



City of Grand Forks Staff Report

City Council – April 1st, 2019



Agenda Item:

Applications for property tax exemption of improvements to residential and commercial buildings as listed below.

Submitted by: Paul Houdek, City Assessor

Staff Recommended Action:

Grant property tax exemption of increased value due to remodeling or renovation of the properties listed for 5 years.

Committee Recommended Action: Not required.

Council Action:

BACKGROUND:

N.D.C.C. 57-02.2-03 together with the resolution adopted by the City Council, allows for an exemption of the increase in value due to remodeling, renovation, altering or construction of an addition to an existing building with some restrictions as indicated below:

- Residential buildings must be at least 25 years old on the assessment date preceding the application and must increase the market value at least 10% or \$5,000, whichever is least.
- Commercial buildings do not have a minimum age requirement however the improvements must increase the market value of the existing building at least \$5,000 and 10% of the existing building prior to improvements. The maximum exemption allowable for a commercial property is \$1,000,000 in market value.
- Applications must be filed with the Assessor within 12 months of initiating the remodeling or within 60 days of mailing a notice of increase in value from the City Assessing department which date comes first.
- The exemption can be granted for up to five years with the approval of the City Council.

ANALYSIS AND FINDINGS OF FACT:

- The attached applications meet all the requirements for this exemption.
- The City Council could choose to not grant any exemption, or it could grant an exemption for 1, 2, 3, 4 or 5 years.
- The estimated 5-year tax savings based on the current mill rate is as follows.

	<u>Residential</u>	<u>Commercial</u>
1. 2832 20 th Ave S		\$22,500
2. 2617 S Columbia Rd		\$25,000
3. 1024 Belmont Rd	\$2,795	
4. 2911 Clover Dr	\$675	
5. 2715 Chestnut St	\$1,750	
6. 2221 Chestnut St	\$3,140	
7. 618 Columbia Rd	\$1,185	
8. 503 S 5 th St	\$10,229	
<hr/>		
Total:	\$19,774	\$47,500

SUPPORT MATERIALS:

Applications filed by the owner
City of Grand Forks Remodeling Exemption Guidelines

City Assessor Signature:  Date: 3-26-19



-City of Grand Forks-

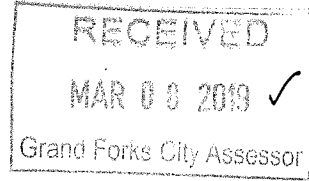
255 North Fourth Street - P.O. Box 5200 - Grand Forks, ND 58206-5200

OFFICE OF THE
CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.1328.003.00

COWGER, ROBERT
3855 BELMONT RD
GRAND FORKS, ND 58201



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: COWGER, ROBERT BMM APTS LLP * Telephone Number: 701-795-4014

Address of Property Claimed Exempt: 2832 20TH AVE S

Legal Description: 2832 20TH AVE S L3 B 1 COLUMBIA PARK 12TH ADDITION

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: Building was damaged by fire & currently vacant. Value at Land \$108,700 Building \$251,300 Total \$360,000. We are renovating the property changing kitchen and adding laundry to each unit. Building value when completed will be \$691,000

Building Permit: 2018-00003112 Date Building Permit Issued: 12/18/2018 ✓

Last Assessment on Record: Land: \$108,700 Improvements: \$555,200 Total: \$663,900

Estimated cost of making the improvements: \$331,000.00 Year Built: 1984 ✓

* Are these improvements resulting solely from Local, State or Federal Government grants?

Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

Date: 3/06/2019

Robert Cowger BMM Apts LLP
Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s): _____

Date: 3-15-19

Paul Smith
Assessor's Signature

Appraiser: TL Est. Tax Savings: 22,500 Res. Com.

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____

Chairman of Governing Board



City of Grand Forks

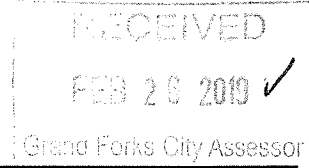
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OFFICE OF THE
CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.1219.006.00

AATRIX SOFTWARE, INC
2100 LIBRARY CIR
GRAND FORKS, ND 58201



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: AATRIX SOFTWARE, INC * Telephone Number: 701-746-6801^{Amy ext. 124}

Address of Property Claimed Exempt: 2617 S COLUMBIA RD Steve (701-741-3339)

Legal Description: 2617 S. COLUMBIA RD. L 1 B 4 BFM ADDITION

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: Renovating entire space back to sole business office space. Modernizing for higher efficiency HVAC, lighting, electrical, ~~and~~ plumbing, exterior. Roof replaced.

Building Permit: 2018-00001358 Date Building Permit Issued: 8/7/2018

Last Assessment on Record: Land: \$776,300 Improvements: \$451,600 Total: \$1,227,900

Estimated cost of making the improvements: ~~\$150,000.00~~ \$400,000.00 Year Built: 1980

* Are these improvements resulting solely from Local, State or Federal Government grants?

Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

Date: _____

Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s): _____

Date: 3-4-19 _____

Appraiser: PH Est. Tax Savings: 25,000 Res. Com Assessor's Signature

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____

Chairman of Governing Board



City of Grand Forks

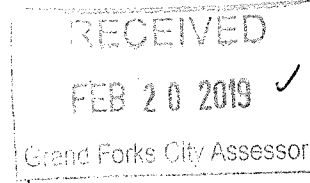
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OFFICE OF THE
CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.1102.031.00

BOYER, LYNNEAH & JACK ALBER
1024 BELMONT RD
GRAND FORKS, ND 58201



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: BOYER, LYNNEAH & JACK ALBER * Telephone Number: 218-760-3444

Address of Property Claimed Exempt: 1024 BELMONT RD

Legal Description: 1024 BELMONT RD SOUTH 60' OF NORTH 100', FACING BELMONT, OF LOT 13

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: Kitchen remodel, new mudroom

and 3/4 bath, refinish HW floors in living room + dining area

Building Permit: 94004 Date Building Permit Issued: 3/8/2018

Last Assessment on Record: Land: \$35,100 Improvements: \$99,300 Total: \$134,400

Estimated cost of making the improvements: \$17,800.00 Year Built: 1919

* Are these improvements resulting solely from Local, State or Federal Government grants?

Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

Date: 2/1/19

Lynneah Boyer
Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s): _____

Date: 3-4-19

[Signature]
Assessor's Signature

Appraiser: DW Est. Tax Savings: 2,795 Res. Com.

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____

Chairman of Governing Board



City of Grand Forks

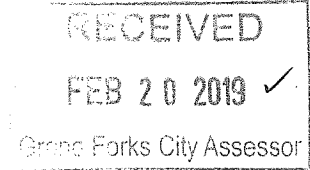
255 North Fourth Street - P.O. Box 5200 - Grand Forks, ND 58206-5200

OFFICE OF THE CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.2907.033.00

HOLM, SCOTT & GRACE
2911 CLOVER DR
GRAND FORKS, ND 58201



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: HOLM, SCOTT & GRACE * Telephone Number: 218-791-1831

Address of Property Claimed Exempt: 2911 CLOVER DR

Legal Description: 2911 CLOVER DR. LOT 8 B02 SUNSET ACRES 2ND ADDITI

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: Modernizing of windows: replaced 9
main floor windows to modernize and improve furnace efficiency.

Building Permit: 2019-00003217 Date Building Permit Issued: 1/7/2019

Last Assessment on Record: Land: \$45,800 Improvements: \$214,000 Total: \$259,800

Estimated cost of making the improvements: \$10,000.00 Year Built: 1963

* Are these improvements resulting solely from Local, State or Federal Government grants?

Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

Date: 01/19/19

Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s):

Date: 3-4-19
Appraiser: TW Est. Tax Savings: \$675 Res. Com. Assessor's Signature:

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____

Chairman of Governing Board



City of Grand Forks

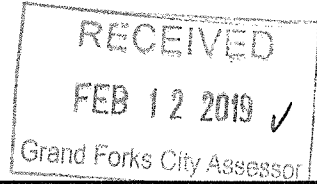
255 North Fourth Street - P.O. Box 5200 - Grand Forks, ND 58206-5200

OFFICE OF THE
CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.1806.021.00

MCGARRY, THOMAS P & JANELLE
2715 CHESTNUT ST
GRAND FORKS, ND 58201



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: MCGARRY, THOMAS P & JANELLE * Telephone Number: 701-741-0569

Address of Property Claimed Exempt: 2715 CHESTNUT ST

Legal Description: 2715 CHESTNUT ST LOT 3 B 2 HARWOOD-GRIFFITH ADDITI

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: Added 2 bedrooms w/ Egress windows ✓ bathroom and living Room - dry wall - Painted - flooring, etc. Lighting - plumbing

Building Permit: 93985 Date Building Permit Issued: 3/5/2018 ✓

Last Assessment on Record: Land: \$56,900 Improvements: \$194,200 Total: \$251,100

Estimated cost of making the improvements: \$30,000.00 Year Built: 1961 ✓

(~~Other~~ Bill was \$ 40,000)

* Are these improvements resulting solely from Local, State or Federal Government grants?

Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

Date: 2-10-19

Janelle McGarry
Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s): _____

Date: 3-4-19

Appraiser: TL Est. Tax Savings: 1750 Res. Com.

[Signature]
Assessor's Signature

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____

Chairman of Governing Board



City of Grand Forks

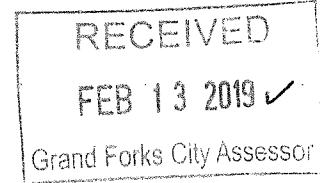
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OFFICE OF THE CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.1303.465.00

JORGENSEN, ROSS A & KAREN A
2221 CHESTNUT ST
GRAND FORKS, ND 58201



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: JORGENSEN, ROSS A & KAREN A * Telephone Number: _____

Address of Property Claimed Exempt: 2221 CHESTNUT ST

Legal Description: 2221 CHESTNUT ST. LOT 6 B35 COX'S

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: New windows, doors, insulation, Sheetrock, roof, kitchen, Bathrooms, Plumbing, electrical, Floor. Complete remodel.

Building Permit: 94003 Date Building Permit Issued: 3/8/2018 ✓

Last Assessment on Record: Land: \$47,700 Improvements: \$162,400 Total: \$210,100

Estimated cost of making the improvements: \$50,000.00 Year Built: 1958 ✓

* Are these improvements resulting solely from Local, State or Federal Government grants?

Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

Date: 2-11-19 Ross Jorgensen
Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s): _____

Date: 3-4-19 [Signature]
Assessor's Signature

Appraiser: DW Est. Tax Savings: 3,140 (Res.) Com.

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____
Chairman of Governing Board



City of Grand Forks

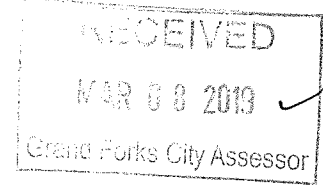
255 North Fourth Street - P.O. Box 5200 - Grand Forks, ND 58206-5200

OFFICE OF THE CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.2905.285.00

WALLER, REX P & DENISE J
6205 S 172ND ST
OMAHA, NE 68135



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: WALLER, REX P & DENISE J * Telephone Number: _____

Address of Property Claimed Exempt: 618 COLUMBIA RD

Legal Description: 618 COLUMBIA RD. WEST 95.215' OF SOUTH 26.1' OF LOT 9 & WEST 95.215' OF

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: New duct work, two egress windows, flooring, new family room, recess lighting, 2 Bedrooms, 3/4 Bathroom, laundry room

Building Permit: 2018-00001043 Date Building Permit Issued: 7/13/2018 ✓

Last Assessment on Record: Land: \$37,400 Improvements: \$110,700 Total: \$148,100

Estimated cost of making the improvements: \$18,000.00 Year Built: 1953 ✓

* Are these improvements resulting solely from Local, State or Federal Government grants?
 Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

Date: 3/6/19

[Signature]
Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s): _____

Date: 3-14-19

Appraiser: JL Est. Tax Savings: 1,185.00 Res. Com. [Signature]
Assessor's Signature

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____
Chairman of Governing Board



City of Grand Forks

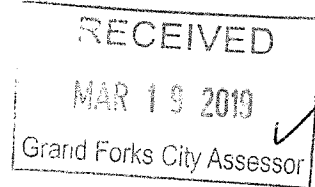
255 North Fourth Street - P.O. Box 5200 - Grand Forks, ND 58206-5200

OFFICE OF THE
CITY ASSESSOR

(701) 746-2611
Fax (701) 746-0136

Description Number: 44.3202.093.00

ANVARINIA INVESTMENTS LLC
1035 LINDSEY LANE
GRAND FORKS, ND 58201



APPLICATION FOR EXEMPTION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

Property Owner: ANVARINIA INVESTMENTS LLC * Telephone Number: 701-746-9267

Address of Property Claimed Exempt: 503 S 5TH ST

Legal Description: 503 S. 5TH ST. LOT 2 & NORTHWEST 10' OF LOT 4 B09 VIETS

* Describe the type of remodeling, renovation, modernizing or repairing made to the improvement for which the exemption is being claimed: Interior Remodel, Finish Basement
All Plumbing, wiring, HVAC, Flooring Kitchen Cab.
Interior trim, etc.

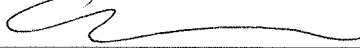
Building Permit: 2019-00003397 Date Building Permit Issued: 2/6/2019

Last Assessment on Record: Land: \$48,000 Improvements: \$205,500 Total: \$253,500

Estimated cost of making the improvements: \$40,000.00 Year Built: 1896

* Are these improvements resulting solely from Local, State or Federal Government grants?
 Yes No

I hereby certify that the above information is correct to the best of my knowledge, and I hereby make application for this exemption:

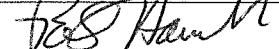
Date: 3-15-19 
Applicant or Agent

* To be completed by Applicant

Assessor's Determination:

The Assessor finds that these improvements meet the qualifications for exemption: Yes No

The Assessor finds that these improvements do not meet the qualifications for exemption for the following reason(s):

Date: 3-19-19 
Appraiser: DW Est. Tax Savings: 10,229 Res. Com. Assessor's Signature

Action of Governing Body:

Action taken on this application by local governing board: Denied Approved for _____ years

Approval subject to the following conditions: _____

Date: _____
Chairman of Governing Board

**PROPERTY TAX EXEMPTION OF IMPROVEMENTS TO
COMMERCIAL AND RESIDENTIAL BUILDINGS**

The Grand Forks City Council may, in its discretion, determine eligible real property within the city limits to be exempt from assessment and taxation, in whole or in part, pursuant to *North Dakota Century code 57-02.2-03* upon the following conditions and/or limitations:

I. Improvements Which Qualify,

A. Residential.

1. To qualify for the exemption of an improvement to a residential building, the building must be renovated, remodeled, or altered. It cannot be the complete replacement of one building with another building. For these purposes, "renovate" shall mean to restore to a previous condition or to a good state of repair; "remodel" shall mean changing the plan, form, or style of a building, to correct functional deficiencies; "alter" shall mean to effect change, modify, or vary, to change materially.
2. A new addition to an existing residential building would qualify for exemption the same as any renovation, remodeling or alteration.
3. Renovation, remodeling, or alteration of a nonresidential building into a residential building is eligible for an exemption.
4. Any exemption for renovation, remodeling or alteration for residential purposes is limited to a building or structure at least 25 years old on the assessment date preceding the application.
5. Improvements must increase the market value of the existing building at least 10% or \$5,000.00, whichever is least.
6. Improvements solely resulting from local, state, or federal government grants shall not be eligible for the exemption.

B. Commercial.

1. To qualify for the exemption of an improvement to a commercial building, the building must be renovated, remodeled, or altered. It cannot be the complete replacement of one building with another building. For these purposes, "renovate" shall mean to restore to a previous condition or to a good state of repair; "remodel" shall mean changing the plan, form, or style of a building, to correct functional deficiencies; "alter" shall mean to effect change, modify, or vary, to change materially.
2. A new addition to an existing commercial building would qualify for exemption the same as any renovation, remodeling or alteration.
3. Renovation, remodeling, or alteration of a residential building into a commercial building is eligible for an exemption.

4. Improvements must increase the market value of the existing building by at least \$5,000.00 and 10% of the market value of the existing building prior to improvements.
5. Improvements solely resulting from local, state, or federal government grants shall not be eligible for the exemption.
6. The maximum exemption allowable for a commercial property is the sum of \$1,000,000 representing an increase in market value due to renovation, remodeling or alterations, however, if the property is located in B-4 District or in a designated urban renewal district, then, in such a case, the maximum shall not apply.

II. Application.

1. An application for the exemption must be filed with the Assessor within 12 months of the initiation of improvements or within 60 days of mailing of a notice of increase from the City Assessing department, whichever date comes first.
2. The Assessor shall initially determine if the improvements qualify for the exemption, however, the City Council must approve any exemption before it is effective.
3. If the renovation, remodeling, or alterations qualify, an exemption may be granted for up to five (5) years. Upon the granting of any exemption, the last assessment on the building will remain for the period of exemption unless an equalization percentage change is made or a re-evaluation program for commercial or residential buildings is completed.
4. Values of the land excluding improvements may be changed whenever justified.
5. Any exemption provided by the City Council shall apply only to that part of the valuation resulting from the improvements which is over and above the assessed valuation, exclusive of the land, placed upon the building or structure for the last assessment period immediately preceding the date of commencement of the improvements. Upon determination of exemption, the exemption shall be valid for the prescribed period and shall not terminate upon the sale or exchange of the property but shall be transferable to subsequent owners.
6. If the application is not filed as provided herein, the Assessor shall regard the improvements as nonexempt and shall assess them as such.
7. The effective date of this resolution is December 31, 2009, and would apply to all renovation, remodeling or alteration projects started after this date.

**Note: This policy was approved by the Grand Forks City Council 11-06-1995
Amended to include additions 7-06-1999
Amended 2-18-2003
Amended from 3-year to 5-year exemption 9-21-09**