

MINUTES

2006 BOARD OF REVIEW ORGANIZATIONAL MEETING

**Monday, June 5, 2006
Council Chambers, Room 203**

MEMBERS PRESENT: Thomas Aziere, Jay Hamann, Diane Midthun, Rick Laurent, and Marlyce Kaiser.

ABSENT: None.

OTHERS PRESENT: Anita M. Raleigh, Deputy City Clerk; Russ Schwandt, City Assessor, City Attorney Jerry Hanson, and David Nelson.

The Organizational meeting of the 2006 Board of Review was brought to order by Acting Chair, Tom Aziere. Anita Raleigh took the roll call.

Tom Aziere introduced David Nelson, who will be appointed to the Board of Review and the City Council meeting tomorrow night. He is present today to observe but not vote.

1. ELECTION OF CHAIR FOR 2006 BOARD OF REVIEW.

Rick Laurent nominated Tom Aziere for Chairman of the 2006 Board of Review. Diane Midthun seconded the motion. Motion carried unanimously.

2. ELECTION OF VICE-CHAIR FOR 2006 BOARD OF REVIEW.

Tom Aziere nominated Jay Hamann for Vice-Chairman of the 2006 Board of Review. Diane Midthun seconded the motion. Motion carried unanimously.

3. PRESENTATION BY CITY ASSESSOR ON CURRENT ASSESSMENT TRENDS.

Russ Schwandt, City Assessor, appeared before the meeting and said currently the market has not changed much. The ratio last year was 94.8 percent of market value. This year it is at 93.9. We didn't even change percentage which means there are a lot of houses in the market in the upper price range and it's keeping the ratio the same. What you may have, are people coming to the Board of Review that have houses on the market that have haven't contacted us, and say, like, my house is for sale for \$250,000. The assessor has it listed for \$270,000. We dropped the price three times. Can you give me some relief? Generally we will do that in-house, but if they wait until they get to the Board of Review, then we will agree to adjust the value to whatever you feel is normal which would be roughly 94 percent of what their asking price would be. As

Marlyce says, we have probably 3,000 houses for sale in the Green Bay metro area and interest rates have gone up. It's a buyer's market now. He said he has gone through their houses and they asked him to buy them. If he had a check book and was speculating, then we could make some money professionally. He has gone through about 6 houses in the \$600,000-\$800,000 price range. They can't sell them now. When Brett Favre sold his house, he started at 1,300,000. He sold it for 830,000. We have places on Telemark Circle that are sitting there. They started at \$1,100,000 and sold for about \$800,000. So there really isn't a lot of the big money out there now. He does not think the lower end of the market has the problems because the starter houses are still there and are selling 90,000-95,000. He does not see an end to that. People are trying to get out. There are a lot of condominium sales. Example: Washington Condominiums, changed from apartment to condominiums. They probably got 30-40 sales there already. The new condominiums that Vetter sold are up to 9-10. He thinks the condominium market will be the next big thing we see. Alpine Point which is across the interstate from Aurora Hospital, that is going up and the average one is selling at 135,000 just for a 2 bedroom condo.

But we don't see a big changed in land. Most of the development we see now is on the east side. The west side is pretty stagnant. We have one subdivision on Mason Street further out past NWTC that we have had 4-5 houses built in there and 2 of them are specs and they are vacant. Spec houses are not selling. He thinks for the most part the builders are trying to get the normal break thing on it but what he's seen and from talking to Tim Besaw, at the end of Shelter Creek there was a spec house for sale for around 700,000 some dollars. Tim Besaw sold his house up the block. The people told him if they didn't pick it up in two weeks, they would buy it. He bought that house for 25,000 over what the builder had into it. And that's a 700,000 dollar house. So builders are starting to recognize that. He thinks what is going to happen is that you aren't going to see the spec houses being build over the next year or two until something happens with the market and demand catches up with the supply. It should be an interesting year.

To give you an update as far as our staffing goes, when he first started working here there were 11 people in the Assessor's office. Because of retirements and people leaving, we now have 5 full time employees and 2 part timers. We are doing more efficient work than we have in the past. We have another commercial person we picked up. He thinks the work they are doing is probably better than it was in the past because people are more focused on what they are doing and less inter-office conflict. No personality problems. We are looking at the Board of Review being August 15 of this year. We should have the numbers and have the Board of Review on time. He does not think it will be more than a day's worth of hearings. He's guessing about 4 hearings which would be a lot. However, some of these people might not contact us first and go directly to the Board of Review. But there is nobody here today. Hopefully that is a good sign.

He was then asked how things are going on the commercial side. He said for the most part they made the adjustments on the apartment buildings based on the income over the past several years after the reval. There is a lot of

redevelopment so the new stuff is going up at a pretty rapid clip which kind of contradicts residential, commercial kept going when residential did not. We'll wait and see what happens downtown. There are a lot of plans out there. They haven't broken ground yet on the big tower of condominiums. That should be coming up within the next year or so. He does not see a lot of problems.

Residentially, they are caught up. Also, the far west side is now selling at 150,000 an acre. We just had a sale out there. Aziere said he heard that something else is going in at the 54/57 interchange. He wondered if it is starting to sell. Schwandt said he hasn't seen anything specific yet, but he knows they are trying to direct people into that area. And he added that Marcus is putting up their theatre along the interstate between the hotel. He said there are a few more lots back in far on the other side. They are smaller ones. And, of course, we have Wal-Mart going in a big area over there. That will spur some more development on the east side. For the most part, the east side is the only thing that is really going right now. We have some infill stuff on the west side, empty locations and fillin and so on. He was then asked how the houses out by Red Smith are doing. He said they are not selling as quickly. Juza had quite a few spec houses out there and they have seen the same ones listed for a year. They are not turning over that rapidly so they are still building other ones that are selling. The ones that are selling are the ones that are from 150,000 to 200,000. The ones that are 200,000 to 300,000 are kind of sitting and then there are the ones that are 350,000 on Sussex. The main competition the west side large homes have is Thornberry and if anybody wants to see a lot of For Sale signs, just drive down South Point and take Ogdan Woods, then go on Muirwood, back into Shelter Creek, there are probably 6-7 houses currently for sale, all of them between 600,000 to 800,000. All in one block. Now they have the PCB factor behind them. You may hear that coming up. Understand too, that you have to look at the value as of the first of the year, so any PCB influence will not take place until the following year, if they actually do any dumping out there. There are going to be some changes as far as the market goes. He is not sure if that is going to drop the rates, and maybe make it easier for some of these people to get out of their houses or what's going on, but right now he doesn't see the City of Green Bay changing their ratio for the next couple of years. We'll be about 90 percent for the next year also.

Agricultural land was then brought up and that we have to make sure it is being farmed. Schwandt said that he actually viewed all that property. There are a few changes that they developed there, but for the most part, they remain the same, but you will see this year, that the value as determined by the state, actually went up on a per year basis from 90.00 to 110.00. We have a lot of developers holding that land for future usage. Marlyce Kaiser said especially in the area of Interstate 43 and Lime Kiln. Schwandt agreed there are some nice chunks of land in that area.

4. REVIEW OF 2005 BOARD OF REVIEW.

Aziere then asked if any appeals from last year went to Circuit Court. The answer was none. So everything was pretty much resolved through the Board of Review last year. City Attorney Hanson added the Board members did a great job last year.

5. REVIEW OF HEARING PROCEDURES.

Aziere said that from a standpoint, they have to speak one at a time. The land owner will be sworn in. The land owner will have the Assessor's Office read the assessment and parcel number. We will then have the home owner present their case. When they are done presenting their case, you can ask questions of the land owner. Then we will have the Assessor present their case. At that point in time you can have questions of the Assessor's Office, and then we will vote. If we confirm, then state for the record why we are confirming, that we believe, for example, that the evidence establishes the value set by the Assessor's Office, something to that effect, so that on the record, we know by the motion and second exactly why we are approving that. Same thing that if we decide that we are not going to approve, and come up with some other assessment. And remember, as Attorney Hanson says all the time, we can't split the baby, but if you feel there is a reason to go up or down, then again we need to state for the record the exact reasons for that, so that it's very clear on the record as to what we are doing. Then each and every individual will be called to express their vote so we have a record of that.

We will go over this again when we come back, because we are missing another new member who will be sworn in tomorrow night along with David Nelson.

A video tape was then presented to the members entitled "Conducting the Annual Board of Review. It was a mock meeting that covers the proper procedure that is to be used at actual Board of Review functions.

6. SET DATE FOR HEARING OF APPEALS.

Jay Hamann made a motion to adjourn to a date specific which is Tuesday, August 15, 2006 to hear appeals at 9:00 A.M. Motion seconded by Marlyce Kaiser. Motion carried unanimously.

A motion was made by Diane Midthun and seconded by Jay Hamann to adjourn. Motion carried.