

VILLAGE OF ELM GROVE
BOARD OF REVIEW
August 9, 2005

1. President Palmer brought the meeting to order at 6:00 p.m.
2. Roll Call
Village Clerk Mary S. Stredni took the roll. President Palmer, Trustees Torkelson, Dunn, Fronberry, and Haas. Trustee Clark arrived at 6:10 p.m. Also present Mary S. Stredni, Jerry Bailey Village Assessor, Fred Matthes Ad Valorem Inc., and Hector de la Mora Village Attorney. Trustee Azpell excused.
3. Continued Hearing of Objections

Vivek Bhatt, 15375 Cascade Drive, EGV 1099.049

Mr. Bhatt and Mr. Matthes sworn in.

Mr. Bhatt provided Exhibit # 1 – consisting of various graphs. Appraisal dated June 16, 2003 stated value of \$280,000. Using various equations and data such as FDIC, Freddie Mac, the purchase price, and the appraisal, Mr. Bhatt came to a valuation of \$315,000, which he considered fair.

Palmer clarified that Freddie Mac bases data on sales over several years and does not show any type of comparison. Haas inquired as to the purpose of the appraisal. Mr. Bhatt stated that it was for refinancing.

Mr. Matthes provided Exhibit #2 – market grid with five comparables projecting a value of \$334,700. Actual assessment is \$351,900. Used sales on heavy traffic streets as subject property is on a heavy traffic street. With the new calculations, Mr. Matthes recommended a reduction to \$334,700.

Palmer stated that Mr. Bhatt's data was fairly powerful – five price type factors all project a value of approximately \$314,900. Matthes noted that they are all projections. His data does not start from the sale price in 2001, but uses today's sales.

Mr. Bhatt stated that in his opinion comparable #5 on the market grid is in his neighborhood and is similar. It projects a value of \$312,700 and is on a heavy traffic street. Haas noted that the Elmhurst and Gremoor comparables are on the other side of Elm Grove. Matthes figured that if he adjusted line 25 for the subject property back to his original figure it would project a value of \$322,350.

Palmer closed the hearing. Haas and Dunn moved and seconded to change the assessment to \$315,000 as the property owner presented new evidence to support the change. By roll call vote all voted aye. Motion carried 6-0. Village Clerk Mary S. Stredni handed Mr. Bhatt the Notice of Determination by the Board of Review with the value of \$315,000.

Rosina Soergel, 14245 Hillside Road, EGV 1100.024

Ms. Soergel sworn in. Mr. Matthes previously sworn in.

Ms. Soergel provided Exhibit #1 – letter and listing of assessed value for property since 1988. Palmer clarified that property is insured for \$666,000.

Mr. Matthes provided Exhibit #2 – market grid with five comparables which projected a value of \$492,200. Actual assessment is \$455,600. Adjoining property at 14275 sold in June 2005 for \$549,000. That sale indicates value of \$450,000 - \$500,000 for the land alone. Three other sales on the other side of the street also indicate a value of \$492,000.

Ms. Soergel stated that home has asbestos which would be expensive to remove and it needs a new roof. Also believes that home could be sold as a tear down. Palmer noted that the board does not have actual data for asbestos removal. Expert testimony would have to be provided for costs in regard to asbestos removal and roof replacements. Palmer closed the hearing.

Clark and Haas moved and seconded to sustain the assessors value as the property owner did not present evidence to rebut the presumption of accuracy by the assessor. By roll call vote all voted aye. Motion carried 6-0. Village Clerk Mary S. Stredni handed Ms. Soergel the Notice of Determination by the Board of Review with the sustained value of \$455,600.

Peter Machi, 1180 Longwood, EGV 1105.031

Mr. Machi sworn in. Mr. Matthes previously sworn in.

Mr. Machi presented Exhibit #1 - appraisal dated November 11, 2004 with value of \$520,000.

Mr. Matthes presented Exhibit #2 – market grid with subject property. October 2002 sale price of \$459,000 projects a value of \$601,500. Also figured by taking sale price plus building permits of \$92,000 plus inflation value is \$575,700. Mr. Machi stated that the permits were pulled but only \$78,000 worth of work was completed.

Haas stated concern that appraisal used very low adjustments for comparables.

Palmer closed the hearing. Haas and Fronberry moved and seconded to sustain the assessment as the property owner did not present evidence to rebut the presumption of accuracy by the assessor. By roll call vote all voted aye. Motion carried 6-0. Village Clerk Mary S. Stredni handed Mr. Machi the Notice of Determination by the Board of Review with the sustained value of \$575,700.

Amy Lloyd, 1420 Longwood Ave., EGV 1104.201

Ms. Lloyd sworn in. Mr. Matthes previously sworn in.

Ms. Lloyd presented Exhibit #1 – appraisal dated October 1, 2004 with value of \$330,000. Also presented Exhibit #2 – statement noting property insurance \$277,000, condition of home, and belief that assessor comparables are not correct. Exhibit #3 – MLS listing for 1255 Woodside Lane which according to Ms. Lloyd sold for \$349,000. She stated belief that this is a better comparable.

Mr. Matthes presented Exhibit #4 – market grid with five comparables projecting a value of \$423,000. Assessment is \$433,100. Mr. Matthes stated his belief that on the appraisal adjustments for size are too low. Exhibit #5 – market grid with same comparables as on appraisal with projected value of \$387,500.

Palmer requested that Mr. Matthes remove the 1315 Crescent property from the market grid as he didn't feel it was comparable and refigure. Mr. Matthes refigured using comps 2-5 on Exhibit #4 and came to a projected value of \$409,200.

Palmer closed the hearing. Clark and Palmer moved and seconded to change the total assessment to \$409,200 in light of the new comparables. By roll call vote all voted aye. Motion carried 6-0. Village Clerk Mary S. Stredni handed Ms. Lloyd the Notice of Determination by the Board of Review with the changed value of \$409,200.

Martin and Mrs. Delano, 15350 Brojan Drive, EGV 1098.020

Mr. and Mrs. Delano sworn in. Mr. Matthes previously sworn in. Tim Clark recused himself.

Mr. Delano presented Exhibit #1 – stating his belief that the assessment is arbitrary evidenced by: value is even figure, land and improvement allocations are even figures, land allocation was decreased, there are no recent sales of similar properties, and details of house are incorrect. Mr. Delano also opined that most importantly the assessment should be \$0 as there is no possibility of obtaining a private sale at any price as a sex offender did live next door for six months. Mr. Delano stated his belief that when he sells the property he must disclose the 'fact' that a sex offender did live there. This impacts the value of the property and it was not taken into effect.

Mr. Delano also presented Exhibits #3 - #7 consisting of various internet and 1997 Dickinson Law Review and 1998 Marquette Law Review information regarding sex offenders which he believed provided evidence that the assessment should be zero.

Mr. Matthes presented Exhibit #2 – market grid with four comparables. Comparable #1 the subject property was sold in April 2003 for \$449,000. Using the subject property and adjusting for time brought projected value to \$497,700. The other four comparables projected a value of \$515,200. He had rounded the assessment to \$500,000. Mr. Matthes stated that he did not consider the sex offender who may have lived next door. Mr. Matthes also stated that the property next door is in the wife's maiden name according to Waukesha County Register of Deeds. Any other information is heresy. With the 2005 assessment he is only looking at the current information.

Palmer stated that the Board of Review is looking at this year – not in future years and whether or not the sex offender in question will ever live there. Right now he does not live there and is incarcerated.

Mr. Delano stated he did not agree with the comparables. Mr. Matthes explained that the sale of the home was used to value the property, but to check the validity he also used four other properties and they projected value of \$515,200.

Discussion ensued regarding the neighbor. Palmer stated that what they know today for 2005 the sex offender is not living next door and there is no reason to believe that he will live there this year. Palmer then clarified that Mr. Delano believed that the value should be zero; if an empty lot would have no value. Mr. Delano stated yes. The assessment is arbitrary, so he doesn't have a figure or a way to come up with a figure, so he used zero.

Attorney de la Mora questioned Mr. Delano in regard to the exhibits he provided and does Mr. Delano believe they substantiate the zero value of the property. Mr. Delano stated that the exhibits show that the assessment should be lower and he knows he has to disclose this information and no one will ever buy his property.

Palmer closed the hearing. Haas stated that the contention of zero value is unjustified and the Delano's have not given any proof to rebut the assessor. Palmer stated that he could not support the even \$500,000, which the assessment was rounded up to, but the impact on the future is not known. If at some point the sex offender is actually living next door, would need expert testimony to determine the market impact. Haas and Palmer moved and seconded to adjust assessment to \$497,700, which was the actual projection. By roll call vote all voted aye Motion carried 5-0. Clark had recused himself. Village Clerk Mary S. Stredni handed Mr. Delano the Notice of Determination by the Board of Review with the value of \$497,700.

Britt Mason, 2055 Underwood Parkway, EGV 1097.032

Mr. Mason sworn in. Mr. Matthes previously sworn in.

Mr. Mason presented Exhibit # 1 – Noted the Village of Elm Grove flood control newsletter and article on 'Effects of Flood Hazards'. Opined that because of flood experience his home is of lower value. Stated that his neighbor's home, which is nicer, is valued at less.

Mr. Matthes presented Exhibit #2 – listing of sales within the floodplain. These sales do not project a lower value and there does not appear that there is a long term effect on the value of properties in the floodplain. The sale of 2115 Underwood Parkway at \$22.60 per square foot shows that there is no effect for a property being in the floodway. Noted that he did not see any diminished value during the period of the 1996 and 1998 floods in other communities either.

Mr. Mason questioned the property at 2115 Underwood Parkway; he did not believe it was in the floodplain. Mr. Matthes stated that according to the Waukesha County GIS maps this property is at least partially in the floodplain. He could not state whether or not that on his list that the dwellings are all in the floodplain.

Mr. Mason opined his information supports a value of \$256,000. Mr. Matthes stated that in 2004 he downgraded the quality of home to recognize that the property has structural problems since the 1998 500 year flood. By downgrading the quality, this adjustment stays with the property over time. This is a \$10,000 adjustment.

Mason stated that the structural work he had done only has a ten year warranty and he thinks he has provided studies which prove that properties should be of a lower value if they are in the floodplain.

Palmer closed the hearing. Stated that the listing provided by Matthes shows that properties in the floodplain do not sell for less per square foot. Haas and Clark moved and seconded to sustain the assessor's value as the property owner did not provide sufficient information to rebut the presumption of accuracy of the assessor. By roll call vote: Haas, Clark, and Palmer aye; Torkelson, Fronberry, and Dunn nay. Tie vote.

Palmer requested more information from the assessor in regard to sales of properties with the structure in the floodplain. Fronberry requested that item be tabled until August 10 when the assessor could provide more information. Fronberry and Dunn moved and seconded to table until August 10, 2005. To be taken up as last item on that night. By roll call vote 5-1 with Haas voting no. Motion carried 5-1.

Thomas and Lynn Horvatin, 1645 Lindhurst Dr., EGV 1103.065

Mr. and Mrs. Horvatin sworn in. Mr. Matthes previously sworn in.

Mr. Horvatin provided Exhibit # 1 – MLS listing for 1640 Legion Drive which sold for \$400,000 in May of 2005. Testified that this is best comparable. Purchased subject property in April 2003 for \$339,000 and has improvements of \$100,000. Believes that Village records are incorrect. Did not remodel basement. Improvements are only cosmetic – countertops, wiring, etc. Assessment went up 40% last year.

Clark noted that with the revaluation in 2004 properties went up an average of 50% in 2004. Also noted that Exhibit #1 is only a sale sheet on 1640 Legion Drive.

Mr. Matthes stated that during the revaluation in 2004 he had an appointment with the objector to view the home, but when he arrived he was not allowed in. In his observation through the door he noted remodeled kitchen, powder room improvements, and new drywall in stairwell. The Horvatin's did not allow him to go through the home in 2004 and a doomage letter was sent with an assessed value of \$405,600 for 2004. The 2005 assessment was based on his previous observations. Mr. Matthes clarified that he only made observation in doorway.

Palmer noted that the Village records may not accurately reflect the property because the assessor was not allowed in the home. The applicants do not have any information to rebut the assessor.

Village Attorney Hector de la mora asked if the objector would consent to allow the assessor to go through the home to gather accurate information. The property owners stated that they would. It was agreed that the property owners and the assessor would make an appointment by the end of the week. The matter will be taken up on Monday, August 15, 2005. Mr. Horvatin stated that he wanted to protect his rights and have a third party present. He was informed that he could.

Clark and Palmer moved and seconded to table until Monday August 15, 2005 at 6:00 p.m. Motion carried by roll call vote.

Note - Phillip and Virginia Ruehl, 1255 Overhill Road, EGV 1100.043 withdrew objection by phone

John and Karen Finerty, 1335 Woodlawn Cr., EGV 1100.069

Mr. and Mrs. Finerty did not appear to support objection. Palmer and Dunn moved and seconded to sustain the assessors value. By roll call vote motion carried 6-0. Certified letter and Notice of Determination mailed on August 10, 2005.

Recess

Palmer and Haas moved and seconded to recess at 10:16 p.m. until August 10, 2005 at 5:45 p.m. Motion carried 6-0.

Respectfully submitted,

Mary S. Stredni CPM CMC
Village Clerk