

Appeal of Assessment for Year: 2023

Name of Applicant: Phil Abeln

Assessed Value (2023 Tax Year) 2,378,000

Applicants Requested Value(s) 1,100,000 -54%

General Property Information

Property Type Quick Service Restaurant
Year Built 2013
Year Remodeled 2022

Building Area 4,174 sf 569.72 / sf
Land Area 39,330 sf 12.99 / sf

Fargo Assessor Recommendation 2,090,000 -12%



Summary

Appellant is requesting a reduction of -1,278,000 or 53.7%. The appellant provided financial statements, a list of assessed values they felt as comparable, and a rudimentary leased-fee income approach based on those comparable properties. The appellant indicates that the property was recently appraised for financing purposes. He indicated that appraisal estimated a value of 2,080,000.

The subject property is a quick service restaurant (fast food). Built in 2013, the subject was originally a multi-tenant restaurant. An extensive renovation occurred in 2022, which converted the subject to its current occupancy. Assessment department staff valued the remodeling work for 2023, after recognizing a partial value for the 2022 tax year. All single tenant quick service restaurants were re-appraised for the 2022 tax year. The 2022 quick service restaurant reappraisal was completed using Marshall Valuation Service, adjusting for sale prices of the inventory.

City staff viewed the property on 11/08/2023. Staff adjusted the effective age (condition) and added value for fire suppression, which was omitted from the record card and required in the cost approach. Staff then estimated the value with three approaches. The indicated value range is between \$1,875,000 (income approach) and \$2,378,000 (sales comparison approach). Our quick service value model indicates a value of \$2,090,000.

We do not support the appellant's requested value for several reasons. The requested value would create equalization problems relative to other quick service restaurants. The value would be 47% lower than the appellants own independent fee appraisal, and lower than the indicated purchase price from 2014 (\$1,184,926). Finally, we feel that our recommended value is supported by the market, and equalized with its quick service restaurant peers.

Comparable Sales Summary

Address	Building Name	Property Type	Size (SF)	Year Built	Sale Date	Sale Price (Contract)	Sale Price (Adj. for SPUN & Lease in Place)	\$/SF
4480 26 AVE S	Starbucks	Food Service (Quick)	2,545	2017	05/2023	2,000,000	1,559,000	613
1599 19 AVE N	Taco Bell	Food Service (Quick)	2,665	2009	12/2020	1,960,000	1,475,400	554
1212 36 ST S	Burger King	Food Service (Quick)	4,343	1975	04/2020	2,750,000	2,067,200	476
1415 42 ST S	Arby's	Food Service (Quick)	3,051	1984	03/2023	1,621,000	1,218,450	399
Subject	Freddy's	Food Service (Quick)	4,174	2013	Original 2023 True & Full		2,378,000	570
					Appellants Requested Value		1,100,000	264
					Proposed Value		2,090,000	501

Freddy's Restaurant

Parcel Number: 01-8533-00400-000

2653 45 St S

Owner: Café Holdings, LLC

Competing Properties (Assessed Values) Summary

We studied current assessments of similar properties for equalization. The search parameters are all single tenant quick service restaurants in the 45th St S and Veteran's Blvd corridors. We filtered the data for restaurants constructed between 2008 and 2018. There are eleven such properties.

The proposed value would sit just below the median price on both units of comparison. The requested value would be below the minimum value on both units of comparison.

	Improvement	Total Value	\$/SF Improvement	\$/SF Total
<i>Maximum</i>	1,895,300	2,640,800	465	709
<i>90th Percentile</i>	1,678,800	2,189,300	459	676
<i>75th Percentile</i>	1,172,650	1,684,750	449	624
<i>Median</i>	1,075,400	1,590,800	387	533
<i>25th Percentile</i>	1,033,750	1,379,750	373	483
<i>10th Percentile</i>	900,000	1,142,400	365	422
<i>Minimum</i>	692,400	1,049,000	188	291
2023 True & Full	1,867,000	2,378,000	447	570
Requested Value	589,000	1,100,000	141	264
Proposed Value	1,579,000	2,090,000	378	501

Recommended Action: Adjust the true and full value to \$2,090,000 for the 2023 tax year.

Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

RECEIVED

File with the County Auditor on or before November 1 of the year following the year in which the tax becomes delinquent.

CASS COUNTY AUDITOR

State of North Dakota Assessment District _____
County of Cass County Property I.D. No. 01-8533-00400-000
Name Cafe Holdings LLC Telephone No. _____
Address 2653 45 St S Fargo ND 58104 Phil@greatstate.com

Legal description of the property involved in this application:

Lot: 4 Block: 1 Addition: Urban Plains Northeast Retail
2nd Addition Additional: URBAN PLAINS
NORTHEAST RETAIL 2ND ADDN LT 4

Total true and full value of the property described above for the year 2023 is:

Land \$ 511,000
Improvements \$ 1,867,000
Total \$ 2,378,000
(1)

Total true and full value of the property described above for the year 2023 should be:

Land \$ 511,000
Improvements \$ 589,000
Total \$ 1,100,000
(2)

The difference of \$ 1,278,000.00 true and full value between (1) and (2) above is due to the following reason(s):

- 1. Agricultural property true and full value exceeds its agricultural value defined in N.D.C.C. § 57-02-27.2
- 2. Residential or commercial property's true and full value exceeds the market value
- 3. Error in property description, entering the description, or extending the tax
- 4. Nonexisting improvement assessed
- 5. Complainant or property is exempt from taxation. Attach a copy of Application for Property Tax Exemption.
- 6. Duplicate assessment
- 7. Property improvement was destroyed or damaged by fire, flood, tornado, or other natural disaster (see N.D.C.C. § 57-23-04(1)(g))
- 8. Error in noting payment of taxes, taxes erroneously paid
- 9. Property qualifies for Homestead Credit (N.D.C.C. § 57-02-08.1) or Disabled Veterans Credit (N.D.C.C. § 57-02-08.8). Attach a copy of the application.
- 10. Other (explain) _____

The following facts relate to the market value of the residential or commercial property described above. For agricultural property, go directly to question #5.

1. Purchase price of property: \$ 1,184,926 Date of purchase: 3/16/14
Terms: Cash Contract _____ Trade _____ Other (explain) _____
Was there personal property involved in the purchase price? NO Estimated value: \$ _____
yes/no

2. Has the property been offered for sale on the open market? NO If yes, how long? _____
yes/no
Asking price: \$ _____ Terms of sale: _____

3. The property was independently appraised: YES Purpose of appraisal: Value for Loan
yes/no
Integra Realty Resources Market value estimate: \$ 2,080,000
Appraisal was made by whom? _____

4. The applicant's estimate of market value of the property involved in this application is \$ 1,100,000

5. The estimated agricultural productive value of this property is excessive because of the following condition(s): _____

Applicant asks that the Auditor reassess the value of the property as the assessed value is projected to jump 170% from previous year. Based on an income approach and four comparable properties on 45th St, our assessed value recommendation would be \$1,100,000, which represents a 25% increase.

By filing this application, I consent to an inspection of the above-described property by an authorized assessment official for the purpose of making an appraisal of the property. I understand the official will give me reasonable notification of the inspection. See N.D.C.C. § 57-23-05.1.

I declare under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this application is, to the best of my knowledge and belief, a true and correct application.

[Signature] 9/27/23 Date Signature of Applicant [Signature] 9/27/23 Date
Signature of Preparer (if other than applicant) Date

Recommendation of the Governing Body of the City or Township

Recommendation of the governing board of City of Fargo

On December 11, 2023, the governing board of this municipality, after examination of this application and the facts, passed a resolution recommending to the Board of County Commissioners that the application be approved for a reduction down to \$2,090,000 for 2023

Dated this 14 day of December, 2023

[Signature]
City Auditor or Township Clerk

Action by the Board of County Commissioners

Application was _____ by action of _____ County Board of Commissioners.
Approved/Rejected

Based upon an examination of the facts and the provisions of North Dakota Century Code § 57-23-04, we approve this application. The taxable valuation is reduced from \$ _____ to \$ _____ and the taxes are reduced accordingly. The taxes, if paid, will be refunded to the extent of \$ _____. The Board accepts \$ _____ in full settlement of taxes for the tax year _____.

We reject this application in whole or in part for the following reason(s). Written explanation of the rationale for the decision must be attached. _____

Dated _____

County Auditor

Chairperson

Certification of County Auditor

I certify that the Board of County Commissioners took the action stated above and the records of my office and the office of the County Treasurer show the following facts as to the assessment and the payment of taxes on the property described in this application.

Year	Taxable Value	Tax	Date Paid (if paid)	Payment Made Under Written Protest?
				yes/no

I further certify that the taxable valuation and the taxes ordered abated or refunded by the Board of County Commissioner are as follows:

Year	Reduction in Taxable Valuation	Reduction in Taxes

County Auditor

Date

Application For Abatement
Or Refund Of Taxes

Name of Applicant

Cafe Holdings LLC

County Auditor's File No.

4552

Date Application Was Filed With The County Auditor

11/3/2023

Date County Auditor Mailed Application to Township Clerk or City Auditor

11/3/2023

(must be within five business days of filing date)