

Staff Report for 2025 State Board of Equalization

File No.: 2025-CASS-FARGO-NETREIT FARGO, LLC - 51 BROADWAY N

Prepared By: PROPERTY TAX DIVISION

County or City: CITY OF FARGO

Appellant: NETREIT FARGO, LLC

Type of Appeal: COMMERCIAL VALUE

Appeal Issue: NetREIT Fargo, LLC, represented by Jennifer Carruth, Property Tax Resources, LLC is appealing the combined commercial value of \$14,853,900 on parcels 01-1520-00023-000 and 01-1520-00017-000 located at 51 Broadway N, Fargo, ND and 424 5th Street N, Fargo, ND.

Analysis: The Cass County Board of Equalization approved a 2025 true and full value of \$14,823,100, of which \$13,649,100 is attributable to the improvements and \$1,174,000 is attributable to the land.

Property Tax Division staff completed an onsite inspection on Tuesday, September 2, 2025, with Cole Foss. Staff also visited with Cass County Director of Tax Equalization, Matthew Stranger, and City of Fargo Assessor, Michael Splonskowski.

51 Broadway N, owned by NetREIT Fargo LLC, is a 1981 six story office building with a basement. Three of the seven floors are currently vacant with the remaining spaces leased primarily to law and investment firms, and a bank with drive-up services. Those spaces have been remodeled to reflect the professional business services provided to their clients, while the three vacant floors are of an average and dated finish.

The income approach to value was considered for this appeal. The estimated true and full value is \$19,150,700 with \$17,976,700 attributable to improvements and \$1,174,000 attributable to land, which is higher than the county approved true and full value of \$14,823,100.

The cost approach to value was considered for this appeal. The cost approach, based on characteristics of the property, depreciation, year built, and square footage, in no specific order of significance, resulted in an estimated true and full value of \$22,620,047 with \$21,446,047 attributable to the improvements and \$1,174,000 attributable to the land, which is higher than the county approved value of \$14,823,100.

The sales approach to value was considered for this appeal. The sales approach to value was used to compare similar properties to the subject property. The average improvement value of the comparable properties is \$135.86 per square foot for improvements and \$12.81 per square foot for land. Using these per square foot values and applying them to the subject property indicates a true and full value of \$15,440,050 with \$14,464,896 attributable to the improvements and \$975,155 attributable to the land, which is higher than the county approved value of \$14,823,100.

Upon reviewing all information submitted by the appellant, the City of Fargo, and Cass County, the three approaches to value were weighted for an estimated improvement value of \$17,705,563, a land value of \$1,174,000 and a true and full value of \$18,879,563, which is higher than the county approved true and full value of \$14,823,100. The difference is an opinion of value and could fluctuate depending on how the market is viewed and does not warrant a change.

Summary of Findings: The Cass County Board of Equalization approved the 2025 true and full value of \$14,823,100 on this 1981 six story office building. The three approaches to value indicate a value of \$18,879,563, which is higher than the county approved value of \$14,823,100. The difference is an opinion of value and could fluctuate depending on how the market is viewed and does not warrant a change.

Proposal for Board Review: No action required.
