



## Finance Department

**DATE:** January 23, 2024

**FROM:** Allison Jensen, City Assessor

**ITEM:** Consider the abatement application requested by Harbor Properties LLC for the 2023 assessment year.

**REQUEST:**

Consider the application for abatement requested by Harbor Properties LLC for the 2023 assessment year, where the Assessing Division recommends denial of the request but recommends approval of a reduced amount.

**BACKGROUND INFORMATION:**

The above application for tax abatement was submitted by James Lobeck, registered agent for Harbor Properties LLC for the 2023 assessment year. Mr. Lobeck requests you to reduce the value from \$1,053,700 to \$804,000. Please see the attached abatement form and property record sheets.

Mr. Lobeck shared his concern about the valuation of this property compared to the market report on multifamily properties received from a local realtor. The market report indicates an average price of \$63,888 for the 23 units sold in 2022. The information does not share what 23 units were sold or how they would compare to the subject property. Mr. Lobeck did share two specific properties to support his value request. 1830 Allison Dr and 2723 Hawken St. Specific information on how these two properties compare to the subject is included in this packet.

Assessing made a review of the property and is recommending the valuation be lowered from \$1,053,700 to \$924,900. Included in this packet is a list of comparable sales from 2022 and 2021. The price per unit is calculated by subtracting the land value from the sales price and dividing by the number of units. These sales support Assessing's recommended value adjustment.

**RECOMMENDED CITY COMMISSION ACTION:**

The Assessing Division recommends denial of the abatement application but approval of a reduction to our 2023 certified value of:

**Land:** \$91,800

**Improvements:** \$833,100

**Total:** \$924,900

**STAFF CONTACT INFORMATION:**

Allison Jensen, City Assessor, 701-355-1621, [ajensen@bismarcknd.gov](mailto:ajensen@bismarcknd.gov)

**ATTACHMENTS:**

1. Abatement Harbor Properties

# Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

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 1  
County of BURLEIGH Property I.D. No. 0486-016-001  
Name HARBOR PROPERTIES LLC Telephone No. \_\_\_\_\_  
Address 4718 HARBOR TRL SE, MANDAN, ND 58554-7950

Legal description of the property involved in this application:

REPLAT TIBESAR'S 1ST SUB Block: 16 LOTS 1-2, LESS S 5' OF LOT 2

Property Address: 1941 N 11th St

Total true and full value of the property described above for the year 2023 is:

Land \$ 91,800  
Improvements \$ 961,900  
Total \$ 1,053,700  
(1)

Total true and full value of the property described above for the year 2023 should be:

Land \$ 70,000  
Improvements \$ 734,000  
Total \$ 804,000  
(2)

The difference of \$ 249,700.00 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 (N.D.C.C. § 57-02-08.1) or Disabled Veterans Credit (N.D.C.C. § 57-02-08.8). Attach a copy of the 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: \$ \_\_\_\_\_  
yes/no
2. Has the property been offered for sale on the open market? \_\_\_\_\_ If yes, how long? \_\_\_\_\_  
yes/no  
Asking price: \$ \_\_\_\_\_ Terms of sale: \_\_\_\_\_
3. The property was independently appraised: \_\_\_\_\_ Purpose of appraisal: \_\_\_\_\_  
yes/no  
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 Abatement be approved as submitted.

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 James T Lobeck Date 12-27-23

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

Recommendation of the governing board of \_\_\_\_\_

On \_\_\_\_\_, \_\_\_\_\_, 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 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
 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 Herber Properties LLC

County Auditor's File No. 24-011

Date Application Was Filed With The County Auditor 1/2/2024

Date County Auditor Mailed Application to Township Clerk or City Auditor \_\_\_\_\_  
(must be within five business days of filing date)

*Made Splenskowski*  
*MP*

# MULTIFAMILY QUARTERLY UPDATE

FEBRUARY 2023



## Bismarck

Year	# Sales	Avg Price/Apt.
2018	15	\$69,399
2019	3	\$66,025
2020	33	\$65,201
2021	35	\$75,408
2022	23	\$63,888

## Mandan

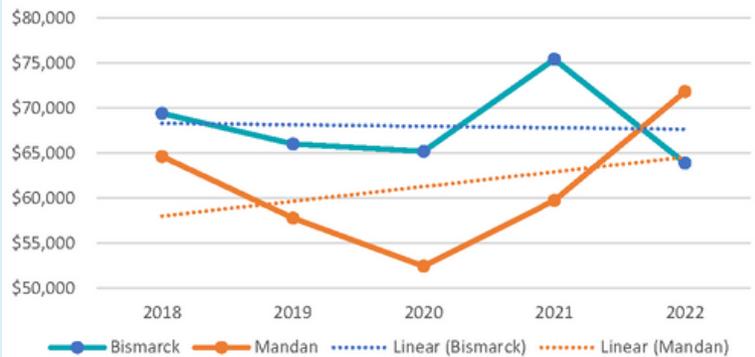
Year	# Sales	Avg Price/Apt.
'17 & '18	8	\$64,624
2019	5	\$57,817
2020	5	\$52,458
2021	5	\$59,740
2022	6	\$71,831

**Bismarck/Mandan Apartment Data:** At the start of 2023, I wanted to look back at the last five-six years to see how these markets have performed and if any observable trends exist.

Both communities had decreasing sale prices from 2018-2020. The large influx of government money pumped into the economy post Covid drove up the prices in 2021 as there was a surplus of available capital and many investors were willing to pay higher prices to secure investments. Now that most of that capital has been spent and interest rates are rising, many investors are pulling back, resulting in lowered prices. Mandan's 2022 increase in price/apartment is a result of two of the six sales achieving what appear to be above market pricing. Even so, when looking at the trend lines for the last five years, Bismarck's market has remained relatively stable and Mandan has seen a steady increase in apartment pricing.

**Bismarck-Mandan Market Outlook:** The Federal Reserve still plans 0.25% rate increases in March and in May, though some economists are also anticipating a June rate increase. The current inflation rate is around 6.5% and the FED would like to see it around 2.0%. It is coming down as inflation was 9.1% last June, but not as quickly as they would like. Rising interest rates erode buying power and slow down spending, which is the FED's goal. This will likely result in lower sale prices as the price will need to come down to meet demand. However, it is not all doom and gloom. Many of the same factors limiting peoples' buying power will also help with Tenant retention. High interest rates and construction prices limit affordability for people looking to transition from renting to owning. Whether this translates into increased rents is yet to be seen.

Average Price/Apartment



## Market Research/Analysis:

[02 06 23 February FED Meeting CRE Implications - YouTube](#)

**Is Seller Financing a Good Idea?:** I have been asked by about 80% of investors if the Sellers I am working with would consider Seller Financing. If you have your property paid off or are close to doing so and have considered selling, this may be a good strategy. In this scenario the Seller acts as a bank and they receive a down payment, monthly payments at a predetermined interest rate, and a balloon payment. This can be a way that you still make money from the property, but don't have the hassle of managing the day-to-day operations. If this strategy interests you, please reach out to discuss further.

## Multifamily properties currently listed by Brett:

817 N 26th Street: [Webpage](#)

1100 Pleasant Street: [Webpage](#)

229 E Bismarck Expy: [Webpage](#)

325 Eastdale Drive (Pending): [Webpage](#)

1106 Bozeman Drive (Pending): [Webpage](#)

### How can a Broker's Price Opinion help you?

- Determine supportable sale and asking prices.
- Help with accounting, taxation, and estate planning decisions.
- Assist with potential sale negotiations or partnership buyouts.

What is your property worth? [» LEARN MORE](#)

### List with Brett!

- Numerous multifamily and investment property transactions closed.
- Works with a growing list of multifamily real estate investors.
- Completes behind the scenes research and analysis to understand current market conditions and help forecast future trends.



Let's connect!

-  701-527-9101
-  [brett@thecragroup.com](mailto:brett@thecragroup.com)
-  [TheCRAGroup.com](http://TheCRAGroup.com)



BRETT BINA, COMMERCIAL REALTOR®  
Advisor

<u>Subject Location</u>	<u>SF</u>	<u>Assessment Year</u>	<u>Value</u>	<u>Value/Unit</u>	<u>Year Built</u>	<u>Photo</u>	<u>Comments</u>
1941N 11th St 0486-016-001	13,800	2023	\$1,053,700	\$80,158	1974		12 unit, 3 Story building, all units 2 bed 1 bath with laundry in unit, property has detached single car garage
			\$924,900	\$69,425			2023 value recommendation
<b><u>Comparable Property Information</u></b>							
<u>Location</u>	<u>SF</u>	<u>Assessment Year</u>	<u>Value</u>	<u>Value/Unit</u>	<u>Year Built</u>	<u>Photo</u>	
0705-005-045 1830 Allison Dr	7,178	2023	\$511,600	\$58,663	1977		8 unit, 2 story building, all 2 bed 1 bath units, shared laundry in building, no garage
0565-001-300 2723 Hawken St	24,012	2023	\$1,618,200	\$59,375	1983		24 unit, 3 story building, 2-2 bed 1 bath, 22-3 bed 1 bath units, shared laundry, detached single car garage - 12 units

<u>Subject Location</u>	<u>SF</u>	<u>Assessment Year</u>	<u>Value</u>	<u>Value/Unit</u>	<u>Year Built</u>	<u>Photo</u>	<u>Comments</u>
1941N 11th St 0486-016-001	13,800	2023	\$1,053,700	\$80,158	1974		12 unit, 3 Story building, all units 2 bed 1 bath with laundry in unit, property has detached single car garage
			\$924,900	\$69,425			2023 value recommendation
<b>Comparable Sales Information</b>							
<u>Location</u>	<u>SF</u>	<u>Date of Sale</u>	<u>Sale Price</u>	<u>Value/Unit</u>	<u>Year Built</u>	<u>Photo</u>	
0175-001-080 1103 N 3rd St	4,500	8/1/2022	\$555,000	\$56,111	1952		9 unit, 2 Story building, 7 efficiency, 1-2 bed, 1-1 bed, with 1 bath, shared laundry in building, no garage
1336-004-001 1621 N 35th St	15,168	9/20/2021	\$1,525,000	\$113,658	2008		12 unit, 3 Story building, all units 3 bed, 2 bath, with laundry in unit and detached double car garage

<u>Comparable Sales Information</u>							
<u>Location</u>	<u>SF</u>	<u>Date of Sale</u>	<u>Sale Price</u>	<u>Value/Unit</u>	<u>Year Built</u>	<u>Photo</u>	
1172-003-001 645 Bridgeport Dr	15,084	8/26/2021	\$1,375,000	\$101,925	1994		12 unit, 2 Story building, all 2 bed 2 bath with laundry in unit and detached double car garage
0705-005-065 1827 E Capitol Ave	7,424	9/28/2021	\$650,000	\$72,563	1976		8 unit, 2 Story building, all 2 bed 1 bath units, shared laundry in building, no garage
0705-004-025 1825 Allison Dr	7,178	12/8/2021	\$640,000	\$73,088	1975		8 unit, 2 story building, all 2 bed 1 bath units, shared laundry in building, no garage
0486-018-045 1010 E Owens Ave	8,004	6/7/2021	\$675,000	\$95,800	1972		6 unit, 3 story building, all 3 bed 1 bath units, shared laundry in building, detached single car garage

1941 N 11TH ST, BISMARCK

Deed: HARBOR PROPERTIES LLC

Map Area: APARTMENT 11-19 UNIT

Checks/Tags:

Contract:

Route: 000-000-000

Lister/Date: JB, 08/25/2023

CID#:

Tax Dist: 01-01

Review/Date: JB, 12/29/2022

DBA:

Plat Page:

Entry Status: Exterior Only

MLS:

Subdiv: 0486-REPLAT TIBESAR'S 1ST SUB

Urban / Commercial

Legal: REPLAT TIBESAR'S 1ST SUB

Block: 16

LOTS 1-2, LESS S 5' OF LOT 2

**Land**

Land Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres								
<b>Lump Sum</b>						20,532.00	0.471								
<b>FF Main</b>	132.00	138.00	150.00	0.00	0.00										
Sub Total															
<b>SqFt X Rate</b>															
Subtotal															
<b>Grand Total</b>															

**Street**

**Utilities**

**Zoning**

**Land Use**

<b>Lump Sum</b>	None	City	Commercial	Apartment
<b>FF Main</b>	None	None	Not Applicable	Not Applicable
<b>SqFt X Rate</b>	None	UPDATED LAND	Not Applicable	Not Applicable

**Sales**

**Building Permits**

**Values**

Date	\$ Amount	NUTC	Recording	Date	Number	Tag	\$ Amount	Reason	Type	Appraised		Pr Yr: 2023
02/14/2006	\$891,000	D093	650654	11/1/2012	BL20122271	N	\$60,000	Building	Land	\$91,800		\$91,800
				10/17/2012	EL20121369	N	\$0	Electrical	Dwlg			
									Impr	\$961,900		\$961,900
									Total	\$1,053,700		\$1,053,700

Precomputed Structure	
Occ. Code	702
Occ. Descr.	Apartment
Year Built	1974
EFF Age/Yr	50/ 1974
Condition	NML
Description	B1 3S FR
Style	Frame - Wood
Stories	3
Base	4,600
Basement	0
Basement Parking	No
Av SF/Unit	0
1st Flr Inset Adj	0
Calc Ave. SF/Unit	1,150
GBA	13800

Verticals			
Ftg & Fdtn	einforced Concrete w/o Bsmt	8"	
Exterior wall	Wood - Frame	0	
Interior wall	Drywall or Equiv.	0	
Pilasters			
Wall facing			
Windows	Incl. w / Base	3	
Fronts/Doors	Incl. w / Base		

Horizontals			
Basement			
Roof	3-Ply Compo/ Wood Deck		
Ceiling	Drywall	3	
Struct. Floor	R'Concrete	3	Wd Deck on Wood Joist 3
Floor Cover	Carpet	3	Vinyl Sheet 3
Partitions	Drywall	3	
Framing	Wood - Average	3	
HVAC	Hot Water	3	
Electrical	Apartment	3	
Sprinkler			

Plumbing		
	B	Ext
Sink-Kitchen	12	
3-Fixture Bathroom	12	

Adjustments		
Apt - A/C deduct wall u	13,800	AVG
Apt - Hot water or stea	13,800	AVG

Bldg / Addn	Description	Units	Year							
Bldg	O 702 -- Apartment									
Pre	P 702 -- Apartment	4,600								
	Uppers Adjustment	9,200								
V	Ftg & Fdtn									
	Reinforced Concrete w/o Bsmt - 8"									
V	Exterior Wall									
	Wood - Frame - 0									
V	Interior Wall									
	Drywall or Equiv. - 0									
V	Windows									
	Incl. w / Base - 3	3								
V	Fronts/Doors									
	Incl. w / Base									
H	Roof									
	3-Ply Compo/ Wood Deck	4,600								
H	Ceiling									
	Drywall - 3	4,600								
H	Struct. Floor									
	R'Concrete - 3	4,600								
	Wd Deck on Wood Joist - 3	3								
H	Floor Cover									
	Carpet - 3	4,600								
	Vinyl Sheet - 3	3								
H	Partitions									
	Drywall - 3	4,600								
H	Framing									
	Wood - Average - 3	4,600								
H	HVAC									
	Hot Water - 3	4,600								
H	Electrical									
	Apartment - 3	4,600								
Plmb	Sink-Kitchen - Base	12								
Plmb	3-Fixture Bathroom - Base	12								
Adj	Apt - A/C deduct wall units - AVG	13,800								
Adj	Apt - Hot water or steam heat - AVG	13,800								
Ex	Porches,Decks,Patios,etc. 35 SF, Wood Deck, Average Pricing	8					1974			



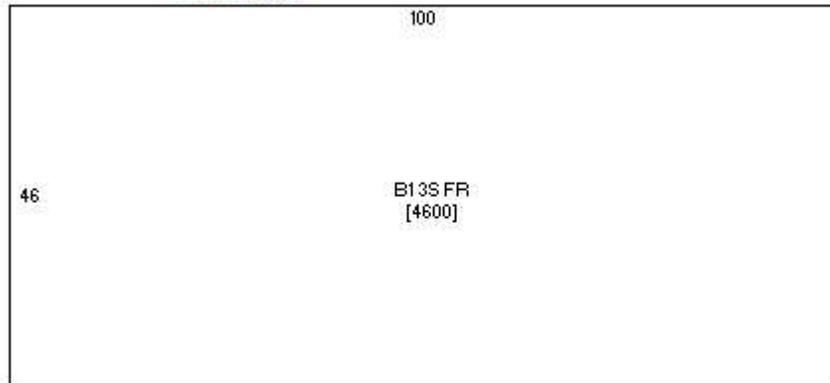
Prior Year	Comment	Value Type	Location	Class	Land Value	Dwelling Value	Improvement Value	M & E Value	Total Value
2023	ABATE F-01/02/2024	BofR	Urban	Comm	\$91,800	\$0	\$961,900	\$0	\$1,053,700
2022	02/07/23 APPR; ERROR IN PROPERTY DE	Abateme	Urban	Comm	\$91,800	\$0	\$757,500	\$0	\$849,300
2022	01/09/2023 ABATEMENT FILED	Appr	Urban	Comm	\$91,800	\$0	\$874,900	\$0	\$966,700
2021		Appr	Urban	Comm	\$91,800	\$0	\$744,900	\$0	\$836,700
2020		Appr	Urban	Comm	\$91,800	\$0	\$763,700	\$0	\$855,500

0486-016-001 1941-1943 N 11TH ST

12 UNIT



8-5X7 W/D OK



Sketch 1 of 1



0486-016-001

Photo 1 of 3 08/26/2023



0486-016-001

Photo 2 of 3 08/26/2023



0486-016-001

Photo 3 of 3 08/26/2023