

Staff Report for 2024 State Board of Equalization

File No.: 2024-REPORT-CASS-FARGO-STERLING PROPERTIES, LLLP-PARK TERRACE

Prepared By: PROPERTY TAX DIVISION

County or City: CITY OF FARGO

Appellant: STERLING PROPERTIES, LLLP

Type of Appeal: COMMERCIAL VALUE

Appeal Issue: Sterling Properties, LLLP, represented by Lucas Seltvedt, is appealing the total property value of \$2,356,400 on parcel numbers 01-2140-00060-000 & 01-2240-03510-000, located at 420 8th Street S and 315 7th Street S, Fargo, ND.

Analysis: The Cass County Board of Equalization approved a 2024 true and full value of \$2,356,400 of which \$2,186,400 is attributable to the improvements and \$170,000 is attributable to the land.

Property Tax Division staff completed an onsite inspection on Wednesday, August 21, 2024, with representative Lucas Seltvedt present. Staff also visited with Cass County Director of Tax Equalization, Paul Fracassi, and City of Fargo Assessor, Michael Splonskowski.

Park Terrance Apartments, owned by Park Terrace Apartments LLP, is a 1966 and 1967 2-building, 3 story, 36-unit complex with limited detached garage space. Park Terrace is made up of 1-bedroom, 2-bedroom, and 3-bedroom units.

The income approach to value was considered for this appeal. The calculated value per unit is \$47,900, resulting in an estimated value of \$1,723,700, which is lower than the county approved true and full value.

The cost approach to value was considered for this appeal. The calculated value per unit is \$91,600, resulting in an estimated value of \$3,296,700, which is higher than the county approved true and full value.

The sales approach to value was considered for this appeal. The calculated value per unit is \$58,333, resulting in an estimated value of \$2,100,000, which is lower than the county approved true and full value.

Upon review of all information submitted by Sterling Properties, LLLP, the City of Fargo, and Cass County, the three approaches to value were weighted. The per unit value reached is \$66,225 for the 36-unit complex which indicates a value of \$2,384,100, which is higher than the county approved true and full value of \$2,356,400. The difference is an opinion of assessment and could fluctuate depending on how the market is viewed and does not warranty a change.

Summary: The Cass County Board of Equalization approved a 2024 true and full value of \$2,356,400 on this 1966 and 1967 2-building, 3-story, 36-unit complex. The three approaches to value indicate a value of \$66,225 per unit which comes to a total value of approximately \$2,384,100, which is higher than the county approved value of \$2,356,400. The difference is an opinion of assessment and could fluctuate depending on how the market is viewed and does not warranty a change.

Proposal for Review: No action required.
