

**VILLAGE OF PLEASANT PRAIRIE
BOARD OF REVIEW
9915 39th Avenue
Pleasant Prairie, WI
June 19, 2014
9:00 A.M.**

A meeting of the Pleasant Prairie Board of Review was held on Thursday, June 19, 2014 and called to order at 9:00 a.m. Present were Board members John Braig, Bill Morris and Jill Sikorski. James Kennedy, Mark Riley and Lena Schlater were excused. Also present were Rocco Vita, Village Assessor; Ed Judt, Village Appraiser; and Jane Romanowski, Village Clerk.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. RECEIVE THE ASSESSMENT ROLL AND SWORN STATEMENTS FROM THE CLERK**

John Braig:

Receive the Assessment Roll and sworn statements from the Clerk.

Rocco Vita:

Mr. Chairman. I am Rocco Vita; I am the statutory Assessor for the Village of Pleasant Prairie. In front of us is the 2014 Assessment Roll. I have just signed the Assessor's Affidavit and as soon as Ms. Romanowski, the Clerk, signs the affidavit, all the authority to change a value passes from our department to you, the Village's Board of Review.

John Braig:

Thank you.

Jane Romanowski:

The Assessor's Affidavit has been completed.

- 4. REVIEW NOTICES OF INTENT TO FILE OBJECTION AND COMPLETED OBJECTION FORMS**

Rocco Vita:

We have receipted two completed forms. One completed form was filed a number of days ago by our first objector, Mr. Kim Kerry, and his hearing will begin at 9:30 a.m. A second form was filed early this morning. The Clerk can schedule a hearing for that property owner with you based on your availability, probably sometime next week. You can do that now.

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Jane Romanowski:

For the record and with respect to the Randy Howell hearing, Mr. Howell withdrew his objection form yesterday so there will be no hearing for Mr. Howell. Looking at new Tuesday, Bill said he could not attend, John and Jill said they could attend Tuesday morning. I just spoke to James Kennedy and he said he could attend on Tuesday so we do have a quorum for Tuesday, June 24th at 9:00 a.m. to hear the last objection form. At the end of the day, the board can adjourn to that date and time.

Rocco Vita:

We have no other intents to file. This was a result of someone filing their intent to be here at Board and if they do so by 48 hours before this hearing then they can appear during the first two hours of the hearing and present their completed form. The property owner actually emailed the form early this morning and sent a representative down to talk with us this morning. They have a right to a hearing and I guess it will be next Tuesday at 9:00 a.m.

Just as a little background, this was a year of a municipal-wide revaluation so we probably talked to about 100 some 150 – I think when we had our preliminary Board of Review and we had some training one or two weeks ago, we had talked to 96 people at that point. I haven't looked since. The majority of the inquiries were commercial property owners because the commercial properties increased a little more than the residential properties did overall in the Village and a lot of our residential property owners called simply with questions on what this means. Most of the residential property owners called just to talk about their value, whether this small increase means something larger coming in the future or how it may impact their taxes but there wasn't a lot of contested conversations with the residential property owners.

Most of the commercial property owners that contacted us wanted to know the basis for the changes and a lot of them, because they are income producing properties - and we value those using an income approach as one of our methods - hadn't provided us that in the past and then at this point it gave them an opportunity to provide that information to us and for us then to review the value with them.

With that, we can wait for our first objector to arrive.

Ed Judt:

We had 127 contacts over the four-week open book period.

John Braig:

Sounds like you have resolved most issues rather easily or quickly. It is a reflection on the quality of the staff of the Village I believe.

Rocco Vita:

But we did mail out 7,514 assessment notices so that is about 1.5%.

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Jill Sikorski:

What percentage would you say are the people that you see every reval year?

Rocco Vita:

There wasn't a lot of overlap here especially with the residential property – there may have been a couple that called. A number of years ago we used to have people who called us every revaluation – it just hasn't been the case for the last number of revals because of the market decline beginning in 2009 and our values beginning to decline with that 2010 revaluation and then we lowered them again in 2012 and this year 2014, some of the properties declined because of their environment, their neighborhoods while the majority of the residential properties increased. In the 2012 property revaluation, the commercial properties had an increase, I think we look back, the investment grade ones had a relatively . . .

Ed Judt:

In the teens.

Rocco Vita:

Yeah, above average increase and this revaluation they also had an increase.

5. HEARINGS

a. 9:30 a.m. Kin and Emily Kerry

John Braig:

I have a completed objection form in hand so we will ask the Clerk to swear in the witnesses.

Jane Romanowski:

First ,I'll read the objection form into the record. This is the objection form of filed by Kim and Emily Kerry. Property address 10098 Cooper Road – Tax Parcel No. 92-4-122-233-0199 – total property assessments are \$378,400. Mr. Kerry explains the value is incorrect and indicates an appraisal had a value of \$340,000. Recent arm's length sales – 9985 Cooper Road - \$350,000; 4801 103rd Street at \$334,000. In the Kerry's opinion the value as of January 1st is to be \$335,000. They purchased the property in October of 2010 and the cost to build the home on the land was \$336,400. No improvements have been made. Property has not been listed for sale in the last five years. There was an appraisal of the property within the last five years for the purpose of taxes – property and the appraised value was \$340,000. I can now swear in the witnesses.

John Braig:

Yes.

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Jane Romanowski:

Mr. Kerry can you stand, and anyone else who will be testifying, and raise your right hand. Do you solemnly swear in the matter now in hearing to tell the truth so help you God?

Kim Kerry:

I do.

Rocco Vita:

I do.

Ed Judt:

I do.

Jane Romanowski:

Please have a seat and for those testifying please state your name and address.

Kim Kerry:

Kim Kerry, 10098 Cooper Road, Pleasant Prairie.

Rocco Vita:

Rocco Vita, statutory Assessor, 9915 39th Avenue, Pleasant Prairie.

Ed Judt:

Ed Judt for the Village of Pleasant Prairie, 9915 39th Avenue, Pleasant Prairie.

John Braig:

With that Mr. Kerry, I would like to point out state law requires that we uphold the Assessor's assessment until you provide sufficient evidence to alter it. With that, the floor is yours.

Kim Kerry:

Sure. I have a couple things of evidence – do I need to submit those now to you guys? I did not bring enough copies for everybody. I apologize for that.

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John Braig:

One copy will suffice.

Kim Kerry:

I'll just explain how we have come to our valuation. We were here in 2011 if any of you guys remember us. Unfortunately my wife was unable to make it today.

10098 Cooper Road, we are a corner lot, what I call a flat lot, at grade. The house is 2,520 square foot, two-story home. The house faces Cooper Road, the garage faces 101st Street. We have neighbors to the rear and north of us – 3 bed, 2 full baths, 1 half bath, 3-car garage, full basement, unfinished. Built in 2010. My wife and I were the general contractors. We don't build houses for a living. As Jane stated earlier, the house was built for \$336,400, I think the number she has was slightly different. So what we did was we searched Village Green Heights for corner lots, at grade lots, that were sold in 2013. We understand that it has to be an apples to apples comparison. So on the contention form, what we did find in 2013 that sold was 9985 Cooper Road which is 2,645 square foot, a corner flat lot, 2 story home, neighbors to the back and to the north I think it is and that sold for \$350,000 on January 18, 2013. Second sale that we found that was very similar to ours, 4804 103rd Street, 2,323 square foot, corner lot, flat, 2-story home, 4 bedroom, 2 bath. I did bring a couple of photos of these homes that I was able to find on the Internet this morning. I could not find other details as far as the quality. I do know that 4804 has a finished basement. I wasn't able to find any details of that on the Kenosha County website. I don't know if there are bedrooms or bathrooms in the finished basement. I just have to go off what I can find. 4804 103rd is 3-car garage, 9985 is a 2-car garage so those are some differences between the houses but I think they are very similar to our property as far as lot, location, neighbors, square footage, etc.

So with those two prices of \$350,000 and \$334,900 I took the average of those and the average of those two sales comes out to \$342,450. Our assessment was for \$340,000. So with that I said o.k. these two numbers here provided from what I could find from the appraiser and from the recent sales, it is 2,450 off so I felt comfortable with those numbers. So that is where we came with the valuation on \$335,000 for our house if we were going to sell it or the assessed value.

Just in looking at it overall, 9985 Cooper sold January 18, 2013. 4804 103rd Street in October 2013 so looking at it, I see the property value started out in 2013 for houses of our finish, quality, similar houses, 2013 appears to me started out good for selling point and throughout 2013, property values remained flat or slightly decreasing just based on arm's lengths sales of two other properties.

I have some 2014 sales information of similar houses. I know it can't go on record because we are just looking at 2013 sales according to Wisconsin Statute. Two other houses similar to ours – 9969 Cooper Road, 2,754 square foot sold for \$317,000 and 10099, our backyard neighbor, which is a corner lot, 51st Street, 2,352 sold for \$307,000. So that is just in my mind telling the story of what home values are doing in Village Green Heights so of comparable size and finish. That is all I have today. Thank you.

John Braig:

Thank you. Rocco.

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Rocco Vita:

Did you have something to hand out?

Kim Kerry:

I have the appraisal that was done? Do you need a copy? I have a matrix that I made of just the recent sales that . . .

Rocco Vita:

You may want to hand to the Board what you just discussed with them so they have something to look at.

John Braig:

You say the appraisal was done. Who did it?

Kim Kerry:

Jacob D. Hoaglund. He is out of Racine, Wisconsin - JRH Appraisals. Do you need copies of the appraisal and of this matrix?

John Braig:

Bring it up here. Go ahead.

Ed Judt:

I am going to direct you to the right side of the interior part of the document that you have, the spreadsheet looking sales grid. The subject property again is Parcel No. 92-4-122-233-0199 at 10098 Cooper Road. The house is on a lot that is 17,989 square feet in size; it is in Village Green's Subdivision. It is a 2-story home. We describe it as being a B in terms of relative quality. It was built in 2010, generally in good condition, typical for the neighborhood. It has a basement of 1,406 square feet, a first floor of 1,406 square feet and second floor of 1,153 square feet, that gives us a total of 2,559 square feet above grade. There are 3 bedrooms, 1 family room, 2 full baths, 1 half bath, there is a whirlpool and a fireplace, an aluminum exterior with some brick accent, kitchen and bath are good or typical for a house of this type, gas forced air with central air conditioning. There is an attached garage, several porches and a patio.

Comparable No. 1 and I'll tell you all three of these comparable sales are two stories in Village Green Subdivision. Comparable No. 1 is Parcel No. 92-4-122-233-0111 located at 10274 47th Avenue. This house sold for \$361,400 in July of 2013. It is situated on a lot of 18,485 square feet, again Village Green Subdivision, 2 story, relative quality we describe as a B-, slightly inferior to the subject property. This house was built in 2005. It is generally in good condition and it is typical for the neighborhood.

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This house has a basement of 1,380 square feet. It has a rec room of 1,010 square feet. First floor 1,408 square feet, second floor 1,763 square feet for a total of 3,171 square feet above grade.

Kim Kerry:

Can I ask a quick question?

John Braig:

Let him finish.

Ed Judt:

There are 4 bedrooms here, 4 family rooms, that would include spaces in the basement, 2 full baths, 1 half bath, again a whirlpool, a fireplace. This house has a vinyl exterior with some masonry accent, kitchen and bath are good, gas forced air heat, again central air conditioning. There is an attached garage and there are some attachments in the form of porches and decks and patios. Making adjustments for all those differences gives us an adjusted sale price for Comparable No. 1 of \$379,000.

Second comparable is Parcel No. 92-4-122-233-0143 located at 4804 103rd Street. This house sold for \$334,900 in October of 2013. This house sits on a lot of 15,754 square feet, it is in Village Green, it's a 2-story, it is B- quality, again slightly inferior to the subject, it was built in 2006, it is generally in good condition and typical for the neighborhood. This house has a basement of 1,234 square feet. It has a rec room of 805 square feet. There is a first floor of 1,234 square feet, a second floor of 1,089 square feet for a total of 2,323 square feet. There are 4 bedrooms here, there is a family room, there are 3 full baths, 1 half bath, no whirlpool in this case but there is a fireplace, vinyl exterior with again some masonry, some brick accent, kitchen and bath ratings are good. There is gas forced air heat with central air. There is an attached garage and again several attachments in the form of porches and patios. When we make adjustments for all of those differences to the subject, we arrive at an adjusted sale price of \$375,200.

Our final comparable, Comparable No. 3, is Parcel No. 92-4-122-233-0230 located at 10064 55th Avenue. This house sold for \$370,000 in November of 2013. This house sits on a lot of 15,000 square feet, in Village Green, it's a 2 story, it is a B quality, very similar to the subject property. It was built in 2006, generally in good condition, typical for the neighborhood, has a basement of 1,618 square feet. This house has no finish below grade, first floor of 1,618 square feet, second floor of 1,465 square feet for a total of 3,083 square feet. This house has 4 bedrooms, 2 family rooms, 2 full baths, 1 half bath. There is a whirlpool. In this case there are 2 fireplaces. It is a mix of brick and frame construction, kitchen and bath good, gas forced air heat, there is central air, there is an attached garage and again porches and decks and when we account for all those differences, we arrive at an adjusted sale price of \$371,300.

Our average of those three adjusted sales gets us to a reconciled value of \$375,200.

John Braig:

Thank you. Rocco, did you want to see the material Mr. Kerry provided us?

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Rocco Vita:

Sure.

John Braig:

Are you finished with your presentation?

Ed Judt:

We are. We are prepared to take your questions or Mr. Kerry's for that matter.

John Braig:

Mr. Kerry, do you want to ask any questions or rebuttal?

Kim Kerry:

Yes, my only question – Comparable No. 2, from the handout that Ed and Rocco have given, same one that I gave on the spreadsheet, I think it was also included in the appraisal I gave you – Comparable No. 3 and Comparable No. 1 are both as Ed stated daylight or walk out lots, much larger in square footage than our house. I am just wondering why you didn't use 9985 which sold in January which is similar to our property, corner lot, flat, square footage is close. I mean it is not the exact same home but it is very similar.

Ed Judt:

With regard to Comparable No. 1, that is an at grade house, there is no daylight anything there. Comparable No. 3, I honestly do not recall. I guess there is a possibility that this has a partially exposed basement. They do at the northern end of 55th Avenue; they do not at the southern end, so I am not sure where that breakpoint is. There is the possibility that you have a partially exposed basement there.

I would suggest to you though that it is an at grade house because typically if you look at our descriptions of the homes here in Village Green, if that basement is exposed, we are going to describe that space down there as basement living area rather than rec room. You typically find the rec room in the at grade houses, so I am going to guess that that is an at grade house as well.

Kim Kerry:

I don't know for sure. I have never snooped around there. I do know there is a deck off the back of the house and it could be daylight to your point but it also does back up to an open space. Just pointing out if you were to use again 9985 which is very similar to our property, this would change.

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Ed Judt:

It also backs up to those lovely high tension wires, by the way.

Kim Kerry:

It is a matter of personal preference, whatever turns somebody on if they are going to buy a home. Some people are going to love it and some people would hate it. So it is a matter of opinion. I'm just, I mean, Ed doesn't know but my point is that would change. My wife and I were just looking at sold houses in 2013 that were very similar to our property and that is what we found.

Jill Sikorski:

I have a few questions. I'm just a little curious why the appraiser would not have used comps in your subdivision, all the comps.

Kim Kerry:

I don't know. I'm sorry I tried to get him here today so he could answer the questions but he was unavailable.

Jill Sikorski:

Because proximity does speak quite loud and clear and I saw that there was some distance from your property on the comps other than the 4804.

Kim Kerry:

Right. Again, I tried to get him here but his work schedule would not allow it. He said we could call him. I mentioned that we had spoken about a subpoena and he said that would be fine also. I am not an appraiser. I just look at arm's length sales on the Internet.

John Braig:

Other questions? With that we will close the arguments or rebuttals. Rocco, do you have anything to add?

Rocco Vita:

On the information Mr. Kerry provided, is this the only copy you gave us?

Kim Kerry:

Yes.

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Rocco Vita:

I looked at our records and his Comparable No. 2, the square footage of the dwelling is actually a little different and then for comparison purposes, he describes them as a 2 car or 3 car garage. I think his Comparable No. 1 is our Comparable No. 2, so you have the description between his Comparable No. 1 and No. 2. His Comparable No. 2 isn't there but the only salient point is Mr. Kerry describes the square footage of his Comparable No. 2 as 2,654. Our records indicate it is 2,524, there is 1,260 on the first floor and 1,264 on the second floor and the attached garage. You can see Mr. Kerry's attached garage at 800 and some square feet and the 2 car attached garage is 594, so just shy of 600. Other than that, Ed's comparison report speaks for itself. It takes three comparable homes in the subject property's subdivision, uses recent sales from just the past year and makes adjustments for all the specific differences in the home.

For instance, when you look at Comparable No. 2, that Ed provides on our sheet and the subject, you can see that the attached garage is 890 square feet on the subject property and 671 on the Comparable No. 2 and that adjustment is \$5,300 assuming that if that property had the larger garage, it would sell for that much more. That is the same philosophy on all these little differences throughout the two properties. You can also take a look at decks or porches. I know we kind of glossed over it but you can see the property owner has a number of them where the comparables have either one or just a couple of them so that adjustment is rather significant. It not only goes to the actual construction cost but it also goes to the eventual environment that the home is in and the customer looking and envisioning themselves in that environment and the desirability of the property. Our comparable sheet takes into account in pretty good detail all the differences in the home. The quality of construction differences which are not apparent on the property owner's comparable sheet. The difference in the land values. We know that the land values the land sales in Village Green Heights are not the same for every lot – they all sell for something different so they are all valued at something different based upon whether it is a corner or based upon the size of the lot. We have provided those adjustments for you as well as depreciation – there is a difference in age.

Jill Sikorski:

I don't recall in year's past very often where all three comps were in the same subdivision with current data. Usually one is in an adjacent subdivision or something like that.

Rocco Vita:

Right.

Ed Judt:

Well we would strive to give you sales in the subdivision every time if at all possible.

Jill Sikorski:

And in past years, that just hasn't always been the case because there weren't any.

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John Braig:

With that I close the hearing portion of it and open it up to discussion and deliberation by the board or questions of either witness.

Kim Kerry:

I guess my only questions would be again . . .

John Braig:

I have closed the hearing.

Kim Kerry:

I'm sorry.

John Braig:

If there are no further questions or discussion are we prepared to make a motion or decision on this issue? If so, a motion would be in order.

Jill Sikorski:

I'll make a motion to uphold the assessment as presented by the Village Assessor.

Bill Morris:

I'll second that motion.

John Braig:

It's been moved and seconded to uphold the Assessor's assessment of the subject parcel. We will ask for a roll call vote.

John Braig:

Aye.

Jill Sikorski:

Aye.

Bill Morris:

Aye.

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SIKORSKI MOVED TO UPHOLD THE ASSESSOR'S VALUATION ON TAX PARCEL NO. 92-4-122-233-0199 PROPERTY ADDRESS 10098 COOPER ROAD OWNED BY KIM AND EMILY KERRY IN THE AMOUNT OF \$378,400; SECONDED BY MORRIS; ROLL CALL VOTE – BRAIG – AYE; MORRIS – AYE; SIKORSKI – AYE; MOTION CARRIED UNANIMOUSLY.

John Braig:

With that Mr. Kerry – Jane are you going to prepare a . . .

Jane Romanowski:

I am going to prepare the Notice of Determination right now and hand deliver it to Mr. Kerry.

John Braig:

You will get your written information along with information as what your recourses would be.

Kim Kerry:

I had to take off for work. You could just email it if it is appropriate.

Jane Romanowski:

I am going to hand it to you right now.

Kim Kerry:

O.K., thank you.

Jane Romanowski:

Your appeal rights are on the bottom of that form.

Kim Kerry:

Thank you for your time.

Rocco Vita:

In front of you there is a stipulation between the Village of Pleasant Prairie and Target Corporation through their legal counsel. As you know, Target has filed the claim of excessive assessment against the Village regarding their 2012 assessed value. In other words, they had a hearing at the Board of Review for 2012, you sustained the value and then they filed a claim for excessive assessment against

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the Village. That process is heard in Circuit Court, de novo, meaning whatever record here is disregarded and it is a brand new trial and a brand new hearing with brand new evidence - it starts all over.

While that is going on, they continue obviously to contest the value year after year but based on their Stipulation, it says they have nothing new to provide so if they were to come to Board, that you would find the same findings of fact and make the same conclusion so it begs the question whether there is another need for another hearing and this Stipulation just essentially legally says that they are agreeing to the fact that you would find in favor of the Assessor like you have in the past and they will work with that and then include this year in their lawsuit of excessive assessment so that there is not a need for a hearing but it preserves their right to bundle 2014 with 2012 and 2013 in their assessment claim against the Village.

John Braig:

Just a comment. It almost sounds like it partially weakens their case because if you are agreeing that we would agree to uphold the assessment it suggests that they don't have as strong an argument to protest the assessment.

Rocco Vita:

I do not think it says that at all. It simply says for efficiencies and expediency there is no reason to put the board, their staff or our staff through a hearing which they feel the material facts have not changed so how can you come up with something different. That is what they are stating and so they stipulated to the fact that they will essentially abide by the fact that you would find for the 2014 assessment and they will include that in the lawsuit against the Village.

Jill Sikorski:

So they are preserving their right to bundle a few years.

Rocco Vita:

It has preserved their right to appeal this assessment also.

John Braig:

Do we need a motion to accept the stipulation?

Jane Romanowski:

Yes we do.

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SIKORSKI MOVED TO APPROVE THE STIPULATION BETWEEN THE TARGET CORPORATION AND THE VILLAGE OF PLEASANT PRAIRIE REGARDING THE OBJECTION TO THE 2014 REAL PROPERTY ASSESSMENT OF PARCEL 91-4-122-082-1052 LOCATED AT 9777 76TH STREET AS PRESENTED AND DIRECT THE CHAIRMAN TO EXECUTE SAID STIPULATION; SECONDED BY MORRIS; MOTION CARRIED 3-0.

Jane Romanowski:

The Stipulation has been signed by the Chairman.

4. ADJOURNMENT

SIKORSKI MOVED TO ADJOURN THE BOARD OF REVIEW TO JUNE 24, 2014 AT 9:00 A.M.; SECONDED BY MORRIS; MOTION CARRIED UNANIMOUSLY AND MEETING ADJOURNED AT 11:02 A.M.