

**2020 KEITH COUNTY
REAL PROPERTY VALUATION METHODOLOGY
RESIDENTIAL, COMMERCIAL,
& AGRICULTURAL
PREPARED FOR:
THE KEITH COUNTY ASSESSOR'S OFFICE, KEITH
COUNTY BOARD OF EQUALIZATION AND
INDICATED INTENDED USERS IN THIS REPORT
AS OF JANUARY 1, 2020
BY
KEITH COUNTY ASSESSMENT OFFICE
511 NORTH SPRUCE ROOM #200
OGALLALA, NE 69153**

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Keith County Assessment Office

511 North Spruce Room #200

Ogallala, Nebraska 69153

Phone: 308-284-8040

Date: May 1, 2020

RE: Keith County Valuation Methodology

To whom it may concern,

The Keith County Assessment office, is submitting a real property valuation methodology report. These properties consist of 9,181 parcels all within the County which is taken from the 2020 Keith County Abstract. These properties vary in style, age, quality, condition, and location.

This report was prepared for state government, county government, taxing authorities, and the general public. The purpose defines all appraisal valuation methods used in residential, commercial and agricultural properties in Keith County. The intended use of this report is to demonstrate to state government, county government, taxing authorities and the general public our ability to create a USPAP compliant appraisal methodology report for properties in Keith County. This report is not intended for any other use, other than valuation for ad valorem taxes.

This report is based on the physical inspection of the site and improvements, neighborhood analysis, economic analysis and market analysis of these areas in the county. This appraisal was developed in accordance with the Uniform Standard of Professional Appraisal Practice as promulgated by the Appraisal Foundation.

We certify that most of our experience is in mass appraisal and we have appropriate knowledge of the market. We have relevant experience in appraising properties similar in size, style, complexity, and have acquired the proper training if needed. Total Appraisal Value in Keith County for 2020 is \$1,564,674,325.

Sincerely,

Keith County Assessor's Office

SUMMARY OF SALIENT FACTS

County ID:	000100100-435203200	
Number of Active Parcels:	10,042	
Appraisals Active:	Residential 10,655, Commercial 931, Agricultural 2,717	
Total Real Property Value:	\$ 1,564,674,325	
Average Appraisal Value:	\$140,195.46	
2020 New Growth Value:	\$17,120,983	
2020 Residential Growth:	\$11,992,588	
2020 Commercial Growth:	\$2,230,100	
2020 Industrial Growth:	\$2,149,590	
2020 Agricultural Growth:	\$748,705	
Effective Date of Appraisal:	January 1, 2020	
Dates of Physical Reappraisal:	Ogallala Residential	2015
	Lake/K Area Residential	2019
	Keystone/Roscoe/Sarben	2016
	Brule	2016
	Paxton	2016
	Commercial	2016-2017
	Rural Residential/Og. Sub/Ag	2017-2018
Total Residential Value:	\$588,099,850	
Total Commercial Value:	\$130,861,600	
Total Industrial Value:	\$7,763,650	
Total Rec Value:	\$28,077,630	
Total Tax Increment Financing Value:	Excess \$31,692,325; Base \$3,387,865	
Total Mineral Interest Value:	\$138,830	
Total Non-Agland Improved Value:	\$100,292,655	
Total Agland Improved Value:	\$809,732,765	
Total Special Valuation Value:	\$54,513,830	
Average Land per Parcel:	\$37,130.09	
Average Lot Value:	\$19,952.32	
Average Improvement Value:	\$56,829.68	
Cost Approach:	\$1,564,193,185	
Income Approach:	\$481,140	
Sales Comparison Approach:	-----	
Final Value Opinion:	\$ 1,564,674,325	

DEFINITIONS

A. Client and intended users:

Mass-appraisals assignment in Nebraska for ad valorem taxation falls under the responsibility of county government. The Keith County Board of Equalization, and the Tax Equalization and Review Commission are identified as the client.

Intended users of this mass-appraisal methodology include the identified clients listed above, the State of Nebraska Department of Revenue, Property Assessment Division, and all of the property-taxing jurisdictions located within Keith County.

Intended Use: This mass-appraisal valuation methodology is to be used for ad valorem property-tax purposes by the Keith County Assessor and conforms to the standards set forth in Nebraska Administrative Code, Title 350, Chapter 50. If our real property appraisals are used for other purposes, they will be invalid because they would be outside the scope for which they were developed.

We have identified and considered the clients, intended use, and intended users of our value opinions and conclusions in order to identify the problem to be solved, to understand development, and reporting responsibilities associated with this mass-appraisal real property valuation methodology.

B. Effective Date of the Appraisal:

The appraisal date for all real property in the jurisdiction is January 1, 2020.

C. Date of the Reported Values:

This mass-appraisal assignment was completed on March 19, 2020. Change-of-value notices for real property are expected to be mailed to property owners on or before June 1, 2020.

D. Type and Definition of Value:

Real property in Nebraska is defined in Neb. Rev. Stat. §77-103. For ad valorem mass-appraisal assignments in Nebraska, the terms actual and market value are viewed as synonymous. Actual value is defined in Neb. Rev. Stat. §77-112. *Actual value, defined. Actual value of real property for purposes of taxation means the market value of real property in the ordinary course of trade. Actual value may be determined using professionally accepted mass appraisal methods, including, but not limited to, the (1) sales comparison approach using the guidelines in section 77-1371, (2) income approach, and (3) cost approach. Actual value is the most probable price expressed in terms of money that a property will bring if exposed for sale in the open market, or in an arm's length transaction, between a willing buyer and willing seller, both of whom are knowledgeable concerning all the uses to which the real property is adapted and for which the real property is capable of being used. In analyzing the uses and restrictions applicable to real property, the analysis shall include a consideration of the full description of the physical characteristics of the real property and an identification of the property rights being valued.*

This definition will be used for all classes of real property. Agricultural or horticultural land is defined in Neb. Rev. Stat. §77-1359.

DISCLOSURE OF ALL ASSUMPTIONS, LIMITING CONDITIONS, AND JURISDICTIONAL EXCEPTIONS

- 1) All properties will be assessed as fee simple, and free of any and all liens and encumbrances. Each property has been appraised as though under responsible ownership and competent management.
- 2) Surveys of the appraised properties will not be provided. We will rely upon the property ownership map, deeds and other materials to estimate physical dimensions and the acreage associated with subject properties.
- 3) We assume the utilization of the land and any improvements are located within the boundaries of the property described on the appraisal record. It is assumed that there are no adverse easements, encroachments or trespasses for any parcel that have not already been addressed in the ownership record file or noted in the property record.
- 4) Property inspections, if necessary, will be made before the appraisal date or prior to the date final values are determined. Keith County will utilize GIS imagery, as well as physical inspections, to complete the Six-year inspection requirements.
- 5) Our goal is to re-inspect every parcel within the county at least once every six (6) years. A property may be inspected more frequently if a building permit has been issued, changes have been noted during neighborhood reviews, or detected through GIS imagery. The date and time of inspections are noted on the property record card. It is assumed that there has not been any material change in condition since the latest property inspection, unless otherwise documented on the individual property record card.
- 6) It is assumed that there are no hidden or unapparent conditions associated with the properties, subsoil, or structures that would render the properties (land and/or improvements) more or less valuable.
- 7) It is assumed that the properties and/or the landowners are in full compliance with all applicable federal, state, and local environmental regulations and laws.
- 8) It is assumed that all applicable zoning and use regulations have been complied with.
- 9) 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, or could be obtained for any use on which the value opinions contained within this report are based.
- 10) Land is valued as though vacant and available to develop to its highest and best use
- 11) Valuation Groupings
 - a. Ogallala - largest community in the county.
 - b. Small Villages - includes the Villages of Paxton, Brule, Keystone, Roscoe, and Sarben. There is some demand for housing in Brule and Paxton, but the market is sporadic and sales data is limited. Keystone, Roscoe, and Sarben are categorized as village for Assessor Location and are less desirable. Sales are very limited in these three villages.
 - c. Lake Properties - residential and recreational parcels at Lake McConaughy and Lake Ogallala. These properties receive a recreational influence not found in the other areas.
 - d. Rural - includes all parcels not located within the political boundaries of the villages excluding those around the lakes. Demand for rural housing remains strong in Keith County.
 - e. Ag Outbuildings- structures located on rural parcels throughout the county
- 12) Information, estimates, and opinions furnished to us and incorporated into the analysis and final report will be 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.

KEITH COUNTY, NE- REGIONAL DATA

The town of Ogallala is the County Seat of Keith County Nebraska. It is located in the south-west quarter of Nebraska. Major roads; Interstate 80, U.S. Highway 30, U.S. Highway 26, and Nebraska Highway 61 all run through Ogallala. The South Platte River runs through the south side of Ogallala and the largest lake in Nebraska (Lake McConaughy) is located three miles directly north of Ogallala. The Union Pacific Railroad runs East and West through Ogallala. Some of the larger cities in reference to Ogallala include:

North Platte, Nebraska east on I-80 50 miles
Lincoln, Nebraska east on I-80 277 miles
Denver, Colorado southwest on I-76 214 miles
Cheyenne, Wyoming west on I-80 167 miles
Rapid City, South Dakota northwest 300 miles.

A majority of the commercial parcels are located around the interstate interchange and the main thoroughfares of Highway 30 and Spruce Street. Small neighboring communities of Lemoyne, Keystone, Sarben, Paxton, Roscoe, Grant, and Brule are all within 20 miles of Ogallala.

TOPOGRAPHY

The topography of the area contains two large river valleys running west to east through the area, the North Platte River Valley to the north and the South Platte River Valley to the south. The majority of Ogallala sits on the north edge of the South Platte River Valley. South of Ogallala the majority of the topography is flat and usually farmed. There is a plateau between the South Platte River Valley and the North Platte River Valley. North of the North Platte River Valley the topography becomes a vast prairie of rolling sand hills.

RECREATION

In the north part of Keith County, there are two lakes. Lake McConaughy and Lake Ogallala offer boating, skiing, fishing, swimming, picnicking, and camping. Western historical sites such as Boot Hill, Mansion on the Hill, the Little Church of Keystone, and Front Street are important to our economy for tourism.

Keith County has two public 18 hole golf courses, one is Bayside Golf which is south of Lake McConaughy, and the other is Cradle Creek Golf Club just south east of Ogallala. The County also offers three fitness/health clubs, one indoor pool, and two outdoor pools, one in Ogallala that has a water slide and one in Paxton. There are nine parks, covering over 50 acres. Facilities include playground equipment, picnic areas, a band shell, nine baseball/softball fields for adults and youth, four lighted tennis courts, a two-mile paved walking/bicycle path, 9-hole Frisbee golf course, two basketball courts, and one regulation baseball field. There is also Western Diamonds Sports Complex. This includes four of the nine baseball/softball fields and two soccer fields. In Ogallala, there is also a derby track which was the 23rd track built in the United States.

EDUCATION

Ogallala's Prairie View Elementary School offers public education from pre-Kindergarten through 8th grade. A new gymnasium, lunch room, administration offices, and library were built along with more classrooms in 2015. There are two private parochial elementary schools which have Pre-Kindergarten to fifth grade: St. Paul's Lutheran School and St. Luke's Catholic School. There is one public high school in Ogallala. Paxton Consolidated Schools provide for Kindergarten to twelfth grade and has a recent addition to their building.

INDUSTRIAL

Keith County Area Development, Ogallala/Keith County Chamber of Commerce, the Community Redevelopment Authority, and the City of Ogallala work together for industrial development in the County. These organizations developed a business park north of Ogallala which has an Oral Surgery Clinic, Dickenson's Land Surveying, a new

AREA DEMOGRAPHICS

The town of Ogallala has an elevation of 3,223 feet above sea level. The weather in this area is typically arid and the temperature range from 10 degrees Fahrenheit December-January to 100 Fahrenheit in June-July.

POPULATION OF OGALLALA

Year	Ogallala	County
2014	4,594	8,359
2017	4,737	8,368
2019	4,605	8,034

LOCAL ECONOMY

The diverse economic base in the Keith County Regional Area includes; retail, wholesale sales, medical services, tourism, construction, fast-food dining, fine dining, manufacturing, higher education, farming, and ranching.

Farming and ranching has always been the main economic base in the area. To the south, is mainly farming and to the north is mainly ranching. There are many feed lots in the area and Ogallala Livestock Auction Market has a weekly auction every Wednesday. The number of cattle auctioned off every week range from 3,000 head to 10,000 head. There are many cooperatives in the area; CHS Grainland, Farmers COOP, FEC COOP, and Frenchman Valley Farmers COOP. The last county census in 2017 by the United States Department of Agriculture, land in use by farms is cropland 46%, pastureland is 53% and woodland is (Z) and other is 1%. Share of sales by type is 52% livestock, poultry, and products and 48% is crop land. The census stated that agriculture and horticulture producers generated \$161,853 of revenue for the area for 2012 compared to the prior census of 2012 for \$228,335,000. Average per farm products sold was \$588,491 in 2012 and went down to \$508,972 for 2017.

One of the tourist attractions to this area is Lake McConaughy, which is located three miles north of Ogallala. Lake McConaughy was formed by damming the North Platte River. Lake McConaughy was made for water retention for agricultural irrigation and power generation. When at full capacity, the lake boasts 100 miles of white sandy beach shoreline, 35,700 surface acres of clear blue waters. The lake offers fishing, sail-boating, board sailing, camping, and hunting. There are seasonal concessions around the lake including; restaurants, lodging, boat rental, convenience stores, guide service, scuba diving, and RV campgrounds. Currently Lake McConaughy is at 84.7% capacity or 3,255.8 feet above sea level, last year at this time was also at 3,257.6. In the last seven years, Lake McConaughy's water level has been increasing since the drought in 2007. Tourism has increased in the area, but camping is limited for space because of the high water levels.

Keith County, NE per Capita Salary is \$28,410. Keith County, Ne Median Household income is \$48,901. <https://www.census.gov/quickfacts/keithcountynebraska> In Ogallala, Nebraska the average salary is \$38,733 as of first quarter of 2019. Information for income wages in 2019 were gathered from www.payscale.com.

Agriculture in Keith County (Data from 2017):

- Number of farms: 318
- Land in farms by acres: 491,482
- Average size of farms: 1,546 acres
- Average value of agricultural products sold per farm: \$508,972
- Average total farm production expenses per farm: \$248,079
- Average value of crops sold per acre for harvested cropland: \$226.67
- Land in farms by use Cropland 46%, Pastureland 53%, woodland (Z), other 1%, Acres irrigated 16% of Land in use.
- Harvested cropland as a percentage of land in farms: 48%
- Irrigated harvested cropland as a percentage of land in farms: 54.49%
- Average market value of all machinery and equipment per farm: \$151,431
- The percentage of farms operated by a family or individual: 93%
- Total Producers: 537 Livestock inventory: Cattle/Calves 525,424
- Top crops in acres: Corn for grain: 102,772 harvested acres
- Top crops in acres: All wheat for grain: 32,601 harvested acres
- Top crops in acres: Forage (Hay/haylage): 16,536
- Top crops in acres: Soybeans for beans: 16,258 harvested acres
- Top crops in acres: Popcorn: 5,494 acres

Some of the large employers in Ogallala are American Shizuki Corporation: manufactures capacitors, employs 200 people; last City and County Government: employs approximately 140 people, Ogallala Community Hospital: 18 bed critical hospital, clinic, employs approximately 130 people; Prophet Systems Innovations: computer and software manufacturers, employs 107 people; and Arnold Engineering: electrical components manufacturers, employs 45 people.

There is one major retail store that provides services to Ogallala and the surrounding towns which is Wal-Mart. There are other smaller stores in the downtown area and one grocery store. Paxton also has a grocery store. We have a variety of hotels and fast food chains as well as fine dining restaurants. There are approximately 20 places of worship in the county.

Keith County has an array of local organizations that stand ready to help facilitate business expansion and/or relocation. They are Community Redevelopment Authority (CRA), West Central Nebraska Development District (WCNDD), Ogallala Economic Development, and Keith County Area Development (KCAD). Along with Ogallala/Keith County Chamber of Commerce, NPPD Community Facts Book and Rural Enterprise Assistance Project (REAP), these organizations address the area's community development needs.

In conclusion, the local economy is stable. Studies have shown that the commercial job market and retail sales have increased. However, it has been difficult to find qualified employees to work or who want to work. The agricultural market has slowed the past three years. This is due to lower grain prices, lower cattle prices, price of hay, and higher property taxes. Even though the agricultural market has slowed it's still a strong base in our economy. With the huge storm that hit Nebraska last year our county hasn't seen a shift in sales of agricultural/horticultural properties. The Commercial economy had increased slightly as of January 1, 2020. However, due to the Covid-19 pandemic it is unknown at this time what will happen with the market and economy in Keith County. We have had several newer businesses with new growth in the county. A new Hotel, gas station, 2 new small neighborhood shopping centers for 3 businesses in each. New construction started this year includes: a new hotel as well as a new gas station being built in the North Business Park district. More positive aspects for Ogallala's economy include: a newly expanded hospital, two state highways, Interstate I-80, a variety of retail, wholesale sales, tourism, construction,

fast-food dining, fine dining, manufacturing, higher education, railroad lines, and an increasing agricultural market.

MARKET ANALYSIS

The marketing area in general is the land located in Keith County. Neighboring towns include Brule and Big Springs to the west; Lewellen to the northwest; Lemoyne to the north; Keystone and Sarben to the northeast; Roscoe and Paxton to the east; and Grant to the south. These towns are all smaller in population than Ogallala, and are within a 30 mile radius. A Market Analysis is a study of supply and demand, as well as other economic conditions in an area. (Definitions Appraisal Market Analysis & Highest and Best Use Copy Write 2004 by Hondros Learning. p.129)

When studying the current market of Keith County as a whole, it is my understanding that residential homes in Ogallala are selling. Low price homes are selling faster and it is causing a rippling effect with mid-price homes and higher valued homes. Market time has been shorter as well. Lake Residential, Rural Residential and Ogallala Suburban homes are in high demand and supply is low. There are approximately 89 homes for sale in Keith County. This supply is less than the last five years for residential properties. This undersupply has resulted in a shorter marketing time that is 3-9 months and sale prices range from \$10,000 to approximately double the assessed value of the properties. The majority of homes are selling higher than the assessed value. Therefore, we have concluded the typical exposure time for residential homes in Keith County are under 9 months, there is an undersupply of certain homes, and demand has been increasing for residential areas.

There were a total of 267 preliminary residential sales in Keith County. By reviewing preliminary statistics, it is concluded that seven have sold under \$30,000 and 25 sold between \$30,000 and \$59,999. All 32 sales seem to be overvalued and under supply with a high assessment to sales ratio. Supply and demand in the \$30,000 to \$59,999 range seem to be a little more. The next range from \$60,000 to \$99,999, and these sales are within state standards at 95% and total 54 sales. The next range is from \$100,000 to \$999,999 and include 181 sales. These sales showed the assessment to sales ratio to be below the state standard level of value. The overall preliminary residential assessment to sales ratio statistical analysis median was 86%. Because the market appears to have an undersupply of properties in certain areas, the overall assessment to sales ratio statistical analysis median within the sales study period has fallen below state standards.

This is based on the sales time of comparable properties along with the assessor/appraiser's knowledge of the market. In completing this mass-appraisal valuation methodology we have considered relevant competitive listings and/or contract offerings and any trending information which would impact the subject's marketing area. Most properties can be sold around a year with a proper marketing plan. Most information was gathered from one or a combination of one of these web sites.

www.visitogallala.com

www.ogallala-ne.gov

www.opsd.org/

www.nass.usda.gov

www.ci.brule.ne.us

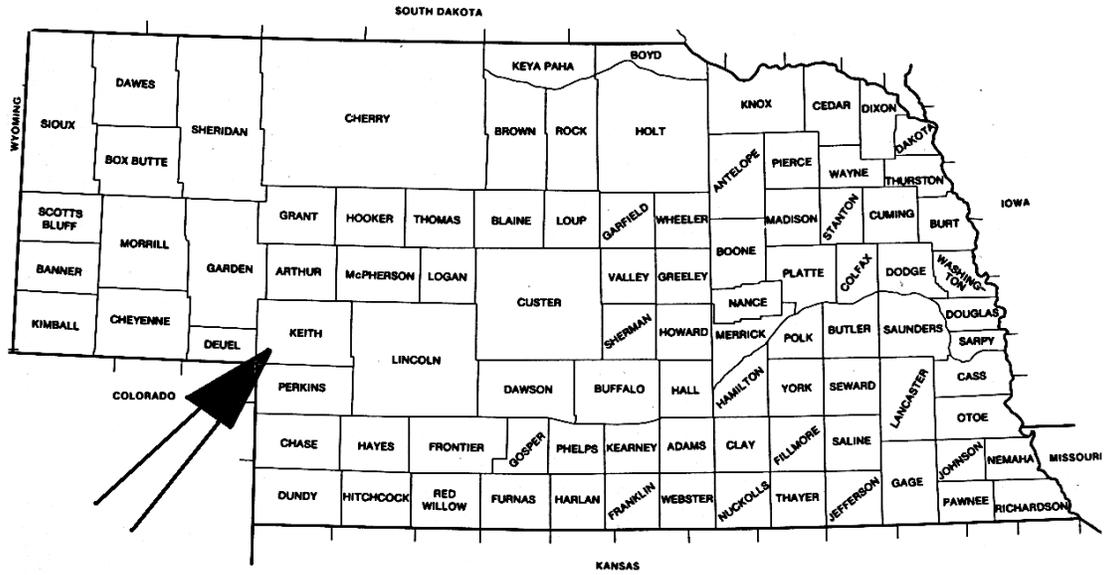
www.keithcountyne.gov

www.kcad.org

www.lakemcconaughey.com

NEBRASKA MAP

KEITH COUNTY LOCATION



APPRAISAL PROCESS

PRELIMINARY ANALYSIS, SCOPE OF WORK, HIGHEST AND BEST USE

PHYSICAL INSPECTION

Each year, a portion of the parcels in the county are physically inspected on the exterior by the appraisal assistants for Keith County. This is in the Neb. State Statute § 77-1311.03. It states “The county assessor shall determine the portion to be inspected and reviewed each year to assure that all parcels of real property in the county have been inspected and reviewed, no less frequently than every six years.”

The purpose of the inspections is to ensure the continued accuracy of the physical characteristics on the property record card. The appraisal clerks start the field review with re-measuring all improvements, taking digital photographs, and updating the property record cards. It is also the responsibility of the appraisal clerks to review parcels with building permits, as well as, new construction and partial finished construction. It is the practice for Keith County to physically review all mobile home parks at least every other year by taking new pictures and reviewing the current homes there.

Each property has a unique parcel identification number and a property description developed by the County Assessment office or County Assessor. The parcel identification number is not the legal description of the parcel and its use is only for valuation and tax purposes. Individual sketches are drawn for each parcel unless otherwise noted. A digitalized image of the improvements is also maintained on file. A detailed description of the characteristics of the improvements is collected and is noted on the property record card.

SALES ANALYSIS

The county has an inventory of all sales that have occurred in the county. A separate file of valid sales stores a “snapshot” of the property characteristics as of the date of the sale along with the information concerning sale price and date.

Sales of real estate establish trends in the market and valuation models must reflect those trends. Therefore, in order to understand and adapt to changes in the market, it is first necessary to analyze those sales. A significant part of the initial analysis involves determining the extent and direction of movement in the market to answer the questions, is the market up or down and how fast it is moving in that direction?

To determine this market, a thorough sales review process is accomplished. Each sale in the county that is assumed to be an arm’s length transaction is sent a sales questionnaire by mail from the Keith County Assessment Office. These sales questionnaires are returned with an 85% return rate and all information is collected and entered in to the sales file. At this time, the property record card is reviewed for accurate data, and new or old construction is noted.

SCOPE OF WORK

The scope of work [as defined in USPAP] is the type and extent of research and analyses in an assignment. In developing a mass appraisal, an appraiser or appraisal staff must be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce and communicate credible mass appraisals. Specifically for mass appraisal, the scope of work is the collection of a large amount of data to represent a neighborhood in land tables and depreciation tables.

The scope of work includes, but is not limited to, the following:

- a. the public policy affecting the ad valorem mass appraisal

- b. the extent to which the property is identified
- c. the extent to which tangible property is inspected
- d. the type and extent of data researched
- e. The type and extent of analyses applied to arrive at opinions or conclusions

A mass appraisal includes:

- 1) Identifying properties to be appraised
- 2) Defining market area of consistent behavior that applies to properties
- 3) Identifying characteristics (supply and demand) that affect the creation of value in that market area
- 4) Developing a model structure that reflects the relationship among the characteristics affecting value in the market area
- 5) Calibrating the model structure to determine the contribution of the individual characteristics affecting value
- 6) Applying the conclusions reflected in the model to the characteristics of the property(ies) being appraised
- 7) Reviewing the mass appraisal results

The definition of Jurisdictional Exception Rule in [USPAP] is an assignment condition established by applicable law or regulation which precludes an appraiser from complying with a part of USPAP. The Jurisdictional Exception Rule may apply to several sections of Standard 6 because ad valorem tax administration is subject to various state, county, and municipal laws.

The information provides the appraiser with the basis for determining the type and extent of information and the research and analysis needed to be applied in the development of an ad valorem mass appraisal.

Implicit in the public policy (law and regulation) of an assessing jurisdiction are many of the elements necessary for problem identification of an ad valorem mass appraisal. For example, the statutory requirement for a reappraisal often identifies the client as the taxing authority and intended users can be the state government, county government, taxing authorities, or the general public. The intended use of the ad valorem mass appraisal is for the uniform distribution of the property tax burden within the jurisdiction. The type and definition of value is usually established by statute, as is the effective date of the appraiser's opinions and conclusions (tax year, levy year, valuation date, etc). Relevant characteristics are established in the mass appraisal model specification that was developed in the revaluation process.

Similarly, reporting of an ad valorem mass appraisal in assessment jurisdictions is directed by public policy. Historically, reporting of an ad valorem mass appraisal is accomplished by assessment lists (assessment roll, grand list, tax roll, etc.) that contain information on property ownership, property identification, property description, property tax classification or use, property value, value definitions, details of the assessment, date of the assessment, and date on which the assessment comes into force or is final. This assessment listing is the public record of all property values for tax purposes within the jurisdiction allowing property owners to compare assessments between like types of properties.

Mass appraisals can be prepared with or without computer assistance. While computerized methodology has made the mass appraisal process more efficient and more widespread, it has not altered the process. Data banks and computerized applications are used in data storage, mapping, data analysis, and testing of the analytical results. Ad valorem mass appraisal systems apply the standard methods to the common data via mass appraisal models to develop individual property value estimates. These models may represent the cost approach, the income approach, or the sales comparison approach to value.

A data collection system should be available to the assessor. The recording of data has evolved from the use of manual methods to the creation of sophisticated data banks that facilitate computer-assisted appraisal, often incorporating geographic information systems (GIS). Property data may be quantitative (e.g., land areas, dimensions, building specifications) and /or qualitative (assessment of the physical condition, character, or market desirability of the improvements).

Appraisal banks are built around land tenure records (e.g., title deeds, transfer documents, and sales information, in national, federal, state, or local government jurisdictions that define property ownership or interests in land) and may include building permit systems, automated appraisal systems, and tax billing systems. Care should be exercised to assure the property data is accurate and that the mass appraisal environment provides for proper maintenance of this information. Characteristics of the market that are relevant to the purpose and intended use of the mass appraisal shall be recorded in the mass appraisal system including:

- Location of the defined market area
- Physical, legal, and economic attributes of the properties
- Time-frame of market activity

AD VALOREM MASS APPRAISAL – CONTESTED VALUE SCOPE OF WORK

When a property owner or an assessment jurisdiction decides to employ a real estate appraiser to perform a single property appraisal during an assessment appeal, USPAP requires the appraiser to develop a scope of work for the assignment. Potential confusion may result based on differing scopes of work. Intended user and intended use for the appraisal presented need to comply with USPAP.

The Ethics Rule is often times overlooked when a property owner is presenting an appraisal for a property protest for ad valorem tax purposes. Confidentiality is often misrepresented by the intended user and intended use of an appraisal. An authorized letter should be presented to use the appraisal from the client and the scope of work needs to be specifically outlined in the appraisal for property valuation protest as well.

SCOPE OF WORK FOR ASSESSMENT YEAR 2020

For the assessment year 2020, the main project for our office was to complete our six year review of all Lake residential properties and Lake Mobile Home properties in the County. Current costing tables were applied, as well as new land and depreciation tables created and derived from the sales market. Other residential properties in Keith County that had changes were Ogallala, Paxton, Brule, Rural Residential and Ogallala Suburban, Keystone, Sarben, Roscoe, and agricultural/horticultural improved properties. For 2020, a new soil conversion took place. Adjustments made are more detailed in each of this report. Commercial also had minor changes this year.

HIGHEST AND BEST USE

Highest and best use, as used by the county, can be defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, that results in the highest value.

The four tests for highest and best use include

1. the proposed use must be legally permitted
2. the proposed use must be physically possible
3. the proposed use must be economically feasible under the projected conditions

4. the proposed use must be the most profitable among the alternatives that are legally permissible, physically possible, and economically feasible

Because the use of the land can be limited by the presence of improvements, the highest and best use is determined separately for the land or site as though vacant.

Implied within the definition above is that the determination of highest and best use results from the appraiser's judgment and analytical skills, that the use determined from the analysis represents an opinion, not a fact to be found. Even though it may be valued at highest and best use, classification plays a role in the taxation process. Definition of class or subclass of real property is found in Statute §77-103.01 ("Class or subclass of real property means a group of properties that share one or more characteristics typically common to all the properties in the class or subclass, but are not typically found in the properties outside the class or subclass. Class or subclass includes, but is not limited to, the classifications of agricultural land or horticultural land listed in Statute §77-1363, parcel use, parcel type, location, geographic characteristics, zoning, city size, parcel size and market characteristics appropriate for the valuation of such land. A class or subclass based on market characteristics shall be based on characteristics that affect the actual value in a different manner than it affects the actual value of properties not within the market characteristic class or subclass.")

Based on neighborhood trends the existing buildings represent the highest and best use of most sites. The existing use will continue until the land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. Zoning is displayed on the property record cards and the cities and county zoning administrator exercise jurisdiction over local land use and community planning. Regulations are found in local ordinances.

The following definitions were taken from The Dictionary of Real Estate Appraisal, Fourth Edition, published by the Appraisal Institute in 2002, on page 135, as:

Highest and best use of land or site as though vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing the improvements.

Highest and best use of a property as improved: An existing property should be or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than off-set the cost of demolishing the existing building and constructing a new one.

INTEREST APPRAISED

The requirements for mass appraisal ad valorem for the assessment of real property taxation are found in Nebraska law, in the Constitution of Nebraska. The uniform standard for the assessed value of real property for tax purposes is actual value, which is defined by law as "the market value of real property in the ordinary course of trade." Neb. Rev. Stat. §77-112 (R.R.S., 2003). All real property, other than agricultural land and horticultural land, shall be valued at one hundred percent of actual value. Assessor's Manual, title 350, Chapter 10, REG-10-002.02A Procedures. The assessment level for agricultural land and horticultural land, hereinafter referred to as agricultural land, is seventy-five percent of actual value. Neb. Rev. Stat. §77-201 (1) and (2) (R.S. Supp., 2006) & Assessor's Manual, title 350, Chapter 10, REG-10-002.01B Procedures. More importantly, for purposes of equalization, similar properties must be assessed at the same proportion of value when compared to each other. This will achieve the constitutional

requirement of proportionality and ensure the balance equity in the imposition of the property tax by local units of government on each parcel of real property.

The assessment process, implemented under the authority of the county assessment office, seeks to value similarly classed properties at the same proportion to actual value. This is not a precise mathematical process, but instead depends on the judgment of the assessor/appraiser, based on their analysis of relevant factors that affect the actual value of real property. Nebraska law provides ranges of acceptable levels of value that must be met to achieve the uniform and proportionate valuation of classes and sub classes of real property in each county. Neb. Rev. Stat. §77-5023 (R.S. Supp.,2006) requires that all classes of real property, except agricultural land, be assessed within ninety-two and one hundred percent of actual value; the class of agricultural land be assessed within the range of sixty-nine to seventy-five percent of actual value; the class of agricultural land receiving special valuation be assessed within the range sixty-nine to seventy-five percent of its special value.

When running a statistical report to show us the range discussed in the above paragraphs, it is called an Assessment to Sales Ratio Statistical Analysis Report. This report is run by indexing all of the sales in a certain neighborhood and taking the **assessed value** and dividing it by the **sales price**. The median of this should be between 92-100%.

The Price Related Differential (PRD), which is the mean ratio divided by the aggregate ratio, must be between 98 and 103. If the PRD is above 100, then high priced properties are undervalued and low price properties are overvalued. If the PRC is lower than 100, high priced properties are overvalued and low price properties are undervalued.

The Coefficient of Dispersion (COD), is the average absolute deviation divided by the median. This should be less than 15. The larger the COD the more varied the Ratios are from the median.

APPROACH TO VALUE

Following the field inspection of parcels and the development of valuation models, preliminary values are generated. For residential, values are estimated using the cost approach.

During final review, the appraiser clerks enter and update the property record cards, pictures of each property, the values discussed above and any sales information. Then the Assessor establishes a final value from the information to be used for the current assessment year. The value chosen must be consistent with the neighborhood, assuming the improvements themselves are consistent.

The appraiser is responsible for defining market areas, developing the market analysis, land tables depreciation tables, and models used to value all property in Keith County. A valuation model is a formula used to value a specified set of properties. It can be as simple as an amount per square foot to be multiplied by the square footage of the properties to be valued, for example. \$47.50 per square foot X 1,500 square feet = \$71,250. Or it may be so complex that it takes a computer to efficiently apply it. In either event, they share the common characteristics of being developed from the local market and are subject to human acceptance or rejection.

COST APPROACH TO VALUE

The cost approach is the process of estimating the value of a property by adding the appraiser's estimate of the reproduction or replacement cost of property improvements, less depreciation, to the estimated land value. (Definition is from the Glossary of the book "Fundamentals of Real Estate Appraisal 8th edition" pg 390).

The cost approach to value estimate is based upon the market value of land and the depreciated cost to replace or reproduce improvements on that land. The MIPS CAMA system utilized by the Keith County Assessor's office uses the comparative unit method.

Costs can be estimated by one of four methods: The Comparative Unit, Unit in Place, Quantity Survey, and Trended Original Cost. Mass appraisal uses the Comparative Unit Method to find the "base" cost of a structure. Adjustments are then made for differences from base specifications using either comparative Unit or Unit-in-Place methods. Never the less, all costs should be derived from the Quantity Survey method. Commercially prepared cost manuals reflect such costs and many assessors use them, making local adjustments as necessary. (Property Appraisal and Assessment Administration published by the International Association of Assessing Officers, Copyright 1990. Pg. 352)

This report uses the Comparative Unit Method and the Marshall and Swift Valuation Service version. All properties are using either June 2018 or 2019 costing tables. These estimates of replacement cost new have been verified with local contractors.

Quality is determined by considering workmanship and materials used and condition is based on the condition of the property for its age determined by the amount of deferred maintenance that was done or is needed to be done.

After determining the base cost, it is further refined by heating and cooling, patios, wood decks, concrete drives and other miscellaneous improvements that are added into the base cost. The refinements and the base cost are further modified by size and shape of the building, height per story, area, and perimeter. These modifications are made depending on the difference between the subject and typical buildings of its class, occupancy and quality.

The adjusted cost is then adjusted to today's dollars and location using current cost multipliers and local cost multipliers after arriving at replacement cost new. It is necessary to subtract any loss in value (depreciation), and adding back in the land value to arrive at an estimate of value via the Cost Approach.

The Cost Approach method is based on the principle of substitution; the price someone is willing to pay for a property is influenced by the cost of acquiring a substitute or comparable property or the cost to construct a similar and competitive property, assuming no undue delay in the process.

The applied process is as follows:

- Estimate the land value
- Estimate the replacement cost of the building and site improvements
- Estimate the physical, functional and /or external depreciation accrued to the improvements
- Sum the depreciated value of the improvements with the value of the land for an indication of value

In the Cost Approach, the cost to reproduce the property at the date of the appraisal, less an appropriate allowance for depreciation (physical deterioration, functional obsolescence and external obsolescence) is made by market comparisons of cost and depreciation. The Cost Approach many times is the upper limit of value; usually a property is not worth more than it would cost to build another property of equal utility, assuming no unreasonable delay. Thus, by its very nature, the cost approach provides us with a uniform starting point in the process of finding a value for every property.

Fundamentals of Real Estate Appraisal 8th Edition, published by the Dearborn Financial Publishing Defines Replacement Cost & Reproduction Cost (pg 153), Physical Deterioration (pg. 123), Functional

Obsolescence (pg. 123), and External Obsolescence (pg. 392) and Economic Obsolescence (pg. 172) as follows:

Replacement Cost is the dollar amount required to construct improvements of equal utility using current construction methods and materials.

Reproduction Cost is the dollar amount required to construct an exact duplicate of improvements to the subject property at prices current as of the effective appraisal date.

Physical Deterioration is the effects of ordinary wear-and-tear and the action of the elements.

Functional Obsolescence is the absence or inadequacy of features in the design, layout, or construction of the building that are currently desired by purchasers, or the presence of features that have become unfashionable or unnecessary. Fixtures such as bathtubs or vanities fall into this category. A kitchen without modern, built-in cabinets and sink would be undesirable in most areas.

External Obsolescence is a loss of value from forces outside the building or property, such as changes in optimum land use, legislative enactments that restrict or impair property rights, and changes in supply-demand relationships.

Economic Obsolescence is a type of External Obsolescence that arises from the external factors of the property such as economic forces or environmental changes which affect the supply/demand relationship of the market.

REPLACEMENT COST HAS BEEN UTILIZED FOR THIS REPORT

The difference between replacement cost and reproduction cost is that the reproduction cost is the cost to construct an exact replica of the subject, including any functional obsolescence, while replacement cost is the cost to build a substitute with equal utility but without any functional obsolescence such as high ceilings or poor room layout.

Replacement cost, as reflected in the Marshall & Swift Costing Tables in the MIPS CAMA System, calculates the total cost of construction including materials, labor, subcontractors, builder's overhead and profit, architectural and engineering fees, consulting fees, survey and permit fees, legal fees, taxes, insurance, and cost of interim financing. There are separate cost tables for residential dwellings and their components, such as attached garages and other additions, heating and cooling systems, and plumbing. Other building and yard improvements, commercial buildings, agricultural buildings and land pricing schedules are also separate.

DEPRECIATION

The depreciation schedules for Keith County have been developed from the local market during the six year reappraisals using regression analysis. Keith County utilizes the MIPS CAMA system to build and maintain the depreciation tables for each tax year as well as graphical displays of this data by plotting depreciation percentages and best fit curve to the data using a scatter diagram.

The depreciation tables built with local market data fit the majority of parcels assessed in each neighborhood. However, discretion is given to override depreciation schedules or assign additional depreciation for the few individual parcels that do not fit the majority utilizing the assessor's/appraiser's knowledge and experience from the local market.

In mass appraisal, depreciation is usually estimated using depreciation schedules, which show the typical loss in value at various ages or effective ages. By nature, such tables primarily recognize physical deterioration, so additional adjustments are usually required for functional or economic obsolescence.

Because different property groups depreciate at different rates, depreciation schedules should be tailored to different types of properties. In Keith County, our physical depreciation tables are built directly from the market. The steps are: (1) stratify sales by building type, (2) subtract land and miscellaneous improvement values to obtain residual building values, (3) subtract residual building values from RCN to obtain market-derived depreciation, (4) divide by RCN to obtain depreciation percentages, (5) plot depreciation percentages against effective age, (6) fit a curve to the data, and (7) extract a depreciation table.

The reliability of such schedules depends on the accuracy of the sales prices, Replacement Cost New figures, and land values used in the analysis. Cost models, like other valuation models, should be specified and calibrated using local market information so that they accurately reflect the operation of local real estate markets. (Property Appraisal and Assessment Administration published by the International Association of Assessing Officers, Copyright 1990. Pg's 229 & 230)

Depreciation schedules represent the demand side of the market and should, therefore, be derived from the market. Many published cost manuals have tables indicating depreciation or "percent good" based on the type and age of improvements. Such tables may be unrealistic for the local market and should be used with caution. Because demand varies by location, so too should depreciation schedules. (Property Appraisal and Assessment Administration published by the International Association of Assessing Officers, Copyright 1990. Pg. 358)

INCOME APPROACH

The income approach or otherwise known as the Income Capitalization Approach is the process of estimating the value of an income-producing property by capitalization of the annual net operating income expected to be produced by the property during its remaining economic life. (Definition taken from Glossary from Fundamentals of Real Estate Appraisal 8th Edition. P. 394)

Income models within MIPS (CAMA) are developed directly from the market. Income and expense information is obtained from a variety of data provided directly from taxpayers, a review of previous appeal files and various public surveys and publications. From that information, typical rental and expense rates are established according to the type and use of the property along with its location. These rates are placed in income valuation models according to the property type and use.

There are only two parcels in Keith County that utilize the Income Approach to value. They are rent-restricted housing projects. These projects are low rent properties that are approved as such from the state of Nebraska. Their income information is sent directly to the state every year and then transferred to the Assessor's office of the county they are in. A capitalization rate is determined by the Rent-Restricted Housing Projects Valuation Committee.

SALES COMPARISON APPROACH

The Sales Comparison Approach is the process of estimating the value of property through examination and comparison of actual sales of comparable properties; also called the direct market comparison or market data approach. (Definition taken from Glossary from Fundamentals of Real Estate Appraisal 8th Edition. P. 398). The sales comparison approach, for residential property is performed through the use of multiple regression analysis and comparable sales.

Market modeling in MIPS (CAMA) involves determining the coefficients to use to adjust sale properties and the weights to be placed on property characteristics to (1) select sales for comparison with the property being valued and (2) adjust selling prices to that property. No two properties are the same. Some differences are cosmetic and tend to have very little impact on value, such as color. Others have significant impact on value, such as the quality of construction or the size of the structure. The actions of

buyers and sellers in the market place determine which factors affect value and what weights to apply to each factor.

The computer assists in this process by providing estimates of the relative weight of certain factors. By alternating different factors and weights, the best combination to value parcels within a given geographic area is determined. The specific factors and weights chosen for one model may be different than those chosen for another because of differences in neighborhoods. For example, a detached garage may be the rule in one part of the country and the exception in another; an attached garage may add value in one area but add very little in another area. Once the factors are established, the weight applied to each factor is determined.

The Sales Comparison Approach is utilized in Keith County when adequate sales exist and inside information is known. For the assessment year of 2020, the Sales Comparison Approach wasn't used because not all of the interior information was received and time constraints limit this process.

PERFORMANCE TESTS

The method used to test the accuracy of the county's valuation is a Sales Ratio Study. The Sales Ratio Study looks at statistical measures such as the median ratio, the coefficient of dispersion, and price related differential. Ratio studies, for each neighborhood, are conducted annually.

2020 KEITH COUNTY APPRAISAL PROCESS

RESIDENTIAL PROPERTIES

A complete reappraisal of all residential properties and the assessment year they were done are as follows: Ogallala residential properties 2016, small residential village properties (Paxton, Brule, Keystone, Roscoe, and Sarben) 2017, Lake Residential Properties & Lake Mobile Home Park properties 2020, and Rural Residential, Ogallala Suburban, Lake Rural, and Agland Improved properties were done last year for 2019. During these complete reappraisals all residential properties were sketched into the CAMA system MIPS. New photographs were taken, improvements were remeasured, and quality and condition were reviewed. New land and depreciation tables were created from the local market, and costing tables were updated to current costing tables of June of 2018 or 2019.

Maintenance appraisal review was done to Ogallala, Paxton, Brule, Ogallala Suburban and Rural Residential. These included an evaluation of all residential records for accuracy in the computer. Updates also include any information picked up from sales questionnaires, door hanger questionnaires, building permits and/or information sheets.

A review of our preliminary statistics of sales for the required sales period of October 1, 2017 through September 30, 2019 showed that we were not in compliance for residential as a whole with a median of 86% compared to the required range of 92-100% of market value. Residential Areas by state sales location number and preliminary statistical analysis are as follows:

01) Ogallala	88.04%
02) Paxton	86.77%
03) Brule	78.93%
04) Rural	80.77%
05) Lake	75.23%
08) Keystone/Roscoe/Sarben	74.17%

01) OGALLALA RESIDENTIAL NEIGHBORHOOD

There are six Residential Neighborhoods that are within the city limits of Ogallala. Five of the residential neighborhoods didn't change and are still 1100, 1200, 1300, 1301, and 1400. New this year is neighborhood 1500 which incorporates all of the mobile home parks within the city limits of Ogallala. These areas were carefully studied for the assessment year of 2019. The first five neighborhoods are divided by approximately 7% of vacant land and 93% of improved land. The improvements on all parcels within the city limits of the town were re-measured, new photographs were taken, quality and condition were reviewed in the field, and new land and Depreciation tables were from the market 2016 during the six year review. Ogallala Residential is our next reappraisal and will be ready for assessment year 2021.

Our preliminary Assessment to Sales Ratio, Statistical Analysis had a median of 88.04% that included 175 sales. With this low of a median, changes had to be made to bring values up to the standards range of 92-100%.

NEIGHBORHOOD 1100

Residential Neighborhood 1100, which is also Ogallala A, is defined as the older, and more developed area within Ogallala. Market area boundaries to the east are the Ogallala city limits line extending north to Fox Hill Road. The East boundary extends from Fox Hill Road to Valley View Drive and to Indian Ridge

Subdivision. The west boundary is West H Street extending south from Fox Hill Road to First Street, also known as Highway 30, which is the south boundary.

In Ogallala A, the streets are mostly paved by asphalt or concrete. All of the streets lead to the main thoroughfares in Ogallala. The properties all have public utilities such as: city water, city sewer, public electric and gas, and public waste removal. There are 1,421 parcels that make up Ogallala A neighborhood 1100.

Within the boundaries of this neighborhood, is Prairie View School with a new portion that was recently built to be able to have Pre-kindergarten through 8th Grade. A new gymnasium, lunch room, administration offices, and library were built along with more classrooms. This neighborhood also includes the rest of the schools in Ogallala which include: a public high school and two parochial schools. There are two city parks, one of which sits beside the Goodall Recreation Center which has indoor swimming and a complete fitness area with walking track. The other park sits beside the public outdoor swimming pool. Also within the boundaries are the downtown district as well as courthouse offices and city offices. This residential neighborhood includes: residential single family housing, rental houses, duplexes, and a few vacant lots. Great Western Town Homes for low income housing and several other low income housing units are included within the neighborhood boundaries. New for 2020 is a wonderful new library for the community with a kids section, adult section, computer labs, and a meeting room all at ground level.

There are approximately 86 vacant parcels in residential Neighborhood of 1100. The land table for this neighborhood increased by 10% this year. Smaller parcels, from 1 to 12,500 square feet, are valued at \$1.32 per square foot. Between 12,501 and 43,560 square feet the price is \$0.04 per square foot. Any parcels that are over one acre or 43,560 square feet are valued by price per acre. The first acre is valued at \$17,730, 1.01 to 10 acres are valued at \$1,850 per acre, and after 10 acres the value is \$1,056 per acre.

All improvements in these neighborhoods costing tables were updated to current 2019. There was also a 10% increase to the local factor for the Replacement Cost New for the cost approach.

NEIGHBORHOOD 1200

Ogallala B, which is also Residential Neighborhood 1200, is defined as the residential area west in Ogallala. Market area boundaries are Highway 91 to Highway 62 on the west, then the North boundary is the section line of 1-13-37, the east boundary line is West H Street extending south to First Street, also known as Highway 30 which is the south boundary.

In Ogallala B, (neighborhood 1200), at least 75% of the streets are paved by asphalt or concrete. Most of the streets lead to the main thoroughfares in Ogallala. The properties mostly have public utilities such as: city water, city sewer, public electric and gas, and public waste removal. There are approximately 361 parcels.

This neighborhood has one city park within its boundaries and includes residential single family housing, rental houses, duplexes, and vacant lots. The Keith County Fairgrounds are in these boundaries as well as the Ogallala Cemetery.

There are approximately 28 vacant parcels in Ogallala B. This land table also had a 10% increase applied this year. Smaller parcels from 1 to 12,500 square feet, are valued at \$1.32 per square foot. From 12,501 and 43,560 square feet, the value is \$0.04 per square foot. Any parcel that is over 43,560 square feet (1

acre) is valued at price per acre. The first acre is \$17,730 per acre, from 1.01 to 10 acres the value is \$1,850 per acre, and after 10 acres the value is \$1,056 per acre.

All improvements in these neighborhoods costing tables were updated to current 2019. There was also a 10% increase to the local factor for the Replacement Cost New for the cost approach.

NEIGHBORHOOD 1300-1301

The Residential Neighborhood 1300, is defined as the Ogallala C North area. Market area boundaries starting at the southwest corner of section 31, township 14, and range 38, and running north on west H Street for the west boundary line. From West H to west 32nd street moving east to the east edge of the city limits boundary line. This boundary line for the east will be following the Ogallala town boundary line which will run south then go east to an extended imaginary line just past East I Street. The south boundary continues from the east boundary and turns west to valley View Drive extending west to meet back to the starting point.

The majority of the streets are mostly paved by asphalt or concrete. Most of the streets in 1300 lead to the main thoroughfares in Ogallala. The majority of the properties have public utilities such as: city water, city sewer, public electric and gas, and public waste removal. There are 203 parcels that make up 1300 and 15 parcels in neighborhood 1301.

Located within the boundaries of this neighborhood is Ogallala Banner Health Clinic and Hospital. There are two city parks and the Western Diamonds Soccer, Baseball, and Softball Complex. Also included is the Ogallala Soap Box derby track as well as two nursing facilities, Wel-Life and Indian Hills Manor. Ogallala C includes residential single family housing, rental houses, and duplexes. There are some vacant lots within these boundaries that are a larger tract.

There are approximately 26 vacant parcels in neighborhood 1300 and one in the adjoining Neighborhood 1301. Many of these parcels are larger in size. The land increased by 10% for this assessment year also. From 1 to 12,500 square feet the value is \$1.584 per square foot. Between 12,501 and 43,560 square feet the value is \$0.04 per square foot. Any parcel that is over 43,560 square feet (1 acre) is valued at \$21,010 per acre, from 1.01 to 10 acres they are valued at \$1,150 per acre, and after 10.01 acres the value is at \$990 per acre.

All improvements in these two neighborhoods costing tables were updated to current 2019. There was also a 10% increase to the local factor for the Replacement Cost New for the cost approach.

NEIGHBORHOOD 1400

Residential Neighborhood 1400 is also defined as Ogallala D south. Market area boundaries are Highway 30 to the invisible line extending north from Road East B. The east boundary is the extended Road East B from Highway 30 to Road East 80. Road east 80 is the south boundary. The west boundary is starts at Tressler road and extends north to Highway 30. Inside these boundaries are the interstate intersection, Wal-Mart, and the majority of the fast food restaurants, fine dining restaurants, and the hotel market.

Only a few of the streets are paved by asphalt or concrete and most of the streets lead to the main thoroughfares in Ogallala. Less than half of the properties have public utilities such as: city water, city sewer, public electric and gas, and public waste removal. There are 16 residential parcels.

There are approximately four vacant parcels in the residential neighborhood Ogallala D 1400. This land again increased by 10% for Assessment year 2020. Smaller parcels from 1 to 12,500 square feet the value is \$1.32 per square foot. Between 12,501 and 43,560 square feet, the value is \$0.04 per square foot. Any parcels that are over 43,560 square feet (1 acre) are valued at \$17,730 for the first acre, for 1.01 to 10 acres are valued at \$1,850 per acre, and after 10 acres the value is \$1,056 per acre.

All improvements in this neighborhoods costing tables were updated to current 2019. There was also a 10% increase to the local factor for the Replacement Cost New for the cost approach.

NEIGHBORHOOD 1500

The Residential Neighborhood 1500 is defined as Ogallala Mobile Home Parks. Market area boundaries are considered to be the within the Ogallala city limits.

In Neighborhood 1500, only a few of the streets are paved by asphalt or concrete. These are all hooked up to city water and utilities. There are 124 residential parcels in Neighborhood 1500 created from eight mobile home parks. The mobile home parks in this neighborhood are Hillcrest MHP, 3 Three Pines, Northwestern MHP, Ogallala Trailer Court, Stewart's Court, Erlewine Trailer Court, Green Acres, Stewarts MHP, and L & L Court.

Our preliminary study for this area showed a median of 183.38%. There were six sales for this study period and we are at a final median of 100%. At this time, sales from these areas haven't shown a need for a leasehold value.

Ogallala residential neighborhood 1500, was created new for 2020, therefore new depreciation tables were created from the market. Costing tables applied were current 2019 and no other percentage adjustments to the improvements were made.

OGALLALA RESIDENTIAL NEIGHBORHOODS RECONCILIATION

Stick built homes and manufactured homes were used in the statistical analysis of Ogallala for the assessment year of 2020 by the office. The preliminary Assessment to Sales Ratio Statistical Analysis from the state had an overall Ogallala Residential median of 88.04%.

Land tables in neighborhoods 1100, 1200, 1300, 1301, and 1400 increased by 10% and improvements in these same neighborhoods increased by 10% applied to the local factor in the RCN. A new neighborhood, 1500, was created to include all Ogallala mobile home park parcels with current costing and new depreciation tables. All of Ogallala Residential is using Marshall and Swift costing tables 2019. The final state of Nebraska Assessment to Sales Ratio Statistical Analysis median is 97.44%. This brings us up to state standards.

All three approaches were reviewed for determining a value.

The Cost Approach to value is based on using 06/2019 Marshall and Swift costing tables. The condition of the improvements for stick built homes and modular varies from poor to excellent, and singlewide, doublewide, triple wide, or manufactured is from poor to very good. The quality of the improvements for stick built and modular range from poor to excellent and singlewide, doublewide, triple wide, or manufactured homes poor to excellent.

The Income Approach to value was not used with properties in the Residential Neighborhood of Ogallala. As mentioned, the current highest and best use is mostly single family dwelling and is not income producing. The typical use for these types of properties is not income producing and is not the appropriate technique to value these types of properties and was not used.

The Sales Comparison Approach was not used because of the limited number of sales of similar properties in the same location and insufficient details of inside information, the sales comparison approach was not completed for the residential neighborhoods in Ogallala.

The purpose of this report is to provide documentation of the mass appraisal and market value opinion of the residential neighborhoods 1100, 1200, 1300, 1301, 1400, and 1500 supported from the sales market as of January 1, 2020, and is the effective date of the report.

02) PAXTON RESIDENTIAL NEIGHBORHOOD

Paxton is a village in Keith County, Nebraska. The population is approximately 575. Paxton is located about 19 miles east of Ogallala on U.S. Highway 30 and 1 mile north of Interstate 80. The village has a total area of 1.03 square miles. In Paxton, the majority of the roads are gravel. Some of the main thoroughfares are paved. The majority of properties in this neighborhood have public water, sewer, garbage pickup, electricity, and natural gas.

The Residential Neighborhood code 4100 makes up the town of Paxton. This neighborhood was reappraised in 2017. This neighborhood is divided by 7% vacant land and 93% improved. The improvements, on all parcels within the village were re-measured, new photographs were taken, and quality and condition were reviewed. Also, new land, costing, and depreciation tables were created according to the market.

The State of Nebraska statistically measures the assessment to sales ratio to be in a range of 92-100. The preliminary Assessment to Sales Ratio Statistical Analysis was at 86.77%. The first thing that was done to help increase values for Paxton which is valuation group 2, was to update the costing tables to the current year of 2019.

The next study was on land. There are 35 vacant land parcels in Paxton without any vacant land sales for this study period. Paxton received a 10% increase this year applied to the land table. Paxton residential land tables are as follows: 1 to 14,000 square feet is valued at \$1.00 per square foot, 14,001 to 28,000 square feet are valued at \$0.212 per square foot, and between 28,001 to 43,560 square feet the value is \$0.06 per square foot. The acre land table is \$20,150 for the first acre, and \$1,230 per acre after that.

Paxton residential consists of 237 parcels and had nine sales during this study period. After applying new land tables, updating costing tables, and adding 10% to the local factor for the replacement cost new we are now at a final Assessment to Sales Ratio Statistical Analysis median of 94.74%. Therefore, we are within the state standard range of 92 to 100% for Paxton.

03) BRULE RESIDENTIAL NEIGHBORHOOD

Brule is a village located in Keith County, Nebraska. The population is approximately 376. Brule is located about 9 miles west of Ogallala. The village has a total area of 0.31 square miles sits on U.S. Highway 30 and is 1 mile north of Interstate 80. In Brule the majority of the roads are gravel. Some of the main thoroughfares are paved. Most of the Parcels are within ten miles of the business hub of Ogallala. The

majority of properties in this neighborhood have public water, sewer, garbage pickup, electricity, and natural gas.

There are two Residential Neighborhoods that make up the town of Brule. The Residential Neighborhoods are 3200 and 3201. These areas were studied for the assessment year 2020. These two neighborhoods are divided by 11% vacant land and 89% improved. The improvements on all parcels in the town limits had their six year review for the Assessment year of 2017. All residential parcels were re-measured, new photographs were taken, and quality and condition were reviewed. Also, new land, costing, and depreciation tables were created according to the market.

Our preliminary Assessment to sales Ratio Study for Brule residential, which is valuation group 3 on the Nebraska Department of Revenues sales file was low, at a 78.93% median. The accepted range for State Standards should be between 92-100%.

This year's residential sales study period was from October 1, 2017 to September 30, 2019. There were seven sales in this study period. Reviewing the preliminary stats it was evident that we needed to increase values for Assessment year 2020. The land table was increased by 25%. The land table for 3200 and 3201 are the same. Smaller tracts are measured by square feet. From 1 to 12,500 square feet they are valued at \$0.80 per square foot, then from 12,501 to 43,560 square feet the value is at \$0.08 per square foot. Larger lots valued by acre are at \$12,487 per acre. The new land table was applied to all Brule residential parcels for assessment year 2020.

All seven sales were improved for this study period. All of the improved parcels are now using the most current 2019 Marshall and Swift costing tables. For 2020, a 25% increase was applied to the local factor for the Replacement Cost New in the cost approach.

The State of Nebraska statistically measures the Assessment to Sales Ratio to be in a range of 92-100. Preliminary Statistical Analysis for Brule as mentioned above and was at 78.93%. After implementing the changes in the land tables, updating costing tables to current 2019, and applying the 25% increase to the local factor for the RCN, Brule is now within range of the state Standards of 97.06%.

04) RURAL RESIDENTIAL & LAKE RURAL ASSESSMENT REPORT

Rural Residential properties had a complete reappraisal last year for Assessment Year 2019. Also during this time, Lake Rural, Reimers Subdivision, Sass's Subdivision and Ogallala Suburban was included in Assessor Location Rural, which is Valuation Group 4. For Assessment year 2020, these neighborhoods were reviewed for the sales study period from October 1, 2017 to September 30, 2019. The preliminary Assessment to Sales Ratio Statistical Analysis median for all rural residential properties was at 84.21%.

RURAL RESIDENTIAL NEIGHBORHOODS 4530, 4540, and 4541

The Residential Neighborhood 4530, is defined as rural residential parcels in Keith County. There are 257 parcels in this neighborhood. The Residential Neighborhood 4540, is defined as rural residential properties along river corridors influenced by recreation use in Keith County. This neighborhood is considered all properties along the North and South Platte Rivers. There are nine parcels in this neighborhood. Neighborhood 4541 is defined as rural residential properties along river corridors influenced by recreation use in Keith County. There is only one parcel in this neighborhood and it sits just north of the North Platte River.

Most of the parcels in these neighborhoods sit on county gravel roads off of the main thoroughfares and are within 20 miles of the business hub of Ogallala. The majority of the properties in these neighborhoods have private utilities. There were 11 sales in neighborhood 4530 and zero sales in 4540 and 4541 for the current study period.

Land tables for these neighborhoods had a small adjustment after 25 acres. The land table used in these neighborhoods are as follows: smaller properties from 1 to 25,000 square feet are valued at \$0.35 per square foot, 25,001 to 43,560 square feet are at \$0.0674 per square foot. Acres are valued at \$10,000 for the first acre, from 1.01 to 2 acres at \$7,500, 2.01 to 25 acres at \$1,000 per acre and then 25.01 acres and up are valued at \$600. The same \$20,000 amenity value is added on to all parcels that are improved with a home dwelling on them. With the median being this low improvements had a 20% blanket increase on the 2020 appraisal file values. The final statistical analysis for these three neighborhoods are 92.7% which is within state standards.

RURURL RESIDENTIAL NEIGHBORHOODS 4520 and 4521

Lake Rural Properties 4520 and 4521 are all properties that are not in a subdivision that are around the lake and have influence from the lake. Lake Rural consists of 136 parcels. There were seven sales for this study period.

The land tables for these two neighborhoods are the same as 4530, 4540 and 4541. The improvements on these properties had a 20% blanket increase on 2019 values. The final Assessment to Sales Ratio Statistical Analysis median for this area only is 95.83%

SASS'S SUBDIVISION 9021

Sass's subdivision 9021 is located northwest of Ogallala and south of Lake McConaughy along Highway 26 West. There are 26 parcels in this subdivision and one sold for the current sales study period.

Sass's subdivision are using the same land table as rural residential 4530, 4540, and 4510, 4520 and 4521. The improvements for this neighborhood had a 20% blanket increase on the appraisal file value.

REIMERS SUBDIVISION NEIGHBORHOOD 9037

Reimers Subdivision 9037 is located northeast Ogallala. It consists of 11 parcels. Each of these lots are over 10 acres in size. There were no sales for this study period.

Land in Reimers Subdivision (9037) is valued by acre only. One acre at \$10,000, from acres 1.01 to 2 acres at 7,500, and 2.01 to 999,999 acres at 320. The same \$20,000 amenity value is added on to all parcels that are improved with a home dwelling on them. The improvements for this neighborhood had a 20% blanket increase on the appraisal file value.

OGALLALA SUBURBAN 4510 AND COUNTRY CLUB ESTATES 1600

Ogallala Suburban (4510) and Country Club Estates (1600) neighborhoods were included in the reappraisal of Rural Residential Properties for assessment year 2019. This area was also reviewed again for the assessment year 2020. The sales study period is October 1, 2017 to September 30, 2019. The preliminary Assessment to Sales Ratio Statistical Analysis for Ogallala Suburban was at 78.80%.

The Residential Neighborhood 4510 is defined as Ogallala suburban residential area around the city of Ogallala. This neighborhood is not within the city limits and is within two miles of the Ogallala City

boundaries, but does not include neighborhood 1600. Residential Neighborhood 1600, is defined as a suburban residential area south of Ogallala where the houses are incorporated within Crandall Creek Golf Course.

In Neighborhood 4510 and 1600, the roads are approximately 50% paved by asphalt or concrete and the other 50% is gravel. Most of the roads in these neighborhoods lead to Ogallala. The properties in these areas all have public utilities of electricity. Water, sewer, and natural gas are privately owned. There are 152 parcels that make up 4510 and there were five sales in the sales study period. There are 48 parcels that make up 1600 and there were three sales in this study period.

For assessment year 2020, the preliminary Statistical Analysis for neighborhood 4510, the median was at 78.62%. Neighborhood 4510, had a slight change in land tables and the improvements had a blanket increase of 25% added to the previous values. The smaller parcels, for neighborhood 4510 are valued from 1 to 25,000 square feet at \$0.35 per square foot, 25,001 square feet and up to 43,560 square feet (1 acre) are at \$0.06735 per square foot. Larger parcels valued by acre \$10,000 for the first acre, from 1.01 to 2 acres the value is \$7,500 per acre, from 2.01 to 25 acres the value is \$1,000 per acre and new for 2020 a cut off after 25.01 acres and up are valued at \$600 per acre. The same \$20,000 amenity value is added on to all parcels that are improved with a home dwelling on them. The final Statistical Analysis for neighborhood 4510 was at 92.12%.

For assessment year 2020, neighborhood 1600, didn't have any changes in the land. This land table stayed the same at \$0.75 for the first 25,000 square feet, then \$0.229 from 25,001 up to an acre. Acres are valued at \$23,000 for the first acre, 1.01 to 2 acres at \$15,000 and 2.01 to 999,999 valued at \$1,090 per acre. It was discovered that not all of the field data was entered correctly and/or applied for 2019 during the reappraisal, therefore a desktop review was done to these parcels this year for new values. No other changes were made to this neighborhood for Assessment year 2020. The final statistical analysis median for this neighborhood was 93.98%.

RURAL RESIDENTIAL STATISTICAL ANALYSIS

The State of Nebraska statistically measures the Assessment to Sales Ratio to be in a range of 92-100. The final median for valuation group 4 is 93.37% which is within state standards. The COD is 12.65 and the PRD is 104.53.

All three approaches were reviewed for determining a value. The Cost Approach to value is based on using 06/2018 Marshall and Swift costing tables. This wasn't updated to 2019 costing this year. The condition of the improvements for stick built homes and modular varies from poor to excellent, and singlewide, doublewide, triple wide, or manufactured is from poor to very good. The quality of the improvements for stick built and modular range from poor to very good and singlewide, doublewide, triple wide, or manufactured homes poor to excellent.

The Income Approach to value was not used with properties in these residential neighborhoods. As mentioned, the current highest and best is mostly single family dwelling and is not income producing. The typical use for these types of properties is not income producing and is not the appropriate technique to value residential properties and was not used.

The Sales Comparison Approach was not used because of the limited number of sales of similar properties in the same location and insufficient details of inside information.

05) LAKE RESIDENTIAL NEIGHBORHOOD

There are 32 residential neighborhoods around two lakes which include: Lake Ogallala and Lake McConaughy, in Keith County. On the north side of the lake 11 neighborhoods consist of: 9023 Clarey East/West, 9024 McGinley Subdivision & Terin Ranch Estates, 9025 K-4, 9026 Sandy Beach Area, 9027 K-3, 9028-9029 Lemoyne, 9031-9032 Albee's/Lakeshore, 9034 K-2, and 9035 Peterson's Subdivision Area.

On the south side, there are 21 neighborhoods which consist of: 9001-9003 which are all K-1 neighborhoods, 9004 Eagle Crest, 9005 Lago Villa, 9006 are Bay Vista, West Vista and Sunset Vista, 9007, 9008 & 9009 are all with Yacht Club, O'Connor's, Amen's, and Meadow Lake Subdivision, 9010-9012 Makochmni, 9013 Hidden Canyon Estates, 9014 and 9015 The Dunes, 9016 Lakeview Area, 9017-9019 Bayside Country Club Estates, 9020 Eagle Canyon Area, and 9022 The Shore's.

STATISTICAL ANALYSIS REPORT

The Lake residential market has been increasing for the past five years. The preliminary Assessment to Sales Ratio Statistical Analysis for Valuation Group 5 showed a median 78.45%. Preliminary Assessment to Sales Ratio for the south was at 75.28% and the north was at 80.20% our market study period for this year was from October 10, 2017 to September 30, 2019.

FIELD REVIEW

These neighborhoods had a complete reappraisal for Assessment year 2020. Every parcel was reviewed on sight whether it was improved or unimproved. Photographs were taken on all of the properties. The improvements were all reviewed by re-measuring and calling quality and condition at the property. These lake neighborhoods have a division of approximately 43.6% of vacant land, and 56.44% of improved land.

NORTH LAKE LAND STUDY

Clarey east and west neighborhood 9023, is located on the west side of Lake Ogallala. There are 12 parcels in this neighborhood. There were no sales in this study period for this neighborhood. Land tables for this area Clarey west are at \$22,500 per acre, and Clarey east at \$30,000 per acre.

McGinley Subdivision & Terin Ranch Estates 9024, is located on the west side of Lake McConaughy and north of Lake Ogallala. There are 28 parcels in this neighborhood. There was one sale in this study period. New land tables for this area are \$17,500 per acre.

K-4 9025, is located on the northeast side of Lake McConaughy. There are 13 parcels in this neighborhood and there was one sale in our sales study period. The land of this area is owned by Central Nebraska Public Power and leased to the home owners. There are 4 K-areas at the Lake. Due to the high sales of the lake properties a leasehold value was added on to all K-areas several years ago for the right to use that land and the location. Some of the parcels in this neighborhood are across the road from the lake. These have a great view of a popular beach Martin Bay at Lake McConaughy. Leasehold value for these properties are valued at \$50,000. Further study of this neighborhood showed an economic function was needed for having a large waste lagoon behind these homes. This lagoon was placed within the last 2 years from Central Nebraska Public Power and the Game and Parks. During the summer on hot windy days the smell is extremely unpleasant to be outdoors at their home. Property owners have voiced their concern that it

could be a detriment for reselling properties in the future. A 20% economic functional depreciation was added to all improved parcels in this neighborhood for Assessment year 2020.

Sandy Beach area 9026, is located on the north side of Lake McConaughy north of highway 92. There are 196 parcels in this neighborhood. There were six sales included in this study period. New land tables were created for Sandy Beach. Smaller tracts that are valued by square feet are at 1 to 15,000 square feet at \$.65 per square foot, 15,001 to 20,000 square feet at \$0.50 per square foot, and 20,001 to 43,560 square feet at \$0.125 per square foot. Larger parcels are 1 acre at \$15,200, 1.01 to 2 acres at \$9,000 per acre, and 2.01 acres and up valued at \$450 per acre.

K-3 9027, is located in the northcentral part of Lake McConaughy. The properties in this area also sit on land that is owned by Central Nebraska Public Power. Houses are owned by the individual property owners. It consists of 18 parcels with one sale in the sales study period. The leasehold lot values for this area are \$100,000 per lot.

Lemoine area 9028 and 9029, is located on the north central side of Lake McConaughy. Lemoine neighborhood consists of these main subdivisions: New Lemoine, all Lineback tracts, Berry's Subdivision, Harris' Subdivision, Haythorn's 1st Subdivision, Simpson's 1st Subdivision, as well as various subdivisions and replats. Lemoine neighborhood consists of two neighborhood code numbers 9028 which has 28 parcels and 9029 which has 201. Sales for this study period included nine sales in neighborhood 9029 and two sales in neighborhood 9028. Lemoine Neighborhood 9028, are described as good lots and are closest to the water or lakefront properties. 2020 land tables are as follows: 1-10,000 square feet is valued at \$3.00 per square foot, 10,001 to 30,000 square feet at \$1.00 per square foot, 30,001 to 43,560 (1 acre) valued at \$0.05 per square foot. Larger properties are valued per acre starting with the first acre valued at \$50,000, 1.01 to 3 acres valued at \$20,000 per acre, 3.01 to 5 acres are valued at \$6,000 per acre, and 5.01 acres and above are valued at \$500.00 per acre. Lemoine Neighborhood 9029, is described as average lots that are non-lakefront lots. These lots are valued as follows: 1-10,000 square feet at \$1.1 per square foot, 10,001 to 30,000 square feet is at \$0.6 per square foot, from 30,001 to 43,560 (1 Acre) is at \$0.15 per square foot. Larger tracts of land valued by acre are as followed: first acre at \$25,000 per acre, 1.01 to 3 acres at \$14,000 per acre, 3.01 to 5 acres are valued at \$6,000 per acre, then 5.01 acres and up are valued at \$500 per acre.

Albee's Neighborhoods 9031 and 9032, are located on the northwest side of Lake McConaughy. Albee's Area consists of these main Subdivisions: Albee's, 1st, 2nd, 3rd, 4th, 5th, and various replats. This area consists of 391 parcels, of that 67 parcels are in Neighborhood 9031, which is lake front properties, and 324 parcels which are average lots or non-lakefront properties. There were 13 sales in Neighborhood 9032 and one sale in Neighborhood 9031 during our sales study period. Neighborhood code 9031, are described as good lots because they are closest to the water. The smaller lots are valued by square feet and are as follows: 1 to 10,000 square feet are valued at \$2.16 per square foot, 10,001 to 20,000 square feet are valued at \$1.08 per square foot, and 20,001 to 43,560 (1 Acre) square feet at \$0.40 per square foot. Larger tracts are valued by acre are as follows: the first acre at \$48,600, 1.01 to 3 acres at \$7,500 per acre, and 3.01 acres and up valued at \$1,000 per acre. Neighborhood code 9032, is described as average lots and are non-lake front properties. These lots are valued as follows: 1-10,000 square feet at \$1.1 per square foot, 10,001 to 20,000 square feet at \$0.65 per square foot, from 20,001 to 43,560 (1 Acre) at \$0.15 per square foot. Larger tracts are valued as follows: first acre at \$23,500, 1.01 to 3 acres at \$6,000 per acre, and 3.01 acres and up valued at \$1,000 per acre.

K-2 9034, is located on the northwest part of Lake McConaughy and consists of nine parcels. The properties in this area also sit on land that is owned by Central Nebraska Public Power. Houses are owned by the individual property owners. These properties are all lakefront properties. There was one sale in the current sales study period. The leasehold lot values for this area are \$35,000 per lot.

Peterson's area 9035, is located on the northwest side of Lake McConaughy. Peterson's Area consists of these Subdivisions: Armstrong Replat, Erb's, Sand Creek Sub, Fisher's, J's, and various other subdivisions and replats. There are 364 parcels in this area with 15 sales during our sales study period. The land study for this area is as follows: from 1 to 10,000 square feet the value is \$0.65 per square foot, for 10,001 to 20,000 square feet the value is \$0.233 per square foot, for 20,001 to 43,560 square feet (1 acre) the value is \$0.06 per square foot. Larger Parcels are valued by acres. The first acre is valued at \$11,000, 1.01 to 3 acres are valued at \$3,540 per acre, 3.01 and above are valued at \$600 per acre.

SOUTH LAKE LAND STUDY

K-1 Neighborhood is located on the southeast part of Lake McConaughy. The properties in this area also sit on land that is owned by Central Nebraska Public Power. Houses are owned by the individual property owners. K-1 consists of neighborhoods 9001, 9002, and 9003. There are 18 parcels in neighborhood 9001 and there was one sale in our sales study period. 9001 Neighborhood, is referred to as lake front properties and/or good lots in this neighborhood. They are valued at \$100,000 per lot. Neighborhood 9002, has 41 parcels and had two sales. Parcels in Neighborhood 9002 are described as average lots in this area and are valued at \$70,000 per lot. Neighborhood 9003 consists of 82 parcels and had two sales in our study period. These lots are referred to as low lots or back lots and are valued at \$50,000 per lot.

Eagle Crest 9004, is located in the southeast part of Lake McConaughy and sits just south of the K-1 subdivision. This is an underdeveloped area and there hasn't been any sales in this neighborhood for several years. There are 40 parcels and the land is valued at \$12,000 per lot.

Lago Villa 9005, is located southeast of Lake McConaughy. Lago Villa consists of 18 parcels with three sales within our sales study period and one sale involved three parcels. With the study of the sales and our reappraisal the lots are valued at \$35,000 per lot.

Vistas and Suttons area is Neighborhood 9006. The subdivisions that make up this neighborhood are Bay Vista, Sunrise and Sunset Vistas, Buffalo Ridge Replat, Sutton's, Koontz Replat and West Vista. There are 48 parcels in this area. There were some sales in this that were vacant land, however they were either replated after the sale or sold/purchased privately to family and/or friend. These lots are split into three different value tiers per lot, similar to other south neighborhoods. Lake Front lots are valued at \$65,000 per lot, average lots are valued at \$35,000 per lot, and back lots and valued at \$25,000 per lot.

Yacht Club, Amen's, O'Connor's and Meadow Lake Subdivisions are located on the south side of Lake McConaughy and straight north of the city of Ogallala. The Neighborhood codes are 9007, 9008 and 9009. There are 11 parcels in 9007, 38 in 9008, and 12 in 9009 for a total number of 61 parcels in all. For our sales study period there were two sales in 9008 and two sales in 9009. These three neighborhoods are being valued on a per lot basis. Neighborhood 9007 are described as Lake Front lots that do not face the public beach. There are 11 parcels and they are valued at \$70,000 per lot. The next neighborhood is 9008 and they are lake front lots that face the public beach and are valued at \$50,000 per lot. There are 38 parcels in this neighborhood and there were two sales. The condos in this neighborhood have a separate price of \$15,000 per lot. The last neighborhood is 9009, that consists of 61 parcels and had 2 sales during

in this neighborhood and there were two sales during this sales study period. They are valued at \$35,000 per lot.

Makochmni Subdivision is located south of Lake McConaughy and northwest of the city of Ogallala. Makochmni is made up of three neighborhood codes 9010, 9011, and 9012. There are 22 parcels in neighborhood 9010 and there were two sales. These lots are lake front lots or good lots and are valued at \$100,000 per lot. There are 20 in neighborhood 9011 and the lots are referred to as average lots. They are valued at \$70,000 per lot. The third neighborhood is 9012 and consists of 13 parcels in it. These are considered the low lots and they are valued at \$50,000 per lot.

Hidden Canyon Estates 9013, is located south of Lake McConaughy and northwest from the city of Ogallala. This neighborhood consists of 44 parcels. There were two sales within our sales study period. The land is valued per acre in this neighborhood. The first acre is valued at \$15,000, from 1.01 to 2 acres the value is at \$4,000 per acre, 2.01 to 10 acres the value is at \$2,000 per acre, 10.01 to 25 acres the value is at \$1,000 per acre, and 25.01 and up the value is \$500 per acre.

The Dunes area is located south of Lake McConaughy and northwest from the city of Ogallala. The Dunes consists of two neighborhoods 9014 and 9015. 9014 has 46 parcels and had four sales, and 9015 has two parcels and had one sale. In neighborhood 9015, there are two parcels and one sale during this study period. The land is valued per acre and is described as lake front lots. The first acre is valued at \$60,000, 1.01 to 4 acres at \$27,000 per acre, 4.01 to 10 valued at \$10,000 per acre, 10.01 to 25 valued at \$2,000 per acre and 25.01 acres and up valued at \$500 per acre. In neighborhood 9014, there are 46 parcels in the neighborhood and there were four sales during our study period. The values are described as average lots and are valued as follows: the first acre is \$30,000 per acre, 1.01 to 2 acres are valued at \$6,000 per acre, 2.01 to 10 acres are at \$3,000 per acre, 10.01 acres to 25 acres are valued at \$1,000 per acre, and 25.01 acres and up are valued at \$500 per acre.

Lakeview Area is located south of Lake McConaughy and northwest from the city of Ogallala. The Subdivisions in this area include: Pelican Roost, Stewart's, Vail's Replat, Lakeview Hills, Hoffman's Sickler's Replat, Thompson's Replat, Lakeview Heights, and as well as several other subdivisions and replats. There are 107 parcels in this area in which two sold within our sales study period. Smaller tracts that are less than an acre are valued by price per square foot. Starting from 1 to 10,000 square feet are valued at \$1.80 per square foot, and 10,001 to 43,560 square feet (1 Acre) are valued at \$0.6556 per square foot. Larger tracts are valued by acre. The first acre is valued at \$40,152, 1.01 to 3 acres are valued at \$7,842 per acre, and 3.01 acres and above are valued at \$600 per acre.

Bayside neighborhoods 9017, 9018, and 9019, are located on the Southwest side of Lake McConaughy, northwest from the city of Ogallala, and north of Brule Nebraska. Bayside Area consists of Dew Replat, Bayside Country Estates, Hiers Replat, and Eagle Bay Townhouses subdivisions as well other subdivisions and replats. This area is made up of three neighborhood codes. Neighborhood code number 9017, has two different tiers, west lake front and east lake front that are valued at \$70,000 per lot. There are 16 parcels in it and four sold during our sales study period. Neighborhood 9018, also has two tiers as well. West non-lakefront lots are valued at \$50,000 per lot and east non-lakefront lots value at \$60,000 per lot. There are 16 parcels and two sold during the sales study period. The last neighborhood code is 9019 and the lots are valued at \$30,000 per lot. This neighborhood consists of 71 parcels and nine sold. This totaled 15 sales during our sales study period.

Eagle Canyon Neighborhood 9020, is located south of Lake McConaughy and northwest from the city of Ogallala, and northwest of Brule Nebraska. The Eagle Canyon neighborhood consists of consists of 98 parcels and had three sales within our sales study period. Smaller tracts of land are value by price per square foot by tiers. Tier 1 Average lots and Tier 2 lakefront lots. The average lots (Tier 1) are valued from 1 to 20,000 square feet at \$1.25 per square foot, from 20,001 to 43,560 square feet (1 acre) at \$0.424 per square foot. The larger lots are valued by acre starting with the first acre at \$35,000, from 1.01 to 2 acres valued at \$15,000 per acre, from 2.01 to 3 acres valued at \$1,000 per acre, and 3.01 acres and up are valued at \$550 per acre. The second tier is for lakefront lots starting from 1 to 20,000 square feet the value is \$1.75 per square foot, and from 20,001 to 43,560 square feet valued at \$0.42449 per square foot. For the larger properties the first acre starting at \$45,000, for 1.01 to 2 acres they are valued at \$15,000 per acre, from 2.01 to 3 acres they are valued at \$1,000 per acre, and 3.01 acres and up they are valued at \$550 per acre.

The Shores Neighborhood 9022, is a fairly new subdivision. There are 22 parcels in this neighborhood that are split into three tiers and valued at price per acre. The tiers are as follows: tier 1, which is lake front parcels and valued at \$100,000 per acre, tier 2 which are average lots and are valued at \$95,000 per acre, and tier 3 which are described as low lots are valued at \$65,000 per acre. This neighborhood had three sales in Tier 1 during this sales study period.

LAKE RESIDENTIAL DEPRECIATION TABLES

New depreciation tables were created for Lake Residential, or Valuation Group 5, for assessment year 2020. The depreciation tables were created and derived from the sales for the study period October 1, 2017 to September 30, 2019. There are four depreciation tables created for Lake Residential (05). All single family homes are 307, lake mobile homes are 310, lake duplexes are 308, and lake townhomes are 309.

LAKE FINAL REAPPRAISAL CONCLUSION

Several variations of the final Statistical Analysis's using the Assessment to Sales Ratio were ran after all the deprecation tables were applied to the properties to make sure the subclasses in the market area were within the state standard range. The overall lake Assessment to Sales Ratio Statistical Analysis median ratio is now at 95.18%. Lake Assessment to Sales Ratio Statistical Analysis Ratio medial for south is now at 95.06% and north is now at 95.96%

The Cost Approach to value is based on using 06/19 Marshall and Swift costing tables. The condition of the improvements for stick built homes, modular, singlewide, doublewide, triple wide, or manufactured homes varies from 1 - worn out, 2-poor, 3-below normal, 4-normal, 5-above normal, 6-good. The quality of the improvements for stick built, modular, and singlewide, doublewide, triple wide, or manufactured homes range from 1-poor, 2-fair, 3-average, 4-good, 5-very good and 6-excellent.

The Income Approach to value was not used with properties in the residential neighborhood of the Lake. As mentioned, the current highest and best use is mostly single family dwelling. For the future we will be studying the use of nightly vacation rentals such as Air B & B's and VRBO's that we are seeing in the lake neighborhoods and the effect they are having on the increasing market. It is unknown at this time the outcome that will take place in how to value them. We know they will be income producing and we will be researching these for the years to come. However, gaining the income information from property owners usually deems impossible to value with the Income Approach.

There are 4 K-areas at the Lake. These are homes that the property owner owns but the land that they are located on they don't own. This land is owned by Central Nebraska Public Power. The property owners lease this land from them, however, due to the high sales of the lake properties a leasehold value was added on to all K-areas several years ago for the right to use that land, the access to the water, size of the lot, and the location. Even though they are leasing this area it isn't income producing. The typical use for Lake Residential properties are not income producing and is not the appropriate technique to value these types of properties, therefore it wasn't used.

The Sales Comparison Approach was not used because the limited number of sales of similar properties in the same location and insufficient details of inside information.

LAKE MOBILE HOME PARKS RESIDENTIAL NEIGHBORHOODS

There are 20 mobile home park residential neighborhoods around the Lake. On the south side of Lake McConaughy there are three Lake MHP neighborhoods which include: 9402 Bob's Place, 9403 Hooks, and 9410 Van's Lakeview. This leaves 17 North Lake MHP neighborhoods that include: 9401 Kingsley Kort, 9404 J C Cedarview, 9406 Hilltop Hidaway, 9407, 9408, 9409 Northshore Lodge, 9411 Bridgeport Boat Club, 9412 Catcus Hills, 9413, 9414, 9415 Ottercreek, 9416 Sanderosa Boat Club, 9417 Albee's 3rd MHP, 9418 Omaha Beach, 9419 Inland Seas MHP, 9420 Martinview Trailer Court, and 9421 Bayside Villa MHP.

STATISTICAL ANALYSIS REPORT

The preliminary Assessment to Sales Ratio Statistical Analysis was at 64.75%. The sales study period for Assessment Year 2020 was from October 1, 2017 to September 30, 2019.

FIELD REVIEW

These Mobile Home Park Neighborhoods had a complete reappraisal for Assessment Year 2020. Every parcel was reviewed and photographs were taken on all of the properties. The improvements were all reviewed by re-measuring, quality and condition.

SOUTH LAKE MHP NEIGHBORHOODS DESCRIPTION AND LEASEHOLD VALUE

Bob's Place 9402, is located on the southwest side of Lake McConaughy in section 36, township 15 and range 40. There are 11 parcels in this area. The leasehold value for each parcel is \$1,000 per lot. There was one sale during this study period.

Hooks 9403, is located on the southwest side of Lake McConaughy in section 25, township 15 and range 40. There are 20 parcels in this area. The leasehold value for each parcel is \$5,000 per lot and there was one sale in this study period.

Van's Lakeview 9410, is located in the southwest side of Lake McConaughy in section 25, township 15, and range 40. There are 85 parcels in this area. The leasehold value for each parcel is \$10,500. There were nine sales in this study period.

NORTH LAKE MHP NEIGHBORHOODS DESCRIPTION AND LEASEHOLD VALUE

Kingsley Kourt (Formerly Kingsley Lodge) 9401, is located on the east side of Lake McConaughy in section 3, township 14, and range 38. There are 13 parcels in this neighborhood. The leasehold for each parcel is \$1,000 per lot and there were three sales during this study period.

JC Cedarview (Formerly Al and Dee's Cedar Vu) 9404, is located on the north central side of Lake McConaughy in section 6, township 15, and range 40. There are 17 parcels. The leasehold for each parcel is \$3000 per lot. There were no sales in this area.

Hill Top Hidaway 9406, is located on the north central side of Lake McConaughy in section 8, township 15m and range 39. There are 11 parcels. The leasehold for each parcel is \$9,000 per lot. There was one sale during this study period.

North Shore Lodge is divided by two neighborhoods. It is located on the north central side of Lake McConaughy in section 22, township 15, and range 39. Neighborhood 9408 has 122 parcels and had 12 sales. These are considered average lots with a leasehold value of \$18,000 per lot. 9409 has 49 parcels and five sales. They are described as lakefront parcels because they are closest to the lake and have a leasehold valued of \$26,000 per lot.

Bridgeport Boat Club 9411, is located in the northwest area of Lake McConaughy in the Albee's subdivision area in section 6, township 15, and range 40. There are eight parcels in this subdivision with a leasehold value of \$5,000 per lot. There were no sales in this area.

Cactus Hills 9412, is located in the northwest area of the lake in section 4, township 15 and range 40. There are 31 parcels in this park with a leasehold value of \$3,000 per lot. There were three sales in this area.

Otter Creek Lodge is also located in section 4, township 15 and range 40 and sits just south of Cactus hills south of the railroad tracks and Highway 92. Otter Creek Lodge mobile home park has three different neighborhoods within the park, however for 2020 the leasehold value is the same at \$9,000 per lot. 9413 are the lots closest to the lake and are considered good lots. There are 33 parcels in this neighborhood and had one sale. 9414 are considered back lots and there are 32 parcels in this neighborhood, with one sale. 9415 is considered Otter Creek west lots there are 16 parcels in this area and didn't have any sales.

Sanderosa Boat Club 9416, is also located in the Albee's subdivision on the far northwest side of Lake McConaughy. There are 12 parcels in this area and the leasehold value is \$5,000. There were not any sales in this area.

Albee's 3rd MHP 9417, is also located in Albee's Subdivision. There are 26 parcels in this mobile home park and the leasehold value is \$7,000 per lot. 9417 had one sale during this study period.

Omaha Beach Trailer Park 9418, is also located on the far west side of Lake McConaughy north of Albee's Subdivision and north of Highway 92 in Section 2, township 15 and range 41. There are 16 parcels and the leasehold is \$1,000 per lot. There were two sales in this neighborhood.

Inland Sea's MHP 9419, is located on the far northeast of Lake McConaughy in section 20, township 15 and range 38. There are 31 parcels and the leasehold value is \$7,000 per lot. There was one sale during the study period.

Martinview Trailer Court 9420, also located on the northeast side of Lake McConaughy in section 20, township 19, and range 38. There are 19 parcels and this area does not have a leasehold value per lot. This mobile home park also had one sale during our study period.

The last lake mobile home park is Bayside Villa MHP 9421. This is located in the northeast side of Lake McConaughy in section 20, township 15, and range 38. There are 33 parcels in this neighborhood and the leasehold value is \$5,000 per lot. There were four sales during our current study period.

DEPRECIATION TABLES

A new depreciation table was created for Assessment year 2020. This depreciation table was created and derived from the current sales study period. The depreciation table for all Lake mobile home parks is 303.

FINAL CONCLUSION

There was a total of 46 sales during our current study period for all Lake Mobile Home Parks. The Assessment to Sales Ratio Statistical Analysis median is at 99.22% and is within state standards of 92-100%.

With the complete reappraisal for all Lake Neighborhoods, for Assessment year 2020, current costing tables were updated. The Cost Approach to value is based on using 06/19 Marshall and Swift costing tables. The condition of the improvements for campers, singlewide, doublewide, triple wide, or manufactured is from poor to excellent. The quality of the improvements campers, singlewide, doublewide, triple wide, or manufactured homes is poor to excellent.

The Income Approach to value was not used with properties in the Lake Mobile Home Parks Residential Neighborhoods. As mentioned, the current highest and best use is improvements on leased land as residential properties. They are not income producing and this approach wasn't used.

The Sales Comparison Approach was not used in this neighborhood. The limited number of sales of similar properties, in the same location, and insufficient details of interior information make it hard to use this approach.

In conclusion, the final Assessment to Sales Ratio Statistical Analysis median is now at 99.22% and is within the Nebraska state standards of 92-100%. Costing tables were updated and new leasehold and depreciation tables were created from the market.

(06) KEYSTONE, ROSCOE, & SARBEN RESIDENTIAL NEIGHBORHOODS

Keystone, Roscoe, and Sarben had a complete review in 2017. The improvements on all parcels within these towns were re-measured, new photographs were taken, and quality and condition were reviewed. At that time new land, costing, and depreciation tables were created according to the market.

Roscoe is a census designated place in Nebraska with a population of 14 from the livability.com/ne/roscoe website. It sits just east of Ogallala approximately 6.5 miles. It encompasses a land area of 0.16 square miles. In Roscoe, the majority of the roads are dirt or gravel. Some of the main thoroughfares are paved. The elevation is 3,173 feet. Residential Neighborhood code 5000 makes up the community of Roscoe. Neighborhood 5000 is divided by 9% vacant land and 91% improved.

Keystone is an unincorporated community in Central Keith County, Nebraska. It sits just east of Lake Ogallala which is northeast of Ogallala. Distance from Ogallala is approximately 6.5 miles east on highway 30 to Roscoe and another 6 miles north on Keystone Roscoe Road. The population was 61 as of July 1st, 2016 from the CPDs in Nebraska. Keystone encompasses a land area of 0.2 square miles. The elevation is

3,100 feet. The majority of the roads are dirt and gravel. These roads lead to the main thoroughfares. Keystone's Residential Neighborhood codes are 5200 and 5201 with Neighborhood 5200 being divided by 33% vacant land and 67% improved. Neighborhood 5201 is divided by 29% vacant land and 71% improved property.

Sarben is located in the northeast part of Keith County, Nebraska with a population of 16. It sits just east of Lake Ogallala which is northeast of Ogallala. The distance from Ogallala is approximately 18.5 miles east on highway 30 to Paxton, then north for three miles on North Oak Street which becomes Road East T North, and another three miles east on road East 120. Sarben encompasses a land area of 0.16 square miles. The elevation is 3,008 feet. The majority of the roads are dirt and gravel. These roads lead to the main thoroughfares. The residential neighborhood codes 5100 and 5101 make up the community of Sarben. Neighborhood 5100 is divided by 21% vacant land and 79% improved. Neighborhood 5201 is divided by 55% vacant land and 45% improved property.

The Keystone Residential Neighborhoods consist of 85 parcels. Roscoe Residential Neighborhood consists of 34 parcels and Sarben Residential Neighborhoods consist of 41 parcels. Keystone had three sales, Roscoe had one and Sarben didn't have any sales during this study period.

Based on the Assessment to Sales Ratio Study for 2020, a 25% increase was made to the land tables. The land table for single base Keystone, Roscoe, and Sarben are all the same. From 1 to 13,800 square feet the value is at \$0.34 per square foot, from 13,801 to 43,560 square feet the value is at \$0.03 per square foot. If a property is measured by acre it was set at \$5,587 for the first acre. For acres 1.01 and up the value is at \$1,306 per acre. Neighborhood 5101 is Sarben River influenced properties. They are valued at \$5,500.

The Costing tables for these areas changed from June 2017 to June of 2019. Our preliminary Assessment to Sales Ratio Statistical Analyses for this area was 74.17%. For Assessment Year 2020, after costing tables were updated a 25% local factor was added to the Replacement Cost New of all the parcels. After applying these changes, our new median is currently at 95.32% and in range of the Nebraska state standards of 92-100%.

COMMERCIAL PROPERTIES

Keith County and Ogallala are made up of several different commercial Neighborhoods. The reason being that different commercial properties sell at different values depending on where they are located. Ogallala has eight different commercial neighborhoods. They include: 2005, 2010, 2011, 2051, 2052, 2053, 2700, and 9039. Other Commercial neighborhoods in the county include: Brule-Suburban 2850 and Brule 3300, Paxton Suburban 2875, Paxton 4600, 4601 and 4602, Lake-2900, 2905, 2910, 2915, 2920, 2925, Commercial Rural is 2930, and Gravel Pits is 3000.

The State of Nebraska statistically measures the Assessment to Sales Ratio to be in a range of 92-100% for all commercial property. Our Preliminary Assessment to Sales Ratio Statistical Analysis median from our appraisal file 2020 Commercial was at 89.63%. This was after recalculating our appraisal file for the current year. There were 28 commercial sales with five of those being vacant land. Four in Ogallala and one at the lake. The Lake had two improved sales, Ogallala Suburban had one sale, Ogallala commercial had 16 sales, and Paxton commercial had four sales which totaled 23 sales for our improved sales study period from October 1, 2016 to September 30, 2019. The preliminary Statistical Analysis showed that a 5% increase was needed to the land and improvements.

Commercial properties are hard to appraise in Mass Appraisal because there isn't a large number of commercial properties with the same occupancy code that have sold during the three year study period. Therefore, the sales comparison approach is difficult to perform. The Income Approach would be ideal, however, in mass appraisal it is very difficult to gain access of the income information from the property owner to complete the full approach. In these cases we work mostly with the Cost Approach to value.

We review the physical characteristics, the type of building it is, and its commercial use. These are then characterized into Commercial Occupancy Codes that are incorporated into our Assessment and Appraisal CAMA system. The size, year, style, exterior cover, roof cover, HVAC, quality, and condition as well as any miscellaneous improvements are also entered into the CAMA system with the occupancy code that results in a final improvement value called the Replacement Cost New less Depreciation. Depreciation tables are then created from the market sales and work with the age and condition of the improvements. The commercial tables that are in use currently were created in 2018 during our commercial reappraisal.

The condition of the improvements for these commercial properties range from poor to excellent and the quality of the improvements range from poor to excellent. Marshall and Swift costing tables for Commercial are using 06/2018. After recalculating the appraisal file, which allowed another year of depreciation, resulted in a low median. As stated above the preliminary statistical analysis for the appraisal file was at 89.63%. Due to the depth that was needed for the increase neighborhoods 2005, 2010, 2011, 2051, 2052, 2053, 9039, 2700, 2850, 2875, 2900, 2905, 2910, 2915, 2920, 2925, and 2930 had a blanket 5% increase added on to the appraisal file. For Neighborhoods 3300, 4600, 4601, 4602, and 3300, through 5% was added to the previous value. These changes and the increase in land tables brought us to our final Assessment to Sales Ratio Statistical Analysis median without vacant land sales at 94.08%. The State Statistical Analysis final median was at 94%.

There were two properties in our commercial study that file with the State of Nebraska Department of Revenue as Rent Restricted Housing Projects. These properties send in their income information to the State that is later sent on to our office. This information is enough to perform the Income Approach to value. For Assessment year 2020, these are the only properties that are using the income approach.

AGRICULTURAL LAND

All agricultural sales and land values were reviewed for all three market areas. Land values were set by soil type several years ago and are still being valued that way. We continue to process any irrigation transfers of certified base acres approved by the Twin Platte NRD. We continue to use the FSA maps provided from the property owners, or anyone who may lease the property. We are still working on re-sketching all agricultural/horticultural properties in the county. We are working on shelterbelts, tree's and home/farm sites that have increased through the years. Land use is reviewed as well.

New this year was the 2019 KB372 LCG Conversion, which was a state mandated soil conversion that had several changes to different LVG codes. This change effected 83 soils in Keith County. When reviewing the LVG abstract changes, a slight increase in irrigated and a large increase in grass occurred in Area 1. Area 2 had a small increase in irrigated, dry and grass. In Area 3, a large increase in irrigated, a small increase in dry and a decrease in grass occurred. These increases and decreases were then reviewed with the current sales in the Assessment to Sales Ratio Statistical Analysis for Assessment year 2020.

Area 1, or Neighborhood 1, is our North Agricultural region. The south boarder is Lake McConaughy and the North Platte River and the north boarder is the Keith County Line. This is the same Boarder on the east

and west. Our preliminary Assessment to Sales Ratio Statistical Analysis median was 74.49%. We had five verified sales in the county.

For the assessment year 2020, no changes were made to irrigation or dryland. Grass changes are: 1G1 and 1G changed from \$540 to \$495 per acre, 2G1 changed from \$505 to \$495 per acre, 2G changed from \$505 to \$450 per acre, 3G1 and 3G changed from \$460 to \$450 per acre. 4G1 and 4G stayed the same at \$450. Accretion land changed from \$445 to \$500 per acre, home sites stayed the same at \$30,000 per acre, 1st acre farm site is still at \$7,500, from 1.01 to 25 acres the farm site is still \$1,000 per acre and 25.01 and up acres will be valued at \$600 per acre. Final median is at 72.87% and is within state standards range of 69-75%.

Area 2, which is also the neighborhood code number is our Central Agricultural region. The neighborhood boundaries for this area is the South Platte River for the south boarder and the North Platte River to the north. The east and west boundaries are the Keith County boarder lines. Our preliminary Statistical Analysis median overall was 72.21%. There were nine sales for this study period.

For the Assessment year 2020, 1A1, 1A and 2A1 changed from \$3,000 to \$2,750 per acre, 2A changed from \$2,750 to \$2,650, 3A1, 3A, 4A1, and 4A stayed the same at \$2,650 per acre. Dryland changes included: 1D1 and 1D changed from \$930 to \$905 per acre, 2D1 and 2D stayed the same at \$905 per acre, and 3D1, 3D, 4D1, and 4D stayed the same as well. Grassland changes included: 1G1 and 1G changed from \$545 to \$500 per acre, 2G1 and 2G changed from \$515 to \$500 per acre, 3G1 and 3G changed from \$485 to \$475 per acre. 4G1 and 4G stayed the same at \$470 per acre. Accretion land changed from \$445 to \$500 per acre, home sites stayed the same at \$30,000 per acre, 1st acre farm site is still at \$7,500, from 1.01 to 25 acres the farm site is still \$1,000 per acre and 25.01 and up acres will be valued at \$600 per acre. Final median is still at 71.66% and is within state standards range of 69-75%.

Area 3 or Neighborhood 3, is our Southern Agricultural region. The borders for this area on the east, south and west are the Keith County boarders, and the north boarder is the South Platte River. Our preliminary Statistical Analysis median was 75.56%. There were 20 sales during this study period. Out of those 20 sales, 15 had a majority land use that was irrigation. 14 sales out of those 15 were all pivot sales. The non-pivot irrigation was a smaller sale with 75.05 acres of irrigation, .78 acres of grass and 13.4 acres of accretion. Total acres was 89.23 acres with a farm site also. Since this was the only non-pivot sale, there wasn't enough evidence to determine a discount for non-pivot irrigation, especially with the price per acre being close to the lowest pivot price per acre sale.

For the Assessment Year 2020, 1A1 and 1A changed from \$4,095 to \$3,785 per acre, 2A1 stayed the same at \$3,785 per acre, 2A changed from \$3,785 to \$3,610 per acre, and 3A1, 3A, 4A1, and 4A stayed the same at \$3,610 per acre. Dryland changes included: 1D1 and 1D changed from \$1,465 to \$1,350 per acre, 2D1 changed from \$1,360 to \$1,350 per acre, 2D changed from \$1,360 to \$1,265 per acre, 3D1 changed from \$1,260 to 1,265 per acre, and 3D, 4D1, and 4D stayed the same. Grassland changes included: 1G1 and 1G changed from \$555 to \$525 per acre, 2G1 and 2G changed from \$525 to \$500 per acre, 3G1 and 3G changed from \$495 to \$500 per acre and 4G1 and 4G stayed the same. Accretion land changed from \$445 to \$500 per acre, home sites stayed the same at \$30,000 per acre, 1st acre farm site is still at \$7,500, from 1.01 to 25 acres the farm site is still \$1,000 per acre and 25.01 acres and up will be valued at \$600 per acre. Final Median is still at 72.13% and is within state standards range of 69-75%.

All three approaches were reviewed for determining a value.

The Cost Approach to value is based on using 06/2018 Marshall and Swift costing tables. The condition of the improvements for stick built homes and modular varies from poor to excellent, and singlewide, doublewide, triple wide, or manufactured is from poor to very good. The quality of the improvements for stick built and modular range from poor to very good and singlewide, doublewide, triple wide, or manufactured homes poor to excellent. As with all rural residential properties, Areas 1, 2, and 3 improved properties had a 20% blanket increase on appraisal file values for assessment year 2020.

The Income Approach to value was not used with agricultural/horticultural land properties. An income approach would work to value agricultural/horticultural land, however the assessor's office doesn't receive the proper income information to use this approach to value and therefore was not used.

Because of the limited number of sales of similar properties in the same location and insufficient details of inside information, the Sales Comparison Approach was not completed for the area's 1, 2, and 3.

The purpose of this report is to provide documentation of the mass appraisal and market value opinion of the our Agricultural/Horticultural Land Areas 1, 2, and 3, supported from the sales market as of January 1, 2020, and is the effective date of the report. Our Assessment to Sales Ratio Statistical Analysis median for all Agland in Keith County for Assessment year 2020 is 72%.

FINAL INFORMATION

The 2020 Real Property Valuation Methodology report was completed by the Keith County assessment staff. The purpose of this report is to provide documentation of the mass appraisal and market value opinion of all properties in Keith County as of January 1, 2020, which is the effective date of the report.

This is a report for ad valorem purposes and is not intended for any other use. This assessment report was prepared in conformity with the uniform Standards of Professional Appraisal Practice, whereas Nebraska Law involves the Jurisdictional Exception Rule which we have invoked.

An individual or party receiving a copy of work file materials, reports or a written appraisal does not become an intended user of the mass-appraisal methodology report unless the county assessor has specifically identified such individual or party in the scope of work document.

When the change of value notices are mailed to property owners, the written appraisal file becomes an open public record. Values will be made available to the public through the county's website at keith.gworks.com and nebraskaassessorsonline.us. Individuals may view appraisal records for parcel characteristic data and land records information from the above websites, or from a printed report from our office from MIPS. All exhibits and work products referenced in this document will be available for inspection at the county assessor's office during regular business hours. Printouts, digital files, and document-image printouts may also be obtained through the county assessor's office.

Value disputes or challenges of individual property appraisals will be administered through the Valuation Protest process. The appraised values might change as a result of the meeting. Mass-appraisal models or techniques used to develop an opinion of value may be corrected, recalibrated, or adjusted during the appeal period.

BIOGRAPHICAL SKETCH & EDUCATION

Renae L. Zink
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Ogallala, NE 69153
308-284-8040
Fax: 308-284-8047

Employment History:

Keith County Assessor --January 1, 2015 to Present

I was elected the Keith County Assessor in November 2014 and re-elected in November 2018. Since I have been in office I have had to learn a number of duties. I am responsible for valuing all of the properties in the County of Keith. I have a staff of one Deputy, one Assessment Clerk, and two Appraisal Clerks.

Nebraska Licensed Residential Real Property Appraiser-L280227
State of Nebraska Assessors Certificate-#140506

Appraiser I

Nebraska Department of Revenue-Property Assessment Division --
November 2004 to May 2011

I started working as an appraisal assistant for the Nebraska Department of Assessment and Taxation November 2004. My duties were to take digital photographs, remeasured properties in the county, and enter the collected data. I also created online maps, helped with protest, and pickup work. On December 7, 2008 I passed the Nebraska Appraiser Licensed Exam and moved up to the position Appraiser I. I then started learning more about valuing in the county and did reappraisals on Paxton, Keystone, Roscoe, and Sarben.

Education:

- Ogallala Senior High School-Ogallala, NE- 1993
- Associate Applied Science Degree-Central Community College-Columbus, NE-1996
- C2131 Residential Data Collection-State of Nebraska Property Assessment and Taxation-Aurora, NE-May 19-20, 2005
- A0002 Fundamentals of Real Estate Appraisal-Larabee School of Real Estate- Lincoln, NE-September 20-23, 2005
- Q110502 Residential Sales Comparison & Income Approaches-The Moore Group, Inc. Lincoln, NE- October 9-10 & 16-17, 2006
- Q20601 National USPAP Course-NE-Trans-American Institute of Professional Studies, Inc. -Kearney, NE- December 14 & 15, 2006
- Q060602 Residential Report Writing and Case studies-Trans-American Institute of Professional Studies, Inc.-Kearney, NE-January 16-17, 2007
- 806-B-07 Market Analysis & Highest and Best Use-The Moore Group, Inc.-Lincoln, NE-May 1 & 2, 2007
- Basic Depreciation Class-State of Nebraska Department of Revenue, Property Assessment Division-Oshkosh, NE-August 5, 2008
- Nebraska Appraiser Licensed Examination Passed on December 7, 2008
- Workshop 191-National 7 Hour USPAP Update-International Association of Assessing Officers-Lincoln, Ne-September 1, 2009
- C2927-Problem Solving in Appraisal Practice-Mid West Appraisers Association. North Platte, NE-September 30, 2009
- C2913-The FHA Appraiser: Thriving & Surviving-The Moore Group, Inc.-North Platte, NE-October 22, 2009
- C2902-Nebraska Report Writing Update; Residential Report Writing Workshop-The Moore Group, Inc.-North Platte, NE-October 23, 2009

- IAAO Course 300-Fundamentals of Mass Appraisal-International Association of Assessing Officers-Hastings, NE-July 26-30, 2010
- IAAO Workshop 650- Cadastral Mapping-International Association of Assessing Officers, NE August 30-31, 2010
- NE: C21101-National 7 Hour USPAP Update-The Moore Group, Inc. - Lincoln, NE-April 15, 2011
- CR/CG009-Statistics, Modeling and Finance-The Moore Group, Inc. -Lincoln, NE-April 28-29, 2011
- C21210-I Challenging Assignments –The Moore Group, Inc. -On-Line, November 30, 2012
- C21401-National 7 Hour USPAP Update Course-The Moore Group, Inc. -Kearney, NE-March 26, 2014
- C21402-Report Writing Update and Case Studies-The Moore Group, Inc. -Omaha, NE-April 15, 2014
- C2838-I-Online Residential Site Valuation and Cost Approach-Appraisal Institute Professionals Providing Real Estate Solutions-On-line-November 23, 2014
- C21401-National 7 Hour USPAP Update Course-The Moore Group, Inc. -North Platte, NE-May 5, 2015
- C21402-Report Writing Update and Case Studies 7 Hour course-The Moore Group, Inc. -Lincoln, NE-April 15, 2015
- IAAO Course 101-Fundamentals of Real Property Appraisal-International Association of Assessing Officers-Kearney, NE-April 27-May 1, 2015
- Residential Listing Class-State of Nebraska Property Assessment Division-North Platte, NE-Fall 2015
- Commercial Listing Class-Vanguard Appraisals-North Platte NE-May 16, 2016
- NE:C21601-National USPAP Update course for Mass Appraisal 7 Hour-The Moore Group, Inc.-Kearney, NE-August 23-24, 2016
- C21602-Real Property Report Writing Update & Case Studies-7 hour-The Moore Group Inc.-Omaha, NE-May 16, 2017
- C21642-Investment Analysis for Income Properties-7 hour-The Moore Group Inc.-Omaha, NE-September 25, 2017
- C21608-Residential Appraising: New Things to Think About-7 hour-The Moore Group Inc-Omaha, NE-September 26, 2017
- IAAO Course 332-Modeling Concepts-30 hour-International Association of Assessing Officers-Lincoln, NE-October 2-6, 2017
- C2181101.04-2018-National 7 hour USPAP update Course-The Moore Group, Inc-Omaha, Ne-September 18, 2018
- IAAO Course 400-Assessment Administration 30 hour-International Association of Assessing Officers-Kearney, NE-September 23-27, 2019
- NRPAB-2151431.04-Better safe than Sorry-7 hour-The Moore Group, Inc-Lincoln, Ne-October 29, 2019
- NRPAB-2181416.04-Appraisal of Small Residential Income Properties-7 hour-The Moore Group, Inc-Lincoln, Ne-October 30n 2019