

File with the County Clerk (See Instructions)

Property Valuation Protest and Report of County Board of Equalization Action

BR
8-12-19
FORM 422
10A.M.

County Name Dodge

Name and Mailing Address of Person Filing Protest		Protest Number	Filed
Name Yager Hospitality - Mike Workes		282	7-22-19
The person filing this protest is the owner of the property or authorized to protest on behalf of the owner. If the protest is being filed on behalf of the owner, authorization to do so must be provided with the protest. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Protested Valuation 20 19	Requested Valuation
Street or Other Mailing Address 1000 O St #102		Land \$ 455,670	Land \$ 455,670
City, Town, or Post Office Lincoln		Buildings \$ 3,871,459	Buildings \$ 3,594,330
State NE		Total Land and Buildings \$ 4,327,129	Total Land and Buildings \$ 4,050,000
Zip Code 68508		Personal Property \$	Personal Property \$
Property Identification Number 27139714	Phone Number (402) 416-3522	Reasons for requested valuation change (Attach additional pages if needed.) See Attached	
Email Address mike@nightcaphospitality.com		Real Property Description (Include Lot, Block, Addition, Location Address, Section, Township, Range, and County) and/or Personal Property Description YAGER PLACE SUB LOT 1 12 17 8 (TIF)	

sign here *Mike Workes*
Signature of Person Filing Protest

7/18/19
Date

County Assessor's Recommendation	Referee's Decision
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Rec'd at 7-24-2019 Meeting
Possible Action
28a
8-14-2019

Decision of County Board of Equalization for Assessor

Basis for Action Taken (County Board of Equalization Chairperson)

Check One:

The county assessor has certified to the county board of equalization that a copy of that portion of the property record file which substantiates the calculation of the protested value is maintained in the county assessor's office in electronic or paper form. If dissatisfied with the board's decision, this report and the property record file may be used to complete an appeal to the Tax Equalization and Review Commission.

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Signature of County Board of Equalization Chairperson _____ Date _____

County Clerk Certification

Date the Protest was Heard	Date of the Decision	Date Notice of Decision was Mailed to Protestor
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The undersigned certifies that a copy of this protest and report of the action of the county board of equalization, which has been accepted by the assessor, has been mailed to the protestor at the above-shown address on _____, 20____.

Signature of County Clerk _____ Date _____

Yager Hospitality, LLC.

1000 O St #102
Lincoln, NE 68508
(402) 416-3522

July 17, 2019

Dodge County Assessor

Re: Fairfield Inn & Suites, 2410 N Yager Rd Fremont, NE

Dear Assessor:

I am writing to contest the assessed value of the Fairfield inn & Suites at 2410 N Yager Rd in Fremont NE as of January 1, 2019. The Notice of Valuation Change I received from the assessor set the value of the hotel of January 1, 2019 at \$4,327,129. I believe this amount is incorrect, and hereby request a valuation of \$4,050,000 as the real property value as of that date.

VALUATION AS OF JANUARY 1, 2019

The reasons that we believe that \$4,327,129 is not the fair value of the hotel as of January 1, 2019 are as follows:

1. NOI. Upper mid-scale hotels are valued almost solely on a cap rate based on their net operating income. I am a hotel broker and have been involved in over 75 hotel sales in the past 10 years and I have sold many upper mid-scale properties during that time and have several for sale right now. Generally speaking, we are able sell upper mid-scale hotel properties of this type on a cap rate that ranges from 9% to 11%, depending upon age, length of franchise remaining and amount of PIP renovation improvements. In this case the hotel is only 2.5 years old, there are 17 years remaining on the franchise, and the hotel is in very good shape. Therefore, I would suggest that the appropriate CAP Rate to use in valuing the hotel is closer to 9%.

I have attached our P&L for 2018. *This shows that our NOI in 2018 was \$389,964 after adding back Interest and depreciation to the NOI.*

Therefore, the total value of the hotel based on cap rate of 9% is \$4,332,933. This represents the total value of the property. Subtracting FF&E of approx. \$5,000 per room leaves us with a real property value of \$3,952,933.

2. COMPARABLE PROPERTIES. I have attached a Calculation Worksheet. The worksheet compares the Holiday Inn Express and the Fairfield Inn. The only truly comparable property in Fremont is the Holiday Inn Express at 2415 N Lincoln

Ave. This hotel, while older, was completely remodeled in the last 3 years. This hotel also is 20+ rooms larger than the Fairfield Inn and has a higher occupancy, higher ADR, and higher NOI. The Holiday Inn Express is currently assessed at only \$33,488 per room compared to the Fairfield assessment at \$56,935 per room.

SUMMARY

For the reasons listed above, we are asking that the Fairfield Inn at 2410 N Yager Rd be valued at \$4,050,000 as the real property value as there is no NOI at this time.

Sincerely,

Mike Works
Managing Member

CALCULATION WORKSHEET

Fairfield Inn & Suites Fremont, NE

Comparable Properties Criteria: Properties Similar to the Holiday Inn Express in Omaha area.

Hotel	Parcel Number	Address	Rooms	Assessed Value	Assessed Value/Room
Holiday Inn Express	270136861	2415 N Lincoln Ave, Fremont, NE	90	\$ 3,013,970.00	\$ 33,488.56
		Fairfield Inn Fremont NE	76	\$ 4,327,129.00	\$ 56,935.91
		Fairfield at \$33,488 per room		\$ 2,545,130.22	

For Property: FAIRFIELD INN & SUITES-FREMONT
Income Statement
 As of 12/31/2018

PTD Bud	PTD Bud %	PTD	PTD %		YTD	YTD %	YTD Bud	YTD Bud%
40,833.37	32.82%	23,859.95	19.04%	Interest	346,137.34	21.39%	490,000.00	27.02%
0.00	0.00%	0.00	0.00%	Income Taxes	0.00	0.00%	0.00	0.00%
(5,368.15)	(4.31%)	202,913.95	(161.91%)	Net Income	(181,539.73)	(11.22%)	56,623.60	3.12%

For Property: FAIRFIELD INN & SUITES-FREMONT
Income Statement
As of 12/31/2018

PTD Bud	PTD Bud %	PTD	PTD %		YTD	YTD %	YTD Bud	YTD Bud%
				Summary				
2,356	0	2,356	0	Rooms Available	27,740	0	27,740	0
1,300	0	1,336	0	Rooms Sold	17,643	0	18,200	0
55.18%	0.00%	56.71%	0.00%	Occupancy %	63.60%	0.00%	65.61%	0.00%
94.00	0.00	92.64	0.00	ADR	90.42	0.00	97.99	0.00
51.87	0.00	52.53	0.00	Rev Par	57.51	0.00	64.29	0.00
				Operating Revenue				
122,200.00	98.21%	123,762.58	98.75%	Rooms Revenue	1,595,237.95	98.59%	1,783,375.00	98.34%
0.00	0.00%	0.00	0.00%	F & B Revenue	0.00	0.00%	0.00	0.00%
1,808.37	1.45%	996.52	0.80%	Other Operated Departments	15,494.73	0.96%	24,950.00	1.38%
425.00	0.34%	564.60	0.45%	Miscellaneous Income	7,282.47	0.45%	5,100.00	0.28%
124,433.37	100.00%	125,323.70	100.00%	Total Operating Revenue	1,618,015.15	100.00%	813,425.00	100.00%
				Departmental Expenses				
35,957.77	28.90%	35,918.36	28.66%	Rooms Expenses	497,602.76	30.75%	477,406.41	26.33%
0.00	0.00%	0.00	0.00%	F & B Expenses	6,163.61	0.38%	0.00	0.00%
1,430.00	1.15%	0.00	0.00%	Other Operated Depts. Expenses	9,333.36	0.58%	20,020.00	1.10%
37,387.77	30.05%	35,918.36	28.66%	Total Departmental Expenses	513,099.73	31.71%	497,426.41	27.43%
87,045.60	69.95%	89,405.34	71.34%	Total Departmental Income	1,104,915.42	68.29%	315,998.59	72.57%
				Undistributed Expenses				
12,762.31	10.26%	12,856.95	10.26%	Administrative & General	175,041.04	10.82%	163,601.18	9.02%
4,700.00	3.78%	5,962.75	4.76%	Information & Telecom Systems	64,675.85	4.00%	56,400.00	3.11%
6,610.37	5.31%	3,195.26	2.55%	Sales & Marketing	51,523.55	3.18%	90,418.13	4.99%
8,807.15	7.08%	709.56	0.57%	Franchise Expenses	103,168.07	6.38%	127,922.72	7.05%
7,196.85	5.78%	4,575.20	3.65%	Property Operations & Maint.	77,881.80	4.81%	79,260.00	4.37%
5,460.00	4.39%	5,520.18	4.40%	Utilities	65,902.56	4.07%	76,440.00	4.22%
45,536.68	36.60%	32,819.90	26.19%	Total Undistributed Expenses	538,192.87	33.26%	594,042.03	32.76%
41,508.92	33.36%	56,585.44	45.15%	Gross Operating Profit	566,722.55	35.03%	721,956.56	39.81%
4,960.33	3.99%	5,045.29	4.03%	Management Fees	65,423.71	4.04%	72,332.96	3.99%
36,548.59	29.37%	51,540.15	41.13%	Income Before Non-Oper. Expenses	501,298.84	30.98%	649,623.60	35.82%
				Non Operating Expenses				
0.00	0.00%	0.00	0.00%	Rent	0.00	0.00%	0.00	0.00%
0.00	0.00%	5,226.93	4.17%	Property & Other Taxes	94,203.01	5.82%	90,000.00	4.96%
1,083.37	0.87%	0.00	0.00%	Insurance	17,131.00	1.06%	13,000.00	0.72%
0.00	0.00%	0.00	0.00%	Other Non Operating Expenses	0.00	0.00%	0.00	0.00%
1,083.37	0.87%	5,226.93	4.17%	Total Non Operating Expenses	111,334.01	6.88%	103,000.00	5.68%
35,465.22	28.50%	46,313.22	36.95%	EBITDA	389,964.83	24.10%	546,623.60	30.14%
0.00	0.00%	225,367.22	179.83%	Depreciation & Ammorization	225,367.22	13.93%	0.00	0.00%

PDF+PIN:035+270139714
 1220 E 23RD, FREMONT
 Mail To: 6007 NORMAN RD
 LINCOLN, NE 68512-1923

Dodge County, NE

Deed: YAGER HOSPITALITY LLC
 Contract:
 CID#: 1-405-2
 DBA:
 MLS: 2000

CERTIFIED

Tue, 7/23/2019, 4:27 PM Page 1

Map Area: 04103 FREMONT COMM 23RD Checks/Tags:
 Route: 000-000-000 Lister/Date:
 Tax Dist: 6673-TIF FREMONT YAGER H Review/Date:
 Plat Page: Entry Status:
 Subdiv: 92085 12-17-8

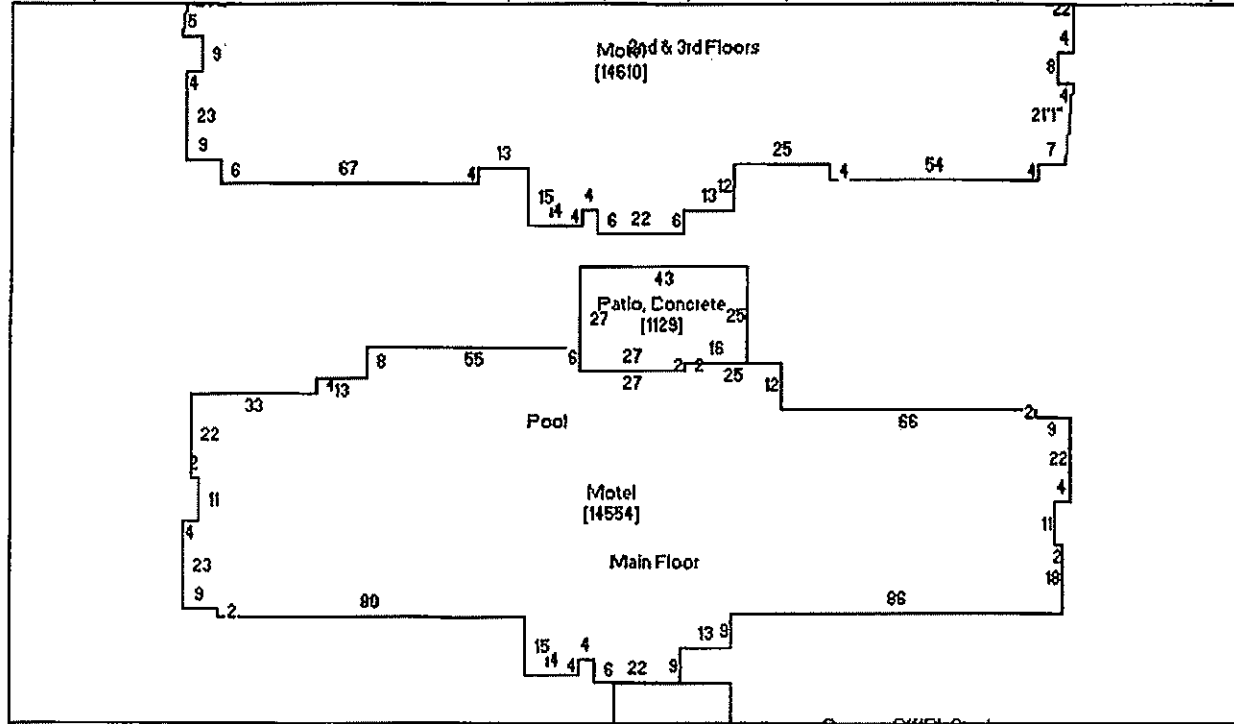
Urban / Commercial

Legal: YAGER PLACE SUB LOT 1 12 17 8 (TIF)

Sales				Building Permits					Values	
Date	\$ Amount	NUTC	Recording	Date	Number	Tag	\$ Amount	Reason	Type	Override
5/26/2015	\$0	C2		6/30/2015	C232	N	\$4,850,000	Misc	Land	\$455,670
5/26/2015	\$0	C2							Dwig	\$3,871,459
3/12/2015	\$0	D2	2015 1073						Impr	
3/12/2015	\$500,000	C1	2015 1167						Exempt	
										\$4,327,129

Item	Descriptions	Size / Dim	Additional Comments	Grade	Cond	Year	Mult	Phys%	Fobs%	Eobs%	Other%	Ag Fctr	Depr. Total	Map	Appr. Value
Count	Adjustments	Units											(Rnd to dollar)		(Rnd to \$1)
1 of 2 Bldg	Pc Fairfield Inn & Suites O704-Hotel / Motel P704-Hotel / Motel	14,554	RCN: \$1,486,604 Style: Frame - Wood	3 NML		2016	1.520	4					\$1,427,140	1.000	\$1,427,140
	Units	1													
	Av SF/Unit	0													
	1st Flr Inset Adj	Sq. Feet 0													
	Calc Ave. SF/Unit	14554	14,554												
	Commercial Bldg TOTAL														\$1,427,140
2 of 2 Bldg	Pc Fairfield Inn & Suites O704-Hotel / Motel P704-Hotel / Motel	29,220	RCN: \$5,613,980 Style: Frame - Wood	3 NML		2016	1.520	4					\$5,389,421	1.000	\$5,389,421
	Units	1													
	Av SF/Unit	0													
	1st Flr Inset Adj	Sq. Feet 0													
	Calc Ave. SF/Unit	58440	58,440												
	Commercial Bldg TOTAL														\$5,389,421
Yrd	A Misc. Extra 1 Wet Sprinklers		Quantity=0.00, Units=square Feet, Height=0	3 NML		1900		60				0	\$0	1.000	\$0
Yrd	A Misc. Extra 1 Pool, Motel		Quantity=0.00, Units=square Feet, Height=0	3 NML		1900		60				0	\$0	1.000	\$0
Yrd	A Misc. Extra 1 Paving, Concrete with Base		Quantity=0.00, Units=square Feet, Height=0	3 NML		2016		6				0	\$0	1.000	\$0
Yrd	A Misc. Extra 1 Pole Light, Fluorescent 24 ft.		Quantity=0.00, Units=square Feet, Height=0	3 NML		1900		60				0	\$0	1.000	\$0
	Yard Extra(s) TOTAL														\$0

Prior Year	Comments	Value	Loc	Class	Land	Dwig	Impr	PP	Total Value
2018		Appr	Urban	Comm	\$455,670	\$3,456,660	\$0		\$3,912,330
2017		Appr	Urban	Comm	\$345,065	\$3,456,660	\$0		\$3,801,725
2016		Appr	Urban	Comm	\$345,065	\$0	\$0		\$345,065
2015		Appr	Urban	Comm	\$345,065	\$0	\$0		\$345,065





Count	Notes
1	Note Title: PUBLIC 02/12/2015NEW SUB & NEW PARCELS. REFER TO 270061201 & 270101899 FOR NOTES & PERMITS-DONNA

Permit Date	Number	Amount	Tag	Yr to check	Reason
6/30/2015	C232	\$4,850,000	No	2019	Misc

ERECT NEW BUILDING

2019 PROPERTY VALUE PROTEST
REMARKS & RECOMMENDATIONS

PROTESTER'S NAME Mike Works - Yager Hospitality

LEGAL Yager Place Sub Lot 1 12-17-8 (TIF)

PARCEL # 270139714 PROTEST # 282

DATE 7-24-19 PROPERTY INSPECTED: YES NO DATE _____

REMARKS The subject is valued at \$98⁸⁵ per sq ft including the land. Super 8 which is next to the subject sold on 9-28-18 for \$100 per sq ft including the land. This building is 31 years older than the subject. Holiday Inn Express (270136861)

RECOMMENDATIONS last permit was in 2013 to remodel some existing rooms into a conference room. There are no permits on file in the last 3 years for complete remodel like stated. TERC order 12% increase. No Change

RECOMMENDED PROPERTY VALUE CHANGE FOR 2019: YES NO

	CURRENT VALUE	RECOMMENDED CHANGED VALUE
LAND	<u>455,670</u>	_____
BLDG/IMPR	<u>3,871,459</u>	_____
TOTAL	<u>4,327,129</u>	_____

DEBBIE CHURCHILL, ASSESSOR

CRAIG MILLER, APPRAISER

APPROVED BY THE DODGE COUNTY BOARD OF EQUALIZATION:

DATE _____

COUNTY BOARD SUPERVISOR _____