

MINUTES

VILLAGE OF YORKVILLE
BOARD OF REVIEW
VILLAGE BOARD ROOM
UNION GROVE MUNICIPAL CENTER
WEDNESDAY, AUGUST 18, 2021

Call to Order

Treasurer Michele Stute called the meeting to order at 5:00 p.m. She stated the Board is reconvening from its May 24, 2021 meeting.

Roll Call

The following Board of Review members were present: Cory Bartlett, Robert Funk, Barbara Geschke, Daniel Maurice, Douglas Nelson, and Steven Nelson. Also present were Assessors Jim Henke, Dan McHugh and Treasurer Michele Stute in the absence of Administrator/Clerk Michael McKinney.

Appointment of a Clerk

Motion (Bartlett, Funk) to appoint Michele Stute Clerk for the 2021 Board of Review, Motion Carried (MC).

Appointment of a Chairperson

Motion (Maurice, Geschke) to appoint Steven Nelson as Chairperson of the 2021 Board of Review, MC.

Appointment of a Vice-Chairperson

Motion (Funk, Maurice) to appoint Cory Bartlett as Vice-Chairperson of the 2021 Board of Review, MC.

Approval of Minutes

Motion (Nelson, Bartlett) to approve the June 24, 2020 and May 24, 2021 Board of Review meeting minutes as presented, MC.

Clerk's Report

Date Board of Review notices were published

Stute noted that the first 2021 Board of Review notice was posted and published on April 23, 2021, the Open Book notice was posted and published on May 7, 2021, and the second Board of Review notice was posted and published on August 13, 2021.

Date Assessment Roll was received and reviewed

Stute noted that the assessment roll was received and reviewed on June 4, 2021.

Verification that at least one member of the Board of Review has met training requirements

Stute noted that all Board of Review members completed the Board of Review training, and an affidavit of training has been completed and submitted to meet the requirement.

Verification of ordinance adoption providing for confidentiality of income and expense information provided to Assessor

Stute noted that Section 2-234 of the Village of Yorkville Code of Ordinances provides for the confidentiality of income and expense information provided to the Assessor.

Assessor's Report

Open Book report and verification that Open Book changes are reflected in assessment roll

Henke stated that he prepared an assessment roll on June 4, 2021, because of the market revaluation, and due to open book he revised the assessment roll and delivered it to the Clerk on August 16, 2021. It was signed by Municipal Clerk McKinney and the assessor on that day. The assessment notices were sent out in early June to allow for the public time for the open book review. Henke has prepared a summary and reported the 2021 total local assessed value stands at \$648,960,200 for real estate and personal property, an increase of \$139,420,000 (27.36%) due to the interim market revaluation and new construction. Residential had a net increase of \$64,830,700 (23.4%) reflecting new home construction of \$6.5 million. Commercial increased \$66,849,200 (35.75%). The increase is primarily related to Hillwood Development and strong values along the I-94 corridor. Personal property totals \$11,111,800 with an increase of 24.9% due to revaluation to get back to 100% of market value. Net new construction for 2020 totaled \$31.9 million with 295 building permits.

Level of assessment

Henke noted that the Department of Revenue equalized values were issued and the total for 2021 is \$725,915,900 which makes the 2021 level of assessment 97 percent.

Date Assessor's affidavit was signed

Henke noted that the Assessor's Affidavit was signed by himself and Municipal Clerk McKinney on August 16, 2021.

Date assessment letters were sent to property owners

Henke noted that assessment letters were sent to personal and real property owners on or about June 4, 2021.

Review objections received 48 hours in advance

Stute noted that we have two objections meeting the 48-hour notice requirement. They are Yorkville 2000 PTSK LLC and Franksville 2000 PTSK LLC. No requests were made to remove any Board of Review members.

Public appearances by objectors without 48 hour notice

Stute noted we received one objection without 48-hour notice from Michael Kokat and Kathy Ludgatis. She explained the Board could approve or disapprove a waiver of the 48-hour notice requirement for good cause. She asked the objector to explain why. Michael Kokat responded that he missed the deadline by 5-8 hours and he is a physician and works a lot.

Motion (Maurice, Bartlett) to approve of a waiver of the 48-hour notice requirement for good cause, MC.

Stute stated that this objection hearing would be scheduled following the other hearings on the agenda.

Hearings – Public appearances by objectors

Yorkville 2000 PTSK, LLC Tax Parcel 194-03-21-01-001-060

Vacant parcel located immediately west of 14215 2 Mile Rd (14325 Two Mile Rd.), Franksville, tax parcel 194-03-21-01-001-060. The 2021 assessed value is Land \$1,661,800, Improvements \$0. Erin Stache, Agent. Objector and both assessors were sworn in by the Clerk and stated their names and addresses for the record. Objector provided the Board with a Property Summary prepared by Altus Group US, Inc., CBRE Appraisal Report dated June 4, 2021, and a list of six comparable sales. These documents are included as part of the record. Chairman Nelson outlined the hearing procedures.

Testimony of Objector

Stache stated the property was purchased in January 2018 at a premium price of \$1,440,000 due to land grabs occurring due to Foxconn. She stated in conjunction with the second property objected to this evening, they had been leasing a 14-acre parcel for 10 years and wanted out of the lease. She stated the tenant was working on I-94 ramp construction. Company also wanted to stay within the area they had been working in located between Milwaukee and Chicago. She stated she had requested of the assessor how the value of \$1,661,800 was determined. She stated she was provided the property record card which has limited information and is included on the last page of her first packet. She stated the appraisal report is based on the sales comparable approach. She stated Page 18 shows a stormwater management pond classed as surplus land in the appraisal and may or may not contribute to value. She stated a total of 3.145 acres is indicated as surplus land and has not been assigned value in the appraisal report. She stated she is not sure if the surplus land was valued as it was not identified on the assessor's property record card. She presented comparable sales properties from the appraisal report and from another packet. Stache stated Page 29 of the Appraisal Report summarizes the concluded land value of \$1,450,000.

Testimony of Assessor

Henke provided the Board the property record card and it shows the 22.06-acre parcel assessed at \$1,661,800. He stated that he relied heavily on the sales price of \$1,440,000 in 2018 (3 years ago) and the Department of Revenue indicating commercial land being up 7% in value this year. He stated that since 2018, it represented about a 12% value increase over a three-year period. He stated that it included a sale of the property complete without a wetland provision or surplus land value. He stated that he could not ascertain if a premium was paid but the sale was classified as an arms-length sale by the DOR. Objector asked if there were other similar sales of property. Assessor stated not in 2018 but in early 2021, (BenBen) property was sold for \$3,050,000. Henke stated that the comment about Foxconn grabbing land did not apply west of I-94 as they were acquiring land east of I-94 with water and sewer. Henke stated that the objector indicated an appraisal was not done prior to purchase so that is a concern regarding the premium that might have been paid.

Questions & Summary

Board member Bartlett asked about the size of the BenBen property. Henke stated it is about 23.5 acres and of a comparable size. Objector questioned the size and location of the comparable. The property added by the assessor is 2730 S Sylvania Ave. Objector summarized by saying one transaction does not make the market. Objector stated that the assessor needs multiple sales of type (a pool) to compare, so she still advocates for a value of \$1,450,000. Assessor had no additional comments. Chairman closed the testimony.

Franksville 2000 PTKS, LLC Tax Parcel 194-03-21-01-001-000

2916 N Sylvania Ave, Franksville, tax parcel 194-03-21-01-001-000. The 2021 total assessed value is \$3,093,700, Land \$1,073,300 and Improvements \$2,020,400. Erin Stache, Agent. Objector and both assessors were sworn in earlier by the Clerk and had stated their names and addresses for the record. Objector provided the Board with a Property Summary prepared by Altus Group US, Inc. CBRE Appraisal Report dated June 4, 2021, and a list of six comparable sales. These documents are included as part of the record.

Testimony of the Objector

Stache stated the building is occupied by Michels Corporation which is an infrastructure contracting company. She stated the taxpayer's requested value for the property is \$2,150,000 based on CBRE's appraisal report completed June 2021. She stated the improvements on the property were constructed in 2005 with 36,100 square feet. Stache stated it is an industrial site with a land size of 11.72 acres. She stated the property was purchased in January of 2018 for \$5,000,000. She stated the property was purchased at a premium with concerns of a land grab due to Foxconn, and their lease expiring. She stated she has asked the assessor for information on how the \$3,093,700 was determined and she received the property card with limited information. She stated the conclusion of value in the Appraisal Report was based on the sales comparable approach. She stated Page 41 details the comparable sales properties used in the appraisal, and she presented the data on each sale. She stated adjustments were done for conditions. She stated Page 47 summarizes the concluded land value of \$2,150,000. She stated sales from another comparable from another six properties were provided to support the appraisal value price of \$2,150,000.

Testimony of Assessor

Henke stated that The property record card was provided for the subject property of 11.72 acres and improvements to arrive at a value of \$3,093,700. Henke stated that he is not aware of any major defects in the condition of the building. Henke stated that part of the analysis of the building from a costing standpoint of 36,100 square feet came out at \$56/sq. ft. plus land. Henke stated that the sales price of \$5,000,000 which was a premium. Henke stated that the assessed value is \$3,093,700.

Questions & Summary

Henke noted the Appraisal Report listed the building in average condition. The sales price of January of 2018 was used as part of the basis for the valuation by the assessor. The objector does not believe one transaction makes a market, and since the assessor did not value to the sales price, she believes he knows that also. Objector agrees with the value in the appraisal report and advocates for a value of \$2,150,000. Henke commented that there is a mixture of value as the land increased due to the revaluation, but the building dropped by \$250,000 (depreciated). Chairman closed the testimony.

Deliberation and action on objections made to the Board of Review

Yorkville 2000 PTSK, LLC Tax Parcel 194-03-21-01-001-060

Sale in January 2018 for \$1,440,000. List of comparable sales were provided by the objector. It was reported the corporation overpaid (over-valued) but no appraisal was done at that point of time to have a record to know if a premium was paid. The Board agreed the sale was an arms-length transaction but not for the current year. Maurice stated none of the comparable sales are on I-94 with the same access to the interstate. Bartlett agreed and added that the prices are higher along the interstate. The assessor presented information of a comparable sale (2730 S. Sylvania Ave.) this year. The Board agreed with the assessor that the DOR values have increased on commercial land since 2018 (since purchase). Based on that, cannot correlate to the \$1,450,000 requested value. The Board agreed the assessor's valuation is correct, and there is not enough evidence to say it is not correct, and the value is reasonable in light of all the relevant evidence.

Motion (Bartlett, Funk) exercising its judgement and discretion pursuant to Wis. Stat. 70.47(9)(a) the Board of Review by majority and roll call hereby determines that the assessor's valuation is correct (\$1,661,800). Roll Call Vote: Geschke-aye, Maurice-aye, D. Nelson-aye, S. Nelson-aye, Bartlett-aye, Funk-aye, MC.

Franksville 2000 PTSK, LLC Tax Parcel 194-03-21-01-001-000

Sale in January 2018 for \$5,000,000. List of comparable sales were provided by the objector. Board noted that none of the comparable sales properties were along I-94. The land value increased per the assessor's report, but the building value decreased (11%). The land value increase was 88% over the 3-year period from the 2018 purchase. The Board did not think the properties presented by the objector were necessarily comparable to the market area. The Board agreed the assessor's valuation is correct, and the objector did not present sufficient

evidence to rebut the presumption of correctness, and the assessor's valuation is reasonable in light of all the relevant evidence.

Motion (D. Nelson, Geschke) exercising its judgement and discretion pursuant to Wis. Stat. 70.47(9)(a) the Board of Review by majority and roll call hereby determines that the assessor's valuation is correct (\$3,093,700). Roll call Vote: Geschke-aye, Maurice-aye, D. Nelson-aye, S. Nelson-aye, Bartlett-aye, Funk-aye, MC.

Hearings – Public appearances by objectors – Board waived 48-hour notice requirement

Michael E. Kokat and Kathy Ludgatis et al Tax Parcel 194-03-21-12-093-110

14116 Marina Drive, Sturtevant, WI., tax parcel 194-03-21-12-093-110. The 2021 total assessed value is \$666,500. Land \$140,000 and Improvements \$526,500. Objector and both assessors were sworn in by the Clerk and stated their names and addresses for the record. Chairman Nelson outlined the hearing procedures.

Testimony of Objector

Michael Kokat stated that the market value of his property is \$610,000. He stated that he received a letter dated May 31 and promptly called Assessor Henke to discuss and told him what he had bought the property for. He stated that Henke told him to write an objection to the value and at no time was he given the option to meet with Henke. He stated that one property in his neighborhood sold the end of July for \$560,000 and another house in the neighborhood is up for sale for \$550,000. He stated that this is the first time he has received an assessment notice of this magnitude. He stated that he has owned multiple properties and as a business owner has received these same exact exorbitant tax assessment notices for his businesses. He stated that they have been washed. He stated that he does not know why this is occurring this year, but it is very upsetting to him. He stated that Assessor Henke valued the property \$111,000 over the last assessment and that to him is egregious. He stated that Assessor Henke can cite that 20% is what the Federal government says the standard is, but sorry, it is not accurate. He stated that Assessor Henke valued the land \$39,000 over the former assessment. He stated that homes at our neighborhood have been \$550,000 for years. He stated that improvements went up \$79,000 on our property and asked when did the assessor look at his house.

He stated that he just moved in on December 12, 2020, and Henke made \$75,000 in improvements. He stated that it didn't happen. He stated that in fact, we have \$80,000 of water damage which devalues our property and that can be proven with Travelers Insurance policy. He stated that if the assessor had come to the property, he would have seen that. He stated that Assessor Henke arbitrarily assigned a number based on whatever the Federal government says the upcoming percentage should be, which is inaccurate. He stated that what really infuriates him and what makes him so angry about this letter is that when he talked to some of my neighbors, they did not receive this notice of assessment. He stated that under tax law it must be even across the board so why some didn't receive it, and some did is deeply concerning to him. He stated that, furthermore, some of my neighbors met with Mr. Henke and their homes were assessed the previous year at \$560,000 and they went up to \$750,000 in assessments, and they negotiated a tax bill. He stated that he doesn't know when people started negotiating taxes, so he is confused about that. He stated that the

comps in his area are minimal but nonetheless the way in which this was handled, and the way people are treated differently is cause for concern.

Questions of Assessor

Henke asked the objector when the water damage occurred. Mr. Kokat stated it occurred in spring of 2021 (agreed Mar-Apr). Assessor stated valuations are based on the sales price, and condition of the property on January 1. The water damage could affect the January 1, 2022 assessment. Mr. Kokat stated he purchased the property on December 12 and the property has been assessed for years at a certain value and you are assessing \$100,000, over 20% in value. Kokat stated you can't assess on sales price but need to physically look at the property to come up with its value, adding that the objector did not do that. Henke asked if the objector purchased the property for \$664,000. Kokat replied that he did, and it was assessed at \$620,000. He stated the assessment of \$666,500 is not the value of the property but a market grab. Henke asked if the objector thought the value was \$610,000 due to the water damage after January 1. Kokat responded that is correct. Kokat asked for an explanation as to how the \$75,000 worth of improvements were made on that property even if he was not there. Henke replied through the revaluation process and on the condition of sale. Henke clarified that the comps were within the Village of Yorkville.

Questions of the Board

S. Nelson verified the objector purchased the property in December of 2020 for \$664,000 and it was assessed January 1 for \$666,500. Kokat clarified it was appraised at sale for \$620,000 and paid a premium due to the market.

Testimony of Assessor

Henke provided the Board with the property record card. The dwelling cost breaks out to a little under \$120/sq. foot. The comps used to verify the \$666,500 value are listed. The purchase price was a big factor in the 2021 assessed value. The overall assessment increase throughout the Village with new construction was 27%. Henke explained the Village went through a revaluation process as the level of assessment fell below 90%, and it hasn't been done since 2011. He told the objector his increase of 20% is below the Village average of 27% which is hard to understand. Kokat replied it is hard to understand how you can schedule meetings and negotiate these assessments, but he had to come here and waste his time to present this and be told he is below his neighbors when they met with the assessor and negotiated. Henke asked if Kokat recalled their conversation during the open book, adding that it was not a very pleasant phone call. Henke stated that the objector took it upon himself to verbally say this is a grab. Kokat agreed he had said it was a money grab. Henke had stated at this point of time their conversations are complete. He referred Kokat to object at the Board of Review. Objector stated he was not staying for the deliberation of his case and was leaving the hearing. Chairman closed the testimony.

Deliberation and action on objections made to the Board of Review

Michael E Kokat and Kathy Ludgatis et al Tax Parcel 194-03-21-12-093-110

Given the sales price alone, the Board felt the assessment should stand. No evidence was given against it. The assessor's question was key of when the flooding had occurred. The

assessment is based on the condition of the property as of January 1st. The best determination of a property value is the sales price, and in this case, the homeowner saw sufficient value above the \$620,000 appraisal value to complete the purchase. Board of Review finds a recent sale of the subject property, and the assessor provided recent sales of comparable properties, although not in Deer Haven. The objector did not present recent sales or comparable sales of properties.

Motion (Bartlett, Funk) exercising its judgement and discretion pursuant to Wis. Stat. 70.47(9)(a) the Board of Review by majority and roll call hereby determines that the assessor's valuation is correct (\$666,500). Roll call Vote: Geschke-aye, Maurice-aye, D. Nelson-aye, S. Nelson-aye, Bartlett-aye, Funk-aye, MC.

Clerk's report on how objectors will be notified of decisions

Stute stated Determination notices will be made by certified mail.

Review, correct and accept assessment roll

The 2021 assessment roll was summarized by the assessor in his earlier report. Clerk noted open book changes are listed and have been made. The roll is available for the Board to review. No corrections made and the roll is complete.

Motion (Maurice, Geschke) to accept the 2021 assessment roll as presented, MC.

Other statutory duties properly before the Board of Review

No other objectors presented, and the statutory duties were exercised by the Board of Review.

Adjournment

Motion (Maurice, Geschke) to adjourn the 2021 Board of Review, MC. The 2021 Board of Review was adjourned at 7:01 p.m.

Michele Stute
Clerk of the 2021 Board of Review