



BLOOMINGTONMN.gov

2016 ASSESSMENT REPORT



Assessor's Message



This report outlines the January 2, 2016 real property assessment for the City. The report begins with a summary section, and proceeds to break down the assessment via the major property type segments, including a summary of the statistical analysis of accuracy and uniformity in the 2016 mass-appraisal process.

The 2016 assessment is the first assessment in 10 years to see strong growth in each of our market segments. The housing market recovery continues to be strong as home supply is low, demand for housing is high and interest rates continue to be at historic lows.

The Apartment market is still experiencing record low vacancy rates that has driven rental rates up and increased investor demand. Since 2012, the City has added more than 1,150 apartment units with another 175 units to be constructed in 2016. This brings the total supply of apartments up 13% to over 10,500 units. New construction in 2015 totaled more than \$50 million.

The Commercial segment has entered an expansion phase most notably the hotel market. Since 2013, the city has added 1,617 rooms across seven properties. In 2015 the City added just over \$123 million in commercial, including \$75 million in hotels. A few of the projects will not take occupancy until 2016.

The total real property market value of Bloomington has now topped the \$12 billion mark for the first time surpassing the previous peak in 2008 at 11.8 billion. This is an increase of 5.5% from \$11.4 billion in 2015. The 2016 assessment may be summarized as follows:

Approximately 30,400 market value notices were mailed to property owners the first week of March. This year's Local Board will meet on April 13th at 6 pm in the Council Chambers. In addition to the Local Board of Appeal, taxpayers will have additional avenues of valuation appeal via the Hennepin County Board of Appeal, or direct appeal to the Minnesota Tax Court.

- Overall City real property value increased 5.5% to record high \$12 billion
- Single Family Residential sees growth of 3.1%
- Commercial segment increased 5.6% including new improvements
- Apartment segment increased 19.5% including new improvements
- Completed developments & improvements total over \$206 million in value

Matt Gersemehl, SAMA
Bloomington City Assessor

2016 Objectives

Complete field review and revaluation of required number of parcels annually and ensure that statistical measurements of accuracy and equalization are within the desired targets set by the Minnesota Department of Revenue

2015 Results

Reviewed more than the 20 percent of parcels required - 7,162 out of approximately 30,400 parcels.

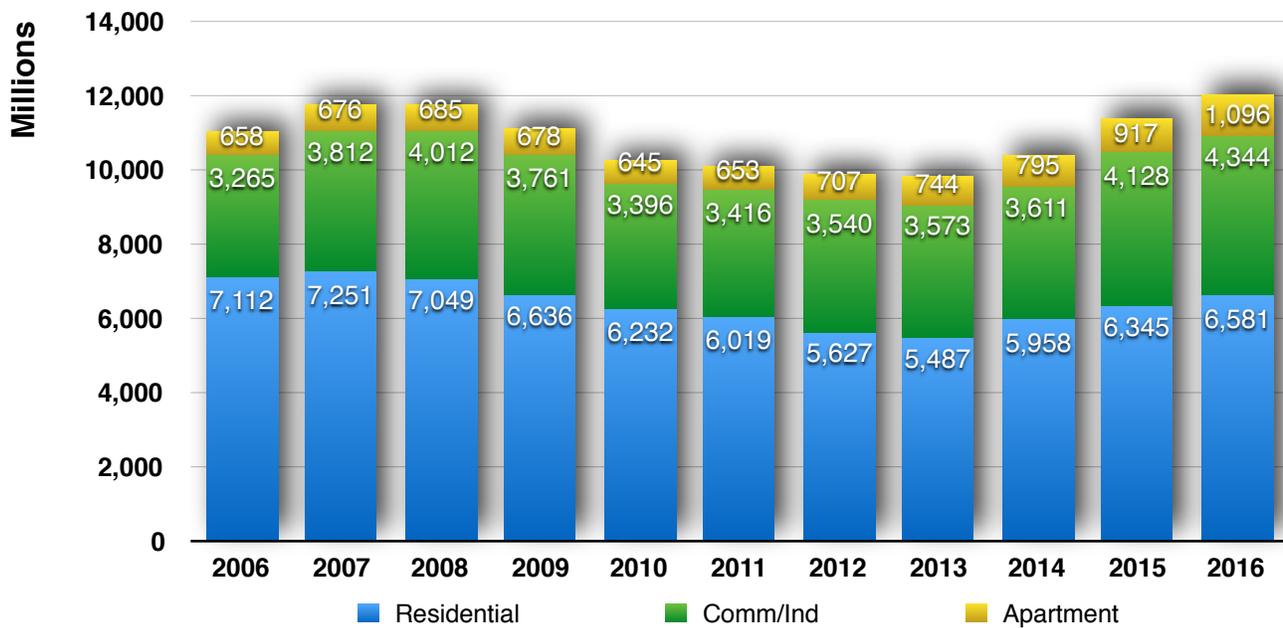
Assessor's Leadership Team

Commercial Appraisal - Kent Smith
Residential Appraisal - Mark Anderson
Property Tax Specialist - Mark Reichel
Assessment Specialist - Brian Kohorst
Homestead Administrator - Stacy Ziminske
Homestead Administrator - Melanie Taillefer

Assessment Summary Statistics

Assessor's Market Value						
Property Type	Parcel Count	2015 Pay 2016		2016 Pay 2017		15 vs 16 % Change
		Value	% of Total	Value	% of Total	
Residential	22,143	5,413,728,400	47.5%	5,580,180,200	46.4%	3.1%
Commercial	630	3,492,213,900	30.7%	3,686,937,500	30.7%	5.6%
Industrial	409	636,146,700	5.6%	657,503,800	5.5%	3.4%
Apartments	381	916,885,700	8.0%	1,095,723,800	9.1%	19.5%
Condominiums	3,738	382,956,900	3.4%	418,384,900	3.5%	9.3%
Townhouses	2,221	431,351,400	3.8%	456,614,500	3.8%	5.9%
Cooperatives	906	117,148,500	1.0%	126,753,800	1.1%	8.2%
	30,428	11,390,431,500	100.0%	12,022,098,500	100.0%	5.5%

10 Year Market Value History



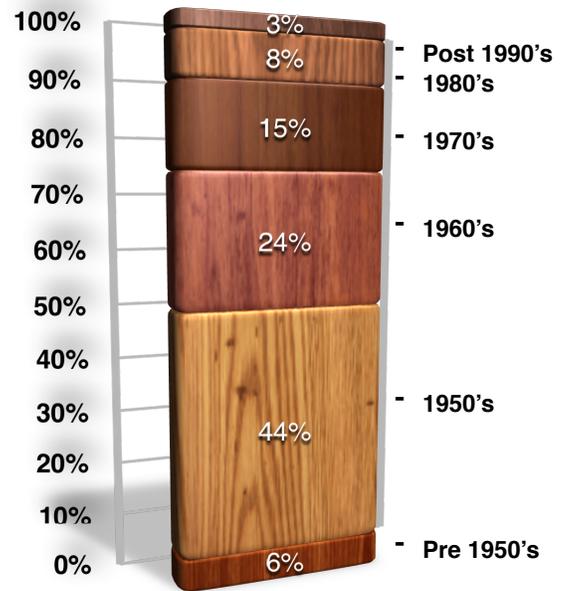
Note: Residential includes Condos, Townhouses and Cooperatives above.

Single Family Residential

Average & Median Value History

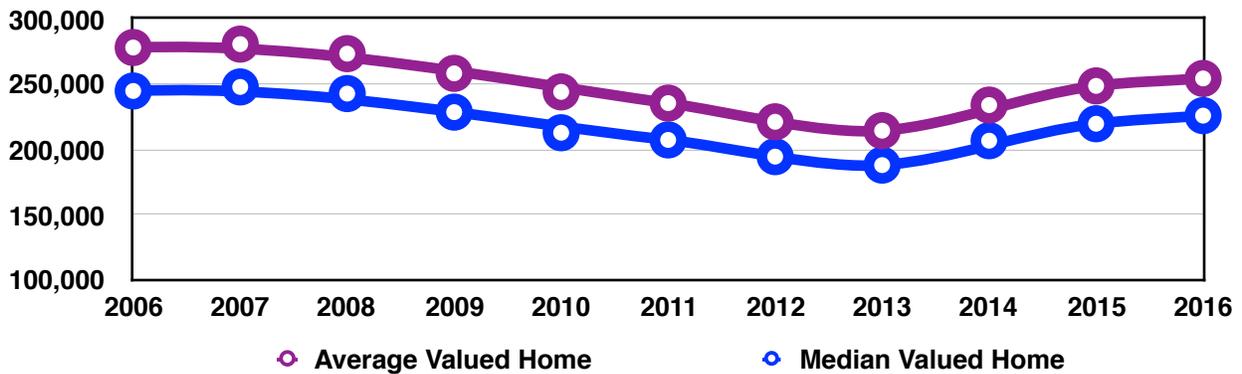
Assessment Year	Average Value	% Chg	Median Value	% Chg
2016	254,400	2.3%	225,900	2.8%
2015	248,700	6.3%	219,700	6.3%
2014	234,000	9.1%	206,700	9.9%
2013	214,400	(3.1%)	188,000	(3.3%)
2012	221,200	(6.1%)	194,500	(6.2%)
2011	235,500	(3.5%)	207,300	(2.6%)
2010	244,100	(5.5%)	212,800	(6.9%)
2009	258,300	(5.5%)	228,600	(5.8%)
2008	273,400	(2.6%)	242,800	(2.1%)
2007	280,700	0.9%	247,900	1.3%
2006	278,100		244,800	

Single Family Housing Stock Breakdown

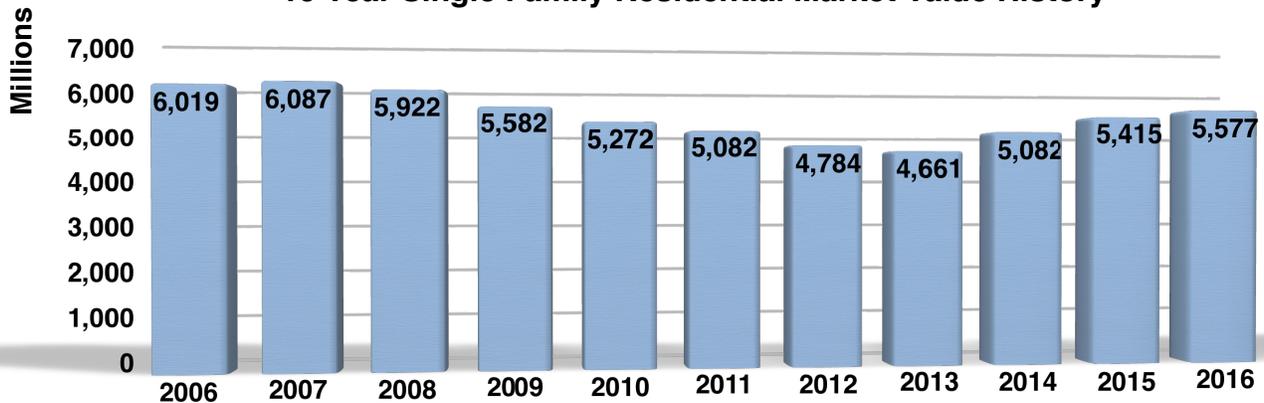


This chart shows that 74% of the City's housing stock was built prior to 1970 and 90% prior to 1980.

10 Year Average and Median Value History



10 Year Single Family Residential Market Value History



Single Family Residential

2016 Assessment Statistics										
Property Type	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	15/16 Value Change
Single Family	855	0.953	0.980	0.960	9.400	1.019	255,767	261,883	250,209	3.1%
Condominium	207	0.952	0.950	0.950	4.970	1.005	157,789	161,910	153,979	7.8%
Townhouses	139	0.952	0.960	0.960	4.190	0.999	211,783	216,807	208,212	6.0%
Two Family	10	0.952	0.970	0.970	5.090	1.000	295,973	305,688	300,910	16.9%
Zero Lot Line	9	0.954	0.980	0.960	8.420	1.019	193,308	197,519	185,989	6.6%
Total Sales	1225	0.953	0.970	0.960	8.010	1.014	235,166	240,887	228,931	3.9%

The above and following charts illustrates the statistical measurements that are a result of the mass appraisal assessment process. Minnesota Department of Revenue (MDOR) requires the following statistical guidelines.

Median Ratio, aka Sales Ratio

A measure of central tendency, the middle ratio in an array, the ratio the relationship between a property sale and the indicated 2016 Estimated Market Value. MDOR guidelines are 90% to 105%

Mean Ratio

A measure of central tendency, the average ratio of an array of indices.

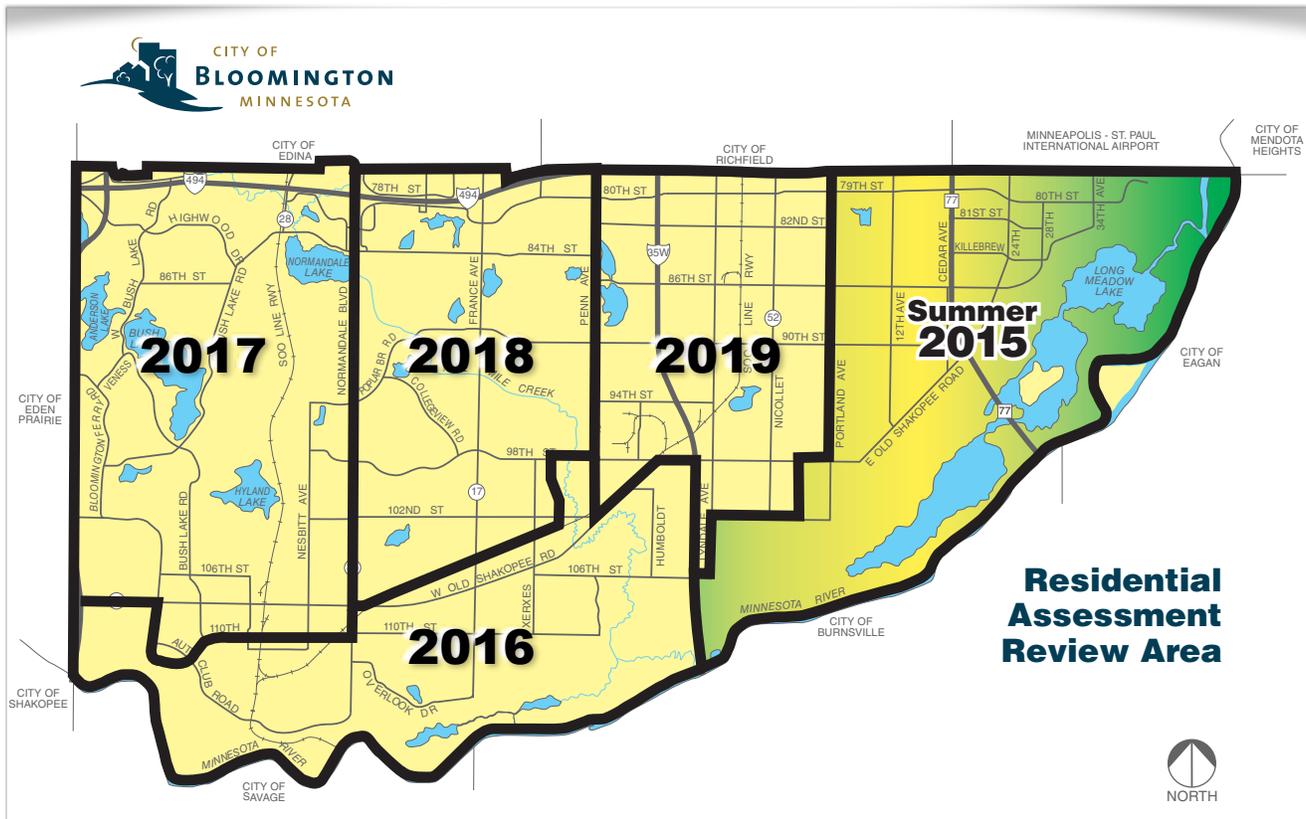
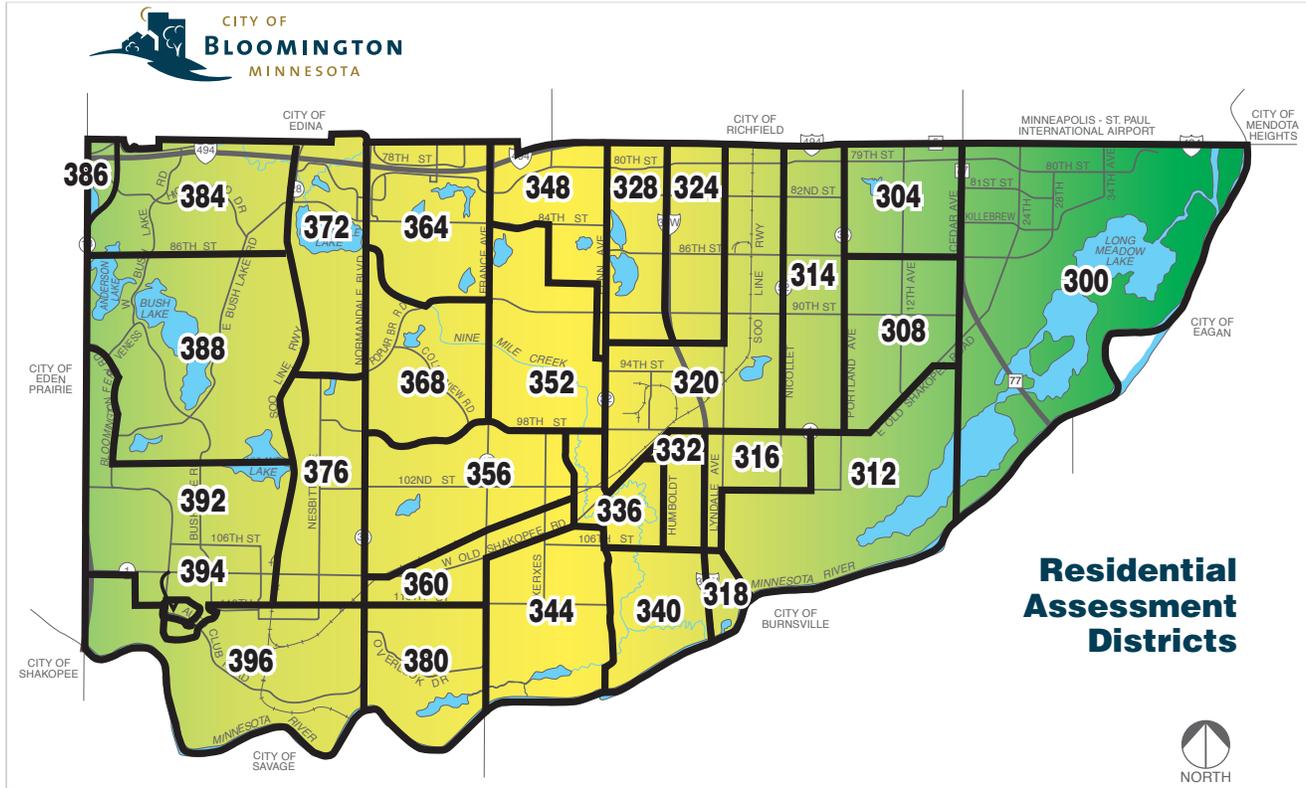
Coefficient of Dispersion

A measurement of assessment uniformity, less than ten (10) is considered excellent

Price Related Bias

A measurement of vertical equity within the assessment model. Assessments are considered regressive if high-value properties are under assessed relative to low-value properties or progressive if high-value properties are relatively over-assessed. As a general rule, except for small samples, the PRD should range from 98% to 103%.

Single Family Residential



This map indicates the residential areas reviewed during 2015 for the 2016 assessment.

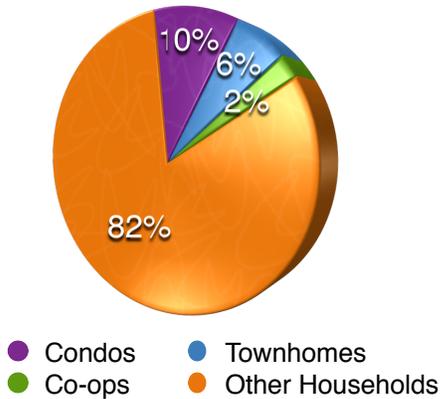
Single Family Residential

2016 Assessment Statistics											
Assessing District	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	15/16 Value Change	
Auto Club	396	15	0.955	0.960	0.960	5.880	1.016	581,469	595,067	571,607	(0.9%)
Bryant Lake	324	29	0.950	1.000	0.970	13.490	1.033	191,031	195,392	188,638	3.3%
Bush Lake	388	34	0.960	0.970	0.960	7.280	1.006	456,469	466,505	445,641	(0.9%)
Central Ind Park	320	47	0.953	1.010	0.980	10.770	1.028	181,849	186,070	182,791	14.9%
Collegeview	368	27	0.957	0.970	0.960	7.230	1.002	315,352	322,914	310,504	2.5%
Countryside	392	46	0.960	0.980	0.980	7.670	1.014	266,995	273,743	267,491	4.6%
Dwan	344	44	0.950	1.000	0.880	13.160	1.143	285,195	292,798	256,339	3.9%
Ensign	386	2	0.960	0.960	0.960	5.570	1.000	295,500	303,650	281,250	2.7%
Glen Wilding	340	15	0.958	0.970	0.950	6.280	1.010	351,024	358,864	341,787	0.0%
Highwood	384	25	0.963	0.950	0.950	9.950	0.998	365,337	374,349	350,588	1.1%
Hyland Greens	376	34	0.950	0.970	0.950	9.450	1.017	302,281	309,568	292,550	4.8%
Jefferson	356	59	0.950	0.950	0.940	7.780	1.015	288,585	295,928	277,344	4.2%
Marsh Lake	352	33	0.950	0.970	0.960	7.440	1.007	248,717	255,020	244,476	3.3%
Moir Park	336	10	0.940	0.990	0.960	7.370	1.011	234,346	241,470	231,900	3.4%
Norman Ridge	372	19	0.962	0.970	0.960	8.960	1.007	432,255	443,103	426,842	6.3%
Oak Grove	332	15	0.960	0.96	0.950	6.760	1.008	220,781	226,120	213,387	(0.9%)
Oxboro	316	14	0.950	1.100	1.050	23.790	1.091	160,095	163,403	171,121	0.6%
Penn Lake	328	32	0.950	0.960	0.940	10.020	1.016	222,447	227,567	212,844	5.5%
Pond-Dakota	312	73	0.957	0.960	0.930	7.030	1.014	237,796	243,435	227,441	1.8%
Poplar Bridge	364	30	0.960	0.950	0.950	7.720	1.009	241,437	246,577	233,030	3.1%
Running Park	308	68	0.960	0.990	0.970	11.270	1.023	184,011	188,685	181,432	1.0%
Sans Pierre	318	1	0.950	0.950	0.950	0.000	1.000	750,000	758,143	713,600	(2.5%)
Smith Park	304	47	0.947	1.010	0.980	12.250	1.027	184,252	188,787	184,955	6.1%
South Loop	300	10	0.960	1.050	1.060	17.000	1.023	202,531	209,030	221,340	(7.1%)
Southwood	380	22	0.960	0.940	0.930	8.290	1.014	256,481	262,330	244,109	(1.2%)
Valley View	314	55	0.948	0.960	0.950	9.670	1.016	196,888	201,640	191,809	6.4%
Valley West	360	23	0.950	0.940	0.930	7.540	1.015	216,615	221,944	205,735	4.1%
Washburn	348	37	0.946	0.950	0.940	7.560	1.012	224,843	230,224	217,489	5.4%
Williamsburg V.	394	5	0.950	0.970	0.970	5.440	0.999	233,714	237,835	230,280	0.6%

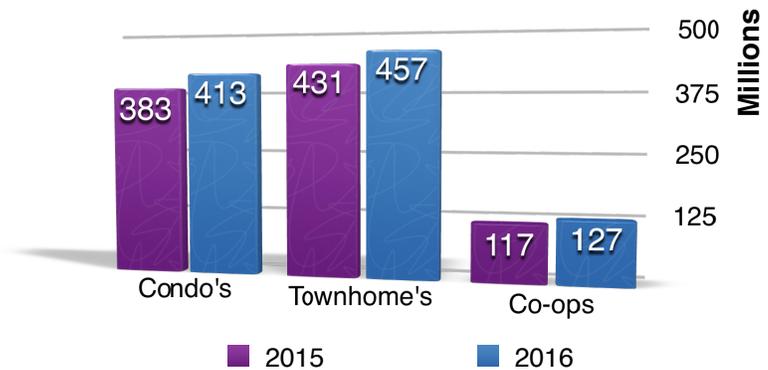
Note: The 2016 Sales Study Period was from October 1, 2014 through September 30, 2015

Condos, Townhouses & Cooperatives

Total Housing Unit Breakdown



2016 Market Comparison

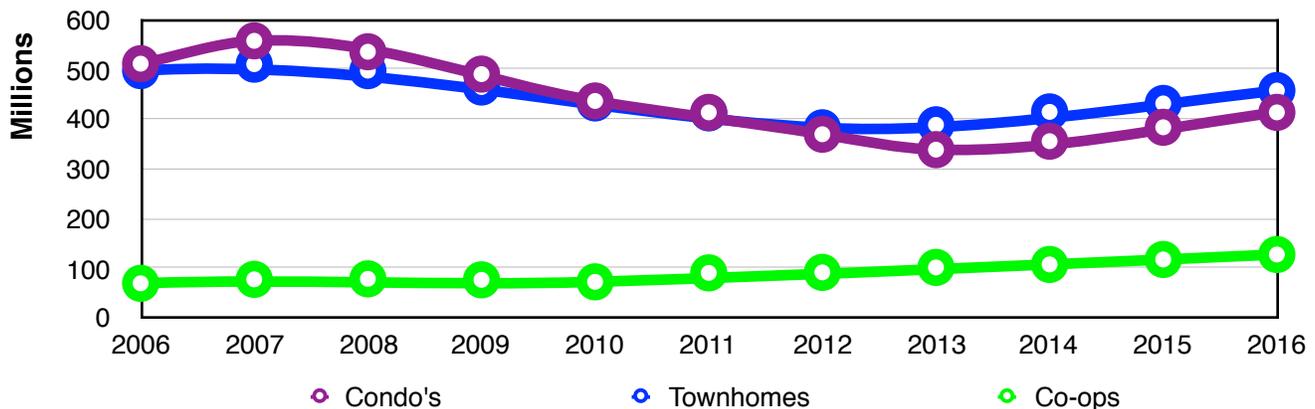


The City has 38,206 housing units. There are 3,738 Condos, 2,221 Townhouse and 908 Co-op Units.

The total market value for Condo's Townhouse and Co-ops equaled \$996 million, which is 8.3% of the City's Total Market Value.

The City has added two new Applewood Pointe Cooperative Projects since 2011. Applewood Pointe Southtown, 101 units in 2011 and Applewood Pointe Valley West, 77 units in 2015.

10 Year Value History

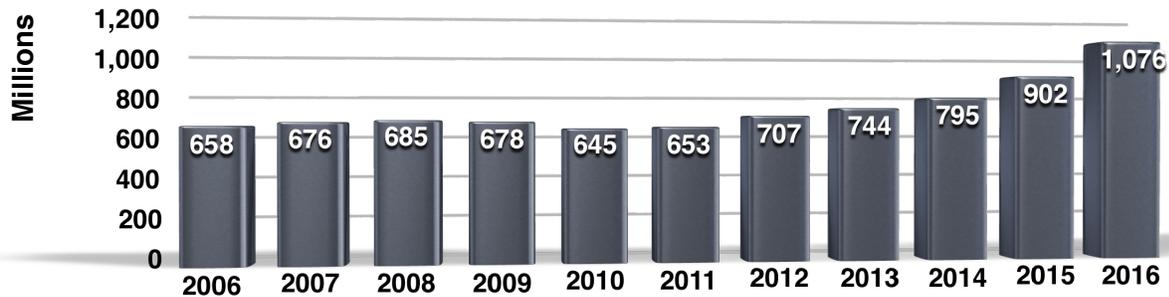


2016 Assessment Statistics

Property Type	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	15/16 Value Change
Condo's	207	0.952	0.950	0.950	4.970	1.005	157,789	161,910	153,979	7.8%
Townhouses	139	0.952	0.960	0.960	4.190	0.999	211,783	216,807	208,212	6.0%
Cooperatives	No Sales Data									
Note: The 2016 Sales Study Period was from October 1, 2014 through September 30, 2015										

Apartments

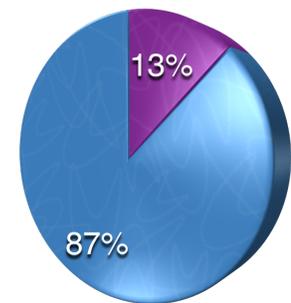
10 Year Apartment Market Value History



Development of New Apartment Projects Since 2012

- **The Genesee at Penn American**, the 232 unit project opened in September 2012.
- **Covington at Norman Pointe** opened summer of 2014 and added 250 apartment units.
- **The Luxembourg** is under construction and will add another 282 units.
- **IndiGO at Bloomington Central Station** is a 394 unit complex with the first phase to open in 2016.
- A site at **Norman Pointe** was purchased to be developed as a 175 unit apartment complex. Construction is set to begin in 2016.

New Construction Since 2012



- Apartments Since 2012
- Existing Apartments

Apartment Value Summary

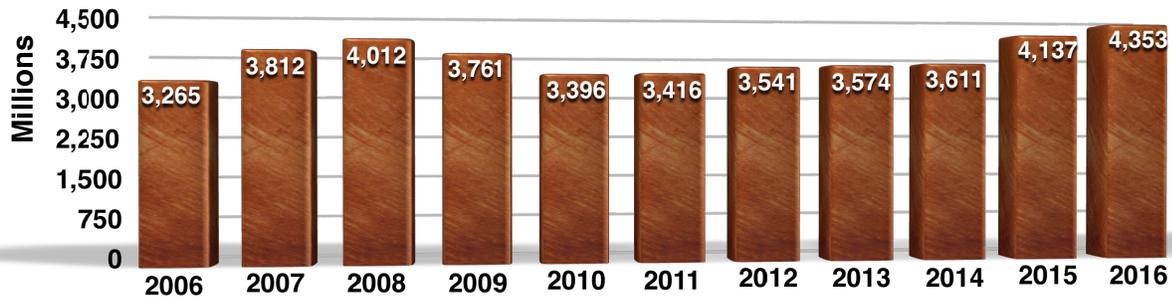
Property Class	Unit Count	2015 Value	2016 Value	Gross % Chg	New Construction	Net % Chg
Class A	3,253	380,122,500	464,655,100	22.2%	37,828,200	12.3%
Class B	2,522	178,796,900	214,150,500	19.8%	0	19.8%
Class C	2,946	206,554,200	238,933,900	15.7%	0	15.7%
Class D	356	25,124,400	25,837,800	2.8%	0	2.8%
Class E	142	8,875,800	9,870,000	11.2%	0	11.2%
TH Style & Misc Apts	1,272	102,746,100	122,521,400	19.2%	12,044,800	7.5%

2016 Assessment Statistics

Property Type	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	15/16 Value Change
Apartments	8	0.957	0.951	0.936	6.200	1.016	1,554,923	1,718,920	1,609,437	18.9%
Note: The 2016 Sales Study Period was from October 1, 2014 through September 30, 2015										

Commercial & Industrial

10 Year Commercial & Industrial Market Value History



Commercial & Industrial Value Summary

Property Class	2015 Value	2016 Value	Gross % Chg	New Construction	Net % Chg
Hotel/Motel	532,825,600	636,797,300	19.5%	75,505,800	5.3%
Office Buildings	1,193,037,800	1,218,528,000	2.1%	16,577,800	0.7%
Retail Properties	401,337,600	440,884,800	9.9%	6,699,500	8.2%
Super Regional Shopping Center	944,265,300	972,419,600	3.0%	13,154,300	1.6%
Auto Related Services	162,493,000	180,802,100	11.3%	8,497,000	6.0%
Restaurants & Fast Food	72,443,300	74,709,300	3.1%	2,697,700	(0.6%)
Miscellaneous Commercial	176,517,900	173,881,000	(1.5%)	0	(1.5%)
Commercial & Industrial Land	41,511,100	43,241,500	4.2%	0	4.2%
Industrial	636,146,700	657,503,800	3.4%	3,353,200	2.8%

Hotel Rooms Breakdown

Property Class	Number of Rooms	% of Total
Luxury (L)	342	3.6%
Upper Upscale (UU)	2,930	31.1%
Upscale (U)	2,657	28.2%
Upper Midscale (UM)	1,365	14.5%
Midscale (M)	1,603	17.0%
Economy (E)	511	5.4%

New Hotels Since 2013

- **JW Marriott (L)** - 342 rooms built in 2015
- **Radisson Blu (UU)** - 500 rooms built in 2013
- **Hyatt Regency (UU)** - 302 rooms built in 2016
- **AC Marriott (U)**- 148 rooms built in 2016
- **Home2 Suites (U)**- 107 rooms built in 2015
- **Towneplace Suites (UM)** - 118 rooms built in 2015
- **Hampton Inn West (UM)**- 100 rooms in 2015

The above new developments total 1,617 rooms. This represents a 20% increase in room supply so far this cycle.

The City's total room count is now at 9,408

2016 Assessment Statistics

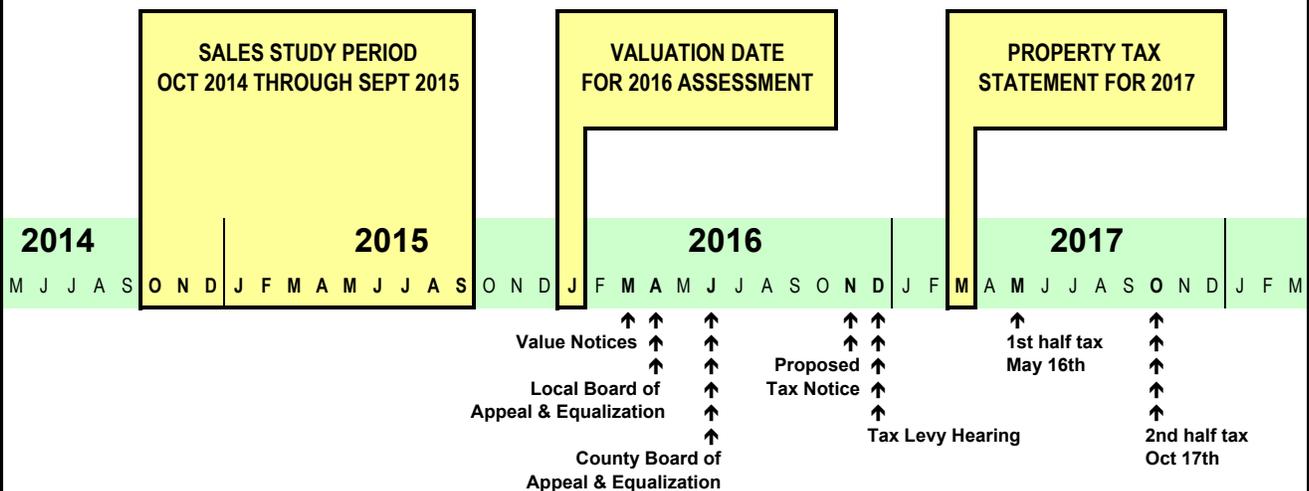
Property Type	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Total Sale Price	Mean Trended Price	Mean Appraised Value	15/16 Value Change
Commercial	8	0.919	0.913	0.903	5.70	1.011	485.3M	485.3M	437.4M	3.7%
Industrial	11	0.967	0.961	0.877	5.40	1.092	35.7M	35.7M	31.3M	11.3%

Note: The 2016 Sales Study Period was from October 1, 2014 through September 30, 2015

Assessment Timeline

MINNESOTA STATE LAW PROPERTY TAX TIMELINE

Assessment Year 2016 for Property Taxes Payable in 2017
Understanding the Sales Study Period, Valuation Date and Property Taxes



Sales Ratio Study analyzes sales from October 2014 through September 2015.

This study determines the value for the January 2, 2016 assessment date.

The January 2, 2016 assessment is the basis for property taxes payable in 2017.

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The Minnesota Property Tax System is very complex, throughout this document we have reported the statistics and empirical data that went into the 2016 Assessment. The above chart illustrates the process in which any given annual assessment goes through. In Minnesota the actual assessment process is at a minimum three years.

As you can see from above, the sales information that is utilized in forming our estimation of value occurs through the final months of 2014 through September 2015. Those sales through an analysis are trended forward as if they occurred on the assessment date of January 2nd, 2016.

Once the values are established they are paired with spending decisions at the City, County and School Districts, those decisions are listed above as the Tax Levy Hearing.

Once the Tax Levy process has been finalized the dollars needed are spread over the market value assessment through an apportionment process. That process determines each taxpayers proportionate share of the tax dollars needed. This results in the Property Tax Statements that get sent out in March for payment in May and October of 2017.

Thank you for taking the time to read through this document. If you have any questions please contact the Assessing Office at 952-563-8722.