

## INVESTIGATION OF ABATEMENT APPLICATION

**ABATEMENT No: 4448**

Following is a report on the investigation of the abatement application of: Wells Fargo Bank

Cass County Board of Commissioners and State Tax Commissioner:

Ryan Property Tax Services is asking that the 2014 commercial valuation be reduced from \$9,009,000 to \$8,443,000 for the 4 story Wells Fargo Bank located at 406 Main Ave Fargo.

The taxpayer's agent has presented a one page income analysis along with a 2012 bank sale listing, some general market data and a list of office space rental asking rates. The documentation is lacking in numerous areas, including analysis of bank sales, analysis of the current lease rates, development of the capitalization rate, etc.

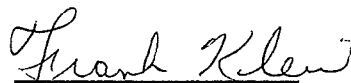
The City of Fargo Assessment department has presented a summary of the issues, along with a report defending their assessment. The report states that they used a cost model, based on sales and income information, to value all banks. They have also presented data indicating that the assessment is equitable with other banks.

The Fargo City Commission recommended denial of the abatement application.

The documentation presented by the applicant has not shown that the assessment exceeds market value. If the applicant wishes to have the assessment further reviewed, it is suggested that they submit an appraisal by a certified general real property appraiser.

**SUGGESTED MOTION: "I move that Abatement # 4448 be denied, as recommended by the City of Fargo and the Director of Equalization."**

Dated this 8<sup>th</sup> Day of July, 2015.



Frank Klein  
Director of Tax Equalization

Mr. Ethan Horn of Ryan Property Tax Services filed an appeal on the 2014 value of the above referenced property on behalf of the property owner. The appeal is requesting a reduction in value from \$14,111,300 to \$8,443,000. The \$14,111,300 value includes the Island Park Ramp (parking structure) which is valued at \$5,102,300. It receives an annual exemption as a “Parking Structure”. In addition, an abatement was initiated on our part to split the land value on this parcel for 2014 resulting in an allocation of the land value between the Wells Fargo portion of the property and the exempt Island Park Ramp portion of the property. The abatement resulted in a (net taxable appraised) value reduction of \$180,000. The resulting total net appraised value of the taxable portion of the property for 2014 is \$9,009,000. The applicant is requesting a value of \$8,443,000; a reduction of \$566,000.



Wells Fargo @ 406 Main Ave – Looking North



Wells Fargo @ 406 Main Ave – Looking South

Mr. Horn’s analysis is recapped in the following table with the entire value of the property (taxable & non-taxable) reflected for 2014, 2013, and 2012. I have restated the analysis to reflect the value of the Wells Fargo (taxable portion) of the property in the last three columns for the same time period with the indicated changes in value over the period reflected.

	Value as Represented by Ryan Property Tax Service			Value as Restated			
	2014	2013	2012	2014 - Abated	2014 - Certified	2013	2012
Assessed Value	\$ 14,111,300	\$ 13,837,300	\$ 13,566,000	\$ 9,009,000	\$ 9,189,000	\$ 9,058,400	\$ 8,880,800
Building Area (Wells Fargo Bldg)	84,661	84,661	84,661	84,661	84,661	84,661	84,661
Value / Building Area	\$ 166.68	\$ 163.44	\$ 160.24	\$ 106.41	\$ 108.54	\$ 107.00	\$ 104.90
Dollar Change				\$ (180,000)	\$ 130,600	\$ 177,600	\$ 258,700
Percent Change				-2.0%	1.4%	2.0%	3.0%
Change Cause				Land Allocation	Reappraisal	Index	Index

Recapped in the following table is the 2014 valuation for this parcel as well as indications of value with the taxable portion representing Wells Fargo and the non-taxable portion representing the Island Park Ramp.

- The “Net Appraisal Total” reflects the abated valuation.
- The “extra value” consists of paving, canopies, drive-up and vision windows, pneumatic tube systems, etc.
- The value indications per GBA include the basement area.

2014 Valuation & Property Characteristics										
	Land Value	Improvement Value	Total Value	Appraised Land	Net Appraised Improvement	Net Appraisal Total	Land Assessed	Improvement Assessed	Total Assessed	
Taxable	\$ 660,000	\$ 8,349,000	\$ 9,009,000	\$ 660,000	\$ 8,349,000	\$ 9,009,000	\$ 330,000	\$ 4,174,500	\$ 4,504,500	
Exempt	\$ 180,000	\$ 4,922,300	\$ 5,102,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 840,000	\$ 13,271,300	\$ 14,111,300	\$ 660,000	\$ 8,349,000	\$ 9,009,000	\$ 330,000	\$ 4,174,500	\$ 4,504,500	
Corrected Land Value for 2014 through Abatement #14-491 / Allocated Land Area & Value between Bank (SegID 1) & Parking Ramp (SegID 2)										
	Occp 1	Occp 2	Bldg Area	# of Flrs	Bldg Imprint	Bsmt Occp 1	Bsmt Finish	Bsmt Area	Extra Value	Land Area
Taxable	Bank @ 22%	Office @ 78%	84,661	4	23,611	Bank	Unfinished	22,756	\$ 359,800	82,500
Exempt*	Parking Structure @ 100%	NA	76,510	5	15,302	NA	NA	-	\$ -	22,500
* Bldg sf represents approximately 50% of the estimated total ramp area as the balance of the ramp is located the Bank of the West Parcel to the west. * Island Park Ramp receives a 100% EXEMPTION.										
	Land Value / sf	Total Value / Bldg Area	Value / Bldg Area	Bldg Value / Bldg Area	Total Value / GBA	Improvement Value / GBA	Bldg Value / GBA			
Taxable	\$ 8.00	\$ 106.41	\$ 98.62	\$ 94.37	\$ 83.87	\$ 77.73	\$ 74.38			
Exempt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

A recap of Mr. Horn’s analysis follows, along with a brief analysis. The income approach considers asking rents for office space within the Fargo DMU, and a listing of the Dakota Center that was compiled in September 2010.

With respect to rents and the indication of value by the Income Approach to Value:

- The Bank of the West Tower rent is reflected as \$19.95 by Mr. Horn which was reduced to \$17.00 with the contention that lower floors would rent at a lesser rate.
  - o There are currently two suites available in the Bank of the West Tower with a rent of \$21.00 on Suite 601 and \$17.75 on Suite 1000.
  - o The Dakota Center currently has five suites available with base rents ranging from \$8.50 to \$13.00 plus common area maintenance (CAM) charges of \$6.14 which results in total rents of between \$14.64 and \$19.14.
- An across the board rate of \$17.00 is utilized plus recoveries of \$1.00 for a total potential rent of \$18.00 for the above grade area of the Wells Fargo building.
  - o No consideration is given for increased rents for the bank or bank related portion of the building (22 percent of the Wells Fargo building is dedicated to this use), which generally rent at a higher rate due to fit-up and finish considerations and as was done with the 2501 13 Ave S Wells Fargo property.
  - o No consideration is given to the lower level unfinished portion of the building which also has the potential to generate income and contribute to the overall value of the property.
- Asking rents are utilized in the analysis. A large portion of the building (78 percent) is leased or potentially leasable with no reference made to the current rent levels or actual expenses.
- Recapped in the following table is the income analysis as provided by Mr. Horn as well as a restated analysis with two minor changes or corrections:
  - o A \$1.00 increase in “Recoveries”.
  - o The correction in the “Tax Load”.
- This results in a \$731,000 value change and supports the 2014 valuation.

Wells Fargo - 406 Main Ave (as Represented by Ryan Tax Services)				Wells Fargo - 406 Main Ave (as Restated)			
Bldg Area (sf):		84,661		Bldg Area (sf):		84,661	
Estimated Market Rent	\$ 17.00	\$ 1,439,237		Estimated Market Rent	\$ 17.00	\$ 1,439,237	
Recoveries	\$ 1.00	\$ 84,661		Recoveries	\$ 2.00	\$ 169,322	
Potential Gross Income	\$ 18.00	\$ 1,523,898		Potential Gross Income	\$ 19.00	\$ 1,608,559	
Less: V&C Loss	-10% \$ (1.80)	\$ (152,390)		Less: V&C Loss	-10% \$ (1.90)	\$ (160,856)	
Effective Gross Income	\$ 16.20	\$ 1,371,508		Effective Gross Income	\$ 17.10	\$ 1,447,703	
Expenses (net of Taxes)	\$ (5.75)	\$ (486,801)		Expenses (net of Taxes)	\$ (5.75)	\$ (486,801)	
Net Operating Income	\$ 10.45	\$ 884,707		Net Operating Income	\$ 11.35	\$ 960,902	
OAR	9.00%			OAR	9.00%		
Tax Rate Load	1.43%			Tax Rate Load	1.43%		
Loaded OAR	10.43%			Loaded OAR	10.43%		
Indicated (Stabilized) Value:	\$ 8,482,000			Indicated (Stabilized) Value:	\$ 9,213,000		
Indicated Value / Bldg Area:	\$ 100.19			Indicated Value / Bldg Area:	\$ 108.82		
Indicated Value / GBA:	\$ 78.96			Indicated Value / GBA:	\$ 85.77		

The above analysis provides an indication of the wide variance in value that can be realized with only minor changes in income assumptions when actual lease data is not provided, when asking rents are used rather than actual rents, or when the property is owner-occupied as is the case with 22% of the Wells Fargo property nor does it recognize the contributory value of the unfinished lower level of this property.

- The Income Approach to Value as presented provides an overall poor analysis.

With respect to the listing of the Dakota Center:

- The building area is stated at 120,000 square feet. Our office lists the building area at 106,250 square feet with an additional 20,956 square feet of finished basement area.
- The resulting corrected listing price per square foot is \$112.00, not \$99.00 per square foot as stated considering the above grade area of the building.
- The corrected analysis provides support for our current valuation based on this listing.
- The listing and property characteristics are recapped below:

51 Broadway N & 42 5 St N - Listing as of 09/25/2010										
Asking Price		\$ 11,900,000								
	Land Value / sf	Total Price / sf	Improvement Price / sf	Bldg Price / sf	Total Price / GBA	Improvement Price / GBA	Bldg Price / GBA	Land Value		
51 Bdwy N	\$ 12.00	\$ 112.00	\$ 104.48	\$ 103.50	\$ 93.55	\$ 87.27	\$ 86.45	\$ 654,000		
42 5 St N	\$ 10.00							\$ 145,000		
	Occp 1	Occp 2	Total Bldg sf	# of Flrs	Bldg Imprint sf	Bsmt Occp	Bsmt Finish	Bsmt Area	Extra Value	Land Area
51 Bdwy N	Bank @ 5%	Office @ 95%	106,250	4.60	29,284	Office/Finished	Finished	20,956	\$ 82,200	54,500
42 5 St N	Parking Lot								\$ 22,000	14,500

# of Flrs: Blended floor count with a portion being 2 story, a portion being 6 story and a portion being 5 story.

The following table provides support for the 2014 valuation of the Wells Fargo property. An analysis of property sales that consist of bank or bank related occupancies are very limited. However, four sales have occurred since 2003 and are recapped below. Please note 15 Broadway N re-sold with an implied annual compounded appreciation rate of 2.3 percent.

Bldg Name	Parcel No	Seg Id	Sale Date	Sale Price Adjusted	PT	Occp 1	Occp 2	Yr Built	Site Coverage	Bldg Area (SF)	# of Flrs	Total Sale \$ / Bldg Area	Impr Sale \$ / Bldg Area	Bldg Sale \$ / Bldg Area	Total Bsmt SF	
51A BROADWAY N	01-1520-00016-000	1	31-May-12	\$9,510,500	14	344	344	1986	44.8%	106,250	2	\$ 89.51	\$ 87.38	\$ 83.68	20,956	
51B BROADWAY N	01-1520-00020-000							1981			6					
	01-1520-00021-000															
	01-1520-00017-000															
15 BROADWAY N	01-2150-00375-000	1	18-Oct-12	\$5,155,200	14	304	344	1926	20.9%	49,460	6	\$ 104.23	\$ 85.73	\$ 84.05	16,414	
	01-2150-00330-000															
	01-2150-00340-000															
	01-3508-01391-000															
1815 UNIVERSITY DR S	01-0162-01160-000	1	11-Aug-03	\$2,118,300	14	304	344	1957	19.6%	14,280	1	\$ 148.34	\$ 135.60	\$ 135.60	-	
15 BROADWAY N	01-2150-00375-000	1	31-Mar-03	\$4,200,000	14	304	344	1926	17.7%	49,460	6	\$ 84.92	\$ 67.85	\$ 66.28	16,414	
	01-2150-00330-000															
	01-2150-00340-000															
	01-3508-01390-000															
Bldg Name	Parcel No	Seg Id		Total Value	PT	Occp 1	Occp 2	Yr Built	Site Coverage	Bldg Area (SF)	# of Flrs	Total Value / Bldg Area	Impr Value / Bldg Area	Bldg Value / Bldg Area	Total Bsmt SF	
406 MAIN AVE	01-2112-00095-000	1		\$9,009,000		14	304	344	1980	28.6%	84,661	4	\$ 106.41	\$ 98.62	\$ 94.37	22,756

While 51 Broadway N is most similar in age, there is substantially less bank occupancy; 5 percent versus nearly 50 percent for the Wells Fargo property. 1815 University Dr S is a 2003 sale and was included because 52 percent of the occupancy is bank or bank related; it provides an indication that bank or bank related occupancies sell at a higher rate than typical office occupancies.

These four sales, not adjusting for time, indicate an overall range in value of between \$84.92 and \$148.34 per square foot of building area with the subject valued at \$106.41 per square foot of building area.

The six sales recapped on the following table consist of office occupancies only, two are re-sales. The oldest sale occurred in 2005. These sales bracket the Wells Fargo property in actual age and, to a lesser degree, building area.

Bldg Name	Parcel No	Seg Id	Sale Date	Sale \$ Adj	PT	OT 1	OT 2	Yr Built	Site Coverage	Bldg Area	# of Flrs	Total Sale \$ / Bldg Area	Impr Sale \$ / Bldg Area	Bldg Sale \$ / Bldg Area
1749 38 ST S (Improved)	01-3800-00020-000	1	9-May-07	\$ 1,971,100	59	344		1980	10.6%	13,969	1	\$ 141.11	\$ 93.86	\$ 91.91
1733 38 ST S (Land)	01-3800-00027-000	1												
1749 38 ST S (Improved)	01-3800-00020-000	1	8-Nov-05	\$ 1,556,900	59	344		1980	10.6%	13,969	1	\$ 111.45	\$ 85.68	\$ 83.74
1733 38 ST S (Land)	01-3800-00027-000	1												
2301 25 ST S (Medical)	01-0172-01586-050	1	6-Oct-10	\$ 14,430,100	59	341		1972	27.2%	51,509	1	\$ 280.15	\$ 269.10	\$ 265.22
1707 GOLD DR S	01-6370-00100-000	1	4-Sep-07	\$ 17,458,500	59	344		1999	16.8%	128,429	2	\$ 136.26	\$ 116.45	\$ 111.70
		2												
		3												
2829 UNIVERSITY DR S	01-0265-00043-000	1	2-Jan-15	\$ 7,260,200	59	341		1984	10.7%	39,244	2	\$ 185.00	\$ 161.66	\$ 159.14
2829 UNIVERSITY DR S	01-0265-00043-000	1	8-Jan-07	\$ 4,617,000	59	344		1984	10.7%	39,244	2	\$ 117.65	\$ 94.31	\$ 91.78
Bldg Name	Parcel No	Seg Id		Total Value	PT	OT 1	OT 2	Yr Built	Site Coverage	Bldg Area	# of Flrs	Total Value / Bldg Area	Impr Value / Bldg Area	Bldg Value / Bldg Area
406 MAIN AVE	01-2112-00095-000	1		\$ 9,009,000	14	304	344	1980	28.6%	84,661	4	\$ 106.41	\$ 98.62	\$ 94.37

**1749 38 St S:** This is the former Production Credit Association (Ag Country Credit) property along with the vacant land located directly to the north. This property is significantly smaller than the Wells Fargo property but was constructed at the same time and provides a comparable indication of value due to its inferior location.

**2301 25 St S:** This is an out-patient, same day surgical clinic, purchased by Sanford. This is a much higher intensity use (occupancy) and provides an extreme upper indication of value due to the higher intensity use.

**1707 Gold Drive S:** This property consists of three (3) buildings ranging in size from 27,362 to 58,802 square feet. This property is newer than the Wells Fargo property but is reflective of an investment grade property and provides a comparable to upper indication of value.

**2829 University Dr S:** The 2007 sale is reflective of a sale of a with an office occupancy while the 2015 sale is reflective of a sale with a medical office occupancy. This property is of similar age but again the 2015 sale is a much higher intensity use (occupancy) and provides an extreme upper indication of value while the 2007 sale provides a comparable indication of value due to location and condition. The change in use (occupancy) resulted in substantial changes and updating to the improvements.

Overall, these six sales (and re-sales) tend to support the 2014 valuation of the Wells Fargo property.

The final analysis considered is equity, or how the value of the Wells Fargo property compares to competing properties.

Recapped below is an analysis of bank or bank related properties that bracket the Wells Fargo property in building area and bank or bank related properties with two or more floors.

Address	Parcel No	Seg Id	Yr Built	Bldg SF	Total Val / sf	Impr Val / sf	Bldg Val / sf	Land Val / sf	Site Coverage
<b>Large Buildings</b>									
Minimum	Count	5	1926	40,223	\$ 69.46	\$ 66.68	\$ 67.21	\$ 5.00	15.1%
Maximum			1984	106,250	\$ 120.16	\$ 113.30	\$ 111.13	\$ 12.00	97.3%
<b>Mean</b>			<b>1962</b>	<b>65,728</b>	<b>\$ 94.19</b>	<b>\$ 88.42</b>	<b>\$ 86.85</b>	<b>\$ 9.40</b>	<b>49.7%</b>
<b>Median</b>			<b>1964</b>	<b>61,159</b>	<b>\$ 91.80</b>	<b>\$ 88.05</b>	<b>\$ 85.26</b>	<b>\$ 10.00</b>	<b>53.7%</b>
Std Dev			23	24,790	\$ 18.27	\$ 17.13	\$ 16.46	\$ 2.96	32.3%
- 1 Std Dev			1939	40,938	\$ 75.92	\$ 71.29	\$ 70.39	\$ 6.43	17.4%
+ 1 Std Dev			1986	90,518	\$ 112.47	\$ 105.55	\$ 103.31	\$ 12.36	82.1%
406 MAIN AVE WELLS FARGO BANK OF ND	01-2112-00095-000	1	1980	84,661	\$ 106.41	\$ 98.62	\$ 94.37	\$ 8.00	22.5%
<b>Buildings w/ 2 Flrs +</b>									
Minimum	Count	18	1917	3,698	\$ 69.46	\$ 66.68	\$ 67.21	\$ 3.00	8.1%
Maximum			2013	106,250	\$ 224.91	\$ 186.76	\$ 172.71	\$ 12.00	97.3%
<b>Mean</b>			<b>1981</b>	<b>32,457</b>	<b>\$ 147.69</b>	<b>\$ 126.53</b>	<b>\$ 118.64</b>	<b>\$ 7.55</b>	<b>27.5%</b>
<b>Median</b>			<b>1989</b>	<b>28,129</b>	<b>\$ 145.91</b>	<b>\$ 111.93</b>	<b>\$ 108.96</b>	<b>\$ 7.26</b>	<b>16.7%</b>
Std Dev			27	25,883	\$ 49.94	\$ 39.01	\$ 34.12	\$ 2.32	25.9%
- 1 Std Dev			1953	6,574	\$ 97.75	\$ 87.51	\$ 84.51	\$ 5.23	1.5%
+ 1 Std Dev			2008	58,341	\$ 197.63	\$ 165.54	\$ 152.76	\$ 9.86	53.4%

There are five competing properties that bracket the Wells Fargo property in building area. These properties were built between 1926 and 1984, have building areas of between 40,223 and 106,250 square feet, and are valued at between \$69.46 and \$120.16 per building area with a mean value of \$94.19 and a median value of \$91.80 per building area as recapped.

There are 18 competing properties that are two or more floors. These properties were built between 1917 and 2013, have building areas of between 3,698 and 106,250 square feet, and are valued at between \$69.46 and \$224.91 per building area with a mean value of \$147.69 and a median value of \$145.91 per building area.

**ASSESSMENT DEPARTMENT RECOMMENDATION**

**Retain the 2014 assessment of \$9,009,000, and deny Abatement #4448.**

Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

FARGO ASSESSOR

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 City of Fargo

County of Cass Property I.D. No. 01-2112-00095-000

Name Wells Fargo Bank of ND Telephone No. (720) 524-0022

Address c/o Ryan LLC, 5251 DTC Parkway, Suite 1045, Greenwood Village, CO 80111

Legal description of the property involved in this application:

406 Main Avenue
SEGMENT 1- BLDG & IMPS- E 110' of L1 & W 240' LOT2, BLOCK 5 N DAK URBAN RENEWAL #2
SEGMENT 2- PARKING RAMP/ LOT BUILT IN 2001

Total true and full value of the property described above for the year 2014 is:

Land \$ 840,000
Improvements \$ 13,271,300
Total \$ 14,111,300 (1)

Total true and full value of the property described above for the year 2014 should be:

Land \$ 840,000
Improvements \$ 7,603,000
Total \$ 8,443,000 (2)

The difference of \$ 5,668,300.00 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 according to N.D.C.C. § 57-02-08.1. Attach a copy of Homestead Credit 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: \$ Date of purchase:
Terms: Cash Contract Trade Other (explain)
Was there personal property involved in the purchase price? Estimated value: \$
2. Has the property been offered for sale on the open market? If yes, how long?
Asking price: \$ Terms of sale:
3. The property was independently appraised: 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 \$
5. The estimated agricultural productive value of this property is excessive because of the following condition(s):

Applicant asks that The property value be reduced to \$8,443,000

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

Ethan Horn, Agent ethan.horn@ryan.com

**Recommendation of the Governing Body of the City or Township**

Recommendation of the governing board of CITY OF FARGO

On MAY 26, 2015, 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 DENIED

Dated this 24<sup>TH</sup> day of JUNE, 2015.

[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 Wells Fargo Bank of ND

County Auditor's File No. 4448

Date Application Was Filed With The County Auditor 3/23/2015

Date County Auditor Mailed Application to Township Clerk or City Auditor 3/23/2015  
(must be within five business days of filing date)



A Value Analysis of

Fargo Main

Located at

406 Main Ave

Fargo, ND 58126

Prepared by

**Ryan Property Tax Services**



**CONFIDENTIAL**

As of

**January 1, 2014**

Wells Fargo Bank

**RYAN PROPERTY TAX SERVICES PROPERTY SUMMARY**

<b>Tax Year</b>	2014
<b>District Handler</b>	Ethan Horn
<b>Client - Owner Name</b>	Wells Fargo Bank
<b>Property Name</b>	Fargo Main
<b>Address</b>	406 Main Ave
<b>City, State Zip Code</b>	Fargo, ND 58126
<b>Property Type</b>	Office
<b>Building Class</b>	B
<b>Site Size (Acres)</b>	2.4100
<b>Site Size (SF)</b>	104,980
<b>Description of Improvements</b>	One 4 Story Office Building
<b>NLA (SF)</b>	84,661
<b>Major Tenants</b>	Wells Fargo Bank
<b>Year of Construction</b>	1980
<b>Tax Account Parcel Number(s)</b>	01-2112-00095-000

## INCOME ANALYSIS

Property Information	
Property Name	Fargo Main
Address	406 Main Ave
City/State	Fargo, ND 58126
Property Type	Office - Class B
Total NRA	84,661
Year of Construction	1980
Parcel No.	01-2112-00095-000
2014 Tax Rate	1.478960%

Relevant Information			
	Initial 2014	2013	2012
Assessed Value	\$14,111,300	\$13,837,300	\$13,566,000
per square foot	\$166.68	\$163.44	\$160.24
	2014		
Occupancy	100%		
Expenses Net of Taxes	\$5.75		
Market Rent	\$17.00		

Space Type	Square Feet	Market Rent
Office	84,661	\$ 17.00
<b>Weighted Average</b>	<b>Market Rent</b>	<b>\$17.00</b>

### INCOME

Market Rent  
Recoveries

### GROSS INCOME

LESS: Vacancy & Collection Loss

### EFFECTIVE GROSS INCOME

### EXPENSES

LESS: Market Expenses Net of Taxes  
LESS: Capital Reserves

### NET OPERATING INCOME:

### MARKET CAPITALIZATION

Cap Rate  
Tax Load

### TOTAL CAP RATE:

### STABILIZED VALUE:

LESS: Deferred Maintenance  
LESS: Cost to Stabilization

### 2014 INDICATED VALUE:

2014 PROFORMA	
\$1,439,237	\$17.00
\$84,661	\$1.00
\$1,523,898	\$18.00
\$152,390	10%
\$1,371,508	
\$486,801	\$5.75
\$0	
\$884,707	
9.00%	
1.48%	
10.48%	
\$8,443,000	\$99.73
\$0	
\$0	
\$8,443,000	\$99.73

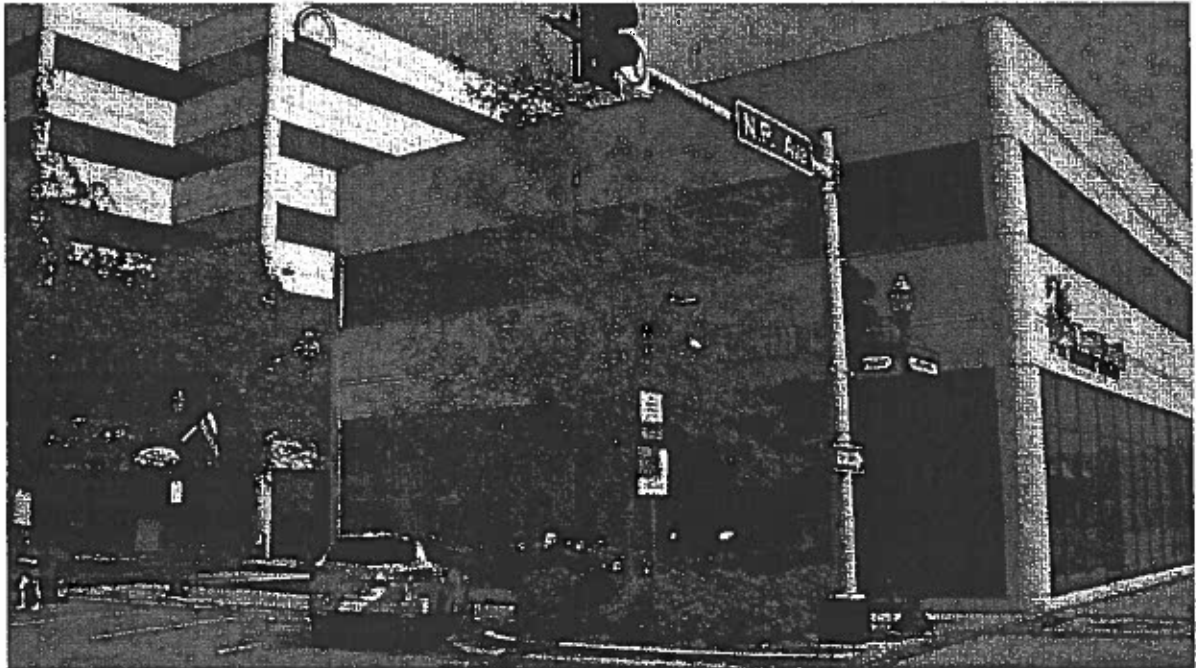
### COMMENTS:

My rent comparables search was focused to other similar, downtown office buildings. Bank of the West, FM Center, Dakota Bank while the Dakota Bank and FM Center (US Bank) indicated lower rents, I based my utilized rent off of the Bank of the West listing. This listing was for the top floor suite of Bank of the West and was at an asking rate of \$19.95/MG (Tele/Internet/Janitorial). Downward adjustments were made considering the lower levels would not achieve such a rent, as well as asking vs achieved.

Further support for my indicated value of \$100/sf is the Dakota Bank Building sale listing. The property is being marketed @ \$99/sf on an actual cap of 11.53%

\$11,900,000

**DAKOTA BANK BUILDING**  
51 Broadway, Fargo, ND 58102



Presented By: **Reid Bennett, CCIM**

221 N. LaSalle, Suite 650  
Chicago, IL 60601  
(312)641-0159  
reid.bennett@svn.com

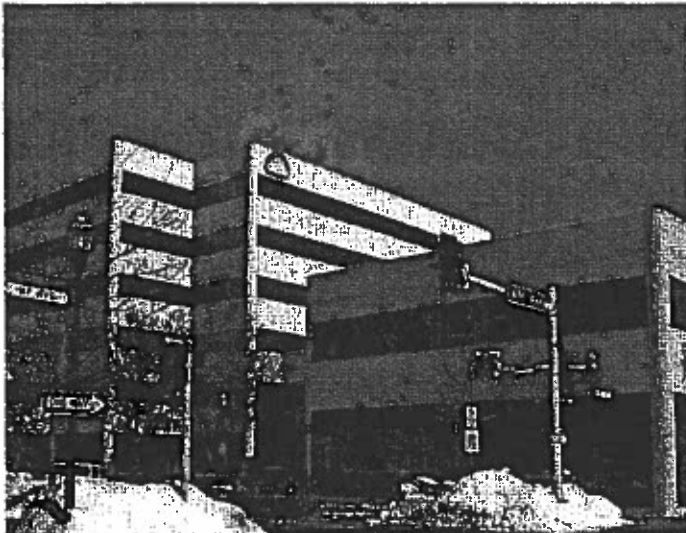
**Jim Sears**

221 N. LaSalle, Suite 650  
Chicago, IL 60601  
(312)641-0159  
jim.sears@svn.com

**Offering Highlights**

- High Profile Office Complex Downtown Fargo
- Approx. 120,000 square feet
- 98% Leased
- Offered at 11.15% CAP and over 20% Cash on Cash

# DAKOTA BANK BUILDING



51 Broadway, Fargo, ND 58102

## Executive Summary

List Price	\$11,900,000.00
Price Per Sq. Ft.	\$99.37
NOI	\$1,371,556
CAP	11.53%
Building Sq. Ft.	119,749
Rentable Sq. Ft.	119,749
Land Acres	1.58
Load Factor	
Occupancy	98%

## PROPERTY DESCRIPTION

### Major Tenants

S.E.I. Information Technology, USB Financial Services, Merrill Lynch, State Bank of Fargo and various professional firms.

### Construction

The building is a Class B building with a reinforced concrete frame and masonry exterior walls with a dryvit exterior finish. Both buildings are fully sprinklered and were built in stages, Phase I - 1981 & Phase II - 1986.

### Parking

Asphalt surfaced parking lot in the rear of the building for tenants and visitors

### Area

The City of Fargo is located in Cass County, North Dakota, along the Red River of the North which forms the border between Minnesota and North Dakota. An estimated 90,599 people live in Fargo according to the 2000 Census. It is the largest community in the Fargo-Moorhead metropolitan area with an approximate population of around 175,000. Fargo was recently ranked by Money Magazine as one of America's best places to live. The diverse economy has remained steady both as an agricultural presence, home to many health care facilities and has one of Microsoft's major campuses.

### Property

High profile 98% leased class A office building in downtown Fargo. Approximately 120,000 square feet offered at an 11.15% CAP based on actuals yielding over 20% cash on cash.

Exclusively Listed By:

Reid Bennett, CCIM

Jim Sears

(312)641-0159  
reid.bennett@svn.com

(312)641-0159  
jim.sears@svn.com

## HIGHLIGHTS

- High Profile Office Complex Downtown Fargo
- Approx. 120,000 square feet
- 98% Leased
- Offered at 11.15% CAP and over 20% Cash on Cash

Cross Street	N.P. Avenue
Tax Parcel No.	01152000016000 &
Market	Fargo
Sub Market	Downtown
Year Built	1986
Building Class	A
Location Class	A
Zoning Type	DMU
Mixed-Use	
No. of Buildings	2
No. of Stories	6
No. of Tenants	12
No. of Parking Spaces	
HVAC	boiler/cooling tower
Elevators	3-2,500 lb 1-3500 lb

520 Main Ave - Bank of the West Tower



Location: Bank of the West Tower  
 Cluster  
 Submarket  
 Cass County  
 Fargo, ND 58103

Building Type: Class B Office

Status: Built 1972  
 Stories: 12  
 RBA: 105,890 SF  
 Typical Floor: 8,600 SF  
 Total Avail: 8,600 SF  
 % Leased: 100%

Developer: -  
 Management: -  
 Recorded Owner: Bank of the West

Expenses: 2013 Tax @ \$1.19/sf  
 Parcel Number: 01-2112-00090-010, 01-2112-00090-020, 01-2112-00090-030, 01-2112-00090-040  
 Parking: 400 Surface Spaces @ \$50.00/mo; 110 Covered Spaces @ \$75.00/mo; Ratio of 4.82/1,000 SF

E 10th	8,600	8,600	8,600	\$19.95/mg	30 Days	5-10 yrs	Direct
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## 520 Main Ave - Bank of the West Tower

Entire 10th Floor

Fargo, ND

Available: 8,600 SF of Office, will divide  
Building Contiguous: 8,600 SF  
Ren/SF/Yr: \$19.95  
Executive Suite: N

Floor Contiguous: 8,600 SF  
Rent/mo: \$14,297.50

Services: Modified Gross  
Escalation:  
Lease Out: No Lease Pending  
Expense Stop:

Occupancy: 30 Days  
Term: 5-10 yrs  
Condition: Built-Out As Other

Type: Direct  
Listed: 8 Wks  
Build Out:

Space Notes: **TENANT EXPENSES: Telephone, Internet, Janitorial** Entire top floor - one of a kind downtown space! Fantastic views of downtown and Island Park! Landlord will provide 8 parking spaces free. Spaces in the adjacent Island Park ramp are currently available for \$52.00 per month per space. All parking is in addition to the initial 8 free spots and is subject to availability.

Floor Plan

Floor plan not provided

Leasing Company

Goldmark Schlossman  
1711 Gold Dr S  
Suite 130  
Fargo, ND 58103

Jim Buus (701) 239-5812



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## 51 Broadway N - Dakota Bank Building



**Location:** Dakota Bank Building  
Cluster  
Submarket  
Cass County  
Fargo, ND 58102

**Building Type:** Class B Office

**Status:** Built 1981

**Stories:** 6

**RBA:** 119,749 SF

**Typical Floor:** 19,958 SF

**Total Avail:** 16,630 SF

**% Leased:** 86.1%

**Developer:** -  
**Management:** Goldmark Schlossman  
**Recorded Owner:** Netroit Fargo LLC

**Expenses:** 2009 Tax @ \$0.08/sf, 2012 Est Tax @ \$0.13/sf, 2012 Est Ops @ \$2.71/sf  
**Parcel Number:** 01-1520-00016-000, 01-1520-00020-000

Floor	Area	Area	Area	Rate	Status	Lease Term	Notes
P 1st / Suite 130	1,833	1,833	1,833	\$8.50/tbd	Vacant	3-10 yrs	Direct
P 1st / Suite 170	2,000	2,000	2,000	\$11.50/tbd	Vacant	3-10 yrs	Direct
P 3rd / Suite 300	11,976	11,976	11,976	\$11.25/tbd	Vacant	3-10 yrs	Direct
P 5th / Suite 503	821	821	821	\$12.50/tbd	Vacant	3-10 yrs	Direct



403 Genter Ave - FM Center



Location: **FM Center**  
**Cluster**  
**Submarket**  
**Clay County**  
**Moorhead, MN 56560**

Building Type: **Class B Office**

Status: **Built 1949**

Stories: **7**

RBA: **49,000 SF**

Typical Floor: **7,000 SF**

Total Avail: **16,262 SF**

% Leased: **85.1%**

Developer: -  
 Management: -  
 Recorded Owner: **Metropolitan Financial Corp**

Expenses: **2012 Tax @ \$0.13/sf**  
 Parking: **100 Surface Spaces are available; Ratio of 2.04/1,000 SF**  
 Amenities: **Balcony, Banking, Signage**

Floor	SF Avail	Floor Plate	Net Area	Lease	Rent	Term	Lease Type	Notes
P 1st	1,980	1,980	1,990	No	\$12.00/mnn	30 Days	5 yrs	Direct
E 5th	7,000	7,000	7,000	No	\$12.00/mnn	30 Days	5 yrs	Direct



Corporate Properties Group  
333 Market Street, 10<sup>th</sup> Floor  
Mac A0109-101  
San Francisco, CA 94105


**LETTER OF AUTHORIZATION FOR TAX REPRESENTATION**

This letter serves as authorization for Ryan, LLC., PO Box 2609, Carlsbad CA 92018, (760) 602-5300, to represent in its affairs concerning all property tax matters for all accounts and/or parcels in all jurisdictions. This includes, but is not limited to: filing property renditions/statements, signing and filing of appeals, examining all property tax records, representation before the assessor, boards of equalization or review, and/or any other governmental agency responsible for the assessment of property.

This representation shall remain in effect until written notice of termination is issued by:

**Wells Fargo Bank, N.A. ; Wells Fargo Advisors,  
LLC; Wells Fargo Insurance Services; Wells  
Fargo Capital Finance;**

Assessee: \_\_\_\_\_


By:   
\_\_\_\_\_  
**AUTHORIZED SIGNATURE**

Regina Lee, Group Controller,  
Wells Fargo Corporate Properties Group  
**PRINT NAME, TITLE**

Dated this 13<sup>th</sup> day of January, 2014.

I certify that the signature above is a true and correct signature provided as a duly appointed officer or authorized employee of the above referenced company. If a copy of this form is being submitted, I will produce the original form with original signature upon request. If a completed application for changed assessment is attached to this authorization, I certify that a copy has been forward to applicant named in this application.

Ryan, LLC.

By:   
\_\_\_\_\_  
Date 3/13/15

Tax Year: 2014/2015