



**CITY COUNCIL WORK SESSION**  
**Public Safety Bldg—Training Room, 825 41st Ave NE**  
**Monday, June 07, 2021**  
**7:00 PM**

**Mayor**  
*Amáda Márquez Simula*  
**Councilmembers**  
*John Murzyn, Jr.*  
*Connie Buesgens*  
*Nick Novitsky*  
*Kt Jacobs*  
**City Manager**  
*Kelli Bourgeois*

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## **AGENDA**

### ***NOTICE THAT THIS MEETING MAY BE CONDUCTED BY A COMBINATION OF IN-PERSON AND ELECTRONIC MEANS***

*Following a determination by City Manager Kelli Bourgeois, and emergencies declared by the United States, The State of Minnesota, and the Columbia Heights Mayor & City Council, this meeting may, pursuant to Minn. Stat. § 13D.021, occur by a combination of in-person and electronic means. In all meeting formats, members of the public who wish to attend may do so by attending in-person, by calling 1-312-626-6799 and entering **meeting ID 891 4134 4862**, or by Zoom at <https://us02web.zoom.us/j/89141344862> at the scheduled meeting time. For questions regarding this notice, please contact the City Clerk at (763) 706-3611.*

### **CALL TO ORDER/ROLL CALL**

### **WORK SESSION ITEMS**

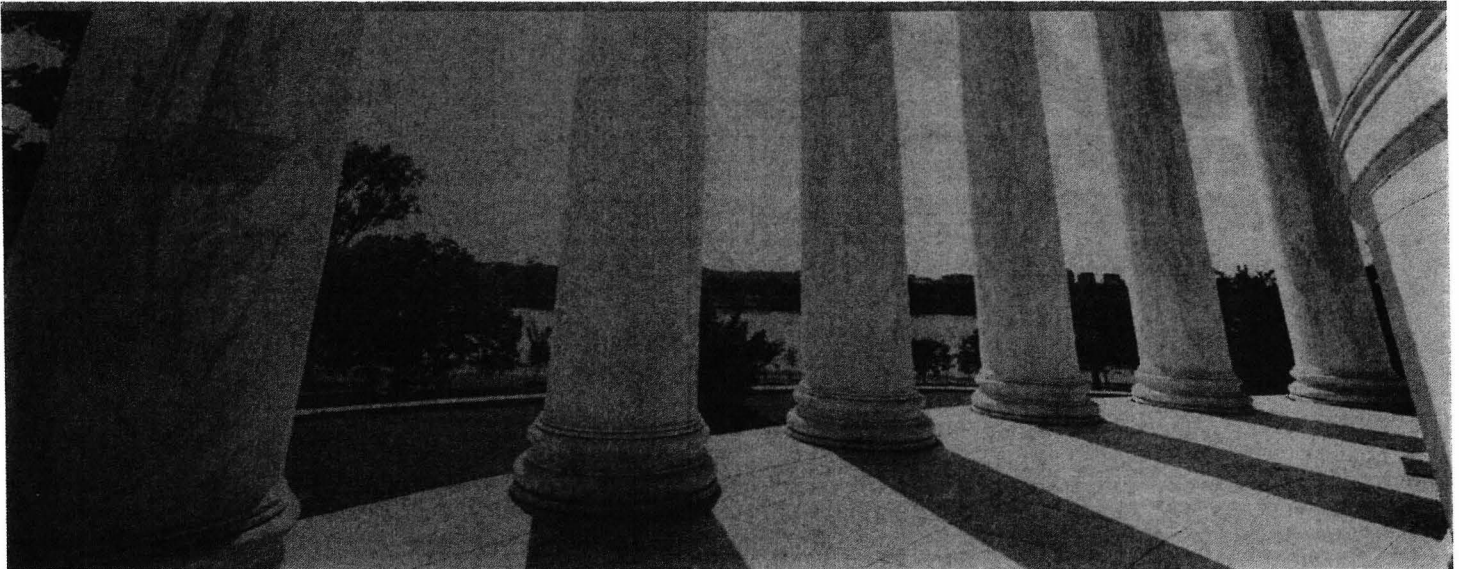
- 1. Lexipol Policy Services Discussion**
- 2. SACA Relocation Project Update**
- 3. Police Department Recruitment and Retention Discussion**
- 4. Report (Draft) for Sewer Modeling for Sanitary Sewer Collection District 1**
- 5. 2021 Updates to Stormwater Plan**
- 6. East African Community Meeting Debrief**
- 7. Maintaining Affordable Rental Properties**

### **ADJOURNMENT**

*Auxiliary aids or other accommodations for individuals with disabilities are available upon request when the request is made at least 72 hours in advance. Please contact Administration at 763-706-3610 to make arrangements.*



## SOLUTIONS PROPOSAL



**PREPARED FOR:**

Columbia Heights Police Department  
Captain Matt Markham  
[mmarkham@columbiaheightsmn.gov](mailto:mmarkham@columbiaheightsmn.gov)  
(763) 706-8109

**PREPARED BY:**

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## Executive Summary

Public safety agencies and local government organizations today face challenges of keeping personnel safe and healthy, reducing risk and maintaining a positive reputation. Add to that the dynamically changing legislative landscape and evolving best practices, and even the most progressive, forward-thinking departments can struggle to keep up.

Lexipol's solutions are designed to save you time and money while protecting your personnel and your community. Our team consists of professionals with expertise in public safety law, policy, training, mental health and grants. We continually monitor changes and trends in legislation, case law and best practices and use this knowledge to create policies, training, wellness resources and funding services that minimize risk and help you effectively serve your community.

### THE LEXIPOL ADVANTAGE

Lexipol was founded by public safety experts who saw a need for a better, safer way to run a public safety agency. Since the company launch in 2003, Lexipol has grown to form an entire risk management solution for public safety and local government. Today, we serve more than 8,100 agencies and municipalities and 2 million public safety and government professionals with a range of informational and technological solutions to meet the challenges facing these dynamic industries. In addition to providing policy management, online training, wellness resources, and grant assistance, we provide 24/7 industry news and analysis through the digital communities Police1, FireRescue1, Corrections1, EMS1 and Gov1.

Our customers choose Lexipol to make an investment in the safety and security of their personnel, their agencies and their communities. We help agencies address issues that create substantial risk, including:

- Inconsistent and outdated policies
- Lack of technology to easily update and issue policies and training electronically
- Unchecked mental health needs of staff
- Difficulty keeping up with new and changing legislation and practices
- Inability to produce policy acknowledgment and training documentation
- Unfamiliarity of city legal resources with the intricacies of public safety law
- The need to secure grant funding for critical equipment, infrastructure and personnel

Lexipol is backed by the expertise of 320 employees with more than 2,075 years of combined experience in constitutional law, civil rights, ADA and discrimination, mental health, psychology, labor negotiations, Internal Affairs, use of force, hazmat, instructional design, federal and state grants and a whole lot more. That means no more trying to figure out policy, develop training or wellness content or secure funding on your own. You can draw on the experience of our dedicated team members who have researched, taught and lived these issues.

We look forward to working with Columbia Heights Police Department to address your unique challenges.

## Scope of Services

### Policy Manual

Constitutionally sound, up-to-date policies are the foundation for consistent, safe public safety operations and are key to reducing risk and enhancing personnel and community safety. Lexipol's comprehensive policy manual covers all aspects of your agency's operations.

- More than 155 policies researched and written by public safety attorneys and subject matter experts
- Policies based on State and federal laws and regulations as well as nationwide best practices
- Content customized to reflect your agency's terminology and structure

### Daily Training Bulletins (DTBs)

Even the best policy manual lacks effectiveness if it's not backed by training. Lexipol's Daily Training Bulletins are designed to help your personnel learn and apply your agency's policy content through 2-minute training exercises.

- Scenario-based training ties policy to real-world applications
- Understanding and retention of policy content is improved via a singular focus on one distinct aspect of the policy
- Each Daily Training Bulletin concludes with a question that confirms the user understood the training objective
- Daily Training Bulletins can be completed via computers or from smartphones, tablets or other mobile devices
- Reports show completion of Daily Training Bulletins by agency member and topic

### Policy Updates

Lexipol's legal and content development teams continuously review state and federal laws and regulations, court decisions and evolving best practices. When needed, we create new and updated policies and provide them to your agency, making it simple and efficient to keep your policy content up to date.

- Updates delivered to you through Lexipol's web-based content delivery platform
- Changes presented in side-by-side comparison against existing policy so you can easily identify modifications/improvements
- Your agency can accept, reject or customize each update

### Web-Based Delivery Platform and Mobile App (Knowledge Management System)

Lexipol's online content delivery platform, called KMS, provides secure storage and easy access to all your policy and training content, and our KMS mobile app facilitates staff use of policies and training completion.

- Ability to edit and customize content to reflect your agency's mission and philosophy
- Efficient distribution of policies, updates and training to staff
- Archival and easy retrieval of all versions of your agency's policy manual
- Mobile app provides in-the-field access to policy and training materials

### Reports

Lexipol's Knowledge Management System provides intuitive reporting capabilities and easy-to-read reports that enhance command staff meetings and strategic planning.

- Track and report when your personnel have acknowledged policies and policy updates
- Produce reports showing completion of Daily Training Bulletins
- Sort reports by agency member, topic and other subgroups (e.g., shift, assignment)
- Reduce the time your supervisors spend verifying policy acknowledgement and training completion

### Supplemental Publication Service

Lexipol's Supplemental Publication Service (SPS) streamlines the storage of your agency's content, giving you one place to access procedures, guidelines, general orders, training guides or secondary policy manuals.

- Electronically links department-specific procedural or supplemental content to your policy manual
- Provides electronic issuance and tracking for your agency's procedural or supplemental content
- Allows you to create Daily Training Bulletins against your procedural content
- Designed for standard operating guidelines, procedures, general orders or field guides

### Law Enforcement Operations Procedures



To ensure consistent, effective and safe operations, a law enforcement agency's procedures should align with its policies and be accessible in an easy-to-understand format. Lexipol's Law Enforcement Procedure Guide and Framework, based on national best practices, gives you the guidance and a template to build such a procedure manual.

- More than 40 procedure guides designed to help you ensure your procedures follow important policy requirements and national best practices
- Each procedure provides an editable template to conveniently author new content and merge existing agency content
- Procedures are aligned with Lexipol policy requirements to address the most important operations of a law enforcement agency
- Well-structured and policy-aligned procedures enhance preparation for accreditation assessments

### Agency-Specific Content Extraction

This service is perfect for agencies that wish to populate one or more Supplemental Publication Service (SPS) manuals with their existing content. We'll do the heavy lifting of incorporating your agency's supplemental content (procedures, guidelines, general orders, training guide or a secondary policy manual) into the SPS. Access to an electronic copy of your existing content and a subscription to the Supplemental Publication Service (SPS) is required.

- Data entry of agency procedures or supplemental content into Lexipol's Knowledge Management System (KMS). Note: Lexipol reserves the right to limit the amount of content being imported into the SPS.
- Consistent, professional formatting for your agency's policy-related content
- Hyperlink related content for enhanced end-user experience

### Standard Policy Cross-Reference

Making the transition to Lexipol starts with understanding how your agency's current policy content compares with Lexipol's master policy content. Our Standard Policy Cross-Reference service provides a logical method to distinguishing between the two.

- Analysis of your existing policies and procedures to identify content similar to Lexipol's state specific master content, as well as content unique to your jurisdiction and not covered within the Lexipol manual
- Your existing policies returned with annotations and tips to integrate into the Lexipol master content
- One-on-one review with your agency to discuss the cross-reference report

### Implementation Policy Tier I: High-Risk Policies

Benefit from our proven, systematic approach to implementing policies. Tier I represents about 20% of the manual, including foundational policies necessary to provide structure and authority to your policy manual, as well as policies addressing high-risk, low-frequency and high-risk, high-frequency incidents. You'll receive one-on-one collaborative assistance to help you review, customize and adopt the policies efficiently and effectively.

### Implementation Policy Tier II: High-Liability Policies

Benefit from our proven, systematic approach to implementing policies. Tier II represents about 20% of the manual, including policies that relate to common day-to-day calls for service that have a higher level of potential liability. You'll receive one-on-one collaborative assistance to help you review, customize and adopt the policies efficiently and effectively.

### Implementation Policy Tier III: Daily Operations Policies

Benefit from our proven, systematic approach to implementing policies. Tier III represents about 20% of the manual, including policies needed for orderly daily operations of your organization. You'll receive one-on-one collaborative assistance to help you review, customize and adopt the policies efficiently and effectively.

### Implementation Policy Tier IV: Defensibility Policies

Benefit from our proven, systematic approach to implementing policies. Tier IV represents about 20% of the manual, including policies essential to agency and agency member defensibility, including civil liability-related topics. You'll receive one-on-one collaborative assistance to help you review, customize and adopt the policies efficiently and effectively.

### Implementation Policy Tier V: Operational Consistency Policies

Benefit from our proven, systematic approach to implementing policies. Tier V represents about 20% of the manual, including policies needed to ensure operational consistency across your organization. You'll receive one-on-one collaborative assistance to help you review, customize and adopt the policies efficiently and effectively.

## Proposal

Prepared By: Karen James  
 Phone: (949) 325-1230  
 Email: kjames@lexipol.com

Quote #: Q-16827-4  
 Date: 1/26/2021  
 Valid Through: 7/1/2021

## Overview

Lexipol empowers first responders and their communities to best serve the needs of their residents safely and responsibly. We are the experts in policy, training and wellness support for first responders and government leaders, helping address public safety challenges and improve the quality of life for all community members. Our solutions encompass state-specific policies, online learning, behavioral health resources, funding assistance, and news and analysis, including the online digital communities Police1, FireRescue1, EMS1, Corrections1 and Gov1. The services proposed below are designed to meet your agency's specific goals and needs.

QTY	DESCRIPTION	UNIT PRICE	EXTENDED
1	Annual Law Enforcement Policy Manual & Daily Training Bulletins w/ Supplemental Publication Service w/ Procedures (12 Months)	USD 14,242.00	USD 14,242.00
	<b>Subscription Line Items Total</b>		<b>USD 14,242.00</b>
1	Law Enforcement Standard Policy Cross-Reference	USD 2,155.00	USD 2,155.00
1	Law Enforcement Agency-Specific Content Extraction	USD 2,195.00	USD 2,195.00
1	Law Enforcement Tier I Implementation	USD 6,646.00	USD 6,646.00
1	Law Enforcement Tier II Implementation	USD 3,660.00	USD 3,660.00
1	Law Enforcement Tier III Implementation	USD 3,342.00	USD 3,342.00
1	Law Enforcement Tier IV Implementation	USD 4,375.00	USD 4,375.00
1	Law Enforcement Tier V Implementation	USD 2,896.00	USD 2,896.00
	<b>One-Time Line Items Total</b>		<b>USD 25,269.00</b>
			<b>USD 39,511.00</b>
<b>TOTAL:</b>			<b>USD 39,511.00</b>

\*Law Enforcement Policy pricing is based on 29 Law Enforcement Sworn Officers. Law Enforcement Cross Reference Professional Services pricing is based on 200 pages.

## Notes

Cross Ref based on 200 pp of current content + city employee handbook.

## Discount Notes

3-Year Advance Payment Option - No rate increase until 2025 renewal if agency starts no later than July 1, 2021 with 3-year advance payment (initial invoice in July, payment due end of July 2021).

Year 1 Total: \$39,511

Year 2 Total: \$14,242

Year 3 Total: \$14,242

GRAND TOTAL 3-YEAR ADVANCE: \$67,995.

AGENDA SECTION	WORK SESSION ITEMS
MEETING DATE	JUNE 7, 2021

<b>ITEM:</b>	<b>SACA Relocation Project Update</b>									
<b>DEPARTMENT:</b>	Community Development	<b>BY/DATE:</b> Aaron Chirpich – 6/3/21								
<p><b>CITY STRATEGY:</b> <i>(please indicate areas that apply by adding a bold “X” in front of the selected text below)</i></p> <table> <tr> <td><input type="checkbox"/> Safe Community</td> <td><input type="checkbox"/> Diverse, Welcoming “Small-Town” Feel</td> </tr> <tr> <td><input type="checkbox"/> Economic Strength</td> <td><input type="checkbox"/> Excellent Housing/Neighborhoods</td> </tr> <tr> <td><input checked="" type="checkbox"/> Equity and Affordability</td> <td><input type="checkbox"/> Strong Infrastructure/Public Services</td> </tr> <tr> <td><input type="checkbox"/> Opportunities for Play and Learning</td> <td><input type="checkbox"/> Engaged, Multi-Generational, Multi-Cultural Population</td> </tr> </table>			<input type="checkbox"/> Safe Community	<input type="checkbox"/> Diverse, Welcoming “Small-Town” Feel	<input type="checkbox"/> Economic Strength	<input type="checkbox"/> Excellent Housing/Neighborhoods	<input checked="" type="checkbox"/> Equity and Affordability	<input type="checkbox"/> Strong Infrastructure/Public Services	<input type="checkbox"/> Opportunities for Play and Learning	<input type="checkbox"/> Engaged, Multi-Generational, Multi-Cultural Population
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**BACKGROUND:**

Southern Anoka County Assistance (SACA) has been working with the City for several months on plans to relocate their business operations to the City owned development site located just north of the Public Safety campus. The SACA relocation site has been integrated into a larger Planned Unit Development (PUD) site plan that has been proposed by Reuter Walton Development. The PUD includes Reuter Walton’s proposed 62-unit affordable housing community and a future development parcel for the new SACA facility.

The relocation has been prompted by SACA’s desire to expand their services and increase the capacity of their food shelf and thrift store operations. To achieve these objectives, SACA needs to build a new facility that is approximately double the size of their current location. The current SACA building is located on City owned property at 627 38<sup>th</sup> Avenue NE. SACA owns their building and they lease their site from the City. The existing land lease is set to expire in 2029. Under the terms of the lease, the City is obligated to buy SACA’s building from them when they vacate the site. To this end, staff has secured an appraisal of the building and the appraisal has rendered a value of \$280,000. A copy of the appraisal is attached to this report.

The Council recently approved a memorandum of understanding (MOU) outlining the terms of a deal with SACA to facilitate the relocation. Under the terms of the MOU, SACA will put the \$280,000 building payment received by the City towards the purchase of their new site. SACA will own their new site, rather than lease from the City. The new development site has been assigned a value of \$250,000. Therefore, the City will pay SACA an additional \$30,000 to complete the transaction.

For the SACA project to move forward, Reuter Walton needs to complete their land-use approval process. Upon successful establishment of the proposed PUD, SACA will be poised to finalize their site plans and submit application to the City for their land-use approvals. To better prepare for the next phase of the SACA project, staff would like to invite the SACA Board to the Work Session meeting to discuss the status of their relocation efforts and set benchmarks for advancing their project.

**ATTACHMENT(S):**

- 1. SACA building appraisal**

**APPRAISAL FOR  
LIGHT INDUSTRIAL BUILDING  
LOCATED AT:  
627 38TH AVENUE NE  
COLUMBIA HEIGHTS, MINNESOTA  
55421  
BUILDING ONLY VALUATION**



**PREPARED FOR  
MR. AARON J CHIRPICH, MPS  
COMMUNITY DEVELOPMENT  
DIRECTOR  
CITY OF COLUMBIA HIEGHTS  
590 40TH AVENUE NE  
COLUMBIA HEIGHTS, MINNESOTA 55421**

**PREPARED BY  
CLARKE T. GOSET  
CERTIFIED GENERAL REAL PROPERTY  
APPRAISER  
MN LICENSE #4002042**

DATE OF INSPECTION: 3/4/2021  
EFFECTIVE VALUATION DATE: 3/4/2021  
DATE OF APPRAISAL REPORT: 5/10/2021  
FILE NUMBER: 39023

APPRAISERS & CONSULTANTS

Date: May 10, 2021

Mr. Aaron J. Chirpich, MPA, Community Development Director  
City of Columbia Heights  
590 40th Avenue NE  
Columbia Heights, Minnesota 55421

RE: Restricted Use Market Value Appraisal  
Light Industrial Building Located at:  
627 38th Avenue NE  
Columbia Heights, Minnesota 55421  
**Building Only Valuation**

Mr. Chirpich,

In accordance with your request, I have completed an appraisal for the above referenced property for the purpose of estimating its probable market value in the fee simple interest for the **building only**. The property was inspected on March 4, 2021. The inspection date serves as the effective date of this valuation. The purpose and function of this valuation is for the building only valuation of the property. The land is currently owned by the city of Columbia Heights and the building is currently leased. The purpose and function is to determine the value of the structure that occupies the lease land owned by the City of Columbia Heights.

After careful consideration of the factors influencing value, in my opinion that the subject property has probable building only market value, as of the effective date of the appraisal, in the amount of:

**TWO HUNDRED EIGHTY THOUSAND DOLLARS  
(\$280,000)**

Based on the analysis contained within this appraisal the above valuation was based on the following:

<b>Extraction Method (Utilizing Market Approaches to Value):</b>	<b>\$280,000</b>
<b>Reconstruction Cost Approach:</b>	<b>\$280,000</b>

The probable building only market value is based on both approaches to value listed above. All approaches utilized are defined and explained in more detail within this appraisal report. The value stated above assumed the subject building is structurally sound. If it becomes known that the building has significant structural issues, the appraiser reserves the right to reevaluate the findings herein.

The opinion of value as expressed in this report is predicated on the definition of market value of the fee simple interest of the property as defined in a section of this enclosed report. A legal description is included in this report. This value presumes that special assessments, liens and other encumbrances, if any, are to be paid by the seller prior to transfers of the title. The calculation is contingent upon the limiting conditions included within this report.

The following written report presents the findings, analysis, and conclusions of this appraisal. We have made a complete inspection of the subject property and have fully identified the real estate in our written report. The



APPRAISERS & CONSULTANTS

report is based on information and data that has been obtained from a variety of sources which are thought to be reliable and relevant. This appraisal report is a summary appraisal. It contains a description of the property and a summary of significant factors affecting the subject market value, special conditions, adverse conditions or any extraordinary assumptions affecting its value, the methods of valuation, all applicable approaches to value and the reconciliation to the final value. This appraisal assignment is not based upon a minimum or specific valuation.

This appraisal has been completed in both compliance to, and conformance of, the Uniform Standard of Professional Appraisal Practice (USPAP), federal banking regulations and reforms as set forth by the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), and the Code of Professional Ethics of the Appraisal Institute. Information in this report was gathered from sources believed to be reliable, but is not guaranteed. This report complies with the Uniform Standards of Appraisal Practice (USPAP). The report is also intended to meet the requirements of a summary report, as defined in the Uniform Standards Rule.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. This act was passed to provide equal access to jobs and facilities for those with disabilities. Appraisers in general are not qualified to identify potential ADA requirements. Therefore we recommend that an appropriate and qualified professional firm assess the subject for ADA requirements.

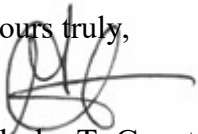
The appraisers who signed on or contributed to this report have the necessary and requisite experience in property type and geographic area to competently complete their various assignments throughout this appraisal assignment.

Personal property, sometimes known as furniture, fixtures, and equipment (FF & E), is an important factor to consider in the valuation of real estate. Our valuation is for the real estate only, and any FF & E located on the property is not included nor valued in this report. Trade Fixtures, which are considered a piece of equipment on or attached to the real estate which is used in a trade or business, if valued herein, will be address within this report.

I trust the data provided herein is clear to the reader. Should any party to the valuation have any questions on the data or its interpretation, do not hesitate to contact me.

Thank you for the opportunity to provide a service.

Yours truly,



Clarke T. Goset  
Certified General Appraiser  
Appraiser, MN License #4002042

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## METHOD ENGAGEMENT

This appraisal office was contacted by the addressee herein. The purpose and function of this appraisal is for determining the value of the building only located on the leased land owned by the City of Columbia Heights. This appraisal is for the use of the addressee only and is not intended for any other purpose. This appraisal office has not previously appraised the subject property.

## DESCRIPTION OF APPRAISAL FORMAT

The procedures in preparing this type of an appraisal report, can be divided into five basic areas:

1. Through inspection of the property
2. Collection of pertinent data
3. Analysis of the process
4. Conclusion of value
5. Preparation of report

An appraisal report should responsibly and accurately identify and analyze the sources of value in each property being appraised. Value in real estate can broadly be categorized in three areas, which are as follows:

1. As a place to live
2. As a place to earn a living
3. As an investment

The first portion of this appraisal report will include descriptive data related to ownership, property address, legal description, taxes and special assessments (if any), zoning and utilities, site description, the highest and best use of the property, and appraisal date and definition of the type of value that will be analyzed in this appraisal. The improvements will also be described. This is presented to inform the recipient of the report as to the quality and condition of improvements, and the location and potential of the property that is being appraised.

The next portion of the report is the appraisal process. There are typically three different approaches utilized in the appraisal of real estate. These are; the market approach (comparison approach), the reconstruction/replacement approach, and the income approach.

The Market Approach will be employed by a comparison analysis of sales of similar improved properties adjusting each sale for time, location, size, age, quality, condition and any other factors that appear relative to the improvements and the land.

The Replacement Cost Approach is an analysis of the cost of land as unimproved or prior to the construction of the building and improvements. This is based on a comparison of the subject land to other similar unimproved land comparable sales. This value is added to the estimated cost of constructing the improvements less the value and depreciation that may have occurred.

The Income Approach will be utilized by the estimating gross income, expenses and net income which

## DESCRIPTION OF APPRAISAL FORMAT

will be capitalized by an overall rate that will reflect economically, a value range that is passed to the subject's ability to produce income.

After the completion of these approaches, they will be correlated into a final conclusion or opinion of market value of the property as of the date of the appraisal.

The last section of this appraisal report is supporting data for the conclusions and values utilized within the report. This section includes pictures of the subject property, salient data of the comparables utilized, regional and community demographics, and economical profiles of the subject area.



## EXECUTIVE SUMMARY

*Effective Date:*                      *March 4, 2021*  
*Date of Inspection:*              *March 4, 2021*

### *Marketing Time/Exposure Time*

***9-12 Months. The marketing time and the exposure time are estimated to be similar. There is no known externalities (other than COVID-19 which is excluded from this analysis) that would/could alter the marketing time.***

As required by the Federal banking regulations and reforms set forth by FIRREA. Marketing time is the time period needed to sell the building. A number of economic forces effect marking time such as the number of competitive listings in the area and the availability of financing.

Valuation of the subject site is based on cash equivalency market value. The marketing time fames assumes “typical” market terms, which would include average current mortgage rates with average points, a 65%-75% loan-to-value ratio, and sales commissions of 6%-7% of the total sale price. The primary market area would be assumed to include the nine-county metropolitan area.

### *Purpose of the Appraisal*

The purpose of this appraisal report is to estimate the probable market value of the fee simple interest in the subject real estate, in accordance with the appraisal policies and procedures set forth by the intended users of this report. The opinion of market value is stated in terms of cash or financing equivalent to cash. **The purpose of this appraisal for internal usage only by the addressee for decisions relating to city planning. This appraisal is for the usage of the addressee only and is not to be utilized to procure financing.**

### *Function of the Appraisal*

The function of this appraisal is to provide the intended user of this report with a valuation estimate which is to be **NOT** utilized in encumbering the real estate. The function of the appraisal is for decisions relating city planning.

## EXECUTIVE SUMMARY

### *Sales History*

Per information posted on the Regional Multiple Listing Service, the below is the last noted sales history.

LAST MARKET SALE & SALES HISTORY	
Owner Name	Columbia Heights City Of
Recording Date	06/01/1983
Buyer Name	Columbia Heights City Of
Document Type	Deed (Reg)

## EXECUTIVE SUMMARY

### ***USPAP Compliance***

This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as set forth by the Appraisal Foundation.

### ***Property Rights Appraised***

The subject real estate will be appraised by estimating the market value of the fee simple interest of the real estate. For use in the report, the market value for the fee simple interest in the real estate is subject to the following definition: “*The fee simple interest is an absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate*”.

### ***Client and Intended User of this Report***

The addressee is the intended user of this report. The appraisers have been requested to offer an opinion of the market value of the referenced property. This appraisal is not to be distributed to other than the client and the intended user of this report without consent of the signing appraisers of this report.

### ***Scope of Work***

Defined as the amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

The degree to which the property is inspected or identified; The extent of research into physical or economic factors that could affect the property; the extent of data research; and the type and extent of analysis applied to arrive at opinions and conclusions.

An appraisal is a process of estimating the market value of real property, as defined herein, as of a specific date for the interest specified in the report. Information provided by the client is not generally verified, but is believed to be correct and reliable.

Legal descriptions, community and neighborhood, site and tax information are generally gained from public records or published sources as well as from individuals believed to be familiar with the area. The plat is gained from the public records unless a survey is provided.

All possible appraisal techniques are not necessarily used, only those believed to be most appropriate for this type of property. The appraisal techniques used are considered those more appli-

## EXECUTIVE SUMMARY

cable in this appraisal process and are intended to meet or exceed the standards, ethics and rules of the Uniform Standards of Appraisal Practice.

Comparable property data is confirmed with a party familiar with the transaction and/or public records as reasonably possible. Research and information of this type is usually limited to one source, unless reasonable doubt is experienced. Accuracy, of course, cannot be guaranteed. Analytical conclusions are only those of the appraisers signing the report. The value estimated of the subject property is made giving full consideration to the various factors affecting value.

The appraisal is intended for persons, or firms, familiar with real estate and real property, and familiar with appraisal terminology, methodology and reporting. If any questions arise about the appraisal, its use, terms, scope, research, or analytical methodology used, the signing appraisers should be contacted.

The intended users of this report are identified as sophisticated in real property analysis and such a summary appraisal is deemed adequate. The intended use of this report is for the addresses only, as the sole user of this report.

### *Highest and Best Use*

The Highest and Best Use, as defined by various publications of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers is considered as follows. The four stages of analysis and the subsequent tests are, in our opinion, pertinent to the current requirements placed on the professional appraiser.

“the most profitable, likely use to which a property can be put. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonable near future. However, elements affecting value which depend upon events or combinations of occurrences, which are not fairly shown to be reasonably probable should be excluded from consideration. Also, if the intended use is dependent upon an uncertain act of another person, the intention cannot be considered”.

“that use of the land which me reasonably be expected to produce the greatest net return to land over a given period of time. The legal use which will yield to the land the highest present value, sometimes called ‘optimum use’”.

In estimating the highest and best use, there are essentially four stages of analysis”

1. Possible Use: To what use is it physically possible
2. Permissible Use (Legal): What uses are permitted by zoning and deed restrictions
3. Feasible Use: Which possible and permissible uses will produce any net return

## EXECUTIVE SUMMARY

4. Highest and Best Use: Among the feasible uses, which use will produce the highest net return or the highest present worth.

The highest and best use of the land (or site), if vacant and available for use, may be different from the highest and best use of the improved property. This will be true when the improvement is not an appropriate use and yet makes a contribution to the total property value in excess of the value of the site.

The following test must be passed in determining the highest and best use”

1. The use must be legal
2. The use must be probable, not speculative or conjectural
3. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time.

Given the subject’s location, zoning and physical features, the site is clearly oriented to some type of commercial use(s). The current zoning ordinances permit a variety of uses mainly oriented to neighborhood commercial development. The subject site appears well suited to such uses up to the density permitted by its size/area. **Ultimately, we estimate the highest and best use of the subject site, as if vacant, to be for industrial oriented development.**

The improvements essentially represent conventional construction. They are generally well designed and well built with significant remaining economic life. The property is well suited to its current use and represent a good commercial location. **Therefore, we estimate the highest and best use of the subject property, as improved, to be for continued use as it is currently.**



## EXECUTIVE SUMMARY

### *Market Value Defined*

Market value as used in this appraisal is defined as follows: A type of value, states as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. 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: *Buyer and seller are typically motivated; Both parties are well informed or well advised, and acting in what they consider their own best interests; A reasonable time is allowed for exposure in the open market; Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 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.*

### *Environmental Disclaimer*

No environmental impact studies or soil analysis were requested in reviewed in conjunction with this appraisal, and the appraisers hereby reserve the right to alter, amend, revise or rescind any of the value, opinions based upon any subsequent environmental impact studies, research or investigation and/or soil conditions.

In this appraisal assignment, the existence of potentially hazardous material used in the construction on maintenance of buildings, (such as the presence of urea formaldehyde foam insulation, asbestos, and/or the existence of substances above or below ground level such as toxic waste, radon gas, ect.) and / or of any other environmental influence that may adversely affect the value of the property or the health of the inhabitant of the property, was not observed by use, nor do we have any knowledge of the existence of subject materials/substances/influences on or in the property.

The appraisers, however, is not qualified to detect subject materials/substances/influences. The existence of any potentially hazardous material or toxic waste may have any effect on the value of the property. Naturally, no responsibility is assumed by this office or appraisers for the existence of any materials of this type.

The opinion of value in this appraisal is based on the assumptions as they may, or not pertain to the subject property. This appraisal assumes that:

1. The sanitary waste is disposed of by a municipal sewer or a proper alternated treatment system in good functional condition.
2. All fuel is dispensed and stored in accordance to all federal and other governmental regula-

## EXECUTIVE SUMMARY

tion standards.

3. There is an adequate supply of safe, lead-free drinking water
4. The subject property has no apparent signs of soil contaminants
5. The radon level is at or below EPA recommend levels
6. There is no hazardous waste on the property and there are no hazardous wastes sites near the subject property that negatively affect the value or safety of the property
7. Any functioning underground storage tanks are not leaking and are properly registered
8. Any abandoned U.S.T.'s are free from contaminations and were property drained, filled and sealed.
9. There is no significant UFFI insulation or other UREA formaldehyde material on the property
10. There is no apparent visible or known documented evidence of flaking or peeling lead paint on the property
11. The property is free of significant air and / or noise pollution
12. There is no uncontained friable asbestos or other hazardous asbestos material on the property
13. There is no apparent leaking florescent light ballasts, capacitors or transformers anywhere on or nearby unless noted
14. There are no known geological hazards
15. There is no known medical wastes, pesticides or agricultural pollution on the site
16. There is no known storage of chemical products, storage drums, radiation or electromagnetic radiation

### *Extraordinary Assumptions*

As defined as an assumption, directly related to a specific assignment, which if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

The legal description used in this report is assumed to be correct.

The appraiser has made no survey of this property and no responsibility is assumed in connection with such matters. Sketches and photographs in this report are included only to assist the reader in visualizing the property.

No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, the appraiser assumes no responsibility for its accuracy.

## EXECUTIVE SUMMARY

All mortgages, liens, encumbrances, leases, and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover them.

It is assumed that there is full compliance with all applicable federal, state, local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined or considered in the appraisal report.

It is assumed that all required licenses, consents and other legislative and administrative authority from any local, state, national governmental, private entity, or organization have been or can be obtained or renewed for any use on which the value estimated contained in this report is based.

It is assumed that the utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

The appraisers have no knowledge of abandoned wells or of the existence of hazardous material that may or may not be present in the property. The appraiser is not qualified to detect such substances and urges the client to retain an expert in the field prior to any legal transaction on the property. The value expressed in the appraisal report assumes no presence or existence of this type of contamination.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and law unless non-compliance is stated, defined and considered in the appraisal report.

The appraiser was not aware of the presence of soil contamination on the subject property, unless otherwise noted in this appraisal report. The effect upon market value, due to contamination was not considered in this appraisal, unless otherwise stated.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge

## EXECUTIVE SUMMARY

of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

### *Hypothetical Condition*

As defined as that which is contrary to what exists but is supposed for the purpose of analysis. hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.

### *Requisites of the Appraisal*

The following requisites are certified as being met to the best of my understanding in terms of the documentation presented herein.

This appraisal conforms to the generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board (ASB) of the Appraisal Foundation.

This appraisal is written and contains sufficient information and analysis to support the decision of the underwriter of this project to engage in the transaction.

The appraisal is based upon the definition of market value

This appraisal is performed by a certified general appraiser in accordance with requirements under Title XI of FIRREA.

The current legal description for the subject parcel is supplied in the documentation

USPAP requirements are herein attested that this appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan, and restated in the terms and limiting conditions of the appropriate tabbed section of this appraisal. Highest and best use of the land is judged as its current use.

The appraised valuation herein is further contingent upon the following conditions:

## EXECUTIVE SUMMARY

All necessary governmental approvals for appropriate development being granted within a normal time frame; No adverse physical site problems such as, but not restricted to, pollution, contamination or unreliable sub-soil conditions; No adverse title or ownership obstructions; Competent project management; Continued normal underlying economic and demographic conditions. The value stated for the buildings is based on its present usage, or highest and best use if specified, ownership and management, no other alternate use was factored for this valuation. Its present value is based on the anticipated continued basis as is.

### *Certification*

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limited conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- Our analyses, opinions, and conclusions were developed, and this report had been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP).
- I, Clarke T. Goset, have made a personal inspection of the property that is the subject of this report.
- I, Kimberly A. Block, have not made a personal inspection of the property that is the subject of this report but have contributed significantly to this report and its findings.



## EXECUTIVE SUMMARY

### *General Limiting Conditions*

The appraiser will not be required to give any testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangement have been previously made.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

Neither all or any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser, nor shall the appraiser, firm or professional organization of which the appraiser is a member, be identified without written consent of the appraiser.

Acceptance of and/or use of this appraisal report constitute acceptance of the foregoing general assumptions and general limiting conditions.

### *Americans with Disabilities Act*

The Americans with Disabilities Act (ADA) has an impact of owners, tenants and lenders having an interest in real property. The ADA, signed into law on 7/26/1990, is a comprehensive civil rights law designed to protect the rights of the disabled in the areas of employment, public transportation, communications and public accommodations.

Most privately owned commercial buildings are public accommodations and my be in compliance by 1/26/1992. Private employers must also conform to the ADA by 7/26/1992, if they employ 25 or more employees, or by 7/26/1994, if they employ 15 or more employees.

Commercial buildings covered by ADA include those providing sales, rentals, services, exhibitions, entertainment, recreations, displays, social services and educational instruction.

An existing building must be totally accessible and usable to the disabled, only those modifications which are not "readily achievable" are excepted. A new building completed after 1/26/1993, must comply to ADA and any alterations to an existing building must comply with ADA to the maximum extent possible.

The guidelines require accessibility for those confined to wheelchairs and those with sight, hearing and other impairments. ADA sets minimum standards for accessibility to include, but nit limited to, routes of travel, entrances, doors, ramps, stairs, floor surfaces, restrooms, and phones.

## EXECUTIVE SUMMARY

The Act also requires the removal of barriers such as protruding or overhanging objects and installations of visual alarms.

The appraisers are not qualified to determine a buildings compliance with ADA. It is highly recommended that those having an interest in real property be familiar with the statute, its regulations and current interpretations, or hire an expert in this field to determine a building's compliance.

### *Licenses, Permits, or Franchises*

This valuation does not include any Licenses, Franchises, or other permits, unless specifically stipulated in the report.

## DESCRIPTION OF SUBJECT PROPERTY- OVERVIEW

SOURCE: REGIONAL MULTIPLE LISTING SERVICE

627 38th Ave Ne, Columbia Heights, MN 55421-3806, Anoka County

	Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
	N/A	6,500	20,490	N/A
	Baths	Yr Built	Type	Sale Date
	N/A	1999	MUNI PROP	N/A

OWNER INFORMATION			
Owner Name	Columbia Heights City Of	Taxpayer ZIP+4	3835
Taxpayer Address	590 40th Ave Ne	Taxpayer Carrier Route	C027
Taxpayer City and State	Minneapolis, MN	Owner Occupied	No
Taxpayer Zip	55421		

LOCATION INFORMATION			
Municipality	Columbia Heights	School District	013
Zip Code	55421	Section #	35
Carrier Route	C006	Township #	30
Census Tract	514.00	Range #	24
Subdivision	Columbia Heights Annex	Quarter	SE
Lot	40	Quarter-Quarter	SW
Block	84	Neighborhood Code	Columbia Heightsc/I-005
School District Name	Columbia Heights		

TAX INFORMATION			
PID#	353024430009	% Improved	83%
PID	<a href="#">35-30-24-43-0009</a>	Exemption(s)	Municipal/City-Cty-State
Legal Description	COLUMBIA HEIGHTS ANNEX TO MINNEAPOLIS ANOKA COUNTY, MINNESOTA LOTS 40, 41, 42 & 43 B LK 84 COL HTS ANNEX INCL PT OF VAC ALLEY LYING ADJACENT T HERETO		

ASSESSMENT & TAX			
Assessment Year	2019	2018	2017
Estimated Mkt. Value - Total	\$357,400	\$367,000	\$329,700
Estimated Mkt. Value - Land	\$61,500	\$58,600	\$58,600
Estimated Mkt. Value - Building	\$295,900	\$308,400	\$271,100
Taxable Mkt. Value - Total		\$367,000	\$329,700
Taxable Mkt. Value - Land		\$58,600	\$58,600
Taxable Mkt. Value - Building		\$308,400	\$271,100
YOY Taxable Mkt. Value Chg (\$)		\$37,300	
YOY Taxable Mkt. Value Chg (%)		11.31%	

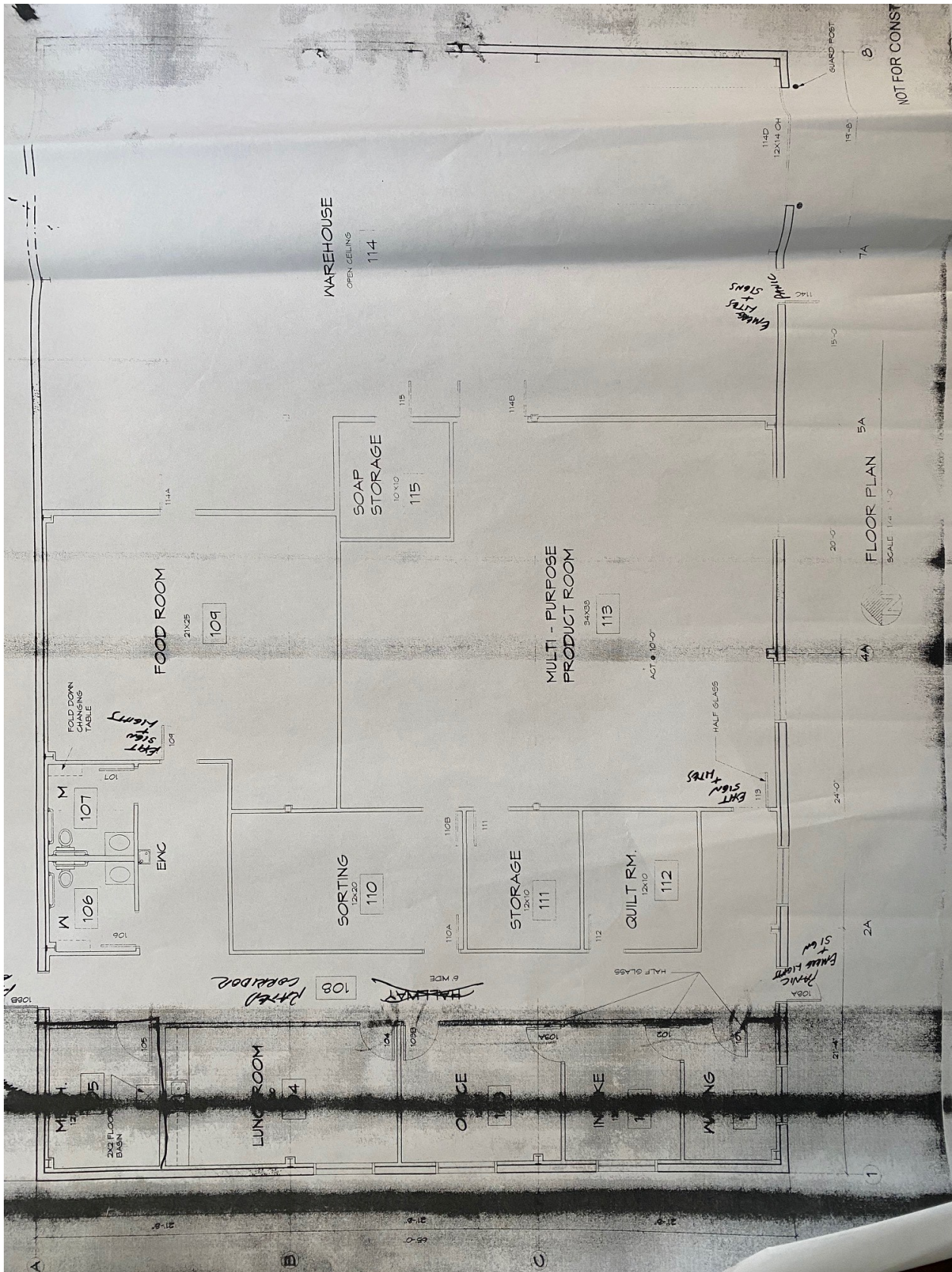
Payable Tax Year	Total Tax	Change (\$)	Change (%)
2018	\$69		
2019	\$69	\$0	0%
2020	\$69	\$0	0%

CHARACTERISTICS			
Lot Acres	0.4704	Finished Sq Ft	6,500
Lot Sq Ft	20,490	Total Building Sq Ft	6,500
Land Use - County	Exempt - Municipal Other	Exterior	Concrete Block
Land Use - CoreLogic	Municipal Property	Construction	Metal
# of Buildings	1	Cooling Type	Package
Stories	1	Heat Type	Package
Year Built	1999	Ceiling Height	16
Effective Year Built	1999	Building Comments	Low Class S Whse.

FEATURES	
Feature Type	
Office Adjustment - Industrial	
Asphalt	



## DESCRIPTION OF SUBJECT PROPERTY- OVERVIEW





**DOOR AND FRAMESCHEDULE**

DOOR#	DOOR	SIZE	CONSTRUCTION	FRAME	GLASS	GLASS TYPE	GLASS COLOR	GLASS FINISH	GLASS TREATMENT	GLASS NOTES
101	101	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
102	102	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
103A	103A	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
103B	103B	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
104	104	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
105	105	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
106	106	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
107	107	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
108	108	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
109	109	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
110	110	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
111	111	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
112	112	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
113	113	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
114	114	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
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137	137	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
138	138	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
139	139	3'0" x 7'0"	WOOD C	YES	HM	1	1	1	1	1
140	140	3'0" x 7'0"	WOOD C	YES						



[illegible]



[illegible]



# CODE ANALYSIS

OCCUPANCY TYPE : S1  
CONSTRUCTION TYPE : IIB  
ALLOWABLE AREA : 22,000

ACTUAL AREA :

4,578 ±  
600 E.F.S.  
6,179

SPRINKLED BLDG. NO. OF CHARGES

OCCUPANT LOAD : 487.9

32.00

EXITS REQUIRED :

32.00  
32 x 2  
31' x 2  
TRAFFIC

TOILET FIXTURES REQUIRED

1 M.C. 1 L.A.

EXTERIOR FIRE WALL RATING

NONE

DRIVE IN DOOR TO BE USED TO DROP OFF PRODUCTS IN WAREHOUSE

NO STORAGE ALLOWED INSIDE BUILDING

ZONING & SITE ANALYSIS  
ZONED R3

LOT SIZE - 150.5 X 39 = 20,317.5 SF

BUILDING SIZE : 65 X 100 = 6,500 SF

BUILDING COVERAGE OF LOT = 30%

TRASH ENCLOSURE : INSIDE BLDG

SET BACK REQUIREMENTS :

	REQD	ACTUAL
FRONT MADISON PLACE	30'-0"	20'-0"
SIDE	30'-0"	20'-0"
REAR	20'-0"	30'-6"

SIGNAGE REQUIREMENTS :

32 SF MAX SIZE @ 0' ABOVE GRADE MAX HEIGHT

LANDSCAPE REQUIREMENTS - NONE

APPROVED

THIS DAY OF SEPTEMBER 1991  
*[Signature]*  
CITY ENGINEER  
NO CHANGES MADE WITHOUT THE APPROVAL OF THE CITY ENGINEER'S OFFICE  
CONTRACTOR IS SUBJECT TO FIELD INSPECTION

SITE PLAN  
SCALE 1"=20'

PUBLIC WORKS BUILDING  
APPROVED SUBJECT TO

FINAL INSPECTION

*[Signature]*

DATE 8-2-91

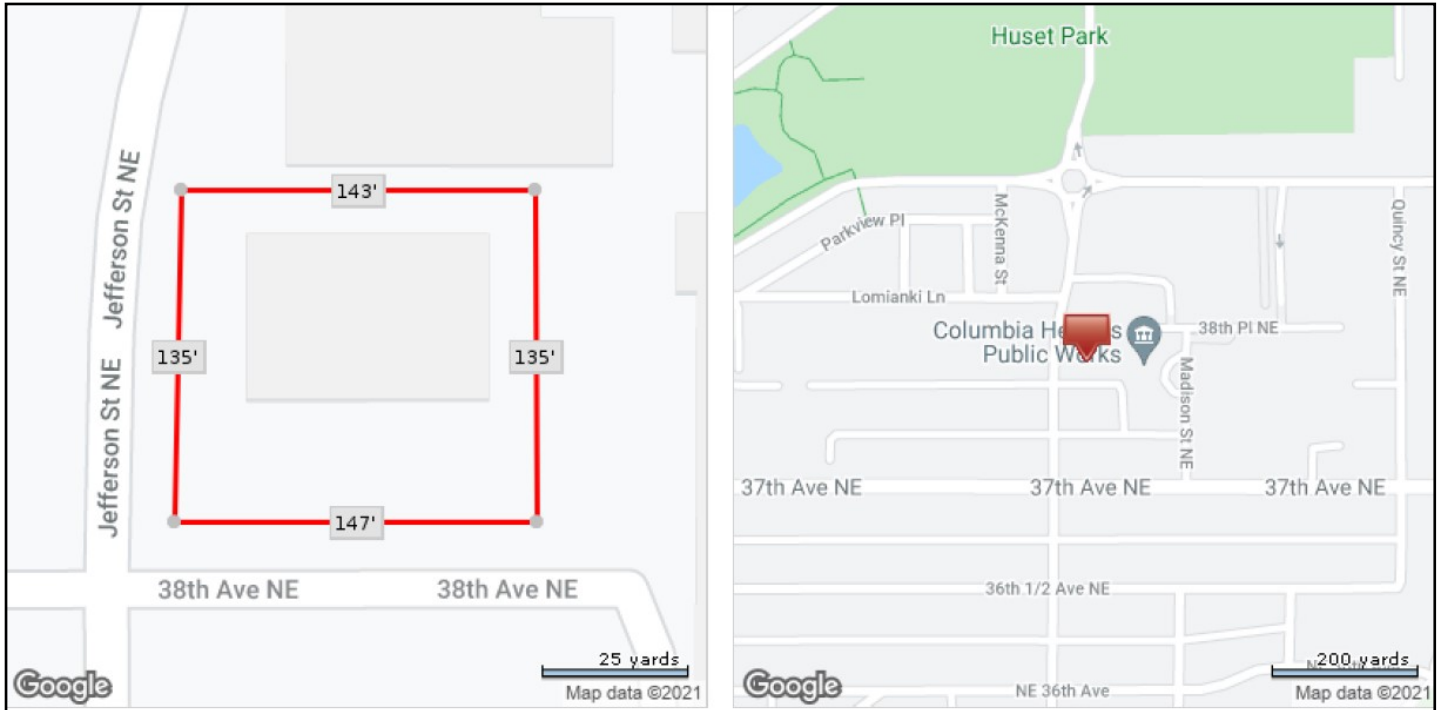
MADISON PLACE

38 AVE N.E.

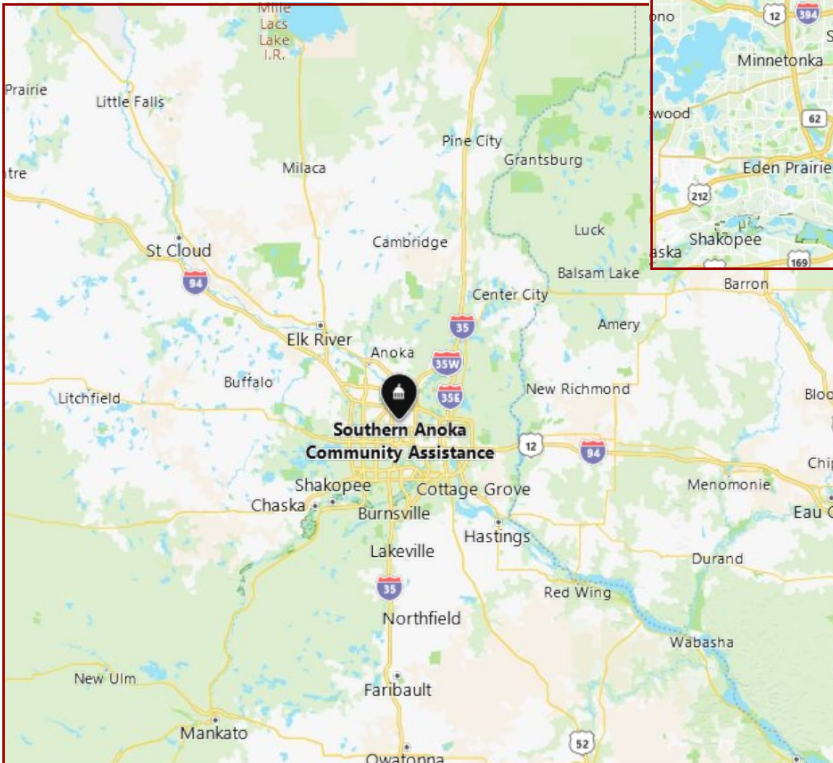
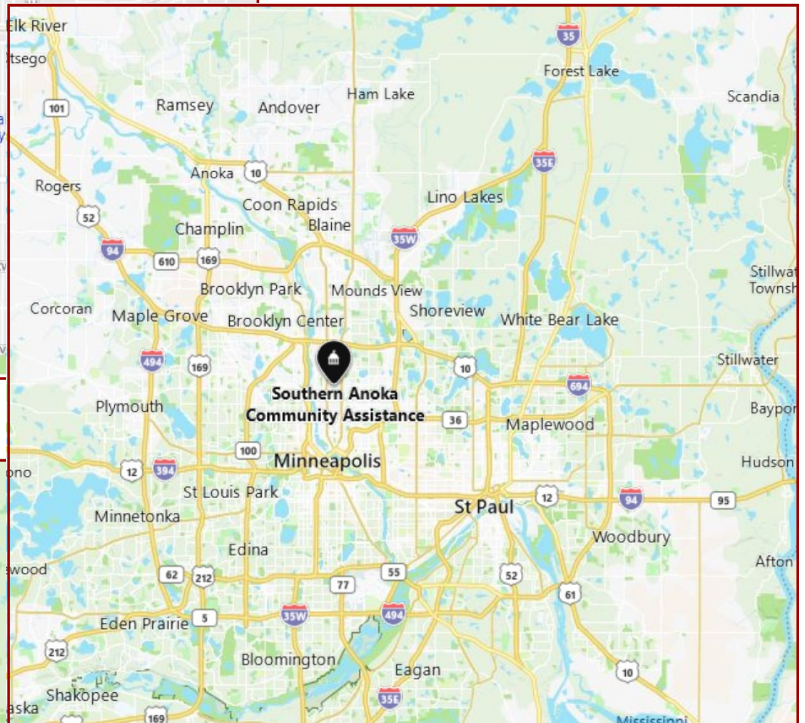
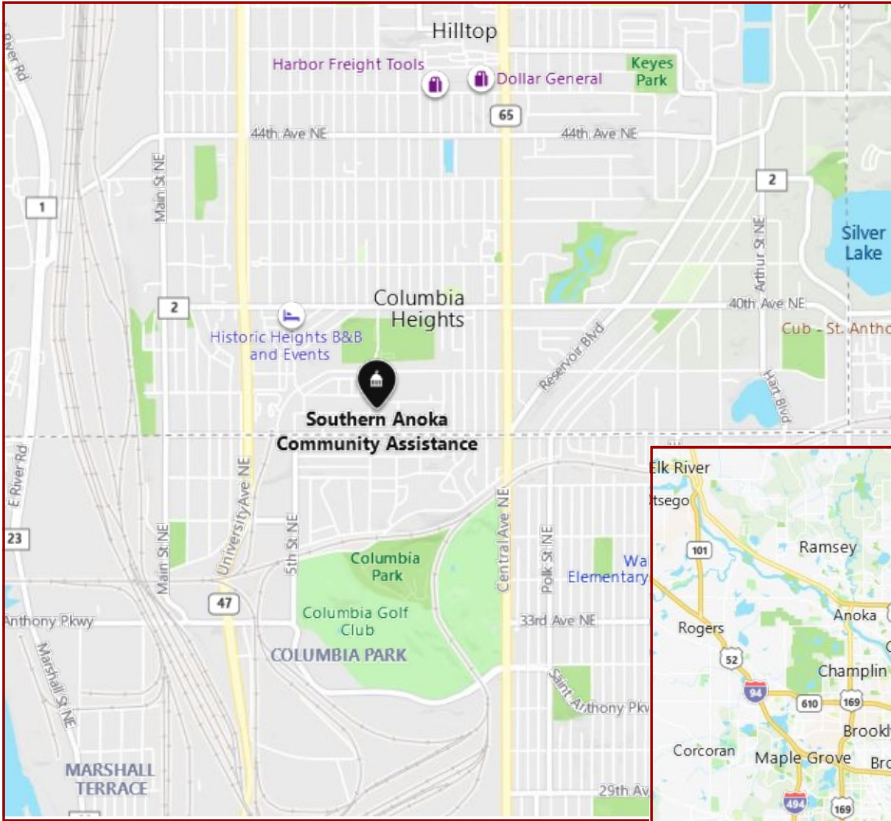
NOT FOR CONSTRUCTION



## DESCRIPTION OF SUBJECT PROPERTY- PLAT MAPPING



# LOCATION MAPPING





## ZONING INFORMATION





# MARKET INFORMATION

## Overview

### North Central Industrial

12 Mo Deliveries in SF

**436K**

12 Mo Net Absorption in SF

**150K**

Vacancy Rate

**3.3%**

12 Mo Rent Growth

**2.7%**

North Central's massive inventory base of 65.7 million square feet places it among the nation's largest industrial submarkets.

The recent instability hasn't made a huge impact on the vacancy rate (3.3%), which has only edged up slightly in the past 12 months. Net absorption over the past year clocked in at about 150,000 SF, in the green but well below the five year annual average of 600,000 SF.

Rents increased by 2.7% over the past 12 months, the strongest rate of rent growth observed in North

Central in more than five years.

There is 400,000 SF underway in North Central, representing a 0.6% expansion of the existing inventory. This represents a continuation of new development in the submarket, which had already seen 1.7 million SF deliver over the past three years.

Industrial properties traded with regularity last year, consistent with the generally high level of activity over the past three years.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	23,928,245	4.2%	\$6.33	6.4%	(33,468)	0	400,000
Specialized Industrial	30,028,802	1.7%	\$6.32	3.5%	(9,808)	0	0
Flex	11,735,376	5.8%	\$8.05	9.6%	(5,128)	0	0
<b>Submarket</b>	<b>65,692,423</b>	<b>3.3%</b>	<b>\$6.63</b>	<b>5.7%</b>	<b>(48,404)</b>	<b>0</b>	<b>400,000</b>

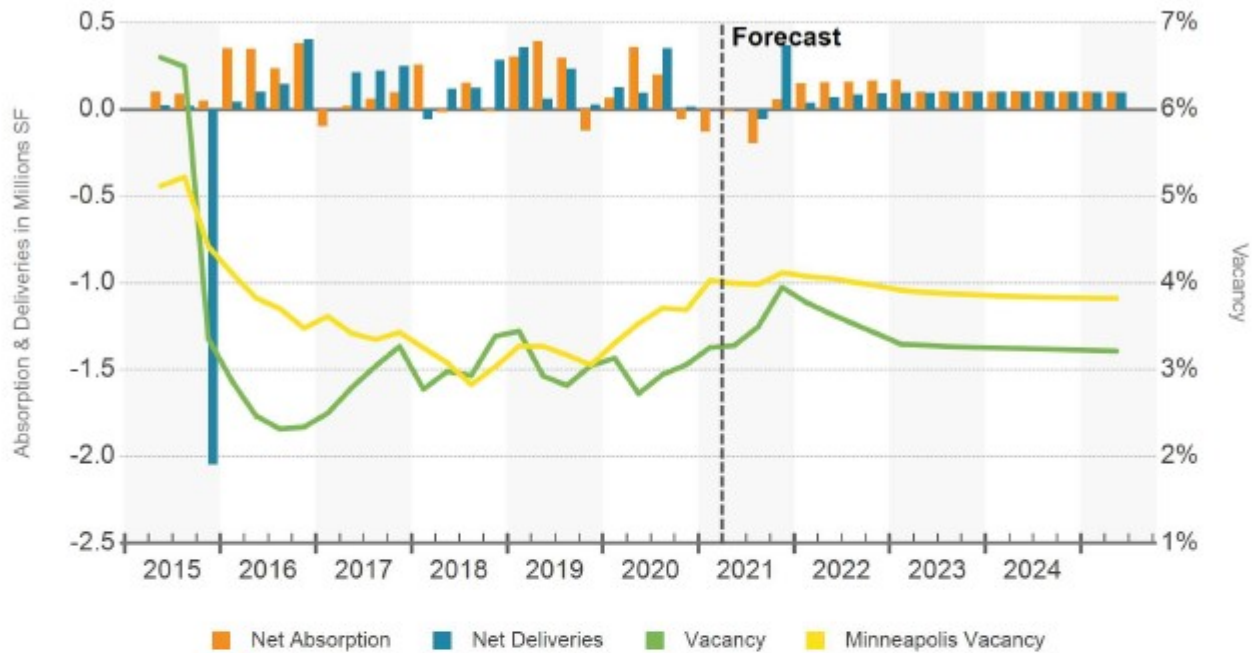
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	5.3%	3.4%	8.2%	2006 Q1	2.3%	2016 Q3
Net Absorption SF	150K	282,841	321,313	1,311,416	2008 Q1	(1,861,648)	2010 Q3
Deliveries SF	436K	433,443	575,369	984,433	2018 Q1	0	2010 Q4
Rent Growth	2.7%	0.6%	2.1%	3.0%	2007 Q1	-4.8%	2010 Q1
Sales Volume	\$165M	\$133.1M	N/A	\$365.7M	2019 Q4	\$24.8M	2010 Q3

# MARKET INFORMATION

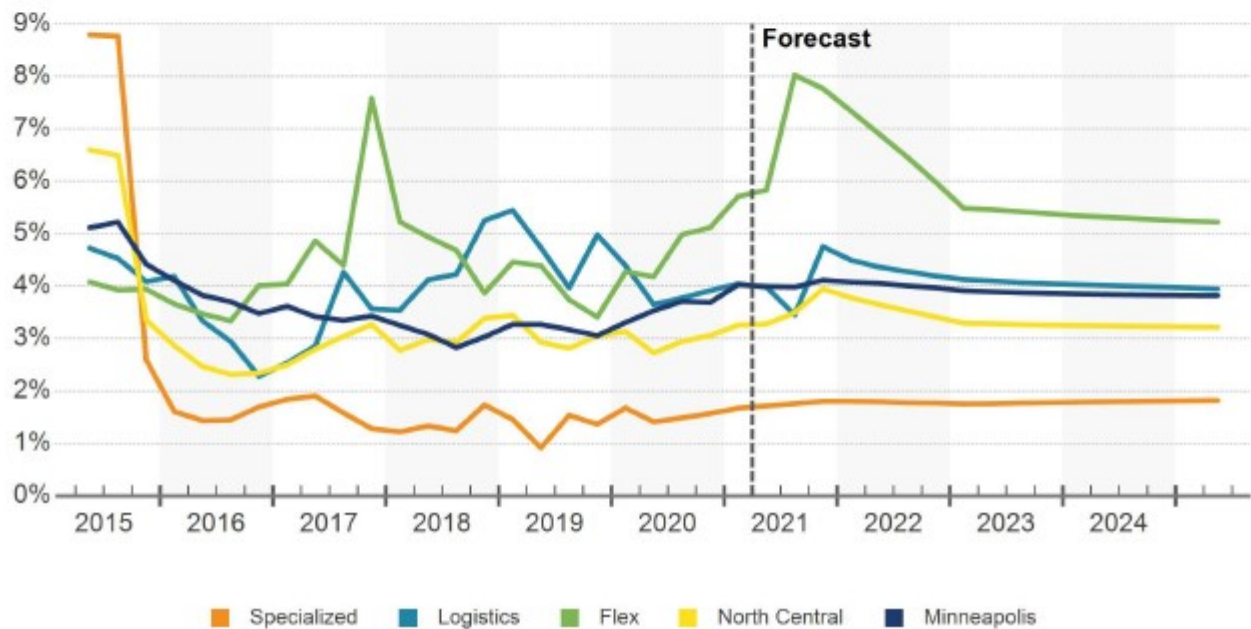
## Leasing

North Central Industrial

### NET ABSORPTION, NET DELIVERIES & VACANCY



### VACANCY RATE

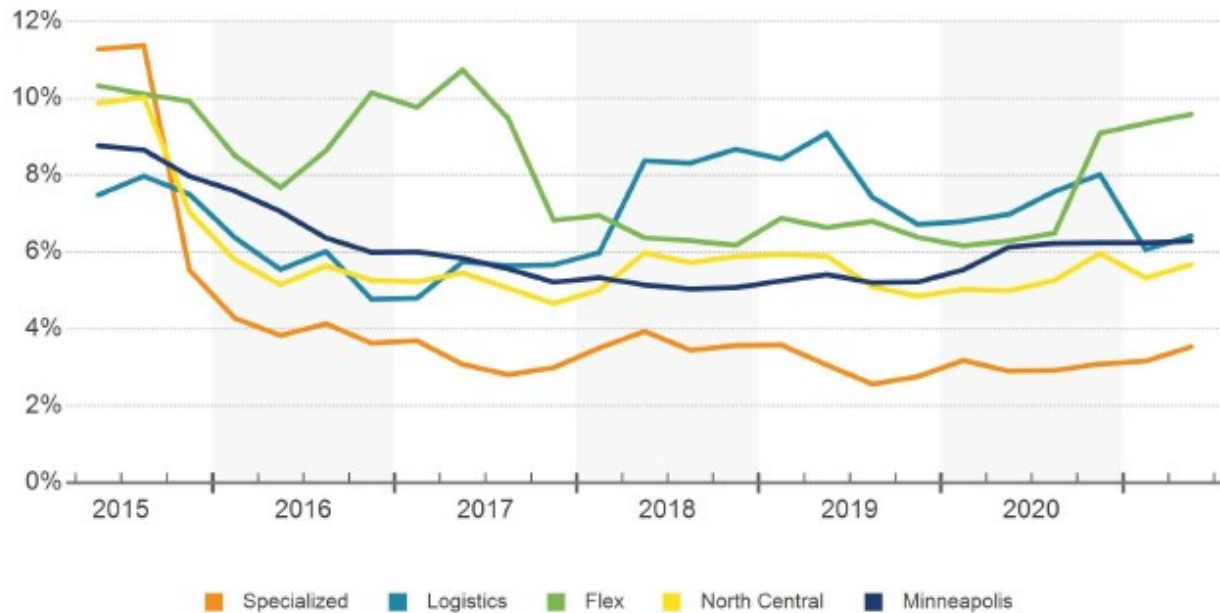


## MARKET INFORMATION

## Leasing

## North Central Industrial

## AVAILABILITY RATE



## 4 &amp; 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
Space Center Arden Hills 2 1987-2071 Gateway Blvd	★★★★★	104,534	1	22,524	8.6%	28,530
Vadnais Heights Business Ce... 980 Berwood Ave E	★★★★☆	98,190	2	19,693	10.0%	19,594
Mounds View Business Park... 2270-2280 Woodale Dr	★★★★☆	144,783	1	20,514	0%	10,941
2016 Gateway Cir	★★★★☆	27,550	1	1,400	0%	0
Centerville Building 4280-4290 Centerville Rd	★★★★☆	38,080	2	9,320	2.4%	0
Highcrest Distribution Center 2280 Walnut St	★★★★☆	129,655	1	66,245	0%	0
Northern Stacks III 42 E Northern Stacks Dr	★★★★☆	213,117	1	97,984	0%	0
Northern Stacks VI 40 51st Way NE	★★★★☆	120,600	1	25,738	0%	0
Northern Stacks I 41 E Northern Stacks Dr	★★★★★	213,117	1	50,000	0%	0
Rice Creek Business Center I 5910 Rice Creek Pky	★★★★☆	114,103	1	11,344	2.0%	(8,050)
Northern Stacks IV 44 Northern Stacks Dr N	★★★★☆	177,600	1	42,994	47.3%	(87,749)



## MARKET INFORMATION

## Leasing

## North Central Industrial

## 3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
<b>River Tech Workplace I</b> 5301 E River Rd	★★★★★	101,740	1	13,193	5.2%	13,108
<b>Oakcrest Industrial Center</b> 1925 Oakcrest Ave	★★★★★	43,200	3	16,800	12.2%	11,840
<b>Energy Business Park</b> 7101 NW 143rd Ave	★★★★★	73,774	2	16,776	11.0%	10,440
<b>Interstate Corporate Center</b> 550-600 County Road D W	★★★★★	84,272	3	8,013	7.8%	1,507
<b>255 E Roselawn Ave E</b>	★★★★★	28,020	2	5,860	9.9%	390
<b>New Brighton Corporate Center</b> 2100-2112 Old Highway 8	★★★★★	97,750	1	40,320	41.2%	0
<b>1449-1471 NW 1st Ave</b>	★★★★★	63,030	2	18,506	3.9%	0
<b>13950 Radium St NW</b>	★★★★★	31,600	2	10,872	0%	0
<b>1136 114th Ln NW</b>	★★★★★	21,574	2	7,822	0%	0
<b>Evergreen II</b> 9405 Holly St NW	★★★★★	30,383	1	1,000	1.3%	(1,000)
<b>Ramsey Business Park</b> 6250 Bunker Lake Blvd	★★★★★	62,733	4	9,015	3.5%	(1,452)
<b>Rush Lake Business Park</b> 1775 Old Highway 8 NW	★★★★★	38,625	3	17,988	53.6%	(2,914)
<b>380 Oak Grove Pky</b>	★★★★★	41,334	2	14,761	21.4%	(3,472)
<b>River Tech Workplace IV</b> 5155 E River Rd	★★★★★	70,011	2	6,102	6.3%	(5,045)
<b>Lakeview Business Campus VI</b> 575 SW Old Highway 8	★★★★★	48,000	1	24,057	47.0%	(7,513)
<b>452 Northco Dr</b>	★★★★★	65,307	1	7,115	16.0%	(19,313)
<b>Blaine Crossings III</b> 1200-1268 98th Ave NE	★★★★★	43,200	2	35,991	26.6%	(24,373)
<b>Lakeview Business Campus IV</b> 601 Campus Dr	★★★★★	87,750	2	46,074	58.5%	(25,276)
<b>1100 McKinley St</b>	★★★★★	56,000	1	28,000	20.0%	(28,000)
<b>Blaine Industrial Center I</b> 8720-8786 W 35 W Service Dr	★★★★★	91,879	2	35,828	23.4%	(35,828)

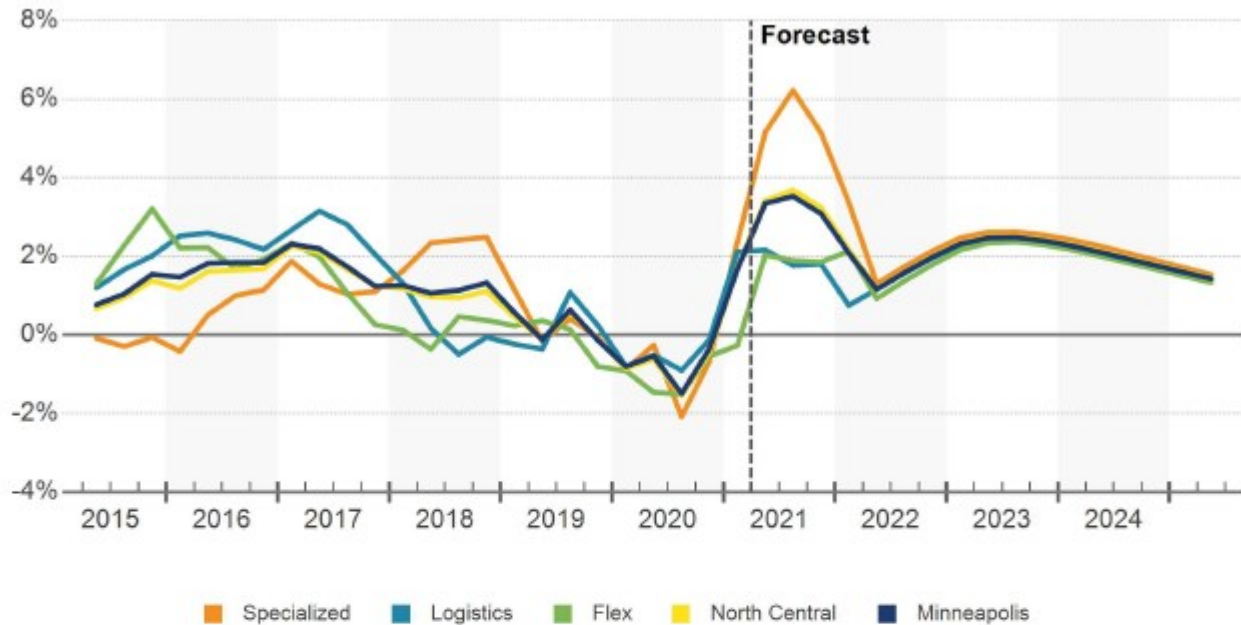


# MARKET INFORMATION

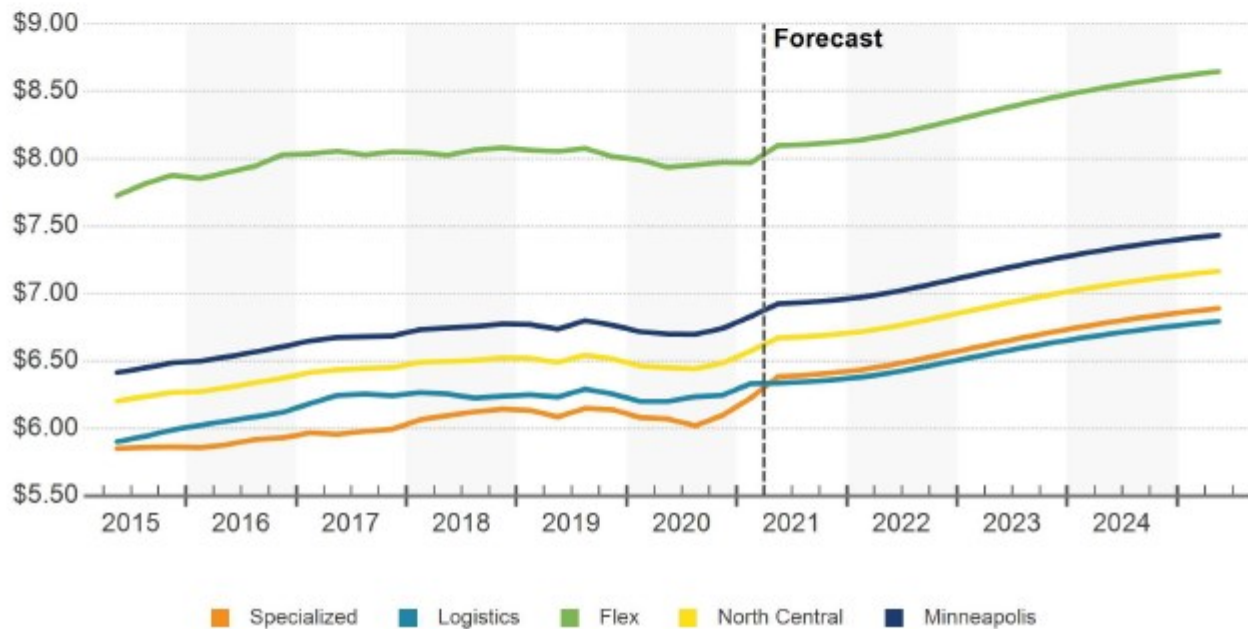
## Rent

### North Central Industrial

#### MARKET RENT GROWTH (YOY)



#### MARKET RENT PER SQUARE FEET

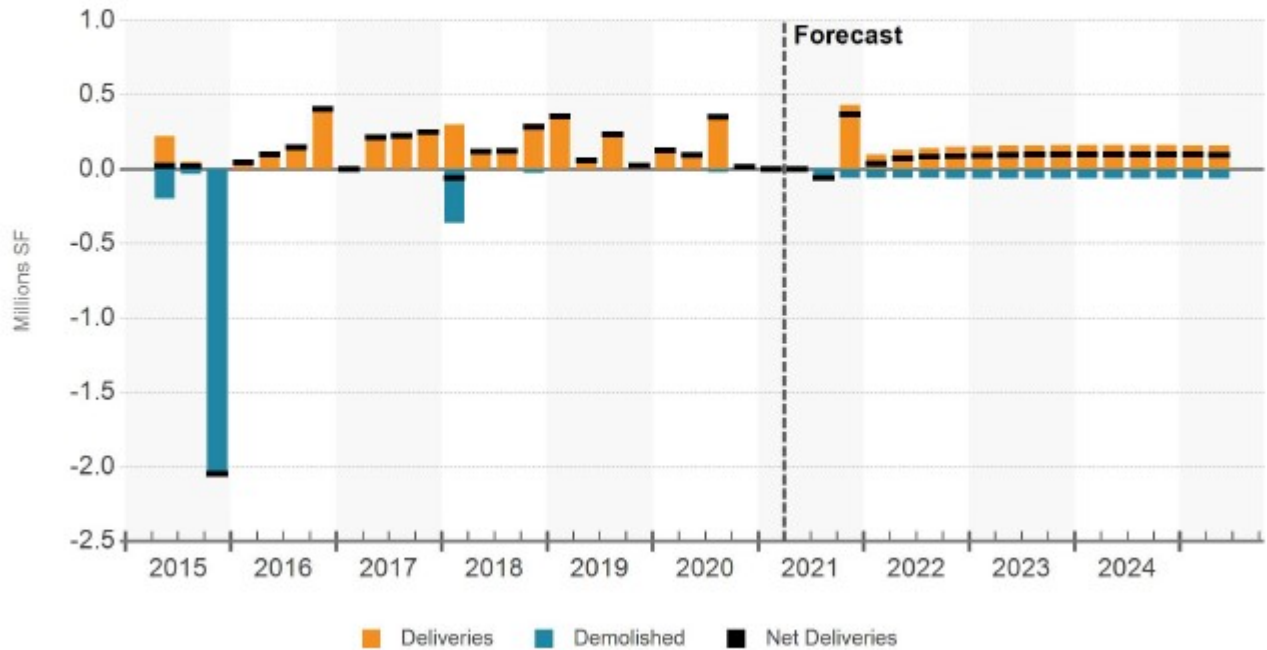


# MARKET INFORMATION

## Construction

### North Central Industrial

#### DELIVERIES & DEMOLITIONS



# MARKET INFORMATION

## Construction

### North Central Industrial

All-Time Annual Avg. Square Feet

385,772

Delivered Square Feet Past 8 Qtrs

918,842

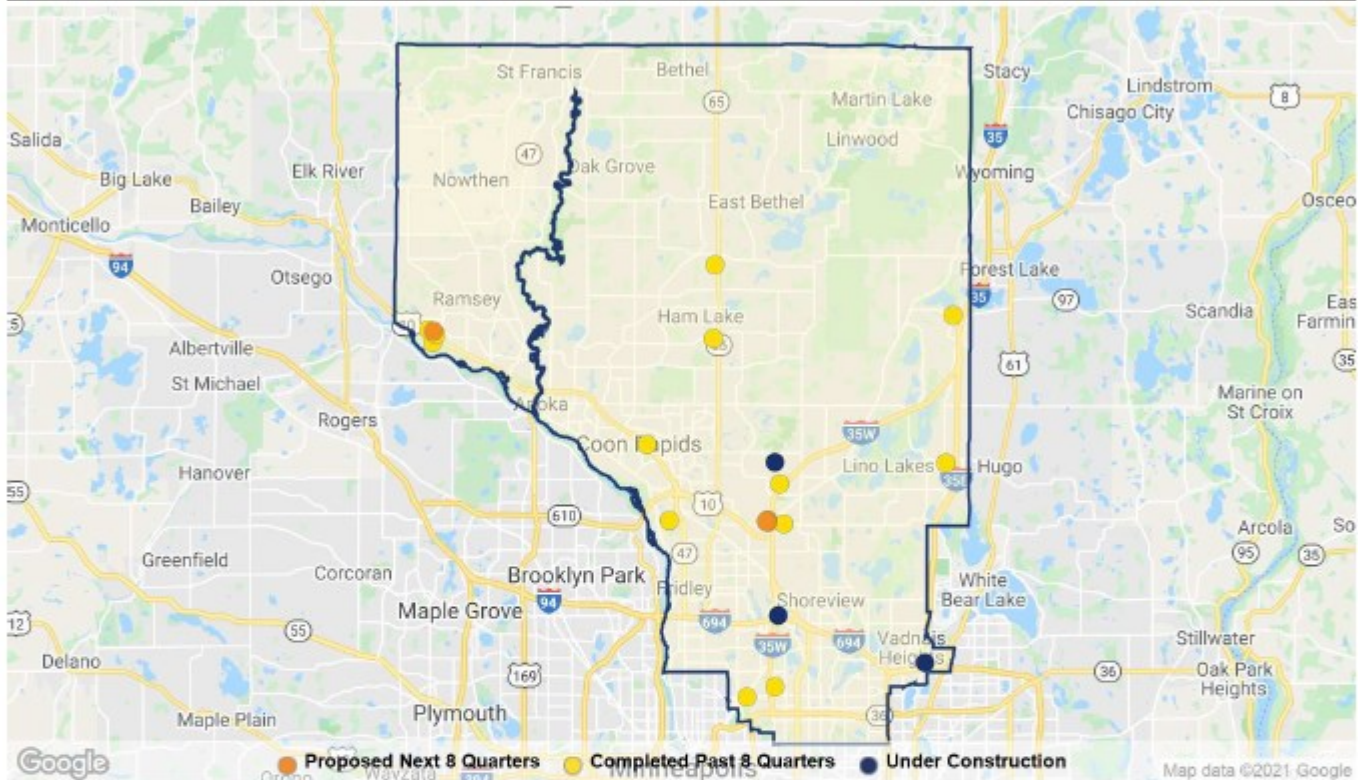
Delivered Square Feet Next 8 Qtrs

400,000

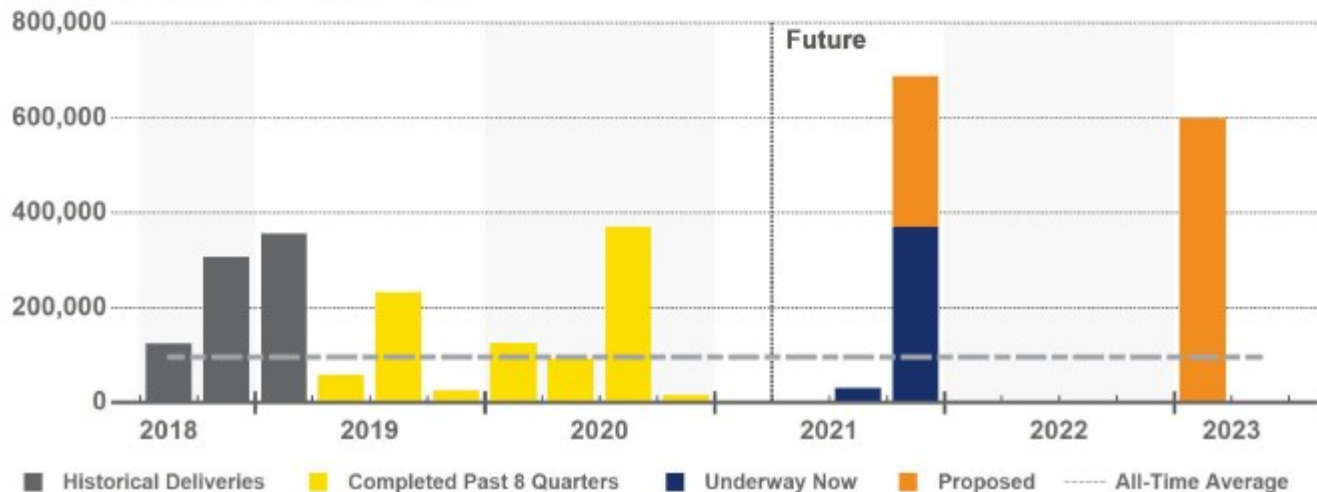
Proposed Square Feet Next 8 Qtrs

917,400

### PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



### PAST & FUTURE DELIVERIES IN SQUARE FEET





## MARKET INFORMATION

## Construction

## North Central Industrial

## RECENT DELIVERIES

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	14664 Buchanan St NE	★ ★ ★ ★ ★	15,120	1	Aug 2020	Dec 2020	-
2	Delta ModTech HQ 8445 Bunker Lake Blvd	★ ★ ★ ★ ★	230,000	1	Nov 2019	Aug 2020	Kinghorn Construction Delta Modtech
3	9203 Lake Dr NE	★ ★ ★ ★ ★	80,000	1	Dec 2019	Aug 2020	- Viking Industrial Center
4	RMS Expansion 8600 Evergreen Blvd NW	★ ★ ★ ★ ★	60,000	1	Oct 2019	Jul 2020	-
5	2820 Cleveland Ave N	★ ★ ★ ★ ★	93,570	1	Jun 2019	Jun 2020	-
6	17121 Lincoln St NE	★ ★ ★ ★ ★	40,000	1	Apr 2019	Mar 2020	- Greg G Boelter
7	Xeon Industrial Building 11200 Xeon St NW	★ ★ ★ ★ ★	85,480	1	Aug 2019	Jan 2020	- Designing Earth Contracting
8	2021 Commerce Dr	★ ★ ★ ★ ★	25,000	1	Jun 2019	Dec 2019	- City of Centerville
9	Building III 14799 Jackel St NW	★ ★ ★ ★ ★	60,000	1	Mar 2019	Sep 2019	PSD Land Development PSD Land Development
10	Lazydays RV's Service C... N Riverdale	★ ★ ★ ★ ★	104,500	1	Feb 2018	Aug 2019	- City of Ramsey
11	Crown Iron Works 9879 Naples St NE	★ ★ ★ ★ ★	67,172	1	Nov 2018	Jul 2019	Mortenson Construction Ashish Aggarwal
12	Protofab Engineering 8531 Rendova St NE	★ ★ ★ ★ ★	44,000	1	Oct 2018	Apr 2019	- Protofab Engineering
13	2851 S Anthony Ln	★ ★ ★ ★ ★	14,000	1	Dec 2018	Apr 2019	-

## UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	Gateway Interstate 4200 W Round Lake Rd	★ ★ ★ ★ ★	250,000	1	Sep 2020	Oct 2021	-
2	xx Naples St	★ ★ ★ ★ ★	120,000	1	Apr 2021	Nov 2021	- Designing Earth Contracting
3	3291 Labore Rd	★ ★ ★ ★ ★	30,000	1	Apr 2021	Sep 2021	-

## PROPOSED

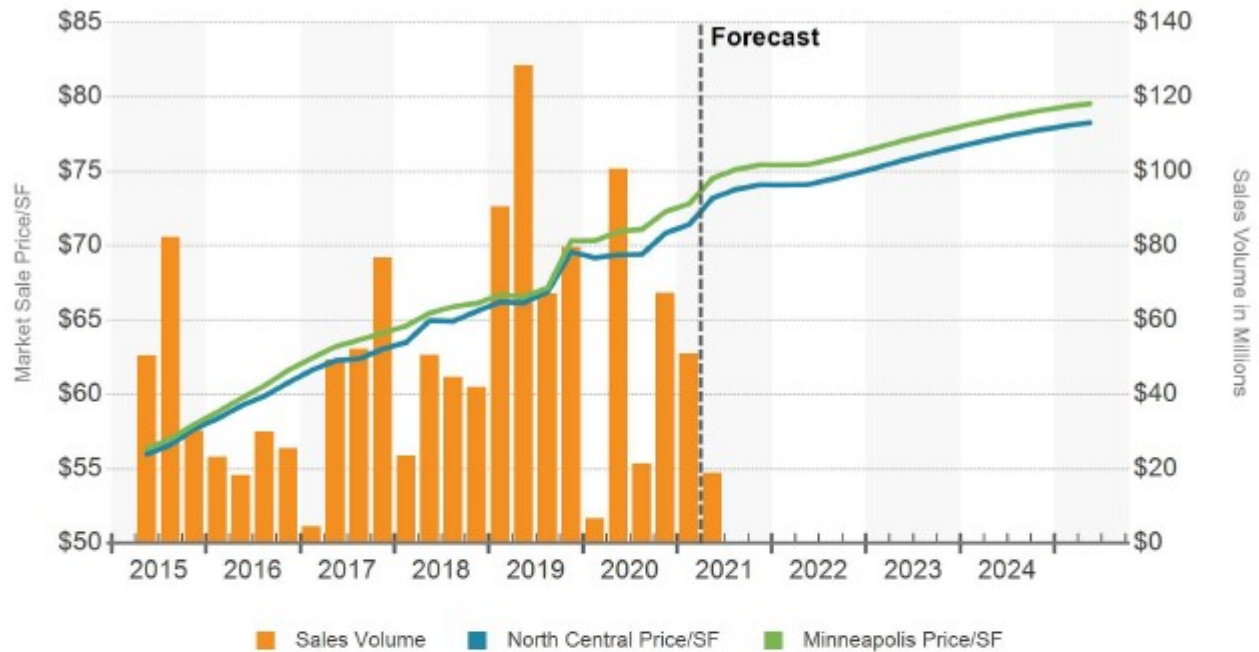
	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	Bunker Lake Business P... 82xx-84xx Bunker Lake Blvd	★ ★ ★ ★ ★	600,000	1	Oct 2021	Jan 2023	-
2	Building A I-35 & 85th Ave NE	★ ★ ★ ★ ★	118,500	1	Jun 2021	Oct 2021	-
3	Building C I-35 & 85th Ave NE	★ ★ ★ ★ ★	100,000	1	Jun 2021	Oct 2021	-

# MARKET INFORMATION

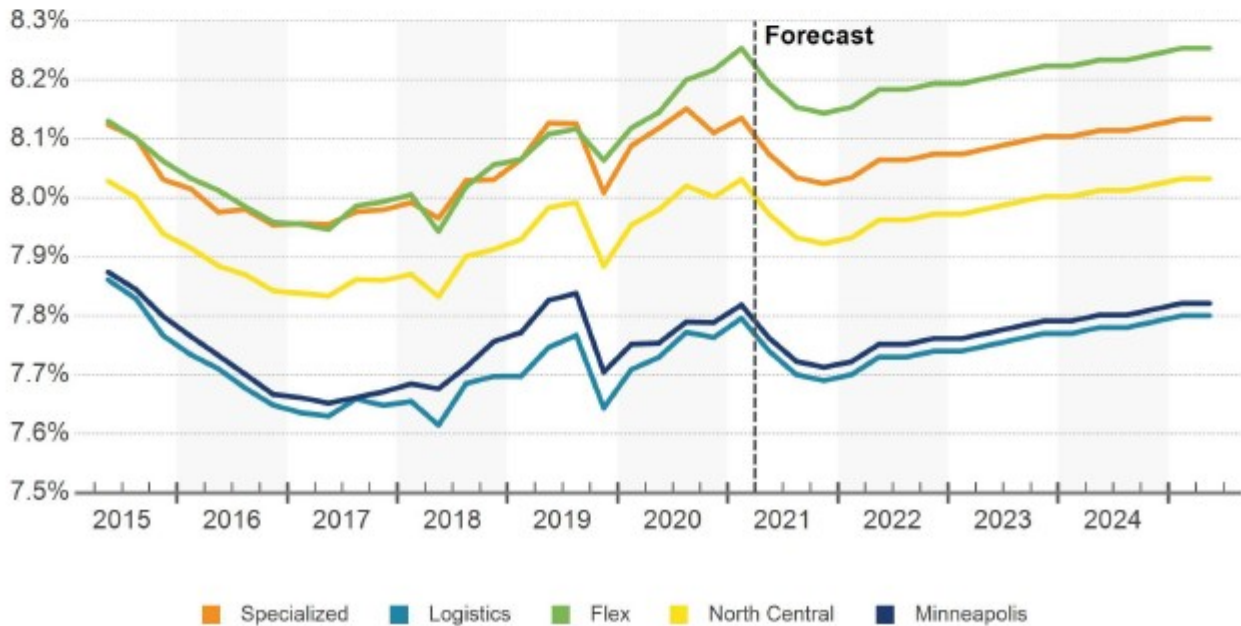
## Sales

### North Central Industrial

#### SALES VOLUME & MARKET SALE PRICE PER SF



#### MARKET CAP RATE



## MARKET INFORMATION

## Supply &amp; Demand Trends

## North Central Industrial

## OVERALL SUPPLY &amp; DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	67,436,128	381,092	0.6%	387,789	0.6%	1.0
2024	67,055,036	397,157	0.6%	406,295	0.6%	1.0
2023	66,657,879	381,524	0.6%	473,978	0.7%	0.8
2022	66,276,355	275,890	0.4%	623,314	0.9%	0.4
2021	66,000,465	308,042	0.5%	(288,438)	-0.4%	-
YTD	65,692,423	0	0%	(179,632)	-0.3%	-
2020	65,692,423	584,975	0.9%	559,958	0.9%	1.0
2019	65,107,448	670,672	1.0%	867,408	1.3%	0.8
2018	64,436,776	464,967	0.7%	375,044	0.6%	1.2
2017	63,971,809	685,133	1.1%	74,897	0.1%	9.1
2016	63,286,676	689,878	1.1%	1,309,917	2.1%	0.5
2015	62,596,798	(1,599,985)	-2.5%	210,483	0.3%	-
2014	64,196,783	91,350	0.1%	557,242	0.9%	0.2
2013	64,105,433	96,770	0.2%	(68,593)	-0.1%	-
2012	64,008,663	131,955	0.2%	888,575	1.4%	0.1
2011	63,876,708	(995)	0%	(11,218)	0%	-
2010	63,877,703	(156,347)	-0.2%	(1,687,108)	-2.6%	-
2009	64,034,050	(645,472)	-1.0%	(478,566)	-0.7%	-

## SPECIALIZED INDUSTRIAL SUPPLY &amp; DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	30,138,753	44,389	0.1%	38,357	0.1%	1.2
2024	30,094,364	48,614	0.2%	40,242	0.1%	1.2
2023	30,045,750	44,956	0.1%	42,379	0.1%	1.1
2022	30,000,794	19,034	0.1%	31,071	0.1%	0.6
2021	29,981,760	(47,042)	-0.2%	(116,054)	-0.4%	-
YTD	30,028,802	0	0%	(39,777)	-0.1%	-
2020	30,028,802	323,570	1.1%	257,170	0.9%	1.3
2019	29,705,232	104,500	0.4%	212,235	0.7%	0.5
2018	29,600,732	(12,445)	0%	(145,887)	-0.5%	-
2017	29,613,177	0	0%	122,480	0.4%	0
2016	29,613,177	0	0%	267,673	0.9%	0
2015	29,613,177	(1,772,760)	-5.6%	95,334	0.3%	-
2014	31,385,937	51,350	0.2%	111,292	0.4%	0.5
2013	31,334,587	(414,000)	-1.3%	(547,753)	-1.7%	-
2012	31,748,587	(14,588)	0%	250,691	0.8%	-
2011	31,763,175	(67,192)	-0.2%	70,749	0.2%	-
2010	31,830,367	(41,055)	-0.1%	(2,031,670)	-6.4%	-
2009	31,871,422	(6,475)	0%	70,286	0.2%	-



# MARKET INFORMATION

## Supply & Demand Trends

### North Central Industrial

#### LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	25,655,029	353,925	1.4%	357,737	1.4%	1.0
2024	25,301,104	364,895	1.5%	367,256	1.5%	1.0
2023	24,936,209	353,457	1.4%	376,580	1.5%	0.9
2022	24,582,752	278,402	1.1%	402,928	1.6%	0.7
2021	24,304,350	376,105	1.6%	158,251	0.7%	2.4
YTD	23,928,245	0	0%	(64,555)	-0.3%	-
2020	23,928,245	261,405	1.1%	502,891	2.1%	0.5
2019	23,666,840	566,172	2.5%	601,511	2.5%	0.9
2018	23,100,668	850,900	3.8%	430,623	1.9%	2.0
2017	22,249,768	685,133	3.2%	384,166	1.7%	1.8
2016	21,564,635	679,878	3.3%	1,041,229	4.8%	0.7
2015	20,884,757	172,775	0.8%	2,323	0%	74.4
2014	20,711,982	40,000	0.2%	273,942	1.3%	0.1
2013	20,671,982	510,770	2.5%	391,014	1.9%	1.3
2012	20,161,212	159,843	0.8%	422,277	2.1%	0.4
2011	20,001,369	97,058	0.5%	76,231	0.4%	1.3
2010	19,904,311	(64,524)	-0.3%	327,315	1.6%	-
2009	19,968,835	(45,931)	-0.2%	(195,021)	-1.0%	-

#### FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	11,642,346	(17,222)	-0.1%	(8,305)	-0.1%	-
2024	11,659,568	(16,352)	-0.1%	(1,203)	0%	-
2023	11,675,920	(16,889)	-0.1%	55,019	0.5%	-
2022	11,692,809	(21,546)	-0.2%	189,315	1.6%	-
2021	11,714,355	(21,021)	-0.2%	(330,635)	-2.8%	-
YTD	11,735,376	0	0%	(75,300)	-0.6%	-
2020	11,735,376	0	0%	(200,103)	-1.7%	-
2019	11,735,376	0	0%	53,662	0.5%	0
2018	11,735,376	(373,488)	-3.1%	90,308	0.8%	-
2017	12,108,864	0	0%	(431,749)	-3.6%	-
2016	12,108,864	10,000	0.1%	1,015	0%	9.9
2015	12,098,864	0	0%	112,826	0.9%	0
2014	12,098,864	0	0%	172,008	1.4%	0
2013	12,098,864	0	0%	88,146	0.7%	0
2012	12,098,864	(13,300)	-0.1%	215,607	1.8%	-
2011	12,112,164	(30,861)	-0.3%	(158,198)	-1.3%	-
2010	12,143,025	(50,768)	-0.4%	17,247	0.1%	-
2009	12,193,793	(593,066)	-4.8%	(353,831)	-2.9%	-



## MARKET INFORMATION

## Rent &amp; Vacancy

## North Central Industrial

## OVERALL RENT &amp; VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$7.20	114	1.2%	10.4%	2,161,875	3.2%	0%
2024	\$7.12	112	1.8%	9.2%	2,165,561	3.2%	0%
2023	\$7	110	2.4%	7.2%	2,171,623	3.3%	-0.2%
2022	\$6.83	108	2.0%	4.7%	2,261,218	3.4%	-0.5%
2021	\$6.70	106	3.2%	2.7%	2,605,908	3.9%	0.9%
YTD	\$6.63	105	2.2%	1.6%	2,188,355	3.3%	0.3%
2020	\$6.49	102	-0.4%	-0.6%	2,008,723	3.1%	0%
2019	\$6.52	103	-0.1%	-0.1%	1,983,706	3.0%	-0.3%
2018	\$6.52	103	1.1%	0%	2,180,442	3.4%	0.1%
2017	\$6.45	102	1.2%	-1.1%	2,090,519	3.3%	0.9%
2016	\$6.37	100	1.7%	-2.3%	1,480,283	2.3%	-1.0%
2015	\$6.27	99	1.4%	-3.9%	2,100,322	3.4%	-2.7%
2014	\$6.18	97	1.3%	-5.2%	3,910,790	6.1%	-0.7%
2013	\$6.10	96	2.8%	-6.4%	4,376,682	6.8%	0.2%
2012	\$5.94	94	1.3%	-8.9%	4,211,319	6.6%	-1.2%
2011	\$5.86	92	-0.7%	-10.1%	4,967,939	7.8%	0%
2010	\$5.90	93	-3.7%	-9.5%	4,957,716	7.8%	2.4%
2009	\$6.13	97	-3.4%	-6.1%	3,426,955	5.4%	-0.2%

## SPECIALIZED INDUSTRIAL RENT &amp; VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$6.93	114	1.2%	12.8%	551,995	1.8%	0%
2024	\$6.84	113	1.9%	11.4%	544,430	1.8%	0%
2023	\$6.72	111	2.5%	9.3%	534,524	1.8%	0%
2022	\$6.55	108	2.1%	6.6%	530,571	1.8%	0%
2021	\$6.41	106	5.1%	4.4%	540,890	1.8%	0.2%
YTD	\$6.32	104	3.6%	2.8%	511,580	1.7%	0.1%
2020	\$6.10	101	-0.7%	-0.7%	471,803	1.6%	0.2%
2019	\$6.14	101	-0.1%	-0.1%	405,403	1.4%	-0.4%
2018	\$6.14	101	2.5%	0%	513,138	1.7%	0.5%
2017	\$6	99	1.1%	-2.4%	379,696	1.3%	-0.4%
2016	\$5.93	98	1.1%	-3.5%	502,176	1.7%	-0.9%
2015	\$5.86	97	-0.1%	-4.6%	769,849	2.6%	-5.8%
2014	\$5.87	97	1.5%	-4.5%	2,637,943	8.4%	-0.2%
2013	\$5.78	95	3.0%	-5.9%	2,697,885	8.6%	0.5%
2012	\$5.61	93	1.4%	-8.7%	2,564,132	8.1%	-0.8%
2011	\$5.53	91	-1.0%	-9.9%	2,829,411	8.9%	-0.4%
2010	\$5.59	92	-4.5%	-9.0%	2,967,352	9.3%	6.3%
2009	\$5.85	97	-3.4%	-4.8%	976,737	3.1%	-0.2%

## MARKET INFORMATION

## Rent &amp; Vacancy

## North Central Industrial

## LOGISTICS RENT &amp; VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$6.83	116	1.1%	9.2%	1,004,563	3.9%	-0.1%
2024	\$6.75	115	1.7%	7.9%	1,007,419	4.0%	-0.1%
2023	\$6.64	113	2.3%	6.1%	1,008,811	4.0%	-0.1%
2022	\$6.49	110	2.0%	3.7%	1,031,008	4.2%	-0.6%
2021	\$6.36	108	1.8%	1.7%	1,154,960	4.8%	0.8%
YTD	\$6.33	107	1.4%	1.2%	1,001,179	4.2%	0.3%
2020	\$6.25	106	-0.1%	-0.1%	936,624	3.9%	-1.1%
2019	\$6.26	106	0.2%	0%	1,178,110	5.0%	-0.3%
2018	\$6.24	106	-0.1%	-0.2%	1,213,449	5.3%	1.7%
2017	\$6.24	106	2.0%	-0.2%	793,172	3.6%	1.3%
2016	\$6.12	104	2.2%	-2.2%	492,205	2.3%	-1.8%
2015	\$5.99	102	2.0%	-4.3%	853,556	4.1%	0.8%
2014	\$5.87	100	1.6%	-6.2%	683,104	3.3%	-1.1%
2013	\$5.78	98	2.7%	-7.6%	917,046	4.4%	0.5%
2012	\$5.63	96	1.6%	-10.1%	797,290	4.0%	-1.3%
2011	\$5.54	94	0.5%	-11.5%	1,059,724	5.3%	0.1%
2010	\$5.51	94	-3.2%	-11.9%	1,038,897	5.2%	-1.9%
2009	\$5.69	97	-3.4%	-9.0%	1,430,736	7.2%	0.8%

## FLEX RENT &amp; VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$8.69	108	1.1%	7.5%	605,317	5.2%	-0.1%
2024	\$8.60	107	1.7%	6.4%	613,712	5.3%	-0.1%
2023	\$8.46	106	2.3%	4.6%	628,288	5.4%	-0.6%
2022	\$8.27	103	1.8%	2.3%	699,639	6.0%	-1.8%
2021	\$8.12	101	1.9%	0.5%	910,058	7.8%	2.7%
YTD	\$8.05	100	0.9%	-0.4%	675,596	5.8%	0.6%
2020	\$7.97	100	-0.5%	-1.3%	600,296	5.1%	1.7%
2019	\$8.02	100	-0.6%	-0.8%	400,193	3.4%	-0.5%
2018	\$8.08	101	0.4%	0%	453,855	3.9%	-3.7%
2017	\$8.05	101	0.3%	-0.4%	917,651	7.6%	3.6%
2016	\$8.03	100	1.9%	-0.6%	485,902	4.0%	0.1%
2015	\$7.88	98	3.2%	-2.5%	476,917	3.9%	-0.9%
2014	\$7.63	95	0.3%	-5.5%	589,743	4.9%	-1.4%
2013	\$7.61	95	2.5%	-5.8%	761,751	6.3%	-0.7%
2012	\$7.43	93	0.7%	-8.1%	849,897	7.0%	-1.9%
2011	\$7.38	92	-2.0%	-8.7%	1,078,804	8.9%	1.1%
2010	\$7.53	94	-2.6%	-6.8%	951,467	7.8%	-0.5%
2009	\$7.73	97	-3.4%	-4.3%	1,019,482	8.4%	-1.5%



## MARKET INFORMATION

## Sale Trends

## North Central Industrial

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$78.63	167	8.0%
2024	-	-	-	-	-	-	\$77.81	165	8.0%
2023	-	-	-	-	-	-	\$76.49	162	8.0%
2022	-	-	-	-	-	-	\$74.84	159	8.0%
2021	-	-	-	-	-	-	\$74.08	157	7.9%
YTD	28	\$69.8M	1.4%	\$3,015,304	\$79.42	8.0%	\$71.94	152	8.0%
2020	62	\$196M	3.8%	\$3,555,699	\$82.15	9.9%	\$70.85	150	8.0%
2019	119	\$365.7M	7.9%	\$3,474,744	\$72.84	8.3%	\$69.59	147	7.9%
2018	78	\$160.7M	6.1%	\$2,500,192	\$59.39	9.1%	\$65.60	139	7.9%
2017	87	\$182.9M	5.2%	\$2,643,768	\$59.01	7.9%	\$63.05	134	7.9%
2016	55	\$97M	3.3%	\$2,010,351	\$47.82	7.8%	\$60.80	129	7.8%
2015	74	\$195.3M	6.6%	\$3,048,512	\$51.58	9.0%	\$57.67	122	7.9%
2014	78	\$100.9M	4.2%	\$1,483,843	\$46.07	-	\$53.92	114	8.2%
2013	78	\$122.6M	3.6%	\$1,844,384	\$54.51	9.9%	\$50.40	107	8.4%
2012	69	\$71.9M	2.5%	\$1,344,085	\$48.14	10.0%	\$47.93	102	8.6%
2011	79	\$88.9M	3.8%	\$1,302,954	\$38.75	-	\$45.87	97	8.9%
2010	39	\$40.5M	1.6%	\$1,173,744	\$39.28	-	\$44.28	94	9.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$74.86	167	8.1%
2024	-	-	-	-	-	-	\$74.01	165	8.1%
2023	-	-	-	-	-	-	\$72.68	162	8.1%
2022	-	-	-	-	-	-	\$71.02	158	8.1%
2021	-	-	-	-	-	-	\$70.20	156	8.0%
YTD	11	\$10.1M	0.5%	\$1,079,444	\$65.73	8.0%	\$67.84	151	8.1%
2020	28	\$46.2M	2.8%	\$1,777,640	\$56.40	8.1%	\$66.67	149	8.1%
2019	61	\$157M	9.0%	\$2,854,409	\$61.72	8.7%	\$65.31	145	8.0%
2018	31	\$54.9M	3.8%	\$2,111,326	\$51.22	-	\$61.59	137	8.0%
2017	38	\$67.2M	3.9%	\$2,167,717	\$64.09	8.5%	\$59.08	132	8.0%
2016	26	\$35.7M	2.1%	\$1,550,135	\$58.63	7.5%	\$57.01	127	8.0%
2015	30	\$55.8M	5.0%	\$2,323,678	\$47.15	8.8%	\$54.31	121	8.0%
2014	41	\$46.9M	4.8%	\$1,235,358	\$45.37	-	\$50.85	113	8.3%
2013	34	\$46.4M	3.3%	\$1,540,570	\$46.61	12.0%	\$47.61	106	8.5%
2012	30	\$31M	2.4%	\$1,290,540	\$43.16	-	\$45.26	101	8.7%
2011	28	\$22.1M	1.7%	\$844,035	\$45.03	-	\$43.35	97	9.0%
2010	13	\$20.4M	1.7%	\$1,567,076	\$36.70	-	\$41.92	93	9.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## MARKET INFORMATION

## Sale Trends

## North Central Industrial

## LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$82.11	171	7.8%
2024	-	-	-	-	-	-	\$81.31	169	7.8%
2023	-	-	-	-	-	-	\$80	167	7.8%
2022	-	-	-	-	-	-	\$78.35	163	7.7%
2021	-	-	-	-	-	-	\$77.63	162	7.7%
YTD	13	\$55.2M	2.6%	\$5,014,091	\$89.87	-	\$75.76	158	7.8%
2020	24	\$101.8M	4.5%	\$5,068,621	\$101.07	11.7%	\$74.72	156	7.8%
2019	43	\$166.4M	8.3%	\$4,364,336	\$85.83	7.1%	\$73.37	153	7.6%
2018	33	\$63.4M	7.6%	\$2,256,550	\$54.81	7.8%	\$68.73	143	7.7%
2017	23	\$44M	4.3%	\$2,443,807	\$48.16	7.0%	\$66.12	138	7.6%
2016	18	\$40.8M	3.5%	\$2,400,809	\$54.63	6.9%	\$63.49	132	7.6%
2015	27	\$62.8M	5.1%	\$2,722,451	\$62.32	8.2%	\$59.86	125	7.8%
2014	29	\$42.7M	4.6%	\$1,735,709	\$45.72	-	\$55.53	116	8.0%
2013	27	\$37.1M	3.5%	\$1,607,641	\$53.10	-	\$51.76	108	8.2%
2012	27	\$29.2M	2.6%	\$1,321,404	\$59.55	10.0%	\$49.21	103	8.4%
2011	34	\$36.5M	5.3%	\$1,351,083	\$34.81	-	\$47.05	98	8.7%
2010	21	\$17.1M	2.2%	\$983,254	\$38.89	-	\$45.38	95	8.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$81.07	157	8.3%
2024	-	-	-	-	-	-	\$80.28	156	8.2%
2023	-	-	-	-	-	-	\$78.98	153	8.2%
2022	-	-	-	-	-	-	\$77.33	150	8.2%
2021	-	-	-	-	-	-	\$76.68	149	8.1%
YTD	4	\$4.5M	1.0%	\$1,494,000	\$40.50	-	\$74.55	145	8.3%
2020	10	\$48M	4.9%	\$5,330,261	\$85.80	-	\$73.50	143	8.2%
2019	15	\$42.3M	4.6%	\$3,500,901	\$78.64	-	\$72.68	141	8.1%
2018	14	\$42.4M	9.1%	\$4,193,444	\$88.84	11.1%	\$69.37	135	8.1%
2017	26	\$71.8M	9.7%	\$3,561,613	\$63.04	9.0%	\$66.85	130	8.0%
2016	11	\$20.5M	5.6%	\$2,503,750	\$30.48	8.8%	\$64.94	126	8.0%
2015	17	\$76.7M	13.2%	\$4,512,947	\$48.08	10.1%	\$61.72	120	8.1%
2014	8	\$11.2M	1.9%	\$2,163,374	\$50.92	-	\$58.45	114	8.3%
2013	17	\$39.1M	4.6%	\$2,964,347	\$70.41	7.8%	\$54.72	106	8.5%
2012	12	\$11.7M	2.4%	\$1,595,714	\$41.03	-	\$52.09	101	8.7%
2011	17	\$30.3M	6.9%	\$2,011,780	\$40.12	-	\$49.84	97	8.9%
2010	5	\$3M	0.4%	\$705,000	\$63.96	-	\$48.04	93	9.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.



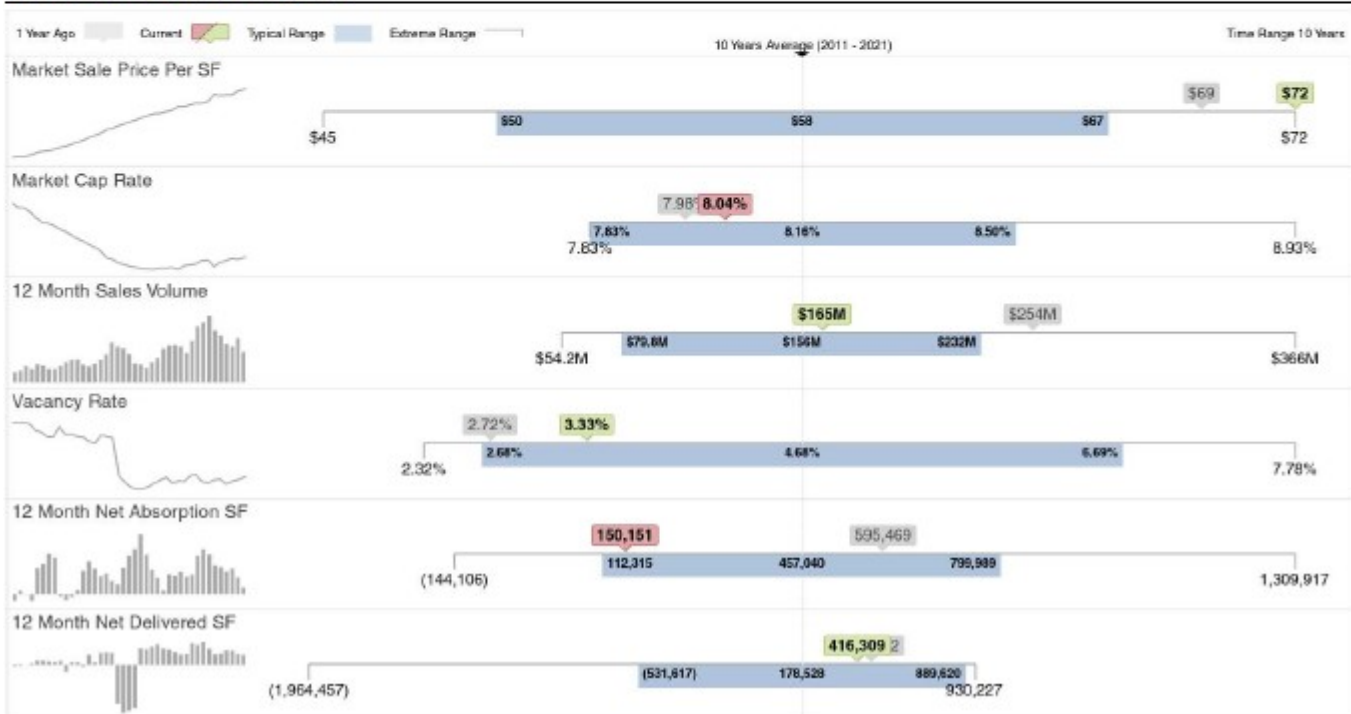
# MARKET INFORMATION

## Capital Markets Overview

### North Central Industrial

Asset Value				12 Mo Sales Volume				Market Cap Rate				12 Mo Mkt Sale Price/SF Chg			
\$4.8B				\$164.5M				8.0%				3.8%			
12 MO SALES VOLUME				Total	Lowest	Highest	12 MO SALES PRICE				Average	Lowest	Highest	Market	
Transactions				67	-	-	Cap Rate				8.0%	8.0%	8.0%	8.0%	
Sales Volume				\$164.5M	\$168K	\$34M	Sale Price/SF				\$80	\$14	\$229	\$72	
Properties Sold				63	-	-	Sale Price				\$2.7M	\$168K	\$34M	-	
Transacted SF				2.1M	2K	265.5K	Sale vs Asking Price				-13.0%	-28.1%	2.9%	-	
Average SF				31.3K	2K	265.5K	% Leased at Sale				90.4%	0%	100%	-	

### KEY PERFORMANCE INDICATORS



# MARKET INFORMATION

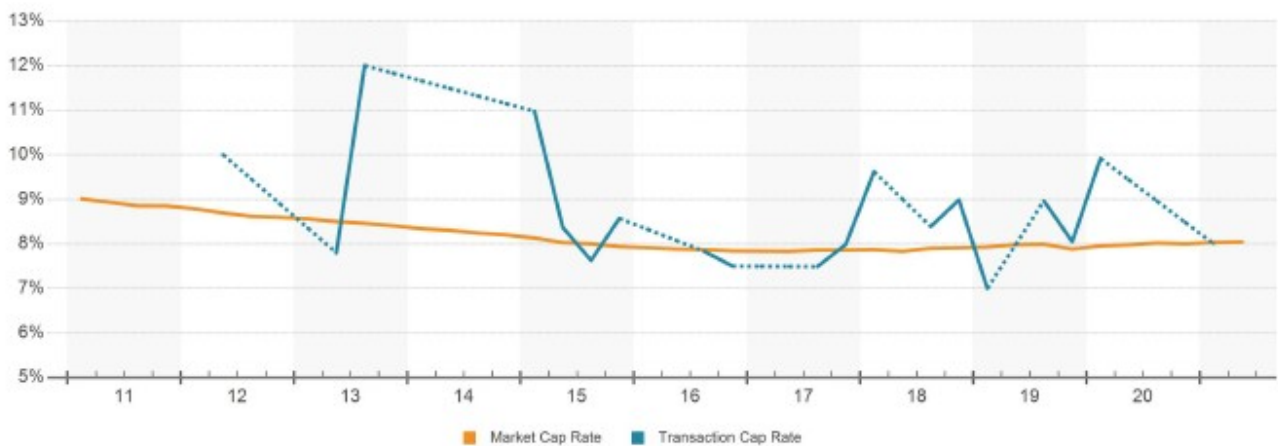
## Capital Markets Overview

North Central Industrial

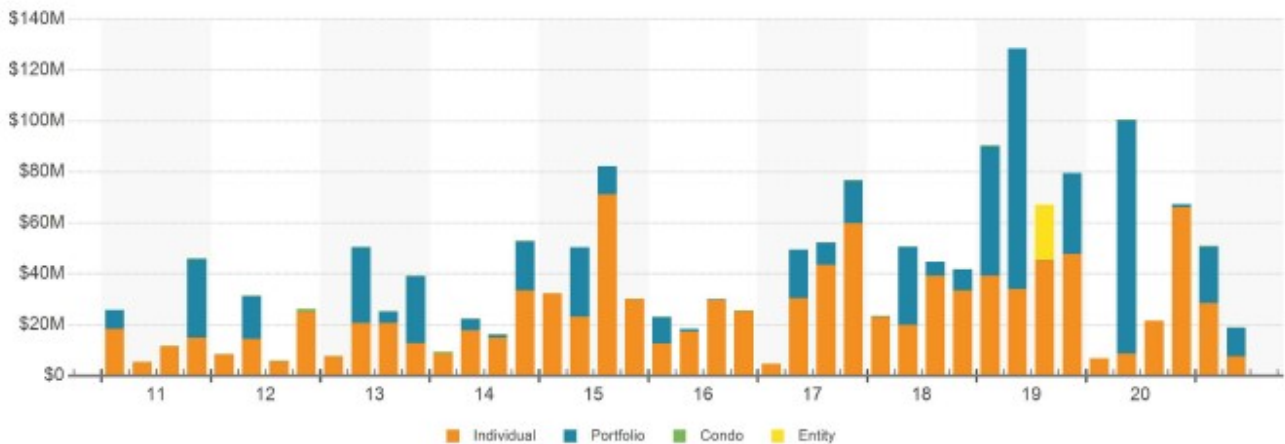
### MARKET SALE PRICE & TRANSACTION SALE PRICE PER SF



### MARKET CAP RATE & TRANSACTION CAP RATE



### SALES VOLUME BY TRANSACTION TYPE

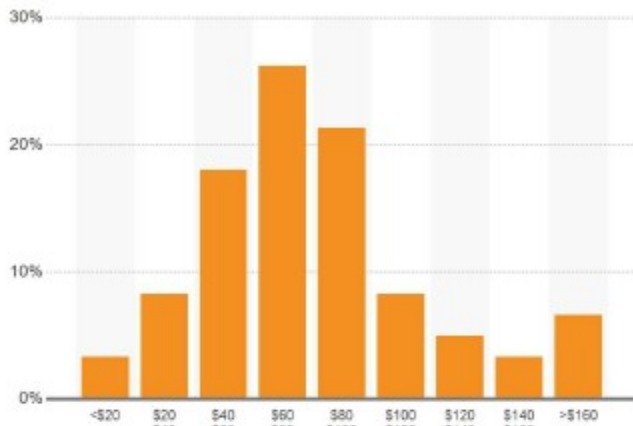


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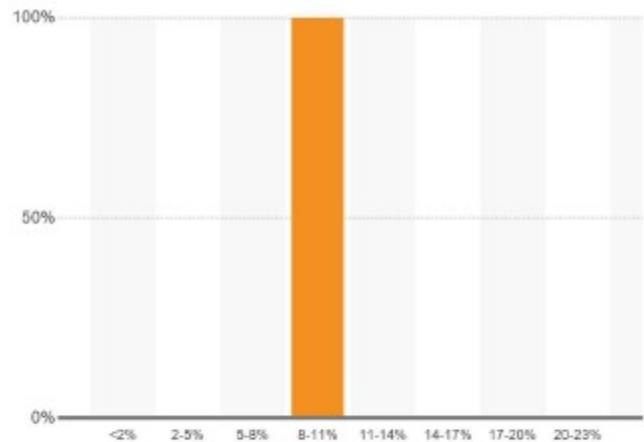
## Capital Markets Overview

### North Central Industrial

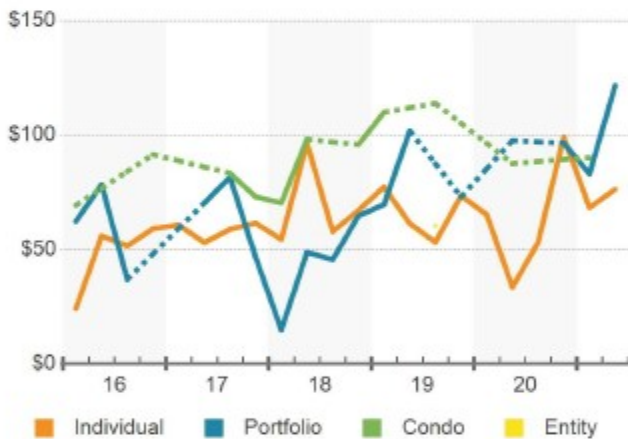
SALE PRICE PER SF DISTRIBUTION PAST 12 MONTHS



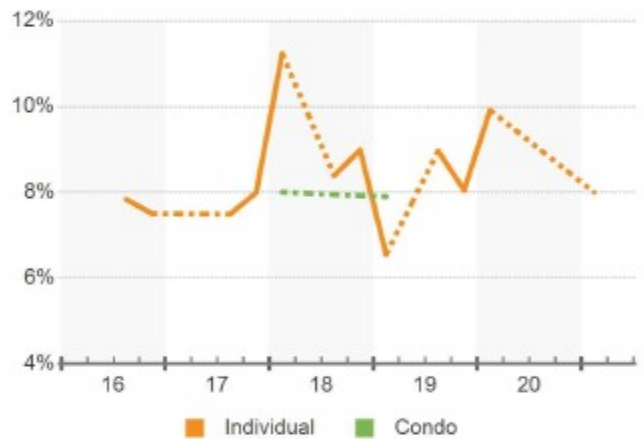
CAP RATE DISTRIBUTION PAST 12 MONTHS



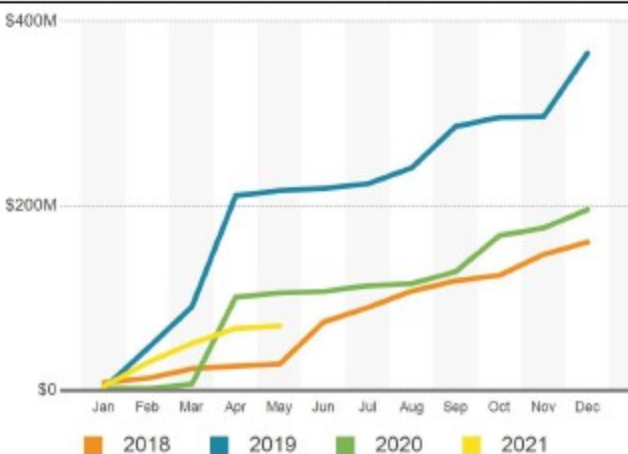
SALE PRICE PER SF BY TRANSACTION TYPE



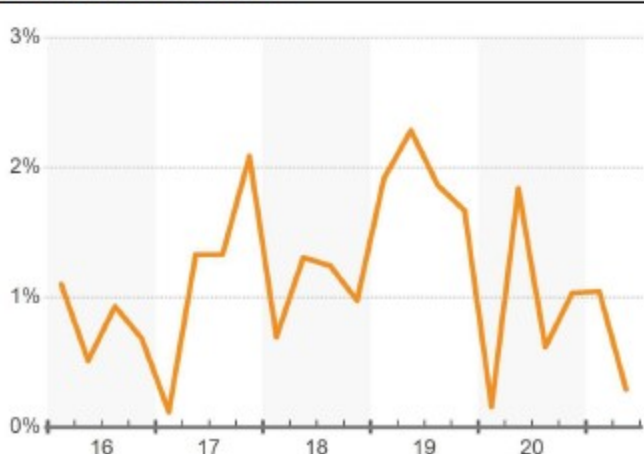
CAP RATE BY TRANSACTION TYPE



CUMULATIVE SALES VOLUME BY YEAR



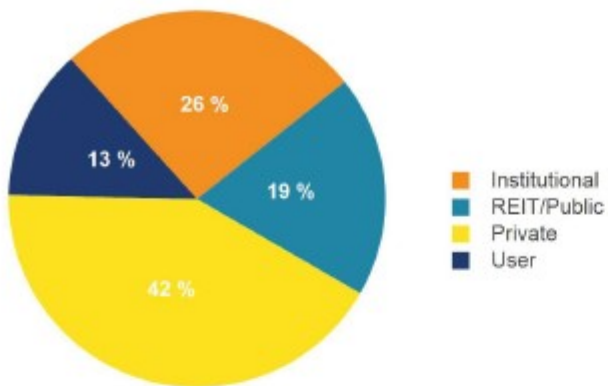
SOLD SF AS % OF TOTAL SF



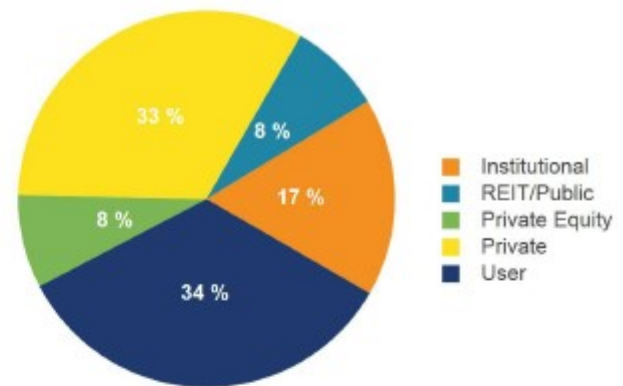


# MARKET INFORMATION

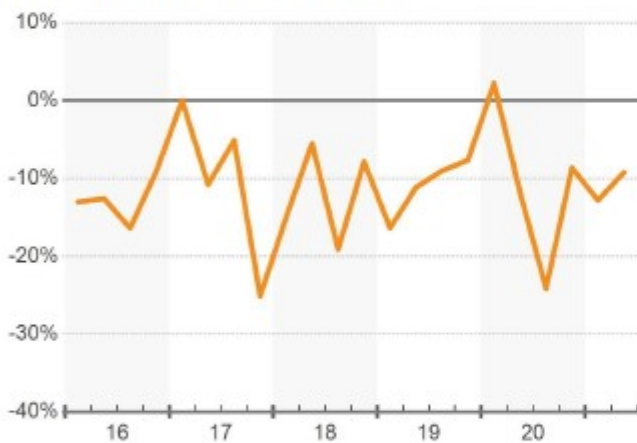
## SALES VOLUME BY BUYER TYPE PAST 12 MONTHS



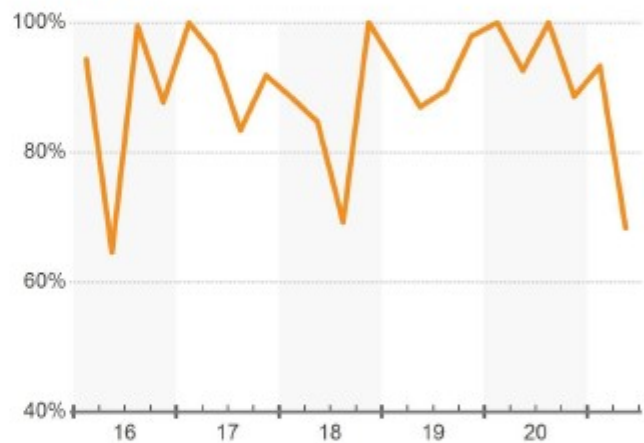
## ASSET VALUE BY OWNER TYPE



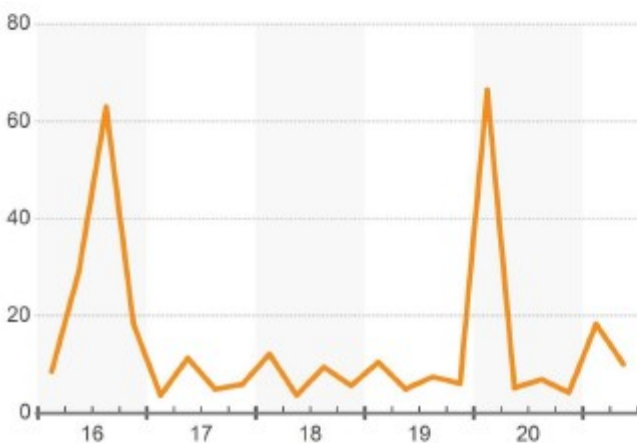
## SALE TO ASKING PRICE DIFFERENTIAL



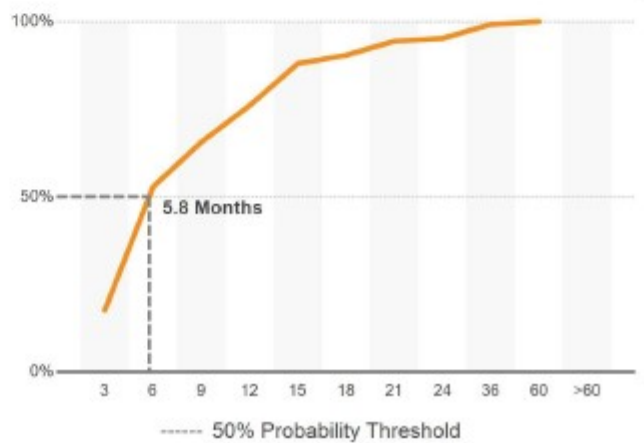
## OCCUPANCY AT SALE



## MONTHS TO SALE



## PROBABILITY OF SELLING IN MONTHS

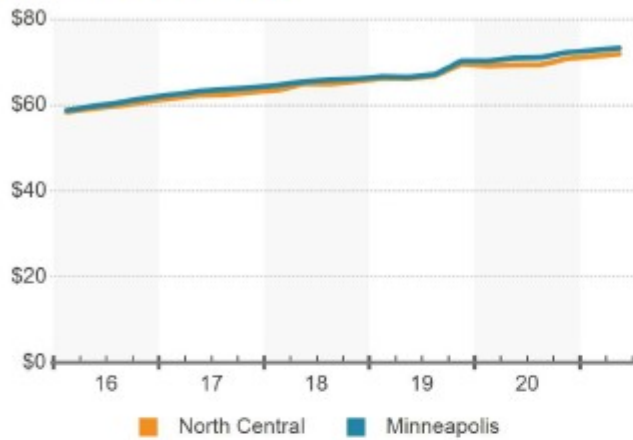


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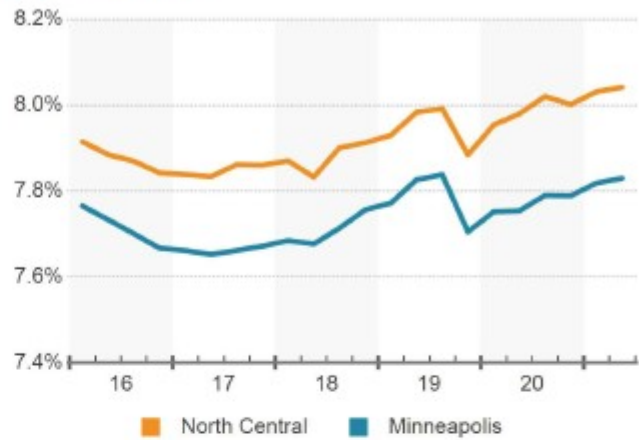
## Market Pricing

### North Central Industrial

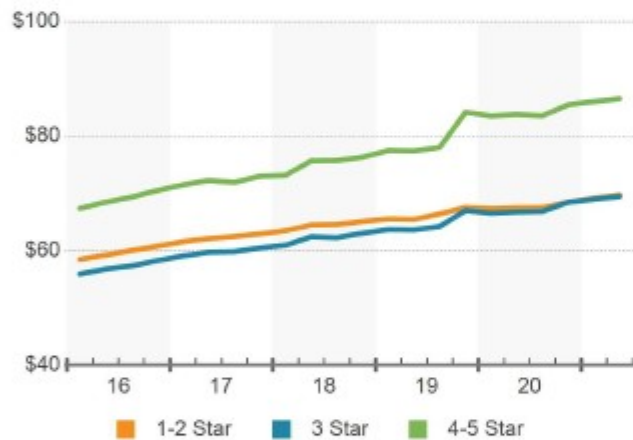
MARKET SALE PRICE PER SF



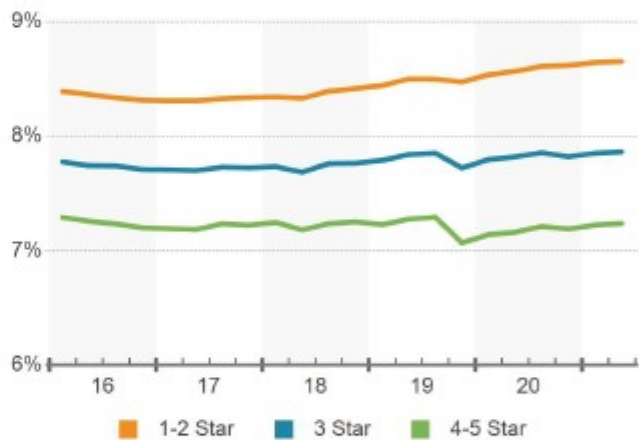
MARKET CAP RATE



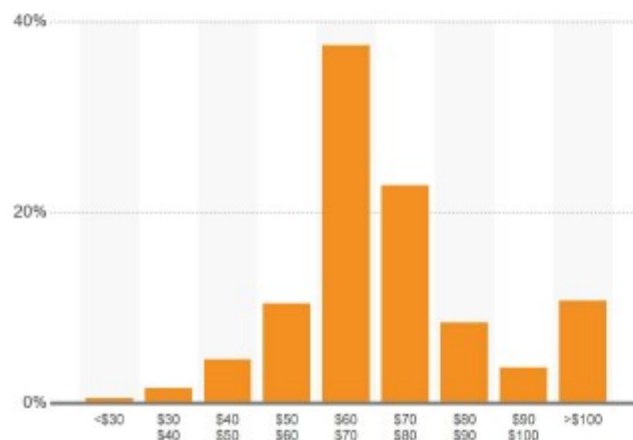
MARKET SALE PRICE PER SF BY STAR RATING



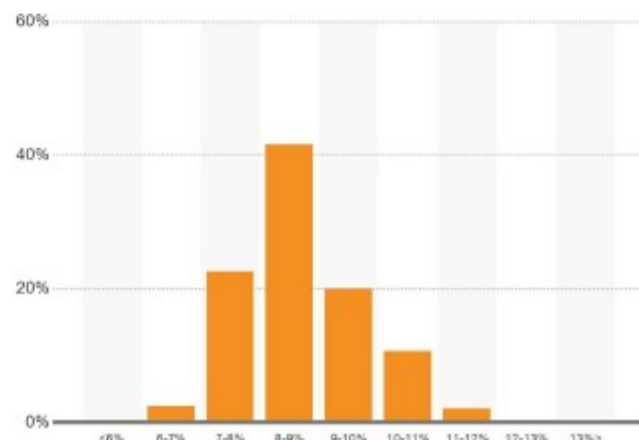
MARKET CAP RATE BY STAR RATING



MARKET SALE PRICE PER SF DISTRIBUTION



MARKET CAP RATE DISTRIBUTION

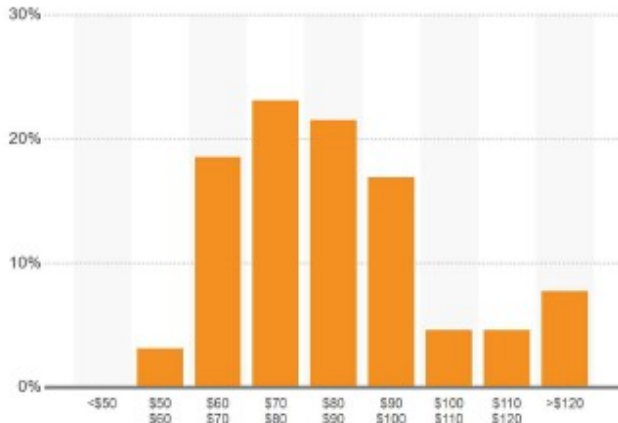


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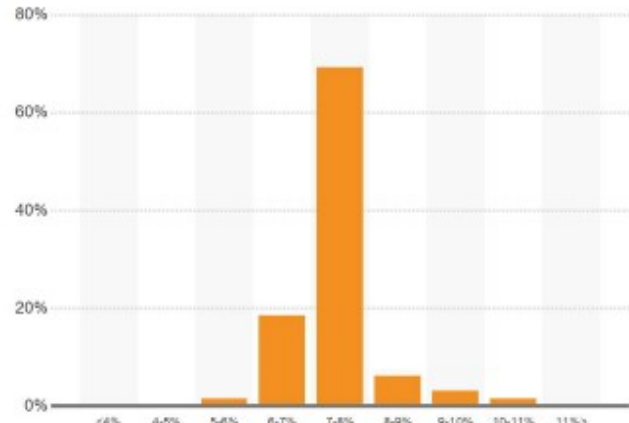
## Market Pricing

### North Central Industrial

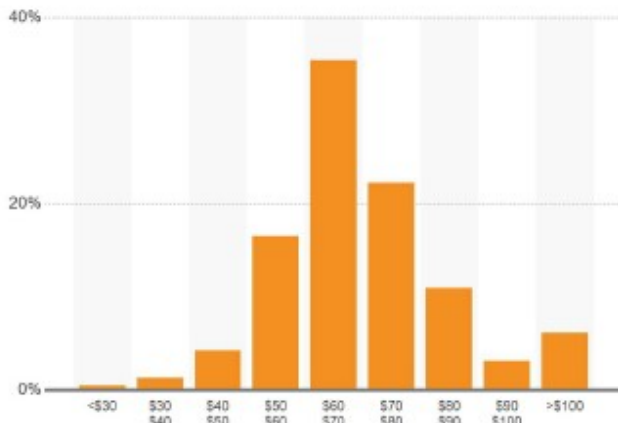
4-5 STAR MARKET SALE PRICE PER SF DISTRIBUTION



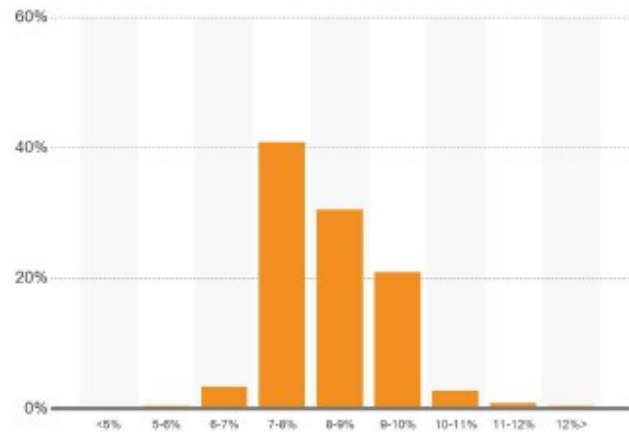
4-5 STAR MARKET CAP RATE DISTRIBUTION



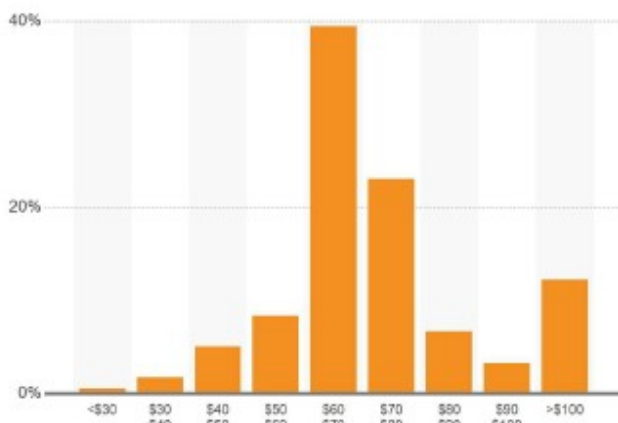
3 STAR MARKET SALE PRICE PER SF DISTRIBUTION



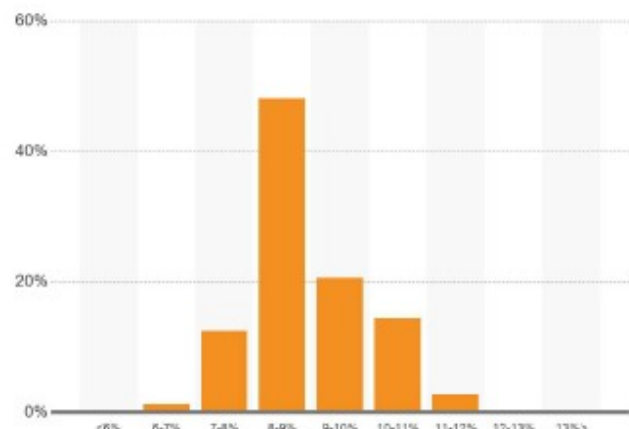
3 STAR MARKET CAP RATE DISTRIBUTION



1-2 STAR MARKET SALE PRICE PER SF DISTRIBUTION



1-2 STAR MARKET CAP RATE DISTRIBUTION

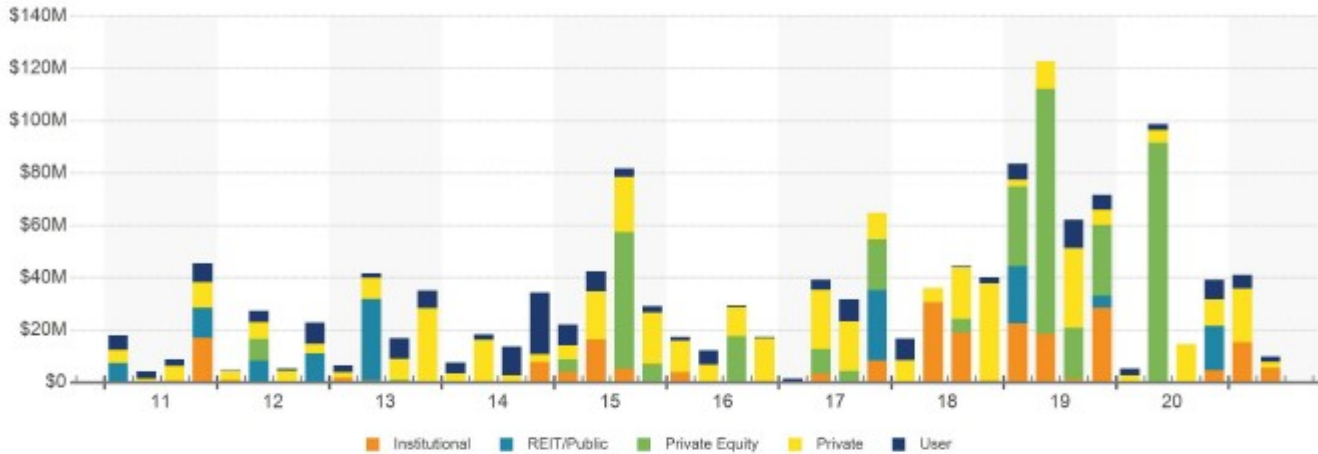


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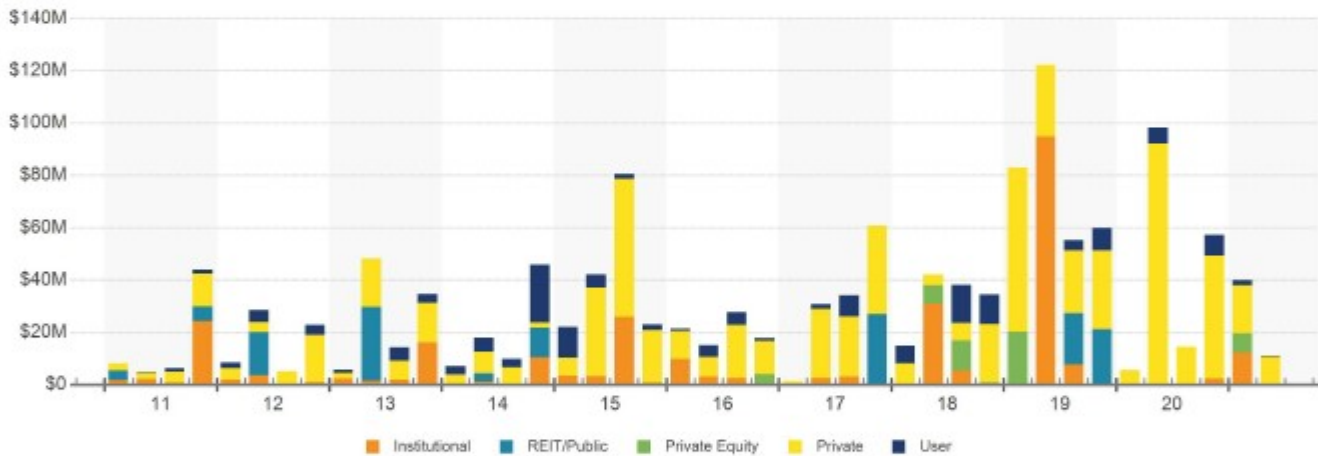
## Buying & Selling By Owner Type

North Central Industrial

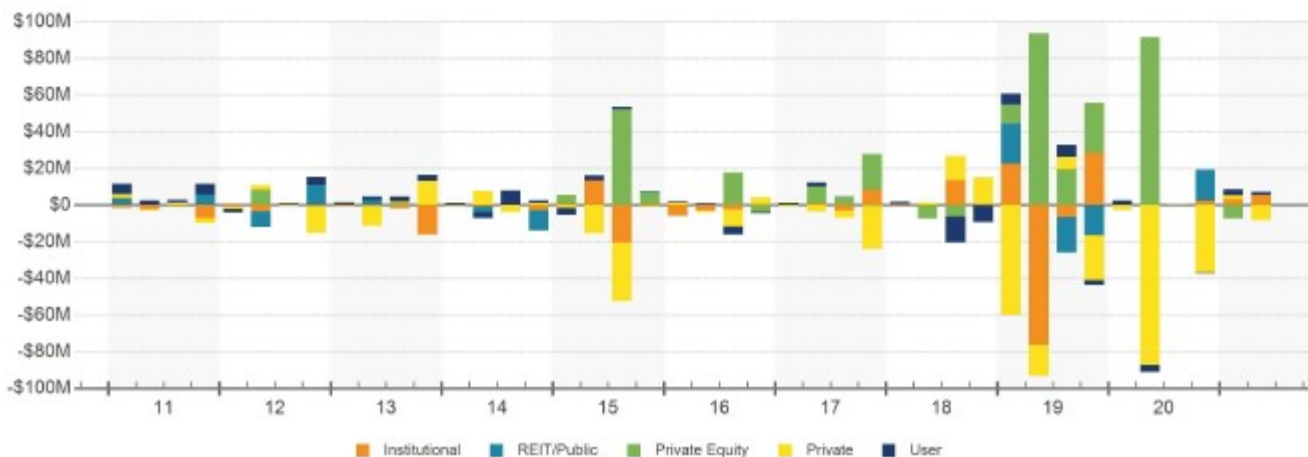
### SALES VOLUME BY BUYER TYPE



### SALES VOLUME BY SELLER TYPE



### NET BUYING & SELLING BY OWNER TYPE



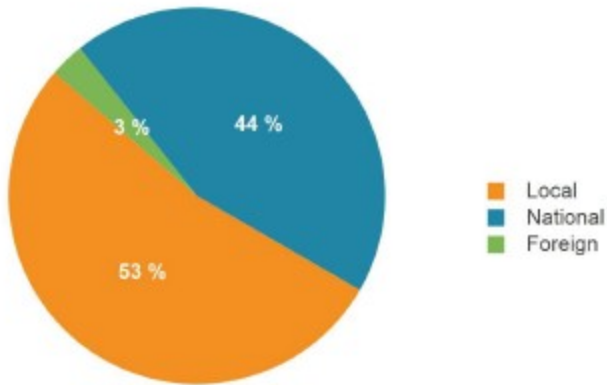


## MARKET INFORMATION

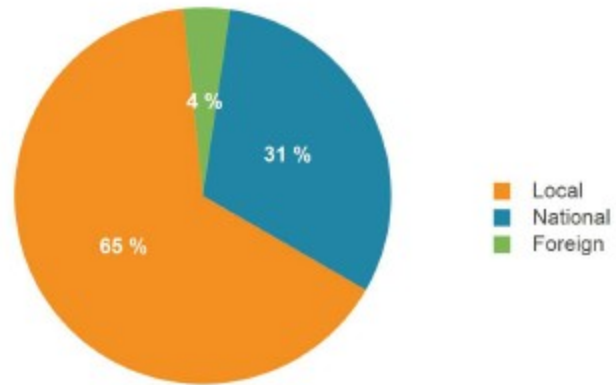
## Investment Trends By Buyer &amp; Seller Origin

North Central Industrial

SALES VOLUME BY BUYER ORIGIN PAST 12 MONTHS



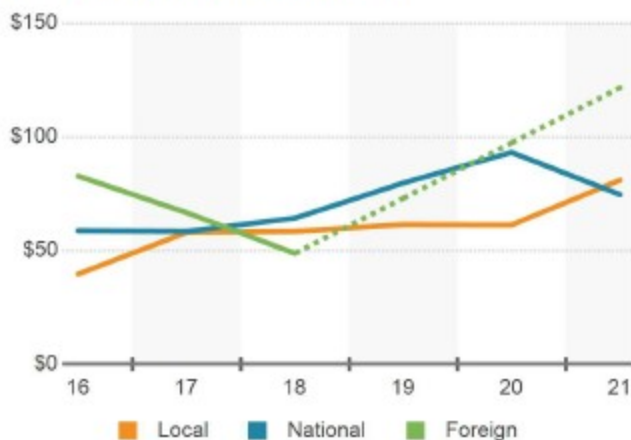
ASSET VALUE BY OWNER ORIGIN



SALES VOLUME BY OWNER ORIGIN

Year	Total	Local			National			Foreign		
	Sales Volume	Bought	Sold	Net Trans	Bought	Sold	Net Trans	Bought	Sold	Net Trans
YTD	\$89.8M	\$40.3M	\$47.8M	-\$7.4M	\$20.6M	\$21.9M	-\$1.3M	\$5.7M	\$105K	\$5.6M
2020	\$196M	\$50.7M	\$172M	-\$121.3M	\$142.8M	\$23.8M	\$119M	-	\$99.2K	-\$99.2K
2019	\$365.7M	\$117.1M	\$218.4M	-\$101.2M	\$245.2M	\$126.8M	\$118.4M	-	\$19.9M	-\$19.9M
2018	\$160.7M	\$89.1M	\$83.6M	\$5.5M	\$53.1M	\$76.1M	-\$23.1M	\$15.3M	-	\$15.3M
2017	\$182.9M	\$107.4M	\$102.8M	\$4.5M	\$46.7M	\$70.9M	-\$24.2M	\$26.9M	\$8.9M	\$18M
2016	\$97M	\$44.3M	\$57.5M	-\$13.2M	\$47.8M	\$36.3M	\$11.5M	\$3.9M	\$2.4M	\$1.4M
2015	\$195.3M	\$88.2M	\$111.2M	-\$22.9M	\$106.9M	\$83.9M	\$23M	\$92.5K	\$183.3K	-\$90.8K
2014	\$100.9M	\$40.8M	\$66.7M	-\$25.9M	\$59.3M	\$25.4M	\$33.9M	\$50.5K	\$8.8M	-\$8.7M
2013	\$122.6M	\$56.5M	\$48.4M	\$8.1M	\$49.1M	\$57.4M	-\$8.3M	\$16.8M	\$16.8M	\$52K
2012	\$71.9M	\$33.1M	\$28.2M	\$4.8M	\$27.8M	\$26.9M	\$836.2K	\$9.8M	\$16.6M	-\$6.8M
2011	\$88.9M	\$51.8M	\$31M	\$20.8M	\$23.1M	\$51.8M	-\$28.7M	\$13.4M	\$6.1M	\$7.3M

SALE PRICE PER SF BY BUYER ORIGIN



CAP RATE BY BUYER ORIGIN



# MARKET INFORMATION

## Submarket Sales Trends

### North Central Industrial

#### SUBMARKET SALES TRANSACTIONS PAST 12 MONTHS

Submarket Name	Sales Volume	Transactions	Transacted SF	Avg SF	Mkt Cap Rate	Mkt Sale Price/SF
South Central	\$449,635,895	73	4,061,931	55,643	7.7%	\$77
Northwest	\$397,303,196	52	4,615,723	88,764	7.6%	\$82
Southwest	\$210,375,186	86	3,623,594	42,135	7.8%	\$76
<b>North Central</b>	<b>\$164,544,590</b>	<b>67</b>	<b>2,099,364</b>	<b>31,334</b>	<b>8.0%</b>	<b>\$72</b>
Midway	\$44,518,067	13	706,660	54,358	7.7%	\$66
Minneapolis	\$43,806,638	19	519,148	27,324	8.0%	\$64
East	\$41,085,675	23	606,721	26,379	7.7%	\$80
St Croix County	\$34,925,300	13	416,914	32,070	7.8%	\$54
St Paul	\$34,121,101	19	703,051	37,003	7.9%	\$66
Sherburne County	\$30,395,045	24	706,852	29,452	8.4%	\$55
Wright County	\$18,527,231	17	337,326	19,843	8.1%	\$65
Chisago County	\$1,255,000	5	43,562	8,712	8.2%	\$59
Isanti County	\$950,000	1	26,571	26,571	8.4%	\$56
Pierce County	-	3	27,411	9,137	7.9%	\$46

## MARKET INFORMATION

## Players

## North Central Industrial

## TOP OWNERS

Company Name	Owned SF	Owned Props	Avg SF	12 Mo Bought	12 Mo Sold	12 Mo Net Trans
The Blackstone Group Inc.	2,949,954	29	101,723	-	-	-
Capital Partners Management, LLC	1,419,953	13	109,227	-	-	-
Cummins	1,121,722	2	560,861	-	-	-
Target Corporation	1,013,445	1	1,013,445	-	-	-
Link Logistics Real Estate	938,135	10	93,814	-	-	-
Travelers	922,786	15	61,519	-	-	-
Alltemp Distribution Company	823,325	1	823,325	-	-	-
The Travelers Companies, Inc.	799,397	15	53,293	-	-	-
Hyde Development	750,650	5	150,130	-	-	-
Cheryl L Stinski	720,000	1	720,000	-	-	-
Artis Real Estate Investment Trust	718,492	3	239,497	-	-	-
Medtronic	701,910	3	233,970	-	-	-
Vista Outdoor Inc.	700,000	1	700,000	-	-	-
Roseville Properties Management Co...	671,220	19	35,327	-	-	-
Hoffman Enclosures Inc	640,733	2	320,367	-	-	-
Industrial Equities LLP	608,260	4	152,065	-	-	-
HOM Furniture, Inc.	607,868	5	121,574	-	\$3,390,000	-\$3,390,000
Meritex Enterprises Inc	519,255	4	129,814	-	-	-
International Paper	496,068	3	165,356	-	-	-
Murphy Warehouse Company	455,888	2	227,944	-	-	-
H.B. Fuller Company	394,114	3	131,371	-	-	-
Sysco Corporation	391,863	1	391,863	-	-	-
Boston Scientific	376,850	3	125,617	-	-	-
PCCP LLC	358,154	4	89,539	-	-	-
Greenfield Partners	352,600	1	352,600	-	\$7,000,000	-\$7,000,000
Centaur Capital Partners, Inc.	334,688	1	334,688	-	-	-
Summerhill Commercial Real Estate,...	333,542	4	83,386	-	-	-
Cretex Companies, Inc	317,764	2	158,882	-	-	-
Deluxe Corporation	313,653	2	156,827	-	\$10,100,000	-\$10,100,000
Old Dutch Foods, Inc.	309,084	3	103,028	-	-	-
Abbott Laboratories	299,719	3	99,906	-	-	-
Paul & Eleanor Sade Trust	298,148	1	298,148	-	-	-
American Mortgage & Equity Consult...	295,073	1	295,073	-	-	-
Northeast Industrial, Inc.	291,916	8	36,490	-	-	-
Berdass Properties	287,000	1	287,000	-	-	-
WPT Industrial Real Estate Investme...	282,363	3	94,121	-	-	-
The Estee Lauder Companies, Inc.	275,000	1	275,000	-	-	-
Cardinal Industrial	274,587	1	274,587	-	-	-
Quality Trusted Property Management	269,937	4	67,484	-	-	-
Steinwall, Inc.	267,102	4	66,776	-	-	-
Platform Ventures	265,516	1	265,516	\$22,050,000	-	\$22,050,000
Fairbridge Properties, LLC	262,416	1	262,416	-	-	-



# MARKET INFORMATION

## Players

### North Central Industrial

#### TOP BUYERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
W.P. Carey Inc.	\$34,000,000	1	208,000	208,000	-	\$163
Investcorp Bank B.S.C.	\$11,350,000	2	93,300	46,650	-	\$122
Biynah Industrial Partners	\$11,025,000	1	132,758	132,758	-	\$83
Platform Ventures	\$11,025,000	1	132,758	132,758	-	\$83
Scannell Properties	\$10,100,000	1	157,399	157,399	-	\$64
Davids Hydro Vac Inc	\$7,350,000	1	58,357	58,357	-	\$126
Wilson Wolf Corp	\$7,000,000	1	97,750	97,750	-	\$72
Advantage Scaffold & Ladders	\$6,000,000	1	111,836	111,836	-	\$54
Glamco Wire Products Co	\$4,550,000	1	140,551	140,551	-	\$32
Big Blue Boxes	\$3,500,000	1	42,793	42,793	-	\$82
Baldwin Supply Co	\$3,400,000	1	49,416	49,416	-	\$69
Westco Properties Llc	\$3,390,000	1	54,336	54,336	-	\$62
Robert Sullivan	\$2,752,872	1	39,600	39,600	-	\$70
Mars W P & R S Co	\$2,375,000	1	34,114	34,114	-	\$70
Engineered Materials Inc	\$2,350,000	1	29,400	29,400	-	\$80
Clearscape Outdoor Services	\$2,250,000	1	9,805	9,805	-	\$229
West Oaks 5 Llc	\$2,100,000	1	33,574	33,574	-	\$63
Benikers Properties Llc	\$2,000,000	1	23,283	23,283	-	\$86
The Cafesjian Family Foundation, Inc.	\$1,945,000	1	20,408	20,408	-	\$95
Lane Co	\$1,600,000	1	32,946	32,946	-	\$49
Montgomery Brinkman Construction LLC	\$1,600,000	1	41,072	41,072	-	\$39
Superior Air Parts Inc	\$1,600,000	1	25,702	25,702	-	\$62
Terravet Real Estate Solutions	\$1,347,000	1	11,222	11,222	-	\$120
On Site Companies	\$1,280,000	1	9,000	9,000	-	\$142
Kathy A. Cargill	\$1,200,000	1	11,150	11,150	-	\$108
Rybak Excavating and Contracting, Inc.	\$1,165,000	1	10,700	10,700	-	\$109
Richland Refrigerated Solutions LLC	\$1,100,000	1	6,000	6,000	-	\$183
Royce & Boyd Holdings LLC	\$1,100,000	1	21,882	21,882	-	\$50
Precision	\$1,080,000	1	13,200	13,200	-	\$82
State Storage Group	\$1,045,528	1	10,830	10,830	-	\$97
SnackBOX	\$1,000,000	1	9,386	9,386	-	\$107
Randall W Crumpler	\$937,000	1	57,320	57,320	-	\$16
Rosalynn Vertiz	\$885,000	1	10,000	10,000	-	\$89
Wayne Nicholson	\$875,000	1	11,208	11,208	-	\$78
Manthey Holdings LLC	\$850,000	1	9,270	9,270	-	\$92
Schultz Paul V	\$750,000	1	8,500	8,500	-	\$88
Average Joes Bowfishing	-	2	14,823	7,412	-	-



## MARKET INFORMATION

## Players

## North Central Industrial

## TOP SELLERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
Norwest Equity Partners	\$34,000,000	1	208,000	208,000	-	\$163
Roberts Development Company	\$11,350,000	2	93,300	46,650	-	\$122
Alex Brown Realty, Inc.	\$11,025,000	1	132,758	132,758	-	\$83
Biynah Industrial Partners	\$11,025,000	1	132,758	132,758	-	\$83
Deluxe Corporation	\$10,100,000	1	157,399	157,399	-	\$64
Montgomery Family Partnership LLP	\$7,350,000	1	58,357	58,357	-	\$126
Greenfield Partners	\$7,000,000	1	97,750	97,750	-	\$72
Capital Beverage Sales LP	\$6,000,000	1	111,836	111,836	-	\$54
Taylor Corporation	\$4,550,000	1	140,551	140,551	-	\$32
Tyson Co	\$3,500,000	1	42,793	42,793	-	\$82
Advantage Scaffold & Ladders	\$3,400,000	1	49,416	49,416	-	\$69
HOM Furniture, Inc.	\$3,390,000	1	54,336	54,336	-	\$62
Roberts, Nick	\$2,752,872	1	39,600	39,600	-	\$70
Accurate Component Sales, Inc.	\$2,375,000	1	34,114	34,114	-	\$70
Integer Holdings Corporation	\$2,350,000	1	29,400	29,400	-	\$80
Ramona L Morrison	\$2,250,000	1	9,805	9,805	-	\$229
Diesel Cast Welding	\$2,100,000	1	33,574	33,574	-	\$63
Boulder Creek Stone Products	\$2,000,000	1	23,283	23,283	-	\$86
Roger T. & E. Fay Bredesen Joint Revocable...	\$2,000,000	1	41,300	41,300	-	\$48
Craig A Meidinger	\$1,945,000	1	20,408	20,408	-	\$95
Carlson Paul E	\$1,800,000	1	17,260	17,260	-	\$104
BRIAN SMITH	\$1,600,000	1	25,702	25,702	-	\$62
C.O. Lynch Enterprises	\$1,600,000	1	41,072	41,072	-	\$39
Mark Lewis	\$1,600,000	1	32,946	32,946	-	\$49
Daniel E Soderberg	\$1,347,000	1	11,222	11,222	-	\$120
Sullivan Property Investments	\$1,280,000	1	9,000	9,000	-	\$142
Aerial Maintenance of Minnesota, Inc.	\$1,200,000	1	11,150	11,150	-	\$108
Roofers Local No 98	\$1,165,000	1	10,700	10,700	-	\$109
21st Century Bank	\$1,100,000	1	6,000	6,000	-	\$183
Hoff Appraisal Associates	\$1,100,000	1	21,882	21,882	-	\$50
Dasco Systems, Inc.	\$1,080,000	1	13,200	13,200	-	\$82
Elbert Properties LLC	\$1,045,528	1	10,830	10,830	-	\$97
Diversified Properties Inc	\$1,000,000	1	9,386	9,386	-	\$107
Used Boat World	\$937,000	1	57,320	57,320	-	\$16
Harold Morseth	\$885,000	1	10,000	10,000	-	\$89
Lgp Leasing Llc	\$875,000	1	11,208	11,208	-	\$78
Robert M Paddock	\$850,000	1	9,270	9,270	-	\$92
Michael Rustad	\$750,000	1	8,500	8,500	-	\$88
Sharon & Paul Peltier	\$630,000	1	7,265	7,265	-	\$87
Acorn Property Management	\$625,000	1	8,246	8,246	-	\$76
Ron Merkel	\$595,000	1	4,750	4,750	-	\$125
Cedar Siding Inc	\$525,000	1	9,500	9,500	-	\$55

# MARKET INFORMATION

## Players

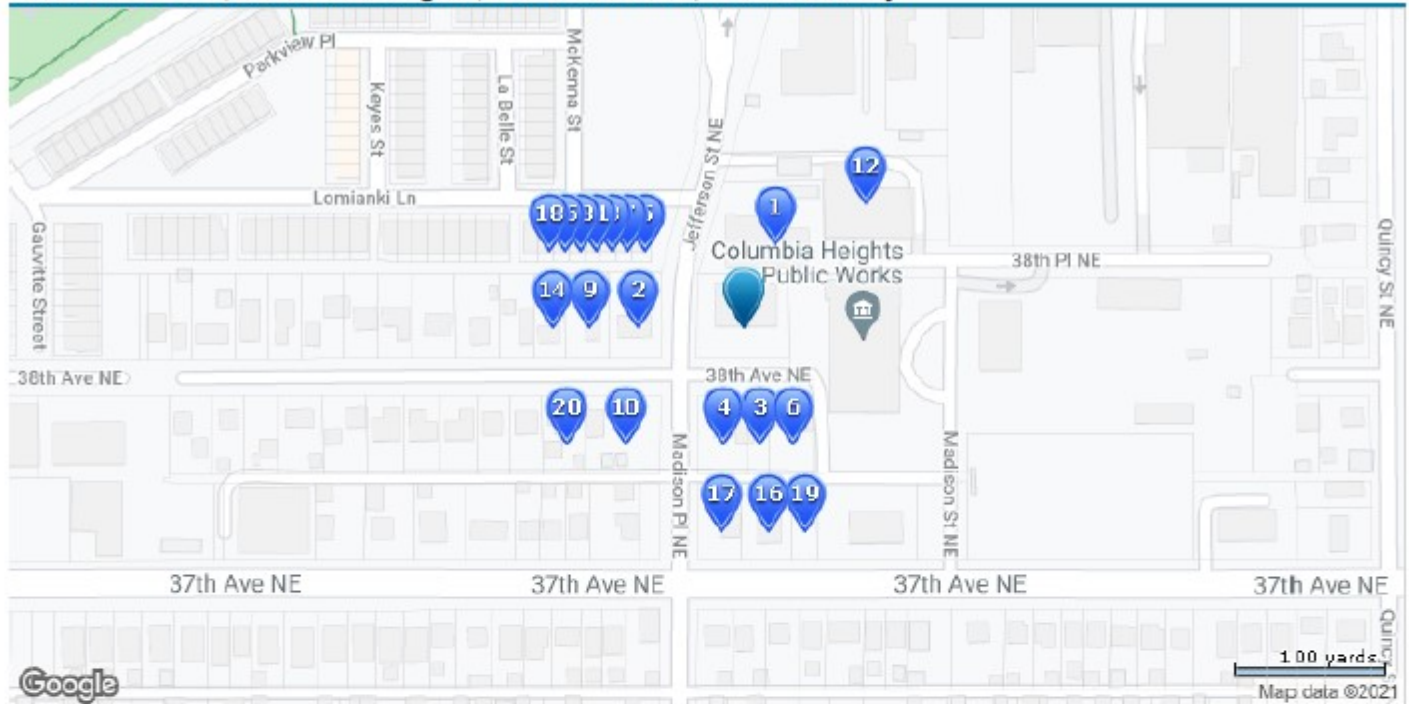
### North Central Industrial





#### TOP BROKERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
CBRE	\$44,600,000	5	506,102	101,220	-	\$88
Colliers International	\$22,675,000	2	273,762	136,881	-	\$83
Newmark Knight Frank	\$21,887,872	10	288,272	28,827	-	\$76
Cushman & Wakefield	\$20,050,000	7	312,459	44,637	-	\$64
Premier Commercial Properties, Inc.	\$15,785,000	10	184,652	18,465	-	\$85
CORE Commercial Real Estate	\$7,350,000	2	70,357	35,179	-	\$104
JLL	\$6,000,000	1	111,836	111,836	-	\$54
Hardin Companies	\$3,390,000	1	54,336	54,336	-	\$62
Transwestern Real Estate Services	\$2,375,000	1	34,114	34,114	-	\$70
Carlson Partners	\$2,350,000	1	29,400	29,400	-	\$80
RE/MAX	\$2,210,000	2	21,809	10,905	-	\$101
Real Estate Advisors, Inc.	\$1,945,000	1	20,408	20,408	-	\$95
Real Estate Masters, Inc.	\$1,100,000	1	6,000	6,000	-	\$183
Urban Industries LLC	\$1,100,000	1	21,882	21,882	-	\$50
Alder Investment Partners	\$1,045,528	1	10,830	10,830	-	\$97
Arrow Real Estate Corporation	\$875,000	1	11,208	11,208	-	\$78
Realogy Corporation	\$875,000	1	11,208	11,208	-	\$78
Keller Williams Realty International	\$765,000	2	12,300	6,150	8.0%	\$62
Commercial Realty Solutions	-	2	14,823	7,412	-	-

# MARKET INFORMATION-NEIGHBORHOOD INFORMATION





## 627 38th Ave Ne, Columbia Heights, MN 55421-3806, Anoka County







NEIGHBORS				
	Subject Property	Neighbor 1	Neighbor 2	Neighbor 3
				
Address	627 38th Ave Ne	3815 Jefferson St Ne	609 38th Ave Ne	628 38th Ave Ne
Owner Name	COLUMBIA HEIGHTS CITY OF	SPC INVESTMENTS LLC	OMO BRANDEN	HALE JACQUELYN (TE)
Owner Name 2			Paulson Melissa	Hale Rex (Te)
Sale Price		\$375,000	\$245,000	\$150,000
Sale Date		08/26/2014	05/05/2016	Tax: 01/24/2003 MLS: 10/28/2013
Price Per Sq Ft		\$33.16	\$152.74	\$71.71
Finished Sq Ft	6,500	9,800	Tax: 1,604 MLS: 2,054	Tax: 936 MLS: 1,189
Lot Sq Ft	20,490	28,080	10,351	4,562
Lot Acres	0.4704	0.6446	0.2376	0.1047
Total Rooms			8	5
Bedrooms			4	Tax: 3 MLS: 2
Bathrooms (Total)			2	Tax: 1 MLS: 2
Year Built	1999	1972	1959	Tax: 1962 MLS: 1906
Stories	1	1	1	Tax: 1 MLS: 1.5
Garage Capacity			MLS: 2	MLS: 1
Style			Bungalow	
Land Use - County	Exempt - Municipal Other	Industrial	Residential Duplexes Double B	Residential Single Family
Land Use - CoreLogic	Municipal Property	Industrial (NEC)	Duplex	SFR
Property Tax Amount	\$69	\$15,168	\$3,381	\$2,694
Distance (miles)		0.03	0.03	0.04











## MARKET INFORMATION-NEIGHBORHOOD INFORMATION

	Subject Property	Neighbor 4	Neighbor 5	Neighbor 6
				
Address	627 38th Ave Ne	3727 Madlson Pl Ne	588 Lomlankl Ln Ne	636 38th Ave Ne
Owner Name	COLUMBIA HEIGHTS CITY OF	FITZGERALD BETTE	CORMACK MARY	HINRICHS ERIC
Owner Name 2		Fitzgerald John		
Sale Price		\$50,000	\$207,565	
Sale Date		MLS: 07/02/1992	08/30/2006	MLS: 07/22/2013
Price Per Sq Ft		\$53.42	\$110.41	\$49.25
Finished Sq Ft	6,500	Tax: 936 MLS: 1,800	Tax: 1,880 MLS: 1,618	Tax: 934 MLS: 600
Lot Sq Ft	20,490	9,773	2,081	8,362
Lot Acres	0.4704	0.2243	0.0478	0.192
Total Rooms		5	6	4
Bedrooms		Tax: 2 MLS: 3	Tax: 3 MLS: 2	1
Bathrooms (Total)		1	Tax: 2 MLS: 3	1
Year Built	1999	1942	2006	1924
Stories	1	1	2	1
Garage Capacity		MLS: 2	MLS: 2	MLS: 1
Style				
Land Use - County	Exempt - Municipal Other	Residential Single Family	Residential Single Family	Residential Single Family
Land Use - CoreLogic	Municipal Property	SFR	SFR	SFR
Property Tax Amount	\$69	\$3,134	\$2,836	\$2,888
Distance (miles)		0.04	0.04	0.04

	Subject Property	Neighbor 7	Neighbor 8	Neighbor 9
				
Address	627 38th Ave Ne	586 Lomlankl Ln Ne	584 Lomlankl Ln Ne	603 38th Ave Ne
Owner Name	COLUMBIA HEIGHTS CITY OF	BOEHM KIMBERLY	ALLEN DANIKA	HANSEN KEITH W
Owner Name 2				Hansen Gail M
Sale Price		\$177,515	\$231,952	
Sale Date		06/10/2016	06/23/2006	
Price Per Sq Ft		\$93.22	\$122.86	
Finished Sq Ft	6,500	Tax: 1,888 MLS: 1,657	1,888	1,251
Lot Sq Ft	20,490	2,078	1,987	8,041
Lot Acres	0.4704	0.0477	0.0456	0.1846
Total Rooms		6	6	6
Bedrooms		Tax: 3 MLS: 2	3	3
Bathrooms (Total)		Tax: 2 MLS: 3	2	1
Year Built	1999	2006	2006	1910
Stories	1	2	2	1
Garage Capacity		MLS: 2		
Style				
Land Use - County	Exempt - Municipal Other	Residential Single Family	Residential Single Family	Residential Single Family
Land Use - CoreLogic	Municipal Property	SFR	SFR	SFR
Property Tax Amount	\$69	\$2,865	\$2,829	\$2,405
Distance (miles)		0.04	0.05	0.05





## MARKET INFORMATION-NEIGHBORHOOD INFORMATION




	Subject Property	Neighbor 10	Neighbor 11	Neighbor 12
				
Address	627 38th Ave Ne	604 38th Ave Ne	582 Lomlankl Ln Ne	3829 Jefferson St Ne
Owner Name	COLUMBIA HEIGHTS CITY OF	KUSLER JON D	WARRIO ABDUSALMAN	NORTHEAST HOSPITALITY LLC
Owner Name 2			Ahmend Gemechu	
Sale Price			\$258,000	\$505,000
Sale Date			11/06/2020	08/05/2014
Price Per Sq Ft		\$57.36	\$136.65	\$44.78
Finished Sq Ft	6,500	1,046	1,888	14,240
Lot Sq Ft	20,490	14,148	1,874	33,359
Lot Acres	0.4704	0.3248	0.043	0.7658
Total Rooms		4	6	
Bedrooms		2	3	
Bathrooms (Total)		1	Tax: 2 MLS: 3	
Year Built	1999	1904	2006	1956
Stories	1	1	2	1
Garage Capacity			MLS: 2	
Style				
Land Use - County	Exempt - Municipal Other	Residential Single Family	Residential Single Family	Industrial
Land Use - CoreLogic	Municipal Property	SFR	SFR	Industrial (NEC)
Property Tax Amount	\$69	\$1,937	\$2,829	\$35,866
Distance (miles)		0.05	0.05	0.05

	Subject Property	Neighbor 13	Neighbor 14	Neighbor 15
				
Address	627 38th Ave Ne	580 Lomlankl Ln Ne	593 38th Ave Ne	578 Lomlankl Ln Ne
Owner Name	COLUMBIA HEIGHTS CITY OF	HENNING ERIN	ROSSMAN JOHN B	RAGAN SCOTT
Owner Name 2			Rossman Jere M	
Sale Price		\$204,900		\$235,000
Sale Date		05/04/2017		05/12/2020
Price Per Sq Ft		\$108.53		\$124.47
Finished Sq Ft	6,500	1,888	968	Tax: 1,888 MLS: 1,683
Lot Sq Ft	20,490	1,910	7,810	1,766
Lot Acres	0.4704	0.0438	0.1793	0.0406
Total Rooms		6	5	6
Bedrooms		Tax: 3 MLS: 2	3	3
Bathrooms (Total)		Tax: 2 MLS: 3	1	Tax: 2 MLS: 3
Year Built	1999	2006	1956	2006
Stories	1	2	1	2
Garage Capacity		MLS: 2		MLS: 2
Style				
Land Use - County	Exempt - Municipal Other	Residential Single Family	Residential Single Family	Residential Single Family
Land Use - CoreLogic	Municipal Property	SFR	SFR	SFR
Property Tax Amount	\$69	\$2,829	\$2,590	\$2,829
Distance (miles)		0.06	0.06	0.06



## MARKET INFORMATION-NEIGHBORHOOD INFORMATION

	Subject Property	Neighbor 16	Neighbor 17	Neighbor 18
				
Address	627 38th Ave Ne	631 37th Ave Ne	623 37th Ave Ne	576 Lomlanki Ln Ne
Owner Name	COLUMBIA HEIGHTS CITY OF	BREILAND MARK	DIAZ CESAR	PALMER KYLA
Owner Name 2				
Sale Price		\$425,000	\$107,000	\$220,000
Sale Date		Tax: 04/29/2004 MLS: 05/03/2004	03/28/2008	05/01/2019
Price Per Sq Ft		\$50.35		\$116.53
Finished Sq Ft	6,500	Tax: 4,767 MLS: 4,774	Tax: 1,170 MLS: 1,078	Tax: 1,888 MLS: 1,657
Lot Sq Ft	20,490	9,131	8,518	2,168
Lot Acres	0.4704	0.2096	0.1956	0.0498
Total Rooms		25	7	6
Bedrooms		8	Tax: 5 MLS: 3	Tax: 3 MLS: 2
Bathrooms (Total)			Tax: 2 MLS: 1	Tax: 2 MLS: 3
Year Built	1999	1959	1922	2006
Stories	1		Tax: 1.75 MLS: 2	2
Garage Capacity			MLS: 2	MLS: 2
Style				
Land Use - County	Exempt - Municipal Other	Apartments / Coop	Residential Single Family	Residential Single Family
Land Use - CoreLogic	Municipal Property	Apartment	SFR	SFR
Property Tax Amount	\$69	\$7,311	\$2,176	\$2,892
Distance (miles)		0.06	0.06	0.06

	Subject Property	Neighbor 19	Neighbor 20
			
Address	627 38th Ave Ne	637 37th Ave Ne	592 38th Ave Ne
Owner Name	COLUMBIA HEIGHTS CITY OF	JOHNSON JANET J	INGEBRIGTSON JEFFREY L
Owner Name 2			
Sale Price		\$48,000	\$74,500
Sale Date			MLS: 08/28/1992
Price Per Sq Ft		\$52.98	\$76.33
Finished Sq Ft	6,500	906	Tax: 976 MLS: 1,654
Lot Sq Ft	20,490	5,335	8,083
Lot Acres	0.4704	0.1225	0.1856
Total Rooms		5	4
Bedrooms		2	Tax: 1 MLS: 3
Bathrooms (Total)		1	2
Year Built	1999	1947	1946
Stories	1	1	1
Garage Capacity			MLS: 3
Style			
Land Use - County	Exempt - Municipal Other	Residential Single Family	Residential Single Family
Land Use - CoreLogic	Municipal Property	SFR	SFR
Property Tax Amount	\$69	\$2,262	\$2,559
Distance (miles)		0.06	0.06



## OVERVIEW OF THE VALUATION PROCESS

Three basic approaches are typically used in the estimation of market value. These three approaches utilize data from three different market reference sources and are reconciled in the final valuation. These three approaches are 1) the Direct Sales Comparison or Market Approach, 2) the Cost or the Reconstruction Approach, and 3) the Income Approach.

### **The Direct Sales Comparison or Market Approach**

Has as its premise a comparison of the subject property with others of similar design, utility and use that have recently sold. Comparables are graphed to show a price per square foot and adjusted for past months sale to reflect current market price. The appreciated price per square foot is then averaged and applied to the subject property to indicate a point of value.

### **The Reconstruction Approach**

Has as its premise the valuation of the site (land) by comparison with other sites in the area that have recently sold and making adjustments for the differences to indicate an estimate of site value. Then an estimated cost to reproduce or replace the improvements, less any loss of value (depreciation), is added to this site value to indicate a value for the subject property.

### **Land Value**

Ideally, for an analysis of this type, mated vacant land sales are available from nearby proximity that similar structures have been built on. Vacant land sales and “teardown” properties from the subject’s marketplace with the same type of commercial location as the subject property have been reviewed to establish a valuation on a per square foot basis for the subject site.

The method utilized is a recognized appraisal valuation technique and explained herein with the calculations shown on an accompanying chart. This method establishes a point of value. Thus, a fully accredited method is used for estimating the subjects current land value.

## OVERVIEW OF THE VALUATION PROCESS

### **The Income Approach** –Not Utilized within this appraisal

As used for investment properties, has as its premise in the estimation of the amount of the net operating income, which when capitalized in a manner that is commensurate with the risk and the life expectancy of the improvements, and will indicate the present value of the income stream.

### **Reconciliation of Values**

Normally, each of these approaches will indicate a different value. After the factors in each of the approaches have been carefully weighed, they are correlated to arrive at a final estimate of value

### **Additional Comments**

An appraisal is a value opinion on an analysis of the pertinent market data available for review. Typically, an appraisal will use all three of the traditional approaches to value. All three approaches base value on different sets of market data, together providing a system of checks and balances. However all three approaches to value are not always used in every appraisal. The choice of the approach or approaches to use will depend on the type of the property being appraised, the amount of market data available for review, the reliability of the market data and the purpose of the value option.

The income approach was not utilized within this appraisal. The approach was not thought to add significant or reliable contributory value assessment given the building only valuation herein.

## MARKET APPROACH—UTILIZED IN EXTRACTION METHOD

The application of this approach is based primarily on the principle of substitution, which indicates that informed purchasers would be no more for the property than the cost to them obtaining comparable, competitive property with the same utility on the open market. The market approach is based on the *principle of substitution*. This principle states that “when a property is replaceable in the market, its value tends to be set by the cost of acquiring an equally desirable substitute property assuming no costly delay in making the substitution”. Sales of similar parcels of real estate in a competitive market and of similar utility are sought in the process.

The major consideration in utilization of this approach to market value should be its relationship to area market attitude. The comparable sales selected, if enough data is available, should be considered competitive to the subject property under appraisal in relationship to utility and location. If reliable data is available, this analysis must be considered, to a very high degree, in the final conclusion of value.

This approach to value is based on actual sales and offers the best reflection of the way an informed buyer and an informed seller have reacted in the marketplace. In an analysis of this type, market behavior must be considered. The type and amount of the adjustments can vary in different locations, principally because the demand can vary greatly from location to another.

Comparing sales of similar properties with the subject property is generally the method of estimating property value. The selected sales consider the following factors:

1. Time (recent sales)
2. Similar locations
3. Similarity of features of the land and improvements which contribute to (or detract from) value
4. Financing or conditions of sales, if available.

The final results after analyzing comparable sales provides the appraiser with a range of values from which to form an opinion of the most probable price at which the property should sell in the open market base on the definition of market value, which is included within this report and supported by the principle of substitution.



## MARKET APPROACH—UTILIZED IN EXTRACTION METHOD

The market behavior and actions of buyers and sellers reflect their anticipations of the future benefits to be derived from the ownership of competitive properties. The most significant by no the only reflection of anticipations is the price paid. The sales adjustment process which is at the heart of the sales comparison analysis, is based on identification and measurement of the effect that the presence, absence, or amount of some characteristic has on the sales price of competitive ( comparable ) sales property and, hence, on the value of the subject property.

Increasing and decreasing returns (variable proportions), as well as the measurement of the contribution of any property component or factor to the total property value, are reflected in the sales adjustment process. Most specifically, that process shows the effect of larger quantities of variable characteristics in comparable sales properties on their sales prices. This concept is also useful in identifying which comparables are truly complete with the subject property.

### Market Standards

Especially since market value is the most frequent sought, the direct sales comparison approach is based upon an analysis of the market behavior of purchasers. The standards for comparing sales of competing property with the subject property are those of the market. The sales comparison approach, therefore, requires sufficient quantities of accurate, reliable, and verified market data to be applied properly and effectively.

Market data are analysis and evaluated as through the eyes of a the typically informed purchaser, who acts prudently in his own self interest on the basis of the information. The standards utilized in the sales comparison approach re those of the local market in which the subject property is located. This market is identified and its characteristics are evaluated through the area and neighborhood analysis, which precedes application of the direct sales comparison approach.

Market value is estimated as of the date of the appraisal. The market conditions prevailing on that date are the ones that influence the value of the subject property. Therefore comparable sales data should be as current as possible for comparative purposes. In the definition of market value , the prudent purchaser acts on the basis of an awareness of the uses to which the property is capable of being put. Rational behavior stipulates that the purchaser plans to utilized the property at its highest and best use. Therefore, the value of improved property is always estimated in terms of its highest and best use. This may or may not be identical with the highest and best use of the site if it were vacant and available for use. It all depends on whether the improvements are most appropriate for the site.

## MARKET APPROACH—UTILIZED IN EXTRACTION METHOD

The essential process of sales comparison analysis is to convert actual varied sales prices of competitive and comparable properties to a defined value estimate. It involves going to the market to extract indications of defined value from market activities.

Since it is primarily an application of the principle of substitution, the essence of the sales comparison approach is to discover the sales price of competitive properties which sold recently on the local market. Through an appropriate adjustment process, this approach is used to develop indications of what complete properties would sell for currently if they possessed all of the basic and pertinent physical and economic characteristics of the subject property. Indications of such adjusted sales prices are developed for several comparables sales. These indications are expected to fall into a pattern of clustering around one figure, which, when appropriately rounded, provides an indication of the market value of the subject property as of the date of the appraisal.

The technique of the sales approach involves selecting a number of sales transactions of comparable properties that have transferred recently on the local market. There are then adjusted to provide indications of the market value of the subject property. For comparison to be made effectively, detailed information must be obtained about each of the comparables sales properties. This requires a systematic data program. The pertinent and salient characteristics of the subject property must be itemized. Then, these same points should be covered for each comparable sales property. Not every property that has recently sold on the local market is a comparable sale. Both physical characteristics and market conditions and terms of sale be investigated. This is where judgment on the part of the appraiser is required. The basic test is whether the property selected as a comparable sales is, in fact, effectively competitive with the subject property in the mind of the typically informed purchaser in the present market.

Data on sales comparison must be obtained to indicate the basic characteristics of both the property and the transaction. This information should be assembled systematically, so that it can be presented into a standard format developed by the appraiser for ease of use and understanding by the client. Basic information about each comparable sales transaction that the appraiser should obtain includes date of sale; value and page of deed; type of deed; legal description of property; names of grantor and grantee; documentary stamps; amount of consideration, if indicated; verified sales price; motivating forces or condition of sale; terms of financing; and personal property, if included in the sale.

## MARKET APPROACH—UTILIZED IN EXTRACTION METHOD

The appraiser should also develop information on property data. This usually included subject items as type and style; size; functional utility; age and condition; special features; accessory buildings; zoning and deed restrictions; location; taxes and assessments; list price and length of time on the market; and unusually elements of function or locational obsolescence.

In making a presentation for a comparative analysis in a narrative appraisal report, detailed information about the comparable sale property, with respect to both the property itself and the transaction, should be provided in a systematic format. The reader of the report should be able to visualize the element of comparability and differences between the comparable sales property and the subject property. All salient and pertinent elements of comparability and differences between the comparable sales property and the subject property should be listed, but only salient and pertinent features should be listed. Minor elements that have no influence on value or marketability should be excluded.



## MARKET APPROACH—LAND AND BUILDING

The comparative sales analysis consisted of research through known record collecting systems of tax records, Multiple Listing Service, County data, appraisal file records, CRV data at Plat Systems Services, and other networks. These systems yielded approximately 5 comparable sales over the three year period similar to the subject building in design, function, use and year built. 4 properties were selected for each comparison and judged best mated to the subject property. The sales utilized were retail or mixed use facilities similar to the subject. This section of the market approach focused on the building and land.

All comparables were drawn from as close proximity that were available and judged the most similar to the subject property in effective age, and style and function for each building. Comparable salient data pages are located after the comparable grid.

A discussion on procedure of the market approach follows:

- Select appropriate value indicators are assigned for each comparable depending on market norms. Appropriate value indicator will be derived based upon the actions of buyers and sells in the marketplace.
- If the comparable property is superior to the subject in terms of the identified factors, a downward percentage adjustment is made to the comparable.
- If the comparable property is inferior to the subject regarding a certain characteristic, the comparable is adjusted upward
- Cumulative percentage adjustments for each of the comparables are summed which provides a total net adjustment which is then multiplied by the cash equivalent sale price to indicate an appropriate value factor for the subject.
- The adjusted value are then reviewed and reconciled. The sales that provide the best indication of the market value will be identified, and the adjusted indicated values will be reviewed and a final value estimate selected.

Selected comparables were compiled into a grid format and adjusted on a per unit basis. Adjustments to the comparables were made based on property rights, financing and conditions of sale, market conditions/ time of sale, and location and physical characteristics. The appraisers adjustments are based upon several factors. In most instances certain adjustments are hard to provide market support for because of the lack of sales. Where there is insufficient sale to support an adjustment factor, the appraisers judgment and experience will be applied. In most instances the appraisers estimated adjustment factor will be derived from market research.

The following is a brief discussion regarding the adjustments made in this analysis.

- Property Rights Conveyed - It is very important to consider the property interest conveyed in a commercial transaction. In a majority of comparable sales transactions, the fee simple interest is conveyed where by the seller secures all rights in the real estate. This lime item adjustment

## MARKET APPROACH—LAND AND BUILDING

has been presented in the even that the seller retains some ownership rights, or a third party has some form of ownership interest. Certain property interests that would be considered in this adjustment would include any retained ownership rights by the seller, easements or restrictions that have a significant impact on the marketability of the title, or a tenant's leasehold interest. It is important to note that this appraisal assignment is to develop the estimate of the market value of the fee simple interest, and therefore it is necessary to make an adjustment for any transaction when total ownership rights have not been conveyed. No Property Rights adjustments have been made to the comparables utilized, due to all comparables being judged equal to the subject.

- **Financing-** All of the comparable properties have been analyzed with regard to the cash equivalent sale price. A cash equivalent sale means an all-cash transaction or cash to a new mortgage at conventional rates. Generally speaking, when cash equity is less than market rate and/or contracts for deeds are negotiated at interest rates below the normal level of interest rates that could be secured from banks offering conventional first mortgages, a downward adjustment is then indicated. All transactions consist of all-cash, or cash mortgages, or contract for deeds with market rate terms. No adjustments were made, all comparables were felt equal and offsetting.
- **Conditions of Sale-** The definition of market value requires the appraiser to consider condition of sale that have a profound impact on the transaction. The definition of market value makes the assumption that both the buyer and the seller are typically motivated and are well informed. This factor considered the motivation of the buyer and the seller for the particular transaction, and makes an adjustment in those special circumstances when the conditions surrounding the particular sales does not meet the traditional market value definition. Special condition mandating the adjustment would include a distressed sale, a transaction where an adjacent property owner acquires a property at a higher rate to accommodate assemblage and pottage, or when a particular seller has to dispose of a property and is unable to expose the property to the market for a reasonable time. The market value definition specifies certain criteria for a transaction to be considered truly comparable. The definition assumes that a reasonable marketing time is allowed to effectively market the property to well informed users. Therefore, it is appropriate to make an adjustment for those transactions that have occurred that do not meet the criteria established by traditional market value definition.
- **Market Conditions -** Marketing conditions were not adjusted all comparables utilized were thought reflective of the effective date of this appraisal.
- **Location differentials -** The location differential adjustments are utilized to equalize the comparables utilized and the subject property on factors such proximity to employment, transportation, mean and average housing pricing around the immediate area, and demand for housing stock. These adjustments tend to be ambiguous and are hard to define by market transactions. The appraisers applied adjustments mostly based on experience, conversations with developers, and City and County officials. adjustments applied were noted on the comparable grid.

## MARKET APPROACH—LAND AND BUILDING

- Concessions were adjusted per comparable and noted on the comparable grid.
- Parcel size differentials were adjusted if the differential was considered significant and were noted on the comparable grid.
- Age differentials were not adjusted due to all comparables being judged equal to the subject. Differentials in effective age were addressed in conditional adjustments.
- Conditional differentials were judged per comparable and noted on the comparable grid

The comparable grids are located on the next pages. All comparable utilized were thought well mated to the subject property. The comparables were measured on above grade square footage with consideration of below grade, if any existed.

Below are the descriptive statistics of the comparable base before and after adjustments were applied.

<i>Descriptive Statistics of the Comparable Base BEFORE Adjustments were Applied</i>		<i>Descriptive Statistics of the Comparable Base AFTER Ad- justments were Applied</i>	
Mean	66.83	Mean	59.83
Standard Error	3.53	Standard Error	0.83
Median	65.10	Median	59.69
Mode	61.65	Mode	#N/A
Standard Deviation	9.99	Standard Deviation	1.67
Sample Variance	99.73	Sample Variance	2.78
Kurtosis	(1.08)	Kurtosis	(4.61)
Skewness	0.58	Skewness	0.19
Range	25.03	Range	3.39
Minimum	56.05	Minimum	58.27
Maximum	81.08	Maximum	61.65

All comparables were considered the best mated comparables available. The range in indicated values was significantly reduced after adjustments were applied. Giving consideration to the best mated comparables the indicated value found herein is \$60 per square foot. Applying \$60. per square foot to the subject's 6,500 square feet yields a rounded potential value of \$390,000 and is the value found utilizing the market approach for the building plus the land. The comparable grid is located on the next page with the salient data following. This value is for the building and the land. An additional market approach was done for the land value.



# MARKET APPROACH- COMPARABLE GRID BUILDING AND LAND

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
<b>Reference Number</b>	Subject	4913347	4609224	4432926	4007294
<b>Street Address</b>	627 38th Avenue NE	4300 Main St NE	3801 NE 3rd St	3638 Central Ave NE	661 39th Ave NE
<b>City</b>	Columbia Heights	Fridley	Minneapolis	Minneapolis	Columbia Heights
<b>Closed Date</b>	N/A	9/19/2019	12/18/2018	7/20/2018	8/31/2017
<b>Sale Condition</b>	Assumed Typical	Investment Triple Net			
<b>Asking Price</b>	N/A	1,300,000	449,900	875,000	325,000
<b>Sold Price</b>	N/A	\$1,250,000	\$440,900	\$855,000	\$283,500
<b>Marketing Time</b>	N/A	203	92	141	37
<b>Sale Type</b>	N/A	Investment	Owner User	Owner User	Investment or Owner User
<b>Seller Contribution</b>	N/A				
<b>Adjusted Value</b>		1,250,000	440,900	855,000	283,500
<b>Conditions of Sale</b>	Assumed Typical				
<b>Adjusted Value</b>		1,250,000	440,900	855,000	283,500
<b>Expenditures Made Immediate After Purchase</b>	Assumed Nominal				
<b>Adjusted Value</b>		1,250,000	440,900	855,000	283,500
<b>Marketing Conditions</b>	Current				
<b>Adjusted Value</b>		1,250,000	440,900	855,000	283,500
<b>Cash Equivalency Value Before Property Adjustments</b>		1,250,000	440,900	855,000	283,500
<b>Cash Equivalency Value Before Property Adjustments (SqFT)</b>		\$ 61.65	\$ 68.55	\$ 81.08	\$ 56.05
<b>Property Type</b>	Light Industrial	Industrial	Industrial	Industrial	Industrial
<b>Building SF</b>	6,500	20,275	6,432	10,545	5,058
<b>Secondary Type</b>	Light Industrial	Manufacturing	Warehouse	Warehouse	Warehouse
<b>Year Built</b>	1999	1954	1951	1955	1985
<b>Land Area SF</b>	20,490.00	43,560.00	11,761.00	16,552.00	10,219.00
<b>Number Of Floors</b>	1	1	1	2	1
<b>Zoning</b>	Light Industrial	M-2	I	C-2	Commercial
<b>Building Condition</b>	Good	Superior	Adequate	Adequate	Considered Inferior
<b>Construction Material</b>	Metal/Concrete Skirt	Masonry	Masonry	Masonry	Metal
<b>Floor Area Ratio</b>	0.32	0.47	0.55	0.64	0.49
<b>Frontage</b>	38th and Jefferson			Central	
<b>Number Of Parking Spaces</b>	14	30	10	25	10
<b>Number Of Tenants</b>	1	2	1	1	
<b>Loading Docks</b>	1	1	1	None	None
<b>Tenancy</b>	Single		6.72		
<b>Net Adjustment Amount</b>		-5%	-15%	-25%	10%
<b>Indicated Value of the Comparable Per Sqft</b>		\$ 58.57	\$ 58.27	\$ 60.81	\$ 61.65

# MARKET APPROACH- COMPARABLE SALIENT DATA BUILDING AND LAND

<b>3801 NE 3rd St</b> Minneapolis, MN 55421 <b>Class C Warehouse Building of 6,432 SF Sold on 12/18/2018 for \$440,900 - Research Complete</b>																																								
<b>buyer</b> <b>Northern Heritage Prop Llc</b> 3801 NE 3rd St Columbia Heights, MN 55421																																								
<b>seller</b> <b>Naturerich Inc</b> 9060 Zachary Ln N Maple Grove, MN 55369 (763) 493-7770																																								
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# MARKET APPROACH- COMPARABLE SALIENT DATA BUILDING AND LAND

<b>661 39th Ave NE</b> Columbia Heights, MN 55421 <b>Class C Warehouse Building of 5,058 SF Sold on 8/31/2017 for \$283,500 - Public Record</b>																																				
buyer																																				
seller																																				
<b>661, LLC</b> <b>14520 Thicket Ln</b> <b>Dayton, MN 55327</b>																																				
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Parking Ratio: <b>1.98/1000 SF</b>	Corner: <b>No</b>																																			
FAR <b>0.49</b>	Zoning: <b>Commercial</b>																																			
Lot Dimensions: -	Percent Improved: -																																			
Frontage: -	Submarket: <b>North Central Ind</b>																																			
Tenancy: <b>Single</b>	Map Page: -																																			
Comp ID: <b>4007294</b>	Parcel No: -																																			
	Property Type: <b>Industrial</b>																																			
income expense data		Listing Broker																																		
<table border="0"> <tr> <td><b>Expenses</b></td> <td>- Taxes</td> <td><b>\$2,934</b></td> </tr> <tr> <td></td> <td>- Operating Expenses</td> <td></td> </tr> <tr> <td></td> <td><b>Total Expenses</b></td> <td><b>\$2,934</b></td> </tr> </table>		<b>Expenses</b>	- Taxes	<b>\$2,934</b>		- Operating Expenses			<b>Total Expenses</b>	<b>\$2,934</b>	<b>Commercial Coalition Group</b> <b>1875 Plaza Dr</b> <b>Eagan, MN 55122</b> <b>(651) 452-5950</b> <b>Fritz Bredenbeck</b>																									
<b>Expenses</b>	- Taxes	<b>\$2,934</b>																																		
	- Operating Expenses																																			
	<b>Total Expenses</b>	<b>\$2,934</b>																																		
		Buyer Broker																																		
financing		prior sale																																		
		Date/Doc No: <b>6/25/2014</b> Sale Price: <b>\$190,000</b> CompID: <b>3051689</b>																																		

# MARKET APPROACH- COMPARABLE SALIENT DATA BUILDING AND LAND

## 3638 Central Ave NE

Minneapolis, MN 55418

Class C Warehouse Building of 10,545 SF Sold on 7/20/2018 for \$855,000 - Research Complete

### buyer

Kadiv Hussein  
2551 Ridge Ln  
Mounds View, MN 55112  
(763) 245-3804

### seller

All HomeCaring  
3638 Central Ave NE  
Minneapolis, MN 55418  
(612) 378-1474



### vital data

Escrow/Contract:	-	Sale Price:	<b>\$855,000</b>
Sale Date:	7/20/2018	Status:	<b>Confirmed</b>
Days on Market:	141 days	Building SF:	10,545 SF
Exchange:	<b>No</b>	Price/SF:	<b>\$81.08</b>
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	16,553	Actual Cap Rate:	-
Acres:	0.38	Down Pmnt:	-
\$/SF Land Gross:	<b>\$51.65</b>	Pct Down:	-
Year Built, Age:	1955 Age: 63	Doc No:	-
Parking Spaces:	25	Trans Tax:	-
Parking Ratio:	2.37/1000 SF	Cornr:	<b>No</b>
FAR:	0.64	Zoning:	<b>C-2</b>
Lot Dimensions:	-	No Tenants:	<b>1</b>
Frontage:	-	Percent Improved:	-
Tenancy:	<b>Multi</b>	Submarket:	<b>Minneapolis Ind</b>
Comp ID:	4432926	Map Page:	-
		Parcel No:	-
		Property Type:	<b>Industrial</b>

### income expense data

<b>Expenses</b>	- Taxes	<b>\$25,519</b>
	- Operating Expenses	
	<b>Total Expenses</b>	<b>\$25,519</b>

### Listing Broker

Hoyt Properties, Inc.  
275 Market St  
Minneapolis, MN 55405  
(612) 338-7787  
Steve Nelson, Kyle Thompson


### Buyer Broker

**No Buyer Broker on Deal**

### financing



# MARKET APPROACH- COMPARABLE SALIENT DATA BUILDING AND LAND

<b>4300 Main St NE</b> Fridley, MN 55421 <b>Class C Manufacturing Building of 20,275 SF Sold on 9/19/2019 for \$1,250,000 - Research Complete</b>																																						
<b>buyer</b> <b>Robert Bras</b> 1800 Oliver Ave S Minneapolis, MN 55405 (612) 377-4040																																						
<b>seller</b> <b>Jeren L. Hamlin</b> 3105 65th St E Inver Grove Heights, MN 55076 (651) 357-2300																																						
<b>vital data</b>																																						
<table border="0"> <tr> <td>Escrow/Contract: -</td> <td>Sale Price: <b>\$1,250,000</b></td> </tr> <tr> <td>Sale Date: <b>9/19/2019</b></td> <td>Status: <b>Confirmed</b></td> </tr> <tr> <td>Days on Market: <b>203 days</b></td> <td>Building SF: <b>20,275 SF</b></td> </tr> <tr> <td>Exchange: <b>No</b></td> <td>Price/SF: <b>\$61.65</b></td> </tr> <tr> <td>Conditions: <b>Investment Triple Net</b></td> <td>Pro Forma Cap Rate: -</td> </tr> <tr> <td>Land Area SF: <b>43,560</b></td> <td>Actual Cap Rate: <b>8.47%</b></td> </tr> <tr> <td>Acres: <b>1</b></td> <td>Down Pmnt: -</td> </tr> <tr> <td>\$/SF Land Gross: <b>\$28.70</b></td> <td>Pot Down: -</td> </tr> <tr> <td>Year Built, Age: <b>1954 Age: 65</b></td> <td>Doc No: <b>002239140001</b></td> </tr> <tr> <td>Parking Spaces: <b>30</b></td> <td>Trans Tax: -</td> </tr> <tr> <td>Parking Ratio: <b>1.48/1000 SF</b></td> <td>Cornet: <b>No</b></td> </tr> <tr> <td>FAR <b>0.47</b></td> <td>Zoning: <b>M-2</b></td> </tr> <tr> <td>Lot Dimensions: -</td> <td>No Tenants: <b>2</b></td> </tr> <tr> <td>Frontage: -</td> <td>Percent Improved: <b>86.0%</b></td> </tr> <tr> <td>Tenancy: <b>Multi</b></td> <td>Submarket: <b>North Central Ind</b></td> </tr> <tr> <td>Comp ID: <b>4913347</b></td> <td>Map Page: -</td> </tr> <tr> <td></td> <td>Parcel No: <b>34-30-24-11-0001</b></td> </tr> <tr> <td></td> <td>Property Type: <b>Industrial</b></td> </tr> </table>			Escrow/Contract: -	Sale Price: <b>\$1,250,000</b>	Sale Date: <b>9/19/2019</b>	Status: <b>Confirmed</b>	Days on Market: <b>203 days</b>	Building SF: <b>20,275 SF</b>	Exchange: <b>No</b>	Price/SF: <b>\$61.65</b>	Conditions: <b>Investment Triple Net</b>	Pro Forma Cap Rate: -	Land Area SF: <b>43,560</b>	Actual Cap Rate: <b>8.47%</b>	Acres: <b>1</b>	Down Pmnt: -	\$/SF Land Gross: <b>\$28.70</b>	Pot Down: -	Year Built, Age: <b>1954 Age: 65</b>	Doc No: <b>002239140001</b>	Parking Spaces: <b>30</b>	Trans Tax: -	Parking Ratio: <b>1.48/1000 SF</b>	Cornet: <b>No</b>	FAR <b>0.47</b>	Zoning: <b>M-2</b>	Lot Dimensions: -	No Tenants: <b>2</b>	Frontage: -	Percent Improved: <b>86.0%</b>	Tenancy: <b>Multi</b>	Submarket: <b>North Central Ind</b>	Comp ID: <b>4913347</b>	Map Page: -		Parcel No: <b>34-30-24-11-0001</b>		Property Type: <b>Industrial</b>
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<b>income expense data</b>		<b>Listing Broker</b> <b>Fort, Inc</b> 1914 Palace Ave Saint Paul, MN 55105 (619) 977-1785 Jake Gerads																																				
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<b>financing</b>		<b>prior sale</b> Date/Doc No: <b>7/27/2017</b> Sale Price: <b>\$1,085,000</b> CompID: <b>4044476</b>																																				

## MARKET APPROACH– LAND VALUATION

A search was conducted to find similar properties to the subject that have sold over the effective date of this appraisal, which encompassed sales that have occurred 10/1/2019-present. All comparables were listed, sold or pending over a similar marketing timeframe as the effective date of this appraisal. Land sales that were selected were thought well mated to the subject in zoning, land features, and location features. Comparables were drawn from within a close proximity as available. The major focus on comparable selection was on zoning and land features. There is a limited amount of comparable sales within the immediate proximity. Given this, the geographic area was expanded to include other areas thought as similar as available to the subject. .

The comparative sales analysis consisted of research through known record collecting systems of tax records, Multiple Listing Service, County data, appraisal file records, CRV data at Plat Systems Services, and other networks. These systems yielded approximately 5 comparable sold properties over the period stated above that were judged similar to the subject as available. 3 sold comparables, which were considered the best mated available, were then utilized within the market approach.

A discussion on procedure of the market approach follows:

- Select appropriate value indicators are assigned for each comparable depending on market norms. Appropriate value indicator will be derived based upon the actions of buyers and sells in the marketplace.
- If the comparable property is superior to the subject in terms of the identified factors, a downward percentage adjustment is made to the comparable.
- If the comparable property is inferior to the subject regarding a certain characteristic, the comparable is adjusted upward
- Cumulative percentage adjustments for each of the comparables are summed which provides a total net adjustment which is then multiplied by the cash equivalent sale price to indicate an appropriate value factor for the subject.

The adjusted values are then reviewed and reconciled. The sales that provide the best indication of the market value will be identified, and the adjusted indicated values will be reviewed and a final value estimate selected.

Selected comparables were compiled into a grid format and adjusted on a per unit basis. Adjustments to the comparables were made based on property rights, financing and conditions of sale, market conditions/ time of sale, and location and physical characteristics. The appraisers adjustments are based upon several factors. In most instances certain adjustments are hard to provide market support for because of the lack of sales. Where there is insufficient sale to support an adjustment factor, the appraisers judgment and experience will be applied. In most instances the appraisers estimated adjustment factor will be derived from market research.

## MARKET APPROACH- LAND VALUATION

The following is a brief discussion regarding the adjustments made in this analysis.

- **Property Rights Conveyed** - It is very important to consider the property interest conveyed in a commercial transaction. In a majority of comparable sales transactions, the fee simple interest is conveyed where by the seller secures all rights in the real estate. This line item adjustment has been presented in the case where the seller retains some ownership rights, or a third party has some form of ownership interest. Certain property interests that would be considered in this adjustment would include any retained ownership rights by the seller, easements or restrictions that have a significant impact on the marketability of the title, or a tenant's leasehold interest. It is important to note that this appraisal assignment is to develop the estimate of the market value of the fee simple interest, and therefore it is necessary to make an adjustment for any transaction when total ownership rights have not been conveyed. No Property Rights adjustments have been made to the comparables utilized, due to all comparables being judged equal to the subject.
- **Financing**- All of the comparable properties have been analyzed with regard to the cash equivalent sale price. A cash equivalent sale means an all-cash transaction or cash to a new mortgage at conventional rates. Generally speaking, when cash equity is less than market rate and/or/ contracts for deeds are negotiated at interest rates below the normal level of interest rates that could be secured from banks offering conventional first mortgages, a downward adjustment is then indicated. All transactions consists of all-cash, or cash mortgages, or contract for deeds with market rate terms. No adjustment for financing is indicated to any of the comparable sales utilized.
- **Conditions of Sale**- The definition of market value requires the appraiser to consider conditions of the sale that have a profound impact on the transaction. The definition of market value makes the assumption that both the buyer and the seller are typically motivated and are well informed. This factor considered the motivation of the buyer and the seller for specific transaction, and makes an adjustment in those special circumstances when the conditions surround the particulars sales does not meet the traditional market value definition. Special condition mandating the adjustment would included a distressed sale, a transaction where an adjacent property owner acquires a property at a higher rate to accommodate assemblage and plottage, or when a particular seller has to dispose of a property and is unable to expose the property to the market for a reasonable time. The market value definition specifies certain criteria for a transaction to be considered truly comparable. The definition assumes that a reasonable marketing time is allowed to effectively market the property to well informed users. Therefore, it is appropriate to make an adjustment for those transactions that have occurred that do not meet the criteria established by traditional market value definition. No adjustments were applied, all comparables were considered equal to the subject in this regard.
- **Market Conditions** - Marketing conditions were not adjusted. All comparables utilized were thought reflective of the effective date of this appraisal.
- **Location differentials** - The location differential adjustments are utilized to equalize the comparables utilized and the subject property on factors such proximity to employment, education and recreational

## MARKET APPROACH- LAND VALUATION

venues, mean and average housing pricing around the immediate area, and demand for housing stock. These adjustments tend to be ambiguous and are hard to define by market transactions. The appraisers applied adjustments mostly based on experience, conversations with developers, and City and County officials. If adjustments were made, the reason for such was noted on the comparable grid. The most significant reason for locational adjustments was based on synergy around the subject and the comparables.

Concessions were adjusted per comparable and noted on the comparable grid

All comparables are thought reasonably mated to the subject property that were available. Comparable three is considered the best mated comparable and is the basis of this valuation.

Below are the descriptive statistics of the comparable base, price per square foot, before and after adjustments were applied. The range of indicated values was **significantly** reduced after adjustments were applied.

<i>Descriptive Statistics of the Comparable Base BEFORE Adjustments were Applied (Price per SqFt)</i>		<i>Descriptive Statistics of the Comparable Base AFTER Adjustments were Applied (Price per SqFt)</i>	
Mean	8.08	Mean	5.63
Standard Error	2.05	Standard Error	0.17
Median	6.58	Median	5.60
Mode	#N/A	Mode	#N/A
Standard Deviation	3.54	Standard Deviation	0.29
Sample Variance	12.57	Sample Variance	0.09
Kurtosis	#DIV/0!	Kurtosis	#DIV/0!
Skewness	1.56	Skewness	1.62
Range	6.60	Range	0.54
Minimum	5.53	Minimum	5.53
Maximum	12.13	Maximum	6.06

The probable market value found herein is based on \$5.53 per square foot as indicated the comparable base. Thus, \$5.63 multiplied by the subject's 20,409 square feet yields a rounded potential market value of \$110,000, rounded This valuation is for the land only.

The next page is the comparable grid.



## MARKET APPROACH- LAND VALUATION

	Subject	Comparable 1	Adjustment	Comparable 2	Adjustment	Comparable 3	Adjustment
Comp ID		5335882		4111194		4077704	
Property Address	627 38th Avenue NE	3725 Stinson Blvd		4340 N Lyndale Ave (Part of		1069 Grandview Way	
Property City	Columbia Heights	Saint Anthony		Minneapolis		Columbia Heights	
Parcel Number 1 (Min)	35-30-24-43-0009	31-30-23-33-0209		03-029-24-22-0030		25-30-24-32-0064	
Parcel Number 2 (Max)		31-30-23-33-0209		03-029-24-22-0030		25-30-24-32-0072	
Sale Date	Not Marketed	11/27/2020		1/5/2018		12/8/2017	
Sale Status	Not Marketed	Sold		Sold		Sold	
Sale Price	Not Marketed	462500		\$108,984		\$1,200,000	
Asking Price	Not Marketed					1,800,000	
Market Time	Not Marketed	361				837	
Sale Price Comment	Not Marketed			Allocated		Confirmed	
Hold Period	38 Years	34 Months		34 Months			
Sale Condition	Not Marketed			Bulk/Portfolio Sale			
Sale Type	Not Marketed	Owner User		Investment		Investment	
Scale	Municipal	Independent		Independent		Independent	
Total Expense Amount	Unknown	13,538.00				8,670.52	
Cash Equivalency Value			448,962.00		108,984.00		1,191,329.48
Cash Equivalency Value Per SqFt			12.12558743		6.584340261		5.525083155
Property Type	Land	Land		Land		Land	
Land Area AC	0.74	0.85		0.38		4.95	0.30
Land Area SF	20490	37026		16552		215622	
Property Name							
Zoning	Comm/Ind	Comm/Ind		Comm/Ind		MXD	
Frontage	38th and Jefferson	Stinson		-0.1 Lyndale		-0.1	
Improvement Ratio				79.44		0.00	
Proposed Use	Industrial	Commercial, Industrial, MultiFamily		Commercial, -0.3 MultiFamily		Commercial, MultiFamily, -0.05 Office, Retail	-0.3
Site Specifics Requiring Adjustments		Area of significant Synergy		-0.1			
Net Adjustment			-0.5		-0.15		0
Indicated Price per SqFt			\$ 6.06		\$ 5.60		\$ 5.53

## DETERMINATION OF BUILDING VALUE THOUGH MARKET APPROACH FOR LAND AND BUILDING AND LAND ONLY VALUE

The two previous market approach focused on the building and land and then just the land value. The values found herein utilizing these approaches were as follows:

The value for the building and the land:	\$390,000
<u>The value for the land only:</u>	<u>\$110,000</u>
Differential:	\$280,000

This illustrates that the building is offering a contributory value to the land of \$280,000 and thus is the value found for the building only in this analysis.

## RECONSTRUCTION COST APPROACH.

Reconstruction Cost Approach in offering an opinion of the market value is one of the three basic approaches employed in the appraisal process. The principle of substitution is the basic underlying tenant from which the replacement cost is premised on. This basic economic principle, in part, states that no rational person will pay more for the property than the amount for which they can obtain, by purchase of a site and construction of a building, without undue delay, a property of equal desirability and functional utility. Consequently, reproduction cost new prior to any deduction for accrued depreciation, plus land value, tends to set the upward limit of value.

The cost approach is based on the assumption that an informed purchaser would pay no more than the cost of reproducing a substitute property with the same utility as the subject. This methodology is most applicable when the property being appraised is relatively new, and which represents the highest and best use of the land. It is also of particular value when unique or specialized improvements are being valued and for which there are few if in comparable property sales available.

In the cost approach, the indicated on market value is obtained by adding the land value (from market data) to the estimated replacement cost of the improvement less any depreciation accruing to the improvements. It is generally true that the replacement cost tends to represent the upper limit of the market value. It is also necessary to recognize that newly constructed improvements would have physical advantages over existing improvements, so any lack of utility founding in the existing property(s) must be measured in comparison with the new improvements. This measurement amount is called accrued depreciation.

There are five basic steps in the Replacement Cost Approach technique, which are as follows:

1. Estimate the land value as if vacant
2. Estimate reproduction cost new, or replacement cost, new, of the improvements
3. Estimate in dollar amounts the accrued depreciation caused by:
  - A. Physical Depreciation
  - B. Functional Obsolescence
  - C. Economic Obsolescence
4. Deduct the accrued depreciation from the improvements reproduction cost new to arrive at a present depreciated cost estimate
5. Add the land value to the depreciated cost estimate to arrive at a value indicated by the cost approach

Reproduction cost is related to an objective value concept. However, it is important to note that costs does not necessarily create value. Value can only be created when certain economic demands have been satisfied.

In order for the Cost Approach to produce a justifiable reflection of a market value in relation to the opinion of value obtained through use of the other approaches, it is necessary to analyze accrued depreciation.

The following costs as presented, are supported by area contractors, and appraiser costing files. The

## RECONSTRUCTION COST APPROACH.

appraisers utilize Marshal Swift for the costing utilized herein. The depreciation, as indicated, is related to the appraiser's knowledge of the area and the condition of the structure.

The three types of depreciation are as follows:

Physical depreciation - A reduction in utility resulting from an impairment of physical condition.

Functional Obsolescence - Impairment of functional capacity of efficiency.

Economic Obsolescence - Impairment of desirability or useful life arising from factors external to the property, such as economic forces or environmental changes which affect supply and demand relationship.

Physical Deterioration is relative to the normal aging process of an asset. If not put to hard use, the subject may have a longer life. the "age-life" concept is the depreciation technique used in conjunction with physical depreciation. Under that concept, the percent of depreciation is equal to the ration of the effective age of 10 and the over all expectable economic life of 25 years would have a depreciation of 40%.

"Obsolescence" is more difficult to evaluate and define. Obsolescence is divided into two parts, "Functional" and "Economic"

"Functional" obsolescence is a loss of value due to the inability of the asset to perform its function as efficiently as its replacement. An example of this might be the new fast recovery hot water heaters, which are replacing the old. The new water heaters are smaller and more efficient.

"Economic" obsolescence is caused by factors outside the property and is not related to the ability of the asset to perform its function. For example, if special equipment was made to manufacture plastic gears and that line of gears did not sell, this equipment would have 100% economic obsolescence. Certainly, the equipment could still be used to manufacture gears, but that would do no good if economic made the product unusable.

If maintenance had been very good, the effective date could be less than actual age. Conversely, it could be greater. If functional or economic obsolescence considerations are involved, new assets could have a very high depreciation, in affect reducing the market.

**LAND COST : Not Ulized herein given the building only valuation of this appraisal.**



## RECONSTRUCTION COST APPROACH.

### BUILDING COST:

Costing associated with this approach was derived from Marshall and Swift. Marshall and Swift utilizes original construction occupancy and average cost of buildings with similar occupancies. The subject building was classified as a storage warehouse. The costing herein from Marshall and Swift and is supported in part by the subject's approximate construction costs as supplied to the appraisers. As storage warehouse is defined below.

### 406 Storage Warehouse

These buildings are designed for storage and include an amount of office space commensurate with the quality of the building (typically 3 to 12 percent).

Typically, they have plaster or drywall interior partitions and may have some finished ceilings. The better qualities have small office fronts with ornamental materials at the front elevation, while lower cost structures are plain with very little if any ornamentation. Heating and ventilating facilities are sufficient to protect goods from freezing and other spoilage.

The following are not included in the costs: Special climate control equipment and dock levelers and material handling equipment.

Availability of [Elevators by Area](#) for this occupancy: Yes

*Marshall Valuation Service* sections: 14 and 44.

### Typical Lives:

	Class								
Quality	A	B	C	D	H	S	P	M	W
Low	45	45	40	35	--	35	35	40	--
Average	50	50	45	40	--	40	40	45	--
Good	50	50	45	40	--	40	40	45	--
Excellent	55	55	50	45	--	45	45	50	--

### Class P (Pole Frame):

Quality	Exterior Walls	Interior Finish	Mechanicals	HVAC
Low	Pole frame, metal sid-	Unfinished utility type,	Minimum lighting &	Space heat-
Average	Pole frame, good metal	Small office, some fin-	Adequate lighting, lit-	Space heat-

### Deprecation:

An overall depreciation of 40% was applied based on the building effective age. The costing report is located on the next page.

The value found utilizing the reconstruction cost approach is \$280,000, rounded.

**RECONSTRUCTION COST APPROACH.****CoreLogic - SwiftEstimator****Commercial Estimator - Detailed Report****General Information**

<b>Estimate ID:</b>	627 38th Avenue NE, Columbia Heights	<b>Date Created:</b>	5/7/2021
<b>Property Owner:</b>	City of Columbia Heights		
<b>Property Address:</b>	627 38th Avenue NE Columbia Heights, MN 55421	<b>Date Calculated:</b>	5/7/2021
<b>Local Multiplier:</b>	1.15	<b>Cost Data As Of:</b>	May-21
<b>Area</b>	6500		
<b>Stories in Section</b>	1		
<b>Stories in Building</b>	1		
<b>Shape</b>	rectangular		
<b>Perimeter</b>	(auto-calc)		
<b>Effective Age</b>	24		
<b>Occupancy</b>	%	<b>Class</b>	<b>Height</b>
406 Storage Warehouse	100	P	16
<b>Occupancy Total Percentage</b>	100		
		<b>Quality</b>	
			3

**System : Exterior Walls**

	%/Units	Quality	Depr %	Other
815 Exterior Walls :				
Concrete Block, Textured Face	50	Occ.		
<b>Total Percent for Exterior Walls:</b>	<b>50</b>			

	Units	Unit Cost	Total Cost New	Less Depreciation	Total Cost Depreciated
<b>Basic Structure</b>					
Base Cost	6,500	\$55.70	\$362,050	\$144,820	\$217,230
Exterior Walls	3,250	\$24.27	\$78,878	\$31,551	\$47,327
Heating & Cooling	6,500	\$5.15	\$33,475	\$13,390	\$20,085
<b>Basic Structure Cost</b>	<b>6,500</b>	<b>\$72.99</b>	<b>\$474,403</b>	<b>\$189,761</b>	<b>\$284,642</b>
<b>Less Depreciation</b>					
Physical & Functional	40.00%			\$189,761	\$284,642
<b>Depreciated Cost</b>	<b>6,500</b>	<b>\$43.79</b>		<b>\$189,761</b>	<b>\$284,642</b>

Cost data by CoreLogic, Inc.

## PICTURES OF SITE-EXTERIOR





## PICTURES OF SITE-FRONTAGE





## PICTURES OF SITE-INTERIOR





## PICTURES OF SITE-INTERIOR



# DEMOGRAPHICS

627 38th Ave Ne, Columbia Heights, MN 55421-3806, Anoka County

## POPULATION

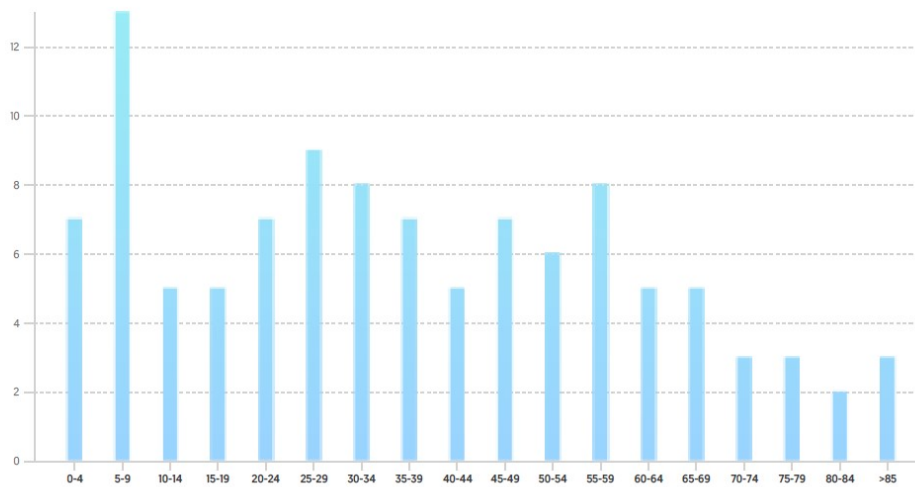
### SUMMARY

Estimated Population	27,998
Population Growth (since 2010)	-1.9%
Population Density (ppl / mile)	4,235
Median Age	36.8

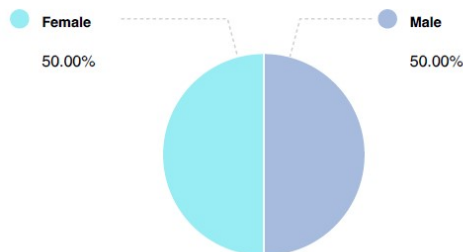
### HOUSEHOLD

Number of Households	11,455
Household Size (ppl)	2
Households w/ Children	5,751

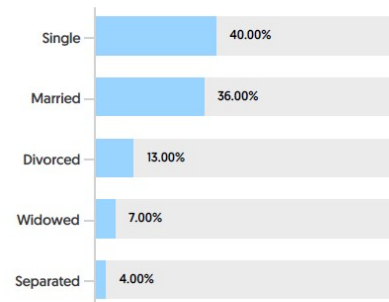
### AGE



### GENDER



### MARITAL STATUS



## HOUSING

### SUMMARY

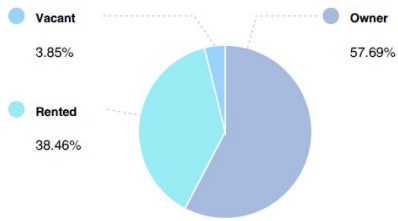
Median Home Sale Price	\$170,400
Median Year Built	1964

### STABILITY

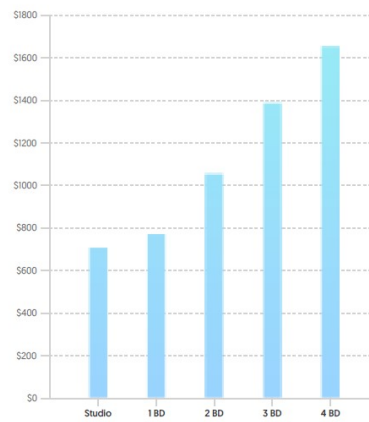
Annual Residential Turnover	19.25%
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# DEMOGRAPHICS

## OCCUPANCY



## FAIR MARKET RENTS (COUNTY)

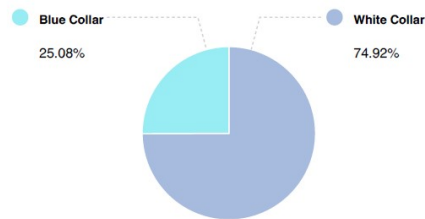


## QUALITY OF LIFE

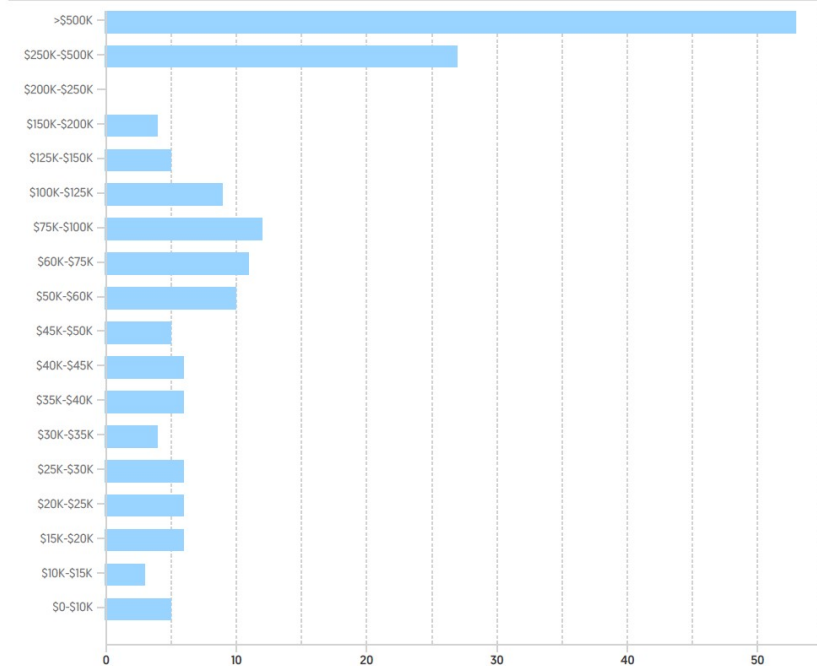
### WORKERS BY INDUSTRY

Agricultural, Forestry, Fishing	17
Construction	578
Manufacturing	2,264
Transportation and Communications	898
Wholesale Trade	434
Retail Trade	1,553
Finance, Insurance and Real Estate	875
Services	6,026
Public Administration	436

### WORKFORCE



## HOUSEHOLD INCOME



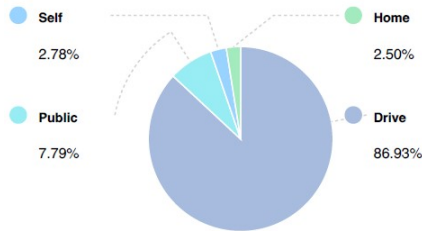
Average Household Income **\$53,248**

Average Per Capita Income **\$29,578**



# DEMOGRAPHICS

## COMMUTE METHOD



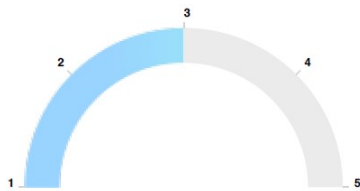
Median Travel Time **26 min**

## WEATHER

January High Temp (avg °F)	24.5
January Low Temp (avg °F)	7.5
July High Temp (avg °F)	86.1
July Low Temp (avg °F)	65.2
Annual Precipitation (inches)	32.81

## EDUCATION

### EDUCATIONAL CLIMATE INDEX (1)



### HIGHEST LEVEL ATTAINED

Less than 9th grade	558
Some High School	2,123
High School Graduate	6,090
Some College	4,088
Associate Degree	2,135
Bachelor's Degree	5,794
Graduate Degree	1,644

(1) This measure of socioeconomic status helps identify ZIP codes with the best conditions for quality schools. It is based on the U.S. Census Bureau's Socioeconomic Status (SES) measure with weights adjusted to more strongly reflect the educational aspect of social status (education 2:1 to income & occupation). Factors in this measure are income, educational achievement and occupation of persons within the ZIP code. Since this measure is based on the population of an entire ZIP code, it may not reflect the nature of an individual school.  
 (2) Powered by Liveby. Information is deemed reliable but not guaranteed. Copyright © 2021 Liveby. All rights reserved.

## SCHOOLS

RADIUS: 1 MILE(S)

### PUBLIC - ELEMENTARY

	Distance	Grades	Students	Students per Teacher	SchoolDigger.com Rating (1)
Global Academy	0.59	K-8th	431	15	3

### Community Rating (2)

Global Academy

### PUBLIC - MIDDLE/HIGH

	Distance	Grades	Students	Students per Teacher	SchoolDigger.com Rating (1)
Global Academy	0.59	K-8th	431	15	3

### Community Rating (2)

Global Academy

### PRIVATE

	Distance	Grades	Students	Classrooms	Community Rating (2)
Immaculate Conception School	0.42	Pre-K-8th	125		

# DEMOGRAPHICS

## EATING - DRINKING

	Address	Phone #	Distance	Description
Community Grounds LLC	560 40th Ave Ne	(763) 208-3238	0.31	Cafe
Amos Amos Barbeque	4000 6th St Ne	(763) 789-4336	0.36	Barbecue Restaurant
Peterson Bacon & Egg Cafe	513 40th Ave Ne	(763) 789-4544	0.37	Cafe
Jasmine Thai LLC	3800 Central Ave Ne	(763) 703-3126	0.38	Thai Restaurant
Karta Thai	3800 Central Ave Ne	(763) 703-3126	0.38	Thai Restaurant
Border Foods, Inc.	3854 Central Ave Ne	(763) 781-4000	0.39	Pizzeria, Chain
Columbia Heights Dairy Queen	3959 Central Ave Ne	(763) 788-9079	0.44	Ice Cream Stands Or Dairy Bars
Adama Restaurant LLC	3970 Central Ave Ne	(763) 789-4485	0.45	Eating Places
El Tequila Mexican Grill & Bar	4005 Central Ave Ne	(763) 710-5723	0.49	Mexican Restaurant
Latin Kitchen	4005 Central Ave Ne	(763) 710-5723	0.49	Bar (Drinking Places)

## SHOPPING

	Address	Phone #	Distance	Description
David Royce LLC	574 37th Ave Ne	(651) 283-9494	0.14	Glass
Johnson Food Mart	334 40th Ave Ne	(763) 657-0062	0.44	Grocery Stores
Family Dollar Stores, Inc.	4037 Central Ave Ne	(763) 789-4032	0.51	Variety Stores
Teas Through Time, LLC	3708 2nd St Ne	(763) 229-7536	0.56	Tea
The Sherwin-Williams Company	4110 Central Ave Ne # 215	(763) 781-9929	0.6	Paint
Arrow Building Systems Inc.	4111 Central Ave Ne # 204	(612) 255-9771	0.61	Lumber And Other Building Materials
Chocolate Haven Of Minnesota	4240 6th St Ne	(612) 267-4881	0.62	Confectionery
Norcross Chocolates	4240 6th St Ne	(612) 267-4881	0.62	Confectionery
Mab Education Assoc	4146 Maureen Dr Ne	(763) 789-0813	0.68	Paint
Oakcrest Building Products	4256 Central Ave Ne	(763) 592-8649	0.72	Insulation Material, Building

# QUALIFICATIONS

## PROFESSIONAL APPRAISER QUALIFICATIONS

One who, properly qualified, estimates value. To be considered a competent appraiser or expert in the field of real estate valuation, one should have

1. The ability to assemble and competently evaluate an adequate and pertinent data program;
1. The necessary background and experience, particularly with respect to the property type under appraisal;
3. The essential personal characteristics of unquestioned integrity, sound judgment, and willingness to work;
4. A thorough familiarity with the stimuli motivating market reaction; and,
5. A thorough familiarity with techniques and methods of presentations.

## QUALIFICATIONS

### QUALIFICATION OF CLARKE T. GOSET, REAL ESTATE APPRAISER

Licensed as a Certified General Real Property appraiser, all types of real estate, state license #4002042

Independent Real Estate Appraiser in Twin City Metropolitan market area since 1983, portfolio of over 10,000 fee appraisals

Client list of more than 300 local lenders, attorneys and relocation companies

Served as Chief Appraiser with Knutson Mortgage Corporation

Extensive review appraisal experience

Completion of over 1,000 hours of specific appraisal course work and real estate education including completion and passing examinations for Society courses 101, 102, Appraisal Institute's principles of capitalization (formerly known as Cap A and Cap B)

Certified by local Housing and Urban Development office

Certified as expert Real Estate appraisal witness in Hennepin County, state and federal court work

Approved as Real Estate Instructor by Minnesota Department of Commerce, Lectured on appraisal valuation in numerous venues

Endorse and comply with USPAP Professional Standards of Appraisal Institute and all governmental/appraisal Foundation standards

Five years of corporate experience with American Hoist & Derrick

Sold over 200 properties as a Realtor in Minneapolis area from 1978 to 1985 earning CRS designation

Member of numerous real estate board work groups and committees

Member of Greater Minneapolis Board of Realtors since 1978

Graduate of University of Hawaii's School of Business

Honorable discharge from US Army



## Distributed to City Council at 6/7/21 Work Session

SACA Meeting with City 6.7.21

**Presented by Dave and Steve**

### 1. Status of fund raising

- **Campaign Launch December 2020 - 7 months into campaign out of a 36 month process**
- **Public Funding - Pending**
  - \$1.5 M (\$300K - \$1.5M) from Legislature. As of Saturday, 6.5.21 our bill was in play with Chair Fou Lee of the MN House of Representatives.
  - \$1 M Congressional Request from either Sen. Klobuchar and Sen. Smith's office

**Total Public Funding Pending \$2.5 million**

- **Public Funding - To be Submitted**
  - \$300K LCA -TOD for eligible activities
  - Up to \$100K - CDBG
  - \$1M ARP - small city funding

**Total Public Funding to be Submitted \$1.4M**

**Additionally, Up to \$3 M TEBQ draw loan (interest only first year) if necessary**

- **Individual giving: \$161,385** (for programs and building)
- **Foundation Pending giving: \$122,003** (for programs and building)

\*\*\*Total Awarded to date: \$283,388

\*\*\*Total Pending to date: \$2,539,000

\*\*\*Total to be Submitted to date: \$1,400,000 with additional bridge funding if necessary (TEBQ)

### 2. Timeline for entitlement application (when will SACA submit for land-use approvals)

### 3. Status of architectural and site planning/engineering work

- MOU in place June
- Start talking about community engagement in July, 2021
- Celebrate State funding if in place in July 2021 if awarded or later if special session extends into fall
- Architectural and Engineering work is underway, and to be wrapped up in August 2021
- Design 75% in July
- Design 100% in early September
- Entitlement with Legislative or TEBQ funding in place in September 2021
- Land Use Approvals September 2021 (pending outcomes of funding things to adjust up or back)
- Bids September-October
- Construction (weather depending) 4Q or 1Q

**4. General next steps**

- Support with Community Engagement with announcements of in-person and zoom convenings
- Continued support with LCA-TOD application - City will be the entity to submit this application. See below timeline
  - LCA-TOD Project planning kick-off with team week of 6.7.21 with Bill/Owners Rep
  - Agree upon eligible activities for the project week of 6.21.21
  - Budget drafting week of 7.5.21
  - Site rendering #1, week of 7.12.21
  - Site rendering #2 week of 7.26.21
    - LCA TOD grant draft to Minerva Hark (CH) week of 8.9.21
  - Final grant draft to Minerva Hark (CH) week of 8.23.21

**5. Anything SACA would like to discuss (please send me your list)**

- SACA would like to know if the City will furnish an appraisal of the new site?

AGENDA SECTION	WORK SESSION ITEMS
MEETING DATE	JUNE 7, 2021

ITEM:	Report (Draft) for Sewer Modeling for Sanitary Sewer Collection District 1		
DEPARTMENT: Public Works		BY/DATE: Kevin Hansen 6/03/2021	
CITY STRATEGY: (please indicate areas that apply by adding a bold "X" in front of the selected text below)			
_Safe Community		_Diverse, Welcoming "Small-Town" Feel	
_Economic Strength		_Excellent Housing/Neighborhoods	
_Equity and Affordability		X_Strong Infrastructure/Public Services	
_Opportunities for Play and Learning		_Engaged, Multi-Generational, Multi-Cultural Population	

**BACKGROUND:** -The City of Columbia Heights approved a contract with the consulting firm of Bolton & Menk on April 26<sup>th</sup> to review sanitary sewer capacities in Sewer Collection District 1. The City has previously experienced flow capacity issues in the trunk sanitary sewer system in Collection District 1. Identified issues contributing to capacity restrictions include identifying issues such as size of pipe pipe size, grades or slope of the pipe, Inflow and Infiltration (I-I), and event flows. exceeding the design capacity as These identified issues are all—potential factors reducing flow capacity. With these existing conditions and two proposed redevelopment sites in Collection District 1, a detailed evaluation of current pipe capacity, impact of the proposed developments, and recommendations to ensure sufficient future sewer capacity was conducted.

Attached is the report (*draft*) from Bolton & Menk which includes:

- A review of the existing sewer sheds
- Creation of the sewer model using existing and planned land uses
- Evaluation of dry weather flow and peak capacities
- Model analysis of the collection district trunk line west of Central Avenue in:
  - Existing condition
  - With 62 unit development
  - With 550 unit development
- Preliminary recommendations / options

It should be noted that the work effort does include wet weather flow monitoring, but due to a lack of significant rainfall events, a peaking factor based on Metropolitan Council Environmental Services was used to estimate peak flow. Sanitary sewer monitoring is ongoing and the peaking factor will be updated if/when wet weather conditions are recorded.

The following options/recommendations are included in the evaluation:

1. Remove the clear water entering the sewer system at the source (foundation drains)
2. Increase pipe sizes by replacement or pipe bursting
3. Re-route a portion of the existing flow, along with the new development into new mains
4. Installation of a storage chamber with sewer lift station to divert high flow events

5. Combination of options 1-4

Figure(s) Summary:

MODEL

- Figure 1: Collection District 1 pipe segment being modeled
- Figure 2: Modeled area of the City in Collection District 1

EXISTING CONDITIONS

- Figure 3-1: Existing Condition - modeled peak capacity of trunk line as a percentage flowing full
- Figure 3-2: Existing Condition – recommended pipe sizes of trunk line

62 UNIT REDEVELOPMENT

- Figure 4-1: 62 Unit Redevelopment impact to existing trunk line as a percentage flowing full

550 UNIT REDEVELOPMENT

- Figure 4-2: 550 Unit Redevelopment impact to existing trunk line as a percentage flowing full

RECOMMENDATIONS

- Figure 7: Recommended pipe sizes to remain in existing condition
- Figure 8: Reroute option – reroute flow at 43<sup>rd</sup> and Jackson and the new development north to a new pipe on 44<sup>th</sup> Avenue continuing west to Washington; and upsize approximately 2,968 feet of existing pipe west of Washington.

Staff will review the modeling data with existing conditions and potential impacts of development at the work session.

**ATTACHMENT(S):** Draft Sanitary Sewer Assessment Report dated June 2, 2021.





Real People. Real Solutions.

**DRAFT**

2035 County Road  
Maplewood, MN 55109-5314

Item 4.

Ph: (651) 704-9970  
Fax: (651) 704-9971  
Bolton-Menk.com

June 2, 2021

Kevin Hansen, PE  
Public Works Director/City Engineer  
637 38<sup>th</sup> Avenue NE  
Columbia Heights, MN 55421

**RE:** Sanitary Sewer Assessment  
City of Columbia Heights  
Project No.: 0R1.124055

Mr. Hansen,

The goal of the analysis was to investigate potential pipe capacity issues within the sanitary sewer system along Jackson Street NE, between 41<sup>st</sup> Avenue NE and 43<sup>rd</sup> Avenue NE, and to preliminarily identify potential issues in the downstream sanitary sewer main along 43<sup>rd</sup> Avenue NE, 44<sup>th</sup> Avenue NE, 45<sup>th</sup> Avenue NE, and Main Street NE. Redevelopment is planned within the area and the City of Columbia Heights wants to identify potential pipe capacity issues. Both existing and proposed site conditions were analyzed and a steady state, Autodesk Storm and Sanitary Analysis (SSA), hydraulic model was created for both scenarios. Figure 1 in Appendix A is a map showing the study extents.

## EXECUTIVE SUMMARY

Based on our analysis, the sanitary sewer system is currently operating below its designed capacity along Jackson Street NE, 45<sup>th</sup> Avenue NE, and Main Street NE and operating above its designed capacity along 43<sup>rd</sup> and 44<sup>th</sup> Avenue NE. These conditions remain unchanged when considering the proposed developments located in southeast corner of the Jackson Street NE and 42<sup>nd</sup> Avenue NE intersection and north of the Jackson Street NE and 43<sup>rd</sup> Avenue NE intersection.

The intersection of Jackson Street NE and 43<sup>rd</sup> Avenue NE is a regional low point. During larger rainfall events, water will start to pool within this low area. Given the pipe material is vitrified clay pipe (VCP), and the age of the existing sanitary sewer system, stormwater has a high potential to enter the system. The sanitary sewer main from Central Ave to the Met Council connection (end of the study area) was lined to address I/I concerns. However, the services and laterals remain clay and potentially subject to I/I impacts. Significant sanitary sewer back up events have historically been correlated to significant rainfall and may not be tied directly to base, or low, sanitary discharges. The subject rainfall events include both high intensity, short duration events as well as slower 24-hour events that produce several inches of rain. Furthermore, the groundwater has been subject to elevation fluctuations during rain events, which may lead to infiltration in areas with dated service connections and deteriorating pipe materials.

It was noted during the field installation of the sanitary flow meters that some of the manhole structures and pipes contained a large amount of sediment. The City may benefit from televising the sanitary sewer mains to look for pipe and structure defects, potential I/I issues, and to determine the extent of the silt/sediment issues observed within the system. These areas could be cleaned out to increase the hydraulic capacity of the sanitary sewer system and reduce the potential for backups.

Three alternative means of addressing the under capacity sanitary sewer mains were generally reviewed and include: 1. Mitigate I/I by removing foundation drain connections, 2. Increasing pipe sizes by

replacement or pipe bursting, 3. Re-routing a portion of the flow to a sanitary sewer mains which have more capacity, and 4. Installation of a lift station to divert high flow events from the local system. Most likely, a combination of the three alternatives could be used to create a cost-effective solution for this area of the city.

## I. CURRENT LAND USE

A shapefile describing Anoka County parcels was used to estimate and classify the land use and flow that discharged to the modeled sanitary sewer system. Table 1 shows a breakdown of land use that contributes to the downstream, Metropolitan Council, sanitary sewer system.

Table 1: Existing Land Use

Existing Land Use	
Land Use Classification	Acres
Apartment Unit, Condominium	43
Business	93
Church	5
Duplex	54
Mobile Home Park	20
Park/Open Space	81
Public Facility	36
School	50
Single Family Home	610
Townhome	8
Total Acreage	1,000

## II. SANITARY SEWER ANALYSIS CRITERIA

### A. SEWERSHEDS

Sanitary sewersheds were delineated at strategic locations to define critical service flows in the sanitary sewer system. For each individual parcel, sewer service connections were approximated based off the most feasible connection location. The sanitary sewer system was evaluated and broken up into critical design segments. Each end of a design segment had a node assigned to it. Generally, the nodes were designated for the following reasons:

1. Simplification of the sanitary sewer system
2. Sewershed size

Following these criteria, 24 major nodes were identified throughout the sanitary sewer system. Sewersheds were delineated to these nodes using current Anoka County parcel data. Figure 2 in Appendix A is a map showing the sewersheds.

### B. SANITARY SEWER FLOW ESTIMATION

Municipal wastewater is made up of a mixture of domestic sewage, commercial and industrial wastes, groundwater infiltration, and surface water inflows. With proper design and

construction, groundwater infiltration and surface water inflows, referred to as I/I, can be minimized. Sanitary sewer base flow rates for both existing and proposed conditions were estimated based on the following approach.

Unit rates/acre were used to generate base flow estimations from most land uses. To determine flows from the single family home land uses, households were counted and base flows were estimated on a rate/unit basis. The flow rate per household was developed using the current 2010 census data to determine the average residents per household and using an average flow/person of 80 gal/day. Table 2 summarizes the residential flow rate calculation.

*Table 2: Residential Flow Rate Calculation*

<b>Residential Flow Rate Calculation</b>	
2010 Census Population	19,496
Total Number of Households	7,926
People/Household	2.46
Average Flow per Person (gpd)	80
<b>Residential Base Flow (gpd/household)</b>	<b>197</b>

Residential flow rates were estimated at 197 gallons per household per day. It was assumed that this flow rate was representative of all single family homes and townhomes in Columbia Heights. Columbia Heights 2040 Comprehensive Plan, Chapter 8 Water Resources does not identify a per capita or per household assessment of residential sanitary sewer flow, but does identify service flow per area of residential land use types. Table 3 was used to estimate flow rates from all other land uses based on a generalized volume per day per acre rate.

*Table 3: Waste Generation Rates*

<b>Waste Generation Rates</b>	
<b>Land Use</b>	<b>Gal/acre-day</b>
Apartment Unit, Condominium	2,700
Mobile Home Park	2,700
Duplex	1,575
Business	1,000
Church	1,000
Public Facility	1,000
School	1,000
Park/Open Space	0

Columbia Heights 2040 Comprehensive Plan, Chapter 8 Water Resources identifies land use-based flow rates for a variety of residential and other land uses. Exhibit 1 represents Table 8-10 in the report. The land use based estimates identified in Table 3 above were used in this assessment based on specific Anoka County/City land uses.

Land Use	Average Flow (gpd/acre)
Low Density Residential	945
Medium Density Residential	1,530
High Density Residential	2,700
Transit Oriented Development	2,200
Transitional Development	1,750
Commercial, Industrial	800
Institutional	600

gpd = gallons per day

Exhibit 1: Columbia Heights 2040 Comprehensive Plan, Chapter 8 Water Resources Table 8-10.

### III. HYDRAULIC MODELING AND RESULTS

Data from as-builts and ArcGIS shapefiles were used to assign rim and invert data for the sanitary manholes and pipes. The flow data was then populated into the model to analyze pipe capacity.

A peaking factor was applied to the flows through the sanitary sewer system. A peaking factor is an empirically derived variable used to estimate the peak flow in a pipe based on the average flow. Metropolitan Council Environmental Services (MCES) values from the *2016 Inflow and Infiltration Task Force Report* were used when determining peaking factors, Table 6.

Table 4: Peaking Factors

MCES Peak Hourly Flow Factor	
Average Flow (MGD)	Peaking Factor
0.00 – 0.11	4.0
0.12 – 0.18	3.9
0.19 – 0.23	3.8
0.24 – 0.29	3.7
0.30 – 0.39	3.6
0.40 – 0.49	3.5
0.50 – 0.64	3.4
0.65 – 0.79	3.3
0.80 – 0.99	3.2
1.00 – 1.19	3.1
1.20 – 1.49	3.0

The sanitary sewer system was analyzed to locate segments that are currently undersized and segments that are operating above 50% of the full pipe capacity. For our evaluation, 50% of full pipe capacity was used as a design goal to identify pipes that are nearing their design capacity. A pipe is operating at its most efficient at 80% full. Pipes over 100% full are operating under pressure and have the potential to cause other system issues.

#### A. EXISTING SANITARY MODEL

The existing system was assessed under base flow and peak flow to determine pipe capacity. Under peak flow, as described in Figure 3-1, the existing system has some capacity issues along the main line from Van Buren St NE to 7th St NE in the 10" and 12" lines. The peak flows modeled represent an estimate of the additional I/I based on industry accepted peaking factors and known I/I issues during heavy rain. Figure 3-2 shows a potential pipe size



increase scenario should the future peak flows remain the same as current.

Table 1 in Appendix B is a pipe capacity table for the existing scenario. Table 1 describes the flow rates, peaking factors, pipe size, length, upstream and downstream inverts, pipe slope, and designed pipe capacity.

#### B. PROPOSED SANITARY MODEL

The proposed sanitary model describes the City's existing sanitary sewer system after several redevelopment scenarios described below in Section IV. Figures 4-1, 4-2, and 4-3 in Appendix A show future pipe capacities under a variety of development scenarios. Tables 2-1, 2-2, and 2-3 in Appendix B is a pipe capacity table for the corresponding proposed scenarios.

### IV. PROPOSED REDEVELOPMENT

A portion of the parcel located in southeast corner of the Jackson Street NE and 42<sup>nd</sup> Avenue NE intersection is planned to be redeveloped into an apartment complex with 62 units and a food shelf. Table 4 summarizes the proposed flow rate estimate. It was assumed that the food shelf will not generate any flow. The additional flow the proposed 62 units adds approximately 9.0 gallons per minute (GPM) to the 8" pipe along Jackson St NE, which is approximately 1.3% of the total capacity of the pipe (677.6 GPM). Furthermore, the additional 9.0 GPM is approximately 5.3% of the total flow along 43<sup>rd</sup> Ave NE. It is assumed that the additional flow from the 62 units does not impact the current pipe capacity along Jackson St NE, 43<sup>rd</sup> Ave NW, or the remaining mainline sanitary sewer downstream. Figure 4-1 represents the resulting peak flow capacity of the sanitary sewer with the additional 62 unit development. Table 2-1 in Appendix B summarizes the base and peak flow assumptions.

*Table 5: Proposed Apartment Flow Rate Calculation*

Proposed Apartment Flow Rate Calculation	
Number of Units	62
Estimated Number of People	162
Flow (gpcd)	80
<b>Flow (gpd)</b>	<b>12,987</b>

The parcel located to the north of the Jackson Street NE and 43<sup>rd</sup> Avenue NE intersection is planned to be redeveloped into an apartment complex with 550 units. Table 5 summarizes the proposed flow rate estimate. This additional flow will impact the downstream system by increasing the discharge from the development by approximately 75 GPM, which is approximately 32% of the total flow along 43<sup>rd</sup> Ave NW. Figure 4-2 shows the resulting peak flow capacity of the sanitary sewer. Table 2-2 in Appendix B summarizes the base and peak flow assumptions.

*Table 6: Proposed Apartment Flow Rate Calculation*

Proposed Apartment Flow Rate Calculation	
Number of Units	550
Estimated Number of People	1,353
Flow (gpcd)	80
<b>Flow (gpd)</b>	<b>108,229</b>

An additional assessment was performed to show the combined, full build, scenario with both the 62 and 550 unit developments combined. Figure 4-3 shows the resulting peak flow capacity of the sanitary sewer and Table 2-3 in Appendix B summarizes the base and peak flow assumptions.

## V. CONCLUSIONS

The land use based methodology used for this analysis assumes a “typical” loading rate for each parcel. It is likely that individual parcels may produce more or less than the estimated typical production. This assessment included establishing base flows and applying peaking factors to replicate known I/I and capacity issues. The study and hydraulic modeling confirmed that peak flows have the potential to exceed pipe capacity. Figure 3-2 shows a potential pipe size increase scenario with no additional sanitary sewer discharge increases.

It was also concluded that the proposed 62 unit development along Jackson St NE does not significantly increase sanitary sewer discharges and will not change the current system’s peak flow capacity. However, the 550 unit development will significantly increase sanitary sewer flows and will require subsequent system improvements.

Figure 5 in Appendix A is a map showing the 6 sanitary flow meters that have been installed throughout the study area. The data gathered from the flow monitoring study will help produce a more accurate analysis of the flows and I/I within the system. While the likelihood of capturing a significant flooding event during the assessment period is relatively low, smaller rain fall events can be used to correlate base flow to rain fall-impacted flows and the difference in timing between these two peaks.

It was noted during the field installation of the sanitary flow meters that some of the manhole structures and pipes contained a large amount of sediment. The City may benefit from televising the sanitary sewer mains to look for pipe and structure defects, potential I/I issues, and to determine the extent of the silt/sediment issues observed within the system. These areas could be cleaned out to increase the hydraulic capacity of the sanitary sewer system and reduce the potential for backups.

## VI. PRELIMINARY RECOMMENDATIONS/OPTIONS

Four preliminary alternatives/recommendations were analyzed to resolve the existing and proposed pipe capacity issues.

### 1. I/I Reduction Planning

The City has already completed several lining projects addressing potential issues with the in place VCP pipe. However, illicit foundation drain connections may still exist and contribute to direct sanitary inflow. The City should continue to identify and remove foundation drain connections as well as consider clay service replacements.

### 2. Pipe Upsizing

Table 3 in Appendix B describes the future pipe size needed to alleviate capacity issues, based off the land use-based methodology explained above. Refer to Figure 7 for a comparison of current and recommended future pipe sizes.

### 3. Sanitary Re-Route

A flow split at MH 35A11 could be constructed during the redevelopment of

Frattallone's Ace Hardware, located to the north of the Jackson Street NE and 43<sup>rd</sup> Avenue NE intersection as seen in Figure 8. This scenario would eliminate the need to construct improvements within residential yards and properties between MH 35A04 and MH 35A02. The main could run north to 44<sup>th</sup> Avenue NE and be directed west into MH 35A01. Pipe upsizing and improvements should still be considered downstream of MH 35A01. The slope of the pipe along the re-route option is approximately 0.20%. Therefore, the pipe would need to be at least 15" in diameter, with no additional elevation adjustments or lift stations, to meet minimum grade standards.

#### 4. Lift Station/Temporary High Flow Storage

A lift station could be constructed to the north of 43<sup>rd</sup> Avenue NE to collect, pump, and provide temporary high flow storage for the flows entering the system along 43<sup>rd</sup> Avenue NE. These flows could then be re-routed by force main to the north and directed west into MH 35A01. Pipe upsizing and improvements should still be considered downstream of MH 35A01. A similar pipe layout in Figure 8 would also apply to this scenario.

Sincerely,

**Bolton & Menk, Inc.**

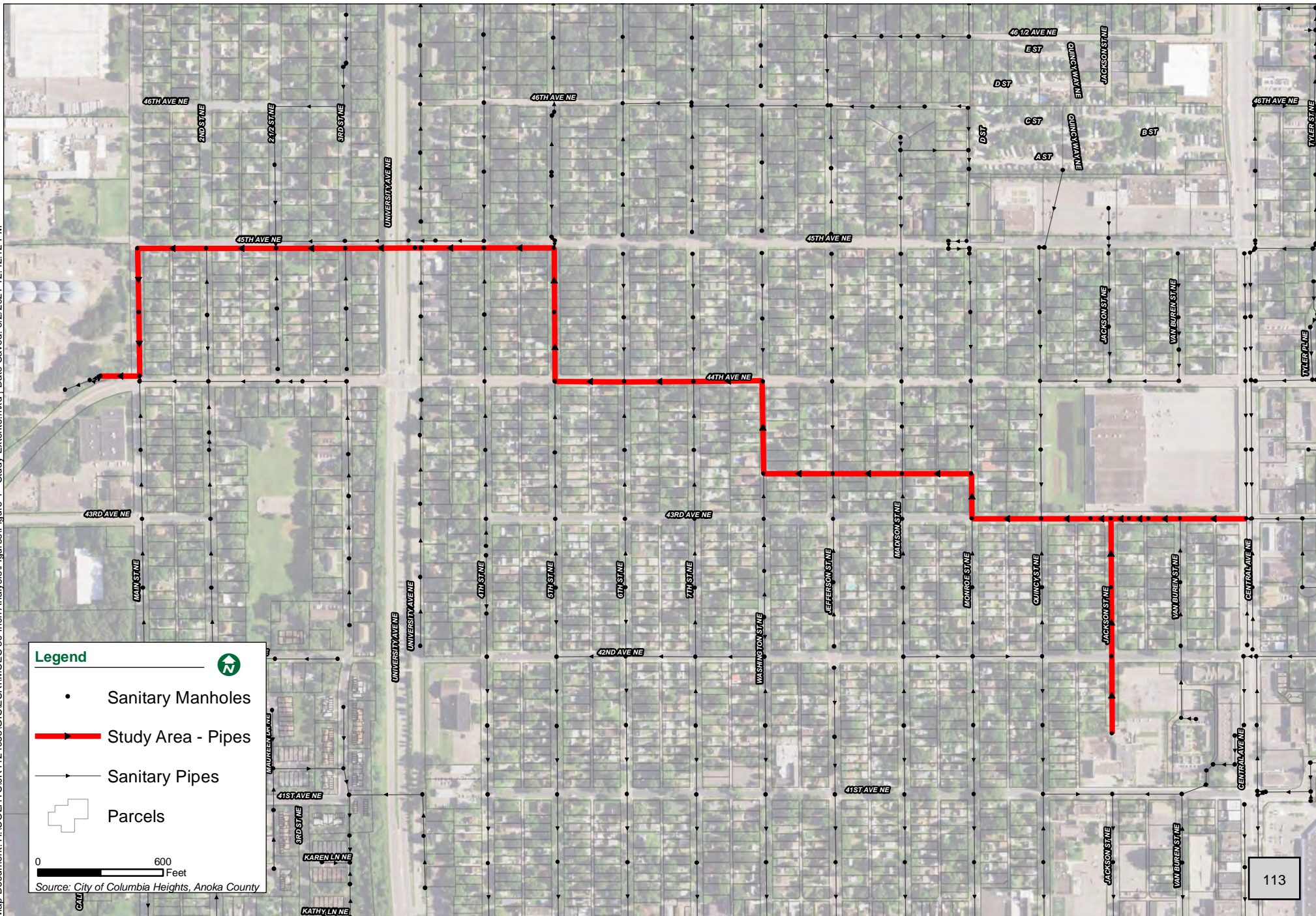


**Timothy J. Olson, PE, CFM**  
Principal Water Resources Engineer

## Appendix A: Figures



Map Document: H:\COLHTS0R\124055\GIS\ESR\IMCES 30-inch Analysis\Figures\Figure 1 - Study Extents.mxd | Date Saved: 6/2/2021 12:42:12 PM



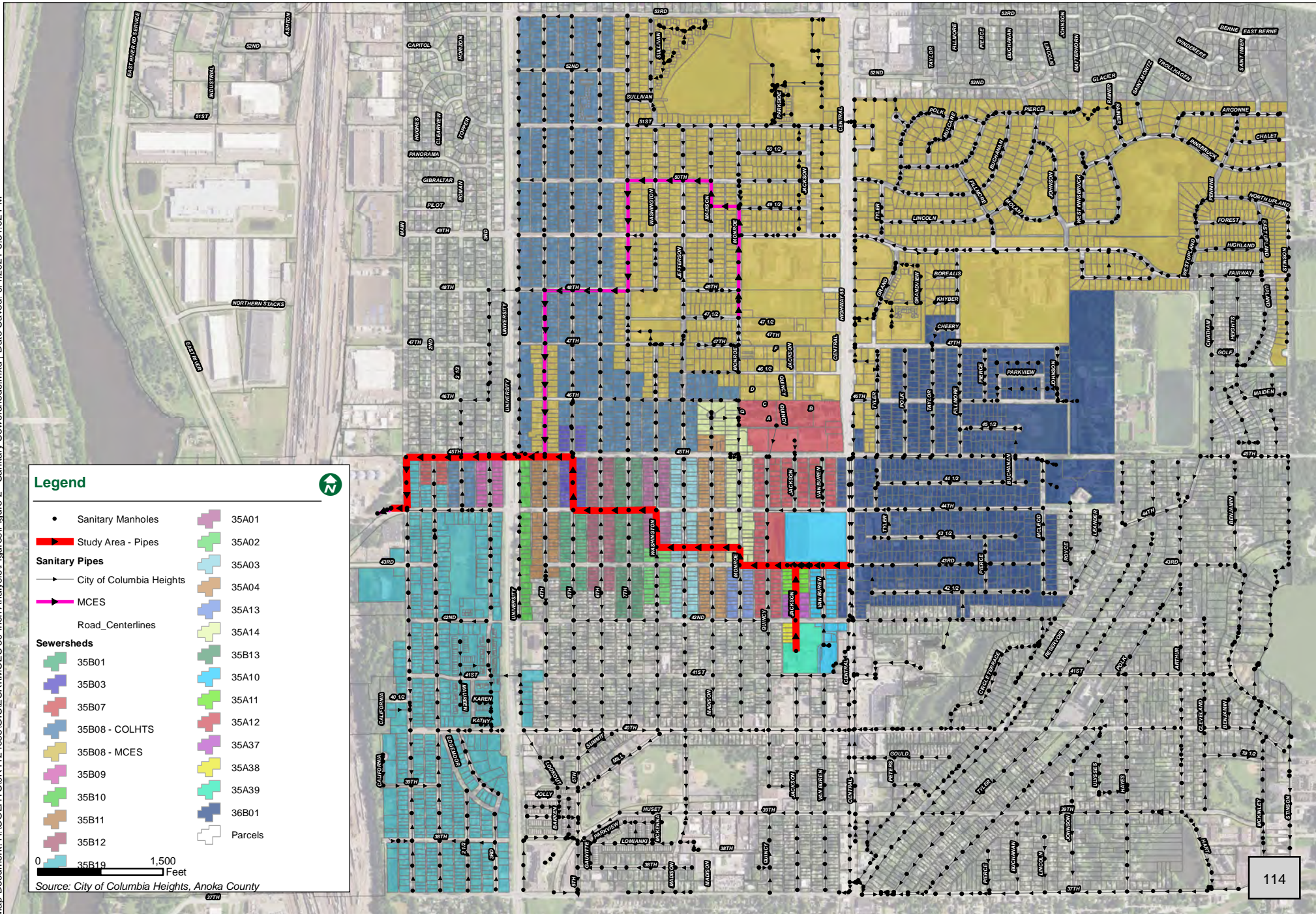
**Legend**

- Sanitary Manholes
- Study Area - Pipes
- Sanitary Pipes
- Parcels

0 600 Feet

Source: City of Columbia Heights, Anoka County

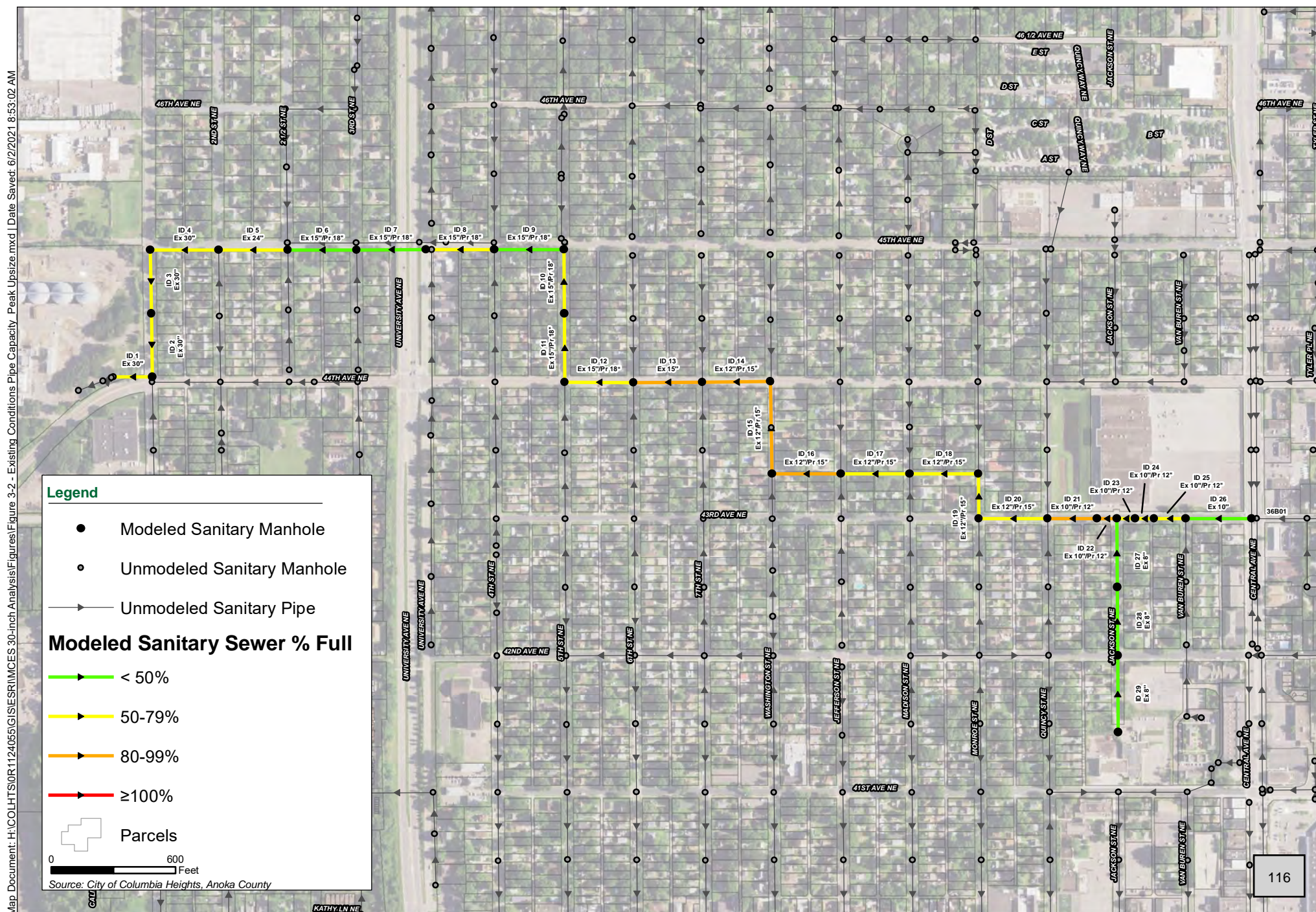




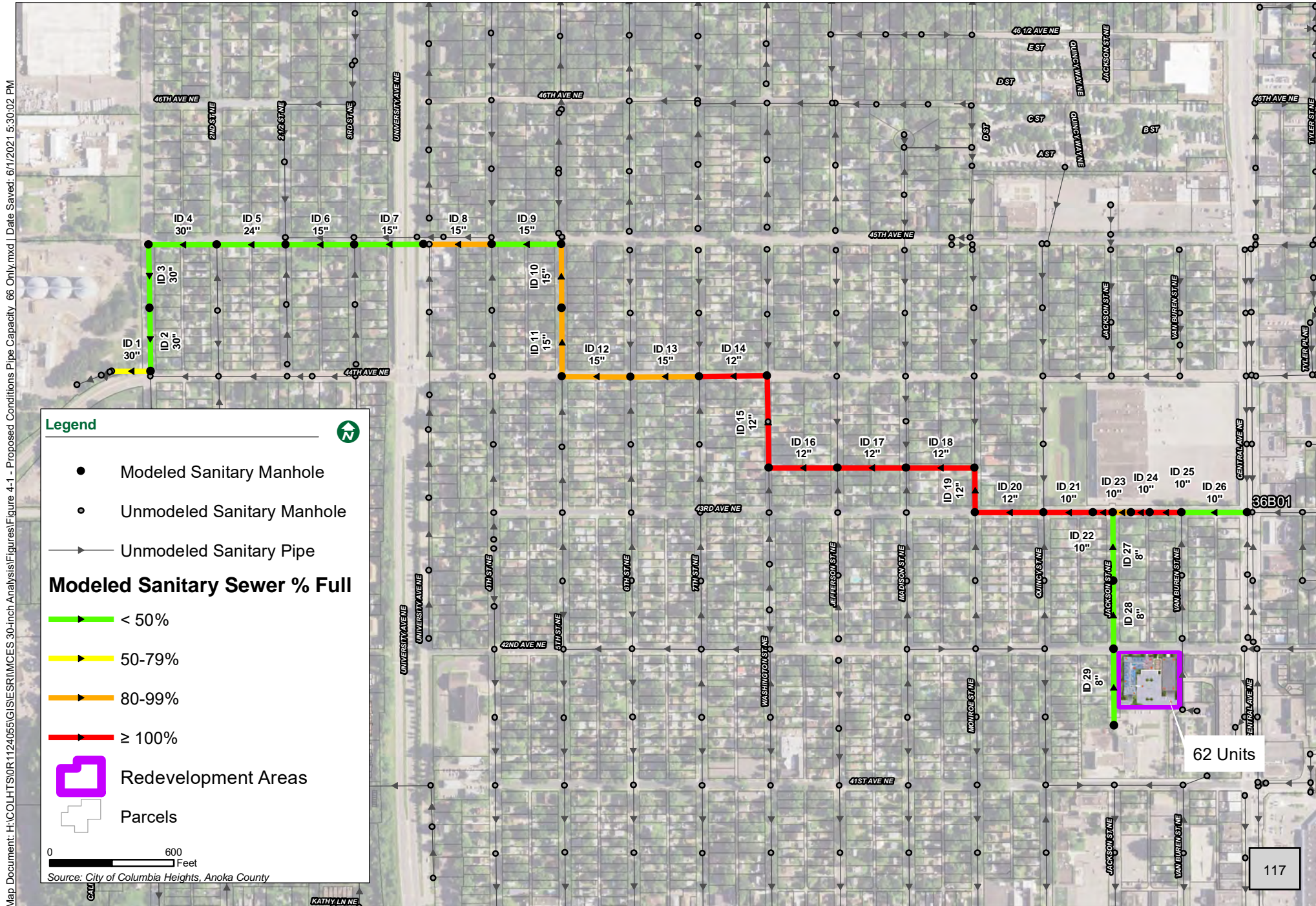




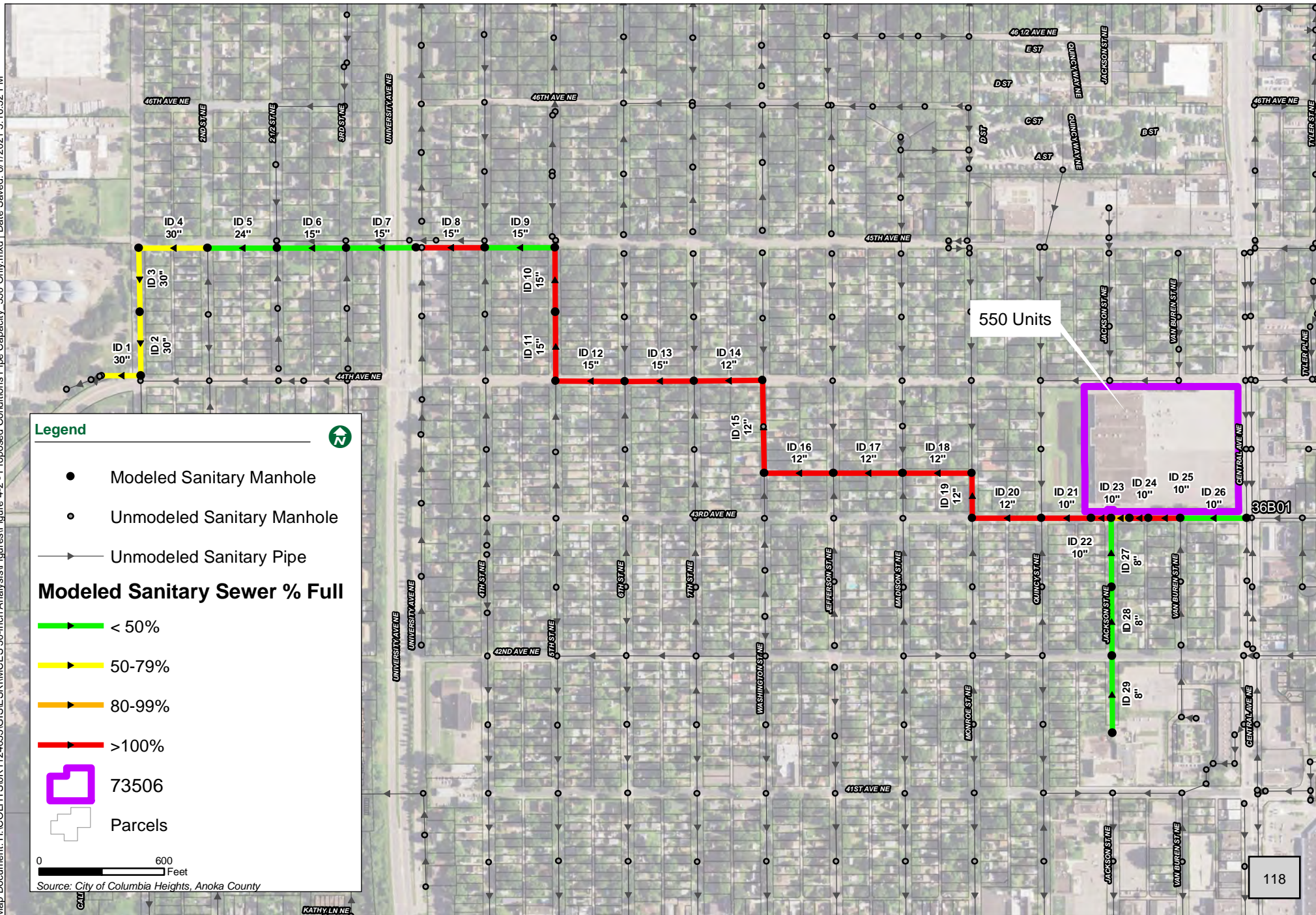




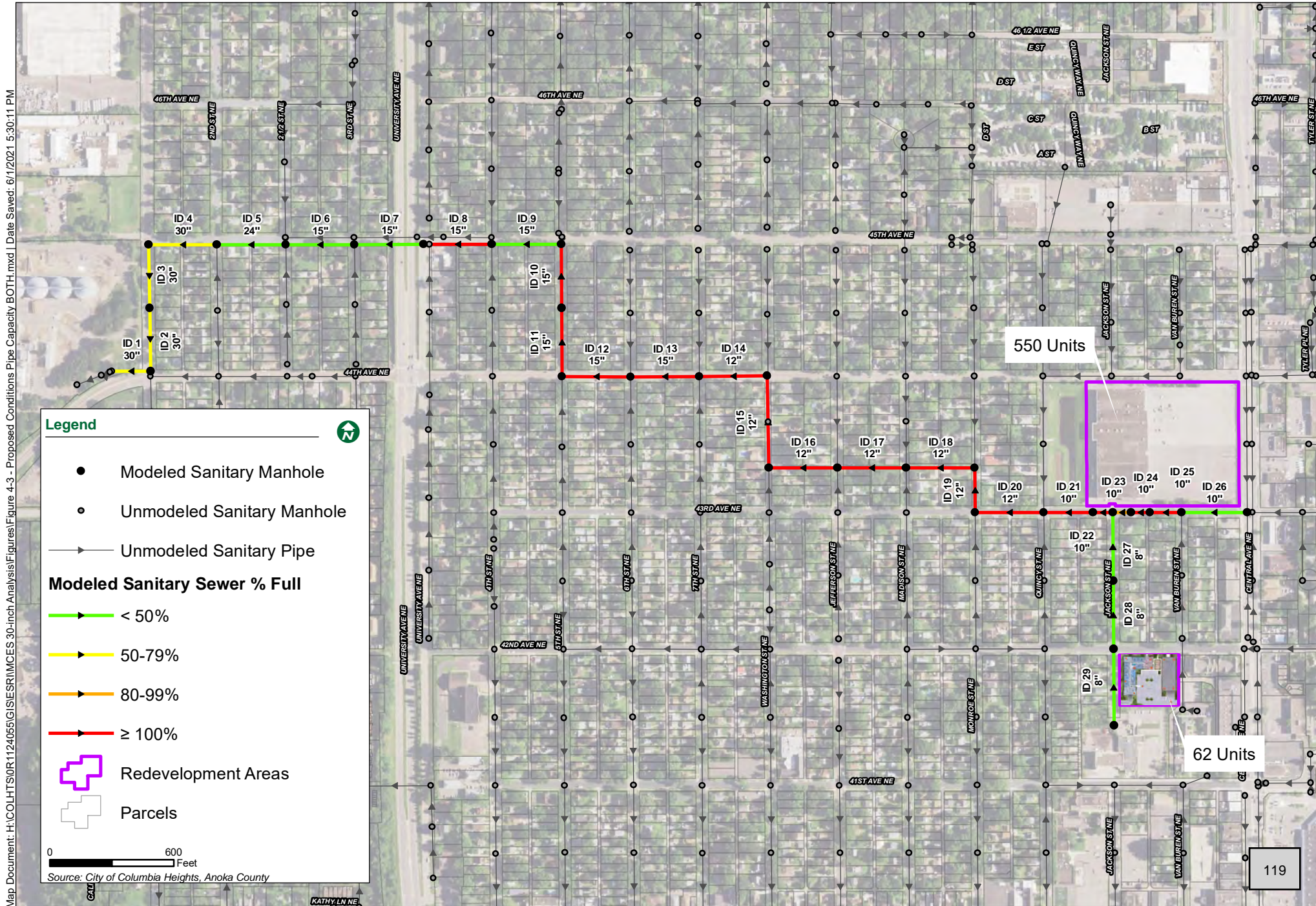




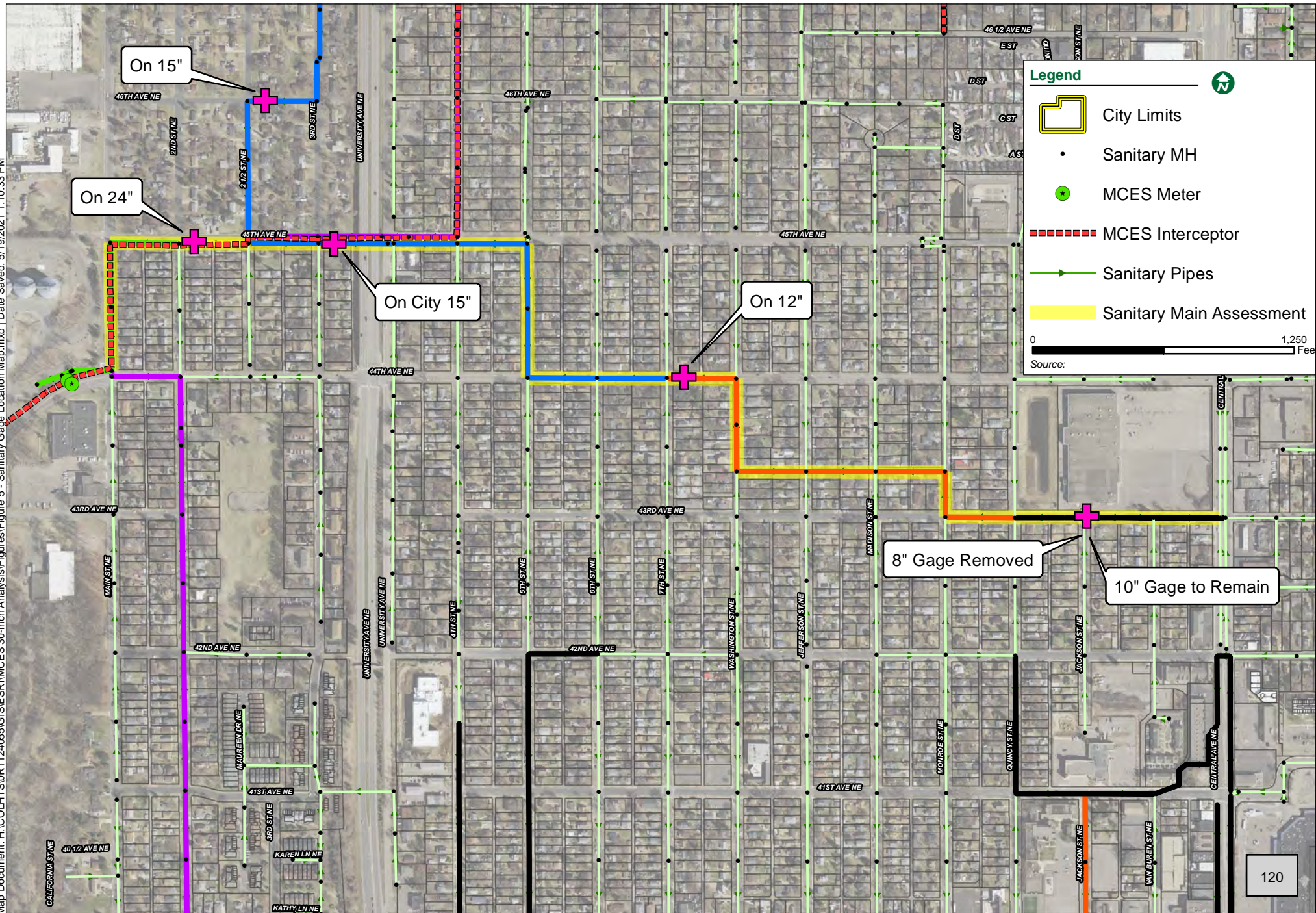






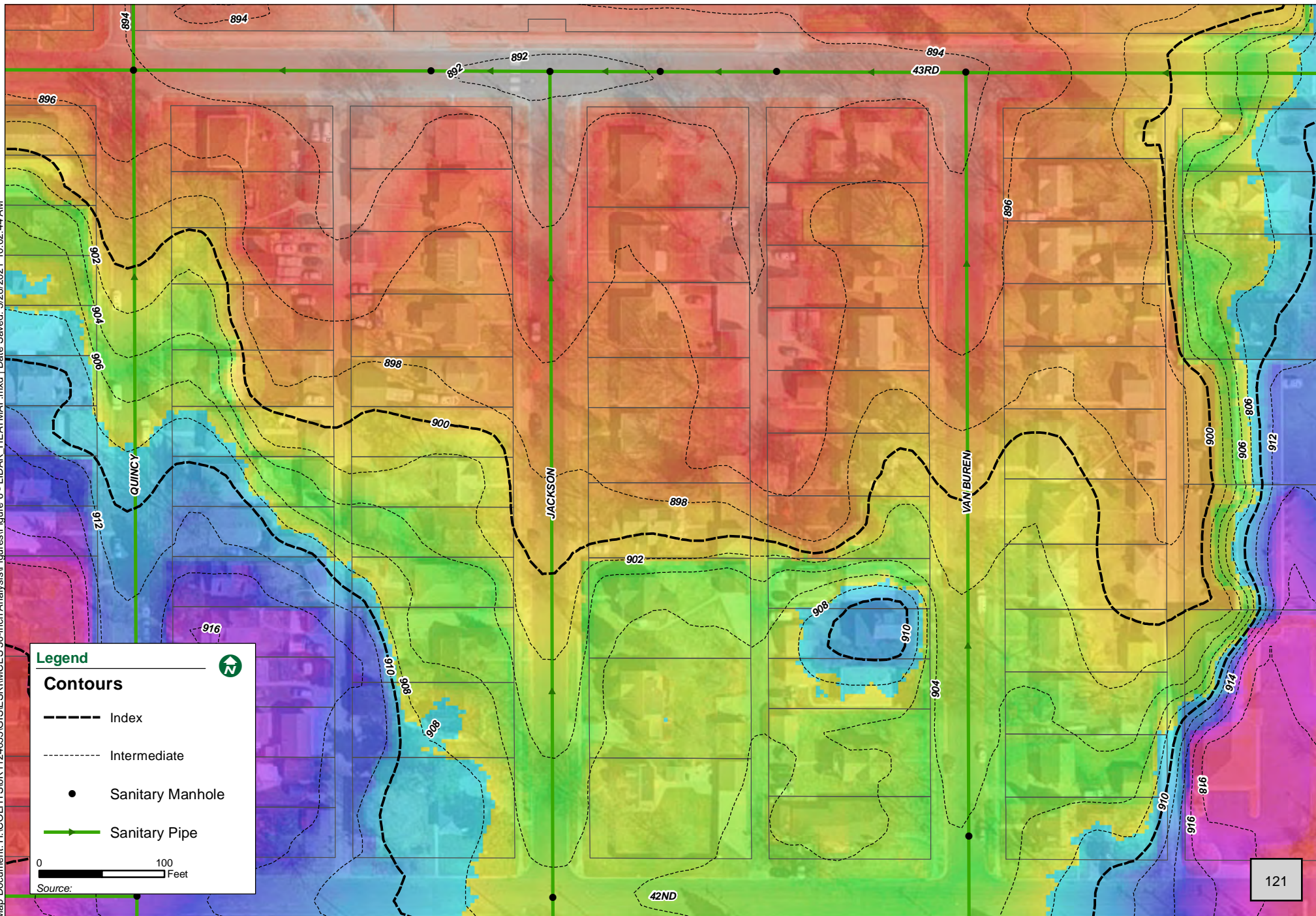




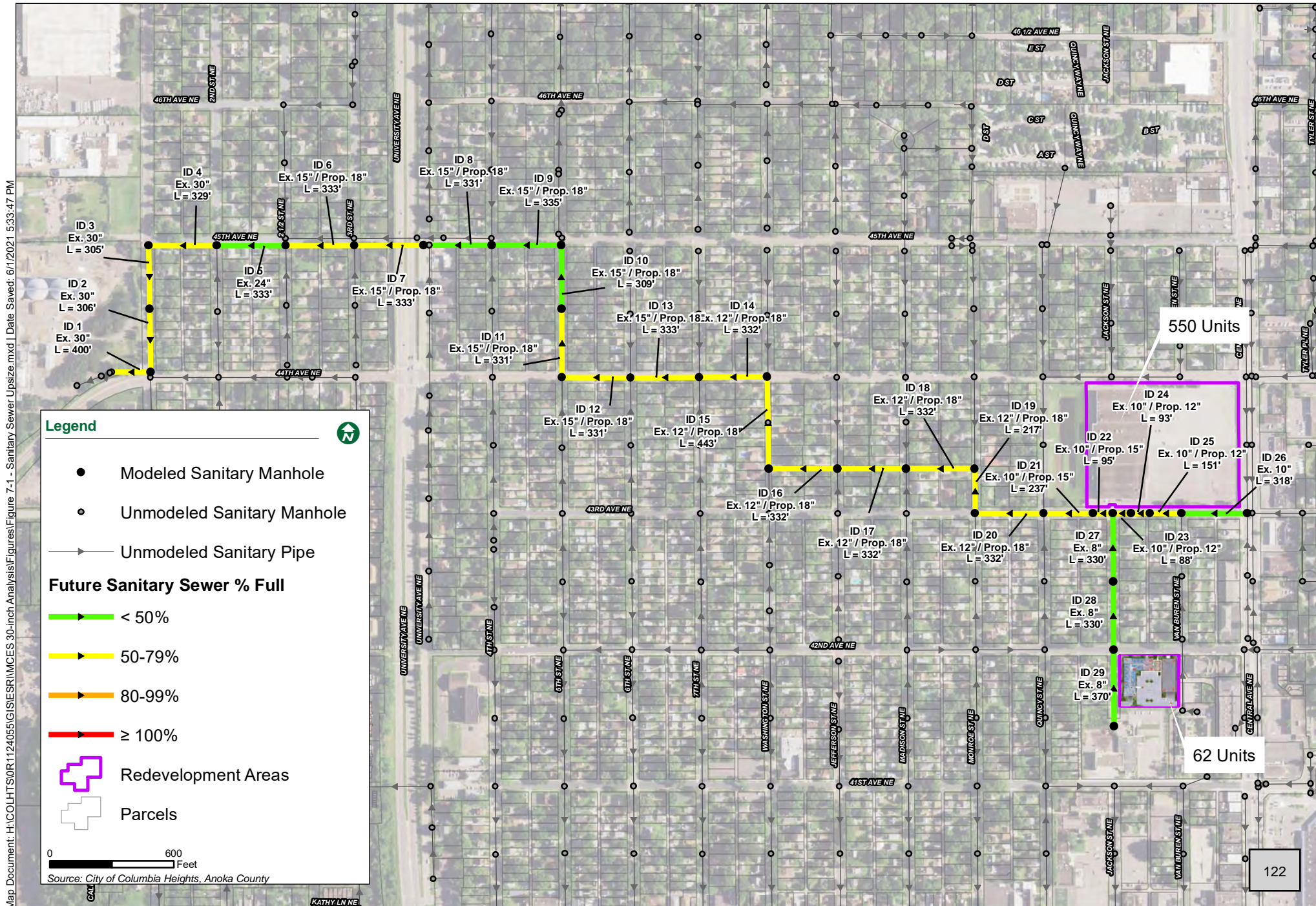




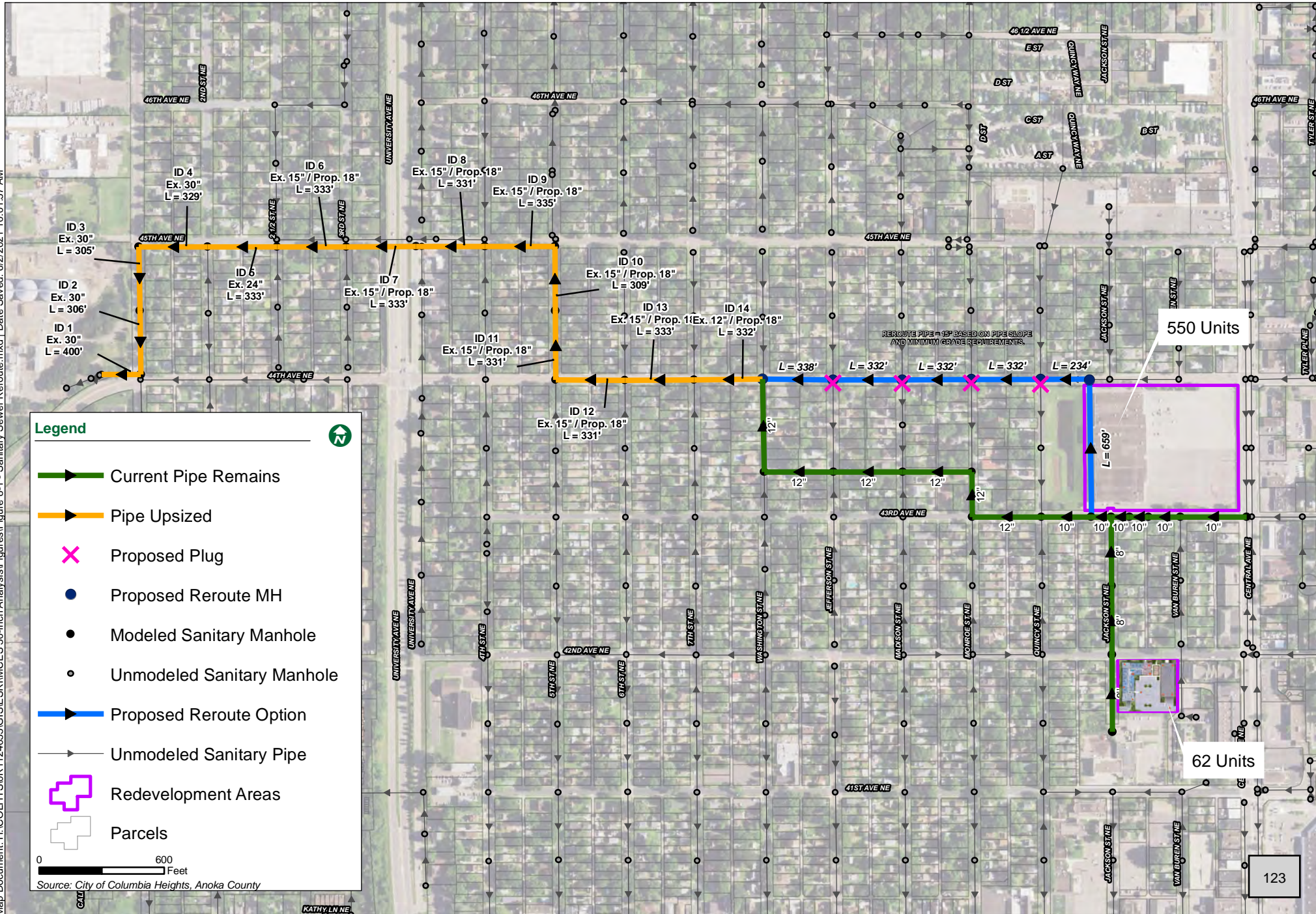
Map Document: H:\COLHTS0R\1124055\GIS\ESR\IMCES 30-inch Analysis\Figures\Figure 6 - LIDAR HEATMAP.mxd | Date Saved: 5/28/2021 10:02:44 AM











## Appendix B: Pipe Capacity Table

Table 1: Existing Pipe Capacity

Pipe ID	Node ID #		Base Flow		Peaking Factor	Peak Flow		Size	Length	US Invert	DS Invert	Slope	Capacity		Sanitary Sewer % Full
	From	To	(gpm)	(MGD)		(gpm)	(MGD)	(in)	(ft)	(ft)	(ft)	(%)	(gpm)	(MGD)	(%)
1	35B19	35B84	782.85	1.13	3.2	2505.12	3.61	30	400	111.44	111.13	0.08	4441.72	6.40	56%
2	35B18	35B19	687.25	0.99	3.2	2199.20	3.17	30	306	111.69	111.44	0.08	4560.47	6.57	48%
3	35B06	35B18	687.25	0.99	3.2	2199.20	3.17	30	305	111.93	111.69	0.08	4475.65	6.44	49%
4	35B07	35B06	687.25	0.99	3.2	2199.20	3.17	30	329	112.19	111.93	0.08	4485.27	6.46	49%
5	35B08	35B07	685.20	0.99	3.2	2192.64	3.16	24	333	113.19	112.19	0.30	4820.82	6.94	45%
6	35B09	35B08	285.63	0.41	3.5	999.71	1.44	15	333	142.35	131.02	3.40	4633.57	6.67	22%
7	35B10	35B09	282.76	0.41	3.5	989.66	1.43	15	333	158.28	142.35	4.78	5494.26	7.91	18%
8	35B11	35B10	276.96	0.40	3.5	969.36	1.40	15	331	159.01	158.28	0.22	1180.23	1.70	82%
9	35B03	35B11	268.77	0.39	3.5	940.70	1.35	15	335	165.01	159.01	1.79	3361.84	4.84	28%
10	35B02	35B03	263.71	0.38	3.5	922.99	1.33	15	309	165.50	165.01	0.16	1000.63	1.44	92%
11	35B01	35B02	263.71	0.38	3.5	922.99	1.33	15	331	166.03	165.50	0.16	1006.25	1.45	92%
12	35B12	35B01	257.96	0.37	3.6	928.66	1.34	15	331	166.56	166.03	0.16	1005.19	1.45	92%
13	35B13	35B12	249.07	0.36	3.6	896.65	1.29	15	333	167.09	166.56	0.16	1002.16	1.44	89%
14	35A01	35B13	238.30	0.34	3.6	857.88	1.24	12	332	167.87	167.17	0.21	636.08	0.92	135%
15	35A02	35A01	232.81	0.34	3.6	838.12	1.21	12	443	168.76	167.87	0.20	620.97	0.89	135%
16	35A03	35A02	229.66	0.33	3.6	826.78	1.19	12	332	169.42	168.76	0.20	617.64	0.89	134%
17	35A04	35A03	220.77	0.32	3.6	794.77	1.14	12	332	170.08	169.42	0.20	617.64	0.89	129%
18	35A14	35A04	209.25	0.30	3.6	753.30	1.08	12	332	170.74	170.08	0.20	617.64	0.89	122%
19	35A13	35A14	198.02	0.29	3.7	732.67	1.06	12	217	171.17	170.74	0.20	617.35	0.89	119%
20	35A12	35A13	194.41	0.28	3.7	719.32	1.04	12	332	171.83	171.17	0.20	617.64	0.89	116%
21	35A72	35A12	158.24	0.23	3.8	601.31	0.87	10	237	172.56	172.02	0.23	406.55	0.59	148%
22	35A11	35A72	158.24	0.23	3.8	601.31	0.87	10	95	172.78	172.56	0.23	410.13	0.59	147%
23	35A65	35A11	151.29	0.22	3.8	574.90	0.83	10	88	173.30	172.78	0.59	655.14	0.94	88%
24	35A66	35A65	151.29	0.22	3.8	574.90	0.83	10	93	173.70	173.30	0.43	558.94	0.80	103%
25	35A10	35A66	151.29	0.22	3.8	574.90	0.83	10	151	174.50	173.80	0.46	579.70	0.83	99%
26	36B01	35A10	136.18	0.20	3.8	517.48	0.75	10	318	184.49	174.50	3.14	1509.88	2.17	34%
27	35A37	35A11	5.31	0.01	4.0	21.24	0.03	8	330	179.72	172.86	2.08	677.73	0.98	3%
28	35A38	35A37	4.08	0.01	4.0	16.32	0.02	8	330	186.58	179.72	2.08	677.73	0.98	2%
29	35A39	35A38	3.40	0.00	4.0	13.60	0.02	8	370	189.50	186.58	0.79	417.58	0.60	3%



Table 2-1: Proposed Pipe Capacity - 66 Unit Development Only

Pipe ID	Node ID #		Base Flow		Peaking Factor	Peak Flow		Size (in)	Length (ft)	US Invert (ft)	DS Invert (ft)	Slope (%)	Capacity		Sanitary Sewer % Full (%)
	From	To	(gpm)	(MGD)		(gpm)	(MGD)						(gpm)	(MGD)	
1	35B19	35B84	791.87	1.14	3.1	2454.80	3.53	30	400	111.44	111.13	0.08	4441.72	6.40	55%
2	35B18	35B19	696.27	1.00	3.1	2158.44	3.11	30	306	111.69	111.44	0.08	4560.47	6.57	47%
3	35B06	35B18	696.27	1.00	3.1	2158.44	3.11	30	305	111.93	111.69	0.08	4475.65	6.44	48%
4	35B07	35B06	696.27	1.00	3.1	2158.44	3.11	30	329	112.19	111.93	0.08	4485.27	6.46	48%
5	35B08	35B07	694.22	1.00	3.1	2152.08	3.10	24	333	113.19	112.19	0.30	4820.82	6.94	45%
6	35B09	35B08	294.65	0.42	3.5	1031.28	1.49	15	333	142.35	131.02	3.40	4633.57	6.67	22%
7	35B10	35B09	291.78	0.42	3.5	1021.23	1.47	15	333	158.28	142.35	4.78	5494.26	7.91	19%
8	35B11	35B10	285.98	0.41	3.5	1000.93	1.44	15	331	159.01	158.28	0.22	1180.23	1.70	85%
9	35B03	35B11	277.79	0.40	3.5	972.27	1.40	15	335	165.01	159.01	1.79	3361.84	4.84	29%
10	35B02	35B03	272.73	0.39	3.6	981.83	1.41	15	309	165.50	165.01	0.16	1000.63	1.44	98%
11	35B01	35B02	272.73	0.39	3.6	981.83	1.41	15	331	166.03	165.50	0.16	1006.25	1.45	98%
12	35B12	35B01	266.98	0.38	3.6	961.13	1.38	15	331	166.56	166.03	0.16	1005.19	1.45	96%
13	35B13	35B12	258.09	0.37	3.6	929.12	1.34	15	333	167.09	166.56	0.16	1002.16	1.44	93%
14	35A01	35B13	247.32	0.36	3.6	890.35	1.28	12	332	167.87	167.17	0.21	636.08	0.92	140%
15	35A02	35A01	241.83	0.35	3.6	870.59	1.25	12	443	168.76	167.87	0.20	620.97	0.89	140%
16	35A03	35A02	238.68	0.34	3.3	787.64	1.13	12	332	169.42	168.76	0.20	617.64	0.89	128%
17	35A04	35A03	229.79	0.33	3.6	827.24	1.19	12	332	170.08	169.42	0.20	617.64	0.89	134%
18	35A14	35A04	218.27	0.31	3.6	785.77	1.13	12	332	170.74	170.08	0.20	617.64	0.89	127%
19	35A13	35A14	207.04	0.30	3.6	745.34	1.07	12	217	171.17	170.74	0.20	617.35	0.89	121%
20	35A12	35A13	203.43	0.29	3.7	752.69	1.08	12	332	171.83	171.17	0.20	617.64	0.89	122%
21	35A72	35A12	167.26	0.24	3.7	618.86	0.89	10	237	172.56	172.02	0.23	406.55	0.59	152%
22	35A11	35A72	167.26	0.24	3.7	618.86	0.89	10	95	172.78	172.56	0.23	410.13	0.59	151%
23	35A65	35A11	151.29	0.22	3.8	574.90	0.83	10	88	173.30	172.78	0.59	655.14	0.94	88%
24	35A66	35A65	151.29	0.22	3.8	574.90	0.83	10	93	173.70	173.30	0.43	558.94	0.80	103%
25	35A10	35A66	151.29	0.22	3.8	574.90	0.83	10	151	174.50	173.80	0.46	579.70	0.83	99%
26	36B01	35A10	136.18	0.20	3.8	517.48	0.75	10	318	184.49	174.50	3.14	1509.88	2.17	34%
27	35A37	35A11	14.33	0.02	4.0	57.32	0.08	8	330	179.72	172.86	2.08	677.73	0.98	8%
28	35A38	35A37	13.10	0.02	4.0	52.40	0.08	8	330	186.58	179.72	2.08	677.73	0.98	8%
29	35A39	35A38	3.40	0.00	4.0	13.60	0.02	8	370	189.50	186.58	0.79	417.58	0.60	3%

Table 2-2: Proposed Pipe Capacity - 550 Unit Development Only

Pipe ID	Node ID #		Base Flow		Peaking Factor	Peak Flow		Size	Length	US Invert	DS Invert	Slope	Capacity		Sanitary Sewer % Full
	From	To	(gpm)	(MGD)		(gpm)	(MGD)	(in)	(ft)	(ft)	(ft)	(%)	(gpm)	(MGD)	(%)
1	35B19	35B84	858.01	1.24	3.0	2574.03	3.71	30	400	111.44	111.13	0.08	4441.72	6.40	58%
2	35B18	35B19	762.41	1.10	3.1	2363.47	3.40	30	306	111.69	111.44	0.08	4560.47	6.57	52%
3	35B06	35B18	762.41	1.10	3.1	2363.47	3.40	30	305	111.93	111.69	0.08	4475.65	6.44	53%
4	35B07	35B06	762.41	1.10	3.1	2363.47	3.40	30	329	112.19	111.93	0.08	4485.27	6.46	53%
5	35B08	35B07	760.36	1.09	3.1	2357.12	3.39	24	333	113.19	112.19	0.30	4820.82	6.94	49%
6	35B09	35B08	360.79	0.52	3.4	1226.69	1.77	15	333	142.35	131.02	3.40	4633.57	6.67	26%
7	35B10	35B09	357.92	0.52	3.4	1216.93	1.75	15	333	158.28	142.35	4.78	5494.26	7.91	22%
8	35B11	35B10	352.12	0.51	3.4	1197.21	1.72	15	331	159.01	158.28	0.22	1180.23	1.70	101%
9	35B03	35B11	343.93	0.50	3.4	1169.36	1.68	15	335	165.01	159.01	1.79	3361.84	4.84	35%
10	35B02	35B03	338.87	0.49	3.5	1186.05	1.71	15	309	165.50	165.01	0.16	1000.63	1.44	119%
11	35B01	35B02	338.87	0.49	3.5	1186.05	1.71	15	331	166.03	165.50	0.16	1006.25	1.45	118%
12	35B12	35B01	333.12	0.48	3.5	1165.92	1.68	15	331	166.56	166.03	0.16	1005.19	1.45	116%
13	35B13	35B12	324.23	0.47	3.5	1134.81	1.63	15	333	167.09	166.56	0.16	1002.16	1.44	113%
14	35A01	35B13	313.46	0.45	3.5	1097.11	1.58	12	332	167.87	167.17	0.21	636.08	0.92	172%
15	35A02	35A01	307.97	0.44	3.5	1077.90	1.55	12	443	168.76	167.87	0.20	620.97	0.89	174%
16	35A03	35A02	304.82	0.44	3.5	1066.87	1.54	12	332	169.42	168.76	0.20	617.64	0.89	173%
17	35A04	35A03	295.93	0.43	3.5	1035.76	1.49	12	332	170.08	169.42	0.20	617.64	0.89	168%
18	35A14	35A04	284.41	0.41	3.5	995.44	1.43	12	332	170.74	170.08	0.20	617.64	0.89	161%
19	35A13	35A14	273.18	0.39	3.6	983.45	1.42	12	217	171.17	170.74	0.20	617.35	0.89	159%
20	35A12	35A13	269.57	0.39	3.6	970.45	1.40	12	332	171.83	171.17	0.20	617.64	0.89	157%
21	35A72	35A12	233.40	0.34	3.6	840.24	1.21	10	237	172.56	172.02	0.23	406.55	0.59	207%
22	35A11	35A72	233.40	0.34	3.6	840.24	1.21	10	95	172.78	172.56	0.23	410.13	0.59	205%
23	35A65	35A11	151.29	0.22	3.8	574.90	0.83	10	88	173.30	172.78	0.59	655.14	0.94	88%
24	35A66	35A65	151.29	0.22	3.8	574.90	0.83	10	93	173.70	173.30	0.43	558.94	0.80	103%
25	35A10	35A66	151.29	0.22	3.8	574.90	0.83	10	151	174.50	173.80	0.46	579.70	0.83	99%
26	36B01	35A10	136.18	0.20	3.8	517.48	0.75	10	318	184.49	174.50	3.14	1509.88	2.17	34%
27	35A37	35A11	5.31	0.01	4.0	21.24	0.03	8	330	179.72	172.86	2.08	677.73	0.98	3%
28	35A38	35A37	4.08	0.01	4.0	16.32	0.02	8	330	186.58	179.72	2.08	677.73	0.98	2%
29	35A39	35A38	3.40	0.00	4.0	13.60	0.02	8	370	189.50	186.58	0.79	417.58	0.60	3%

Table 2-3: Proposed Pipe Capacity - Full Build

Node ID #		Base Flow		Peaking Factor	Peak Flow		Size (in)	Length (ft)	US Invert (ft)	DS Invert (ft)	Slope (%)	Capacity		Sanitary Sewer % Full (%)
From	To	(gpm)	(MGD)		(gpm)	(MGD)						(gpm)	(MGD)	
35B19	35B84	867.03	1.25	3.1	2687.79	3.87	30	400	111.44	111.13	0.08	4441.72	6.40	61%
35B18	35B19	771.43	1.11	3.1	2391.43	3.44	30	306	111.69	111.44	0.08	4560.47	6.57	52%
35B06	35B18	771.43	1.11	3.1	2391.43	3.44	30	305	111.93	111.69	0.08	4475.65	6.44	53%
35B07	35B06	771.43	1.11	3.1	2391.43	3.44	30	329	112.19	111.93	0.08	4485.27	6.46	53%
35B08	35B07	769.38	1.11	3.1	2385.08	3.43	24	333	113.19	112.19	0.30	4820.82	6.94	49%
35B09	35B08	369.81	0.53	3.4	1257.35	1.81	15	333	142.35	131.02	3.40	4633.57	6.67	27%
35B10	35B09	366.94	0.53	3.4	1247.60	1.80	15	333	158.28	142.35	4.78	5494.26	7.91	23%
35B11	35B10	361.14	0.52	3.4	1227.88	1.77	15	331	159.01	158.28	0.22	1180.23	1.70	104%
35B03	35B11	352.95	0.51	3.4	1200.03	1.73	15	335	165.01	159.01	1.79	3361.84	4.84	36%
35B02	35B03	347.89	0.50	3.4	1182.83	1.70	15	309	165.50	165.01	0.16	1000.63	1.44	118%
35B01	35B02	347.89	0.50	3.4	1182.83	1.70	15	331	166.03	165.50	0.16	1006.25	1.45	118%
35B12	35B01	342.14	0.49	3.5	1197.49	1.72	15	331	166.56	166.03	0.16	1005.19	1.45	119%
35B13	35B12	333.25	0.48	3.5	1166.38	1.68	15	333	167.09	166.56	0.16	1002.16	1.44	116%
35A01	35B13	322.48	0.46	3.5	1128.68	1.63	12	332	167.87	167.17	0.21	636.08	0.92	177%
35A02	35A01	316.99	0.46	3.5	1109.47	1.60	12	443	168.76	167.87	0.20	620.97	0.89	179%
35A03	35A02	313.84	0.45	3.5	1098.44	1.58	12	332	169.42	168.76	0.20	617.64	0.89	178%
35A04	35A03	304.95	0.44	3.5	1067.33	1.54	12	332	170.08	169.42	0.20	617.64	0.89	173%
35A14	35A04	293.43	0.42	3.5	1027.01	1.48	12	332	170.74	170.08	0.20	617.64	0.89	166%
35A13	35A14	282.20	0.41	3.5	987.70	1.42	12	217	171.17	170.74	0.20	617.35	0.89	160%
35A12	35A13	278.59	0.40	3.5	975.07	1.40	12	332	171.83	171.17	0.20	617.64	0.89	158%
35A72	35A12	242.42	0.35	3.6	872.71	1.26	10	237	172.56	172.02	0.23	406.55	0.59	215%
35A11	35A72	242.42	0.35	3.6	872.71	1.26	10	95	172.78	172.56	0.23	410.13	0.59	213%
35A65	35A11	151.29	0.22	3.8	574.90	0.83	10	88	173.30	172.78	0.59	655.14	0.94	88%
35A66	35A65	151.29	0.22	3.8	574.90	0.83	10	93	173.70	173.30	0.43	558.94	0.80	103%
35A10	35A66	151.29	0.22	3.8	574.90	0.83	10	151	174.50	173.80	0.46	579.70	0.83	99%
36B01	35A10	136.18	0.20	3.8	517.48	0.75	10	318	184.49	174.50	3.14	1509.88	2.17	34%
35A37	35A11	14.33	0.02	4.0	57.32	0.08	8	330	179.72	172.86	2.08	677.73	0.98	8%
35A38	35A37	13.10	0.02	4.0	52.40	0.08	8	330	186.58	179.72	2.08	677.73	0.98	8%
35A39	35A38	3.40	0.00	4.0	13.60	0.02	8	370	189.50	186.58	0.79	417.58	0.60	3%



Table 3 - Proposed Pipe Upsizing

Node ID #		Length	Existing Pipe Size (in)	Future Sanitary Sewer % Full - Pre-Upsize	Future Pipe Size (in)	Future Sanitary Sewer % Full - Post Upsize
From	To	(ft)				
35B19	35B84	400	30	61%	30	61%
35B18	35B19	306	30	52%	30	52%
35B06	35B18	305	30	53%	30	53%
35B07	35B06	329	30	53%	30	53%
35B08	35B07	333	24	49%	24	49%
35B09	35B08	333	15	27%	18	77%
35B10	35B09	333	15	23%	18	76%
35B11	35B10	331	15	104%	18	22%
35B03	35B11	335	15	36%	18	16%
35B02	35B03	309	15	118%	18	13%
35B01	35B02	331	15	118%	18	62%
35B12	35B01	331	15	119%	18	73%
35B13	35B12	333	15	116%	18	71%
35A01	35B13	332	12	177%	18	60%
35A02	35A01	443	12	179%	18	61%
35A03	35A02	332	12	178%	18	60%
35A04	35A03	332	12	173%	18	58%
35A14	35A04	332	12	166%	18	56%
35A13	35A14	217	12	160%	18	54%
35A12	35A13	332	12	158%	18	53%
35A72	35A12	237	10	215%	15	72%
35A11	35A72	95	10	213%	15	72%
35A65	35A11	88	10	88%	12	54%
35A66	35A65	93	10	103%	12	63%
35A10	35A66	151	10	99%	12	61%
36B01	35A10	318	10	34%	10	34%
35A37	35A11	330	8	8%	8	8%
35A38	35A37	330	8	8%	8	8%
35A39	35A38	370	8	3%	8	3%

AGENDA SECTION	WORK SESSION ITEMS
MEETING DATE	JUNE 7, 2021

ITEM:	2021 Updates to Stormwater Plan		
DEPARTMENT: Public Works		BY/DATE: Kevin Hansen 6/03/2021	
CITY STRATEGY: (please indicate areas that apply by adding a bold “X” in front of the selected text below)			
_ Safe Community		_ Diverse, Welcoming “Small-Town” Feel	
_ Economic Strength		_ Excellent Housing/Neighborhoods	
_ Equity and Affordability		X _ Strong Infrastructure/Public Services	
_ Opportunities for Play and Learning		_ Engaged, Multi-Generational, Multi-Cultural Population	

**BACKGROUND:** The City of Columbia Heights has been a MS4 (Municipal Separate Storm Sewer System) City since 2003. As an MS4, we are required to submit a permit for the operation of our storm sewer system to the Minnesota Pollution Control Agency, MPCA, which includes a Storm Water Pollution Prevention Program, or SWPPP. Permits are for 5 year periods and must be renewed prior to or at the end of the permit cycle. We submitted the 4<sup>th</sup> generation of our MS4 permit in 2020. A copy of our Storm Water Plan and SWPPP is on the City website and located here:

[https://www.columbiaheightsmn.gov/departments/public\\_works/swppp.php](https://www.columbiaheightsmn.gov/departments/public_works/swppp.php)

As I have noted in recent budget reviews with the City Council and in past work sessions, each cycle of the MS4 permitting process had become more involved requiring a higher level of effort by staff to meet the requirements of the permit. This new cycle again has additional requirements and is more involved related to staff effort. To clearly define both timeframes and what the items are, our MS4 consultant has put together a Program Review specific to our Storm Water Plan and SWPPP, and is attached herein.

The purpose of this memo is informational and as a preface to 2021 ordinance changes.

**ATTACHMENT(S):** WSB Program Review Memo 4/29/2021



## Memorandum

To: Lauren Letsche, City of Columbia Heights  
Kevin Hansen, City of Columbia Heights

From: Meghan Litsey, WSB  
Joel Sundeen, WSB

Date: April 29, 2021

Re: MS4 Program Review Summary

The City of Columbia Heights (City) authorized WSB to complete an assessment of their current program compared to the revised MS4 Permit that was reissued in November 2020. The following summary is the result of the program assessment from an evaluation of the City's MS4 SWPPP and discussions with key MS4 program staff.

### Program Assessment

The goal of the MS4 program assessment is to evaluate the City's SWPPP and supporting documents to determine areas of compliance and identify areas where the program can be strengthened to comply with the updated MS4 Permit. The program assessment revealed that the City has a solid program with employees that care about addressing the issues of concern and complying with the rules of the MS4 Permit. City staff should be commended for their approach to managing the MS4 program. Some program specifics include:

- Active participation and cooperation with local partners to facilitate public education and outreach efforts.
- Engaged field staff who are well-trained in illicit discharge detection and elimination and good housekeeping practices.
- Organized and efficient MS4 documentation and recordkeeping.
- Comprehensive Surface Water Design Management Standards and plan review process.
- Established and dedicated winter maintenance staff and protocols that effectively manage the amount of deicing salt applied each winter maintenance season.

### Summary of Recommendations

The City's MS4 program is working to achieve the goals of their existing MS4 Permit. With the recent MS4 Permit update in November 2020, some portions of the City's MS4 program must be updated to comply with new requirements. Following the approval of the City's MS4 Reauthorization Application by the MPCA, the City will have 12 months to complete any necessary updates.

The following recommendations are designed to help the City achieve compliance with the revised MS4 Permit.

#### Program Management

- The City's SWPPP should be updated to include new or revised BMP activities, person responsible for overseeing each activity, date each activity is completed, action that is completed, and any follow-up action that is generated as a result of that activity, and any documents that correlate with that activity.



- Conduct an annual assessment of the City's MS4-related programs to evaluate program compliance, the status of achieving the measurable requirements, and how program areas might be improved. The following programs must be reviewed and documented annually:
  - Public Education and Outreach
  - Public Participation
  - Illicit Discharge Detection and Elimination
  - Construction Site Stormwater Runoff Control
  - Post-Construction Stormwater Management
  - Public Works/Operations and Maintenance

MCM 1: Public Education

- Update the education and outreach plan to include:
  - Two (2) high priority stormwater-related issue(s) to emphasize
  - Target audiences
  - Schedule of activities to reach measurable goals for each target audience
  - Description of coordination with partners related to stormwater education
  - Annual evaluation to measure how measurable goals are being met for each target audience
- Consider target audiences, such as low-income residents, people of color, and non-native English-speaking residents.
- Distribute educational materials focused on deicing salt use to businesses, commercial facilities, and institutions.
- Continue to distribute educational materials focused on pet waste to residents. Ensure educational materials reference the City's ordinance for pet waste management.
- Increase public awareness of illicit discharges by sharing messages on how to identify and where to report this information through various media outlets.

MCM 2: Public Participation

- Ensure all relevant input submitted by persons regarding the SWPPP is documented, as well as responses from the City to the written input received, and any program modifications made because of the input.
- Ensure dates, locations, and estimated number of participants are recorded for annual events and other activities with a water quality or pollution prevention theme.

MCM 3: Illicit Discharge Detection & Elimination (IDDE)

- Amend ordinances to require proper salt storage at commercial, institutional, and non-NPDES permitted industrial facilities
- Amend ordinances to require owners or custodians of pets to remove and properly dispose of feces from City-owned land areas.
- Update written procedures and enforcement response procedures for illicit discharge detection and elimination, including timeframes for investigation, tools to investigate and locate an illicit discharge, cleanup methods to remove an illicit discharge or spill, and methods to compel compliance with the City's illicit discharge ordinance, pet waste and salt storage ordinances.

- Consider using an enforcement action tracking log or an equivalent mechanism to compile and organize enforcement action information. Ensure date violations have been resolved are recorded.
- Complete and document additional inspection of high priority illicit discharge areas at a frequency determined by the City.
- Ensure all field staff, including seasonal staff, continue to attend annual illicit discharge training. Field staff must include police and fire department staff, in addition to staff in public works, engineering, parks, etc.

MCM 4: Construction Site Runoff Control

- Supplement existing written procedures outlining the plan review process to describe the written notification to owners/operators to apply for and obtain coverage under the CSW Permit, and the use of a written checklist to document the adequacy of each site plan required.
- During the plan review process require applicants to provide proof of coverage under the NPDES CSW Permit. In addition, document stormwater-related comments and the supporting completed checklist to determine project approval or denial for all projects requiring an NPDES CSW Permit.
- Consider using an enforcement action tracking log or an equivalent mechanism to compile and organize enforcement action information. Ensure verbal warnings are documented as enforcement to compel compliance with the City's ordinances and the NPDES Construction Stormwater Permit and the date violations have been resolved are recorded.
- Supplement existing written procedures for construction site inspection to clarify process for determining construction site prioritization, and inspection frequencies for priority versus non-priority sites.
- Update the existing erosion control inspection form to include review of owner/operator of construction activity self-inspection records.

MCM 5: Post-Construction Stormwater Management

- Update the Surface Water Design Standards document to address new water quality volume standards, as well as any City-specific erosion control and post-construction stormwater requirements.
- Supplement existing written procedures outlining training requirements, the plan review process and management of the inventory of private structural stormwater BMPs.
- Develop an inventory of private structural stormwater BMPs and corresponding executed maintenance agreements for BMPs executed on or after August 1, 2013.
- Ensure private post-construction stormwater BMPs receive inspection and maintenance by receipt of inspection reports and/or maintenance logs submitted by the private owner(s). Complete follow-up inspections to ensure BMPs meet the purpose of the post-construction stormwater management standard, when needed.

MCM 6: Good Housekeeping & Pollution Prevention for Municipal Operations

- Update the existing written procedures for good housekeeping to describe BMPs implemented at City-owned/operated salt storage areas, and current methods to track the amount of deicer applied each winter maintenance season to City-owned/operated surfaces.
- Ensure staff involved with winter maintenance activities continue to receive annual training on the importance of protecting water quality, BMPs to minimize the use of deicers, and other tools and resources to assist in winter maintenance. Ensure attendance is recorded annually.
- Ensure field staff continue to receive annual training on the importance of protecting water quality, requirements of the permit that are relevant to their responsibilities, and a schedule to facilitate training intervals to address changes in procedures and staff. Ensure participation is recorded.
- Continue to document dates and findings associated with the City's operations and maintenance program. Document the schedule for maintenance of structural stormwater BMPs and outfalls cannot be completed within one year of discovery.

Discharges to Impaired Waters and Waste Load Allocations

- Develop an inventory of potential areas and sources of bacteria. After the inventory is generated, develop a plan to prioritize reduction activities to address the areas and sources identified in the inventory.
- Continue to track the amount of deicer applied each winter maintenance season to all City-owned/operated surfaces. Supplement the City's Snow and Ice Management Policy to include an annual assessment of winter maintenance operations to reduce the amount of deicing salt applied, and to determine current and future opportunities to improve BMPs.

Thank you for the opportunity to review the City's MS4 program. Should you have questions or wish to discuss further, please contact me at 612-723-9166 or [mlitsey@wsbeng.com](mailto:mlitsey@wsbeng.com).





## CITY COUNCIL WORK SESSION

Item 7.

AGENDA SECTION	WORK SESSION ITEMS
MEETING DATE	JUNE 7, 2021

ITEM:	Maintaining Affordable Rental Properties
DEPARTMENT: Administration	BY/DATE: Kelli Bourgeois, 6/4/21
<b>CITY STRATEGY:</b> <i>(please indicate areas that apply by adding a bold "X" in front of the selected text below)</i>	
<input type="checkbox"/> Safe Community	<input type="checkbox"/> Diverse, Welcoming "Small-Town" Feel
<input type="checkbox"/> Economic Strength	<input type="checkbox"/> Excellent Housing/Neighborhoods
<input type="checkbox"/> Equity and Affordability	<input type="checkbox"/> Strong Infrastructure/Public Services
<input type="checkbox"/> Opportunities for Play and Learning	<input type="checkbox"/> Engaged, Multi-Generational, Multi-Cultural Population

### BACKGROUND:

Councilmember Buesgens requested to have this item added to the work session agenda and will speak to it.