

★ Roll Call Number

Agenda Item Number

54

Date February 12, 2007

Receipt of 2006 Polk County Assessor Annual Report.

Moved by _____ to receive and file attached report.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				
MOTION CARRIED			APPROVED	

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk

Date 2-12-07
Agenda Item 54
Roll Call # _____

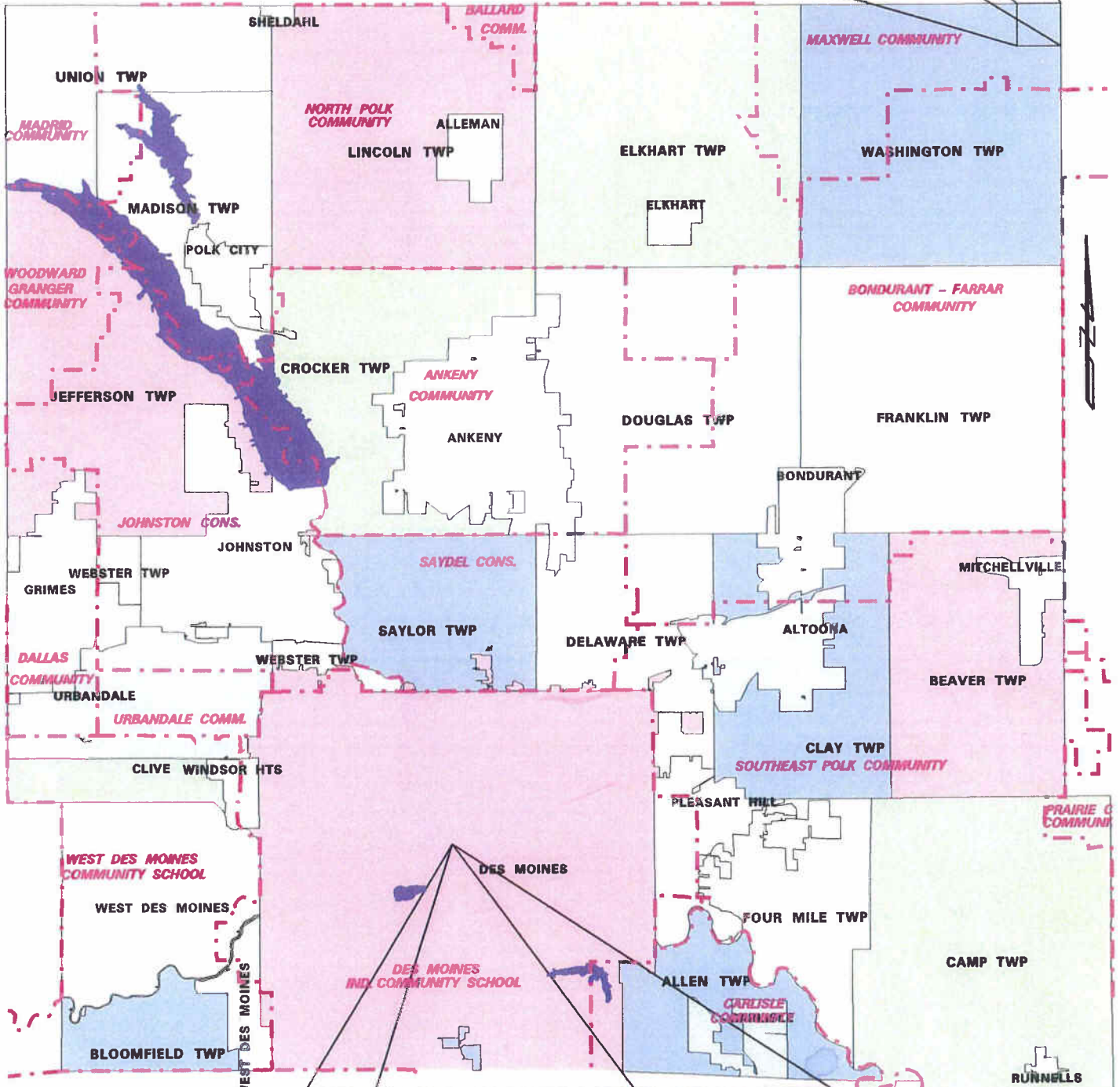
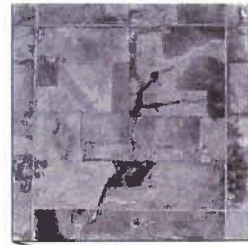
POLK COUNTY ASSESSOR

ANNUAL REPORT

2006

Aerial Photo
Section 1-81-22

POLK COUNTY School District & Tax District Boundaries



Polk County Assessor
81099



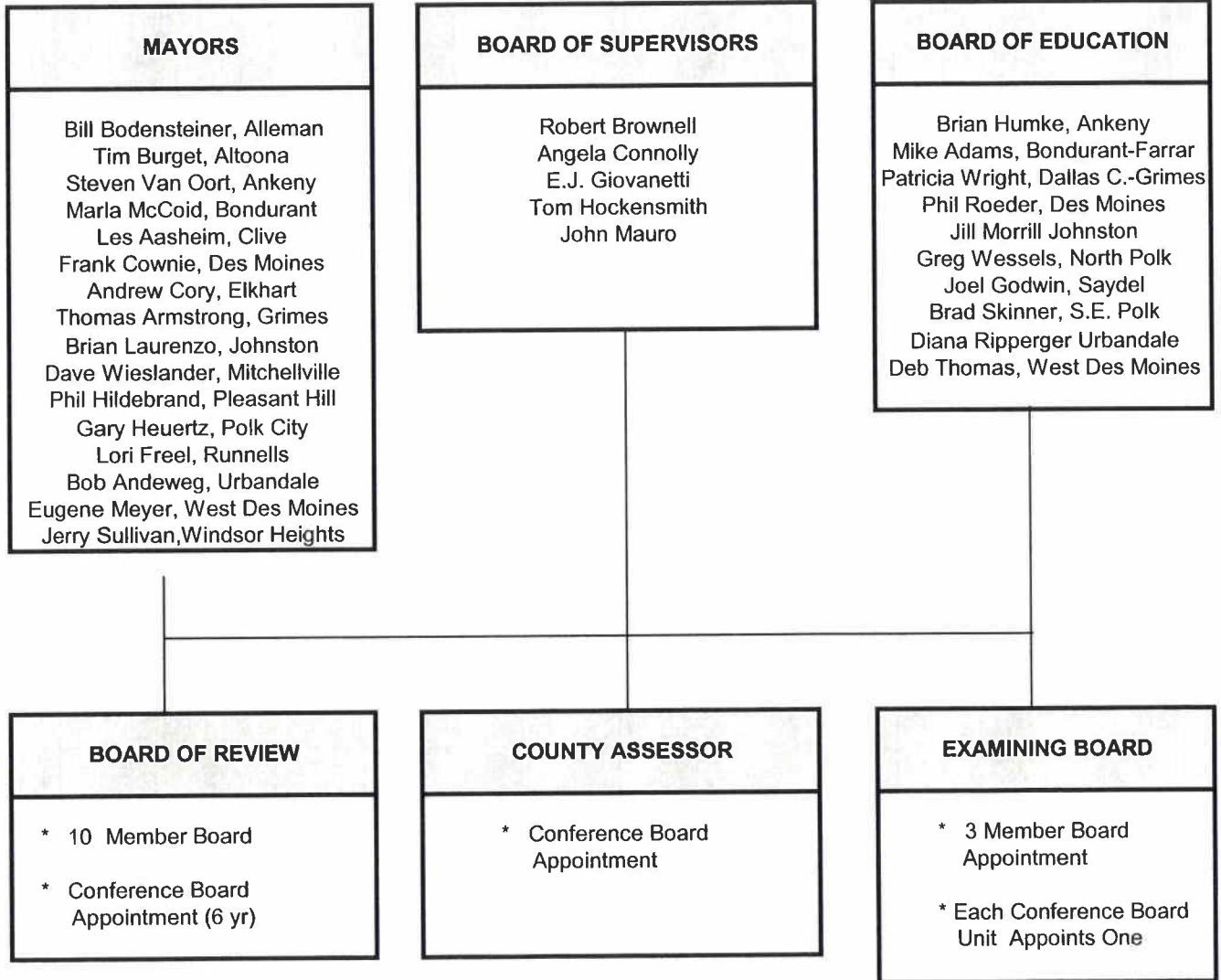
POLK COUNTY
ADMINISTRATIVE BLDG.

**2006 REPORT
OFFICE OF POLK COUNTY ASSESSOR**

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**POLK COUNTY CONFERENCE BOARD
2006**



**STAFF OF POLK COUNTY ASSESSOR'S OFFICE
MEMBERS, BOARD OF REVIEW AND BOARD OF EXAMINERS
DES MOINES, IOWA
2006**

ASSESSOR'S OFFICE

Administration

Jim Maloney, ASA, ICA
County Assessor

Dale Hyman, ASA, ICA
Chief Deputy

Tammy Berenguel, Support Supervisor
Kevin Burggraaf, M.S., MAI, CCIM, ICA, Commercial Deputy Assessor
Rhonda Duncan, Supervisor Real Estate Department
Paul Humble, ICA, Residential Deputy Assessor
Ruth Larsen, Database Administrator
Kelly Low, Accounting Manager
Rodney Hervey, ICA, Commercial Deputy Assessor
Eugene Peterson, Residential Deputy Assessor
Randy Ripperger, CAE, ICA, Residential Deputy Assessor
James Willett, ICA, RES, Residential Deputy Assessor

Appraisers

Douglas Askew, Residential Appraiser II
Suzanne Babb, Residential Appraiser III
John Catron, Residential Appraiser II
Michael Caulfield, ICA, Commercial Appraiser III
Rich Colgrove, Residential Appraiser III
Tracy Culbertson, Residential Appraiser III
Patrick Harmeyer, Commercial Appraiser I
Michelle Henderson, Residential Appraiser I
Paul O'Connell, Residential Appraiser I

Mark Patterson, CCIM, Commercial Appraiser III
Kathryn Ramaekers, Residential Appraiser II
Michelle Richards, Residential Appraiser II
Regina Russell, Residential Appraiser II
Cathy Stevens, ICA, RES, Residential Appraiser III
Bryon Tack, MAI, Commercial Appraiser III
Keith Taylor, ICA, Residential Appraiser I
Amy Thorne, ICA, Residential Appraiser III
Patrick Zaimes, Agricultural Appraiser

Office Personnel

Caroyle Andrews	Comm. Support Specialist	Nancy Hood	Transfers Coordinator
Vincent DeAngelis	Tax Information Spec.	Jill Mauro	Computer Support Spec
LaRayne Fenton	Database Specialist	Terry Powell	Mapping Specialist
Jackie Fontana	Permits Coordinator	Rebecca Smith	Residential Sales Coord
Kim Heffernan	Photography/Ag Sales	Julie Van Deest	Exemptions Coordinator
Mary Jo Hoffmans	Tax Information Spec	Ray Willis	GIS Coordinator

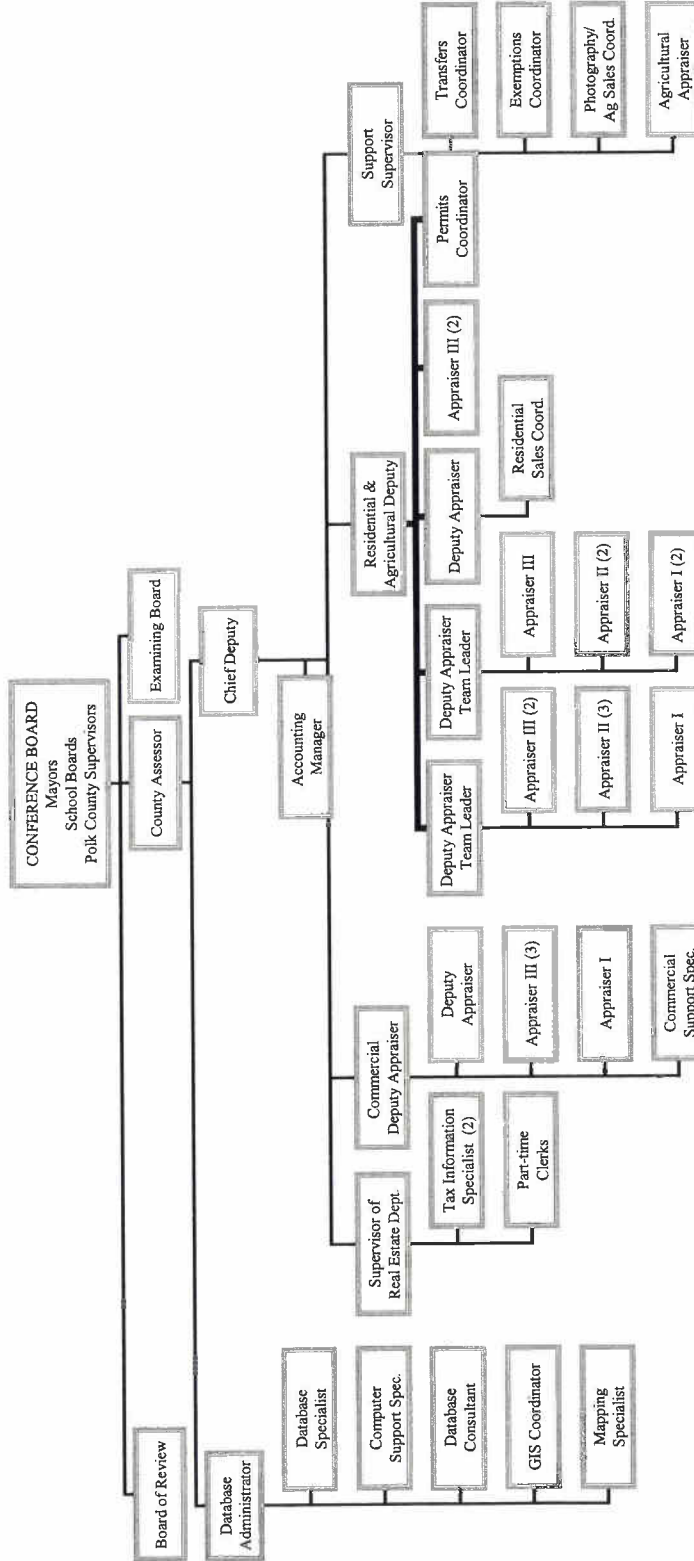
Board of Review

Lora Jorgensen
John Lundstrom
Ruth Reel
Everett Sather
Charles Speas
Dee Dee Steger
John Tiefenthaler
Leslie Turner
Lee Viggers
Max Wright

Board of Examiners

Art Hedberg
Walter T. Potts, Jr.
Frank Smith

**ORGANIZATIONAL CHART
POLK COUNTY ASSESSOR'S OFFICE
2006**



To: Members of the Conference Board

From: Jim Maloney

Date: January 4, 2007

Subject: Annual Report

Attached is the annual report for the Polk County Assessor for fiscal year 2005/2006. Since state law mandates that all real property in Iowa be revalued in odd-numbered years – and we will soon be embarking on this process – I thought it would be beneficial to look back at what we've seen this past year and to look ahead at what we're anticipating with the 2007 revaluation. All property owners in Polk County will receive revaluation notices by April 15, 2007.

Remember, the goal of the Polk County Assessor is to estimate the fair market value of residential and commercial property in Polk County. We don't determine tax rates, or calculate or collect taxes.

I hope you find this brief report useful, and that you will contact me if you have any questions or would like more information. As always, our office wants to be your resource for property assessment and related issues.

General Outlook

Ongoing reports of a real estate slowdown, especially in the residential sector, have been everywhere. In fact, the media continues to bombard us with a lot of doom and gloom about a declining market – prices in many areas of the county are falling, inventories are up, sales are slow, and more. It is against this backdrop that we will be conducting the 2007 revaluations, and quite honestly the perception of a slowdown will present us with some unique challenges as we communicate assessments this year.

In short, a lot of property owners might be expecting their assessment to be lowered, but that's generally not going to be the case. When determining property valuations, we are required to use all arms-length deed sales filed in

the previous year. But in 2006, there continued to be many transactions where the sale price was higher than the assessment. By October it was obvious to us that even if the market crashed, enough sales had already occurred that it would be very unlikely we could avoid increasing assessments.

Increasing assessments in a declining market is very unpleasant for any assessor to communicate, although we can't let perceptions, politics or other factors get in the way of making factual decisions about the worth of a property. Furthermore, people generally equate higher assessments with higher taxes even though that's not necessarily true. In any case, we will once again make sure we're communicating the changes with as much explanation as possible – and we'll also provide information that makes it convenient for property owners to protest their assessment, should they wish to do so. (We followed a similar strategy with the 2005 revaluations and found it to be very worthwhile.)

Residential Property

Overall, the residential market has remained fairly robust:

- Although the median sale price has been trending down since May 2006 (from about \$150,000 to \$136,000), the median sale price per square foot has held its own year over year.
- The number of sales is down for this time of the year 6,449 through November 2005, compared to 6,186 through November 2006). But when compared to previous years, this is still a solid number.
- But the all important statistic, the median “assessment to sales ratio” – which is the median assessed value divided by the median sale price – stands at about 91 percent. This means that the market has increased since the last revaluation (2005).

So that's the good news – the residential market is still very healthy. The not-so-good news is that since the median sales ratio for 2006 is below the state mandated guideline of 95-105 percent, we will have to increase residential assessments. If we don't, we will be ordered by the state to do so. We calculate that an increase overall of about 7 percent will be needed to avoid such an order.

Commercial property

With regard to commercial and industrial property, the market has also increased, but perhaps not as much. The median sales ratio currently stands at approximately 94 percent. This could change depending on the appraisals that are performed by the Department of Revenue and Finance and their impact on our own ratio study. But at this time it looks like an increase, on average, of about 5 percent will be needed.

But here's some bad news. A new rule is being adopted by the Iowa Department of Revenue and Finance that will require all Assessors to value property at its *value in current use* rather than its *value in exchange*.

For example, here's how this change would affect the appraisal of a surface parking lot. Let's say a downtown parking lot is worth \$100,000 in its current use, but would be worth \$500,000 as a site for a new office building. Under the new rule, we would have to assess it at \$100,000 because its current use is parking. Even if all the other land on the block is assessed at the \$500,000 rate, it must be assessed for only \$100,000.

Even though this rule would affect only a relatively small number of parcels, in my opinion it is a big step backward for Iowa assessment law and procedure. It will require an assessor to appraise and assess property and consider only its current use, while ignoring the principle of highest and best use of the land. I can see even someone seriously arguing that a Christmas tree lot on Fleur Drive must be assessed at a very low rate simply because that's its only current use. It's a change that will look good to a lot of commercial property owners, because in some cases it will probably reduce their assessments. But here's the downside:

- The loss of transparency. Right now, except for agricultural assessments, we all know the standard is the fair market value which most of us think of as what the property would fetch on the market.
- It undermines public confidence in the property tax system. This will be another break for a select few, and the costs are shifted to other taxpayers which will be all other commercial and residential taxpayers. A system riddled with tax breaks, and we already have plenty, does not inspire public confidence.
- It is likely to result in high litigation costs. There will be lots of debate in the legal community as to just what it means to "...classify and value according to its present use..."

- While it may sound good to many, it will only benefit a select few. Most real estate is worth more “as improved” than it would be if it were unimproved
- It rewards property owners who under-utilize their property. “A taxpayer who chooses to use his land in a manner which is not consistent with its highest and best use should not be rewarded with a lower assessment, the effect of which is to increase the tax burden on others.” *Federated Department Stores, Inc. v. Board of Tax Review*, 162 Conn. 77, 291 A.2d 715 (1971).

Summary

To be sure, the Polk County Assessor has some challenges ahead. But the very knowledgeable and dedicated employees in this office make it a wonderful place to work, and Polk County is still a fantastic place to live. A developer recently described the area to me as an “island of prosperity” and that’s very true. While much of the nation’s real estate markets go through periods of extreme boom and bust, ours is more steady growth – which results in a more healthy overall market. While there are obviously some bumps in the road, we can be optimistic about the future.

2007 GOALS

Commercial Appraisal Department:

- In preparation for 2009 assessments, conduct on-site inspections, verify listing data, develop data entry procedures to improve listing consistency and uniformity, rate physical condition and review market values of:
 - Large Retail Stores, Golf Courses, Hotels, Motels and Restaurants (excluding Fast Food), approximately 478 parcels.
- Continue development of a mass appraisal report for logical groups of properties. Included in the report will be the property identification methods, data verification procedures, statistical studies and the market analysis used in the development of the model(s) determining the property values.
- Update the cost approach analysis to comply with the most recent version of the Iowa Department of Revenue Real Property Appraisal Manual by January 1, 2009.
- Develop procedures to consistently identify, list and value commercial condominiums, and residential condominiums and cooperatives operated as a unit.

Support Department:

- Continue to take photos of new construction and refresh one sixth of photo database every year.
- Review new aerials to determine agricultural land use changes and locate/assess new dwellings/outbuildings where there is no building permit issued.
- Review agricultural sales for changes in use.
- Improve the menu structure for queries on agricultural sales so that all sales of properties classified agricultural can be queried from one menu set. Also develop a query option that would enable querying of agricultural building types. For example: agricultural sales that have grain bins.
- Redefine division process to include a before and after aerial to aid appraiser valuation.

Residential Department:

- Begin Phase II of the drive-by review project. Conduct an exterior inspection of one-third of the residential parcels over the next two years. Any changes as a result of this review will be reflected in the 2009 assessments.
- Develop a training manual for new appraisal personnel to assist in the training and oversight of new members of the residential appraisal department by July 1, 2007.
- Develop an inspection manual that would be used by our appraisal staff as a standard to measure and list real property by July 1, 2007.

- Develop a mass appraisal report for the 2007 residential assessments and have it made available on our website.
- Devise procedures to track improvement in assessment performance in the Phase I drive-by review project areas.

Data Processing Department:

- GIS
 - Continue developing Arcview Geodatabase
 - Develop maintenance plan for credits
 - Aerial photography
 - Establish a satisfactory working relationship with vendors
 - Incorporate oblique photography
 - Upgrade our web mapping system
 - Integrate new map sources
 - new GIS map system formats
 - oblique aerial photos
 - sketches
 - condo floor plans
 - Improve quality of web map system
 - Easier and faster viewing
 - Greater control and more choices for displayed layers, rendering, and instrumentation.
 - Users can create new map layers and configurations for individual use and share them with others.
 - Portable in the sense that it minimizes dependence on external systems and minimizes requirements for an external system to support it.
 - Extensible to make adding functionality easy and natural.
 - Embeddable so that external applications can make use of it with minimal fuss.
- System Administration
 - Upgrade mail system for out-of-office replies and additional blocking capabilities including individual control of spam blocking.
 - Switch default browser to Firefox

RESOLUTION

WHEREAS, The Board of Review has completed its official session for the year 2006 and desires to express its appreciation for the cooperation and assistance that it has received from various members of the official family and others.

THEREFORE, BE IT RESOLVED, that the Board of Review takes this opportunity to express our thanks and appreciation to County Assessor, Jim Maloney, and his Chief Deputy, Dale Hyman, and all the other members of his staff for their cooperation and consideration given to the Board during our official meetings.

BE IT FURTHER RESOLVED, that we publicly compliment Mr. Maloney on the fairness and consideration that he gives to each piece of real estate whether there has been an official protest or not; and for his control and high standard of morale manifested by his employees of his office. Mr. Maloney has an awareness of his responsibilities and has shown fairness and consideration to all properties in his jurisdiction.

BE IT FURTHER RESOLVED, that we express our thanks and appreciation to the many unnamed persons who have offered their cooperation and assistance to us in our pursuance of equity and justice for all property owners.

BOARD OF REVIEW POLK COUNTY

/s/, John Tiefenthaler , Chairman
/s/ John Lundstrom, Vice-Chairman
/s/ Lora Jorgensen, Clerk
/s/ Ruth Reel
/s/ Everett Sather
/s/ Charles Speas
/s/ Dee Dee Steger
/s/ Leslie Turner
/s/ Lee Viggers
/s/ Max Wright

ACTION OF THE 2006 BOARD OF REVIEW

The 2006 Board of Review considered 909 protests and 118 recommendations.

Total value of real estate considered for protests \$ 889,115,580

Total number of protests by class of property:

Agricultural	26
Residential	452
Commercial	424
Industrial	<u>7</u>
TOTAL	909

Number of protests denied 390

Number of protests upheld 519

Amount of reduction

Land	\$ 4,212,150
Improvements	<u>\$ 46,674,600</u>
Total amount of reduction	\$ 50,886,750

Number of protests that received an increase 19

Amount of increase

Land	\$ 384,600
Improvements	<u>\$ 682,650</u>
Total amount of increase	\$ 1,067,250

Total value of real estate considered for recommendations \$ 75,964,440

Total number of recommendations by class of property:

Agricultural	3
Residential	39
Commercial	<u>76</u>
TOTAL	118

Number of recommendations for reductions 79

Amount of reduction

Land	\$ 10,200
Improvements	<u>\$ 5,979,610</u>
Total amount of reduction	\$ 5,989,810

Number of recommendations for increases 39

Amount of increase

Land	\$ 877,900
Improvements	<u>\$ 2,763,640</u>
Total amount of increase	\$ 3,641,540

Total Real Estate Protests Reduced	\$ 50,886,750
Total Real Estate Recommendations Reduced	\$ 5,989,810
Total Real Estate Protests Raised	\$ (1,067,250)
Total Real Estate Recommendations Raised	<u>\$ (3,641,540)</u>

Net Reductions of Real Estate -
Protests and Recommendations \$ 52,167,770

STATEMENT OF ASSESSED VALUATIONS OF POLK COUNTY
As of July 1, 2006

Real Property		\$ 26,240,913,680
New Construction Added January 1, 2005		\$ 994,556,186
Revaluation		\$ 245,775,938
Property Returned to Taxation		\$ 13,460,750
Total Real Property		\$ 27,494,706,554
Less:		
Demolitions	\$ 10,349,156	
Revaluations	\$ 23,548,388	
Board of Review Adjustments (R.E. Only)	\$ 52,167,770	
New Claims for Tax Exempt and Non-Taxable	\$ 40,974,510	
Cort Decrees & Corrections	\$ 40,450,460	\$ 167,490,284
Net Real Property		\$ 27,327,216,270
Railroad and Utility Property*		\$ 1,109,873,250
Assessed by Department of Revenue		
Full Value of Taxable Real Property		\$ 28,437,089,520
Less: Urban Revitalization, Industrial Exemptions, Pollution Control and Forest & Fruit Tree Exemptions		
Military Exemptions - Estimated		\$ 883,364,150
		\$ 39,000,000
ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY		\$ 27,514,725,370

Money and Credits - Credit Unions (5 mills)		
Capital - Loan Agencies (5 mills)		

* Railroad and Utility Property values, assessed by the Department of Revenue and Finance, are the latest figures available.

**ABSTRACT OF 2006
POLK COUNTY ASSESSMENT
AS OF JULY 1, 2006**

REAL PROPERTY

Includes over 150,000 Parcels of Taxable Property	100% Value	
	TOWNSHIPS	CITIES
Agricultural Lands	\$ 102,184,920	\$ 18,354,530
Residential (includes residences on ag property)	\$ 1,687,373,690	\$ 17,353,240,070
Commercial Properties	\$ 333,099,820	\$ 7,409,567,240
Industrial Properties	\$ 57,861,900	\$ 365,534,100
Total Taxable Real Estate *	\$ 2,180,520,330	\$ 25,146,695,940

MONEY & CREDITS (100%)

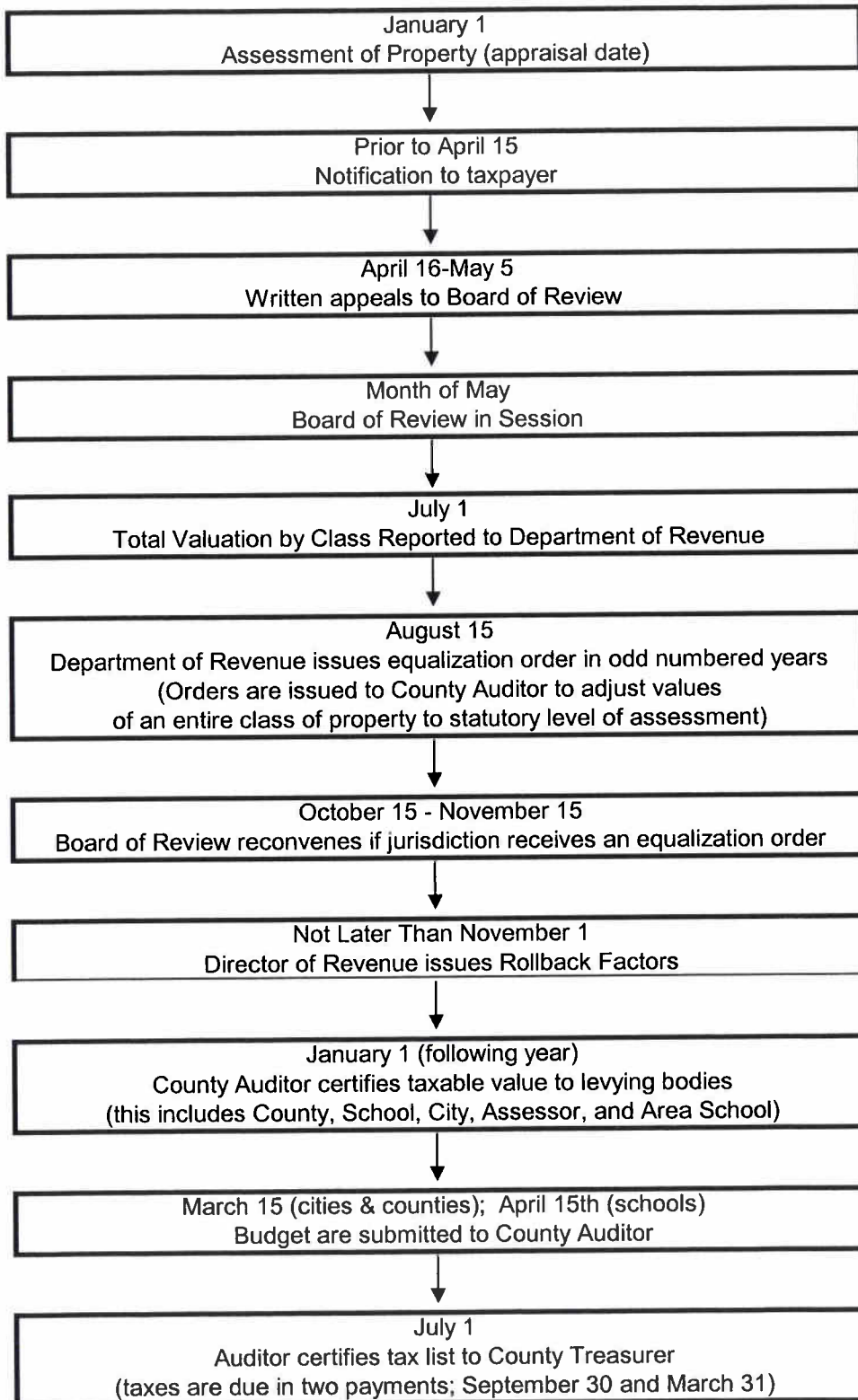
Credit Unions (5 mills)	\$ 1,501,272	\$ 24,017,365
Finance Companies (5 mills)	\$ -	\$ 200,000,000
	\$ 1,501,272	\$ 224,017,365

IMPORTANT NOTE:

Due to the statewide 4% maximum allowable increase in real estate, there will be a rollback of values if the state increase is great enough to warrant a rollback. The amount of the rollback will be decided by the Department of Revenue in November.

* The value does not include utility property assessed by the Department of Revenue .

PROPERTY TAX TIMELINE



SURVEY OF NEW HOMES BUILT IN POLK COUNTY

CITIES	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Alleman					7	4	0	11	4	0	0	0	1	2
Altoona					117	119	83	166	88	164	196	218	354	277
Ankeny					267	348	475	518	414	652	751	972	1068	1345
Bondurant					20	13	20	24	27	33	24	14	78	99
Carlisle					0	0	0	2	0	0	0	0	0	0
Clive					71	69	37	74	44	45	30	16	35	11
Des Moines	269	160	197	175	150	209	271	381	344	390	520	526	665	520
Elkhart					0	0	1	1	1	0	0	25	21	29
Grimes					39	38	71	69	72	60	111	83	98	217
Johnston					181	188	251	381	285	331	276	329	390	386
Mitchelville					2	1	5	9	5	3	6	0	3	3
Pleasant Hill					77	66	72	116	93	116	118	160	118	165
Polk City					26	29	23	47	30	20	41	80	60	42
Runnells					0	0	1	2	3	3	12	4	6	4
Sheldahl					0	1	1	0	0	0	1	0	0	1
Urbandale					236	193	243	278	262	312	332	292	266	117
West Des Moines					233	267	460	500	343	224	140	121	120	35
Windsor Heights					1	0	0	0	0	1	0	1	1	1
TOWNSHIPS	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Allen						2	1	3	0	0	1	0	0	0
Beaver						3	1	6	5	4	9	14	9	14
Bloomfield						0	0	2	0	0	0	0	0	0
Camp						21	22	15	9	17	18	19	14	28
Clay						8	10	14	6	16	8	13	9	11
Crocker						27	79	81	70	43	23	26	21	31
Delaware						11	11	18	14	8	7	13	6	10
Douglas						8	12	15	5	3	5	5	4	2
Elkhart						2	2	7	8	10	9	25	19	14
Four Mile						12	19	17	13	14	21	23	13	17
Franklin						15	14	20	14	26	12	22	26	14
Jefferson						20	37	47	37	50	26	31	31	34
Lincoln						0	2	2	2	3	4	2	3	2
Madison						1	0	2	2	1	1	1	1	0
Saylor						28	24	13	9	10	34	37	23	16
Union						2	3	2	1	1	7	5	4	2
Walnut						0	0	0	0	0	0	0	0	0
Washington						2	5	1	4	2	3	0	6	3
Webster						1	1	2	3	2	1	1	0	2

**MISCELLANEOUS INFORMATION AND STATISTICS
POLK COUNTY**

New Building Permits Processed	10,809
Divisions of Existing Property (As of 10/12/2005)	2,636
New Plats (As of 10/12/2005)	107
New Homestead Tax Credits 2004/2005	8,676
New Military Exemptions 2004/2005	1,090

Classes and Numbers of Properties Assessed:

Agricultural Parcels (Property used for Agricultural Purposes)	5,839
Forest & Fruit Tree Reservations (Acres)	6,222
Vacant Taxable Parcels	
Agricultural	4,645
Residential	14,177
Commercial	2,009
Industrial	465
Improved Taxable Parcels	
Agricultural	1,194
Residential	129,352
Commercial	8,431
Industrial	328

Average 100% Assessment of Residential Property	\$	145,338
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**TOP TWENTY TAXPAYERS
POLK COUNTY**

<u>NO</u>	<u>COMPANY</u>	<u>TOTAL REAL ESTATE</u>
1	Principal Mutual*	\$ 259,204,910
2	R & R Investors**	\$ 220,575,770
3	Knapp, William***	\$ 151,290,130
4	Mid America Investment****	\$ 109,444,400
5	Hubbell Interests*****	\$ 103,966,700
6	Qwest	\$ 101,497,343
7	Wells Fargo*****	\$ 100,431,550
8	John Deere	\$ 98,216,250
9	Nationwide Mutual Insurance	\$ 89,829,350
10	Polk County (Prairie Medows)	\$ 83,923,000
11	Valley West Mall	\$ 82,868,700
12	Pioneer Hi-Bred	\$ 80,728,520
13	Mercy Hospital*****	\$ 76,973,900
14	Foods Inc.	\$ 70,918,400
15	Ladco Properties	\$ 70,258,760
16	Target	\$ 69,040,050
17	Wal-Mart Stores	\$ 63,689,400
18	Ruan*****	\$ 63,534,300
19	Regency*****	\$ 53,416,040
20	Iowa Methodist*****	\$ 53,259,550
GRAND TOTAL		\$ 2,003,067,023

* Includes: Principal Mutual Life, Bankers Life, Commissioner of Insur, E Grand Office Park, Petula Assoc Ltd, Principal Life Ins

** Includes: 112th Street L.C., Capitol Center LLC, CCV I LLC, City I LLC, Corp Center Assoc., Dallas County Partners, R & R Investors Ltd, Paragon North LLC, Park View West Mob. Home Ct. Ltd., Shoppes At Three Fountains, Terrace Cnt Asocs. L.P., Village Ct. Asocs. Terrace Place Building, Fountain Three, Aurora Business Park, Crestwood Building LLC, Sunset Building LLC, Edgewater Building LLC, Veridian Building LLC, Waterford Building LLC, Highland Building LLC, Meredith III LLC

*** Includes: William Knapp, William Knapp Trustee, Knapp Enterprises, Lakeside Park Plaza LC, Polk City Acquisition Corp., Knapp Invest. L.L.C., KNA L.C., Knapp-Elwell LC, Airport Commerce Park, KC Real Estate L.C., Walnut Ridge, Iowa Realty, Banco Mrtg., Blue Creek Joint Venture, Drake Diner LLC, Iowa Acquisition LLC, West Lakes Properties, West Lakes Dev.

**** Includes: Mid Amer Development Co, Mid America Investments, West Properties II & III LP,

***** Includes: Hubbell Realty Co, Hubbell Terminal Co, Merchants Transfer StorageHubbell Metro Dev., Hurd Real Estate, Metropltn Res Dev., Hubbell Properties, Vischering LLC, Birchwood Crossing Business Park, H.F.L. LLC, Hubbell Tower LP, Kona LC, 6101 Grand LLC, 8001 Birchwood Ct. LLC, Brownstones on Grand LLC, Copper Creek Golf Course Investors, Court Ave. Partners

***** Includes: Wells Fargo Bank, Wells Fargo Bank NA, Wells Fargo Financial Inc., Wells Fargo Home, Norwest Bank, Norwest Bank IA, Norwest Bank IA NA, Norwest Financial Inc.

***** Includes: Mercy Hospital Med Ctr, Mercy Medcl Clinic, Mercy Medcl Plaza, Mercy West Med Cnt, Mercy Westside Hospital, Mercy Properties, Mercy Park Apts, IHC WDM Real Estate LLC

***** Includes: Ruan Inc, Ruan Center Corp, City Center Dev

***** Includes: 141 Dev. Co., 141 Partners II & III, 2300 University Ave., 4685 NW 2nd Ave., 6777 Partners II, Altoona IA Health, Bennett Enterprises, Crossroads Business Park, Crossroads North, Delaware Partners, Drake Park, East Town Props, I.H.W.O.P. LLC, East University Dev., Grimes Investment Prop., Interstate Bus. Center, Leehan Prop., Northpark Dev., University Pl. Rowhomes Oakland Park, Pleasant Hill Props, Regency Plaza, RJM Investments, Rocklyn Office Park Ltd., RP One Enterprises Ltd., Scott St. Enterprises, Scott St. Properties, The Shops at Roosevelt, Tradition LC, Twenty 20 Broadway Partners,

***** Includes: Ia Meth Medical Ctr, Ia Meth Sch of Nursing, Ia Meth Hospital, IMHS Properties, IA Luthern Hosp. Meth. Medical Plaza

As of 2002 Data Processing and Industrial Equipment will no longer be assessed as real estate.

**EXEMPT PROPERTY AS OF JULY 2006
POLK COUNTY**

RELIGIOUS INSTITUTIONS

Churches & Church Headquarters		
Parsonages	\$	448,090,850
Recreation Property, Church Camps, Etc.	\$	17,976,420
	\$	86,091,730

LITERARY SOCIETIES

Community Play House	\$	13,279,750
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LOW RENT HOUSING

Dwellings & Apartments	\$	35,387,460
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VETERANS ORGANIZATIONS

\$ 2,384,810

CHARITABLE & BENEVOLENT SOCIETIES

Hospitals	\$	320,415,230
Fraternal Organizations	\$	13,866,410
Agricultural Societies	\$	6,871,800
Retirement & Nursing Homes	\$	115,344,770
Others (Y.M.C.A., Y.W.C.A., etc.)	\$	212,663,620

EDUCATIONAL INSTITUTIONS & CHURCH SCHOOLS

\$ 277,554,380

POLLUTION CONTROL (Industrial M & E and Bldgs.)

\$ 4,414,780

URBAN REVITALIZATION TAX EXEMPTION

\$ 818,382,540

INDUSTRIAL PARTIAL EXEMPTION

\$ 25,926,120

NATURAL CONSERVATION

\$ 620,770

FOREST & FRUIT TREE PRESERVATION (6222.3942 Acres)

\$ 20,280,550

HISTORICAL

\$ 16,250

IMPOUNDMENTS

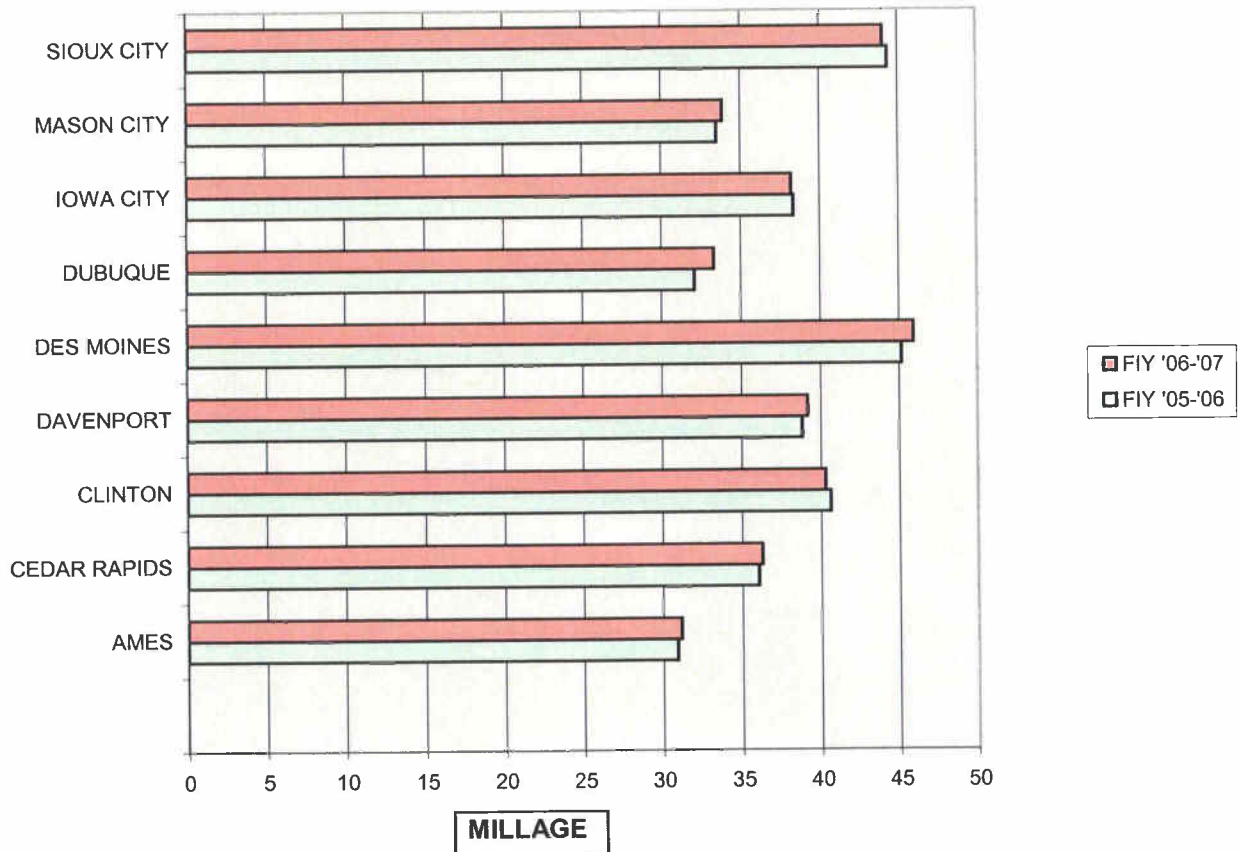
\$ 35,110

TOTAL EXEMPT PROPERTY

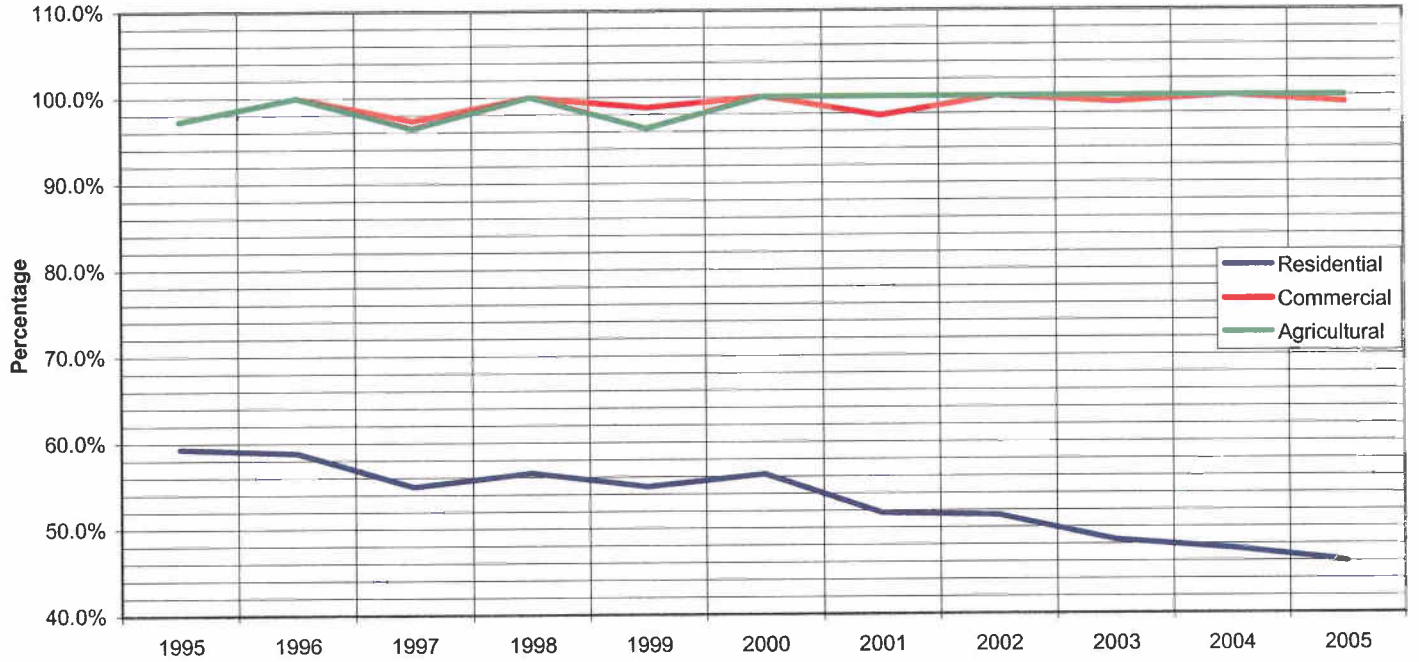
\$ 2,419,603,350

**COMPARISON OF TAX RATES PER THOUSAND
FOR TAXES PAYABLE FISCAL '05-'06 TO '06-'07
AS COMPILED BY THE POLK COUNTY ASSESSOR'S OFFICE**

<u>JURISDICTION</u>	<u>FIY '05-'06</u>	<u>FIY '06-'07</u>
AMES	30.90706	31.15070
CEDAR RAPIDS	36.03475	36.26634
CLINTON	40.62739	40.29685
DAVENPORT	38.82534	39.16551
DES MOINES	45.16520	45.93393
DUBUQUE	32.08764	33.30424
IOWA CITY	38.35533	38.22576
MASON CITY	33.51399	33.89032
SIOUX CITY	44.34488	44.04614

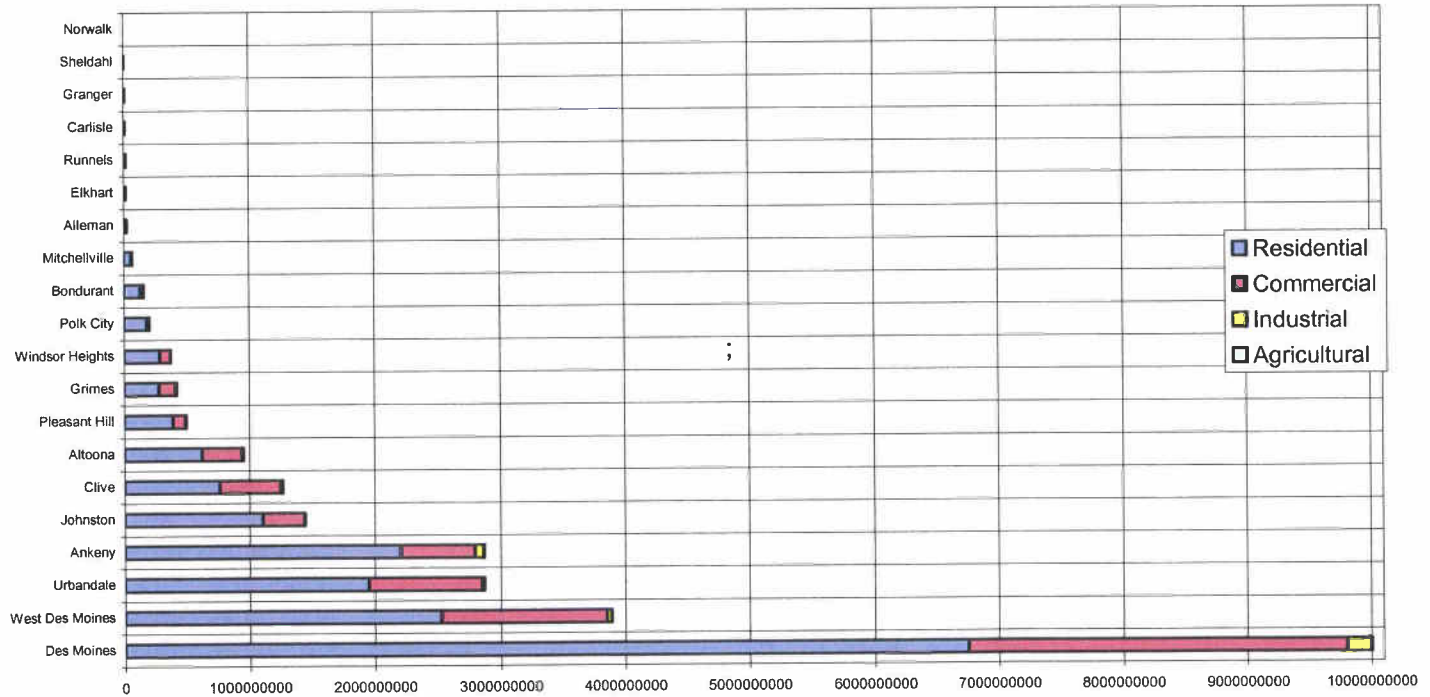


State Rollback History by Classification

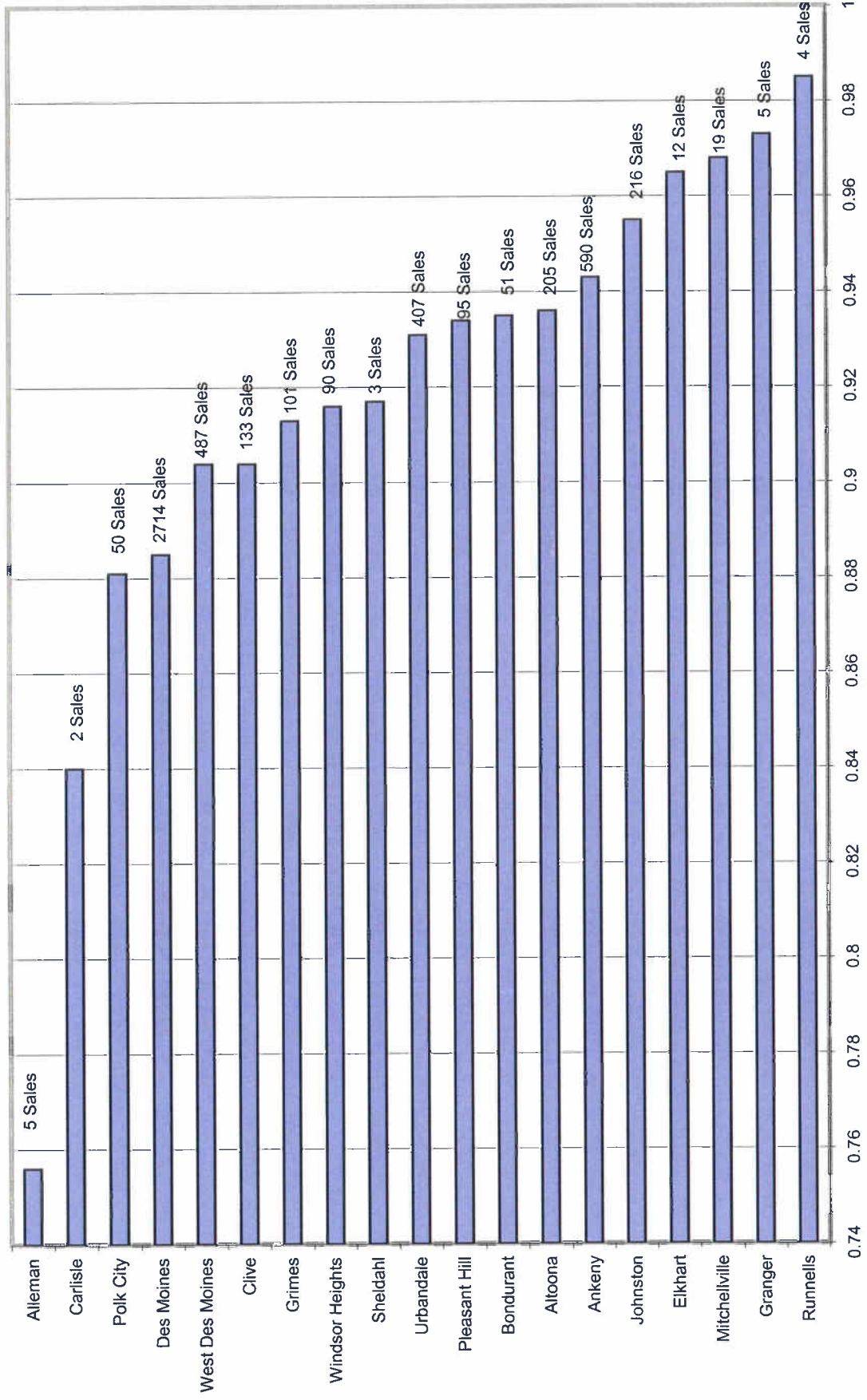


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Residential	59.3180%	58.8284%	54.9090%	56.4789%	54.8525%	56.2651%	51.6676%	51.3874%	48.4558%	47.4692%	45.9960%
Commercial	97.2824%	100%	97.3606%	100%	98.7732%	100%	97.7701%	100%	99.2570%	100%	99.1509%
Agricultural	97.2824%	100%	96.4206%	100%	96.3381%	100%	100%	100%	100%	100%	100%

2006 Assessed Value by City



2006 Median Sales Ratio by City



**Sales Ratio Study
Polk County
Residential 1 & 2 Family Dwellings
Year 2006**

Assessors use mass appraisal techniques to estimate the current market value of property in their jurisdictions for property tax purposes. The assessor's estimates of property value govern the distribution of property taxes, a major source of local government revenue. The mass appraisal system must produce accurate and equitable value estimates if the property tax is to be fair. Thus, quality control is paramount. The mainstay quality control technique used by assessors is the sales ratio study, in which appraised (assessed) values are compared to market values (sales prices). A sales ratio is the ratio between a parcel's assessed value and its estimated market value as represented by an open-market, arm's-length sale.

The two major aspects of measuring appraisal accuracy in a sales ratio study are appraisal level and appraisal uniformity. Appraisal level refers to the overall, or typical, ratio at which properties are appraised. Appraisal uniformity refers to the fair and equitable treatment of individual properties.

Measures of Appraisal Level

Measures of central tendency are used to estimate the overall appraisal level at which property is assessed in one convenient statistic. There are three measures of central tendency used in this ratio study: the mean, the median, and the weighted mean.

The *mean ratio* is the common average obtained by adding all the ratios and dividing by the number of ratios. The *median ratio* is the middle ratio when they are arrayed from lowest to highest. The *weighted mean ratio* is the sum of the assessments divided by the sum of the sales prices. It is so called because it weights each ratio by its sale price. The median is less affected by extreme ratios than the other measures of central tendency. Because of this, the median is the generally preferred measure of central tendency for direct equalization, monitoring appraisal performance, determining reappraisal priorities, or evaluating the need for a reappraisal.

Confidence intervals can be calculated for the three measures of central tendency, which help conclude whether required assessment level standards have been violated. For example, a 95 percent confidence interval would suggest that one can be 95 percent confident that the true median appraisal level is between the two interval values.

Iowa law requires that the appraisal level for assessments of residential properties be at 100 percent for each assessor jurisdiction. If the actual level deviates from the legal level by more than five percent, the value estimates being studied would need to be updated. In Iowa, this occurs every odd numbered year.

Measures of Appraisal Uniformity

Measures of dispersion are used to measure appraisal uniformity. The two most useful measures of appraisal uniformity are the coefficient of dispersion (COD) and the price-related differential (PRD).

The *coefficient of dispersion* (COD), the most common measure of equity in mass appraisal, expresses the average absolute deviation of individual ratios from the median ratio as a percentage. A COD of 10.0, for example, means that properties are, on average, appraised within 10.0 percent of the median assessment level.

The *price-related differential* (PRD) provides an index of price-related bias, indicating whether low- and high-value properties are assessed at the same level. It is the ratio of the mean ratio to the weighted mean ratio. PRDs that exceed 1.03 suggest that high-value properties are relatively under-valued. PRDs under 0.98 indicate low-value properties are relatively under-valued.

Sales Ratio Performance Standards

The Standard on Ratio Studies, published in 1999 by the International Association of Assessing Officers (IAAO), has suggested sales ratio performance standards for jurisdictions in which current market value is the legal basis for assessment. In general, when these standards are not met, reappraisal or other corrective measures should be taken. Following are the sales ratio performance standards in the publication mentioned above for single-family residential properties:

<u>Type</u>	<u>Measure of Central</u>	<u>COD</u>	<u>PRD</u>
	<u>Tendency</u>		
Newer, more homogenous areas	0.90-1.10	10.0 or less	0.98-1.03
Older, heterogeneous areas	0.90-1.10	15.0 or less	0.98-1.03
Rural residential and seasonal	0.90-1.10	20.0 or less	0.98-1.03

Polk County Sales Ratio Study (1 & 2 Family Dwellings)

In Polk County for the year 2006, there were 6,396 residential sales of 1 & 2 family dwellings that were considered open-market, arm's-length sales. These sales were used to calculate the statistics described above for this study.

A 1 percent trim was also performed on the sales, which disregards the lowest 1 percent of the sales ratios and the highest 1 percent of the sales ratios. Trimming the sales can be useful in mass appraisal, where extreme values can mask the underlying distribution of the data. After doing a 1 percent trim, there were 6,270 sales that were used to calculate the sales ratio statistics.

On the following pages are charts that have the results of the sales ratio study for Polk County using residential sales of 1 & 2 family dwellings occurring in 2006. There are also some graphs that show trends and patterns of the residential real estate market in Polk County.

Ratio Statistics for 1 & 2 Family Dwellings - Based on 6,396 Sales

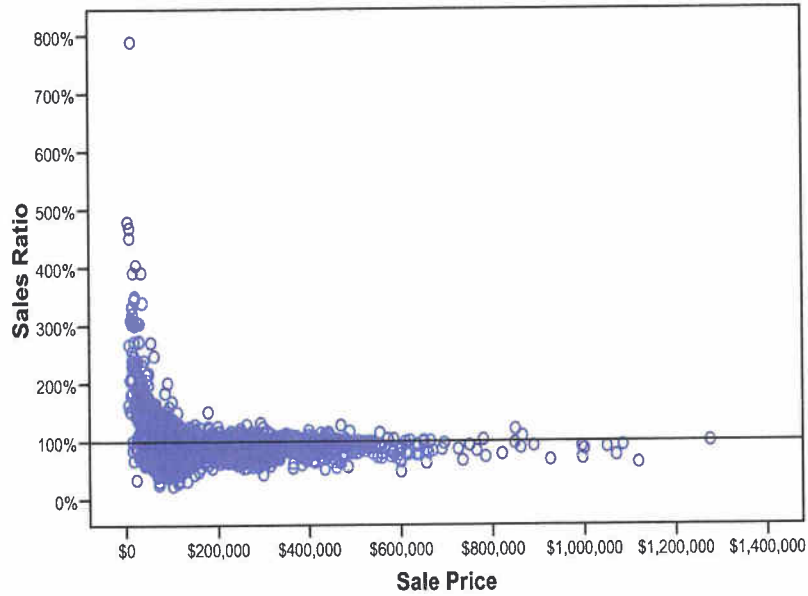
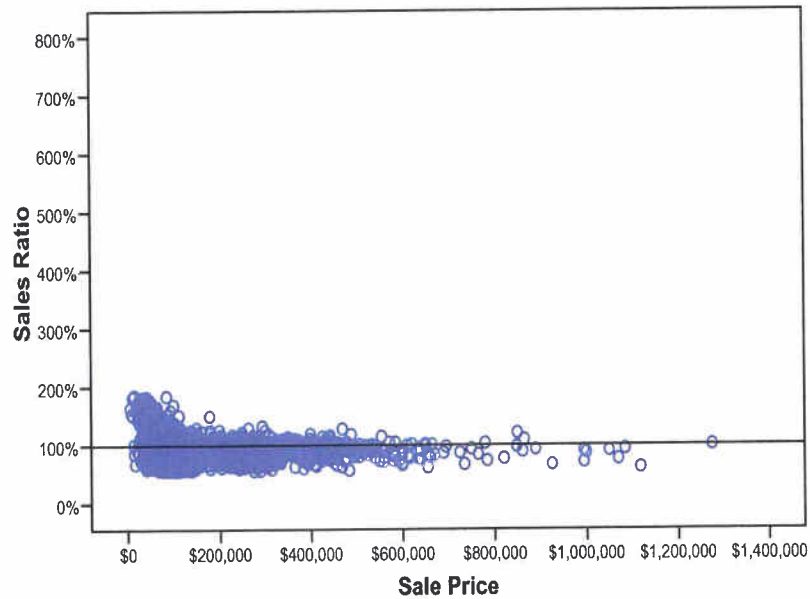
Mean			.927
	95% Confidence Interval for Mean	Lower Bound	.921
		Upper Bound	.933
Median			.910
	95% Confidence Interval for Median	Lower Bound	.906
		Upper Bound	.912
		Actual Coverage	95.0%
Weighted Mean			.908
	95% Confidence Interval for Weighted Mean	Lower Bound	.905
		Upper Bound	.911
Price Related Differential			1.021
Coefficient of Dispersion			12.9%

Ratio Statistics for 1 & 2 Family Dwellings after 1% Trim - Based on 6,270 Sales

Mean			.913
	95% Confidence Interval for Mean	Lower Bound	.910
		Upper Bound	.917
Median			.910
	95% Confidence Interval for Median	Lower Bound	.906
		Upper Bound	.912
		Actual Coverage	95.3%
Weighted Mean			.909
	95% Confidence Interval for Weighted Mean	Lower Bound	.905
		Upper Bound	.912
Price Related Differential			1.005
Coefficient of Dispersion			10.7%

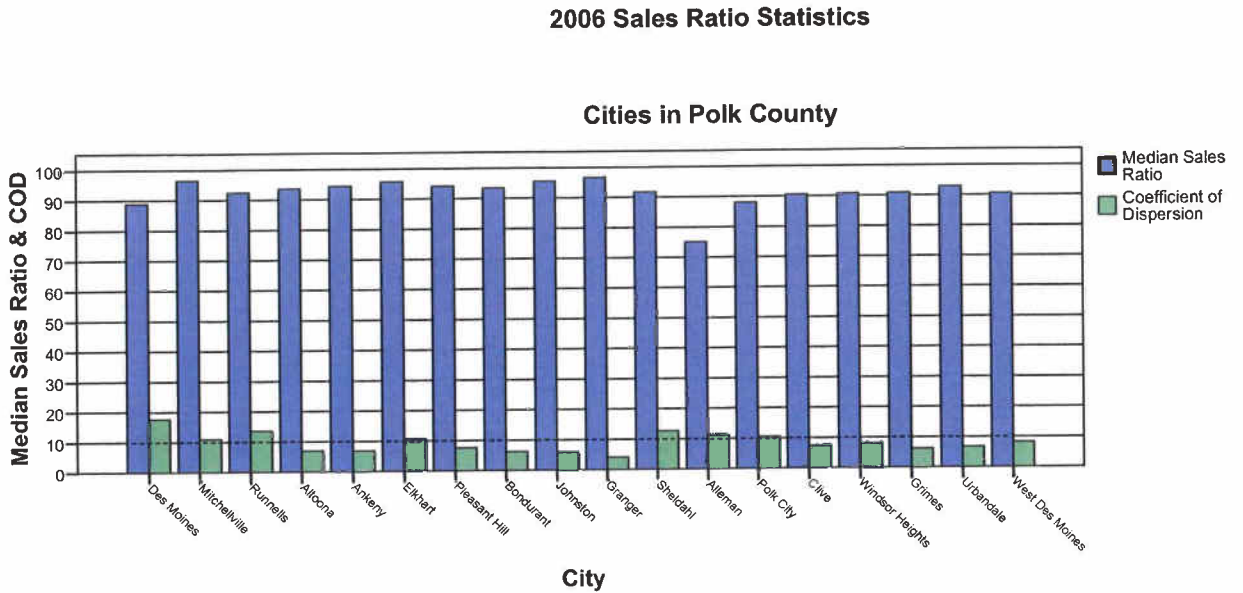
The above two charts show that the current median ratio for Polk County is .910 or 91.0%. Although this meets the IAAO's suggested performance standard, it deviates from the legal level in Iowa (100%) by more than five percent. Thus, in order to satisfy the legal requirement, residential assessments are headed for an increase for the 2007 assessment year.

The COD after a 1% trim is 10.7%, which means that, on average, residential assessments in Polk County are within 10.7% of the median assessment level (91.0%). The PRD is 1.005, which indicates that low- and high-valued properties are relatively being assessed at the same level.

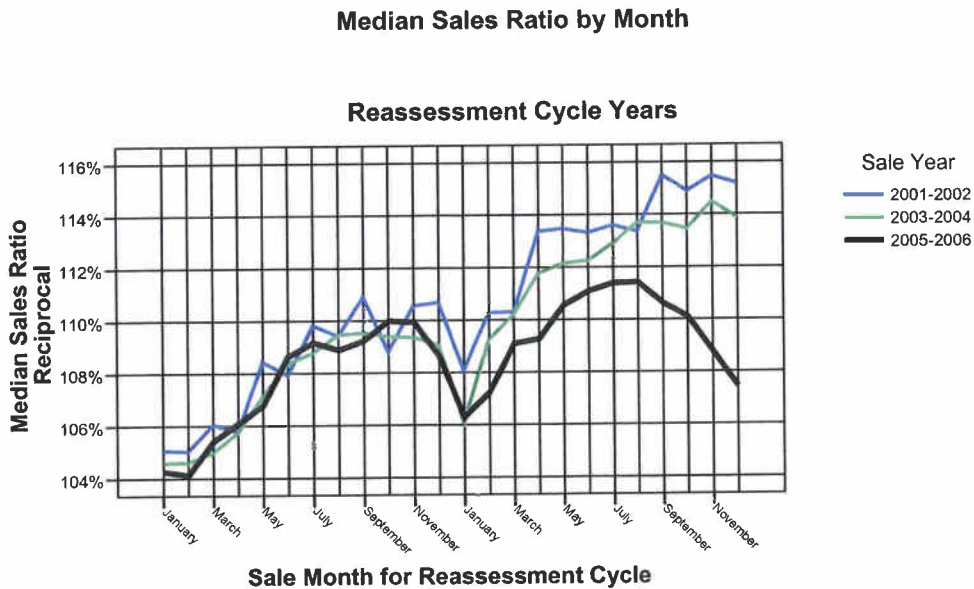
Plot of Sales Ratio with Sale Price**Plot of Sales Ratio with Sale Price - 1% Trim**

The above charts show the distribution of the sales ratios against their sale prices. The line on the sales ratio axis at 100% represents the legal assessment level. These charts support the PRD statistic above, which indicated that low- and high-valued properties are being assessed at the same general level.

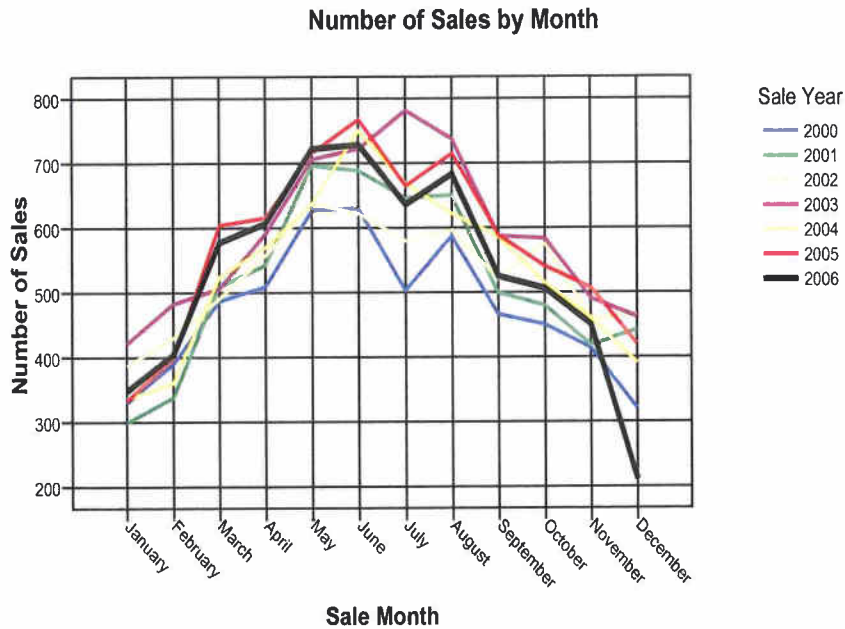
The chart below shows the median ratio and COD for each city in Polk County. One can see why different cities have different percent adjustments in reassessment years.



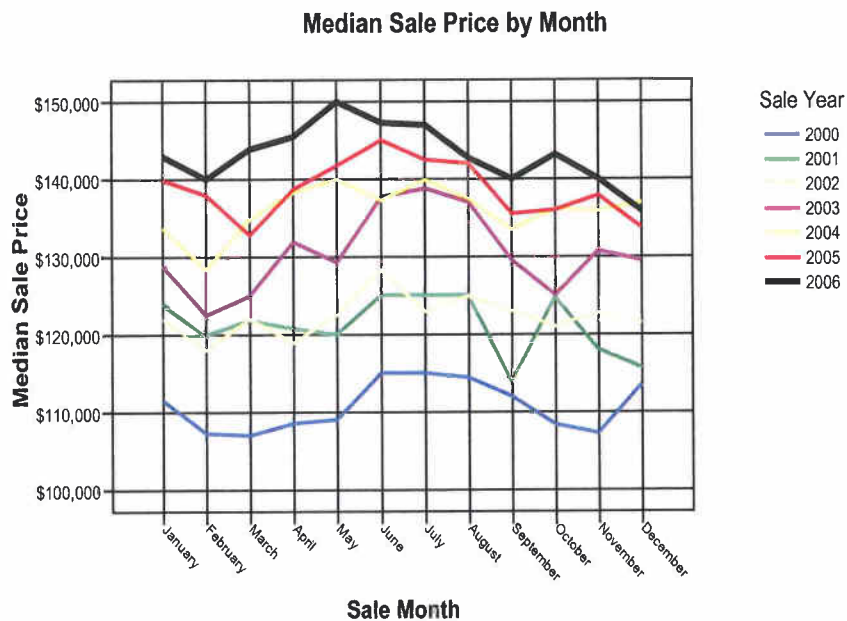
By plotting the reciprocals of the sales ratios (sale price/assessment) over time, one can visualize any inflation/deflation trends in the market. One can see how the market “heats up” during the spring/summer months and levels off during the fall/winter months.



The following chart shows that market activity increases during the spring/summer months and decreases during the fall/winter months. This pattern is pretty consistent from year-to-year. The spring/summer months are a good time to be selling a home.

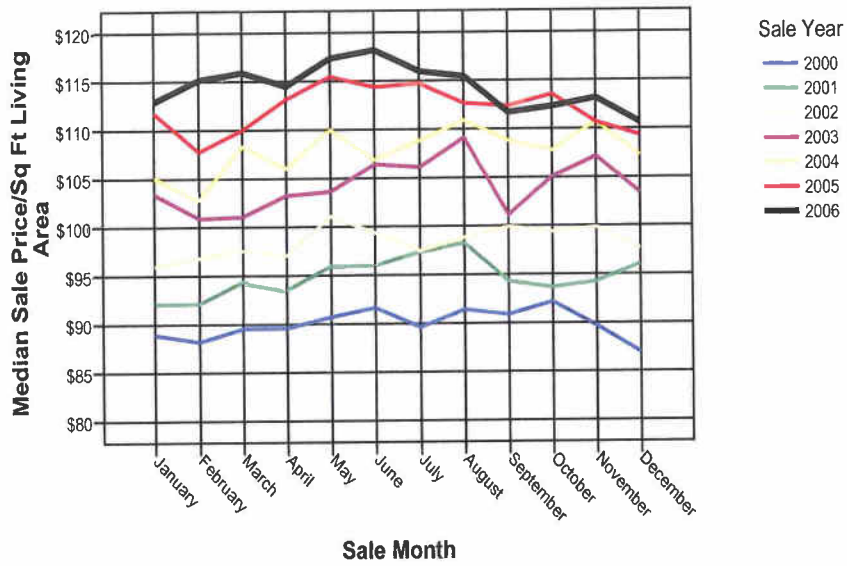


The residential real estate market in Polk County has been increasing during the last six years. The median average sale price in 2000 was roughly \$110,000, while in 2006 was roughly \$144,000. The seasonal patterns are also apparent here.



The median average sale price per square foot of living area has also been increasing during the last six years, which again points to an upward movement in the residential real estate market. The median average sale price/sq. ft. in 2000 was roughly \$90, while in 2005 was roughly \$115.

Median Sale Price/Sq. Ft. by Month

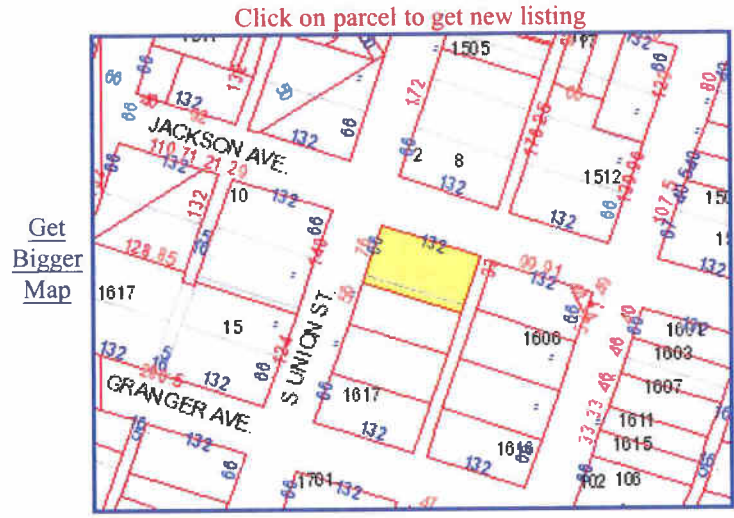


Polk County Assessor 

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District/Parcel	GeoParcel	Map	Nbhd	Jurisdiction	Status
020/02214-000-000	7824-10-308-001	0568	DM23/Z	DES MOINES	<u>ACTIVE</u>
School District	Tax Increment Finance District	Bond/Fire/Sewer/Cemetery			
1/Des Moines	55/Riverpointe UR Area C				

Street Address	City State Zipcode
1601 SOUTH UNION ST	DES MOINES IA 50315-1247



Approximate date of photo 03/24/2003

Mailing Address
 MAURICE GRAZIANO
 1601 SOUTH UNION ST
 DES MOINES, IA 50315-1247

Legal Description
 LT 1 & N 10F LT 2 BLK 16 SOUTH FORT DES MOINES

Ownership	Name	Transfer	Book/Page	RevStamps
Title Holder #1	GRAZIANO, MAURICE	12/28/2004	<u>10883/707</u>	
Title Holder #2	GRAZIANO (TRUSTEE), SARAH L			
Title Holder #3	GRAZIANO (TRUSTEE), EUGENE D JR			
Title Holder #4	EUGENE GRAZIANO (TRUST)			
Title Holder #5	GRAZIANO, FRANCES P			