybody. And whether or not they would have done that at that time today as they did at that time I think is a different deal.

Ed Judt:

Can you talk to the sales history here at the store?

Gregory Stein:

I cannot.

Lena Schlater:

It's still lower, the assessed value was lower than that \$13.5 all along.

Gregory Stein:

Right, but cost generally is not necessarily indicative of fair market value.

John Burke:

My question for the assessor is on the comparable property are you aware of the terms of the leases when you made this evaluation, the length of the term and how fast they were amortizing tenant build outs?

Ed Judt:

I am aware of the leases of the properties in Pleasant Prairie. I'm aware of the lease on the Best Buy, and I am aware of the lease on the last sale, the Pick 'n Save in Burlington. I do not yet have lease information on the Mount Pleasant sale.

John Burke:

Okay, and I'm assuming there's no lease on the Target building that they can leave at will?

Ed Judt:

Yes.

John Burke:

Okay, I have no further questions.

Board of Review Meeting
June 14, 2012

John Braig:

Any other questions, discussion? I believe a motion is in order at this time.

Lena Schlater:

I move we uphold the 2012 assessed value.

John Burke:

Second it.

John Braig:

It's been moved and seconded to uphold the assessment on Parcel Number 91-4-122-082-0152.
Roll call vote please. Aye.

John Burke:

Yes.

Lena Schlater:

Aye.

Mark Riley:

Aye.

SCHLATER MOVED TO UPHOLD THE ASSESSOR'S VALUATION ON THE TARGET STORE LOCATED AT 9777 76TH STREET, TAX PARCEL NO. 91-4-122-082-0152 IN THE TOTAL AMOUNT OF \$12,181,300; SECONDED BY BURKE; ROLL CALL VOTE – BRAIG – AYE; BURKE – AYE; SCHLATER – AYE; RILEY – AYE; MOTION CARRIED UNANIMOUSLY.

John Braig:

Motion carries. With that is the Clerk prepared to give Mr. Stein a copy of the findings of fact and determination and decision?

Vesna Savic:

Yes, I am.

Board of Review Meeting
June 14, 2012

John Braig:

Please do. With that we have completed everything on the agenda. Before we adjourn is there anything from the staff or from the assessor's office?

Rocco Vita:

No, I think we've completed all the business that we need to for the 2012 assessment here in the Village of Pleasant Prairie.

4. ADJOURNMENT

SCHLATER MOVED TO FINAL AJOURN THE 2012 BOARD OF REVIEW AS THERE ARE NO ADDITIONAL HEARINGS TO BE SCHEDULED BEFORE THE BOARD OR MATTERS TO BE DISCUSSED; SECONDED BY RILEY; MOTION CARRIED UNANIMOUSLY AND MEETING ADJOURNED SINE DIE AT 1:50 P.M.