

## Staff Report for 2022 State Board of Equalization

October 6, 2022

**File No.:** 2022-WEST FARGO-SVALESON

**Prepared By:** Property Tax Division

**County or City:** City of West Fargo

**Appellant:** Michael Svaleson and Deanne Schatz Svaleson

**Issue:** Appeal of residential property valuation.

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**Summary:** Michael Svaleson and Deanne Schatz Svaleson represented by Tami Norgard, Vogel Law Firm, request a reduction in valuation on Parcel 02-4958-00010-000, located at 4812 Sheyenne St., West Fargo.

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**Analysis:** The 2022 assessed value for the Svaleson parcel is \$2,673,200. Mr. and Mrs. Svaleson, represented by Tami Norgard of the Vogel Law Firm, request a reduced assessed value of \$1,871,000.

The Svalesons purchased a 7.87-acre parcel on Sheyenne Street in West Fargo in 2018. At the time of purchase, the property had a home and outbuildings. The home was demolished and replaced with a newly constructed home that was finished in 2021. The outbuildings were improved after being purchased in 2018.

Property Tax Division staff conducted an onsite inspection on August 24, 2022, with Mr. Svaleson present. The appeal was discussed with the Svalesons' representatives, Tami Norgard and Gerald Bock, independent appraiser. Staff also discussed the appeal with Nick Lee, City of West Fargo Assessor, and Paul Fracassi, Cass County Tax Equalization Director.

Two approaches to value were considered for this appeal, the cost approach and the sales approach. The cost approach, based on square footage, characteristics of the property, and local and regional multipliers, provided an estimated value of \$3,524,900.

The sales approach was considered using sales provided by Mr. Lee, City of West Fargo Assessor. The six comparable sales were all built in 2021, are located in the vicinity of the subject property, and each sold for over one million dollars. The sales approach used a square foot comparison for both land and improvements. The average assessed improvement value of the comparable sales is \$303.43 per square foot and the average assessed land value is \$9.11 per square foot. As assessed, the Svaleson property improvement value is \$322.12 per square foot and the land value is \$2.33 per square foot. The sales approach for the property resulted in an estimated value of \$4,885,220, which is higher than the assessed value of \$2,673,200.

Based on the Property Tax Division's analysis of the cost approach, the Svaleson property's estimated assessment of \$3,524,900 is higher than the assessed value of \$2,673,200. The sales approach findings show that using the average assessed value of the comparable sales for improvements and land, with the square footage of the subject property's improvements and land, the value determined is \$4,885,220 and is above the city's assessed value of \$2,673,200.

Upon review of all information submitted by the Svalesons and the city, the assessment of the subject property is reasonable and no change is necessary.

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**Recommendation:** No action required.

600 E. BOULEVARD AVE., DEPT 127  
BISMARCK, ND 58505-0599

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BISMARCK, ND 58505-0599