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JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant

AN APPRAISAL REPORT

of

PARCEL NO. 222
127-135 Eaton Avenue

Harry Schechter & Irving E. Schechter

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

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MEMBER
ST. PAUL BOARD OF REALTORS
AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS
SOCIETY OF RESIDENTIAL APPRAISERS

Real Estate Appraisals - Consultant - Analyst

CA. 4-2002

MINNESOTA BUILDING

ST. PAUL 1, MINNESOTA

May 10, 1962

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

Re: PARCEL NO. 222
127-135 Eaton Avenue
Harry & Irving E. Schechter

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 reason of my investigation I have formed the opinion that the market value of the subject property, as of May 8, 1962, is:


SIXTY EIGHT THOUSAND DOLLARS - - - \$ 68,000.00

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 \$ 68,000.00

Lot Size Total Calculated Area - 16,900 sq. ft.

Lot 1 Irregular - Calculated Area 5,000 sq. ft.

Lot 2 50' x 119' 5,950 sq. ft.

Lot 3 50' x 119' 5,950 sq. ft.

Rental Income (Per Owner) - - - - - \$ 7,500.00

Age of Buildings

Lot 2, Block 9 Built in 1944

Lot 3, Block 9 Built in 1914

ASSESSOR'S FULL AND TRUE VALUE

Land \$ 1,800.00 (Lots 2 and 3)

Buildings \$ 11,150.00 (Lots 2 and 3)

Land \$ 1,100.00 (Lot 1 - Vacant)

TAXES

Lots 2 and 3 \$ 976.54

Lot 1 (vacant) \$ 100.40

THE PROPERTY

The subject property is located in Bazille and Robert's Addition, within the corporate limits of the City of St. Paul. The property is more particularly located at the southwest corner of Eaton Avenue and Fairfield Avenue, one block east of heavily travelled South Robert Street. This sector of the city is generally referred to as the "West Side". The property comprises 2 one story brick buildings on the interior lots with the vacant adjoining lot on the corner giving the whole site corner influence. One building was previously used as a theatre and was converted to manufacturing, the other building, constructed in 1944, was originally used as part of a bottling works and presently is divided and rented as separate entities. The two interior lots have a total frontage of 100 feet and a depth of 119 feet. The unimproved lot at the southwest corner is irregular due to a prior taking by the City of St. Paul which left the lot frontage in an arc shaped manner. The interior lot line of this lot is 119 feet with 50 feet across the rear. The center and rear of this lot slope below street grade.

The utilities serving the subject property are public water, public sanitary sewer, gas, electricity, hard surfaced streets, 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 site is "Heavy Industrial".

HIGHEST AND BEST USE

For industrial utility.

PURPOSE OF THE APPRAISAL

To estimate the market value of the subject property as of May 8, 1962.

LEGAL DESCRIPTION

Lot 1, except the northeasterly triangular part retained for street in 56 plans Page 27, Block 9; and Lots 2 and 3, Block 9, Bazille and Robert's Addition to the City of St. Paul according to the plat on file and of record in the Office of the Register of Deeds in and for Ramsey County

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 DESCRIPTIONS

Building No. 1

Building No. 1 is located immediately next to the unimproved corner lot. The building comprises a one story brick and concrete block structure with a flat built-up roof. This building is served with a partial basement.

At the front of the building, on the first floor, are two offices. The first office is finished with linoleum floor, drywall walls and ceiling, and painted trim. The room is heated with a space heater. It is approximately 12' x 13' in size.

The second office is finished with linoleum floor, mahogany panelled walls and ceiling. This office has a closet and built-in cabinets and a built-in wall safe on the west wall. It is 12' x 15' in size.

Next to the second office is a large open area referred to as the building or boat area. This portion of the building has a concrete floor, 12" concrete block walls, and a metal ceiling. The east wall, facing Eaton Avenue, has an 11' x 13' sliding door. The height from the floor to ceiling is 12'. Ceiling and roof support is provided by 12" steel girders. Additional support is provided by 12" concrete block bearing partition walls. The room is heated with a gas space heater. In the southwest corner of this room is a partitioned off water closet. This facility has a medicine cabinet but is unfinished.

Next to the building or boat area is an additional large open area in which boats are stored at the present time. This portion of the building is finished with concrete floor, concrete block walls, and aluminum ceiling. This part of the building also has a sliding door and has similar ceiling and roof support - 12" steel girders. This room is separated from the boat area by a 12" concrete block bearing partition wall.

To the rear of the building is the storage and loading area. This part of the building has a dirt floor, concrete block and brick walls. Along the east wall of the loading area is a loading dock which extends approximately 3-1/2 feet above the dirt floor. The loading dock extends along the entire east wall of this room which is approximately 64 feet. The width of the concrete loading dock is 14 feet. At the northwest corner of the storage and loading room is a 16' overhead door. The room is heated by 3 large and 1 small space heaters. This portion of the building also has an aluminum ceiling. Ceiling or roof support is provided by four 16" steel girders. The height is 14'3" from dirt floor to ceiling.

BUILDING DESCRIPTIONS - Con't

The loading dock has a portable cooler located in the approximate center which has not been included in the estimate of value because it is believed to be personal property rather than realty.

There is a partial basement located immediately under the loading dock which consists of an area approximately 12' x 64' with access to the basement under the adjoining building. This basement area has a dirt floor. Foundation walls are poured concrete, 12" concrete blocks and limestone. There are eight 15" steel "I" beams which provide support for the concrete loading dock at the first floor level.

The building is wired for heavy electrical and appears to be structurally sound.

Building No. 2

Building No. 2 is located south and contiguous to Building No. 1. The building consists of a one story brick structure with a flat built-up roof. A small portion of the building, toward the front, provides some second floor space by virtue of a balcony. The first floor of this building consists of one large open area. At the front is an area which is flanked on two sides by closed stairways which ascend to the balcony. The floor is concrete and the walls and ceilings are lath and plaster. The building was originally constructed for use as a theatre and, consequently, the floor slopes or descends approximately one to two feet from the front to the rear.

Under the south stairway is a partitioned off half bath with two fixtures. The floor is concrete and the walls and ceilings are plastered with the exception of the north wall which is exposed brick. Under the north stairway is a storage closet. Above the front portion of the building and extending across the entire front is the balcony which is approximately 32 feet in depth. The balcony has concrete floor and plastered walls. The ceiling is finished with drywall, unpainted. There are 5 windows located in the front or east wall. The height from balcony floor to ceiling is 8 feet.

The center and rear portion of the building on the first floor are slightly lower than the front of the building because of a mild slope. The floor is concrete and the walls are brick. There is a skylight located approximately in the center of the building which admits additional light. A substantial part of the ceiling has been finished with

BUILDING DESCRIPTIONS - Con't

drywall, unpainted. The room is heated with 2 large gas space heaters. The height from floor to ceiling in this portion of the building is 12 feet.

At the rear of the building is a large 15 foot overhead door. Ceiling support is provided by 20" steel "I" beam girders which span the building from the 12" concrete block south wall to the masonry brick bearing partition north wall. There are 2" x 12" ceiling joists partially exposed. The building is served with heavy duty electrical.

There is a full basement under the second building. Foundation walls are limestone, concrete block and poured concrete. The concrete first floor is supported by 12" x 12" reinforced concrete girders. The girders are supported by 14" x 12" reinforced concrete posts. There is a central heating system, low pressure steam - stoker fired, which is not in service. There is also a roller type conveyer which runs half the length of the basement, making an "L" shape, and extending under Building No. 1 where access is provided to the outside of the building.

REPLACEMENT COST ESTIMATE

Building No. 1

Calculated square foot area - 7,616 sq. ft.

\$10.00 per sq. ft. x 7,616 sq. ft. = \$ 76,160.00

Depreciation, all phases - 65% \$ 49,504.00

Depreciated Replacement Cost - Building No. 1 - - - \$ 26,656.00

Building No. 2

Calculated square foot area - 4,284 sq. ft.

\$12.00 per sq. ft. x 4,284 sq. ft. = \$ 51,408.00

Depreciation, all phases - 50% \$ 25,704.00

Depreciated Replacement Cost - Building No. 2 - - - \$ 25,704.00

\$ 52,360.00

Land Value - Lots 2 and 3 (11,900 sq. ft. x \$.75) \$ 8,900.00

Land Value - Lot 1, Vacant (5,000 sq. ft. x \$.75) \$ 3,750.00

Hoist, Conveyor, Miscellaneous \$ 3,200.00

\$ 68,210.00

Rounded to - - - - \$ 68,000.00

INCOME APPROACH

This portion of the appraisal process deals with the return an owner-investor can anticipate in terms of money from a cash outlay. The subject property is rented, basically, on a month to month rental with no leases involved. Hence, no leasehold estate would exist. The rentals have been submitted by the owner and have been checked out by your appraiser. They appear definitely in line with that currently offered in the market. The total rental per square foot, unheated, unfurnished, with the responsibility of the owner to pay taxes, fire and extended coverage insurance, amounts to approximately \$.63 per square foot. This is in line with current offerings and current rentals available in the general market for industrial use. Following is the schedule of rentals submitted by the owner:

Building No. 1 - North Building

Office (Front)	\$ 50.00 per mo. x 12	\$ 600.00
Office (Rear)	\$100.00 per mo. x 12	\$ 1,200.00
Russel Creamery	\$125.00 per mo. x 12	\$ 1,500.00

Building No. 2 (South Building)

Front - Street Level below Balcony	\$ 75.00 per mo. x 12	\$ 900.00
Balance of First Floor Area - Boat Works	\$225.00 per mo. x 12	\$ 2,700.00
Balcony	\$ 50.00 per mo. x 12	\$ 600.00

GROSS INCOME - - - - - \$ 7,500.00

Vacancy - 5% \$ 375.00

Effective Gross Income - - - \$ 7,125.00

SCHEDULE OF EXPENSES

Taxes	\$ 975.00
Insurance	150.00
Management	375.00
Maint. & Repair	100.00 (nominal)
Res. for Replacements	100.00
	<u>\$ 1,700.00</u>

INCOME APPROACH - Con't

EFFECTIVE GROSS INCOME - Forwarded	\$ 7,125.00
Less Total Expenses	\$ <u>1,700.00</u>
Effective Net Income - - - -	\$ 5,425.00
\$5,425.00 Capitalized @ 8.5% =	\$ 63,824.00
Add Lot 1, Block 9 (Vacant)	\$ <u>3,750.00</u>
	\$ 67,574.00

Rounded to - - - \$ 67,500.00

It is to be noted, in analyzing this phase of the income, that no rental was ascribed to the lot to the north, nor was any deduction for taxes or management made. Therefore, the value of this lot has been added to the value arrived at by the income approach to produce the total value arrived at through this process.

LAND VALUE ESTIMATE AND MARKET DATA

Sales of properties having similar utility were studied in order to arrive at a conclusion of value that would reasonably reflect the current market attitude. Sales of land in the general neighborhood were studied in order to arrive at a value estimate that would be indicative of the market attitude insofar as the land is concerned.

In studying the buildings adjustments were required to reflect some degree of comparison that would be indicative of the current market attitude insofar as the subject property is concerned. The greatest variation would be locationwise.

Following are some of the sales that were studied in order to arrive at the estimate of value by the market data approach:

LAND SALES

1. Location: 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. Location: 154-166 Custer Street
 Legal Description: Lots 6 through 10, Block 14, Bazille and
 Roberts Addition to West St. Paul
 Seller: Gopher Stamp Co.
 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.

MARKET DATA - Con't

3. Location: 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.

4. Location: South Robert Street, close to Congress.
Legal Description: Lot 3, Block 66, West St. Paul Proper.
Buyer: Minnesota State Building Corp.
Zoning: Commercial.
Size: 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 and surfacing 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. Location: 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 Factors: \$6.50 per sq. ft. of bldg. area = sales price.

MARKET DATA - Con't

- b. Location: Sims, 120 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.
 Condition: 1 story, with a portion 2 stories.
 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 getting the building into shape.
- c. Location: Southwest corner of Pelham & Wabash.
 Date of Sale: February 1960.
 Sales Price: \$90,000.00
 Lot Size: 52,707 sq. ft.
 Age of Building: Built 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. Location: 292 Wabash
 Date of Sale: August 14, 1959.
 Sales Price: \$100,000.00
 Lot Size: 150' x 240'
 Type: Industrial. (Light)
 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, after necessary adjustments to reflect variations in size, location, time, etc., it would appear that a factor of 5.4 times the first floor building area would reasonably reflect the current market attitude.

5.4 x 11,900 sq. ft. =	\$ 64,260.00
Add Lot 1 (vacant)	\$ 3,750.00

Rounded to - \$68,000.00

\$ 68,010.00

CORRELATION AND CONCLUSION

MARKET VALUE ESTIMATE

\$ 68,000.00

Having carefully considered the class and character of the buildings under appraisal, together with a full knowledge of the purpose of the appraisal, it is concluded that the estimate of value in this report is in reasonable relation to the current market attitude.

The replacement cost appears reasonably accurate, however, some variation can be anticipated because of the specifications visible to your appraiser at the time the property was inspected. The types of construction vary and actually appear to cover three buildings constructed at three different times, with different types of material. However, it is believed to be reasonably accurate.

In analyzing the subject property from an income standpoint, the rentals were submitted by the owner and produced an approximate factor of \$.63 per square foot of building area. In the Midway area leases will run, generally, from \$.90 to \$1.10 for one story buildings of the warehouse or garage type, with office space and minimum plumbing included. Recognizing the difference in location, the subject being somewhat remote, and with certain limitations placed upon its desirability, \$.63 per square foot appears reasonably accurate when viewed in light of the accommodations offered, and after necessary adjustments for location. The going capitalization rate in the Midway area is 8%, however, some degree of risk was reflected by virtue of the location of the subject to the extent that the rate was adjusted to 8.5 which, in the opinion of your appraiser, is reasonable.

The market data approach is also in reasonable relation to the other two approaches. Similar buildings are almost impossible to find inasmuch as they are practically non-existent and not actively sold in the market. Hence, adjustments were required to provide a degree of comparison that would be indicative of the estimate of value. This was accomplished by taking the square foot area of the building and, knowing the sale price, a factor was easily found that was indicative of the market attitude.

Based upon the information contained in this report it is concluded that the market value of the subject property, as of May 8, 1962, is:

SIXTY EIGHT THOUSAND DOLLARS - - - - - \$ 68,000.00

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; Moundsvew 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.

BAZILLE AND ROBERTS ADD.

TO WEST ST PAUL

150 FT 1 INCH

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