

Staff Report for 2023 State Board of Equalization

File No.: 2023-WILLIAMS-WILLISTON-JMAC ENERGY PARK, LLC **Prepared By:** Property Tax Division

County or City: City of Williston

Appellant: JMAC Energy Park, LLC

Issue: Appeal of Commercial Property Valuation

Summary: JMAC Energy Park, LLC, represented by Mr. Trevor Hunter, is appealing the property value of parcels 01-172-00-10-15-150, 01-172-00-10-16-750, 01-808-00-47-25-720, 01-769-00-69-80-010, 01-769-00-69-80-100, 01-769-00-69-81-450, and 01-769-00-69-81-300 located in Williston, ND.

Analysis: Williams County Board of Equalization approved a total true and full value of \$25,256,030. Energy Property Partners LLC is requesting a true and full value of \$6,194,999 which includes land, buildings, and yard items.

Property Tax Division staff completed an onsite inspection of the property with a JMAC representative on August 21, 2023. Staff also visited with the Williams County Tax Director/Williston City Assessor Darcy Anderson and two City of Williston staff appraisers.

Consideration was given to the three approaches to value. The cost and sales approaches were deemed the most appropriate for this appeal due to the commercial nature of the buildings, yard items, and size of the parcels. The income approach is not applicable because it is not an income producing property currently.

The cost approach to value was considered for this appeal. The cost approach, based on several factors including: characteristics of the property, depreciation, local and regional multipliers, and price per square foot, in no specific order of significance, resulted in an estimated improvement value of \$25,469,976 and land value of \$4,494,702, for a total true and full value of \$29,964,678, which is more than the approved true and full value of \$25,256,030.

The sales approach to value was considered for this appeal. Current, comparable sales information was supplied by Ms. Anderson. Due to the unique use of the yard items located on the subject properties, the yard items have been removed to create a more similar comparison of the subject properties to comparable properties building and lot costs per square foot. The average square foot costs were used to calculate the building and lot values, then the yard items were added back into the total cost, resulting in an estimated improvement value of \$20,313,598 and land value of \$3,584,753 for a total true and full value of \$23,898,350. The estimated improvement true and full value of \$23,898,350, is less than the approved true and full value of \$25,256,030.

After analyzing the cost and sales approaches to value, a weighted average for sales of \$23,898,350, and cost of \$29,964,678, was used to determine a final true and full value of \$25,728,856. The slight difference between the assessed value and the value calculated by Property Tax Staff does not warrant increasing the assessed values because such opinions of assessment are subjective and can fluctuate depending on how the market is viewed.

Proposal for Review: No action required.

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