FARGO CITY COMMISSION AGENDA
Monday, February 6, 2023 - 5:00 p.m.

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at www.FargoND.gov/streaming. They are rebroadcast Mondays at 5:00 p.m., Thursdays at 7:00 p.m. and Saturdays at 8:00 a.m. They are also included in the video archive at www.FargoND.gov/citycommission.

A. Pledge of Allegiance.

B. Roll Call.

C. Approve Order of Agenda.

D. Minutes (Regular Meeting, January 23, 2023).

CONSENT AGENDA – APPROVE THE FOLLOWING:

1. First reading of the following Ordinances:
   a. Relating to Cigar Smoking in Public Places and Places of Employment Prohibited.
   b. Relating to Taxicabs and Vehicles for Hire.
   c. Relating to Classification of Ordinance Violations.

2. Pledged securities as of 12/31/22.

3. Direct the City Attorney to amend Fargo Municipal Code 25-1507, H. to add Alcoholic Beverage License Class "FA-Golf" to the licenses with a seasonal designation.

4. Direct the City Attorney to amend the Fargo Municipal Code adding a regulation relating to self-serve dispensing devices.

5. Gaming Site Authorization for the North Dakota Horse Park Foundation at the F-M Curling Club.

6. Applications for Games of Chance:
   a. Kappa Delta Sorority for a raffle on 3/31/23.
   b. NDSU Clay Target Club for a raffle on 4/22/23; Resolution for Public Spirited Organizations.
   c. St. Mary's Cathedral for a raffle on 5/7/23.
   d. Reese Scufsa Medical Benefit for a raffle and raffle board on 2/25/23; Resolution for Public Spirited Organizations.

7. Extension of the Class "FA" Alcoholic Beverage License for Prairie Pasta, Inc. d/b/a Johnny Carino's until 9/30/23.

8. Extension of the Class "A" Alcoholic Beverage License for Irish Hospitality d/b/a Hennessey's Irish Pub until 8/31/23.

9. Change Order No. 2 in the amount of $16,699.00 for the multimedia studio space (PBC22-PS20135).

10. Reject bid for Newman Outdoor Field Project.

11. Planned Service Proposal with Johnson Controls at the FARGODOME (SSP23046).

12. Request for an increase of the annual fire permit fees, as proposed.

13. Piggyback purchase through the Sourcewell Cooperatives Purchasing Agreement to purchase 35 sets of structural firefighting turnout gear (PBC032620-INO).

14. Piggyback Contract with Fugro USA Land, Inc. for digital orthophotography, LiDAR/Contours, planimetrics and impervious surfaces for the GIS System (PBC-EMD-2022-CA-00011).

15. Engagement with Mullen Coughlin LLC for assistance with Breach and Privacy Counsel Services.

16. Direct the City Attorney to amend the Findings of Fact, Conclusions and Order for property located at 427 23rd Street South.

17. Change Order No. 1 in the amount of $6,000.00 for the Dangerous Building located at 924 5th Street South (RFP22112).

18. Five-year Indigent Defense Service agreements with Joe Johnson and Stormy Vickers for January 1, 2023 through December 31, 2027.

19. Subrecipient Agreements between the City of Fargo, United Way of Cass Clay and FM Area Foundation.

20. Agreement for Professional Design Services with Interface Studio LLC for Downtown InFocus Update Additional Services (SSP22027).

21. Interest Buydown Agreement PACE Program with the Bank of North Dakota and J-Street Properties LLC.

22. Receive and file Hate Crimes Report for the 4th Quarter of 2022.

23. Bid award for fuel purchasing in the 3rd and 4th quarters of 2023 (RFV23003).

24. Bid award for the purchase of one enclosed steam generator (RFP23037).

25. Amendment to Recycling Agreement with Minnkota Enviroservices.

26. Change Orders for Project No. SW20-01:
    a. No. 5 for an increase of $10,697.62 (civil construction contract).
    b. No. 6 for a decrease of $759.60 (general construction contract).

27. Bid advertisement for Project No. SR-23-A.

28. Bid award for Project No. QR-22-A1.

29. Amendment No. 1 to Task Order No. 18 in the amount of $13,905.00 for engineering services with Project No. WA2154, Regional Water Distribution Extensions.

30. Contract and bond for Project No. WA2158 (AFB22170).

31. Bills.

32. Final balancing Change Order No. 2 in the amount of $1,966.97 for Improvement District No. NR-20-A3.

33. Final balancing Change Order No. 2 in the amount of $24,687.48 for Improvement District No. NR-20-A2.

34. Change Order No. 1 in the amount of $9,177.75 and time extensions for Phase 1 Interim, Substantial and Final completion dates for Improvement District No. BR-22-C1.

REGULAR AGENDA:

35. **RESIDENT COMMENTS (Fargo residents will be offered 2.5 minutes for comment with a maximum of 30 minutes total for all resident comments. Residents who would like to address the Commission, whether virtually or in person, must sign-up at FargoND.gov/VirtualCommission).**

36. Resolution of Annexation for property north and west of the current Fargo city limits and set the date for the Hearing on the sufficiency of protests for March 20, 2023.

37. Application for Abatement or Refund of Taxes #4539 and #4540 for Hobby Lobby at 4427 13th Avenue South requesting a reduction in value for 2021 from $7,272,000.00 down to $7,210,000.00 and for 2022 from $7,272,000.00 down to $7,210,000.00.

38. Project development update on Fire Station 8.

39. Presentation on 2nd Street Pedestrian Bridge.

40. Applications for Property Tax Exemptions for Improvements Made to Buildings:
    a. Shirley Johnson T/O/D, 3211 Cherry Lane North (5 years).
    b. Adriana Foley, 201 26 1/2 Avenue South (5 years).
    c. Terrance and Angela Bartsh, 2532 Willow Road North (5 years).
    d. Zachary Johnson, 3919 River Drive South (5 years).
    e. Michaela Swanston, 1336 6th Street South (5 years).
    f. Thomas and Lanette Calkins, 717 50th St South (5 years).
    g. Wayne Ramsey and Patricia Olmstead, 1522 12th St S (5 years).
    h. David Rider and Jayma Moore, 2874 Lilac Lane North (5 years).
    i. Michael and Kimberly Gruchalla, 2849 Lilac Lane North (5 years).
    j. Robert and Judith Anderson, 405 25th Ave North (5 years).
    k. Gary and Amie Haugo, 808 8th St South (5 years).
    l. Justin and Elizabeth Frye, 1250 5th St North (5 years).
    m. William Thompson and Kimberly Luchau-Thompson, 1117 4th Street North (5 years).
    n. Albert and Valerie Schmidt, 3301 Evergreen Road North (5 years).
    o. Suzanne Larsen-Johnson, 1001 42nd Avenue North (5 years).
    p. James and Kathy Rugroden, 1809 13th Avenue South (5 years).
    q. Three Rivers Development, LLC, 306 15th Street North (5 years).
    r. Lauren Sagar Bittara, Etal, 1537 24th Avenue South (5 years).
    s. Keith and Wanda Fischer, 3019 Bohnet Boulevard North (5 years).
    t. Paul Gleye III and Kay Schwarzwalter, 311 8th Street North (5 years).
    u. Bruce and Nancy Taralson, 1110 3rd Avenue North Unit 703E (5 years).
    v. Jason Forness and Michelle Mathson, 1132 3rd Street North (5 years).

41. Support for HB 1460 by sending a letter to the members of the House of Representatives representing all of Cass County.

42. Legislative Update.
    a. Recognize Commissioner Kolpack as the Liaison Commissioner for legislative efforts at the 68th Legislative Assembly.

43. Liaison Commissioner Assignment Updates.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 701.241.1310 at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo website at www.FargoND.gov/citycommission.

36

MEMORANDUM

TO: City Commission

FROM: Mark Williams, Assistant Planning Director

DATE: February 2nd, 2023

RE: ANNEXATION OF PROPERTY – Portions of the NW ¼, SW ¼, and SE ¼ of Section 15 and of portions of the NE ¼ and NW ¼ of Section 22, all in Township 140 North, Range 49 West of the Fifth Principal Meridian, Cass County, North Dakota

The City of Fargo is initiating annexation for parcels to enable future development near a gateway to Fargo as well as to help facilitate extension of the City's water distribution system. This annexation is scheduled to be reviewed by Planning Commission on their March 7th, 2023 agenda. The resolution will be noticed pursuant to North Dakota Century Code annexation statutes. The sufficiency of protest hearing would be set for the March 20, 2023 City Commission agenda. Please see attached staff report, map, legal description, and resolution.

Recommended Motion.

Staff recommends that the City Commission adopt the resolution of annexation and set the date for the hearing on the sufficiency of protests for the March 20, 2023 City Commission agenda.

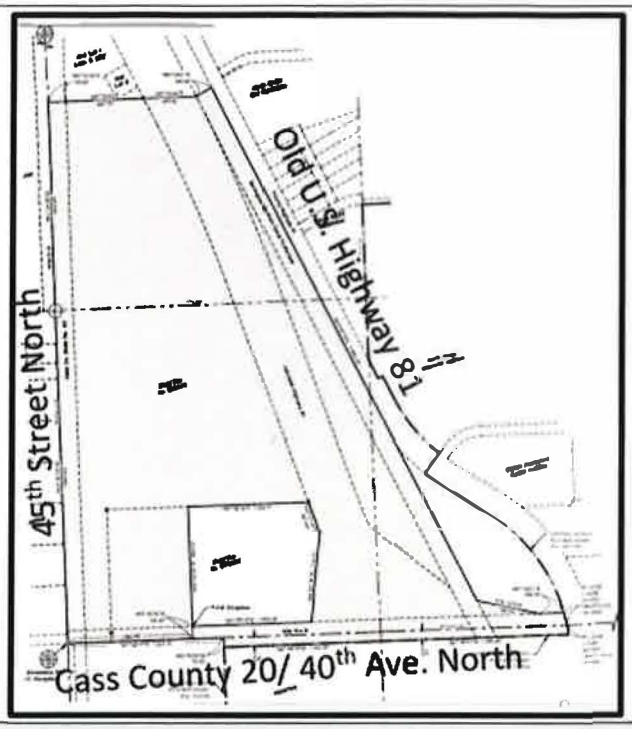
City of Fargo Staff Report			
Title:	Annexation of portions of the NW ¼, SW ¼, and SE ¼ of Section 15 and of portions of the NE ¼ and NW ¼ of Section 22, all in Township 140 North, Range 49 West of the Fifth Principal Meridian, Cass County, North Dakota	**Date:**	2/6/2023
Location:	North and west of current Fargo city limits; generally north of Cass County 20/40th Avenue North; east of 45th Street North; west of Old U.S. Highway 81	**Staff Contact:**	Mark Williams, Assistant Planning Director
Legal Description:	Annexation of portions of the NW ¼, SW ¼, and SE ¼ of Section 15 and of portions of the NE ¼ and NW ¼ of Section 22, all in Township 140 North, Range 49 West of the Fifth Principal Meridian, Cass County, North Dakota		
Owner(s)/Applicant:	City-initiated; see list of owners below	**Engineer:**	AE2S for City of Fargo
Entitlements Requested:	Adoption of resolution of annexation		
Status:	City Commission review February 6th, 2023		

Existing	**Proposed**
Land Use: Undeveloped	**Land Use:** No change proposed with this annexation.
Zoning: AG: Agricultural: Allows detached houses, parks and open space, safety services, basic utilities, and crop production. LI, Limited Industrial: Allows colleges, community service, daycare centers of unlimited size, detention facilities, health care facilities, parks and open space, religious institutions, safety services, adult entertainment centers, offices, off-premise advertising, commercial parking, outdoor recreation and entertainment, retail sales and service, self storage, vehicle repair, limited vehicle service, industrial service, manufacturing and production, warehouse and freight movement, wholesale sales, aviation, surface transportation, basic utilities, and certain telecommunications facilities	**Zoning:** No change proposed with this annexation
Maximum Allowable Density: AG allows 1 dwelling unit per 10 acres **Maximum Lot Coverage:** LI allows 85% maximum lot coverage.	**Maximum Allowable Density:** No change proposed with this annexation. **Maximum Lot Coverage:** No change proposed with this annexation.

Proposal

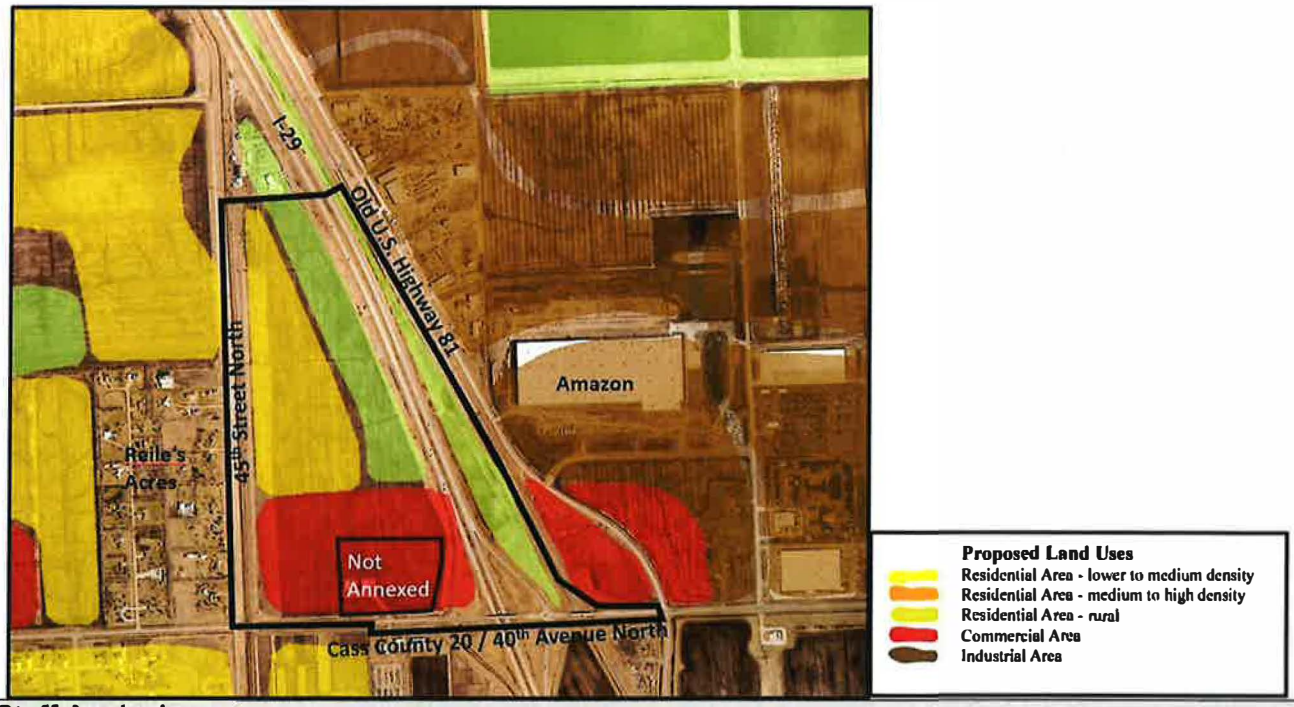
The applicant, City of Fargo, proposes to annex approximately 231.70 acres of land within the city's four-mile extra-territorial jurisdiction. The graphic below depicts the annexation area. Surrounding roads are Cass County 20/40th Avenue North (south side); 45th Street North (west side), and Old U.S. Highway 81 (most of east side).

(continued on next page)



Area Plans:

The proposed annexation area is depicted on the North Fargo Tier 1 West map of the 2007 Growth Plan. The area included in the annexation is designated as "Residential Area—Lower to Medium Density (yellow color);" "Commercial (red color);" and "Proposed Park (green color)" on that plan, as shown on the graphic below.



Staff Analysis:

This project was reviewed by the City's Planning and Development, Engineering, Public Works, and Fire Departments ("staff") and recommended for approval by the Public Works Project Evaluation Committee (PWPEC).

The proposed annexation area is depicted on the North Fargo Tier 1 West map of the 2007 Growth Plan. That plan describes the "Tier 1" designation as the "Intended Growth Sector" for the city of Fargo. The proposed annexation area is adjacent to the current Fargo city limits and along the routes designated for the extension of major arterials—45th Street North and Cass County 20 /40th Avenue North—which will provide access and utilities.

Annexation of this area will enable future development near a gateway to Fargo and enable the City to expand the water distribution system by providing another connection point across the interstate to install a robust and redundant water main.

The proposed annexation area is mostly zoned AG, Agricultural. An area of approximately 5.68 acres in the northwest corner of the proposed annexed area is zoned LI, Limited Industrial. This LI zoning dates from 2000 (Ordinance 4020). No change to the existing zoning is proposed at this time.

An area of approximately 23.14 acres is being excluded from this annexation, as depicted on the annexation plat. The owner of this property operates a fireworks sales business on this property. At this time, the sale of fireworks is prohibited within Fargo city limits. If this property were included in the annexation, the owner would be required to close his business.

No subdivisions or other entitlements accompany this annexation. However, staff believes that at least one subdivision within this area will be coming forward in the near future.

OWNERS
The annexation area includes property owned by five different owners:

1. Burlington Northern Santa Fe Railroad
2. ARD Properties, LLC
3. SE Cass Water Resources District
4. North Fargo Land, LLC
5. State of North Dakota

PLANNING COMMISSION REVIEW
The Planning Commission is scheduled to review this annexation at their regularly scheduled March 7th, 2023 meeting.

RESOLUTION OF ANNEXATION
Pursuant to the process described in North Dakota Century Code Section 40-51.2-07, a resolution of annexation, prepared by City staff, is attached for your Commission's action. The resolution includes a detailed legal description of the proposed annexation area and sets the date for the hearing on the sufficiency of protests for the March 20, 2023 City Commission agenda.

Staff Recommendation:

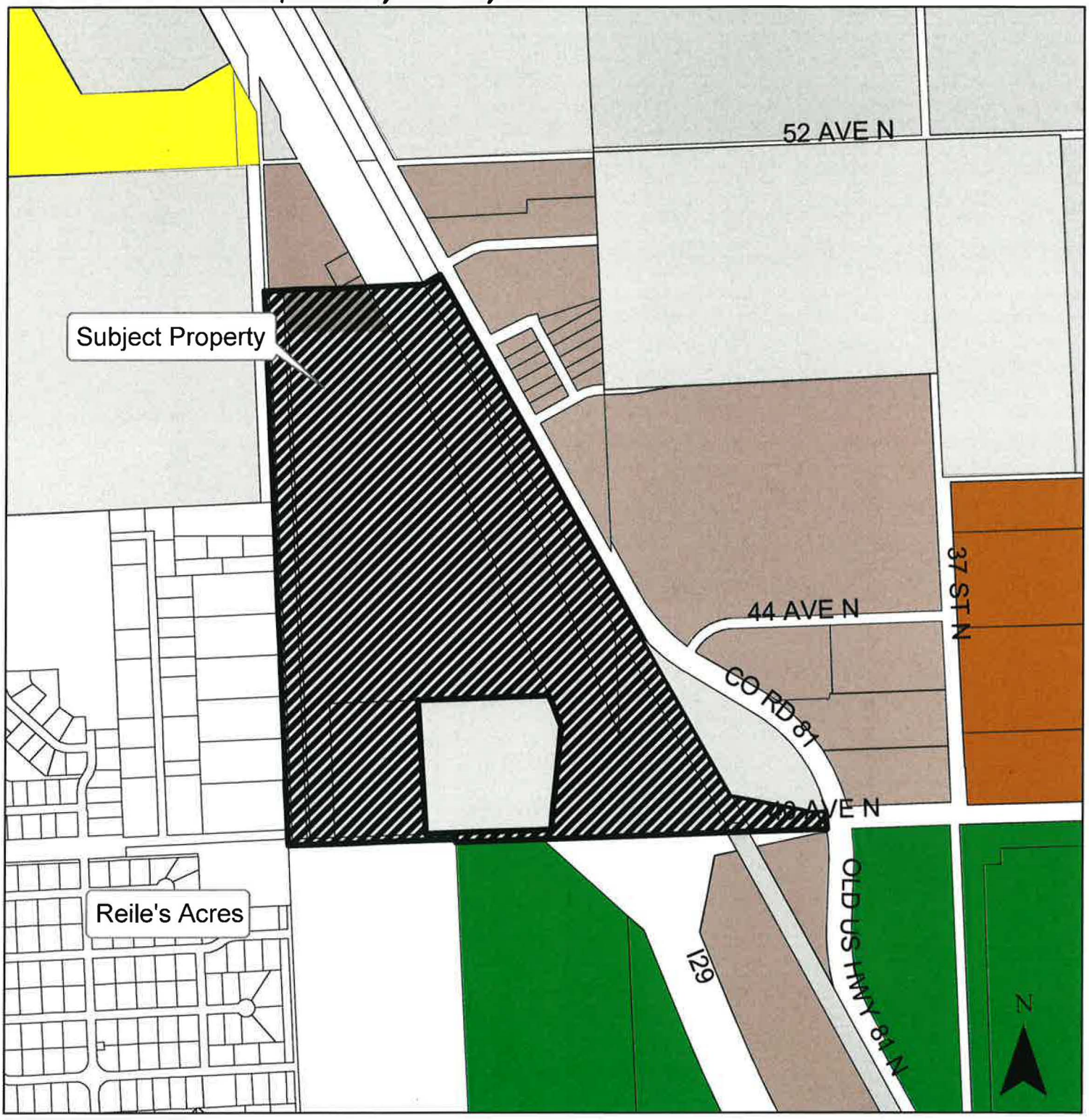
Staff recommends that the City Commission adopt the resolution of annexation and set the date for the hearing on the sufficiency of protests for the March 20, 2023 City Commission agenda.

Attachments:

1. Zoning Map
2. Location Map
3. Legal description of proposed annexed area
4. Plat of proposed annexation area
5. Resolution of annexation

Annexation

Portions of Section 15 & 22, T140N, R49W



THE CITY OF Fargo FAR MORE

Legend

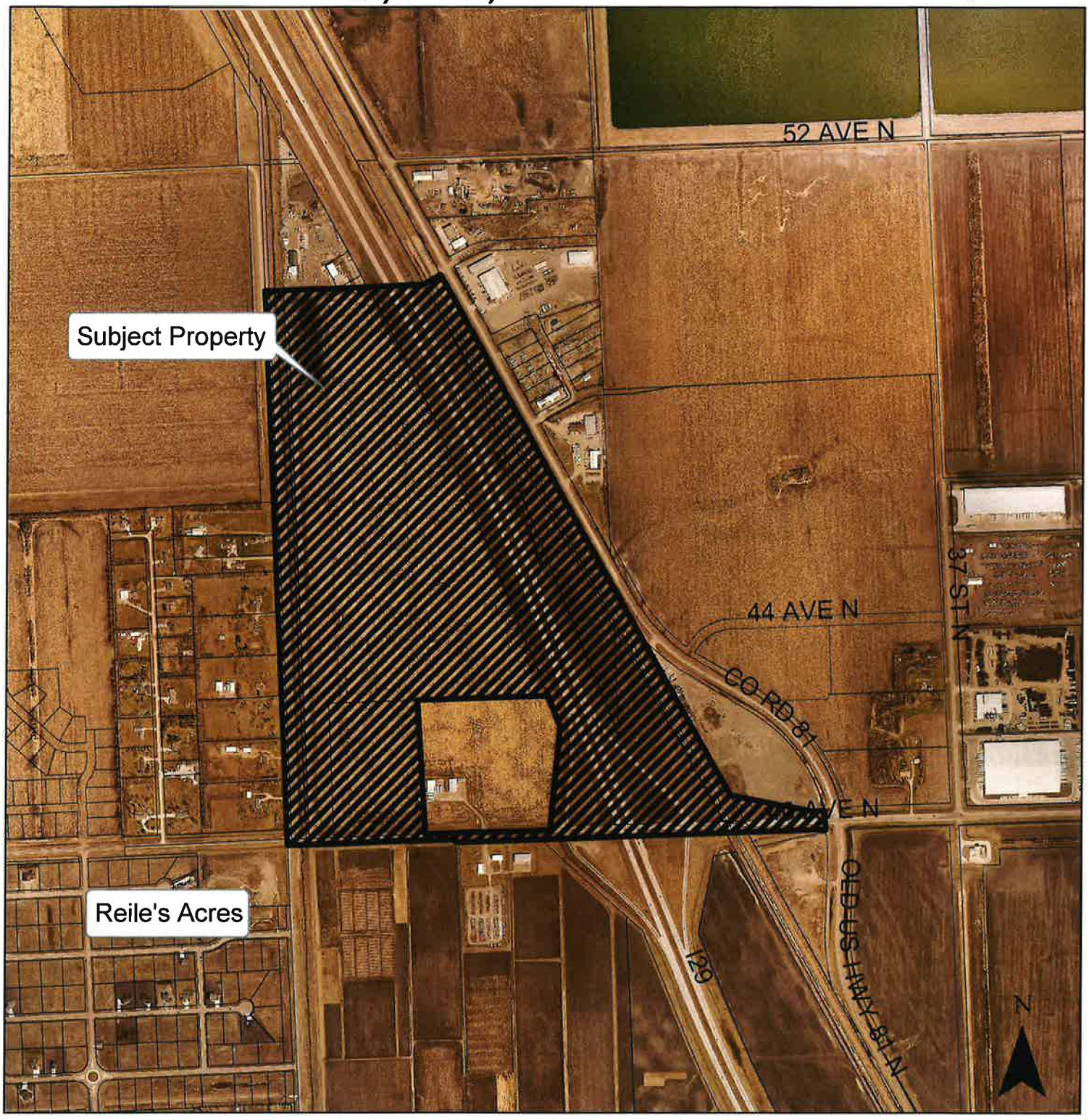
AG LC MHP SR-2
DMU LI NC SR-3
GC MR-1 NO SR-4
GL MR-2 PI SR-5
GO MR-3 UMU City Limits

Fargo City Commission
February 6, 2023

0 0.05 0.1 0.2 0.3 0.4 Miles

Annexation

Portions of Section 15 & 22, T140N, R49W



THE CITY OF Fargo FAR MORE

Fargo City Commission
February 6, 2023

0 0.05 0.1 0.2 0.3 0.4 Miles

LEGAL DESCRIPTION FOR ANNEXATION OF PORTIONS OF THE NW ¼, SW ¼, AND SE ¼ OF SECTION 15 AND OF PORTIONS OF THE NE ¼ AND NW ¼ OF SECTION 22, ALL IN TOWNSHIP 140 NORTH, RANGE 49

That part of the Northwest Quarter, Southwest Quarter, and Southeast Quarter of Section 15 and Northwest Quarter and Northeast Quarter of Section 22, all in Township 140 North, Range 49 West of the 5th Principal Meridian, Cass County, North Dakota being further described as follows:

Beginning at the Southwest Corner of Section 15;
thence N2°35'35"W on the west line of the Southwest Quarter (SW1/4) of said Section 15 a distance of 2,645.65 feet to the Northwest Corner of said SW1/4;
thence N2°34'38"W on the west line of the Northwest Quarter (NW1/4) of said Section 15 a distance of 1,654.89 feet; thence N87°53'40"E a distance of 148.69 feet to the east right-of-way (ROW) line of Cass County Drain No 40;
thence continuing N87°53'40"E on the north line of the South 332 feet of Auditor's Lot 1 a distance of 663.29 feet to the westerly ROW line of Interstate Highway 29;
thence continuing N87°53'40"E a distance of 448.82 feet to the easterly ROW line of Interstate Highway 29, said easterly ROW line also being the westerly ROW line of the Burlington Northern Santa Fe Railway;
thence N60°54'41"E perpendicular to the easterly ROW line of said Burlington Northern Santa Fe Railway a distance of 149.38 feet to said easterly ROW line of said Burlington Northern Santa Fe Railway;
thence S29°05'19"E on said easterly ROW a distance of 4,660.20 feet to the northerly ROW of Interstate Highway 29; thence S79°10'53"E on said northerly ROW a distance of 540.52 feet;
thence N87°58'51"E on said northerly ROW a distance of 208.09 feet to the easterly ROW of said Interstate Highway 29, said point being on the westerly line of the City of Fargo Annexation Plat as described in Doc. No. 1637528, Records of Cass County;
thence on said westerly Annexation Plat line 102.68 feet on the arc of a non-tangential curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 4°24'52", and long chord length of 102.65 feet bearing S15°04'30"E to the south line of the Southeast Quarter (SE1/4) of said Section 15;
thence continuing on said curve and said westerly Annexation Plat line 75.99 feet on the arc of a curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 3°16'01", and long chord length of 75.98 feet bearing S11°14'03"E to the northerly line of the City of Fargo Annexation Plat as described in Doc. No. 916190, Records of Cass County;
thence S87°58'51"W on said northerly Annexation Plat line a distance of 1,595.49 feet to the west line of the Northeast Quarter (NE1/4) of Section 22;
thence S87°58'19"W on said northerly Annexation Plat line a distance of 1,322.29 feet to the north-south quarter-quarter line in the NW1/4 of said Section 22;
thence N2°40'59"W on said quarter-quarter line a distance of 75.00 feet to the south line of said SW1/4 of Section 15;
thence S87°58'19"W on said south line a distance of 1,323.75 feet to the Point of Beginning.
EXCEPTING therefrom the following described tract:

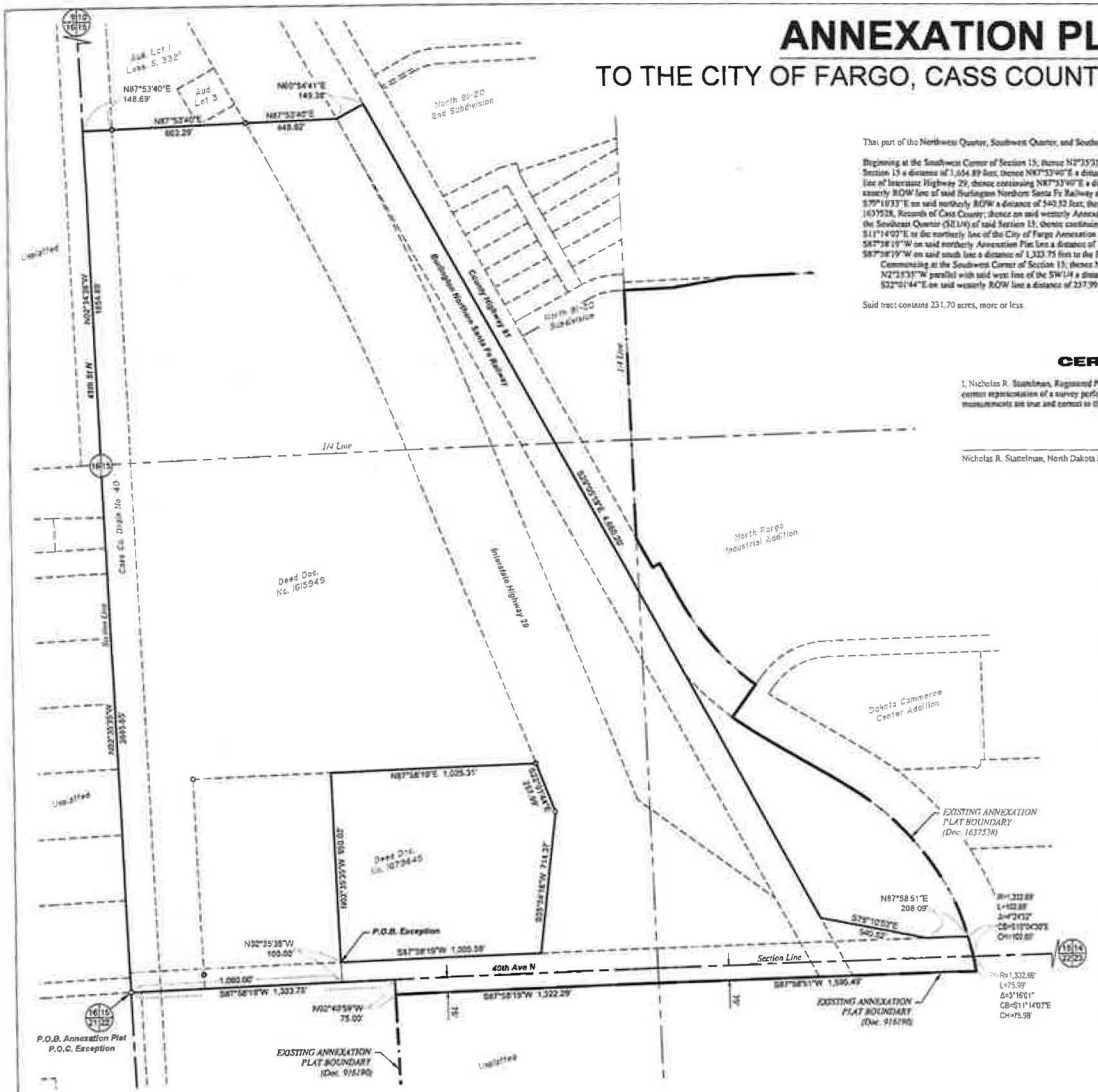
Commencing at the Southwest Corner of Section 15;
thence N87°58'19"E on said south line of the SW1/4 of Section 15 a distance of 1,060.00 feet;
thence N2°35'35"W parallel with the west line of said SW1/4 a distance of 100.00 feet to the Point of Beginning;

thence continuing N2°35'35"W parallel with said west line of the SW1/4 a distance of 950.02 feet to the parcel line described in Doc. No. 1615949, Records of Cass Co.;
thence N87°58'19"E on said parcel line a distance of 1,025.31 feet to said westerly ROW line of Interstate Highway 29;
thence S22°01'44"E on said westerly ROW line a distance of 257.99 feet;
thence S5°54'16"W on said westerly ROW line a distance of 714.37 feet;
thence S87°58'19"W parallel with said south line of the SW1/4 a distance of 1,005.59 feet to the Point of Beginning of said Exception.

Said tract contains 231.70 acres, more or less.

ANNEXATION PLAT

TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA



BASIS OF BEARING

BEARINGS AND DISTANCES BASED ON THE CITY OF FARGO GROUND COORDINATE SYSTEM, US SURVEY FEET.

LEGEND

- EXISTING FARGO CITY LIMITS
- PROPOSED FARGO CITY LIMITS
- PROPOSED ANNEXATION PARCEL
- SECTION LINE
- 1/4 SECTION LINE
- EXISTING PARCEL LINE
- FOUND IRON MONUMENT w/ PLASTIC CAP
- FOUND IRON MONUMENT

AES

SHEET 1 of 1

DESCRIPTION OF PLAT BOUNDARY

That part of the Northwest Quarter, Southwest Quarter, and Southeast Quarter of Section 15 and Northwest Quarter and Northeast Quarter of Section 22, all in Township 140 North, Range 49 West of the 5th Principal Meridian, Cass County, North Dakota being further described as follows:

Beginning at the Southwest Corner of Section 15; thence N2°35'35"W on the west line of the Southwest Quarter (SW1/4) of said Section 15 a distance of 2,643.55 feet to the Northwest Corner of said SW1/4; thence N2°34'38"W on the west line of the Northwest Quarter (NW1/4) of said Section 15 a distance of 1,654.89 feet; thence N87°53'40"E a distance of 148.69 feet to the east right-of-way (ROW) line of Cass County Drain No 40; thence continuing N87°53'40"E on the north line of the South 332 feet of Auditor's Lot 1 a distance of 663.29 feet to the westerly ROW line of Interstate Highway 29; thence continuing N87°53'40"E a distance of 648.82 feet to the easterly ROW line of Interstate Highway 29, said easterly ROW line also being the westerly ROW line of the Burlington Northern Santa Fe Railway; thence N60°54'41"E perpendicular to the easterly ROW line of said Burlington Northern Santa Fe Railway a distance of 149.38 feet to said easterly ROW line of said Burlington Northern Santa Fe Railway; thence S25°05'15"E on said easterly ROW a distance of 4,660.20 feet to the northerly ROW of Interstate Highway 29; thence S79°10'33"E on said northerly ROW a distance of 540.52 feet; thence N87°58'51"E on said northerly ROW a distance of 208.05 feet to the easterly ROW of said Interstate Highway 29, said point being on the westerly line of the City of Fargo Annexation Plat as described in Doc. No. 1637528, Records of Cass County; thence on said westerly Annexation Plat line 102.68 feet on the arc of a non-tangential curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 4°24'32", and long chord length of 102.65 feet bearing S13°04'20"E to the south line of the Southeast Quarter (SE1/4) of said Section 15; thence continuing on said curve and said westerly Annexation Plat line 75.99 feet on the arc of a curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 3°16'01", and long chord length of 75.98 feet bearing S11°14'07"E to the northerly line of the City of Fargo Annexation Plat as described in Doc. No. 916190, Records of Cass County; thence S87°58'51"W on said northerly Annexation Plat line a distance of 1,595.49 feet to the west line of the Northeast Quarter (NE1/4) of Section 22; thence S87°58'19"W on said northerly Annexation Plat line a distance of 1,322.29 feet to the north-south quarter-quarter line in the NW1/4 of said Section 22; thence N02°40'59"W on said quarter-quarter line a distance of 75.00 feet to the south line of said NW1/4 of Section 15; thence S87°58'19"W on said south line a distance of 1,323.75 feet to the Point of Beginning. EXCEPTING therefrom the following described tract:

Commencing at the Southwest Corner of Section 15; thence N87°58'19"E on said south line of the SW1/4 of Section 15 a distance of 1,060.00 feet; thence N2°35'35"W parallel with the west line of said SW1/4 a distance of 100.00 feet to the Point of Beginning; thence continuing N2°35'35"W parallel with said west line of the SW1/4 a distance of 950.02 feet to the parcel line described in Doc. No. 1613949, Records of Cass Co.; thence N87°58'19"E on said parcel line a distance of 1,025.31 feet to said westerly ROW line of Interstate Highway 29; thence S22°01'44"E on said westerly ROW line a distance of 257.99 feet; thence S5°54'16"W on said westerly ROW line a distance of 314.37 feet; thence S87°58'19"W parallel with said south line of the SW1/4 a distance of 1,005.59 feet to the Point of Beginning of said Exception.

Said tract contains 231.70 acres, more or less

CERTIFICATE OF SURVEYOR

I, Nicholas R. Stattelman, Registered Professional Land Surveyor in the State of North Dakota, hereby certify that this map is a true and correct representation of a survey performed by me or under my direct supervision on or before January 4, 2023. All distances and monuments are true and correct to the best of my knowledge and belief, and all monuments will be placed in the ground as shown.

Nicholas R. Stattelman, North Dakota Registered Professional Land Surveyor No. LS-5218

STATE OF NORTH DAKOTA)
COUNTY OF_____) SS

On this ____ day of _____, 20___, before me, a Notary Public in and for said County and State, personally appeared Nicholas R. Stattelman, known to me to be the person described in the within instrument, and acknowledged to me that he executed the same.

Notary Public:
State of North Dakota
My commission expires: _____

CITY ENGINEER APPROVAL

This plat is approved by the Fargo City Engineer on this ____ day of _____, 20___.

Brenda E. Derrig, City Engineer

STATE OF NORTH DAKOTA)
COUNTY OF _____) SS

On this ____ day of _____, 20___, before me, a Notary Public in and for said County and State, personally appeared Brenda E Derrig, Fargo City Engineer, known to me to be the person described in the within instrument, and acknowledged to me that she executed the same.

State of North Dakota
My commission expires: _____

CITY COMMISSION APPROVAL

This plat is approved by the Fargo City Commission on this ____ day of _____, 20___.

Tim Mahoney, Mayor

Steven Sprague, City Auditor

STATE OF NORTH DAKOTA)
COUNTY OF _____) SS

On this ____ day of _____, 20___, before me, a Notary Public in and for said County and State, personally appeared Tim Mahoney, Mayor, and Steven Sprague, City Auditor, known to me to be the persons described in the within instrument, and acknowledged to me that they executed the same.

State of North Dakota
My commission expires: _____

RESOLUTION OF ANNEXATION

BE IT RESOLVED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF FARGO:

WHEREAS, the City of Fargo, Cass County, North Dakota, is a municipal corporation, organized and existing under the laws of the State of North Dakota, with approximately one hundred twenty-six thousand seven hundred and fifty (126,750) inhabitants; and

WHEREAS, there is contiguous and adjacent to the City of Fargo, a tract or parcel of land hereinafter specifically described, containing approximately 231.70 acres, more or less, which tract or parcel of land is not presently a part of the City of Fargo.

NOW, THEREFORE, BE IT RESOLVED, By the Board of City Commissioners of the City of Fargo, North Dakota, that the boundaries of the City of Fargo be, and they hereby are, extended so as to include and incorporate within the corporate limits of the City of Fargo, Cass County, North Dakota, all the land described as follows:

Portions of the NW ¼, SW ¼, and SE ¼ of Section 15 and of portions of the NE ¼ and NW ¼ of Section 22, all in Township 140 North, Range 49 West of the Fifth Principal Meridian, Cass County, North Dakota, being more fully described as:

That part of the Northwest Quarter, Southwest Quarter, and Southeast Quarter of Section 15 and Northwest Quarter and Northeast Quarter of Section 22, all in Township 140 North, Range 49 West of the 5th Principal Meridian, Cass County, North Dakota being further described as follows:

Beginning at the Southwest Corner of Section 15;
thence N2°35'35"W on the west line of the Southwest Quarter (SW1/4) of said Section 15 a distance of 2,645.65 feet to the Northwest Corner of said SW1/4;
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thence continuing N87°53'40"E on the north line of the South 332 feet of Auditor's Lot 1 a distance of 663.29 feet to the westerly ROW line of Interstate Highway 29;

thence continuing N87°53'40"E a distance of 448.82 feet to the easterly ROW line of Interstate Highway 29, said easterly ROW line also being the westerly ROW line of the Burlington Northern Santa Fe Railway;
thence N60°54'41"E perpendicular to the easterly ROW line of said Burlington Northern Santa Fe Railway a distance of 149.38 feet to said easterly ROW line of said Burlington Northern Santa Fe Railway;
thence S29°05'19"E on said easterly ROW a distance of 4,660.20 feet to the northerly ROW of Interstate Highway 29; thence S79°10'53"E on said northerly ROW a distance of 540.52 feet;
thence N87°58'51"E on said northerly ROW a distance of 208.09 feet to the easterly ROW of said Interstate Highway 29, said point being on the westerly line of the City of Fargo Annexation Plat as described in Doc. No. 1637528, Records of Cass County;
thence on said westerly Annexation Plat line 102.68 feet on the arc of a non-tangential curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 4°24'52", and long chord length of 102.65 feet bearing S15°04'30"E to the south line of the Southeast Quarter (SE1/4) of said Section 15;
thence continuing on said curve and said westerly Annexation Plat line 75.99 feet on the arc of a curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 3°16'01", and long chord length of 75.98 feet bearing S11°14'03"E to the northerly line of the City of Fargo Annexation Plat as described in Doc. No. 916190, Records of Cass County;
thence S87°58'51"W on said northerly Annexation Plat line a distance of 1,595.49 feet to the west line of the Northeast Quarter (NE1/4) of Section 22;
thence S87°58'19"W on said northerly Annexation Plat line a distance of 1,322.29 feet to the north-south quarter-quarter line in the NW1/4 of said Section 22;
thence N2°40'59"W on said quarter-quarter line a distance of 75.00 feet to the south line of said SW1/4 of Section 15;
thence S87°58'19"W on said south line a distance of 1,323.75 feet to the Point of Beginning.
EXCEPTING therefrom the following described tract:

Commencing at the Southwest Corner of Section 15;
thence N87°58'19"E on said south line of the SW1/4 of Section 15 a distance of 1,060.00 feet;
thence N2°35'35"W parallel with the west line of said SW1/4 a distance of 100.00 feet to the Point of Beginning;
thence continuing N2°35'35"W parallel with said west line of the SW1/4 a distance of 950.02 feet to the parcel line described in Doc. No. 1615949, Records of Cass Co.;
thence N87°58'19"E on said parcel line a distance of 1,025.31 feet to said westerly ROW line of Interstate Highway 29;
thence S22°01'44"E on said westerly ROW line a distance of 257.99 feet;
thence S5°54'16"W on said westerly ROW line a distance of 714.37 feet;
thence S87°58'19"W parallel with said south line of the SW1/4 a distance of 1,005.59 feet to the Point of Beginning of said Exception.

Said tract contains 231.70 acres, more or less.

BE IT FURTHER RESOLVED, By the Board of City Commissioners of the City of Fargo, North Dakota, that this Resolution be published in the official newspaper for the City of Fargo once each week for two successive weeks, and a hearing be held on the 20th day of March, 2023, at 5:15 p.m., in the Commission Chambers, City Hall, Fargo, North Dakota.

CERTIFICATE

STATE OF NORTH DAKOTA)
)ss.
COUNTY OF CASS)

I, Timothy J Mahoney, the duly elected, qualified and acting Mayor of the City of Fargo, North Dakota; and

I, Steven Sprague, the duly appointed, qualified, and acting City Auditor of the City of Fargo, North Dakota,

DO HEREBY CERTIFY:

That the foregoing is a full, true, and correct copy of the original Resolution and the whole thereof annexing a tract of land consisting of approximately 231.70 acres, which Resolution was duly adopted by the Board of City Commissioners of the City of Fargo, North Dakota, at the meeting of the Board held March 20, 2023, at which meeting Commissioners _____and _____were present in person, and _____ *was absent, and* _____ *and* _____ *voted in favor of the adoption of the Resolution and* _____ *voted against the adoption of the Resolution; and*

That such Resolution is now a part of the permanent records of the City of Fargo, as filed in the office of the City Auditor.

(SEAL)

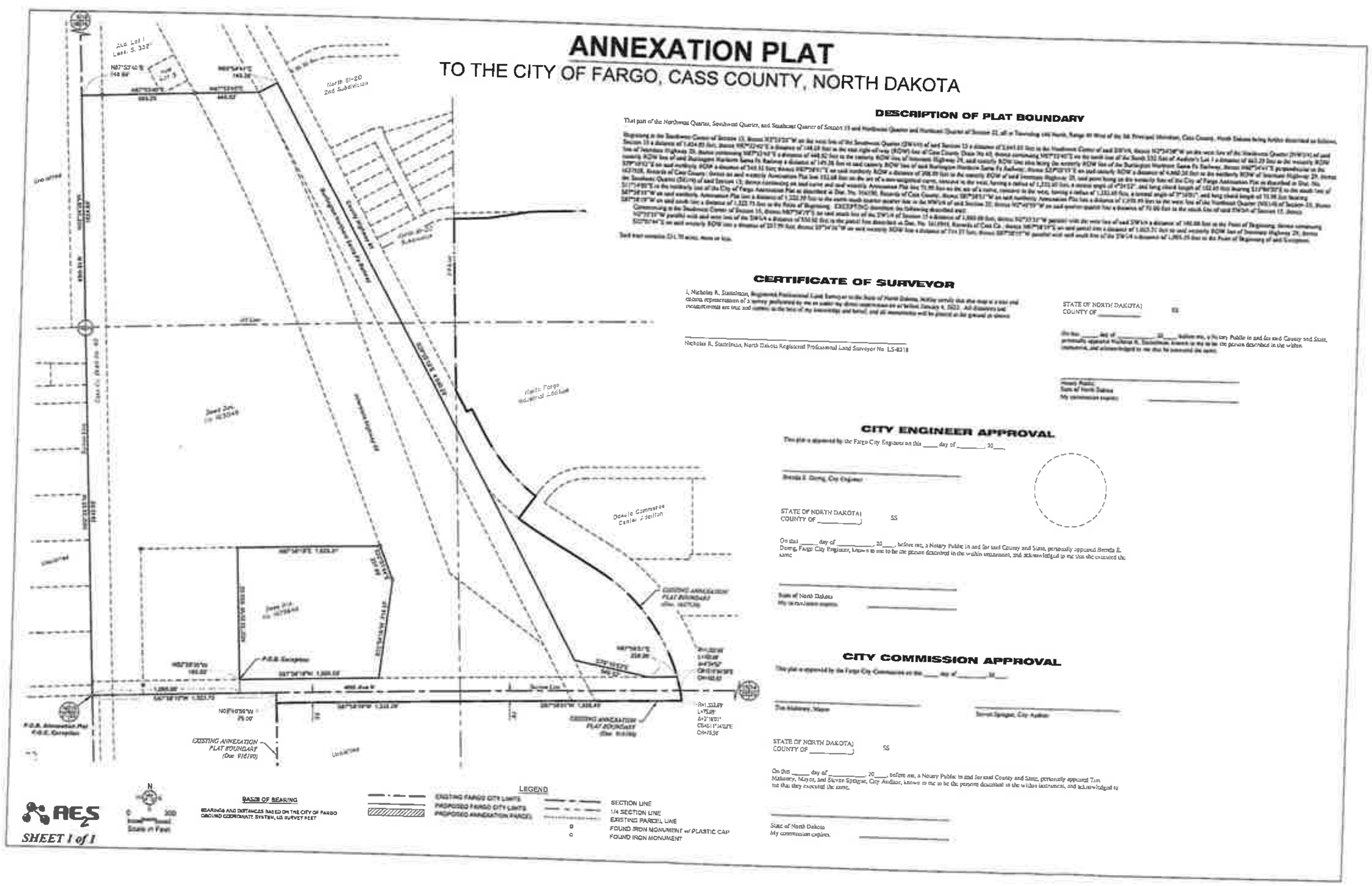
_____
Timothy J. Mahoney, Mayor
City of Fargo, North Dakota

ATTEST:

_____
Steven Sprague, City Auditor

On this _____ day of _____, 20__, before me, _____ _____, a Notary Public in and for Cass County in the State of North Dakota, personally appeared TIMOTHY J. MAHONEY, known to me to be the Mayor of the Board of City Commissioners and STEVEN SPRAGUE, known to me to be the City Auditor of the City of Fargo, a municipal corporation under the laws of the State of North Dakota, and they acknowledged to me that they executed the foregoing instrument.

_____
Notary Public
Cass County, North Dakota
My Commission Expires: _____


ANNEXATION PLAT
TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA
DESCRIPTION OF PLAT BOUNDARY
CERTIFICATE OF SURVEYOR
Nicholas R. Stattelman, North Dakota Registered Professional Land Surveyor No. LS-8218
STATE OF NORTH DAKOTA)
COUNTY OF
SS
CITY ENGINEER APPROVAL
This plat is approved by the Fargo City Engineer on this ____ day of ________, 20___.
STATE OF NORTH DAKOTA)
COUNTY OF
SS
On this ____ day of ________, 20___, before me, a Notary Public in and for said County and State, personally appeared Brenda E. Derrig, Fargo City Engineer, known to me to be the person described in the within instrument, and acknowledged to me that she executed the same.
State of North Dakota
My commission expires
CITY COMMISSION APPROVAL
STATE OF NORTH DAKOTA)
COUNTY OF
SS
On this ____ day of ________, 20___, before me, a Notary Public in and for said County and State, personally appeared Tim Mahoney, Mayor, and Steven Sprague, City Auditor, known to me to be the persons described in the within instrument, and acknowledged to me that they executed the same.
State of North Dakota
My commission expires
EXISTING ANNEXATION PLAT BOUNDARY
R=1,333.89'
L=75.09'
Δ=3°18'01"
LEGEND
SECTION LINE
1/4 SECTION LINE
EXISTING PARCEL LINE
FOUND IRON MONUMENT w/ PLASTIC CAP
FOUND IRON MONUMENT
BASIS OF BEARING
Scale in Feet
SHEET 1 of 1

RESOLUTION OF ANNEXATION

BE IT RESOLVED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF FARGO:

WHEREAS, the City of Fargo, Cass County, North Dakota, is a municipal corporation, organized and existing under the laws of the State of North Dakota, with approximately one hundred twenty-six thousand seven hundred and fifty (126,750) inhabitants; and

WHEREAS, there is contiguous and adjacent to the City of Fargo, a tract or parcel of land hereinafter specifically described, containing approximately 231.70 acres, more or less, which tract or parcel of land is not presently a part of the City of Fargo.

NOW, THEREFORE, BE IT RESOLVED, By the Board of City Commissioners of the City of Fargo, North Dakota, that the boundaries of the City of Fargo be, and they hereby are, extended so as to include and incorporate within the corporate limits of the City of Fargo, Cass County, North Dakota, all the land described as follows:

Portions of the NW ¼, SW ¼, and SE ¼ of Section 15 and of portions of the NE ¼ and NW ¼ of Section 22, all in Township 140 North, Range 49 West of the Fifth Principal Meridian, Cass County, North Dakota, being more fully described as:

That part of the Northwest Quarter, Southwest Quarter, and Southeast Quarter of Section 15 and Northwest Quarter and Northeast Quarter of Section 22, all in Township 140 North, Range 49 West of the 5th Principal Meridian, Cass County, North Dakota being further described as follows:

Beginning at the Southwest Corner of Section 15;
thence N2°35'35"W on the west line of the Southwest Quarter (SW1/4) of said Section 15 a distance of 2,645.65 feet to the Northwest Corner of said SW1/4;
thence N2°34'38"W on the west line of the Northwest Quarter (NW1/4) of said Section 15 a distance of 1,654.89 feet; thence N87°53'40"E a distance of 148.69 feet to the east right-of-way (ROW) line of Cass County Drain No 40;
thence continuing N87°53'40"E on the north line of the South 332 feet of Auditor's Lot 1 a distance of 663.29 feet to the westerly ROW line of Interstate Highway 29;

thence continuing N87°53'40"E a distance of 448.82 feet to the easterly ROW line of Interstate Highway 29, said easterly ROW line also being the westerly ROW line of the Burlington Northern Santa Fe Railway;
thence N60°54'41"E perpendicular to the easterly ROW line of said Burlington Northern Santa Fe Railway a distance of 149.38 feet to said easterly ROW line of said Burlington Northern Santa Fe Railway;
thence S29°05'19"E on said easterly ROW a distance of 4,660.20 feet to the northerly ROW of Interstate Highway 29; thence S79°10'53"E on said northerly ROW a distance of 540.52 feet;
thence N87°58'51"E on said northerly ROW a distance of 208.09 feet to the easterly ROW of said Interstate Highway 29, said point being on the westerly line of the City of Fargo Annexation Plat as described in Doc. No. 1637528, Records of Cass County;
thence on said westerly Annexation Plat line 102.68 feet on the arc of a non-tangential curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 4°24'52", and long chord length of 102.65 feet bearing S15°04'30"E to the south line of the Southeast Quarter (SE1/4) of said Section 15;
thence continuing on said curve and said westerly Annexation Plat line 75.99 feet on the arc of a curve, concave to the west, having a radius of 1,332.69 feet, a central angle of 3°16'01", and long chord length of 75.98 feet bearing S11°14'03"E to the northerly line of the City of Fargo Annexation Plat as described in Doc. No. 916190, Records of Cass County;
thence S87°58'51"W on said northerly Annexation Plat line a distance of 1,595.49 feet to the west line of the Northeast Quarter (NE1/4) of Section 22;
thence S87°58'19"W on said northerly Annexation Plat line a distance of 1,322.29 feet to the north-south quarter-quarter line in the NW1/4 of said Section 22;
thence N2°40'59"W on said quarter-quarter line a distance of 75.00 feet to the south line of said SW1/4 of Section 15;
thence S87°58'19"W on said south line a distance of 1,323.75 feet to the Point of Beginning.
EXCEPTING therefrom the following described tract:

Commencing at the Southwest Corner of Section 15;
thence N87°58'19"E on said south line of the SW1/4 of Section 15 a distance of 1,060.00 feet;
thence N2°35'35"W parallel with the west line of said SW1/4 a distance of 100.00 feet to the Point of Beginning;
thence continuing N2°35'35"W parallel with said west line of the SW1/4 a distance of 950.02 feet to the parcel line described in Doc. No. 1615949, Records of Cass Co.;
thence N87°58'19"E on said parcel line a distance of 1,025.31 feet to said westerly ROW line of Interstate Highway 29;
thence S22°01'44"E on said westerly ROW line a distance of 257.99 feet;
thence S5°54'16"W on said westerly ROW line a distance of 714.37 feet;
thence S87°58'19"W parallel with said south line of the SW1/4 a distance of 1,005.59 feet to the Point of Beginning of said Exception.

Said tract contains 231.70 acres, more or less.

BE IT FURTHER RESOLVED, By the Board of City Commissioners of the City of Fargo, North Dakota, that this Resolution be published in the official newspaper for the City of Fargo once each week for two successive weeks, and a hearing be held on the 20th day of March, 2023, at 5:15 p.m., in the Commission Chambers, City Hall, Fargo, North Dakota.

CERTIFICATE

STATE OF NORTH DAKOTA)
)ss.
COUNTY OF CASS)

I, Timothy J Mahoney, the duly elected, qualified and acting Mayor of the City of Fargo, North Dakota; and

I, Steven Sprague, the duly appointed, qualified, and acting City Auditor of the City of Fargo, North Dakota,

DO HEREBY CERTIFY:

That the foregoing is a full, true, and correct copy of the original Resolution and the whole thereof annexing a tract of land consisting of approximately 231.70 acres, which Resolution was duly adopted by the Board of City Commissioners of the City of Fargo, North Dakota, at the meeting of the Board held March 20, 2023, at which meeting Commissioners _____ and _____ were present in person, and _____ *was absent, and* _____ *and* _____ *voted in favor of the adoption of the Resolution and* _____ *voted against the adoption of the Resolution; and*

That such Resolution is now a part of the permanent records of the City of Fargo, as filed in the office of the City Auditor.

(SEAL)

_____
Timothy J. Mahoney, Mayor
City of Fargo, North Dakota

ATTEST:

_____
Steven Sprague, City Auditor

On this _____ day of _____, 20__, before me, _____ _____, a Notary Public in and for Cass County in the State of North Dakota, personally appeared TIMOTHY J. MAHONEY, known to me to be the Mayor of the Board of City Commissioners and STEVEN SPRAGUE, known to me to be the City Auditor of the City of Fargo, a municipal corporation under the laws of the State of North Dakota, and they acknowledged to me that they executed the foregoing instrument.

_____
Notary Public
Cass County, North Dakota
My Commission Expires: _____

THE CITY OF Fargo FAR MORE

ASSESSOR'S OFFICE
Fargo City Hall
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1340 | Fax: 701.241.1339
www.FargoND.gov

27

February 1, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Attached is the Application for Abatement or Refund of Taxes #4539 and #4540, prepared by Michael Block of Ryan, Inc. The application is for the Hobby Lobby retail building located at 4427 13 Ave S. Supporting information submitted by the applicant has been included. The applications request the following:

#4539 – for 2021, a reduction from $7,272,000 to $7,210,000
#4540 – for 2022, a reduction from $7,272,000 to $7,210,000

We have provided information regarding the valuation of these properties and a comparison to similar properties for equity purposes and against the market. With the market information that was available, we were unable to support the values as certified. We created new approaches to value and we feel a reduction in value is warranted.

SUGGESTED MOTION:

Approve a reduction of the property value at 4427 13 Ave S in the following manner:
#4539 – reduce the 2021 certified value to $7,210,000
#4540 – reduce the 2022 certified value to $7,210,000

Sincerely,

Michael Splonskowski
Fargo City Assessor

THE CITY OF Fargo
FAR MORE

ASSESSOR'S OFFICE
Fargo City Hall
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1340 | Fax: 701.241.1339
www.FargoND.gov

February 1, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Attached is the Application for Abatement or Refund of Taxes #4539 and #4540, prepared by Michael Block of Ryan, Inc. The application is for the Hobby Lobby retail building located at 4427 13 Ave S. Supporting information submitted by the applicant has been included. The applications request the following:

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#4540 – for 2022, a reduction from $7,272,000 to $7,210,000

We have provided information regarding the valuation of these properties and a comparison to similar properties for equity purposes and against the market. With the market information that was available, we were unable to support the values as certified. We created new approaches to value and we feel a reduction in value is warranted.

SUGGESTED MOTION:

Approve a reduction of the property value at 4427 13 Ave S in the following manner:
#4539 – reduce the 2021 certified value to $7,210,000
#4540 – reduce the 2022 certified value to $7,210,000

Sincerely,

Michael Splonskowski
Fargo City Assessor

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** 2

County of Cass **Property I.D. No.** 01-0277-00010-000

Name Y&O FARGO PLAZA LLC **Telephone No.** (763) 445-4200

Address Property: 4427 13 Ave S Fargo, ND 58103 Mailing: PO Box 668 Gallatin Gateway, MT 59730

Legal description of the property involved in this application:

Lot: 1 Block: 1 BUILDERS SQUARE 1ST LOT 1 BLK 1 *0 1-22-93 WAS 01-3610-00122-020

Total true and full value of the property described above for the year 2021 **is:**

Land	$ 3,294,000
Improvements	$ 4,433,000
Total	$ 7,727,000 (1)

Total true and full value of the property described above for the year 2021 **should be:**

Land	$ 3,294,000
Improvements	$ 3,916,000
Total	$ 7,210,000 (2)

The difference of $ 517,000.00 **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: $ 6,480,000 Date of purchase: 12/21/2019
   Terms: Cash ✓ Contract _____ Trade _____ Other (explain) _____
   Was there personal property involved in the purchase price? No (yes/no) Estimated value: $ _____
2. Has the property been offered for sale on the open market? Yes (yes/no). If yes, how long? 3 months
   Asking price: $ $7,000,000 Terms of sale: Marketed by CBRE, eight other offers. Y&O the highest
3. The property was independently appraised: Yes (yes/no) Purpose of appraisal: Financing
   _____ Market value estimate: $ 6,700,000
   Appraisal was made by whom? CBRE
4. The applicant's estimate of market value of the property involved in this application is $ 7,210,000
5. The estimated agricultural productive value of this property is excessive because of the following condition(s): _____

Applicant asks that the application 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	Date
		Michael Brolk	1/10/23

24775
(2-2016)

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: Vio Fargo 12/a29 LLC

County Auditor's File No.: 4539

Date Application Was Filed With The County Auditor: 1/23/2023

Date County Auditor Mailed Application to Township Clerk or City Auditor: 1/24/2023 (must be within five business days of filing date)

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** 2

County of Cass — **Property I.D. No.** 01-0277-00010-000

Name Y&O FARGO PLAZA LLC — **Telephone No.** (763) 445-4200

Address Property: 4427 13 Ave S Fargo, ND 58103 — Mailing: PO Box 668 Gallatin Gateway, MT 59730

Legal description of the property involved in this application:

Lot: 1 Block: 1 BUILDERS SQUARE 1ST LOT 1 BLK 1 *0 1-22-93 WAS 01-3610-00122-020

Total true and full value of the property described above for the year 2022 is:

Land	$ 3,294,000
Improvements	$ 4,433,000
Total	$ 7,727,000 (1)

Total true and full value of the property described above for the year 2022 should be:

Land	$ 3,294,000
Improvements	$ 3,916,000
Total	$ 7,210,000 (2)

The difference of $ 517,000.00 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: $ 6,480,000 Date of purchase: 12/21/2019
   Terms: Cash ✓ Contract _____ Trade _____ Other (explain) _____
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2. Has the property been offered for sale on the open market? Yes (yes/no) If yes, how long? 3 months
   Asking price: $ $7,000,000 Terms of sale: Marketed by CBRE, eight other offers, Y&O the highest
3. The property was independently appraised: Yes (yes/no) Purpose of appraisal: Financing
   Market value estimate: $ 6,700,000
   Appraisal was made by whom? CBRE
4. The applicant's estimate of market value of the property involved in this application is $ 7,210,000
5. The estimated agricultural productive value of this property is excessive because of the following condition(s): _____

Applicant asks that the application 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	Date
		Michael Black	1/10/23

24775
(2-2016)

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: Wells Fargo Plaza LLC

County Auditor's File No.: 4540

Date Application Was Filed With The County Auditor: 1/23/2023

Date County Auditor Mailed Application to Township Clerk or City Auditor: 1/24/2023 (must be within five business days of filing date)

Hobby Lobby Building

Parcel Number: 01-0277-00010-000

4427 13 Ave S

Owner: Y&O Fargo Plaza LLC (65%) Et Al

Appeal of Assessment for Year(s): 2021, 2022

Name of Applicant: Y&O Fargo Plaza LLC
Representative: Michael Block, Ryan Inc.

Assessed Value(s)	2022	7,727,000	
	2021	7,727,000	
Applicants Requested Value(s)	2022	7,210,000	-6.7%
	2021	7,210,000	-6.7%

General Property Information

Property Type	Retail
Year Built	1991
Building Area (Total Above Grade)	95,096 sf
Land Area	365,989 sf

Last Sale: 12/21/2018 6,552,200

Summary

The property sold in December of 2018. The transaction appears to be arms-length. The property was subject to a long term lease-in-place that we feel is below market. Regardless, we feel the property is over-valued for 2021 and 2022. Our analysis indicates a market value of $7,210,000 based on our market adjusted cost approach. Further support for this reduced value is provided primarily by the sales comparison approach.

Comparable Sales Summary

Property Type	Address	Building Name	Bldg Size	Year Built	Sale Date / Assess Year	Sale Price / Proposed Value	Sale Price $/SF Total	Sale Price $/SF Impr Only
Retail	4601 23 Ave S	Hom Furniture	120,419	2004	02/2020	8,595,800	71.38	50.43
Retail	2121 43 St S	Former Gander Mountain	66,282	2004	02/2019	3,750,000	56,58	21.63
Retail	4907 Timber Pkwy S	Cash Wise	54,780	2017	09/2020	9,857,500	179.95	133.85
Retail	1532 32 Ave S	Hornbachers	57,258	1993	10/2019	10,290,100	179.71	141.01
Retail	360 36 St S	Floor to Ceiling Carpet	51,819	1974	07/2022	2,659,700	51.33	40.55
Subject	4427 13 Ave S	Hobby Lobby Bldg	95,096	1991	2022	7,727,000	81.25	46.62
					2021	7,727,000	81.25	46.62
					Proposed	7,210,000	75.82	41.18

Competing Properties (Assessed Values) Summary

We studied 11 comparable properties for equalization. The properties are located along the 13th Avenue S shopping corridor. They can be described as "big-box" retail buildings, ranging from 30,000 to 218,579 square feet and built between 1977 and 2002.

The 2021, 2022 and proposed valuations seem to be in line with the competing properties. Based on the subject's size, level of finish and age, we feel the proposed valuations are appropriately equalized with the competing set.

	2022 $/SF Total	2022 $/SF Impr Only	2021 $/SF Total	2021 $/SF Impr Only
Maximum	105.50	74.63	105.50	74.63
3rd Quartile	97.06	62.42	95.05	61.34
Median	84.31	50.43	83.47	46.93
1st Quartile	79.43	38.77	78.51	38.77
Minimum	57.22	20.17	57.22	20.17
Subject 2022	81.25	46.62		
2021			81.25	46.62
Proposed	75.82	41.18	75.82	41.18

Recommended Action(s):

Reduce the value of the subject to $7,210,000 (-6.70%) for 2022 and 2021.

Information provided above is a summary of the analysis conducted. Full analysis is provided in the Assessment Department's work file.

2/1/2023

Ryan. Innovative Solutions to Taxing Problems

GENERAL INFORMATION

SITE NAME:	Fargo Plaza
PROPERTY PARCEL(S):	01-0277-00010-000
YEARS UNDER ABATEMENT:	2021 and 2022
ADDRESS:	4427 13 Ave S
JURISDICTION:	Cass County
LAND:	365,904.00
BUILDING:	
SQUARE FEET:	95,096
RENTABLE SF:	90,525
YR. BUILT:	1991
PROPERTY USE:	Retail

COUNTY'S VALUATION

	2021/Pay 2022		2022/Pay 2023	
	LAND:	$3,294,000	**LAND:**	$3,294,000
	IMPROVEMENT:	$4,433,000	**IMPROVEMENT:**	$4,433,000
	TOTAL:	**$7,727,000**	**TOTAL:**	**$7,727,000**
	PER SF:	$81.25	**PER SF:**	$81.25
CONCLUSION OF VALUE				
	Indicated Value	Per SF	Indicated Value	Per SF
Requested Value	**$7,210,000**	**$75.82**	**$7,210,000**	**$75.82**

SUPPORTING DOCUMENTS

We have included the following documents in support of our appeal:

Settlement Statement from sale
Market Income & Expense Analysis
1/2021 and 1/2022 Rent Rolls
2019-2021 Profit and Loss and Analysis
Sales Comparison Analysis
Redacted Appraisal

FIDELITY NATIONAL TITLE - PHOENIX NCS

One East Washington Street, Suite 450, Phoenix, AZ 85004
Phone: (602) 343 7550 Fax: (602) 343-7564

Combined Settlement Statement
Estimated

Escrow No: Z1828185 - 001 MB1 **Close Date: 12/21/2018** **Proration Date: 12/21/2018** **Disbursement Date:**

Buyer(s)/Borrower(s): [redacted]

Seller(s): Cole MT Fargo ND, LLC, a Delaware limited liability company

Property: 4427 13th Avenue SW
Fargo, ND 58103

Buyer Debit	Buyer Credit	Description	Seller Debit	Seller Credit
		TOTAL CONSIDERATION:		
6,480,000.00		Total Consideration		6,480,000.00
	150,000.00	First Deposit		
	150,000.00	Second Deposit		
		PRORATIONS AND ADJUSTMENTS:		
	19,489.55	Base Rent & Reimbursement Revenue	19,489.55	
		COMMISSIONS:		
		Commission to CBRE	133,600.00	
		TITLE CHARGES AND ESCROW CHARGES		
750.00		Escrow Charge to Fidelity National Title - Phoenix NCS		750.00
		Owners Policy for $6,480,000.00 to Fidelity National Title - Phoenix NCS	6,892.50	
		Search/Exam to Fidelity National Title - Phoenix NCS	750.00	
		Misc. Title Fees to Fidelity National Title - Phoenix NCS	125.00	
869.25		Owner Endorsement- CC&Rs to Fidelity National Title - Phoenix NCS		
100.00		Owner Endorsement Access to Fidelity National Title - Phoenix NCS		
100.00		Owner Endorsement- Survey to Fidelity National Title - Phoenix NCS		
100.00		Owner Endorsement- Single Tax Parcel to Fidelity National Title - Phoenix NCS		
		RECORDING FEES:		
350.00		Recording Fee to Fidelity National Title - Phoenix NCS		
		ADDITIONAL CHARGES:		
1,050.00		Lease Probes Fees to Real Diligence, LLC		
3,473.61		Fees Due (Corporate Services) to Diversified Corporate Services		
		Legal Fees to Bachelter	15,000.00	
5,557.08		Survey Fees to Nesel Land Surveys, Inc.		
6,492,349.94	319,489.55	Sub Totals	177,857.05	6,480,750.00
	6,172,860.39	Balance Due From Buyer Proceeds Due Seller	6,303,092.95	
6,492,349.94	6,492,349.94	Totals	6,480,750.00	6,480,750.00

This statement is based on information available to the escrow holder as of the date this statement was prepared and the closing date shown above. Actual amounts may change and/or vary depending on updated information received and the final closing date.

MARKET INCOME ANALYSIS

Fargo Plaza				
4427 13 Ave S				
Cass County				
Square Feet	90,525	Expenses PSF	$1.50	
INCOME				
Market Rent	90,525		$7.64	$691,611
Market Rent	**90,525**		**7.64**	**$691,611**
Less: Vacancy Factor			6.00%	($41,497)
Less: Credit Loss			2.00%	($13,832)
TOTAL INCOME				$636,282
Non Recoverable Expesnes			8.00%	($55,329)
Expenses on Vacant Space			8.00%	($10,863)
NET OPERATING INCOME				$570,090
CAPITALIZATION RATE			8.00%	
INDICATED REAL ESTATE VALUE				**$7,126,000**
PER SQUARE FOOT				**$78.72**

Fargo Plaza
Current Rent Roll
as of January 1, 2022

Property Address: **4427 13th Avenue SW, Fargo, ND, 58103**

Tenant	Lease Start	Lease End	Annual Base Rent	PSF	NNNs	Square Footage	Occupancy
Hobby Lobby	8/14/2003	8/31/2023	$375,000.00	$6.25	$86,460	60,000	66.28%
Dollar Tree	9/21/2005	9/30/2025	$111,931.00	$6.92	$39,627	16,175	17.87%
	10/1/2025	9/30/2030	$120,018.50	$7.42			
Kirkland's	12/8/2012	1/31/2025	$122,405.52	$8.53	$39,533	14,350	15.85%
Total (CURRENT):			**$609,336.52**	**$6.73**	**165,620**	**90,525**	**100.00%**

Fargo Plaza
Current Rent Roll
as of January 1, 2021

Property Address: **4427 13th Avenue SW, Fargo, ND, 58103**

Tenant	Lease Start	Lease End	Annual Base Rent	PSF	NNNs	Square Footage	Occupancy
Hobby Lobby	8/14/2003	8/31/2023	$375,000.00	$6.25	$86,460	60,000	66.28%
Dollar Tree	9/21/2005	9/30/2020	$103,843.50	$6.42	$34,069	16,175	17.87%
Kirkland's	12/8/2012	1/31/2025	$122,405.52	$8.53	$26,370	14,350	15.85%
Total (CURRENT):			**$601,249.02**	**$6.64**	**146,899**	**90,525**	**100%**

8:34 AM
12/08/22
Accrual Basis

Fargo Plaza
Profit & Loss
January 2019 through December 2021

Fargo Plaza
Profit & Loss

	Jan - Dec 19	Jan - Dec 20	Jan - Dec 21	TOTAL
Ordinary Income/Expense				
Income				
40000 · Rental Income	743,698.58	744,053.50	761,773.64	2,249,525.72
Total Income	743,698.58	744,053.50	761,773.64	2,249,525.72
Expense				
60000 · Amortization Expense	5,939.00	10,181.00	10,181.00	26,301.00
60500 · Bank Service Charges	16.50	0.00	0.00	16.50
60625 · CAM Reimbursement to Tenant	971.39	0.00	0.00	971.39
61200 · Depreciation Expense	90,564.00	90,564.00	90,564.00	271,692.00
61600 · Filing Fees	2,320.50	650.00	650.00	3,620.50
62000 · Insurance	14,392.00	13,375.00	17,215.00	44,982.00
62150 · Interest Expense-Mortgage	86,803.79	167,829.48	163,721.19	418,354.46
62300 · Landscaping/Snow Removal	14,536.28	8,041.81	12,742.80	35,320.89
63000 · Management Expenses	59,619.45	22,628.22	29,139.31	111,386.98
65300 · Repairs-Building	3,939.44	2,488.17	22,586.95	29,014.56
66000 · Taxes-Property	118,107.13	118,093.96	114,650.43	350,851.52
67500 · Travel	0.00	0.00	904.22	904.22
68000 · Utilities	2,783.32	3,256.95	3,587.27	9,627.54
Total Expense	399,992.80	437,108.59	465,942.17	1,303,043.56
Net Ordinary Income	343,705.78	306,944.91	295,831.47	946,482.16

Fargo Plaza
Profit and Loss Analysis (2019-2021)

Income Statement	**Jan-Dec 2019**	**Jan-Dec 2020**	**Jan-Dec 2021**
Net Ordinary Income	$343,705	$306,945	$295,831
Amortization Expense (add back)	$5,939	$10,181	$10,181
Depreciation Expense (add back)	$90,564	$90,564	$90,564
Interest Expense – Mortgage (add back)	$86,803	$167,829	$163,721
Net Operating Income	**$527,011**	**$575,519**	**$560,298**
Cap rate	8.00%	8.00%	8.00%
Indicated Value	**$6,588,000**	**$7,194,000**	**$7,004,000**

Sales Comparison Analysis

*Due to the lack of open market arm length transactions of comparable buildings in the area, the sales comparison methodology was given little weight in deterrminfing the value of the subject.

Property Name	Address	City	Parcel	Year Built	SF	Land SF	Sale Date	Sale Price	Sale Price/SF	Sale Price/Land SF	Notes
HOM Furniture	4601 23rd Ave SW	Fargo	01-7880-00100-000	2004	120,419	252,212	2/28/2020	$8,580,000	$71.25		Purchased by tenant
Southmoor Square	808-830 30th Ave S	Fargo	58-161-0010, 58-163-0060	1974	67,136	273,557	12/15/2020	$3,000,000	$44.69	$10.97	Redevlopement
Former K-Mart	2800 27th Ave S	Moorhead	58-470-0010	2013	138,580	750,539	77/11/2019	$4,250,000	$30.67		Remodeled into Moorhead High School Career Academy
Gander Mountain	2121 43rd St NW	Fargo	01-7340-00100-000	2004	66,282	308,840	2/27/2019	$3,750,000	$56.58		
Property Name	**Address**	**City**	**Parcel**	**Year Built**	**SF**	**Land SF**	**Sale Date**	**Sale Price**	**Sale Price/SF**		**Notes**
Fargo Plaza	4427 13 Ave S	Cass County	01-0277-00010-000	1991	95,096	365,904	2/11/2019	$6,480,000	$68.14		Open market arms-length transaction
					Average			**$4,830,432**	**$51**		

1 808-830 30th Ave S - Southmoor Square — SOLD

Moorhead, MN 56560 — **Clay**

Recorded Buyer **Moorhead 8th Group LLC**
1 2nd St
Fargo, ND 58102
(701) 478-4300 (p)

True Buyer **Enclave Development**
300 23rd Ave W
West Fargo, ND 58078
(701) 478-4300 (p)

Recorded Seller **Southmoore Plaza LLC**
90 S 7th St
Minneapolis, MN 55402
(612) 376-4000 (p)

True Seller **Colliers International**
90 S 7th St
Minneapolis, MN 55402
(612) 376-4000 (p)

Sale Date **Dec 15, 2020**
Sale Price **$3,000,000**
Price/SF **$44.69**

Parcels **58-161-0010, 58-163-0060**
Comp ID **5337596**
Comp Status **Research Complete**

Type **3 Star Retail Storefront (Neighborhood Center)**
Year Built **1974**
GLA **67,136 SF**
Land Acres **6.28 AC**
Land SF **273,557 SF**
Zoning **Commercial**
Sale Condition **Assemblage, Redevelopment Project**

2 4601 23rd Ave SW - HOM Furniture — SOLD

Fargo, ND 58104 — **Cass**

Recorded Buyer **KKMBA Fargo LLC**
10301 Woodcrest Dr NW
Coon Rapids, MN 55433
(701) 282-6393 (p)

True Buyer **HOM Furniture, Inc.**
10301 NW Woodcrest Dr
Coon Rapids, MN 55433
(763) 767-3600 (p)

Recorded Seller **Spirit HM Fargo ND LLC**
27227 N Harwood St
Dallas, TX 75201
(480) 606-0820 (p)

True Seller **Spirit Realty Capital, Inc.**
2727 N Harwood St
Dallas, TX 75201
(972) 476-1900 (p)

Sale Date **Feb 28, 2020**
Sale Price **$8,579,123**
Price/SF **$71.24**

Parcels **01-7880-00100-000**
Comp ID **5138793**
Comp Status **Research Complete**

Type **3 Star Retail Freestanding**
Year Built **2004**
GLA **120,419 SF**
Land Acres **5.79 AC**
Land SF **252,212 SF**
Sale Condition **Purchase By Tenant**

3 2800 27th Ave S — SOLD

Moorhead, MN 56560 — **Clay**

Recorded Buyer **Moorhead Public School District 152**
1304 15th Ave N
Moorhead, MN 56560
(218) 284-3300 (p)

True Buyer **Moorhead Public School District 152**
1304 15th Ave N
Moorhead, MN 56560
(218) 284-3300 (p)

Recorded Seller **Sam's Real Estate Business Trust**
Bentonville, AR 72712
(479) 258-2832 (p)

True Seller **Walmart**
2001 Se 10th St
Bentonville, AR 72712
(479) 277-1691 (p)

Sale Date **Jul 11, 2019**
Sale Price **$4,250,000**
Price/SF **$30.67**

Parcels **58-470-0010**
Comp ID **4812716**
Comp Status **Research Complete**

Type **3 Star Retail Freestanding**
Year Built **2013**
GLA **138,580 SF**
Land Acres **17.23 AC**
Land SF **750,539 SF**
Sale Condition **High Vacancy Property, Redevelopment Project**

4 2121 43rd St NW — SOLD

Fargo, ND 58104 — **Cass**

Recorded Buyer **Global Development**
16 N Broadway
Fargo, ND 58102
(701) 237-5151 (p)

True Buyer **Tma Hospitality Group Inc**
16 N Broadway
Fargo, ND 58102
(701) 492-2322 (p)

True Buyer **Warren Ackley**
Fargo, ND 58107
(701) 237-5151 (p)

Recorded Seller **Store Master Funding VIII LLC**
8501 E Princess Dr
Scottsdale, AZ 85255
(480) 256-1100 (p)

True Seller **STORE Capital Corporation**
8377 E Hartford Dr
Scottsdale, AZ 85255
(480) 256-1100 (p)

Sale Date	**Feb 27, 2019**
Sale Price	**$3,750,000**
Price/SF	**$56.58**
Parcels	**01-7340-00100-000**
Comp ID	**4691177**
Comp Status	**Research Complete**
Type	**3 Star Retail Freestanding**
Year Built	**2004**
GLA	**66,282 SF**
Land Acres	**7.09 AC**
Land SF	**308,840 SF**

CBRE VALUATION & ADVISORY SERVICES

APPRAISAL REPORT

HOBBY LOBBY CENTER
4427 13TH AVENUE SW
FARGO, NORTH DAKOTA 58103
CBRE FILE NO. 19-178MN-0385-1

CUSHMAN & WAKEFIELD GLOBAL SERVICES INC
CLIENT REFERENCE NO.: 19-000464-01-01

CBRE

VALUATION & ADVISORY SERVICES

CBRE

1900 LaSalle Plaza, 800 LaSalle Avenue
Minneapolis, MN 55402

T 612-336-4315
F 952-831-8023

www.cbre.com

April 3, 2019

[redacted]

CUSHMAN & WAKEFIELD GLOBAL SERVICES INC
1900 Rand Building
Buffalo, New York 14203

RE: Appraisal of: Hobby Lobby Center
4427 13th Avenue SW
Fargo, Cass County, North Dakota 58103
CBRE, Inc. File No. 19-178MN-0385-1
Client Reference No. 19-000464-01-01

Dear Mr. [redacted]

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report (Summary).

The subject is a 95,025-square foot retail property (neighborhood/community center) located at 4427 13th Avenue SW in Fargo, North Dakota. The improvements were constructed in 1991, renovated in 2003 and are situated on an 8.40-acre site. The subject is anchored by Hobby Lobby, Dollar Tree and Kirkland's. As of the date of value, Hobby Lobby had 4.4, Kirkland's had 3.75 and Dollar Tree had 1.5 remaining years on their leases. Included in the net rentable area is roughly 4,500 SF of space that is functionally obsolete for conventional retail but may be leased in the near-term to a small commercial vendor for office/outdoor storage purposes.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Leased Fee Interest	April 2, 2019	$6,700,000

Compiled by CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were

developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

[redacted]
Director
Certified General Real Property Appraiser
State of North Dakota License #CG-2705

[redacted]
Senior Managing Director
Certified General Real Property Appraiser
State of North Dakota License #CG-2402

[redacted]

Certification

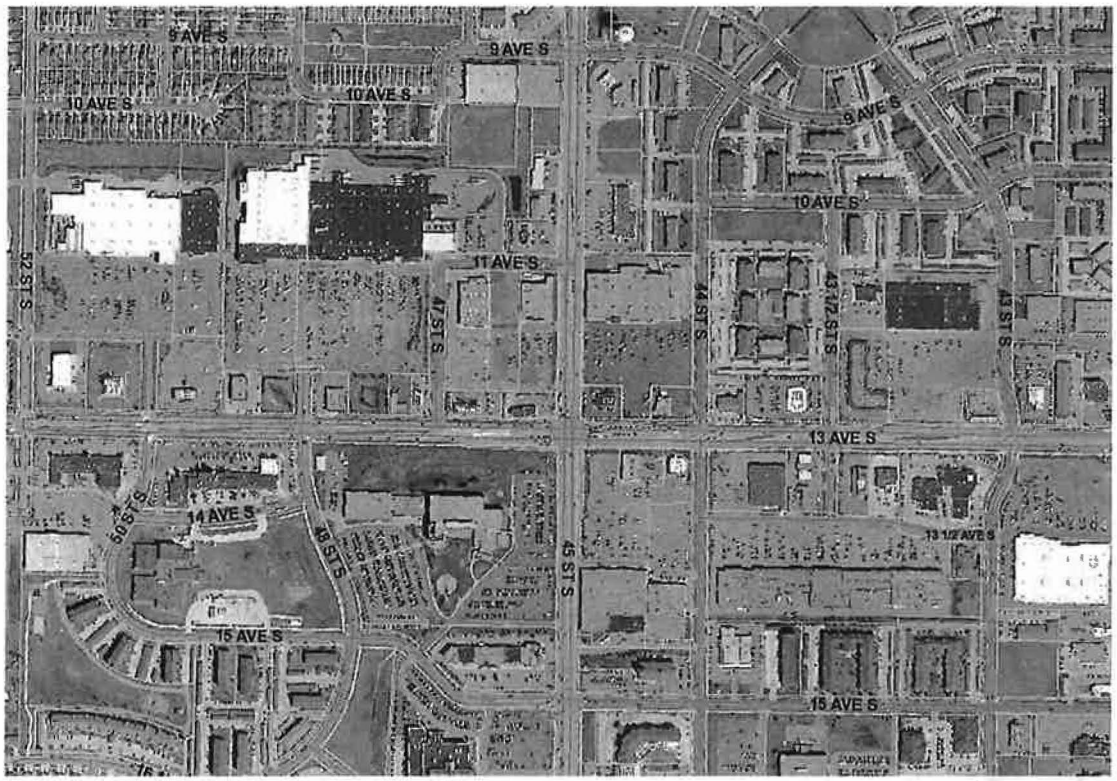
We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of North Dakota.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Justin Reed, MAI and Mike Moynagh, MAI each completed the continuing education program for Designated Members of the Appraisal Institute.
11. Justin Reed, MAI has and Mike Moynagh, MAI has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Neither Justin Reed, MAI nor Mike Moynagh, MAI have provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

[redacted]

[redacted]

Subject Photographs



Source: City of Fargo GIS

Aerial View

Photo 1-Subject Exterior

Photo 2- Subject Exterior

Photo 3- Subject Exterior

Photo 4- Subject Exterior

Photo 5- Subject Exterior

Photo 6- Subject Exterior

Photo 7-Hobby Lobby Interior

Photo 8- Hobby Lobby Interior

Photo 9- Kirkland's Interior

Photo 10- Kirkland's Interior

Photo 11- Dollar Tree Interior

Photo 12- Dollar Tree Interior

Photo 13-View of 45th Street South

Photo 14-Subject Exterior/Northside

Photo 15- Subject Exterior/Northside

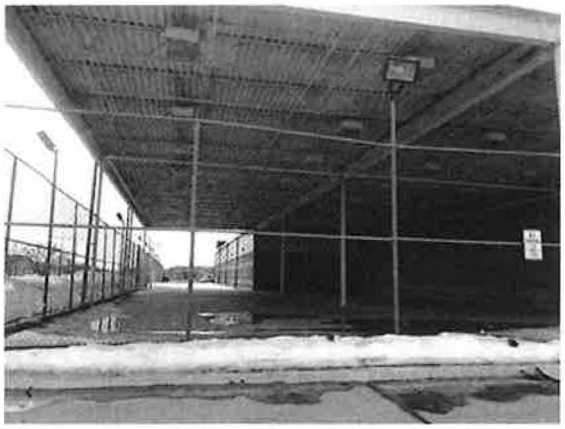


Photo 16-Outdoor Storage

Photo 17-Surface Parking

Photo 18-Surface Parking

Executive Summary

Property Name	Hobby Lobby Center		
Location	4427 13th Avenue SW, Fargo, Cass County, ND 58103		
Client	Cushman & Wakefield Global Services Inc		
Client Reference Number	19-000464-01-01		
Highest and Best Use			
As If Vacant	Retail		
As Improved	Retail		
Property Rights Appraised	Leased Fee Interest		
Date of Report	April 3, 2019		
Date of Inspection	April 2, 2019		
Estimated Exposure Time	6 - 12 Months		
Estimated Marketing Time	6 - 12 Months		
Land Area	8.40 AC		365,989 SF
Zoning	CG-General Commercial		
Improvements			
Property Type	Retail	(Neighborhood/Community Center)	
Number of Buildings	1		
Number of Stories	1		
Gross Leasable Area	95,025 SF		
Year Built	1991	Renovated:	2003
Effective Age	25 Years		
Remaining Economic Life	20 Years		
Condition	Average		
Buyer Profile	Investor-Regional		
Financial Indicators			
Current Occupancy	95.3%		
Stabilized Occupancy	95.0%		
Overall Capitalization Rate	8.00%		

Pro Forma Operating Data	***Total***	***Per SF***
Effective Gross Income	$857,356	$9.02
Operating Expenses	$325,831	$3.43
Expense Ratio	38.00%	
Net Operating Income	$531,525	$5.59

VALUATION	Total	Per SF
Sales Comparison Approach	$7,100,000	$74.72
Income Capitalization Approach	$6,600,000	$69.46
Insurable Value	$6,500,000	$68.40

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Leased Fee Interest	April 2, 2019	$6,700,000

Compiled by CBRE

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths/ Opportunities

- The subject is located on the corner of a heavily travelled intersection within Fargo.
- The subject is 100% occupied by three nationally-oriented tenants.
- The subject has roughly 4,500 of 'dead space' which could be leased to an ancillary tenant for general storage or non-investment grade commercial tenancy.
- Ownership reports that the Hobby Lobby is one of the highest performing stores in the country at $9M in sales per year ($150 PSF). Further, the Dollar Tree tenant achieves revenue in the $3M range ($185 PSF) where the average sales for this tenant are typically $1M-$2M.

Weaknesses/ Threats

- The subject's out parcels are not owned.
- The existing assessment of $8,134,000 is above the recent transaction price and concluded market value.
- The subject was originally developed as a K-Mart in 1991, was later converted to its current multi-tenant design and is in average condition.
- The surface lots are in fair to average condition.
- The existing tenancy has limited remaining term (excluding renewal options).

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." [1]

- Historical financial performance was not made available for this appraisal. The valuation is therefore market-derived and assumes no atypical property liabilities.
- Written documentation of tenant sales were not provided, although ownership stated Hobby Lobby has historically achieved $9M in annual sales and Dollar Tree 3M in annual sales. Hobby Lobby lease does contain a clause for percentage rent but the breakpoint is $12.5M. No percentage rent has been projected.

[1] The Appraisal Foundation, *USPAP, 2018-2019*

- The appraiser was not provided with a property condition report and assumes no deferred maintenance.
- Ownership reported being in discussions with a local lawnmowing repair business to take occupancy of roughly 4,500 SF of 'dead space' in the back of the building for $2500/month. The business mostly desires the space due to the availably of outdoor storage/yard area. No lease was provided so this valuation assumes no income is immediately derived from 'dead space'.
- The use of these extraordinary assumptions may have affected the assignment results.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis." [2]

- None noted

OWNERSHIP AND PROPERTY HISTORY

OWNERSHIP SUMMARY

	Current
Owner:	[redacted]
Date Purchased:	December-18
Purchase Price:	$6,480,000
Legal Reference	
County/Locality Name:	Cass
Pending Sale:	No
Change of Ownership - Past 3 Years	No

Compiled by CBRE

A representative of ownership, [redacted] stated that the subject was professionally marketed by CBRE out of Dallas and that the buying group has a history of buying similar properties on a national basis with broker. The property was sold on a cash basis with a quick close given a strong level of comfort with the property. [redacted] indicated the transaction was arm's length and generally within market terms but he believes there is upside given the existing tenant's strong sales as well as the strength of the local trade area.

To the best of our knowledge and according to County deed records, there have been no transfers of ownership involving the subject since the December 2018 Sale. The property is not currently known to be listed for sale.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined

[2] The Appraisal Foundation, *USPAP, 2018-2019*

historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the CBRE, Inc. National Investor Survey and the PwC Real Estate Investor Survey; and
- the opinions of market participants.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA

Investment Type	Exposure/Mktg. (Months) Range	Average
PwC Strip Shopping Center		
National Data	2 - 18	6.8
Local Market Professionals	6.0 - 12.0	9.0
CBRE Exposure Time Estimate	**6 - 12 Months**	
CBRE Marketing Period Estimate	**6 - 12 Months**	

Source: CBRE National Investor Survey, RealtyRates.com Survey & PwC Real Estate Survey

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ADDENDA

A Improved Sale Data Sheets
B Rent Comparable Data Sheets
C Assessor Information
D Operating Data
E Subject Information
F Tax Statements
G Client Contract Information
H Qualifications

Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used for loan underwriting and-or credit decisions and no other use is permitted.

CLIENT

The client is Cushman & Wakefield Global Services Inc.

INTENDED USER OF REPORT

This appraisal is to be used by Fieldpoint Private Bank and Trust and or affiliates and Cushman and Wakefield Global Services, Inc. No other user may rely on our report unless as specifically indicated in the report.

> Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report. [3]

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

[3] Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [4]

INTEREST APPRAISED

The value estimated represents the leased fee interest as defined below:

> *Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. [5]
>
> *Leased Fee Interest* - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. [6]
>
> *Leasehold Interest* - The tenant's possessory interest created by a lease. [7]
>
> *Going Concern* – An established and operating business having an indefinite future life. [8]

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

The extent of the inspection included the following: full interior/exterior walk-through.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status

---

[4] Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

[5] Appraisal Institute, The Dictionary of Real Estate Appraisal,6th ed. (Chicago: Appraisal Institute, 2015), 90.

[6] *Dictionary of Real Estate Appraisal*, 128.

[7] *Dictionary of Real Estate Appraisal*, 128.

[8] *Dictionary of Real Estate Appraisal*, 102.

- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	*Source(s):*
Site Data	
Size	City of Fargo
Improved Data	
Building Area	ALTA Survey
No. Bldgs.	Inspection
Parking Spaces	ALTA Survey
Year Built/Developed	City of Fargo
Economic Data	
Deferred Maintenance:	N/A
Building Costs:	N/A
Income Data:	Leases, Market-Derived
Expense Data:	P&L, Market-Derived
Compiled by CBRE	

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather

analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value due to the property's age and associated depreciation. The exclusion of said approach(s) is not considered to compromise the credibility of the results rendered herein.

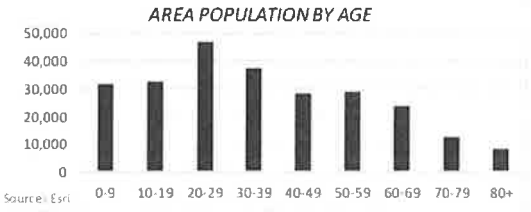
At the request of the client, the insurable value has also been provided.

Area Analysis

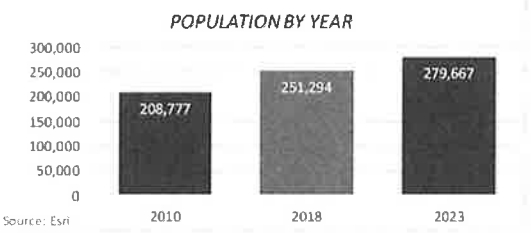
The subject is located in the Fargo, ND-MN Metropolitan Statistical Area. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 251,294 and a median age of 34, with the largest population group in the 20-29 age range and the smallest population in 80+ age range.

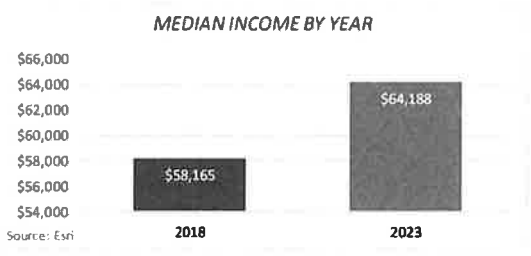


Population has increased by 42,517 since 2010, reflecting an annual increase of 2.3%. Population is projected to increase by an additional 28,373 by 2023, reflecting 2.2% annual population growth.



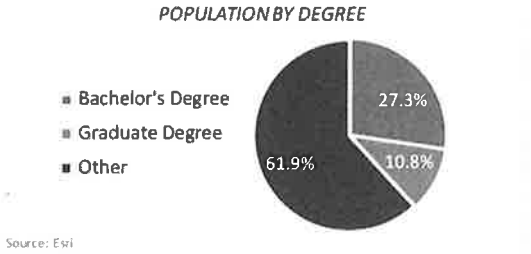
INCOME

The area features an average household income of $78,431 and a median household income of $58,165. Over the next five years, median household income is expected to increase by 10.4%, or $1,205 per annum.

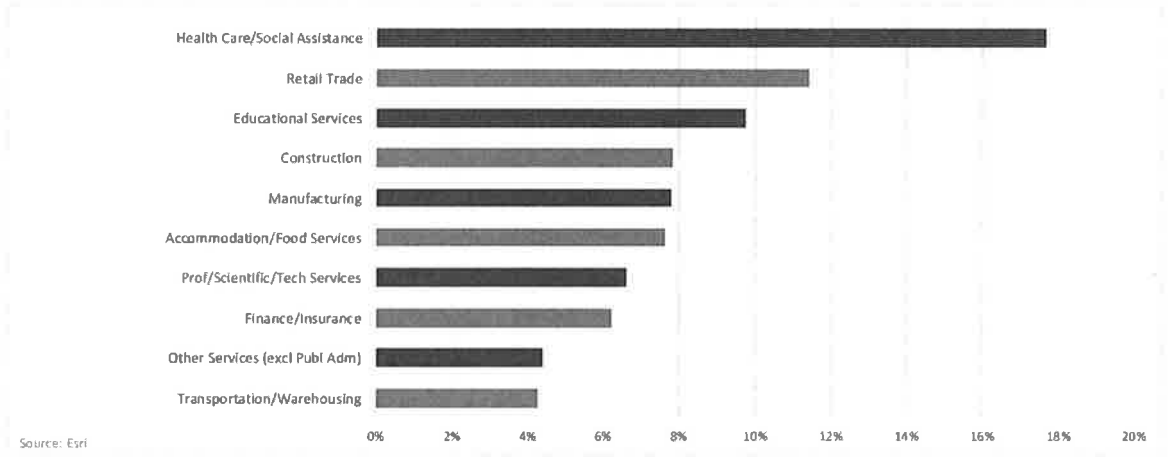


EDUCATION

A total of 38.1% of individuals over the age of 24 have a college degree, with 27.3% holding a bachelor's degree and 10.8% holding a graduate degree.



EMPLOYMENT



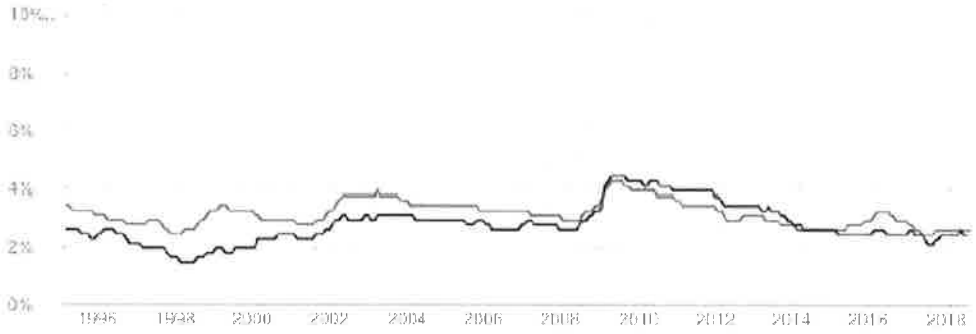
The area includes a total of 144,313 employees and has a 3.6% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Educational Services, which represent a combined total of 39% of the population.

Fargo is the largest city in North Dakota and has been ranked the number one city for finding a job according to US News & World Report. The city is considered a "Catalyst for business" with its consistently low unemployment rates (2.4%) and highly productive companies.

Historically, the economy of the Fargo area had been dependent on agriculture, however, agricultural dominance has decreased substantially in recent decades. Currently, the city of Fargo has a growing economy based on food processing, manufacturing, technology, retail trade, higher education, and healthcare. In a study published by Forbes, Fargo was ranked the best small city in the nation to start a business or career.

Sanford - North Dakota's newest and largest medical center, Essentia Health, and the Fargo VA are expanding past primary care and increasing their service offerings. With more than 12,500 current full-time positions, these three health systems are recruiting additional employees to keep pace with population and service expansion.

Unemployment Rate: Fargo, North Dakota, National



INDUSTRIES

The economy of Fargo is mainly based on education, the medical industry, agricultural equipment manufacturing, retailing, and services. The city is a retail magnet for the entire Upper Plains; its per capita retail spending is usually among the nation's highest. The city has also become a transporation hub as Interstate 81 and Interstate 94 converge at the heart of downtown. Agriculture has long been a leading revenue-producer for the state and Fargo, as the Red River Valley area contains some of the richest farmland in the world; related industries include agribusiness and agricultural research. The wheat industry in North Dakota continues to flourish as it provides **53.2%** of the nation's supply.

The North Dakota Wheat Commision is committed to investing in wheat research to supplement state and federal funds.

- In 2014, NDWC invested $1.4 million to research projects
- Invested heavily in green house projects

The most common industries in Fargo, ND by number of employees are Healthcare & Social Assistance (16.5%) Retail Trade (12.9%), and Accomodation & Food Service (9.4%)

CONCLUSION

The outlook for Fargo is for stable performance. The only real speed limit in the forecast is the degree to which the metro area can attract new workers. Lesser risks are present with regard to the agricultural commodity cycle and the strong dollar as well, though these are far less pronounced in Fargo than the rest of the state. Fargo is situated in a way that will enable it to outperform the rest of North Dakota no matter what happens in commodity markets. How it fares versus the rest of the U.S., however, will rest squarely on its ability to attract and retain talent.

Neighborhood Analysis

LOCATION

The subject is in the city of Fargo, west of Interstate 29 and north of Interstate 94. The city of Fargo is situated in Cass County and is adjacent to West Fargo and is in close proximity to Moorhead, MN.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

North:	Main Avenue
South:	Interstate 94
East:	Interstate 29
West:	45th Street

LAND USE

The subject is located along 13th Avenue S, which is a commercial corridor through Fargo. The immediate area consists primarily of retail development, with residential development located to the north. West Acres Shopping Center is located to the southeast on the south side of 13th Avenue S. The majority of nearby residential uses consist of medium density properties including garden apartments.

GROWTH PATTERNS

The subject neighborhood is an established one. The majority of the growth within Fargo and West Fargo is occurring to the south and southwest of the subject, on the south side of Interstate 94. This newer area of development includes retail, office, and both single and multi-family residential growth.

ACCESS

Primary access to the subject neighborhood is provided by 13th Avenue which intersects with Interstate 29 to the east. Interstate 29 runs north south and connects Fargo to Grand Forks to the north and Sioux Falls to the south. Additional access to 13th Avenue is provided by 45th Street which runs north south and intersects Interstate 94 to the south. Interstate 94 runs east west and connects Fargo/Moorhead to Bismarck to the west and Minneapolis/St. Paul to the east.

DEMOGRAPHICS

Selected neighborhood demographics in from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS

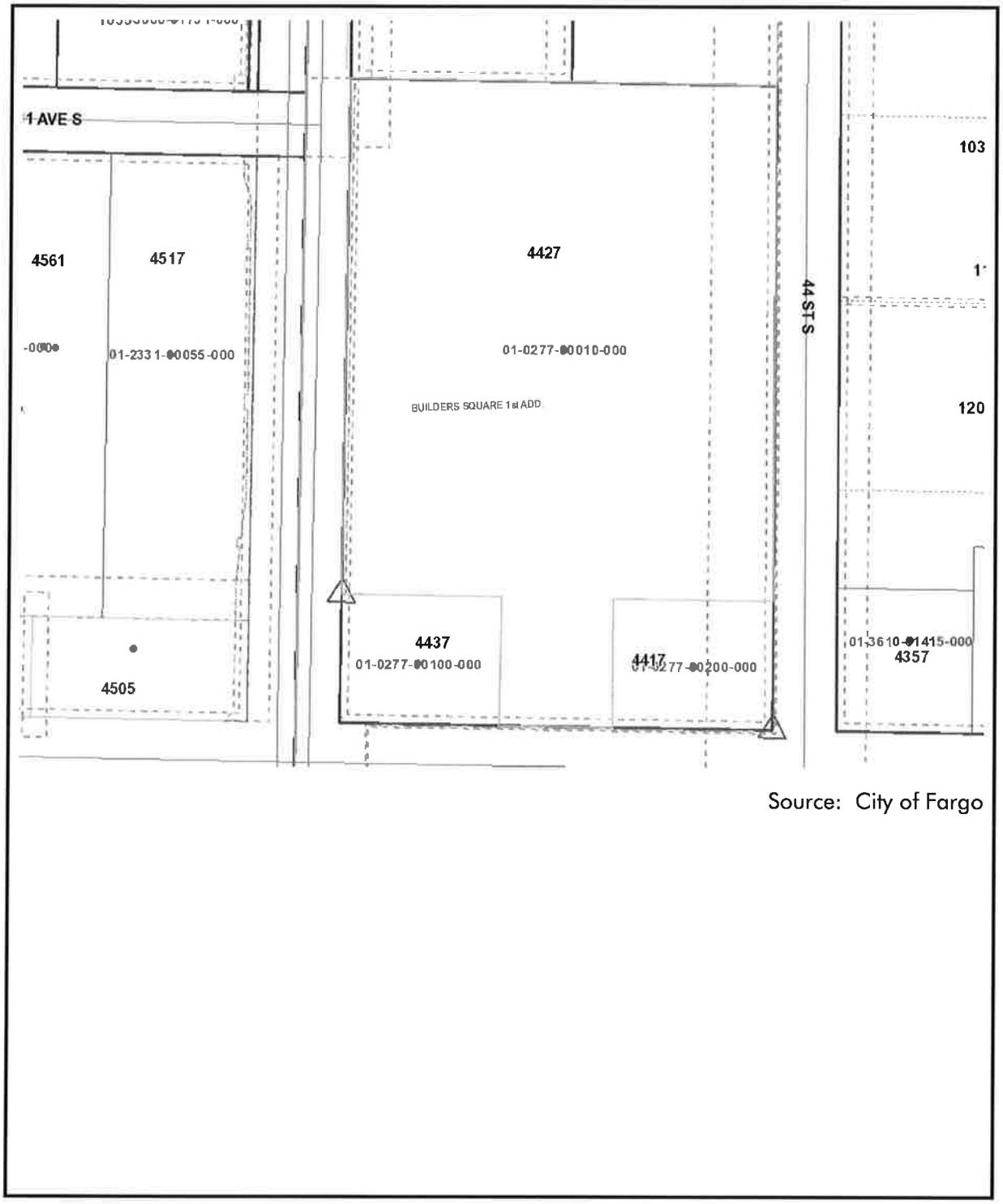
4427 13th Avenue SW Fargo, ND 58103	58103 - Fargo	North Dakota	Fargo, ND-MN Metropolitan Statistical Area
Population			
2023 Total Population	57,347	874,911	279,667
2018 Total Population	52,796	797,210	251,294
2010 Total Population	47,299	672,591	208,777
2000 Total Population	46,538	642,200	174,367
Annual Growth 2018 - 2023	*1.67%*	*1.88%*	*2.16%*
Annual Growth 2010 - 2018	*1.38%*	*2.15%*	*2.34%*
Annual Growth 2000 - 2010	*0.16%*	*0.46%*	*1.82%*
Households			
2023 Total Households	27,983	369,311	116,823
2018 Total Households	25,649	335,410	104,563
2010 Total Households	22,692	281,192	86,178
2000 Total Households	21,308	257,152	69,985
Annual Growth 2018 - 2023	*1.76%*	*1.94%*	*2.24%*
Annual Growth 2010 - 2018	*1.54%*	*2.23%*	*2.45%*
Annual Growth 2000 - 2010	*0.63%*	*0.90%*	*2.10%*
Income			
2018 Median Household Income	$46,794	$60,183	$58,165
2018 Average Household Income	$63,650	$80,492	$78,431
2018 Per Capita Income	$31,045	$34,164	$32,896
2018 Pop 25+ College Graduates	11,880	164,262	61,683
Age 25+ Percent College Graduates - 2018	32.9%	30.3%	38.1%

Source: ESRI

CONCLUSION

The subject neighborhood is an established one, with the majority of the growth in the area occurring to the south and the southwest of the subject neighborhood. The subject is located on a commercial corridor and in close proximity to the West Acres shopping mall. It conforms well to the surrounding neighborhood.

PLAT MAP



Source: City of Fargo

FLOOD PLAIN MAP

The flood map for the selected area is number **38017C0776G**, effective on **01/16/2015**

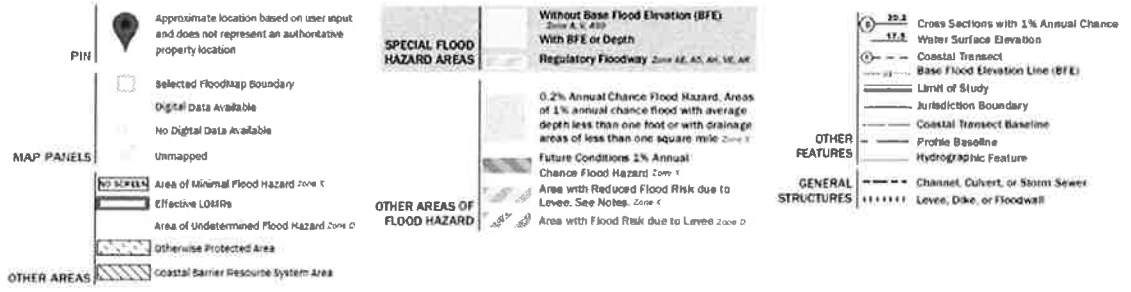
DYNAMIC MAP
PRINT MAP FIRMette

MAP IMAGE
DOWNLOAD FIRM PANEL

Changes to this FIRM
- Revisions (0)
- Amendments (0)
- Revalidations (0)

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette

Go To NFHL Viewer »



Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS

Physical Description			
Gross Site Area	8.40 Acres	365,989 Sq. Ft.	
Net Site Area	8.40 Acres	365,989 Sq. Ft.	
Primary Road Frontage	13th Avenue South	141 Feet	
Secondary Road Frontage	45th Street South	855 Feet	
Average Depth	640 Feet		
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Irregular		
Topography	Level, At Street Grade		
Primary Traffic Counts (24 hrs.)	13th Avenue South @	25,355 Date: 2018	
Secondary Traffic Counts (24 hrs.)	45nd Street South @	21,715 Date: 2018	
Zoning District	CG-General Commercial		
Flood Map Panel No. & Date	38017C0776G	16-Jan-15	
Flood Zone	Zone X (Shaded)		
Adjacent Land Uses	Commercial and residential uses		
Earthquake Zone	N/A		
Comparative Analysis	**Rating**		
Visibility	Good		
Functional Utility	Good		
Traffic Volume	Good		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
Utilities	**Provider**		**Availability**
Water	City of Fargo		Yes
Sewer	City of Fargo		Yes
Natural Gas	Local Provider		Yes
Electricity	Local Provider		Yes
Telephone	Local Provider		Yes
Other	**Yes**	**No**	**Unknown**
Detrimental Easements		X	
Encroachments		X	
Deed Restrictions			X
Reciprocal Parking Rights	X		

Source: Various sources compiled by CBRE

INGRESS/EGRESS

Ingress and egress is available to the site via curb cuts on the west, south, and east of the site. There is shared access area with the pad sites to the south. It is assumed that any existing cross access easements to outparcels will continue. No agreements were provided.

Please refer to the prior site/plat exhibit for the layout of the streets that provide access to the subject.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

ADJACENT PROPERTIES

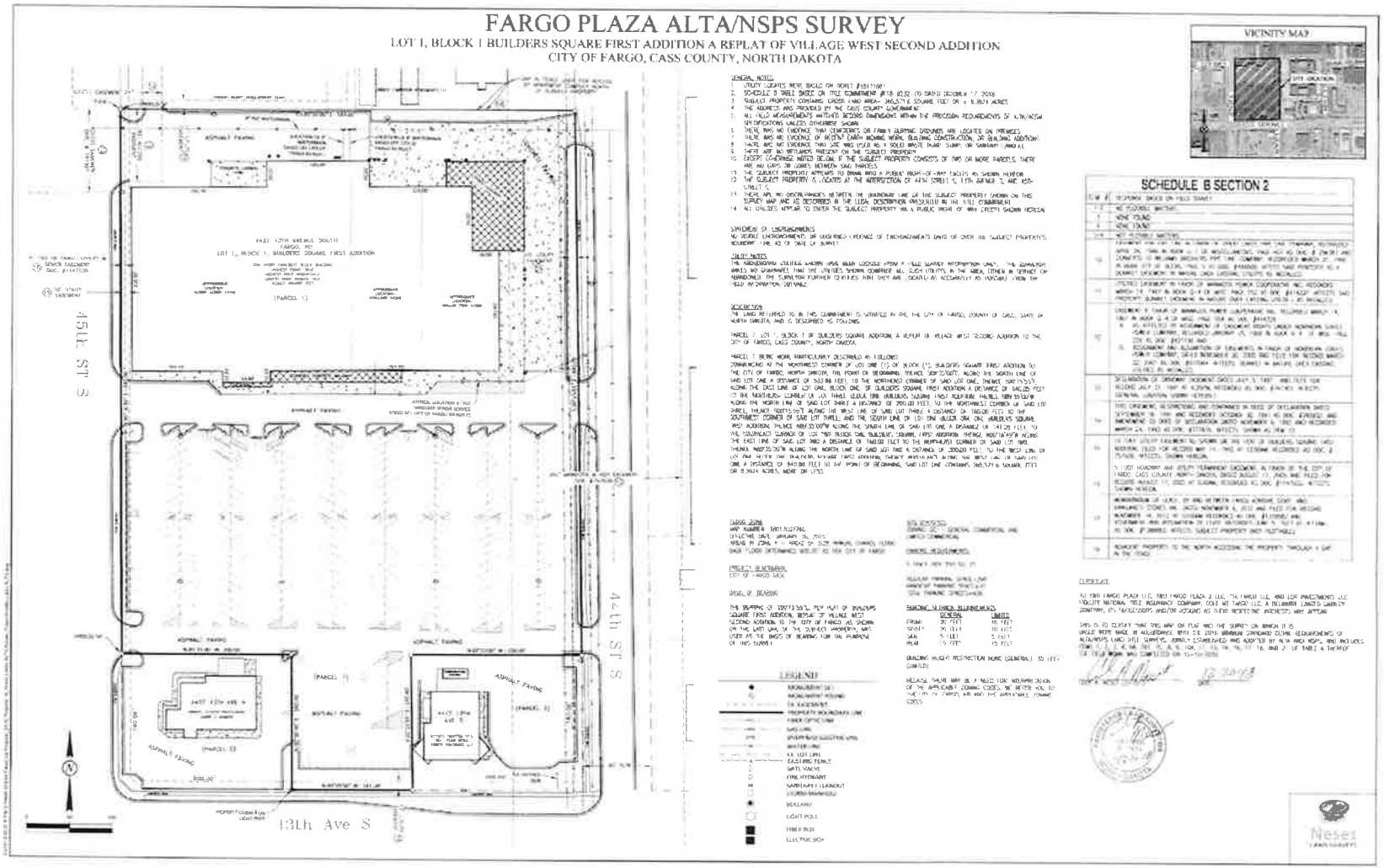
The adjacent land uses are summarized as follows:

North:	Super Buffet followed by low-rise commercial uses
South:	Denny's, Small Strip Retail
East:	Multi-family Residential
West:	Natural Foods Grocer

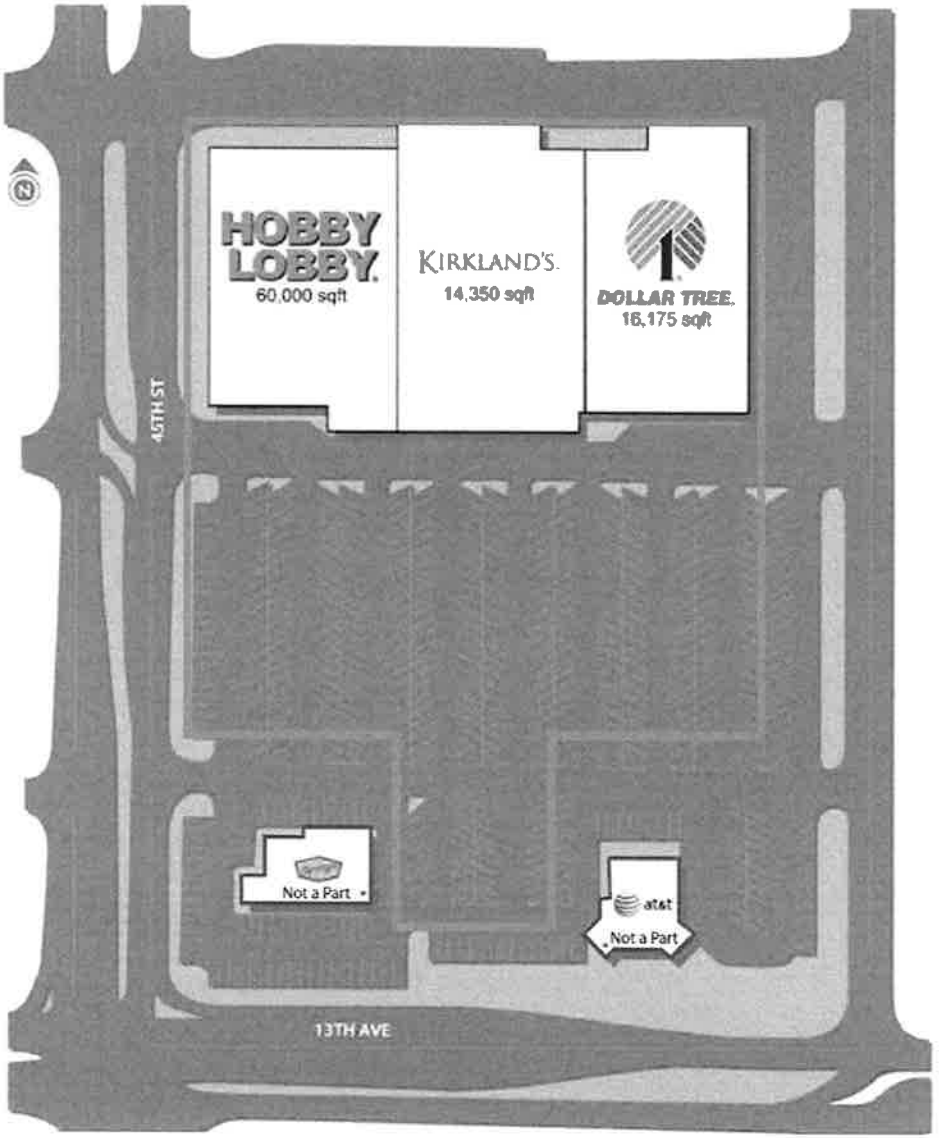
CONCLUSION

Based on our visual inspection of the site, there are no known adverse aspects that would impact the property's highest and best use development if it were vacant.

IMPROVEMENTS LAYOUT



SITE PLAN



TENANT LEGEND

TENANT	AREA (SF)
Hobby Lobby	60,000
Dollar Tree	16,175
Kirkland's	14,350

Improvements Analysis

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS		
Property Type	Retail	(Neighborhood/Community Center)
Number of Buildings	1	
Number of Stories	1	
Gross Leasable Area	95,025 SF	
Area Breakdown by Market Rent Categories		
Anchors	60,000 SF	
Jr. Anchors	30,525 SF	
Storage	4,500 SF	
Site Coverage	26.0%	
Land-to-Building Ratio	3.85 : 1	
Parking Improvements	Surface	
Parking Spaces:	408	
Parking Ratio (per 1,000 SF GLA)	4.29	
Year Built	1991	Renovated: 2003
Actual Age	28 Years	
Effective Age	25 Years	
Total Economic Life	45 Years	
Remaining Economic Life	20 Years	
Age/Life Depreciation	55.6%	
Functional Utility	Typical	

		Comparative Rating			
Improvement Summary	Description	Good	Avg.	Fair	Poor
Foundation	Reinforced concrete		X		
Frame	Steel		X		
Exterior Walls	EFIS,CMU		X		
Interior Walls	Textured and painted drywall		X		
Roof	Built-up composition		X		
Ceiling	Suspended acoustical tile		X		
HVAC System	Roof mounted HVAC units		X		
Exterior Lighting	Mercury vapor fixtures		X		
Interior Lighting	Recessed fluorescent fixtures		X		
Flooring	Carpet and vinyl tile		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	N/A		X		
Life Safety and Fire Protection	Sprinklered and smoke detectors		X		
Furnishings	Personal property excluded		N/A		
Parking	Asphalt paved open parking		X		
Landscaping	Minimal		X		

Source: Various sources compiled by CBRE

Please refer to the Resource Verification table in the Scope of Work for the source of the building area size. The following is a description of the subject improvements and basic construction features derived from CBRE, Inc.'s inspection.

YEAR BUILT

The subject was built in 1991 and was most recently renovated in 2003. The renovations included multi-tenanting the property, as it was a former single tenant Kmart.

CONSTRUCTION CLASS

The construction components are assumed to be in working condition and adequate for the building. It is considered a Class C construction class.

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

FOUNDATION/FLOOR STRUCTURE

The foundation is assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor:	Concrete slab on compacted fill

EXTERIOR WALLS

The exterior walls are masonry finish. Retail storefronts are plate glass set in anodized aluminum frames.

ROOF COVER

The building has a built-up composition roof. The roof was not inspected as part of our appraisal; the reader is advised to review the extraordinary assumptions.

INTERIOR FINISHES

The typical interior finish of the retail shop space is summarized as follows:

Floor Coverings:	Commercial grade short loop carpeting and vinyl tile over concrete.
Walls:	Textured and painted sheetrock.
Ceilings:	Painted metal panels.
Lighting:	Standard commercial fluorescent fixtures.
Summary:	The interior areas are typical building standard retail showroom finish, and are commensurate with competitors

in the area. The occupied space is in average condition.

HVAC

The HVAC system is roof mounted units. It is assumed to be in good working order and adequate for the building.

ELECTRICAL

The electrical system is assumed to be in good working order and adequate for the building.

PLUMBING

The plumbing system is assumed to be in good working order and adequate for the building.

FIRE PROTECTION

It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision. The building is 100% fire sprinklered.

PARKING AND DRIVES

The property features an adequate number of surface parking spaces, including reserved handicapped spaces. All parking spaces and vehicle drives are asphalt paved and considered to be in average condition. The number of parking spaces is legally conforming for the existing use and is typical of the market.

LANDSCAPING

Landscaping is considered to be in average condition and well maintained.

FUNCTIONAL UTILITY

The overall layout of the property is considered functional in utility and provides adequate accessibility and visibility to the individual retail spaces. It should be noted that because the subject is a former Kmart facility that was converted for multi-tenant use, the tenant suites are deeper than standard multi-tenant strip centers, which limits the tenancy to larger retailers (above 10,000 square feet).

ADA COMPLIANCE

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

FURNITURE, FIXTURES AND EQUIPMENT

Any personal property items contained in the property are not considered in to contribute significantly to the overall value of the real estate.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

DEFERRED MAINTENANCE

Our inspection of the property indicated no items of deferred maintenance. The reader is advised to review the extraordinary assumptions.

ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

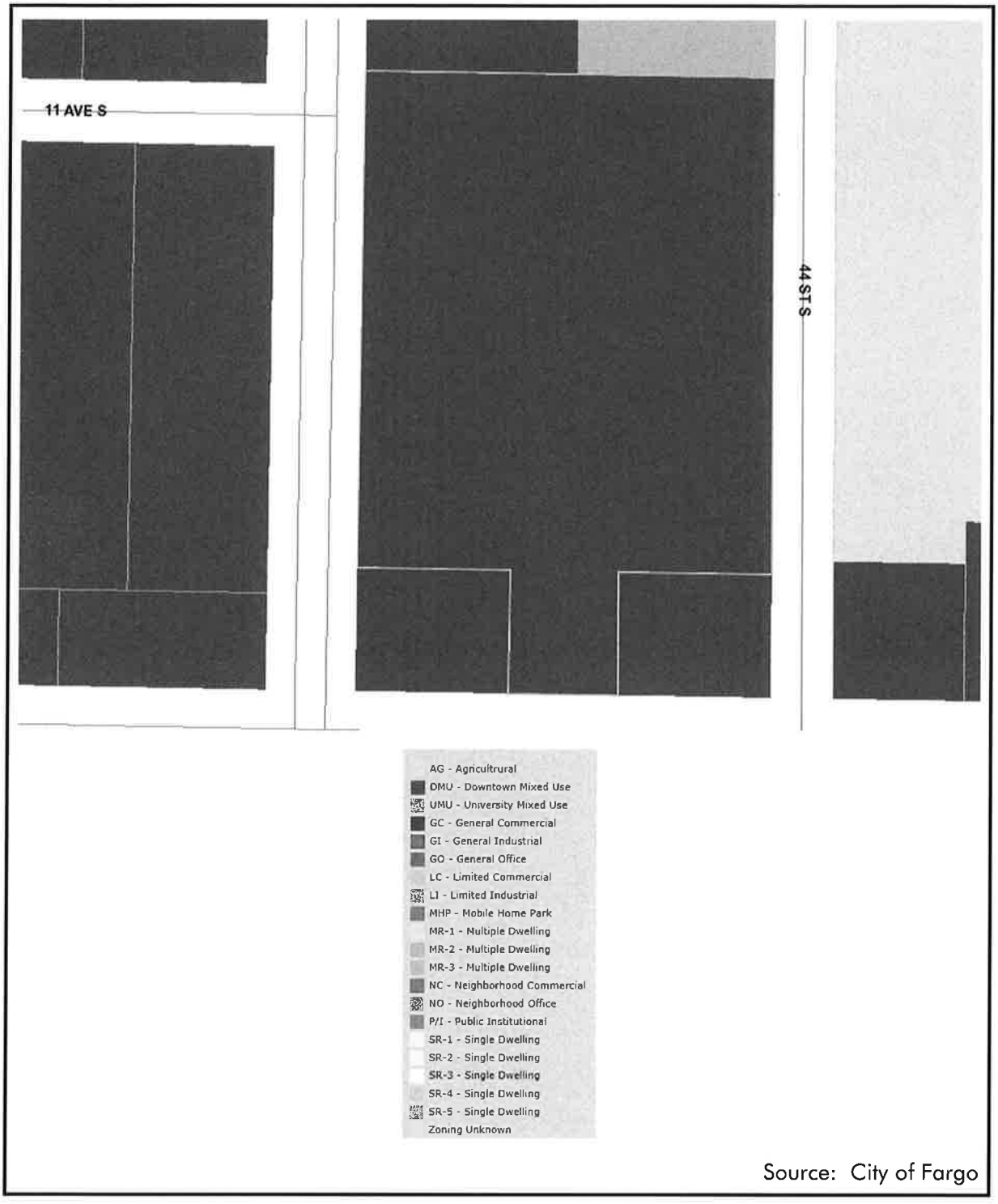
ECONOMIC AGE AND LIFE	
Actual Age	28 Years
Effective Age	25 Years
MVS Expected Life	45 Years
Remaining Economic Life	20 Years
Accrued Physical Incurable Depreciation	55.6%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are in average overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

ZONING MAP



Source: City of Fargo

Zoning

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	CG-General Commercial
Legally Conforming	Yes
Uses Permitted	Offices or commercial uses serving neighborhoods and community needs
Zoning Change	Not likely
Minimum Setbacks	
Front Yard	20 Feet
Street Side Yard	20 Feet
Interior Side Yard	5 Feet
Rear Yard	15 Feet

Source: Planning & Zoning Dept.

ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

Tax and Assessment Data

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment. The CBRE estimated tax obligation is also shown.

AD VALOREM TAX INFORMATION

Parcel	Assessor's Parcel No.	Parcel Description	2018	Pro Forma
1	01-0277-00010-000	Lot 1, Block 1 Builders Square 1st Addition	$8,134,000	
	Subtotal		$8,134,000	$8,134,000
	Assessed Value @		5%	5%
			$406,700	$406,700
	General Tax Rate (per $100 A.V.)		26.78	26.78
	General Tax:		$108,906	$108,906
	Drains		$2,617	$2,617
	Special Assessments:		8,733	8,733
			$120,257	$120,257
	Effective Tax Rate	(per $100 A.V.)	28.230031	28.230031
	Less: 5% Early Payment Discount		(5,445)	(5,445)
	Total Taxes		**$114,812**	**$114,812**

Source: Assessor's Office

The local Assessor's methodology for valuation is based upon an assigned mill rate that is established on a yearly basis. The following equations illustrate how the county determines the yearly taxes:

Market Value X Taxable Ratio =
Taxable Value

Taxable Value X 2000 Total Mill Rate* = Property Tax Bill

The commercial taxable value is equivalent to 5.0% of appraised value. A 5% discount is allowed on real estate taxes if paid in full on or before February 15th (not applicable to special assessments).

DELINQUENCY

Note noted.

SPECIAL ASSESSMENTS

The following outstanding/unpaid special assessments are levied against the property; the installments have been included in the pro forma.

Project Number	Project Category	Current Annual Installment	Un-Certified Balance Remaining (principal only)	Work Complete (pending approval)	Work in Progress (estimate only)	Deferred Balance
469300	Utilities	$903.43	$5,492.13			
510300	Utilities	$1,841.99	$13,851.00			
536400	Streets	$3,949.12	$31,849.36			
564000	Streets	$907.54	$10,155.62			
572900	Utilities	$311.56	$3,689.68			
572902	Utilities	$284.50	$3,521.11			
UR-14-1	Utilities	$9.67	$131.53			
PR-14-0	Streets	$170.86	$2,523.31			
NR-17-A	Maintenance				$400.03	
Totals:		$8,378.67	$71,213.74		$400.03	

TAX COMPARABLES

As a crosscheck to the subject's applicable real estate taxes, CBRE, Inc. has reviewed the real estate tax information according to Cass County. The following table summarizes the comparables employed for this analysis:

AD VALOREM TAX COMPARABLES

Comparable Rental	1201 42nd St S	4330 13th Avenue	4517 13 AVE S	Subject
Year Built	1994	1991	2016	1991
GLA (SF)	30,000	9,632	26,598	95,025
Tax Year	2019	2019	2019	2019
Assessor's Market Value	$3,332,000	$1,255,000	$3,028,000	$8,134,000
AV Per SF (NRA)	$111.07	$130.29	$113.84	$85.60

Source: Assessor's Office

CONCLUSION

Based on the foregoing, the total taxes for the subject have been estimated as $114,812 for the base year of our analysis, based upon an assessed value of $8,134,000 or $85.60 per square foot. This is inline with the historical assessment but above the market value/recent transaction price. Considering the comparable properties surveyed are above the subject on a $/SF basis, we have not adjusted the assessment and instead considered any upside to the cash flow within the capitalization rate.

For purposes of this analysis, CBRE, Inc. assumes that all taxes are current.

Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include CoStar and Boulder Net Lease Report.

The subject is in the Fargo market and is considered a Class B neighborhood retail center. According to the Urban Land Institute (ULI) (in Dollars & Cents of Shopping Centers), the following retail property definitions may be applicable towards the subject:

> A shopping center is defined as a group of commercial establishments planned, developed, owned, and managed as a unit related in location, size, and type of shops to the trade area it serves. It provides on-site parking relating to the types and sizes of its stores.

Types of specific shopping centers are further defined below:

> A convenience center (strip center) provides for the sale of personal services and convenience goods similar to those of a neighborhood center. It contains a minimum of three stores, with a total gross leasable area of up to 30,000 square feet. Instead of being anchored by a supermarket, a convenience center usually is anchored by some other type of personal/convenience service such as a minimarket.
>
> A neighborhood center provides for the sale of convenience goods (foods, drugs and sundries) and personal services (laundry and dry cleaning, barbering, shoe repair, etc.) for the day-to-day living needs of the immediate neighborhood. It is built around a supermarket as the principal tenant and typically contains a gross leasable area of about 60,000 square feet. In practice, it may range in size from 30,000 to 100,000 square feet.
>
> In addition to the convenience goods and personal services offered by the neighborhood center, a community center provides a wider range of soft lines (wearing apparel for men, women and children) and hard lines (hardware and appliances). The community center makes merchandise available in a greater variety of sizes, styles, colors and prices. Many centers are built around a junior department store, variety store, super drugstore or discount department store as the major tenant, in addition to a supermarket. Although a community center does not have a full-line department store, it may have a strong specialty store or stores. Its typical size is about 150,000 square feet of gross leasable area, but in practice, it may range from 100,000 to 500,000 or more square feet. Centers that fit the general profile of a community center but contain more than 250,000 square feet are classified as super community centers. In extreme cases, these centers contain more than 1,000,000 square feet. As a result, the community center is the most difficult to estimate for size and pulling power.
>
> A power center is a type of super community center. It contains at least four category-specific, off-price anchors of 20,000 or more square feet. These anchors typically emphasize hard goods such as consumer electronics, sporting goods, office supplies, home furnishings, home improvement goods, bulk foods, drugs, health and beauty aids, toys, and personal computer hardware/software. They tend to be narrowly focused but

deeply merchandised "category killers" together with the more broadly merchandised, price-oriented warehouse club and discount department stores. Anchors in power centers typically occupy 85% or more of the total GLA.

A regional center provides general merchandise, apparel, furniture, and home furnishings in depth and variety, as well as a range of services and recreational facilities. It is built around one or two full-line department stores of generally not less than 50,000 square feet. Its typical size is about 500,000 square feet of gross leasable area; in practice, it may range from 250,000 to more than 900,000 square feet. The regional center provides services typical of a business district yet not as extensive as those of the super-regional center.

A super regional center offers extensive variety in general merchandise, apparel, furniture and home furnishings, as well as a variety of services and recreational facilities. It is built around three or more full-line department stores generally of not less than 75,000 square feet each. The typical size of a super-regional center is about 1,000,000 square feet of gross leasable area. In practice, the size ranges from about 500,000 to more than 1,500,000 square feet.

MARKET OVERVIEW

The following discussion illustrates some general observations in the surrounding retail market.

VACANCY & RENTAL RATES

SUMMARY STATISTICS

Availability	Survey	5-Year Avg
NNN Rent Per SF	$13.31	$14.19
Vacancy Rate	2.5%	3.4%
Vacant SF	252,792	331,439
Availability Rate	7.0%	4.7%
Available SF	704,146	459,100
Sublet SF	5,728	6,860
Months on Market	9.5	13.6

Inventory	Survey	5-Year Avg
Existing Buildings	460	449
Existing SF	9,991,163	9,836,248
12 Mo. Const. Starts	38,707	56,143
Under Construction	55,191	40,048
12 Mo. Deliveries	37,160	58,332

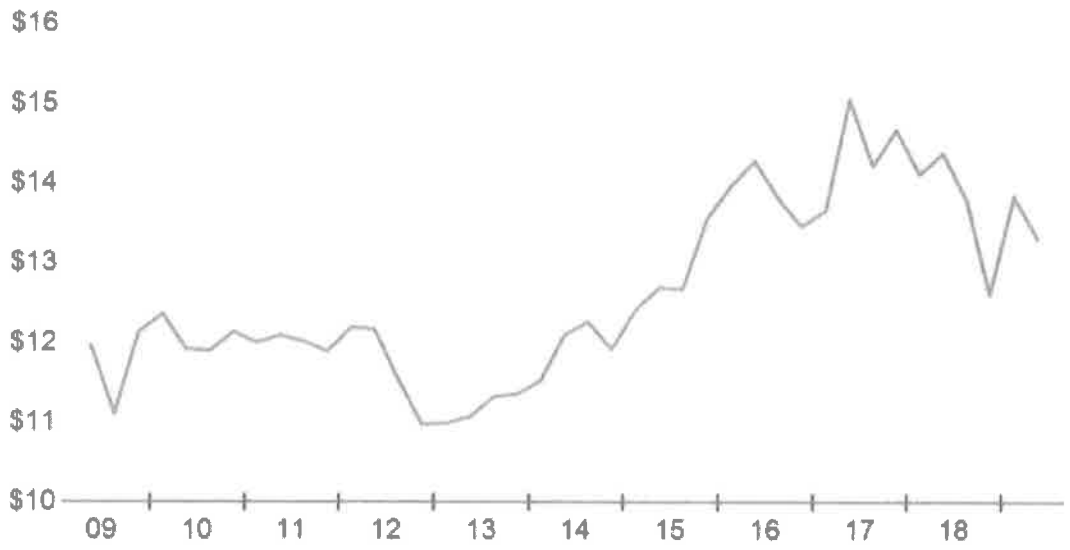
Demand	Survey	5-Year Avg
12 Mo. Absorption SF	181,702	55,574
12 Mo. Leasing SF	163,972	214,620

Sales	Past Year	5-Year Avg
Sale Price Per SF	$147	$124
Asking Price Per SF	$257	$227
Sales Volume (Mil.)	$26	$30
Cap Rate	6.8%	7.0%

Market Trends

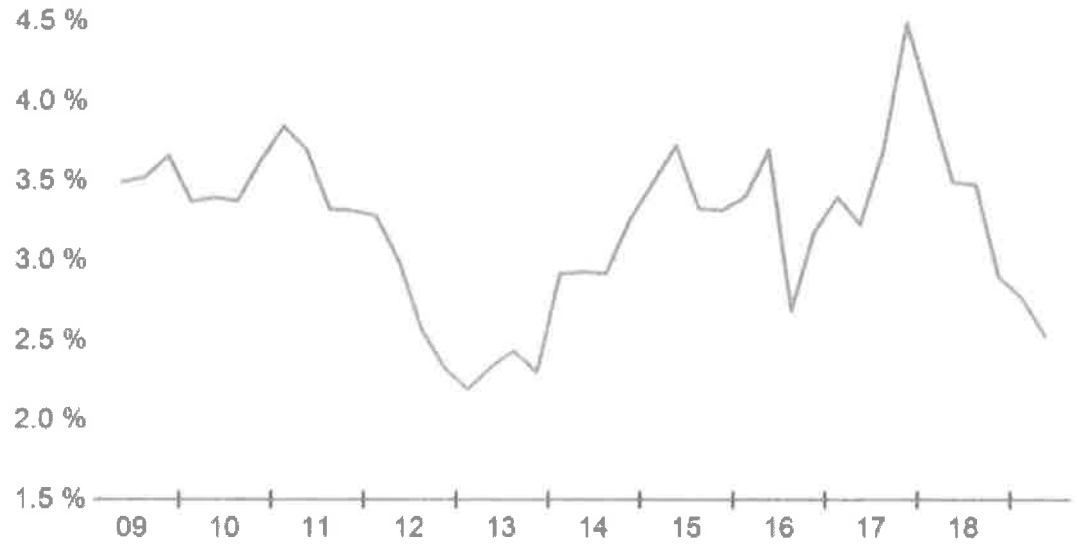
The following tables present the quarterly trends in rental rates and occupancy for the Fargo area over the past several years:

NNN ASKING RENT PER SF

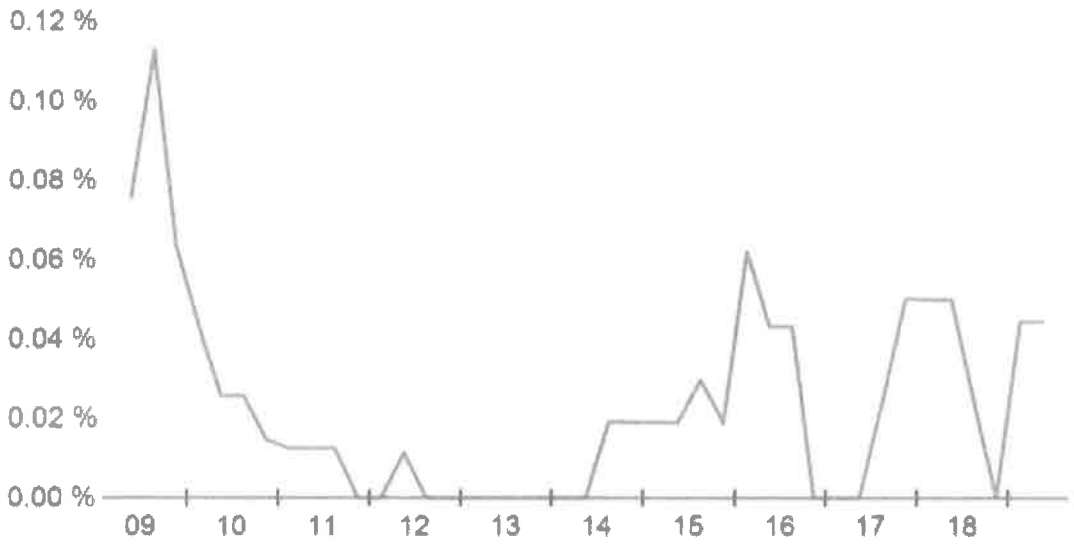


DIRECT & SUBLET RENTAL RATES

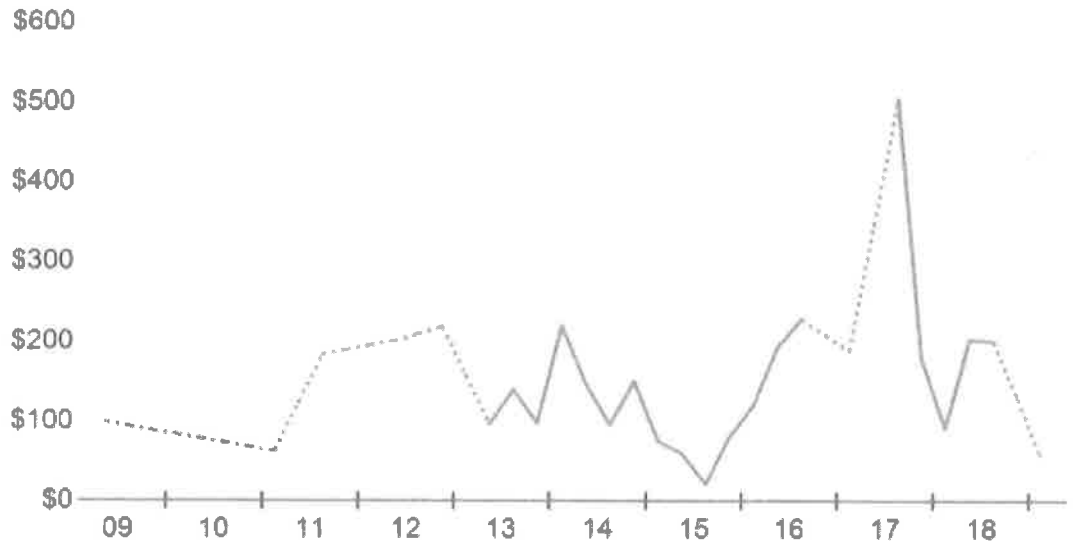
VACANCY RATE



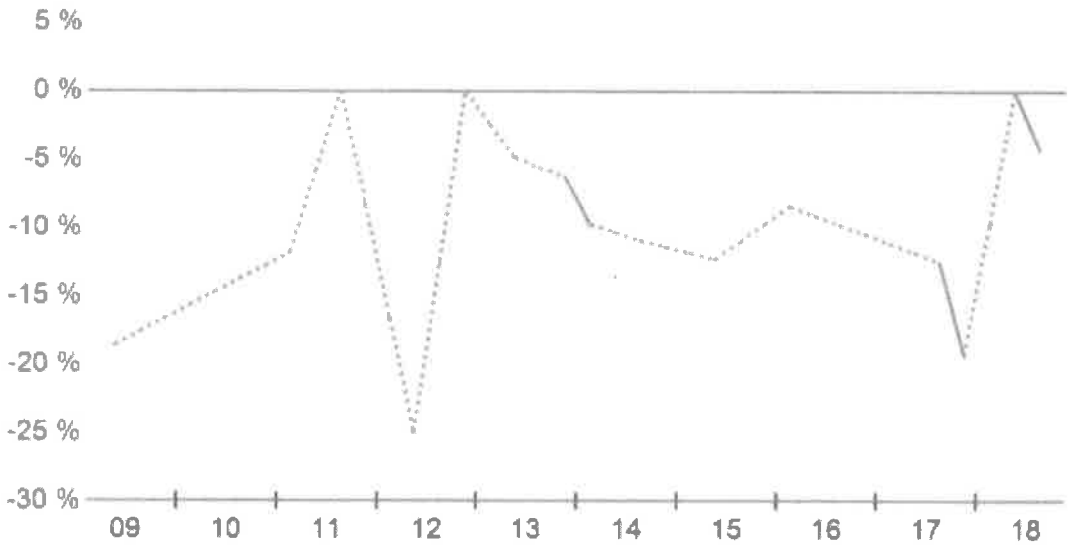
SUBLEASE VACANCY RATE



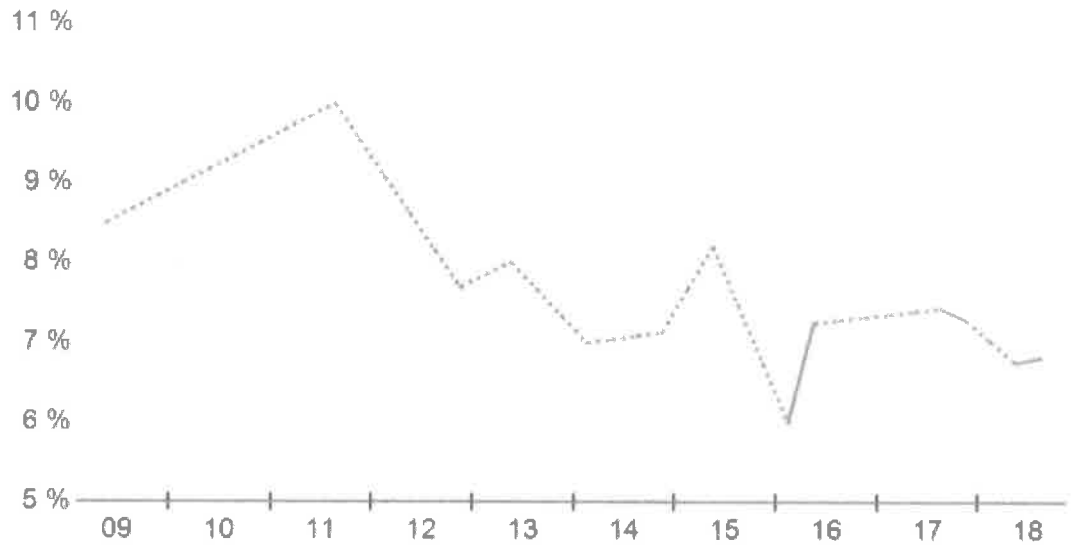
AVERAGE SALE PRICE PER SF



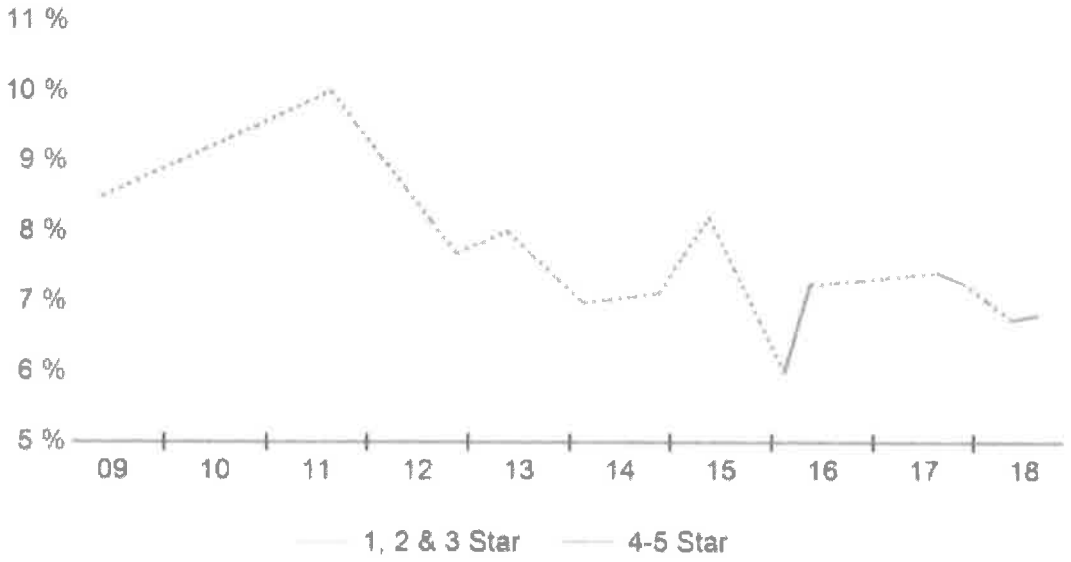
SALE TO ASKING PRICE DIFFERENTIAL



CAP RATE



CAP RATE BY STAR RATING



DEMOGRAPHIC ANALYSIS

Demand for retail properties is a direct function of demographic characteristics analyzed on the following pages.

Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood.

POPULATION AND HOUSEHOLD PROJECTIONS			
Population	58103 - Fargo	North Dakota	Fargo, ND-MN Metropolitan Statistical Area
2023 Total Population	57,347	874,911	279,667
2018 Total Population	52,796	797,210	251,294
2010 Total Population	47,299	672,591	208,777
2000 Total Population	46,538	642,200	174,367
Annual Growth 2018 - 2023	*1.67%*	*1.88%*	*2.16%*
Annual Growth 2010 - 2018	*1.38%*	*2.15%*	*2.34%*
Annual Growth 2000 - 2010	*0.16%*	*0.46%*	*1.82%*
Households			
2023 Total Households	27,983	369,311	116,823
2018 Total Households	25,649	335,410	104,563
2010 Total Households	22,692	281,192	86,178
2000 Total Households	21,308	257,152	69,985
Annual Growth 2018 - 2023	*1.76%*	*1.94%*	*2.24%*
Annual Growth 2010 - 2018	*1.54%*	*2.23%*	*2.45%*
Annual Growth 2000 - 2010	*0.63%*	*0.90%*	*2.10%*

Source: ESRI

As shown, the subject's neighborhood is experiencing moderate positive increases in both population and households.

Income Distributions

Household income available for expenditure on consumer items is a primary factor in determining the retail supply and demand levels in a given market area. In the case of this study, a projection of household income identifies (in gross terms) the market from which the subject submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

HOUSEHOLD INCOME DISTRIBUTION			
Households by Income Distribution (2018)	58103 - Fargo	North Dakota	Fargo, ND-MN Metropolitan Statistical Area
<$15,000	11.37%	9.21%	8.88%
$15,000 - $24,999	10.89%	7.85%	8.49%
$25,000 - $34,999	11.14%	8.12%	8.60%
$35,000 - $49,999	14.87%	11.89%	11.79%
$50,000 - $74,999	17.61%	16.59%	16.70%
$75,000 - $99,999	10.94%	12.31%	12.56%
$100,000 - $149,999	9.26%	15.06%	13.66%
$150,000 - $199,999	2.79%	5.14%	4.30%
$200,000+	2.79%	4.65%	4.53%
No Longer Used			

Source: ESRI

The following table illustrates the median and average household income levels for the subject neighborhood.

HOUSEHOLD INCOME LEVELS

Income	58103 - Fargo	North Dakota	Fargo, ND-MN Metropolitan Statistical Area
2018 Median Household Income	$46,794	$60,183	$58,165
2018 Average Household Income	$63,650	$80,492	$78,431
2018 Per Capita Income	$31,045	$34,164	$32,896

Source: ESRI

An analysis of the income data indicates that the submarket is generally comprised of upper-middle and high-income economic cohort groups, which include the target groups to which the subject is oriented.

Barriers to Entry

The primary barrier to entry within the subject's neighborhood is lack of vacant land suitable for retail development. Most of the land within the retail areas of the subject neighborhood are developed, particularly along 13th Avenue South.

Demand Generators

The largest demand generators for retail property are population growth, high rates of employment, and the increase in household income. In the Fargo market, area demand generators include North Dakota State University, and a core group of large employers, led by Microsoft, U.S. Bank, and a slew of healthcare companies.

Investment Trends

The following information was extracted from The Boulder Group's Net Lease Big Box Report (Q4, 2018):

BIG BOX ASKING CAP RATE COMPARISON

Q4 2017 (Previous)	Q4 2018 (Current)	Basis Point Change
6.75%	7.04%	+29

BIG BOX VS. NET LEASE SECTOR MEDIAN ASKING PRICE

Sector	Q4 2017 (Previous)	Q4 2018 (Current)
Big Box	6.75%	7.04%
Retail Net Lease Market	6.07%	6.25%
Differential (bps)	+68	+79

BIG BOX PROPERTIES MEDIAN ASKING PRICE

Sector	Average Price	Average Price Per SF
Investment Grade	$10,510,612	$176 PSF
Non-Investment Grade	$5,496,774	$141 PSF

BIG BOX MEDIAN ASKING CAP RATE BY CREDIT RATING

Investment Grade Cap Rate	Non-Investment Grade Cap Rate	Basis Point Spread
6.50%	7.18%	+68

MARKET OVERVIEW

Cap rates in the single tenant net lease big box sector increased by 29 basis points to 7.04% from the fourth quarter of 2017 to the fourth quarter of 2018. The rise in cap rates can be primarily attributed to investor concern about the evolving retail environment, store footprints for big box retailers and the cost associated with backfilling big box properties. Over the past year, a variety of tenant bankruptcies and store closure lists from well-known retailers including Toys R Us, Orchard Supply (Lowe's), Sears/Kmart and Shopko increased the vacancy in the sector.

Cap rates for the sector increased to a greater extent than the overall net lease retail sector. In the fourth quarter of 2018, net lease big box properties were priced at a 79 basis point discount to the overall net lease market. This represented an 11 basis point increase from the prior year. Despite the issues for non-credit tenants within the big box retail space, big box properties in primary retail corridors with strong real estate fundamentals remain in demand among institutional investors and large 1031 exchange buyers. Expanding retailers including Burlington, TJ Maxx/HomeGoods and Hobby Lobby and real estate investors were quick to acquire or lease the more desirable real estate vacancies left behind by retailer bankruptcies in 2018. Transaction volume in the net lease big box sector in 2018 reflected a similar pace to 2017.

Tenant quality and financial health has become increasingly more important for income investors in the net lease big box sector. Investment grade tenants including Walmart, Costco, Whole Foods and others, are garnering a significant premium over non-investment grade users. In the fourth quarter of 2018, investment grade tenants in the big box sector were commanding a 68 basis point premium. This is more than double the premium associated with this category one year earlier.

The single tenant net lease big box sector will remain active as both individual and institutional investors seek net leased properties to fulfill larger acquisition targets and 1031 exchanges. With higher yields than the overall net lease retail sector, many investors will be targeting assets with strong real estate fundamental after careful underwriting and understanding of local retail markets. However, big box properties with issues related to tenant health and financial strength and properties with irreplaceable rents or tertiary locations will be in less demand.

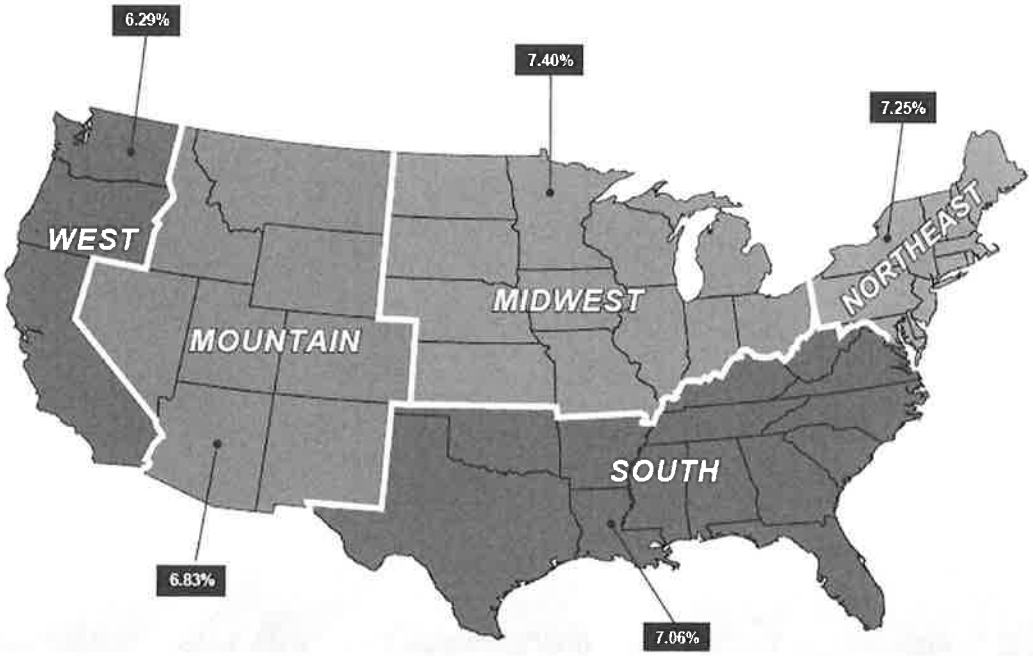
MEDIAN ASKING CAP RATES BY SQUARE FOOTAGE

Sector	SF Range	Cap Rate	Percentage of Market
Junior Big Box	20,000 - 40,000	7.02%	51%
Mid Box	40,000 - 80,000	7.15%	39%
Large Format	Over 80,000	6.70%	10%

MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Investment Grade	Non-Investment Grade
16-20 Years	5.50%	6.00%
11-15 Years	6.20%	7.00%
6-10 Years	6.65%	7.23%
5 Years & Under	7.05%	7.70%

BIG BOX MEDIAN ASKING CAP RATE BY REGION



SELECTED SINGLE TENANT BIG BOX CLOSED TRANSACTIONS

Sale Date	Tenant	City	State	Price	Price/SF	Cap Rate	Lease Term Remaining
Nov-18	Safeway	Olney	MD	$25,921,000	$434	5.78%	19
Oct-18	Mariano's	Crystal Lake	IL	$25,200,000	$337	5.88%	20
Nov-18	Stop & Shop	Mount Vernon	NY	$22,250,000	$276	6.98%	5
Jul-18	Art Van Furniture	Downers Grove	IL	$20,232,000	$165	7.25%	19
Aug-18	Kohl's	Centerville	UT	$17,700,000	$197	7.37%	11
Nov-18	Jewel Osco	Oak Lawn	IL	$16,000,000	$338	5.80%	19
Oct-18	Target	Skokie	IL	$13,850,000	$419	5.29%	14
Oct-18	Lowe's (GL)	Clovis	CA	$12,409,500	$76	5.56%	10
Aug-18	Best Buy	Woodland Park	NJ	$12,000,000	$267	8.69%	4
Oct-18	Floor & Décor	Oklahoma City	OK	$11,000,000	$146	7.37%	15
Nov-18	Albertsons	Alrington	TX	$10,358,110	$166	6.40%	12
Oct-18	24 Hour Fitness	Austin	TX	$9,857,142	$329	7.00%	9
Nov-18	Ashley Furniture	Green Bay	WI	$9,250,000	$184	6.88%	10
Nov-18	Academy Sports & Outdoors	Liberty	MO	$5,700,000	$91	8.55%	15
Oct-18	24 Hour Fitness	Taylorsville	UT	$5,300,000	$151	7.25%	16

COMPANY COMPARISON

Tenant	Total Number of Stores	Credit Rating
24 Hour Fitness	400+	B
Academy Sports + Outdoors	290	Not Rated
Albertsons	2,328	B+
Bed Bath & Beyond	1,550	BB+
Best Buy	1,250+	BBB
BJ's Wholesale	216	B
Dick's Sporting Goods	850	Not Rated
Hobby Lobby	822	Not Rated
Kohl's	1,158	BBB-
Kroger	3,028	BBB
LA Fitness	690+	B+
Lowe's Home Improvement	2,394	BBB+
Petco	1,500	CCC+
PetSmart	1,500	CCC
Ross Dress for Less	1,412	A-
Staples	1,131	B+
TJMaxx	1,000+	A+
The Home Depot	2,000	A
Walmart Stores	6,363	AA
Whole Foods Market	479	A+

COMPETITIVE PROPERTIES

Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table:

SUMMARY OF COMPARABLE RETAIL RENTALS

Comp. No.	Name	Location	Distance from Subject	Overall Occupancy
1	Hobby Lobby	1901 South 22nd Avenue, Minot, ND	228 Miles	100%
2	Barnes & Noble	1201 42nd St S, Fargo, ND	0.4 Miles	100%
3	Pier One	4330 13th Avenue, Fargo, ND	0.2 Miles	100%
4	Tractor Supply	101 12th Avenue Northwest, Hazen, ND	227 Miles	100%
5	Office Max	3225 30th Avenue South, Grand Forks, ND	72 Miles	100%
6	Arrowhead Plaza	1600 Second Avenue SW, Minot, ND	229 Miles	98%
7	Shopko Hometown	226 E. Lincoln Avenue, Fergus Falls, MN	55 Miles	100%
8	Hobby Lobby	3001 South First Street, Willmar, MN	150 Miles	100%
Subject	Hobby Lobby Center	4427 13th Avenue SW, Fargo, North Dakota		95%

Compiled by CBRE

SUBJECT ANALYSIS

Tenant Analysis

Hobby Lobby Stores, Inc.

Hobby Lobby Stores, Inc. is the largest privately-owned arts-and-crafts retailer in the world and the second largest player in the arts-and-crafts industry in the U.S. Hobby Lobby is primarily an arts-and-crafts store but also sells hobbies, picture framing, jewelry making, fabrics, floral and wedding supplies, cards and party ware, baskets, wearable art, home accents and holiday merchandise.

Parent Company:	Hobby Lobby Stores, Inc.
Public/Private:	Private
Credit Rating:	NR
Annual Revenue:	$4.5 billion (last reported FYE 2017)
Interest Cvrg. Ratio:	10.00 (last reported FYE 2017)
Anticipated 2018 Openings:	50
Website:	www.hobbylobby.com

Dollar Tree, Inc.

Dollar Tree, Inc. is an American chain of discount variety stores that sells items for $1 or less. Dollar Tree is the largest and most successful single-price-point retailer in North America, operating thousands of stores across 48 contiguous U.S. states and Canada, supported by a solid and scalable logistics network of eleven distribution centers. Each Dollar Tree stocks a variety of products including national, regional, and private-label brands. Departments found in a Dollar Tree store include health and beauty, food and snacks, party, seasonal décor, housewares, glassware, dinnerware, household cleaning supplies, candy, toys, gifts, gift bags and wrap, stationery, craft supplies, teaching supplies, automotive, electronics, pet supplies, and books.

Parent Company:	Dollar Tree, Inc.
Public/Private:	Public
Credit Rating:	BBB-
Ticker Symbol:	DLTR (NASDAQ)
Annual Revenue:	$22.5 billion
TTM Free Cash Flow:	$764.3 million
Interest Cvrg. Ratio:	5.89
Liquidity:	$1.57 billion
Equity Capitalization:	$20.47 billion
Same Store Sales Growth (2017):	3.5%
Website:	www.dollartree.com

Kirkland's

Kirkland's Home is a leading specialty retailer of home décor in the United States, operating more than 425 stores in 36 states. Its stores present a broad selection of distinctive home décor merchandise, including framed art, mirrors, candles, lamps, picture frames, accent rugs, garden accessories and artificial floral products. Kirkland's engages its customers by offering a diverse, everchanging merchandise selection at attractive prices. Since opening their doors in 1966, Kirkland's has grown to become a successful national corporation. The company offers a range of 9,000-12,000 active products across its web and store channels with the single belief that great style can come at a great price - always.

Number of Locations:	425+
Public/Private:	Public
Ticker Symbol:	KIRK
Annual Revenue (TTM):	$643 million
Interest Cvrg. Ratio:	135.59
Total Revenue Growth (TTM):	7.8%
Website:	www.kirklands.com

Occupancy

The subject's occupancy is detailed in the following chart.

OCCUPANCY	
Year	% PGI
Current	96%
CBRE Estimate	**95%**
Compiled by CBRE	

Based on the foregoing analysis, CBRE, Inc.'s conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

OCCUPANCY CONCLUSIONS	
Fargo Market Current (Costar)	97.5%
Fargo Market 5YR AVG (Costar)	96.6%
Rent Comparables	99.6%
Subject's Current Occupancy	95.3%
Subject's Stabilized Occupancy	95.0%
Compiled by CBRE	

Our concluded stabilized occupancy appears reasonably justified for the following reasons:

- The subject's current occupancy is supportive of this conclusion.
- The subject has moderage/high near-term expiration.
- The current and historical average within the MSA is generally supportive of this conclusion.

CONCLUSION

The area retail market is exhibiting stable/strong occupancy levels and stable to upward trending rental rates, while maintaining favorable absorption in recent years. Considering the recent trends in absorption and the prospects for new construction, the local market area should maintain a stabilized occupancy position. The long-term projection for the subject submarket is for continued growth.

With respect to the subject in particular, we believe the development is very well located for a commercial project. The site is conveniently located with respect to employment centers, primary city arterial roadways, and the I-94/I-29 Interchange. Traffic counts on the surrounding roadways are high and the household income levels in the immediate area are in the middle income bracket.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- Legal permissibility;
- Physical possibility;
- Financial feasibility; and
- Maximum productivity.

The highest and best use analysis of the subject is discussed below.

AS VACANT

Legal Permissibility

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physical Possibility

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development).

Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financial Feasibility

Potential uses of the site include commercial and retail uses. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the market analysis, the subject retail market is generally stabilized. Development of new retail properties has occurred in the past few years.

Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of a retail property. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be an investor (land speculation) or a developer.

AS IMPROVED

Legal Permissibility

The site has been improved with a retail development that is a legal, conforming / nonconforming use.

Physical Possibility

The layout and positioning of the improvements are considered functional for retail use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for retail users would be the most functional use.

Financial Feasibility

The financial feasibility of a retail property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is producing a positive net cash flow and continued utilization of the improvements for retail purposes is considered financially feasible. Further, the value of the improvements detailed clearly exceeds the underlying land value.

Maximum Productivity - Conclusion

As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by retail owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use. The most likely buyer for the subject property is as follows:

- Investor-Regional

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as a retail development.

Insurable Replacement Cost

Insurable Replacement Cost is defined as follows:

1. the value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of noninsurable items (e.g., land value) from market value.
2. The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). [9]

CBRE, Inc. has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry-accepted publications such as the Marshall Valuation Service. The methodology employed is a derivation of the cost approach and is not reliable for Insurable Replacement Cost estimates. Actual construction costs and related estimates can vary greatly from this estimate.

The Insurable Replacement Cost estimate presented herein is intended to reflect the value of the destructible portions of the subject, based on the replacement of physical items that are subject to loss from hazards (excluding indestructible items such as basement excavation, foundation, site work, land value and indirect costs). In the case of the subject, this estimate is based upon the base building costs (direct costs) as obtained via the Marshall Valuation Service cost guide, with appropriate deductions.

This analysis should not be relied upon to determine proper insurance coverage as only consultants considered experts in cost estimation and insurance underwriting are qualified to provide an Insurable Replacement Cost. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE, Inc. regarding the accuracy of this estimate. It is strongly recommended that other sources be utilized to develop any estimate of Insurable Replacement Cost.

[9] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), 119.

INSURABLE REPLACEMENT COST

Primary Building Type:	Retail	Height per Story:	20'
Effective Age:	25 YRS	Number of Buildings:	1
Condition:	Average	Gross Building Area:	95,025 SF
Exterior Wall:	EFIS,CMU	Net Rentable Area:	95,025 SF
Number of Units:	1	Average Unit Size:	95,025 SF
Number of Stories:	1	Average Floor Area:	95,025 SF

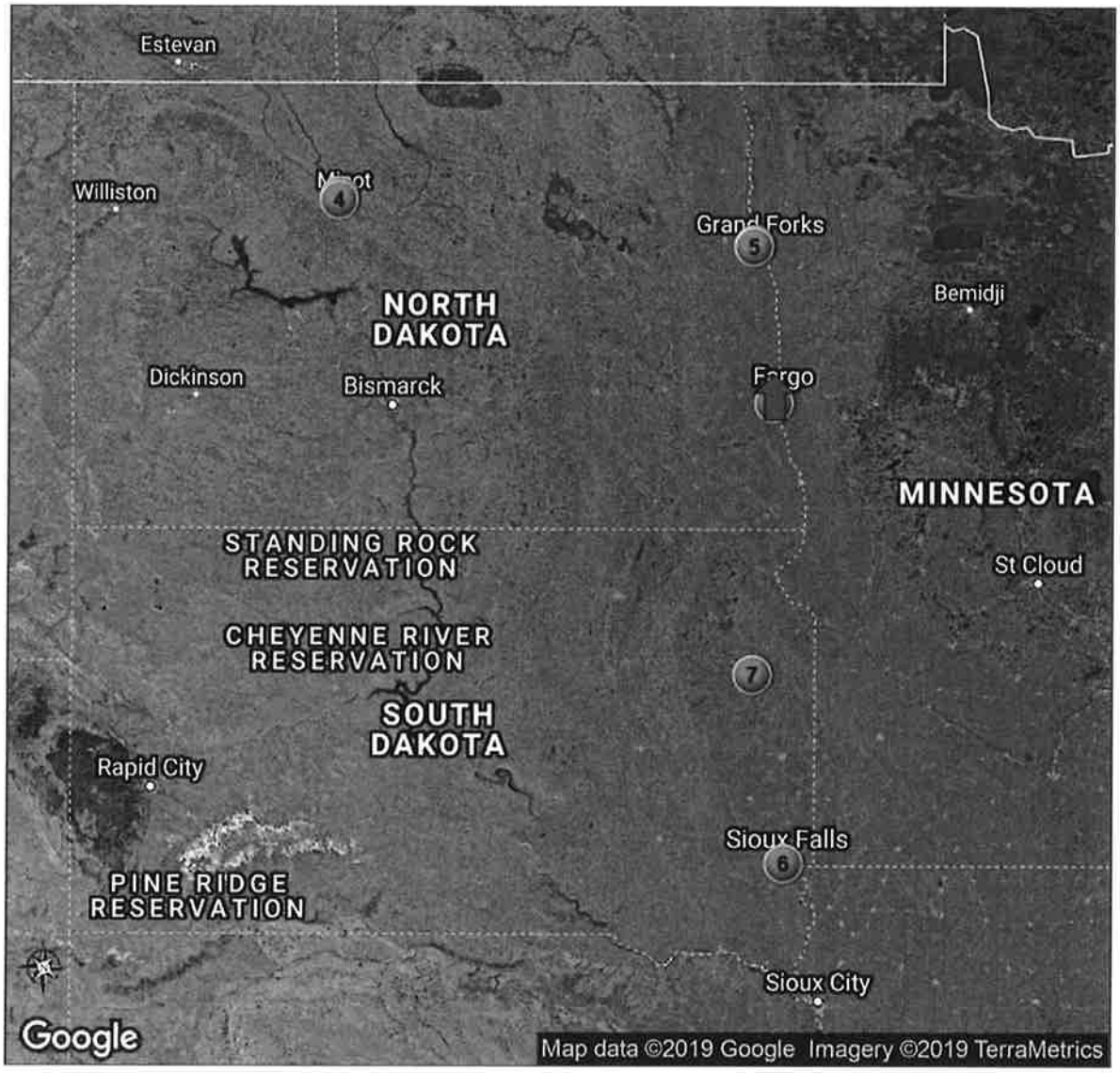
MVS Sec/Page	13/28
Quality/Bldg. Class	Good/C
Building Component	Whs. Discount
Component Sq. Ft.	95,025 SF
Base Square Foot Cost	$69.50
Square Foot Refinements	
Heating and Cooling	$3.02
Sprinklers	$2.50
Subtotal	$75.02
Height and Size Refinements	
Number of Stories Multiplier	1.000
Height per Story Multiplier	1.000
Floor Area Multiplier	1.000
Subtotal	$75.02
Cost Multipliers	
Current Cost Multiplier	1.00
Local Multiplier	1.02
Final Square Foot Cost	**$76.52**
Base Component Cost	**$7,271,351**

Base Building Cost	*(via Marshall Valuation Service cost data)*	$7,271,351
Insurable Exclusions	10.0% of Total Building Cost	($727,135)
Indicated Insurable Replacement Cost		**$6,544,216**
Rounded		**$6,500,000**
Value Per Unit		**$6,500,000**

Compiled by CBRE

Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE RETAIL SALES

No.	Property Name	Transaction Type	Transaction Date	YOC / Reno'd	Property Subtype	Distance from Subj	GLA (SF)	Actual Sale Price	Adjusted Sale Price [1]	Price Per SF [1]	Occ.	NOI Per SF	OAR
1	Arrowhead Plaza, 1600 Second Avenue SW Minot, ND 58701	Sale	Nov-18	1961 / 2011	Grocery Store/Super Market	229 Miles	81,594	$6,622,500	$6,630,050	$81.26	98%	$8.64	10.63%
2	Shoppes at Osgood, 4151, 4265, 4323, 4281, 4201, 4015, 4377 and 4355 45th Street South Fargo, ND 58104	Sale	Jun-17	2005 / 2017	Neighborhood/Community	3.2 Miles	158,872	$31,416,773	$31,416,773	$197.75	94%	$12.92	6.53%
3	Med Park Mall, 1375 & 1395 South Columbia Road Grand Forks, ND 58201	Sale	Sep-18	1989 / 1991	Neighborhood/Community	73 Miles	59,117	$5,575,000	$5,575,000	$94.30	100%	$7.52	7.97%
4	Hobby Lobby, 1901 22nd Avenue SW Minot, ND 58701	Sale	Sep-16	1990	Big Box/Hypermarket	228 Miles	56,124	$3,842,500	$3,842,500	$68.46	100%	n/a	n/a
5	Multi-tenant Retail Center, 2500 S Columbia Rd Grand Forks, ND 58201	Sale	Jul-17	1979 / 2017	Un-Anchored Retail Strip	72 Miles	58,633	$2,916,000	$2,916,000	$49.73	0%	$0.00	0.00%
6	Shopko - Sioux Falls, 1601 West 41st Street Sioux Falls, SD 57105	Sale	Jun-18	1987 / 1999	Department Store	231 Miles	90,585	$11,701,199	$11,701,199	$129.17	100%	$10.27	7.95%
7	Hobby Lobby, 2921 9th Avenue SE Watertown, SD 57201	Sale	Feb-18	2016	Big Box/Hypermarket	137 Miles	55,000	$5,176,470	$5,176,470	$94.12	100%	$6.40	6.80%
Subj. Pro Forma	Hobby Lobby Center, 4427 13th Avenue SW Fargo, ND 58103	---	---	1991 / 2003	Neighborhood/Community Center	---	95,025	---	---	---	95%	$5.59	---

[1] Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

The sales utilized were selected from our research of comparable improved sales within the upper Midwest. Due to the subject's size, tenancy, and the lack of comparable retail sales in the Fargo area, a regional search radius was utilized. The sales were chosen based primarily upon date of sale, size, and tenancy.

DISCUSSION/ANALYSIS OF IMPROVED SALES

ADJUSTMENT ANALYSIS

Property Rights Conveyed

Adjustments are necessary only when the interest in a particular sale differs from the type of interest being valued (e.g., leased fee estate as opposed to fee simple estate or vice versa). No adjustments have been warranted in terms of property rights conveyed.

Financing Terms

Adjustments are necessary within this category if a sale transaction involves unusual or favorable financing, often provided by the seller. If such a case exists, an adjustment is made to bring the resultant sale price to a cash equivalent value, which is based on market terms available at the time of sale. In this case, no adjustments for financing terms are necessary as terms are assumed to be either market rate or cash transactions for all Sales.

Conditions of Sale

Adjustments for condition of sale typically reflect the motivation of the buyer and/or seller that result in a sale price that is not considered market. Comparable Three's seller was distressed at the time of sale (not related to the comparable) and an upward adjustment has been applied to account for the below market price at the time of sale.

Market Conditions (Time)

National Retail

1Q2018	2Q2018	3Q2018	4Q2018	2018 ANNUAL TOTAL
0.72%	1.32%	0.56%	-0.43%	2.18%

Midwest Retail

1Q2018	2Q2018	3Q2018	4Q2018	2018 ANNUAL TOTAL
0.60%	1.32%	-0.22%	-1.49%	0.18%

https://www.ncreif.org/data-products/property/

The NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors - the great majority being pension funds. As such, all properties are held in a fiduciary environment.

The purpose of this adjustment is to bring the varying transaction dates of the comparables to an equal status current with the appraisal date by applying adjustments for changes in market conditions. These changing market conditions can be either positive or negative. Typically, both the buyer and the seller are aware of the changing market conditions. They also realize that it may take several months for a closing to take place. If the time between the purchase agreement date and the closing date is considerable, the price usually reflects the risk or holding costs.

Based upon the stability of the retail market over the last several months, an upward adjustment of 1.00% per year has been applied to each of the comparables.

Size

Smaller facilities tend to sell for a higher price per square foot due to economies of scale. In net leased properties with long-term leases in place, however, size is less of a factor. No adjustments were applied in the data set for size.

Age

Each of the comparables has been adjusted for age utilizing a 0.25% per year adjustment factor based upon the subject's original development date.

Quality of Construction

Sale One and Two are superior in terms of interior/exterior quality and were adjusted downward by 10% and 20%, respectively. Sale Five was adjusted upward by 20% given its shell condition at the time of sale. No other adjustments were warranted.

Tenancy

Sale Five was adjusted upward by 20% given it was vacant at the time of sale. No other tenancy adjustment were warranted among the comparable sales.

Location/Economic

Investors in real estate are primarily concerned with the economic income generating potential and the lease terms/potential of a property. The income generating capability of a property is due to the physical features of the property, as well as its location. As a result, we have adjusted the comparables for economic/location differences by analyzing the difference in net income between the sales and the subject property income projection, net of all other adjustments. The NOI adjustment was also tempered in order to minimize double adjustments from other categories.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

RETAIL SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	5	6	7	Subj. Pro Forma
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Nov-18	Jun-17	Sep-18	Sep-16	Jul-17	Jun-18	Feb-18	---
Year Built/Renovated	1961 / 2011	2005 / 2017	1989 / 1991	1990	1979 / 2017	1987 / 1999	2016	1991
Property Subtype	Grocery Store/Super Market	Neighborhood/ Community	Neighborhood/ Community	Big Box/Hypermarket	Un-Anchored Retail Strip	Department Store	Big Box/Hypermarket	Neighborhood /Community Center
GLA (SF)	81,594	158,872	59,117	56,124	58,633	90,585	55,000	95,025
Actual Sale Price	$6,622,500	$31,416,773	$5,575,000	$3,842,500	$2,916,000	$11,701,199	$5,176,470	---
Adjusted Sale Price [1]	$6,630,050	$31,416,773	$5,575,000	$3,842,500	$2,916,000	$11,701,199	$5,176,470	---
Price Per SF [1]	$81 26	$197.75	$94.30	$68.46	$49.73	$129.17	$94.12	---
Occupancy	98%	94%	100%	100%	0%	100%	100%	95%
NOI Per SF	$8.64	$12.92	$7 52	n/a	$0.00	$10 27	$6.40	$5.59
OAR	10.63%	6.53%	7.97%	n/a	0.00%	7.95%	6 80%	---
Adj. Price Per SF	$81.26	$197.75	$94.30	$68.46	$49.73	$129.17	$94.12	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%	
Market Conditions (Time)	0%	2%	1%	3%	2%	1%	1%	
Subtotal - Price Per SF	$81.26	$201.71	$95.24	$70.51	$50.72	$130.46	$95.06	
Size	0%	0%	0%	0%	0%	0%	0%	
Age	8%	-4%	1%	0%	3%	1%	-6%	
Quality of Construction	-10%	-20%	0%	0%	20%	0%	0%	
Traffic Counts/Exposure	0%	0%	0%	0%	0%	0%	0%	
Parking	0%	0%	0%	0%	0%	0%	0%	
Tenancy	0%	0%	0%	0%	20%	0%	0%	
Location/Economic	-10%	-20%	-10%	0%	0%	-20%	0%	
Total Other Adjustments	-13%	-44%	-10%	0%	43%	-19%	-6%	
Indicated Value Per SF	**$71.10**	**$113.96**	**$86.19**	**$70.69**	**$72.54**	**$105.67**	**$89.12**	
Absolute Adjustment	*28%*	*46%*	*12%*	*3%*	*45%*	*22%*	*7%*	

[1] Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

SALE PRICE PER SQUARE FOOT CONCLUSION

Prior to adjustment, the sales range from $49.73 per square foot to $197.75 per square foot with an average of $102.11 per square foot. Post adjustment, the sales range from $70.69 per square foot to $113.96 per square foot with an average of $87.04 per square foot.

Sale Four and Seven both have Hobby Lobby as a tenant so were given slightly more consideration (these two sales average $79.90 PSF post adjustment). The following chart presents the valuation conclusion:

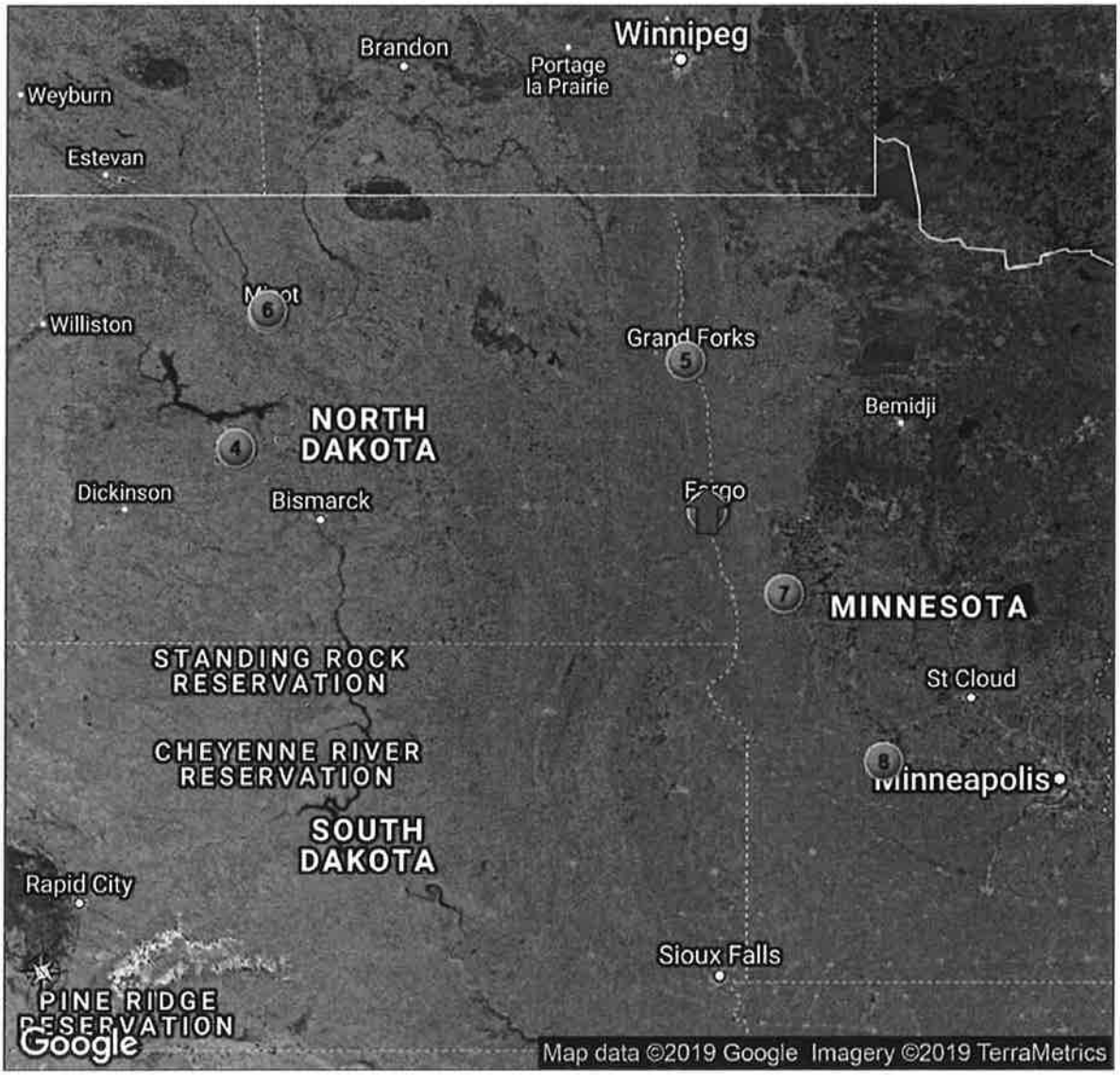
SALES COMPARISON APPROACH				
GLA (SF)	**X**	**Value Per SF**	=	**Value**
95,025	X	$70.69	=	$6,717,325
95,025	***X***	***$75.00***	=	***$7,126,875***
95,025	X	$113.96	=	$10,829,365

VALUE CONCLUSION	
Indicated Stabilized Value	**$7,126,875**
Deferred Maintenance	$0
Lease-Up Discount	$0
Indicated As Is Value	**$7,126,875**
Rounded	**$7,100,000**
Value Per SF	**$74.72**

Compiled by CBRE

Income Capitalization Approach

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE RETAIL RENTALS

No.	Property Name and Location	YOC / Reno'd	Overall Occ.	Distance from Subj	GLA (SF)	Tenant Name	Lease Area (SF)	Lease Date	Lease Term	Base Rent	Reimbursements
1	Hobby Lobby 1901 South 22nd Avenue, Minot, ND	1991	100%	228 Miles	114,513	Hobby Lobby	57,907	Jul-06	10.0 Yrs.	$5.50 PSF	NNN
2	Barnes & Noble 1201 42nd St S, Fargo, ND	1994	100%	0.4 Miles	30,000	Barnes & Noble	30,000	Jul-17	7.5 Yrs.	$12.75 PSF	NNN
3	Pier One 4330 13th Avenue, Fargo, ND	1991	100%	0.2 Miles	9,632	Pier One Imports	9,632	Jan-13	5.0 Yrs.	$14.27 PSF	NNN
4	Tractor Supply 101 12th Avenue Northwest, Hazen, ND	2016	100%	227 Miles	25,612	Tractor Supply	25,612	Jan-17	10.0 Yrs.	$5.60 PSF	NNN
5	Office Max 3225 30th Avenue South, Grand Forks, ND	1998	100%	72 Miles	23,500						
						Quoted	---	---	---	$9.50 PSF	n/a
6	Arrowhead Plaza 1600 Second Avenue SW, Minot, ND	1961 / 2011	98%	229 Miles	81,594	Arrowhead Barber	635	Oct-18	5.0 Yrs.	$6.25 PSF	NNN
						Arrowhead Ace Hardware	7,240	Sep-18	10.0 Yrs.	$6.46 PSF	NNN
						ND Department of Transportation	1,416	Jul-17	2.0 Yrs.	$18.43 PSF	Gross
						MarketPlace Foods	33,529	Apr-17	9.8 Yrs.	$6.60 PSF	NNN
7	Shopko Hometown 226 E. Lincoln Avenue, Fergus Falls, MN	1986	100%	55 Miles	32,500	Shopko Hometown	32,500	Jun-06	15.0 Yrs.	$5.37 PSF	Absolute Net
8	Hobby Lobby 3001 South First Street, Willmar, MN	2017	100%	150 Miles	55,000	Hobby Lobby	55,000	Jan-17	10.0 Yrs.	$7.05 PSF	NNN
Subj.	Hobby Lobby Center 4427 13th Avenue SW, Fargo, North Dakota	1991 / 2003	95%	---	95,025					---	---

Compiled by CBRE

The rentals were selected from our research within the Fargo Market, focusing on actual lease data and similar tenancy. Given the leases most recently available involve inline and smaller square footage suites, an expanded search geography was selected. The comparables were also selected based upon quality/size/age. The following table shows a summary of the space allocation for the subject.

MARKET RENT CATEGORIES

Space Allocation	Size
Anchors	60,000 SF
Jr. Anchors	30,525 SF
Storage	4,500 SF

Compiled by CBRE

DISCUSSION/ANALYSIS OF RENT COMPARABLES

Comparable — Retail - Misc. Freestanding Retail — No. 1

Property Name	Hobby Lobby
Address	1901 South 22nd Avenue Minot, ND 58701 United States
Government Tax Agency	Ward
Govt./Tax ID	N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	14.650	638,154
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	N/A
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.18
Zoning	N/A
General Plan	N/A

Improvements

Net Rentable Area (NRA)	114,513 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	N/A
Year Built	1991	Condition	Average
Year Renovated	N/A	Exterior Finish	EIFS
Total Anchor Rentable Area	114,513 sf	Number of Buildings	N/A
Total In Line Rentable Area	0 sf		
Anchor	Former Wal-Mart		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	USPG
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	57,907 - 57,907 sf
In Line Retail Occupancy	100%	Lease Term	120 - 120 Mo(s).
Reimbursements	NNN	Annual Base Rent	$5.50 per sf
Rent Changes/Steps	$.50 in year 6	Free Rent	N/A
Survey Date	04/2019	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 1

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Hobby Lobby	Retail	57,907	120	Renewal	7/1/2006	$5.50	NNN	$0.50/5yrs	N/A	$0.00

Map & Comments

This property was a Wal Mart store. Wal Mart relocated to a new super store in June 2006. Hobby Lobby occupies 57,907 square feet with an initial base rent of $4.50 per square foot. A $.50 increase occurred in year 6 and at each of the 2 options (the rent depicted is for 2019). The property is located just south of Highway 2 and just west of Dakota Square Mall.

Comparable — Retail - Big Box/Hypermarket — No. 2

Property Name	Barnes & Noble
Address	1201 42nd St S Fargo, ND 55102 United States
Government Tax Agency	Cass
Govt./Tax ID	N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.486	108,304
Land Area Gross	2.486	108,304
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.28
Frontage Distance/Street	378 ft 42nd Street South
Zoning	GC-General Commercial
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	30,000 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	5.27/1,000 sf
Year Built	1994	Condition	Good
Year Renovated	N/A	Exterior Finish	Concrete Block
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	30,000 sf
In Line Retail Occupancy	100%	Lease Term	90 Mo(s).
Reimbursements	NNN	Annual Base Rent	$12.75 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	02/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Big Box/Hypermarket — No. 2

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Barnes & Noble	Retail	30,000	90	Renegotiate	7/10/2017	$12.75	NNN	$0.50 PSF/YR	N/A	$3.33

Map & Comments

This is a 30,000 -square foot Barnes & Noble located at 1201 42nd St S in Fargo, North Dakota. The improvements were constructed in 1994 and are situated on a 2.486-acre site. Barnes & Noble has a remaining lease term of approximately 8 years (January 31, 2025 lease expiration plus two 5YR renewal options). This lease was recently amended in July of 2017 to extend the tenancy and also provide up to $100,000/$3 PSF in tenant improvement costs for building modernizations. The rent escalates annually by $0.50 PSF.

Comparable — Retail - Misc. Freestanding Retail — No. 3

Property Name	Pier One
Address	4330 13th Avenue Fargo, ND 58103 United States
Government Tax Agency	Cass
Govt./Tax ID	01-2332-00265-000

Site/Government Regulations

	Acres	Square feet
Land Area Net	1.108	48,282
Land Area Gross	1.108	48,282
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.21
Frontage Distance/Street	150 ft 13th Avenue South
Frontage Distance/Street	300 ft 43rd 1/2 Street South
Zoning	GC-General Commercial
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	9,632 sf		
Status	Existing	Floor Count	1
Occupancy Type	Single Tenant	Parking Type	Surface
Year Built	1991	Parking Ratio	0.00/1,000 sf
Year Renovated	N/A	Condition	Average
Total Anchor Rentable Area	N/A	Exterior Finish	Wood
Total In Line Rentable Area	N/A	Number of Buildings	1
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	9,632 sf
In Line Retail Occupancy	100%	Lease Term	60 - 180 Mo(s).
Reimbursements	NNN	Annual Base Rent	$14.27 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	08/2017	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 3

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Pier One Imports	Retail	9,632	60	Renewal	1/1/2013	$14.27	NNN	N/A	N/A	N/A

Map & Comments

This is a 9,632-square foot retail property located at 4330 13th Avenue in Fargo, North Dakota. The improvements were constructed in 1991 and are situated on a 1.11-acre site. The building is presently occupied by Pier One Imports. As of the date of survey, Pier One Imports had executed their first of three five year renewal options (2013-2018). Ongoing discussions were occurring between the landlord and tenant for renewal of the second five year renewal, but no terms were executed. The second option rate is $15.62 PSF and third is $17.10 PSF. Given store/market performance, some negotiation on future rates is expected, however. Pier One's lease is therefore set to expire by January of 2018.

Comparable — Retail - Misc. Freestanding Retail — No. 4

Property Name	Tractor Supply
Address	101 12th Avenue Northwest Hazen, ND 58545 United States
Government Tax Agency	Mercer
Govt./Tax ID	N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.700	117,612
Land Area Gross	2.700	117,612
Excess Land Area	0.000	0

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	All Available
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.22
Zoning	Commercial
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	25,612 sf	Floor Count	1
Status	Existing	Parking Type	Open Asphalt
Occupancy Type	Single Tenant	Parking Ratio	0.00/1,000 sf
Year Built	2016	Condition	Good
Year Renovated	N/A	Exterior Finish	Concrete Block
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	25,612 sf
In Line Retail Occupancy	100%	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	$5.60 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	01/2017	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 4

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Tractor Supply	Retail	25,612	120	New	1/1/2017	$5.60	NNN	12% increases every five	N/A	N/A

Map & Comments

This comparable represents a 25,612 square foot Tractor Supply located at 101 12th Avenue Northwest, off of Highway 200, the main thoroughfare of the area in Hazen, North Dakota. The improvements were constructed in 2008 as an original build-to-suit Alco retail store and are situated on a 2.7 acre site. After Alco filed for bankruptcy and vacated, Tractor Supply signed a 10 year lease than included four five-year option periods and 12.0% rent increases every five years. Currently, Tractor Supply is paying $5.60 per square foot, or $143,438 per year.

Comparable — Retail - Misc. Freestanding Retail — No. 5

Property Name	Office Max
Address	3225 30th Avenue South Grand Forks, ND 58201 United States
Government Tax Agency	N/A
Govt./Tax ID	44-1349-00002-000

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.530	110,207
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Generally Level
Utilities	All Available
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.21
Frontage Distance/Street	430 ft 30th Avenue S
Frontage Distance/Street	170 ft 31st Street S
Zoning	PUD-B3, PUD (Commercial Uses)
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	23,500 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	5.02/1,000 sf
Year Built	1998	Condition	Average
Year Renovated	N/A	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	23,500 sf
In Line Retail Occupancy	N/A	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	$9.50 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	10/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 5

Actual Leases

Tenant Name	Tenancy Use Type	Size	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance

No actual leases available for this property.

Map & Comments

This comparable is a 23,500-square foot OfficeMax retail property located at 3225 30th Avenue South in Grand Forks, North Dakota. The improvements were constructed in 1998 and are situated on a 2.53-acre site. The subject is presently occupied by Office Max under a 10-year lease term with approximately 6.7 years of remaining term. The lease rate is $9.50 PSF, NNN with 3, 5-year renewal options. The lease is flat over the 10 year term with escalations at renewal.

Comparable — Retail - Grocery Store/Super Market — No. 6

Property Name	Arrowhead Plaza
Address	1600 Second Avenue SW Minot, ND 58701 United States
Government Tax Agency	Ward
Govt./Tax ID	MI22.292.020.0021

Site/Government Regulations

	Acres	Square feet
Land Area Net	8.404	366,078
Land Area Gross	8.404	366,078
Excess Land Area	0.000	0

Site Development Status	Finished
Shape	Irregular
Topography	Generally Level
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.26
Frontage Distance/Street	625 ft 16th Street SW
Frontage Distance/Street	538 ft 2nd Avenue SW
Frontage Distance/Street	281 ft Central Avenue
Zoning	C-2, General Commercial District
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	81,594 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	5.01/1,000 sf
Year Built	1961	Condition	Good
Year Renovated	2011	Exterior Finish	N/A
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	98%	Tenant Size	N/A
In Line Retail Occupancy	98%	Lease Term	N/A
Reimbursements	Other (See Comments)	Annual Base Rent	per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	10/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Grocery Store/Super Market — No. 6

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Arrowhead Barber	Retail	635	60	N/A	10/1/2018	$6.25	NNN	+$.25 PSF in Year 3	N/A	N/A
Arrowhead Ace Hardware	Retail	7,240	120	N/A	9/1/2018	$6.46	NNN	2% Annually	N/A	N/A
ND Department of Transportation	Office	1,416	24	N/A	7/1/2017	$18.43	Gross	Flat	N/A	N/A
MarketPlace Foods	Retail	33,529	117	N/A	4/1/2017	$6.60	NNN	1.8% Annually	N/A	N/A

Map & Comments

This comparable is an 81,594-square foot office/retail property located at 1600 Second Avenue SW in Minot, North Dakota. The improvements were constructed in 1961, substantially renovated in 2011 and are situated on an 8.40-acre site. The property is grocery-anchored by Marketplace Foods. Currently, the property is 98.3% occupied by a mix of office and retail tenants. The State of North Dakota also leases several office suites in the property through different departments. Leases vary between gross and net terms.

Comparable — Retail - Big Box/Hypermarket — No. 7

Property Name	Shopko Hometown
Address	226 E. Lincoln Avenue Fergus Falls, MN 56537 United States
Government Tax Agency	Otter Tail
Govt./Tax ID	71002990210900, 71002990225000, 71002990225001

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.016	87,823
Land Area Gross	2.016	87,823
Excess Land Area	N/A	N/A

Site Development Status	N/A
Shape	Rectangular
Topography	Generally Level
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.37
Frontage Distance/Street	N/A E Lincoln Ave.
Frontage Distance/Street	N/A S Cascade St.
Zoning	B3; General Business District
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	32,500 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	2.31/1,000 sf
Year Built	1986	Condition	Average
Year Renovated	N/A	Exterior Finish	Concrete Block
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	32,500 sf
In Line Retail Occupancy	N/A	Lease Term	N/A
Reimbursements	Absolute Net	Annual Base Rent	$5.37 per sf
Rent Changes/Steps	6% per 3 Yrs.	Free Rent	N/A
Survey Date	10/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Big Box/Hypermarket — No. 7

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Shopko Hometown	Retail	32,500	180	Renewal	6/1/2006	$5.37	Absolute Net	6% per 3 Yrs.	0	$0.00

Map & Comments

The comparable is a 32,500-square foot retail property (big box) located at 226 E. Lincoln Avenue in Fergus Falls, Minnesota. The improvements were constructed in 1986 and are situated on a 2.02-acre site. The property is currently under lease to Shopko Hometown. The property is located on the east side of downtown Fergus Falls and has average to good visibility along the south side of East Lincoln Avenue (total traffic counts at the intersection of 15,100 ADT). The property is part of a master lease with several other Shopko Hometown formats owned by Spirit Realty Capital across the region. The master lease was "restated in 2016," and the current lease rate is $5.37/SF (last escalated on 06/01/2018). Shopko Hometown has (2) 10-year extension options with similar rent escalations. The lease runs through 5/31/2021.

Comparable — Retail - Misc. Freestanding Retail — No. 8

Property Name	Hobby Lobby
Address	3001 South First Street Willmar, MN 56201 United States
Government Tax Agency	Kandiyohi
Govt./Tax ID	95-085-0010

Site/Government Regulations

	Acres	Square feet
Land Area Net	4.610	200,812
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	L Shaped
Topography	Generally Level
Utilities	Public
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.27
Frontage Distance/Street	940 ft Service Drive
Zoning	GB, General Business
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	55,000 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	3.64/1,000 sf
Year Built	2017	Condition	New
Year Renovated	N/A	Exterior Finish	Tilt-up Concrete
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	55,000 sf
In Line Retail Occupancy	N/A	Lease Term	180 Mo(s).
Reimbursements	Absolute Net	Annual Base Rent	$7.05 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	01/2019	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 8

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Hobby Lobby	Retail	55,000	120	New	1/23/2017	$7.05	NNN	7% every 5 years.	N/A	N/A

Map & Comments

This comparable is a 55,000-square foot retail property (big box) located at 3001 South First Street in Willmar, Minnesota. The improvements were constructed in 2017 and are situated on a 4.61-acre site. The subject is presently occupied by Hobby Lobby. The initial lease term is 15 years and features four, 5-year renewal options. The lease rate is $7.05 PSF for years 1-5, $7.56 PSF for years 6-10 and $8.07 PSF for years 11-15. The lease is an absolute net lease with 13.5 years of remaining term.

SUBJECT RENTAL INFORMATION

RENT ROLL ANALYSIS

The subject's rent roll is illustrated as follows:

RENT ROLL ANALYSIS FOR HOBBY LOBBY CENTER

Suite No.	Tenant	Tenant Type	Lease Start	Lease Expiration	Term (Mos.)	Size (GLA) SF	% Total	Market Rent $/SF/Yr.	Market Rent $/Yr.	Market Expense Basis	Contract Rent $/SF/Yr.	Contract Rent $/Yr.
N/A	Hobby Lobby	Anchors	Aug-03	Aug-23	241	60,000	63.1%	$6.50	$390,000	Net	$6.25	$375,000
N/A	Kirkland's	Jr. Anchors	Jun-13	Dec-22	115	14,350	15.1%	$7.50	$107,625	Net	$8.53	$122,406
B-1	Dollar Tree	Jr. Anchors	Sep-05	Sep-20	180	16,175	17.0%	$7.50	$121,313	Net	$6.42	$103,844
Occupied Subtotals						90,525	95.3%	$6.84	$618,938		$6.64	$601,249
Suite No.	Tenant	Tenant Type	Lease Start	Lease Expiration	Term (Mos.)	Size (GLA) SF	% Total	Market Rent $/SF/Yr.	Market Rent $/Yr.	Market Expense Basis	Vacant at Market $/SF/Yr.	Vacant at Market $/Yr.
N/A	VACANT	Storage	---	---	---	4,500	4.7%	$3.50	$15,750	Net	---	$15,750
Vacant Subtotals						4,500	4.7%	$3.50	$15,750		---	$15,750
Property Totals - Contract						95,025	100.0%		---		$6.49	$616,999
Property Totals - Market R						95,025	100.0%	$6.68	$634,688		$6.68	
Potential Leasehold Value:			*Positive*				Difference:				-$0.19	($17,689)
Compiled by CBRE												

Hobby Lobby's lease is net but excludes roof, administrative and management fees. It includes two five-year renewal options at $6.50 and $7.00 per square foot. The lease also includes a provision for percentage rent, at 3.0%, with a natural breakpoint of $12,500,000 during the initial term. The breakpoint for the renewal options are $13M and $14M. Current sales for this tenant are reported around $9M.

The Kirkland lease is net and includes recovery of management and this amount is not to exceed 10% of all other CAM charges. It includes two five-year renewal options at $9.38 and $10.32 per square foot. There is no percentage rent clause.

The Dollar Tree lease is net and includes recovery of management equal to 5.0% of CAM. It includes one five-year renewal options at $6.92 per square foot. There is no percentage rent clause.

For the vacant space, which is essentially functionally obsolete in terms of retail, ownership reported being in discussions with a local lawnmowing repair business to take occupancy. This space is essentially 'dead space' in the back of the building. The quoted rate is roughly $2500/month. The business mostly desires the space due to the availably of outdoor storage/yard area.

MARKET RENT ESTIMATE

Base Rental Rate

The estimate of base rental rates is shown in the following chart.

BASE RENTAL RATES

Category ($/SF/Yr.)	Anchors	Jr. Anchors	Storage
Subject's Quoted Terms	$6.25	$7.41	$6.67
Weighted Average In-place Rent	$6.25	$7.41	$0.00
Rent Comparable Data	$5.50-$7.00	$5.60-$14-27	N/A
CBRE Estimate	**$6.50**	**$7.50**	**$3.50**

Compiled by CBRE

Based upon the subject's age and quality, it is reasonable to conclude at the bottom end of the ranges for the retail space. This is also impacted by its larger size in comparison to the market.

In terms of the storage space, no rent comparable data was uncovered and the subject's non-utilized space is unconventional so even more challenging to support. The owner is targeting a gross rate of $2500/month which roughly translates into $3.50 PSF on a net basis consisting the 4,500 SF and +/-$3.25 SF in recoverable expenses. We have modeled a rate near the owner's figure given the relative range in conventional retail rents.

Concessions

The estimate of concessions is shown in the following chart.

CONCESSIONS

Category	Anchors	Jr. Anchors	Storage
Subject's Quoted Terms	None	None	None
Rent Comparable Data	None	None	None
CBRE Estimate			
New Tenants	**0 Months**	**0 Months**	**0 Months**
Renewals	**0 Months**	**0 Months**	**0 Months**

Compiled by CBRE

Reimbursements

The estimate of reimbursements is shown in the following chart.

REIMBURSEMENTS

Category	Anchors	Jr. Anchors	Storage
Subject's Quoted Terms	Net	Net	Gross
Rent Comparable Data	Net	Net	N/A
CBRE Estimate	**Net**	**Net**	**Net**

Compiled by CBRE

Escalations

At the present time, annual escalations in the range of 0.0% to 5.0% are common in the local market. As such, we have concluded market rental escalations of 1.0% annually over the term of the lease.

Tenant Improvements

The estimate of tenant improvements is shown in the following chart.

TENANT IMPROVEMENTS

Category	Anchors	Jr. Anchors	Storage
Subject's Quoted Terms			
New Tenants	None	None	None
Renewals	None	None	None
Rent Comparable Data			
New Tenants	$0-$10	$0-$10	None
Renewals	$0-$5	$0-$5	None
CBRE Estimate			
New Tenants	**$5.00**	**$5.00**	**$0.00**
Renewals	**$0.00**	**$0.00**	**$0.00**

Compiled by CBRE

Lease Term

The estimate of lease terms is shown in the following chart.

LEASE TERM

Category	Anchors	Jr. Anchors	Storage
Subject's Quoted Terms	20 Years	9-15 YRS	N/A
Rent Comparable Data	5-15 YRS	5-15 YRS	MTM
CBRE Estimate	**10 Years**	**10 Years**	**1 Years**

Compiled by CBRE

MARKET RENT CONCLUSIONS

The following chart shows the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS

Category	Anchors	Jr. Anchors	Storage
Net Rentable Area (SF)	60,000	30,525	4,500
Percent of Total SF	63.1%	32.1%	4.7%
Market Rent ($/SF/Yr.)	$6.50	$7.50	$3.50
Weighted Average In-place Rent	$6.25	$7.41	$0.00
Concessions (New Tenants)	0 Months	0 Months	0 Months
Concessions (Renewals)	0 Months	0 Months	0 Months
Reimbursements	Net	Net	Net
Escalations	Yes	Yes	Yes
Tenant Improvements (New Tenants)	$5.00	$5.00	$0.00
Tenant Improvements (Renewals)	$0.00	$0.00	$0.00
Average Lease Term	10 Years	10 Years	1 Years
Leasing Commissions (New Tenants)	5.00%	5.00%	5.00%
Leasing Commissions (Renewals)	2.50%	2.50%	2.50%

Compiled by CBRE

POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon the actual income in-place. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data.

OPERATING HISTORY

No historical operating data was available for the subject.

VACANCY

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY

Year	Total	% PGI
Current	-----	5%
CBRE Estimate	**$0**	**5%**

Compiled by CBRE

CREDIT LOSS

The credit loss estimate is an allowance for nonpayment of rent or other income. The subject's credit loss has been factored into the overall vacancy conclusion.

PERCENTAGE RENT INCOME

According to the lease documents, some of the leases have a provision requiring percentage rent payments. That is, in addition to the base rental charges, the tenant is responsible for paying the landlord additional rent equal to a specified percentage of the tenant's gross sales made in, upon, or from the premises. Typically, percentage rent is paid only if the gross sales exceed a breakpoint factor, usually calculated based on the annual basic rental charge divided by the percentage rent amount. Percentage rent clauses are negotiable, however, and can vary significantly between tenants and shopping centers.

Percentage rents are not typically included in discounted flow analyses performed by investors in the current market when analyzing perspective centers for acquisition, unless substantial historical data supports otherwise. Therefore, for this assignment, we have not included any percentage rental income due to the uncertainty involved.

EXPENSE REIMBURSEMENTS

The subject's leases are based on a net structure whereby the tenant reimburses the owner for a pro rata share of various expenses. Those expenses considered to be eligible for reimbursement are as follows:

EXPENSES ELIGIBLE FOR REIMBURSEMENT
Real Estate Taxes
Property Insurance
Common Area Maintenance
Management Fee
Compiled by: CBRE

The subject's expense reimbursements are detailed as follows:

EXPENSE REIMBURSEMENTS		
Year	Total	$/SF
CBRE Estimate	**$271,207**	**$2.85**
Compiled by CBRE		

EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME		
Year	Total	% Change
CBRE Estimate	**$857,356**	**#DIV/0!**
Compiled by CBRE		

Our pro forma estimate based upon contract rents plus applicable expense recoveries, less a stabilized vacancy deduction.

OPERATING EXPENSE ANALYSIS

Expense Comparables

The following chart summarizes expenses obtained from recognized industry publications and/or comparable properties.

EXPENSE COMPARABLES

Comparable Number	1	2	3	IREM	Subject
Location	Fargo, ND	Fargo, ND	Big Lake, MN	Region 7,8 & 10	Fargo, ND
GLA (SF)	59,847	158,872	67,858	N/A	95,025
Expense Year	2017	2018 Budget	2017 Annualized	2018	Pro Forma
Revenues	$/SF	$/SF	$/SF	$/SF	$/SF
Effective Gross Income	$28.07	$15.53	$17.36	$14.72	$9.02
Expenses					
Real Estate Taxes	$2.63	$1.32	$2.80	$2.06	$1.21
Property Insurance	0.20	0.13	0.12	0.16	0.15
Common Area Maintenance	2.00	1.01	2.44	1.56	1.50
Management Fee [1]	1.12	0.65	0.66	0.60	0.27
Nonreimbursable Landlord Expense	0.75	-	0.89	0.05	0.10
Replacement Reserves	0.15	0.15	0.15	0.15	0.20
Operating Expenses	$6.85	$3.26	$7.06	$4.58 [2]	$3.43
Operating Expense Ratio	24.4%	21.0%	40.7%	31.1%	38.0%
[1] *(Mgmt. typically analyzed as a % of EGI)*	*4.0%*	*4.2%*	*3.8%*	*4.1%*	*3.0%*

[2] The median total differs from the sum of the individual amounts.

Compiled by CBRE

A discussion of each expense category is presented on the following pages.

Real Estate Taxes

The comparable data and projections for the subject are summarized as follows:

REAL ESTATE TAXES

Year	Total	$/SF
Expense Comparable 1	N/A	$2.63
Expense Comparable 2	N/A	$1.32
Expense Comparable 3	N/A	$2.80
IREM	N/A	$2.06
CBRE Estimate	**$114,812**	**$1.21**

Compiled by CBRE

Property Insurance

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The comparable data and projections for the subject are summarized as follows:

PROPERTY INSURANCE

Year	Total	$/SF
Expense Comparable 1	N/A	$0.20
Expense Comparable 2	N/A	$0.13
Expense Comparable 3	N/A	$0.12
IREM	N/A	$0.16
CBRE Estimate	**$14,254**	**$0.15**

Compiled by CBRE

The subject's pro forma estimate at the mid-point of the typical range. Our estimate is consistent with other properties operating in the area and therefore generally supported by the available data.

Common Area Maintenance

Common area maintenance expenses typically include utilities, parking lot sweeping and maintenance, and routine repairs and maintenance of the building and site improvements. The comparable data and projections for the subject are summarized as follows:

COMMON AREA MAINTENANCE		
Year	Total	$/SF
Expense Comparable 1	N/A	$2.00
Expense Comparable 2	N/A	$1.01
Expense Comparable 3	N/A	$2.44
IREM	N/A	$1.56
CBRE Estimate	**$142,538**	**$1.50**
Compiled by CBRE		

The subject's pro forma estimate at the mid-point of the typical range. Our estimate is consistent with other properties operating in the area and therefore generally supported by the available data.

Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). The comparable data and projections for the subject are summarized as follows:

MANAGEMENT FEE		
Year	Total	% EGI
CBRE Estimate	**$25,721**	**3.0%**
Compiled by CBRE		

Professional management fees in the local market range from 3.0% to 5.0%. Given the subject's size and tenancy/design, we believe an appropriate management expense for the subject would be towards the lower end of the range.

Nonreimbursable Landlord Expense

Landlord expenses that are not eligible for tenant reimbursement typically include landlord travel, marketing and administrative costs/bad debt. The comparable data and projections for the subject are summarized as follows:

NONREIMBURSABLE LANDLORD EXPENSE		
Year	Total	$/SF
Expense Comparable 1	N/A	$0.75
Expense Comparable 2	N/A	$0.00
Expense Comparable 3	N/A	$0.89
IREM	N/A	$0.05
CBRE Estimate	**$9,503**	**$0.10**
Compiled by CBRE		

The subject's pro forma estimate at the lower end of the typical range, with comparable one and three having atypically higher charges during their survey year. Our estimate is consistent with other properties operating in the area and therefore generally supported by the available data.

Reserves for Replacement

Reserves for replacement have been estimated based on market parameters. The comparable data and projections for the subject are summarized as follows:

REPLACEMENT RESERVES		
Year	Total	$/SF
Expense Comparable 1	N/A	$0.15
Expense Comparable 2	N/A	$0.15
Expense Comparable 3	N/A	$0.15
IREM	N/A	$0.15
CBRE Estimate	**$19,005**	**$0.20**
Compiled by CBRE		

OPERATING EXPENSE CONCLUSION

The comparable data and projections for the subject are summarized as follows:

OPERATING EXPENSES		
Year	Total	$/SF
Expense Comparable 1	N/A	$6.85
Expense Comparable 2	N/A	$3.26
Expense Comparable 3	N/A	$7.06
IREM	N/A	$4.58
CBRE Estimate	**$325,831**	**$3.43**
Compiled by CBRE		

The subject's pro forma estimate at the lower portion of the typical range given the subject's big-box design and considering two of the comparables include higher than average non-reimbursable landlord charges during the year surveyed.

NET OPERATING INCOME CONCLUSION

The comparable data and projections for the subject are summarized as follows:

NET OPERATING INCOME		
Year	Total	$/SF
CBRE Estimate	**$531,525**	**$5.59**
Compiled by CBRE		

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES

Sale	Sale Date	Sale Price $/SF	Occupancy	Buyer's Primary Analysis	OAR
1	Nov-18	$81.26	98%	Pro Forma (Stabilized)	10.63%
2	Jun-17	$197.75	94%	Pro Forma (Stabilized)	6.53%
3	Sep-18	$94.30	100%	Trailing Actuals	7.97%
6	Jun-18	$129.17	100%	Pro Forma (Stabilized)	7.95%
7	Feb-18	$94.12	100%	Pro Forma (Stabilized)	6.80%
Indicated OAR:			95%		**6.53%-10.63%**

Compiled by: CBRE

Sale One is the most recent data point but included a mix of office/retail product type. Given its location in Minot, an area more severely impacted by the downturn in energy prices, this sale carried more risk to the buyer. The remaining sales support a 6.5%-8.0% rate of return. With the subject's age, near-term lease expiration and tenancy, we've concluded at the top end of this range.

Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
CBRE Minneapolis (Neighborhood/Community)		
Class A	5.75% - 6.25%	6.00%
Class B	7.50% - 8.00%	7.75%
Class C	8.75% - 9.50%	9.13%
CBRE General Investment		
Class A	n/a - n/a	n/a
Class B	n/a - n/a	n/a
Class C	n/a - n/a	n/a
RealtyRates.com		
Retail	4.88% - 14.62%	10.01%
Anchored	4.88% - 13.20%	10.15%
Un-Anchored	5.69% - 14.62%	10.96%
Free Standing	5.29% - 13.91%	10.56%
Convenience/Gas	5.92% - 14.13%	8.65%
PwC Strip Shopping Center		
National Data	4.00% - 9.50%	6.27%
Indicated OAR:		**7.75%**
Compiled by: CBRE		

The subject is considered to be a Class B property. Because of the subject's age, near-term lease expiration and Fargo Market location (outside of survey data for Minnesota) an OAR near the upper end of the range indicated in the preceding table is considered appropriate.

Boulder Net Lease Report (Q4, 2018)

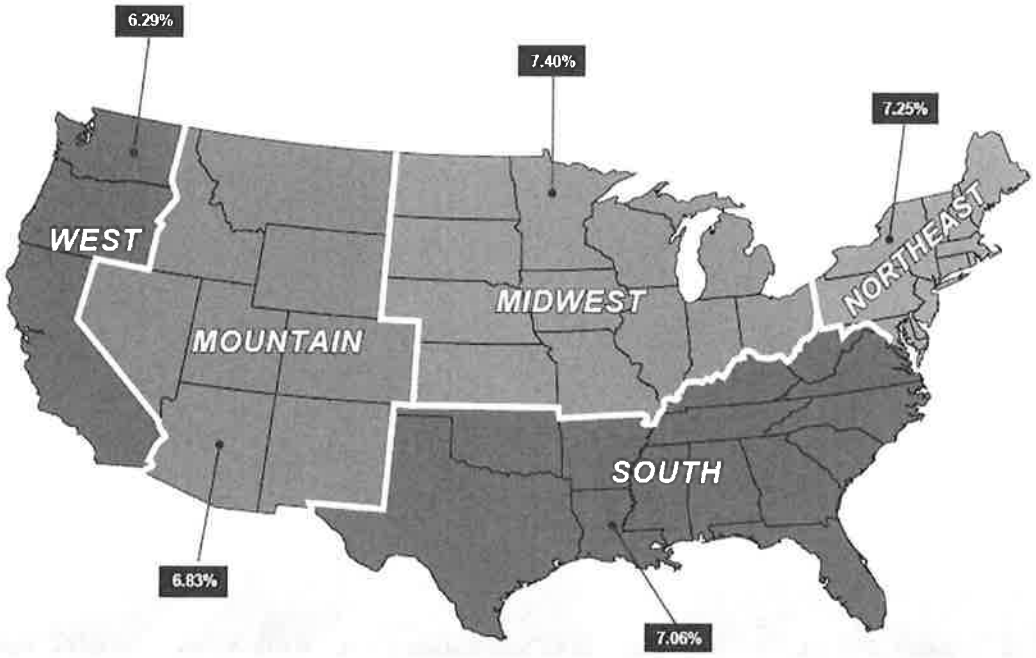
MEDIAN ASKING CAP RATES BY SQUARE FOOTAGE

Sector	SF Range	Cap Rate	Percentage of Market
Junior Big Box	20,000 - 40,000	7.02%	51%
Mid Box	40,000 - 80,000	7.15%	39%
Large Format	Over 80,000	6.70%	10%

MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Investment Grade	Non-Investment Grade
16-20 Years	5.50%	6.00%
11-15 Years	6.20%	7.00%
6-10 Years	6.65%	7.23%
5 Years & Under	7.05%	7.70%

BIG BOX MEDIAN ASKING CAP RATE BY REGION



SELECTED SINGLE TENANT BIG BOX CLOSED TRANSACTIONS

Sale Date	Tenant	City	State	Price	Price/SF	Cap Rate	Lease Term Remaining
Nov-18	Safeway	Olney	MD	$25,921,000	$434	5.78%	19
Oct-18	Mariano's	Crystal Lake	IL	$25,200,000	$337	5.88%	20
Nov-18	Stop & Shop	Mount Vernon	NY	$22,250,000	$276	6.98%	5
Jul-18	Art Van Furniture	Downers Grove	IL	$20,232,000	$165	7.25%	19
Aug-18	Kohl's	Centerville	UT	$17,700,000	$197	7.37%	11
Nov-18	Jewel Osco	Oak Lawn	IL	$16,000,000	$338	5.80%	19
Oct-18	Target	Skokie	IL	$13,850,000	$419	5.29%	14
Oct-18	Lowe's (GL)	Clovis	CA	$12,409,500	$76	5.56%	10
Aug-18	Best Buy	Woodland Park	NJ	$12,000,000	$267	8.69%	4
Oct-18	Floor & Décor	Oklahoma City	OK	$11,000,000	$146	7.37%	15
Nov-18	Albertsons	Arlington	TX	$10,358,110	$166	6.40%	12
Oct-18	24 Hour Fitness	Austin	TX	$9,857,142	$329	7.00%	9
Nov-18	Ashley Furniture	Green Bay	WI	$9,250,000	$184	6.88%	10
Nov-18	Academy Sports & Outdoors	Liberty	MO	$5,700,000	$91	8.55%	15
Oct-18	24 Hour Fitness	Taylorsville	UT	$5,300,000	$151	7.25%	16

Band of Investment

The band of the investment technique has been utilized as a crosscheck to the foregoing techniques. The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The analysis is shown in the following table.

BAND OF INVESTMENT					
Mortgage Interest Rate	5.00%				
Mortgage Term (Amortization Period)	20 Years				
Mortgage Ratio (Loan-to-Value)	75%				
Mortgage Constant (monthly payments)	0.07919				
Equity Dividend Rate (EDR)	8.00%				
Mortgage Requirement	75%	x	0.07919	=	0.05939
Equity Requirement	25%	x	0.08000	=	0.02000
	100%				0.07939
Indicated OAR:					**7.90%**
Compiled by: CBRE					

Debt Coverage Ratio

The debt coverage ratio (DCR) is the ratio of net operating income to annual debt service and measures the ability of a given property to meet its debt service out of net operating income. Utilizing data obtained from knowledgeable mortgage finance professionals, the subject's projected NOI can be tested for reasonableness against the market's typical loan parameters to determine whether or not the DCR is positive. This analysis is shown in the following table.

DEBT COVERAGE RATIO ANALYSIS	
Estimated As Is Value	$6,700,000
Mortgage Ratio (Loan-to-Value)	75%
Estimated Mortage Loan Amount	$5,025,000
Mortgage Interest Rate	5.00%
Mortgage Term (Amortization Period)	20 Years
Mortgage Constant (monthly payments)	0.07919
Annual Debt Service (monthly payments)	$397,953
Estimated NOI	$531,525
Estimated Debt Coverage Ratio (DCR)	1.34
Market Debt DCR	1.25
Positive DCR? (Y or N)	Yes
Compiled by: CBRE	

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	6.53%-10.63%
Published Surveys	7.75%
Boulder Net Lease Report (Q4, 2018)	5.5%-8.69%
Band of Investment	7.90%
CBRE Estimate	**8.00%**
Compiled by: CBRE	

In concluding an overall capitalization rate for the subject, primary reliance has been placed upon the comparable sales and band of investment technique.

Direct Capitalization Summary

A summary of the direct capitalization is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY

		$/SF/Yr	Total
Income			
Potential Rental Income		$6.49	$616,999
Vacancy	5.00%	(0.32)	(30,850)
Credit Loss	0.00%	0.00	-
Net Rental Income		$6.17	$586,149
Percentage Rent Income		0.00	-
Expense Reimbursements		2.85	271,207
Effective Gross Income		$9.02	$857,356
Expenses			
Real Estate Taxes		$1.21	$114,812
Property Insurance		0.15	14,254
Common Area Maintenance		1.50	142,538
Management Fee	3.00%	0.27	25,721
Nonreimbursable Landlord Expense		0.10	9,503
Replacement Reserves		0.20	19,005
Operating Expenses		**$3.43**	**$325,831**
Operating Expense Ratio			38.00%
Net Operating Income		**$5.59**	**$531,525**
OAR		÷	**8.00%**
Indicated Stabilized Value			**$6,644,067**
Rounded			**$6,600,000**
Deferred Maintenance			-
Lease-Up Discount			-
Indicated As Is Value			**$6,644,067**
Rounded			**$6,600,000**
Value Per SF			**$69.46**

Compiled by CBRE

Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
Sales Comparison Approach	$7,100,000
Income Capitalization Approach	$6,600,000
Reconciled Value	$6,700,000
Compiled by CBRE	

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication but has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it is an income producing property leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Leased Fee Interest	April 2, 2019	$6,700,000
Compiled by CBRE			

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:

   (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.

   (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.

   (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.

   (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.

   (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.

   (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.

   (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.

   (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.

   (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

   (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

(xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

IMPROVED SALE DATA SHEETS

Sale — Retail - Grocery Store/Super Market — No. 1

Property Name	Arrowhead Plaza
Address	1600 Second Avenue SW Minot, ND 58701 United States
Government Tax Agency	Ward
Govt./Tax ID	MI22.292.020.0021

Site/Government Regulations

	Acres	Square feet
Land Area Net	8.404	366,078
Land Area Gross	8.404	366,078
Excess Land Area	0.000	0

Site Development Status	Finished
Shape	Irregular
Topography	Generally Level
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.26
Frontage Distance/Street	625 ft 16th Street SW
Frontage Distance/Street	538 ft 2nd Avenue SW
Frontage Distance/Street	281 ft Central Avenue
Zoning	C-2, General Commercial District
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	81,594 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	5.01/1,000 sf
Year Built	1961	Condition	Good
Year Renovated	2011	Exterior Finish	N/A
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	Sackett Minot, LLC; Arrowhead Partners, LLC	Marketing Time	N/A
True Buyer	Leonard Linsker	Buyer Type	Private Investor
Recorded Seller	IRET Properties	Seller Type	REIT
True Seller	IRET	Primary Verification	Purchase Agreement, Selling Broker, OM
Interest Transferred	Leased Fee	Type	Sale
Current Use	Office/retail	Date	11/30/2018
Proposed Use	Office/retail	Sale Price	$6,622,500
Listing Broker	Duemelands	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$6,622,500
Doc #	Warranty Deed #3023980	Capital Adjustment	$7,550
		Adjusted Price	$6,630,050

Sale — Retail - Grocery Store/Super Market — No. 1

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
11/2018	Sale	Sackett Minot, LLC; Arrowhead Partners, LLC	IRET Properties	$6,622,500	$81.16

Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	6.11
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	35.03%
Net Initial Yield/Cap. Rate	10.63%	Adjusted Price / sf	$81.26
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	98%		

Financial

Revenue Type	Pro Forma Stabilized	Other See Comments
Period Ending	12/31/2019	12/31/2019
Source	Appraiser	Broker
Price	$6,630,050	$6,630,050
Potential Gross Income	$1,205,858	N/A
Economic Occupancy	90%	100%
Economic Loss	$120,586	N/A
Effective Gross Income	$1,085,272	$1,127,574
Expenses	$380,212	$329,986
Net Operating Income	$705,060	$797,588
NOI / sf	$8.64	$9.78
NOI / Unit	N/A	N/A
EGIM	6.11	5.88
OER	35.03%	29.27%
Net Initial Yield/Cap. Rate	10.63%	12.03%

Map & Comments

This comparable is an 81,594-square foot office/retail property located at 1600 Second Avenue SW in Minot, North Dakota. The improvements were constructed in 1961, substantially renovated in 2011 and are situated on an 8.40-acre site. The property is anchored by Marketplace Foods. As of the date of sale, the property was 98.3% occupied by a mix of office and retail tenants. The State of North Dakota leases several office suites in the property through different departments. The property sold in November of 2018 after a public listing, with a sales price of $6,622,500, plus $7,550 of PCA repairs, for an adjusted purchase price of $6,630,050 or $81.26 per square foot. Pro forma income subject to 10% vacancy and $.25 per square foot replacement reserves indicates a capitalization rate of 10.63%, while contract rents in place without reserves or vacancy indicate a capitalization rate of 12.03%.

Sale — Retail - Neighborhood/Community — No. 2

Property Name	Shoppes at Osgood
Address	4151, 4265, 4323, 4281, 4201, 4015, 4377 and 4355 45th Street South Fargo, ND 58104 United States
Government Tax Agency	Cass
Govt./Tax ID	01-8100-00010-000

Site/Government Regulations

	Acres	Square feet
Land Area Net	18.715	815,242
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	N/A
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.20
Frontage Distance/Street	N/A 45th Street S
Frontage Distance/Street	N/A 40th Avenue S
Zoning	LC - Limited Commercial District
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	158,872 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	0.00/1,000 sf
Year Built	2005	Condition	Good
Year Renovated	2017	Exterior Finish	Brick
Total Anchor Rentable Area	N/A	Number of Buildings	7
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	Shoppes at Osgood, LLP	Marketing Time	N/A
True Buyer	Kelly Zander	Buyer Type	Private Investor
Recorded Seller	Shoppes at Osgood, LLC	Seller Type	Private Investor
True Seller	Property Resource Group	Primary Verification	Purchase Agreement, Seller
Interest Transferred	Leased Fee	Type	Sale
Current Use	Grocery Anchored Strip Center	Date	6/1/2017
Proposed Use	N/A	Sale Price	$31,416,773
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$31,416,773
Doc #	WD# 1511561	Capital Adjustment	$0
		Adjusted Price	$31,416,773

Sale — Retail - Neighborhood/Community — No. 2

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
06/2017	Sale	Shoppes at Osgood, LLP	Shoppes at Osgood, LLC	$31,416,773	$197.75

Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	12.84
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	16.08%
Net Initial Yield/Cap. Rate	6.53%	Adjusted Price / sf	$197.75
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	94%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	Appraiser
Price	$31,416,773
Potential Gross Income	$2,575,114
Economic Occupancy	95%
Economic Loss	$128,756
Effective Gross Income	$2,446,358
Expenses	$393,414
Net Operating Income	$2,052,944
NOI / sf	$12.92
NOI / Suite	$66,224
EGIM	12.84
OER	16.08%
Net Initial Yield/Cap. Rate	6.53%

Map & Comments

This comparable property consists of a 2-story mixed-use, multi-tenant shopping center, that will contain 158,872 square feet of rentable area, upon completion of the proposed freestanding 3,000 square foot coffee shop building, situated on a 815,242 square foot site. The improvements were completed in 2005, 2006, 2008, 2009, 2013, 2016 and 2017 and are in good condition. The property is currently 93.92 percent occupied by 27 tenants at an average contract rent of $12.54 per square foot. At the southeast corner of the property is a Holiday gas station and car wash, which is under a ground lease through April 2021, with five 5-year renewal options. Paces Lodging Corporation (the current owner) occupies 24,009 square feet of office space; this space will be leased-back to the owner for three years upon the closing of the subject transaction. The Alerus Financial branch bank building is currently vacant; however, Alerus will pay rent through June 2026; they have expressed interest in subleasing the building. Notable tenants include Hornbacher's (grocery anchor), Dairy Queen, T-mobile, Snap Fitness, Jimmy Johns, and Paces Lodging Corporation. The subject's vacant space currently is asking $22.00 - $24.00 PSF, NNN. On June 1, 2017 the property sold for $31,416,773 or $197.75 as confirmed through the purchase agreement and seller representative. The property was not listed but does reflect a market rate sale price. Based upon actual income, a 5% vacancy, proforma expenses with a $0.15 PSF reserve, the overall capitalization rate equates to 6.53%.

Sale — Retail - Neighborhood/Community — No. 3

Property Name	Med Park Mall
Address	1375 & 1395 South Columbia Road Grand Forks, ND 58201 United States
Government Tax Agency	Grand Forks
Govt./Tax ID	44.1216.003.04

Site/Government Regulations

	Acres	Square feet
Land Area Net	4.624	201,399
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Generally Level
Utilities	All Available
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.29
Frontage Distance/Street	435 ft South Columbia Road
Frontage Distance/Street	550 ft 14th Avenue South
Zoning	PUD, Neighborhood Shopping Center
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	59,117 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	5.21/1,000 sf
Year Built	1989	Condition	Average
Year Renovated	1991	Exterior Finish	Masonry
Total Anchor Rentable Area	37,849 sf	Number of Buildings	2
Total In Line Rentable Area	21,328 sf		
Anchor	Scheels Sporting Goo		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	Edgewood Properties, LLP	Marketing Time	1 Month(s)
True Buyer	Edgewood Reit	Buyer Type	Private Investor
Recorded Seller	SGO MN MED PARK, LLC	Seller Type	Private Investor
True Seller	Oaktree Capital, Strategic Realty Trust and Glenborough	Primary Verification	Broker, Owner, Purchase Agreement
Interest Transferred	Leased Fee	Type	Sale
Current Use	N/A	Date	9/10/2018
Proposed Use	N/A	Sale Price	$5,575,000
Listing Broker	Jill Duemeland, April Eide	Financing	Market Rate Financing
Selling Broker	Marcus & Millichap	Cash Equivalent	$5,575,000
Doc #	N/A	Capital Adjustment	$0
		Adjusted Price	$5,575,000

Sale — Retail - Neighborhood/Community — No. 3

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
09/2018	Sale	Edgewood Properties, LLP	SGO MN MED PARK, LLC	$5,575,000	$94.30

Units of Comparison

Static Analysis Method	Trailing Actuals	Eff Gross Inc Mult (EGIM)	8.73
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	30.43%
Net Initial Yield/Cap. Rate	7.97%	Adjusted Price / sf	$94.30
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	100%		

Financial

Revenue Type	Trailing Actuals
Period Ending	N/A
Source	Broker
Price	$5,575,000
Potential Gross Income	$507,640
Economic Occupancy	95%
Economic Loss	$25,382
Effective Gross Income	$638,876
Expenses	$194,419
Net Operating Income	$444,457
NOI / sf	$7.52
NOI / Suite	$34,189
EGIM	8.73
OER	30.43%
Net Initial Yield/Cap. Rate	7.97%

Map & Comments

This comparable is a 59,177-square foot retail property (neighborhood/community center) located at 1375 & 1395 South Columbia Road in Grand Forks, North Dakota. The improvements were constructed in 1989 and 1991, renovated in 1999 and are situated on a 4.62-acre site. The subject is comprised of two, single-story brick buildings. The larger building shares a common wall with the grocery store to the north (local brand), but the grocery store is not considered part of the subject. The subject is currently 100% occupied and in average condition.

The property is anchored by Altru Health, who recently moved into a 37,849 SF suite located in the larger eastern building. The space is occupied under a 10-year initial lease term. The remaining suite are occupied by a mix of national and local tenants ranging in size from 1,200 – 3,216 SF. The property sold on September 10, 2018. The sale price was $5,575,000 or $94.30 PSF. The property was listed by Marcus and Millichap as well as Jill Duemeland for approximately 30 days. Based upon in-place income with a 5% vacancy deduction and $0.20 PSF reserve, the capitalization rate is 7.97%.

Sale — Retail - Big Box/Hypermarket — No. 4

Property Name	Hobby Lobby
Address	1901 22nd Avenue SW Minot, ND 58701 United States
Government Tax Agency	Ward
Govt./Tax ID	N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	4.943	215,317
Land Area Gross	4.943	215,317
Excess Land Area	N/A	N/A

Site Development Status	Platted
Shape	Irregular
Topography	Generally Level
Utilities	All
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.26
Frontage Distance/Street	N/A 22nd Avenue SW
Zoning	C2, General Commercial District
General Plan	Retail

Improvements

Gross Leasable Area (GLA)	56,124 sf	Floor Count	1
Status	N/A	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	5.54/1,000 sf
Year Built	1990	Condition	Average
Year Renovated	N/A	Exterior Finish	Concrete Block
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	Hobby Lobby		

Sale Summary

Recorded Buyer	Realty Income Properties 15, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	REIT
Recorded Seller	WBB, LLC	Seller Type	N/A
True Seller	Thomas W. Boyd	Primary Verification	Warranty Deed; Public Records
Interest Transferred	Leased Fee	Type	Sale
Current Use	Hobby Lobby	Date	9/15/2016
Proposed Use	Hobby Lobby	Sale Price	$3,842,500
Listing Broker	N/A	Financing	N/A
Selling Broker	N/A	Cash Equivalent	$3,842,500
Doc #	WD #: 3001259	Capital Adjustment	$0
		Adjusted Price	$3,842,500

Sale — Retail - Big Box/Hypermarket — No. 4

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
09/2016	Sale	Realty Income Properties 15, LLC	WBB, LLC	$3,842,500	$68.46

Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	$68.46
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	100%		

Financial

No information recorded

Map & Comments

This comparable represents the sale of a 56,124-square-foot, big box, Hobby Lobby store, located within Minot, North Dakota. The building is physically attached to a Kohl's, which neighbors to the north. Other adjacent land uses include, Panera Bread (outparcel), LongHorn Steakhouse (outparcel), Country Inn & Suites, Starbucks, and local single-tenant retail operations. This retail node is located to the west of 16th Street SW's full interchange with U.S. Highways 2/52. On the east side of 16th Street SW is the Dakota Square Mall.

Limited data was available regarding this sale; however, a document search indicates that Hobby Lobby renewed their lease for another ten years in August of 2016. The building subsequently sold in September of 2016.

Average building condition is assumed.

Sale — Retail - Un-Anchored Retail Strip — No. 5

Property Name	Multi-tenant Retail Center
Address	2500 S Columbia Rd Grand Forks, ND 58201 United States
Government Tax Agency	Grand Forks
Govt./Tax ID	44-1318-00001-000

Site/Government Regulations

	Acres	Square feet
Land Area Net	6.009	261,767
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	N/A
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.25
Frontage Distance/Street	257 ft S. Columbia Road
Frontage Distance/Street	501 ft 24th Avenue S.
Zoning	PUD, B-3
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	58,633 sf	Floor Count	1
Status	Ongoing Renovation	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	5.92/1,000 sf
Year Built	1979	Condition	Good
Year Renovated	2017	Exterior Finish	Brick
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	GF Retail Properties, LLC	Marketing Time	N/A
True Buyer	ROERS	Buyer Type	Developer
Recorded Seller	Fowler 318, LLC	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Purchase Agreement, Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Retail	Date	7/1/2017
Proposed Use	Retail Center	Sale Price	$2,916,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$2,916,000
Doc #	203588	Capital Adjustment	$0
		Adjusted Price	$2,916,000

Sale — Retail - Un-Anchored Retail Strip — No. 5

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
07/2017	Sale	GF Retail Properties, LLC	Fowler 318, LLC	$2,916,000	$49.73

Units of Comparison

Static Analysis Method	Vacant at Market	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	$49.73
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments

This comparable is a 58,633-square foot net leasable retail property (neighborhood/community center) located at 2500 S. Columbia Road in Grand Forks, North Dakota. The improvements were constructed in 1979, will be renovated in 2017 and are situated on a 6.01-acre site. The site is currently vacant and was previously occupied by two tenants. The site improvements feature brick exterior and the site contains 347 surface parking stalls.The improvements are in shell condition. The comparable sold in July of 2017 for $2,916,000 or $49.73 PSF of GLA. The buyer is a related entity of Roers Development and will renovate the site prior to new occupancy.

The proeprty will be occupied by Ross Dress for Less, Harbor Freight Tools and PetSmart. The current owner plans to renovate the vacant site for occupancy by three national tenants, Ross Dress for Less, Harbor Freight Tools, and PetSmart, with the sale contingent on the signing of all of these leases. Renovations to the improvements will include a new roof, storefront upgrades, three new docks, new parking lot, and overall façade update. The total cost of the proposed upgrades is estimated at $5,075,282. Completion of construction and tenant occupancy date is estimated as February 1, 2017.

Sale — Retail - Department Store — No. 6

Property Name	Shopko - Sioux Falls
Address	1601 West 41st Street Sioux Falls, SD 57105 United States
Government Tax Agency	Minnehaha
Govt./Tax ID	56179

Site/Government Regulations

	Acres	Square feet
Land Area Net	8.400	365,904
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.25
Frontage Distance/Street	295 ft West 41st Street
Frontage Distance/Street	295 ft South West Street
Zoning	N/A
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	90,585 sf	Floor Count	1
Status	Existing	Parking Type	Open Asphalt
Occupancy Type	Single Tenant	Parking Ratio	0.00/1,000 sf
Year Built	1987	Condition	Average
Year Renovated	1999	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	Retail on 41st LLC	Marketing Time	4 Month(s)
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Shopko Spe Real Estate, LLC	Seller Type	N/A
True Seller	Spirit Realty Capital	Primary Verification	Broker
Interest Transferred	Leased Fee	Type	Sale
Current Use	N/A	Date	6/6/2018
Proposed Use	N/A	Sale Price	$11,701,199
Listing Broker	Jimmy Goodman	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$11,701,199
Doc #	Not Reported	Capital Adjustment	$0
		Adjusted Price	$11,701,199

Sale — Retail - Department Store — No. 6

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
06/2018	Sale	Retail on 41st LLC	Shopko Spe Real Estate, LLC	$11,701,199	$129.17

Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	7.95%	Adjusted Price / sf	$129.17
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	100%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	Broker
Price	$11,701,199
Potential Gross Income	N/A
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	$930,245
NOI / sf	$10.27
NOI / Unit	N/A
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	7.95%

Map & Comments

This 90,585 square foot department store building located at 1601 West 41st Street, Sioux Falls, SD, was constructed in 1987 and was renovated in 1999, was situated on a 8.40-acre site. There are a number of big box retailers that surround the subject which includes Target, Costco, Menards, Best Buy and Office Depot. This sold as a single-tenant investment with 17 years remaining on the lease which expires December 31, 2035. The triple net lease has annual escalations and two 10-year options. The reported net operating income of $930,245 yielded a capitalization rate of 7.95%.

Sale — Retail - Big Box/Hypermarket — No. 7

Property Name	Hobby Lobby
Address	2921 9th Avenue SE Watertown, SD 57201 United States
Government Tax Agency	Codington
Govt./Tax ID	20324

Site/Government Regulations

	Acres	Square feet
Land Area Net	4.516	196,729
Land Area Gross	4.516	196,729
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	Public
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.28
Frontage Distance/Street	345 ft US Hwy 212
Frontage Distance/Street	590 ft Willow Creek Drive
Zoning	C-3 Highway Commercial District
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	55,000 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	3.58/1,000 sf
Year Built	2016	Condition	Excellent
Year Renovated	N/A	Exterior Finish	Tilt-up Concrete
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	Cole HL Watertown SD, LLC	Marketing Time	4 Month(s)
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	MIA II, LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Buyer, Broker
Interest Transferred	Leased Fee	Type	Sale
Current Use	Big Box	Date	2/22/2018
Proposed Use	N/A	Sale Price	$5,176,470
Listing Broker	Marcus & Millichap	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$5,176,470
Doc #	425-2492	Capital Adjustment	$0
		Adjusted Price	$5,176,470

Sale — Retail - Big Box/Hypermarket — No. 7

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
02/2018	Sale	Cole HL Watertown SD, LLC	MIA II, LLC	$5,176,470	$94.12

Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	6.80%	Adjusted Price / sf	$94.12
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	100%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	Buyer
Price	$5,176,470
Potential Gross Income	N/A
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	$352,000
NOI / sf	$6.40
NOI / Unit	N/A
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	6.80%

Map & Comments

This comparable is a 55,000-square foot retail property (big box) located at 2921 9th Avenue SE in Watertown, South Dakota. The improvements were constructed in 2016 and are situated on a 4.52-acre site. The comparable is presently 100% leased to Hobby Lobby for a base term of 15 years with four 5-year options. The lease escalates approximately $0.50 per square foot every 5 years including options. Rent commenced in January 2017 at $6.40 per square foot on a triple-net basis. Landlord is responsible for roof and structure. In addition, landlord is responsible for HVAC replacement during last 3 years of the lease, as well as guttering, downspouts & exterior paint. The indicated OAR of 6.8% is based on in-place income at the time of sale with no deductions. The property was openly marketed for approximately 4 months with an asking price of $5,542,520 and there were multiple offers. There was approximately 14 years remaining on the lease at the time of sale.

Addendum B

RENT COMPARABLE DATA SHEETS

Comparable — Retail - Misc. Freestanding Retail — No. 1

Property Name	Hobby Lobby
Address	1901 South 22nd Avenue Minot, ND 58701 United States
Government Tax Agency	Ward
Govt./Tax ID	N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	14.650	638,154
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	N/A
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.18
Zoning	N/A
General Plan	N/A

Improvements

Net Rentable Area (NRA)	114,513 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	N/A
Year Built	1991	Condition	Average
Year Renovated	N/A	Exterior Finish	EIFS
Total Anchor Rentable Area	114,513 sf	Number of Buildings	N/A
Total In Line Rentable Area	0 sf		
Anchor	Former Wal-Mart		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	USPG
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	57,907 - 57,907 sf
In Line Retail Occupancy	100%	Lease Term	120 - 120 Mo(s).
Reimbursements	NNN	Annual Base Rent	$5.50 per sf
Rent Changes/Steps	$.50 in year 6	Free Rent	N/A
Survey Date	04/2019	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 1

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Hobby Lobby	Retail	57,907	120	Renewal	7/1/2006	$5.50	NNN	$0.50/5yrs	N/A	$0.00

Map & Comments

This property was a Wal Mart store. Wal Mart relocated to a new super store in June 2006. Hobby Lobby occupies 57,907 square feet with an initial base rent of $4.50 per square foot. A $.50 increase occurred in year 6 and at each of the 2 options (the rent depicted is for 2019). The property is located just south of Highway 2 and just west of Dakota Square Mall.

Comparable — Retail - Big Box/Hypermarket — No. 2

Property Name	Barnes & Noble
Address	1201 42nd St S Fargo, ND 55102 United States
Government Tax Agency	Cass
Govt./Tax ID	N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.486	108,304
Land Area Gross	2.486	108,304
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.28
Frontage Distance/Street	378 ft 42nd Street South
Zoning	GC-General Commercial
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	30,000 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	5.27/1,000 sf
Year Built	1994	Condition	Good
Year Renovated	N/A	Exterior Finish	Concrete Block
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	30,000 sf
In Line Retail Occupancy	100%	Lease Term	90 Mo(s).
Reimbursements	NNN	Annual Base Rent	$12.75 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	02/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Big Box/Hypermarket — No. 2

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Barnes & Noble	Retail	30,000	90	Renegotiate	7/10/2017	$12.75	NNN	$0.50 PSF/YR	N/A	$3.33

Map & Comments

This is a 30,000 -square foot Barnes & Noble located at 1201 42nd St S in Fargo, North Dakota. The improvements were constructed in 1994 and are situated on a 2.486-acre site. Barnes & Noble has a remaining lease term of approximately 8 years (January 31, 2025 lease expiration plus two 5YR renewal options). This lease was recently amended in July of 2017 to extend the tenancy and also provide up to $100,000/$3 PSF in tenant improvement costs for building modernizations. The rent escalates annually by $0.50 PSF.

Comparable — Retail - Misc. Freestanding Retail — No. 3

Property Name	Pier One
Address	4330 13th Avenue Fargo, ND 58103 United States
Government Tax Agency	Cass
Govt./Tax ID	01-2332-00265-000

Site/Government Regulations

	Acres	Square feet
Land Area Net	1.108	48,282
Land Area Gross	1.108	48,282
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.21
Frontage Distance/Street	150 ft 13th Avenue South
Frontage Distance/Street	300 ft 43rd 1/2 Street South
Zoning	GC-General Commercial
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	9,632 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	0.00/1,000 sf
Year Built	1991	Condition	Average
Year Renovated	N/A	Exterior Finish	Wood
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	9,632 sf
In Line Retail Occupancy	100%	Lease Term	60 - 180 Mo(s).
Reimbursements	NNN	Annual Base Rent	$14.27 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	08/2017	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 3

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Pier One Imports	Retail	9,632	60	Renewal	1/1/2013	$14.27	NNN	N/A	N/A	N/A

Map & Comments

This is a 9,632-square foot retail property located at 4330 13th Avenue in Fargo, North Dakota. The improvements were constructed in 1991 and are situated on a 1.11-acre site. The building is presently occupied by Pier One Imports. As of the date of survey, Pier One Imports had executed their first of three five year renewal options (2013-2018). Ongoing discussions were occurring between the landlord and tenant for renewal of the second five year renewal, but no terms were executed. The second option rate is $15.62 PSF and third is $17.10 PSF. Given store/market performance, some negotiation on future rates is expected, however. Pier One's lease is therefore set to expire by January of 2018.

Comparable — Retail - Misc. Freestanding Retail — No. 4

Property Name	Tractor Supply
Address	101 12th Avenue Northwest Hazen, ND 58545 United States
Government Tax Agency	Mercer
Govt./Tax ID	N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.700	117,612
Land Area Gross	2.700	117,612
Excess Land Area	0.000	0

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	All Available
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.22
Zoning	Commercial
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	25,612 sf	Floor Count	1
Status	Existing	Parking Type	Open Asphalt
Occupancy Type	Single Tenant	Parking Ratio	0.00/1,000 sf
Year Built	2016	Condition	Good
Year Renovated	N/A	Exterior Finish	Concrete Block
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	25,612 sf
In Line Retail Occupancy	100%	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	$5.60 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	01/2017	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 4

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Tractor Supply	Retail	25,612	120	New	1/1/2017	$5.60	NNN	12% increases every five	N/A	N/A

Map & Comments

This comparable represents a 25,612 square foot Tractor Supply located at 101 12th Avenue Northwest, off of Highway 200, the main thoroughfare of the area in Hazen, North Dakota. The improvements were constructed in 2008 as an original build-to-suit Alco retail store and are situated on a 2.7 acre site. After Alco filed for bankruptcy and vacated, Tractor Supply signed a 10 year lease than included four five-year option periods and 12.0% rent increases every five years. Currently, Tractor Supply is paying $5.60 per square foot, or $143,438 per year.

Comparable — Retail - Misc. Freestanding Retail — No. 5

Property Name	Office Max
Address	3225 30th Avenue South Grand Forks, ND 58201 United States
Government Tax Agency	N/A
Govt./Tax ID	44-1349-00002-000

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.530	110,207
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Generally Level
Utilities	All Available
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.21
Frontage Distance/Street	430 ft 30th Avenue S
Frontage Distance/Street	170 ft 31st Street S
Zoning	PUD-B3, PUD (Commercial Uses)
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	23,500 sf		
Status	Existing	Floor Count	1
Occupancy Type	Single Tenant	Parking Type	Surface
Year Built	1998	Parking Ratio	5.02/1,000 sf
Year Renovated	N/A	Condition	Average
Total Anchor Rentable Area	N/A	Exterior Finish	Masonry
Total In Line Rentable Area	N/A	Number of Buildings	1
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	23,500 sf
In Line Retail Occupancy	N/A	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	$9.50 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	10/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 5

Actual Leases

Tenant Name	Tenancy Use Type	Size	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance

No actual leases available for this property.

Map & Comments

This comparable is a 23,500-square foot OfficeMax retail property located at 3225 30th Avenue South in Grand Forks, North Dakota. The improvements were constructed in 1998 and are situated on a 2.53-acre site. The subject is presently occupied by Office Max under a 10-year lease term with approximately 6.7 years of remaining term. The lease rate is $9.50 PSF, NNN with 3, 5-year renewal options. The lease is flat over the 10 year term with escalations at renewal.

Comparable — Retail - Grocery Store/Super Market — No. 6

Property Name	Arrowhead Plaza
Address	1600 Second Avenue SW Minot, ND 58701 United States
Government Tax Agency	Ward
Govt./Tax ID	MI22.292.020.0021

Site/Government Regulations

	Acres	Square feet
Land Area Net	8.404	366,078
Land Area Gross	8.404	366,078
Excess Land Area	0.000	0

Site Development Status	Finished
Shape	Irregular
Topography	Generally Level
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.26
Frontage Distance/Street	625 ft 16th Street SW
Frontage Distance/Street	538 ft 2nd Avenue SW
Frontage Distance/Street	281 ft Central Avenue
Zoning	C-2, General Commercial District
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	81,594 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	5.01/1,000 sf
Year Built	1961	Condition	Good
Year Renovated	2011	Exterior Finish	N/A
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	98%	Tenant Size	N/A
In Line Retail Occupancy	98%	Lease Term	N/A
Reimbursements	Other (See Comments)	Annual Base Rent	per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	10/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Grocery Store/Super Market — No. 6

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Arrowhead Barber	Retail	635	60	N/A	10/1/2018	$6.25	NNN	+$.25 PSF in Year 3	N/A	N/A
Arrowhead Ace Hardware	Retail	7,240	120	N/A	9/1/2018	$6.46	NNN	2% Annually	N/A	N/A
ND Department of Transportation	Office	1,416	24	N/A	7/1/2017	$18.43	Gross	Flat	N/A	N/A
MarketPlace Foods	Retail	33,529	117	N/A	4/1/2017	$6.60	NNN	1.8% Annually	N/A	N/A

Map & Comments

Map data ©2019 Google

This comparable is an 81,594-square foot office/retail property located at 1600 Second Avenue SW in Minot, North Dakota. The improvements were constructed in 1961, substantially renovated in 2011 and are situated on an 8.40-acre site. The property is grocery-anchored by Marketplace Foods. Currently, the property is 98.3% occupied by a mix of office and retail tenants. The State of North Dakota also leases several office suites in the property through different departments. Leases vary between gross and net terms.

Comparable — Retail - Big Box/Hypermarket — No. 7

Property Name	Shopko Hometown
Address	226 E. Lincoln Avenue Fergus Falls, MN 56537 United States
Government Tax Agency	Otter Tail
Govt./Tax ID	71002990210900, 71002990225000, 71002990225001

Site/Government Regulations

	Acres	Square feet
Land Area Net	2.016	87,823
Land Area Gross	2.016	87,823
Excess Land Area	N/A	N/A

Site Development Status	N/A
Shape	Rectangular
Topography	Generally Level
Utilities	Municipal
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.37
Frontage Distance/Street	N/A E Lincoln Ave.
Frontage Distance/Street	N/A S Cascade St.
Zoning	B3; General Business District
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	32,500 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	2.31/1,000 sf
Year Built	1986	Condition	Average
Year Renovated	N/A	Exterior Finish	Concrete Block
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	32,500 sf
In Line Retail Occupancy	N/A	Lease Term	N/A
Reimbursements	Absolute Net	Annual Base Rent	$5.37 per sf
Rent Changes/Steps	6% per 3 Yrs.	Free Rent	N/A
Survey Date	10/2018	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Big Box/Hypermarket — No. 7

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Shopko Hometown	Retail	32,500	180	Renewal	6/1/2006	$5.37	Absolute Net	6% per 3 Yrs.	0	$0.00

Map & Comments

The comparable is a 32,500-square foot retail property (big box) located at 226 E. Lincoln Avenue in Fergus Falls, Minnesota. The improvements were constructed in 1986 and are situated on a 2.02-acre site. The property is currently under lease to Shopko Hometown. The property is located on the east side of downtown Fergus Falls and has average to good visibility along the south side of East Lincoln Avenue (total traffic counts at the intersection of 15,100 ADT). The property is part of a master lease with several other Shopko Hometown formats owned by Spirit Realty Capital across the region. The master lease was "restated in 2016," and the current lease rate is $5.37/SF (last escalated on 06/01/2018). Shopko Hometown has (2) 10-year extension options with similar rent escalations. The lease runs through 5/31/2021.

Comparable — Retail - Misc. Freestanding Retail — No. 8

Property Name	Hobby Lobby
Address	3001 South First Street Willmar, MN 56201 United States
Government Tax Agency	Kandiyohi
Govt./Tax ID	95-085-0010

Site/Government Regulations

	Acres	Square feet
Land Area Net	4.610	200,812
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	L Shaped
Topography	Generally Level
Utilities	Public
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.27
Frontage Distance/Street	940 ft Service Drive
Zoning	GB, General Business
General Plan	N/A

Improvements

Gross Leasable Area (GLA)	55,000 sf		
Status	Existing	Floor Count	1
Occupancy Type	Single Tenant	Parking Type	Surface
Year Built	2017	Parking Ratio	3.64/1,000 sf
Year Renovated	N/A	Condition	New
Total Anchor Rentable Area	N/A	Exterior Finish	Tilt-up Concrete
Total In Line Rentable Area	N/A	Number of Buildings	1
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	55,000 sf
In Line Retail Occupancy	N/A	Lease Term	180 Mo(s).
Reimbursements	Absolute Net	Annual Base Rent	$7.05 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	01/2019	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Retail - Misc. Freestanding Retail — No. 8

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Hobby Lobby	Retail	55,000	120	New	1/23/2017	$7.05	NNN	7% every 5 years.	N/A	N/A

Map & Comments

This comparable is a 55,000-square foot retail property (big box) located at 3001 South First Street in Willmar, Minnesota. The improvements were constructed in 2017 and are situated on a 4.61-acre site. The subject is presently occupied by Hobby Lobby. The initial lease term is 15 years and features four, 5-year renewal options. The lease rate is $7.05 PSF for years 1-5, $7.56 PSF for years 6-10 and $8.07 PSF for years 11-15. The lease is an absolute net lease with 13.5 years of remaining term.

Addendum C

ASSESSOR INFORMATION

Assessment Information

Property Information

For additional information, visit the Assessor's Office website (https://fargond.gov/city-government/departments/assessors).

Parcel No
01-0277-00010-000

Segment Number
1

Address
4427 13 AVE S

Ownership Information
[redacted]

School District
6 - West Fargo

Land Use
Commercial

Property Type
Retail

Year Built
1991

Story height is only available for residential properties. *(select for more details)*

Story Height (residential only) ▼
N/A

Main Floor Sq. Ft. (residential only)

Total Building Sq. Ft.
95,096

Number of Apartment Units
0

Lot Width (Front)
141.28

Lot Width (Back)
533.66

Lot Depth (Side 1)
821.17

Lot Depth (Side 2)
821.17

Lot Area
365,989 sq. ft. (8.402 acres)

Special Assessment Front Footage
1,420.99

Special Assessment Square Footage
365,755

Valuations

2018 Appraised Value (Current Certified)

	Land	Improvements	Total
Full Appraised Value	$3,294,000	$4,840,000	$8,134,000
Net Taxable Appraised Value	$3,294,000	$4,840,000	$8,134,000

Assessment (Local, State, Exempt)
Local

2019 Proposed Appraised Value (subject to change)

	Land	Improvements	Total
Full Appraised Value	$3,294,000	$4,840,000	$8,134,000
Net Taxable Appraised Value	$3,294,000	$4,840,000	$8,134,000

Assessment (Local, State, Exempt)
Local

Special Assessment Information

For additional information or to contact the Special Assessments Office visit the Payment Methods webpage (https://fargond.gov/city-government/departments/engineering/special-assessments/payment methods).

NOTE: Special assessment information pertains to the entire parcel, not individual segments.

Current Projects

Project Number	Current Annual Installment	Un-Certified Balance Remaining (principal only)	Deferred Balance
469300	$903.43	$5,492.13	
510300	$1,841.99	$13,851.00	
536400	$3,949.12	$31,849.36	
564000	$907.54	$10,155.62	
572900	$311.56	$3,689.68	
572902	$284.50	$3,521.11	
UR 14 1	$9.67	$131.53	
PR 14 0	$170.86	$2,523.31	
Totals:	$8,378.67	$71,213.74	

Work Complete / Work in Progress

Project Number	Work Complete (pending approval)	Work in Progress (estimate only)	Deferred Balance
NR-17-A		$400.03	
Totals:		$400.03	

Principal & Interest Breakdown

Year	Principal Amount	Interest Amount	Total Payment
2018	$4,589.62	$4,143.83	$8,733.45
2017	$4,476.58	$4,579.48	$9,056.06
2016	$4,446.59	$4,535.52	$8,982.11

Contact Information

Please contact the following departments if you have any questions or wish to request more information:

- **Assessor's Office:** For parcel number, lot dimensions, property value, ownership, legal description information or feedback
  - Use our Contact Form (https://fargond.gov/city-government/departments/assessors/contact-us)or call 701.241.1340 (tel:701.241.1340)
- **Special Assessments:** For questions or feedback pertaining to special assessments
  - Use our Contact Form (https://fargond.gov/city-government/departments/assessors/contact-us)or call 701.241.1326 (tel:701.241.1326)
  - Complete the online Special Assessment Form (https://lf.cityoffargo.com/Forms/SpecialAssessmentRequest)for payoff amount.

Disclaimer

The City of Fargo provides property information to the public "as is" without warranty of any kind, expressed or implied. Assessed values are subject to change by the City of Fargo. In no event will the City of Fargo be liable to anyone for damages arising from the use of the property data. You assume responsibility for the selection of data to achieve your intended results and for the installation and use of the results obtained from the property data.

Assessment records are for the sole purpose of identifying the land being taxed. In some cases to attain efficiency, Assessor's Office legal descriptions may be shortened yet will retain sufficient information to identify the land. Since tax statements and records are not deeds and may contain abbreviated descriptions, they should not be used as a basis for a survey or a legal document and should not be used by surveyors or others as the primary source of a property description.

Addendum D

OPERATING DATA

Addendum E

SUBJECT INFORMATION

THE CITY OF Fargo FAR MORE

ASSESSOR'S OFFICE
Fargo City Hall
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1340 | Fax: 701.241.1339
www.FargoND.gov

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February 1, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Attached is the Application for Abatement or Refund of Taxes #4539 and #4540, prepared by Michael Block of Ryan, Inc. The application is for the Hobby Lobby retail building located at 4427 13 Ave S. Supporting information submitted by the applicant has been included. The applications request the following:

#4539 – for 2021, a reduction from $7,272,000 to $7,210,000
#4540 – for 2022, a reduction from $7,272,000 to $7,210,000

We have provided information regarding the valuation of these properties and a comparison to similar properties for equity purposes and against the market. With the market information that was available, we were unable to support the values as certified. We created new approaches to value and we feel a reduction in value is warranted.

SUGGESTED MOTION:

Approve a reduction of the property value at 4427 13 Ave S in the following manner:
#4539 – reduce the 2021 certified value to $7,210,000
#4540 – reduce the 2022 certified value to $7,210,000

Sincerely,

Michael Splonskowski
Fargo City Assessor

CITY OF
Fargo Fire Department

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MEMORANDUM

TO: **BOARD OF CITY COMMISSIONERS**

FROM: **FIRE CHIEF STEVE DIRKSEN**

DATE: **FEBRUARY 2, 2023**

SUBJECT: **FIRE STATION 8 UPDATE**

Chief Dirksen will provide a project development update to include timeline, cost, and conceptual design of Fire Station 8 to be constructed at 6617 33rd St S.

637 NP AVENUE • FARGO, NORTH DAKOTA • 58102
PHONE: 701-241-1540 • FAX: 701-241-8125
Website http://ci.fargo.nd.us/fire

THE CITY OF Fargo
FAR MORE

Engineering Department
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1545 | Fax: 701.241.8101
Email feng@FargoND.gov
www.FargoND.gov

February 2, 2023

39

Honorable Board of City
Commissioners
City of Fargo
Fargo, North Dakota

Re: 2nd Street Pedestrian Bridge

History

I would like to step back and talk about how this project was established. During the design of the 2nd Street Floodwall, which included the relocation of 2nd Street, there was strong support for additional connections to the River from Downtown. Through that process, the Commission was presented an at grade crossing and pedestrian bridge option. In late 2014, the Commission voted to approve the pedestrian bridge over 2nd Street, therefore the bridge footing was incorporated into the floodwall design. Construction of the floodwall and City Hall was occurring in 2015, 2016, 2017, and 2018. During this time Governor Burgum created the Urban Grant Program. Engineering saw this as a funding source for this project. We applied in December of 2019 and were awarded $1M, but declined the funds due to COVID and the amount needed to fund the bridge. We then applied again in November of 2020 and were notified of the award of $2.4M in May of 2021. We selected an Engineering Consultant in November of 2021 and began the public engagement process.

We are now at a decision point. Do we want to continue to move forward with an alignment selection and bridge construction or return the $2.4M to the State for them to reallocate?

Options

Concept A
$11 million Construction
$4 million Eng. & Admin.
$15 million Total

Concept B
$10 million Construction
$3.5 million Eng. & Admin.
$13.5 million Total

Concept C
$6 million Construction
$2 million Eng. & Admin.
$8 million Total

Concept D (new)
$4.5 million Construction
$1.5 million Eng. & Admin.
$6 million Total

Interestingly, when comparing the 2014 documentation to the above options, which included an extensive public process in 2022, we discovered the bridge alignment D was very similar to the 2014 preferred concept.

Funding

Funding Source	Federal Funding	Local Match	Total
Urban Grant Program	$ 2,400,000	$ 600,000	$ 3,000,000
Carbon Reduction Program	$ 850,000	$ 212,500	$ 1,062,500
Total	***$ 3,250,000***	***$ 812,500***	***$ 4,062,500***

The table above represents the current funding available. The lowest cost, option D, would need an additional $2M. In exploratory discussions with Administration, Finance, and Economic Development funding strategies are being evaluated to fully fund the project.

Recommended Motion: There are two motions below. The first is if you want to move the project forward and the second would terminate the project and return the North Dakota Department of Transportation Funds.

If it is the will of the Commission to continue to move this project forward, Staff recommends moving forward with Concept D.

Option 1 Motion: Continue to move forward with the Environmental Document and Plans for Concept D.

If the Commission does not want to move this project forward at this time;

Option 2 Motion: Terminate the project and direct the City Engineer to notify the North Dakota Department of Transportation that Fargo is returning the $2.4M.

Respectfully,

Brenda E. Derrig, P.E.
City Engineer

CITY OF Fargo

ASSESSMENT DEPARTMENT

40a

December 16, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3211 Cherry Ln N as submitted by Shirley Johnson T/O/D. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $141 with the City of Fargo's share being $24.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 2, Lot 1,2 & S 133 Ft of 3, Van Radens
2. Address of Property 3211 Cherry Ln N
3. Parcel Number 01-3540-00205-000
4. Name of Property Owner Shirley Johnson Phone No. 701-212-9614
5. Mailing Address of Property Owner 3211 Cherry Ln N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Kitchen Remodel
7. Building permit No. 2205-0638
8. Year built (residential property) 1973
9. Date of commencement of making the improvements 9/2/22
10. Estimated market value of property before the improvements $ 154,200.00
11. Cost of making the improvement (all labor, material and overhead) $ 36,700.00
12. Estimated market value of property after the improvements $ 190,900.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Shirley Johnson Date 12/11/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

406

December 29, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 201 26 ½ Ave S as submitted by Adriana Foley. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $952 with the City of Fargo's share being $162.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

North Dakota Century Code ch. 57-02.2

(File with the local city or township assessor)

Property Identification

1. Name of Property Owner Adriana Foley Phone No. 701.403.9720
2. Address of Property 2301 26 1/2 Ave S

   City FARGO State ND Zip Code 58103
3. Legal description of the property for which the exemption is being claimed. Pt of lt 5 & 8 Blk 4 Crarys 1st
4. Parcel Number 01-0505-00441-000 Residential ☒ Commercial ☐ Central Business District ☐
5. Mailing Address of Property Owner same

   City State Zip Code

Description Of Improvements For Exemption

6. Describe the type of renovating, remodeling or alteration made to the building for which the exemption is being claimed (attach additional sheets if necessary). Interior remodel
7. Building Permit No. 21030068 8. Year Built 1983
9. Date of Commencement of making the improvement 3/2/21
10. Estimated market value of property before improvement $ [redacted] 149,600
11. Cost of making the improvement (all labor, material and overhead) $ 30,000 ~~72,400~~ WP
12. Estimated market value of property after improvement $ 222,000

Applicant's Certification and Signature

13. I certify that the above information is correct to the best of my knowledge and I apply for this exemption.

    Applicant's Signature [signature] Date 11/17/22

Assessor's Determination

14. The local assessor finds that the improvements in this application ☒ has ☐ has not ☐ met the qualifications for exemption for the following reason(s):

    Assessor's Signature [signature] Date 1-3-2023

Action of Governing Body

15. Action taken on this application by local governing board of the county or city: Denied ☐ Approved ☐

    Approval subject to the following conditions:

    Chairman of Governing Body Date

Submit Via Email

CITY OF Fargo

ASSESSMENT DEPARTMENT

40c

December 29, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2532 Willow Rd N as submitted by Terrance and Angela Bartsh. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $143 with the City of Fargo's share being $24.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 8, Lot 12 & E 5 Ft of 13, Woodcrest 2nd
2. Address of Property 2532 Willow Rd N
3. Parcel Number 01-4050-00220-000
4. Name of Property Owner Terrance & Angela Bartsh Phone No. _____
5. Mailing Address of Property Owner 2532 Willow Rd N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Finish the family room in lower level; majority of basement is already finished.
7. Building permit No. 2202-0490 8. Year built (residential property) 1967
9. Date of commencement of making the improvements 01/03/2022
10. Estimated market value of property before the improvements $ 341,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 6,000.00
12. Estimated market value of property after the improvements $ 340,000.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Terrance Bar Date 12/05/2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization Mike Schumacher Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

40d

December 19, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3919 River Dr. S as submitted by Zachary Johnson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $46 with the City of Fargo's share being $8.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot 16 Block 7 Burritt-Kennedy
2. Address of Property 3919 River Dr S
3. Parcel Number 01-0290-00860-000
4. Name of Property Owner Zachary Johnson Phone No. 701-388-0426
5. Mailing Address of Property Owner 3919 River Dr S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Replaced windows, front exterior door, and rear patio door
7. Building permit No. N/A
8. Year built (residential property) 1979
9. Date of commencement of making the improvements 11/17/2022
10. Estimated market value of property before the improvements $ _____
11. Cost of making the improvement (all labor, material and overhead) $ 28,971.00
12. Estimated market value of property after the improvements $ _____

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 12/12/2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization [signature] Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions: _____

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40e

December 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1336 6 St S as submitted by Michaela Swanston. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $271 with the City of Fargo's share being $46.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Home/House
   3 bedroom - 1 Bath
2. Address of Property 1336 6th St S Fargo ND 58103
3. Parcel Number _____
4. Name of Property Owner Michaela Swanston Phone No. 701-866-7277
5. Mailing Address of Property Owner SAME

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). renovated Kitchen & Bathroom - ~~Completed~~ updated
7. Building permit No. 22030106
8. Year built (residential property) 1922
9. Date of commencement of making the improvements March '22
10. Estimated market value of property before the improvements $ 190,300
11. Cost of making the improvement (all labor, material and overhead) $ 40,600
12. Estimated market value of property after the improvements $ 210,900

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
    Applicant Michaela Swanston Date 11/10/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application
    do ☑ do not ☐ meet the qualifications for exemption for the following reason(s): _____
    Assessor/Director of Tax Equalization [signature] Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
    Approval is subject to the following conditions: _____
    Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.
    Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

404

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 717 50 St S as submitted by Thomas and Lanette Calkins. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $140 with the City of Fargo's share being $24.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed: Lot 12, Block 1, Westfield 1st
2. Address of Property: 717 50 St S
3. Parcel Number: 01-3880-00120-000
4. Name of Property Owner: Thomas & Lanette Calkins Phone No.:
5. Mailing Address of Property Owner: Same

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Reside dwelling
7. Building permit No. 2210-0182 8. Year built (residential property) 1997
9. Date of commencement of making the improvements 10/07/2022
10. Estimated market value of property before the improvements $ 213,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 31,063.00
12. Estimated market value of property after the improvements $ 224,200.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Thomas R Calkins, Lanette Calkins Date January 18th 2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

409

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1522 12 St S as submitted by Wayne Ramsey & Patricia Olmstead. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $126 with the City of Fargo's share being $21.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed: Lot 3, Block 3, Bulands Subd, Huntingtons
2. Address of Property: 1522 12 St S
3. Parcel Number: 01-0280-00440-000
4. Name of Property Owner: Wayne Ramstad & Patricia Olmstead Phone No.:
5. Mailing Address of Property Owner: Same

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Reside dwelling
7. Building permit No.: 2210-0522 8. Year built (residential property): 1954
9. Date of commencement of making the improvements: 10/19/2022
10. Estimated market value of property before the improvements: $ 210,200.00
11. Cost of making the improvement (all labor, material and overhead): $ 9,490.00
12. Estimated market value of property after the improvements: $ 219,500.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant: Wayne Ramsey Date: 11/20/23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization: [signature] Date: 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40h

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2874 Lilac Ln N as submitted by David Rider & Jayma Moore. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $210 with the City of Fargo's share being $35.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 2, Lot 4, North Oaks
2. Address of Property 2874 Lilac Ln N
3. Parcel Number 01-2115-00230-000
4. Name of Property Owner David Rider & Jayma Moore Phone No. 235-9649
5. Mailing Address of Property Owner 2874 Lilac Ln N 701 552-2901 JAYMA

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Reside House
7. Building permit No. 2205-0766 8. Year built (residential property) 1986
9. Date of commencement of making the improvements 6/1/2022
10. Estimated market value of property before the improvements $ 396,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 42563.52
12. Estimated market value of property after the improvements $ 396,900.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Jayma L Moore Date 1/16/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2849 Lilac Ln N as submitted by Michael and Kimberly Gruchalla. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $411 with the City of Fargo's share being $69.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 1, Lot 10, North Oaks
2. Address of Property 2849 Lilac Ln N
3. Parcel Number 01-2115-00100-000
4. Name of Property Owner Michael & Kimberly Gruchalla Phone No. 701-367-2199
5. Mailing Address of Property Owner 2849 Lilac Ln N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Basement remodel
7. Building permit No. 2202-0419
8. Year built (residential property) 1989
9. Date of commencement of making the improvements 2-1-2022
10. Estimated market value of property before the improvements $ 647,700.00
11. Cost of making the improvement (all labor, material and overhead) $ 45,000
12. Estimated market value of property after the improvements $

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 1-13-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 20, 2022

40j

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 405 25 Ave N as submitted by Robert and Judith Anderson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $94 with the City of Fargo's share being $16.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 4, Lot W 1 Ft of 7 & All of 8 & E 1 Ft of 9, Oral A Holm
2. Address of Property 405 25 Ave N
3. Parcel Number 01-1380-00460-000
4. Name of Property Owner Robert & Judith Anderson Phone No. 701-429-3749
5. Mailing Address of Property Owner 405 25 Ave N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Basement remodel
7. Building permit No. 2107-0481
8. Year built (residential property) 1956
9. Date of commencement of making the improvements still working on project
10. Estimated market value of property before the improvements $ 199,700.00
11. Cost of making the improvement (all labor, material and overhead) $ 17 600 at this time its not completed
12. Estimated market value of property after the improvements $?

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Robert anderson Judith Anderson Date 1-11-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40K

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 808 8 St s as submitted by Gary and Amie Haugo. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $236 with the City of Fargo's share being $40.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed
   LOT S 10 FT OF 17 & ALL OF 18, 19 & 20 & N 15 FT OF 21; Block L in CHAS A ROBERTS
2. Address of Property 808 8th St. S.
3. Parcel Number 01-2400-01550-000
4. Name of Property Owner Gary & Amie Haugo Phone No.
5. Mailing Address of Property Owner 808 8th St S., Fargo, ND 58103

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Remove old Finish and Remodel 3rd Floor with Bathroom
7. Building permit No. 22060468 8. Year built (residential property) 1915
9. Date of commencement of making the improvements 06/30/2022
10. Estimated market value of property before the improvements $ 629,600.00
11. Cost of making the improvement (all labor, material and overhead) $ 41,000.00
12. Estimated market value of property after the improvements $ 647,000.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

X Applicant [signature] X Date 1-5-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
    Approval is subject to the following conditions:

    Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

    Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 20, 2023

401

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1250 5 St N as submitted by Justin and Elizabeth Frye. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $1,166 with the City of Fargo's share being $198.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot S 1/2 of E 1/2 of 2, James Holes
2. Address of Property 1250 5 St N
3. Parcel Number 01-1370-00250-000
4. Name of Property Owner Justin & Elizabeth Frye Phone No. 701-540-8555
5. Mailing Address of Property Owner 1250 5 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). New office in basement
7. Building permit No. 2209-0766
8. Year built (residential property) 1946
9. Date of commencement of making the improvements 9/22/22
10. Estimated market value of property before the improvements $ 244,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 6,100
12. Estimated market value of property after the improvements $ 250,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 12/19/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40m

January 20, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1117 4 St N as submitted by William Thompson and Kimberly Luchau-Thompson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $1,166 with the City of Fargo's share being $198.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 8, Hectors
2. Address of Property 1117 4 St N
3. Parcel Number 01-1160-00440-000
4. Name of Property Owner William Thompson & Kimberly Luchau-Th Phone No. 701-298-6126
5. Mailing Address of Property Owner 1117 4 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). New Siding, new windows on porch, new second floor windows
7. Building permit No. 2212-0037
8. Year built (residential property) 1915
9. Date of commencement of making the improvements 11-15-2022 (approximate date)
10. Estimated market value of property before the improvements $ 226,300.00
11. Cost of making the improvement (all labor, material and overhead) $ $70,000
12. Estimated market value of property after the improvements $ 255,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant William Thompson Date 1/7/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

40n

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3301 Evergreen Rd N as submitted by Albert and Valerie Schmidt. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $178 with the City of Fargo's share being $30.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 4, Golf Course 2nd
2. Address of Property 3301 Evergreen Rd N
3. Parcel Number 01-1002-00100-000
4. Name of Property Owner Albert & Valerie Schmidt Phone No. 701-793-1066
5. Mailing Address of Property Owner 3301 Evergreen Rd N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). New siding
7. Building permit No. 2212-0193 8. Year built (residential property) 1973
9. Date of commencement of making the improvements 13 DEC 2022
10. Estimated market value of property before the improvements $ 218,600.00
11. Cost of making the improvement (all labor, material and overhead) $ 26,111.
12. Estimated market value of property after the improvements $?

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Albert Schmidt Date 7 JAN 2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

40a

January 12, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1001 42 Ave N as submitted by Suzanne Larsen-Johnson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $166 with the City of Fargo's share being $28.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed: Blk 7, Lot 1, Riverwood 3rd
2. Address of Property: 1001 42 Ave N
3. Parcel Number: 01-2366-00220-000
4. Name of Property Owner: Suzanne Larsen-Johnson Phone No.: 701-640-4203
5. Mailing Address of Property Owner: 1001 42 Ave N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary): Bathroom Remodel
7. Building permit No.: 2201-1233 8. Year built (residential property): 1993
9. Date of commencement of making the improvements: 4/1/2022
10. Estimated market value of property before the improvements: $ 498,100.00 2022
11. Cost of making the improvement (all labor, material and overhead): $ 45,000
12. Estimated market value of property after the improvements: $ 452,80 last yr.

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant: [signature] Date: 1-3-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization: [signature] Date: 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

1/0P

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1809 13 Ave S as submitted by James and Kathy Rugroden. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $119 with the City of Fargo's share being $20.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 2, Lot 3, Hilleboe 1st
2. Address of Property 1809 13 Ave S
3. Parcel Number 01-1200-00110-000
4. Name of Property Owner James & Kathy Rugroden Phone No. 701-541-7456
5. Mailing Address of Property Owner 1809 13 Ave S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Bath Remodel
7. Building permit No. 2209-0770
8. Year built (residential property) 1955
9. Date of commencement of making the improvements ? 9/24/2020
10. Estimated market value of property before the improvements $ 162,400.00
11. Cost of making the improvement (all labor, material and overhead) $ 7,927.76
12. Estimated market value of property after the improvements $ 170,327.76

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant James C Rugroden, Kathy S Rugroden Date 1/10/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

408

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 306 15 St N as submitted by Three Rivers Development LLC. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $66 with the City of Fargo's share being $11.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed
   Lot: N 46 FT of South 94 FT of 21 & 22, Block: 10 Reeves Addition
2. Address of Property 306 15th St. N.
3. Parcel Number 01-2340-01120-000
4. Name of Property Owner Three Rivers Development LLC Phone No. 701/203-3578
5. Mailing Address of Property Owner

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Added Full Bath in basement
7. Building permit No. 21120404 8. Year built (residential property) 1926
9. Date of commencement of making the improvements 12/17/21
10. Estimated market value of property before the improvements $ 130,800.00
11. Cost of making the improvement (all labor, material and overhead) $ 4,000.00
12. Estimated market value of property after the improvements $ 135,700

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
    Applicant [signature] Date 1-11-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):
    Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
    Approval is subject to the following conditions:
    Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.
    Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40r

January 12, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1537 24 Ave S as submitted by Lauren Sagar Bittara, Etal. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $227 with the City of Fargo's share being $39.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 5, Lot 12, Oak Manor 2nd
2. Address of Property 1537 24 Ave S
3. Parcel Number 01-2211-00510-000
4. Name of Property Owner Lauren Sagar Bittara, Etal Phone No. 612-759-0468
5. Mailing Address of Property Owner 1537 24 Ave S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Lower level remodel
7. Building permit No. 2209-0538
8. Year built (residential property) 1970
9. Date of commencement of making the improvements ~~May~~ May 15 - ~~Dec~~ Dec 9th 2022
10. Estimated market value of property before the improvements $ 229,000.00
11. Cost of making the improvement (all labor, material and overhead) $ 50,000
12. Estimated market value of property after the improvements $ 279,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 12/29/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

408

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3019 Bohnet Blvd N as submitted by Keith and Wanda Fischer. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $69 with the City of Fargo's share being $12.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 12, Edgewood Farms
2. Address of Property 3019 Bohnet Blvd N
3. Parcel Number 01-0735-00360-000
4. Name of Property Owner Keith & Wanda Fischer Phone No. 701-541-4134
5. Mailing Address of Property Owner 3019 Bohnet Blvd N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Basement Bath Remodel
7. Building permit No. 2209-0627
8. Year built (residential property) 1984
9. Date of commencement of making the improvements October 10, 2022
10. Estimated market value of property before the improvements $ 426,800.00
11. Cost of making the improvement (all labor, material and overhead) $ 16,900.
12. Estimated market value of property after the improvements $ 443,700

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Wanda Fischer Date 12-27-2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

404

January 6, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 311 8 St N as submitted by Paul Gleye III and Kay Schwarzwalter. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $206 with the City of Fargo's share being $35.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed: Blk 10, Lot W 77.5 Ft of A, Roberts 2nd
2. Address of Property: 311 8 St N
3. Parcel Number: 01-2382-01410-000
4. Name of Property Owner: Paul Gleye III & Kay Schwarzwalter Phone No. 701-739-6121
5. Mailing Address of Property Owner: 311 8 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Bath remodel & KITCHEN
7. Building permit No. 2103-0158 8. Year built (residential property) 1906
9. Date of commencement of making the improvements
10. Estimated market value of property before the improvements $ 251,300.00
11. Cost of making the improvement (all labor, material and overhead) $
12. Estimated market value of property after the improvements $

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Paul H Gleye Kay Schwarzwalter Date 28 Dec 2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

404

January 6, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1110 3 Ave N Unit 703E as submitted by Bruce and Nancy Taralson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $331 with the City of Fargo's share being $56.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 37, Lot 4 Thru 9, Roberts 2nd
2. Address of Property 1110 3 Ave N Unit 703E
3. Parcel Number 01-2382-03836-030
4. Name of Property Owner Bruce & Nancy Taralson Phone No. 701-388-5194
5. Mailing Address of Property Owner 1110 3 Ave N Unith 703E

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Full remodel of unit
7. Building permit No. 2203-0105
8. Year built (residential property) 1978
9. Date of commencement of making the improvements 4/13/22 - still going
10. Estimated market value of property before the improvements $ 117,900.00
11. Cost of making the improvement (all labor, material and overhead) $ $91,000.00
12. Estimated market value of property after the improvements $ $200,000.00

Applicant's Certification And Signature

13. I certify that the information contained ~~in this~~ application is correct to the best of my knowledge.

Applicant Bruce Taral Date 1/3/23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization Mike Slominski Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40

January 6, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1132 3 St N as submitted by Jason Forness and Michelle Mathson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $30 with the City of Fargo's share being $5.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 20, Hectors
2. Address of Property 1132 3 St N
3. Parcel Number 01-1160-00570-000
4. Name of Property Owner Jason Forness & Michelle Mathson Phone No. _____
5. Mailing Address of Property Owner 1132 3 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Bath remodel
7. Building permit No. 2207-0907
8. Year built (residential property) 1917
9. Date of commencement of making the improvements JUNE 22
10. Estimated market value of property before the improvements $ 295,000.00
11. Cost of making the improvement (all labor, material and overhead) $ 8,500
12. Estimated market value of property after the improvements $ _____

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Jason Forness Date 1-3-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions: _____

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

41

MEMO

TO: Fargo City Commission

FROM: Arlette Preston, Commissioner

DATE: February 6, 2023

RE: HB 1460

HB 1460 sets up a fund for voluntary participation by employees who would pay from their own salaries to cover time off when a medical or family need exists. Employers are only required to allow employees to participate and to provide the same job (or equivalent job in pay and benefits) when the employee returns.

The legislature in MN is considering paid family and medical leave in this current session and will very likely get approved. If so, all ND border cities will be at a distinct disadvantage to recruit and retain employees.

This does not require employers to participate in any way financially, but if they choose to do so, they will receive a tax credit. It also provides an opportunity for small business to be able to provide a benefit which may now be possible only for large employers.

It just seems like a win-win for both sides.

Recommended motion:
The Fargo City Commission indicates support for HB 1460 by sending a letter to the members of the House of Representatives who are representing all of Cass County.

23.0561.01000

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1460

Introduced by

Representatives Hanson, Christy, Ista, Richter, Schneider, Warrey

Senators Cleary, Hogan

A BILL for an Act to create and enact chapter 34-06.2, a new section to chapter 57-38, and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to a paid family medical leave program and an income tax credit for contributions paid into the paid family medical leave fund on behalf of eligible employees; to provide an appropriation; to provide for a transfer; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 34-06.2 of the North Dakota Century Code is created and enacted as follows:

34-06.2-01. Definitions.

As used in this chapter:

1. "Commissioner" means the labor commissioner.
2. "Eligible employee" means an employee who works for a single employer.
3. "Employee" means an individual, regardless of age, who performs part-time or full-time services for an employer for remuneration.
4. "Employer" means a person within the state which engages the services of employees for remuneration. The term includes:
   a. The state and its political subdivisions.
   b. A public and quasi-public corporation in the state.
   c. A partnership, limited liability company, association, and private corporation, including a public service corporation.
5. "Family member" includes a child, stepchild, sibling, spouse, parent, step-parent, grandparent, legal guardian, grandchild, and relative of an eligible employee living in the same home as the eligible employee.
6. "Fund" means the paid family medical leave fund.

7. "Wages" means remuneration for services to an employer by an employee, regardless of source, including remuneration based on time, piece-rate, job, or incentive.

34-06.2-02. Paid family medical leave program - Administration.

1. The commissioner shall establish a division to administer a paid family medical leave program under this chapter. The commissioner shall adopt rules and hire staff, as the commissioner determines necessary, to administer the program under this chapter.
2. Eligible employees and employers may contribute to the fund beginning July 1, 2024, and eligible employees may withdraw from the fund for an eligible event under section 34-06.2-05 beginning July 1, 2025.

34-06.2-03. Paid family medical leave fund.

There is created in the state treasury a special fund known as the paid family medical leave fund. The fund consists of all moneys deposited in the fund from employers and employees for contributions into the paid family medical leave program. The moneys in the fund may be expended by the commissioner only to pay for wages of an eligible employee under the program, and to pay for administrative costs associated with the administration of the program.

34-06.2-04. Program requirements.

The paid family medical leave program must:

1. Require an employer to annually notify all employees of the program and of the employee's rights under the program.
2. Allow eligible employees and employers to participate in the program.
   a. Except as provided in subdivision b, an eligible employee who chooses to participate in the program shall contribute to the fund six cents for every ten dollars of wages earned for the benefit of the eligible employee to take leave for an eligible event as described under section 34-06.2-05.
   b. An employer who chooses to participate in the program may contribute all or a portion of the contributions under subdivision a for eligible employees participating in the program.
3. Allow sole proprietors and independent contractors, as determined under the common-law test, to participate in the program. A sole proprietor or independent contractor who chooses to participate in the program shall contribute to the fund six cents for every ten dollars of wages earned for the benefit of the sole proprietor or

independent contractor to take leave for an eligible event as described under section 34-06.2-05.

4. Allow an eligible employee to take leave for an eligible event as described under section 34-06.2-05 if the eligible employee has accrued at least five hundred hours of service before taking leave.

5. Provide for sixty-six percent of an eligible employee's average weekly wages, up to a maximum of one thousand dollars per week.

6. Provide up to twelve calendar weeks of coverage per calendar year for an eligible employee on leave under the program. An eligible employee may take leave on an intermittent basis.

7. Allow an eligible employee to return to the position held with the employer before taking leave, or an equivalent position with commensurate pay and benefits, upon the conclusion of the leave period.

8. Allow an eligible employee to maintain the employee's existing benefits while taking leave under the program.

9. Allow an employer to require eligible employees to use up to two weeks of sick or vacation leave before using leave under the program.

34-06.2-05. Eligible events.

1. An employer shall grant leave to an eligible employee participating in the program to care for:
   a. A serious physical or mental health condition of the eligible employee;
   b. A serious physical or mental health condition of a family member;
   c. A child during the first calendar year after the date of the child's birth, adoption, or after the date the child's foster care began; or
   d. The eligible employee's well-being or a family member if the eligible employee or family member was the victim of domestic violence, sexual assault, or human trafficking.

2. An employer may grant leave to an eligible employee participating in the program for additional events as determined by the employer.

34-06.2-06. Additional family medical leave benefits.

This chapter does not preclude an employer from providing family medical leave benefits that exceed the requirements of this chapter.

34-06.2-07. Retaliation - Discrimination - Prohibition.

An employer may not take retaliatory or discriminatory action against an eligible or potential employee for requesting or taking leave under the program, or indicating the intent to take leave under the program if hired. Retaliatory action includes discharge from or termination of employment, threatening discharge or termination, suspension of employment, demotion, or reduction of hours or wages.

SECTION 2. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Paid family medical leave program tax credit.

A taxpayer that is an employer within this state and which contributes to the paid family medical leave fund under section 34-06.2-04 is entitled to a credit against state income tax liability under section 57-38-30 or 57-38-30.3 in an amount equal to twenty percent of the contributions paid by the taxpayer to the fund on behalf of eligible employees participating in the program during the taxable year.

SECTION 3. A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Paid family medical leave program tax credit under section 2 of this Act.

SECTION 4. APPROPRIATION - TRANSFER TO PAID FAMILY MEDICAL LEAVE FUND - INTENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the paid family medical leave fund for the purpose of administering a paid family medical leave program, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds must be paid back to the general fund over a period of twenty years. It is the intent of the sixty-eighth legislative assembly that the funds transferred be derived from legacy fund earnings transferred to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. EFFECTIVE DATE. Sections 2 and 3 of this Act are effective for taxable years beginning after December 31, 2022.

THE CITY OF Fargo FAR MORE

42a

February 6, 2023

To: **Board of City Commissioners**
Fr: **Michael Redlinger, City Administrator**
Re: **City Commissioner Liaison Designation for the 2023 Legislative Session**

At the December 12, 2022 City Commission meeting, a presentation was provided by City staff on the City of Fargo's proposed 2023 legislative priorities. City staff, together with the Special Assistant City Attorney for government relations, Ms. Terry Effertz, answered questions and received feedback from City Commissioners regarding 2023 priorities. The City Commission approved its priorities on December 27, 2022 at the City Commission meeting.

With the 2023 Legislative Session underway, and bills progressing through the House and Senate, the City Commission is requested to designate a City Commission Liaison to assist City staff in reviewing City of Fargo policy positions; written and verbal testimony; and to provide a communication linkage between City staff and the City Commission on legislative matters and items of interest to Fargo. It is recommended that Commissioner Denise Kolpack, Liaison Commissioner to the Communications & Governmental Affairs Department, be designated as the Liaison Commissioner for legislative activities. The Liaison Commissioner will coordinate with the City Administrator and City staff to advance the City of Fargo's 2023 legislative agenda.

Recommended Action: Recognize Commissioner Denise Kolpack as the Liaison Commissioner for the City of Fargo's legislative efforts at the 68th Legislative Assembly.

CITY OF Fargo Fire Department

38

MEMORANDUM

TO: **BOARD OF CITY COMMISSIONERS**

FROM: **FIRE CHIEF STEVE DIRKSEN**

DATE: **FEBRUARY 2, 2023**

SUBJECT: **FIRE STATION 8 UPDATE**

Chief Dirksen will provide a project development update to include timeline, cost, and conceptual design of Fire Station 8 to be constructed at 6617 33rd St S.

637 NP AVENUE • FARGO, NORTH DAKOTA • 58102
PHONE: 701-241-1540 • FAX: 701-241-8125
Website http://ci.fargo.nd.us/fire

THE CITY OF Fargo
FAR MORE

Engineering Department
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1545 | Fax: 701.241.8101
Email feng@FargoND.gov
www.FargoND.gov

February 2, 2023

39

Honorable Board of City
Commissioners
City of Fargo
Fargo, North Dakota

Re: 2nd Street Pedestrian Bridge

History

I would like to step back and talk about how this project was established. During the design of the 2nd Street Floodwall, which included the relocation of 2nd Street, there was strong support for additional connections to the River from Downtown. Through that process, the Commission was presented an at grade crossing and pedestrian bridge option. In late 2014, the Commission voted to approve the pedestrian bridge over 2nd Street, therefore the bridge footing was incorporated into the floodwall design. Construction of the floodwall and City Hall was occurring in 2015, 2016, 2017, and 2018. During this time Governor Burgum created the Urban Grant Program. Engineering saw this as a funding source for this project. We applied in December of 2019 and were awarded $1M, but declined the funds due to COVID and the amount needed to fund the bridge. We then applied again in November of 2020 and were notified of the award of $2.4M in May of 2021. We selected an Engineering Consultant in November of 2021 and began the public engagement process.

We are now at a decision point. Do we want to continue to move forward with an alignment selection and bridge construction or return the $2.4M to the State for them to reallocate?

Options

Concept A
$11 million Construction
$4 million Eng. & Admin.
$15 million Total

Concept B
$10 million Construction
$3.5 million Eng. & Admin.
$13.5 million Total

Concept C
$6 million Construction
$2 million Eng. & Admin.
$8 million Total

Concept D (new)
$4.5 million Construction
$1.5 million Eng. & Admin.
$6 million Total

Interestingly, when comparing the 2014 documentation to the above options, which included an extensive public process in 2022, we discovered the bridge alignment D was very similar to the 2014 preferred concept.

Funding

Funding Source	Federal Funding	Local Match	Total
Urban Grant Program	$ 2,400,000	$ 600,000	$ 3,000,000
Carbon Reduction Program	$ 850,000	$ 212,500	$ 1,062,500
Total	***$ 3,250,000***	***$ 812,500***	***$ 4,062,500***

The table above represents the current funding available. The lowest cost, option D, would need an additional $2M. In exploratory discussions with Administration, Finance, and Economic Development funding strategies are being evaluated to fully fund the project.

Recommended Motion: There are two motions below. The first is if you want to move the project forward and the second would terminate the project and return the North Dakota Department of Transportation Funds.

If it is the will of the Commission to continue to move this project forward, Staff recommends moving forward with Concept D.

Option 1 Motion: Continue to move forward with the Environmental Document and Plans for Concept D.

If the Commission does not want to move this project forward at this time;

Option 2 Motion: Terminate the project and direct the City Engineer to notify the North Dakota Department of Transportation that Fargo is returning the $2.4M.

Respectfully,

Brenda E. Derrig, P.E.
City Engineer

CITY OF Fargo

ASSESSMENT DEPARTMENT

40a

December 16, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3211 Cherry Ln N as submitted by Shirley Johnson T/O/D. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $141 with the City of Fargo's share being $24.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 2, Lot 1,2 & S 133 Ft of 3, Van Radens
2. Address of Property 3211 Cherry Ln N
3. Parcel Number 01-3540-00205-000
4. Name of Property Owner Shirley Johnson Phone No. 701-212-9614
5. Mailing Address of Property Owner 3211 Cherry Ln N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Kitchen Remodel
7. Building permit No. 2205-0638
8. Year built (residential property) 1973
9. Date of commencement of making the improvements 9/2/22
10. Estimated market value of property before the improvements $ 154,200.00
11. Cost of making the improvement (all labor, material and overhead) $ 36,700.00
12. Estimated market value of property after the improvements $ 190,900.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Shirley Johnson Date 12/11/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

406

December 29, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 201 26 ½ Ave S as submitted by Adriana Foley. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $952 with the City of Fargo's share being $162.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

North Dakota Century Code ch. 57-02.2

(File with the local city or township assessor)

Property Identification

1. Name of Property Owner Adriana Foley Phone No. 701.403.9720
2. Address of Property 2301 26 1/2 Ave S

   City FARGO State ND Zip Code 58103
3. Legal description of the property for which the exemption is being claimed. Pt of lt 5 & 8 Blk 4 Crarys 1st
4. Parcel Number 01-0505-00441-000 Residential ☒ Commercial ☐ Central Business District ☐
5. Mailing Address of Property Owner same

   City State Zip Code

Description Of Improvements For Exemption

6. Describe the type of renovating, remodeling or alteration made to the building for which the exemption is being claimed (attach additional sheets if necessary). Interior remodel
7. Building Permit No. 21030068 8. Year Built 1983
9. Date of Commencement of making the improvement 3/2/21
10. Estimated market value of property before improvement $ [redacted] 149,600
11. Cost of making the improvement (all labor, material and overhead) $ 30,000 ~~72,400~~ WP
12. Estimated market value of property after improvement $ 222,000

Applicant's Certification and Signature

13. I certify that the above information is correct to the best of my knowledge and I apply for this exemption.

    Applicant's Signature [signature] Date 11/17/22

Assessor's Determination

14. The local assessor finds that the improvements in this application has ☒ has not ☐ met the qualifications for exemption for the following reason(s):

    Assessor's Signature [signature] Date 1-3-2023

Action of Governing Body

15. Action taken on this application by local governing board of the county or city: Denied ☐ Approved ☐

    Approval subject to the following conditions:

    Chairman of Governing Body Date

Submit Via Email

CITY OF Fargo

ASSESSMENT DEPARTMENT

40C

December 29, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2532 Willow Rd N as submitted by Terrance and Angela Bartsh. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $143 with the City of Fargo's share being $24.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 8, Lot 12 & E 5 Ft of 13, Woodcrest 2nd
2. Address of Property 2532 Willow Rd N
3. Parcel Number 01-4050-00220-000
4. Name of Property Owner Terrance & Angela Bartsh Phone No. _____
5. Mailing Address of Property Owner 2532 Willow Rd N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Finish the family room in lower level; majority of basement is already finished.
7. Building permit No. 2202-0490 8. Year built (residential property) 1967
9. Date of commencement of making the improvements 01/03/2022
10. Estimated market value of property before the improvements $ 341,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 6,000.00
12. Estimated market value of property after the improvements $ 340,000.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Terrance Bar Date 12/05/2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization Mike Schumacher Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions: _____

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

40d

December 19, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3919 River Dr. S as submitted by Zachary Johnson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $46 with the City of Fargo's share being $8.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot 16 Block 7 Burritt-Kennedy
2. Address of Property 3919 River Dr S
3. Parcel Number 01-0290-00860-000
4. Name of Property Owner Zachary Johnson Phone No. 701-388-0426
5. Mailing Address of Property Owner 3919 River Dr S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Replaced windows, front exterior door, and rear patio door
7. Building permit No. N/A
8. Year built (residential property) 1979
9. Date of commencement of making the improvements 11/17/2022
10. Estimated market value of property before the improvements $ _____
11. Cost of making the improvement (all labor, material and overhead) $ 28,971.00
12. Estimated market value of property after the improvements $ _____

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 12/12/2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization [signature] Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions: _____

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40e

December 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1336 6 St S as submitted by Michaela Swanston. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $271 with the City of Fargo's share being $46.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Home/House
   3 bedroom - 1 Bath
2. Address of Property 1336 6th St S Fargo ND 58103
3. Parcel Number _____
4. Name of Property Owner Michaela Swanston Phone No. 701-866-7277
5. Mailing Address of Property Owner SAME

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). renovated Kitchen & Bathroom - ~~Completed~~ updated
7. Building permit No. 22030106 8. Year built (residential property) 1922
9. Date of commencement of making the improvements March '22
10. Estimated market value of property before the improvements $ 190,300
11. Cost of making the improvement (all labor, material and overhead) $ 40,600
12. Estimated market value of property after the improvements $ 210,900

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
    Applicant Michaela Swanston Date 11/10/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application
    do ☑ do not ☐ meet the qualifications for exemption for the following reason(s): _____
    Assessor/Director of Tax Equalization [signature] Date 1-3-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
    Approval is subject to the following conditions: _____
    Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.
    Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

404

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 717 50 St S as submitted by Thomas and Lanette Calkins. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $140 with the City of Fargo's share being $24.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot 12, Block 1, Westfield 1st
2. Address of Property 717 50 St S
3. Parcel Number 01-3880-00120-000
4. Name of Property Owner Thomas & Lanette Calkins Phone No.
5. Mailing Address of Property Owner Same

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Reside dwelling
7. Building permit No. 2210-0182 8. Year built (residential property) 1997
9. Date of commencement of making the improvements 10/07/2022
10. Estimated market value of property before the improvements $ 213,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 31,063.00
12. Estimated market value of property after the improvements $ 224,200.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Thomas R Calkins, Lanette Calkins Date January 18th 2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

409

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1522 12 St S as submitted by Wayne Ramsey & Patricia Olmstead. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $126 with the City of Fargo's share being $21.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed: Lot 3, Block 3, Bulands Subd, Huntingtons
2. Address of Property: 1522 12 St S
3. Parcel Number: 01-0280-00440-000
4. Name of Property Owner: Wayne Ramstad & Patricia Olmstead Phone No.:
5. Mailing Address of Property Owner: Same

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Reside dwelling
7. Building permit No.: 2210-0522 8. Year built (residential property): 1954
9. Date of commencement of making the improvements: 10/19/2022
10. Estimated market value of property before the improvements: $ 210,200.00
11. Cost of making the improvement (all labor, material and overhead): $ 9,490.00
12. Estimated market value of property after the improvements: $ 219,500.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant: Wayne Ramsey Date: 11/20/23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization: [signature] Date: 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40h

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2874 Lilac Ln N as submitted by David Rider & Jayma Moore. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $210 with the City of Fargo's share being $35.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 2, Lot 4, North Oaks
2. Address of Property 2874 Lilac Ln N
3. Parcel Number 01-2115-00230-000
4. Name of Property Owner David Rider & Jayma Moore Phone No. 235-9649
5. Mailing Address of Property Owner 2874 Lilac Ln N 701 552-2901 JAYMA

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Reside House
7. Building permit No. 2205-0766 8. Year built (residential property) 1986
9. Date of commencement of making the improvements 6/1/2022
10. Estimated market value of property before the improvements $ 396,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 42563.52
12. Estimated market value of property after the improvements $ 396,900.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Jayma L Moore Date 1/16/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2849 Lilac Ln N as submitted by Michael and Kimberly Gruchalla. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $411 with the City of Fargo's share being $69.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 1, Lot 10, North Oaks
2. Address of Property 2849 Lilac Ln N
3. Parcel Number 01-2115-00100-000
4. Name of Property Owner Michael & Kimberly Gruchalla Phone No. 701-367-2199
5. Mailing Address of Property Owner 2849 Lilac Ln N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Basement remodel
7. Building permit No. 2202-0419
8. Year built (residential property) 1989
9. Date of commencement of making the improvements 2-1-2022
10. Estimated market value of property before the improvements $ 647,700.00
11. Cost of making the improvement (all labor, material and overhead) $ 45,000
12. Estimated market value of property after the improvements $

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 1-13-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 20, 2022

40j

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 405 25 Ave N as submitted by Robert and Judith Anderson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $94 with the City of Fargo's share being $16.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 4, Lot W 1 Ft of 7 & All of 8 & E 1 Ft of 9, Oral A Holm
2. Address of Property 405 25 Ave N
3. Parcel Number 01-1380-00460-000
4. Name of Property Owner Robert & Judith Anderson Phone No. 701-429-3749
5. Mailing Address of Property Owner 405 25 Ave N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Basement remodel
7. Building permit No. 2107-0481
8. Year built (residential property) 1956
9. Date of commencement of making the improvements still working on project
10. Estimated market value of property before the improvements $ 199,700.00
11. Cost of making the improvement (all labor, material and overhead) $ 17 600 at this time its not completed
12. Estimated market value of property after the improvements $?

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Robert anderson Judith Anderson Date 1-11-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization _____ Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions: _____

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40K

January 20, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 808 8 St s as submitted by Gary and Amie Haugo. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $236 with the City of Fargo's share being $40.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed
   LOT S 10 FT OF 17 & ALL OF 18, 19 & 20 & N 15 FT OF 21; Block L in CHAS A ROBERTS
2. Address of Property 808 8th St. S.
3. Parcel Number 01-2400-01550-000
4. Name of Property Owner Gary & Amie Haugo Phone No.
5. Mailing Address of Property Owner 808 8th St S., Fargo, ND 58103

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Remove old Finish and Remodel 3rd Floor with Bathroom
7. Building permit No. 22060468 8. Year built (residential property) 1915
9. Date of commencement of making the improvements 06/30/2022
10. Estimated market value of property before the improvements $ 629,600.00
11. Cost of making the improvement (all labor, material and overhead) $ 41,000.00
12. Estimated market value of property after the improvements $ 647,000.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

X Applicant [signature] X Date 1-5-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
    Approval is subject to the following conditions:

    Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

    Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 20, 2023

401

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1250 5 St N as submitted by Justin and Elizabeth Frye. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $1,166 with the City of Fargo's share being $198.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot S 1/2 of E 1/2 of 2, James Holes
2. Address of Property 1250 5 St N
3. Parcel Number 01-1370-00250-000
4. Name of Property Owner Justin & Elizabeth Frye Phone No. 701-540-9555
5. Mailing Address of Property Owner 1250 5 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). New office in basement
7. Building permit No. 2209-0766
8. Year built (residential property) 1946
9. Date of commencement of making the improvements 9/22/22
10. Estimated market value of property before the improvements $ 244,900.00
11. Cost of making the improvement (all labor, material and overhead) $ 6,100
12. Estimated market value of property after the improvements $ 250,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant JTF Date 12/19/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40m

January 20, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1117 4 St N as submitted by William Thompson and Kimberly Luchau-Thompson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $1,166 with the City of Fargo's share being $198.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 8, Hectors
2. Address of Property 1117 4 St N
3. Parcel Number 01-1160-00440-000
4. Name of Property Owner William Thompson & Kimberly Luchau-Th Phone No. 701-298-6126
5. Mailing Address of Property Owner 1117 4 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). New Siding, new windows on porch, new second floor windows
7. Building permit No. 2212-0037
8. Year built (residential property) 1915
9. Date of commencement of making the improvements 11-15-2022 (approximate date)
10. Estimated market value of property before the improvements $ 226,300.00
11. Cost of making the improvement (all labor, material and overhead) $ $70,000
12. Estimated market value of property after the improvements $ 255,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant William Thompson Date 1/7/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

40n

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3301 Evergreen Rd N as submitted by Albert and Valerie Schmidt. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $178 with the City of Fargo's share being $30.

Sincerely,

Mike Splonskowski

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 4, Golf Course 2nd
2. Address of Property 3301 Evergreen Rd N
3. Parcel Number 01-1002-00100-000
4. Name of Property Owner Albert & Valerie Schmidt Phone No. 701-793-1066
5. Mailing Address of Property Owner 3301 Evergreen Rd N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). New siding
7. Building permit No. 2212-0193 8. Year built (residential property) 1973
9. Date of commencement of making the improvements 13 DEC 2022
10. Estimated market value of property before the improvements $ 218,600.00
11. Cost of making the improvement (all labor, material and overhead) $ 26,111.
12. Estimated market value of property after the improvements $?

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Albert Schmidt Date 7 JAN 2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

40a

January 12, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1001 42 Ave N as submitted by Suzanne Larsen-Johnson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $166 with the City of Fargo's share being $28.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed: Blk 7, Lot 1, Riverwood 3rd
2. Address of Property: 1001 42 Ave N
3. Parcel Number: 01-2366-00220-000
4. Name of Property Owner: Suzanne Larsen-Johnson Phone No.: 701-640-4203
5. Mailing Address of Property Owner: 1001 42 Ave N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary): Bathroom Remodel
7. Building permit No.: 2201-1233 8. Year built (residential property): 1993
9. Date of commencement of making the improvements: 4/1/2022
10. Estimated market value of property before the improvements: $ 498,100.00 2022
11. Cost of making the improvement (all labor, material and overhead): $ 45,000
12. Estimated market value of property after the improvements: $ 452,80 last yr.

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant: [signature] Date: 1-3-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☑ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization: [signature] Date: 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson: _____ Date: _____

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

4/0P

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1809 13 Ave S as submitted by James and Kathy Rugroden. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $119 with the City of Fargo's share being $20.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 2, Lot 3, Hilleboe 1st
2. Address of Property 1809 13 Ave S
3. Parcel Number 01-1200-00110-000
4. Name of Property Owner James & Kathy Rugroden Phone No. 701-541-7456
5. Mailing Address of Property Owner 1809 13 Ave S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Bath Remodel
7. Building permit No. 2209-0770
8. Year built (residential property) 1955
9. Date of commencement of making the improvements ? 9/24/2020
10. Estimated market value of property before the improvements $ 162,400.00
11. Cost of making the improvement (all labor, material and overhead) $ 7,927.76
12. Estimated market value of property after the improvements $ 170,327.76

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant James C Rugroden, Kathy S Rugroden Date 1/10/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

408

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 306 15 St N as submitted by Three Rivers Development LLC. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $66 with the City of Fargo's share being $11.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed
   Lot: N 46 FT of South 94 FT of 21 & 22, Block: 10 Reeves Addition
2. Address of Property 306 15th St. N.
3. Parcel Number 01-2340-01120-000
4. Name of Property Owner Three Rivers Development LLC Phone No. 701/203-3578
5. Mailing Address of Property Owner

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Added Full Bath in basement
7. Building permit No. 21120404 8. Year built (residential property) 1926
9. Date of commencement of making the improvements 12/17/21
10. Estimated market value of property before the improvements $ 130,800.00
11. Cost of making the improvement (all labor, material and overhead) $ 4,000.00
12. Estimated market value of property after the improvements $ 135,700

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
    Applicant [signature] Date 1-11-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):
    Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
    Approval is subject to the following conditions:
    Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.
    Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40r

January 12, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1537 24 Ave S as submitted by Lauren Sagar Bittara, Etal. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $227 with the City of Fargo's share being $39.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 5, Lot 12, Oak Manor 2nd
2. Address of Property 1537 24 Ave S
3. Parcel Number 01-2211-00510-000
4. Name of Property Owner Lauren Sagar Bittara, Etal Phone No. 612-759-0468
5. Mailing Address of Property Owner 1537 24 Ave S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Lower level remodel
7. Building permit No. 2209-0538
8. Year built (residential property) 1970
9. Date of commencement of making the improvements ~~May~~ May 15 - ~~Dec~~ Dec 9th 2022
10. Estimated market value of property before the improvements $ 229,000.00
11. Cost of making the improvement (all labor, material and overhead) $ 50,000
12. Estimated market value of property after the improvements $ 279,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 12/29/22

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization [signature] Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

January 12, 2022

408

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3019 Bohnet Blvd N as submitted by Keith and Wanda Fischer. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $69 with the City of Fargo's share being $12.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 12, Edgewood Farms
2. Address of Property 3019 Bohnet Blvd N
3. Parcel Number 01-0735-00360-000
4. Name of Property Owner Keith & Wanda Fischer Phone No. 701-541-4134
5. Mailing Address of Property Owner 3019 Bohnet Blvd N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Basement Bath Remodel
7. Building permit No. 2209-0627
8. Year built (residential property) 1984
9. Date of commencement of making the improvements October 10, 2022
10. Estimated market value of property before the improvements $ 426,800.00
11. Cost of making the improvement (all labor, material and overhead) $ 16,900.
12. Estimated market value of property after the improvements $ 443,700

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Wanda Fischer Date 12-27-2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

404

January 6, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 311 8 St N as submitted by Paul Gleye III and Kay Schwarzwalter. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $206 with the City of Fargo's share being $35.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed: Blk 10, Lot W 77.5 Ft of A, Roberts 2nd
2. Address of Property: 311 8 St N
3. Parcel Number: 01-2382-01410-000
4. Name of Property Owner: Paul Gleye III & Kay Schwarzwalter Phone No.: 701-799-6121
5. Mailing Address of Property Owner: 311 8 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary): Bath remodel & KITCHEN
7. Building permit No.: 2103-0158 8. Year built (residential property): 1906
9. Date of commencement of making the improvements:
10. Estimated market value of property before the improvements: $ 251,300.00
11. Cost of making the improvement (all labor, material and overhead): $
12. Estimated market value of property after the improvements: $

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant: Paul H Gleye Kay Schwarzwalter Date: 28 Dec 2022

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization: Date: 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson: Date:

CITY OF Fargo

ASSESSMENT DEPARTMENT

404

January 6, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1110 3 Ave N Unit 703E as submitted by Bruce and Nancy Taralson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $331 with the City of Fargo's share being $56.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 37, Lot 4 Thru 9, Roberts 2nd
2. Address of Property 1110 3 Ave N Unit 703E
3. Parcel Number 01-2382-03836-030
4. Name of Property Owner Bruce & Nancy Taralson Phone No. 701-388-5194
5. Mailing Address of Property Owner 1110 3 Ave N Unith 703E

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Full remodel of unit
7. Building permit No. 2203-0105
8. Year built (residential property) 1978
9. Date of commencement of making the improvements 4/13/22 - still going
10. Estimated market value of property before the improvements $ 117,900.00
11. Cost of making the improvement (all labor, material and overhead) $ $91,000.00
12. Estimated market value of property after the improvements $ $200,000.00

Applicant's Certification And Signature

13. I certify that the information contained ~~in this~~ application is correct to the best of my knowledge.

Applicant Bruce Taral Date 1/3/23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization Mike Slominski Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

CITY OF Fargo

ASSESSMENT DEPARTMENT

40

January 6, 2022

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1132 3 St N as submitted by Jason Forness and Michelle Mathson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about $30 with the City of Fargo's share being $5.

Sincerely,

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 20, Hectors
2. Address of Property 1132 3 St N
3. Parcel Number 01-1160-00570-000
4. Name of Property Owner Jason Forness & Michelle Mathson Phone No. _____
5. Mailing Address of Property Owner 1132 3 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Bath remodel
7. Building permit No. 2207-0907 8. Year built (residential property) 1917
9. Date of commencement of making the improvements JUNE 22
10. Estimated market value of property before the improvements $ 295,000.00
11. Cost of making the improvement (all labor, material and overhead) $ 8,500
12. Estimated market value of property after the improvements $ _____

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Jason Forness Date 1-3-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization Date 1-26-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐

Approval is subject to the following conditions: _____

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson _____ Date _____

41

MEMO

TO: Fargo City Commission

FROM: Arlette Preston, Commissioner

DATE: February 6, 2023

RE: HB 1460

HB 1460 sets up a fund for voluntary participation by employees who would pay from their own salaries to cover time off when a medical or family need exists. Employers are only required to allow employees to participate and to provide the same job (or equivalent job in pay and benefits) when the employee returns.

The legislature in MN is considering paid family and medical leave in this current session and will very likely get approved. If so, all ND border cities will be at a distinct disadvantage to recruit and retain employees.

This does not require employers to participate in any way financially, but if they choose to do so, they will receive a tax credit. It also provides an opportunity for small business to be able to provide a benefit which may now be possible only for large employers.

It just seems like a win-win for both sides.

Recommended motion:
The Fargo City Commission indicates support for HB 1460 by sending a letter to the members of the House of Representatives who are representing all of Cass County.

23.0561.01000

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1460

Introduced by

Representatives Hanson, Christy, Ista, Richter, Schneider, Warrey

Senators Cleary, Hogan

A BILL for an Act to create and enact chapter 34-06.2, a new section to chapter 57-38, and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to a paid family medical leave program and an income tax credit for contributions paid into the paid family medical leave fund on behalf of eligible employees; to provide an appropriation; to provide for a transfer; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 34-06.2 of the North Dakota Century Code is created and enacted as follows:

34-06.2-01. Definitions.

As used in this chapter:

1. "Commissioner" means the labor commissioner.
2. "Eligible employee" means an employee who works for a single employer.
3. "Employee" means an individual, regardless of age, who performs part-time or full-time services for an employer for remuneration.
4. "Employer" means a person within the state which engages the services of employees for remuneration. The term includes:
   a. The state and its political subdivisions.
   b. A public and quasi-public corporation in the state.
   c. A partnership, limited liability company, association, and private corporation, including a public service corporation.
5. "Family member" includes a child, stepchild, sibling, spouse, parent, step-parent, grandparent, legal guardian, grandchild, and relative of an eligible employee living in the same home as the eligible employee.
6. "Fund" means the paid family medical leave fund.

7. "Wages" means remuneration for services to an employer by an employee, regardless of source, including remuneration based on time, piece-rate, job, or incentive.

34-06.2-02. Paid family medical leave program - Administration.

1. The commissioner shall establish a division to administer a paid family medical leave program under this chapter. The commissioner shall adopt rules and hire staff, as the commissioner determines necessary, to administer the program under this chapter.
2. Eligible employees and employers may contribute to the fund beginning July 1, 2024, and eligible employees may withdraw from the fund for an eligible event under section 34-06.2-05 beginning July 1, 2025.

34-06.2-03. Paid family medical leave fund.

There is created in the state treasury a special fund known as the paid family medical leave fund. The fund consists of all moneys deposited in the fund from employers and employees for contributions into the paid family medical leave program. The moneys in the fund may be expended by the commissioner only to pay for wages of an eligible employee under the program, and to pay for administrative costs associated with the administration of the program.

34-06.2-04. Program requirements.

The paid family medical leave program must:

1. Require an employer to annually notify all employees of the program and of the employee's rights under the program.
2. Allow eligible employees and employers to participate in the program.
   a. Except as provided in subdivision b, an eligible employee who chooses to participate in the program shall contribute to the fund six cents for every ten dollars of wages earned for the benefit of the eligible employee to take leave for an eligible event as described under section 34-06.2-05.
   b. An employer who chooses to participate in the program may contribute all or a portion of the contributions under subdivision a for eligible employees participating in the program.
3. Allow sole proprietors and independent contractors, as determined under the common-law test, to participate in the program. A sole proprietor or independent contractor who chooses to participate in the program shall contribute to the fund six cents for every ten dollars of wages earned for the benefit of the sole proprietor or

independent contractor to take leave for an eligible event as described under section 34-06.2-05.

4. Allow an eligible employee to take leave for an eligible event as described under section 34-06.2-05 if the eligible employee has accrued at least five hundred hours of service before taking leave.

5. Provide for sixty-six percent of an eligible employee's average weekly wages, up to a maximum of one thousand dollars per week.

6. Provide up to twelve calendar weeks of coverage per calendar year for an eligible employee on leave under the program. An eligible employee may take leave on an intermittent basis.

7. Allow an eligible employee to return to the position held with the employer before taking leave, or an equivalent position with commensurate pay and benefits, upon the conclusion of the leave period.

8. Allow an eligible employee to maintain the employee's existing benefits while taking leave under the program.

9. Allow an employer to require eligible employees to use up to two weeks of sick or vacation leave before using leave under the program.

34-06.2-05. Eligible events.

1. An employer shall grant leave to an eligible employee participating in the program to care for:

   a. A serious physical or mental health condition of the eligible employee;

   b. A serious physical or mental health condition of a family member;

   c. A child during the first calendar year after the date of the child's birth, adoption, or after the date the child's foster care began; or

   d. The eligible employee's well-being or a family member if the eligible employee or family member was the victim of domestic violence, sexual assault, or human trafficking.

2. An employer may grant leave to an eligible employee participating in the program for additional events as determined by the employer.

34-06.2-06. Additional family medical leave benefits.

This chapter does not preclude an employer from providing family medical leave benefits that exceed the requirements of this chapter.

34-06.2-07. Retaliation - Discrimination - Prohibition.

An employer may not take retaliatory or discriminatory action against an eligible or potential employee for requesting or taking leave under the program, or indicating the intent to take leave under the program if hired. Retaliatory action includes discharge from or termination of employment, threatening discharge or termination, suspension of employment, demotion, or reduction of hours or wages.

SECTION 2. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Paid family medical leave program tax credit.

A taxpayer that is an employer within this state and which contributes to the paid family medical leave fund under section 34-06.2-04 is entitled to a credit against state income tax liability under section 57-38-30 or 57-38-30.3 in an amount equal to twenty percent of the contributions paid by the taxpayer to the fund on behalf of eligible employees participating in the program during the taxable year.

SECTION 3. A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Paid family medical leave program tax credit under section 2 of this Act.

SECTION 4. APPROPRIATION - TRANSFER TO PAID FAMILY MEDICAL LEAVE FUND - INTENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the paid family medical leave fund for the purpose of administering a paid family medical leave program, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds must be paid back to the general fund over a period of twenty years. It is the intent of the sixty-eighth legislative assembly that the funds transferred be derived from legacy fund earnings transferred to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. EFFECTIVE DATE. Sections 2 and 3 of this Act are effective for taxable years beginning after December 31, 2022.

THE CITY OF Fargo FAR MORE

42a

February 6, 2023

To: **Board of City Commissioners**
Fr: **Michael Redlinger, City Administrator**
Re: **City Commissioner Liaison Designation for the 2023 Legislative Session**

At the December 12, 2022 City Commission meeting, a presentation was provided by City staff on the City of Fargo's proposed 2023 legislative priorities. City staff, together with the Special Assistant City Attorney for government relations, Ms. Terry Effertz, answered questions and received feedback from City Commissioners regarding 2023 priorities. The City Commission approved its priorities on December 27, 2022 at the City Commission meeting.

With the 2023 Legislative Session underway, and bills progressing through the House and Senate, the City Commission is requested to designate a City Commission Liaison to assist City staff in reviewing City of Fargo policy positions; written and verbal testimony; and to provide a communication linkage between City staff and the City Commission on legislative matters and items of interest to Fargo. It is recommended that Commissioner Denise Kolpack, Liaison Commissioner to the Communications & Governmental Affairs Department, be designated as the Liaison Commissioner for legislative activities. The Liaison Commissioner will coordinate with the City Administrator and City staff to advance the City of Fargo's 2023 legislative agenda.

Recommended Action: Recognize Commissioner Denise Kolpack as the Liaison Commissioner for the City of Fargo's legislative efforts at the 68th Legislative Assembly.