

Staff Report for 2024 State Board of Equalization

File No.: 2024-CASS-FARGO-STERLING PROPERTIES, LLLP-HUNTER'S RUN I

Prepared By: PROPERTY TAX DIVISION

County or City: CITY OF FARGO

Appellant: STERLING PROPERTIES, LLLP

Type of Appeal: COMMERCIAL VALUE

Appeal Issue: Sterling Properties, LLLP, represented by Sam Jelleberg, is appealing the property value of \$794,000 on parcel number 01-5600-00400-000, located at 1610 34th Street S, Fargo, ND.

Analysis:

Summary:

Proposal for Review:

600 E. BOULEVARD AVE., DEPT 127
BISMARCK, ND 58505-0599

WWW.ND.GOV/TAX | TAXINFO@ND.GOV



NORTH DAKOTA



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
 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	Hunter's Run I
City	Fargo
Address	1610 34th St S
Township Name	Barnes
County	Cass
Parcel ID	01-5600-00400-000
Legal Description	Lot: 8 Block: 1 PRAIRIE SOUTH LT 8 BLK 1 *6/3/99 R EPLAT OF LTS 2-57 SOUTH MEADOWS

Appellant Contact Information:

Appellant Name: Sam Jelleberg
Address: 4340 18th 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.

Hunters Run 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
01-5600-00400-000	780,100	11,151	780,100	11,295	780,100	11,499	881,500	12,696	881,500	
Value	780,100	11,151	780,100	11,295	780,100	11,499	881,500	12,696	881,500	0
Increase >			0.0%	1.3%	0.0%	1.8%	13.0%	10.4%	0.0%	-100.0%
No. Units >	12									
Value Per Unit >	65,008		65,008		65,008		73,458		73,458	

<u>Determination:</u>	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	104,150.00	104,335.00
40200	Month to Month Fee	300.00	0.00
40400	Vacancy	-2,721.00	-2,654.00
40600	Rent Incentives	-350.00	0.00
40601	Material Rent Incentives	-17.04	0.00
40995	Covid 19	0.00	-65.50
40999	NET COLLECTED RENT	101,361.96	101,615.50
41000	OTHER RENTAL INCOME AND FEES		
41300	Pet Rent Income	400.00	240.00
41310	Pet Fees-Nonrefundable Income	0.00	0.00
41999	TOTAL OTHER RENTAL INCOME AND FEES	400.00	240.00
42001	MISC INCOME		
42150	Application Fees	50.00	150.00
42400	Interest Income	29.97	27.35
42450	Late Fees	1,080.00	1,720.00
42500	Laundry Income	2,869.75	1,716.50
42550	NSF Fees	70.00	70.00
42600	Prelease Incentive Forfeited	0.00	0.00
42650	Revenue Sharing Income	323.80	371.48
42850	Other Income	111.72	0.00
42852	Other Income-Renters Insurance	0.00	0.00
42856	Bad Debt Expense ASC 842	60.00	-463.43
42998	TOTAL MISC INCOME	4,595.24	3,591.90
49999	TOTAL INCOME	106,357.20	105,447.40
50000	EXPENSES FROM RENTAL OPERATIONS		
50005	OWNER EXPENSES		
50010	REPAIRS AND MAINTENANCE EXPENSES		
50095	MAINTENANCE STAFF COSTS		
50100	Maintenance Staff	5,138.64	5,332.82
50145	TOTAL MAINTENANCE STAFF COSTS	5,138.64	5,332.82
50150	REPAIRS AND MAINTENANCE OTHER		
50155	Temp Agency and Non-employee	150.75	167.01
50170	Caretaker-Internal Labor	1,493.28	2,135.44
50200	Appliances and Laundry	2,314.64	759.43

50202	Appliances and Laundry-Upgrade	0.00	0.00
50210	Window Treatments	237.67	137.83
50220	Cooling Systems	90.48	0.21
50230	Custodial	899.68	509.16
50232	Custodial-Contract and Caretaker	0.00	0.00
50234	Custodial-Turn Cleaning	150.00	275.00
50240	Decks and Railings	0.30	0.00
50250	Doors	2,460.02	859.08
50255	Doors-Garage	24.19	321.43
50260	Electrical and Lighting	244.36	154.01
50290	Extermination	0.44	325.00
50300	Fire Safety	60.45	61.52
50310	Flooring	2,766.84	2,280.08
50330	Grounds Maintenance	853.45	1,016.70
50332	Grounds-Internal Labor	0.00	0.00
50350	Heating Systems	184.68	0.00
50370	Landscaping	1.85	0.00
50380	Locks and Keys	368.65	174.93
50390	Millwork and Cabinets and Countertop	0.36	0.00
50420	Painting-Interior	293.14	767.15
50430	Parking Lot	0.00	370.80
50431	Parking Lot-Projects	4,134.00	0.00
50440	Parking Lot-Sweeping and Striping	0.00	0.00
50450	Plumbing	506.26	754.73
50470	Repairs and Maintenance	237.04	264.12
50474	COVID 19 Direct Expenses	0.00	21.65
50500	Signage	0.00	0.00
50510	Snow Removal	3,238.79	1,170.00
50515	Snow Removal-Internal Labor	72.23	78.42
50520	Tubs and Surrounds	0.31	0.00
50540	Windows	0.00	0.00
50900	Resident Chargebacks	-335.00	-944.00
50998	TOTAL REPAIRS AND MAINTENANCE OTHER	20,448.86	11,659.70
50999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	25,587.50	16,992.52
51000	PROPERTY MANAGEMENT AND OPERATING EXPENSES		
51009	OFFICE AND ADMIN		
51095	ON-SITE STAFF COSTS		
51100	On-Site Staff Costs	6,141.60	5,890.63
51130	On-Site Staff Training and Education	1.93	0.00
51145	TOTAL ON-SITE STAFF COSTS	6,143.53	5,890.63
51146	PROPERTY MANAGEMENT EXPENSES OTHER		
51200	Advertising and Marketing	840.96	576.80
51210	Applicant Screening	50.00	32.50
51240	Bank Charges	58.17	58.94
51250	Collection Costs	0.00	0.00
51270	Customer Service Accommodation	0.00	0.00

51300	Legal Fees	8.27	1.13
51330	Model Unit and Open Unit Decor	65.15	11.31
51340	Move-In Gifts	41.03	169.88
51360	Office Equipment and Furnishings	663.59	583.20
51370	Office Rent	423.00	351.68
51375	Office Electricity	47.64	45.73
51380	Office Gas	0.00	0.00
51385	Office Water	0.00	0.00
51390	Office Telephone and Internet	63.71	77.84
51400	Office Supplies	141.56	109.18
51420	Security and Patrol Services	0.00	0.00
51430	Professional Fees	0.00	0.00
51440	Property Management Fees	5,348.12	5,300.08
51460	Resident Retention	29.59	0.50
51470	Site Equipment	65.20	0.19
51996	TOTAL PROPERTY MANAGEMENT EXPENSES OTHER	7,845.99	7,318.96
51999	TOTAL PROPERTY MANAGEMENT EXPENSES	13,989.52	13,209.59
52000	UTILITIES		
52200	Electricity-Unit	120.96	290.66
52210	Electricity-House	1,606.93	1,561.70
52400	Garbage Removal	907.12	949.99
52900	Water and Sewer	3,231.47	3,034.70
52999	TOTAL UTILITIES	5,866.48	5,837.05
53000	OTHER OPERATING EXPENSES		
53100	Real Estate Taxes	11,163.13	11,151.28
53200	Property Insurance	2,896.50	3,148.05
53210	Claims Expense	237.66	89.00
53989	TOTAL OTHER OPERATING EXPENSES	14,297.29	14,388.33
53990	TOTAL PROPERTY MANAGEMENT AND OPERATING EXPENSES	34,153.29	33,434.97
53999	TOTAL OWNER EXPENSES	59,740.79	50,427.49
69990	TOTAL EXPENSES	59,740.79	50,427.49
69999	NET OPERATING INCOME	46,616.41	55,019.91
70000	FIXED EXPENSES		
70010	INTEREST EXPENSE		
70100	Interest Expense-Debt Issuance Costs	1,310.62	1,072.33
70300	Interest Expense-Mortgage	22,151.73	21,051.70
70600	Interest Expense-Security Deposits	20.95	20.41
70999	TOTAL INTEREST	23,483.30	22,144.44
71000	OTHER FIXED EXPENSES		
71300	Depreciation	10,508.17	10,508.15
71998	TOTAL OTHER FIXED EXPENSES	10,508.17	10,508.15
71999	TOTAL FIXED EXPENSES	33,991.47	32,652.59

80000	ADMINISTRATION OF REIT		
80600	OTHER ADMINISTRATION OF REIT EXPENSES		
80650	Bank Charges	1,000.00	0.00
80999	TOTAL OTHER ADMINISTRATION OF REIT EXPENSES	<u>1,000.00</u>	<u>0.00</u>
81999	TOTAL ADMINISTRATION OF REIT	1,000.00	0.00
90000	OTHER INCOME AND EXPENSE		
90001	OTHER INCOME		
90800	Interest Income	5.37	0.00
90840	Other Income	0.00	0.00
90999	TOTAL OTHER INCOME	<u>5.37</u>	<u>0.00</u>
99899	TOTAL OTHER INCOME AND EXPENSE	-5.37	0.00
99900	NET INCOME	<u>11,630.31</u>	<u>22,367.32</u>

69999

53100

EOY	EOY	EOY
Dec 2021	Dec 2022	Dec 2023
105,770.00	108,555.00	113,541.00
225.00	600.00	950.00
-5,250.00	-2,490.00	-7,974.00
-285.00	0.00	-425.00
0.00	0.00	0.00
65.50	0.00	0.00
100,525.50	106,665.00	106,092.00
465.00	697.00	560.00
250.00	250.00	250.00
715.00	947.00	810.00
155.00	80.00	200.00
10.40	12.08	14.06
1,440.00	2,120.00	4,080.00
2,219.44	2,425.30	1,857.16
35.00	0.00	35.00
-81.97	0.00	0.00
1,151.11	165.95	1,294.23
16.22	8.77	17.25
0.00	70.01	338.00
0.00	0.00	-10,828.34
4,945.20	4,882.11	-2,992.64
106,185.70	112,494.11	103,909.36
4,886.22	5,411.59	7,489.10
4,886.22	5,411.59	7,489.10
160.90	150.65	600.51
2,281.01	2,675.22	2,096.17
347.87	227.87	2,560.78

0.00	0.00	858.93
56.47	32.24	144.51
1,191.38	0.00	1,367.07
413.57	906.21	172.54
0.00	0.00	1,905.23
265.00	30.00	1,444.92
0.00	0.00	0.00
14.31	47.49	1,717.46
55.29	424.08	128.94
20.53	0.79	1,183.84
300.00	2,150.50	0.00
89.16	34.44	292.16
3,673.71	110.00	7,722.39
900.00	796.12	1,685.00
0.00	67.17	2.17
0.00	326.81	191.06
2.26	127.48	4.84
29.02	361.75	491.29
1.61	0.00	167.58
562.69	470.00	2,480.69
0.00	0.00	0.00
0.00	0.00	0.00
0.00	130.00	0.00
156.32	203.33	452.45
266.18	250.86	344.51
3.41	0.00	0.00
0.00	172.48	0.00
2,690.14	5,464.37	4,265.33
0.00	0.00	0.00
0.00	0.00	0.00
206.00	1,099.37	160.00
-380.00	-45.00	147.18
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13,306.83	16,214.23	32,587.55
<hr/>	<hr/>	<hr/>
18,193.05	21,625.82	40,076.65

5,868.58	5,403.84	6,178.47
0.00	0.00	0.00
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5,868.58	5,403.84	6,178.47

338.39	394.58	1,024.41
115.25	61.00	193.02
8.98	3.32	5.83
0.00	0.00	418.49
0.00	0.00	12.00

0.00	0.00	0.00
0.00	9.28	15.02
0.00	19.35	0.00
366.14	276.16	148.81
253.26	259.72	238.76
23.82	26.61	58.98
0.00	2.85	31.20
0.00	3.24	31.53
101.27	102.40	65.86
96.40	108.02	76.22
101.25	0.00	0.00
180.00	0.00	21.36
5,185.04	5,708.98	5,025.04
1.25	103.70	2.95
0.00	1.99	0.00
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6,771.05	7,081.20	7,369.48
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12,639.63	12,485.04	13,547.95
473.30	157.71	497.98
1,944.47	1,986.03	2,079.21
1,031.54	1,063.44	1,357.10
3,673.57	4,710.55	3,339.71
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7,122.88	7,917.73	7,274.00
11,295.40	11,498.82	12,696.24
5,255.54	6,151.16	7,680.02
0.00	0.00	0.00
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16,550.94	17,649.98	20,376.26
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36,313.45	38,052.75	41,198.21
<hr/>	<hr/>	<hr/>
54,506.50	59,678.57	81,274.86
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54,506.50	59,678.57	81,274.86
<hr/>	<hr/>	<hr/>
51,679.20	52,815.54	22,634.50
834.03	595.74	357.44
20,397.16	19,668.54	19,182.31
20.03	21.77	25.27
<hr/>	<hr/>	<hr/>
21,251.22	20,286.05	19,565.02
10,508.17	10,508.15	10,508.17
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10,508.17	10,508.15	10,508.17
<hr/>	<hr/>	<hr/>
31,759.39	30,794.20	30,073.19

0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00

0.00	0.00	0.00
65.44	0.00	0.00
65.44	0.00	0.00
-65.44	0.00	0.00

19,985.25	22,021.34	-7,438.69
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	2019	2020	2021	2022	2023
NOI	46,616.41	55,019.91	51,679.20	52,815.54	22,634.50
Real Estate Taxes	11,163.13	11,151.28	11,295.40	11,498.82	12,696.24
Projects Expense	4,134.00	0.00	0.00	0.00	0.00
Upgrade Expenses	0.00	0.00	0.00	0.00	858.93
NOI adding back RE taxes & Projects/upgrades	61,913.54	66,171.19	62,974.60	64,314.36	36,189.67

Rent Roll with Lease Charges

Hunters Run I (kwhunt01)

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		
Current/Notice/Vacant Residents									
101	CEM2CXXA	1,100.00 t0324952	855.00 petrent	25.00	350.00	0.00	6/28/2016	8/31/2024	0.00
			rent	685.00					
			rentsub	60.00					
			Total	770.00					
102	CEM2CXXA	1,100.00 t0396384	895.00 rent	830.00	830.00	0.00	6/15/2023	6/30/2024	0.00
			rentins	11.00					
			Total	841.00					
103	CEM2CXXA	1,100.00 t0345032	855.00 rent	810.00	350.00	0.00	4/28/2018	5/31/2024	5/31/2024
			Total	810.00					0.00
104	CEM2CXXA	1,100.00 t0332494	855.00 rent	820.00	350.00	0.00	3/2/2017	5/31/2024	40.00
			Total	820.00					
201	CEM2CXXA	1,100.00 t0276487	855.00 rentins	11.00	300.00	0.00	7/30/2012	7/31/2024	0.00
			petrent	25.00					
			rent	810.00					
			Total	846.00					
202	CEM2CXXA	1,100.00 t0294890	855.00 rent	795.00	350.00	0.00	5/1/2014	7/31/2024	0.00
			Total	795.00					
203	CEM2CXXA	1,100.00 t0390182	865.00 rentins	11.00	775.00	0.00	10/11/2022	10/31/2023	1/4/2024
			rentmtm	125.00					
			rent	810.00					
			Total	946.00					3,463.00
204	CEM2CXXA	1,100.00 VACANT	855.00	0.00	0.00	0.00			0.00
			Total	0.00					
301	CEM2CXXA	1,100.00 t0394709	860.00 rent	795.00	795.00	0.00	5/10/2023	5/31/2024	40.00
			rentins	11.00					
			Total	806.00					

Rent Roll with Lease Charges

Hunters Run I (kwhunt01)

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			
302	CEM2CXXA	1,100.00 t0397814	870.00 rent	805.00	805.00	0.00	8/1/2023	7/31/2024	0.00	
Total				805.00						
303	CEM2CXXA	1,100.00 VACANT	895.00	0.00	0.00	0.00			0.00	
Total				0.00						
304	CEM2CXXA	1,100.00 t0341054	895.00 rent	239.00	350.00	0.00	11/8/2017	6/30/2024	6/30/2024	0.00
			rentsub	546.00						
Total				785.00						
Total			10,410.00	8,224.00	5,255.00	0.00			3,543.00	

Summary Group	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
Current/Notice/Vacant Resident/Future	13,200.00	10,410.00	8,224.00	5,255.00	0.00	12	83.33	83.33	3,543.00
Resident/Annular	0.00	0.00	0.00	0.00	0.00	0			0.00
Occupied Units	11,000.00	8,660.00				10	83.33	83.33	
Total Non Rev	0.00	0.00				0	0.00	0.00	
Total Vacant	2,200.00	1,750.00				2	16.66	16.66	
Totals:	13,200.00	10,410.00	8,224.00	5,255.00	0.00	12	100.00	100.00	3,543.00

Summary of Charges by Charge Code	Amount
petrent	50
rent	7399
rentsub	606
rentins	44
rentmtm	125
Total	8,224.00

Hunters Run I

Hunters Run II is assessed at 64k.

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

Requesting \$64,000 per door assessment reflecting current market values in 2023 and based on acquisition support.