

2017 ASSESSMENT REPORT



Assessor's Message



This report outlines the January 2, 2017 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 2017 mass-appraisal process.

The 2017 assessment has seen 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 under construction in 2016. This brings the total supply of apartments up 13% to over 10,500 units. New construction in 2016 totaled 40 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 2016 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 reached a record high of the \$12.8 billion. This is an increase of 6.3% from \$12 billion in 2016. The 2017 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 12th 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 6.3% to record high \$12.76 billion
- Single Family Residential sees growth of 6.8%
- Commercial segment increased 3.5% including new improvements
- Apartment segment increased 12.5% including new improvements
- Completed developments & improvements total over \$118 million in value

Matt Gersemehl, SAMA
Bloomington City Assessor

2017 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

2016 Results

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

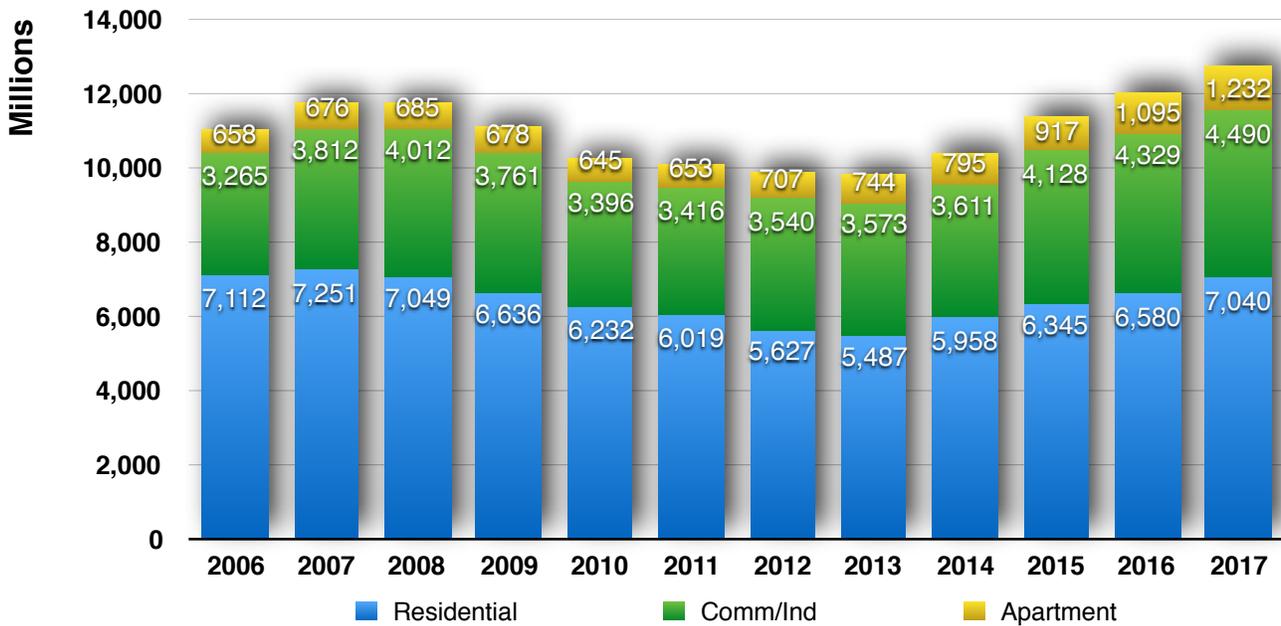
Assessor's Leadership Team

Commercial Appraisal - Kent Smith
Residential Appraisal - Jenny Blumers
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	2016 Pay 2017		2017 Pay 2018		16 vs 17 % Change
		Value	% of Total	Value	% of Total	
Residential	22,143	5,576,642,900	46.5%	5,953,151,200	46.6%	6.8%
Commercial	630	3,674,097,200	30.6%	3,803,556,400	29.8%	3.5%
Industrial	409	654,831,300	5.5%	686,826,500	5.4%	4.9%
Apartments	381	1,095,342,800	9.1%	1,231,780,400	9.7%	12.5%
Condominiums	3,753	419,474,500	3.5%	459,974,500	3.6%	9.7%
Townhouses	2,226	456,337,300	3.8%	487,263,300	3.8%	6.8%
Cooperatives	906	127,761,900	1.1%	139,853,300	1.1%	9.5%
	30,448	12,004,487,900	100.0%	12,762,405,600	100.0%	6.3%

12 Year Market Value History



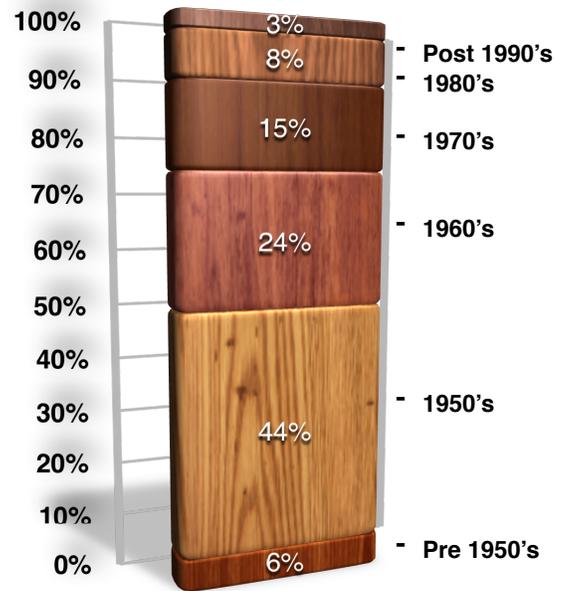
Note: Residential includes Condos, Townhouses and Cooperatives above.

Single Family Residential

Average & Median Value History

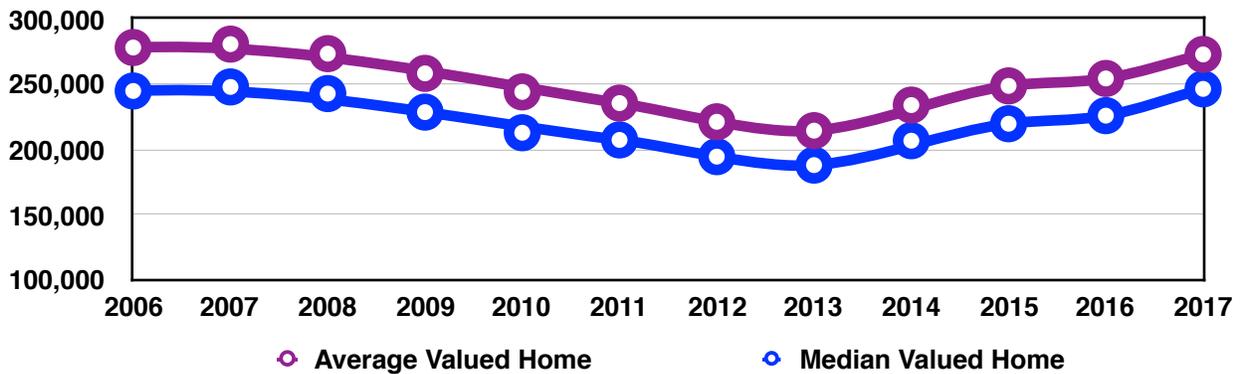
Assessment Year	Average Value	% Chg	Median Value	% Chg
2017	272,800	7.2%	246,400	9.1%
2016	254,400	2.3%	225,900	2.8%
2015	248,700	6.3%	219,700	6.3%
2014	234,000	9.1%	206,700	9.9%
2013	214,400	(3.1%)	188,000	(3.3%)
2012	221,200	(6.1%)	194,500	(6.2%)
2011	235,500	(3.5%)	207,300	(2.6%)
2010	244,100	(5.5%)	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

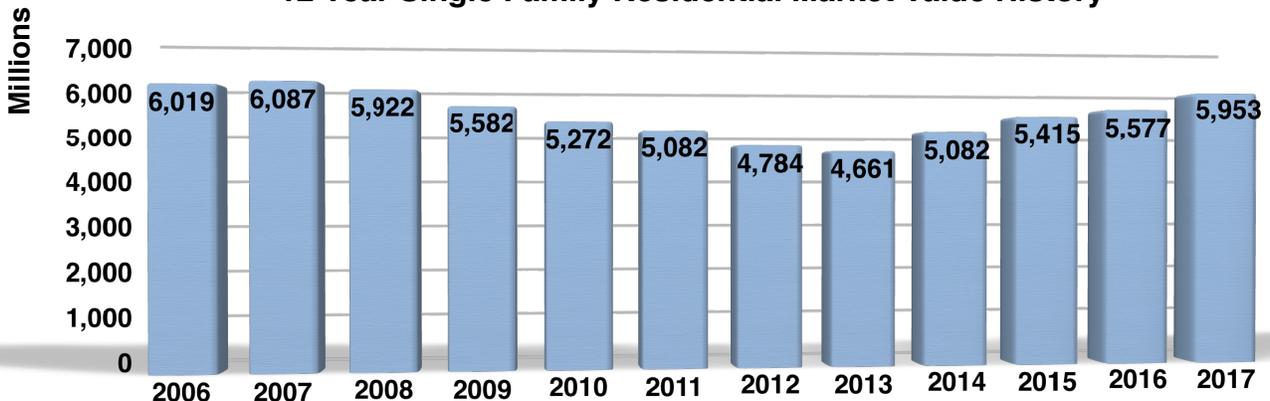


This chart shows that 74% of the City's housing stock was built prior to 1970 and 90% prior to 1980.

12 Year Average and Median Value History



12 Year Single Family Residential Market Value History



Single Family Residential

2017 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	16/17 Value Change
Single Family	799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%
Condominium	199	0.95	0.96	0.95	6.12	1.01	156,700	164,800	156,700	10.1%
Townhouses	144	0.95	0.97	0.96	5.36	1.00	210,900	217,700	209,100	7.8%
Two Family	5	0.95	1.00	1.00	8.10	1.00	278,600	288,900	289,900	7.1%
Zero Lot Line	10	0.95	0.97	0.96	5.36	1.00	186,000	193,100	186,800	-0.1%
Total Sales	1,157	0.95	0.96	0.95	6.42	1.01	245,000	255,400	243,500	7.8%

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.

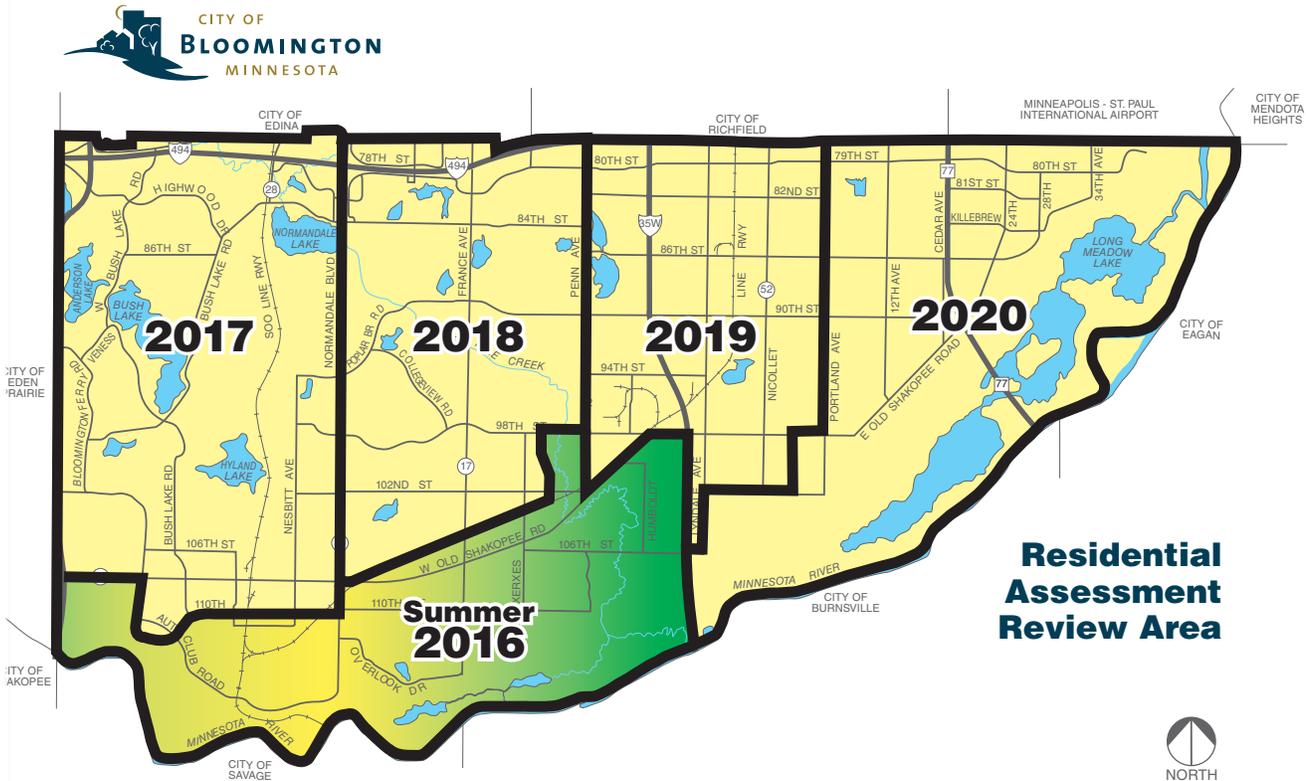
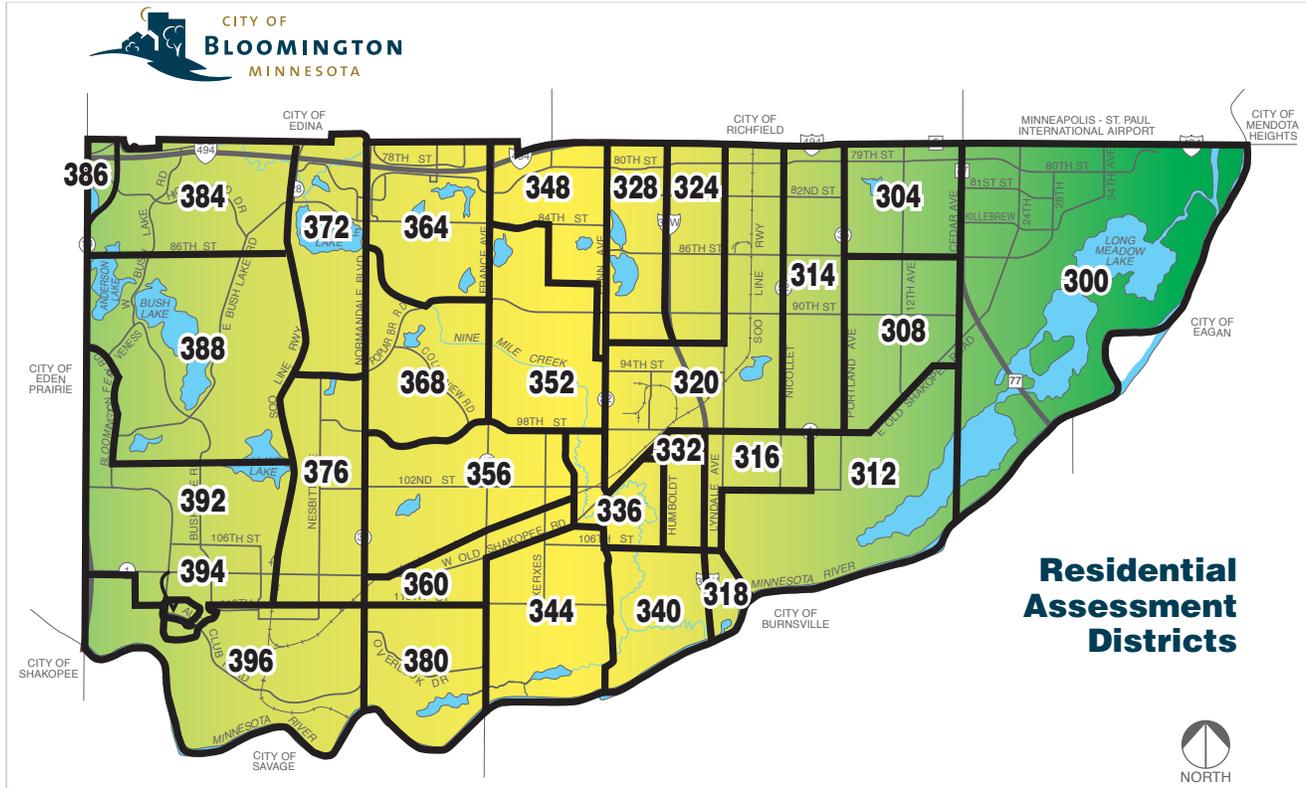
Coefficient of Dispersion

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

Price Related Bias or Differential (PRD)

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 2016 for the 2017 assessment.

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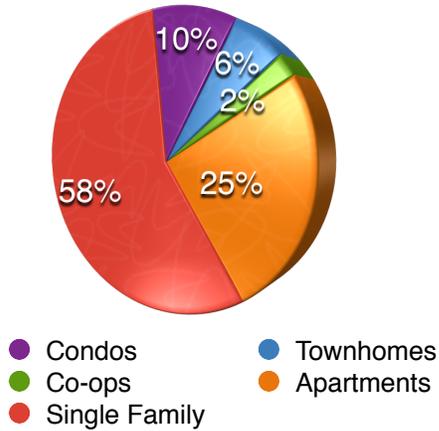
Single Family Residential

2017 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	16/17 Value Change	
Auto Club	396	21	0.96	0.97	0.96	5.00	1.00	513,400	535,000	514,500	(3.2%)
Bryant Lake	324	23	0.95	0.96	0.96	6.28	1.00	206,600	215,900	207,200	9.6%
Bush Lake	388	23	0.96	0.96	0.95	6.41	1.00	492,600	513,200	489,400	(0.4%)
Central Ind Park	320	22	0.95	0.97	0.96	8.68	1.01	193,100	200,500	192,400	4.1%
Collegeview	368	28	0.95	0.97	0.96	7.82	1.01	349,200	364,200	351,500	6.0%
Countryside	392	48	0.95	0.95	0.94	5.88	1.01	287,300	299,600	282,600	2.3%
Dwan	344	53	0.95	0.95	0.94	5.57	1.01	259,900	271,200	255,300	8.6%
Ensign	386										
Glen Wilding	340	7	0.95	0.98	0.98	4.29	1.01	303,300	315,700	307,900	11.7%
Highwood	384	33	0.96	0.94	0.94	5.43	1.00	395,100	411,300	386,100	6.8%
Hyland Greens	376	23	0.96	0.95	0.94	6.58	1.01	315,000	328,600	310,000	2.2%
Jefferson	356	61	0.95	0.96	0.95	6.98	1.01	295,900	307,800	293,400	8.3%
Marsh Lake	352	33	0.95	0.95	0.95	6.81	1.01	284,600	296,800	280,700	6.7%
Moir Park	336	8	0.96	0.96	0.95	7.46	1.01	310,200	325,000	309,500	8.0%
Norman Ridge	372	13	0.94	0.97	0.96	7.07	1.01	424,600	446,300	427,300	1.0%
Oak Grove	332	16	0.95	0.96	0.95	7.56	1.01	223,000	233,300	221,100	10.4%
Oxboro	316	14	0.95	0.96	0.95	5.27	1.00	197,300	205,300	195,900	13.9%
Penn Lake	328	33	0.95	0.97	0.96	7.71	1.01	237,500	246,200	236,600	10.3%
Pond-Dakota	312	42	0.95	0.96	0.95	7.68	1.01	229,600	239,000	228,000	9.1%
Poplar Bridge	364	26	0.95	0.94	0.94	4.95	1.01	279,100	288,000	270,000	11.0%
Running Park	308	67	0.95	0.95	0.94	7.28	1.01	206,900	215,200	203,300	11.9%
Sans Pierre	318	1	0.96	0.96	0.96	1.00		762,500	774,900	740,500	10.5%
Smith Park	304	43	0.95	0.97	0.96	6.30	1.01	198,900	206,500	198,000	8.7%
South Loop	300	13	0.95	0.95	0.94	5.82	1.01	270,100	281,800	263,700	22.0%
Southwood	380	21	0.95	0.97	0.96	6.85	1.01	272,200	284,700	273,400	9.8%
Valley View	314	52	0.95	0.97	0.97	6.93	1.01	212,400	221,700	214,300	12.7%
Valley West	360	31	0.95	0.98	0.96	8.34	1.01	232,600	241,900	233,000	13.8%
Washburn	348	33	0.95	0.95	0.94	7.68	1.01	241,600	252,000	237,800	10.7%
Williamsburg V.	394	11	0.95	0.99	0.98	6.09	1.00	256,100	268,700	264,600	17.7%
Total Sales		799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%

Note: The 2017 Sales Study Period was from October 1, 2015 through September 30, 2016

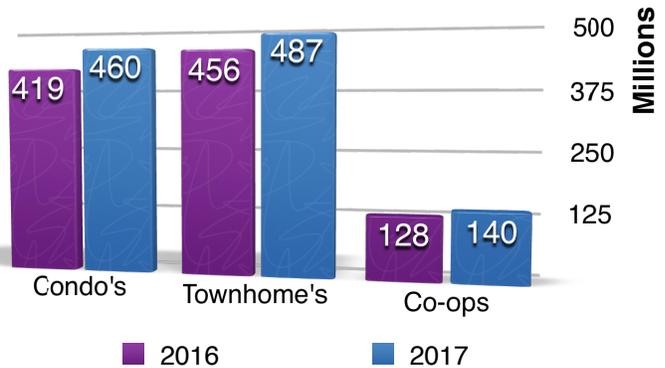
Condos, Townhouses & Cooperatives

Total Housing Unit Breakdown



The City has 38,460 housing units. There are 3,738 Condos, 2,221 Townhouse and 908 Co-op Units.

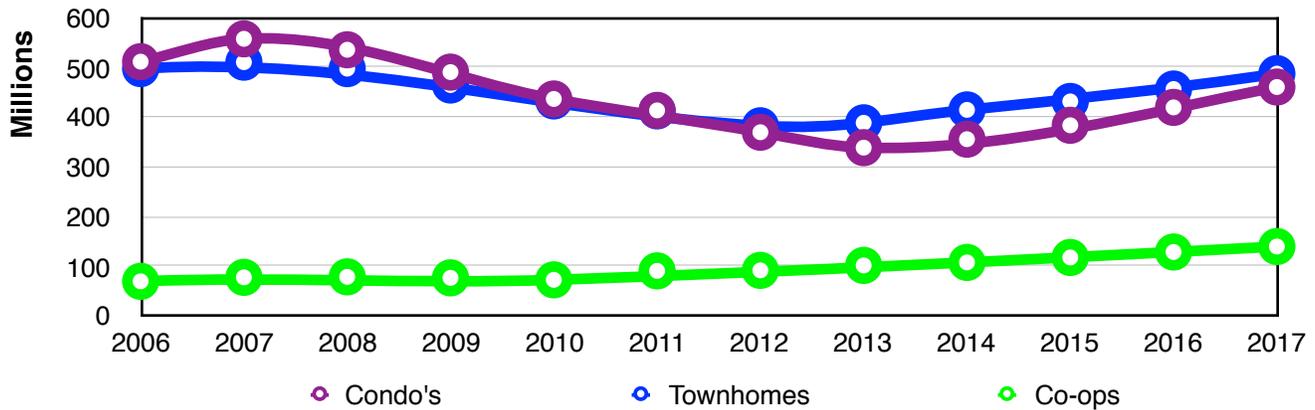
2017 Market Comparison



The total market value for Condo's Townhouse and Co-ops equaled \$1.09 billion, which is 8.5% 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.

12 Year Market Value History

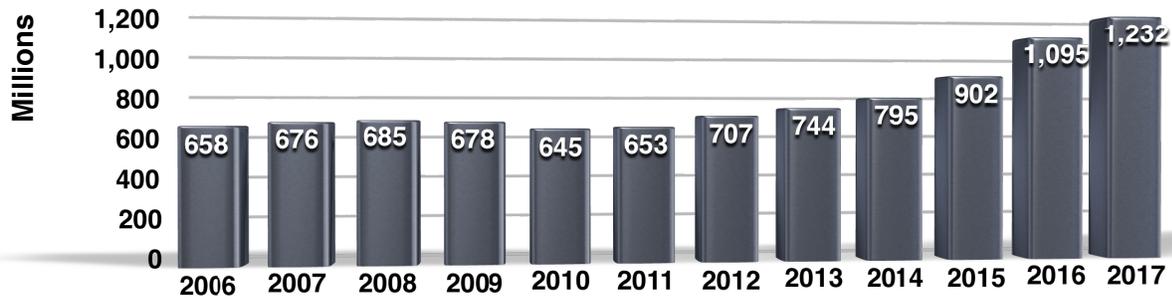


2017 Assessment Statistics

Property Type	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	16/17 Value Change
Condo's	199	0.95	0.96	0.95	6.12	1.01	156,700	164,800	156,800	10.1%
Townhouses	144	0.95	0.97	0.96	5.36	1.00	210,900	217,700	209,100	7.8%
Cooperatives	No Sales Data									
Note: The 2017 Sales Study Period was from October 1, 2015 through September 30, 2016										

Apartments

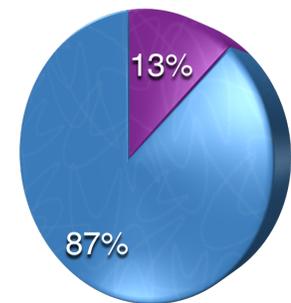
12 Year Apartment Market Value History



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 now open and will add another 282 units.
- **IndiGO at Bloomington Central Station** is a 394 unit complex with three wings open in 2016.
- **The Preserve at Norman Pointe, a 179 unit complex** is under construction with scheduled completion in the fall of 2017

New Construction Since 2012



- Apartments Since 2012
- Existing Apartments

Apartment Value Summary

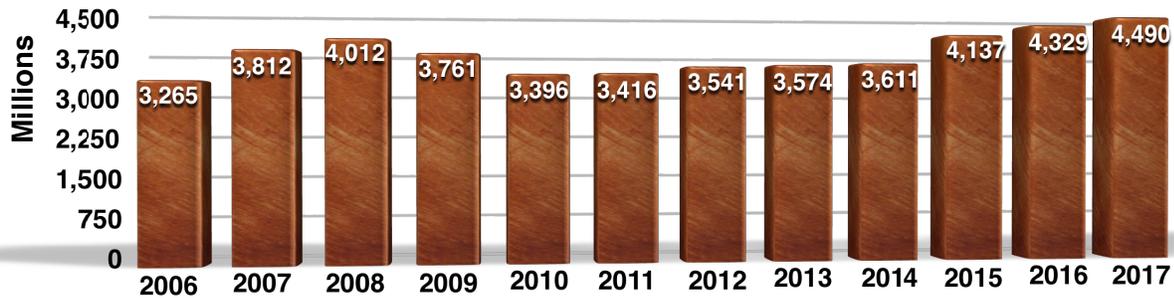
Property Class	Unit Count	2016 Value	2017 Value	Gross % Chg	New Construction	Net % Chg
Class A	3,096	414,625,700	491,393,600	18.5%	40,110,000	8.8%
Class B	2,208	185,254,200	199,863,200	7.9%	0	7.9%
Class C	3,618	281,644,700	306,400,500	8.8%	0	8.8%
Class D	317	23,363,300	25,539,100	9.3%	0	9.3%
Class E	193	13,958,300	16,366,600	17.3%	0	17.3%

2017 Assessment Statistics

Property Type	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Total Sale Price	Total Trended Sale Price	Total Appraised Value	16/17 Value Change
Apartments	10	0.95	0.95	0.94	2.0	1.0	141.8M	152.7M	143.4M	11.4%
Note: The 2017 Sales Study Period was from October 1, 2016 through September 30, 2017										

Commercial & Industrial

12 Year Commercial & Industrial Market Value History



Commercial & Industrial Value Summary

Property Class	2016 Value	2017 Value	Gross % Chg	New Construction	Net % Chg
Hotel/Motel	621,598,800	674,023,900	8.4%	21,257,900	5.0%
Office Buildings	1,147,937,200	1,185,665,500	3.3%	13,165,500	2.1%
Retail Properties	415,134,100	419,570,900	1.1%	1,834,800	0.6%
Super Regional Shopping Center	972,419,600	988,355,000	1.6%	15,935,400	0.0%
Auto Related Services	178,234,000	187,118,500	5.0%	4,265,000	2.6%
Restaurants & Fast Food	74,484,300	78,045,100	4.8%	100,000	4.6%
Miscellaneous Commercial	122,618,600	130,046,900	6.1%	0	6.1%
Commercial & Industrial Land	43,193,600	46,362,300	7.3%	0	7.3%
Industrial	631,393,300	667,942,600	5.8%	6,260,600	4.8%

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

2017 Assessment Statistics

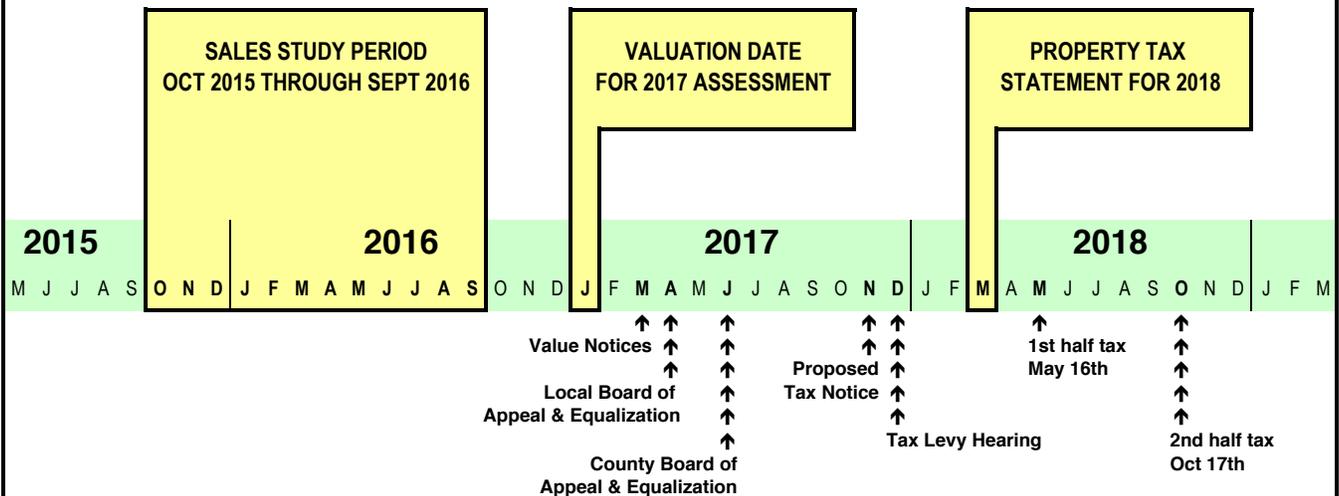
Property Type	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Total Sale Price	Total Trended Sale Price	Total Appraised Value	16/17 Value Change
Commercial	7	0.95	0.96	0.93	3.2	1.02	122.8M	129.9M	121.4M	5.0%
Industrial	10	0.95	0.95	0.95	4.0	1.00	12.6M	13.5M	13.5M	7.4%

Note: The 2017 Sales Study Period was from October 1, 2015 through September 30, 2016

Assessment Timeline

MINNESOTA STATE LAW PROPERTY TAX TIMELINE

Assessment Year 2017 for Property Taxes Payable in 2018
Understanding the Sales Study Period, Valuation Date and Property Taxes



Sales Ratio Study analyzes sales from October 2015 through September 2016.

This study determines the value for the January 2, 2017 assessment date.

The January 2, 2017 assessment is the basis for property taxes payable in 2018.

The Minnesota Property Tax System is very complex, throughout this document we have reported the statistics and empirical data that went into the 2017 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 2015 through September 2016. Those sales through an analysis are trended forward as if they occurred on the assessment date of January 2nd, 2017.

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 2018.

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.

Single Family Residential

2017 Assessment Statistics

Property Style	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	16/17 Value Change
Ramblers	480	0.95	0.96	0.95	7.12	1.01	244,200	254,500	242,600	10.1%
1.25 Story	2	0.92	0.92	0.91	1.04	1.00	193,100	202,500	185,300	7.5%
1.5 Story	46	0.95	0.98	0.97	7.41	1.01	227,700	237,000	229,600	6.6%
1.75 Story	9	0.95	0.94	0.93	3.87	1.00	210,700	220,000	205,600	6.6%
Two Story	103	0.95	0.95	0.94	6.06	1.01	412,400	429,900	406,200	1.4%
Split Foyer	82	0.95	0.95	0.95	6.34	1.00	280,300	291,200	276,700	7.2%
Split Level	77	0.95	0.96	0.96	5.62	1.00	303,700	316,500	302,600	6.9%
Total Sales	799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%

Property Quality Grade	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	16/17 Value Change
Quality 1	1	0.99	0.99	0.99		1.00	830,000	852,500	846,500	2.7%
Quality 2	4	0.98	0.95	0.95	3.99	1.00	685,900	709,800	672,800	(6.3%)
Quality 3	28	0.96	0.96	0.96	3.98	1.00	527,400	552,300	528,000	0.0%
Quality 4	55	0.95	0.96	0.96	6.68	1.01	420,200	437,800	414,500	5.8%
Quality 5	143	0.95	0.95	0.95	7.04	1.01	315,200	328,500	310,900	6.7%
Quality 6	451	0.95	0.95	0.96	6.74	1.01	243,000	253,000	241,700	10.1%
Quality 7	113	0.95	0.96	0.95	6.72	1.01	195,900	204,000	194,000	8.1%
Quality 8	4	0.96	0.93	0.92	8.92	1.01	140,100	148,400	136,600	14.0%
Total Sales	799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%

Building Size	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	16/17 Value Change
500 - 1,000	110	0.95	0.97	0.96	7.43	1.01	201,300	209,600	200,500	10.3%
1,000 - 1,500	469	0.95	0.96	0.95	6.70	1.01	242,300	252,400	239,700	9.4%
1,500 - 2,000	138	0.95	0.96	0.95	6.98	1.01	323,600	336,700	321,400	7.8%
2,000 - 2,500	51	0.96	0.96	0.96	5.97	1.01	417,100	434,900	415,700	5.8%
2,500 - 3,000	17	0.95	0.95	0.95	4.82	1.00	524,300	546,600	517,400	0.6%
3,000 - 4,000	14	0.98	0.96	0.96	3.76	1.00	585,000	612,900	587,900	(9.7%)
Total Sales	799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%

Single Family Residential

2017 Assessment Statistics										
Lot Size (Acres)	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	16/17 Value Change
0.100 - 0.250	118	0.94	0.95	0.95	7.49	1.01	222,300	231,900	219,400	
0.250 - 0.330	406	0.96	0.96	0.96	6.64	1.01	262,600	273,500	261,800	
0.330 - 0.500	227	0.95	0.95	0.95	6.41	1.01	295,700	307,700	291,200	
0.500 - 1.000	40	0.95	0.96	0.95	6.33	1.01	391,200	408,900	388,900	
1.000 - 3.000	8	0.95	0.98	0.97	7.81	1.01	399,100	416,500	404,400	
Total Sales	799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%

GIS Region	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	16/17 Value Change
Central	350	0.95	0.96	0.95	6.91	1.01	271,900	283,100	269,500	
East	277	0.95	0.96	0.95	6.95	1.01	213,500	222,200	212,100	
West	172	0.95	0.96	0.95	6.02	1.01	375,100	391,300	371,900	
Total Sales	799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%

Actual Year Built	Number of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	Price Related Bias	Mean Sale Price	Mean Trended Price	Mean Appraised Value	16/17 Value Change
1900 - 1940	15	0.95	0.95	0.94	7.31	1.02	236,300	245,000	229,600	
1940 - 1945	4	0.90	0.90	0.92	9.69	0.98	233,300	242,000	222,000	
1945 - 1950	60	0.96	0.98	0.97	6.86	1.01	209,900	219,400	213,000	
1950 - 1955	214	0.95	0.96	0.95	7.01	1.01	220,000	229,000	217,700	
1955 - 1960	144	0.95	0.96	0.96	7.10	1.01	240,700	250,700	239,400	
1960 - 1965	73	0.95	0.95	0.95	5.91	1.01	264,300	274,000	259,500	
1965 - 1970	83	0.95	0.96	0.96	7.36	1.01	299,800	312,600	295,000	
1970 - 1975	24	0.99	1.01	1.00	6.38	1.00	303,400	318,000	319,600	
1975 - 1980	99	0.95	0.95	0.94	5.74	1.01	327,700	341,600	321,000	
1980 - 1985	37	0.95	0.95	0.95	5.18	1.00	370,200	386,800	368,200	
1985 - 1990	26	0.97	0.97	0.96	5.95	1.01	452,300	472,600	454,700	
1990 - 1995	11	0.98	0.98	0.98	6.18	1.00	517,100	536,700	525,200	
1995 - 2000	3	0.95	0.98	0.97	5.33	1.01	403,300	417,300	405,300	
2000 - 2016	6	0.93	0.92	0.92	5.17	1.00	624,100	647,700	596,400	
Total Sales	799	0.95	0.96	0.95	6.72	1.01	273,900	285,300	271,700	7.5%