

RECONVENE BOARD OF TAX EQUALIZATION

(Klein)

2015 Cass County Board of Equalization

City of Oxbow

During the county board of equalization meeting, Pleasant Township and the Kindred School District asked that the Oxbow City assessments be raised 25% (presentation attached). They state that the 20% reduction given by the state board of equalization in 2012 was to be a temporary reduction only (Oxbow and State Supervisor reports attached).

Originally, Oxbow City asked the Cass county board of equalization to reduce their assessments 50%, which the county denied. They then appealed to the state board of equalization and received a 20% reduction. In 2014, Cass County raised Oxbow City assessments 6%, due to a general rise in property values throughout the county. For 2015, Oxbow City raised their assessments 5%. The FMAAR MLS statistics indicate that the average sales price has increased 16%-18% in the past three years (attached).

I've reviewed sales that have occurred since 2012 and have listed nine sales. The median assessment/sale ratio is 82%. Buyout sales were not listed. A review of buyout sales indicates that the assessments are considerably less than the buyout prices. Residential and commercial assessments are to represent market value. Based on the sales statistics, it appears that the assessments are low.

In order to more accurately reflect the market, it is my recommendation to raise the commercial and residential assessments an additional 10% in Oxbow City for 2015.

Suggested Motion: "I move that the Oxbow City residential and commercial assessments be raised 10%, based on recent sales; as recommended by the Director of Equalization."

Oxbow City Assessment/Sales History

In 2012, State Board of Equalization lowered all assessments 20% in Oxbow City
 County increased assessment 6% on 2014
 City increased assessments 5% in 2015.

Date	Grantor	Grantee	Parcel Number	Address	Sale Price	2015 Assessment	Ratio
6/9/2014	Bakko, Larry	Simon, Mark	78-0010-00080-000	217 Oxbow Cir	\$ 320,000	\$ 210,420	66%
9/16/2013	Wetli, Bryan	Mueller, Matthew	78-0010-00920-030	534 Sunset Dr	\$ 335,000	\$ 235,095	70%
9/2/2014	Manuel, Kimberly	Halvorson, Syverind	78-0010-00970-020	548 Sunset Dr	\$ 279,000	\$ 216,090	77%
11/4/2014	Radermacher, Kimberly	Krump, Lee	78-0010-01540-000	649 Evergreen Cir	\$ 263,300	\$ 212,730	81%
9/6/2013	Carlson, Brenda	Breker, Matthew	78-0010-00180-040	119 Oxbow Dr	\$ 179,900	\$ 146,790	82%
11/26/2013	Bartley, John	Johnson, Casey	78-0000-01120-000	817 Riverbend Rd	\$ 340,000	\$ 278,040	82%
5/30/2014	Niles, Chad	Miller, Mary	78-0010-00970-010	550 Sunset Dr	\$ 279,900	\$ 246,330	88%
1/14/2015	Brakke, Don	Goldsmith, Greg	78-0010-00280-000	325 Schnell Dr	\$ 225,000	\$ 202,965	90%
8/31/2012	Dixon, James	Johnson, Eldon	78-0010-00430-000	338 Schnell Dr	\$ 250,000	\$ 249,795	100%

<Median

FMAAR
 TWENTY ONE YEAR STATISTICS

YEAR	*AVG SALES PRICE	*% OF PREV YEAR	TOTAL # OF SALES	% OF PREV YEAR	# OF TOTAL LISTINGS	% OF PREV YEAR	VOLUME OF SALES	% OF PREV YEAR
1994	76,508	-0.97%	2,328	-10.48%	3,359	-16.28%	182,359,441	-7.85%
1995	82,292	7.03%	2,204	-5.63%	3,397	1.12%	184,967,748	1.41%
1996	87,267	5.70%	2,176	-1.29%	3,650	6.93%	191,812,840	3.57%
1997	90,140	3.19%	2,179	0.14%	3,748	2.61%	198,281,937	3.26%
1998	97,974	8.00%	2,669	18.36%	3,692	-1.52%	258,282,112	23.23%
1999	100,073	2.10%	2,405	-10.98%	3,667	-0.68%	241,597,513	-6.91%
2000	103,615	3.60%	2,460	1.70%	3,528	-3.76%	252,800,404	4.29%
2001	109,119	5.30%	2,663	8.30%	4,020	13.90%	285,903,867	13%
2002	116,225	6.51%	2,795	4.95%	3,836	-4.79%	319,048,189	11.59%
2003	128,141	10.25%	3,085	10.40%	4,269	11.28%	389,709,465	22.14%
2004	134,162	4.70%	3,272	6.06%	4,846	13.52%	433,661,752	11.28%
2005	146,912	9.50%	3,619	10.50%	5,715	17.90%	528,152,977	21.80%
2006	150,543	2.47%	3,501	-3.38%	6,381	11.65%	518,713,727	-1.80%
2007	156,322	3.84%	3,529	0.80%	6,509	2.00%	541,928,054	4.47%
2008	153,395	-1.90%	2,948	-16.45%	5,783	-12.56%	449,931,595	-20.4%
2009	158,080	3.05%	3,061	3.80%	5,901	2.04%	466,716,200	3.73%
2010	162,554	2.83%	2,831	-8.15%	5,660	-4.25%	448,634,676	-4.03%
2011	160,735	-1.13%	2,780	-1.80%	5,265	-7.50%	452,224,321	0.80%
2012	170,706	6.20%	3,501	25.90%	5,114	-2.95%	586,751,850	29.75%
2013	181,558	6.36%	3,926	12.14%	5,310	3.83%	708,327,074	20.72
2014	189,342	4.28%	3,899	-0.68%	5,416	1.99%	727,060,477	2.64%

* The average sales price indicates only existing single family residential property reported as of the third working day of January which is the cutoff date to submit finals included in the year end report.

Beginning with Column 3, statistics include ALL PROPERTY TYPES submitted to RMLS.

2012 Statistics reflect finals submitted to RMLS by January 7, 2015

Pleasant Township and the Kindred School District are asking the Cass County Board of Equalization to **INCREASE** the property tax assessments **25%** to justify for the 20% decrease approved by the State of ND Board of Equalization in 2012 and to include the 5% increase they agreed upon at the most recent City Equalization meeting. The 25% increase proposed is low considering the reduction occurred in 2012, the County had no increases from 2011-2013, 6-8% in 2014 and 8-10% in 2015. The City of Oxbow has had no increases since the reduction and proposed a 5% increase for 2015, with a statement their intent is to make up the 20% by 2019 depending on the market. They are forgetting the compounding factor in their assessment from the years 2014 and 2015 when the County had increases. Technically to bring them back to **FAIR MARKET VALUE** their increase should be 34-38% in property tax value.

Since 2012 the tax payers of the Kindred School District have had to pick up the short fall amounting to roughly \$70,000/year from the City of Oxbow decrease in property tax assessments to keep the Kindred School District "whole". As we all recall, the Diversion Authority promised they would make the Kindred School District "whole", but to date no money has been forthcoming to the Kindred School District from the Diversion Authority. These tax payers of the school district not only come from Cass County, but Richland and Ransom Counties as well.

In a letter written to the State Board of Equalization on August 9, 2012 the City of Oxbow Mayor Jim Nyhof made the following statements, and I quote:

- "Oxbow is located just south of the proposed Fargo-Moorhead Diversion structure, and we are squarely in the middle of the planned upstream staging area. As a result, City residents are facing frightening uncertainty; unable to sell or even get appraisals for their homes in light of the pending project. Given the scope of the project and the increasing uncertainty over the local sponsor's ability to cover their share of the project costs, this limbo that residents are living in could last for years."
- Mr. Nyhof goes on further to state, "The City of Oxbow is not asking for a permanent decision, but just to be treated **FAIRLY** during this period of NO "true and full value".

- Mr. Nyhof also comments, “While Oxbow understands and fully supports the need for long-term flood protection in the region, the region cannot afford to craft a permanent solution hastily and risk mistakenly spending TENS OF MILLIONS OF DOLLARS to eradicate a beautiful small town that does not have to be lost. Surely a project that is anticipated to take roughly a decade to complete and will serve area residents for decades to come, can take time to ensure that the best long-term decisions are made and scarce financial resources are utilized wisely.
- Mr. Nyhof then goes on to quote a statement made by Mr. Darrell Vanyo, “For the homeowners, farmers, churches, and schools who will sacrifice existing structures, I have the deepest empathy and concern for what is being asked of you. I know that financially, you will **ALL BE MADE WHOLE.**”

I read these statements to you to reflect the then and now. The City of Oxbow wanted to be treated **FAIRLY**, and could not understand why the region would craft a permanent solution hastily and risk mistakenly spending TENS OF MILLIONS OF DOLLARS. Everything in that letter Mr. Nyhof stated contradicts itself to the current landscape of the City of Oxbow – in which TENS OF MILLIONS OF TAX PAYER DOLLARS are being spent in that city!

Almost 3 years from the date of Mr. Nyhof’s letter to the State Board of Equalization, we are all very well aware in this room what has transpired in the City of Oxbow, and not only have the taxpayers of the Kindred School district have had to continue to “pick up the shortfall” in lost property taxes in Oxbow but the taxpayers also located in Cass County are paying for the construction of a private golf course, multi-million dollar private club house, swimming pool, and new land development with contract amounts totaling a little over \$56 Million as of April 17, 2015. This \$56 Million covers a project that is only **25% complete to date**, and part of the FM Diversion project that does not have the proper permits to move forward with construction, and has the tax payers of Cass County wondering what local sponsors are spending \$224,000/day on?

There are 6 basic rights associated with the ownership of property, known as the “Bundle of Rights”. These Bundle of Rights are (1) the right to use; (2) the right to sell; (3) the right to lease or rent; (4) the right to enter or leave real property; (5) the right to give away; and (6) the right to refuse to do any of these.

The State Board of Equalization based their 20% reduction in property assessment taxes in 2012 off of these 6 basic rights. The only impairments they could justify were the Right to Sell and the Right to Lease or Rent. In recent public meetings, homeowners of Oxbow have gotten up and thanked leaders for "bringing value back to their properties and renewing the life in Oxbow". Outside of the flood buy out properties, homes are being sold.

In summary, all the comments made in 2011-2012 by the City of Oxbow are completely opposite now in 2015. There is no reason why the City of Oxbow residents deserve a reduction in property taxes, while the rest of us in the Kindred School District and Cass County pay. As I said earlier, The City of Oxbow did approve a 5% increase in property taxes at their April 14th City Board of Equalization meeting with their intent to make up the 20% by 2019. This is **unacceptable** considering the circumstances and dollars currently being spent by taxpayers in their City.

Mr. Nyhof stated they were never asking for a **permanent decision**, but want to be treated **FAIRLY**. So it is time to reverse the reduction, as Oxbow has gotten everything they have wanted now plus completely changing their stance since the 2012 letter to the State. They are currently getting more of a fair shake at the cost of tax payer funds!

As a Pleasant Township Board Member, Kindred School District tax payer, Cass County resident, and Cass County Township Officers Association Board Member it is respectfully requested that the City of Oxbow's property taxes be INCREASED at a minimum of 25% , keeping in mind the compounding factor is not accounted for from the years 2014 and 2015 when the County had increases. Technically to bring them back to **FAIR MARKET VALUE** their increase should be 34-38% in property tax value.

I hope you strongly review this request and give the Kindred School District tax payers a break and the City of Oxbow accountability for what they have accomplished.

Thank you for your time today.

City of Oxbow

708 Riverbend Road
Oxbow, ND 58047

James E. Nyhof, Mayor
Arden Breimeier, City Council
Paul Nelson, City Council
Dan Zink, City Council
D.J. Reiger, City Council
Alex Bindas, City Auditor

August 9, 2012

Ms. Marcy Dickerson
State Supervisor of Assessments
Office of North Dakota Tax Commissioner
600 E. Boulevard Ave, Dept. 127
Bismarck, ND 58505-0599

Re: State Board of Equalization Meeting

Dear Ms. Dickerson,

Thank you for providing the City of Oxbow the opportunity to submit our comments on the assessed property values of homes in our community.

The City of Oxbow is a small town of just over 300 residents. Residents enjoy their beautiful surroundings and cohesion as a small community. Our signature golf course, designed by Robert Trent Jones, Jr. is another source of pride for the community.

Oxbow is located just south of the proposed Fargo-Moorhead diversion structure, and we are squarely in the middle of the planned upstream staging area. As a result, City residents are facing frightening uncertainty; unable to sell or even get appraisals for their homes in light of the pending project. Given the scope of the project and the increasing uncertainty over the local sponsors' ability to cover their share of the project costs, this limbo that residents are living in could last for years. The project sponsors are so intent to push forward the current plan at all costs, even imprisoning Oxbow residents in their homes.

The first attempt Oxbow made to approach the Cass County Tax Equalization Board was in June, 2011. As part of our testimony at that time, the City hired Rose Hoefs of RM Hoefs & Associates to complete a market study in order to determine whether the market value in the city had increased, decreased, or remained the same. Ms. Hoefs is one the most respected appraisers in the region. She is truly recognized as an industry expert in our area, so much so that the Corp of Engineers and the FM Diversion Authority have contracted her to appraise properties based on the federal standards necessary to acquire the property to build the project. Her analysis is included in this package.

To summarize the analysis, she states, "*average sales prices have continued to decline since 2008 in Oxbow, however, the MLS chart indicates an increase in overall housing market in the Fargo-Moorhead and outlying areas in 2009 due to government stimuli on mortgage financing and tax incentives. Additionally, the number of sales in the City of Oxbow did not increase in 2009, as would be expected by the market trend*".

In a follow-up letter from Ms. Hoefs, she states, *"most, if not all lenders and insurers will view the market in Oxbow as a transitional neighborhood given its uncertain diversion status. Local lenders (verified by five local lenders) are willing to lend, but the equity in the loan must be at least 25%-75%"*. This was her summary of the state of the market conditions in 2011. The information in the report was provided to the Cass County Director of Equalization but no action was taken on her testimony. Subsequently, the Fargo-Moorhead Diversion Authority, of which Cass County is an active partner, hired her to be their expert. Nevertheless, her research was not documentation enough to justify a reduction in our property valuations.

In the tax equalization meeting for the current year, the City of Oxbow's request for a reduction was again denied. This action followed the research and survey the Diversion Authority's engineering and consulting firm, CH2M Hill, conducted regarding the actions of local appraisers and bank officers. As noted in the minutes from the April 12, 2012 Diversion Authority, Land Management Committee meeting, included in this submission, *"There is a lack of confidence in assigning value because of the possibility of the diversion. One appraisal on a refinance dropped in value by 20% since 2010, even after renovation. More than one bank noted that properties for sale have no market, and secondary markets often will not accept properties with contingencies"*. The market conditions have not stabilized since the 2011 decision: they have simply gotten worse for our residents.

In the report prepared by the Cass County Director of Equalization, the only comparison in assessing valuation versus the appraised values comes from flood buyout properties. Is the Federal Government acting in a flood buyout situation really the appropriate analysis of a willing buyer when determining the "True and Full Value"? The Director also states, *"In a buyout for the proposed diversion project, the owners will receive just compensation"*. So until and if the buyout occurs, which could be many years away, is no action is necessary? Is that not why this board meets annually? The City of Oxbow is not asking for a permanent decision, but just to be treated fairly during this period of **NO** "True and Full Value". The Director concludes by stating *"Some assessment officials I have spoken to would not adjust the assessment until sales indicated that a change was warranted"*. Do any of these assessment officials represent a community where the future existence is being completely threatened, resulting in **NO** sales because of a diversion project that their County officials support?

While Oxbow understands and fully supports the need for long-term flood protection in the region, the region cannot afford to craft a permanent solution hastily and risk mistakenly spending tens of millions of dollars to eradicate a beautiful small town that does not have to be lost. Surely a project that is anticipated to take roughly a decade to complete and will serve area residents for decades more to come, can take time to ensure that the best long-term decisions are made and scarce financial resources are utilized wisely.

Meanwhile, Oxbow residents are already unable to make decisions for their future in light of the pending project and the inability to market their property. Looking down the road, the residents of the city of Oxbow have no confidence that this project will ever be completed or that the regulating authority will have the resources to fully compensate them for their losses. The result is that homes are already beginning to sit vacant. I am reminded of Cass County Commissioner and Diversion Authority Chairman, Darrell Vanyo's statement: "*For the homeowners, businesses, farmers, churches and schools who will sacrifice existing structures, I have the deepest empathy and concern for what is being asked of you. I know that financially, you will all be made whole.*" The problem is that this is an impossible task, as adequate compensation is limited to the value of the property taken, and does not compensate the displaced residents for the ongoing economic hardship they suffer while this project is pending. Our community has already experienced significant financial burden and lost opportunities because of the project's mere proposal. Further, residents of Oxbow fear that *any* compensation for their losses is realistically many years off, given the breadth of the project and uncertainty of its financing, and that the longer their lives are on hold, the more impossible it will become to truly make them whole again. As the Mayor of Oxbow, I worry that such a drawn out and uncertain process will force me to watch families struggle as our beautiful and vibrant city slowly declines into yet another rural ghost town.

To conclude, in an email communication following the Cass County Tax Equalization meeting the Cass County Director states "*I believe that the legislature included "other matters" because they believed that other relevant factors should be considered when valuing properties lacking an active market*". Documentation of this email is included in this submission. The "relevant factor" here is one of the largest projects the United States Army Corps of Engineering has ever considered sponsoring, *The Fargo-Moorhead Diversion*. The diversion is the exact "relevant factor" necessary to consider our request for some type of property tax relief. This proposed project has resulted in temporarily making the homes in our community worth less. I can now only hope the officials with the State of North Dakota are willing to help us!

Sincerely,



James E. Nyhof, Mayor

CC: Senator John Hoven
Congressman Rick Berg

Staff Report on Issues Before the 2012 State Board of Equalization

File No.: 2012-CASS-OXBO-001

County or City: City of Oxbow, Cass County

Appellant: Mayor Jim Nyhof, City of Oxbow

Issue: Request for property tax relief due to the effect of the Fargo-Moorhead Diversion

Prepared by: Marcy Dickerson, State Supervisor of Assessments

Summary: The uncertainty of the proposed Fargo-Moorhead diversion structure has made it very difficult for residents to sell or even get appraisals to refinance their homes. The Cass County Board of Equalization denied the City of Oxbow's request to reduce all property tax assessments by 50 percent, on the advice of Director of Tax Equalization Frank Klein. Oxbow has asked the State Board of Equalization for a reduction in their values but not a specific percentage.

Analysis: The most recent Oxbow sale included in the sales ratio study took place in 2010. When there are no sales or an insufficient number of current sales, we usually look at prior years' sales. In the case of Oxbow, prior years' sales are not indicative of current market value. N.D.C.C. § 57-02-01(15) defines true and full value as "the value determined by considering the earning or productive capacity, if any, the market value, if any, and all other matters that affect the actual value of the property to be assessed." [Emphasis supplied.] North Dakota law requires that property be assessed according to its true and full value on February 1 of each year.

There are six basic rights associated with the ownership of property, known as the bundle of rights. They are (1) the right to use; (2) the right to sell; (3) the right to lease or rent; (4) the right to enter or leave (real property); (5) the right to give away; and (6) the right to refuse to do any of these.¹ Impairment of any of those rights reduces the value of the property to the fee owner. I have attempted to estimate the extent to which the rights of owners of Oxbow properties have been impaired by the FM Diversion project as of February 1, 2012.

<u>Bundle of Rights</u>	<u>Weight</u>	<u>2012 Impairment</u>	<u>Suggested Assmt. Reduction</u>
1. Right to Use	25%	0%	0.0%
2. Right to Sell	25%	75%	18.8%
3. Right to Lease or Rent	20%	10%	2.0%
4. Right to Enter or Leave	20%	0%	0.0%
5. Right to Give Away	10%	0%	0.0%
6. Right to Refuse to Do Any of These	0%	0%	0.0%
Total			20.8%

In the above example, I weighted the rights according to my estimate of the importance of each right to Oxbow owners. I then estimated the percentage of impairment to each right and multiplied that by the weight assigned to each right in the previous column. The

¹ Property Assessment Valuation Second edition, International Association of Assessing Officers.

result is a recommended reduction of 20 percent in Cass County's true and full value for every parcel in Oxbow.

Uncertainty concerning the FM Diversion – when and if it will be approved and whether it will be approved in its current form – requires that the 2012 assessment of properties likely to be affected reflect the conditions on the assessment date. Concerns that buyout offers may be based on assessments that reflect negative impact from the FM Diversion project have been put to rest. Future buyout offers will reflect the value from before commencement of the project. The following statements indicate buyout offers will not be affected by property tax assessments in intervening years. These statements clarify that issue.²

“The fair market value will be determined without consideration of the effect of the project on the value.” “Comparative analysis will be used to determine the value of the property ‘before’ acquisition. It is important to note the appraisal will be performed as if the project were not going to occur, thereby negating influence on value caused by the project.” “Properties in the proposed buyout area can still be bought and sold at any time. However, information from property owners, realtors, and lenders has indicated the real estate market in the proposed buyout area has been curtailed.” [Emphasis supplied.] “This process requires appraisals to be performed without considering impacts of the project on value.”

Oxbow property values in succeeding years may differ from January 1, 2012, values. Each year's assessment before the project is approved or turned down should represent the value of the property on February 1 of the taxable year.

The current 2012 Oxbow valuation represents 0.27 percent of the total valuation of Cass County. If Oxbow values are reduced by 20 percent, total 2012 Cass County valuation will still increase 5.75 percent over 2011. A 20 percent reduction to Oxbow properties will not affect Cass County's assessments' being within tolerance according to the sales ratio study. We have already determined that there are no usable sales to calculate Oxbow's ratio.

In 2011, Oxbow represented 12.16 percent of Kindred School District valuation. Kindred School District levied 187.91 mills that generated \$2,203,197.57 in taxes. If 2012 Oxbow values are reduced by 20 percent and there is no other change in the school district valuation, it will take 19.259 mills, an increase of 4.68 mills, to raise the same amount.

The City of Oxbow will have to decide if they want to raise the city mill levy to compensate for their valuations being reduced.

My statements about the effect on Cass County, Kindred School District, and the City of Oxbow are for information only. They are not intended to influence your decision on 2012 Oxbow property values.

Recommendation: Reduce the 2012 valuations of all improved properties and vacant lots in the City of Oxbow by 20 percent.

2 FM Metro Flood Diversion Project, Q&A List: Diversion Land Acquisition, March 29, 2012

PROCEEDINGS OF CITY BOARD OF EQUALIZATION

The Board met at Oxbow Club House (Place) on April 14, 2015 (Date) at 7:30 PM (Time).

Present were: all below, Mayor Todd Sandvik, Assessor

City Council: Jim Nyhof, DG Ruedger
Chris Champ, Tami Henke
Paul Nelson

5% increase suggested and passed by the city council with the intent to make up the 20% forgiveness by the state by 2019. This is provided the market does not take a downturn over the next few years

I hereby certify that the foregoing is a correct transcript of the Proceedings of City Board of Equalization
Oxbow City of Cass County, North Dakota.

In testimony whereof I have hereunto set my hand this 14 day of April, 20 15

Note: Please attach sheets if additional space is needed for minutes.

Beth Leuke
City Auditor

2015 Cass County Board of Equalization

Richard & Gayle Larson

The Larson's are appealing the assessment on their residence located at 6420 13th N, Highland Park, Reed Twp. For 2015, their assessment increased from \$420,500 to \$641,700 (3 parcels). They have presented a 2012 refinancing appraisal indicating a value of \$459,000.

For 2015, Vanguard Appraisals reassessed all residential and commercial properties in Reed Twp. The interior was not available for listing at the time of inspection. The Larson's were unable to attend the Reed Twp board of equalization.

Due to the lack of inspection and lack of review by the township, it is my recommendation to deny the appeal. Our office and the taxpayer have agreed to arrange for an interior inspection this late summer/early fall. Vanguard will then further review the assessment. After review, our office will advise with the taxpayer.

Suggested Motion: "I move that the Larson appeal be denied. Further, that property have an interior inspection and that the assessment be reviewed by Vanguard Appraisals at that time."

2015 Cass County Board of Equalization

David Wallis

David Wallis is asking that the county board of equalization lower his assessment from \$239,200 to \$218,000 (letter attached). He indicates that his townhouse unit has deferred maintenance compared to his neighbor's property.

The Fargo Assessment Department recommends retaining their current valuation (letter attached). They state that they had an appointment to inspect the property, but that the taxpayer canceled. They indicate that they are waiting for Mr. Wallis to reschedule the appointment, so that a proper review can be made.

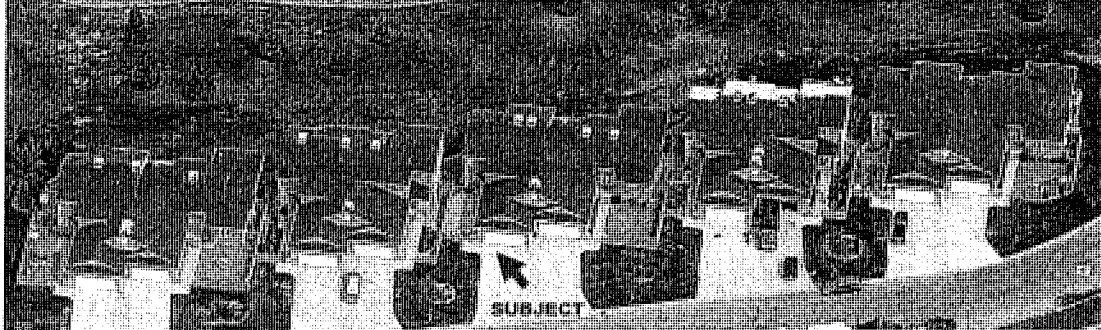
Based on the nature of this appeal, it is my recommendation to uphold the current valuation.

Suggested Motion: "I move that the current valuation of the Wallis property be upheld and that the taxpayer be encouraged to arrange for an inspection of the property with the Fargo Assessment Office."

1333 East Rose Creek Pkwy S

Parcel Number 01-2488-00056-000

Owner: Wallis



TOWNHOME COMPLEX UNIT VALUATIONS

Address	Story Height	Square Footage	2015 Value	\$ Per SF	Story Height	Square Footage
1315 E Rose Cr Pkwy S	1 Story	1602	\$269,100	\$168	1 Story	1602
1331 E Rose Cr Pkwy S	1 Story	1602	\$253,800	\$158	1 Story	1602
1347 E Rose Cr Pkwy S	1 Story	1602	\$253,300	\$158	1 Story	1602
1323 E Rose Cr Pkwy S	2 Story	1742	\$249,200	\$143	2 Story	1742
1339 E Rose Cr Pkwy S	2 Story	1742	\$255,500	\$147	2 Story	1742
1317 E Rose Cr Pkwy S	2 Story	2040	\$239,800	\$118	2 Story	2040
1325 E Rose Cr Pkwy S	2 Story	2040	\$240,700	\$118	2 Story	2040
1333 E Rose Cr Pkwy S	2 Story	2040	\$239,200	\$118	2 Story	2040
1341 E Rose Cr Pkwy S	2 Story	2040	\$275,800	\$135	2 Story	2040
1349 E Rose Cr Pkwy S	2 Story	2040	\$249,800	\$122	2 Story	2040

Mr. Wallis delivered a letter to the City and County Boards of Equalization contesting the current valuation of \$239,200. The letter was delivered to the City Assessment Department after the City Board of Equalization adjourned for the year on 5/5/2015.

Mr. Wallis pointed out updates and other differences in valuations and features of other units in the townhome complex.

We have agreed to inspect Mr. Wallis' unit and review the value.

An appointment to view the property was postponed by Mr. Wallis on 5/20/2015. No follow-up was scheduled at that time. We have subsequently left a voice message with Mr. Wallis asking to reply to us to reschedule an inspection.

At this point, we would recommend retaining our current value. We will continue to work with Mr. Wallis and advise him of abatement appeal options should that be necessary.

CITY OF FARGO ASSESSMENT DEPARTMENT RECOMMENDATION

Retain the current value of \$239,200 for the 2015 valuation and recommend that the Fargo Assessment Department continue working with the owner and advise of the abatement process if necessary.

April 16, 2015

Dear City and County Board of Equalization;

I received notice of an increased assessment of my property. I don't believe I could get that amount if I tried to sell my place right now, and I would like it lowered. Here's why:

I'm the owner of one of 10 duplex-style townhomes built around 1992 in south Fargo.

* Of the 10, mine is the least remodeled or updated. I still have not only the original furnace and air conditioner, but also the original water heater that I keep repairing.

* The carpeting is at least 15 years old. The vinyl flooring in kitchen and elsewhere is probably the original and scuffed up.

* The large patio sliding door glass and one window need to be replaced. This is going to be thousands of dollars, I'm sure.

* Most owners have replaced and upgraded furnace/waterheater/airconditioners

* Most have also upgraded bathrooms, kitchens and replaced cabinets and countertops.

* Several have built new decks with that recycled "plastic wood" that doesn't need to be stripped and painted every year like mine. One owner recently spent \$6,000-\$8,000 on one of those fancy decks. The previous owner of his place also did extensive upgrading inside and out. His assessed value is only \$1,500 more than my place.

* Three of the units are one-level units which are more desirable units than the two-story unit I have.

* Another unit that has been significantly upgraded is assessed (new 2015 value) at only \$600 more than my unit. Again, my unit's assessment seriously needs to be lowered.

* One owner spent five figures (\$20-\$35K??) redoing everything and his assessment is only \$14,600 more than mine and he has the more valued one level unit. (Actually, there are several units that have had at least that much work done to them.)

I'm sure I'd have to spend at least twice that much to bring my place up to the desirability of his place. So far, I have bought nice kitchen appliances for about \$4,000 and put in some new counter tops and three ceiling lights. I'm afraid I'm going to have to replace the water heater this summer and Laney's said to plan on about \$2,000 just for that.

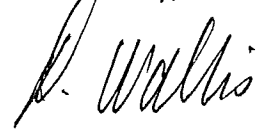
Of course I hope my property is rising in value, but I just don't think the \$239,200 assessment is right for my place considering how much I need to spend on the place now to update it to be even with the neighbors.

If I were to try selling this place today, I would like to HOPE that I could get about \$225,000, but I don't believe there's any way I could get \$239,000 as it is now.

Please take this information into consideration and lower my assessed value. I'm assuming my property taxes are based on this number and don't want to be over taxed, paying taxes on a place that I plan to live in for quite some time yet.

I bought my place about 11 years ago for the then assessed value of \$186,000. At \$239,200, that would be an increase of \$53,200 or 28.6% for hardly any change in the structure. The things like furnace/AC/water heater doesn't get any better with age. Age becomes a negative factor when trying to sell a home. Please lower my assessment. \$218,000 at the very most for now until I can do some upgrading of the home.

Yours truly,



David Wallis

1333 E Rose Creek Pkwy S

Fargo, ND 58104

701-371-8161

2015 Cass County Board of Equalization

Paul Davidson

Paul Davidson is asking that his 7,500 sq. ft. steel warehouse/utility assessment be lowered from \$186,000 to \$150,000 due to damages it has incurred from a previous tenant. He indicated that insurance will not cover the damages.

The Fargo Assessment Department has recommended to retain the current valuation. They state that they applied a 10% reduction to account for the damage. The current assessment values the property at \$24.80 per sq. ft., including land. They have also provided a list of sales in the area.

It would appear that the most comparable sale occurred two years ago and sold for \$30.69 per sq. ft. Considering the age of the sale and differences in amenities and condition, the assessment appears reasonable. The applicant has not provided any documents regarding valuation, such as an appraisal or marketing analysis. It appears that the Fargo Assessment Department has accounted for damage the building incurred.

It is my recommendation to retain the current assessment.

Suggested Motion: "I move that the current valuation of the Davidson warehouse property be retained, as recommended by the City of Fargo and the Director of Equalization."



ASSESSMENT DEPARTMENT

5/12/2015

Paul Davidson
2415 4 Ave N Unit 7
Moorhead MN. 56560

Address of Property Reviewed: 3826 3 Ave N

Dear Mr. Davidson:

This is in response to your request for a review of the appraised value of the above, described property. I have researched all available information which I feel may affect the value of the property. Analysis of the property indicates the appraised value of your property for 2015 is being reduced to \$186,000.

Thank you for bringing this matter to our attention. We continually strive to assure that properties in Fargo are equalized. There are times, however, when inequities do arise. We rely on the cooperation of people like you to help us in our effort to maintain the balance of the costs of city government.

If you have any further questions, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Splonskowski".

Michael Splonskowski
Appraiser
City of Fargo Assessment Department
404 4 Ave N
Fargo, ND 58102
(701) 241-1340
msplonskowski@cityoffargo.com
Reduction

3826 3 AVE N

Parcel Number 01-0470-00625-000

Owner: Continental Mgmt. & Investment, Inc.

Mr. Paul Davidson requested a recheck on this property, stating that he felt the value was too high due to damage that had been incurred by a former tenant. Upon inspection, the building was found to be damaged as stated. The value was measured against similar sales, and a reduction of 10% was applied to the building resulting in an overall reduction of \$35,500 to the proposed 2015 assessment, as shown below. The reduction was also a \$6,600 reduction from the previous year's assessment.

Parcel #	Property Type	Yr Blt	Site Area	Bldg Area	Site Value	Bldg Value	Total Value
01-0470-00625-000	88	1995	23,754	7,500			
2015 Value after Recheck					\$ 32,000	\$ 154,000	\$ 186,000
Total Value / sf						\$ 24.80	
Building Value / sf						\$ 20.53	
2015 Assessment					\$ 32,000	\$ 189,500	\$ 221,500
Total Value / sf						\$ 29.53	
Building Value / sf						\$ 25.27	
2014 Assessment					\$ 32,000	\$ 160,600	\$ 192,600
Total Value / sf						\$ 25.68	
Building Value / sf						\$ 21.41	

The following table recaps recent **sales** of comparable properties in Fargo. Repeat sales in the area indicate a minimum of 6% increase in value per year. Based on the age and condition of the subject property, the value indicated above is supported.

Address	Sale Date	Adj Sale \$	Property Type	Site Area	Yr Blt	Bldg sf	Total \$ / sf	Bldg \$ / sf
417 39 St N	28-Jan-13	\$ 434,800	89	89,636	1995	7,500	\$ 57.97	\$ 40.11
240 39 St N	30-May-13	\$ 188,000	89	23,384	1996	6,125	\$ 30.69	\$ 25.47
1850 Dakota Dr N	18-Apr-12	\$ 295,200	89	30,000	1997	4,608	\$ 64.06	\$ 52.56
224 22 St N	30-Jan-14	\$ 237,500	89	14,080	1994	5,440	\$ 43.66	\$ 39.25
4102 7 Ave N	30-Jan-14	\$ 310,500	89	55,904	1980	7,500	\$ 41.40	\$ 30.20
Minimum	18-Apr-12			14,080	1980	4,608	\$ 30.69	\$ 25.47
Maximum	30-Jan-14			89,636	1997	7,500	\$ 64.06	\$ 52.56
Mean				42,601		6,235	\$ 47.56	\$ 37.52
Median				30,000		6,125	\$ 43.66	\$ 39.25

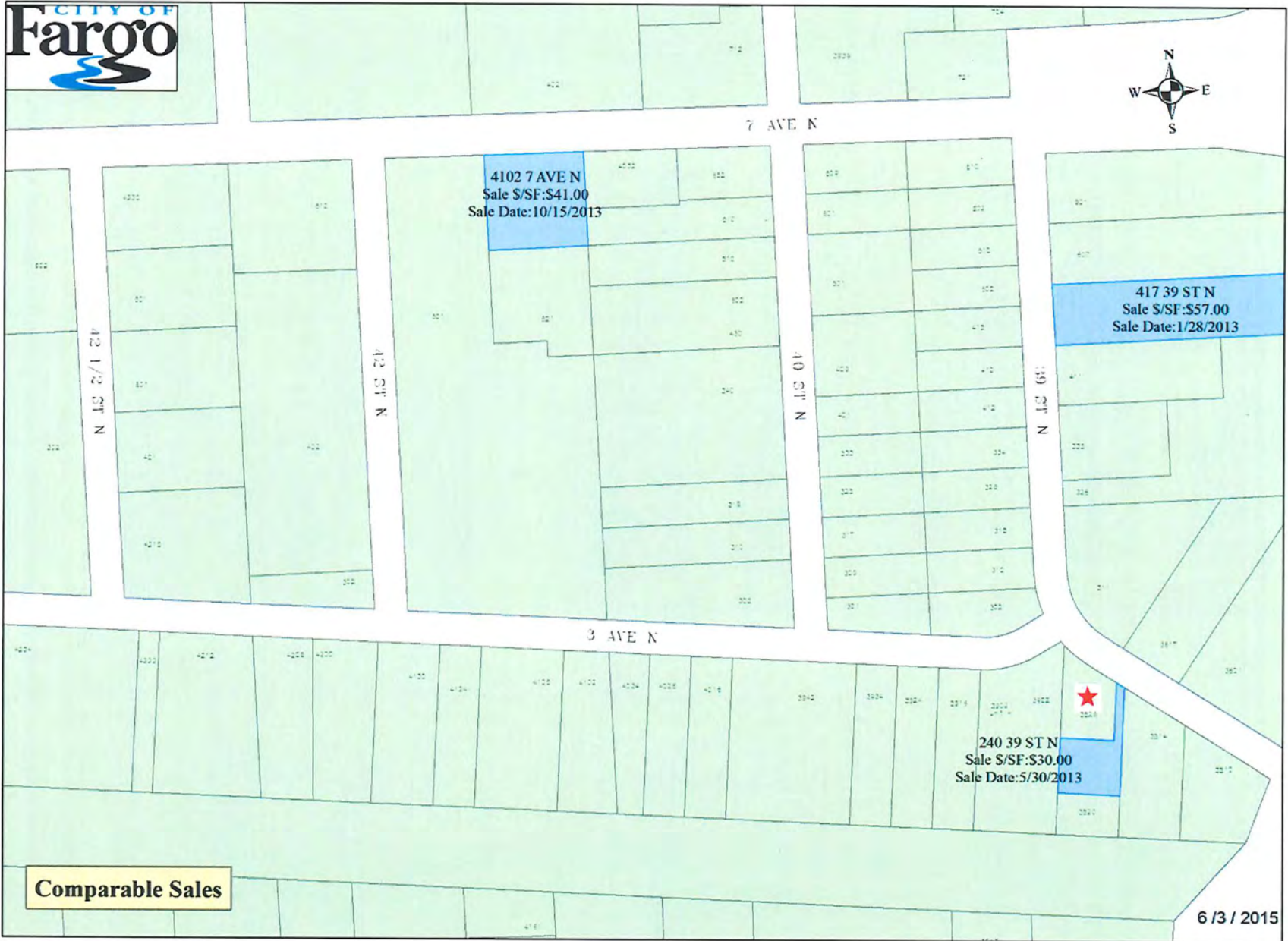
ASSESSMENT DEPARTMENT RECOMMENDATION

Retain the current value of \$186,000.

3826 3 AVE N

Parcel Number 01-0470-00625-000

Owner: Continental Mgmt. & Investment, Inc.



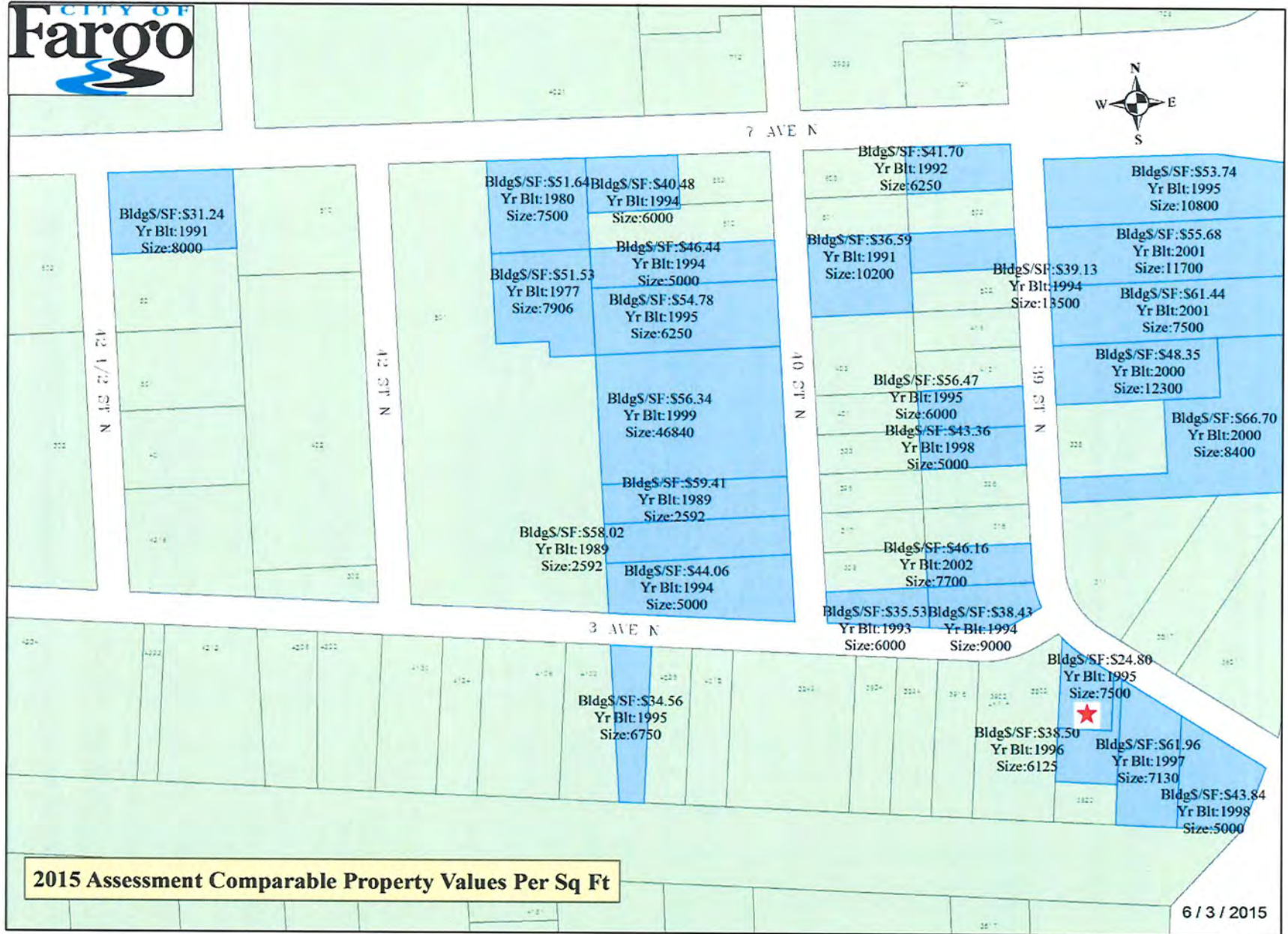
Comparable Sales

6/3/2015

3826 3 AVE N

Parcel Number 01-0470-00625-000

Owner: Continental Mgmt. & Investment, Inc.



Paul Davidson
Appeal



06/04/2015 14:37

Sale Compare -
Davidson Appeal



06/04/2015 14:35

Mass Assessment Change Recommendations

Suggest Motion: " I move to adjust the assessments for the jurisdictions listed below."

	Increase	Increase
	Residential	Commercial
Jurisdiction	Lots and Structures	Lots and Structures
Amenia City	7%	7%
Argusville City	10%	10%
Arthur City	5%	5%
Casselton City	10%	10%
Horace City	3%	5%
Leonard City	5%	5%
Mapleton City	10%	10%
North River City	5%	
Amenia Township	8%	
Ayr Township	10%	10%
Berlin Township	10%	10%
Casselton Township	8%	
Empire Township	8%	
Erie Township	5%	5%
Everest Township	7%	7%
Harmony Township	5%	5%
Hill Township	10%	10%
Lake Township	10%	10%
Noble Township	10%	10%
Pontiac Township	5%	
Rich Township	10%	10%
Rochester Township	10%	10%
Rush River Township	10%	10%
Warren Township	10%	10%
Wheatland Township	7%	7%

Individual Assessment Change Recommendations

Suggested Motion: "I move to adjust the individual assessments listed below."

Parcel Number	Address	2015 Residential Assessment	2015 Proposed Assessment
58-0000-10644-000	13595 54th St SE	\$ 99,600	\$ 250,000
58-0000-10622-020	5277 136th Av SE	\$ 57,300	\$ 150,000
30-0000-02461-011	4457 138th Av SE	\$ 106,100	\$ 150,000
30-0000-02551-015	13670 47th St SE	\$ 115,600	\$ 250,000

Provided as a courtesy of

Frank Klein

Cass County Director/Equalization
 Box 2806
 Fargo, ND 58103
 Office Phone - (701) 241-5617
 kleinf@casscountynynd.gov



Sub Type:	Single Family	Geo Lat:	46.766775	Geo Lon:	-97.578915
Subdivision:	See Realtor	Map Zone:	Zone 2	Map Area:	N - Rural ND S of Hwy 10
County:					

Year Built:	1911	Lot Size:		Lot Acres:	9.50
Gen Tax:	957	Specials Inst:	0	Specials Unpd:	0
Drain:		Flood Plain:	No	School District:	Enderlin
Total SqFt.:	2,427	Square Ft. Source:	Owner	Style:	2 Story
Mstr Bdrm Main Flr:		Total Bedrooms:	5	Max Bdrms - Same Flr:	
Total Bathrooms:	2	Total Full Baths:	2	Total 3/4 Baths:	
Total Half Baths:		Laundry Location:		Garage Stalls:	2
Garage Type:	Attached	Lake:			

Public Remarks: Old & quaint & up-to-date! Blacktop to front door of 9.5 acre paradise with paver courtyard & wrap around deck. Pro-grade stainless appliances & nostalgic butler's pantry. Guest cabin with wood stove. Fantastic heated/finished shop. Fabulous setting with fruit trees, ducks & deer in your backyard! HSA Home Warranty included!

Miscellaneous: Seller Disclosure; Horse Property
Exclusions: Exclusions: See Realtor
Master Bedroom/Bath: Hollywood Bath; Whirlpool Tub
Bedrooms Per Level: Bedrooms - Main: 1; Bedrooms - Upper: 4
Garage: # Stalls Attached: 2; # Stalls Detached: 2; # Door Openers: 2; Finished; Heated; Floor Drain
Exterior: Metal

Roof: Conventional Shingle
Foundation: Poured
Lot Feat/Fld Plain: Wooded; Farmstead
Interior Amenities: Jetted Tub; Pantry; Hardwood Floors; Tile Floors
Inclusions: Floor Covering; Garage Opener; Water Softener; Wdw Coverings-All; Gas Range; Refrigerator; Dryer; Washer; Wtr Softener-Owned
Exterior Amenities: Fenced Partial; Wood Deck; Patio; Outbldings-See Rmrks

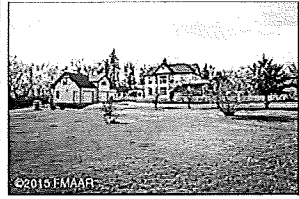
Other Amenities: Ceiling/Paddle Fans
Other Rooms: Foyer; Formal Dining; Study/Den; Workshop
Heat System: Dual Fuel/Off Peak; EHW -elec hot water; GHW -gas hot water
Air Conditioning: Window
Water Heater: Gas
Closing Information: Specials Assumed: Yes; Specials Pd Seller \$: 0; Finance Type: Conv; Pnts Pd By Seller \$: 0; Pnts Pd By Buyer \$: 0; Seller Concessions \$: 419; Seller Remarks: 419 HPP

Room Name	Room Level	No. of Rooms	Room Remarks	Room Name	Room Level	No. of Rooms	Room Remarks
Kitchen	M	1	Professional Grade SS Appliances	Other	M	1	Foyer off Garage
Other	M	1	Walk-in Pantry	Patio/Deck	M	1	Wrap-around
Dining Room	M	1	Built in Hutch, Pocket door, Hrdwd floor	Bedroom	U	4	Built in Shelves, Hrdwd floors
Living Room	M	1	Refinished Hardwood Floors	Bathroom	U	1	Claw foot Tub/Shower, Ceramic tile
Other	M	1	Study/Den with Closet	Patio/Deck	U	1	Deck
Bedroom	M	1	Whirlpool Tub	Patio/Deck	M	1	Paved Patio Courtyard
Bathroom	M	1	Hollywood Bath, Granite	Utility Room	L	1	Tankless Water Heater, sump pump
Laundry	M	1	Main Floor	Other	L	2	Concrete Cyclone Room/Storage

List Price: 259,900 Contingent: No

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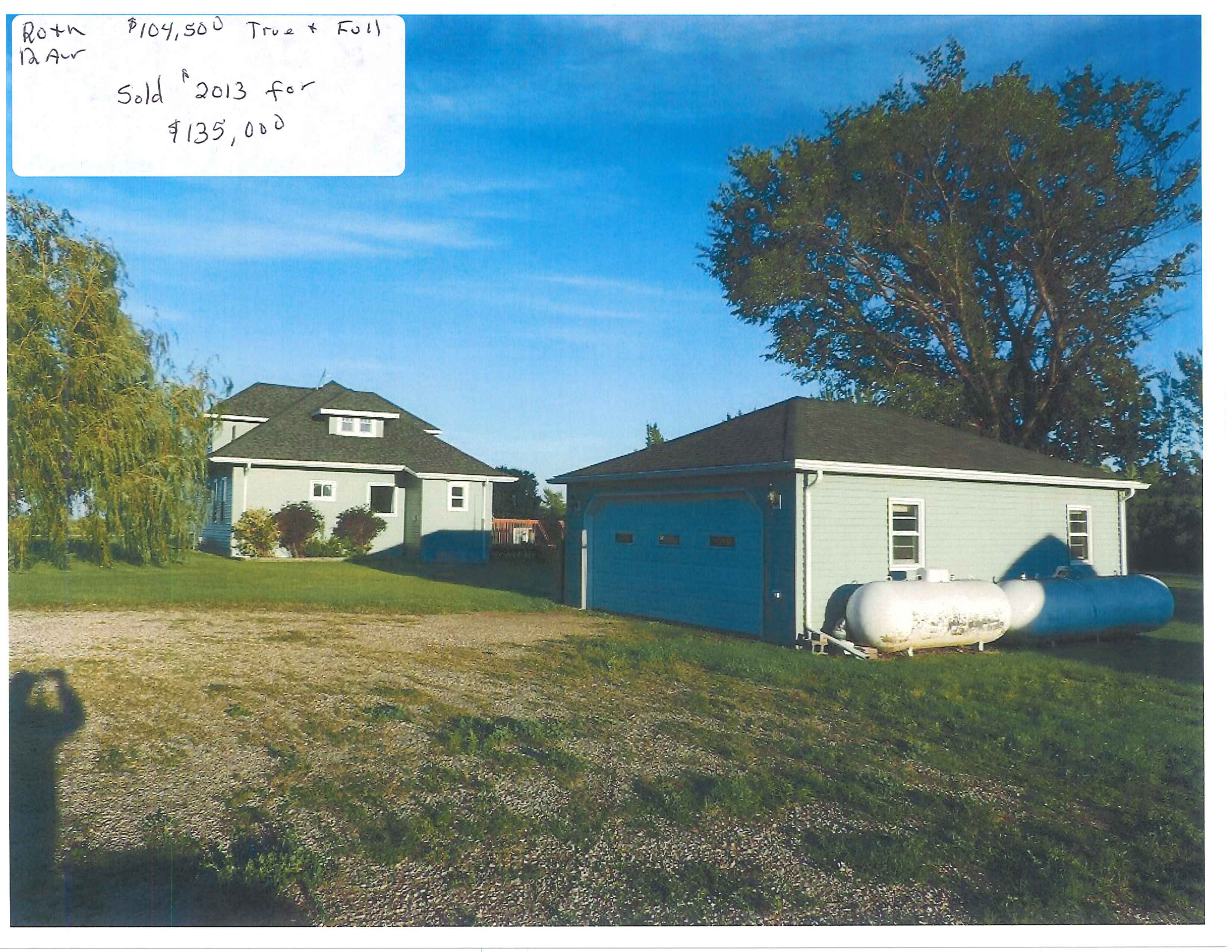


13670 47 ST SE Alice, ND 58031		15-1969 Residential Active \$440,000					
Provided as a courtesy of Fargo-Moorhead Association of REALTORS® 813 N University Dr Fargo, ND 58102 Office Phone - (701) 235-6679 fmaar@fmrrealtor.com http://www.fmrrealtor.com							
Sub Type:	Single Family	Geo Lat:	46.729800	Geo Lon:	-97.604570		
Subdivision:	Clifton Twnship	Map Zone:	Zone 2	Map Area:	N - Rural ND S of Hwy 10		
County:	Cass						
Year Built:	1907	Lot Size:	11	Lot Acres:	16		
Gen Tax:	886	Specials Inst:	No	Specials Unpd:	107		
Drain:		Flood Plain:	Public Records	School District:	3 Story		
Total SqFt.:	4,319	Square Ft. Source:	7	Style:	Max Bdrms - Same Flr:		
Mstr Bdrm Main Flr:	No	Total Bedrooms:	2	Total 3/4 Baths:	4		
Total Bathrooms:	3	Laundry Location:	Basement	Garage Stalls:	3		
Total Half Baths:	1	Lake:	None				
Garage Type:	Attached						
Public Remarks: Come home...to the quiet life! Awesome 3 story Character home where old world charm meets modern enhancements. Built in 1907, moved onto new basement in 1993 & over 5300 sq' finished. Wrap around porch on 2 levels, remodeled bathrooms with vintage flair. Architectural details found only in an older home; too many features to list! Livability beyond your dreams...work from home, Bed & Breakfast, hobby farm...what is your dream?							
Miscellaneous: Seller Disclosure; New Construction: No Exclusions: Exclusions: See remarks Master Bedroom/Bath: Private Bath; Whirlpool Tub Bedrooms Per Level: Bedrooms - Main: 0; Bedrooms - Upper: 7; Bedrooms - Lower: 0; Bedrooms - Basement: 0 Garage: # Stalls Attached: 3; Finished; Heated; Floor Drain Exterior: Metal		Roof: Conventional Shingle Foundation: Poured Lot Feet/Fld Plain: Wooded; Farmstead Interior Amenities: Jetted Tub; Hardwood Floors; Tile Floors; Laminate Floors Inclusions: Floor Covering; Garage Opener; Wdw Coverings-Some; Electric Range; Microwave; Refrigerator; Dryer; Washer Exterior Amenities: Fenced Partial; Storage Shed; Wood Deck; Patio; Outbidings-See Rmiks		Other Amenities: Skylight(s) Other Rooms: Foyer; Formal Dining; Storage; Study/Den; Utility Room; Family Room Fireplace: Gas Heat System: GFA - gas forced air Air Conditioning: Window Water Heater: Gas			
Room Name	Room Level	No. of Rooms	Room Remarks	Room Name	Room Level	No. of Rooms	Room Remarks
Family Room	M	1	1016 sq' - wood laminate, natural light!	Bedroom	U	4	Hardwood floors
Fireplace	M	1	Gas Fire Place plus Cook Stove	Bathroom	U	1	Claw foot tub & New Dresser sink
Other	M	2	Front & Back foyers	Bedroom	U	1	3rd Floor; Skylight; hardwood floor
Bathroom	M	1	Vintage Half Bath!	Family Room	B	1	Reclaimed barnwood built-in
Kitchen/Eating	M	1	Beautiful Counters; Mission Hutch	Other	B	1	Current Mstr bed suite (no egress)
Dining Room	M	1	currently TV room; Hardwood floor	Bathroom	B	1	tiled walk-in shwr; whirlpool tub
Other	M	1	Currently Office; Hardwood floor	Utility Room	B	1	Spacious! Laundry rm; includes W/D
Living Room	M	1	Formal Living Room; Hardwood floors	Other	B	1	Storage
Patio/Deck	M	1	Wrap around deck!	Bedroom	U	2	Located above attached garage
Patio/Deck	U	1	Wrap around deck!	Other	U	1	Storage by bdrms above garage
List Price:	440,000						
LO: Park Co. Realtors; homes@parkcompany.com							

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Roth \$104,500 True + Fall
12 Apr
Sold in 2013 for
\$135,000



Pfeff \$160,800 Tru & Full
9.62 Ac



Report cont'd from page 1

the provisions of chapter 39-12, the board of county commissioners and other local authorities having control of roads may not impose any additional fees for the use of county roads, except the fees established in the North Dakota association of oil and gas producing counties' uniform county truck permit program, unless an operator, company, or individual requests and agrees to pay the additional fees.

However, the board of county commissioners and other local authorities may issue penalties to operators, companies, or individuals who violate posted road restrictions.

Bills Dealing with Tax Issues:

The Assessor Qualification Bill, SB 2054, was stopped in the House with a 42-49-3 vote. But then it got amended onto another tax bill, **HB 1059**, which was a bill to correct a tax inequity between investor-owned electrics and co-op RECs.

Other amendments to the bill included the homestead credit for the elderly and one that would allow a fire district to continue a levy to pay off a bond issue. Getting coupled with these other items made the assessor training amendment very hard to kill. The new version in the amendment would continue the two-tiered system with Class I and Class II assessors. Cities of more than 5,000 requiring Class I, which requires 180 hours of training but the requirement for Class II was dropped to 100 hours. The fewer hours also made the bill seem less brutal and it became even harder to kill.

The much amended HB 1059 passed the Senate and then went on to a conference committee. The House conferees didn't like having the assessor bill reintroduced in this manor but the Senate was insistent that the amendment stay in.

The conference committee was dead-locked 3-3, the House tried to get the hours cut to 50 but the Tax Department said they needed 80 hours to fit the available online courses so that is what they settled for.

The problem is the cost of the 80 hours of online courses is \$1,035. For a

township that levies 18 mills, it would take all the taxes raised from \$1,277,777 of residential property to pay for the training.

Many legislators were frustrated that they had to vote for the bill or be voting against property tax relief. Some did vote against the bill just to show their displeasure with the back door method used to push this once killed bill through. The final version passed the House 70-20, then the Senate 39-8.

As an assessor I have to say I am not at all happy with this new requirement, but I guess we brought this on ourselves. All will suffer for the sins of a few. There are stories going around of deliberate under-valuing, properties being omitted or wrongly classified, and the misuse of the farm home exemption.

Reports that in one southern county there are 82 residences given the farm home exemption that do not qualify. In another county a township assessor made all residences farm home exempt so he would not have to assess his own.

The minutes of one township equalization board recorded, "*we gave him the good neighbor discount.*" The law does not provide any such discount and I was just astounded when I heard that testimony in the Senate Tax Committee.

The urban population is quick to assume that the rural is not paying equally and that means the urban has to pick up more of the school district and county tax bills. That is why some legislators seem to be after us. In a case like this, a red mark against one stains all of us.

HB1054, Agland Modifier Bill. Started out monitoring this bill because I had heard in the interim meetings that some of the modifiers were over used and actually doubled up on some factors. But as the session went on it became apparent that this bill might have caused more problems than it would solve.

It would be another one-size-fits-all solution. It would be much better to study the use of modifiers and maybe try some changes out in a few counties before doing it state-wide. Senate killed

it 21-26.

HB 1055, Mills to Cents per \$1000, a 133-page bill to remove a four letter word and replace it with a sentence. Those who don't understand mills wouldn't understand this either. It would have been a lot of money spent for no improvement. Passed the House 65-28, the Senate Tax Committee tried to work out some issues with the bill but when it went to a vote the Senate killed it 4-42.

HB 1057, Notice of Increased Assessment, requires that a property owner be notified if the total increase of assessment of his property exceeds \$3,000 and 10% over the last year's assessment, no matter who or what board made the increase.

The Senate amended the bill and the House refused to concur so it went to conference. There was an attempt by a House Conferee to amend the bill with caps on subdivision levies. If a subdivision raised their levy more than 10% one year, the next year they would be limited to a 3% maximum increase.

This might have become a problem for a township that had reduced their levy because of the large state funding, now with less money coming from the state they will need to increase their levy and could have run into these caps.

The Senate Conferees successfully resisted this amendment, the committee then gave the Senate passed version a favorable recommendation. The House finally accepted the Senate version.

SB 2144, Governor's Task Force on Property Tax. Shortened the list of levies available to townships; it eliminated several that had not been used in years. Does allow the normal 18 mills which can be expanded to 36 (excess levy) by a vote of the electors.

A five mill levy can be authorized by the voters for co-operation with the county for county highways within the township. The Excess Levy and Township Road Levy need to be reauthorized every five years. The amended bill passed the House 84-6, the Senate concurred with the amendments and passed it 47-0.

Cont'd on page 6