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

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JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant

AN APPRAISAL REPORT

of

**PARCEL NO. 227
92-96 South Robert Street
St. Paul, Minnesota
(Joseph Allswang)**

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**



PARCEL NO. 227B



PARCEL NO. 227A

JOSEPH L. BETTENDORF, M.A.I.

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

February 27, 1962

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

Re: PARCEL NO. 227
92-96 S. Robert Street
Joseph Allswang

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 February 14, 1962, is:

FORTY SEVEN THOUSAND FIVE HUNDRED DOLLARS

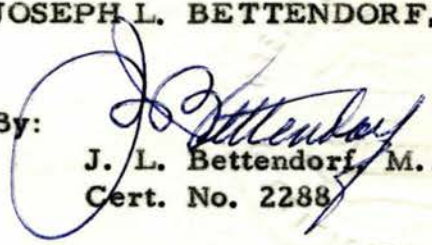
\$ 47,500.00

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

Lot Sizes

Parcel 227A	75' x 119'
Parcel 227B	50' x 119'

Size of Buildings

Parcel 227A	40' x 50'
Parcel 227B	50' x 55'

TAXES

Parcel 227A	\$ 227. 70 Non-homestead
Parcel 227B	\$ 524. 96 Non-homestead

ASSESSOR'S FULL AND TRUE VALUE

	<u>LAND</u>	<u>BUILDING</u>
Parcel 227A	\$1, 600. 00	\$ 950. 00
Parcel 227B	\$2, 400. 00	\$4, 000. 00

Age of Buildings

Parcel 227A	36 years
Parcel 227B	Court House Records indicate "Old".

THE PROPERTY

PARCEL 227A This portion of the subject property is located at the southwest corner of Hagasaki and Eaton Streets and consists of one and one half lots. The site has been improved with a one story concrete block building which is presently used for storage. This site has a 75 foot frontage on Eaton Street and a depth of 119 feet. The site descends from Eaton Street, approximately 4 to 5 feet below street grade.

The subject site is served with hard surfaced streets, curb and sidewalk. Public sanitary sewer, public water and gas are available in the street.

PARCEL 227B This portion of the subject property is located at the southeast corner of South Robert and Nagasaki Streets. The lot has been improved with a three story, brick structure which Court House records indicate as "old". The lot has a frontage of 50 feet on South Robert and a depth of 119 feet. The lot at the rear is approximately 4 to 5 feet below the street grade of Robert Street, enabling a walkout basement.

Subject property is served with public sanitary sewer, public water, electricity, gas, hard surfaced street, 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 parcel is "Heavy Industrial".

HIGHEST AND BEST USE

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

PURPOSE OF THE APPRAISAL

To estimate the market value of the subject property as of February 14, 1962.

LEGAL DESCRIPTION

PARCEL 225A Except the Southeasterly 25 feet, Lot 2, and all of Lot 1, Block 8, Bazille and Roberts Addition, Ramsey County.

PARCEL 225B Lot 10, except the Southwesterly 20 feet for street, Block 8, Bazille and Roberts Addition, 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 DESCRIPTION

PARCEL 227A

The building on this portion of the subject property consists of a one story, concrete block building - 40 feet x 50 feet. The building has a poured concrete foundation and a rolled asbestos roof.

PARCEL 227B

This portion of the subject property has been improved with a three story, brick building which is presently being used as a furniture store. The building has a sub-basement which is approximately 22' x 50'. Joists are 2" x 14", 16" on center and the height from sub-basement floor to subflooring is approximately 11-1/2 feet. The foundation consists of poured concrete and limestone, and a limestone bearing partition wall separates the sub-basement into two rooms. There is evidence of dampness.

A regular basement immediately above the sub-basement is full. The basement floor consists of both concrete and hardwood and has a closed ceiling. Joists are 2" x 14", 16" on center and support is provided by 8" x 8" solid wood timbers and a limestone bearing partition wall which separates the basement in the approximate center. Further support is provided by 6" x 6" wood supporting posts. There is a low pressure steam gas fired heating unit and also a 1,500 pound capacity freight elevator. There is a partitioned off bath facility consisting of two fixtures and a shower stall. Limestone walls are 18 inches thick and center bearing partition wall extends from the front to the rear of the building. The room just east of the stairway was formerly utilized as a cooler. It has a concrete floor, and cork walls which have been plastered over.

The first floor consists of a large front showroom with several smaller rooms partitioned off to the rear, including office space. The showroom floor is partially terazzo with the balance hardwood. Walls are lath and plaster and the ceiling is metal. The inside portion of the front showcase has been finished with ceramic tile. The partitioned off rooms to the rear have hardwood floors, lath and plaster walls, and drywall ceiling. There is a lavatory fixture with hot and cold running water located in the rear.

The second floor has a floor of approximately 25% concrete with the balance hardwood. Walls are lath and plaster and ceiling is drywall. The second floor height is 10'6" and the front wall consists of exposed brick.

BUILDING DESCRIPTION - Con't

The northwest room has a sink with hot and cold running water and there is a half bath with two fixtures on the second floor.

The Third floor has a concrete floor covering approximately 25% of the floor area, with the balance being hardwood. There is also a floor drain on the third as well as the second floor. Walls are lath and plaster with the exception of the front interior wall which is exposed brick. The third floor, as well as the second floor, is used for furniture storage and display rooms.

Available information indicates that the building was initially used as a hotel, but at a subsequent date it was converted into a retail outlet. Some of the walls on the second and third floors have been removed to increase usable storage area. There is also a public address system available throughout the building.

The building exterior consists of brick walls and a built-up roof.

REPLACEMENT COST APPROACH

Calculated Square Foot Area - (Excluding Basement)

50' x 55' x 3 stories = 8,250 sq. ft.

Calculated Cubic Foot Volume

50' x 55' x 57' = 156,750 cu. ft.

\$ 11.40 x 8,250 sq. ft. = \$94,050.00

Less Depreciation - 70% \$65,835.00

Depreciated Replacement Cost of Building - - - - - \$ 28,215.00

Depreciated Replacement Cost of Elevator \$ 2,500.00

Depreciated Replacement Cost of P. A. System \$ 300.00

LAND VALUE \$ 10,000.00

\$ 41,015.00

Add PARCEL 227A - Lot 1, and except the SE'ly 25 feet of Lot 2, Block 8, Bazille and Roberts Addition, including 1 story, concrete block structure.

\$ 6,100.00

\$ 47,115.00

Rounded to - \$ 47,100.00

VALUE OF PARCEL BY REPLACEMENT COST

\$ 47,100.00

INCOME APPROACH

In analyzing this phase of the appraisal process, the attitude of an owner-investor is reflected in an attempt to ascertain what return an investor would require on a capital outlay on a property such as the one under appraisal. Usually under these circumstances, the property is owner-occupied, and such properties are not considered investment type properties as such. However, some relation must exist to warrant the operation predicated upon the highest and best use. Based upon a comparison of other known rentals, it was concluded that the first floor, or the retail furniture outlet, would produce a gross rental of \$275.00 per month, or \$3,300.00 per year. It is noted that the building is three stories, and that the second and the third floors are used for the storage of furniture and for setting up of display rooms to which prospective customers may be taken and shown how the furniture may be used or placed.

In studying other rentals, warehousing space, east of Jackson Street, sprinklered, rents for approximately \$.35 per square foot. However, this is specifically for warehouse purposes and no connection with retail is in evidence. Hence, it would follow that some consideration must be given to the subject that would reflect the retail aspect in addition to proximity, eliminating the necessity of multiple handling. It is noted that the building is not sprinklered, and was formerly dedicated to a use other than the present utility, however, supplements the retail aspect of the first floor in an excellent manner. After a study of the market, recognizing the situation as it does exist, it was concluded that \$.35 per square foot should be allocated to reflect the income that could be anticipated under similar conditions for the second floor, and that \$.25 per square foot should be allocated to the third floor, based upon its present utility.

Accordingly, the following income estimate is established:

First Floor - Retail Outlet

\$275.00 per mo. x 12 = \$ 3,300.00

Second Floor - Display and Storage

\$.35 per sq. ft. x 2,750 sq. ft. = \$ 963.00

Third Floor - Display and Storage

\$.25 per sq. ft. x 2,750 sq. ft. = \$ 687.00

GROSS INCOME - - - - - \$ 4,950.00

INCOME APPROACH - Con't

GROSS INCOME - forwarded	\$ 4,950.00
Vacancy and Credit Loss	\$ <u>250.00</u>
EFFECTIVE GROSS INCOME - - - -	\$ 4,700.00

SCHEDULE OF EXPENSES

Taxes	\$ 525.00
Insurance	200.00
Management	235.00
Reserves	<u>200.00</u>
	\$ 1,160.00
	\$ <u>1,160.00</u>

EFFECTIVE NET INCOME - - - - - \$ 3,540.00

\$ 3,540.00 Capitalized @ 8-1/2% = \$ 41,647.00

Rounded to - - - \$ 41,600.00

VALUE BY INCOME APPROACH - Furniture Store \$ 41,600.00

VALUE OF PARCEL 227A - Lot 1, Except the SE'ly
25 feet of Lot 2, Block 8, Bazille & Roberts Add.
(Including 1 story concrete block building) \$ 6,100.00

\$ 47,700.00

EXPLANATION OF EXPENSES

Taxes These have been obtained from the records.

Insurance 80% Co-insurance, fire and extended coverage, has been calculated.

Management Management has been established at 5% of the effective gross income.

Reserve for Replacements This is intended to cover structural and equipment items having fairly long spans of useful life, but less than the estimated remaining economic life of the building improvements, and involving a substantial monetary outlay such as: roof covering, heating, plumbing fixtures, etc.

Maintenance and repair, heat and utilities, caretaker have been specifically excluded inasmuch as in properties such as this under appraisal these functions are performed by the tenant and, as is typical in the market, would be the obligation of the tenant to fulfill.

MARKET DATA APPROACH

Sales of similar properties were studied in order to find a degree of comparison that would reasonably reflect the current market attitude insofar as the subject property is concerned. These sales have been adjusted, as required, to provide a degree of comparison, based upon the square foot usable area of the building in relation to the sales price to provide a factor that would be indicative of the attitude of the market. After a study of the following sales, it was concluded that \$5.00 per square foot of usable building area would be indicative of the market attitude.

\$5.00 per sq. ft. x 8,250 sq. ft. = \$ 41,250.00

Add PARCEL 227A - Lot 1 and except the SE'ly 25 feet of Lot 2, Block 8, Bazille & Roberts Addition, including 1 story concrete block structure. \$ 6,100.00

VALUE BY MARKET DATA APPROACH - - - - - \$ 47,350.00

Following are some of the sales that were studied in order to arrive at the value based upon the market data.

1. 275-279 East Seventh Street
 Date of Sale: September 18, 1961
 Sale Price: \$ 22,500.00
 Terms: \$ 3,000.00 down, balance C/D.
 Size of Lot: 50' x 66'
 Building Area: Approximately 8,300 sq. ft.
 Indicated Factor: \$2.70 per sq. ft. of building area, excluding basement.
 Legal Description: The E. 1/3 of Lots 4 and 5, Whitney and Smiths Addition, except the N'ly 8' of the NE'ly 50' of Lot 4, and except all that part of the Easterly 1/3 of said Lots 4 and 5, being southerly of a line 86' N'ly from and parallel to the S'ly line of East Seventh Street.

Brick construction. Heating plant is out. The building is considered to be in poor condition. There is a similarity insofar as location is concerned, both being on heavily travelled streets, however, Seventh

MARKET DATA - Con't

1. con't

Street is closer to the Loop, hence, a more strategic location. Recognizing the condition of the building and lack of a suitable heating plant, an upward adjustment is in order and has been estimated at \$5.00 per square foot of building area, excluding basement.

2. 250 East Seventh Street

Date of Sale: June 30, 1958.
Sales Price: \$ 23,000.00
Terms: \$ 8,000.00 Cash, \$15,000 mortgage.
Lot Size: 50' x 85'
Building Size: 50' x 85', 3 stories, - 12,750 sq. ft. excluding basement.
Indicated Factor: \$1.80 per sq. ft.
Legal Description: The E'ly 50' of the W'ly 75' of Lots 11 and 12, Block 6, Whitney and Smiths Addition, except the SE 15' thereof.

This building was operated as a furniture store and was purchased to be used as a used furniture store. It is of brick and wood construction. The building is considered in fair to poor condition.

3. 310-312 Cedar Street

Date of Sale: February 1956.
Sales Price: \$ 68,000.00 (\$20,000 is estimated to have been spent in remodeling)
Terms: \$18,000.00 down.
Lot Size: 54.08 x 80'
Building Size: 54.08 x 80' (4 stories & basement)
Indicated Factor: \$4.00 per sq. ft. of usable building area, excluding basement.
Legal Description: The NW'ly 54.08' of Lot 7, and the SW'ly 3/5 of Lot 8, Block 24, St. Paul Proper.

This is a brick building. It is close to the Loop and, hence, is much more valuable locationwise. Adjustments for the date of sale are in order, with a reflection on location.

MARKET DATA - Con't

4. 181 West Kellogg

Date of Sale:

December 19, 1958

Sales Price:

\$ 28,000.00

Terms:

Cash to Mortgage

Lot Size:

50' x 100'

Building Size:

48' x 88', 2 stories - 8,448 sq. ft.,
excluding basement.

Indicated Factor:

\$3.32 per sq. ft.

Legal Description:

Except the part taken for Kellogg, the
SW'ly half of the Westerly 45' of Lots
3 and 4, Block 16, Rice and Irvine's
Addition.

This comparable has less retail potential, however, is closer to the Loop and is more desirable locationwise, assuming a retail outlet is not desired. Adjustments for time and location are in order and have been reflected.

CONCLUSION

MARKET VALUE ESTIMATE

\$ 47,500.00

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

All three approaches are, generally, in reasonable relation to each other and, hence, provide more of a guide as to wherein the final estimate will lie. The replacement cost approach is slightly below the final estimate, as chosen, but some variation of a minor nature can be anticipated in the cost per square or cubic foot, or in the estimated accrued depreciation from all sources. The income approach tends to be somewhat higher in the final estimate, however, some variation can be anticipated in this approach inasmuch as stores such as that under appraisal are generally not leased in the market. They are more typically the owner-investor-user type as opposed to the owner-investor leasing the building to an operator. The market data approach indicates a relationship between the market attitude insofar as the sales price is concerned and has been broken down to a cost per square foot of usable building area, excluding the basement, to which adjustments have been made insofar as location, date of sale, condition of the building, and other pertinent factors are concerned.

After an analysis of all factors concerned, it was concluded that the final estimate of value would lie somewhere between the low and the high and, hence, has been rounded off.

Based upon the information contained in this report, it is concluded that the value of the subject property, as of February 14, 1962, is:

FORTY SEVEN THOUSAND FIVE HUNDRED 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.

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

MARSHALL
TO WEST ST

150 FT WIDE

150 FT WIDE

Belden Surv. 1856

MISSISSIPPI

RIVER

