

## Staff Report for 2024 State Board of Equalization

**File No.:** 2024-CASS-FARGO-STERLING PROPERTIES, LLLP-CROWN COURT I

**Prepared By:** PROPERTY TAX DIVISION

**County or City:** CITY OF FARGO

**Appellant:** STERLING PROPERTIES, LLLP

**Type of Appeal:** COMMERCIAL VALUE

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**Appeal Issue:** Sterling Properties, LLLP, represented by Sam Jelleberg, is appealing the property value of \$735,000 on parcel number 01-0440-02710-000, located at 801 10<sup>TH</sup> Ave N, Fargo, ND.

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**Analysis:**

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**Summary:**

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**Proposal for Review:**

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### Appellant Information – State Board of Equalization

County or City: Fargo, ND  
 Appellant: Sterling Properties, LLLP  
 Type of Appeal: Residential

Please complete this form in its entirety. The information provided will be taken into consideration when investigating and reaching a conclusion regarding the appeal presented. To provide ample time for investigation, all information to support the appeal (property information, pictures, income information, etc.) must be received by August 1, 2024, and is subject to open records. Please provide one questionnaire per property.

Please email or mail any supporting documentation to:  
[propertytax@nd.gov](mailto:propertytax@nd.gov)  
 or  
 The Office of State Tax Commissioner, Attn: Property Tax,  
 600 E Boulevard Ave., Bismarck, ND 58505-0599

#### *Information for Property Referenced in Appeal:*

Property name	Crown Court 1
City	Fargo
Address	801 10th Ave N
Township Name	Barnes
County	Cass
Parcel ID	01-0440-02710-000
Legal Description	CHAPINS- AUDITORS SUB E 70' OF LOT B BLK 15 EXC N 100'

***Appellant Contact Information:***

Appellant Name: Sam Jelleberg  
Address: 4340 18<sup>th</sup> Ave S, Fargo, ND 58103  
Phone Number: 701-201-0645  
Email Address: SJelleberg@SRETrust.com

***Answer the questions below that apply to the appeal:***

Are you the owner of the property of this appeal?       Yes     No  
(If No, please see the Consent to Release Financial Info)

Did you receive a notice of increase letter from the city/township? (choose all that apply)

- Prior to     After                  Township/City Equalization Meeting  
 Prior to     After                  County Equalization Meeting  
 No Notification Received

At which meeting(s) did you appeal your assessment? (choose all that apply)

- Township/City     County     N/A

***\*Please note NDCC § 57-13-04.3(a)(1)(2) requires appellants to appeal to the State Board of Equalization must have applied to both local and county boards.***

Has a recent appraisal been completed on the property?

- Yes (if yes, please attach)     No

What grounds is your appeal based upon? Please check all that apply and provide supporting documentation for each selection.

- Factual error, that is, a data collection or clerical error.  
 Equity and uniformity claim of discriminatory level of assessment.  
 Belief that the valuation is inaccurate.  
 Exemption, classification, or assessment limitation.

Please attach or email (propertytax@nd.gov) the following:

1. A detailed explanation of your appeal
2. Evidence to validate the assessment appealed

**Appeal Process:**

- 1.) Appellant notifies the Property Tax Division of intent to appeal.
- 2.) Submit this form and all applicable documentation to propertytax@nd.gov by the date specified above.
- 3.) The State Board of Equalization meets on the second Tuesday in August to examine and compare the returns of the assessment of taxable property as submitted by North Dakota counties. This is locally assessed property. The board equalizes the property so that all assessments of similar

taxable property are uniform and equal throughout the state. During this meeting, tax directors or other representatives from a county will speak, along with city representatives, and individual taxpayers.

- 4.) After the State Board meeting, your case will be assigned, and staff will reach out to schedule an onsite review of the property (when deemed applicable). While an interior inspection of the property is not required, interior reviews may affect the consideration of value. If denied an interior review, we will assess from the exterior only. Staff will not be allowed to enter the property without the owner or a representative present.
- 5.) Generally, by the first Thursday of October, the property tax division staff will present their findings to the State Board of Equalization with a recommendation. The board deliberates and votes. You can attend this meeting; however, public comments are not accepted.

## Crown Court I Apartments

Income Approach Tax Analysis

April 5, 2024

Parcel ID Number	2020 (payable 2021)		2021 (payable 2022)		2022 (payable 2023)		2023 (payable 2024)		2024 (payable 2025)	
	Assessed	Taxes	Assessed	Taxes	Assessed	Taxes	Assessed	Taxes	Assessed	Taxes
01-0440-02710-000	624,000	8,907	686,400	9,890	755,000	11,051	853,200	12,255	853,200	
Value	624,000	8,907	686,400	9,890	755,000	11,051	853,200	12,255	853,200	0
Increase >			10.0%	11.0%	10.0%	11.7%	13.0%	10.9%	0.0%	-100.0%
No. Units >	12									
Value Per Unit >	52,000		57,200		62,917		71,100		71,100	

<b><u>Determination:</u></b>	See word document
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**Jacob Lane**

April 5, 2024

**Annual Statement**

Period = Jan 2019-Jan 2023

Book = Accrual ; Tree = ysi\_is

		EOY	EOY
		Dec 2019	Dec 2020
40002	INCOME		
40100	Gross Potential Rent	91,775.00	91,395.00
40200	Month to Month Fee	225.00	0.00
40205	Short Term Lease Fee	0.00	0.00
40400	Vacancy	-2,981.00	-9,571.00
40600	Rent Incentives	-4,370.00	-303.00
40999	NET COLLECTED RENT	84,649.00	81,521.00
41000	OTHER RENTAL INCOME AND FEES		
41300	Pet Rent Income	240.00	445.00
41310	Pet Fees-Nonrefundable Income	0.00	200.00
41999	TOTAL OTHER RENTAL INCOME AND FEES	240.00	645.00
42001	MISC INCOME		
42150	Application Fees	0.00	270.00
42350	Early Termination Fees	0.00	0.00
42400	Interest Income	374.95	197.54
42450	Late Fees	1,240.00	1,320.00
42500	Laundry Income	1,954.41	1,370.25
42510	Legal Fee Income	0.00	402.00
42550	NSF Fees	70.00	35.00
42600	Prelease Incentive Forfeited	0.00	0.00
42650	Revenue Sharing Income	201.83	208.96
42850	Other Income	-533.82	10.91
42852	Other Income-Renters Insurance	0.00	0.00
42855	Other Income-Collections	0.00	0.00
42856	Bad Debt Expense ASC 842	0.00	0.00
42998	TOTAL MISC INCOME	3,307.37	3,814.66
49999	TOTAL INCOME	88,196.37	85,980.66
50000	EXPENSES FROM RENTAL OPERATIONS		
50005	OWNER EXPENSES		
50010	REPAIRS AND MAINTENANCE EXPENSES		
50095	MAINTENANCE STAFF COSTS		
50100	Maintenance Staff	5,709.42	5,925.64
50145	TOTAL MAINTENANCE STAFF COSTS	5,709.42	5,925.64
50150	REPAIRS AND MAINTENANCE OTHER		
50155	Temp Agency and Non-employee	201.92	91.76

50160	Internal Labor-Upgrade	1,500.00	0.00
50170	Caretaker-Internal Labor	604.68	2,079.50
50180	Turn Cleaning-Internal Labor	0.00	558.84
50200	Appliances and Laundry	362.73	127.97
50210	Window Treatments	204.02	213.42
50220	Cooling Systems	262.46	111.28
50230	Custodial	1,518.97	1,683.44
50231	Custodial-Projects	0.00	0.00
50232	Custodial-Contract and Caretaker	700.00	0.00
50234	Custodial-Turn Cleaning	900.00	385.00
50240	Decks and Railings	0.00	0.00
50250	Doors	890.35	364.24
50255	Doors-Garage	0.00	-17.63
50260	Electrical and Lighting	877.93	347.27
50280	Exterior Finishes and Foundation	304.50	30.27
50290	Extermination	1,525.10	333.54
50300	Fire Safety	109.13	189.12
50310	Flooring	3,241.73	987.56
50311	Flooring-Projects	0.00	10,273.00
50330	Grounds Maintenance	942.58	760.50
50332	Grounds-Internal Labor	0.00	289.44
50350	Heating Systems	115.32	706.50
50370	Landscaping	15.13	366.44
50380	Locks and Keys	118.06	347.64
50390	Millwork and Cabinets and Countertop	12.29	840.10
50392	Millwork and Cabinets and Countertop-Upgrade	0.00	0.00
50400	Painting-Exterior	0.00	163.00
50420	Painting-Interior	4,042.50	1,419.03
50421	Painting-Interior-Projects	0.00	0.00
50440	Parking Lot-Sweeping and Striping	0.00	143.50
50450	Plumbing	1,760.50	2,279.27
50451	Plumbing-Projects	0.00	0.00
50452	Plumbing-Upgrade	0.00	0.00
50470	Repairs and Maintenance	351.11	326.57
50474	COVID 19 Direct Expenses	0.00	29.57
50480	Roof	0.00	500.20
50490	Sidewalks and Exterior Steps and Patio Slabs	0.00	3.20
50500	Signage	0.00	67.79
50510	Snow Removal	1,707.53	1,370.62
50515	Snow Removal-Internal Labor	10.90	0.55
50520	Tubs and Surrounds	0.00	359.00
50540	Windows	259.94	22.15
50900	Resident Chargebacks	-3,788.56	-3,265.00
50990	Cleaning and Finish-Upgrade	0.00	0.00
50998	TOTAL REPAIRS AND MAINTENANCE OTHER	18,750.82	24,488.65
50999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	24,460.24	30,414.29

51000	PROPERTY MANAGEMENT AND OPERATING EXPENSES		
51009	OFFICE AND ADMIN		
51095	ON-SITE STAFF COSTS		
51100	On-Site Staff Costs	6,141.60	6,715.75
51130	On-Site Staff Training and Education	1.93	0.00
51145	TOTAL ON-SITE STAFF COSTS	<u>6,143.53</u>	<u>6,715.75</u>
51146	PROPERTY MANAGEMENT EXPENSES OTHER		
51200	Advertising and Marketing	1,557.71	1,736.46
51210	Applicant Screening	1,030.00	134.50
51240	Bank Charges	11.96	12.05
51250	Collection Costs	585.00	430.84
51300	Legal Fees	52.13	0.00
51330	Model Unit and Open Unit Decor	49.87	14.60
51340	Move-In Gifts	294.27	223.87
51360	Office Equipment and Furnishings	755.03	783.33
51370	Office Rent	774.45	842.81
51375	Office Electricity	54.83	69.96
51380	Office Gas	24.44	57.36
51390	Office Telephone and Internet	113.53	127.34
51400	Office Supplies	299.54	203.16
51430	Professional Fees	240.90	465.85
51440	Property Management Fees	4,422.42	4,243.94
51460	Resident Retention	110.49	47.35
51470	Site Equipment	63.53	6.61
51996	TOTAL PROPERTY MANAGEMENT EXPENSES OTHER	<u>10,440.10</u>	<u>9,400.03</u>
51999	TOTAL PROPERTY MANAGEMENT EXPENSES	16,583.63	16,115.78
52000	UTILITIES		
52200	Electricity-Unit	203.96	253.75
52210	Electricity-House	860.04	888.86
52400	Garbage Removal	883.99	976.94
52610	Natural Gas-House	2,931.54	2,540.66
52900	Water and Sewer	2,997.34	2,583.52
52999	TOTAL UTILITIES	<u>7,876.87</u>	<u>7,243.73</u>
53000	OTHER OPERATING EXPENSES		
53100	Real Estate Taxes	8,792.97	8,906.78
53200	Property Insurance	3,903.60	4,483.44
53989	TOTAL OTHER OPERATING EXPENSES	<u>12,696.57</u>	<u>13,390.22</u>
53990	TOTAL PROPERTY MANAGEMENT AND OPERATING EXPENSES	<u>37,157.07</u>	<u>36,749.73</u>
53999	TOTAL OWNER EXPENSES	<u>61,617.31</u>	<u>67,164.02</u>
69990	TOTAL EXPENSES	<u>61,617.31</u>	<u>67,164.02</u>
69999	NET OPERATING INCOME	<u>26,579.06</u>	<u>18,816.64</u>
70000	FIXED EXPENSES		
<b>70010</b>	<b>INTEREST EXPENSE</b>		



70300	Interest Expense-Mortgage	20,510.73	14,917.64
70600	Interest Expense-Security Deposits	18.61	17.97
70700	Interest Expense-Special Assessments	146.38	136.62
70900	Other Interest	1.98	0.00
70999	TOTAL INTEREST	<u>20,677.70</u>	<u>15,072.23</u>
71000	OTHER FIXED EXPENSES		
71100	Amortization Expense-Monthly	633.00	370.00
71200	Amortization Expense-Finance Write-Off	0.00	1,741.00
71300	Depreciation	12,649.69	15,448.00
71998	TOTAL OTHER FIXED EXPENSES	<u>13,282.69</u>	<u>17,559.00</u>
71999	TOTAL FIXED EXPENSES	<u>33,960.39</u>	<u>32,631.23</u>
99900	NET INCOME	<u>-7,381.33</u>	<u>-13,814.59</u>

69999

53100

EOY	EOY	EOY
Dec 2021	Dec 2022	Dec 2023
91,190.00	93,145.00	97,511.00
600.00	1,035.00	300.00
0.00	0.00	468.00
-7,837.00	-1,845.00	-6,365.00
-1,310.00	-270.00	-525.00
82,643.00	92,065.00	91,389.00
700.00	510.00	365.00
0.00	0.00	0.00
700.00	510.00	365.00
320.00	480.00	520.00
600.00	300.00	300.00
19.78	65.58	56.97
1,280.00	720.00	760.00
1,174.75	724.03	1,168.86
-402.00	0.00	0.00
35.00	0.00	70.00
0.00	0.00	200.00
320.08	270.00	746.94
25.80	73.26	36.32
0.00	27.87	161.84
0.00	0.00	1,164.19
0.00	-1,737.59	-1,406.66
3,373.41	923.15	3,778.46
86,716.41	93,498.15	95,532.46
5,429.71	6,012.51	6,809.24
5,429.71	6,012.51	6,809.24
28.69	0.00	96.64

1,312.50	0.00	0.00
1,711.93	315.97	100.54
598.95	-8.06	0.00
1,470.26	794.27	2,665.56
461.15	67.82	160.16
0.00	0.00	0.00
2,113.97	1,132.93	1,303.52
0.00	0.00	1,255.00
0.00	1,187.50	1,138.50
1,165.00	1,120.00	1,693.75
0.00	0.00	0.31
1,319.43	478.35	1,197.04
134.24	133.76	0.00
489.66	129.66	295.72
500.00	306.06	0.00
0.00	70.00	0.00
101.65	50.60	123.62
2,163.47	0.00	579.40
-5,011.00	0.00	0.00
985.38	963.60	1,768.50
159.82	-2.00	0.00
3,890.58	1,448.59	226.25
42.03	107.37	0.00
1,176.41	372.82	80.99
0.00	0.19	41.37
2,595.33	0.00	0.00
-163.00	0.00	0.00
4,103.25	227.05	2,025.00
1,435.00	0.00	0.00
85.00	167.00	0.00
1,474.23	77.83	2,607.94
15,400.00	0.00	839.00
290.95	0.00	0.00
416.34	250.56	250.74
0.37	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
39.70	0.33	0.00
1,575.50	3,157.76	4,381.10
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
-7,673.00	-1,744.81	-2,903.01
41.28	0.00	0.00
<hr/>	<hr/>	<hr/>
34,435.07	10,805.15	19,927.64
<hr/>	<hr/>	<hr/>
39,864.78	16,817.66	26,736.88

6,329.24	6,541.57	7,316.32
0.00	0.00	0.00
<hr/> 6,329.24	<hr/> 6,541.57	<hr/> 7,316.32
947.31	1,328.17	1,897.31
213.50	481.00	540.71
2.78	3.32	5.83
-375.29	0.00	824.35
0.00	0.00	0.00
5.91	0.00	13.16
0.22	40.79	81.25
435.71	502.60	348.71
637.32	340.86	340.80
31.54	34.23	29.65
28.46	47.60	47.23
126.41	111.54	102.90
109.72	137.33	132.17
462.57	300.00	373.70
4,275.68	4,815.66	4,806.18
12.82	105.81	28.21
21.12	0.00	0.00
<hr/> 6,935.78	<hr/> 8,248.91	<hr/> 9,572.16
<hr/> 13,265.02	<hr/> 14,790.48	<hr/> 16,888.48
267.96	76.16	179.01
946.87	1,021.83	1,015.56
981.15	1,062.40	1,079.40
2,759.84	5,114.86	4,260.95
3,368.06	3,239.88	2,820.68
<hr/> 8,323.88	<hr/> 10,515.13	<hr/> 9,355.60
9,889.95	11,051.40	12,254.85
5,973.82	6,274.64	7,241.86
<hr/> 15,863.77	<hr/> 17,326.04	<hr/> 19,496.71
<hr/> 37,452.67	<hr/> 42,631.65	<hr/> 45,740.79
<hr/> 77,317.45	<hr/> 59,449.31	<hr/> 72,477.67
<hr/> 77,317.45	<hr/> 59,449.31	<hr/> 72,477.67
<hr/> 9,398.96	<hr/> 34,048.84	<hr/> 23,054.79

10,329.15	10,153.63	9,857.45
20.65	27.98	31.22
183.76	171.48	158.69
0.00	0.00	0.00
<hr/>	<hr/>	<hr/>
10,533.56	10,353.09	10,047.36
183.00	183.00	183.00
0.00	0.00	0.00
15,447.00	15,511.00	14,832.00
<hr/>	<hr/>	<hr/>
15,630.00	15,694.00	15,015.00
<hr/>	<hr/>	<hr/>
26,163.56	26,047.09	25,062.36
<hr/>	<hr/>	<hr/>
-16,764.60	8,001.75	-2,007.57

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
NOI	26,579.06	18,816.64	9,398.96	34,048.84	23,054.79
Real Estate Taxes	8,792.97	8,906.78	9,889.95	11,051.40	12,254.85
Projects Expense	0.00	10,273.00	11,824.00	0.00	2,094.00
Upgrade Expenses	1,500.00	0.00	4,240.06	0.00	0.00
NOI adding back RE taxes & Projects/upgrades	36,872.03	37,996.42	35,352.97	45,100.24	37,403.64

### Rent Roll with Lease Charges

Crown Court 1 (lcrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
<b>Current/Notice/Vacant Residents</b>									
01	CBW1CXXA	765.00 t0366638	635.00 petrent	20.00	300.00	0.00 5/24/2020	6/30/2024		0.00
			rent	635.00					
			<b>Total</b>	<b>655.00</b>					
02	CBW1CXXA	765.00 t0397803	635.00 rent	625.00	625.00	0.00 9/1/2023	8/31/2024		-625.00
			<b>Total</b>	<b>625.00</b>					
03	CBW1CXXA	765.00 t0394472	635.00 rent	625.00	625.00	0.00 5/1/2023	10/31/2024		0.00
			rentins	11.00					
			<b>Total</b>	<b>636.00</b>					
04	CBW1CXXA	765.00 t0395712	635.00 rent	625.00	625.00	0.00 6/19/2023	6/30/2024		-643.00
			rentins	11.00					
			<b>Total</b>	<b>636.00</b>					
05	CBW2CXXC	815.00 t0400678	732.00 rent	730.00	730.00	0.00 11/14/2023	11/30/2024		0.00
			<b>Total</b>	<b>730.00</b>					
06	CBW2CXXC	815.00 t0375072	732.00 rent	715.00	350.00	0.00 4/1/2021	3/31/2025		0.00
			<b>Total</b>	<b>715.00</b>					
07	CBW2CXXC	815.00 t0388040	732.00 rent	750.00	720.00	0.00 7/25/2022	7/31/2024		-750.00
			<b>Total</b>	<b>750.00</b>					
08	CBW2CXXC	815.00 t0396496	707.00 rent	695.00	695.00	0.00 6/24/2023	9/30/2024		-781.00
			stlease	75.00					
			rentins	11.00					
			<b>Total</b>	<b>781.00</b>					
09	CBW2CXXC	815.00 t0393861	737.00 rent	725.00	725.00	0.00 5/1/2023	5/31/2024	5/13/2024	-1,472.00
			rentins	11.00					
			<b>Total</b>	<b>736.00</b>					
10	CBW2CXXB	815.00 t0377000	737.00 rent	700.00	300.00	0.00 6/5/2021	6/30/2024	6/30/2024	-700.00

### Rent Roll with Lease Charges

Crown Court 1 (lcrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
				<b>Total</b>	<b>700.00</b>				
11	CBW2CXXB	815.00 VACANT	712.00	0.00	0.00	0.00			0.00
				<b>Total</b>	<b>0.00</b>				
12	CBW2CXXC	815.00 t0386641	737.00 rent	710.00	680.00	0.00 6/1/2022	5/31/2024	5/31/2024	-735.85
				rentins	11.00				
				<b>Total</b>	<b>721.00</b>				
<b>Future Residents/Applicants</b>									
11	CBW2CXXB	815.00 t0401517	712.00	0.00	0.00	0.00	12/31/2024		0.00
				<b>Total</b>	<b>0.00</b>				
<b>Total</b>			<b>8,366.00</b>	<b>7,685.00</b>	<b>6,375.00</b>	<b>0.00</b>			<b>-5,706.85</b>

Summary Group	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
Current/Notice/Vacant Residents/Future Residents/Annlin	9,580.00	8,366.00	7,685.00	6,375.00	0.00	12	91.66	91.49	-5,706.85
Occupied Units	815.00	712.00	0.00	0.00	0.00	1			0.00
Total Non Rev	8,765.00	7,654.00				11	91.66	91.49	
Units vacant	0.00	0.00				0	0.00	0.00	
Total Units	815.00	712.00				1	8.33	8.50	
<b>Totals:</b>	<b>9,580.00</b>	<b>8,366.00</b>	<b>7,685.00</b>	<b>6,375.00</b>	<b>0.00</b>	<b>12</b>	<b>100.00</b>	<b>100.00</b>	<b>-5,706.85</b>

Summary of Charges by (Current/Notice) Residents Charge Code	Amount
petrent	20
rent	7535
rentins	55
stlease	75
<b>Total</b>	<b>7,685.00</b>



**Crown Court 1**

Based on sale data of 517 28<sup>TH</sup> Ave N, 2615 15<sup>th</sup> St S, 1402 32<sup>nd</sup> St S and 3025 10<sup>th</sup> St N, all of which traded on averaged at a \$56,436 per door valuation, at an average age of 1972, we believe this property is currently overly assessed compared to current sales comps and Fargo market values.

As secondary support, income from the property does not support valuation of property based on current market values in 2023 (attached).

Requesting \$52,675 per door assessment reflecting current market values in 2023 and based on acquisition support.