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JOSEPH L. BETTENDORF, M.A.I.

*Realtor - Appraiser - Consultant*

AN APPRAISAL REPORT

of

PARCEL NO. 219

138-140 South Robert Street  
St. Paul, Minnesota

Harry C. Nelson

for

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

by

Joseph L. Bettendorf, M. A. I. - S. R. A.  
232 Minnesota Building  
St. Paul, Minnesota

JOSEPH L. BETTENDORF, M.A.I.

MEMBER  
ST. PAUL BOARD OF REALTORS  
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SOCIETY OF RESIDENTIAL APPRAISERS

*Real Estate Appraisals - Consultant - Analyst*

CA. 4-2002

MINNESOTA BUILDING

ST. PAUL 1, MINNESOTA

June 26, 1962

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

Re: PARCEL NO. 219  
Project Area 1-B  
138-140 South Robert Street  
Nelson Investment Company

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 June 22, 1962, is:


THIRTY FIVE THOUSAND DOLLARS - \$ 35,000.00

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 \$ 35,000.00

Lot Size: 50' x 99' or 4,950 sq. ft.

Building Size: 48'6" x 72' or 3,492 sq. ft.

Age of Building: Built in 1926.

TAXES \$ 706.00

ASSESSOR'S FULL AND TRUE VALUE

Land \$ 1,950.00

Building \$ 7,450.00

THE PROPERTY

The subject property is located in Bazille and Roberts Addition, within the corporate limits of the City of St. Paul. The property is more particularly located on the east side of heavily travelled South Robert Street, between Fairfield and Indiana Avenue. The property comprises a one story, brick and concrete building, with a full basement and a built-up roof. The site consists of an interior lot with a frontage of 50 feet on South Robert Street and a depth of 99 feet. The lot has an area of 4,950 square feet.

The utilities serving the subject property are public sanitary sewer, public water, gas, electricity, hard surfaced street, alley, curb and sidewalk.

PROPERTY RIGHTS TO BE APPRAISED

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

ZONING

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

HIGHEST AND BEST USE

For commercial utility.

LEGAL DESCRIPTION

Lot Eight (8), Block Nine (9), except the Southwesterly twenty (20) feet for street, Bazille and Roberts Addition, Ramsey County, Minnesota.

PURPOSE OF THE APPRAISAL

To estimate the market value of the subject property as of June 22, 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 subject property is a one story, brick and concrete building with a built-up roof. The building has a full basement with drive-in access from the alley at the rear.

The first floor consists of two small offices, a small partitioned off repair shop, and the balance is garage or shop area.

The outer office is 11' x 13', plus 4' x 4', in size. Walls and ceiling are panelled. The floor is finished with asphalt tile over concrete. The inner office, located immediately to the rear of the outer office, is approximately 7' x 7' in size. The walls are panelled and the ceiling is exposed. Floor is asphalt tile over concrete.

A small area in the southwest corner of the building has been partitioned off with drywall and is presently used as a television repair shop. The floor is concrete and the ceiling is closed.

The balance of the first floor area is open shop or garage. The walls are 12" concrete block and the floor is concrete. There are two skylights located in the roof. There is a 10' x 12' overhead door in front. Ceiling framing consists of two by fours which rest on 12" x 4" ceiling joists. The roof receives additional support from a series of 3 steel joists which span the entire width of the building. The concrete block walls measure 11'4" from floor to top. The distance from the steel joists to the ceiling is an additional 5 feet, due to the roof structure. There is an unfinished half bath with asphalt tile over concrete floor, and unfinished walls and ceiling.

The basement contains a boiler room with the balance of the area open. There is a coal fired stoker heating unit (Ideal). The basement floor is concrete, walls are 12" concrete blocks. Basically, there are two 16" x 24" reinforced concrete girders which are supported by 16" x 16" reinforced concrete supporting posts. Additional support is provided by 4" x 12" poured concrete joists which are approximately 24" on center. The basement is 9'6" from floor to bottom of concrete joists. At the rear is an overhead door with a blacktop incline running out to the alley.

The building reflects adequate maintenance, has been exceptionally well constructed, and appears in very good condition.

REPLACEMENT COST APPROACH

In analyzing this phase of the appraisal process the replacement cost, less depreciation, plus land value, tends to set the upper limit of value. The subject property is exceptionally well built when compared with other properties that have been inspected by your appraiser in this immediate area. The joists are of concrete and the floor is of concrete, which will provide a load bearing strength in excess of that generally needed for this type operation. Costs of a building such as this have been studied and, based upon past experience and a discussion with contractors engaged in this particular field, it was concluded that \$14.25 per square foot would adequately reflect the replacement cost of the subject as of the date of the appraisal. This would include the basement area which is excluded from the square foot area used for this calculation.

Calculated Area of the Building - 3,492 square feet.

\$14.25 per sq. ft. x 3,492 sq. ft. = \$ 49,761.00

Less Depreciation, all phases \$ 24,880.00

Depreciated Replacement Cost of Building - - - - - \$ 24,881.00

Depreciated Replacement Cost of Driveway,  
Retaining Wall, Overhead Door, Misc. \$ 2,500.00

LAND VALUE (\$1.50 x 4,950 sq. ft.) = SAY \$ 7,500.00

\$ 34,881.00

Rounded to - \$ 35,000.00

VALUE OF SUBJECT PROPERTY BY

REPLACEMENT COST APPROACH \$ 35,000.00



INCOME APPROACH

In analyzing the subject property from an income standpoint it is concluded that the value would be predominately based upon the ability of the subject property to provide a net return to the owner that would warrant the initial investment.

Rentals have been obtained of the subject property for the past five or six years and will be cited later in this report in order to arrive at the estimate of value by this approach. In discussing this method, it is noted that buildings possessing a similar use, exclusive of renting to an investment company and to a television repair shop, will fall within the \$.90 to \$1.10 per square foot category. These, generally, do not have full basements. In analyzing the subject property, it is also noted that the basement is used for the storage of automobiles that are reclaimed by the Nelson Investment Company. In order for them to provide space to store these automobiles from the date of acquisition to the ultimate date of sale an increment is added to the basement that is generally not true to other properties that do not provide the access required for the utility to which the subject is put. Accordingly, \$75.00 per month has been allocated to this portion of the building because approximately 15 cars are provided for therein. In recognizing the purpose of the appraisal, some increment must be added for the full basement and its present use, which could be termed "value in use".

The property is rented, basically, for \$150.00 per month for the first floor garage repair area. In addition, the television repair shop is rented for \$45.00 per month, and it is concluded that the office used by the Nelson Investment Company, in relation to its size and location, would readily bring \$50.00 per month. In analyzing the subject property, the garage area is under-rented from a basic square foot area. However, it is noted that the heat for the Nelson Investment Company and for the television repair shop is provided by the garage area, which would have a bearing upon the rental that could be obtained in the market.

Following is a recapitulation of the income that the subject property, in the opinion of your appraiser, is capable of producing. The obligation of the owner of the building, in this instance, would be to pay the taxes (which appear high), co-insurance (fire and extended coverage), management, and a reserve for replacements, in addition to a nominal vacancy.

INCOME APPROACH - Con't

Garage Repair Area

\$150.00 per mo. x 12 mos. = \$ 1,800.00

Television Shop

\$ 45.00 per mo. x 12 mos. = \$ 540.00

Nelson Investment Co.

\$ 50.00 per mo. x 12 mos. = \$ 600.00

Basement

\$ 75.00 per mo. x 12 mos. = \$ 900.00

GROSS INCOME - - - - - \$ 3,840.00

Less VACANCY \$ 100.00

EFFECTIVE GROSS - - - \$ 3,740.00

SCHEDULE OF EXPENSES

Taxes \$ 700.00  
 Insurance 100.00  
 Management 192.00  
 Reserves 100.00

\$1,092.00 \$ 1,092.00

\$ 2,648.00

\$2,648.00 Capitalized @ 8% = \$ 33,100.00

VALUE OF SUBJECT PROPERTY BY THE

INCOME APPROACH \$ 33,100.00

LAND VALUE ESTIMATE AND MARKET DATA

In arriving at the value of the subject property, sales of land in the area were studied which would reflect a degree of comparison to the subject property, after adjustments, as required, to provide a degree of reasonableness that would reflect the current market attitude.

LAND SALES

1. Northwest Corner of Robert and Plato  
 Legal Description: Lots 1 through 5, Block 18, Bazille and Roberts Addition.  
 Seller: Miller and Holmes.  
 Zoning: Heavy Industrial.  
 Present Use: Vacant land.  
 Size of Parcel: 250' x 119' or 29,750 sq. ft.  
 Date of Sale: January 28, 1958.  
 Sales Price: \$45,000.00  
 Indicated Factor: \$1.51 per sq. ft.
  
2. 154-166 Custer Street  
 Legal Description: Lots 6 through 10, Block 14, Bazille and Roberts Addition to West St. Paul.  
 Seller: Gopher Stamp Company.  
 Buyer: McLean Distributing.  
 Zoning: Heavy Industrial.  
 Present Use: Vacant land - used for junk yard.  
 Size of Parcel: 250' x 119' or 29,750 sq. ft.  
 Date of Sale: January 2, 1958.  
 Sales Price: \$11,500.00  
 Indicated Factor: \$0.385 per sq. ft.
  
3. Southwest Corner of Fairview and Custer  
 Legal Description: Lot 1, Block 12, Bazille and Roberts Addition, to West St. Paul.  
 Seller: George Dufore  
 Buyer: Waterous.  
 Zoning: Heavy Industrial.  
 Present Use: Vacant land.  
 Size of Parcel: 8,000 sq. ft.  
 Date of Sale: July 30, 1957.  
 Sales Price: \$8,500.00  
 Indicated Factor: \$1.05 per sq. ft.

MARKET DATA - Con't

4. South Robert Street, close to Congress

Legal Description: Lot 3, Block 66, West St. Paul Proper.  
 Buyer: Minnesota State Building Corp.  
 Zoning: Commercial.  
 Size of Parcel: 50' x 150' or 7,500 sq. ft.  
 Sales Price: \$30,000.00  
 Date of Sale: 1956.

This property contained a two story, brick building which subsequently was demolished and the land graded for a parking lot to be used by the bank. The estimated cost for demolishing, grading, etc., was \$4,000.00, which gives an indicated factor of \$4.50 per square foot of land area. However, this can be considered a "capture" sale to the extent that it was required by the bank immediately adjoining. Hence, it is concluded that a premium was paid.

BUILDING SALES

a. 1939 West Minnehaha

Date of Sale: 1959  
 Sales Price: \$48,500.00  
 Lot Size: 80' x 137'  
 Age of Building: Part in 1946, part in 1947  
 Type of Building: Factory (Light Industrial)  
 Exterior: Stucco and concrete block.  
 Seller: Walter Millee.  
 Buyer: Ed Hampe.  
 Calculated Bldg. Area: 6,550 sq. ft., and office area 850 sq. ft.  
 Indicated Factor: \$6.50 per sq. ft. of bldg. area = sales price.

b. Sims - 120 feet West of Payne Avenue

Date of Sale: August 24, 1960.  
 Sales Price: \$55,000.00  
 Lot Size: 175' x 175'  
 Type: Industry  
 Zoning: Industrial.  
 Building Size: 125' x 125' or 15,625 sq. ft.  
 1 story, with a portion 2 stories.  
 Condition: Considered poor.  
 Seller: J. E. O'Connor  
 Buyer: St. Paul Statuary.  
 Indicated Factor: \$3.50 per sq. ft. of bldg. area (first floor).  
 It is estimated that the owner spent \$5,000.00 to \$10,000.00 in renovating building.

MARKET DATA - Con't

- c. Southwest Corner of Pelham and Wabash  
Date of Sale: February 1960  
Sales Price: \$90,000.00  
Lot Size: 52,707 sq. ft.  
Age of Building: Built in 1948.  
Type: Truck Garage.  
Zoning: Industrial.  
Size of Building: 64' x 183' or 11,712 sq. ft.  
Condition: Good.  
Indicated Factor: \$7.70 per sq. ft. of Bldg. Area
- d. 292 Wabash  
Date of Sale: August 14, 1959  
Sales Price: \$100,000.00  
Lot Size: 150' x 240'  
Type: Light Industrial.  
Building Size: Estimated at 23,500 sq. ft.  
Indicated Factor: \$4.26 per sq. ft.  
This building had a new front put on after purchase.

Based upon an analysis of the foregoing sales, recognizing that the basement has, predominately, full utility for storage purposes, predicated upon "value in use", after necessary adjustments to reflect variations in size, location, time, etc., it would appear that five times the gross area of the building, which would be the first floor and the basement combined, would indicate the current market attitude insofar as the subject property is concerned. The indicated value would be:

5 x 6,984 sq. ft. = \$ 34,920.00

VALUE OF SUBJECT PROPERTY BY

MARKET DATA APPROACH \$ 35,000.00

CORRELATION AND CONCLUSION

MARKET VALUE ESTIMATE

\$ 35,000.00

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 value estimate, as reported herein, is in reasonable relation to the current market attitude.

The replacement cost approach has been analyzed and it is recognized in this analysis that the building is, in a sense, "over-built" for this particular area, based upon its ability to earn. Hence, there is an allocation of depreciation which, in this instance, amounts to 50%.

The rental income, as obtained, has been used inasmuch as the property has been rented to the same tenants for approximately five to seven years. In addition, it is noted that the size, location, and access of the basement provides a utility that generally is not typical to properties which would be similar to the subject in other respects inasmuch as it has access off the alley, with an overhead door, and provides storage for automobiles that are repossessed by the Nelson Investment Company occupying an office on the first floor. This provides a utility to the basement that generally is not true in other properties where no access to the basement is available except by stairway or, possibly, elevator, which would preclude the present use. In analyzing the subject property it is recognized that, if this use were eliminated, the value of the property would be considerably less because this space would, of necessity, be obtained in the market in the immediate area and neighborhood which, in turn, would have no benefit to the subject property and reduce its functional utility and, hence, its value.

This has been recognized in the market data approach to the extent that, by virtue of comparison to other buildings that have been sold in the market, an adjustment was required to reflect the utility that the basement possesses in this instance. Hence, some increment must be added for this purpose. It is noted, in analyzing the market data, that no basements have been included inasmuch as they were of "slab" construction. This indicates that the subject property has greater utility from a functional standpoint than any of the comparable sales, and it is further noted that the spread of first floor area is from \$3.50 to \$7.70 per square foot. After an analysis of all comparable sales, it would appear that \$5.00 per square foot of usable area would indicate the value of the subject, based upon the utility of the property as of the date of inspection and its utility prior to that date. The word "usable" is construed to mean the basement and the first floor area.

JOSEPH L. BETTENDORF, M.A.I.

*Realtor - Appraiser - Consultant*

Based upon the information contained in this report, it is concluded that the market value of the subject property, as of June 22, 1962, is:

THIRTY FIVE THOUSAND DOLLARS - - - \$ 35,000.00

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.



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.

**ZILLE AND ROBERTS ADD.**  
TO WEST ST PAUL

150 FT. 1 INCH

Belden Surv. 1856

**MARSHALL'S**  
TO WEST ST PAUL

150 FT. 1 INCH

MISSISSIPPI

