



## Equalization Department

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### **Lowell Gunderson Appeal**

Parcel: 03-0875-00110-010, 03-0875-00090-000, 03-0875-00100-000, 03-0875-00020-000, 03-0875-00030-000, 03-0875-00040-000 & 03-0875-00080-020

Address: 2050 Governors Dr. (Et. Al)

#### Synopsis:

Mr. Gunderson is appealing the valuation of the Casselton Inn Hotel, RV Park, Laundromat, and 4 vacant lots. Ownership of these properties is titled to Casselton Inn, Inc and GP Real Estate Developers, LLC. All properties were part of a reappraisal completed by Vanguard Appraisals Inc, during the summer of 2017. Mr. Gunderson provided Vanguard with the financials for the Hotel and Restaurant and an income approach to value was performed by their office.

#### Review:

I met with Mr. Gunderson on Thursday, June 7<sup>th</sup> for an internal review of the hotel, and external review of the RV Park, vacant lots and laundromat. The hotel, constructed in 2003, has 55 rooms and features an indoor pool, arcade, event center, 24-hour gym, and restaurant. For the past 7 years, the hotel has licensed with Days Inn. The RV Park, added in 2005 contains 43 spaces. Mr. Gunderson acquired the Laundromat, built in 1993, during his development of the hotel.

#### Conclusion:

Vanguard Appraisals, Inc. was hired to complete a professional reappraisal of the entire city of Casselton and my review of this appeal does not show any indication that their values are inequitable in any nature. The RV Park continues to receive excellent use, which assists with the Laundromat. The Hotel is showing signs of a decline through their income stream but Mr. Ehler, from Vanguard Appraisals determined that their income supports a value of \$3,254,000. The vacant lots had substantial increases but even with the increase the current values are well below Mr. Gunderson's current asking price. It's important to note that Mr. Gunderson has not submitted any documentation defending his value. Our office feels there is no need to change the current valuations of Mr. Gunderson's properties.

## Cassleton Inn Hotel



Parcel 03-0875-00110-010 2017 Certified Value: \$2,744,600  
Address 2050 Governors Dr  
Acres 4.37

Original Value: \$3,131,600

Adjusted Value: \$3,131,600 (No Change)

The hotel has a great visual presence from the Interstate and is the only hotel located in Casselton. Vanguard gave the property a location adjustment, which may not be necessary but is considered appropriate due to the competing hotels along the interstate in West Fargo and Fargo. The hotel is of average quality finish with normal maintenance. The area previously leased to a daycare tenant was remodeled to a 24-Hour Gym with memberships available to the public. County Kitchen occupies the restaurant space and is typical franchise quality with normal maintenance. Bob Ehler, President of Vanguard Inc. reviewed the financial data submitted by Mr. Gunderson and verified that the property supports a value of \$3,254,000 based on the income approach.

**Governor's RV Park**



Parcel	03-0875-00090-000	2017 Certified Value:	\$4,000
Address	601 Industrial Blvd		
Acres	3.8		
Original Value:	\$149,500		
Adjusted Value	\$149,500 (No Change)		

The Governor's RV Park is located directly west of the hotel and has 43 spots; all containing full hook-ups. It was built in 2005 and has gravel streets with poor landscaping. Previous records show the assessor only valued this parcel as vacant land with 3.8 acres valued at \$4,000 or \$1,050 per acre. The new value of \$149,500 is the professional opinion of value from Vanguard Appraisals, Inc. who was hired to conduct a reappraisal of the city. The owner submitted no supporting evidence as to why the value should be lower and Vanguard Appraisals reviewed commercial land sales over the past three years to determine appropriate rates. When determining a value, additional obsolescence was applied to the RV Park due to its location.

## Laundromat



Parcel 03-0875-00100-000  
Address 701 Industrial Blvd  
Acres .79

Certified 2017 Value: \$79,500

Original Value: 163,500

Adjusted Value: 163,500 (No Change)

The Laundromat is located directly west of the hotel and lacks visibility from the street. It receives excellent use throughout the summer from the RV Park located adjacent and hotel guests. Vanguard completed a full inspection of the property on 07-26-2017 with a follow-up on 08-10-2017. It is typical Metal Pole Frame construction of normal condition with a small wood frame office addition that has a basement. The southern portion of the building has no insulation, liner, or heat. Based on my review and Vanguard's professional opinion of the facility I feel there is no need to make an adjustment. Metal buildings have numerous functionality and the interior can be custom fit for specific needs making them desirable purchases. A study of metal building sales in West Fargo from 2015 to present indicate a median value of \$74 per square foot. The subject has a value of \$45 per square foot which is under the median but acceptable due to location and use.



**Vacant Lots**



Parcel 03-0875-00020-000  
 Address 500 Industrial Blvd  
 Acres 2.19

2017 Value: \$3,300  
 Original Value: \$66,000  
 Adjusted Value: \$66,000 (No Change)  
 \$ per Sq Ft: \$.69

Parcel 03-0875-00030-000  
 Address 610 Industrial Blvd  
 Acres 2.29

2017 Value: \$3,300  
 Original Value \$66,500  
 Adjusted Value: \$66,500 (No Change)  
 \$ per Sq Ft: \$.67

Parcel 03-0875-00040-000  
 Address 750 Industrial Blvd  
 Acres 4.03

2017 Value \$4,500  
 Original Value: \$115,300  
 Adjusted Value: \$115,300 (NC)  
 \$ per Sq Ft: \$.66

Parcel: 03-0875-00080-020  
 Address: 471 Industrial Blvd  
 Acres: 1.42  
 \$ per Sq Ft: .86

2017 Value: \$4,000  
 Original Value: \$53,400  
 Adjusted Value: \$53,400

Mr. Gunderson is also appealing the value on his vacant lots, highlighted in red. The southwest parcel 03-0875-00080-020 is used as storage for the Hotel, RV Park, and Laundromat while the other three lots

are vacant and for sale. Mr. Gunderson stated he is having problems selling the north lots but he also confirmed that he put deed restrictions in place to limit competition from a competing hotel, restaurant, gas station, etc. He said a Dollar General store has contacted him with the hopes of purchasing. The properties are listed for sale at <https://www.pifers.com/listing/commercialdevelopment-land-sale-casselton-nd> for an amount much larger than are current value. I will continue to track these sales as they take place and determine if an increase is needed for next year.

**750 Industrial Blvd**

Lot: 750a

Size: 42,500 sq. ft. (0.98 Acres)

Location: Hwy 18 Frontage

Price: \$3.53/sq. ft.

Taxes & Specials (2017): \$225.00

Lot: 750b

Size: 26,800 sq. ft. (0.61 Acres)

Location: Hwy 18 Frontage

Price: \$3.53/sq. ft.

Taxes & Specials (2017): \$225.00

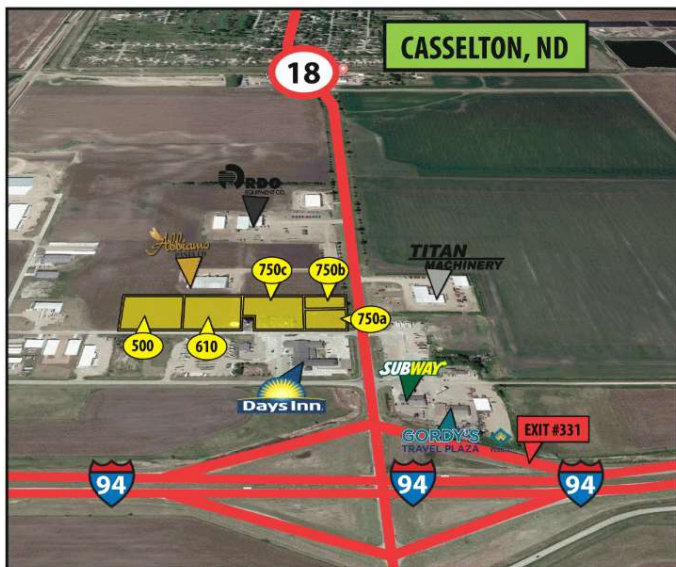
Lot: 750c

Size: 106,286 sq. ft. (2.44 Acres)

Location: Industrial BLVD Frontage

Price: \$3.53/sq. ft.

Taxes & Specials (2017): \$225.00



**610 Industrial Blvd**

Lot: 610

Size: 95,200 sq. ft. (2.19 Acres)

Location: Industrial BLVD Frontage

Price: \$1.60/ sq. ft.

Taxes & Specials (2017): \$3,715.00

**500 Industrial Blvd**

Lot: 500

Size: 95,200 sq. ft. (2.19 Acres)

Location: Industrial BLVD Frontage

Price: \$1.60/sq. ft.

Taxes & Specials (2017): \$3,554.00