

May 26, 2020

Robert McManus, Mayor
City of Marshfield, Wood County, Wisconsin
207 W 6th St
Marshfield, WI 54449

Dear Mayor McManus:

Enclosed is my mass appraisal report for the City of Marshfield. This report was prepared at the conclusion of the 2020 assessment year and contains a summary of the work done and results achieved. If you have any questions about the contents of this report, please do not hesitate to ask.

I am aware of, understand, and have correctly used recognized procedures, methods and techniques necessary to produce a credible mass appraisal of the locally assessable property in the City of Marshfield as of January 1, 2020.

The City of Marshfield is the client, the intended user and the authorized user of this report. Property tax distribution is the intended use. Neither I nor my staff is responsible for any unauthorized use of this report.

This report and the procedures, methods and techniques conform to the requirements of the Wisconsin Constitution, Wisconsin Statutes, case law, Administrative Rules, and the *Wisconsin Property Assessment Manual (WPAM)*.

We have inspected the properties based upon guidelines in the *Wisconsin Property Assessment Manual* and our contract. Please understand that the detail of our inspection was within the scope of property appraisal versus that of a building inspector or engineer. Other than those items identified in this report, on the property record cards, or in the record file, the appraiser knows of no adverse physical conditions affecting the properties as of the effective date of the assignment. Any undisclosed or undiscovered physical problems could adversely affect a property's value.

Authorized users are cautioned that the final opinions of value are based on certain information, assumptions and possible limiting and hypothetical conditions. When and if any of these exist, they are identified in the body of this report and in the individual property records. Any change to these conditions could significantly affect the appraiser's opinion of value. A due diligence review of this report by the City of Marshfield is strongly recommended.

Respectfully submitted,

Grota Appraisal, LLC, Statutory Assessor
Assessor certification number WI38268CA (expires on June 1, 2020)

A Mass Appraisal Report Of and Prepared For the
City of Marshfield, Wood County, Wisconsin

Presided Over By
Robert McManus, Mayor

Prepared By
Grota Appraisal, LLC, Statutory Assessor
City of Marshfield
N88 W16573 Main St
Menomonee Falls, WI 53051

Effective Valuation Date
January 1, 2020



This report was prepared using the Market Drive CAMA software
© Assessment Technologies of WI, LLC 2012 - 2020

Table of Contents

1	Executive Summary
1.1	Date of Report
1.2	Effective Date of Appraisal
1.3	Intended Use of this Report
1.4	Statement of Assumptions and Limiting Conditions
1.5	Property Excluded
1.6	Scope of Work Assignment
	1.6.1 General Description of the Jurisdiction
	1.6.2 Types of Real Estate Work to be Done
	1.6.3 Types of Personal Property Work to be Done
	1.6.4 Types of Mobile Home Municipal Permit Work to be Done
1.7	Summary of Work Done
	1.7.1 Real Estate Work Done
	1.7.2 Personal Property Work Done
	1.7.3 Mobile Home Municipal Permit Work Done
	1.7.4 Summary of Required Dates and Reports
1.8	Summary of Results
	1.8.1 Identification of the Property Rights and Property Appraised
	1.8.2 Jurisdictional Exceptions
	1.8.3 Uniformity and Equity
	1.8.4 Assessed Values by Class
	1.8.5 Changes from Prior Year
1.9	State of Property Records
	1.9.3 Paper Records
	1.9.4 Location of Property Records
	1.9.5 Property Records on the Internet
1.10	Recommendations
1.11	Certification (of this report)
1.12	Other Significant Contributors
2	Mass Appraisal Methods
2.1	Definition of Value
2.2	Highest and Best Use
2.3	Real Estate Valuation Methods
	2.3.1 Sales Comparison Approach
	2.3.2 Income Approach
	2.3.3 Cost Approach
	2.3.4 Valuing Land
2.4	Personal Property Valuation Methods
2.5	Mobile Home Municipal Permit Valuation Methods
3	Measures of Uniformity and Equity
3.1	Model-to-Sale Ratios
3.2	Model Calibration Errors versus Listing Errors
3.3	Assessment-to-Sale Ratios
3.4	Level of Assessment
3.5	Uniformity

4 Addenda

- 4.01 Exempt Real Estate
- 4.02 Rental Properties
- 4.03 Income Surveys Not Returned
- 4.04 State Assessed Real Estate
- 4.05 Properties Inspected
- 4.06 Statement of Real Estate Assessments
- 4.07 Summary of Reasons for Change
- 4.08 Open Building Permits as of Jan 2, 2019
- 4.09 Open Building Permits as of Jan 2, 2020
- 4.10 Model-to-Sale Ratios
- 4.11 Assessment-to-Sale Ratios
- 4.12 Sample Residential DOR Property Records
- 4.13 Sample Commercial DOR Property Records
- 4.14 Sample Agricultural DOR Property Records
- 4.15 Sample Income Survey
- 4.16 Sample Residential Sales Comparison
- 4.17 Sample Commercial Sales Comparison
- 4.18 Sample Agricultural Sales Comparison
- 4.19 Sample Public Property Records from Assessordata.org
- 4.20 Neighborhood Map
- 4.21 Exempt Personal Property Accounts
- 4.22 State Assessed Personal Property
- 4.23 Statement of Personal Property Assessments
- 4.24 Sample Statement of Personal Property
- 4.25 Personal Property Statements Not Returned
- 4.26 Statement of Mobile Home Municipal Permit Assessments
- 4.27 Open Building Permits as of Dec 1, 2019
- 4.28 Open Building Permits as of May 26, 2020
- 4.29 Sample App for Mobile Home Permit
- 4.30 Sample Mobile Home DOR Property Records
- 4.31 Sample Notice of Monthly Mobile Home Municipal Permit Fee

Executive Summary

1.1 Date of Report

This report was submitted to the City of Marshfield on May 21, 2020.

1.2 Effective Date of Appraisal

The State of Wisconsin requires all property valued for ad valorem tax purposes to be valued as of January 1st of the tax year. Therefore, the appraisal date for this report is January 1, 2020.

1.3 Intended Use of this Report

The City of Marshfield in Wood County, Wisconsin is the intended user of this report.

This is an annual mass appraisal report for ad valorem tax purposes and is specifically made for property tax distribution. The intended use of this report and its conclusions is limited to the administration of property taxes according to the governing laws of the State of Wisconsin.

1.4 Statement of Assumptions and Limiting Conditions

The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. This mass appraisal uses the guidelines and standards prescribed in the *Wisconsin Property Assessment Manual* published for the current assessment year. The *Wisconsin Property Assessment Manual* is located at <https://www.revenue.wi.gov/documents/wnam20.pdf>.
2. The appraiser is not responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser believes the title is correct and marketable.
3. The appraiser will provide testimony and appear in court as required for the office of municipal assessor and for any contractual agreements with the municipality.
4. The appraiser has noted on the individual property record cards any adverse conditions observed during the inspection of the subject properties. Unless otherwise stated on the property record card, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property.
5. This appraisal is prepared for ad valorem tax purposes. This report and the procedures, methods and techniques conform to the requirements of the Wisconsin Constitution, Wisconsin Statutes, case law, Administrative Rules, and the *Wisconsin Property Assessment Manual (WPAM)*. Depending on the property, there may be specific valuation guidelines and the reconciliation of data must be performed according to statutes, such as with agricultural property. Because of this, the Jurisdictional Exception applies in some instances.
6. Each property has been appraised as though under responsible ownership and competent management.
7. All property within the municipality has been assessed as of January 1, 2020.
8. Unless noted, it is assumed that all required licenses, certificates of occupancy, consents or other instruments of legislative or administrative authority from any private, local, state, or national government entity have been obtained for any use on which the value opinions contained within this report are based.
9. Information, estimates and opinions furnished to the appraiser and incorporated into the analysis were obtained from sources assumed to be reliable and a reasonable effort has been made to verify such information. However, no warranty is given for the reliability of this information.
10. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Neither a compliance survey nor a specific analysis has been conducted for any property to determine if it conforms to the various detailed requirements identified in the ADA. It is possible that such a survey might identify non-conformity with one or more ADA requirements, which could lead to a negative impact on the value of the property(s). Because such a survey has not been requested and is beyond the scope of this appraisal assignment, adherence or non-adherence to ADA was not taken into consideration in the valuation of the properties addressed in this report.
11. The term "appraiser" and "assessor" are used synonymously throughout this report.

1.5 Property Excluded

The value of some property has been excluded from this report. Excluded property is all property that is exempt from property tax and all property that is assessed by the Wisconsin Department of Revenue, such as manufacturing properties. A specific list of excluded properties can be found in:

- Addendum 4.01 (Exempt Real Estate)
- Addendum 4.04 (State Assessed Real Estate)
- Addendum 4.21 (Exempt Personal Property Accounts)
- Addendum 4.22 (State Assessed Personal Property)

1.6 Scope of Work Assignment

1.6.1 General Description of the Jurisdiction

The original plat of blocks was recorded as the Village of Marshfield in the City of Appleton in 1875, and revised in 1881. Marshfield developed around the railroad and Upham Manufacturing Company, who manufactured railroad ties, and was originally referred to as "Hub City" due to the high traffic of trains through the city. Then, on June 27, 1887, after a train emptied its coal box, the City of Marshfield became known for a fire that is one of the biggest in Wisconsin history. The fire caused more than \$4 million worth of damage, destroying more than 200 homes, shops, and mills, the entire city was gone. Today, there is a municipal airport, with a regional airport within 35 miles. The four-lane expansion of US Highway 10 offers easier access to the Eastern and Southern metro areas of the state, while Highway 29, only 20 miles north, provides access to the Western part of the State. Marshfield boasts top-notch schools, a two-year University of Wisconsin extension college, and a Mid-State Technical campus.

Medical services provide 38% of Marshfield's employment. Marshfield Clinic Health System (MCHS) is the largest private group medical practice in Wisconsin and one of the largest in the United States, with a total employment of nearly 6600 in more than 40 Clinic/Hospital centers in Wisconsin. Other major industries/employers include Roehl Transport, Masonite, V&H Heavy Trucks, Felker Brothers Corporation, Fiji's Inc., H & S Manufacturing Inc., and Quality Ingredients, to name a few.

The transformation from GVS CAMA program to Market Drive CAMA is still in progress during the 2019 assessment year. Models within Market Drive are capable of creating values for Residential, Mobile Home, Commercial, and OBI buildings. The models cannot replicate non-uniform adjustments made in the past. Land is derived from tables produced by the former assessor. Most values for land and improvements are carried over from the old software. The City would do well to consider a full revaluation, both interior and exterior.

Additional reports included with the full version of the AAR have supporting information and a greater level of detail than the simplified report. Users of the AAR are encouraged to obtain the additional reports to fully understand the assessment processes followed and information used to perform the duties of the office.

The additional reports mentioned discuss the economics of the community in greater detail. For example, the Ratio reports show various relationships of sold properties to their assessed values. The report shows all valid sales used and those rejected.

Great difficulty occurs during attempts at on-site verification since the enactment of trespass laws and recent court cases. Sale verification letters and requests to view go unanswered.

The Client and sole authorized user of this report is the City of Marshfield.

1.6.2 Types of Real Estate Work to be Done

All real estate assessment work (summarized below) is to be done in accordance with the *Wisconsin Property Assessment Manual* as specified in sections 70.32 and 70.34 of the Wisconsin State Statutes.

The purpose of the *Wisconsin Property Assessment Manual* is to establish standards, procedures and guidelines to be followed by local assessing officials in the appraisal of taxable property in the State of Wisconsin.

The types of work to be done to complete the work that the City of Marshfield is responsible for can be summarized as follows:

Discover - Identify all real property located within the City of Marshfield to be valued by the municipal assessor. This includes the parcel identifier, legal description and current owners' names and addresses.

List (measure and grade) - Record in the property records for each parcel all land and building information needed to determine the market value of each property using the cost, comparable sales and income approach to value.

Discover, record and validate all sales - Identify all sales involving property located within the City of Marshfield on an ongoing basis. Review each sale to determine which are valid arms-length transactions. For each valid sale, record detailed land and building information needed for analysis.

Provide the DOR with validated 2019 sales data - Provide the DOR (via the PAD system) with the following information on each sale that involved property located within the City of Marshfield:

1. Whether or not the sale represents a valid arms-length transaction.
2. The assessed value of the property from the same year.
3. Whether or not the sale can be included in the DOR's ratio study.
4. Detailed information about the property sold.

Collect, validate and analyze income and expenses - Identify all income producing real property located within the City of Marshfield. Collect actual income and expense data from each income producing property to determine market rents and expense. This information is also combined with sales data to determine the capitalization rates used by the income approach.

Classify - Assign the correct statutory tax classification to all land and buildings on each property. The tax classification will determine the value of the property for ad valorem tax purposes.

Value - Determine the value of each real estate parcel for ad valorem tax purposes.

Review and verify - Review the assessed value and tax classification for each property to ensure accuracy.

Report results - Notify each property owner having a change in their assessed value. Provide the assessment roll to the City of Marshfield Clerk, Board of Review and County Real Property Lister (where applicable). Provide the required summary reports to the Wisconsin Department of Revenue.

Answer questions - Provide prompt answers to questions about valuations to property owners.

Defend values - Support and defend the assessed value of each property as needed. This includes providing testimony and appearing in court as required for the office of municipal assessor.

1.6.3 Types of Personal Property Work to be Done

All personal property assessment work (summarized below) is to be done in accordance with the *Wisconsin Property Assessment Manual* as specified in sections 70.32 and 70.34 of the Wisconsin State Statutes.

The purpose of the *Wisconsin Property Assessment Manual* is to establish standards, procedures and guidelines to be followed by local assessing officials in the appraisal of taxable property in the State of Wisconsin.

The types of work to be done to complete the work that the City of Marshfield is responsible for can be summarized as follows:

Discover - Identify all personal property located within the City of Marshfield subject to personal property tax and valued by the municipal assessor. This includes the account number, location of assets and current owners' names and addresses.

List - Mail each owner a statement of personal property. Record the assets declared in the property records for each account.

Value - Determine the value of each personal property account for ad valorem tax purposes.

Review and verify - Review the assessed value of each account to ensure accuracy.

Report results - Notify each account owner having a change in their assessed value. Provide the assessment roll to the City of Marshfield Clerk, Board of Review and County Real Property Lister (where applicable). Provide the required summary reports to the Wisconsin Department of Revenue.

Answer questions - Provide prompt answers to questions about valuations to property owners.

Defend values - Support and defend the assessed value of each account as needed.

1.6.4 Types of Mobile Home Municipal Permit Work to be Done

All mobile home municipal permit work (summarized below) is to be done in accordance with the *Wisconsin Property Assessment Manual* as specified in sections 70.32 and 70.34 of the Wisconsin State Statutes.

The purpose of the *Wisconsin Property Assessment Manual* is to establish standards, procedures and guidelines to be followed by local assessing officials in the appraisal of taxable property in the State of Wisconsin.

The types of work to be done to complete the work that the City of Marshfield is responsible for can be summarized as follows:

Discover - On a monthly basis, identify all mobile homes and associated out buildings located within mobile home parks in the City of Marshfield to be valued by the municipal assessor.

List (measure and grade) - Record in the property records for each lot all building information needed to determine the market value of each building using the cost and comparable sales approach to value. Send each new owner an application for a mobile home municipal permit.

Discover, record and validate all sales - Identify all sales involving mobile homes located within a mobile home park in the City of Marshfield on an ongoing basis. Review each sale to determine which are valid arms-length transactions. For all valid sales, record detailed building information needed for analysis.

Classify - Assign the correct statutory tax classification to all mobile homes and associated out buildings on each lot within each mobile home park. The tax classification will determine the value of the property for ad valorem tax purposes.

Value - Determine the value of each property for ad valorem tax purposes.

Review and verify - Review the assessed value and tax classification for each building on each lot to ensure accuracy.

Create and distribute tax documents - Calculate the permit fee for each mobile home owner and create a notice showing amount of the tax. Create a worksheet for each park operator showing how much to collect monthly from each mobile home owner.

Answer questions - Provide prompt answers to questions about valuations to property owners.

Defend values - Support and defend the assessed value of each property as needed.

1.7 Summary of Work Done

To complete the work assignment which includes producing fair and equitable values for the purpose of property tax distribution, the tasks listed in each of the following sub-sections have been completed.

1.7.1 Real Estate Work Done

Discover

Identified 7,780 properties in existence on Jan 1, 2020. Updated the legal description and ownership on each as needed.

List (Measure and Grade)

Created property records for 10 new properties. A sample of the property records kept can be found in Addendum 4.12 (Sample Residential DOR Property Records) and Addendum 4.13 (Sample Commercial DOR Property Records) and Addendum 4.14 (Sample Agricultural DOR Property Records).
--

Transferred land and/or buildings from 21 properties to 24 other new and/or existing properties due to boundary changes (a.k.a splits or combinations) and re-listed the 45 properties involved.
--

Continued to track the progress on 397 building permits carried over from 2018. Of those permits, 65 will affect the market value of their respective property. See Addendum 4.08 (Open Building Permits as of Jan 2, 2019) for a list of permits carried over.

Identified 1,401 new building permits issued during 2019.

Of the 1,401 building permits issued during 2019, identified 289 that would affect the market value of their respective property.

Performed 314 building permit inspections. Updated the assessed value of these properties to reflect the work completed.
--

Closed 1,382 building permits that were either completed during 2019 or did not affect the market value of their respective property and therefore do not need to be tracked. See Addendum 4.09 (Open Building Permits as of Jan 2, 2020) for a list of permits that remain open as of Jan 2, 2020. Permits that remain open and affect the value of their respective property will change the 2021 assessment of each property.
--

Updated the property records of 622 properties that changed. A sample of the property records kept can be found in Addendum 4.12 (Sample Residential DOR Property Records) and Addendum 4.13 (Sample Commercial DOR Property Records) and Addendum 4.14 (Sample Agricultural DOR Property Records).

Performed a full inspection of 252 properties (3.2% of all properties). See Addendum 4.05 (Properties Inspected).

Performed an exterior inspection of 247 properties (3.2% of all properties). See Addendum 4.05 (Properties Inspected).
--

Performed a drive-by inspection of 13 properties (0.2% of all properties).
--

Discover, Record and Validate All Sales

Identified and recorded 641 sales that occurred in 2019 and an additional 39 sales that occurred between 1/1/2020 and 2/3/2020.

Validated 641 of 641 sales that occurred in 2019 and an additional 37 of 39 sales that occurred between 1/1/2020 and 2/3/2020. Found 353 to be usable (i.e. valid arms-length transactions).
--

Recorded the land and buildings included in 353 usable sales.

Provide the DOR With Validated 2019 Sales Data

Validated (for equalization) 641 sales that occurred during 2019 and sent that information to the DOR.

Provided the DOR with detailed property and assessment information on 325 valid improved arms-length sales that occurred during 2019.

Classify

Verified that 60 of the 60 properties benefiting from agricultural use valuation met the qualifications.

Assigned the correct statutory tax classification for all land and buildings on 10 new properties.

Changed the statutory tax classification on 14 properties.

Value

Appraised 10 new properties.

Re-appraised 622 properties.

Review and Verify

Reviewed and verified the assessed value and tax classification of all land and improvements on 632 properties whose assessed value changed for 2020.

Report Results

Sent a notice of assessment to the owners of the 10 new properties on 2/13/2020.

Sent a notice of assessment on 2/13/2020 to 622 owners whose assessed value changed.

Sent the preliminary assessment roll to the clerk on 2/12/2020.

Gave the final assessment roll to the clerk at the Board of Review on 5/21/2020.

Sent the final assessment roll to the county on 5/21/2020.

Sent the agricultural use conversion report to the county on 5/22/2020.

Filed the final Municipal Assessment Report with the DOR on 5/22/2020.

Answer Questions

Responded to 50 questions from taxpayers about the assessed value of their property.

Defend Values

Supported and defended the assessed value of 55 properties during the Open Book period.

There were no Board of Review cases.

Other Work

Annexation (completed 2 times).
Certificate of Occupancy (completed 2 times).
Door Hanger (completed 2 times).
Exemption Review (completed 10 times).
Land Review (Split/Combine/Survey) (completed 10 times).
Letter Sent (completed 976 times).
Low Income Housing Exemption (completed 4 times).
Manufacturing Notification (completed 1 time).
Other Onsite Visit (completed 10 times).
Picture Only (completed 184 times).
Request by owner for property review (completed 18 times).
Request for Income/Expense Info (completed 1 time).
Review PR-230 (completed 1 time).

1.7.2 Personal Property Work Done

Discover

Identified 836 personal property accounts in existence on Jan 1, 2020. Updated the physical location and ownership on each as needed.

Set aside 48 accounts that the DOR claimed they would assess in 2020.

List

Created property records for 109 new accounts.

Exempted 2 accounts that qualified for an exempt status.

Sent a Statement of Personal Property (form PA-003) on 11/22/2019 to the owners of 776 accounts. A sample of the statement sent can be found in Addendum 4.24 (Sample Statement of Personal Property).

Recorded all personal property assets listed on 595 Statements of Personal Property returned. A list of statements not returned can be found in Addendum 4.25 (Personal Property Statements Not Returned).

Value

Valued all personal property assets listed on 481 accounts.

Placed a dooamage assessment on 305 accounts whose owners did not return their Statement of Personal Property.

Review and Verify

Reviewed and verified the assessed value of all personal property on 788 accounts.

Report Results

Sent a notice of assessment on 4/3/2020 to 786 owners.

Sent the preliminary assessment roll to the clerk on 4/1/2020.

Gave the final assessment roll to the clerk at the Board of Review on 5/21/2020.

Sent the final assessment roll to the County on 5/21/2020.

Filed the final Municipal Assessment Report with the DOR on 5/22/2020.

Answer Questions

Responded to 10 questions from taxpayers about the assessed value of their personal property.

Defend Values

Supported and defended the assessed value of 21 accounts during the Open Book period.

There were no Board of Review cases.

Other Work

Exemption Review (completed 1 time).
Incomplete PP Return (completed 99 times).
Letter Sent (completed 2,954 times).
Other Onsite Visit (completed 1 time).
Review PA-003 (completed 1 time).

1.7.3 Mobile Home Municipal Permit Work Done

Discover

Received 17 new applications for mobile home municipal permits since December 1st, 2019.

Closed 0 mobile home municipal permits since December 1st, 2019 because the mobile home and/or owner left the park.

Identified 339 existing mobile homes in 5 mobile home parks on December 1st, 2019.

List (Measure and Grade)

Closed 2 building permits that were either completed during 2020 or did not affect the market value of their respective property and therefore do not need to be tracked.

Sent a 2020 Application for Mobile Home Municipal Permit to the clerk for 339 current permit holders on 11/22/2019. A sample application can be found in Addendum 4.29 (Sample App for Mobile Home Permit).

Created property records for 1 new mobile home. A sample of the property records kept can be found in Addendum 4.30 (Sample Mobile Home DOR Property Records).

Continued to track the progress on 32 building permits carried over from 2019. Of those permits, 21 will affect the market value of their respective property. See Addendum 4.27 (Open Building Permits as of Dec 1, 2019) for a list of permits carried over.

Identified 10 new building permits issued so far in 2020.

Of the 10 building permits issued so far in 2020, identified 10 that would change the market value of the property. This brings the total number of building permits tracked so far in 2020 to 42.

Performed 3 building permit inspections. Updated the assessed value of these properties to reflect the work completed.

Discover, Record and Validate All Sales

Validated 6 of 8 sales and found 5 to be usable (i.e. valid arms-length transactions).

Recorded the property included in all usable sales.

Identified and recorded 8 sales so far in 2020.

Classify

Assigned the correct statutory tax classification for all property on 1 new mobile home municipal permit.

Value

Appraised all property on 357 permit applications.

Review and Verify

Reviewed and verified the assessed value and tax classification of all mobile homes and out buildings on 0 mobile home municipal permit applications.

Create and distribute tax documents

Provided the municipal clerk with all monthly municipal permit fees notices on 1/13/2020. A sample of the notice can be found in Addendum 4.31 (Sample Notice of Monthly Mobile Home Municipal Permit Fee).

Sent an updated monthly municipal permit fee collection worksheet for each mobile home park to the clerk as needed.

Answer Questions

Responded to all questions from taxpayers about the assessed value of their property.

Defend Values

There were no Board of Review cases.

There were no Open Book appointments.

1.7.4 Summary of Required Dates and Reports

To comply with the *Wisconsin Property Assessment Manual* as specified in sections 70.32 and 70.34 of the Wisconsin State Statutes. The following tasks have also been completed.

Art IV Sec 28	I took the assessor’s oath of office on February 5, 2019.
70.35(1), 70.35(2)	I sent personal property returns on November 22, 2019.
70.365	I mailed real estate assessment change notices on February 13, 2020.
	I mailed personal property assessment change notices on April 3, 2020.
70.10, 70.49(1), 70.32(2), 70.30	I signed the affidavit and attached it to the roll on May 21, 2020.
73.03(5)	I submitted the Municipal Assessment Report to DOR on May 22, 2020.
70.44(1), 70.44(3)	I discovered and corrected omitted real or personal property on May 21, 2020. Each property owner affected was sent a written notice of their appeal rights.
70.45	I held the Open Book from February 14, 2020 to March 24, 2020.
	There were 76 parcel valuations reviewed at the Open Book.
	I changed 27 parcel valuations after considering the merits of each review.
	I sent revised Notice of Changed Assessments on April 3, 2020.
70.47(1)	The Board of Review met on May 21, 2020.
70.47(3)(ag)	I was present at the Board of Review to defend assessments.
70.52	The clerk informed me of double assessments, imperfect descriptions or other errors. I corrected and certified the new values on May 21, 2020.

1.8 Summary of Results

1.8.1 Identification of the Property Rights Appraised

The property rights appraised are defined in Chapter 70.03 Wis. Stats., case law and further described in the *Wisconsin Property Assessment Manual*. The attributes of each property can be found in the Property Record Cards or files maintained in the assessor's office. These include legal descriptions, parcel identifiers, addresses, photos and sketches. Section 70.03 Wis. Stats., states in part, "Real property', 'real estate' and 'land', when used in chapters 70 to 76, 78 and 79, include not only the land itself but all buildings and improvements thereon, and all fixtures and rights and privileges appertaining thereto..."

1.8.2 Jurisdictional Exceptions

When the guidelines in Uniform Standards of Professional Appraisal Practice (USPAP) conflict with state statute or case law, state law governs. This is stated in USPAP and is referred to as the "jurisdictional exception." The Wisconsin Constitution, state statute, administrative rule and the Wisconsin Property Assessment Manual (WPAM) establish a hierarchy of valuation methods.

Section 70.32 Wis. Stats. states that the most reliable valuation evidence is a sale of the subject property but only if that sale is recent, meets all of the requirements of an arm's-length sale, and is confirmed by an analysis of sales of reasonably comparable properties.

The second best valuation evidence are sales of properties similar to the subject. If no reliable comparable sales are available, then other factors may be used to value the property. Cases often refer to this hierarchy as the "three tiers."

For further discussion, see the WPAM, Chapter 21 State ex rel. Markarian v City of Cudahy (1970).

Market value is the standard of value as part of the scope of work. Due to state statutes, we are required to value some properties at a level other than market value, so the following would be considered jurisdictional exceptions. Since 1998, the assessed value of "farmland" for property tax purposes has been based on the productive capacity of the land. The 1995-97 Budget Act changed the standard for assessing farmland from market value to use value assessment. In a use value assessment system, an agricultural property's use is the most important factor in determining its assessment classification. Chapter Tax 18 specifies the use value calculation. Agricultural building sites and residences of the farm operator's spouse, children, parents, or grandparents are classified as "Other" and should be assessed at market value.

Section 70.32(2)(c)1d Wis. Stats. defines "agricultural forest" as "land that is producing or is capable of producing commercial forest product... and shall be assessed at 50% of its full value."

Wisconsin Act 33 specifies how "undeveloped land" is valued for assessment purposes under sec. 70.32(4) at 50% of its full value. Undeveloped land includes areas commonly called marshes, swamps, thickets, bog or wet meadows.

Two unique agricultural products, cranberries and fish, are produced on "specialty land" and are assessed at use value rates. Fish ponds used for animal aquaculture qualify as agricultural as they are analogous to pasture.

Wisconsin courts have ruled that the use of the discounted cash flow for subdivisions violates the principle of uniformity. This uniformity provision also extends to condominiums.

Restrictions on the valuation of Subsidized Housing as specified in sec. 70.32 (1g) Wis. Stats., and in court cases as explained in WPAM Chapter 9, directly affect the outcome of Subsidized Housing valuation. These restrictions, including not allowing income tax credits or subsidized mortgage rates to be used in the valuation of these properties, are a jurisdictional exception.

The State Public Records Board has published the Wisconsin Municipal Records Manual which establishes minimum record retention times of 7 years for public records, with the following exceptions:

- No assessment roll containing forest acreage may be destroyed without prior approval of the Secretary of Revenue.
- Real Estate Transfer Returns need only be retained for five years.

A public record as defined in sec. 19.32, Wis. Stats., “includes but is not limited to, handwritten, typed or printed pages, maps, charts, photographs, films, recordings, tapes (including computer tapes) and computer printouts.”

Many assessors are required to live in their jurisdiction or they and/or their relatives own property in their jurisdiction and therefore receive a tax bill directly related to the amount of the value opinion. This interest in the property is disclosed in the Certification and is considered a jurisdictional exception.

A written summary of the Assessor’s Board of Review Testimony does not need to be added to the workfile, because the Clerk’s summary of the Board of Review and the official record of the proceedings kept by the Clerk are deemed sufficient.

Personal Property may be valued using the Statement of Personal Property per sec. 70.35 Wis. Stats., in lieu of the analysis and model requirements for Personal Property.

Other jurisdictional exceptions may be found in the Wisconsin Property Assessment Manual (WPAM) and substantiated by case law.

1.8.3 Uniformity and Equity

The ultimate goal of mass appraisal is to have uniform and equitable values across the entire assessment jurisdiction. In this case, uniformity means that properties are valued in a consistent fashion such that two similar improvements (buildings) have a similar value and two similar pieces of land in equally desirable locations have a similar value. To have values that are equitable means the total assessed value of all property (and therefore the tax burden that goes with those values) is distributed across all properties in a fair manner. Since uniform values distribute value fairly, uniformity leads to equity.

Measuring Uniformity

Uniformity can be measured by comparing the level of assessment of different groups of properties. The level of assessment is the ratio between actual market values (represented by actual sale prices) and assessed values.

For example, if a property valued at \$90,000 during the last revaluation now sells for \$100,000, then that property is being assessed at 90% of its market value.

By grouping similar properties together (also called *stratification*), calculating the level of assessment of each group (*stratum*) and then comparing the level of assessment between groups (*strata*), uniformity can be quantified numerically. One such measurement is called the coefficient of dispersion, or COD. The COD is a measure of the variance between groups of properties (*strata*). A high COD means lots of variance which means poor uniformity. A low COD means low variance which means good uniformity.

Although a low coefficient of dispersion is better because it indicates high uniformity, a number that is too low (e.g. less than 5) could indicate problems with the sales data (because the market isn’t that perfect) or could simply indicate that there are too few sales for the analysis to be meaningful.

Using 707 valid sales from 1/1/2018 to 1/1/2021, I performed a ratio analysis which indicated the overall coefficient of dispersion to be 18.6%. See Addendum 4.11 (Assessment-to-Sale Ratios) for a detailed copy of the analysis.

The last revaluation occurred during the economic downturn that began in late 2006 and ended around 2011 (depending on the area of the state). Uniformity is certainly in question.

An overall measure of uniformity can be misleading because it is such a broad measure. You can gain a better understanding of the inequities between different types of properties by looking at those groups individually. Below is a breakdown of the level of assessment and coefficient of dispersion by tax classification. Further breakdowns can be found in Addendum 4.11 (Assessment-to-Sale Ratios).

When the level of assessment (weighted ratio) or coefficient of dispersion of any group of similar properties indicates a lack of uniformity, a revaluation should be done.

Tax Class	# of Parcels	Total Market Value	# of Valid Sales	Weighted Ratio	Coefficient of Dispersion
Residential	6,507	\$806,464,800	659	90.2%	20.7%
Commercial	739	\$570,892,303	47	89.0%	29.8%
Manufacturing	66	\$72,344,500	0		
Agricultural	55	\$7,118,700	0		
Undeveloped	15	\$12,800	0		
Forest	23	\$212,700	0		
Exempt	375	\$436,050,864	1	69.3%	0.0%

Revaluations

When uniformity becomes a problem, a revaluation should be done. During a revaluation, the valuation models are adjusted to reflect changes in costs and market conditions so that all properties are once again assessed uniformly at 100% of market value.

The last year that all properties in the City of Marshfield were revalued was 2010.

When a revaluation is not done every year, the level of assessment usually moves away from 100%. Since all types of properties in all locations do not change in value at the same rate, values become less uniform (meaning the level of assessment is not the same between properties) and therefore less equitable.

The state legislature has set a goal to have all properties assessed at 100% of market value (regardless of the coefficient of dispersion). If the overall level of assessment is less than 90% or more than 110% a revaluation is required within 5 years.

Using 707 valid sales from 1/1/2018 to 1/1/2021, I performed a ratio analysis which indicated the overall assessment ratio for the City of Marshfield to be 84.76% as of Jan 1, 2020. See Addendum 4.11 (Assessment-to-Sale Ratios) for a detailed copy of the analysis.

The overall level of assessment appears to be better than it was in 2019. This is mostly due to more onsite visits, better analysis, and reporting of sales.

Any overall assessment ratio is an estimate and can vary depending on the 'as of' date, the range of sale dates used and a few other procedural variations.

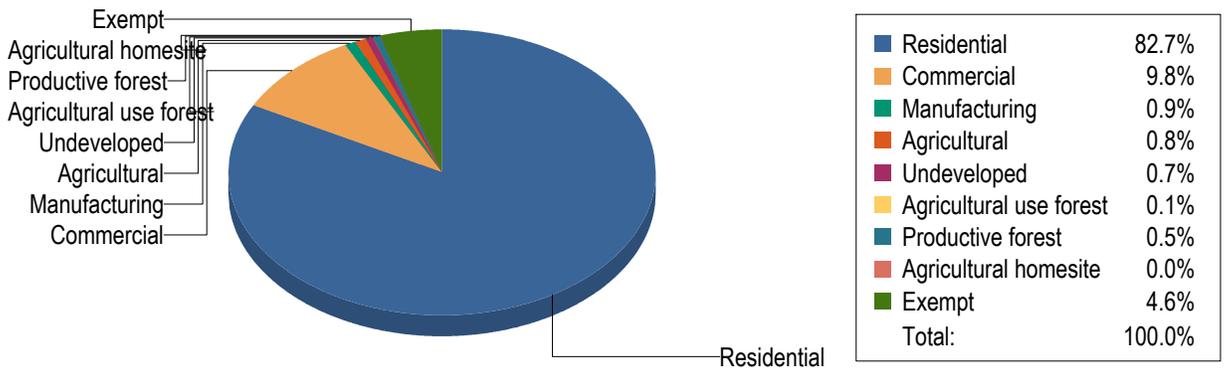
While assessing all properties at 100% of market is a worthwhile goal and cannot be ignored (it is law), it is more important for equity (fairness) that all properties are valued at the same level of assessment (whatever it is) because you will have an equitable (fair) distribution of the property tax burden if they are.

1.8.4 Assessed Values by Class

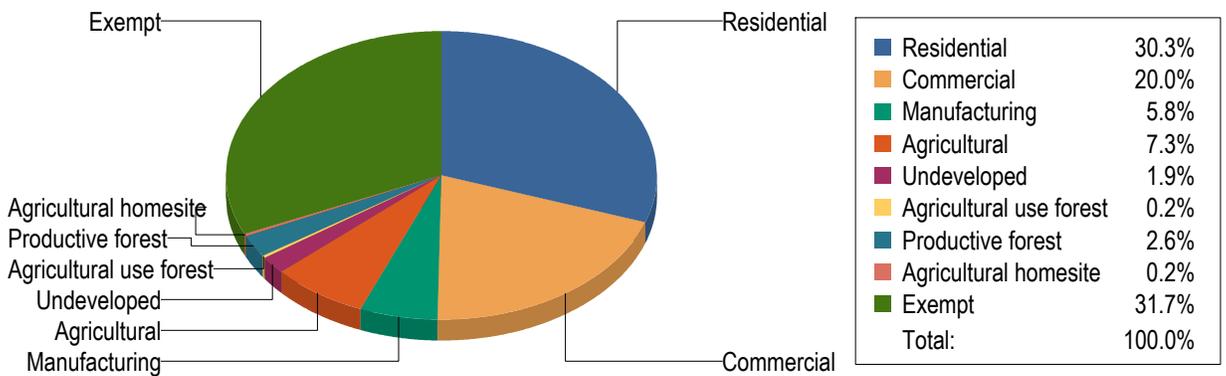
Below is a summarization of the assessed value of all real estate within the City of Marshfield. There are no values shown for manufacturing property because all manufacturing property is assessed by the state (see section 1.5 Excluded Property). A more detailed report can be found in Addendum 4.06 (Statement of Real Estate Assessments)

Tax Classification	# Parcels	Acres	Land	Improvements	Total
Residential	6,499	2,268.083	\$145,276,500	\$659,345,700	\$804,622,200
Commercial	769	1,499.153	\$99,812,900	\$474,743,200	\$574,556,100
Manufacturing	67	437.819	\$0	\$0	\$0
Agricultural	60	545.636	\$97,900	\$0	\$97,900
Undeveloped	54	143.842	\$188,600	\$0	\$188,600
Agricultural use forest	5	18.150	\$22,100	\$0	\$22,100
Productive forest	40	193.852	\$656,200	\$0	\$656,200
Agricultural homesite	1	12.000	\$57,500	\$85,200	\$142,700
Exempt	364	2,374.037	\$0	\$0	\$0
Totals for all classes		7,492.572	\$246,111,700	\$1,134,174,100	\$1,380,285,800

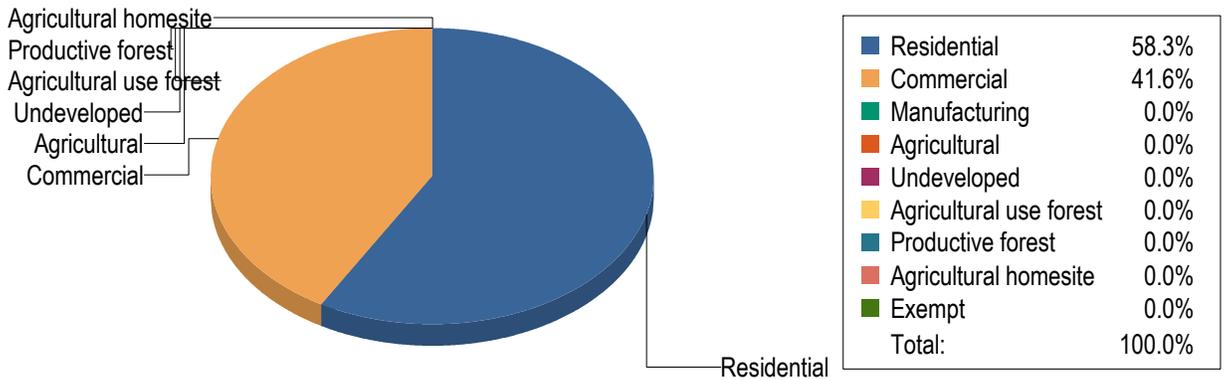
Number of Parcels by Tax Class



Acres by Tax Classification



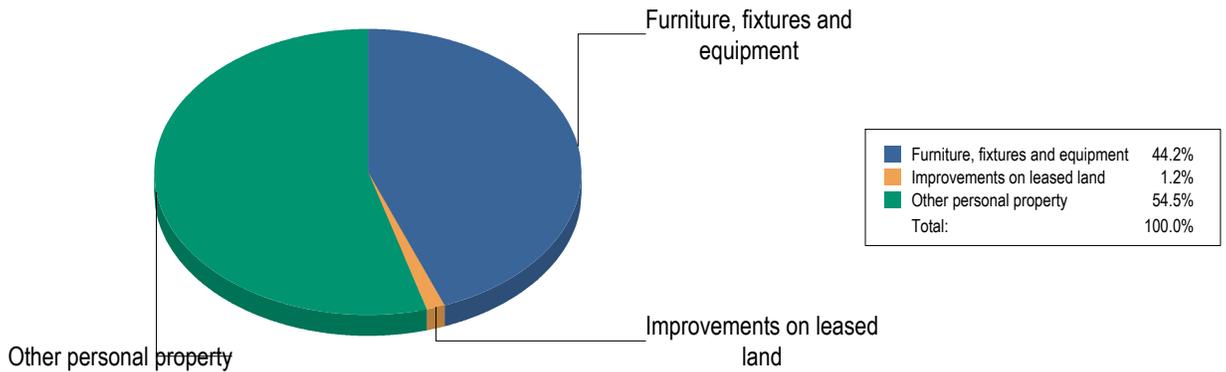
Total Assessed Value by Tax Classification



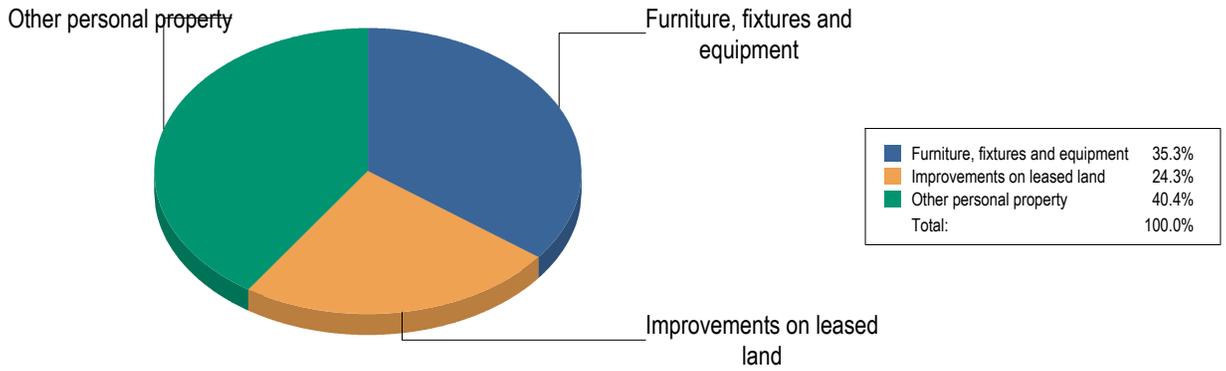
Below is a summarization of the assessed value of all personal property within the City of Marshfield. There are no values shown for manufacturing property because all manufacturing property is assessed by the state (see section 1.5 Excluded Property). A more detailed report can be found in Addendum 4.23 (Statement of Personal Property Assessments)

Asset Class	# Accounts	Declared Value	Assessed Value
Furniture, fixtures and equipment	496	\$22,204,092	\$20,248,700
Improvements on leased land	14	\$15,277,404	\$13,933,000
Other personal property	612	\$25,438,996	\$23,200,200
Totals for all classes	769	\$62,920,492	\$57,381,900

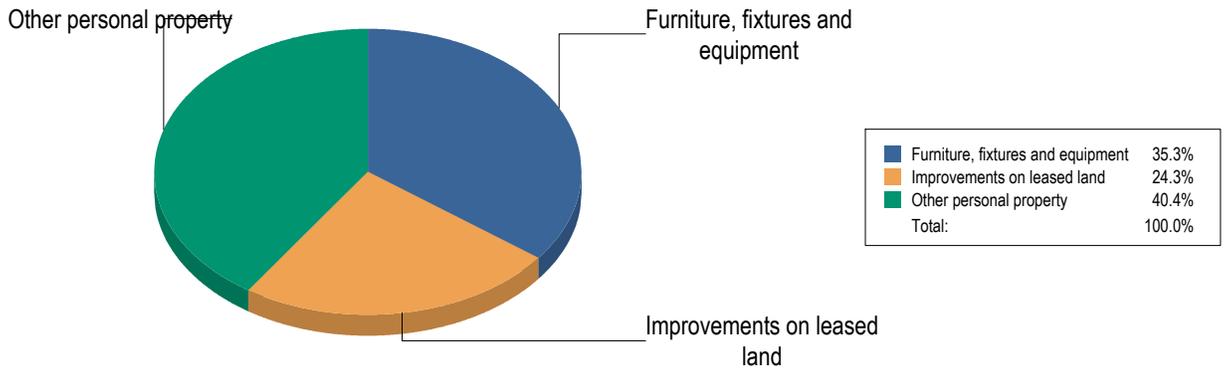
Number of Accounts by Asset Class



Total Declared Value by Asset Class



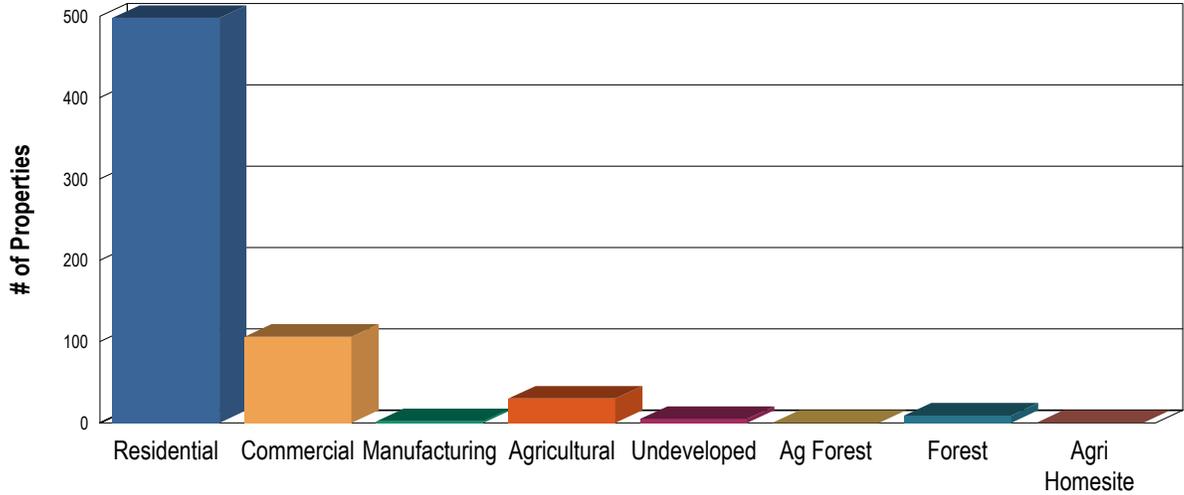
Total Assessed Value by Asset Class



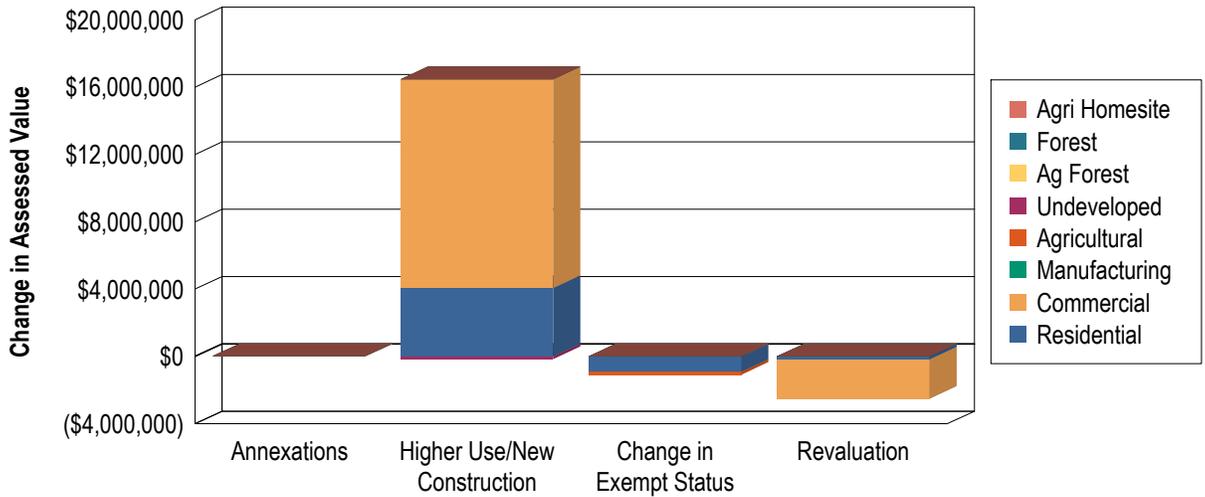
1.8.5 Changes from Prior Year

Below is a summarization of the change in assessed value for all real estate within the City of Marshfield. There are no values shown for manufacturing property because all manufacturing property is assessed by the state (see section 1.5 Excluded Property). A more detailed report can be found in Addendum 4.07 (Summary of Reasons for Change)

Number of Properties Whose Value Changed



Change in Assessed Value by Reason and Class



1.9 State of Property Records

1.9.1 Compliance with the DOR's Electronic Records Requirement

The Wisconsin Department of Revenue requires electronic (digital) assessment data for the 2020 assessment year.

All assessment data, such as parcel attributes, sketches, and photographs, must be stored in an electronic format. This includes all data that was applied to determine the assessed value. The requirement excludes information in assessment work files such as handwritten notes, correspondence, building permits, or field sketches.

A thorough audit was complete on November 22, 2019 to determine the City of Marshfield's level of compliance with this electronic records requirement. The results of this audit are as follows:

Type of Assessment Roll	Level of Compliance	Copy of Audit Report Found In
Real Estate	94.3%	
Personal Property	99.9%	
Mobile Home Municipal Permits	97.2%	

Because the audit is rather black and white, there can be a small number of items raised by the audit which are not actually problems. For example, a land locked parcel will not border any street and therefore may not have a street address, although the audit will list any property without one. When these exceptions occur, the level of compliance will be less than 100% but still should be close to it.

1.9.2 Paper Records

If a municipality's computer software is able to produce (when requested) a paper copy of a property record card showing all current property information, then a paper copy of that same property record card does not need to be maintained.

The assessment records for the City of Marshfield are being maintained using the Market Drive CAMA software. The Market Drive CAMA software has the ability to store a complete set of electronic property assessment records. The Market Drive software can also print a Property Record Card containing all current property information. Because of this, a separate set of paper records does not need to be maintained.

A sample of a residential property record card can be found in Addendum 4.12 (Sample Residential DOR Property Records).

A sample of a commercial property record card can be found in Addendum 4.13 (Sample Commercial DOR Property Records).

A sample of an agricultural property record card can be found in Addendum 4.14 (Sample Agricultural DOR Property Records).

Currently, paper records for the City of Marshfield are being maintained for some properties not added to the Market Drive CAMA software. The state of the electronic assessment records kept in the Market Drive CAMA software is described in section 1.9.2 Compliance with the DOR's Electronic Records Requirement.

1.9.3 Location of Records

A copy of the electronic records for the City of Marshfield as stored in the Market Drive CAMA software is enclosed. This copy was made after all Board of Review changes were recorded for the 2020 assessment year.

1.9.4 Property Records on the Internet

There is no requirement that property and assessment data be available on the internet.

Currently, complete property information is available on the internet at www.assessordata.org. A sample of a property report available from the site can be found in Addendum 4.19 (Sample Public Property Records from Assessordata.org).

1.10 Recommendations

10.1 Control Errors in Values Caused by Incorrect Property Data

Problems with the property data collected can greatly affect the fairness in how the property tax burden is distributed. Some deliberate plan to minimize these "listing" errors is recommended.

Property records maintenance should be an on-going activity, not something done only in a revaluation year. By separating property record maintenance from the recalibration of the the valuation models, errors in the property data upon which all valuations are based can be controlled and the cost of inspections can be reduced to a predictable annual amount. This also allows the recalibration of the valuation models to happen whenever uniformity becomes unacceptable, since the high cost typically associated with revaluations is mostly due to inspection costs.

There are two types of inspections: full and exterior. Full inspections involve looking at the inside and outside of structures whereas exterior inspections look at a property from the outside only. Full inspections are more intrusive and more costly and therefore are not done often. Exterior inspections can still find changes that were missed and also ensure that the physical condition has not changed unexpectedly.

Currently, no full inspection cycle has been established for the City of Marshfield. No exterior inspection cycle has been established.

It is recommended that each property in the City of Marshfield be fully inspected every 15 years. In addition, the exterior of each property should be inspected every 5 years.

10.2 Recalibrate the Valuation Models

Valuation models which estimate the market value of all land and buildings are calibrated during a revaluation year. As time passes and market conditions change, the valuation models become less accurate. As a result, the valuation models need to be recalibrated which is done during a revaluation.

Revaluation does not mean re-inspection. Recalibration of the valuation models should be done when uniformity or the overall level of assessment are unsatisfactory. Re-inspection should be an ongoing effort to maintain the accuracy of the property records upon which all values are based.

The last time the valuation models for the City of Marshfield were recalibrated was 2010. The coefficient of dispersion (a measure of uniformity) is estimated to be 18.7% and the level of assessment is estimated to be 91.20%.

Given these two measures, a revaluation is recommended within 2 years.

1.11 Certification

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. If either my property or property owned by any family member is within the municipality, I certify that I have complied with the ethical provisions of Wisconsin Statutes when appraising these properties.
4. I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
8. Inspections of properties that are the subject of this report are outlined in section 1.6 Scope of Work Assignment of this report.
9. I affirm that my data collection program incorporates quality control measures including checks and audits to ensure current and consistent records.
10. If anyone provided significant mass appraisal assistance, I have provided their name, certification level, certification number, and a description of the work provided by those individuals in the addenda of this report.
11. I have been the primary assessor since June 1, 2017.
12. The last revaluation was completed in 2010.

Grota Appraisal, LLC, Assessor 2 City of Marshfield N88 W16573 Main St Menomonee Falls, WI 53051 Phone: (414)858-0236 Email: JAMES.TOTH@CI.MARSHFIELD.WI.US	Certification number WI38268CA Certification expires on Jun 1, 2020 Signature: _____ Date signed and submitted: May 21, 2020
--	---

1.12 Other Significant Contributors

Building Inspection Department Not certified Phone: (715)384-3856 Email: Keith.Pugh@ci.marshfield.wi.us	Certification number Certification expires on Signature: _____ Date signed: May 21, 2020
James Toth Assessor 2 Phone: (414)858-0236 Email: jim@wi-assessor.com	Certification number WI38268CA Certification expires on May 30, 2025 Signature: _____ Date signed: May 21, 2020
Keith Pugh Assessor 2 Phone: (715)384-3856 Email: Keith.Pugh@ci.marshfield.wi.us	Certification number WI3761CA Certification expires on Jun 30, 2024 Signature: _____ Date signed: May 21, 2020

Mass Appraisal Methods

2.1 Definition of Market Value

According to the *Wisconsin Property Assessment Manual (WPAM)*, the definition of market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Both buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2.2 Highest and Best Use

Highest and Best Use is defined in Chapter 7 of the *Wisconsin Property Assessment Manual* as follows:

Highest and best use is defined as that use which over a period of time produces the greatest net return to the property owner. The possible uses of a property have a significant influence on its value. Because most properties could be put to a number of different uses, it is necessary to determine which of the possible uses is the highest and best use. There are a number of factors that influence the highest and best use of a property.

The contemplated use must be legal. That is, it must not violate any government regulations. This would include such items as zoning, building codes, health codes, criminal laws, and other regulations. For example, an office building may represent the greatest net return on a parcel of real estate; however, if this use is prohibited by zoning laws, it does not represent the highest and best use.

The use must be complementary. It must be in balance with the uses of the property around it. This is explained in the principle of conformity.

The highest and best use should not be a highly speculative use. The use should produce the greatest net return over a reasonable time period. An income stream of high return over a short time may not be as valuable as that use which generates a smaller income but over a longer period of time.

The highest and best use of a property can change over time. Changes in the economy, society, and neighborhood can result in new uses of properties. Therefore, the assessor should be periodically reviewing the data on highest and best use and change the conclusions if necessary.

It's important to recognize that the current use of a particular property does not necessarily represent the highest and best use or the full market value of the property. All of the available uses of the property should be considered. According to the book, *Readings in Highest and Best Use*, "The fact that a property is adaptable to secondary uses may be an important consideration to a prospective buyer and thus influence market value."

In summary, highest and best use represents the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value. For purposes of this report it is assumed that the current use of the property represents the highest and best use unless stated otherwise on the property record card or in the file.

2.3 Real Estate Valuation Methods

There were three approaches to value that were considered for every property. They were:

1. Sales comparison approach
2. Income approach
3. Cost approach

How each method was applied is described in the sections that follow. In all cases, valuation models are used to ensure that all properties are valued uniformly.

A valuation model equates measurable property attributes to market value. The goal of any valuation model used for mass appraisal is to produce uniform and equitable values (see section 1.8.3 Uniformity and Equity).

Each of the valuation models is configured to reproduce market values. Not all properties are assessed at 100% of their market value. Jurisdictional exceptions allow some property to be assessed at less than 100% of their full market value (see section 1.8.2 Jurisdictional Exceptions).

In the case of agricultural use land, there is no relationship between market value and assessed value. Because of this and the scope of this assignment, the market value of such land need not be determined.

Neighborhoods

All of the valuation methods (sales comparisons, income and cost) require a method to identify similar properties in similar locations. A neighborhood is used to do this. Properties within the same neighborhood have similar uses and compete for the same buyers. Neighborhoods that are similar but in different locations are grouped together into a neighborhood group. Neighborhood groups are useful to create larger sets of sales and income data when there isn't enough of such data in an individual neighborhood.

The following table shows the neighborhoods and neighborhood groups created for the City of Marshfield and used in each of the valuation methods.

Neighborhood Group / Neighborhood	Predominant Land Use	Predominant Water Front	Avg Land (Acres)	Avg Bldg Size (SF)	Avg Yr Built	# of Properties
Apartments Program 1 Apartments-Section 515	Commercial	None	2.4			4
Apartments Program 2 Apartments-Section 42	Commercial	None	2.3	16,997	1984	10
CBRF Group Care Comm	Commercial	None	1.6	6,820	1995	11
Commercial Commercial (83) Commercial Industrial Commercial Hub Perimeter Commercial Downtown Commercial General Commercial Perimeter Commercial (89) State Telco Exempt - Utility Tax	Commercial Commercial Commercial Commercial Commercial Commercial Commercial Commercial Commercial	None None None None None None None None None	2.8 4.9 1.0 0.4 2.0 5.7 3.3 1.0 1.6	28,219 11,456 13,671 11,224 15,374 5,777 9,184	1998 1979 1966 1942 1968 1977 1986	79 49 82 168 188 43 121 3 1
Commercial Mobile Home Court Mobile Home Court	Commercial	None	12.5	7,000	1968	6
Commercial Multi-Family Apartments-Commercial	Commercial	None	2.1	9,943	1990	90
Condo Condo/Twnhs Nghb 4 Condo/Twnhs Nghb 1 Condo/Twnhs Nghb 2 Vets Pkwy Prairie Run SF Greenway Village Condo Woodsvieview Condos Oakwood Townhomes Condo Maplewood Ests Prairie Run Condos Sawyer Estates	Residential Residential Residential Residential Residential Residential Residential Residential Residential Residential Residential Residential	None None None None None None None None None None None None	0.2 0.1 0.2 0.5 0.5 0.3 0.3 0.1 0.2 0.4 0.1	1,396 1,331 2,080 2,206 588 1,884 1,366 1,403 1,553 1,250	1990 1998 2009 2012 1990 1998 1985 1987 2003 1974	8 6 64 22 21 15 22 10 12 44 15
D-E-F Ag Use Value Woodlands Ag Use & Building Site	1st grade tillable Primary forest Residential	None None None	17.5 2.8 23.0			9 22 7
Exempt Exempt	Commercial	None	8.3	16,222	2001	241
Institutional Institutional	Commercial	None	4.5	51,075	1993	25
Manufacturing State Manufacturing	Commercial	None	5.9	40,125	1972	57
Mobile Home MH on Private Lot	Residential	None	0.3	1,218	1990	56

Neighborhood Group / Neighborhood	Predominant Land Use	Predominant Water Front	Avg Land (Acres)	Avg Bldg Size (SF)	Avg Yr Built	# of Properties
Residential						
Daniel's Addition	Residential	None	0.4	2,519	2011	41
Green Acres	Residential	None	0.5	1,836	2014	45
Core City Res	Residential	None	0.2	1,358	1923	1,707
MT Homes	Residential	None	0.2	884	1914	6
Perimeter City Res	Residential	None	3.1	2,539	1966	197
West Side Res	Residential	None	0.4	1,937	1967	1,673
East Side Res	Residential	None	0.4	1,408	1969	2,046
Residential Multi						
Apartment-Res	Residential	None	0.3	2,169	1913	23
Duplex Modern	Residential	None	0.4	1,982	1983	256
Duplex Old	Residential	None	0.2	1,693	1904	276

A map showing the boundaries of each of these neighborhoods can be found in Addendum 4.20 (Neighborhood Map).

2.3.1 Sales Comparison Approach to Value

The sales comparison approach is used to value land and buildings together (they are not valued separately). Unlike the cost and income approach, the sales comparison approach starts with a sale price and then makes adjustments for differences between the subject property and the property sold.

Since a separate land value is required, the final comparable value is divided into a value for land and value for improvements using the same land valuation model used with the cost approach. This provides consistent land and therefore consistent improvement values regardless of the valuation method used. Individual land or improvement values cannot be argued and are not defended separately.

While sales of comparable properties are the best indicator of value for all types of properties, this approach has great deficiencies when used for mass appraisal. The reliability of the market value produced by this approach depends on the existence of sufficient sales of similar properties.

For example, it is difficult to apply the sales comparison approach to commercial properties because there are fewer of these properties to begin with and even fewer of those have sold in recent years. As a result, there often aren't enough sales to use this approach for most commercial properties. Even if there are sufficient sales, the comparability rating (a measure of how similar the subject property is to each comparable property sold) can vary greatly as commercial property is typically not homogeneous. This variance in the comparability ratings means the market value assigned to one property using the sales comparison approach will be less reliable (and harder to defend) than the market value assigned to another.

The sales comparison approach cannot be discarded however. It is very useful to verify that the value assigned to a property using another method is correct when there are sufficient sales of similar properties. It is the tool of choice when defending the market value assigned to an individual property.

The sales comparison approach was considered for each property in the City of Marshfield whose value changed in 2020 (excluding ag use land whose value has no relation to market value). For each property, a search for similar properties that were sold recently was conducted. If any sales of similar properties could be found, those sales were used to derive a comparable market value for the subject property. A measure of similarity (a.k.a. comparability rating) was assigned to each comparable sale and used to combine (weight) all comparable sales to produce a single market value for the subject property.

Taking into account the number and quality of the comparable sales, the comparable market value produced by the sales comparison approach was then compared to the cost and income approach (where applicable) to verify that the method chosen (cost or income) is both uniform and equitable.

A sample sales comparison approach showing the details of a typical residential property in the City of Marshfield is shown in Addendum 4.16 (Sample Residential Sales Comparison).

2.3.2 Income Approach to Value

Like the sales comparison approach, the income approach is used to value land and buildings together (they are not valued separately). Unlike the cost and sales comparison approach, the income approach starts with an annual net operating income and then capitalizes (determines a present value for) the stream of all future annual income to arrive at a total value. The total value is attributed to the land and buildings that produce the income and will exclude land and/or buildings not needed to realize the annual net operating income.

Since a separate land value is required, the final value is divided into a value for land and value for improvements using one of several methods, including the option to use the same land valuation model used with the cost approach. This provides consistent land and therefore consistent improvement values regardless of the valuation method used. Individual land or improvement values cannot be argued and are not defended separately.

The income approach was considered for properties in the City of Marshfield that were rented or were of a type commonly rented in the area, even if a property valued was not itself rented. An example of a commonly rented property is an owner occupied retail building; the value of the property is equal to the present value of all income the owner forgoes by not renting it.

There were 466 properties identified in the City of Marshfield that produce income from rent. A list of those properties can be found in Addendum 4.02 (Rental Properties).

The income approach was not used to value properties that are typically not rented such as single family residential homes in a neighborhood with few other single family homes that are rented. The owners of such properties generally have few if any people to rent to so they are not forgoing income by living there themselves.

While there are exceptions (such as low-income housing), most income producing property must be valued using typical (or market) rents. In order to establish typical income and typical expenses, income surveys are sent to the owners of each rental property. Without sufficient income producing properties or sufficient survey data, typical income and expenses cannot be determined so the income approach will not provide a good measure of market value.

To determine typical income and typical expenses, an income survey was sent to owners of 116 income producing properties. A sample of an income survey can be found in Addendum 4.15 (Sample Income Survey).

Owners who are sent an income survey are not required to complete it. However, if they do not provide the information requested in the survey and the income approach is used to value their property, they lose their right to contest the value assigned to their property.

Of the 116 income surveys sent, 1 were completed and returned. A list of those owners who did not return their income survey can be found in Addendum 4.03 (Income Surveys Not Returned).

Using the survey data collected, an income valuation was completed for 10 properties. This includes properties that produce income from rent as well as those that are owner occupied but commonly rented. The value for land and improvements as determined by the income approach was used as the final assessed value for 0 properties.

2.3.3 Cost Approach to Value

The cost approach cannot be used to value land, because land has no cost (although it does have value). The cost approach can only be used to value improvements made to land (typically buildings).

Unlike the other valuation methods considered (sales comparisons and income), the cost approach starts with the cost to build the same improvement again (a.k.a. replacement cost new). Subtractions are then made for physical depreciation (deterioration due to aging) and then for functional depreciation (a defect that reduces its usefulness). In summary, the cost approach is:

Market Value = Replacement Cost New - Physical Depreciation - Functional Depreciation

The formula above is true for a *pure* cost approach and is based on the principle of substitution where a person won't pay more for a building than they would if they just built it over again.

However, it is widely recognized that cost does not equal market value and so the formula listed above isn't quite right. For example, if you spend \$30,000 installing an in-ground pool and then sell your home the next day, you will probably get something substantially less than the value of your home plus the \$30,000 it cost you to build the pool (even though the pool is brand new and there is nothing wrong with it).

To arrive at a market value using the cost approach, adjustments for what the market will pay must be made. While commonly referred to as a cost approach, most municipal assessors actually use a market-adjusted (i.e. market-modified) cost approach. In this approach:

Market Value = Replacement Cost New - Physical Depr - Functional Depr - Economic Depr

Economic depreciation could be a positive or a negative adjustment. When market adjustments are applied broadly (not individually to individual properties), a market-modified cost model does a good job valuing improved properties in a uniform and equitable manner, which is what we are trying to achieve.

All properties valued using the cost approach in the City of Marshfield were actually valued using a market-modified cost approach. The term 'cost approach' and 'market-modified cost approach' are used to mean the same thing from here forward.

A market value using the market-modified cost approach was developed for 7,780 properties.

Used in conjunction with the land "unit-value" method, the value of land and improvements as determined by the market-modified cost approach was used as the final assessed value for 7,780 properties.

2.3.4 Valuing Land

As previously stated, land has no cost but still must be valued. For all of the previously mentioned approaches to value (sales comparison, income, cost), a method to value land separately is needed. The method most commonly used is a unit-value model which describes the market value per unit of land given its highest and best use and its location (neighborhood). This is the method used to value land in the City of Marshfield when the sales comparison, income or cost approach was used.

There were 7,904 parcels of land valued using the land "unit-value" model. Some properties may have more than one parcel of land because land use for different purposes within the same property may be valued or assessed differently.

2.4 Personal Property Valuation Methods

To provide a uniform estimate of the market value of personal property, all personal property assessed by the City of Marshfield (as opposed to the Wisconsin Department of Revenue) was valued using the composite conversion factors published by the Wisconsin Department of Revenue for use in the 2020 assessment year.

These factors combine a 150% declining balance depreciation schedule with an inflation factor based on the Producer Price Index and are incorporated into the Statement of Personal Property (PA-003).

2.5 Mobile Home Municipal Permit Valuation Methods

Mobile homes assessed for municipal permit purposes were assessed using the same market-adjusted cost approach as if they were assessed as real estate with a few important differences:

1. There is no land value since the permit holder does not own the land. The land was assessed to the owner of the mobile home park.
2. Mobile homes and other buildings owned by the permit holder are assessed at 100% of market value each year.

Measures of Uniformity and Equity

3.1 Model-to-Sale Ratios

Each of the valuation models used to value property are calibrated to reproduce market values each revaluation year. In a revaluation year, the level of assessment as measured by the overall model-to-sales ratio should be very close to 100%.

In non-revaluation years, the same analysis helps to measure how much the market has changed. A copy of this analysis which was done for 2020 can be found in Addendum 4.10 (Model-to-Sale Ratios).

3.2 Model Calibration Errors versus Listing Errors

Differences between actual sales prices and market values produced by the valuation models can be caused by:

1. Modeling calibration errors
2. Listing errors
3. Natural variances in the market (i.e. the market isn't perfect)

The valuation models are calibrated during a revaluation year. As time passes and market conditions change, the valuation models become less accurate. Modeling calibration errors can be fixed by re-calibrating the models which is done during a revaluation. Revaluation does not mean re-inspection. Recalibration of the models should be done when uniformity or the overall level of assessment are unsatisfactory.

The last time the valuation models for the City of Marshfield were recalibrated was 2010. The coefficient of dispersion (a measure of uniformity) is estimated to be 18.7% and the level of assessment is estimated to be 91.20%.

Given these two measures, a revaluation is recommended within 2 years.

Listing errors are caused by errors in the property data collected. Property data collection is an on-going activity for municipal assessors. Building permits help the assessor identify changes to properties that will affect their opinion of value. Assessors may also re-inspect properties when they are sold to ensure an accurate calculation of the level of assessment.

However, changes to properties are still missed as permits are not always taken out as they should be and human error causes some to slip through the cracks.

Since problems with the property data collected can greatly affect the fairness in how the property tax burden is distributed, some deliberate plan to minimize listing errors is recommended. Inspecting each property on a regularly scheduled basis helps to control listing errors.

There are two types of inspections: full and exterior. Full inspections involve looking at the inside and outside of structures whereas exterior inspections look at a property from the outside only. Full inspections are more intrusive and more costly and therefore are not done often. Exterior inspections can still find changes that were missed and also ensure that the physical condition has not changed unexpectedly.

Currently, no full inspection cycle has been established for the City of Marshfield. No exterior inspection cycle has been established.

It is recommended that each property in the City of Marshfield be fully inspected every 15 years. In addition, the exterior of each property should be inspected every 5 years.

For a summary of full inspections done in 2020, see Addendum 4.05 (Properties Inspected).

3.3 Assessment-to-Sale Ratios

Each year a municipal assessor is required to estimate the overall level of assessment *for each county* that the municipality resides in. This value is used to assess locally assessable personal property (as opposed to state assessed or exempt personal property).

While a model-to-sales ratio analysis measures how well the valuation models are re-producing market values, not all property is assessed at market value (see section 1.8.2 Jurisdictional Exceptions). Therefore, the level to which market values are being reproduced is not the same as the level of assessment.

To measure the level of assessment, property whose assessed value is subject to a jurisdictional exception must be excluded. A second analysis was done and the results reported in section 3.4 Level of Assessment.

3.4 Level of Assessment

The 2020 overall level of assessment for the City of Marshfield was estimated to be 91.20%. A copy of the analysis can be found in Addendum 4.11 (Assessment-to-Sale Ratios).

The City of Marshfield resides in more than one county. As such, an estimated level of assessment must be determined for each county. Below is the estimated level of assessment by county.

County Name	Level of Assessment
Wood	91.2%
Marathon	91.2%

3.5 Uniformity

Problems with uniformity can greatly affect the fairness in how the property tax burden is distributed. As discussed in section 3.2 Modeling Calibration Errors versus Listing Errors, accurate property data is very important and any errors in the physical property attributes collected will adversely affect uniformity. Errors found in the physical property attributes should be corrected as they are discovered.

Uniformity can also degrade over time due to changes in market conditions. Changes to values due to market conditions should not be made on an individual-by-individual property basis, but rather on a broad basis across all properties affected. This ensures that each taxpayer shares the property tax burden in a fair and equitable manner.

2020 was NOT a revaluation year for the City of Marshfield. The valuation models continue to reflect market conditions as they were in 2010, the year of the last revaluation. The coefficient of dispersion is currently 18.7%.

A more detailed breakdown of the overall coefficient of dispersion can be found in Addendum 4.11 (Assessment-to-Sale Ratios).