

**Board of County
Commissioners**

Tim Flakoll
Tony Grindberg
Jim Kapitan
Duane Breitling
Joel Vettel



PO Box 2806
211 Ninth Street South
Fargo, North Dakota 58108
701-241-5609
www.casscountynd.gov

MEMO

TO: Cass County Board of Commissioners

FROM: Taylor Kaushagen, Commission Assistant
and Tax Equalization Office

DATE: December 26, 2024

SUBJECT: Abatement applications for LH Broadway, LLC

For your consideration are two applications for abatement or refund of taxes submitted by LH Broadway, LLC:

#4584 – 406 Broadway – Reduce from \$1,190,700 to \$900,000 for 2024

#4585— 412 Broadway – Reduce from \$737,600 to \$600,000 for 2024

The City of Fargo assessing office reviewed the applications and recommends the following:

Deny application #4584 – 406 Broadway and retain the 2024 value

Approve application #4585— 412 Broadway and reduce value from \$737,600 to \$621,000 for 2024

SUGGESTED MOTION:

Move to deny abatement application #4584 for a property located at 406 Broadway in Fargo and retain the 2024 value; and approve application #4585 for a property located at 412 Broadway in Fargo and reduce value from \$737,600 to \$621,000 for 2024.

Lowman Building

Parcel Number: 01-0450-00360-000

406-410 Broadway N

Owner: LH Broadway LLC

Appeal of Assessment for Year: 2024

Name of Applicant:	Blake Carlson	
2024 True & Full Value	1,190,700	
Applicants Requested Value(s)	900,000	
General Property Information		
Property Type	Retail & Apartments	
Year Built	1920	
Size (SF)	15,264 sf	78.01 / sf
Apartment Units	12	
Last Sold (2/23/24)	1,512,200 69.79 / sf	
** with 412 Broadway		
Fargo Assessor Recommendation	1,190,700	0%



Summary

The subject property is a mixed use building located in downtown Fargo. The applicant is requesting a reduction in value of 290,700 or 24.4%. The appellant provides a recent sale as support for the requested reduction in value. The property sold in February 2024 with the adjacent parcel for \$1,512,200 or \$69.79/sf.

The appellant originally worked with city staff on an informal basis. Staff reviewed the property and reduced the 2025 true and full value. The 2025 value is uncertified and subject to change at any time. The appellant then filed abatement applications for the 2024 tax year based on this reduced value. The escalated appeal was subsequently reviewed by office management. Upon review, management determined the reduction for 2024 cannot be supported based on the information provided herein.

Staff provides comparable sales and assessed values of competing properties as support for this conclusion. The property data is chosen based on location, property use, and age. The sales indicate the subject property value is in line with the overall market; while the competing property set shows the subject at the bottom of the range of assessed values.

Comparable Sales Summary

Parcel Number	Address	Year Built	Size (SF)	Sale Date	Sale Price Adjusted	Improvement \$/SF	Total \$ / SF
01-0450-00325-000	420 Broadway N	1929	14,052	08/05/24	1,403,000	85.04	99.84
01-2381-00110-000	623 NP Ave N	1910	10,000	04/26/22	1,128,500	104.05	112.85
01-2460-00180-000	309 Roberts St N	1917	20,800	04/13/23	3,134,700	146.72	150.71
01-0450-00370-000	400 Broadway N	1914	34,498	08/11/23	2,135,100	56.59	61.89
Subjects	406 Broadway	1920	15,264		1,512,200	64.38	78.01

Competing Properties (Assessed Values) Summary

Parcel Number	Address	Year Built	Size (SF)	T&F Value (2024)	Improvement \$/SF	Total \$ / SF
01-0450-00380-000	522 Broadway N	1926	6,544	714,400	94.96	109.17
01-0450-00310-000	422 Broadway N	1895	7,839	973,400	109.38	124.17
01-0450-00390-000	516 Broadway N	1926	12,168	1,294,700	101.06	106.40
01-0450-00325-000	420 Broadway N	1929	14,052	1,156,000	67.46	82.27
Subject	406 Broadway N	1920	15,264	1,190,700	64.38	78.01

Recommended Action: Retain the value of \$1,190,700 for the 2024 tax year.

Information provided above is a summary of the analysis conducted. Further analysis is provided from the City of Fargo Assessment Dept.

Hadeland Building

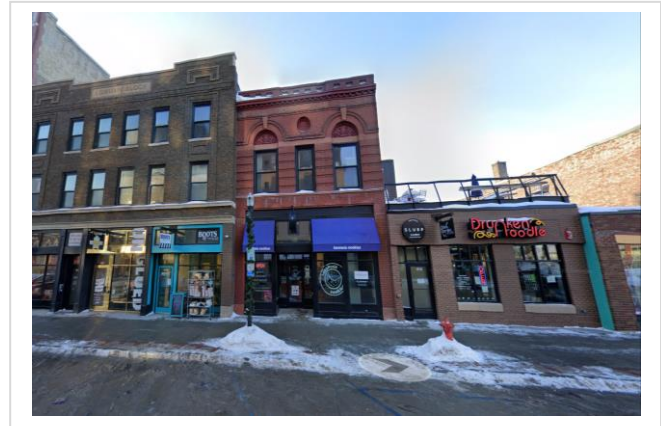
Parcel Number: 01-0450-00351-000

412-418 Broadway N

Owner: LH Broadway LLC

Appeal of Assessment for Year: 2024

Name of Applicant:	Blake Carlson	
2024 True & Full Value	737,600	
Applicants Requested Value(s)	600,000	
General Property Information		
Property Type	Retail & Apartments	
Year Built	1900	
Size (SF)	6,404 sf	115.18 / sf
Apartment Units	3	
Last Sold (2/23/24)	1,512,200 69.79 / sf	
** with 412 Broadway		
Fargo Assessor Recommendation	621,000	-15.8%



Summary

The subject property is a mixed use building located in downtown Fargo. The applicant is requesting a reduction in value of 137,600 or 18.7%. The appellant provides a recent sale as support for the requested reduction in value. The property sold in February 2024 with the adjacent parcel for \$1,512,200 or \$69.79/sf. The appellant originally worked with city staff on an informal basis. Staff reviewed the property and reduced the 2025 true and full value. The appellant then filed abatement applications for the 2024 tax year based on this reduced value.

Staff found a mix of physical condition in this property. The front facing commercial spaces exhibit typical fit-up in average condition; while the commercial spaces on the alley exhibit fair condition with deferred maintenance. The apartment units are dated, but present in average condition for their age. Staff felt it was appropriate to increase the depreciation applied to the subject and reduce the value for 2024. Staff also considered equalization with the adjacent parcel, which shares the same ownership.

Comparable Sales Summary

Parcel Number	Address	Year Built	Size (SF)	Sale Date	Sale Price Adjusted	Improvement \$/SF	Total \$ / SF
01-0450-00325-000	420 Broadway N	1929	14,052	08/05/24	1,403,000	85.04	99.84
01-2381-00110-000	623 NP Ave N	1910	10,000	04/26/22	1,128,500	104.05	112.85
01-2460-00180-000	309 Roberts St N	1917	20,800	04/13/23	3,134,700	146.72	150.71
01-0450-00370-000	400 Broadway N	1914	34,498	08/11/23	2,135,100	56.59	61.89
Subject	406 Broadway	1920	6,404	2024 Value	737,600	91.76	115.18
				Proposed Value	621,000	73.55	96.97

Competing Properties (Assessed Values) Summary

Parcel Number	Address	Year Built	Size (SF)	T&F Value (2024)	Improvement \$/SF	Total \$ / SF	
01-0450-00380-000	522 Broadway N	1926	6,544	714,400	94.96	109.17	
01-0450-00310-000	422 Broadway N	1895	7,839	973,400	109.38	124.17	
01-0450-00390-000	516 Broadway N	1926	12,168	1,294,700	101.06	106.40	
01-0450-00325-000	420 Broadway N	1929	14,052	1,156,000	67.46	82.27	
Subject	406 Broadway N	1920	6,404	2024 Value	737,600	91.76	115.18
				Proposed Value	621,000	73.55	96.97

Recommended Action: Reduce the value to \$621,000 for the 2024 Tax Year.

Information provided above is a summary of the analysis conducted. Further analysis is provided from the City of Fargo Assessment Dept.

Memorandum

To: Fargo City Commission

From: LH Broadway LLC

Date: 4 December 2024

Subject: Property Tax Abatement; 406 & 412 Broadway N.

We are requesting a 2024 property tax abatement for our properties located at 406 & 412 Broadway N, Fargo ND. These properties were purchased together as an arms-length transaction on February 23, 2024 in the amount of \$1,487,500.

After a discussion and inspection with a representative from the City of Fargo Assessor's Office, the 2025 valuation was reduced to more closely reflect the recent market value purchase price. Total Combined assessment value was reduced from \$1,928,300 (2024) to \$1,597,000 for 2025. We are requesting that the 2024 tax value also be reduced to this 2025 amount (or lower) to better reflect our market-value purchase price.

In response to our 2024 abatement request, the Assessor's office has offered to reduce the total value to \$1,811,700 (*1,190,700 + 621,000*) WHEREAS their (initial) 2025 re-valuation totals \$1,597,000 (*976,000 + 621,000*). Earlier this week, the Assessor's office has stated that they now plan to amend their 2025 valuation of 406 Broadway to remain at the 2024 value of \$1,190,700.

We feel that our 2024 fair-market purchase is the best indicator of the current market value of the properties. In our opinion, this lower market value can be attributed to several factors including higher interest rates, high apartment vacancy rate in the downtown area, as well as supply/demand market adjustments in the downtown area.

When reviewing comparable sales/values, the most similar property to note is located directly south of ours; 400 Broadway. According to the data we reviewed, 400 Broadway was sold and is valued at a dollar per square foot price *LOWER* than our \$/sf purchase price.

Please note that while both our buildings have been well-maintained, the apartment units have not been significantly updated in the last 30-40 years. 406 Broadway is not sprinklered and does not have an elevator. Since purchasing these properties, we have had to lower our apartment rates to attract tenants and we still have multiple vacancies.

If the City commission is in agreement with our position, we respectfully ask that you approve a 2024 tax abatement of these properties to match (or be lower) than the 2025 assessment total of \$1,597,000 (*\$976,000 for 406 Broadway and \$621,000 for 412 Broadway OR some other combination of values divided between these two properties*).

Thank you for your consideration in this matter. Please let me know if you have additional questions.

Sincerely,
LH Broadway, LLC
C/O Blake Carlson

Parcel No ⓘ
01-0450-00360-000

Segment Number
1

Address ⓘ
406 BROADWAY N

Ownership Information ⓘ
LH BROADWAY LLC

School District ⓘ
1 - Fargo

Land Use
Commercial

Property Type
Retail & Apartments

Taxes Payable
[Cass County Property Taxes](#) (This link will direct you to the Cass County website where property tax information is available.).

Year Built ⓘ
1920

Story Height (residential only) ⓘ
N/A

Main Floor Sq. Ft. (residential only) ⓘ

Total Building Sq. Ft. ⓘ
15,264

Number of Apartment Units ⓘ
0

Lot Width (Front) ⓘ
50

Lot Width (Back) ⓘ
50

Lot Depth (Side 1) ⓘ
175

Lot Depth (Side 2) ⓘ
192.25

Lot Area ⓘ
11,869 sq. ft. (0.272 acres)

Special Assessment Front Footage ⓘ
130.39

Special Assessment Square Footage ⓘ
11,869

[View Legal Description](#)

see also:

- [Fargo GIS Map](#) for interactive mapping and parcel information.
- [FEMA Floodplain Map](#)

Note: Links will open in a separate window

Valuations

2024 Appraised Value (Current Certified)

	Land	Improvements	Total
Full Appraised Value ⓘ	\$208,000	\$982,700	\$1,190,700
Net Taxable Appraised Value ⓘ	\$208,000	\$982,700	\$1,190,700

2025 Proposed Appraised Value (subject to change)

	Land	Improvements	Total
Full Appraised Value ⓘ	\$208,000	\$768,000	\$976,000
Net Taxable Appraised Value ⓘ	\$208,000	\$768,000	\$976,000

Parcel No

01-0450-00351-000

Segment Number

1

Address

412 BROADWAY N

Ownership Information

LH BROADWAY LLC

School District

1 - Fargo

Land Use

Commercial

Property Type

Retail & Apartments

Taxes Payable

[Cass County Property Taxes](#) (This link will direct you to the Cass County website where property tax information is available.).

Year Built

1900

Story Height (residential only)

N/A

Main Floor Sq. Ft. (residential only)

6,404

Total Building Sq. Ft.

6,404

Number of Apartment Units

0

Lot Width (Front)

25

Lot Width (Back)

25

Lot Depth (Side 1)

164

Lot Depth (Side 2)

170

Lot Area

8,574 sq. ft. (0.197 acres)

Special Assessment Front Footage

101.03

Special Assessment Square Footage

8,574

[View Legal Description](#)

See also:

- [Fargo GIS Map](#) for interactive mapping and parcel information.
- [FEMA Floodplain Map](#)

Note: Links will open in a separate window

Valuations**2024 Appraised Value
(Current Certified)**

	Land	Improvements	Total
Full Appraised Value	\$150,000	\$587,600	\$737,600
Net Taxable Appraised Value	\$150,000	\$587,600	\$737,600

**2025 Proposed Appraised Value
(subject to change)**

	Land	Improvements	Total
Full Appraised Value	\$150,000	\$471,000	\$621,000
Net Taxable Appraised Value	\$150,000	\$471,000	\$621,000



Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

RECEIVED
CASS CO AUDITOR

NOV 08 2024 PM 03:00

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

State of North Dakota Assessment District _____
 County of Cass Property I.D. No. 01-0450-00360-000
 Name LH Broadway, LLC. Contact: Blake Carlson Telephone No. (701) 212-5278
 Address 406 Broadway North

Legal description of the property involved in this application:

Lot: 0 Block: E CHAPIN JOHNSON & BARRETT'S PT OF BLK E DESC AS FOLL: BEG 520' S OF NE COR OF BLK E; THN W TO ROBERTS ST, THN S 50' E TO E LN OF BLK E, THN N 50' TO BEG.

Total true and full value of the property described above for the year 2024 is:

Land \$ 208,000
 Improvements \$ 982,700
 Total \$ 1,190,700
 (1)

Total true and full value of the property described above for the year 2024 should be:

Land \$ 180,000
 Improvements \$ 720,000
 Total \$ 900,000
 (2)

The difference of \$ 290,700.00 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: \$ 1,487,500 ** Date of purchase: 2/23/24
 Terms: Cash Contract _____ Trade _____ Other (explain) _____
 Was there personal property involved in the purchase price? yes Estimated value: \$ 10,000
 yes/no
2. Has the property been offered for sale on the open market? yes If yes, how long? +/- 1 year
 yes/no
 Asking price: \$ \$2,000,000 Terms of sale: Standard Arms Length Sale
3. The property was independently appraised: N/A Purpose of appraisal: _____
 yes/no
 Market value estimate: \$ _____
 Appraisal was made by whom? _____
4. The applicant's estimate of market value of the property involved in this application is \$ 900,000
5. The estimated agricultural productive value of this property is excessive because of the following condition(s): N/A

Applicant asks that ** Building was purchased in a combined sale with building next door (412 Broadway /
01-0450-00351-000). Combined purchase price (minus personal property) was 1,477,500. Fargo has
reassessed for 2025 value. I am requesting an adjustment be made for 2024 tax value.

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 of Preparer (if other than applicant)

Date

Signature of Applicant

Date

11/8/24

Recommendation of the Governing Body of the City or Township

Recommendation of the governing board of _____

On _____, _____, 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 _____

Dated this _____ day of _____, _____.

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 LH Broadway LLC

County Auditor's File No. 4584

Date Application Was Filed With The County Auditor 11/8/2024

Date County Auditor Mailed Application to Township Clerk or City Auditor 11/12/2024
(must be within five business days of filing date)

Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

RECEIVED
CASS CO AUDITOR
NOV 08 2024 PM 03:00

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

State of North Dakota Assessment District
County of Cass Property I.D. No. 01-0450-00351-000
Name LH Broadway, LLC. Contact: Blake Carlson Telephone No. (701) 212-5278
Address 412 Broadway North

Legal description of the property involved in this application:

Lot: 0 Block: E CHAPIN JOHNSON & BARRETT'S PT OF BLK E DESC AS FOLL: BEG 520' S OF NE COR OF BLK E; THN W TO ROBERTS ST, THN S 50' E TO E LN OF BLK E, THN N 50' TO BEG.

Total true and full value of the property described above for the year 2024 is:
Land \$ 150,000
Improvements \$ 587,600
Total \$ 737,600 (1)

Total true and full value of the property described above for the year 2024 should be:
Land \$ 125,000
Improvements \$ 475,000
Total \$ 600,000 (2)

The difference of \$ 137,600.00 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: \$ 1,487,500 ** Date of purchase: 2/23/24
Terms: Cash [checked] Contract Trade Other (explain)
Was there personal property involved in the purchase price? yes Estimated value: \$ 10,000
2. Has the property been offered for sale on the open market? yes If yes, how long? +/- 1 year
Asking price: \$ 2,000,000 Terms of sale: Standard Arms Length Sale
3. The property was independently appraised: N/A Purpose of appraisal:
Market value estimate: \$
Appraisal was made by whom?
4. The applicant's estimate of market value of the property involved in this application is \$ 600,000
5. The estimated agricultural productive value of this property is excessive because of the following condition(s): N/A

Applicant asks that ** Building was purchased in a combined sale with building next door (406 Broadway / 01-0450-00360-000). Combined purchase price (minus personal property) was 1,477,500. Fargo has reassessed for 2025 value. I am requesting an adjustment be made for 2024 tax value.

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 of Preparer (if other than applicant) Date Signature of Applicant Date 11/6/24

Recommendation of the Governing Body of the City or Township

Recommendation of the governing board of _____

On _____, _____, 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 _____

Dated this _____ day of _____,

 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:

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 County Auditor

 Date

**Application For Abatement
 Or Refund Of Taxes**

Name of Applicant LH Broadway LLC

County Auditor's File No. 4585

Date Application Was Filed With The County Auditor 11/8/2024

Date County Auditor Mailed Application to Township Clerk or City Auditor 11/12/2024
(must be within five business days of filing date)