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PAAB

PROPERTY ASSESSMENT APPEAL BOARD

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-107-10065C

Parcel No. 8947-28-136-001

Sioux Falls Environmental Access, Inc.,

Appellant,

vs.

Sioux City Board of Review,

Appellee.

Introduction

This appeal came on for consideration before the Property Assessment Appeal Board (PAAB) on May 5, 2020. Roger Caudron, President of Caudron Development Consulting, LLC, represented Sioux Falls Environmental Access, Inc. Attorney Coyreen Weidner represented the Sioux City Board of Review.

Sioux Falls Environmental Access, Inc. (SFEA) owns a commercial classified property located at 1019 Jones Street, Sioux City, Iowa. The subject parcel's January 1, 2019 assessed value was set as $482,000. (Ex. B).

SFEA petitioned the Board of Review asserting its property was assessed for more than the value authorized by law and that the property is exempt from taxation. Iowa Code § 441.37(1)(a)(2 & 3). The Board of Review modified the January 1, 2019 assessment to $425,100, allocated as $118,900 in land value and $306,200 in improvement value. (Exs. A & B).

SFEA then reasserted its claims to PAAB.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2019). PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case.

§ 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701-126.2(2-4). PAAB determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(1)(a-b). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005).

Findings of Fact

The subject property is a brick office building built in 1993 with 6016 square feet of gross building area. It is listed as a good quality construction (grade 3+00) in normal condition. The improvements also include a 288-square-foot attached utility addition built in 2002; and 12,560 square feet of concrete paving. The site is 0.865 acres. (Ex. A).

SFEA is a 501(c)(3) corporation organized under the laws of South Dakota. (Ex. 3). Its stated purpose is to provide decent, safe, and affordable housing for moderate-income, low-income, and very-low-income families. (Ex. 2).

SFEA purchased the property from LifeServe Blood Center in April 2018 for $275,000. (Ex. 7). When LifeServe owned the property it was exempt from property taxation. (Board of Review Brief, p. 2). The Assessor's Office coded the sale as D2: sale to/by government/exempt organization. (Exs. A & 6). SFEA paid cash for the property. (Ex. 7).

Caudron stated he is a consultant for SFEA and testified on its behalf. To begin, we note it is unclear whether Caudron has any personal knowledge of SFEA's operations or was personally involved in the property's sale. He stated he has "not been in [a] relationship with [SFEA] for that long" and could not testify about its creation. He had no knowledge about whether its creation was aided by any charitable contributions. No foundation was laid regarding his testimony about SFEA's operations or the normalcy of the sale. As such, while we have no reason to find his testimony not

credible, we find his ability to offer relevant testimony is limited by his lack of personal knowledge. SFEA did not offer any other witnesses.

Caudron stated both LifeServe Blood Center and SFEA are non-profit entities but asserts this is not relevant to the proceedings. He also acknowledged the property had been vacant for an extended period of time when SFEA purchased it. Exhibit 6 shows a permit was obtained in November 2018 for an interior remodel of the property. In Caudron's opinion, the transaction was arm's-length because it was between a willing buyer and seller and therefore reflective of the actual market value. He is unaware if an appraisal was completed for the subject property at the time of its sale. Other than the 2018 purchase price, SFEA did not offer any evidence of the fair market value of the subject property as of January 1, 2019.

SFEA does not occupy the subject property, rather Oakleaf Real Estate Management Company (Oakleaf) manages SFEA's properties from the subject location. SFEA acquired Oakleaf in 2001. Oakleaf is a full service property management company that specializes in the management of affordable housing projects in Iowa, Nebraska, and South Dakota. (Ex. 7). Oakleaf manages 23 projects totalling 1354 units. (Ex. 3). Oakleaf is a for-profit corporation and a wholly owned subsidiary of SFEA. (Ex. 3). Caudron was not able to testify why Oakleaf was established as a for-profit entity. He argues Oakleaf is merely an extension of SFEA in that it is the manager for these properties owned by SFEA. Caudron referred to Oakleaf as the "property management arm" of SFEA. He argues Oakleaf's use of the subject property is an extension of the corporate entity, SFEA, doing its business through Oakleaf, and is therefore exempt.

Caudron noted the majority of the rental projects owned by SFEA are located in Iowa. (Ex. 3, p. 2). All of these rental projects are Section 42 or Section 8.[1] The seventeen Section 42 rental projects have 923 units. He believes the subsidized rent provided to tenants qualified as charity. Caudron testified the rents for SFEA's low-

[1] Caudron testified most of the properties have a Section 8, project-based assistance agreement with HUD. "Under project-based assistance, the Department of Housing and Urban Development (HUD) makes housing assistance payments to owners to make up the difference between what the tenant pays in rent and the total amount of rent for the housing unit. Participants in the program make rental payments based on their income and ability to pay." *Horizon Homes Of Davenport v. Nunn*, 684 N.W.2d 221, 222 (Iowa 2004) (quoting *Truesdell v. Philadelphia Hous. Auth*., 290 F.3d 159, 161 n. 2 (3d Cir. 2002)).

income housing properties are set by the government. Tenants pay a portion of the set rent and the government pays the difference to SFEA.

Caudron explained Oakleaf has some level of on-site maintenance, rental management, or advocacy of tenants at each SFEA rental property. In Caudron's opinion, because Oakleaf is a subsidiary of SFEA, carries out SFEA's charitable purpose, and operates out of the subject building, the property must be exempt from taxation. Caudron also testified the subject is strictly an office building. The Board of Review acknowledges that Oakleaf runs its business out of the subject property but questions whether the subject property itself is being used for charitable purposes under Iowa Code Section 421.1(8). (Board of Review Brief, p. 2-3).

Caudron testified that Oakleaf does not pay rent to SFEA; and SFEA does not pay Oakleaf employees. Oakleaf collects a fee from each of the properties owned by SFEA. Caudron did not know if Oakleaf manages property for any entity other than SFEA. Caudron testified that Oakleaf had a $324,000 loss in 2018 and around an $80,000 loss in 2019, which is assumed and funded by SFEA. If and when Oakleaf has a profit, it is benefited to SFEA.

The Board of Review did not offer any witnesses and did not submit any additional evidence beyond that required by PAAB.

Conclusions of Law

SFEA is a 501(c)(3) registered non-profit organization that owns the property that is the subject of this appeal. It asserts its property is over assessed and exempt from taxation under section 427.1(8).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted).

Under Iowa law, there is no presumption that the assessed value is correct.

§ 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.; Compiano v. Bd. of Review of Polk Cnty.,* 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted). To shift the

burden, the taxpayer must "offer[] competent evidence that the market value of the property is different than the market value determined by the assessor." Iowa Code § 441.21(3). To be competent evidence, it must "comply with the statutory scheme for property valuation for tax assessment purposes." *Soifer,* 759 N.W.2d at 782.

Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). Sale prices of property in abnormal transactions not reflecting market value shall not be taken into account or shall be adjusted to account for market distortion. *Id*.

SFEA solely relies on the sale price of the subject property to establish its market value. The sale price of the subject, however, does not necessarily and conclusively establish its market value. *Riley v. Iowa City Bd. of Review*, 549 N.W.2d 289, 290 (Iowa 1996). Although the subject property has recently sold, the record indicates it sold from an exempt entity to SFEA, a 501(c)(3) organization. Additionally, SFEA paid cash for the property. Here we find the conditions of this sale raise questions about its reliability as representative of its market value, and SFEA offered no other evidence to support a conclusion that this sale is consistent with fair market transactions of comparable properties. Because of the conditions of the sale and the lack of corroborative evidence of value, we are not persuaded SFEA has demonstrated the property is assessed for more than its market value.

We now examine SFEA's exemption claim.

"Exemption statutes are premised on the theory that the benefits received by the community from the facility outweigh the inequality caused by the exemption of the property from taxation." *Bethesda Found. v. Bd. of Review of Madison Cnty.*, 453 N.W.2d 224, 226 (Iowa Ct. App. 1990) (citing *Richards v. Iowa Dep't of Revenue*, 414 NW.2d 344, 351 (Iowa 1987)). They are "a legislative recognition of the benefits received by society as a whole from properties devoted to appropriate objects of exempt institutions and the consequent lessening of burden on the government." *South Iowa Methodist Homes, Inc. v. Bd. of Review of Cass Cnty*., 136 N.W.2d 488, 490 (Iowa 1965). Statutes exempting property from taxation must be strictly construed, and any doubt must be resolved in favor of taxation. *Care Initiatives v. Bd. of Review of Union Cnty*., 500 N.W.2d 14, 16-17 (Iowa 1993). "Taxation is the rule and exemption the

exception." *Bethesda Found.*, 453 N.W.2d at 226 (internal citations omitted). The burden is upon the one claiming the exemption to prove that the property falls within one of the exemption statutes. *Care Initiatives*, 500 N.W.2d at 17. Exemptions from taxation must be decided on a case-by-case basis. *South Iowa Methodist Homes, Inc. v. Bd. of Review,* 173 N.W.2d 526, 532 (Iowa 1970).

SFEA, a non-profit corporation, believes its office building occupied by its subsidiary Oakleaf, a for-profit corporation, should be exempt under Iowa Code section 427.1(8).

Subsection 8 provides an exemption from real property taxation for property owned and or leased by certain charitable, benevolent, educational, and religious organizations. It states:

> Property of Religious, Literary and Charitable Societies. All grounds and buildings used or under construction by literary, scientific, charitable, benevolent, agricultural and religious institutions and societies solely for their appropriate objects, not exceeding 320 acres in extent and not leased or otherwise used or under construction with a view to pecuniary profit.

Id.

The Iowa Supreme Court noted in *Carroll Area Childcare Ctr., Inc. v. Carroll County Board of Review*, 613 N.W.2d 252, 254-55 (Iowa 2000), that it has repeatedly held that an entity must prove the following three factors by a preponderance of the evidence to establish the tax exempt status of its property: (1) the entity was a charitable institution at the time of the claimed exemption, (2) the entity did not operate the facility with a view to pecuniary profit, and (3) the actual use of the facility was solely for the appropriate objects of the charitable institution. "If [SFEA] fails to meet this burden of proof on a single factor, its claim for property tax exemption must fail." *Sioux Ctr. Cmty. Hosp. & Health Ctr. V. Bd. of Review of Sioux Cnty.,* No. 05-1278, 2016 WL 1230012 *2 (Iowa Ct. App. 2006).

SFEA believes it is a charitable institution because it offers low-income housing. SFEA contends the administrative office building occupied by its for-profit subsidiary, Oakleaf, is used solely for managing SFEA's low-income housing operations.

Essentially, it argues Oakleaf is a corporate extension of SFEA and the property is used for appropriate purposes and thereby qualifies for exemption.

The Board of Review argues that SFEA is not a charitable institution. Further, it contends that because the property is being used by a for-profit entity, it is not being used for charitable purposes.

The parties frame the legal questions differently, based on their opinions about the legal significance of Oakleaf's occupation of the property.[2] Understanding that, we think the basic questions before us are 1) whether SFEA and/or Oakleaf are charitable institutions, and 2) is the subject property being solely used for the appropriate objects of a charitable institution?

1. Are SFEA and/or Oakleaf charitable institutions?

Caudron's testimony indicated SFEA owns and operates both Section 42[3] and Section 8 housing. He argues the subsidized rent offered at these properties amounts to charity and thus SFEA is a charitable institution. The Board of Review contends that the charity offered at these properties is actually from the government, and cites to *Dow City Senior Citizens Hous., Inc. v. Bd. of Review*, 230 NW.2d 497 (Iowa 1975) in support of its position.

The Iowa Courts "give the term 'charitable' in the tax exemption statute a broad definition." *Care Initiatives*, 500 N.W.2d at 17. "The mere fact that an institution is a nonprofit corporation does not make it a charitable institution." *Bethesda Found.*, 453 N.W.2d at 227 (citing *Dow City S*, 230 NW.2d at 499). In determining whether an institution is charitable, the courts look at a number of factors, including whether the institution received a federal tax exemption based on charitable status, and whether the

[2] The Board of Review asserts this case is analogous to *Okoboji Yacht Club Sailing School, Inc. v. Dickinson County Board of Review*, 2002 WL 31528467 (Iowa Ct. App. 2002). (BOR Brf. pp. 3-4). In that case, the court found that the Sailing Club, which owned the property, generally qualified for property tax exemption as an educational organization. However, the portion of the property it leased to the Yacht Club, also a non-profit organization, was not entitled to exemption because its purposes were commercial and for profit. *Id*. * 3. The court found the Yacht Club's use of the property was not in furtherance of the appropriate objects of the Sailing School. *Id.* SFEA distinguishes its arrangement with Oakleaf from *Okoboji Yacht Club* arguing the Yacht Club was not a wholly owned subsidiary of the parent corporation charged with doing the business of the parent corporation. We decline to reach a holding based on this case, because we reject SFEA's request for an exemption on other grounds.

[3] Internal Revenue Code section 42 establishes the low-income housing credit program. 26 U.S.C. § 42.

institution's articles of incorporation reveal charitable purposes. *Bethesda Found.,* 453 N.W.2d at 227. When determining the charitable status of an institution, its stated purpose is less important than the actual use of the facility. *Id*. The courts have also placed importance upon whether contributions of money, goods, and services played some part in the establishment and operation of a charitable institution. *Richards*, 414 N.W.2d at 353; *Evangelical Lutheran Good Samaritan Soc'y,* 200 N.W.2d 13 509, 512 (Iowa 1972); *Victor Health Ctr. v. Bd. of Review*, No. 04-1355, 2005 WL 1964479 (Iowa Ct. App. 8 2005) (unpublished). Additionally, the courts have held, "[o]ne manner of providing gratuitous or partly gratuitous care is to subsidize the care of those who are unable to pay. Another route of meeting the gratuitous or partly gratuitous requirement is to use charitable contributions to cover the cost of establishing the facility and some portion of ongoing operating expenses, thereby subsidizing the cost of the facility for all persons who use it, regardless of their ability to pay." *Carroll Area Child Care*, 613 N.W.2d at 257. We further note "our supreme court has held there is no necessity under the law that charitable contributions form a certain threshold percentage of an institution's budget before the institution can be considered charitable." *Bethesda*, 453 N.W.2d at 227 (citing *Richards,* 414 N.W.2d at 353).

The record shows SFEA is exempt from federal taxes and is organized for charitable and educational purposes, but this is not determinative of charitable status for the purposes of section 427.1(8). The occupant of the property, Oakleaf, is a for-profit enterprise with no apparent charitable or educational purpose. There is also no evidence suggesting that contributions of money, goods, or services played any part in the formation or continued operations of SFEA or Oakleaf. In total, these factors tend to weigh against concluding SFEA/Oakleaf are charitable institutions.

The record lacks even a scintilla of evidence to conclude that SFEA's operation of low-income housing is in fact charitable. SEFA submitted no evidence that it has a policy for admission without regard for ability to pay; there was no evidence it had ever waived rent; and there is no evidence of community support. *See Partnership for Affordable Housing, Ltd. v. Bd. of Review for City of Davenport*, 550 N.W.2d at 161, 166-67 (Iowa 1996) (examining four factors when weighing whether the Partnership was entitled to an exemption: 1) the establishment and operation of the property; 2) the

policies and practices related to admission; 3) community support; and 4) the benefits provided to the community).

By far the most significant factor weighing against finding SFEA/Oakleaf are charitable institutions is the fact that any charity provided to residents of SFEA properties, in the form of subsidized housing, does not come from SFEA/Oakleaf; it comes from the government and public. First, we note the construction of Section 42 properties is financed, in part, through federal tax credits issued to the developer. Richard E. Polton, *Fundamentals of the Low Income Housing Tax Credit Program*, 73 THE APPRAISAL JOURNAL 39, 40 (Winter 2005) ("Therefore, approximately between 40% and 90% of the project's costs, depending on the program, will generate tax credits that can be sold to investors to offset the development costs."). See also *Huron Ridge LP v. Ypsilanti Tp*., 737 N.W.2d 187, 188-189 (Mich. Ct. App. 2007). Further, Section 42 properties are not exempt from property taxation, but are valued for taxation under special provisions of section 441.21(2). Unlike most property, Section 42 housing units are not valued at their market value but instead are assessed for taxation based on their actual income, which generally results in a valuation less than market value. In this way, rent restrictions on the Section 42 units are offset by reduced property tax obligations. Through the facilitation of federal tax credits and the use of special property assessment methodology, it is apparent the government and public, not SFEA/Oakleaf, is offering charity to the property's tenants. For their part, apartment complexes accepting Section 8 housing assistance also do not necessarily qualify for exemption. As recognized in *Partnership for Affordable Housing, Ltd. v. Bd. of Review for City of Davenport,* 50 N.W.2d 161, 168 (Iowa 1996), wherein Section 8 housing assistance is provided to aid in the housing of low-income tenants, the charity is from the federal government, not the property owner. See also *Horizon Homes of Davenport v. Nunn*, 684 N.W.2d 221, 222-23 (Iowa 2004) (describing forms of assistance from the federal government for Section 8 housing).

In *Dow City Sr. Citizens Housing, Inc. v. Bd. of Review of Crawford Cnty*., 230 N.W.2d 497, 499 (Iowa 1975), the Iowa Supreme Court recognized the low-rent housing for which the taxpayer sought a property tax exemption was funded largely through a low-interest federal government loan. In evaluating the taxpayer's exemption claim, the

Court noted it "has not shown the exemption statute should be applied in its favor to create an additional burden on other property taxpayers in the community." *Id*.

A similar rationale applies here where SFEA is already the beneficiary of federal tax credits and reduced property tax obligations on its Section 42 rental units and its Section 8 units are occupied by the virtue of federal subsidies. There is no evidence that SFEA/Oakleaf are offering any of their own charity to support the low-income housing or that the governmental assistance is insufficient to cover expenses. *Compare Bethesda Found*., 453 N.W.2d at 227-28 (despite receiving government payments, foundation that owned elderly care center and apartments still qualified as charitable institution where it was shown no patients were denied care due to inability to pay, government payments did not cover full cost of care, and donations and contributions of services facilitated operations). SFEA/Oakleaf now seek the additional benefit of a full property tax exemption for its administrative office building. We cannot say, under the circumstances, that SFEA and Oakleaf are lessening the burdens of government such that its office building is deserving of exemption. There may be a case where the administrative office building of a low-income housing non-profit warrants such an additional benefit based on its charitable contributions, but we do not believe this is such a case.

Based on the foregoing, we find SFEA is not a charitable institution for the purposes of section 427.1(8). Because we conclude SFEA is not a charitable institution, its exemption claim must fail and our inquiry could end here. *Sioux Ctr. Cmty. Hosp. & Health*, 2016 WL 1230012 *2. Nevertheless, we will also examine whether the property is used solely for appropriate objects.

2. Is the subject property used solely for the appropriate objects of a charitable institution?

In examining the use of the property for charitable purposes, the Iowa Courts have repeatedly recognized "the actual use of the facility is more important than its stated purpose." *Bethesda Found*., 453 N.W.2d at 227. The Court has identified two separate tests for determining whether a property's use is charitable - a less demanding

test based on the organization's charitable status and a more-demanding test based on the subject property's actual use.

The less demanding "actual use test" is applied where a property is operated by an entity that qualifies as an exempt institution independent of its activity on the property. "The phrase 'solely for their appropriate objects' is a much less demanding requirement for those religious, educational, and charitable organizations who clearly qualify as such without regard to the use of the property at issue." *St. Ambrose University v. Bd. of Review for City of Davenport*, 503 N.W.2d 406, 407 (Iowa 1993); see also *Camp Foster YMCA v. Dickinson Cnty. Bd. of Review,* 503 N.W.2d 409, 441 (Iowa 1993). "This is because the very reason for the existence of those institutions is to carry on charitable, educational, and religious activities. Consequently, the use of their property for an activity within their mission will ordinarily be consistent with exempt status." *Id*.

In *St. Ambrose*, a university sought a property tax exemption for a child care facility it operated to "promote enrollment and attendance by single parents or parents of school-aged children . . . and to accommodate St. Ambrose's employees." *Id*. at 406. The Court found the university is "clearly both an educational and a religious organization without regard to its use of the property at which the day-care facility is housed." *Id.* at 407-408. It concluded the "day-care activities are for the direct benefit of students and faculty and facilitate their respective educational goals." *Id.* at 408.

Camp Foster involved YMCA-owned property used for preschool and child care activities. 503 N.W.2d at 410. Applying the less demanding actual use test, the Court stated, "if the taxpayer is shown to be a charitable, religious, or educational organization or society independent from its use of the property for which the exemption is being claimed, the exemption may be granted if that use fosters an activity that falls fairly within the mission of the institution." *Id.* at 411. The Court found the YMCA authorized this activity to promote its mission and meet a recognized community need and YMCA funds were used to satisfy this need. *Id.*

In contrast, "a more demanding 'actual use' test is imposed in those situations in which the challenged use is the primary basis for the claim of exemption." *St. Ambrose University,* 503 N.W.2d at 407. This was the test applied in *Carroll Area Child Care* in

which the “sole charitable activity of the Center is the operation of the child care facility.” 613 N.W.2d at 256. Accordingly, the Court had to determine whether the operation of the child care facility was itself charitable. *Id.*

Here, it is not argued, and we cannot conclude, that charitable activities are taking place on the subject property. Rather, SFEA contends its office building should be exempt by virtue of activities taking place at other property it owns and operates - the low-income housing units. Its exemption claim is thus predicated on the assumption that SEFA’s operation of low-income housing qualifies as charitable under the statute. Based on the arguments and evidence, we find there is no basis to conclude the subject property qualifies for exemption under the more demanding test; we consider now whether it might qualify as charitable under the less demanding test espoused in *St. Ambrose University* and *Camp Foster.*

Even if we were able to conclude SFEA was a charitable institution for purposes of section 427.1(8), the administrative office building must still fulfill the SFEA’s mission. In *Camp Foster*, the Court noted the board of directors specifically authorized the preschool and day-care operations “to promote the general mission of the YMCA through meeting a recognized need of the community.” 503 N.W.2d at 411. It also recognized that YMCA funds, which could have been used for other charitable purposes, “were instead committed to the satisfaction of this need.” *Id*. Similarly, in *St. Ambrose University,* the Court found the day-care facility there facilitated the institution’s educational purpose. 503 N.W.2d at 408.

No one from SFEA testified that the establishment of this administrative office building was designed to fulfill the mission or purpose of SFEA, or to address a recognized community need. This matter is complicated further by the fact that the property is being used by a for-profit entity, even if it is a subsidiary of SFEA. Without a showing that SFEA’s housing units are being operated in a charitable manner, we are hard-pressed to conclude its administrative office building qualifies for a charitable use exemption, even under the less demanding test. SFEA has not provided any case law supporting a property tax exemption for an administrative office building used in similar circumstances by a for-profit entity, even as a wholly owned subsidiary of a non-profit organization, and we conclude the facts presented here do not warrant an exemption.

We find the office building is not being used solely for the appropriate objects of a charitable institution and deny the exemption.

Order

PAAB HEREBY AFFIRMS the Board of Review action and upholds the Assessor's determination that the subject property is not tax exempt under Iowa Code section 427.1(8). PAAB ALSO AFFIRMS the assessed value of the property, as determined by the Board of Review.

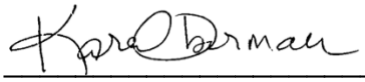
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.

Dennis Loll, Board Member

Elizabeth Goodman, Board Member



Karen Oberman, Board Member

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