

Staff Report for 2024 State Board of Equalization

File No.: 2024-REPORT-CASS-WEST FARGO-STERLING PROPERTIES, LLLP-LAKE CREST

Prepared By: PROPERTY TAX DIVISION

County or City: CITY OF WEST FARGO

Appellant: STERLING PROPERTIES, LLLP

Type of Appeal: COMMERCIAL VALUE

Appeal Issue: Sterling Properties, LLLP, represented by Sam Jelleberg, is appealing the total property value of \$38,780,600 on parcel numbers 02-0191-00010-000, 02-0191-00050-000 & 02-4450-00040-000, located at 2830 7th Street W, West Fargo, ND.

Analysis: The Cass County Board of Equalization approved a 2024 true and full value of \$38,780,600, of which \$35,062,800 is attributable to the improvements and \$3,717,800 is attributable to the land. During the onsite inspection of the property, the appellant formally withdrew their appeal of parcel 02-4450-00040-000. The remaining value under appeal is \$38,068,400 of which \$34,457,200 is attributable to the improvements and \$3,611,200 is attributable to the land.

Property Tax Division staff completed an onsite inspection on Wednesday, August 21, 2024, with representative Sam Jelleberg present. Staff also visited with Cass County Director of Tax Equalization, Paul Fracassi, and City of West Fargo Assessor, Nick Lee.

Lake Crest Apartments, owned by Lake Crest Partners, LLP, is a 2006 12-building, 3-story, 504-unit complex with detached garage space. Lake Crest is made up of efficiency, 1-bedroom, 2-bedroom, and 3-bedroom units.

The income approach to value was considered for this appeal. The calculated value per unit is \$67,100, resulting in an estimated value of \$33,818,300, which is lower than the county approved true and full value.

The cost approach to value was considered for this appeal. The calculated value per unit is \$83,500, resulting in an estimated value of \$42,075,700, which is higher than the county approved true and full value.

The sales approach to value was considered for this appeal. The calculated value per unit is \$99,765, resulting in an estimated value of \$50,281,795, which is higher than the county approved true and full value.

Upon review of all information submitted by Sterling Properties, LLLP, the City of West Fargo, and Cass County, the three approaches to value were weighted. The per unit value reached is \$85,987 for the 504-unit complex which indicates a value of \$43,337,548 which is higher than the county approved true and full value of \$38,068,400.

Summary: The Cass County Board of Equalization approved a 2024 true and full value of \$38,068,400 on this 2006 12-building, 3-story, 504-unit complex. The three approaches to value indicate a value of \$85,987 per unit, which comes to a total value of approximately \$43,337,548, which is higher than the county approved value of \$38,068,400.

Proposal for Review: No action required.
