



**TO:** City Board of Equalization  
**FROM:** Ryan Kamrowski, City Assessor  
**DATE:** April 9, 2024  
**SUBJECT:** **2400 10<sup>th</sup> St SW; MI35.677.000.0110**

**I. RECOMMENDED ACTION**

*City Assessor's office recommends denial of representative's request.*

**II. DEPARTMENT CONTACT PERSONS**

*Ryan Kamrowski, City Assessor, 701-857-4160*

**III. VALUES**

A. 2024 Assessment: **\$60,804,000**

B. Appellants Requested Value: **\$34,000,000 to \$35,000,000**

**IV. DESCRIPTION**

A. Background

*DuCharme, McMillen & Associates, Inc, representing DAKOTA SQUARE MALL CMBS, LLC; has filed an assessment appeal for the property located at 2400 10<sup>th</sup> St SW (DBA: Dakota Square Mall). They are requesting that the 2024 assessment be set between \$34,000,000 and \$35,000,000.*

B. Recommendation Detail

*City Assessor recommends denial of request based on current market trends and local market data to support the 2024 assessment of \$60,804,000. The information provided by the Assessor's office illustrates that the current assessment is at the median sale price per square foot for retail property. The City Assessor's value considers all three approaches to value; Income, Cost, and Sales Comparison. Whereas the appellants analysis is solely relying on an Income Analysis using nationwide market information and not fully illustrating local market influences.*

**V. ATTACHMENTS:**

A. 2024 Property Record and Assessment

B. Comparable Sales and Assessment Data

Deed: DAKOTA SQUARE MALL CMBS, LLC

Map Area: Commercial Specialty

Checks/Tags:

Contract:

Route: 000-000-000

Lister/Date:

CID#:

Tax Dist: Minot Public

Review/Date: RK, 02/14/2024

DBA: DAKOTA SQUARE MALL

Plat Page:

Entry Status: Permit Estimate

Urban / Commercial

MLS:

Subdiv: 35-677 DAKOTA SQUARE 2ND

Legal: DAKOTA SQUARE SECOND ADDITION

## Land

Land Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres	Depth/Unit	EFF/Type	Qual./Land	Unit Price	Total	Topo	Econ	Other	\$Adj	Land Total (Rnd nearest \$1000)
SqFt X Rate						2,136,626.00	49.050		C-650		\$6.50					\$0	
Subtotal						2,136,626.00	49.050					\$13,888,069	0%	0%	0%	\$0	\$13,888,000
Grand Total						2,136,626.00	49.050					\$13,888,069					\$13,888,000

## Street

## Utilities

## Zoning

## Land Use

SqFt X Rate	Paved	City	C4/Planned Commercial	Not Applicable
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## Sales

## Building Permits

## Values

Date	\$ Amount	NUTC	Recording	Date	Number	Tag	\$ Amount	Reason	Type	Appraised					
05/16/2012	\$79,178,000	D088	2940631	1/12/2023	22-36	R	\$130,000	Commercial	Land	\$13,888,000					
02/07/2005	\$0	D099	2841176	11/3/2022	22-2130	C	\$200,000	Commercial	Dwlg						
06/30/1997	\$0	D099	753954	5/9/2022	22-668	C	\$1,210,000	Commercial	Impr	\$46,916,000					
06/30/1995	\$0	D099	732099	3/7/2022	22-306	C	\$15,000	Commercial	Total	\$60,804,000					

## Precomputed Structure

## Verticals

## Plumbing

B

Ext

Occ. Code	206	Fg & Fdtn														
Occ. Descr.	Shopping Center - Regional Mall	Exterior wall														
Price Code	206	Interior wall														
Price Descr.	Shopping Center - Regional Mall	Pilasters														
Year Built	1980	Wall facing														
EFF Age/Yr	44/ 1980	Windows														
Depr. Table	2	Fronts/Doors														

## Horizontals

## Adjustments

Basement																
Roof																
Ceiling																
Struct. Floor																
Floor Cover																
Partitions																
Framing																
HVAC																
Electrical																
Sprinkler																

## Obsolescence

Occupancy																
Functional:	External:	15%	Other:													

Bldg / Addn	Description	(RCN \$70,748,926)	Units	Price	Base Value	Grade Mult	Year	Phys%	Fobs%	Eobs%	Other%	Ag Fctr%	Depreciated Total (Rnd nearest dollar)	Map	Appraised Value (Rnd nearest \$1000)
1 of 5	Bldg	O 206 — Shopping Center - Regional Mall													
	Pre	P 206 — Shopping Center - Regional Mall	520,823	\$86.50	<b>\$45,051,190</b>										
	Adj	Sprinkler - exposed wet - AVG	523,306	\$2.75	\$1,439,092										
	Adj	Canopy - attached - AVG	925	\$19.50	\$18,038										
	Adj	Canopy - attached - Low	1,170	\$16.00	\$18,720										
	<b>Adjustments Sub Total</b>				<b>\$1,475,850</b>										
	<b>Building Sub Total</b>				<b>\$46,527,040</b>	1.520	1980	34	0	15	0	0	<b>\$39,674,538</b>	<b>1.000</b>	<b>\$39,675,000</b>
1 of 2	Ex	Truck Well	1	\$16,290	\$16,289.80	1.520	2019	34.00	0	15	0		<b>\$13,891</b>	<b>1.000</b>	<b>\$14,000</b>
	Floor=1,120, Foundation=172														
2 of 2	Ex	Door	1	\$2,016	\$2,016.00	1.520	2019	34.00	0	15	0		<b>\$1,719</b>	<b>1.000</b>	<b>\$2,000</b>
	<b>Commercial Building TOTAL Value</b>														<b>\$39,691,000</b>

Precomputed Addition		Verticals						Plumbing		
Occ. Code	212	Ftg & Fdtn	Concrete w/o Bsmt	8"	EIFS	0	Tilt-up w/ Broom Fin - 6"	20	B	Ext
Occ. Descr.	Shopping Center - Anchor Store	Exterior wall	Brick Veneer	0						
Price Code	212	Interior wall	Drywall or Equiv.	0						
Price Descr.	Shopping Center - Anchor Store	Pilasters								
Year Built	2016	Wall facing								
EFF Age/Yr	8/ 2016	Windows	Aluminum	1						
Depr. Table	2	Fronts/Doors	Average Cost Front							
Horizontals										
Condition	NML	Basement								
Grade Mult.	1.520	Roof	Rubber Membrane/Stl							
Phy-Depr.	16	Ceiling	Notched Blk-Drop Edge(Tegular)	1						
Description	2016 Building 2/West Addition	Struct. Floor	4" R'Concrete	1						
Style	EIFS - Steel	Floor Cover	Laminate	1	Quarry Tile	1				
Stories	1	Partitions	Drywall	1						
Grade	3	Framing	Steel - Average	1						
Base	10,583	HVAC	Combination FHA - AC	1						
Basement	0	Electrical	LED	1	Strip Fluorescent	1				
1st Flr Inset Adj	0	Sprinkler	Exposed Wet	1						
Obsolescence										
Occupancy										
Functional:	External:	10%	Other:							



Precomputed Addition		Verticals						Plumbing		
		Ftg & Fdtn	Concrete w/o Bsmt	8"	EIFS	0	Tilt-up w/ Broom Fin - 6"	20	B	Ext
Occ. Code	212	Exterior wall	Brick Veneer	0						
Occ. Descr.	Shopping Center - Anchor Store	Interior wall	Drywall or Equiv.	0						
Price Code	212	Pilasters								
Price Descr.	Shopping Center - Anchor Store	Wall facing								
Year Built	2016	Windows	Aluminum	1						
EFF Age/Yr	8/ 2016	Fronts/Doors	Average Cost Front							
Horizontals										
Basement										
Roof		Rubber Membrane/Stl								
Ceiling		Panelled Blk-Drop Edge(Tegular)		1						
Struct. Floor		4" R'Concrete		1						
Floor Cover		Laminate		1		Quarry Tile	1			
Partitions		Drywall		1						
Framing		Steel - Average		1						
HVAC		Combination FHA - AC		1						
Electrical		LED		1		Strip Fluorescent	1			
Sprinkler		Exposed Wet		1						
Obsolescence										
Occupancy										
Functional:	External:	10%	Other:							
Sprinkler - exposed w/ 9,777 AVG										



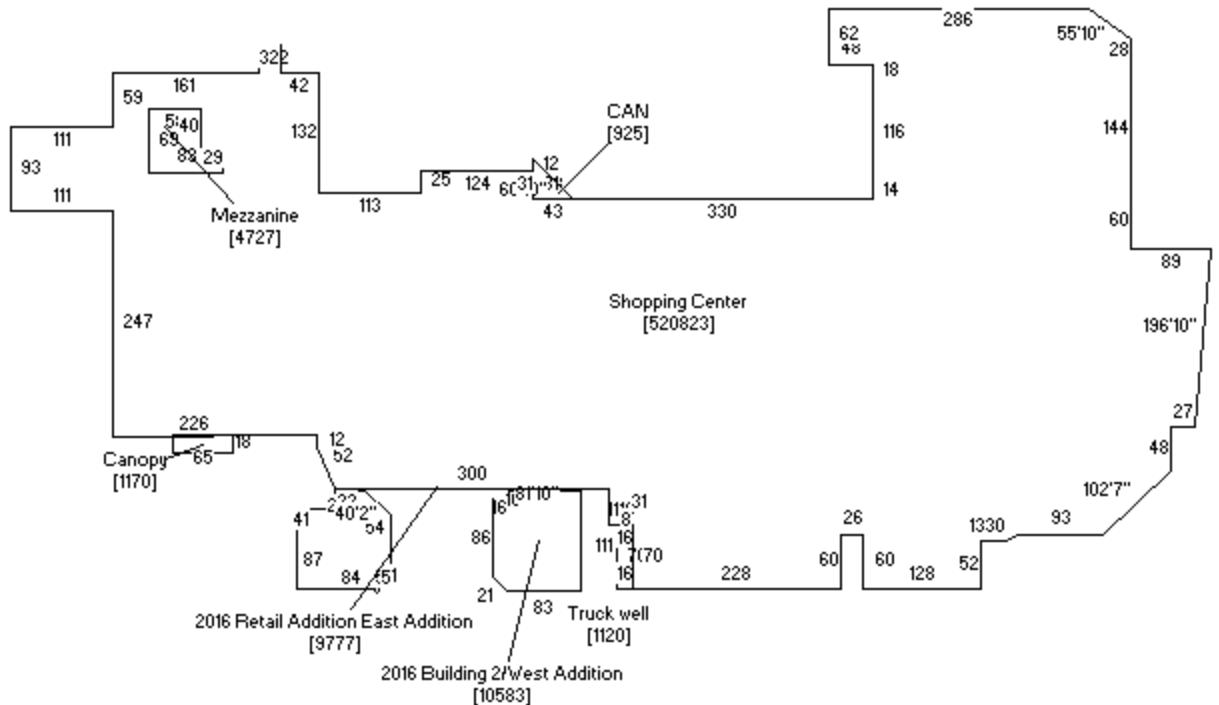
Precomputed Addition		Verticals						Plumbing		
Occ. Code	501	Ftg & Fdtn							B	Ext
Occ. Descr.	Office - General	Exterior wall								
Price Code	501	Interior wall								
Price Descr.	Office - General	Pilasters								
Year Built	1980	Wall facing								
EFF Age/Yr	44/ 1980	Windows								
Depr. Table	1	Fronts/Doors								
Condition	NML	Horizontals						Adjustments		
Grade Mult.	1.250	Basement								
Phy-Depr.	49	Roof								
Description	Mezzanine	Ceiling								
Style	Frame - Wood	Struct. Floor								
Stories	1	Floor Cover								
Grade	4	Partitions								
Base	4,727	Framing								
Basement	0	HVAC								
Basement Parking	No	Electrical								
1st Flr Inset Adj	0	Sprinkler								
GBA	545910	Obsolescence								
		Occupancy								
		Functional:	External:	10%	Other:					

Bldg / Addn	Description	(RCN \$496,926)	Units	Price	Base Value	Grade Mult	Year	Phys%	Fobs%	Eobs%	Other%	Ag Frt%	Depreciated Total (Rnd nearest dollar)	Map	Appraised Value (Rnd nearest \$1000)
Addtn 3	Adtn O 501 —Office - General														
	Pre P 501 —Office - General		4,727	\$84.10	\$397,541										
	<b><i>Building Sub Total</i></b>				<b><i>\$397,541</i></b>	1.250	1980	49	0	10	0	0	\$228,089	1.000	<b><i>\$228,000</i></b>
	<b><i>Commercial Building TOTAL Value</i></b>														<b><i>\$228,000</i></b>

Precomputed Structure		Verticals						Plumbing		
		Ftg & Fdtn	Exterior wall	Interior wall	Pilasters	Wall facing	Windows	Fronts/Doors	B	Ext
Occ. Code	211									
Occ. Descr.	Theater									
Price Code	211									
Price Descr.	Theaters (Cinemas)									
Year Built	2004									
EFF Age/Yr	19/	2005								
Depr. Table	3									
Condition	A NML									
Grade Mult.	1.520									
Phy-Depr.	26									
Description	Stadium Theatre									
Style	C.Blk - Steel									
Stories	1									
Grade	3									
Base	23,184									
Basement	0									
1st Flr Inset Adj	0									
GBA	23184									
# of Screens	0									
# of Seats	0									
Obsolescence										
Functional:		External:	Other:							

Bldg / Addn	Description (RCN \$4,292,193)	Units	Price	Base Value	Grade Mult	Year	Phys%	Fobs%	Eobs%	Other%	Ag Fctr%	Depreciated Total (Rnd nearest dollar)	Map	Appraised Value (Rnd nearest \$1000)
5 of 5	Bldg O 211 —Theater													
Pre	P 211 —Theaters (Cinemas)	23,184	\$118.80	<b>\$2,754,259</b>										
Adj	Sprinkler - concealed wet - AVG	23,184	\$3.00	\$69,552										
	<b>Adjustments Sub Total</b>			<b>\$69,552</b>										
	<b>Building Sub Total</b>			<b>\$2,823,811</b>	1.520	2004	26	0	0	0	0	<b>\$3,176,223</b>	<b>1.000</b>	<b>\$3,176,000</b>
	<b>Commercial Building TOTAL Value</b>													<b>\$3,176,000</b>

	Description	Units	Price	Base Value	Cond	Year	Phys%	Fobs%	Eobs%	Other%	Depreciated Total (Rnd nearest dollar)	Map	Appraised Value (Rnd nearest \$1000)
Yrd 1	1 — Paving - Asphalt 800,000 SF, Asphalt Parking, Avg Pricing		\$2.75	\$2,750,000	A NML	2014	25.00	0	0	0	\$2,062,500	1.000	\$2,063,000 <b>\$2,063,000</b>
	<b>Yard Extras TOTAL Value</b>												<b>\$2,063,000</b>



Sketch 1 of 1



Photo 1 of 5 10/03/2019



Photo 2 of 5 10/03/2019



Photo 3 of 5 03/19/2019



Photo 4 of 5 04/24/2015



Photo 5 of 5 09/04/2019

This aerial does not include the two additions built in 2016 on the northeast

Parcel_Number	House_Number	Address	Doing_Business_As	Occupancy of Main	Year_Blt	Gross_Bldg_Area	Sale_Date	Sale_Amount	Land_Value	Assessment_Per_Sqft
MI10.E14.000.0060	1500	21ST AVE NW	LAKESIDE PLAZA/Sanford Health Clinic/Apex Chiro/Edward Jones	Shopping Center - Neighborhood	2014	10,320	2/16/2022	\$3,100,000	\$612,000	\$300.39
MI36.F61.000.0020	900	21ST AVE SE	TRACTOR SUPPLY COMPANY	Store - Retail Large (> 10000 SF)	2021	21,695	2/18/2022	\$5,935,714	\$2,763,000	\$273.60
MI23.021.400.0201	400	S BROADWAY	Multi Tenant/Mattress Firm	Shopping Center - Neighborhood	1954	17,300	3/18/2022	\$2,950,000	\$520,000	\$170.52
MI25.394.050.0180	1325	S BROADWAY	I KEATING CARPET ONE	Store - Retail Large (> 10000 SF)	1956	20,770	6/6/2022	\$1,900,000	\$915,000	\$91.48
MI24.015.000.0021	400	E CENTRAL AVE	THE FOUNDRY	Store - Retail Large (> 10000 SF)	1916	21,144	7/15/2022	\$1,700,000	\$84,000	\$80.40
MI35.E68.000.0010	3300	S BROADWAY	Multi Tenant/VA/Little Caesar's/Jimmy John's/Super Cuts	Shopping Center - Neighborhood	2015	21,810	2/21/2024	\$5,143,500	\$1,350,000	\$235.83
										Median \$203.18
MI35.677.000.0110	2400	10TH ST SW	DAKOTA SQUARE MALL	Shopping Center - Regional Mall	1980	569,094		\$60,804,000	\$13,888,000	\$106.84
				Purchased in 2012 for \$91,475,000 at \$104.46 per square foot						

Source	Cap Rate	Loaded Cap Rate (Cap Rate + Effective Tax Rate)
RealtyRates.com	9.6%	11.3%
Macrobond, Federal Reserve	7.0%	8.7%
S&P Global Market Analysis	8.6%	10.3%
ALTUS Group	6.5%	8.2%
<b>Median</b>	<b>7.8%</b>	<b>9.5%</b>
Appellants Recommended	15%	16.74%
Assessor Applied	7.6%	9.3%

## RealtyRates.com INVESTOR SURVEY - 1st Quarter 2024\*

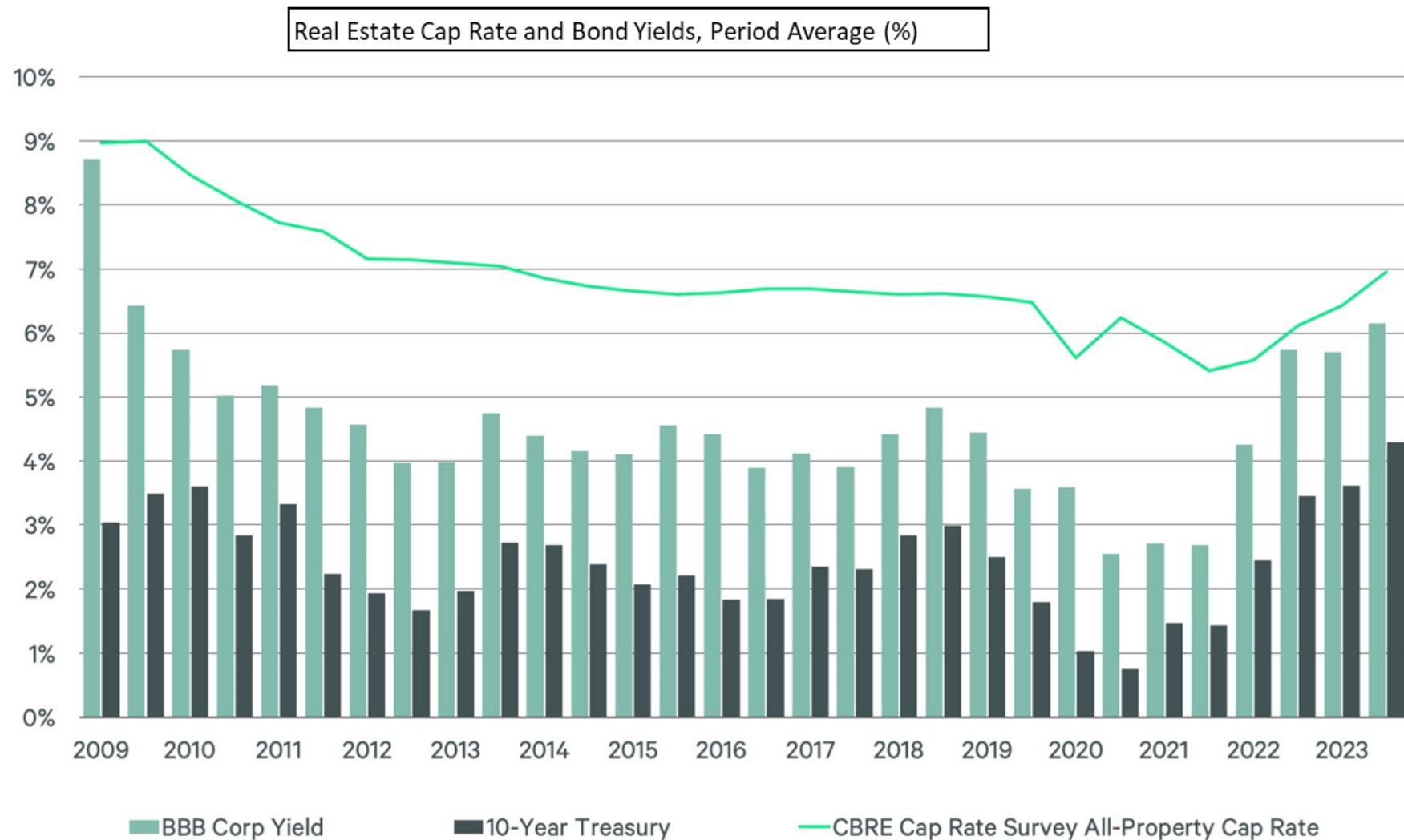
## CURRENT &amp; HISTORICAL CAP RATE INDICES

Method-Weighted<sup>†</sup> Property Category Indices

Year	Apts		Golf		Healthcare				Senior Housing				Industrial				Lodging				MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		Weighted <sup>‡</sup> Composite Indices	
					BP	Rate	Chg	BP	Rate	Chg	BP	Rate	Chg	BP	Rate	Chg	BP	Rate	Chg	BP	Rate	Chg	BP	Rate	Chg	BP	Rate	Chg	BP	Rate	Chg			
		Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg					
2023	8.49	50	11.93	37	9.20	56	9.42	47	10.45	55	9.84	57	9.31	43	9.60	58	12.33	82	10.03	44	12.19	58	9.84	52										
4th Qtr	8.63	14	12.04	16	9.38	18	9.48	14	10.59	14	10.00	17	9.32	18	9.76	16	12.48	16	10.03	17	12.38	21	9.95	16										
3rd Qtr	8.49	22	11.88	13	9.20	23	9.35	5	10.46	21	9.84	21	9.14	-10	9.60	20	12.32	23	9.86	-8	12.17	25	9.79	13										
2nd Qtr	8.27	-7	11.75	-8	8.97	-5	9.29	-6	10.25	-5	9.63	-6	9.24	-6	9.40	-4	12.09	-8	9.94	-9	11.92	-8	9.67	-6										
1st Qtr	8.34	-15	11.83	-13	9.02	-18	9.35	-14	10.30	-17	9.68	-15	9.30	-15	9.44	-12	12.17	-11	10.02	-14	11.99	-20	9.73	-15										
2022	7.99	16	11.56	17	8.64	26	8.95	36	9.90	22	9.27	35	8.88	39	9.02	17	11.50	39	9.59	35	11.61	40	9.32	28										
2021	7.83	-59	11.39	-64	8.38	-64	8.60	-59	9.68	-84	8.92	-65	8.49	-55	8.85	-53	11.11	-46	9.24	-62	11.21	-44	9.04	-60										
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41										
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49										
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22										
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6										
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9										
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12										
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7										
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2										
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21										
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.89	-3	11.12	-17	9.81	-19										
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13										
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14										
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1										
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28										
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26										
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2										
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19										
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12										
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41										
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21										
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01											

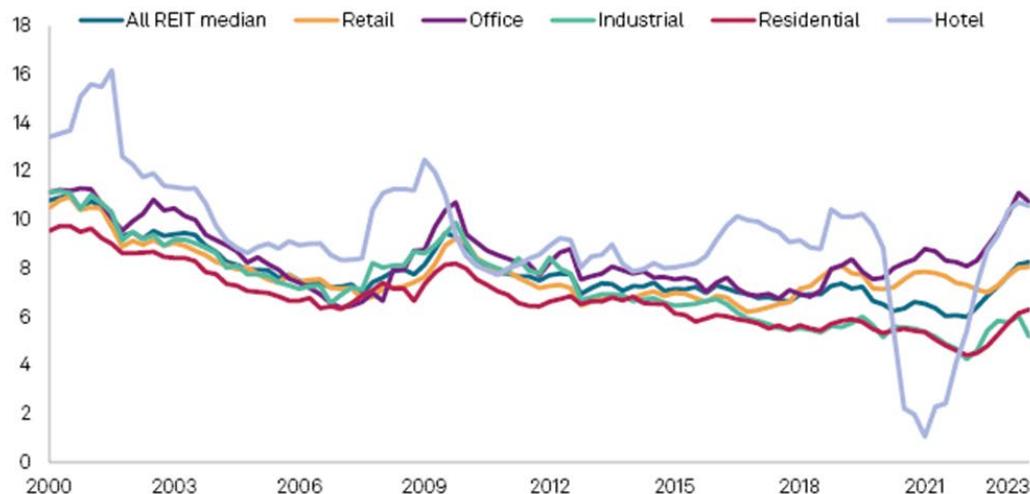
\* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

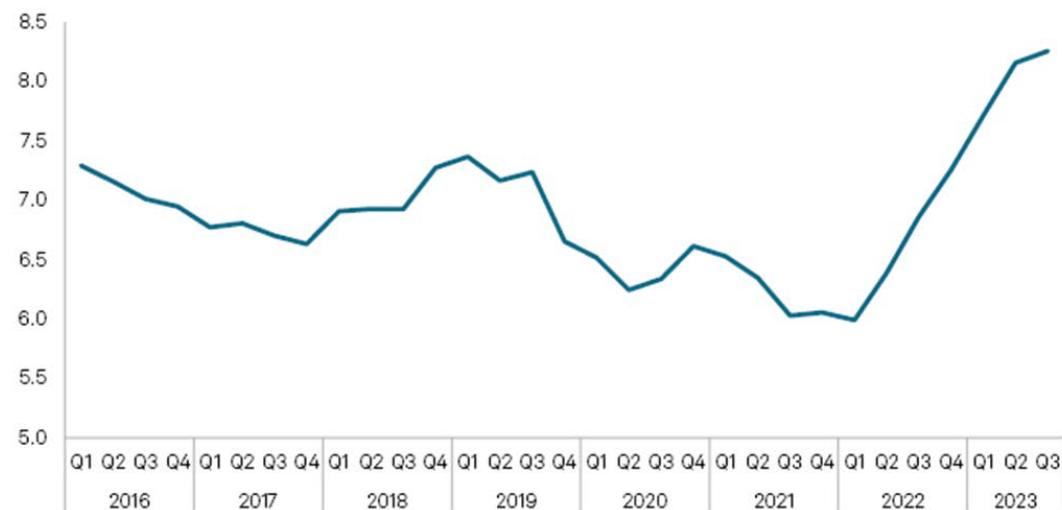


Source: Macrobond, Federal Reserve.

## US REIT median implied capitalization rate for select property sectors by year (%)



## All US REIT median implied capitalization rate by quarter (%)



Data compiled Nov. 21, 2023.

Includes US public equity real estate investment trusts with market capitalizations of \$200 million and above as of each respective quarter-end.

Excludes VICI Properties Inc. due to S&P Global Market Intelligence categorizing the vast majority of its revenue as interest income, a revenue stream excluded from the implied capitalization rate calculation.

Residential sector includes manufactured homes, multifamily, single-family and student housing real estate investment trusts.

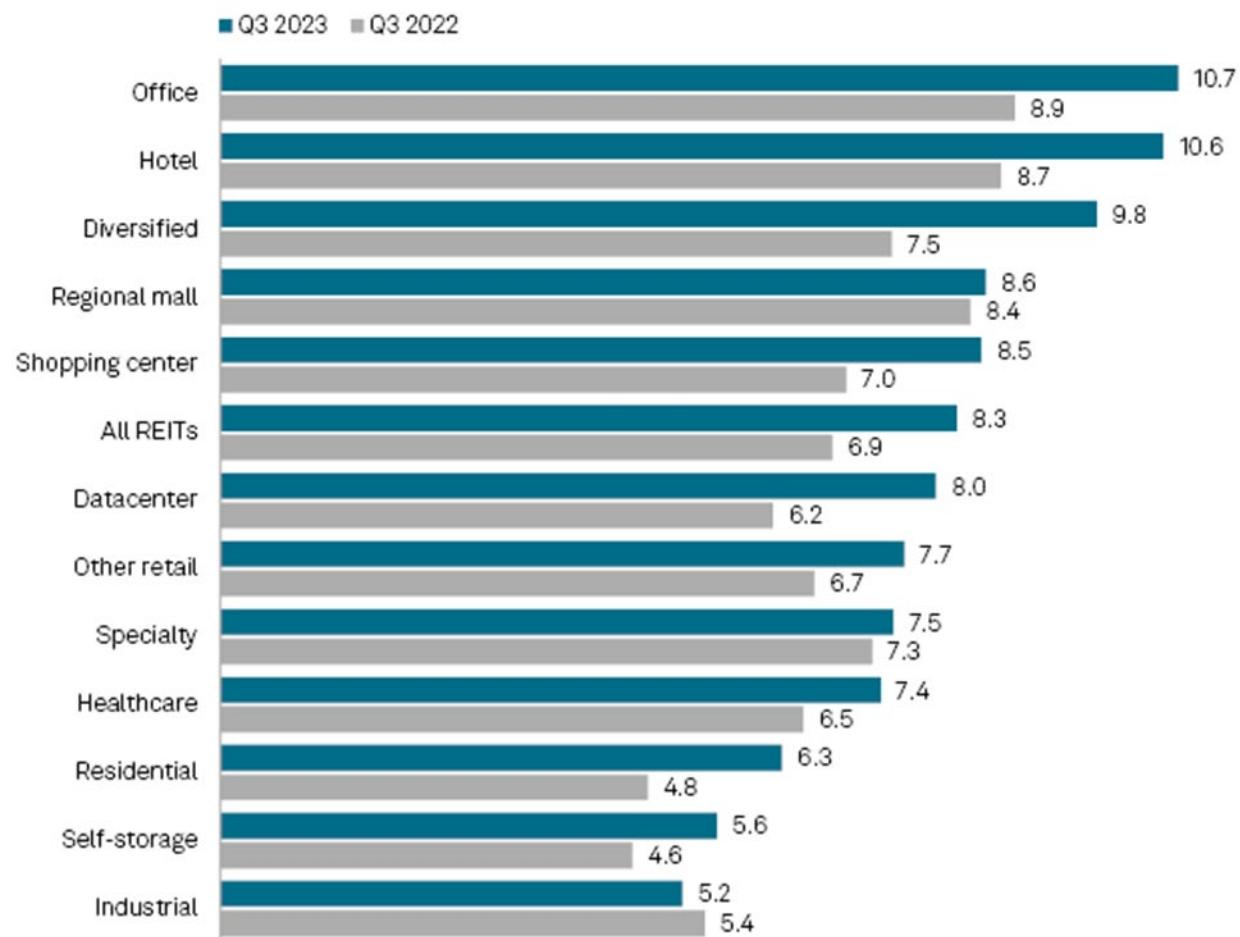
Retail sector includes outlet center, power center, regional mall, shopping center, single tenant and other retail real estate investment trusts.

Implied capitalization rate represents last-12-months property net operating income as a percentage of the implied market valuation of its real estate.

Source: S&P Global Market Intelligence.

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## Median implied capitalization rate by sector (%)



Data compiled Nov. 21, 2023.

Includes US public equity real estate investment trusts with market capitalizations of \$200 million and above as of each respective quarter-end.

Excludes VICI Properties Inc. due to S&P Global Market Intelligence categorizing the vast majority of its revenue as interest income, a revenue stream excluded from the implied capitalization rate calculation.

Specialty sector includes communication, land, timber, prison, energy infrastructure, casino, golf course, advertising and other specialty real estate investment trusts. Residential sector includes manufactured homes, multifamily, single-family and student housing real estate investment trusts.

Implied capitalization rate represents last-12-months property net operating income as a percentage of the implied market valuation of its real estate.

Source: S&P Global Market Intelligence.

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Source: NAREIT; S&P Global; Altus Group