



## **Collection Information:**

**Folder:** Parcel No. 129. 262-266 State Street.

**Series:** Area 1-A, Parcels 1-182, 1961-1962.

**Collection:** Port Authority of the City of Saint Paul.  
Records.

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Appraisal

of

Western Tanning Company  
262-266 State Street  
St. Paul, Ramsey County, Minnesota

Project Area 1-A, Parcel Number ~~57~~ 129

By

Wm. H. Muske, M.A.I., S.R.A.  
Realtor - Appraiser  
920 Minnesota Building  
St. Paul 1, Minnesota

as of

July 19, 1962



*Muske-Tansey Company* / *Realtors-Appraisers*  
REAL ESTATE - MORTGAGES - INSURANCE

MINNESOTA BUILDING / ST. PAUL 1, MINNESOTA / TELEPHONE CAPITAL 4-4777

September 17, 1962

The Port Authority of the City of Saint Paul  
60 East Fourth Street  
Saint Paul 1, Minnesota

Gentlemen:

In accordance with your request and for the purpose of estimating the "Market Value" of the fee-simple title of the property located at 262-266 State Street, Saint Paul, Minnesota, I have inspected said property thoroughly and have made a careful and detailed analysis of all factors pertinent to the value.

The legal description is:

"Lots fourteen (14) and fifteen (15), Block three (3); Lots one (1) through fourteen (14), Block four (4); and Lots five (5) and six (6), S. L. Merritt's Rearrangement of Lots 10 through 13, Block three (3), all in Kettering and Constan's Addition, Ramsey County, Minnesota."

I hereby certify that I have no interest, presently or contemplated, in the property, and that neither the employment to make this appraisal, nor the compensation therefor, is contingent upon the value of the property. I further certify that, according to my best knowledge and belief, all statements and information in this report are true and correct, subject to the "Limiting Conditions and Assumptions" as set forth herein. The results of my investigation and analysis are contained in the accompanying report.

The valuation, as shown herein, includes land, building, heating plant and radiation; however, specifically excludes the equipment items which are contained therein, which, in the opinion of your appraiser, are a part of the realty and should be valued independently by a qualified engineer.

*Muske-Tansey Company*

September 17, 1962

The Port Authority of the City of Saint Paul

Saint Paul 1, Minnesota

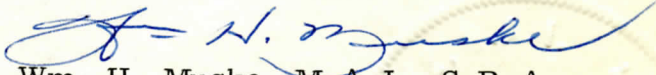
Page 11

It is my opinion that the "Market Value" of the fee-simple title, of this property, as of July 19, 1962, was:

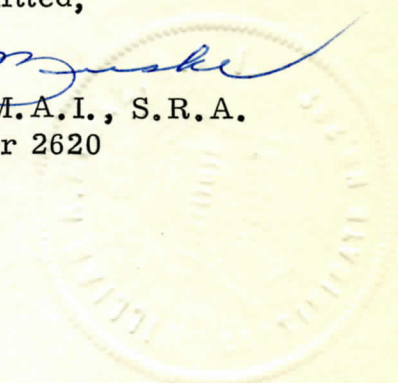
FIFTY FIVE THOUSAND DOLLARS  
(\$55,000.00)

The property has been valued in accordance with your legal determination that the taking by the City of St. Paul for floodwall construction, and the present proposed taking are interdependent condemnation actions and therefore, no value increment by virtue of the first taking could accrue subsequently to the present owners, and be considered in the present proposed taking.

Respectfully submitted,

  
Wm. H. Muske, M.A.I., S.R.A.  
Certificate Number 2620

WHM:bjh



PHOTOGRAPHS OF SUBJECT PROPERTY



Front of Building - Facing State Street



South Side of Building from the Front

PHOTOGRAPHS OF SUBJECT PROPERTY



South Side of Building from the Rear



Rear Portion of Building

PHOTOGRAPHS OF SUBJECT PROPERTY



Rear Portion of Building



North and Front Portion of Building

PHOTOGRAPHS OF SUBJECT PROPERTY



North Portion of Building



North Side and Showing Part of the Rear Portion of Building



PHOTOGRAPHS OF SUBJECT PROPERTY



Storage Shed

LIMITING CONDITIONS  
AND ASSUMPTIONS

This appraisal is made subject to the following limiting conditions and assumptions:

The legal description furnished me is assumed to be correct.

I assume no responsibility for matters legal in character, nor do I render any opinion as to the title, which is assumed to be marketable. This property is appraised as though under responsible ownership and competent management, and unencumbered.

Any sketches and pictures in this report are included to assist the reader in visualizing the property.

I have made no survey of the property and assume no responsibility in connection with such matters.

I believe to be reliable the information identified in this report as being furnished to me by others but I assume no responsibility for its accuracy.

Possession of this report, a copy thereof, or any part thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the applicant or by previous written consent of the appraiser and the applicant and in any event, only with proper qualifications.

I am not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have previously been made therefor.

The distribution of the total valuation in this report between land and improvements, if any, applies only under the existing plan of utilization.

PROPERTY IDENTIFICATION

262-266 State Street, St. Paul, Minnesota, facing Southwesterly between Morrison and Florida Streets.

The property covered by this appraisal report is located at

LEGAL DESCRIPTION

one (1) through fourteen (14), Block four (4); and Lots five (5) and six (6), S. L. Merritt's Rearrangement of Lots 10 through 13, Block 3, all in Kettering and Constan's Addition, Ramsey County, Minnesota.

Lots fourteen (14) and fifteen (15), Block three (3);

PROPERTY RIGHTS TO BE APPRAISED

specifically exclusive of the items of equipment as outlined in the Letter of Transmittal.

Title in fee-simple, unencumbered, subject to the usual easements for utilities, if any, and

DATE AND PURPOSE OF APPRAISAL

of the fee-simple title, as of July 19, 1962.

The appraisal of said property was made for the purpose of estimating the "Market Value"

MARKET VALUE

estimated in terms of money, which a property will bring if exposed for sale in the open market, allowing a reasonable time to find a purchaser who buys with full knowledge of all of the uses to which it is adapted and for which it is capable of being used.

"Market Value", as defined by the Courts, is the highest price

HIGHEST AND BEST USE

the "highest and best use" of the land.

The present program of utilization, as a Tannery, represents

ZONING

Subject property is zoned "Heavy Industry".

TAX DATA AND ASSESSED VALUE

Estate Taxes, due and payable in 1962, to be:

The records of the Ramsey County Treasurer show the 1961 Real

Lot 14, Block 3	\$ 5.94
Lot 15, Block 3	\$ 5.94
Lot 1, Block 4	\$ 5.94
Lot 2, Block 4	\$ 5.94
Lot 3, Block 4	\$ 5.94
Lot 4, Block 4	\$ 5.94
Lot 5, Block 4	\$ 7.90
Lot 6, Block 4	\$ 7.90
Lot 7, Block 4	\$ 7.90
Lot 8, 9, 10 and 11, Block 4	\$ 81.10
Lot 12, Block 4	\$ 5.94
Lot 13, Block 4	\$ 5.94
Lot 14, Block 4	\$ 5.94
Lot 5, and 6, Merritt's Rearrangement	<u>\$457.06</u>

TOTAL 1961 REAL ESTATE TAX-----\$615.32

TAX DATA AND ASSESSED VALUE (Con't.)

The records of the Ramsey County Assessor show the following figures for land and buildings:

<u>Legal</u>	<u>Land</u>	<u>Buildings</u>	<u>Age</u>
Lots 14 and 15, Block 3	\$ 150.00		
Lot 1, Block 4	\$ 75.00		
Lot 2, Block 4	\$ 75.00		
Lot 3, Block 4	\$ 75.00		
Lot 4, Block 4	\$ 75.00		
Lot 5, Block 4	\$ 100.00		
Lot 6, Block 4	\$ 100.00		
Lot 7, Block 4	\$ 100.00		
Lots 8, 9, 10 and 11, Block 4	\$ 575.00	\$ 300.00	1938
Lot 12, Block 4	\$ 75.00		
Lot 13, Block 4	\$ 75.00		
Lot 14, Block 4	\$ 75.00	\$ 300.00	
Lots 5 and 6, Merritts Rearrangement	\$ 650.00	\$5,000.00	Very old
Totals	\$2,200.00	\$5,600.00	

DESCRIPTION OF THE LAND

Subject property is located across the Mississippi River and immediately Southeasterly of the City of St. Paul's Loop area, and is approximately four blocks Northeasterly of Robert Street, more specifically located as being South of Florida Street and North of Morrison Street, with the subject property actually abutting Utah Street, all being on the Easterly side of State Street, and is commonly known and described as 262-266 State Street, St. Paul, Minnesota.

The tract is irregular in shape, having a frontage of 162 feet on State Street, plus an additional 50 feet of frontage facing State Street which is platted as Utah Street. The land area is 148,162 square feet, or 3-2/5 acres. This land area is computed on the assumption that Utah Street and Fenton Street are both vacated areas. These streets are not graded. See Plot Plan drawing for actual dimensions.

The front portion of the land is at street grade level, but dips sharply to a level of about 6 to 7 feet below grade and levels off the balance of the area and apparently is not subject to flooding.

The property is serviced with a bituminous top road, front sidewalk, (front of building only), public sanitary sewer, City water, gas and electricity. The plot plan in the Addendum of this report outlines the actual subject property.

It will be noted from the soil boring information in the Soil Exploration Company's report on the two borings on this site, that Site Number 1, which is adjacent to the rear of the Tannery Building proper, along Utah Street and at elevation 698.5, and boring number 2 at elevation 700.7, which is to the rear of the site, and adjacent to Utah Street on the South, that the land has been filled, at some time in the past, with garbage, wood, cinders, metal, glass, coal, etc., to depths of three to seven and one-half feet. Consideration is also given to the fact that the borings indicate dark colored soils, loose sandy soils and soft clay, below the fill and extending to depths of nineteen and twenty-four feet at borings one and two respectively. It is important to note that the use of spread footing foundations, or piling, is considered necessary to properly support a structure on the land.

A copy of the Soil Exploration Company report, dated August 28, 1962, will be found in the Addendum of this report.

### FLOOD STAGE INFORMATION

Source: Carl Stephan - Corps of Engineers - Capital 2-8011, Extension 680.

Readings taken at Mi+844 (refers to miles above the Ohio River) which is 1.7 miles above the mouth of the Minnesota River, which is the same as Mi+844 which is just below the down river tip of Pike Island in the Mississippi River. Natural drop in the water level is about .6 to .7 of a foot per mile proceeding down river. The following elevations relate to the "Mississippi River 12 foot Channel Survey Pool No. 2" with elevations based on Mean Sea Level Datum 1912 Adjustment. The flood gauge is related to these elevations as follows:

Zero on the flood stage gauge is equal to 684.16 elevation. 14 feet is considered flood stage or equals 698.16 elevation.

<u>Year</u>	<u>High Water Reading Dates</u>	<u>Elevation</u>
1950	May 13 and 14, 1950	701.15
1951	April 15, 1951	708.67
1952	April 15 and 16, 1952	712.37
1953	June 27, 1953	699.20
1954	May 6, 1954	697.85
1955	April 5 and 6, 1955	692.95
1956	April 12, 1956	695.65
1957	June 29, 1957	706.85
1958	April 15, 1958	691.10
1959	June 5, 1959	691.65
1960	May 27, 1960	698.00

GREATEST HEIGHTS REACHED IN EACH YEAR  
OVER FLOOD STAGE OF FOURTEEN FEET (14' )

DECADE	YEAR	HEIGHT	DURATION ABOVE FLOOD STAGE (14')
1950's	1957	16.08	8 days
	1952	22.02	23 days
	1951	18.79	15 days
1940's	1944	14.26	3 days
	1943	14.46	3 days
1930's	None	Drought Years	
1920's	None	Drought Years	
1910's	1917	16.2	10 days
	1916	16.6	24 days
1900's	1908	16.8	26 days
	1905	14.8	7 days
1890's	1897	18.0	19 days
	1893	14.7	8 days
1880's	1888	14.4	5 days
	1881	19.7	10 days
	1880	15.2	6 days
1870's	1873	16.4	28 days
	1870	19.4	Not available
1860's	1869	16.1	35 days
	1867	18.6	36 days



## IMPROVEMENT DATA

The improvement is a two story building of frame and cement block construction used for the processing and tanning of skins and hides, plus an additional building used for the storage of the hides. Said improvement is adequate for the site, is comparable to surrounding buildings in the immediate area and represents the "highest and best use" of the land.

The main or second floor is divided into seven rooms or sections, one room being used as the office. This room has sheet rock ceiling, plywood and masonite board walls; square linoleum tile floor; one space heater with blower and three fluorescent light fixtures. Adjoining the office is a lavatory with a wash bowl and water closet. It has sheet rock walls and ceiling and square linoleum tile floor. The remaining floor is partitioned into six sections, each sections or area used for a particular phase in the processing of the hides. These areas are of various types of construction and interior finishes. The front portion has cement block exterior walls, 2 x 10" wood joists, exposed, 16" on center, 6 x 8" wood beam, 6 x 6" wood posts; hardwood machinery type flooring; nine fluorescent lights and two space heaters (blower type). The other sections have frame exterior walls with 1" x 4" and 1" x 6" wood siding on the interior walls and partitions, and the same type flooring. There are four fluorescent lights and three space heaters, plus radiators which are used in the drying room. One of these sections is a large storage room and was recently finished with sheetrock walls and ceiling and 1" x 5" firwood flooring. It has no heat or electricity. There is some metal sheet flooring in the drying room.

The basement or first floor is also divided into six rooms or sections similar to the second floor. The large front area has some stone and cement block walls; one half of the floor is cement and the other half is 12" wood flooring; 2 x 12" wood joists, exposed, 16" on center, 12 x 12" wood posts and beams in one side and steel posts 4" in diameter, and 10" steel "I" beam in the other side. There are nine fluorescent lights, one space heater, (blower type). There is a furnace room with a low pressure steam boiler, stoker fed, which heats all the space heaters in addition to the radiators in the drying rooms. Adjoining the furnace room is the coal bin which is the lean-to addition shown on the building drawing as Number 3. There is also a small storage section and also an area used as a garage. To the rear of the building is a large drying room partitioned by wood frame walls and heated by radiators. On the North side of the building is a large storage room with cement block walls, 2 x 10" wood joists, exposed, 16" on center, 4 x 6" wood posts and 8 x 8" wood posts, concrete floor. This room is not heated and is not electrified. There is an additional room shown on the drawing as Number 4. This room has cement block walls, cement floor, 2 x 8" wood joists, 16" on center, flat pitch roof and is one story in height. It is used as storage area. There is a freight elevator serving the two floors.

IMPROVEMENT DATA (Con't.)

The exterior of the building is of various material. The front portion facing State Street is finished with stucco. The front one-half to two-thirds of the second floor area is exposed cement block. The rear of the second floor is asphalt imitation brick covering over frame wood sheathing. The basement or first floor is also partly exposed cement block. The rear portion is covered with asphalt imitation brick siding over frame wood sheathing. The exposed roof portion of the first floor is pitch over roofing paper. The roof of the second floor is asphalt roll roofing.

There is also a large storage building located approximately 100 feet South of the main building. This was built in 1938 and is of frame construction covered with asphalt imitation brick siding. It has a roll composition roof. It is divided into 13 stalls and probably was used as garages. It has a dirt floor. The front has metal sliding doors.

MARKET DATA - LAND

The following transactions, among others, have been considered in arriving at a Market Value for Subject Land. In considering these transactions, adjustments were made to account for the time difference, as well as the utilities.

Sale Number 1

Legal: Except Street, Lots 1 through 5 and all of Lots 6 through 10, Block 7, Morrison's Addition, Ramsey County, Minn.

Date: March 25, 1954.

Price: \$2,285.00.

Tax Sale  
Number: 18982

Lot Size: 250' x 250'.

Square Feet: 62,500.

Utilities: City Sewer, no City water.

Purchaser: State of Minnesota.

Price Per  
Square Foot: \$.035.

MARKET DATA - LAND (Con't.)

Sale Number 2

Legal: Lot 4, Block 26, Marshall's Addition, Ramsey County, Minn.  
Date: April 23, 1954.  
Price: \$140.00.  
Tax Sale  
Number: 19160  
Lot Size: 50' x 100'.  
Square Feet: 5,000.  
Utilities: City water, no sewer.  
Purchaser: Roy W. Pedersen of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square Foot: \$.03.

Sale Number 3

Legal: Lot 6, Block 26, Marshall's Addition, Ramsey County, Minn.  
Date: April 23, 1954.  
Price: \$140.00.  
Tax Sale  
Number: 19160.  
Size of Lot: 50' x 100'.  
Square Feet: 5,000.  
Utilities: No sewer, no City water.  
Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square Foot: \$.03.

MARKET DATA - LAND (Con't.)

Sale Number 4

Legal: Lot 7, Block 26, Marshall's Addition, Ramsey County, Minn.

Date: April 23, 1954.

Price: \$140.00.

Tax Sale  
Number: 19160.

Lot Size: 50' x 150'.

Square Feet: 7,500.

Utilities: No sewer, No City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.

Price Per  
Square Foot: \$.02.

Sale Number 5

Legal: Lot 8, Block 26, Marshall's Addition, Ramsey County, Minn.

Date: April 23, 1954.

Price: \$140.00.

Tax Sale  
Number: 19160.

Lot Size: 50' x 150'.

Square Feet: 7,500.

Utilities: No sewer, No City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.

Price Per  
Square Foot: \$.02.

MARKET DATA - LAND (Con't.)

Sale Number 6

Legal: Lot 9, Block 26, Morrison's Addition, Ramsey County, Minn.  
Date: April 23, 1954.  
Price: \$245.00.  
Tax Sale  
Number: 19160.  
Lot Size: 150' x 73'.  
Square Feet: 10,950.  
Utilities: No sewer, No City water.  
Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square Foot: \$.02.

Sale Number 7

Legal: Lots 1 and 2, Block 10, Morrison's Addition, Ramsey County,  
Minn.  
Date: April 23, 1954.  
Price: \$645.00.  
Tax Sale  
Number: 19164.  
Lot Size: 105' x 130'.  
Square Feet: 13,650.  
Utilities: Has sewer, No City water.  
Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square Foot: \$.045.

MARKET DATA - LAND (Con't.)

Sale Number 8

Legal: Lots 4 to 7, Block 9, Morrison's Addition, Ramsey County, Minn.

Date: April 23, 1954.

Price: \$1,185.00.

Tax Sale  
Number: 19164.

Lot Size: 200' x 195'.

Square Feet: 39,000.

Utilities: Sewer and City Water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.03.

Sale Number 9

Legal: All of Blocks 12, 13, 14 and 15, Morrison's Addition, Ramsey County, Minn.

Date: March 25, 1954.

Price: \$2,520.00.

Tax Sale  
Number: 18986.

Lot Size: 250' x 402.5' and 150' x 250'.

Utilities: No sewer, water in Lots 4, 5 and 6, Block 15, the balance has no water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.02.

MARKET DATA - LAND (Con't.)

Sale Number 10

Legal: Lots 2 and 3, Block 16, Morrison's Addition, Ramsey County, Minn.

Date: April 23, 1954.

Price: \$420.00.

Tax Sale Number: 19172.

Lot Size: 100' x 119'.

Square Feet: 11,900.

Utilities: No sewer, but has City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.035.

Sale Number 11

Legal: Lots 1 and 2, Block 20, Morrison's Addition, Ramsey County, Minnesota.

Date: March 25, 1954.

Price: \$330.00.

Tax Sale Number: 18987.

Lot Size: 82.19' x 100'.

Square Feet: 8,218.

Utilities: Has City water, no sewer.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.04.



MARKET DATA - LAND (Con't.)

Sale Number 12

Legal: Lot 10, Block 26, Marshall's Addition, Ramsey County, Minn.  
Date: April 23, 1954.  
Price: \$245.00.  
Tax Sale  
Number: 19160.  
Lot Size: 83' x 150'.  
Square Feet: 12,450.  
Utilities: No sewer, has City water.  
Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square foot: \$.02.

Sale Number 13

Legal: Lots 7 and 8, Block 4, Eaton & Morrison's Addition, Ramsey  
County, Minnesota.  
Date: April 23, 1954.  
Price: \$560.00.  
Tax Sale  
Number: 19128 and 19123.  
Lot Size: 100' x 86.6'.  
Square Feet: 8,660.  
Utilities: No sewer, No City water.  
Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square Foot: \$.065.

MARKET DATA - LAND (Con't.)

Sale Number 14

Legal: Lot 1, Block 5, Eaton & Morrison's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$210.00.

Tax Sale Number: 19129.

Lot Size: 43.3' x 105.5'.

Square Feet: 4,568.15.

Utilities: No sewer, No City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.05.

Sale Number 15

Legal: Lot 2, Block 5, Eaton & Morrison's Addition, Ramsey County, Minn.

Date: April 23, 1954.

Price: \$210.00.

Tax Sale Number: 19129.

Lot Size: 43.3' x 105.5'.

Square Feet: 4,568.15.

Utilities: No sewer, No City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.05.

MARKET DATA - LAND (Con't.)

Sale Number 16

Legal: Lot 3, Block 5, Eaton & Morrison's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$210.00.

Tax Sale Number: 19129.

Lot Size: 43.3 x 105.5'.

Square feet: 4,568.15.

Utilities: No sewer, No City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.05.

Sale Number 17

Legal: All of Block 18, Morrison's Addition, Ramsey County, Minn.

Date: April 23, 1954.

Price: \$490.00.

Tax Sale Number: 19174.

Lot Size: 119' x 102'.

Square Feet: 12,138.

Utilities: No sewer, No City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.04.

MARKET DATA - LAND (Con't.)

Sale Number 18

Legal: Subject to Florida Street, Lots 4 & 11, Block 22, Marshall's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$385.00.

Tax Sale  
Number: 19152.

Lot Size: 100' x 100'.

Square Feet: 10,000.

Utilities: Both lots have sewer, Lot 4 has City water, Lot 11 has no water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.04.

Sale Number 19

Legal: Subject to Florida Street, Lot 12, Block 22, Marshall's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$140.00.

Tax Sale  
Number: 19152.

Size: 50' x 100'.

Square Feet: 5,000.

Utilities: Has sewer, no City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.03.

MARKET DATA - LAND (Con't.)

Sale Number 20

Legal: Subject to Florida Street, Lots 13 and 14, Block 22, Marshall's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$225.00.

Tax Sale  
Number: 19152.

Lot Size: 100' x 100'.

Square Feet: 10,000.

Utilities: Has sewer, Lot 14 has City water, Lot 13 has no water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.0225.

Sale Number 21

Legal: Lot 4, Block 5, Eaton & Morrison's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$210.00.

Tax Sale  
Number: 19129.

Lot Size: 43.3' x 105.5'.

Square Feet: 4,568.15.

Utilities: No sewer, No City Water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.05.

MARKET DATA - LAND (Con't.)

Sale Number 22

Legal: Lot 2, Block 6, Eaton & Morrison's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$175.00.

Tax Sale Number: 19129.

Lot Size: 40' x 105'.

Square Feet: 4,200.

Utilities: No sewer, No City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.04.

Sale Number 23

Legal: Subject to Florida Street, Lot 15, Block 22, Marshall's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$280.00.

Tax Sale Number: 19152.

Lot Size: 50' x 150'.

Square Feet: 7,500.

Utilities: Has sewer and City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per Square Foot: \$.035.

MARKET DATA - LAND (Con't.)

Sale Number 24

Legal: Subject to Florida Street, Lot 16, Block 22, Marshall's Addition, Ramsey County, Minnesota.

Date: April 23, 1954.

Price: \$280.00.

Tax Sale  
Number: 19152.

Lot Size: 150' x 50'.

Square Feet: 7,500.

Utilities: Has sewer and City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo, representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.035.

Sale Number 25

Legal: Lot 1, Block 26, Marshall's Addition, Ramsey County, Minn.

Date: April 23, 1954.

Price: \$155.00.

Tax Sale  
Number: 19160.

Lot Size: 50' x 100'.

Square Feet: 5,000.

Utilities: No sewer, but has City water.

Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the Chicago, Great Western Railway, by State Deed dated May 1, 1959.

Price Per  
Square Foot: \$.03.

MARKET DATA - LAND (Con't.)

Sale Number 26

Legal: Lot 2, Block 26, Marshall's Addition, Ramsey County, Minn.  
Date: April 23, 1954.  
Price: \$140.00.  
Tax Sale  
Number: 19160.  
Lot Size: 50' x 100'.  
Square Feet: 5,000.  
Utilities: No sewer, but has City water.  
Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square Foot: \$.03.

Sale Number 27

Legal: Lot 3, Block 26, Marshall's Addition, Ramsey County, Minn.  
Date: April 23, 1954.  
Price: \$140.00.  
Tax Sale  
Number: 19160.  
Lot Size: 50' x 100'.  
Square Feet: 5,000.  
Utilities: No sewer, but has City water.  
Purchaser: Roy W. Pedersen, of Kansas City, Mo., representing the  
Chicago, Great Western Railway, by State Deed dated  
May 1, 1959.  
Price Per  
Square Foot: \$.03.



MARKET DATA - LAND (Con't.)

Sale Number 28

Legal: Lots 18 and 19, Block 4, Second Addition to Brooklynd,  
Ramsey County, Minnesota.

Date: June 7, 1957.

Price: \$1,000.00.

Document Number: Document numbers 1440871 and 1440872, recorded in Book  
1564 of Deeds, Page 573.

Lot Size: 80' x 125'.

Square Feet: 10,000.

Utilities: No sewer or water; street, such as it is, is in.

Seller: Stuart F. Marke and wife.

Buyer: Frank M. Remarkel and wife.

Price Per  
Square Foot: \$.10.

Sale Number 29

Legal: Lots 6 to 10 inclusive, Block 3, Second Addition to Brook-  
lynd, Ramsey County, Minnesota.

Date: March 20, 1958.

Price: \$2,000.00.

Document Number: Document numbers 1452432, recorded in Book 1576 of Deeds,  
Page 205.

Lot Size: 240.32' x 125'.

Square Feet: 30,040.

Utilities: No sewer or water; street, such as it is, is in.

Seller: Stuart F. Markoe and wife.

Buyer: Northern Valley Co.

Price Per  
Square Foot: \$.07.

MARKET DATA - LAND (Con't.)

Sale Number 30

Legal: Lots 1 and 20, Block 4, Second Addition to Brooklynd,  
Ramsey County, Minnesota.

Date: May 17, 1957.

Price: \$1,000.00.

Document Number: Document number 1440869 and document number 1440870,  
recorded in Book 1564 of Deeds, Page 571.

Lot Size: 80' x 125'.

Square Feet: 10,000.

Utilities: No sewer or water; street, such as it is, in.

Seller: Stuart F. Markoe and wife.

Buyer: Frank M. Remackel and wife.

Price Per Square Foot: \$.10.

Sale Number 31

Legal: West 25 feet of Lot 3 and all of Lots 1 and 2, Block 19, and  
Lots 1 and 2, Block 14, Bazil and Robert's Addn., Ramsey  
County, Minnesota.

Date: December 1, 1956.

Price: \$2,000.00.

Square Feet: 26,775.

Zoning: "Heavy Industry", presently used as "Industrial".

Seller: Sidney Goldstein (1/3 interest).

Buyer: Louis Kaplan (1/3 interest)

Price Per Square Foot: \$.22-1/2.

MARKET DATA - LAND (Con't.)

Sale Number 32

Legal: Lots 6 and 7, 8, 9, 10, Block 14, Bazil and Roberts Addition, Ramsey County, Minnesota.

Date: February 5, 1958.

Price: \$11,500.00, with \$2,500.00 down, balance payable in annual installments of \$2,000.00, with interest at 5%.

Recording: Book 369 Misc., Page 230.

Lot Size: 250 x 119'.

Square Feet: 29,750.

Zoning: Heavy Industry.

Seller: Gopher Stamp Co.

Buyer: Mc Lean Distributors.

Price Per Square Foot: \$.38-1/2.

Location: This property is located on the West side of Robert Street.

MARKET DATA - LAND (Con't.)

After proper consideration of the above market transactions, among others, it is my judgement that a proper estimate of "Market Value" for Subject Property, is computed as follows:

212 feet of frontage on State Street at \$30.00 per front foot for 100 foot depth (21,200 square feet)

SIX THOUSAND THREE HUNDRED SIXTY DOLLARS  
(\$ 6,360.00)

148,162 square feet, less 21,200 square feet, or 126,962 square feet at \$.15 per square foot, or:

NINETEEN THOUSAND FORTY FOUR AND 30/100 DOLLARS  
(\$19,044.30)

or a total of:

TWENTY FIVE THOUSAND FOUR HUNDRED FOUR AND 30/100 DOLLARS  
(\$25,404.30)

SAY

TWENTY FIVE THOUSAND FOUR HUNDRED DOLLARS  
(\$25,400.00)

COST APPROACH

262-266 State Street

Dimensions:

Section #1 - First Floor

80' x 85'10" = ----- 6,808 square feet

Section #2

19'2" x 79' = ----- 1,516 square feet

Section #3

10'4" x 23'6" = ----- 245 square feet

Section #4

14'6" x 29'6" = ----- 432 square feet

TOTAL FIRST FLOOR----- 8,991 square feet

Second Floor Additions

"A" 19'2" x 38' = ----- 729 square feet

"B" 49' x 80'4" = ----- 3,239 square feet

"C" 5'6" x 45'2" = ----- 253 square feet

"D" 19'2" x 31' = ----- 595 square feet

"E" 7' x 7' = ----- 49 square feet

"F" 6'6" x 8'10" = ----- 534 square feet

TOTAL SECOND FLOOR----- 5,399 square feet

TOTAL FIRST AND SECOND FLOOR----- 14,390 square feet

Storage Building:

19'4" x 137'8" = ----- 2,673 square feet

COST APPROACH

262-266 State Street

Main Building:

Replacement Cost:

First Floor	\$7.00 per square foot
Second Floor	\$5.00 per square foot
Average Cost Per Square Foot	\$6.25 per square foot

Building Area:

8,991 square feet x \$7.00 per square foot = ----- \$ 62,937.00

5,399 square feet x \$5.00 per square foot = ----- \$ 26,995.00

TOTAL REPLACEMENT COST-----\$ 89,932.00

SAY

\$ 90,000.00

Less:

Depreciation (All Phases) - 70%-----\$ 63,000.00

INDICATED DEPRECIATED VALUE-----\$ 27,000.00

Storage Building:

Replacement Cost:

\$4.00 per square foot.

Building Area:

2,673 square feet x \$4.00 per square foot = -----\$ 10,700.00

Less:

Depreciation - (All Phases) - 75% = \$8,025.00 - Say ----- \$ 8,000.00

INDICATED DEPRECIATED VALUE----- \$ 2,700.00

COST APPROACH (Con't.)

262-266 State Street

RECAPITULATION

Indicated Depreciated Value - Main Building-----	\$27,000.00
Indicated Depreciated Value - storage building-----	\$ 2,700.00
Land By Comparison-----	<u>\$25,400.00</u>
INDICATED VALUE BY COST APPROACH-----	\$55,100.00

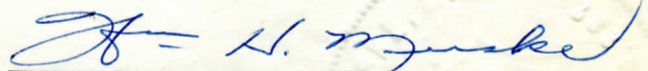
SAY

\$55,000.00

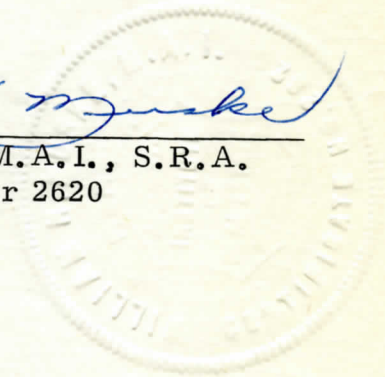
MARKET VALUE ESTIMATE

Based upon the information contained in this report and upon my general experience in the real estate field, it is my opinion that the "Market Value", as defined herein, of the fee-simple title, of this property, as of July 19, 1962, was:

FIFTY FIVE THOUSAND DOLLARS  
(\$55,000.00)



Wm. H. Muske, M.A.I., S.R.A.  
Certificate Number 2620





ADDENDUM

## QUALIFICATIONS OF WM. H. MUSKE, M.A.I., S.R.A.

### GENERAL:

Twenty one years experience in the real estate and appraisal business in St. Paul and surrounding areas.

President and Treasurer, Muske-Tansey Company, Realtors.

President, Future, Inc., Investment Corporation of St. Paul, Minnesota.

Qualified as an expert witness in Ramsey County, Washington County, and Dakota County, Minnesota, and in United States Tax Court.

### MEMBERSHIPS:

American Institute of Real Estate Appraisers (M.A.I.).

Senior Member, Society of Residential Appraisers (S.R.A.).

Minnesota Chapter #35, American Institute of Real Estate Appraisers.

St. Paul Board of Realtors, Multiple Listing Service.

National Association of Real Estate Boards.

Brokers Institute of the National Association of Real Estate Boards.

American Right-of-way Association - Tri-State Chapter #20.

Mortgage Bankers Association of America.

St. Paul Homebuilders Association.

### OFFICES HELD:

Past President of the St. Paul Board of Realtors.

Former Vice-President, former Secretary, St. Paul Board of Realtors.

Board of Directors for 1957, 1958, 1959 and 1961, St. Paul Board of Realtors.

Board of Directors 1958-1959, St. Paul Chapter #16, Society of Residential Appraisers.

Former Chairman, St. Paul Board of Realtors Multiple Listing Service.

Area Representative of the Brokers Institute of the National Association of Real Estate Boards.

### APPRAISAL EDUCATION:

Principles and Techniques of Residential Appraising, Macalester College, in 1953, under the Society of Residential Appraisers.

Case Study 1 and Case Study 11 - Urban, Hamline University, St. Paul, Minnesota, offered by the American Institute of Real Estate Appraisers.

Federal Housing Administration.

### APPRAISAL INSTRUCTION:

Lecturer, Central High School Adult Education on "The Appraisal Process and Public Need".

"Principles of Real Estate", Globe Business College, St. Paul, Minnesota.  
Income Appraising - Apartment Buildings - Augsburg College, Minneapolis, Minnesota.

QUALIFICATIONS OF WM. H. MUSKE, M.A.I., S.R.A. (Cont.)

ASSIGNMENTS AND CLIENTS:

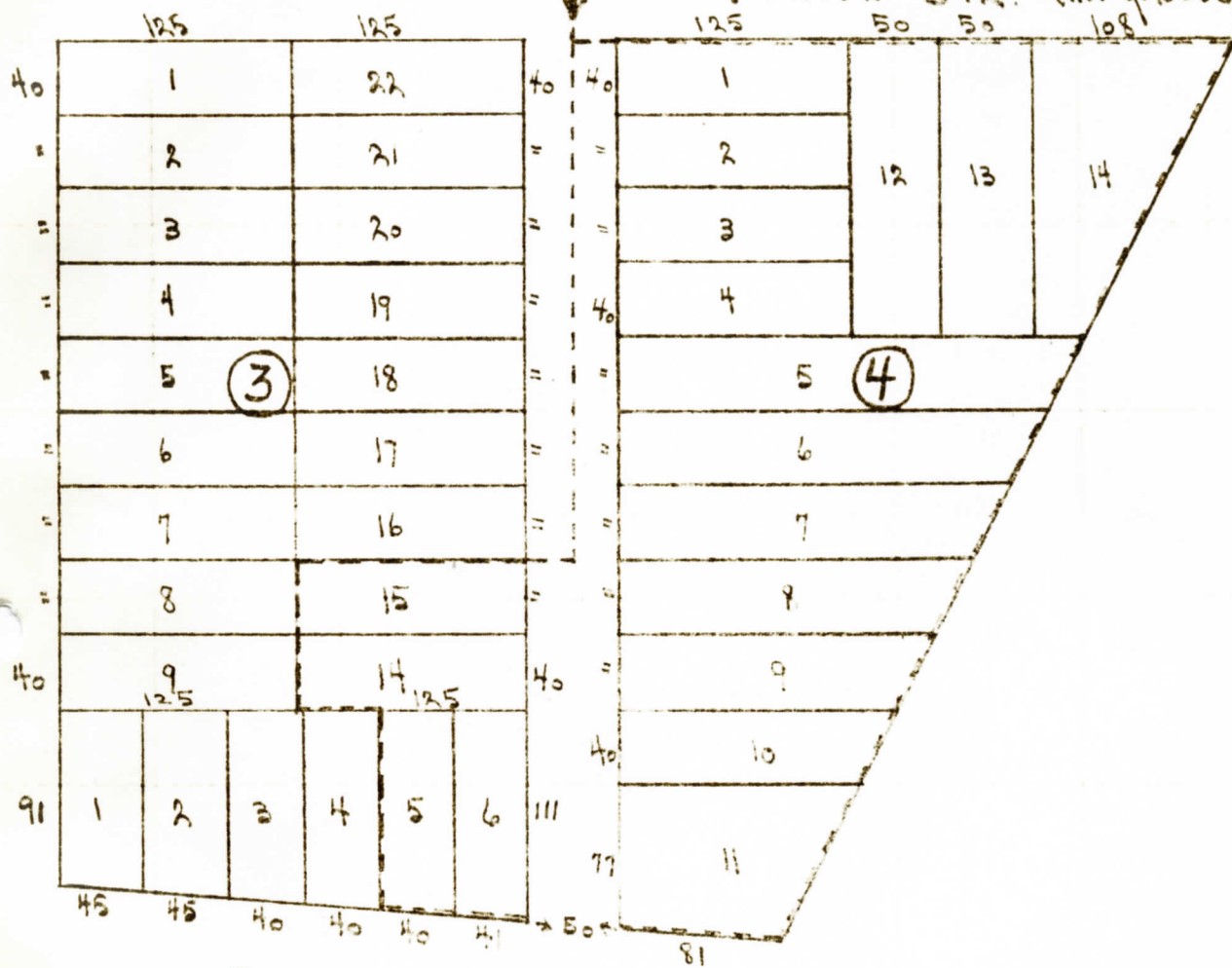
Veterans Administration.  
Federal Housing Administration.  
General Services Administration.  
American National Bank of St. Paul, Minnesota.  
First Grand Avenue State Bank of St. Paul, Minnesota.  
International Business Machines, Inc.  
Western Electric, Inc.  
Twin City Testing Laboratories, Inc.  
Inland Empire Builders, California.  
Friendly Hills Development Co., St. Paul, Minnesota.  
St. Paul Housing and Redevelopment Authority of the City of St. Paul, including "Marketability and Re-Use Appraisal of the Upper Levee Renewal Project", and Sibley Manor Apartments.  
Linde-Air Products, Division of Union Carbon and Carbide Co.  
American News Company, New York.  
Ramsey County Probate Court.  
Commissioner in numerous condemnation actions appointed by Ramsey County District Court.  
Appraiser in Highway condemnation actions for the State of Minnesota.  
Appraiser and school site acquisition agent for the La Salle Institute (Christian Brothers), under the direction of the Board of Consultants of the Archdiocese of St. Paul.  
Qualified and approved as an independent appraiser for the Department of Commerce, Bureau of Public Roads.  
Northwestern Mortgage Company of Minneapolis, Minnesota.  
Independent School District #196, Rosemount, Dakota County, Minnesota.  
Independent School District #621, Village of Roseville, Ramsey County, Minn.  
American Can Company, St. Paul, Minnesota.  
Standard Oil Company.  
Pure Oil Company.  
Fairbanks Whitney Corp.  
Facility Building Commission appraisal of the new City-County Hospital Site.  
Shoppers City - Brooklyn Center, Minnesota.  
State of Minnesota.  
Dakota County, Minnesota.  
City of South St. Paul, Minnesota.  
City of St. Paul, Minnesota.  
United States Government, U. S. Treasury Department, Internal Revenue Service.  
United States Attorney's Office - Department of Justice.

Project Area I-A Parcel No. 129

Plot Plan

Utah Str. (not graded)

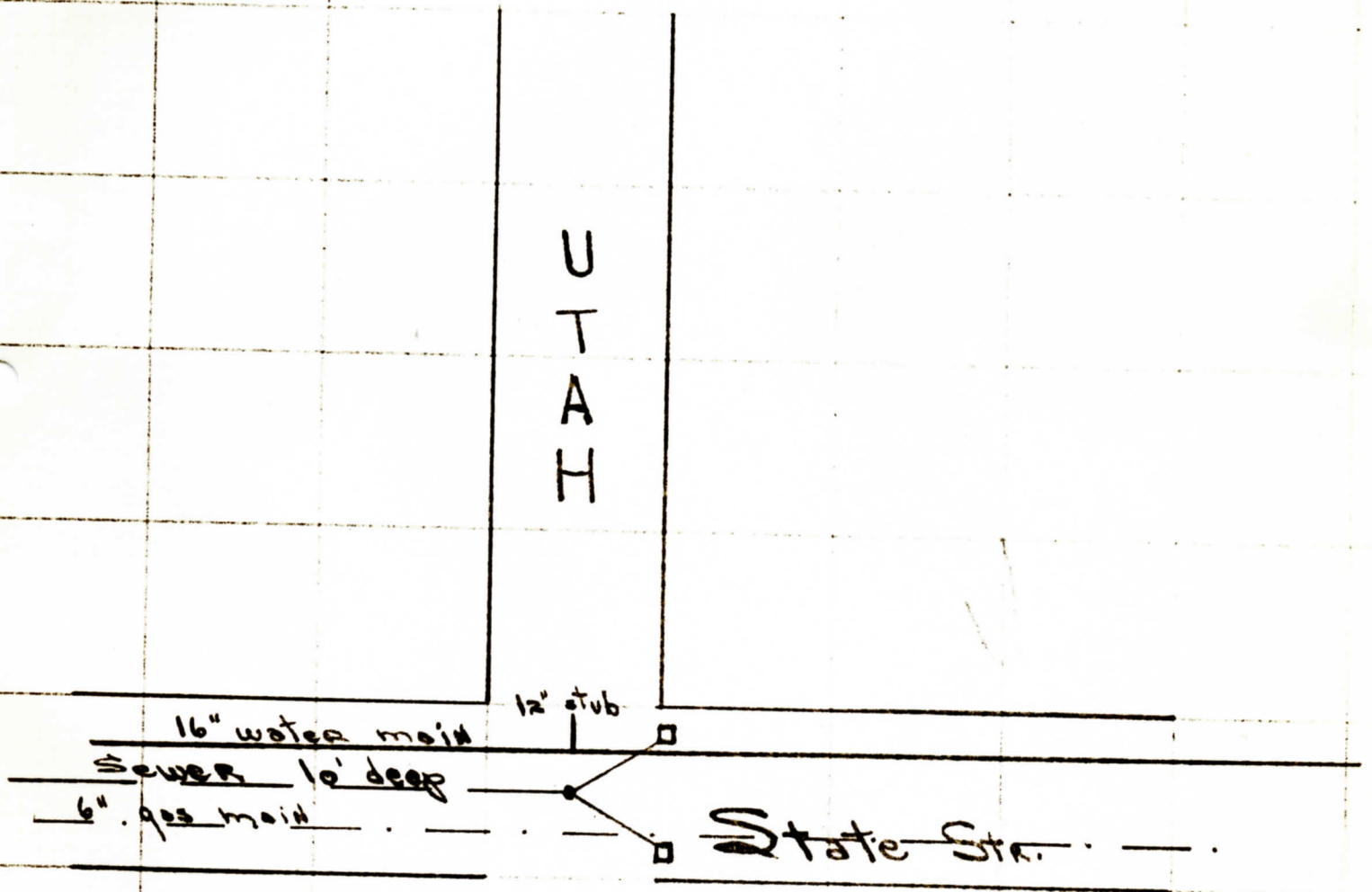
Fenton Str. (not graded)



State Str.

Scale: 1" = 100ft.

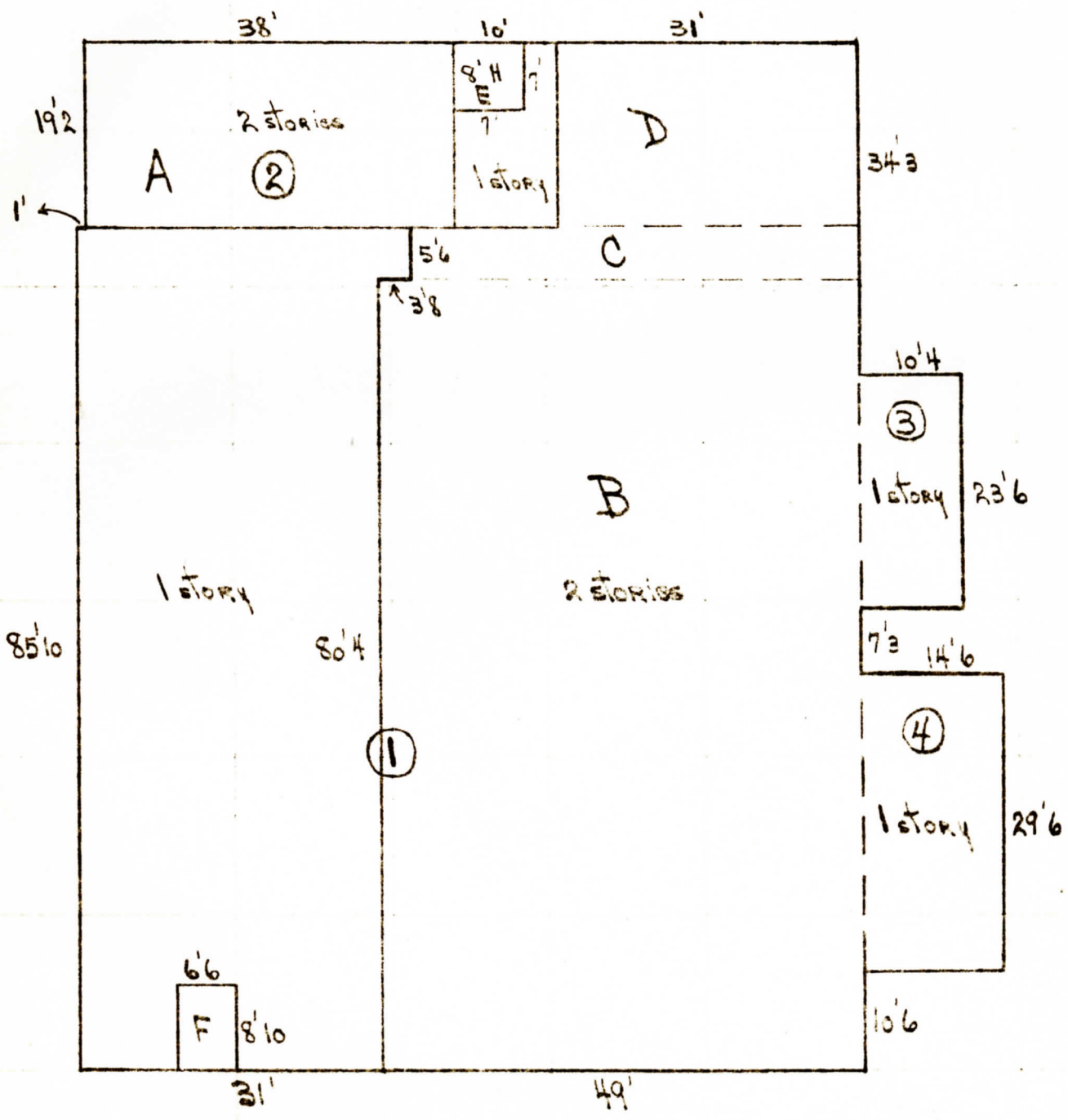
Utility Plot



Water main serves West St. Paul  
Sewer main ends at center of intersection of State + Utah  
Gas main extends to Concord St.

Project Area 1-A Parcel No. 129

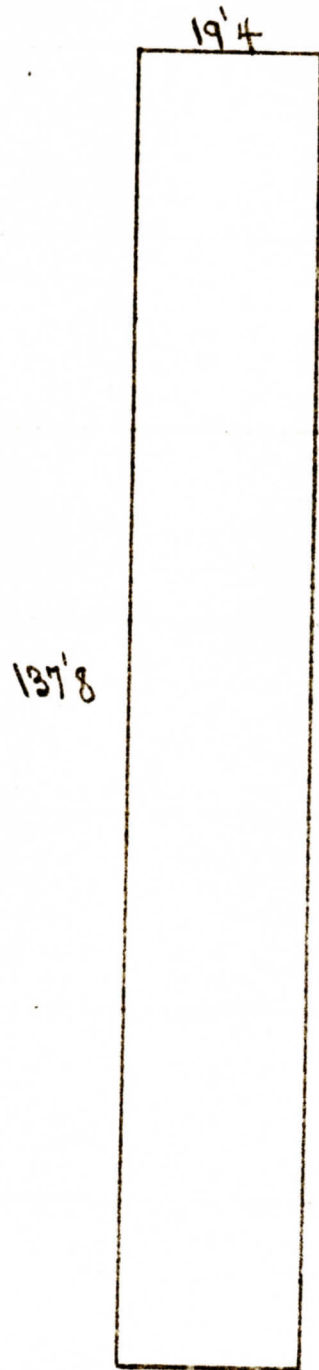
Building Plan



Scale: 1" = 16 ft.

Project Area 1-A Parcel No. 129

Storage Bldg - Part of Building Plan



Scale: 1" = 20 ft.

FDM  
29

# Soil Exploration Company

FORMERLY OPERATED AS A DEPARTMENT OF  
TWIN CITY TESTING AND ENGINEERING LABORATORY, INC.

## OFFICERS

CHARLES W. BRITZIUS - President  
 ROBERT F. WITTMAN - Executive Vice-President  
 NORMAN E. HENNING - Vice-President  
 CLINTON R. EUE - Secretary  
 JOHN F. GISLASON - Treasurer



2440 FRANKLIN AVENUE  
 ST. PAUL 14, MINN.

August 28, 1962

Telz, King, Duvall, Anderson  
 and Associates, Inc.  
 1408 Pioneer Building  
 St. Paul 1, Minnesota

Attention: Mr. Jewell

Re: Soil borings, Tannery Site, River-  
 view Industrial Park, St. Paul, Minn.

COPY

Gentlemen:

On August 21 and 22, 1962, we put down two soil test borings to aid in evaluating the soil conditions on the above site near State Street and Utah Street in St. Paul, Minnesota.

The borings were put down at the locations suggested by you and are shown on the attached sketch. Surface elevations at the boring locations were also furnished by you. The logs of the borings, a tabulation of the laboratory test results, and a sheet giving our method of soil classification (U. S. Bureau of Soils) are attached. The soil was visually classified in accordance with the above method.

The borings were cased with 2½ inch pipe which was cleaned and advanced by standard jetting methods, or with a cleanout tube. Soil samples were taken with a 2-inch O. D. split sampler, and the blows per foot (B P F) as given along the right side of the logs were recorded on this sampler driven by a 140 lb. weight falling 30 inches. The consistency of the cohesive soil was rated by the penetration of the sampler.

The site has been filled and its present surface is fairly level with surface elevations at the two boring locations varying about 2'.

It may be seen by the logs of the borings that fill consisting of garbage, wood, cinders and metal was found to depths of 3' and 7½' at borings 1 and 2 respectively. Black or dark colored soils, loose sandy soils and soft clay were found below the fill and extended to depths of 19' and 24' at borings 1 and 2 respectively. The soil below these depths is all a sand. The penetration resistance of the sand varies generally from fairly low to moderately good, although quite low penetration resistant sand was encountered immediately below the clay at boring 1.

Ground water entered both of the borings and the levels and times of recording are given on the logs. These levels can be expected to vary with the seasons of the year and from one year to the next.



Tannery Site, Riverview Industrial  
Park, St. Paul, Minnesota

We understand that the borings were put down to indicate the general soil conditions for relatively light industrial construction, but no definite building locations or floor elevations have been established. The area will be filled to about elevation 703'.

In the area of boring 2, the use of piling is indicated for any important structure. Piling should be driven down through the fill and soft clay to a suitable penetration into the underlying sand. Consideration would have to be given to the support of the ground floor slab. The addition of fill to the present grade would cause consolidation of the underlying soft clay which could cause detrimental settlement in the floor slab. A structural floor slab supported on piling would prevent detrimental settlement in the floor slab.

In the area of boring 1, the use of spread footing foundations may be feasible for a light type of structure. The most feasible foundation plan would be to strip the area of all fill and topsoil, refill to floor elevation with a good compacted fill and place the foundations on the compacted fill at normal elevation. The success of this method would depend upon removing all of the fill and topsoil and upon placing a good compacted fill. Some settlement could be expected due to consolidation of the underlying clay layer. The addition of about  $4\frac{1}{2}$ ' of fill would cause settlement of up to  $1\frac{1}{2}$  inch and some additional settlement could be expected due to the weight of the building. If sufficient time were allowed for the clay to consolidate under the weight of the fill, settlement under the building loads may not be excessive. Supporting the structure on piling would eliminate the problem of settlement. Further analysis could be made when specific details of proposed buildings are known.

Under separate cover we are sending representative samples of the soil for your personal inspection. The remaining soil samples will be held at this office for a period of 6 months and will then be discarded unless we are notified to hold them for a longer period of time.

The recommendations and/or suggestions contained in this report are our opinions based on data which are assumed to be representative of the site explored; but because the area of the borings in relation to the entire area is very small, and for other reasons, we do not warrant conditions below the depths of our borings, or that the strata legged from our borings are necessarily typical of the entire site.

Very truly yours,

SOIL EXPLORATION COMPANY

---

C. W. Britsius

WAW:cr  
encs.

3 cc: Port Authority of the City of St. Paul

# LOG OF TEST BORINGS

SOIL EXPLORATION COMPANY

PROJECT: TANNERY SITE, RIVERVIEW INDUSTRIAL PARK, ST. PAUL, MINNESOTA

LABORATORY NO.: 4734

VERTICAL SCALE: 1" = 4'

DEPTH	BORING NO. <u>1</u> SURFACE ELEV.	BPF
	698.5'	
0'	Fill, mostly black sandy loam with cinders, wood and coal	3
3'	Black sandy clay loam (soft)	4
5½'	Grayish brn medium loamy sand (moist) w/a (See Note #1)	4
7'	Brown medium sand (wet to 8½' then waterbearing) with lenses of fine sand	6 (see note)
		5
		3
14½'	Gray clay (soft)	3
		⊗
19'	Grayish brown fine sand (waterbearing)	3
21½'	Gray fine sand (water-bearing) with a few lenses of sandy loam	
25'	Gray medium sand (water-bearing) with a little gravel	12
		11
		6
		12
		14

Note #1: lense of sandy loam at 5½'

DEPTH	BORING NO. <u>2</u> SURFACE ELEV.	BPF
	700.7'	
0'	Fill, mostly garbage, tires, tin cans, wood, metal and glass	
7½'	Dark gray silty clay (medium)	water level (see note)
		6
11'	Dk gray clay (See Note #1)	8
12'	Gray fine loamy sand (water-bearing)	
13'	Gray sandy loam (moist)	1½
13½'	Gray fine sand (waterbearing) with a few lenses of loamy sand	
15½'	Gray clay (soft)	2
		2
		⊗
24'	Gray fine sand (water-bearing) with a few lenses of clay and sandy loam	6
30'	Gray medium sand (water-bearing) with a little gravel	23
35'		13
	46	

Note #1: (medium) with lenses of loamy sand (waterbearing)

		3	
14½'	Gray clay (soft)	3	
			⊗
19'	Grayish brown fine sand (waterbearing)	3	
21½'	Gray fine sand (water-bearing) with a few lenses of sandy loam		
25'	Gray medium sand (water-bearing) with a little gravel	12	
		11	
		6	
		12	
		14	

Note #1: lense of sandy loam at 5½'

Note: Water encountered at a depth of 10' as the boring was being put down.

Water level at 8' when checked 1 day after completion with 10' of casing in the ground and also when rechecked immediately after the casing was removed.

⊗ Indicates Thin Wall Tube Sample

	with a few lenses of loamy sand		2
15½'	Gray clay (soft)		
			2
			⊗
24'	Gray fine sand (water-bearing) with a few lenses of clay and sandy loam		6
30'	Gray medium sand (water-bearing) with a little gravel		23
35'			13
46'			

Note #1: (medium) with lenses of loamy sand (waterbearing)

Note: Water bailed to 18' immediately after completion with 30' of casing in the ground.

Water level at 8½' when checked 20 minutes later with 5' of casing still in the ground and also when rechecked immediately after the casing was removed.

⊗ Indicates Thin Wall Tube Sample

SOIL EXPLORATION COMPANY  
2440 Franklin Avenue  
St. Paul 14, Minnesota

REPORT OF TESTS OF SOIL

PROJECT: TANNERY SITE, RIVERVIEW INDUSTRIAL  
PARK, ST. PAUL, MINNESOTA

August 28, 1962

REPORTED TO: Tolts, King, Duvall, Anderson & Assoc., Inc.

LABORATORY NUMBER: 4734

SAMPLE NUMBER:	#1
Boring No.	1
Depth Sample Taken	17½' - 18½'
Type of Sample	Thin Wall Tube
Color	Gray
Classification (U. S. Bureau of Soils)	Clay

ATTERBERG LIMITS:

Liquid Limit (%)	54
------------------	----

MOISTURE AND DENSITY TESTS:

Moisture (%)	37
Density (lbs/cu.ft.)	84

SHEAR STRENGTH TESTS:

Unconfined Compression Test:

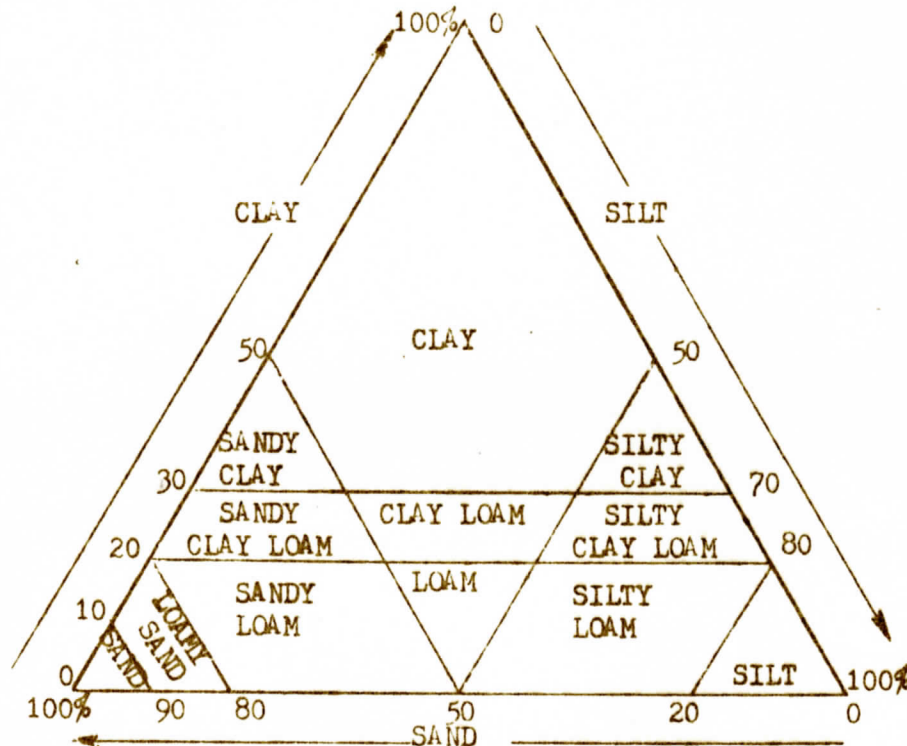
Diameter of Sample (inches)	1 15/16
Maximum Load (lbs/sq.ft.)	1,400
Typical Angle of Internal Friction	Near 0°
Cohesion (lbs/sq.ft.)	700

## U. S. BUREAU OF SOILS CLASSIFICATION SYSTEM

We use the U. S. Bureau of Soils method of soil classification which is based on the texture of the soil. The texture of a soil is influenced by the amount of the various sizes of soil particles in the soil. The soil particles are grouped into three particle size classifications as follows:

<u>Particle-Size Classification</u>	<u>Diameter of Particles(Millimeters)</u>	<u>U. S. Standard Sieve</u>
Sand	2.0 to 0.05	#10 to #270
Silt	0.05 to 0.005	(Cannot be separated by sieving)
Clay	Smaller than 0.005	

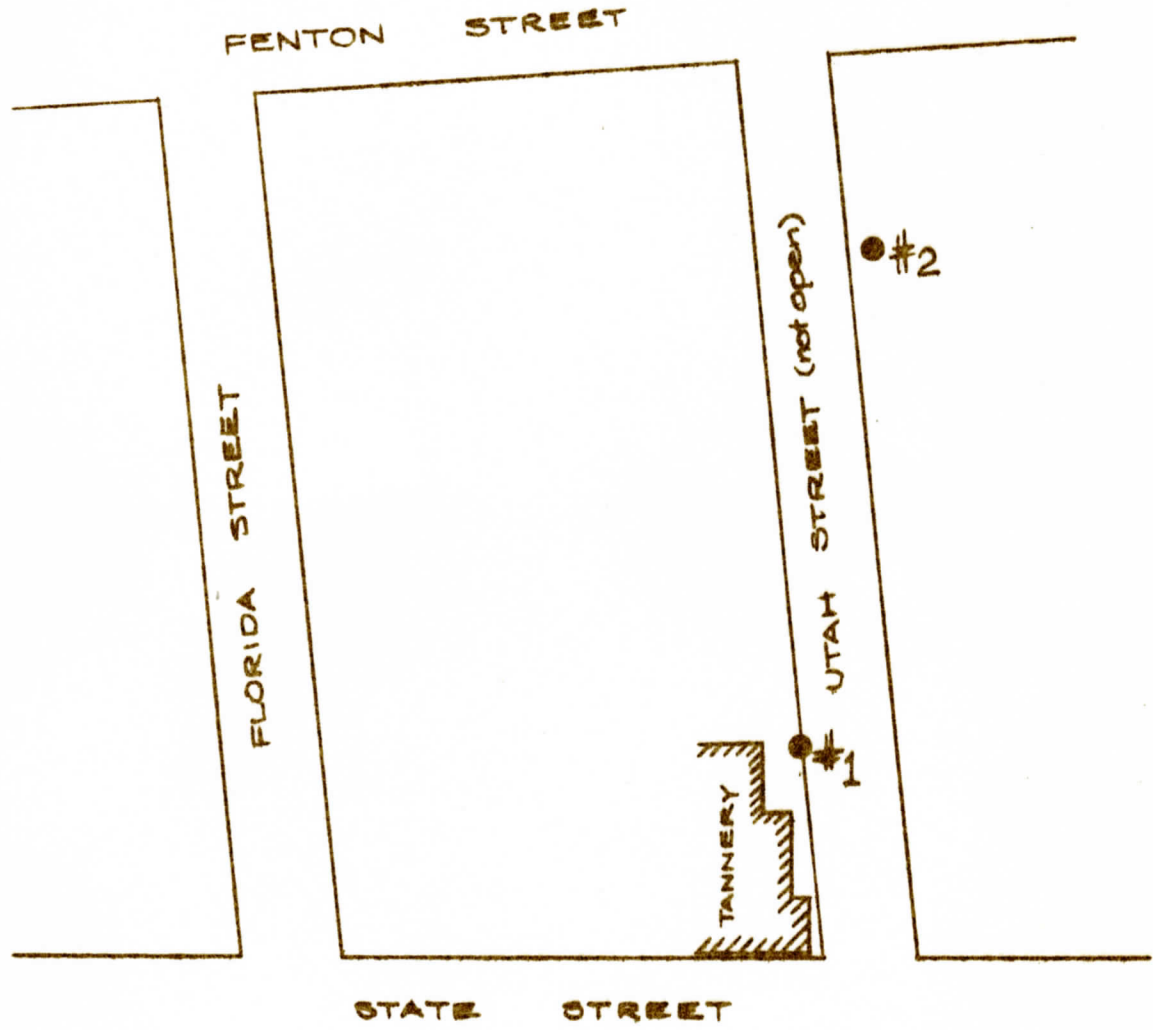
Soil is grouped into twelve basic classifications according to the percentages of sand, silt and clay present in the soil. These classifications are shown by the following triaxial graph.



This same classification system in tabular form is as follows:

<u>BASIC SOIL CLASSIFICATION</u>	<u>SAND</u>	<u>SILT</u>	<u>CLAY</u>
Sand	90 - 100%	0 - 10%	0 - 10%
Loamy sand	80 - 90	0 - 20	0 - 20
Sandy loam	50 - 80	0 - 50	0 - 20
Loam	30 - 50	30 - 50	0 - 20
Silty loam	0 - 50	50 - 80	0 - 20
Silt	0 - 20	80 - 100	0 - 20
Sandy clay loam	50 - 80	0 - 30	20 - 30
Clay loam	20 - 50	20 - 50	20 - 30
Silty clay loam	0 - 30	50 - 80	20 - 30
Clay	0 - 50	0 - 50	30 - 100
Sandy clay	50 - 70	0 - 20	30 - 50
Silty clay	0 - 20	50 - 70	30 - 50

We classify the sand present in a soil as coarse (#10 - #20 sieves), medium (#20 - #40 sieves), fine (#40 - #100 sieves), very fine (#100 - #270 sieves), or as well graded. Soils with an appreciable amount of gravel present are classified "with a little gravel" (less than 15%), "with some gravel" (15 to 30%), "with gravel" (30 to 50%), "and gravel" (over 50%). Material over 3 inches is classified as boulders. Organic soil is classified as "peat" (over 2/3 organic material) or "muck" (1/3 to 2/3 organic material).



NOTE: BORINGS STAKED AND ELEVATIONS GIVEN IN THE FIELD

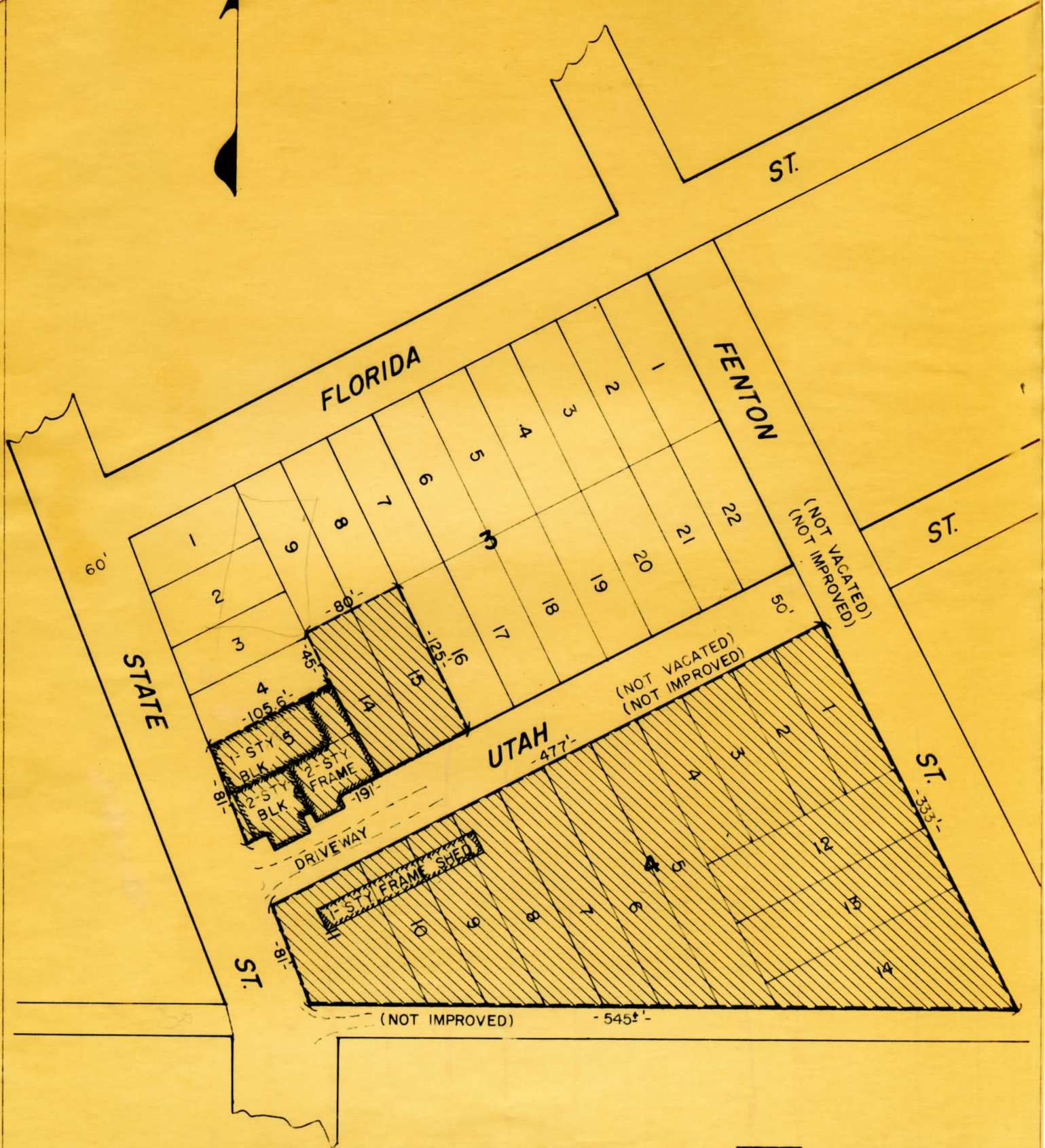
SOIL TEST BORINGS	SCALE 1"=100'	DRAWN BY N.J. CHECKED BY W.W.
		JOB No. 4734




PHOTOS OF SUBJECT PROPERTY

REAL ESTATE RESEARCH CORPORATION

PLAT OF MASTER INDUSTRIES PROPERTY  
 PROJECT AREA I-A PARCEL NO. 129  
 266 STATE STREET, ST. PAUL, MINNESOTA



 SUBJECT SITE



Appraisal of Parcel 129, Project Area 1-A - St. Paul, Ramsey County, Minnesota

I. PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the fair market value of the property described herein, as of September 26, 1961.

Fair Market Value --- is defined as the highest price estimated in terms of money which the property would bring if exposed for sale on the open market with a reasonable time allowed to find a purchaser who buys with a full knowledge of all the uses and purposes to which the property is adapted and for which the property is capable of being used.

II. RECORD INFORMATION

Port Authority Number

Parcel 129, Project Area 1-A.

Address of Property

266 State Street, St. Paul, Ramsey County, Minnesota.

Legal Description

Lots 5 and 6, S. L. Merritt's Rearrangement of Lots 10, 11, 12 and 13, Block 3, Kettering and Constans Addition, and Lots 14 and 15, Block 3, Kettering and Constans Addition, also Lots 1 through 14, Block 4, Kettering and Constans Addition to the City of West St. Paul, Ramsey County, Minnesota.

Record Owner

Master Industries

Assessed Value and Taxes

The assessor's full and true value of the land is \$2,200, of the buildings --- \$5,300. The total full and true value is \$7,500. Real estate taxes for 1960, payable in 1961 are \$580.34.

Appraisal of Parcel 129, Project Area 1-A - St. Paul, Ramsey County, Minnesota

III. CONTINGENT CONDITIONS

This report is predicated upon the following conditions and assumptions:

1. That the title is marketable.
2. That no responsibility is assumed by the appraiser for legal matters, especially those affecting title to the property.
3. That the legal description furnished the appraiser is correct.
4. No analysis of soil conditions was required and none has been made. Inspection of the property did not reveal any exceptional adverse soil condition and, therefore, no consideration has been given to other than ordinary preparation for existing or hypothetical improvements other than that which is normal subsoil characteristics for the area.
5. Estimates herein are based upon the present status of the national business economy and the current purchasing power of the dollar.
6. The property has been appraised in fee simple and as though unencumbered with leases, mortgages, special assessments or liens of any type.

IV. NEIGHBORHOOD DATA

The subject neighborhood is considered to be bound on the north by the Mississippi River, on the east by the St. Paul Municipal Airport, on the south by the Chicago Great Western and Rock Island tracks and on the west by Robert Street.

Topography

The land is generally level in the neighborhood and approximately 14 feet above the normal level of the Mississippi River which lies northerly of the neighborhood. Periodically, in the spring of each year, the water level of the Mississippi River rises and portions of the subject neighborhood are subject to flooding. The area as a whole, however, has not been so affected since 1952, at which time, the water level was the highest.

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There are portions of the subject neighborhood which are lower than the street grade of 14 feet (more or less) above flood stage, especially in the vicinity of the subject property. In these cases, the land is approximately seven to ten feet below the grade of the streets. At one time, the area southeasterly of the subject property was filled through the operation of a city dump land fill method.

Utilities

The neighborhood is served with all utilities, including water, sewer, electricity and gas.

Accessibility

The neighborhood is readily accessible from Robert Street, four blocks westerly of the subject, which is a main north-south thoroughfare through the central business district of St. Paul, which is immediately across the river to the north. It is accessible from the south via either Robert or State Street, both of which have bridges across the Chicago Great Western tracks.

Public transportation is available by the Twin Cities Rapid Transit Company buses which run along Robert Street. There are railways into the subject neighborhood, generally along the perimeter, operated by the Chicago Great Western and Rock Island Railroads. Private plane transportation is available at the St. Paul Municipal Airport on the easterly side of the subject neighborhood.

Land Uses

Land uses in the neighborhood are heterogeneous and range from heavy industrial to single family residence. Improvements, therefore, are considerably varied and the range in value is estimated to be between \$3,000 and in excess of over \$1,000,000. The American Hoist and Derrick Company is at the extreme north-westerly corner of the subject neighborhood, approximately seven blocks from the subject property. There are bulk oil plants and rail terminals along Robert Street, together with some marginal commercial activities along Robert Street. There are some low grade commercial uses along State Street. Scrap yards are sprinkled throughout the area. The general neighborhood adjacent to the subject property is improved to the north with single family residences, generally old decrepit buildings in radically poor repair; a large percentage have been converted to multi-family residential properties. The area to the southeast is vacant to the periphery of the neighborhood. Southwest of the subject property are the Great Western tracks and residential uses are predominant beyond.

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Zoning

Zoning of the neighborhood is mixed, ranging from heavy industrial around the periphery to spotted light industrial and commercial along State Street and "B" residential in the central core. The "B" residential zoning is bounded on the north by the alley north of Tennessee Street, on the east by Rutland Street, on the south by the alley south of Constans Street and on the west by Eaton Street.

Land Use Trends

The degree of intensity in land use is presently transitional from single family residence to light and heavy industrial.

A change in social and economic groups residing in the area has been taking place within the last 20 years. This has resulted in a rapid decline in land values and overall market demand for property within the subject neighborhood, which was formerly utilized for residential purposes. Minority race groups residing within the area are mixed at the present time.

Financial institutions have generally shyed away from lending mortgage money in the neighborhood for some years past.

Topography due to periodic flooding has made a more rapid expansion of industrial growth, extremely remote. This is especially so while there is an availability of other industrial land not subject to flooding.

Any stimulus to a demand for land in this area will be related primarily to the construction of a dike intended to prevent the entire neighborhood from periodic flooding by the Mississippi River. This fact is tied in closely to the condemnation of the subject --- the conclusion being that the subject, standing alone, without becoming part of the condemnation along with the neighborhood, will not benefit.

V. DESCRIPTION OF THE PROPERTY

Site

The subject site contains a total of 117,403 square feet of area. It is irregular in shape, with 162 feet of frontage on the easterly side of State Street, a depth north of Utah Street of 191 feet and a depth south of Utah Street of 477 feet.

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Utah Street (which has not been vacated) is an east-west street, running between State Street and Fenton Street. It severs the subject property into two parts; that part on the north of Utah has 18,664 square feet; that part on the south of Utah has 98,739 square feet.

State Street is surfaced with asphalt; there are no curbs, but there are storm sewers and sidewalks. Street lighting facilities are minor in this area, being confined to widely spaced lights on power company poles.

The topography of the subject is irregular. Basically, it is approximately ten feet below the grade of State Street. It is accessible by a driveway in the vicinity of the southerly portion of unimproved Utah Street. Drainage appears to be adequate in the northeasterly direction, as the property slopes in accordance with the slope of the terrain.

There is a 14 foot encroachment of the improvements to the north of Utah Street into Utah Street.

Zoning

The subject property is zoned for heavy industrial purposes, and is being utilized currently within the limits of the zoning ordinance.

Improvements

The site is improved with two detached structures, one a manufacturing warehouse type building, and the other, a long frame garage shed type building.

Manufacturing Building

The subject property is improved with a two-story concrete block building to which have been added various additions --- a two-story frame building at the rear, a one-story concrete block addition on the northerly and southerly sides and a one-story frame addition on the southerly side.

The exterior of the concrete block portion of the plant has been painted white. The exterior of the frame portion has been painted but is badly in need of paint. Windows in the frame portion are double-hung; those in the concrete block portion are steel frame. The exterior of the State Street frontage has been stuccoed. There is a tar and gravel roof over the entire building.

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The building is utilized as a tannery. There is a small office area on the main floor, approximately 18 x 17 feet. This has a toilet room with a low tank type toilet and wall-hung sink. The office has fluorescent lighting. Access is provided to the office area directly from State Street. It also opens into the first floor of the main plant. The interior of the building other than the office area, is unfinished with exposed framing and joists, where they are utilized. The concrete portion, for example, has frame 2 x 12 inch joists, 16 inches on center which rest on frame 6 x 8 inch posts and beams and support the frame roof deck. This similar construction is carried out in the balance of the concrete block additions.

The ground floor or basement level does not have immediate access to State Street. It is accessible only to the ground level which is approximately seven to ten feet below State Street. A driveway descends to the subject property from that street.

The ground floor level is divided into three basic rooms --- one may be termed the drum room utilized for tumbling hides, one in the center, a washroom in which the hides are processed and one on the north which is a storage room. The boiler room is located in the southwesterly corner of the concrete block portion of the building. The addition on the east is two-story frame and is utilized for storage purposes on the ground level.

The first floor has a large work room on the State Street side, two storage rooms in the frame portion at the rear at the southeast corner, and a shearing room and drying room at the northeasterly corner. The room is sufficiently air-tight to enable the operators to maintain a 160 degree Fahrenheit temperature for drying hides. The drying room, which has a metal covered floor, is piped with steam; air is circulated through a vent fan on the exterior of the building.

The washroom downstairs is improved with six double compartment hide washers which are located in depressed areas of the concrete floor. The drum room is improved with four drums, eight feet in diameter. These are used for tumbling hides and are revolved by a chain drive system affixed to a 15 h.p. General Electric motor.

There are other pieces of equipment scattered throughout the building, such as a Baker Laten Machine Company fleshing machine, two reliable shearing machines (approximately 12 years old) two staking machines, and other miscellaneous processing equipment. This processing equipment is considered movable and not part of the real estate and is, therefore, not included in the overall value ascribed to this property.

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Frame Garage

This building is of frame construction with an asphalt covered roof and asphalt covered exterior walls. The interior walls are not finished, nor does it have any flooring. It does have, however, 13 sliding doors. The overall dimensions are 138 x 19 feet.

VI. HIGHEST AND BEST USE

Inherent in the valuation of the real property is the responsibility of the appraiser to analyze all of the possible or potential uses in order to determine which will develop the highest value (the highest net return). This return, whether actual or hypothetical, must have demonstrable characteristics of probability, immediacy and stability.

A determination of the motivations of buyers and sellers, existing surrounding improvements, present and contemplated, zoning, topography and other factors deemed pertinent, have been examined. We are of the opinion that at the present time, prior to the consummation of dike construction and the improvement program contemplated by the Port Authority, the subject property is being utilized at its highest and best use and there would be little or no possibility of a more intense use or better development at this time.

## VII. VALUATION

### Valuation of the Site

Various land sales of industrial property within the general neighborhood were investigated and analyzed in order to obtain an indicated relationship of the sales to the subject property. These sales prices were adjusted by comparison to the subject property (which was considered 100 per cent) for such factors as the time of sale, size of the site, reason for the sale, location, availability of trackage, topography and other factors deemed pertinent.

The following market data was considered:

1. An analysis, made by Real Estate Research Corporation, of 27 sales of industrial property made in St. Paul between 1955 and 1961, denotes a steady increase in unit land values during the period, which ranges between 10 and 15 per cent per year. There are variations to this range which become increasingly obvious when related to relative locations. For purposes of this appraisal, an increase of six per cent per year has been utilized to reflect a difference between dates of sale.
2. This is actually a railroad lease to Minnesota Mining and Manufacturing Company, covering a site located near the intersection of Fillmore and Edward Streets, westerly of Wabasha Street. The site, which contains 26,978 square feet, is under a five year lease, at a gross annual rental of \$438 per year. A six per cent capitalization rate was considered normal for the lessee at the time the lease was originated in 1956. The valuation denoted is \$7,300 or \$0.275 per square foot, more or less. This is adjusted upward for time, 20 per cent. A downward adjustment of 25 per cent has been made because of the capitalization rate utilized on the lease, when related to present market capitalization rates. A further adjustment downward of 20 per cent has been made due to the relative location of this site to the subject property, and 15 per cent due to topography. This site is considered superior to the subject. The net adjustment, in this instance, is 61 per cent and denotes a value for subject property of \$0.17 per square foot.
3. A series of purchases, over a period of time in 1957, was made by the W. H. Barber Company, to assemble a site near the intersection of Shepard Road and James Street on the northeasterly side of the river. This sale is utilized as it is considered to represent an indicated high in the range of values to be ascribed to the subject site. The total area purchased



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was 142,575 square feet. The total consideration was \$85,840, or \$0.60 per square foot. The sale price, in this instance, is adjusted upward 20 per cent due to the difference in time of sale. It is adjusted downward due to inferiority of the subject property 15 per cent due to lack of trackage, 10 per cent for topography, 40 per cent as the site is not subject to flooding due to extremely high water, whereas the subject site is, and downward 20 per cent due to relative location. The net adjustment, in this instance, denotes that the subject site, compared to this sale, has a value of 40 per cent of this sale or \$0.24 per square foot.

4. Two sites located at the southwest corner of Livingston and Chicago Avenues, also at the southwest corner of Indiana Avenue and Livingston were sold in December of 1956. The two sites, not abutting each other, contain a total of 26,775 square feet. The total sale price was \$0.225 per square foot. The sale was made by Goldstein to Kaplan for the northwest 25 feet of Lot 3, all of Lots 1 and 2, Block 19 and Lots 1 and 2, Block 14, Bazille and Robert's Addition. This sale is adjusted upward 30 per cent due to the difference in the time of sale and present date, it is adjusted downward 10 per cent due to relative location and 10 per cent due to relative topography. The indicated value for subject property compared to this sale, after a 43 per cent adjustment, is \$0.13 per square foot.
5. A sale was made March 20, 1958, of a site located on the south side of Kentucky Street, near Missouri Street, being Lots 6 to 10, inclusive, Block 3, Second Addition to Brooklyn. The site has 240 feet, plus or minus, of frontage on Kentucky Street and a depth of 125 feet. The total area is slightly over 30,000 square feet. The sale was made at \$2,000 indicating a unit price of \$0.07 per square foot. This is adjusted upward 30 per cent due to the date of the sale. Both areas are subject to flooding during high water. The subject property, however, is considered to be better located, and is adjusted upward 20 per cent for this factor. The indicated value for the subject property, compared to this sale, is \$0.10 per square foot.
6. The southwest corner of Texas and Missouri was sold in May of 1957 at \$1,000 for 10,000 square feet, denoting a sale price of \$0.10 per square foot. This site has a frontage of 80 feet and a depth of 125 feet, and is legally described as Lots 1 and 20, Block 4, Second Addition to Brooklyn. It was sold by Marhoe to Remackel. It is adjusted upward 20 per cent due to the relative location, the subject location being considered better. It is also adjusted upward 25 per cent due to the difference in time of sale. This sale denotes a value for subject of \$0.15 per square foot.

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Remarks on Land Valuation

None of the land sales examined were highly similar to the subject property, but all were similar in some respect in varying degrees, therefore, the weighted average (\$0.155) of the adjusted values has been accepted as being the most reliable indication of value.

Based on the market data considered above, and other market data which is available in our files, the final estimate of value of the subject site, if vacant and unimproved, is rounded at \$0.15 per square foot for 117,403 square feet, which equals \$17,610, say \$17,500.

Reproduction Cost Approach to Value

Cost new today - 14,532 square feet of gross area,  
8,866 square feet of ground floor area

Main Plant

Part A.	Two-story concrete block		
	49 x 49 feet = 2,401 square feet @ \$11.50 per square foot	\$27,611	
Part B.	One-story concrete block		
	30 x 85 feet = 2,550 square feet (2 walls only)		
	14 x 30 feet = 420 square feet (3 walls only)		
	<u>2,970 square feet @ \$3 per square foot</u>	8,910	
Part C.	Two-story frame		
	49 x 55 feet = 2,695 square feet		
	19 x 30 feet = 570 square feet		
	<u>3,265 square feet @ \$10.50 per square foot</u>	34,282	
Part D.	One-story frame		
	10 x 23 feet = 230 square feet @ \$3 per square foot	<u>690</u>	
Total reproduction cost new---		\$71,493	
		say,	\$71,500

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Total Reproduction Cost New ---			\$71,500
Depreciation:			
Physical deterioration			
Part A	55%	\$15,186	
Part B	15%	1,336	
Part C & D	65%	<u>22,731</u>	
Total physical deterioration - 55%			39,200
Functional obsolescence			
Due to design type of building and equipment			6,500
Economic obsolescence			
Based on a rent loss due to location (\$0.18 per square foot x 14,532 square feet) \$1,600 @ 80% capitalized @ 15%			<u>8,500</u>
Total depreciation			<u>54,200</u>
Depreciated value of main structure			\$17,300

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Carried forward ---

Depreciated value of main structure \$17,300

One-story frame shed

19 x 138 feet = 2,622 square feet @ \$3 per square foot \$7,866

Depreciation:

Physical deterioration - 50% \$ 3,933

Functional obsolescence 0

Economic obsolescence 520

Total depreciation 4,453

Depreciated value of shed 3,413

Building Appurtenances

a) Six double wash tubs @ \$500 3,000

Physical deterioration

two @ 40% \$ 600

four @ 90% 1,800

Total depreciation 2,400

Depreciated value 600

b) Four, 8 foot diameter drums @ \$1,000 4,000

Physical deterioration - 80% 3,200

Depreciated value 800

c) Excess plumbing and heating (heat exchanger and drying room) over normal, at depreciated value 1,200

Physical deterioration 400

Depreciated value 800

d) Miscellaneous dumb-waiter, fans, motors, etc. 1,200

Depreciated value of improvements 3,400

Land value previously found 17,500

Cost Approach - Final Estimate of Value \$41,613

say - \$41,600

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Market Data Comparison Approach to Value

In this approach to value, sales of similar improved properties were investigated and analyzed, and related to the subject property. In each case, the unit of comparison was the sale price of usable building area inclusive of all the land. This unit of measurement is based on the number of square feet of building area on each floor, inclusive of basement area, being utilized by the occupant. The unit price was then adjusted for such factors as the time of sale, age of the improvements, type of construction, condition, utility of the property, availability of trackage, location and size.

No individual adjustment was made in any of the sales, for the type of industry utilizing the plant, as each industry is assumed to have its own peculiar type of equipment, located on the subject property. An overall adjustment was made for this peculiar equipment through a lump sum addition to the square foot unit sale price.

1. A sale was made by George W. Benz to Northwest Plastics, Inc., by warranty deed dated August, 1956 of Lots 6 through 9, Block 19, Bazille and Robert's Addition. The land has 119 feet of frontage on Plato Avenue and a depth of 150 feet on Custer Street. The site is improved with a brick two-story manufacturing building, in generally good condition, which contains 16,000 square feet of floor space, plus or minus, excluding the basement. Including the basement, the overall usable area is 24,000 square feet. The allocation of the floor area in this sale is one older building, 70 x 100 feet, two stories high, constructed in 1935. Another building, three stories high, 40 x 50 feet, was constructed in approximately 1948. This has only one-half basement. The site has a railroad spur and small office area. The sale was made at \$60,000 or \$2.50 per square foot of usable floor area, inclusive of the basement, which automatically includes all of the land.

The price is adjusted upward 20 per cent due to the time of sale, downward 30 per cent due to the superiority of this improvement over the subject improvement and a further downward adjustment of 20 per cent has been made for topography of the land and lack of trackage. The net adjustment in this instance, indicates that the subject is worth 67 per cent of this sale, which denotes a value for the subject property of \$1.65 per square foot.

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2. The property at 23 East Fairfield Avenue, being Lots 10, 11 and 12, Block 177 Robertson's Addition, was sold in October of 1959 at \$150,000. The lot size is 150 x 117 feet, a total of 17,550 square feet. The site is improved with a fireproof warehouse building, constructed in 1914 with four stories and a full basement. The building is 100 x 112 feet with 11,200 square feet per floor. The overall area, inclusive of the basement is 56,000 square feet. The building sold at \$2.68 per square foot of usable building area, inclusive of the basement and the land. This unit value has been adjusted downward due to the condition of the subject property, the type of construction and the relative location, and the availability of trackage. The composite downward adjustment is 55 per cent. It is adjusted upward ten per cent due to the time of sale. The net adjustment, in this instance, indicates subject is worth 50 per cent of this property and denotes a value for the subject property of \$1.34 per square foot.
3. This sale is located at the southeast corner of Bidwell and Fairfield Avenue, and was sold in December of 1955 at \$65,000. The lot is 150 x 234 feet and contains 35,000 square feet, plus or minus. The building is 50 x 50 feet and contains 21,200 square feet. It was sold by the National Lead Company to K & S Realty Company. The sale covered Lots 4 through 9, inclusive, Block 162, Robertson's Addition. This is an old brick warehouse and manufacturing building. It is presently being reconditioned and offered for sale. The sale was made in October of 1956 at \$65,000 for the building (which contains 21,200 square feet) or \$3.10 per square foot. This sale price is adjusted downward due to the type of construction and the relative location of the subject property, and the topography and lack of railroad trackage, a total of 50 per cent. An upward adjustment of 25 per cent has been made due to the time of sale and relative condition, the subject property being considered in slightly better condition than this building. The net adjustment, in this instance, is 40 per cent and denotes that subject is worth 60 per cent of this sale, or \$1.85 per square foot.
4. The Chicago & North Western Railway Company freight house depot located on Fillmore and Edward Streets, is offered for sale at \$1.50 per square foot. This is a one-story building with trackage of brick and masonry construction, in relatively poor condition. This particular offering is adjusted downward due to the relative location, 20 per cent. It is adjusted upward 20 per cent as the subject is considered to be in superior condition and downward due to the lack of trackage at the subject property and the relative topography. Subject is considered to be ten per cent superior or worth \$1.65 per square foot, compared to this offering.

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As none of the improved properties analyzed are considered to be highly similar to the subject property, due to the type of construction and location, the weighted average of the adjusted sale price is considered to more aptly reflect the square foot unit value. This average is \$1.62 per square foot. The final estimate of value by this approach is rounded at \$1.60 per square foot, which, when applied to the 14,532 square feet of subject property, denotes a value of \$23,200.

To this value must be added the various items of production which are considered to have been built into the property. Six, two-compartment wooden wash tubs, the four large, eight feet in diameter drums for tumbling and softening hides, driven by 15 h.p. General Electric motor, the excess piping in the drying room and the ventilator heater fan mounted on the roof at the exterior, are items which are considered to be building appurtenances. The overall additional building appurtenances to be added to the value of the real estate is \$3,400.

As all of the comparable sales analyzed had very close to one to one ratio of land to building and the subject is closer to eight to one, the flat adjustment is made for 90,000 square feet of excess land including the shed, in the amount of say \$13,500.

The total value estimated by the market data approach, inclusive of the real estate and building appurtenances, is rounded at \$40,000.

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Income Approach to Value

The gross rent estimate for the subject property is based on rental analysis of various properties within the City of St. Paul, considered to be comparable to the subject property.

A building at 135 Eleventh Street is rented on an overall basis at \$0.32 per square foot gross. The building is old and in a condition comparable to the subject property.

A building at 480 Jackson Street is of mill type construction. The building is used for warehouse and light manufacturing and is rented at \$0.33 per square foot gross.

A lease at 41 Fillmore for 14,955 square feet was made in April of 1960. The rent is \$3,000 per year or \$0.20 per square foot per year net, with the tenant paying all of the maintenance, taxes, etc. This is an unheated warehouse type building.

The St. Paul Terminal Warehouse Company is renting a building near the intersection of Randolph and Shepard Road. The lease was made in October of 1959 for a term of three years at \$975 per month, a total of \$11,700 per year. This reflects a net lease rate of \$0.17 per square foot per year.

The gross rental rate for the subject property, based on the rentals analyzed, is estimated to be \$0.46 per square foot per year overall.



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Income Approach (Con't.)

Gross Annual Income

First floor 5,666 square feet @ \$0.65 per square foot \$3,683  
Ground floor - 8,866 square feet @ \$0.40 per square foot 3,546

14,532 square feet, average rent \$0.465 say \$ 7,230

Less vacancy reserve - 10% 720

\$ 6,510

Operating Expenses:

Taxes, 1961 \$580  
Insurance 250  
Repairs and maintenance 700  
Management 325  
Heat 0  
Utilities 0  
Reserves for replacements 500

Total operating expenses \$ 2,355

Net Annual Income ( \$0.285 per square foot) \$ 4,155

Less interest on land value (from land sale comparison) \$17,500 x 8% 1,400

Net return to building \$ 2,755

Capitalization of return to building \$ 2,755  
(8% + 7%) \$18,366 ✓

Plus land value 17,500 ✓

Total estimated market value by Income Approach \$35,866  
say \$35,850

Plus additional equipment 3,400 ✓

Final Estimate of Value by Income Approach \$39,250

*Handwritten notes:*  
22,100  
17,500  
39,600  
17,900

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VIII. CORRELATION OF VALUE

The three approaches to value are as follows:

Cost Approach	\$41,600
Market Data Approach	\$40,000
Income Approach	\$39,250

This is a spread of \$2,350, which is not considered abnormal in the appraisal and valuation of a property of this character.

In each case, the estimate of value includes all of the special building appurtenances which have been itemized elsewhere in the report, and which briefly are the washing tubs, the drums, the equipment and the drying room, the boiler and the vent fans, exhaust fans and other items normally considered as part of the real estate.

Specifically excluded from the final estimate of value are such processing equipment as fleshing machines, combining machines and shearing machines, which are considered as personal property.

The market data comparison approach is given a high degree of reliability due to the location of the properties examined, and analyzed and the method of comparison. In our opinion, it would be granted the highest degree of reliability in this appraisal, if the comparable sales had been more similar. The cost approach to value, due to the character of construction and condition of improvements, is afforded the least degree of credence in this appraisal, due to the unreliability of the final estimates of depreciation, which are subject to a limited degree of error.

The income approach to value is based on a reasonable gross income and reasonable annual expenses, which would be chargeable to the gross income, in the event the property were being utilized by a non-owner tenant. Data available for this analysis has been investigated thoroughly and the estimate of value found by this approach cannot be ignored.

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IX. FINAL ESTIMATE OF VALUE

It is our opinion, that as of September 26, 1961, the fair market value of the property, is:

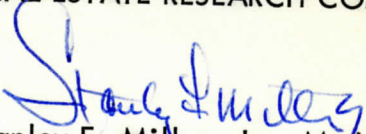
FORTY-THOUSAND DOLLARS                      -                      (\$40,000)

X. CERTIFICATION

We, the undersigned, hereby certify that neither Real Estate Research Corporation, nor any of its officers, have any present or prospective interest in the property appraised; that our employment is not contingent in any way upon the amount of value reported; that the statements made and information contained in this report are true, to the best of our knowledge and belief; and that this appraisal has been made in accordance with the American Institute of Real Estate Appraisers Rules of Professional Ethics.

Respectfully submitted,

REAL ESTATE RESEARCH CORPORATION

  
Stanley F. Miller, Jr., M.A.I.  
Director of Minneapolis-St. Paul Office

  
J. Warren Seivert, M.A.I.