



# WHITE BEAR TOWNSHIP

1858  
RAMSEY COUNTY  
MINNESOTA

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WHITE BEAR TOWNSHIP, MN 55110

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Email: [wbt@whitebeartownship.org](mailto:wbt@whitebeartownship.org)

Board of Supervisors  
ED M. PRUDHON, *Chair*  
STEVEN A. RUZEK  
SCOTT E. MCCUNE

## AGENDA ECONOMIC DEVELOPMENT AUTHORITY JULY 15, 2019

1. **6:40 p.m.** Call to Order at Heritage Hall, 4200 Otter Lake Road.
2. Approval of Agenda (Additions/Deletions).
3. Approval of Minutes of June 17, 2019.
4. The Stable of White Bear – Update.
  - a. Receive Appraisal
  - b. Consider EDAB Recommendation
5. Added Agenda Items.
6. Receipt of Agenda Materials/Supplements.
7. Adjournment.

### White Bear Township's Mission:

To provide White Bear Township residents, businesses and visitors with reliable, high quality municipal services while serving as open and responsible stewards of the public trust.



recycled paper



**EDA  
Meeting  
July 15, 2019**

**Agenda Number:** 1 - 2 - 3

**Subject:** Call to Order – 6:40 p.m.  
Heritage Hall, 4200 Otter Lake Road

Approval of July 15, 2019 Agenda &  
June 17, 2019 Minutes

**Documentation:** July 15, 2019 Agenda  
June 17, 2019 Minutes

**Action / Motion for Consideration:**

Call meeting to order:	6:40 p.m.
Approval of Agenda:	July 15, 2019 (additions/deletions)
Approval of Minutes:	June 17, 2019

**MINUTES  
ECONOMIC DEVELOPMENT AUTHORITY  
JUNE 17, 2019**

The meeting was called to order at 6:40 p.m.

Present: Commissioners: Prudhon, Ruzek, McCune; Assistant Treasurer: Christopherson; Attorney: Lemmons.

**APPROVAL OF AGENDA (Additions/Deletions)**: Ruzek moved approval of the agenda as submitted, with the removal of agenda item 4) The Stable of White Bear – Update – Appraisal & Preliminary Plat. Prudhon seconded. Ayes all.

**APPROVAL OF MINUTES OF MAY 20, 2019**: Ruzek moved approval of the Minutes of May 20, 2019. Prudhon seconded. Ayes all.

**LICENSE AGREEMENT – APPROVE LICENSE AGREEMENT WITH BONITA BYERS REGARDING THE DESIGNING & REPLANTING OF THE FLAGPOLE AREA AT POLAR LAKES PARK**: This item is on the EDA agenda because funds will come from the EDA fund for the designing and replanting of the flagpole at Polar Lakes Park. Byers has agreed to the terms that the Township has provided, and she has a Certificate of Liability regarding insurance. There was discussion of terms; subcontractor versus general contractor. The Town Attorney stated that general contractor is safer legally. There was discussion on state statutes but nothing of note to deny agreement.

Ruzek moved based on staff review & recommendation to approve the License Agreement & Design Proposal with Bonita Byers for the designing & replanting of the flagpole area at Polar Lakes Park with funding from the Polar Lakes Park Fund. McCune seconded. Ayes all.

**ADDED AGENDA ITEMS**: None.

**RECEIVE ALL AGENDA MATERIALS & SUPPLEMENTS FOR TODAY'S MEETING**: Ruzek made the motion to receive all agenda materials and supplements for today's meeting. McCune seconded. Ayes all.

McCune motioned to adjourn the meeting at 6:49 p.m. Ruzek seconded. Ayes all.

Respectfully Submitted,

Megan R. Cavanaugh  
Recording Secretary



**EDA  
Meeting  
July 15, 2019**

**Agenda Number:** 4

**Subject:** The Stable of White Bear - Update  
a. Receive Appraisal  
b. Consider EDAB Recommendation

**Documentation:** Appraisal

**Action / Motion for Consideration:**

Report at Meeting

- a) Receive Appraisal
- b) Consider the EDAB Recommendation “to put the Stable property on the open market for bid, recommending that the Town Board attach a minimum bid”.

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**Minutes**  
EDAB Meeting (Draft)  
July 9, 2019

**STABLE PROPERTY – UPDATE & DISCUSSION:** The Town Clerk gave the Board an update on the Stable Property since the last meeting. The Preliminary Plats are scheduled to take place in August, and at that time the Board can accept or deny any potential proposal in August.

As of last meeting, Staff were going to have the land appraised before putting out an RFP to contractors. It was noted that it is set for 8 single family homes, not 16 townhomes. The Town has invested \$1.22 million in this process and was since hoping for a number between \$650,000 and \$700,000, but the appraisal came back at \$440,000.

Short gave some history of the property and how the Town would potentially create a TIF district to compensate for some of the lost money. There was discussion of how the Town would have to create a TIF district first before signing a purchase agreement in order to keep the land private. The Town Clerk brought up selling the property out right on an open market and cut the losses, which seems beneficial. If the Town placed the land for bid at \$611,000 it would be exactly half of what the Town has already invested in the project. If the Town sells the land as TIF property, then the Town will benefit through the tax increments financially speaking, but the funds will be only in the EDA Fund. If the Town sells the land in the open market, then the funds would be considered unrestricted.

The Board discussed these options, and inquired as to what it would cost to get the land appraised again. It was noted that it would cost about \$5,000. There was discussion on waiting to see what the market does, since two years ago the land was appraised at \$528,000, though perhaps that was because of the 16 unit townhome plan.

There was discussion of placing the land on the open market with a minimum bid for the Town Board's approval or rejection and see if any private or public contractors are interested.

The land itself was discussed, situated near Bald Eagle Lake in a secluded area. It was the consensus that this property is highly valuable, though the Town has to bear some loss.

The Town Clerk explained that what the Township is trying to avoid is an interpretation of the TIF Law as it pertains to the past property owners, as they could turn around and buy it back. While the original property owners do get first right of refusal, the Town doesn't have to accept their proposal to buy.

It was also noted that the Town still has to invest the materials necessary to connect the roads and utilities to the land. It was also noted that TIF is still an option and that the Board will revisit these decisions after the Preliminary Plat is completed in August.

**Artner motioned to put the Stable Property on the open market for bid, recommending that the Town Board attach a minimum bid. Stofferahn seconded. Ayes all.**

CBRE VALUATION & ADVISORY SERVICES

# APPRAISAL REPORT

5685 PORTLAND AVENUE  
WHITE BEAR TOWNSHIP, MINNESOTA 55110  
CBRE GROUP, INC. FILE NO. 19-178MN-0856-1

WHITE BEAR TWP. C/O CHAD LEMMONS

**CBRE**



1900 LaSalle Plaza, 800 LaSalle Avenue  
Minneapolis, MN 55402

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June 27, 2019

WHITE BEAR TWP. C/O CHAD LEMMONS  
Kelly and Lemmons, P.A.  
2350 Wycliff Street, Suite 200  
St. Paul, Minnesota 55114

RE: Appraisal of:  
5685 Portland Avenue  
White Bear Township, Ramsey County, Minnesota  
CBRE, Inc. File No. 19-178MN-0856-1

Dear White Bear Township:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a former horse farm, known as White Bear Stables, comprised of a 22.31-acre site improved with a single-family home, a stable, and a storage shed. The property is located at 5685 Portland Avenue in White Bear Township, Minnesota. White Bear Township purchased the property in 2018 after years of litigation with the previous owners, Nanci & Scott Stoddard, stemming from the Safety Zones imposed on the property by the township. The home is now vacant and not livable. The stable and storage buildings are in considerable disrepair. The site has 14.64 acres of wetlands, and 7.67 acres of buildable land. The property is located southeast of the privately-owned Benson Airfield, which is comprised of a 2,000-foot turf runway and no tower, and traffic is generally slow. The subject site has a mix of open space, woods, and wetlands. The site has approximately 60 feet of frontage along Portland Avenue where there is a curb cut that provides access to the site. The site also abuts Morgan Trail, which dead ends at the subject, but will be extended through the site once subdivided. Because of the subject's proximity to the Benson Airfield, a large portion of the subject's developable land area lies within Safety Zone B, with additional portions of the site lying within Safety Zones A and C. Despite the use restrictions of the Safety Zones, the property is suitable to be developed as a residential subdivision. This appraisal values the subject based on the extraordinary assumption that the highest and best use of the site is consistent with the preliminary plat approved by the Planning Commission the depicts the site being subdivided into eight (8) single-family residential lots.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

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**MARKET VALUE CONCLUSION**

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Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	June 21, 2019	\$440,000

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Compiled by CBRE

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The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,



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Kevin T. Meeks, MAI  
Vice President – CBRE Valuation and Advisory Services  
Minnesota Certified General Appraiser  
(License No. 4003016)

Phone: 612-336-4242  
Email: Kevin.Meeks@cbre.com

## Certification

We certify to the best of our knowledge and belief:

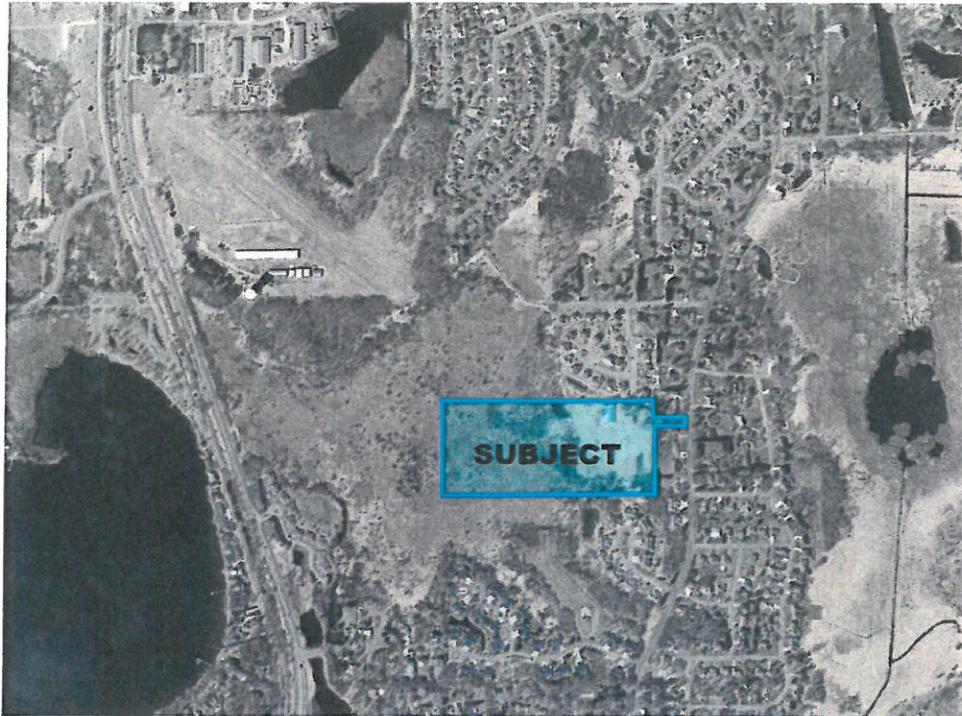
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Minnesota.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Kevin Meeks has completed the continuing education program for Designated Members of the Appraisal Institute.
11. Kevin Meeks has made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Kevin Meeks has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



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Kevin T. Meeks, MAI  
MN Certified General Real Property Appraiser  
License No. 4003016

## Subject Photographs



Aerial Views



Photo 1 - Single-family Home



Photo 2 - Outbuilding



Photo 3 - Stable



Photo 4 - View Looking W/NW



Photo 5 - View Looking South



Photo 6 - View looking East Toward Portland Ave.



Photo 7 – View Looking East toward Portland Avenue



Photo 8 – View Looking West from Portland Ave toward Subject's Driveway



Photo 9 – Portland Ave. Looking North



Photo 10 – Portland Ave. Looking South



Photo 11 - Morgan Trail Looking South



Photo 12 – Morgan Trail Looking North

## Executive Summary

<b>Property Name</b>	The Stable of White Bear Township (tentative name)	
<b>Location</b>	5685 Portland Avenue White Bear Township, Ramsey County, MN 55110	
<b>Client</b>	White Bear Lake Twp. c/o Chad Lemmons	
<b>Highest and Best Use</b>		
As If Vacant	8-Lot Residential Subdivision	
As Improved	8-Lot Residential Subdivision	
<b>Property Rights Appraised</b>	Fee Simple Estate	
<b>Date of Report</b>	June 26, 2019	
<b>Date of Inspection</b>	June 21, 2019	
<b>Estimated Exposure Time</b>	6 - 12 Months	
<b>Estimated Marketing Time</b>	6 - 12 Months	
<b>Land Area (Total)</b>	22.31 AC	971,824 SF
<b>Wetlands:</b>	14.64 AC	637,718 SF
<b>Land Area (Buildable)</b>	7.67 AC	334,105 SF
<b>Zoning</b>	R1 - Suburban Residential	
<b>Buyer Profile</b>	Developer	
<b>VALUATION</b>	<b>Total</b>	<b>Per Proposed Lot</b>
Land Value	\$440,000	\$55,000

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	June 21, 2019	\$440,000

Compiled by CBRE

### STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

#### Strengths/ Opportunities

- The population and number of households in White Bear Township have growing steadily over the past eighteen years, albeit more modestly over the past eight years. This growth is projected to continue over the next five years as well.
- The subject is one of the few remaining large acreage parcels in White Bear Township available for development.
- Municipal utilities are available to the site
- The site has good access, as it abuts Portland Avenue and Morgan Trail
- The wetlands on the site provide a desirable amenity.

#### Weaknesses/ Threats

- The wetlands on the site limit the subject's development potential.
- The Safety Zone zoning overlay that encompasses the subject restricts the subject's development potential.
- Rising construction costs

## EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>1</sup>

- This appraisal is based on the extraordinary assumption that the highest and best use of the subject is consistent with the preliminary plat of the subject that is presented later in this report, and that final approval of the preliminary plat is in place.
- The use of the above extraordinary assumptions may have affected the assignment results.

## HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.”<sup>2</sup>

- None noted

## OWNERSHIP AND PROPERTY HISTORY

OWNERSHIP SUMMARY		
Item	Current	Previous
Owner:	White Bear Township	Nanci & Scott Stoddard
Date Purchased:	2018	Oct 8, 1990
Purchase Price:	\$975,000	Unknown
County/Locality Name:	Ramsey	Ramsey
Pending Sale:	No	N/A
Change of Ownership - Past 3 Years	Yes	N/A
Compiled by CBRE		

It is our understanding that White Bear Township acquired the subject through condemnation.

## EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;

<sup>1</sup> The Appraisal Foundation, *USPAP, 2018-2019*

<sup>2</sup> The Appraisal Foundation, *USPAP, 2018-2019*

- exposure/marketing time information from the CBRE, Inc. National Investor Survey and the PwC Real Estate Investor Survey.

Based on the above data, the estimated exposure time of the subject is six months to a year.

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A Land Sale Data Sheets	
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## Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

### INTENDED USE OF REPORT

This appraisal is to be used for pre-sale purposes and no other use is permitted.

### CLIENT

The client is White Bear Township.

### INTENDED USER OF REPORT

This appraisal is to be used by White Bear Township, and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.<sup>3</sup>

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

### DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;

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<sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013), 50.

2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>4</sup>

### **INTEREST APPRAISED**

The value estimated represents as defined below:

*Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>5</sup>

### **Extent to Which the Property is Identified**

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

### **Extent to Which the Property is Inspected**

The appraiser inspected the exterior of the subject property and surrounding environs on the effective date of appraisal. The inspection was considered an adequate representation of the subject and is the basis for our findings.

### **Type and Extent of the Data Researched**

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- comparable data

### **Type and Extent of Analysis Applied**

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. For vacant land, the sales comparison approach has been employed for this assignment.

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<sup>4</sup> Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

<sup>5</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015), 90.

## Data Resources Utilized in the Analysis

<b>DATA SOURCES</b>	
<i>Item:</i>	<i>Source(s):</i>
<b>Site Data</b>	
Size	Preliminary Plat
<b>Improved Data</b>	
Building Area	Ramsey County Assessor
No. Bldgs.	Inspection
Year Built/Developed	Public Records, CoreLogic
<b>Economic Data</b>	
Deferred Maintenance:	Exterior Inspection
<b>Other</b>	
Demolition Costs	Marshall Valuation Services
Engineering Fees	White Bear Township
Wetlands	Preliminary Plat
Compiled by CBRE	

**APPRAISAL METHODOLOGY**

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and
- Extraction.

The following summaries of each method are paraphrased from the text.

The first is the sales comparison approach. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, etc., (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparables, and (d) the absence of nontypical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The income capitalization procedures include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

The land residual method may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production--i.e. labor, capital, coordination, and land. The land

residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

The subdivision development method is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

The ground rent capitalization procedure is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The allocation method is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

The extraction method is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable and the extraction method does not reflect market considerations.

For the purposes of this analysis, we have utilized the sales comparison approach and the income capitalization/subdivision development approach as these methodologies are typically used for residential sites that are feasible for immediate development. The other methodologies are used primarily when comparable land sales data is non-existent. Therefore, these approaches have not been used.

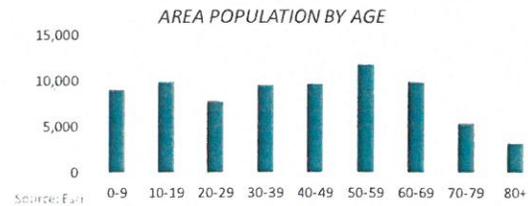
# Area Analysis



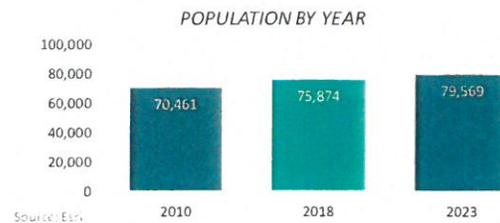
The subject is located in the 5-mile radius. Key information about the area is provided in the following tables.

## POPULATION

The area has a population of 75,874 and a median age of 42, with the largest population group in the 50-59 age range and the smallest population in 80+ age range.



Population has increased by 5,413 since 2010, reflecting an annual increase of 0.9%. Population is projected to increase by an additional 3,695 by 2023, reflecting 1.0% annual population growth.



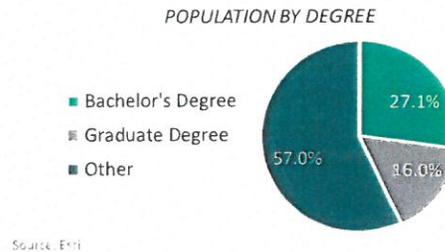
## INCOME

The area features an average household income of \$115,706 and a median household income of \$88,142. Over the next five years, median household income is expected to increase by 13.4%, or \$2,369 per annum.

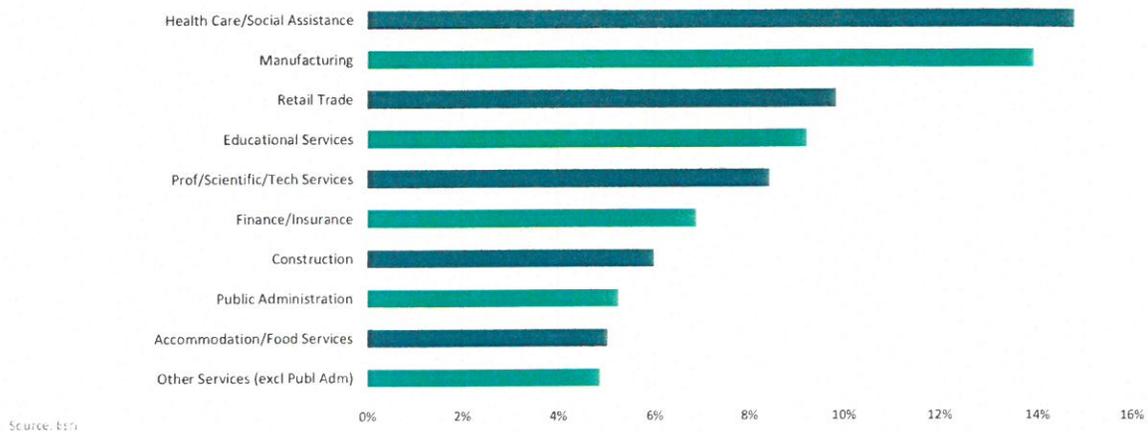


## EDUCATION

A total of 43.0% of individuals over the age of 24 have a college degree, with 27.1% holding a bachelor's degree and 16.0% holding a graduate degree.



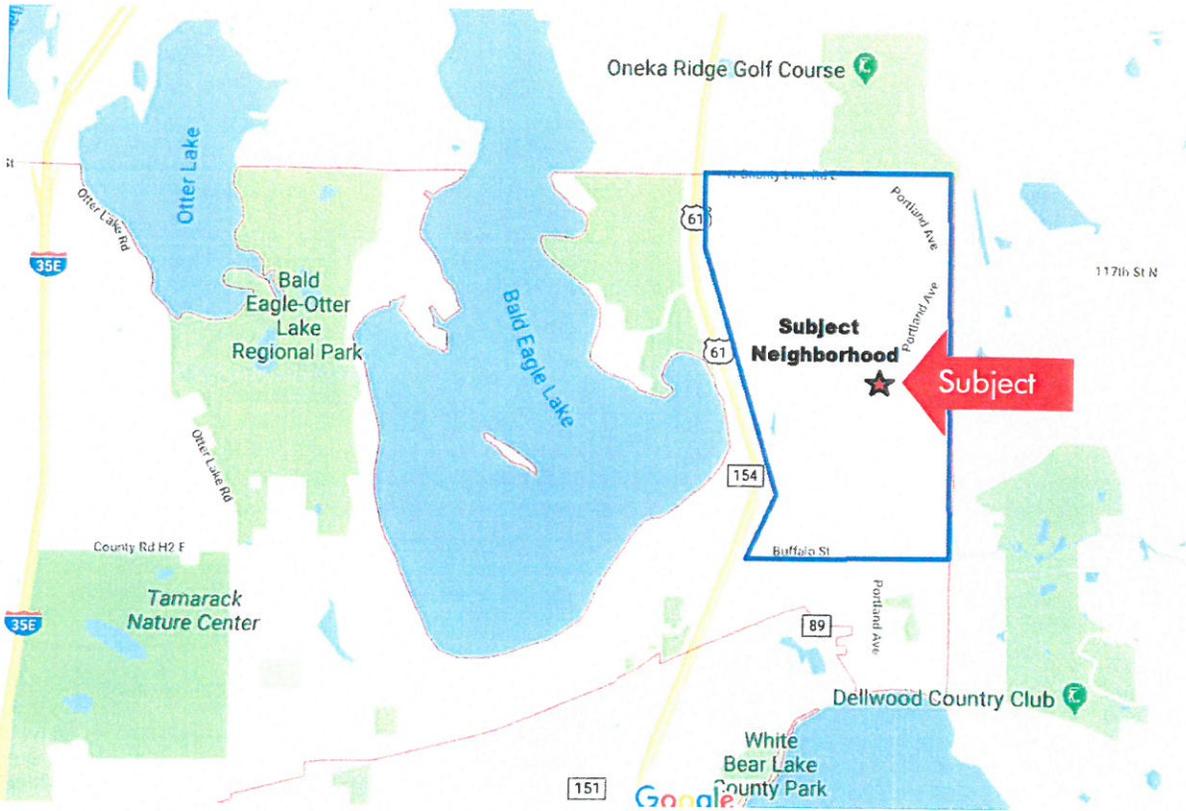
## EMPLOYMENT



The area includes a total of 41,792 employees and has a 2.8% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Manufacturing and Retail Trade, which represent a combined total of 38% of the population.

In summary, the subject is forecasted to experience an increase in population, an increase in household income, and an increase in household values.

# Neighborhood Analysis



## LOCATION

The subject is in the city of White Bear Township and is considered a suburban location. The city of White Bear Township is situated in northeast Ramsey County, about 10 miles northeast of the Minneapolis and St. Paul Central Business Districts.

## BOUNDARIES

The neighborhood boundaries are detailed as follows:

- North:** North County Line Road E
- South:** Buffalo Street
- East:** Ramsey County's Eastern boundary
- West:** U.S. Highway 61

## LAND USE

Land uses in the subject neighborhood consists of approximately 55% single-family residential, 40% open space (wetlands, parks, and golf courses) and 5% non-residential uses including the Benson Airfield, Bald Eagle Lake Boat Launch, and places of worship.

**DEMOGRAPHICS**

Selected neighborhood demographics in 1-, 3- and 5 mile radii from the subject are shown in the following table:

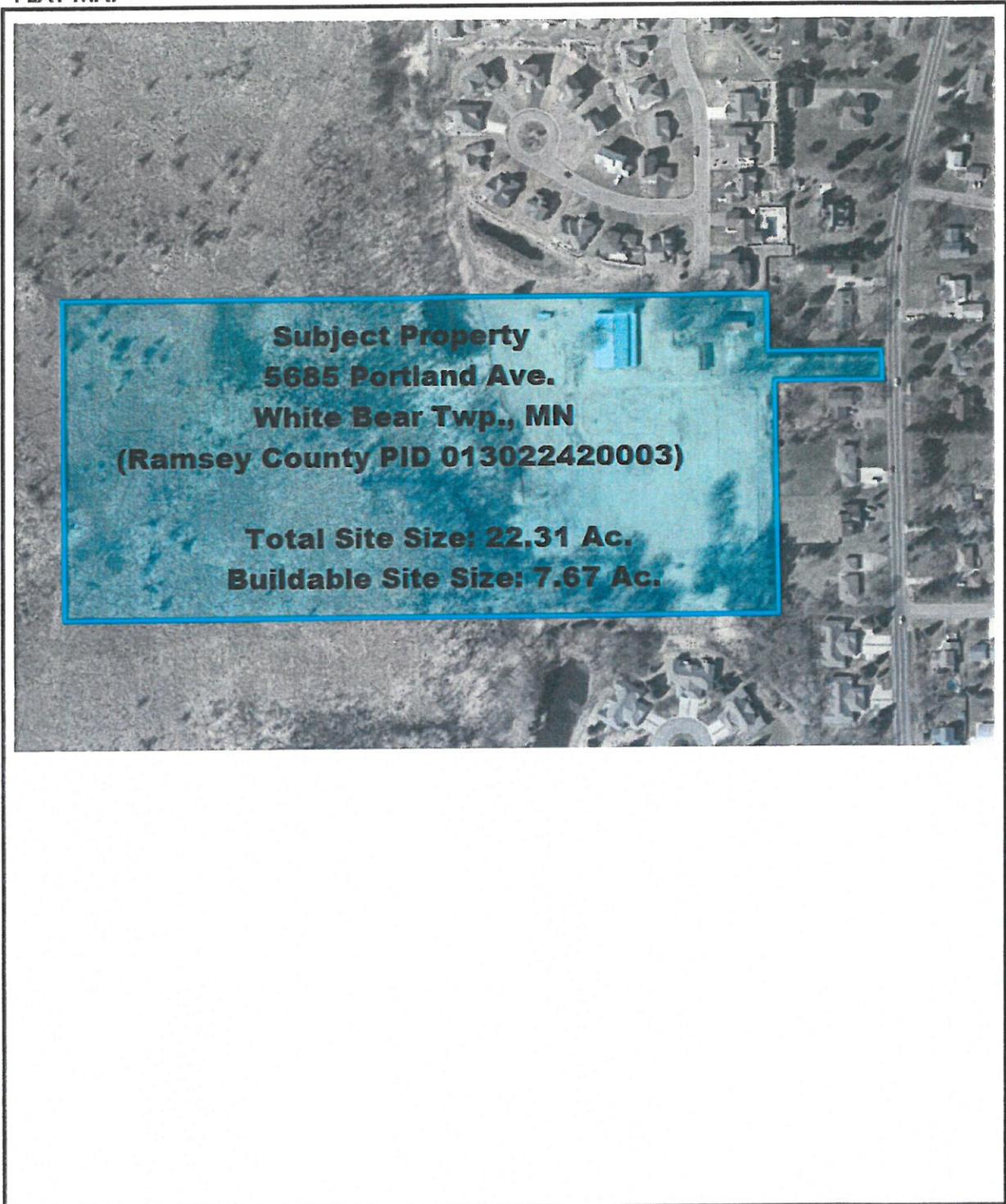
<b>SELECTED NEIGHBORHOOD DEMOGRAPHICS</b>					
5685 Portland Avenue White Bear Township, MN 55110	1 Mile Radius	3 Mile Radius	5 Mile Radius	Minnesota	Ramsey County
<b>Population</b>					
2023 Total Population	3,255	25,459	79,569	5,898,234	566,546
2018 Total Population	3,144	24,387	75,874	5,657,912	543,936
2010 Total Population	2,996	22,807	70,461	5,303,925	508,640
2000 Total Population	2,781	20,579	62,996	4,919,479	511,035
Annual Growth 2018 - 2023	0.70%	0.86%	0.96%	0.84%	0.82%
Annual Growth 2010 - 2018	0.60%	0.84%	0.93%	0.81%	0.84%
Annual Growth 2000 - 2010	0.75%	1.03%	1.13%	0.76%	-0.05%
<b>Households</b>					
2023 Total Households	1,121	9,412	30,672	2,306,130	223,050
2018 Total Households	1,089	9,028	29,285	2,216,108	214,452
2010 Total Households	1,055	8,498	27,338	2,087,227	202,691
2000 Total Households	909	7,087	22,894	1,895,127	201,236
Annual Growth 2018 - 2023	0.58%	0.84%	0.93%	0.80%	0.79%
Annual Growth 2010 - 2018	0.40%	0.76%	0.86%	0.75%	0.71%
Annual Growth 2000 - 2010	1.50%	1.83%	1.79%	0.97%	0.07%
<b>Income</b>					
2018 Median Household Income	\$108,687	\$93,299	\$88,142	\$65,887	\$59,221
2018 Average Household Income	\$134,996	\$119,985	\$115,706	\$89,957	\$85,397
2018 Per Capita Income	\$47,088	\$45,313	\$44,665	\$35,566	\$34,206
2018 Pop 25+ College Graduates	1,098	7,220	22,994	1,351,531	153,668
Age 25+ Percent College Graduates - 2018	49.5%	41.9%	43.0%	35.1%	42.1%

Source: ESRI

**CONCLUSION**

The neighborhood appears to be growing at a moderate pace, and average income levels in the neighborhood are notably higher compared to Ramsey County and Minnesota averages.

PLAT MAP



NATIONAL WETLANDS INVENTORY MAP



## Site Analysis

The following chart summarizes the salient characteristics of the subject site.

<b>SITE SUMMARY AND ANALYSIS</b>		
<b>Physical Description</b>		
Gross Site Area	22.31 Acres	971,824 Sq. Ft.
Wetlands:	14.64 Acres	637,718 Sq. Ft.
Net Site Area	7.67 Acres	334,105 Sq. Ft.
Zoning District	R1 - Suburban Residential	
Flood Map Panel No. & Date	27123C0055G	4-Jun-10
Flood Zone	Zone A	
Adjacent Land Uses	Single-family Residential	
<b>Comparative Analysis</b>		<b><u>Rating</u></b>
Visibility	Average	
Functional Utility	Average	
Traffic Volume	Average	
Adequacy of Utilities	Assumed adequate	
Landscaping	Average to Good	
Drainage	Assumed adequate	
<b>Utilities</b>		<b><u>Availability</u></b>
Water	<b><u>Provider</u></b> City of White Bear Township	Yes
Sewer	City of White Bear Township	Yes
<b>Other</b>		<b><u>Unknown</u></b>
	<b><u>Yes</u></b>	<b><u>No</u></b>
Detrimental Easements		X
Encroachments		X
Deed Restrictions		X
Reciprocal Parking Rights		X
Source: Various sources compiled by CBRE		

### COVENANTS, CONDITIONS AND RESTRICTIONS

The Safety Zone zoning overlay restricts the subject’s development potential.

### UTILITIES AND SERVICES

The site includes all municipal services, including police, fire and refuse garbage collection. All utilities are available to the site in adequate quality and quantity to service the highest and best use.

### ENVIRONMENTAL ISSUES

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

### **ADJACENT PROPERTIES**

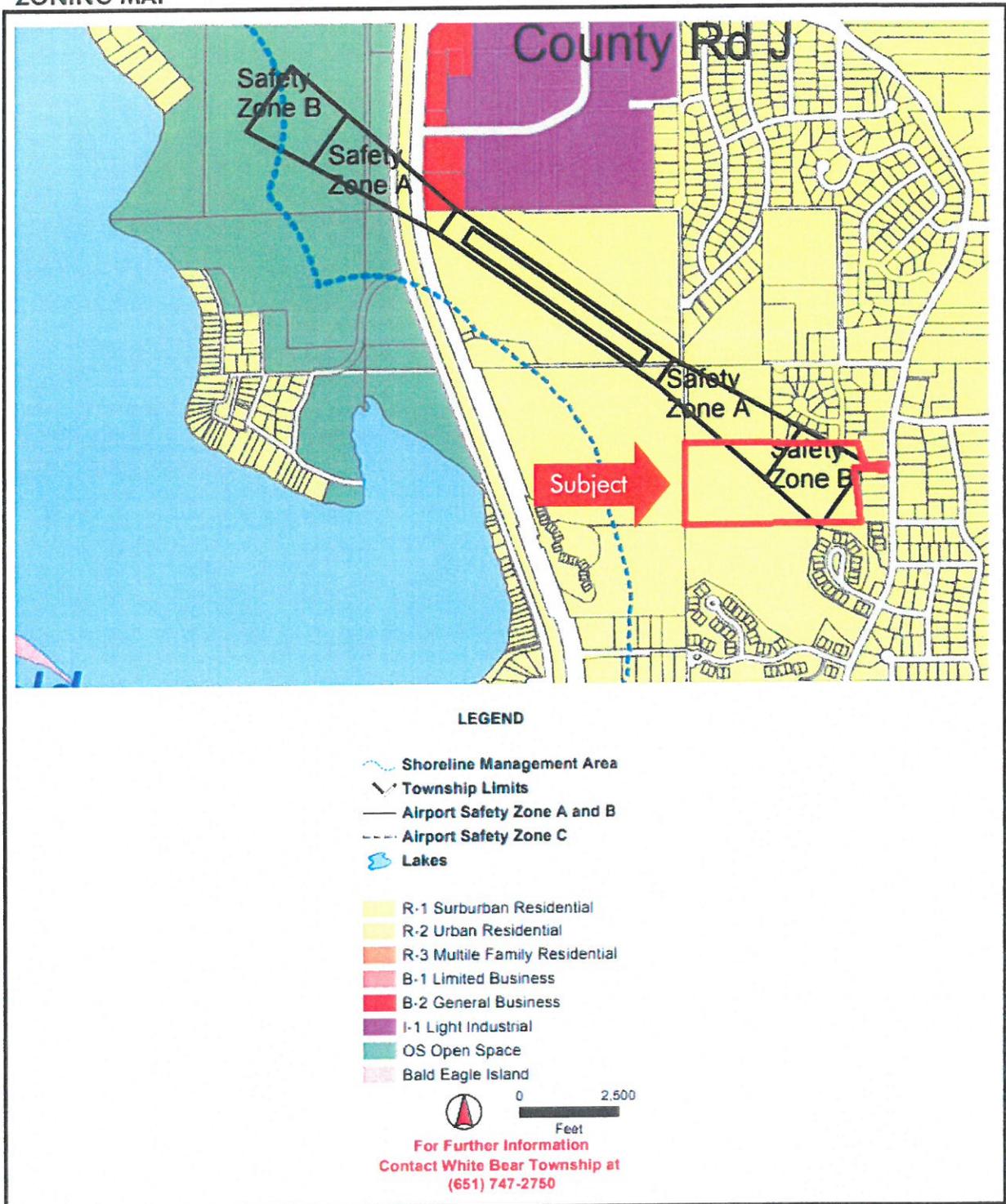
The adjacent land uses are summarized as follows:

**North:** Residential  
**South:** Residential  
**East:** Residential  
**West:** Wetlands

### **CONCLUSION**

The site is suitable for a relatively small residential subdivision in relation to its overall size, however, the property's development potential is impeded by having a high percentage of wetlands.

ZONING MAP



## Zoning

Per the White Bear Township ordinance, the purpose of the subject's "R-1" Suburban Residential District is to provide for low density, high quality living areas, protected from conflicting uses. Uses provided for in this district include no more than one single family detached residential dwelling unit per buildable lot and directly related complementary uses, subject to the other provisions of this Ordinance.

The following chart summarizes the subject's zoning requirements.

Current Zoning	R1 - Suburban Residential
Legally Conforming	Yes
Uses Permitted	Agriculture, home occupations, single-family dwellings, in-home day care centers, township parks and playgrounds and green area, and Township governmental buildings. Conditional uses include cemeteries, schools, two-family dwellings, stables and riding academies, preschool facilities, places of worship, single-family and duplex unit PUDs, accessory apartment, in-home craft sale, airport, and guest cottage. The conditional use shall be inspected one year after the issuance of the permit, and every three years thereafter to ensure compliance.
Zoning Change	Not likely

### ANALYSIS AND CONCLUSION

Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

**Tax and Assessment Data**

<b>AD VALOREM TAX INFORMATION</b>				
<b>Parcel</b>	<b>Assessor's Parcel No.</b>	<b>Parcel Description</b>	<b>2017</b>	<b>2018</b>
1	013022420003	Lengthy; retained in file.	\$497,200	\$477,300
Subtotal			\$497,200	\$477,300
Assessed Value @			100%	100%
			\$497,200	\$477,300
General Tax Rate (per \$100 A.V.)			1.298070	1.322020
<b>Total Taxes</b>			<b>\$6,454</b>	<b>\$6,310</b>
Source: Assessor's Office				

The local Assessor’s methodology for valuation is market value. The property is taxed on an ad valorem basis, or on property value with the real estate tax due in the year following the valuation. The law specifically requires that assessors view each parcel of real estate to appraise its market value. This requires periodic physical inspection of all properties subject to assessment. State law also requires that the value and classification of real estate be established as of January 2 of each year. It should be noted that in Minnesota, real estate taxes are payable in arrears. For example, the 2019 taxes payable are based on the January 2, 2018 assessor’s estimate of market value and the 2018 taxes are to be based on the January 2, 2017 assessment.



## Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

### AS VACANT

#### Legal Permissibility

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

#### Physical Possibility

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development).

Existing structures on similar sites provides additional evidence for the physical possibility of development.

#### Financial Feasibility

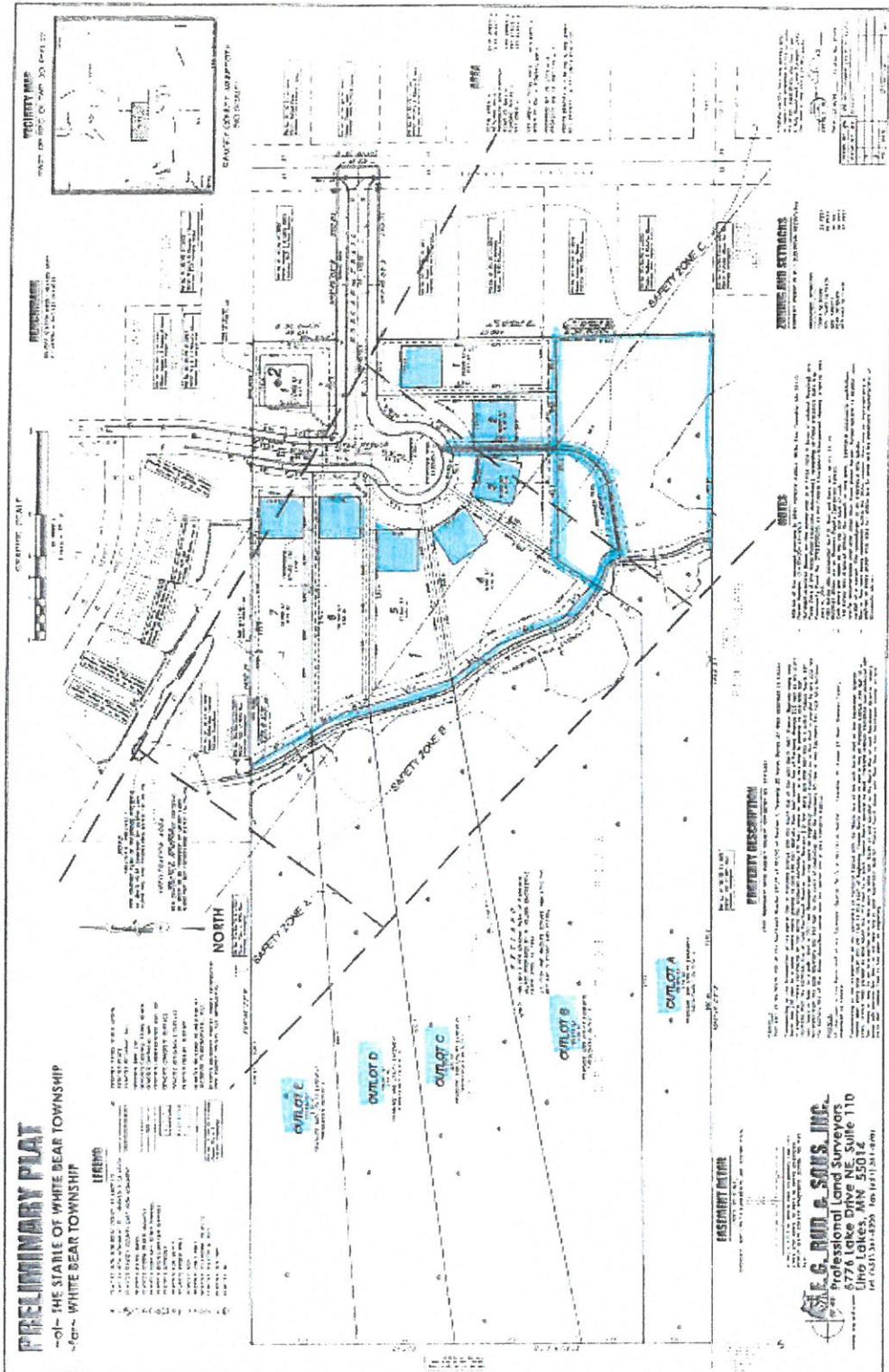
Potential uses of the site include single family residential. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. With respect to the legal uses for the subject site, the local residential market is generally stabilized and development of new properties has occurred in the recent past and continues to this day.

#### Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

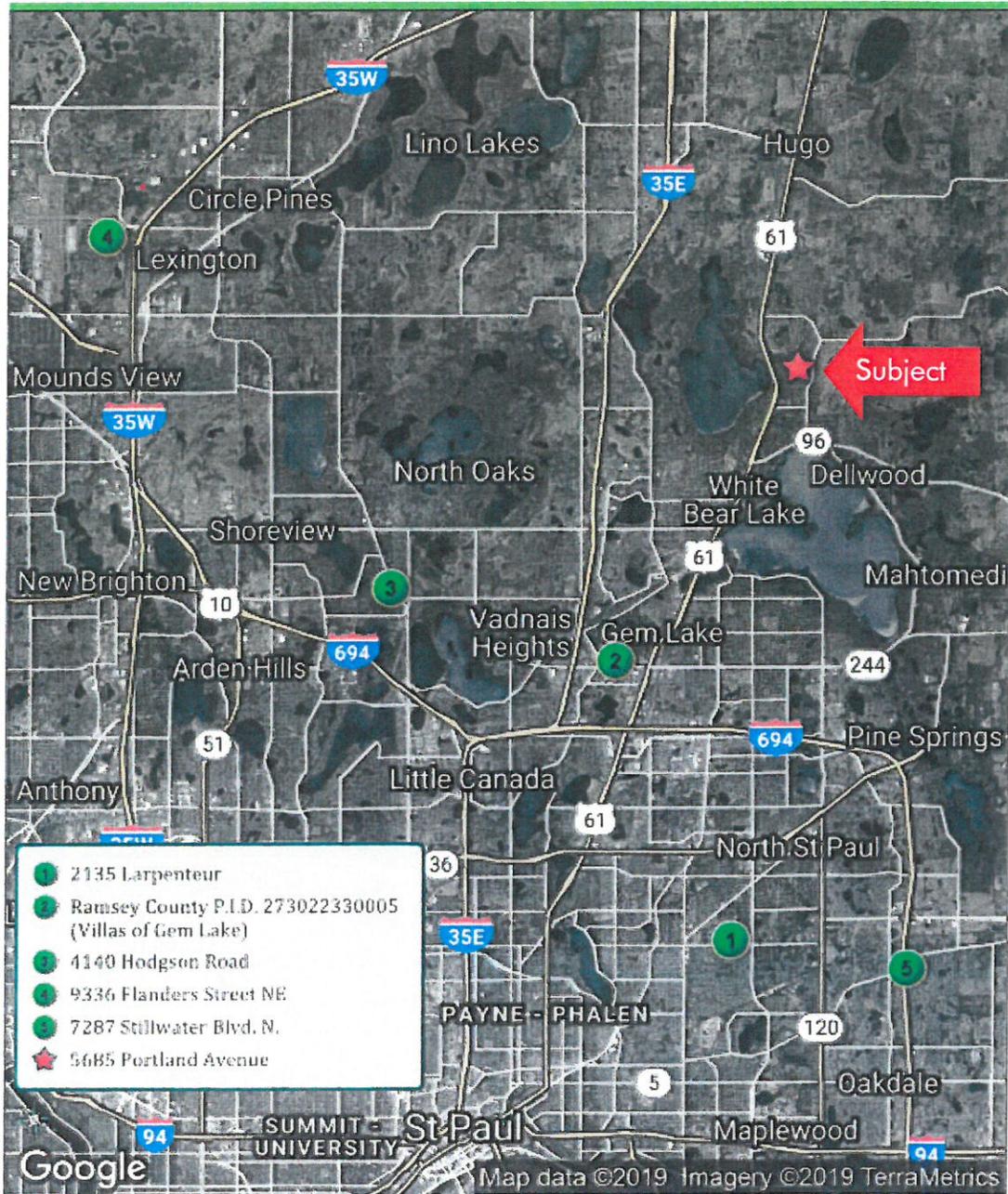
Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of eight single-family properties, like what's depicted on the following Preliminary Plat:

PRELIMINARY SITE PLAN



## Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



CBRE

SUMMARY OF COMPARABLE LAND SALES										
No.	Property Location	Transaction Type	Date	Proposed Use	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Size (Buildable Acres)	Size (Lots)	Density (UPA)	Price Per Lot
1	2135 Larpenteur Avenue East Maplewood, MN 55109	Sale	Jul-18	6-Lot SFR Development	\$250,000	\$250,000	3.20	6	1.88	\$41,667
2	Ramsey County P.I.D. 273022330005 (Villas of Gem Lake) Gem Lake, MN 55110	Sale	Apr-18	30-Lot SFR Development	\$1,000,000	\$1,000,000	18.07	30	1.66	\$33,333
3	4140 Hodgson Road Shoreview, MN 55126	Sale	Jan-18	8-Lot SFR Development	\$890,000	\$890,000	3.60	8	2.22	\$111,250
4	9336 Flanders Street NE Blaine, MN 55449	Sale	Aug-16	5-Lot SFR Development	\$225,000	\$250,000	1.80	5	2.77	\$50,000
5	7287 Stillwater Blvd. N. Oakdale, MN 55128	Available/ Listing	Apr-19	12-Lot SFR Development	\$499,900	\$499,900	4.07	12	2.94	\$41,658
Subject	5685 Portland Avenue, White Bear Township, Minnesota	---	---	8-Lot SFR Development	---	---	7.67	8	1.04	---

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject and were selected from Twin Cities Metro Area. These sales were chosen based upon their location, size (number of lots), and date of sale.

## DISCUSSION/ANALYSIS OF LAND SALES

The only transactional adjustment that's necessary is for market conditions. To account for appreciating land values between the dates of the comparable sales and the effective date of the appraisal, a market conditions adjustment of 5% per year is applied to all the comparable sales, other than to Comparable Sale 5 which is an active listing. Following is a discussion of the adjustments made to the comparable sales for differences in property characteristics.

### Size

In comparing the comparable sales to the subject in terms of size, the unit of comparison is the number of potential single-family lots in the proposed subdivision, as opposed to acreage or square footage. This adjustment accounts for the economies of scale regarding the number potential lots being purchased, based on the phenomena that with all other things being equal, the market will typically pay a lower price per unit as the number of units increase. Comparable Sale 2 is the only one of the comparable sales necessitating an adjustment for size. It was purchased to be developed into a 30-lot single-family residential subdivision. To account for the difference, it is adjusted upward.

### Shape

This adjustment accounts for the effect that shape has on the development potential of a property. Because the unit of comparison in this analysis is the price per lot, differences in shape

are accounted for within the size (number of lots) adjustment, thus no further adjustments are necessary.

#### View

This adjustment category accounts for the effect that differences in a property's view has on market value. Comparable Sale 5's location adjacent to an industrial property results in less desirable views compared to the subject's views and is thus adjusted upward.

#### Location

Adjustments for location account for differences in demographics and linkages to employment centers and supporting services of the comparable sales in comparison to those of the subject. Comparable Sale 1 has an inferior location compared to the subject, which is supported by the median single-family home sale price within a half-mile over the past year being \$227,500 compared to the subject's being \$370,875. Comparable Sale 2 has an inferior location compared to the subject, which is supported by the median single-family home sale price within a half-mile over the past year being \$327,500 compared to the subject's being \$370,875. Comparable Sale 3 has a far superior location compared to the subject, which is supported by the median single-family home sale price within a half-mile over the past year being \$588,622 compared to the subject's being \$370,875. Furthermore, far more redevelopment has been occurring within Shoreview than in White Bear Township, which is reflective of Shoreview's overall higher land values. Comparable Sale 4 has a slightly inferior location compared to the subject, which is supported by the median single-family home sale price within a half-mile over the past year being \$334,000 compared to the subject's being \$370,875. Comparable Sale 5 has an inferior location compared to the subject, which is supported by the median single-family home sale price within a half-mile over the past year being \$278,950 compared to the subject's being \$370,875. In addition, its proximity to Interstate Highway 494 is a negative influence.

#### Density

This adjustment category accounts for differences in density of the comparable sales' proposed subdivisions compared to the subject's. Because the unit of comparison is the price per residential lot, having a lower density is superior to having a higher density. All the comparable sales have higher densities to varying degrees compared to the subject and are thus adjusted upward.

#### Utilities

This adjustment accounts for differences in the availability of public utilities for the comparable sales in comparison to the same for the subject. With all other factors being equal, developers will pay more for a site with convenient utility connections than for ones that do not. All the comparable sales have similar proximity to public utilities as the subject, thus no adjustments are necessary in this regard.

### Development Stage

Subdividing land into individual residential lots is a process that requires time and expense. Depending on where the comparable sales are in the subdivision process compared to the subject may require an adjustment to make the comparable sale more like the subject. All the comparable sales were sold with no preliminary surveying or engineering work being completed, whereas the subject has approximately \$40,000 worth of subdivision work completed. However, the subject has existing structures on its site that will need to be razed at a cost of approximately \$20,000. Comparable Sale 3 also has structures that need to be razed, as does Comparable Sale 4, however the razing costs for Comparable Sale 4 were added to the purchase price. To account for these differences, all the sales are adjusted upward accordingly.

### SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID						
Comparable Number	1	2	3	4	5	Subject
Transaction Type	Sale	Sale	Sale	Sale	Available/Listing	---
Transaction Date	Jul-18	Apr-18	Jan-18	Aug-16	Apr-19	---
Proposed Use	6-Lot SFR Development	30-Lot SFR Development	8-Lot SFR Development	5-Lot SFR Development	12-Lot SFR Development	8-Lot SFR Development
Actual Sale Price	\$250,000	\$1,000,000	\$890,000	\$225,000	\$499,900	---
Adjusted Sale Price <sup>1</sup>	\$250,000	\$1,000,000	\$890,000	\$250,000	\$499,900	---
Size (buildable Acres)	3.20	18.07	3.60	1.80	4.07	7.67
Size (buildable SF)	6	30	8	5	12	8
Density (UPA)	1.88	1.66	2.22	2.77	2.94	1.04
Proposed # of Lots	6	30	8	5	12	8
Price Per Lot	\$41,667	\$33,333	\$111,250	\$50,000	\$41,658	---
Price (\$ per Lot)	\$41,667	\$33,333	\$111,250	\$50,000	\$41,658	
Property Rights Conveyed	0%	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	
Market Conditions (Time)	5%	6%	7%	14%	0%	
Subtotal	\$43,750	\$35,333	\$119,038	\$57,000	\$41,658	
Size (# of Lots)	0%	10%	0%	0%	0%	
Shape	0%	0%	0%	0%	0%	
View	0%	0%	0%	0%	3%	
Location	10%	5%	-50%	3%	5%	
Density	3%	3%	5%	6%	7%	
Utilities	0%	0%	0%	0%	0%	
Development Stage	6%	7%	4%	5%	6%	
Total Other Adjustments	19%	25%	-41%	14%	21%	
<b>Value Indication for Subject</b>	<b>\$52,063</b>	<b>\$44,166</b>	<b>\$70,232</b>	<b>\$64,980</b>	<b>\$50,406</b>	
<i>Absolute Adjustment</i>	24%	31%	66%	28%	21%	

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

Prior to adjustments the comparable sales provide in adjusted range of values from \$33,333 to \$111,250, with an average of \$55,582 per lot. After adjustments, the comparable sales indicate a per raw lot value for the subject ranging from \$44,166 to \$70,232 with an average of \$56,369 per raw lot.

Overall, Comparables 1, 2, 4 and 5 were given greatest consideration because of their similarity to the subject. Little weight was given to Comparable Land Sale 3 as its location is far superior to the subject's.

## CONCLUSION

Based on the preceding analysis, Comparables 1, 2, 4 and 5 were the most representative of the subject site and warranted greatest consideration. In conclusion, a price per lot indication towards the middle of the range was most appropriate. The following table presents the valuation conclusion:

<b>CONCLUDED LAND VALUE</b>				
<b>\$ Per Lot</b>		<b>Subject Lots</b>		<b>Total</b>
\$44,166	x	8	=	\$353,328
\$70,232	x	8	=	\$561,856
<b>Indicated Value:</b>				<b>\$440,000</b>
				(Rounded \$ per Lot) \$55,000
Compiled by CBRE				

The value equates to \$55,000 per proposed residential lot. This falls within the range of \$44,166 to \$70,232 indicated by the comparable sales, thereby lending support to our value conclusion.

## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

**ADDENDA**

Addendum A

**LAND SALE DATA SHEETS**

# Sale

# Land - Residential Subdivision

# No. 1

Property Name	2135 Larpenteur
Address	2135 Larpenteur Avenue East Maplewood, MN 55109
County	Ramsey
Govt./Tax ID	142922430002
Land Area Net	3.200 ac/ 139,392 sf
Land Area Gross	3.820 ac/ 166,399 sf
Site Development Status	Raw
Utilities	Municipal
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	Rolling
Flood Zone Class	N/A
Flood Panel No./ Date	N/A
Zoning	Residential
Entitlement Status	N/A



## Transaction Details

Type	Sale	Primary Verification	Listing Broker, County Records
Interest Transferred	N/A	Transaction Date	07/18/2018
Condition of Sale	None	Recording Date	N/A
Recorded Buyer	SVK Development, LLC	Sale Price	\$250,000
Buyer Type	N/A	Financing	Cash to Seller
Recorded Seller	CRV not posted yet	Cash Equivalent	\$250,000
Marketing Time	2 Month(s)	Capital Adjustment	\$0
Listing Broker	Ken Frank, Keller Williams	Adjusted Price	\$250,000
Doc #	N/A	<b>Adjusted Price / ac and / sf</b>	<b>\$78,125 / \$1.79</b>
		<b>Adjusted Price/ FAR</b>	<b>N/A</b>
		<b>Adjusted Price/ Unit</b>	<b>\$41,667</b>
Buyer's Primary Analysis	N/A	Occupancy at Sale	N/A
Static Analysis Method	N/A	Underwritten Occupancy	Static Analysis-N/A
Source	Static Analysis-N/A	Potential Gross Income	Static Analysis-N/A
NOI / sf	Static Analysis-N/A	Vacancy/Collection Loss	Static Analysis-N/A
IRR	N/A	Effective Gross Income	Static Analysis-N/A
OER	Static Analysis-N/A	Expenses	Static Analysis-N/A
Expenses /sf	Static Analysis-N/A	Net Operating Income	Static Analysis-N/A
Cap Rate	Static Analysis-N/A		

## Comments

This raw tract of land along Larpenteur was recently purchased by a developer for a 6-lot SFR development. There is a small pond/wetland along its east lot line. The parcel is heavily wooded, but has access along Beebe Rd., as well as municipal utilities. The site is within School District 622 - North St. Paul/Maplewood. The agent indicated there was strong interest in the site and it sold quickly within 6 weeks.

Property Name	N/A
Address	Ramsey County P.I.D. 273022330005 (Villas of Gem Lake) Gem Lake, MN 55110
County	Ramsey
Govt./Tax ID	273022330005
Land Area Net	18.073 ac/ 787,269 sf
Land Area Gross	18.073 ac/ 787,269 sf
Site Development Status	N/A
Utilities	Available
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	N/A
Topography	N/A
Flood Zone Class	N/A
Flood Panel No./ Date	N/A
Zoning	Gateway Zone
Entitlement Status	N/A



### Transaction Details

Type	Sale	Primary Verification	eCRV
Interest Transferred	N/A	Transaction Date	04/18/2018
Condition of Sale	None	Recording Date	04/19/2018
Recorded Buyer	Landmark of Gem Lake	Sale Price	\$1,000,000
Buyer Type	N/A	Financing	Market Rate Financing
Recorded Seller	Hansen Investments LLC	Cash Equivalent	\$1,000,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	N/A	Adjusted Price	\$1,000,000
Doc #	eCRV 796422	<b>Adjusted Price / ac and / sf</b>	<b>\$55,331 / \$1.27</b>
		<b>Adjusted Price/ FAR</b>	<b>N/A</b>
		<b>Adjusted Price/ Unit</b>	<b>N/A</b>
Buyer's Primary Analysis	N/A	Occupancy at Sale	N/A
Static Analysis Method	N/A	Underwritten Occupancy	Static Analysis-N/A
Source	Static Analysis-N/A	Potential Gross Income	Static Analysis-N/A
NOI / sf	Static Analysis-N/A	Vacancy/Collection Loss	Static Analysis-N/A
IRR	N/A	Effective Gross Income	Static Analysis-N/A
OER	Static Analysis-N/A	Expenses	Static Analysis-N/A
Expenses /sf	Static Analysis-N/A	Net Operating Income	Static Analysis-N/A
Cap Rate	Static Analysis-N/A		

### Comments

This sale represents a 18.09-acre parcel that was subsequently platted as the 30-lot Villas of Gem Lake single-family residential subdivision. Its sale price of \$1,000,000 equates to a raw land value of \$33,333 per home lot.

Property Name	N/A
Address	4140 Hodgson Road Shoreview, MN 55126
County	Ramsey
Govt./Tax ID	243023440018
Land Area Net	3.600 ac/ 156,816 sf
Land Area Gross	3.600 ac/ 156,816 sf
Site Development Status	Raw
Utilities	Available
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	N/A
Flood Zone Class	N/A
Flood Panel No./ Date	N/A
Zoning	R1 - Detached Residential
Entitlement Status	N/A



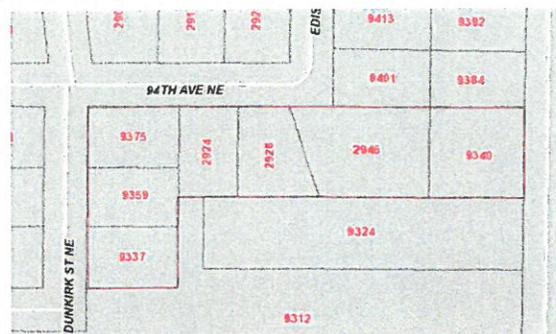
### Transaction Details

Type	Sale	Primary Verification	N/A
Interest Transferred	Fee Simple	Transaction Date	01/31/2018
Condition of Sale	None	Recording Date	02/07/2018
Recorded Buyer	Databuild LLC	Sale Price	\$890,000
Buyer Type	Developer	Financing	Market Rate Financing
Recorded Seller	Carol Dickinson-Connors	Cash Equivalent	\$890,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	N/A	Adjusted Price	\$890,000
Doc #	eCRV 773367	<b>Adjusted Price / ac and / sf</b>	<b>\$247,222 / \$5.68</b>
		<b>Adjusted Price/ FAR</b>	<b>N/A</b>
		<b>Adjusted Price/ Unit</b>	<b>\$111,250</b>

### Comments

This 3.6-acre parcel has been approved for the development of 8 single-family residential lots. At the time of sale the property was improved with two single-family homes and numerous accessory structures that will need to be removed. The demolition costs are unknown and are not included in the sale price. The site is currently served by a private septic system, but upon development will be connected to city sewer and water. The sale price of \$890,000 equates to a price per potential single-family lot of \$111,250.

Property Name	N/A
Address	9336 Flanders Street NE Blaine, MN 55449
County	Anoka
Govt./Tax ID	273123340007
Land Area Net	1.800 ac/ 78,408 sf
Land Area Gross	1.800 ac/ 78,408 sf
Site Development Status	Semi-Finished
Utilities	All Available
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	L Shaped
Topography	Generally Level
Flood Zone Class	N/A
Flood Panel No./ Date	N/A
Zoning	R-1, Single Family
Entitlement Status	N/A



### Transaction Details

Type	Sale	Primary Verification	MLS
Interest Transferred	Fee Simple	Transaction Date	08/24/2016
Condition of Sale	None	Recording Date	N/A
Recorded Buyer	N/A	Sale Price	\$225,000
Buyer Type	N/A	Financing	All Cash
Recorded Seller	N/A	Cash Equivalent	\$225,000
Marketing Time	N/A	Capital Adjustment	\$25,000
Listing Broker	N/A	Adjusted Price	\$250,000
Doc #	N/A	<b>Adjusted Price / ac and / sf</b>	<b>\$138,889 / \$3.19</b>
		<b>Adjusted Price/ FAR</b>	<b>N/A</b>
		<b>Adjusted Price/ Unit</b>	<b>N/A</b>

### Comments

This comparable is a 1.8-acre site of residential land located at 9336 Flanders Street NE in Blaine, Minnesota. At the time of sale, the site had an abandoned house and garage on the property and was wooded in some portions. Topography is considered to be level and it is situated in a residential zoning district with all utilities available. The city of Blaine previously approved a 5 lot plat. However, plans would have to be resubmitted after the sale took place. It sold on August 24, 2016 for \$225,000, or \$2.87 per square foot. Including a capital adjustment to raze the existing home and garage of an estimated \$25,000, the sale price is an adjusted \$250,000 or \$3.19 per square foot.

Property Name	N/A
Address	7287 Stillwater Blvd. N. Oakdale, MN 55128
County	Washington
Govt./Tax ID	2002921240007
Land Area Net	4.074 ac/ 177,463 sf
Land Area Gross	4.074 ac/ 177,463 sf
Site Development Status	Raw
Utilities	City Water, City Sewer
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	Generally Level
Flood Zone Class	N/A
Flood Panel No./ Date	N/A
Zoning	R2 - Low Density Residential
Entitlement Status	N/A



Transaction Details

Type	Available/Listing	Primary Verification	N/A
Interest Transferred	N/A	Transaction Date	04/17/2019
Condition of Sale	None	Recording Date	N/A
Recorded Buyer	N/A	Sale Price	\$499,900
Buyer Type	N/A	Financing	N/A
Recorded Seller	N/A	Cash Equivalent	\$499,900
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	James Melcher; Coldwell Banker	Adjusted Price	\$499,900
Doc #	N/A	<b>Adjusted Price / ac and / sf</b>	<b>\$122,705 / \$2.82</b>
		<b>Adjusted Price/ FAR</b>	<b>N/A</b>
		<b>Adjusted Price/ Unit</b>	<b>N/A</b>
Buyer's Primary Analysis	N/A	Occupancy at Sale	N/A
Static Analysis Method	N/A	Underwritten Occupancy	Static Analysis-N/A
Source	Static Analysis-N/A	Potential Gross Income	Static Analysis-N/A
NOI / sf	Static Analysis-N/A	Vacancy/Collection Loss	Static Analysis-N/A
IRR	N/A	Effective Gross Income	Static Analysis-N/A
OER	Static Analysis-N/A	Expenses	Static Analysis-N/A
Expenses /sf	Static Analysis-N/A	Net Operating Income	Static Analysis-N/A
Cap Rate	Static Analysis-N/A		

Comments

This is a listing for a 4.07-acre vacant land parcel. According to the listing agent, Jim Melcher of Coldwell Banker, the site has the potential to be subdivided into 12 single-family lots, or 20 twin-home lots. He also stated that the R-2 zoning does not permit townhomes. This property's list price of \$499,900 equates to a price per potential single-family lot of \$41,658.

Addendum B

**QUALIFICATIONS**

**Kevin T. Meeks, MAI**  
**CBRE**  
**800 LaSalle Avenue, Suite 1900**  
**Minneapolis, Minnesota 55402**

## **Professional Résumé**

### QUALIFICATIONS

Certified General Real Property Appraiser (MN License #4003016, Expires 8/31/2020)  
Designated MAI Member of the Appraisal Institute

### EDUCATION

**University of Minnesota - Minneapolis, MN**  
- Bachelor of Arts in Urban Studies - 1993

### APPRAISAL EDUCATION AND SPECIAL COURSES

#### **Appraisal Institute Courses**

110 Appraisal Principles (3/94)  
120 Appraisal Procedures (9/94)  
310 Basic Income Capitalization (8/96)  
410 Standards of Professional Practice, Part A (USPAP) (1994, 2003, 2008)  
420 Standards of Professional Practice, Part B (Appraisal Institute) (7/94)  
430 Standards of Professional Practice, Part C (6/00)  
510 Advanced Income Capitalization (8/96)  
520 Highest & Best Use and Market Analysis (2/98)  
530 Advanced Sales Comparison & Cost Approaches (7/99)  
540 Report Writing and Valuation Analysis (3/98)  
550 Advanced Applications (7/99)

#### **Appraisal Seminars (Partial List) 2009-2018**

The Real Implications of the HVCC on Appraisers and Lenders (1/09)  
11th Annual R.E. Trade Seminar - Commercial/General Session (5/09)  
Ad Valorem Tax Consultation (7/10)  
Trends in the Lodging Industry and the Impact on Value (10/10)  
Multi-Family Housing (10/11)  
A New Economy: A Guide for Real Estate Professionals (1/12)  
Condemnation Appraising: Principals and Applications (6/12)  
Eminent Domain (4/13)  
15<sup>th</sup> Annual R.E. Trends Seminar – Commercial/General Session (5/13)  
Land & Site Valuation (7/14)  
Mold, Pollution, and the Appraiser (8/14)  
17<sup>th</sup> Annual R.E. Trends Seminar – Commercial/General Session (5/15)  
2015 IRS Seminar (6/15)  
Collaborative Discussion of Appraisal and Regulatory Issues in the Current Lending Environment (1/16)  
MN Supervisory Appraiser/Trainee Appraiser (2/16)  
Don't Be Another Fish in the Dark 'Net (4/16)  
18<sup>th</sup> Annual R.E. Trends Seminar – Commercial/General Session (5/16)  
Real Estate Valuation in Condemnation Appraising (11/2016)  
Federal Land Acquisitions Yellow Book Panel Discussion (6/17)  
Uniform Appraisal Standards for Federal Land Acquisitions (6/17)  
Common Real Property Errors and Conflict Resolution with the IRS (4/2018)  
Business Practice and Ethics (5/2018)  
Litigation Appraising: Specialized Topics and Applications (7/2018)  
2018-2019 National USPAP Update (8/18)

**Kevin T. Meeks, MAI**  
**CBRE**  
**800 LaSalle Avenue, Suite 1900**  
**Minneapolis, Minnesota 55402**

**Professional Résumé (Cont'd)**

**BUSINESS EXPERIENCE**

CBRE – Minneapolis, MN

Vice President of Valuation and Advisory Services – 2016 to Current

Meeks Appraisal & Consulting – Minneapolis, MN

CEO, Residential and Commercial Real Estate Appraiser - 1998 to 2016

Lunieski & Associates - Bloomington, MN

Residential and Commercial Real Estate Appraiser - 1993 to 1998

Stiles Appraisals, Inc. – Plymouth, MN

Residential Real Estate Appraiser - 1992 to 1993

**PROFESSIONAL AFFILIATIONS & ADDITIONAL EXPERIENCE**

Designated MAI Member of the Appraisal Institute (2013)

Member of the Minneapolis Area, Minnesota, & National Association of Realtors (2000 - Present)

Member of the Hennepin County Board of Equalization (1995 -1999)

Court Appointed Commissioner for Hennepin, Ramsey, and Dakota Counties (1998 - Present)

Over the past twenty years, Kevin Meeks has provided expert witness appraisal testimony throughout the state of Minnesota, including commissioner's hearings, district court jury trials, and federal bankruptcy proceedings. In addition to his work in Minnesota, while working with CBRE Mr. Meeks has appraised properties in South Dakota, Nebraska, Wisconsin, and Illinois.

Kevin T. Meeks, MAI  
CBRE  
800 LaSalle Avenue, Suite 1900  
Minneapolis, Minnesota 55402

**Professional Résumé (Cont'd)**

**STATE OF MINNESOTA**



KEVIN THOMAS MEEKS  
800 LASALLE AVE.  
SUITE 1900  
MPLS, MN 55402

**Department of Commerce**

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that  
KEVIN THOMAS MEEKS

800 LASALLE AVE.  
SUITE 1900  
MPLS, MN 55402

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of  
**Resident Appraiser : Certified General**

**License Number: 4003016**

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect  
until August 31, 2020.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 07, 2018.

A handwritten signature in cursive script that reads "Jessica Forman".

COMMISSIONER OF COMMERCE  
Minnesota Department of Commerce

Licensing Division  
65 7th Place East, Suite 500  
St. Paul, MN 55101-3165  
Telephone: (651) 539-1599  
Email: [licensing.commerce@state.mn.us](mailto:licensing.commerce@state.mn.us)  
Website: [commerce.state.mn.us](http://commerce.state.mn.us)

**Notes:**

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. Trainees do not qualify. For further details, please visit our website at [commerce.state.mn.us](http://commerce.state.mn.us).

6/27/2019

White Bear Lake Township  
 c/o Chad Lemmons  
 Kelly & Lemmons, P.A.  
 2350 Wycliff Street, Suite 200  
 St. Paul, MN 55114

**INVOICE**

Invoice No.: **41178-MN190856**  
 Invoice for: **Standard Appraisal Report**  
 Subject Name: **5685 Portland Avenue**  
**White Bear Lake Township, MN 55110**  
**United States**

**Invoice Amounts (USD):**

Professional Fee	\$6,000.00
Plus Expenses	\$0.00
Total Invoice	\$6,000.00
Less Payments Received	\$0.00
Total Balance Now Due	\$6,000.00

Please make your check payable to :

**CBRE, Inc. - Valuation and Advisory Services**  
**Attn: Bank of America Lockbox Services**  
**P.O. Box 281620**  
**Location Code 4258**  
**Atlanta, GA 30384-1620**  
**United States**

and return with one copy of this invoice to the above address.

**For questions contact:**

Allison Paddy Morrison  
 713.888.4733

Appraisal-FL-Upper.MidwestAccounting@cbre.com  
 or barbara.moore@cbre.com

**Federal Tax ID: 95-2743174**

**Wire/ACH Instructions**

Bank Name: **Wells Fargo**  
 Address: **420 Montgomery Street**  
**San Francisco, CA 94104**  
**United States**  
 ABA Number: **121000248 / Swift ID: WFBIUS6S**  
 Bank Contact: **Michelle Polcari**  
 Telephone: **310-606-4792**  
 Name on A/c: **CBRE Valuation Wire Receipts**  
 General A/c: **4121248561**  
 Reference: **41178-MN190856**  
**Allison Paddy Morrison**

**Remittance Copy**

6/27/2019

**White Bear Lake Township  
c/o Chad Lemmons  
Kelly & Lemmons, P.A.  
2350 Wycliff Street, Suite 200  
St. Paul, MN 55114**

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 Name on A/c: **CBRE Valuation Wire Receipts**  
 General A/c: **4121248561**  
 Reference: **41178-MN190856  
 Allison Paddy Morrison**



**EDA  
Meeting  
July 15, 2019**

**Agenda Number:** 5 – 6 - 7

**Subject:** Added Agenda Items  
Receipt of Agenda Materials / Supplements  
Adjournment

**Action / Motion for Consideration:**

- Receive Added Agenda Items
- Receive All Agenda Materials & Supplements for Today's Meeting
- Adjourn Meeting