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Office Building - (Foreground)
Metal Crane Shed - (Rear)



Metal Crane Shed - (Left)
Office Building - (Right)



Butler Building



JOSEPH L. BETTENDORF, M.A.I.

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Real Estate Appraisals - Consultant - Analyst

CA. 4-2002

MINNESOTA BUILDING

ST. PAUL 1, MINNESOTA

January 23, 1962

The Port Authority of the City of St. Paul
60 East Fourth Street
St. Paul, Minnesota

1-B
Re: Parcel No. 213
Crane Service Corporation
185 Eaton Avenue

Gentlemen:

In accordance with your request I have made a careful inspection of the captioned property, located at 185 Eaton Avenue, which is more particularly described elsewhere in this report, and have made a study of conditions affecting its value.

By virtue of my investigation I have formed the opinion that the market value of the subject property, as of January 15, 1962, is:


NINETY SEVEN THOUSAND DOLLARS \$ 97,000.00

Your attention is invited to data and discussions following which, in part, form the basis of this conclusion.

Respectfully submitted,

JOSEPH L. BETTENDORF, Appraisals

By:


J. L. Bettendorf, M.A.I.

SALIENT FACTS AND CONCLUSIONS

MARKET VALUE ESTIMATE

Size of Parcel 47,465 sq. ft. or 1.09 Acres

Size of Buildings

Building No. 1 - Office and Garage 1,440 sq. ft.

Office Portion 42.5' x 24'

Garage Portion 17.5' x 24'

Building No. 2 - Metal Crane Shed 5,000 sq. ft.

50' x 100'

Building No. 3 - Butler Building 4,000 sq. ft.

40' x 100'

Age of Buildings

Building No. 1 Estimated at 20 years

Building No. 2 Built in 1953

Building No. 3 Built in 1956

TAXES - \$ 2,602.50

ASSESSOR'S FULL AND TRUE VALUE

Land \$ 14,850.00

Building \$ 18,800.00

THE PROPERTY

The subject property is located on the "West Side", within the corporate limits of the City of St. Paul. This area lies South of the heart of the commercial district of the City of St. Paul and is separated from the latter by the Mississippi River. The property is more particularly located at the northwest corner of Plato and Eaton Avenues, extending in a northwesterly direction along Eaton Avenue 410 feet, with an average depth of approximately 115 feet. It is just one block east of the heavily travelled Robert Street. The parcel is bordered on the west by a railroad spur track. The total estimated square foot area is 47,465 square feet or 1.09 acres. The site has been elevated one to two feet above street grade by virtue of fill at some time in the past.

The parcel has been improved with three buildings which are referred to in this report as follows: Building #1 - Office building; Building #2 - Metal crane shed; Building #3 - Butler building.

ZONING

The zoning of the subject property is "Heavy Industrial".

LEGAL DESCRIPTION

Bazille and Robert's Addition. Chicago Avenue vacated adjacent and the following tracts: Lots 1 and 2, Block 16, Marshall's Addition to West St. Paul; and in said Bazille and Robert's Addition, Lots 1 and 2, Block 17, also tract between Eaton Avenue and Lots 4 and 5 and said Lots 4 and 5, Block 16, according to the plat on file and of record in the office of the Register of Deeds in and for Ramsey County, Minn.

PROPERTY RIGHTS TO BE APPRAISED

Title in fee simple, unencumbered, subject to usual easements for utilities, if any.

HIGHEST AND BEST USE

The present program of utilization is considered the highest and best use of the subject property.

PURPOSE OF THE APPRAISAL

To estimate the market value of the subject property as of January 15, 1962.

DEFINITION OF MARKET VALUE

Market value is the highest price expressed in terms of money which the property will bring when exposed for sale in the open market with a reasonable time allowed to find a purchaser buying with a full knowledge of all the uses and purposes to which it is adapted and for which it is capable of being used.

BUILDING DESCRIPTION

The site lies comparatively level, however, from an historical standpoint, was a former coal yard and very low. It has since been filled in to a height that is above the last known elevation that was flooded in the past. It lies well above street grade and has good drainage.

All utilities are present and serve the subject property.

The site has been improved with, basically, three structures. Building No. 1 will be referred to in this report as "Office Building". Building No. 2 will be referred to as the "Metal Crane Shed". Building No. 3 will be referred to as the "Butler Building".

The Office Building is, basically, a one story structure with a full basement and a built-in garage, located at approximately the southwest edge of the building. The exterior consists of 12" concrete blocks, gable roof with asphalt shingles.

The interior comprises office space, storage space, and a garage at the southwesterly edge. The office space has been partitioned off into three private offices and a larger open area to handle daily business needs. The floor has been finished with asphalt tile and the walls and ceilings are of drywall construction. The plumbing consists, primarily, of two half baths located at the north end of this building - each containing two fixtures and finished with drywall walls and ceilings and asphalt tile floors. At the south end of this building is a storage room and built-in garage. The basement is full, has a concrete floor, 12" block wall, 1" x 12" subflooring, 2" x 10" joists - 16" on center, 2 steel "I" beams - 8" and 12" respectively - with steel supporting posts. Heat is furnished by a hot water oil-fired unit. There is no basement under the garage. There is a built-in shower stall in the basement and an automatic gas water heater.

The Metal Crane Shed, or Building No. 2, is attached to the north edge of the office building. It is, basically, a corrugated metal structure, 50' x 100', and approximately 30 feet in height. It is constructed of a 12" reinforced concrete slab, supported by 8" steel "I" beams which, in turn, are supported by piers which have been excavated to solid bearing to provide adequate bearing. The exterior walls are metal and the roof is a flat roof, also metal. Along the entire length of the interior east wall is a steel platform with metal steps. The westerly wall has six large overhead doors, approximately 12' x 15', electrically operated

BUILDING DESCRIPTION - Con't

There is an overhead, 7-1/2 ton crane, with a suspended cab, electrically operated. Above the overhead doors, on the westerly side of the building, is an approximate 15 foot platform, access to which is provided by metal steps. At the extreme northwest corner of this platform is a small dispatcher's office, approximately 14' x 16'. The building is in very good condition and evidences good maintenance.

The Butler Building, or Building No. 3, is located along the northerly portion of the parcel. It is, basically, of metal construction and erected on a concrete slab. The interior consists of metal (steel) framing and walls. There are five overhead doors and a steel tire rack is built into the rear of the building. There are two Bryant gas space heaters and a partitioned off washroom consisting of three fixtures. The building also has a built-in floor frame straightener which consists of a concrete slab approximately 3 feet, reinforced, in depth. The building evidences good maintenance.

The site has been leveled and provided with a crushed rock base which has alternately been oiled and sanded to provide a black-top surface sufficient to withstand the weight and traffic of semi-trailers.

An axel scale, installed complete with pit and shed, is located approximately midway between the northerly edge of the office and the west line of the subject property.

REPLACEMENT COST APPROACH

The buildings were measured and inspected to ascertain the basic specifications used in construction. Subsequent to obtaining this information your appraiser consulted with men familiar with this type of construction and checked local cost indices to which he subscribes in order to arrive at a cost that would reasonably reflect the construction cost in today's market.

BUILDING NO. 1 (Office Building)

\$13.00 per sq. ft. x 1,440 sq. ft. =	\$ 18,720.00	
Less Depreciation	\$ <u>6,720.00</u>	
		\$ 12,000.00

BUILDING NO. 2 (Crane Shed)

\$ 6.50 per sq. ft. x 5,000 sq. ft. =	\$ 32,500.00	
Less Depreciation	\$ <u>9,500.00</u>	
		\$ 23,000.00
Depreciated Replacement Cost of Crane		\$ 7,000.00

BUILDING NO. 3 (Butler Building)

\$ 4.50 per sq. ft. x 4,000 sq. ft. =	\$ 18,000.00	
Less Depreciation	\$ <u>4,500.00</u>	
		\$ 13,500.00
Depreciated Replacement Cost of Scale		\$ 2,500.00
Depreciated Replacement Cost of Surfacing of Parking Area		\$ 3,500.00
LAND VALUE (47,465 sq. ft. x \$.75)		\$ <u>35,600.00</u>
		\$ 97,100.00

Rounded to - - \$ 97,000.00

INCOME APPROACH

This portion of the appraisal process attempts to estimate the value of the property from an investment standpoint. It is generally accepted that every investment must provide a suitable net return to warrant the initial capital outlay.

In order to arrive at the estimate of value by this approach the building, in theory, must be rented and these rents are established after a study of the market to indicate the reasonableness of the amounts established for each building.

This operation is generally tied in with the "piggy back" operation of the Chicago, Northwestern railroad, making trackage essential and which is provided. In addition, during any off-season the crane shed building is used as a warehouse, predominately for steel supply. In studying the market, rentals are known to exist between \$.90 and \$1.00 for warehousing space in the Midway area, which is the heart of the industrial district of the City of St. Paul. Leases of small buildings are known at \$1.00 to \$1.11 per square foot, depending upon location, size and utility. After making the necessary adjustments, it was concluded that the Butler building would lease for approximately \$.75 per square foot.

Office space will rent for \$1.50 to \$2.50 per square foot in properties similar to the subject, depending upon facilities offered, location, type of interior and other factors. It was concluded that \$1.75 per square foot would reasonably reflect the current market attitude for the office space.

The going rate for a single family garage, generally throughout this area, is \$7.50 per month.

SCHEDULE OF INCOME

Office Portion	1,020 sq. ft. x \$1.75 per sq. ft. =	\$ 1,785.00
Garage	\$7.50 per month	\$ 90.00
Crane Building	5,000 sq. ft. x \$0.90 per sq. ft. =	\$ 4,500.00
Butler Building	4,000 sq. ft. x \$0.75 per sq. ft. =	\$ <u>3,000.00</u>
	GROSS INCOME - - - - -	\$ 9,375.00

INCOME APPROACH - Con't

	GROSS INCOME - - - - -	\$ 9,375.00
Less VACANCY - 4%		\$ <u>375.00</u>
	EFFECTIVE GROSS INCOME - - - - -	\$ 9,000.00

SCHEDULE OF EXPENSES

Taxes	\$2,600.00	
Insurance (est.)	200.00	
Management	450.00	
Reserves	<u>150.00</u>	
	\$3,400.00	\$ <u>3,400.00</u>
	EFFECTIVE NET INCOME - - - - -	\$ 5,600.00
LAND - \$35,600.00 @ 6%		\$ <u>2,136.00</u>
Net Income Imputable to Building Improvements - -		\$ 3,464.00
\$ 3,464.00 Capitalized @ 8% =		\$ 43,300.00
Add LAND		\$ <u>35,600.00</u>
		\$ 78,900.00
	VALUE ESTIMATE BY INCOME APPROACH - - - - -	\$ 80,000.00

MARKET DATA APPROACH

Sales of land were studied and adjusted, as required, to provide a degree of comparison that would reflect the reasonableness of the current market attitude. In addition, sales of truck terminals are available and have been analyzed in order to produce a factor, or multiplier, which would indicate the value of the subject property as indicated in the market.

Following are some of the sales that were studied:

1. Location: Northwest corner of Robert and Plato
 Date of Sale: January 28, 1958
 Sales Price: \$45,000.00
 Size of Parcel: 250' x 119' or 29,750 sq. ft.
 Indicated Factor: \$1.51 per sq. ft.
 Present Use: Vacant land.
 Zoning: Heavy industrial.
 Seller: Miller and Holmes
 Legal Description: Lots 1 through 5, Block 18, Bazille and
 Roberts Addition.

2. Location: 154-166 Custer Street
 Date of Sale: January 2, 1958
 Sales Price: \$11,500.00
 Size of Parcel: 250' x 119' or 29,750 sq. ft.
 Indicated Factor: \$0.385 per sq. ft.
 Present use: Vacant Land - used for junk yard.
 Zoning: Heavy Industrial.
 Seller: Gopher Stamp Co.
 Buyer: McLean Distributing.
 Legal Description: Lots 6 through 10, Block 14, Bazille and
 Roberts Addition to West St. Paul.

3. Location: Southwest corner of Fairview and Custer
 Date of Sale: July 30, 1957
 Sales Price: \$8,500.00
 Size of Parcel: 8,000 sq. ft.
 Indicated Factor: \$1.05 per sq. ft.
 Zoning: Heavy Industrial.
 Present Use: Vacant Land
 Seller: George Dufore
 Buyer: Waterous
 Legal Description: Lot 1, Block 12, Bazille and Roberts
 Addition to West St. Paul

MARKET DATA - Con't

- a. Location: Northeast Corner of Raymond and Kasota
 Date of Sale: January 1960
 Sales Price: \$48,000.00
 Size of Parcel: 200' x 150' or 30,000 sq. ft.
 Type & Size of Building: Concrete block trucking building-Built 1948
 50' x 100' at truck height.
 25' x 50' office portion
 Ratio: \$9.60 per sq. ft. - bldg. area to sales price.
 Zoning: Industrial
 Seller: Interstate Motor Freight
 Buyer: Inland Supply Company
 Legal Description: Lots 1 through 4, Block 30, St. Anthony Park.
- b. Location: Southwest Corner of Roblyn to Pierce
 Date of Sale: Warranty Deed dated March 3, 1955
 Sales Price: \$95,900.00
 Lot Size: 68,400 sq. ft.
 Type & Size of Building: One story, concrete block
 20,000 sq. ft. approximately.
 Ratio: \$4.80 per sq. ft. - bldg. area to sales price.
 Zoning: Light Industrial.
 Seller: Indianhead Truck Line
 Buyer: Ed. L. Johnson
 Legal Description: All of Block 3, Excelsior Park.
- c. Location: Southwest Corner of Pelham and Wabash
 Date of Sale: February 1960
 Sales Price: \$90,000.00
 Size of Parcel: 52,707 sq. ft. approximately
 Type & Size of Building: Truck Garage & Office - Built 1948
 64' x 183' or 11,712 sq. ft.
 Ratio: \$7.68 per sq. ft. - bldg. area to sales price.
 Seller: Lloyd Schirmer.
 Legal Description: Part of Block A, Ferguson's Addition.
- d. Location: Near Wabash and East of Emerald.
 Date of Sale: Fall of 1960
 Sales Price: \$315,000.00
 Size of Parcel: 283,140 sq. ft. or 6.5 acres, more or less.
 Type & Size of Building: Approximately 21,520 sq. ft.
 Ratio: \$14.64 per sq. ft. - bldg. area to sales price.
 Seller: Muller Transfer
 Buyer: Morrell Packing
 Legal Description: Blocks 3, 4, 5, Hollinshead's Addition

MARKET DATA - Con't

In studying the sales of truck terminals it is noted that the ratio of usable building area to the sales price ranges from \$4.80 to \$14.64. In many instances, when a special purpose property is offered for sale, it has served its usefulness to the original owner and becomes functionally obsolete to the extent that it is no longer suited to its present use for an expanding company. When placed on the market, the highest and best use may change to a less intensive use and, hence, would bring a lesser price in the market than if sold in keeping with its initially designed utility.

After studying the sales in this report, it was felt that \$9.25 per square foot times the building area would be indicative of the current market attitude.

$$\$9.25 \text{ per sq. ft.} \times 10,440 \text{ sq. ft.} = \$96,570.00$$

Rounded to - - \$96,500.00

CORRELATION AND CONCLUSION

VALUE BY REPLACEMENT COST	\$ 97,000.00
VALUE BY INCOME APPROACH	\$ 80,000.00
VALUE BY MARKET DATA APPROACH	\$ 96,500.00

Having carefully considered the class and character of the property under appraisal, together with a full knowledge of the purpose of the appraisal, it is concluded that replacement cost, less depreciation, plus land value would be most indicative of the market value of the subject property because of its utility. The income approach has been considered, however, is discounted for the purposes of this appraisal because it is not typical, in the local market, for investors to purchase properties such as this for lease. The investor in this type of property would represent only a small proportion of the total potential buyers were this property placed on the market for sale. Other elements would enter into the analysis from an investment standpoint. Generally speaking, an investor is interested in buying a net income produced by a given property after analyzing all the risk factors and making a comparison between the availability and desirability of other forms of investments, such as mortgages, bonds, corporate securities or other forms of real estate property.

The market data approach, having been carefully analyzed, is in reasonable relation to the replacement cost approach and tends to lend weight to the final answer as reported in this appraisal.

In analyzing all three approaches, the greatest weight was given to the replacement cost approach which tends to set the upper limit of value. However, attention is also given to the market data approach because this is an indicator, through the use of a multiplier, of prices that actually have been paid in the market for truck terminals.

Based upon the information contained in this report, it is concluded that the market value of the subject property, as of January 15, 1962, is:

NINETY SEVEN THOUSAND DOLLARS \$ 97,000.00

CONTINGENT AND LIMITING CONDITIONS

The legal description furnished us 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 good. All existing liens and incumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and/or competent management.

This appraisal is to be used in whole and not in part by the applicant or by others having written consent of the applicant.

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

I believe to be reliable the information contained in this report and furnished to me by others, but I assume no responsibility for its accuracy.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or by the applicant and in any event only with proper qualification.

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 been previously made therefore.

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant

CERTIFICATION

I, the undersigned, do hereby certify that I have no present or contemplated future interest in the property appraised, that the compensation for the appraisal is in no manner contingent upon the value reported, and that to the best of my knowledge and belief, the statements and opinions contained in this appraisal are correct, subject to the limiting conditions hereinafter set forth; also that this appraisal has been made in conformity with the Rules of Professional Ethics of the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards.

Joseph L. Bettendorf,

M. A. I. - S. R. A.

APPRAISING QUALIFICATIONS

MEMBERSHIP

American Institute of Real Estate Appraisers
Charter Member of Minnesota Chapter No. 35
Member of Education Committee. Director 1959, 1960, 1961
Society of Residential Appraisers—Senior Member
Past President, Secretary-Treasurer, Vice President, of Minnesota Chapter No. 16. Director—1960
St. Paul Board of Realtors
Director—1959, 1960, 1961
National Association of Real Estate Boards
Minnesota Association of Realtors
American Right of Way Association
Charter Member of Minnesota Chapter No. 20
Urban Land Institute

EDUCATION AND GENERAL EXPERIENCE

American Institute of Real Estate Appraisers, Michigan State University, East Lansing, Urban 11, Real Estate
Nine years consisting of property management, brokerage, residential construction and appraisals of real estate
Numerous FHA training courses
Eleven years with Federal Housing Administration as staff appraiser
Engaged in the appraisal of real estate as a profession, exclusively, since 1940

INSTRUCTOR

St. Thomas, Macalester and Augsburg Colleges on the "Principles of Real Estate Appraising" for the Society of Residential Appraisers

APPRAISAL ASSIGNMENTS

St. Paul Housing and Redevelopment Authority; Minnesota State Highway Department; Villages of Roseville, Maplewood and Arden Hills; Moundsview Township; City of Stillwater, Board of County Commissioners; General Mills, Inc.; Minnesota Mining & Manufacturing Co.; Union Carbide and Carbon Corp.; Remington Rand; Minnesota Mining and Manufacturing Co.; Whirlpool Corp.; American Can Co.; Mortgage Guaranty Insurance Corp.; H. & Val J. Rothschild; Clapp-Thomssen Co.; Northern Pacific Railway; Banks and Savings and Loan Assns.; Shopping Centers; Fee Appraiser for Veterans Administration; Federal Housing Administration as Appraiser, Senior Subdivision Appraiser, Review Appraiser; Numerous Private Clients. Qualified in district court as expert witness. Served as commissioner in condemnation. Consultant in subdivision analysis and land planning.

