



## Equalization Department

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### **Ryan, LLC – Trinity Containers**

Parcel: 02-0080-00030-000, 02-0080-00050-000, 02-0080-00060-000, 02-0097-00010-000, 02-3920-00010-000, & 02-3920-00020-000

Address: 420 Main Ave E (ET AL)

#### Synopsis:

Brett Grider, Ryan LLC is appealing on behalf of Trinity Containers for the parcels listed above. He appealed through email correspondence at both the Local & County Board of Equalization. He provided our office a cost approach analysis based on his review of the property in the summer of 2017. Nick Lee, City Assessor and Shane Marcuson, Commercial Appraiser for West Fargo reviewed the property with Mr. Grider at that time. Ryan, LLC is requesting the values for the values be adjusted as follows:

<u>Parcel</u>	<u>2018 West Fargo Value</u>	<u>Ryan Recommended 2018 Value</u>
02-0097-00010-000*	\$1,632,700	\$1,632,700
02-0080-00050-000*	\$393,400	\$293,336
02-0080-00060-000*	\$443,700	\$358,863
02-3920-00010-000*	\$1,351,100	\$710,000
02-3920-00020-000	\$11,405,000	\$9,020,028
02-0080-00030-000	\$972,100	\$618,000

\*Denotes vacant land

The West Fargo Assessment Office has reviewed the information submitted by Ryan, LLC at the County Board and a write-up, including a recommendation is attached to this summary.

#### Review:

I inspected the property on Wednesday, June 6<sup>th</sup> with two employees from Trinity Containers and Shane Marcuson, Commercial Appraiser for West Fargo. It is located directly off Main Ave and the back of the lot is adjacent to the Railroad Tracks. The zoning for the parcels is Light Industrial with exception to the 50-Acre Vacant Lot (02-0097-00010-000), which is Heavy Industrial. The main facility, parcel 02-3920-00020-000 features 2 – 20 ton & 2 – 40 ton craneways, a sandblasting facility, a paint booth and numerous office, break, and mechanical rooms. The main building, built in 1988 has numerous additions, spanning over 20 years, and maintains consistent design and workmanship as it presents itself as one seamless building. The main parcel also contains an additional building, built in 1975, that features 2 – 5 ton

craneways and additional design features that are inferior to the main parcel.

The main building on parcel 02-0080-00030-000 is a warehouse, which features an office addition added in 2004. The office is of average quality and normal condition and assumes standard office features. The placement of the office is unique but was beneficial for the previous tenant. The warehouse is below normal quality but features typical warehouse characteristics and use. Two additional metal buildings are on the north side of this parcel. The larger building is steel frame and houses a small office, bathroom, and storage mezzanine, while the smaller building pole framed with partial insulation and lining. Both buildings have gas heat and the larger has AC in the office.

The remaining four parcels are vacant land and were reviewed both on-site and through aerial imagery. Parcel 02-0080-00060-000 contains about 67,000 square feet of paving, along with an additional 40,000 that extends onto parcel 02-0080-00070-000; however, parcel 02-0080-00070-000 was not appealed at the county level.

#### Conclusion:

The City of West Fargo Assessment Office has provided a detailed write-up for each parcel based on their appraisal of the facility last summer. Ryan, LLC has provided this office a cost approach analysis, but our review of their cost approach shows that they were using outdated Cost Schedules and Modifiers. Furthermore, they graded each facility at “Low” based on their interpretation of Marshall and Swift’s Commercial Cost Manual. These two features, together, compounded into a much lower representation of value than is warranted. It is the job of each city to review sales on an annual basis and calibrate their cost tables according to what is represented in their market. Although sales of similar properties are extremely difficult to come by in a city the size of West Fargo, they reviewed regional sales, which demonstrated the current value is equitable based on the sales comparison approach. Ryan, LLC has not provided any sales to this office making it difficult to understand their use of the cost approach.

Ryan LLC, has not provided any information supporting their recommended land values but stated that they feel the value on the largest tract should be represented amongst the additional vacant lots. It’s important to note that the largest tract is a 50 acre parcel while the next largest parcel is 22 acres. The law of diminishing marginal utility supports that as a vacant land grows in size (in this case per square foot), its value per square foot decreases. For this reason, Ryan LLC’s choice of using the largest tract of land to justify a price per square foot on all the vacant land would make numerous inequities, not just on the vacant lots of the parcels being appealed, but of competing businesses and owners of vacant lots in Heavy to Light Industrial Zoned areas of West Fargo.

It is our recommendation to retain the 2018 values certified by West Fargo at their Board of Equalization.









## Assessor's Department

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6/11/18

Cass County Board of Equalization

Attached is my analysis for the properties that Ryan, LLC is appealing to the County Board of Equalization at the request of the property owner Trinity Containers LLC (02-0080-00030-000, 02-0080-00050-000, 02-0080-00060-000, 02-0080-00070-000, 02-0097-00010-000, 02-3920-00010-000, and 02-3920-00020-000)

All properties in West Fargo are valued with assistance of our Computer Assisted Mass Appraisal software (CAMA), which provides a sales adjusted cost approach. With this software, we are able to analyze sales and apply adjustments to our valuation model at the completion of our yearly sales analysis. These adjustments customize our model to our particular market. Ryan LLC has submitted their own cost approach based on Marshall & Swift, which is a nationally recognized cost model. However, since we already have valued these properties using our sales adjusted cost approach, which was done equitably across the city using West Fargo specific data, we feel providing just an additional cost model is not enough to warrant a change to our current valuation. If we are going to ultimately change the way we value all of our properties of this occupancy, the need for that adjustment has to be displayed by providing comparable sales supporting the assertion our value is incorrect. To date, there have been no such comparable sales provided. We researched the upper Midwest and found the best comparable sales we could, which indicate our values are within an acceptable range. Additionally, the appeals regarding vacant land as well as the land values used on the cost sheets provided had no supporting documentation for how they arrived at their value. There was also no value distinction between land in the industrial park and land along Main Ave (a main corridor).

I have broken my comparables into heavy industrial, metal warehouse, land on Main Ave, and land in the industrial park. After reviewing our records and reviewing the sales it is our determination that the current values are both equitable and accurate.

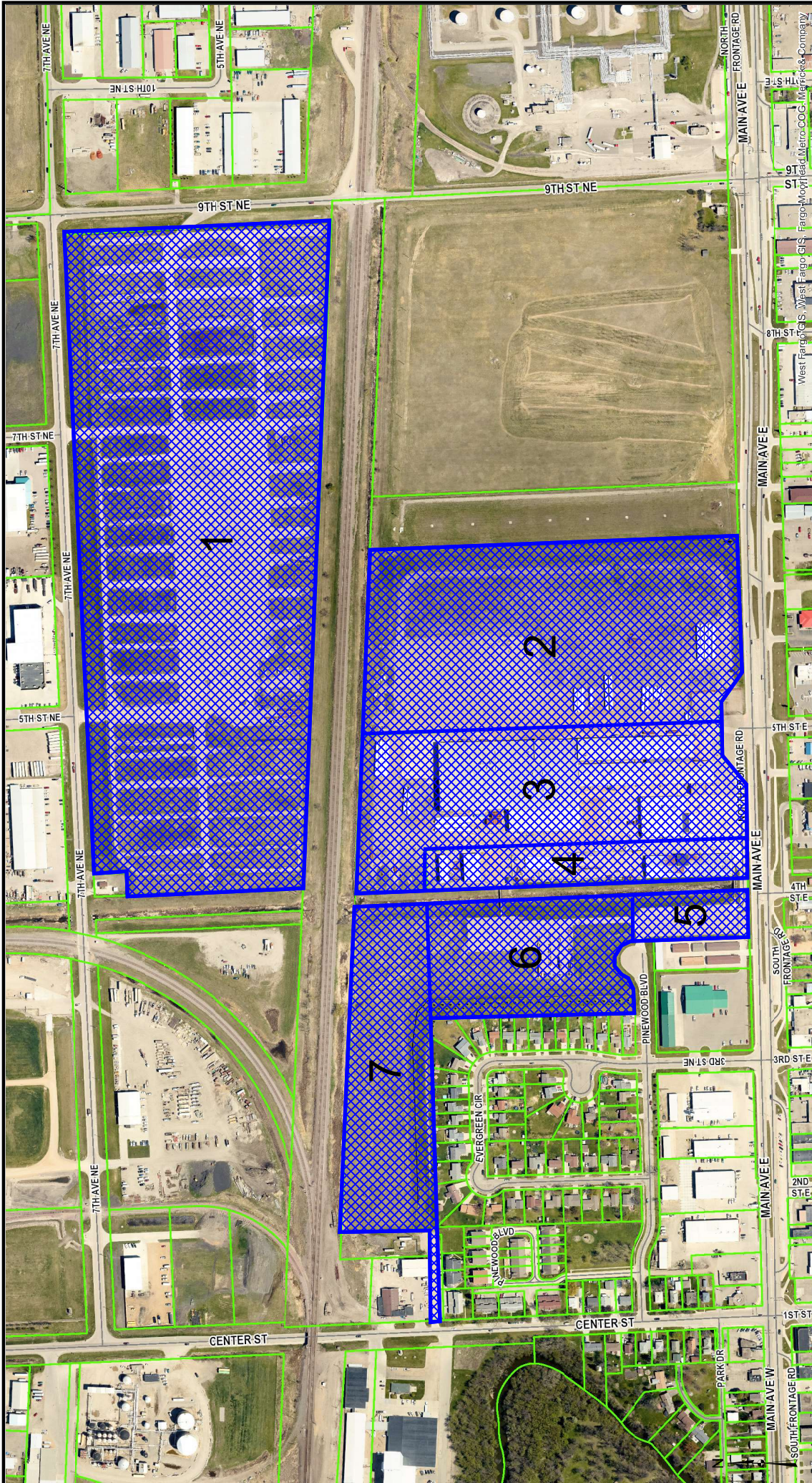
Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick R. Lee".

Nick R. Lee  
West Fargo, City Assessor





## Trinity Containers Properties

These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

Date: 6/8/2018

Nick Lee

This map is not a substitute for accurate field surveys or for locating actual property lines and any adjacent features.







**Heavy Industrial**

ID	3
PIN	02-3920-00020-000
Address	420 Main Ave E
Zoning	Light Industrial
Year Blt	1975-2008
Bldg Size (sf)	266,900
Bldg Value	\$10,353,400
Bldg \$/sf	\$38.79
Land Size (sf)	659,556
Land Value	\$1,051,600
Land \$/sf	\$1.59
Overall Value	\$11,405,000
OA \$/sf	\$42.73

This parcel contains the main heavy industrial facility that was built through the years 1988-2008. Building contains features common to many heavy industrial facilities, office space, craneways, thick concrete floors, sand blasting facilities, paint booth, etc. Older sections of the manufacturing area have been remodeled to match newer sections of the facility as they have been added. The last substantial permits pulled for this facility were in 2008 in the amount of \$8,640,000. These permits were for the addition of the rear section of the building and the installation of the paint booth. The main building is valued at \$9,770,700 or \$40.58/sf.

The second building is an older heavy industrial building built in 1975, which still contains craneways and thick concrete floors, however is inferior to the main building in build quality and condition. It is valued at \$479,700 or \$18.36/sf

**2017**

Land	\$366,800
<u>Bldg</u>	<u>\$10,232,200</u>
Total	\$10,599,000

**2018**

Land	\$1,051,600
<u>Bldg</u>	<u>\$10,353,400</u>
Total	\$11,405,000

### Regional Heavy Industrial Sales

<u>Address</u>	<u>Occupancy</u>	<u>Yr. Blt</u>	<u>Bldg SF</u>	<u>Assessed Value</u>	<u>OA \$/SF</u>	<u>Location</u>
420 Main Ave E	Heavy Industrial	1975-2008	266,900	\$ 11,405,000	\$ 42.73	West Fargo, ND

<u>Address</u>	<u>Occupancy</u>	<u>Yr. Blt</u>	<u>Bldg SF</u>	<u>Sale Date</u>	<u>Adj. Sale Price</u>	<u>OA \$/SF</u>	<u>Location</u>
4637 16 AVE N	Heavy Industrial	1995	152,508	7/25/2016	\$ 13,592,000	\$ 89.12	Fargo
407 E Paton St	Heavy Industrial	2011	97,115	9/27/2013	\$ 5,500,000	\$ 56.63	PATON IA
2089 130TH St	Heavy Industrial	2003-10	208,346	9/27/2013	\$ 12,247,800	\$ 58.79	PATON IA
3941 15 AVE N	Heavy Industrial	1978	81,574	5/1/2013	\$ 3,921,500	\$ 48.07	Fargo
3101 12 AVE N	Heavy Industrial	1961	163,383	9/21/2012	\$ 4,478,400	\$ 27.41	Fargo
1442 47 ST N	Heavy Industrial	2003	96,600	8/29/2012	\$ 3,710,400	\$ 38.41	Fargo
2900 Reasearch Parkway	Heavy Industrial	2002	552,960	5/22/2012	\$ 26,125,842	\$ 47.25	Davenport IA

Value of Subject at given \$/sf			
<b>Median</b>	<b>\$</b>	<b>48.07</b>	<b>\$ 12,830,661</b>
<b>Average</b>	<b>\$</b>	<b>52.24</b>	<b>\$ 13,942,989</b>





### Metal Warehouse

ID	4
Pin	02-0080-00030-000
Address	406 Main Ave E
Zoning	Light Industrial
Year Blt	1959-2010
Bldg Size (sf)	34,600
Bldg Value	791,800
Bldg\$/ sf	\$22.88
Land Size (sf)	180,285
Land Value	\$180,300
Land \$/sf	\$1.00
Overall Value	\$972,100
OA \$/sf	\$28.10

This parcel contains three buildings, the main building is a 25,600sf warehouse built in 1959 but also contains an office section added in 2004. The warehouse part of this building was converted from a grain elevator to create a warehouse; office was added, insulated, and had infrared heat added. The warehouse section of this building is valued at \$264,900 or \$11.04/sf. The 2004 built office is 1,600sf and is typical for a recently built office, it is valued at \$103,600 or \$64.75/sf. Overall this building is valued a \$368,500 or \$14.39/sf.

Building 2 is a 6,000sf typical steel building built in 2004 with metal lined walls and ceiling, small office with heat and AC and storage mezzanine. It is valued at \$284,300 or \$47.38/sf.

Building 3 is a 3,000 stripped down pole warehouse with 8' lined walls, insulated, and has gas heaters. It is valued at \$107,300 or \$35.77/sf.

Land on this parcel, and every parcel owned by Trinity Containers contiguous to their main building, is valued together. Large lots on Main Ave, just like most places in town, sell for less per square foot as they get larger, so we value them at \$4/sf for the first 2 AC, \$2.50/sf for the next 2 AC and \$1/sf for any excess. Since the primary parcel includes over 4 AC, this parcel is valued at the excess land rate of \$1.00/sf. The decision to value the land together was made due to the fact the properties were all used as one, and most likely would be sold as one.

<b>2017</b>	
Land	\$192,500
<u>Bldg</u>	<u>\$628,600</u>
Total	\$821,100

<b>2018</b>	
Land	\$180,300
<u>Bldg</u>	<u>\$791,800</u>
Total	\$972,100

## WEST FARGO METAL BUILDINGS SALES

PARCEL	ADDRESS	SALE DATE	SALE AMOUNT	BLDG SQ FT	LAND SQ FT	YEAR BUILT	FRAME	BLDG \$ PER SQ FT	OVERALL \$ PER SQ FT
02-0950-00060-000	2504 MAIN AVE W	12/29/2017	\$ 922,395	7,200	44,000	2010	POLE	\$ 111.16	\$ 128.11
02-0020-00060-000	756 CENTER ST	8/4/2017	\$ 750,000	10,100	44,204	2008	POLE	\$ 65.50	\$ 74.26
02-0020-00040-000	772 CENTER ST	8/1/2017	\$ 500,000	5,048	47,298	1996	STEEL	\$ 80.31	\$ 99.05
02-2065-00040-000	310 7TH ST NW	7/19/2017	\$ 410,737	6,840	32,393	1988	STEEL	\$ 48.21	\$ 60.05
02-1720-00010-000	1721 MAIN AVE E	5/24/2017	\$ 900,427	15,600	95,994	1970	STEEL/BLCK	\$ 48.49	\$ 57.72
02-3801-00050-000	638 5TH ST CT W	5/9/2017	\$ 433,663	5,000	70,000	2012	POLE	\$ 65.73	\$ 86.73
02-1200-00185-000	1005 MAIN AVE E	4/13/2017	\$ 790,939	6,200	83,600	1947/1968	WOOD	\$ 73.64	\$ 127.57
02-2800-00040-000	1006 2ND AVE W	1/18/2017	\$ 355,569	4,782	23,213	1974	POLE	\$ 65.89	\$ 74.36
02-0033-00150-000	1508 4TH AVE NW	10/31/2016	\$ 802,977	7,801	44,627	2009	STEEL	\$ 88.63	\$ 102.93
02-2057-00130-000	513 16TH ST NE	10/10/2016	\$ 822,500	15,125	48,867	2007	STEEL	\$ 47.92	\$ 54.38
02-3904-00010-000	2521 3RD AVE NW	9/27/2016	\$ 9,319,887	102,000	216,059	2015	STEEL	\$ 86.49	\$ 91.37
02-3903-00010-000	1907 4TH AVE NW	7/12/2016	\$ 17,422,521	180,000	467,529	2014	STEEL	\$ 92.26	\$ 96.79
02-0861-00050-000	901 ARMOUR ST	6/30/2016	\$ 450,930	6,000	94,706	1985	STEEL	\$ 43.59	\$ 75.16
02-0860-00010-000	1168 CENTER ST	6/3/2016	\$ 310,379	2,784	59,987	1993	POLE	\$ 68.38	\$ 111.49
02-3050-04373-000	301 CENTER ST	4/8/2016	\$ 409,462	14,794	54,189	1932/1989	POLE	\$ 22.95	\$ 27.68
02-0024-00010-000	341 12TH AVE NE	2/29/2016	\$ 844,224	8,400	164,203	1965	STEEL	\$ 61.41	\$ 100.50
02-4228-00020-000	45 21ST AVE E	2/5/2016	\$ 2,646,591	36,684	135,915	2007	STEEL/POLE	\$ 51.82	\$ 72.15
02-1460-00041-000	2220 MAIN AVE	1/8/2016	\$ 1,658,015	39,000	129,411	1985	STEEL	\$ 36.70	\$ 42.51
02-0135-00040-000	1035 WESTGO WAY	12/29/2015	\$ 901,036	21,060	98,854	1989	STEEL	\$ 35.74	\$ 42.78
02-2057-00100-000	1413 5TH AVE NE	10/30/2015	\$ 750,000	11,250	48,844	2010	STEEL	\$ 57.98	\$ 66.67
02-2080-00010-000	635 10TH ST NE	10/6/2015	\$ 1,195,000	10,576	126,015	2004	STEEL	\$ 89.16	\$ 112.99
02-0085-00010-000	1740 MAIN AVE W	8/7/2015	\$ 3,971,617	76,500	240,000	1998	STEEL	\$ 44.36	\$ 51.92
02-0800-00140-000	244 12TH ST NW	6/15/2015	\$ 278,276	4,552	30,000	1976	STEEL	\$ 44.66	\$ 61.13
02-0861-00070-000	975 ARMOUR ST	4/23/2015	\$ 533,680	5,120	104,566	1994	STEEL	\$ 63.39	\$ 104.23
02-0033-00060-000	1928 4TH AVE NE	3/16/2015	\$ 1,035,000	15,800	50,000	2007	STEEL/POLE	\$ 57.59	\$ 65.51
02-2054-00091-000	529 13TH ST NE	1/29/2015	\$ 435,000	5,000	16,831	2013	POLE	\$ 80.26	\$ 87.00

### Bldg \$/sf

High	\$	111
Low	\$	23
Median	\$	62



### **Main Avenue Vacant Land**

ID	5, 6, 7
Parcels	02-0080-00050/60/70-000
Zoning	Light Industrial
Land (sf)	793,251
Land Value	\$793,200
Land \$/sf	\$1.00
Year Blt	2009
Paving (sf)	102,000- Asphalt
Value	\$189,900
\$/sf	\$1.86

These parcels are additional land used to support the main manufacturing facility. They were valued at the excess Main land rate of \$1.00/sf with additional structure value for the asphalted parking surface.

#### **2017**

Land	\$645,200
<u>Bldg</u>	<u>\$160,800</u>
Total	\$806,000

#### **2018**

Land	\$793,200
<u>Bldg</u>	<u>\$189,900</u>
Total	\$983,100



ID	2
Parcel	02-3920-00010-000
Zoning	Light Industrial
Land (sf)	959,103
Land Value	\$1,351,100
Land \$/sf	\$1.41

This parcel is owned by Rommesmo Family Partnership and is rented by Trinity Containers for additional storage. There is no permanent surface improvements to the land. Since this land is owned separately from the rest, it is valued on its own apart from the other Trinity land contiguous to the main manufacturing facility.

#### **2017**

Land	\$453,000
<u>Bldg</u>	<u>\$0</u>
Total	\$453,000

#### **2018**

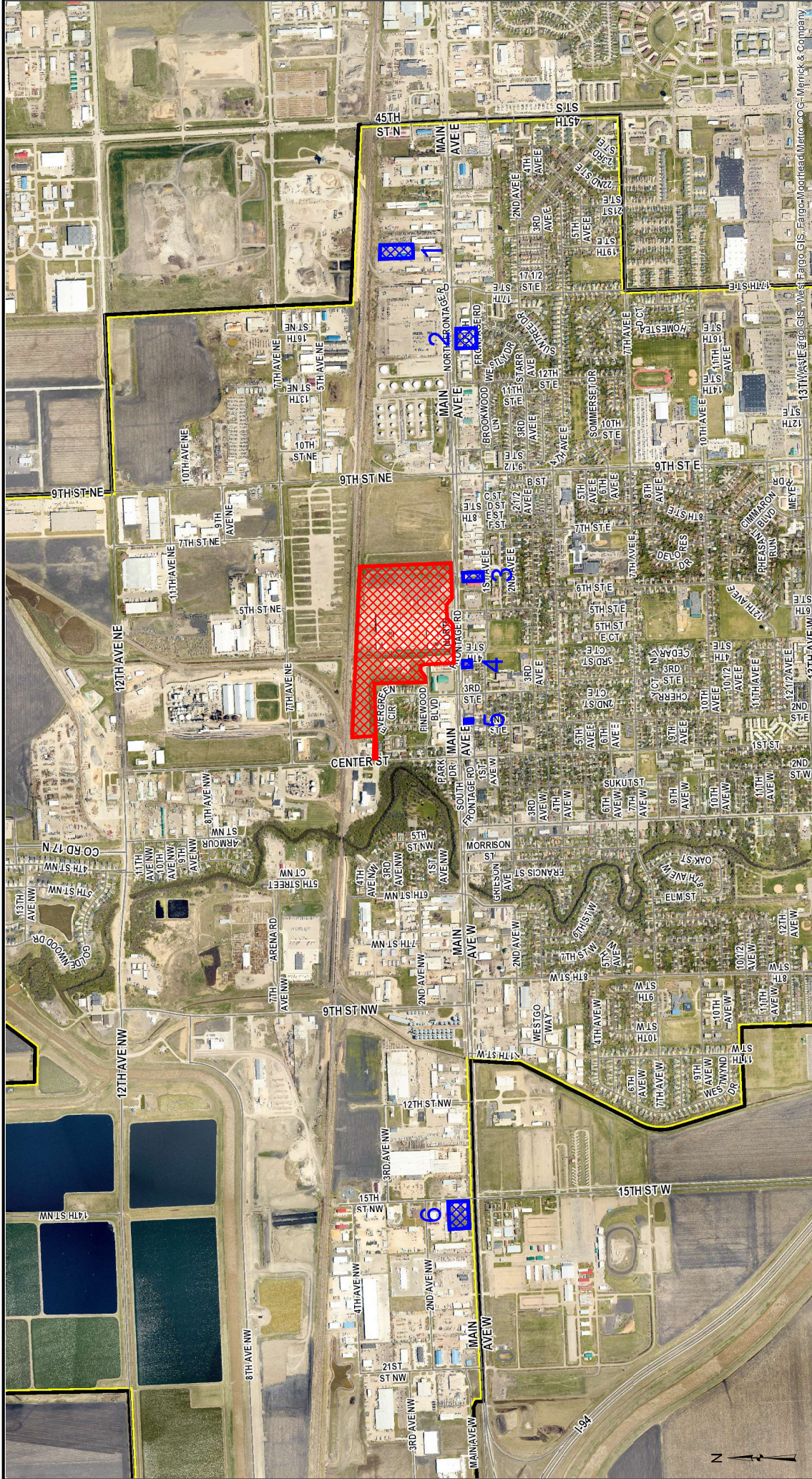
Land	\$1,351,100
<u>Bldg</u>	<u>\$0</u>
Total	\$1,351,100



<u>ID</u>	<u>DASHPIN</u>	<u>LGDESC</u>	<u>PropertyAddress</u>	<u>Name</u>	<u>CLASS</u>	<u>ZONENAME</u>	<u>SQFEET</u>	<u>ACRES</u>	<u>\$/sf</u>
1	02-1471-00020-000	LOT 2 BLK 1 MIDWAY 3RD	1804 MAIN AVE E	LAG RENTALS, INC	Commercial	Heavy Commercial	105,750	2.43	2.72 REAR LOT
2	02-0704-00040-000	LOT 4 BLK 1 GELLERS 2ND	1433 MAIN AVE E	HENCO PROPERTY LEASING	Commercial	PUD in General Com	90,010	2.07	3.45
3	02-1300-00215-000	LOT 9 BLK 2 MCDERMOTTS 2ND AND ADJACENT VAC 6TH	533 MAIN AVE E	RSND LLC	Commercial	Heavy Commercial	39,000	0.90	4.28
4	02-2200-00080-000	LOTS 8 & 9 BLK 10 SUKUTS 2ND	329 MAIN AVE E	TRINA KALM	Commercial	Light Commercial	12,300	0.28	3.73
5	02-2100-00450-000	S 123' OF LOT 1 BLK 4 SUKUTS ESTATES AKA LOT 1 LESS N 201	MAIN AVE E	MASTEL INVESTMENTS	Commercial	Light Commercial	6,150	0.14	5.28
6	02-0825-00010/20-000	LOT 2 BLOCK 1 HELFRICH	1518 MAIN AVE W	TWIN CITY HOISTING & PORTABLE E	Commercial	Light Industrial	122,318	2.81	5.78

High	\$5.78
Low	\$2.72
Median	\$4.01





## MAIN LAND SALES



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

Date: 6/7/2018

NICK LEE

This map is not a substitute for accurate field surveys or for locating actual property lines and any adjacent features.





**Heavy Industrial Land**

ID 1  
 PIN 02-0097-00010-000  
 Zoning Heavy Industrial  
 Land Size (sf) 2,198,378  
 Land Value \$1,632,700  
 Land \$/sf \$0.74/sf

This piece of property is 50.46 AC of Heavy industrial zoned land that sits in the industrial park just north of the railroad tracks. It has full city services and paved roads to the north and east.

**2017**  
 Land \$1,632,600  
 Bldg \$0  
 Total \$1,632,600

**2018**  
 Land \$1,632,700  
 Bldg \$0  
 Total \$1,632,700



ID	Parcel Number	Sale_Date	Size (SF)	Size (ACR)	Zoning	Adj Sale Price	\$/sf	Remarks
Subj	02-0097-00010-000		2,198,378	50.47	Heavy Industrial	\$ 1,632,700	\$ 0.74	Railroad adjacent, all utilities, paved road on two sides
1	02-6503-00020-000	6/13/2017	1,116,830	25.64	Heavy Industrial	\$ 2,860,911	\$ 2.56	Railroad adjacent, no utilities, gravel road
2	02-6502-00070-000	12/1/2015	285,043	6.54	Heavy Industrial	\$ 867,956	\$ 3.05	Railroad adjacent, all utilities, paved road on two sides
3	02-6502-00080/90-000	3/16/2015	347,140	7.97	Heavy Industrial	\$ 770,000	\$ 2.22	Railroad adjacent, all utilities, paved road on one side
4	02-3801-00025-000	4/23/2014	845,689	19.41	Heavy Industrial	\$ 670,135	\$ 0.79	Railroad adjacent, all utilities, gravel road
5	02-3801-00070/80-000	5/27/2014	140,414	3.22	Heavy Industrial	\$ 189,770	\$ 1.35	No Railroad, all utilities, gravel
6	02-3000-00561-055/56	2/29/2016	48,007	1.10	Heavy Industrial	\$ 91,626	\$ 1.91	No Railroad, no utilities, gravel road
7	02-3000-00561-030/40	12/28/2015	31,996	0.73	Heavy Industrial	\$ 47,571	\$ 1.49	No Railroad, no utilities, gravel road
8	02-2053-00040-000	6/2/2014	69,069	1.59	Heavy Industrial	\$ 200,084	\$ 2.90	Railroad adjacent, all utilities, paved road on one side

<b>High</b>	<b>\$ 3.05</b>
<b>Low</b>	<b>\$ 0.79</b>
<b>Median</b>	<b>\$ 2.06</b>





West Fargo GIS, Fargo-Moorhead Metro COG, Merrick & Company

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## Industrial Land Comps for 02-0097-00010-000

Date: 6/6/2018

Nick Lee



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