



Collection Information:

Folder: Parcel No. 214. Whirlpool Corporation.

Series: Area 1-B, Parcels 1-240A, 1961-1962.

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JOSEPH L. BETTENDORF, M.A.I.

MEMBER
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Real Estate Appraisals - Consultant - Analyst

CA. 4-2002

MINNESOTA BUILDING

ST. PAUL 1, MINNESOTA

August 3, 1962

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

Re: PARCEL NO. 214
Project Area 1-B
Whirlpool Corporation

Gentlemen:

In accordance with your request I have made a careful inspection of the captioned property, 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 July 9, 1962, is:

ONE HUNDRED FORTY TWO THOUSAND DOLLARS

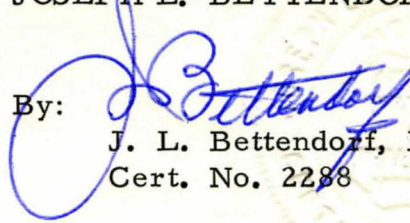
\$ 142,000.00

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.
Cert. No. 2288

SALIENT FACTS AND CONCLUSIONS

MARKET VALUE ESTIMATE \$ 142,000.00

Size of Parcel 79.5' x 560' or 44,520 sq. ft.

Age of Building Estimated at approximately 70 years.

TAXES - \$ 2,940.50

ASSESSOR'S FULL AND TRUE VALUE

Land \$ 16,200.00

Building \$ 20,000.00

THE PROPERTY

The subject property was formerly a freight warehouse, owned by the Chicago, Great Western Railway. In 1952 it was sold by the Chicago, Great Western Railway to the Seeger Refrigerator Company of St. Paul, Minnesota, under Document #1278684. The consideration indicated in this transfer is \$45,000.00.

This property is a warehouse-type structure, with the southerly 153 feet being a two story, solid masonry building, with a full basement and a built-up roof. The second component comprises the middle of the overall structure and is 303 feet in length by 48'6" in width. This portion of the warehouse is a one story, solid masonry structure with a gable roof and has no basement. The third component or section is 105 feet long and 48'6" in width and is a one story, solid masonry structure with a gable roof and no basement.

The property has 8 loading docks along the Robert Street side, 1 at the southerly edge of the building facing Plato Street, and 13 on the east side of the building paralleling and bordering the Chicago Great Western tracks. The building is sprinklered and is served with an ADT system.

The lot has a total frontage of 560 feet on South Robert Street and a depth of 79.5 feet, giving a total calculated square foot area of 44,520 square feet.

The utilities serving the subject property are public sanitary sewer, public water, electricity, gas, hard surfaced streets. Trackage is provided along the east side of the subject property by the Chicago, Great Western Railway.

LEGAL DESCRIPTION

The Southwesterly 79.5 feet of Lots 6, 7, 8, 9, 10, Block 16, the Southwesterly 79.5 feet of Lots 3, 4, 5, 6, 7, Block 17, all in Bazille and Robert's Addition to West St. Paul, Ramsey County, Minnesota, and all that portion of Chicago Avenue lying between the foregoing two described parcels.

All subject to the terms of an easement dated May 18, 1925 from the Chicago, Great Western Railroad Company to the City of St. Paul, Minnesota granting joint use of a 20 foot strip of land across the above mentioned lots and street and adjoining the Northeasterly line at South

LEGAL DESCRIPTION - Con;t

Robert Street.

PROPERTY RIGHTS TO BE APPRAISED

Title in fee simple, unencumbered, subject to usual easements for utilities, if any, and subject to an easement dated May 18, 1925 from the Chicago, Great Western Railroad Company to the City of St. Paul, Minnesota, granting "joint use" of a 20 foot strip of land across the lots mentioned in the legal description and the street and adjoining the northeasterly line at South Robert Street.

ZONING

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

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 fair market value of the subject property as of July 9, 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.

ENCROACHMENT

A copy of a survey has been submitted to this office by the owner of the property which indicates that the building encroaches on Indiana and Plato Avenues as follows:

Indiana Avenue	0.83 feet at the NW corner of Lot 10
Indiana Avenue	0.66 feet at the NE corner of Lot 10
Plato Avenue	0.07 feet at the SW corner of Lot 3
Plato Avenue	0.17 feet at the SE corner of Lot 3

This encroachment has apparently been in existence since the building was constructed, which is estimated at approximately 70 years ago. No legal determination has been requested or obtained in connection with this encroachment because of the length of time the encroachment has existed and the fact that the encroachment, which is considered nominal, is into Indiana and Plato Avenues rather than privately owned property. Hence, it is felt it would have no material affect upon the estimate of value.

BUILDING DESCRIPTION

The subject property comprises one continuous warehouse separated into three component parts, each separated from the other by brick bearing partition walls.

Section No. 1

This section, located at the extreme south end of the entire structure, is a two story brick building with full basement and built-up roof. The first floor interior has softwood floor and brick walls. The center of the floor is reinforced with 8 foot wide steel plates, 1/4 inch thick. Ceiling support consists of two 8" x 15" wood girders bolted together and additional support is provided by 12" x 12" wooden posts. The distance from floor to ceiling is 11'2". Abutting the east wall are three small partitioned off rooms with wooden floor and exposed walls. The largest of the three rooms contains a small stove and facilities for warehouse records.

This portion of the building is wired for heavy duty electrical. It is also served with a 5,000 pound capacity elevator with a cage measuring 13' x 7'. An automatic sliding fire door is located along the northerly first floor wall. The size of this part of the building is 48'6" x 153'.

The second floor is also finished with wooden floors and brick walls. Ceiling joists measure 3" x 8" and solid wood girders measure 10" x 10". Additional support is provided by solid wood posts, 10" x 10". The second floor measures, from floor to the underside of ceiling joists, 10'6". There is an automatic sliding fire door located at the center of the north wall on the second floor.

The basement has a concrete floor and is used for general storage. The basement ceiling has been enclosed. Support is provided by two 8" x 16" wood girders bolted together. Additional support is provided by 14" x 14" solid wood posts. This portion of the warehouse evidences structural soundness and is in good condition.

Section No. 2

This second component part, located in the middle of the warehouse area, has brick walls, a low pitched gable roof, and no basement. This section is one story only. The interior is finished with wooden floors and brick walls. Ceiling support is provided by alternately spaced solid beam trusses. The distance from floor to underside of joists is 11'4". There

BUILDING DESCRIPTION - Con't

are also steel plates, 6 feet in width and 1/4 inch thick, which run down down the middle of the warehouse floor, with the exception of the last 48 feet next to the third component part of this warehouse. The size of this middle section is 303' x 48'6".

Section No. 3

This third component part, located at the northerly end of the warehouse, facing Indiana Avenue, is also a one story structure with brick walls, low pitched gable roof, and no basement. It comprises three rooms. The interior has a wooden floor and storage space. The floor at the north end of this portion of the warehouse is bowed due to a structural deficiency. The size of this section of the warehouse is 48'6" x 105'.

The building is served with a sprinkler system and an ADT fire alarm system. The entire warehouse is also served with a loading dock located along the entire easterly wall, with the exception of the northerly 16 feet. The loading dock is 4 feet high and 6 feet wide. The platform consists of 3" x 10" and 3" x 12" planks.

REPLACEMENT COST ESTIMATE

Costs of similar properties were studied and obtained in the local market and compared to costs as reported in indices to which your appraiser subscribes and the estimate, herein reported, is believed to be in reasonable relation to the current market attitude.

For the purpose of this approach the building is divided into three separate units, each of which is referred to as a component.

COMPONENT #1 - 2 Stories and Basement

\$9.50 per sq. ft. x 14,841 sq. ft. = \$ 140,990.00
Less Depreciation - all phases \$ 98,693.00
\$ 42,297.00

COMPONENT #2 - Center Building, 1 Story, no Basement

\$6.50 per sq. ft. x 14,696 sq. ft. = \$ 95,524.00
Less Depreciation - all phases \$ 66,867.00
\$ 28,657.00

COMPONENT #3 - 1 Story, no Basement

\$6.50 per sq. ft. x 5,093 sq. ft. = \$ 33,105.00
Less Depreciation - all phases \$ 26,484.00
\$ 6,621.00

Depreciated Replacement Cost of Elevator \$ 2,500.00

Depreciated Replacement Cost of Loading Dock \$ 500.00

ADT System (installation) \$ 3,450.00

Depreciated Replacement Cost of Steel Plates (decking) \$ 2,500.00

Black-top \$ 100.00

LAND VALUE \$ 55,650.00

JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant

REPLACEMENT COST ESTIMATE - Con't

Total Replacement Cost - - - - - \$ 142,275.00

Rounded to - - - \$ 142,300.00

VALUE BY REPLACEMENT COST - - - - - \$ 142,300.00

INCOME APPROACH

This portion of the appraisal process deals with the return on an investment an owner can anticipate and this return is compared with all other types of investment to select that which would produce the greatest net return and have the least degree of risk present. A sale was obtained of a building very similar in design and located approximately four blocks northwest of the subject. It sold June 27, 1962, for \$135,000.00. The terms and description are detailed in the market data approach. This proved a rental, on a square foot basis, of ground floor area, of \$.52 per square foot and indicated an overall capitalization rate of 9.6%. In comparing this with the subject and recognizing that there is an elevator in the subject, and second floor storage in one building, together with basement storage in one building, it was concluded, by adjustment, that \$.65 per square foot of ground floor area could be anticipated from a lease or rental standpoint. The building is sprinklered in its entirety, however, does not have plumbing or heat.

This adjustment compares favorably with other leases of industrial buildings located in the Midway, which run approximately from \$.90 to \$1.10 per square foot. These are heated and have plumbing and are one story, new type buildings.

On the fringe of the loop, in the downtown area, second and third floor warehouse space is available, sprinklered, for \$.35 per square foot. However, the market generally is not interested in anything but one floor storage. Those on the fringe of the loop area that are available have very limited parking facilities and, generally, no truckage.

It was, therefore, concluded that \$.65 per square foot could be obtained for the subject in the market, on the basis of overall comparison. The building contains 27,209.5 square feet and the obligation of the owner, in this instance, would be to pay taxes, insurance, and management, with the tenant assuming all other costs.

Following is the estimate of value by the income approach.

INCOME APPROACH - Con't

27,209.5 sq. ft. x \$.65 per sq. ft. = \$ 17,700.00

SCHEDULE OF EXPENSES

Taxes	\$ 3,000.00	
Insurance	\$ 500.00	
Management	\$ 885.00	
	\$ 4,385.00	\$ <u>4,385.00</u>

Effective Net Income - - - - - \$ 13,315.00

\$13,315.00 capitalized @ 9.5% = \$ 140,158.00

Rounded to - - \$ 140,200.00

ESTIMATE OF VALUE BY INCOME APPROACH \$ 140,200.00

MARKET DATA APPROACH

Sales or properties possessing a degree of similarity were studied and adjusted, as required, for size, time, location, date of sale, etc. to form some degree of comparison that would be indicative of the current market attitude. Following are some of these sales:

1. 41-73 East Fairview

Date of Sale: June 27, 1962
(E. M. contract signed 3/27/62)
Seller: Joseph R. Raymer, Jr.
Buyer: Rudolph J. Steiner
Zoning: Industrial.
Sale Price: \$135,000.00

A picture of this property is enclosed in the report and is identified as Comparable Sale No. 1. This is very similar to the subject property. This building is under lease for a maximum lease of \$15,000.00 per year, gross, plus taxes over \$1,900.00, and requires the tenant to provide for all exterior and interior maintenance. The lease expires July 1973. In processing this income stream, a capitalization rate of 9.6 was obtained based upon \$.52 per square foot of first floor area. The comparable has trackage, however, the trackage is at the front and rear, or along the narrower side of the building as opposed to the subject under appraisal where the trackage parallels the long side of the subject and has access from a loading dock. The subject property has 13 doors along the east side of the building for loading purposes, one along the south side of the building, and 8 on the west side of the building, with good accessibility for trucks over the 20 foot easement. It was concluded that the subject was superior locationwise and this has been reflected in the rental value allocated to subject.

2. 27 East Fairfield Avenue

Seller: Cherry - Burrell
Buyer: G. & L. Realty (Kaplan Paper Box)
Date of Sale: 10/9/59
Sale Price: \$150,000.00
Terms: Cash
Zoning: Industrial.

This building was owner-occupied, hence, no information on

MARKET DATA - Con't

2. con't

rents or lease is available. It was purchased for use by the grantee and is a fireproof, brick and reinforced concrete structure. It contains a 7,000 pound elevator and has finished office area on the first floor. There is no heat on the upper floors. The building was constructed in 1914 and is in good condition. Predicated upon an analysis of this building, an indicated factor of \$3.35 per square foot of usable floor area was arrived at.

3. Southeast corner of Wabasha and Plato (206 Wabasha)

Date of Sale: 10/15/57
Sales Price: \$47,000.00
Seller: ABC Heating Company, Inc.
Buyer: George E. St. Marie
Zoning: Light Industrial.
Age of Building: 1952-53.

This is a one story, concrete block structure, approximately 10 years old, and containing a ground floor area of 4,375 square feet. This gives an indicated factor of \$10.74 per square foot of floor area to sales price.

Comparable Sale No. 1, which is very similar to the subject, produced a factor of \$4.68 which, times the gross area, equals the sales price.

Comparable Sale No. 2 had an indicated factor of \$3.35 per square foot of floor area for a four story building, with elevator.

Comparable Sale No. 3 produces \$10.74 per square foot of floor area to sales price.

The subject is superior, locationwise and for accessibility, to Comparable #1 and, hence, should be a little higher. Comparable #3 is a comparatively new building and, as such, would produce a higher factor. Comparable #2 is a multi-story building and some question as to utility for the upper floors appears from an overall study.

After analyzing the three comparables, and other properties, it was concluded that \$5.25 per square foot would be indicative of the value of the subject from a market standpoint.

\$5.25 per sq. ft. x 27,209.5 sq. ft. = \$ 142,850.00

CORRELATION AND CONCLUSION

MARKET VALUE ESTIMATE

\$ 142,000.00

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 the estimate of value as indicated in this report is in reasonable relation to the current market attitude.

The replacement cost approach appears in line and the depreciation has been obtained in the market, with emphasis on comparable sale #1. This produced a total depreciation of 70% on component buildings 1 and 2. On component building #3, the depreciation was raised to 80% because considerable curable maintenance is in evidence. The floors have sagged at the interior partition, which apparently was a former office and, hence, is not in as good condition as the other two component parts.

The income approach is believed reliable, based upon a study of other buildings and an analysis of their income stream to ascertain the capitalization rate that would be indicative of the current market attitude. The market data approach is also in reasonable relation to the other two approaches and has been processed based upon sales of other properties having some degree of similarity and adjusted, as required, to provide a degree of comparison to the subject.

After analyzing all phases, it was concluded that the value of the subject property, as of July 9, 1962, is:

ONE HUNDRED FORTY TWO THOUSAND DOLLARS

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.

JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant



COMPARABLE NO. 1



COMPARABLE NO. 2

BAZILLE AND ROBERTS ADD.
TO WEST ST PAUL

MARSHALL'S
TO WEST ST PAUL

150 FT. = 1 INCH

150 FT. = 1 INCH

Belden Surv. 1856

MISSISSIPPI

