

Staff Report for 2023 State Board of Equalization

File No.: 2023-CASS-WEST FARGO-TEVYE, LLC

Prepared By: Property Tax Division

County or City: City of West Fargo

Appellant: Tevey, LLC

Issue: Appeal of Residential Property Valuation

Summary: Tevey, LLC, represented by Tami Norgard, Vogel Law Firm, is appealing the valuation on parcel number 02-4955-00010-000, located at 4980 Sheyenne ST, within the City of West Fargo, ND.

Analysis: The Cass County Board of Equalization approved a 2023 true and full value of \$6,448,200, with \$5,576,000 attributable to the improvements and \$872,000 attributable to the land. Tevey, LLC, represented by Tami Norgard of Vogel Law Firm, requests a reduced true and full value of \$3,136,000.

Property Tax Division staff conducted an onsite inspection on Tuesday, August 15, 2023, with Tevey staff present. The appeal was discussed with Ms. Norgard, two independent appraisers, Gerald Bock and Bill Triebwasser, and Woodhaven Management representative, Mary Quinn Templeton. Additionally, Property Tax Division staff discussed this appeal with City of West Fargo Assessor, Nick Lee, and Cass County Director of Tax Equalization, Paul Fracassi.

The income approach to value was not used to determine the value of this property because the property is being used as a residence and it is not an income producing property.

The cost approach to value was considered for this appeal. The cost approach, based on several factors including: the characteristics of the property, depreciation, location and size obsolescence, and square footage, in no specific order of significance, resulted in an estimated value of \$5,798,700 for the main house, \$225,200 for the secondary house, and \$158,700 for the outbuilding. Combined with the county approved land value of \$872,200, the total estimated true and full value for this parcel using the cost approach is \$7,054,800, which is higher than the approved true and full value of \$6,448,200.

The sales approach to value was also considered for this appeal. Current, comparable sales information was gathered from the City of West Fargo's sales ratio report for the secondary house on the Tevey parcel. The average improvement value of the comparable sales is \$232.32 per square foot. The sales approach for the secondary house on the Tevey parcel indicates an estimated true and full value of \$518,500.

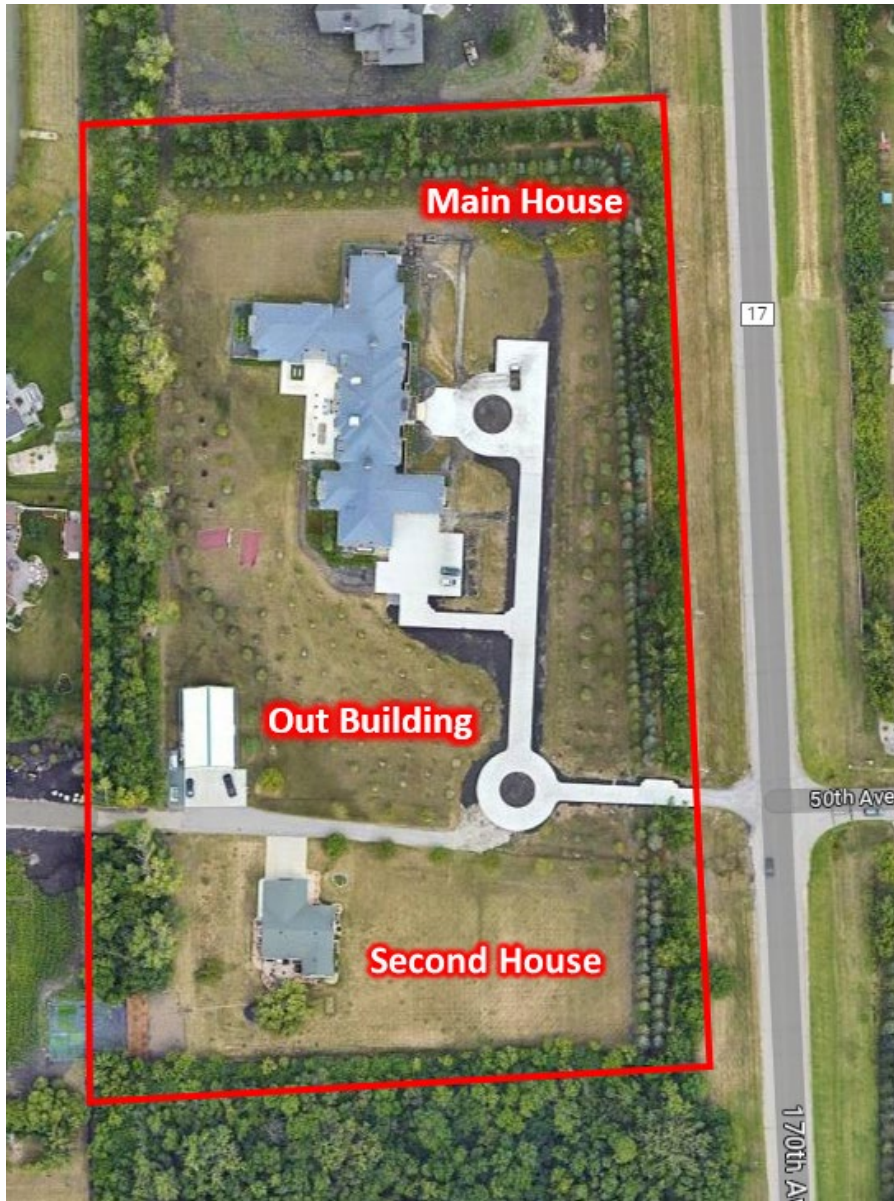
The sales approach to value was also considered for the main house on the Tevye parcel. City of West Fargo Assessor, Nick Lee, provided ten comparable sales within the City of West Fargo that sold recently for more than one million dollars. The average improvement value of the comparable sales is \$367.43 per square foot and the average land value is \$8.59 per square foot. The sales approach for the main house and land on the Tevye parcel indicates an estimated true and full value of \$7,058,200. With the additional estimated value of the secondary home and outbuilding, this results in a total estimated value of \$7,735,400, which is higher than the approved true and full value of \$6,448,200.

Property Tax Division staff also researched current, comparable sales throughout the State of North Dakota with a listed sales price of more than one million dollars. The average improvement value of the comparable sales is \$337.58 per square foot and the average land value is \$6.21 per square foot. The sales approach for the main house and land on the Tevye parcel indicates an estimated true and full value of \$5,840,300. With the additional estimated value of the secondary home and outbuilding, this results in a total estimated value of \$6,517,500, which is higher than the approved true and full value of \$6,448,200.

Additionally, Property Tax Division staff researched current, comparable sales near West Fargo but located in Minnesota that sold for over one million dollars. The average improvement value of the comparable Minnesota sales is \$557.74 per square foot and the average land value is \$10.84 per square foot. The sales approach, using those prices per square foot, for the main house and land on the Tevye parcel indicates an estimated true and full value of \$9,870,500. With the additional estimated value of the secondary home and outbuilding, this results in a total estimated value of \$10,547,700, which is higher than the approved true and full value of \$6,448,200.

Upon review of all information submitted by Tevye, LLC, all information submitted by the City of West Fargo, all information submitted by Cass County, and all independent research conducted by Property Tax Division staff, the assessment of the subject property is reasonable, and no change is necessary.

Proposal for Review: No action required.



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