

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

**Thursday, September 12, 2019
Closed Meeting
Grand Rapids City Hall**

NOTICE IS HEREBY GIVEN, that a closed meeting of the Grand Rapids Economic Development Authority will be held in Community Development Department Conference Room in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, September 12, 2019 at 4:00 pm.

AGENDA

1. Call to Order
2. Call of Roll
3. Conduct discussions relative to the possible sale of real property (parcels: 91-536-0110, 91-536-0220 through 0280 and 91-536-0310 through 0380), pursuant to MN Stat. 13D.05 subd. 3(c).
4. Adjourn

GREDA Members/terms:

Dale Christy – 12/31/2020 (with council term)

Rick Blake– 12/31/2022 (with council term)

Mike Przytarski – 3/1/21

Cory Jackson – 3/1/23

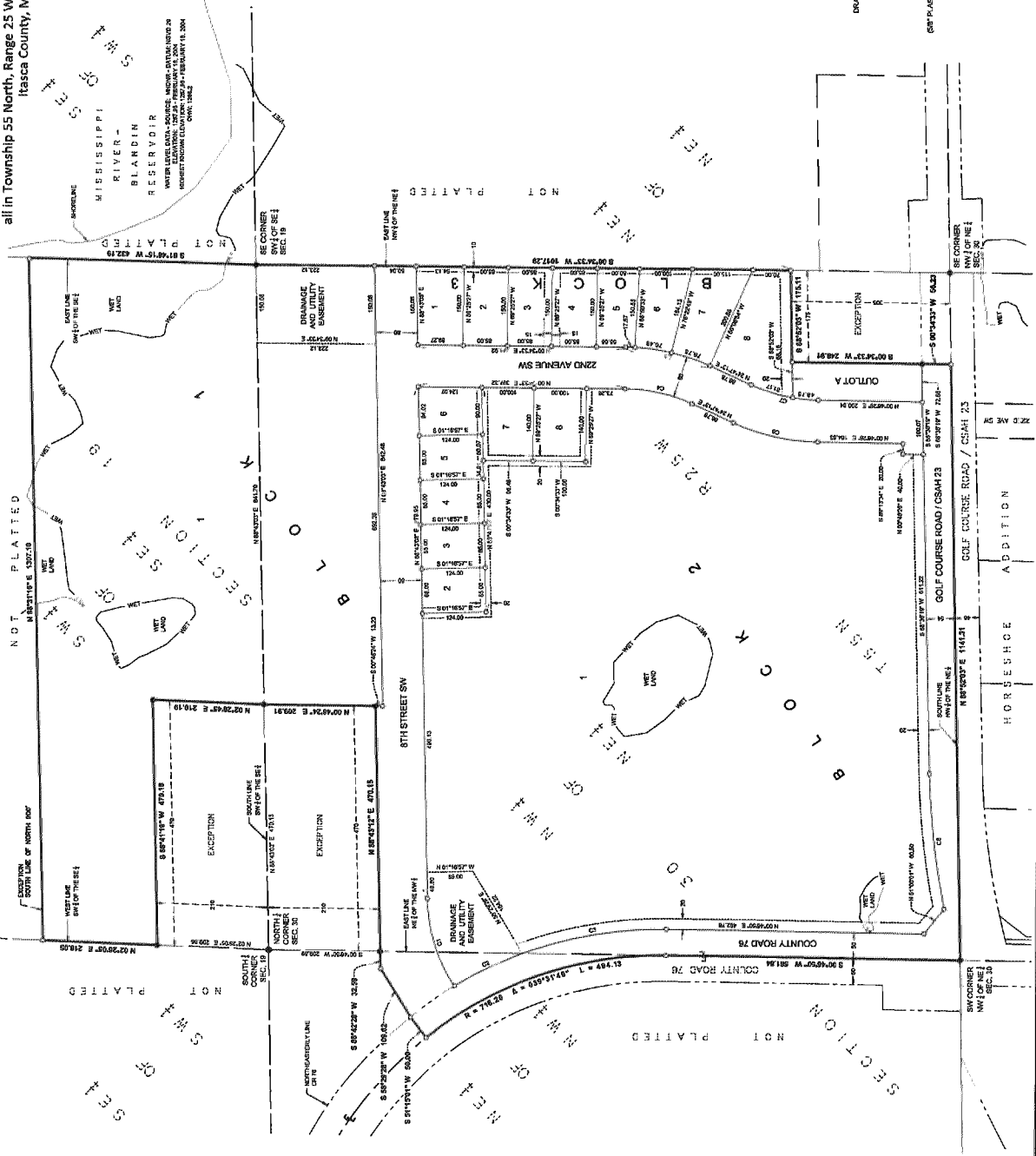
Mike Korte – 3/1/22

John O’Leary – 3/1/25

Sholom Blake – 3/1/19

GREAT RIVER ACRES

Part of the Southwest Quarter of the Southeast Quarter of Section 19, AND
 Part of the Northwest Quarter of the Northeast Quarter of Section 30, AND
 Part of the Northeast Quarter of the Northwest Quarter of Section 30,
 all in Township 55 North, Range 25 West, Fourth Principal Meridian,
 Itasca County, Minnesota

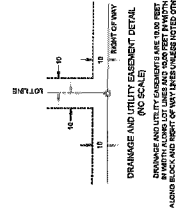


Curve	Length	Radius	Delta
C1	175.30	313.84	187°31'04"
C2	144.85	788.20	212°42'32"
C3	279.33	788.20	237°48'48"
C4	158.88	343.85	227°12'40"
C5	184.36	500.00	241°12'00"
C6	143.43	380.00	232°38'47"
C7	175.33	313.85	187°31'04"
C8	281.27	1488.40	219°07'04"



1:10
 0 100 200
 FEET
 HORIZONTAL SCALE
 VERTICAL SCALE
 COUNTY SOUTH COORDINATE
 SYSTEM, NAD83

- LEGEND**
- RIGHT OF WAY
 - DRAINAGE AND UTILITY EASEMENT
 - LOT LINE
 - BLK BOUNDARY
 - PLAT BOUNDARY
 - BENCHMARK
 - ROUND MONUMENT
 - ROUND MONUMENT
 - GPS PLASTIC CAPTED REBAR P.C. 45484
 - WETLAND
 - SECTION



DRAINAGE AND UTILITY EASEMENT DETAIL
 DRAINAGE AND UTILITY EASEMENTS ARE 10' WIDE
 AND 10' DEEP. UTILITY EASEMENTS ARE 10' WIDE
 AND 10' DEEP. ALL EASEMENTS ARE TO BE
 ALIGNED WITH THE CENTERLINE OF THE EASEMENT.

MISSISSIPPI RIVER -
 BLANDIN RESERVOIR
 WATER QUALITY SOURCE AND/OR DATA SOURCE
 ELEVATION: 107.24' - 108.04' (107.54' AVERAGE)
 HOUSING DISTRICT: 101.00' - 101.20' (101.10' AVERAGE)
 OWN: TRS



Great River Acres
Analysis of Land Value Expense/Income

FMV Assumptions
Multi-Family \$1.35 per sf
SF Residential \$1.75 per sf

Block	Lot	Area (sf)	Road Assess / sf	Water Assess / sf	Sanitary Assess / sf	Storm Assess / sf	Development Assess / sf	Total Assessment	\$0.30 Land Value	Total Invest Value	Estimated FMV	Profit/Loss	Rounded FMV	Profit/Loss
1	1	361,288	\$384,469.95	\$117,860.39	\$124,092.99	\$91,552.00	\$20,149.60	\$738,124.94	\$108,555.63	\$846,680.56	\$487,687.50	(358,993.06)	\$485,000	(\$361,680.56)
2	1	871,119	\$1,261,698.19	\$366,777.27	\$407,230.63	\$300,442.19	\$66,124.07	\$2,422,272.24	\$261,771.26	\$2,684,043.50	\$18,445.00	(14,030.26)	\$19,500	(\$12,975.26)
2	2	10,540	\$15,265.77	\$4,679.77	\$4,927.24	\$3,635.16	\$800.06	\$29,307.99	\$3,167.27	\$32,475.26	\$18,445.00	(14,030.26)	\$19,500	(\$12,975.26)
2	3	10,540	\$15,265.77	\$4,679.77	\$4,927.24	\$3,635.16	\$800.06	\$29,307.99	\$3,167.27	\$32,475.26	\$18,445.00	(14,030.26)	\$19,500	(\$12,975.26)
2	4	10,540	\$15,265.77	\$4,679.77	\$4,927.24	\$3,635.16	\$800.06	\$29,307.99	\$3,167.27	\$32,475.26	\$18,445.00	(14,030.26)	\$19,500	(\$12,975.26)
2	5	10,540	\$15,265.77	\$4,679.77	\$4,927.24	\$3,635.16	\$800.06	\$29,307.99	\$3,167.27	\$32,475.26	\$18,445.00	(14,030.26)	\$19,500	(\$12,975.26)
2	6	11,409	\$16,524.40	\$5,065.60	\$5,333.48	\$3,934.88	\$866.02	\$31,724.37	\$3,428.40	\$35,152.78	\$19,965.75	(15,187.03)	\$21,000	(\$14,152.78)
2	7	13,700	\$19,842.60	\$6,082.81	\$6,404.47	\$4,725.02	\$1,039.93	\$38,094.83	\$4,116.85	\$42,211.68	\$23,975.00	(18,236.68)	\$25,000	(\$17,211.68)
2	8	13,986	\$20,256.83	\$6,209.79	\$6,538.17	\$4,823.66	\$1,061.64	\$38,890.09	\$4,202.79	\$43,092.89	\$24,475.50	(18,617.39)	\$25,500	(\$17,962.89)
3	1	13,755	\$19,922.26	\$6,107.23	\$6,430.18	\$4,743.99	\$1,044.10	\$38,247.76	\$4,133.38	\$42,381.14	\$24,071.25	(18,309.89)	\$25,000	(\$17,381.14)
3	2	12,750	\$18,466.65	\$5,661.01	\$5,960.37	\$4,397.36	\$967.81	\$35,453.22	\$3,831.38	\$39,284.59	\$22,312.50	(16,972.09)	\$23,500	(\$15,784.59)
3	3	12,750	\$18,466.65	\$5,661.01	\$5,960.37	\$4,397.36	\$967.81	\$35,453.22	\$3,831.38	\$39,284.59	\$22,312.50	(16,972.09)	\$23,500	(\$15,784.59)
3	4	12,750	\$18,466.65	\$5,661.01	\$5,960.37	\$4,397.36	\$967.81	\$35,453.22	\$3,831.38	\$39,284.59	\$22,312.50	(16,972.09)	\$23,500	(\$15,784.59)
3	5	11,496	\$16,650.40	\$5,104.23	\$5,374.15	\$3,964.86	\$872.63	\$31,966.29	\$3,454.55	\$35,420.84	\$20,118.00	(15,302.84)	\$21,000	(\$14,420.84)
3	6	13,196	\$19,112.62	\$5,859.03	\$6,168.86	\$4,551.20	\$1,001.67	\$36,693.38	\$3,965.40	\$40,658.78	\$23,083.00	(17,565.78)	\$24,000	(\$16,658.78)
3	7	16,760	\$24,274.60	\$7,441.45	\$7,834.96	\$5,780.39	\$1,272.20	\$46,603.60	\$5,036.38	\$51,639.98	\$29,330.00	(22,309.98)	\$30,000	(\$21,639.98)
3	8	25,866	\$37,492.37	\$11,493.40	\$12,101.18	\$8,927.88	\$1,964.93	\$71,979.76	\$7,778.74	\$79,758.51	\$45,300.50	(34,458.01)	\$45,000	(\$34,758.51)
Outlot A		17,972	\$26,030.01	\$7,979.58	\$8,401.55	\$6,198.40	\$1,364.20	\$49,973.74	\$5,400.59	\$55,374.33	\$0.00	(55,374.33)		(\$55,374.33)
Totals		1,450,939	\$1,962,737.26	\$601,662.85	\$633,500.58	\$467,377.29	\$102,864.67	\$3,768,162.64	\$436,007.17	\$4,204,169.81	\$938,734.00	(681,392.31)		(\$670,126.31)

Note: With the Shoreland Zoning of Lot 1, Block 1, a total maximum density of 144.5 units has been determined. At a maximum density of Non-Shoreland R-4, which is 1 unit/2,500 sf of lot area, an equivalent Non-Shoreland lot would be 8.29 acres, or 361,250 sq. ft. to allow for 144.5 units.

Estimated Loss: (\$681,392.31)
IRR Infrastructure Grant: \$250,000.00
Proceeds from Riverview School Parcel: \$190,000.00
Proceeds from 21st St. SE Parcel: \$175,000.00
Net: (\$56,392.31)

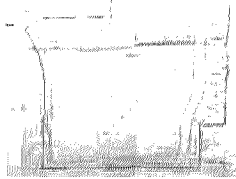
Real Estate Brokers Price Opinion

Of
City of Grand Rapids/Great River Acre Lots

22nd Avenue SW
8th Street SW
Grand Rapids, MN

Price Opinion Premise As of

August 3, 2019



Prepared For

Rob Mattei
Grand Rapids Economic Development Authority

Grand Rapids, MN 55744
Client File: GR/GR Lots

Prepared by

WELLSON GROUP, INC.
Stephen Welliver, Broker
Wellson Group, Inc.



WELLSON GROUP, INC.
commercial property division

WELLSON GROUP, INC.

215 NW 1st Avenue
Grand Rapids
MN, 55744

218-326-3463
Fax: 218-326-0573
swelliver@wellsongroup.com

August 3, 2019

Mr. Rob Mattei
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744

Re: Brokers Price Opinion, August 3, 2019
Grand Rapids Great River Acres Lots
22 Avenue and 8th Street SW, Grand Rapids, MN 55744
Itasca County, MN

File Name: GR

Dear Mr. Mattei:

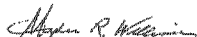
At your request, we have prepared a broker's price opinion, (BPO) for the above referenced property. Included in this report is important information regarding the scope of research and analysis for this brokers price opinion, including property identification, inspection, highest and best use analysis and pricing methodology.

Based on the brokers price opinion (BPO) described in the accompanying report, it is the conclusion of this analysis that the opinion of fair market price, of the fee simple interest of the land, as of August 3, 2019 is:

LOT	LOCATION	ACRES	SF	\$1.70 PRICE	LOT	LOCATION	ACRES	SF	\$1.70SF	PRICE
1	22ND AVENUE	0.32	13,939	\$23,696.00	2	8TH STREET SW	0.24	10,454	\$17,772.00	
2		0.29	12,632	\$21,474.00	3		0.24	10,454	\$17,772.00	
3		0.29	12,632	\$21,474.00	4		0.24	10,454	\$17,772.00	
4		0.29	12,632	\$21,474.00	5		0.24	10,454	\$17,772.00	
5		0.26	11,326	\$19,254.00	6		0.26	11,326	\$19,254.00	
6		0.3	13,068	\$22,216.00	7		0.32	13,939	\$23,696.00	
7		0.38	16,553	\$28,140.00	8		0.33	14,374	\$24,436.00	
8		0.59	25,700	\$43,690.00						
				\$201,418.00					\$138,474.00	

If you have any questions concerning this report, please contact Stephen R. Welliver at 218-326-3463.

Respectfully submitted,



Stephen Welliver, 20388073
Broker, Wellson Group, Inc.



Summary of Important Facts and Conclusions

GENERAL

Subject:	Grand City Great River Acre Lots
Owner:	City of Grand Rapids
Legal Description:	To be determined by survey S21, T55N, R25W
Tax Identification	To be determined
Date of Report:	August 3, 2019
Date of Value:	August 3, 2019
Date of Inspection:	S Welliver: June 18, 2019
Intended Use:	The intended use of the Brokers Price Opinion is for determining a fair market price of the fee simple estate for described retail lots and discounted development value.
Intended User(s):	City of Grand Rapids and Grand Rapids Economic Development Authority.
Assessed Value:	Land
Taxes:	Currently Public
Sale History:	There has been no record of sale in the last three years.
Current Listing/Contract(s):	The subject is not currently listed for sale, or under contract.

PROPERTY

Land Area:	Total:			
	LOT	LOCATION	ACRES	SF
	1	22ND AVE	0.32	13,939
	2		0.29	12,632
	3		0.29	12,632
	4		0.29	12,632
	5		0.26	11,326
	6		0.3	13,068
	7		0.38	16,553
	8		0.59	25,700

LOT	LOCATION	ACRES	SF
2	8TH STREE	0.24	10,454
3		0.24	10,454
4		0.24	10,454
5		0.24	10,454
6		0.26	11,326
7		0.32	13,939
8		0.33	14,374

Zoning: Residential

Highest and Best Use of the Site: Residential

Highest and Best Use as Improved: The Highest and Best Use is the same as vacant as there are no structural improvements.

MARKET PRICE INDICATIONS

Land & Improvement BPO:	Land
Reconciled Price(s):	As Is Lots \$1.70/SF
	22nd Street \$201,418
	8th Street \$138,474

Price Conclusion(s)
Effective Date(s) August 3, 2019

Property Rights Fee Simple

Definitions

Purpose and Intended Use of the Brokers Price Opinion

The purpose of this Brokers Price Opinion is to estimate the market price of the subject property. The intended use of this report is to provide a market price to the intended users, City of Grand Rapids/GREDA in making financial and planning decisions for the disposition of the subject property as described in the body of this report. Our analysis is based on the “as is” market price of the subject property on August 3, 2019.

Property Rights

The property rights in this report are “Fee Simple” interest as defined as “Absolute” ownership unencumbered by any other interest or estate only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Exposure Time

The exposure time is the estimated length of time the property interest being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the report; The subject property, after considering the market analysis would have an exposure time of 36 months.

Marketing Time

Marketing Time is defined as;

An opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of report..

The marketing time for the subject property is thirty- six months.

A **Fee Simple Estate** interest is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Source: Appraisal Institute, The Dictionary Real Estate Appraisal, 5th Edition

Scope of Work

This Brokers Price Opinion is prepared for the City of Grand Rapids/GREDA. The problem to be solved is to estimate the 'as is' fair market price of the subject property. The intended use of this report is to provide a fair market price to the intended users for determining value for possible disposition for the subject property as described in the body of this report. Our analysis is based on the "as is" price of the subject property on August 3, 2019.

SCOPE OF WORK

Report Type:	This is a Brokers Price Opinion.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number. Records at the Itasca assessor's office and certificates of real estate value were analyzed to verify unity of ownership and improvements. GIS mapping verified zoning and site analysis.
Inspection:	A complete inspection of the subject property was made on June 18, 2019 and photographs were taken. Steve Welliver entered the property from Golf Course and County Road 76 at the front entrance to the subject. A complete land and market area analysis was completed.
Analysis of Market Conditions:	An analysis of market conditions has been completed.
Market Area Analysis:	The broker maintains a comprehensive database for this market area and has reviewed the market for sales and listings relevant to this analysis. Further analysis of the regional, economic and demographic information was researched to provide important data in the report.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Valuation Analyses

Cost Approach:

A cost approach was not applied as there are no structural improvements.

Sales Comparison Approach:

A Sales Comparison Approach – Land Valuation Analysis was applied as there is adequate data to develop a land price estimate and this approach reflects market behavior for this property type.

Income Approach:

An income approach was applied as the subject property is considered a development opportunity for a prospective purchaser.

Competency Statement:

The broker has the appropriate knowledge, education and experience to complete this assignment with competence. The broker is familiar with the subject location, local market area and the valuation of commercial properties.

Scope of Work Summary

The broker has spent the necessary time in the market area to obtain additional understanding and information to ensure development of a credible result. Stephen Welliver physically visited the subject site and performed the necessary site analysis on June 18, 2019. The property inspections revealed land under site development as described elsewhere in this report.

Effective Date of Report:

This Brokers Price Opinion is a current opinion of price premise, “as is status” report based on current market conditions as of the date of completion on August 3, 2019 or the effective date for the report opinions and conclusions including opinion of fair market price as of August 3, 2019. The broker, through market analysis of the real estate market in the years 2011 through 2019 in the Itasca County area has determined that there are no time adjustments required for the effective date of price as described in this report.

It is an extraordinary assumption that there are no changes to the subject property between the date of inspection and the date of the opinion of price. The use of this extraordinary assumption may affect the value conclusion herein. There are no other extraordinary assumptions or hypothetical conditions related to this report.

Property Description

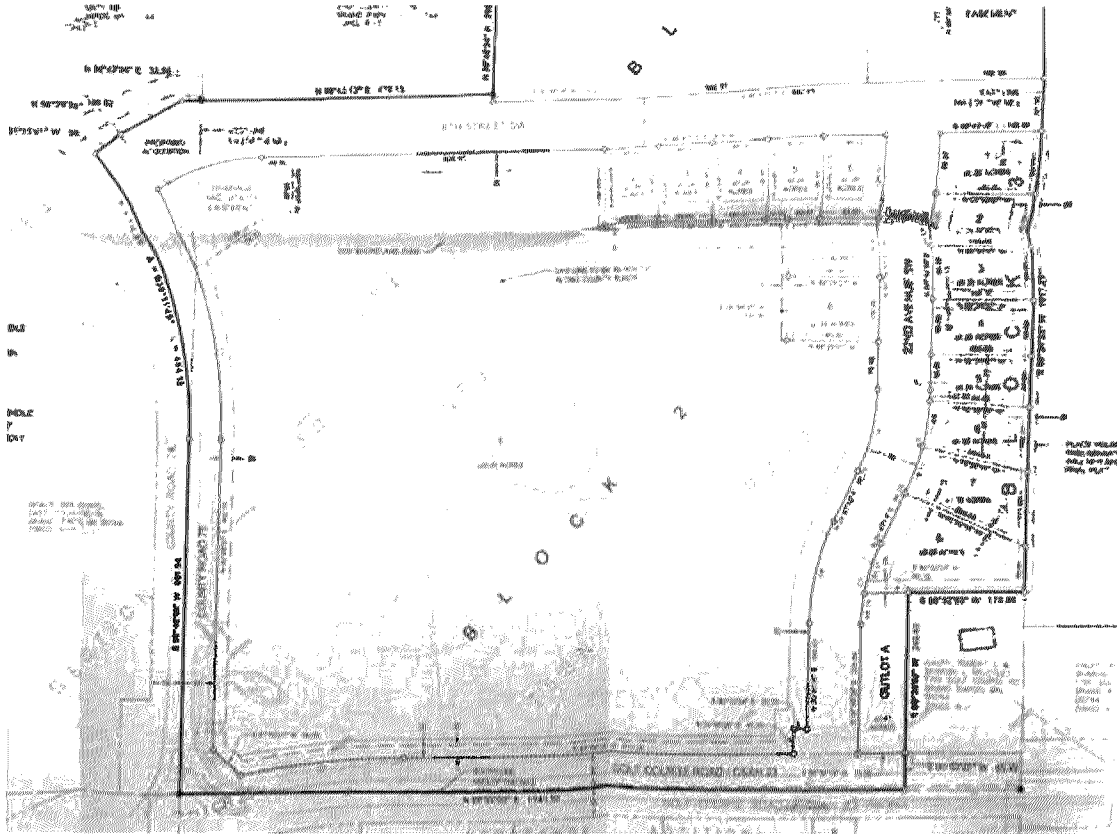
The following description is based on our property inspection on June 18, 2019. Assessment records, property deeds, and GIS mapping data prepared by Stephen Welliver, Wellson Group, Inc.

SITE	
Location:	The subject is located off Golf Course Road and County Road 76 in the western district of Grand Rapids, MN.
Current Use of the Property:	Potential retail lots/ vacant.
Site Size:	Total: .24-.59 Acres
Shape:	The site is rectangular in shape
Frontage/Access:	The subject property has very good access with frontage as follows: <ul style="list-style-type: none">• Golf Course Road• 22nd Avenue and 8th Street• County Road 76
Visibility:	Good
Topography:	The subject has a slight slope topography at grade.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: The site is served by GRPUC.
Area Component:	Subject property is located in the western district with residential, assisted living, health care and educational facilities.
Land Component:	Upland with site at rough grade.
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions. No Phase One

Encumbrance:
Easements

There no known adverse encumbrances. Please reference
Limiting Conditions and Assumptions.

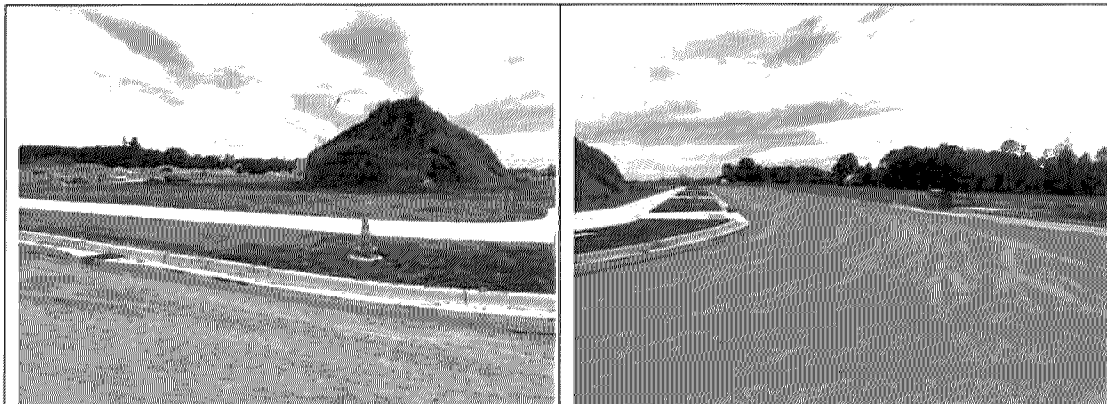
“Great River Acre Lots Survey Map

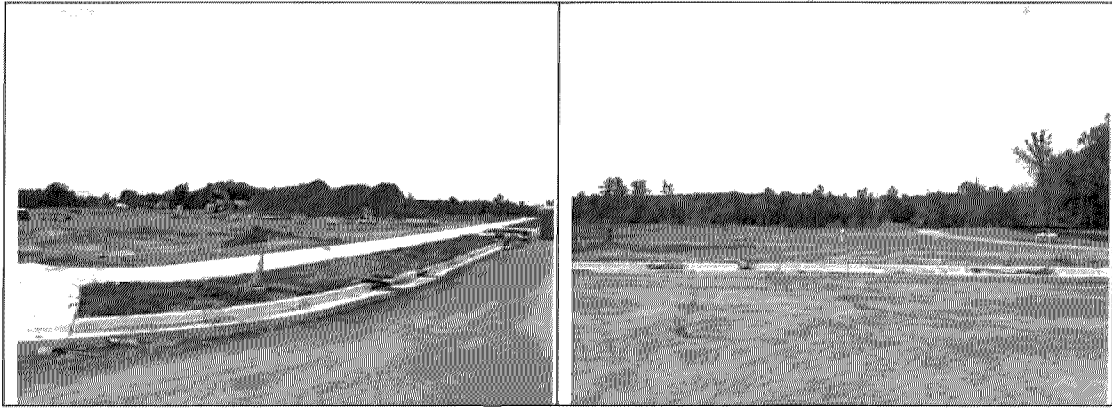


Subject Photographs
22nd Street SW



8th Street SW





Assessment and Taxes

REAL ESTATE ASSESSMENT AND TAXES

Taxing Authority	Itasca County
Assessment Year	2019

ASSESSED VALUES

LAND:	PUBLIC
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Zoning

LAND USE CONTROLS

Zoning Code

Residential

Current Use Legally Conforming

The subject is legal and conforming use.

Zoning Change Likely

A zoning change is unlikely.

Highest and Best Use, Great River Acre Lots

Highest and best use may be defined as:

The reasonably probable and legal use of vacant land and /or improve property, of which is physically possible, appropriately supported, financially feasible, and results in the highest value. 2

- Legally Permissible Use: What uses are permitted by zoning and other legal restrictions?
- Physically Possible Use: To What use is the site physically adaptable?
- Financially Feasible Use: Which possible and permissible use will produce and net return to the owner of the site?
- Maximally Productive: among the feasible uses which use will produce the highest net return, (i.e.; the highest present worth)?

The first test involves a determination of what uses are legally permissible. Existing leases, deed restrictions, zoning, building codes and environmental regulations may all influence potential use.

The subject .24-.59 acre (lots) ownership is currently vacant land. Its residential zoning would legally permit normal residential development uses.

Once the test of legally permissible uses is completed, the test of physically possible uses must be addressed. The size, topography and shape of the property must be considered.

The subject is .24-.59 acre lot size and the topography physically allow its use for residential development property.

After applying the first two tests in Highest and Best Use determination, potential uses that are not legally permissible or physically possible are eliminated from consideration. The potential uses that do satisfy the first two elements are then subjected to a third element of financially feasible.

Financial feasibility is a criteria that is analyzed to determine which uses are likely to produce an income, or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. The financial feasibility of the subject for use as residential lot development property is supported by sale of similar property for this type of use.

The fourth and final element involves determining which uses that have been determined to be legally permissible, physically possible and financially feasible, is maximally productive. The use produces the highest price or value consistent with the rate of return indicated by the market is considered to be maximally productive.

The use affords the highest economic return to this parcel as reflected in land and improvement values is residential lot development use

Determination of Highest and Best Use: Residential Development use.

Highest and Best Use as Improved- With structural improvements located on the adjoining property, the highest and best current use is the same as vacant.

Analyses Applied

A **Depreciated Cost Analysis** was considered and was not developed for determining market price for the subject property.

Sales comparison analysis was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject property does not have a potential income stream that determines a return on investment to an investor/developer.

Sales Comparison Approach – Land

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land and Improvement Comparable Sales

We have researched twelve comparable sales and current listings for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Analysis Grid, Great River Acre Lots

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

Due to the considerable number of comparable sales within the subject area we have listed the best comparable sales in the sales comparison approach to value. Although the comparable sales vary, between them they account for all of the features and subsequent adjustments to reflect the estimated value of the subject. It is my opinion, that these comparable sales, after adjustment, best reflect the probable market value of the subject.

Comparable Sales, Listings and Retail Lot Analysis

MLS #	Address	City	Status	Price	Lot Acres	SF	PIN #	Days On Market	DIST GR
9921484	1703 TIMBER R	Grand Rapi	SOLD	\$30,000	0.4	17,424	91-534-0175	1398	0-5
9924295	TBD VALLEY C	Grand Rapi	SOLD	\$35,000	0.48	20,209	91-534-0440	673	0-5
9926598	TBD PINE WOC	Grand Rapi	SOLD	\$7,500	0.26	11,326	91-534-0360	1401	0-5
9931150	TBD SW 3rd AV	Grand Rapi	SOLD	\$19,000	0.32	13,939	91-610-0345	50	0-5
9931699	TBD SW 8th ST	Grand Rapi	SOLD	\$20,000	0.87	37,897	91-510-0110	303	0-5
9932252	717 & 719 NW	Grand Rapi	ACTIVE	\$45,500	0.3	13,068	91-550-1125 & 91	343	0-5
9932345	tbd SW 3rd AV	Grand Rapi	SOLD	\$16,500	0.3	13,068	91-510-0840	35	0-5
9932712	123 IRENE RD	Grand Rapi	ACTIVE	\$28,500	0.87	37,897	91-496-0205	149	0-5
9932956	TBD NW 2nd A'	Grand Rapi	ACTIVE	\$33,000	0.28	12,196	91-585-3570	107	0-5
9933245	26XX OLD GOL	Grand Rapi	ACTIVE	\$54,900	1.29	56,193	91-681-0230 & 91	64	0-5
9933347	TBD 6th AVE	Grand Rapi	ACTIVE	\$25,000	0.29	12,632	91-530-0310	50	0-5
9933435	TBD TIMBER RI	Grand Rapi	ACTIVE	\$24,900	0.42	18,295	91-534-0125	37	0-5
AVERAGE LOT				\$28,317	0.50666667	22,012			
MEAN SF				\$1.28					
MEDIAN SF				\$1.22					
Adjusted SF				\$1.70	Adjusted for location, site costs and utilities				

LOT	LOCATION	ACRES	SF	\$1.70	PRICE
1	22ND AVENUE	0.32	13,939		\$23,696.00
2		0.29	12,632		\$21,474.00
3		0.29	12,632		\$21,474.00
4		0.29	12,632		\$21,474.00
5		0.26	11,326		\$19,254.00
6		0.3	13,068		\$22,216.00
7		0.38	16,553		\$28,140.00
8		0.59	25,700		\$43,690.00

\$201,418.00

LOT	LOCATION	ACRES	SF	\$1.70SF	PRICE
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LOT	LOCATION	ACRES	SF	\$1.70SF	PRICE
2	8TH STREET SW	0.24	10,454		\$17,772.00
3		0.24	10,454		\$17,772.00
4		0.24	10,454		\$17,772.00
5		0.24	10,454		\$17,772.00
6		0.26	11,326		\$19,254.00
7		0.32	13,939		\$23,696.00
8		0.33	14,374		\$24,436.00

\$138,474.00

Analysis Grid, Great River Acre Lots

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

Due to the considerable number of comparable sales within the subject area we have listed the best comparable sales in the sales comparison approach to value. Although the comparable sales vary, between them they account for all the features and subsequent adjustments to reflect the estimated value of the subject. It is my opinion, that these comparable sales, after adjustment, best reflect the probable market value of the subject.

Analysis of the Comparable Sales

The following comments relate to the subject building and land valuation analysis and the comparisons made to the sales data. It should be noted that all the comparable land sales and listings have been confirmed by the assessor, broker, buyer or seller. The sales are analyzed and compared to the subject and a concluded value is based on this comparison.

The comparable sales presented in the Comparable Analysis Summary Grid represent 6 completed sales and 6 current listings in the immediate area of Grand Rapids that are similar in site characteristics as the subject. Based on my analyses, the subject properties have superior attributes of all the comparable sales used in our analysis. New housing lot developments typically command higher pricing due to decreased inventory in the market and contributory site costs associated with pad ready sites. The mean and median price of the 12 completed sales and listings indicate a price range of \$1.22 - \$1.28 SF. The subject properties described in our analysis indicates a pricing level of \$1.70SF in the current market.

Sales Comparison Approach Conclusion – Land Reconciliation

Based on the above factors and available site data to the broker, the subject property, indicates a reconciled fair market price per SF of \$1.70 SF.

Final Reconciliation

The process of reconciliation involves the analysis of each approach, the quality of data applied, and the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

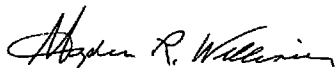
Sales Comparison Approach

The Sales Comparison Approach to land valuation analysis provides the best indication of land and improvement value when adequate and similar market data is available to consider by the broker. The data and information, including the inspection of the subject property, as identified in this report, provides an estimate of market price as stated in the Letter of Transmittal.

Value Conclusion

Based on the data and analyses developed in this report, we have reconciled to the following brokers price opinion, as of August 3, 2019.

Reconciled Value(s): Premise: As Is
Interest: Fee Simple
Brokers Price Opinion: \$1.70 SF Retail Lots (Rounded)



Stephen Welliver, Broker 20388073



Disclaimer: This document is not an appraisal as defined by USPAP (Uniform Standards of Professional Appraisal Practice). It is not to be construed as an appraisal and may not be used as such for any such purpose.

Broker's Certificate

I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. I performed this report with no bias.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting pre-determined results.
6. My 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.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant personal assistance to the person signing this certification.
9. Because of my training as a Broker and my experience in numerous real estate transactions, I am qualified to perform this assignment.
10. I have not performed a real estate service, as a broker regarding the property that is the subject of the work under review, within the three-year period immediately preceding acceptance of this assignment.

Non-Discrimination

In arriving at the estimated reasonable value, the writer has not been improperly influenced in any manner by the race, religion, or national origin of any person.





WELLSON GROUP, INC.
commercial property division

Stephen R. Welliver, President

Wellson Group, Inc., 215 NW 1st Avenue, Grand Rapids, MN 55744
Wellson Group, Inc., 5021 Vernon Avenue South, Unit 138, Edina, MN 55436
218-340-6790
swelliver@wellsongroup.com

Areas of Expertise

Real Estate - Consulting, Brokerage, Fee Development, Title Examination and Appraisal/Valuation
Forestry - Consulting, Valuation, Harvesting Guidelines/Methods, Procurement and Silviculture
Business - Finance, Valuation and Tax Law, Business Valuations
Banking - Mortgage Banking, Commercial Loan Analysis and Audit Review.
Utility Rights-of-Way – Vegetation Management, Acquisition, Timber and Land Valuation
Machinery and Equipment- Valuation and Disposition
Civic – Leadership, Strategic Planning, Federal and State Project Funding

Positions Held (Business)

President/Owner, Wellson Group, Inc., Grand Rapids, MN, 1999-Present. Provides Real Estate, Business and Forestry consulting services to private and public entities. Provides forestry, vegetation management, timber and land and business appraisal services to the forestry industry. Provides brokerage and appraisal services for real estate, banking, timber and machinery and equipment industry. Fee development services to the commercial real estate industry.

President/Owner, Lake States Tree Service, Inc., Grand Rapids, MN. and Gaylord, MI., 1978-1998. A 230 employee based company providing vegetation contracting and consulting services to forty one electrical and gas utility companies located in Minnesota, North and South Dakota, Wisconsin, Michigan, Indiana, Missouri, Arkansas and Louisiana.

President/Owner, JSD Forest Enterprises, Grand Rapids, MN., 1982-1992. Provided mechanical/chemical and silvicultural contracting services to the forest industry. Produced 10,000 -15,000 cords annually of mixed species wood to the forest paper and sawmill industry.

Branch Manager, Minnesota Federal Savings and Loan, St. Paul, MN., 1974-1977. Managed 50 million loan portfolio and 30 million time deposits. Valuation and management of commercial service corporation.

Positions Held (Civic)

President, Grand Rapids Public Utilities Commission, Grand Rapids, MN., 1999-2018. Provides electricity, sewer and water to the City of Grand Rapids and surrounding area. Recently completed the largest wastewater treatment (\$35m) plant north of the St. Paul/Minneapolis area.

Director, Grand Rapids State Bank, Grand Rapids, MN., 1996-Present. 250 Million Asset Bank serving northern Minnesota. Provides financing to large timber harvesting contractors working in the forest products industry in northern Minnesota. Currently serving on the loan, audit and valuation committee.

President and Board of Directors, Minnesota Forestry Association, 1984-1987. 2000-2004. State wide organization promoting forest ownership which provides education and resources to forest landowners.

Education and Licenses

BA, Business Finance, University of St. Thomas, St. Paul, MN
Forestry Technician, University of Minnesota, Minneapolis, MN
Minnesota Real Estate Brokers License #20388068
Minnesota Department of Natural Resources Forest Stewardship Plan Preparer #1781
Master Certified Machinery and Equipment Appraiser
Business Appraiser
Senior Business Analyst
Associate Member, American Society of Cost Segregation Professionals

Professional Organizations

Society of American Foresters
Minnesota Forestry Association
Society of Arboriculture
Minnesota Chamber of Commerce
Ruffed Grouse Society, Sponsor
Appraisal Institute
Realtors Land Institute, ALC Candidate
National Association of Realtors
National Association of Certified Valuers and Analysts
Consultants Training Institute
International Society of Business Analysts
American Society of Cost Segregation Professionals

Current and Recent Projects

Walter Motor Company, Cost Segregation

Services Performed: 2017- Current Cost Segregation Analysis on new car dealerships in Bloomington and Owatonna, MN. Performed asset allocation into real estate and tangible asset class for reporting depreciation accounting guidelines under the IRS ITS 1245 and 1250.

Contact: Kirk Kleckner 952-258-8731

Border Foods, Site Selection and Land Analysis

Services Performed: 2013-2018 Site analysis and purchase of commercial land in Minnesota, Wisconsin, Michigan and South Dakota. Phase I, survey and soil borings contracting during due diligence period. Cost Segregation. Complete brokers opinion of value on 75 locations throughout Minnesota and Wisconsin.

Contact: Barb Schneider, Real Estate Coordinator, 763-370-0794

Rajala Timber, Grand Rapids State Bank

Services Performed: Complete timber inventory of yard wood by species and volume. Inventoried sawed wood and current lumber. Appraised all equipment and assets to fair market value and liquidated value. Performed real estate appraisals on four timbered properties.

Contact: Stephen Wilcox, 218-326-9414

Grand Rapids State Bank/ Northwest Gas Company, Business and Asset Valuation,

Services Performed: 2013 Complete business appraisal of Natural Gas entity including assets, cash flow analysis and current debt structure.

Contact: Al Leistman, Grand Rapids State Bank Vice President, 218-326-9414

CapX2020 Wind Energy Project, 87 Mile Transmission Corridor, New Construction, Bemidji- Grand Rapids 2010-2013

Services Performed: Timber and Landscape Tree Appraisal and easement acquisition of landowner parcels, Sales Data Base Development for acquisition, Real Estate Appraisals for Condemnation Proceedings.

Contacts: Jim Metcalf, Senior Right-of Way Specialist, Ottertail Power Company, 218-770-6858

Blandin Paper Company, 12,000 Acre Land Disposition and 1031 Exchange Project.

Services Performed: 2006-2018 Brokering 12,000 acres of identified land for exchange of timberland, land and timber analysis, brokerage and accounting and title closing services.

Contacts: Cheryl Adams, Blandin Land Manager, 218-327-6482

Blandin Paper Company/State of Minnesota, 185,000 Acre Conservation Easement.

Services Performed: Highest and best use analysis, appraisal review, title examination contracting, title exception review, analysis and finalization, easement descriptions and recording. Worked with the Conservation Fund and Minnesota Attorney General's Office. Consulting Services for possible sale after conservation easement (2009-2011)

Contacts: Joseph Maher, Blandin Vice President, Mill Manager, 218-327-6398
Cheryl Adams, Blandin Land Manager and Project Manager, 218-327-6482
Ann Smith, I. County Abstract, 218-326-9601
Richard Petersen, MN DNR Forest Legacy Coordinator, 507-333-2012
Dennis O'Toole, Attorney for Blandin Paper, 218-326-9603

Forest Capital Partners, Timber REIT (Boise Cascade) Appraisal and Brokerage Services 2006-2014.

Services Performed: Land Appraisal, easement descriptions, and brokerage services on 350,000 acre ownership. Innovated a land auction service to sell over 12,000 acres of selected tracts 2005-2010. Hold real estate license for current land manager.

Contacts: Scott Jones, Principal, 1 Financial Center, Boston, MA 617-832-2925.

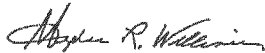
Itasca Development Corporation: Appraisal and Land Division Analysis 2010-2018.

Services Performed: Appraisal of Eco Industrial Park and land division analysis for disposition. Former Ainsworth Plant.

Contacts: Jeff Borling, 218-326-9411

I have extensive experience in real estate brokerage, real estate and business appraisal and title examination work. I represent industry and family trusts in the acquisition and disposition of real estate holdings throughout Minnesota. In addition, I work with attorneys, accountants and lending institutions providing real estate and business services to corporations and family estate planning. I have represented federal, state, county and local government agencies in real estate and forestry projects.

From 1999 until present I have performed timber and land appraisals, damage assessment, easement descriptions and appraisal, timber procurement, chemical consultation, and expert witness testimony on utility right of way and forestry issues for public and private agencies.



Stephen R. Welliver

References

Joseph Maher, Vice President Manager, UPM Kymenne/Blandin, US Operations
218-327-6398

Cheryl Adams, Land Manager, UPM Kymenne/Blandin, US Operations
218-327-6482

John Guenther, Minnesota Department of Natural Resources, Former NE Region 3
Manager
218-259-3380

Bob Lessard, Minnesota Department of Natural Resources, Northern Assistant to DNR
Commissioner for Community Outreach. Former State Senator District 3.
651-730-6738

Tom Duffus, Conservation Fund, Midwest Region Director
218-722-2398

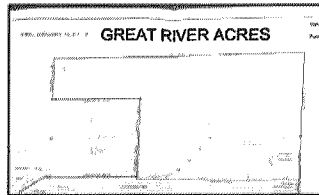
Real Estate Brokers Price Opinion

Of
City of Grand Rapids/Great River Acre Multifamily Parcel

8th Street SW
Grand Rapids, MN

Price Opinion Premise As of

August 3, 2019



Prepared For

Rob Mattei
Grand Rapids Economic Development Authority

Grand Rapids, MN 55744
Client File: GR/GR Multifamily Parcel

Prepared by

WELLSON GROUP, INC.
Stephen Welliver, Broker
Wellson Group, Inc.



WELLSON GROUP, INC.
commercial property division

WELLSON GROUP, INC.

215 NW 1st Avenue
Grand Rapids
MN, 55744

218-326-3463
Fax: 218-326-0573
swelliver@wellsongroup.com

August 3, 2019

Mr. Rob Mattei
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744

Re: Brokers Price Opinion, August 3, 2019
Grand Rapids Great River Acres Multifamily Parcel
22 Avenue and 8th Street SW, Grand Rapids, MN 55744
Itasca County, MN

File Name: GR

Dear Mr. Mattei:

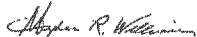
At your request, we have prepared a broker's price opinion, (BPO) for the above referenced property. Included in this report is important information regarding the scope of research and analysis for this brokers price opinion, including property identification, inspection, highest and best use analysis and pricing methodology.

Based on the brokers price opinion (BPO) described in the accompanying report, it is the conclusion of this analysis that the opinion of fair market price, of the fee simple interest of the land, as of August 3, 2019 is:

\$1.33 SF Multifamily Parcel 2-8 Acres
\$.50 SF Multifamily Parcel 8 Acres +

If you have any questions concerning this report, please contact Stephen R. Welliver at 218-326-3463.

Respectfully submitted,



Stephen Welliver, 20388073
Broker, Wellson Group, Inc.



Summary of Important Facts and Conclusions

GENERAL

Subject:	Grand City Great River Acre Multifamily Parcel
Owner:	City of Grand Rapids
Legal Description:	To be determined by survey S21, T55N, R25W
Tax Identification	To be determined
Date of Report:	August 3, 2019
Date of Value:	August 3, 2019
Date of Inspection:	S Welliver: June 18, 2019
Intended Use:	The intended use of the Brokers Price Opinion is for determining a fair market price of the fee simple estate for described Multifamily parcels.
Intended User(s):	City of Grand Rapids and Grand Rapids Economic Development Authority.
Assessed Value:	Land
Taxes:	Currently Public
Sale History:	There has been no record of sale in the last three years.
Current Listing/Contract(s):	The subject is not currently listed for sale, or under contract.

PROPERTY

Land Area:	Total: 14.93 Acres (Useable acres to be determined)
Zoning:	R-3
Highest and Best Use of the Site:	Multifamily
Highest and Best Use as Improved:	The Highest and Best Use is the same as vacant as there are no structural improvements.

MARKET PRICE INDICATIONS

Land & Improvement BPO:	Land	
Reconciled Price(s):	As Is	\$1.33SF Parcels 2-8 Acres
		\$.50SF Parcels 8 Acres +
Price Conclusion(s) Effective Date(s)		August 3, 2019
Property Rights		Fee Simple

Definitions

Purpose and Intended Use of the Brokers Price Opinion

The purpose of this Brokers Price Opinion is to estimate the market price of the subject property. The intended use of this report is to provide a market price to the intended users, City of Grand Rapids/GREDA in making financial and planning decisions for the disposition of the subject property as described in the body of this report. Our analysis is based on the "as is" market price of the subject property on August 3, 2019.

Property Rights

The property rights in this report are "Fee Simple" interest as defined as "Absolute" ownership unencumbered by any other interest or estate only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Exposure Time

The exposure time is the estimated length of time the property interest being valued would have been offered on the market prior to the hypothetical consummation of a sale

at market value on the effective date of the report; The subject property, after considering the market analysis would have an exposure time of 36 months.

Marketing Time

Marketing Time is defined as;

An opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of report..

The marketing time for the subject property is thirty- six months.

A Fee Simple Estate interest is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Source: Appraisal Institute, The Dictionary Real Estate Appraisal, 5th Edition

Scope of Work

This Brokers Price Opinion is prepared for the City of Grand Rapids/GREDA. The problem to be solved is to estimate the 'as is' fair market price of the subject property. The intended use of this report is to provide a fair market price to the intended users for determining value for possible disposition for the subject property as described in the body of this report. Our analysis is based on the "as is" price of the subject property on August 3, 2019.

SCOPE OF WORK

Report Type:	This is a Brokers Price Opinion.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number. Records at the Itasca assessor's office and certificates of real estate value were analyzed to verify unity of ownership and improvements. GIS mapping verified zoning and site analysis.
Inspection:	A complete inspection of the subject property was made on June 18, 2019 and photographs were taken. Steve Welliver entered the property from Golf Course and County Road 76 at the front entrance to the subject. A complete land and market area analysis was completed.
Analysis of Market Conditions:	An analysis of market conditions has been completed.
Market Area Analysis:	The broker maintains a comprehensive database for this market area and has reviewed the market for sales and listings relevant to this analysis. Further analysis of the regional, economic and demographic information was researched to provide important data in the report.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Valuation Analyses

Cost Approach:

A cost approach was not applied as there are no structural improvements.

Sales Comparison Approach:

A Sales Comparison Approach – Land Valuation Analysis was applied as there is adequate data to develop a land price estimate and this approach reflects market behavior for this property type.

Income Approach:

An income approach was not applied as the subject property is not considered a development opportunity for a prospective purchaser.

Competency Statement:

The broker has the appropriate knowledge, education and experience to complete this assignment with competence. The broker is familiar with the subject location, local market area and the valuation of commercial properties.

Scope of Work Summary

The broker has spent the necessary time in the market area to obtain additional understanding and information to ensure development of a credible result. Stephen Welliver physically visited the subject site and performed the necessary site analysis on June 18, 2019. The property inspections revealed land under site development as described elsewhere in this report.

Effective Date of Report:

This Brokers Price Opinion is a current opinion of price premise, “as is status” report based on current market conditions as of the date of completion on August 3, 2019 or the effective date for the report opinions and conclusions including opinion of fair market price as of August 3, 2019. The broker, through market analysis of the real estate market in the years 2011 through 2019 in the Itasca County area has determined that there are no time adjustments required for the effective date of price as described in this report.

It is an extraordinary assumption that there are no changes to the subject property between the date of inspection and the date of the opinion of price. The use of this extraordinary assumption may affect the value conclusion herein. There are no other extraordinary assumptions or hypothetical conditions related to this report.

Property Description

The following description is based on our property inspection on June 18, 2019. Assessment records, property deeds, and GIS mapping data prepared by Stephen Welliver, Wellson Group, Inc.

SITE	
Location:	The subject is located off Golf Course Road and County Road 76 in the western district of Grand Rapids, MN.
Current Use of the Property:	Potential Multifamily Lots/ vacant.
Site Size:	Total: 14.93 Acres (Useable acres to be determined)
Shape:	The site is rectangular in shape
Frontage/Access:	The subject property has very good access with frontage as follows: <ul style="list-style-type: none">• Golf Course Road• 22nd Avenue and 8th Street• County Road 76
Visibility:	Good
Topography:	The subject has a slight slope topography at grade.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: The site is served by GRPUC.
Area Component:	Subject property is located in the western district with residential, assisted living, health care and educational facilities.
Land Component:	Upland with site at rough grade. A wetland is located on the northeast section of the subject.
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions. No Phase One

Encumbrance:
Easements

There no known adverse encumbrances. Please reference
Limiting Conditions and Assumptions.

Subject Photographs
8th Street SW



Assessment and Taxes

REAL ESTATE ASSESSMENT AND TAXES

Taxing Authority	Itasca County
Assessment Year	2019

ASSESSED VALUES

LAND: PUBLIC

Zoning

LAND USE CONTROLS

Zoning Code

R-3

Current Use Legally Conforming

The subject is legal and conforming use.

Zoning Change Likely

A zoning change is unlikely.

Highest and Best Use, Great River Acre Multifamily Parcel

Highest and best use may be defined as:

The reasonably probable and legal use of vacant land and /or improve property, of which is physically possible, appropriately supported, financially feasible, and results in the highest value. 2

- Legally Permissible Use: What uses are permitted by zoning and other legal restrictions?
- Physically Possible Use: To What use is the site physically adaptable?
- Financially Feasible Use: Which possible and permissible use will produce and net return to the owner of the site?
- Maximally Productive: among the feasible uses which use will produce the highest net return, (i.e.; the highest present worth)?

The first test involves a determination of what uses are legally permissible. Existing leases, deed restrictions, zoning, building codes and environmental regulations may all influence potential use.

The subject 14.93 acre ownership is currently vacant land. Its R-3 zoning would legally permit normal multifamily development uses.

Once the test of legally permissible uses is completed, the test of physically possible uses must be addressed. The size, topography and shape of the property must be considered.

The subject is 14.93 acre lot size and the topography physically allow its use for multifamily development property.

After applying the first two tests in Highest and Best Use determination, potential uses that are not legally permissible or physically possible are eliminated from consideration. The potential uses that do satisfy the first two elements are then subjected to a third element of financially feasible.

Financial feasibility is a criteria that is analyzed to determine which uses are likely to produce an income, or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. The financial feasibility of the subject for use as multifamily development property is supported by sale of similar property for this type of use.

The fourth and final element involves determining which uses that have been determined to be legally permissible, physically possible and financially feasible, is maximally

productive. The use produces the highest price or value consistent with the rate of return indicated by the market is considered to be maximally productive.

The use affords the highest economic return to this parcel as reflected in land and improvement values is multifamily development use

Determination of Highest and Best Use: Multifamily Development use.

Highest and Best Use as Improved- With structural improvements located on the adjoining property, the highest and best current use is the same as vacant.

Analyses Applied

A **Depreciated Cost Analysis** was considered and was not developed for determining market price for the subject property.

Sales comparison analysis was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject property does have a potential income stream that determines a return on investment to an investor/developer.

Sales Comparison Approach – Land

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land and Improvement Comparable Sales

We have researched five comparable sales and current listings for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Analysis Grid, Great River Acre Multifamily Parcel

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

Due to the considerable number of comparable sales within the subject area we have listed the best comparable sales in the sales comparison approach to value. Although the comparable sales vary, between them they account for all of the features and subsequent adjustments to reflect the estimated value of the subject. It is my opinion, that these comparable sales, after adjustment, best reflect the probable market value of the subject.

Comparable Sales, Listings and Multifamily Parcel Analysis

Comparable Land Sale 1:



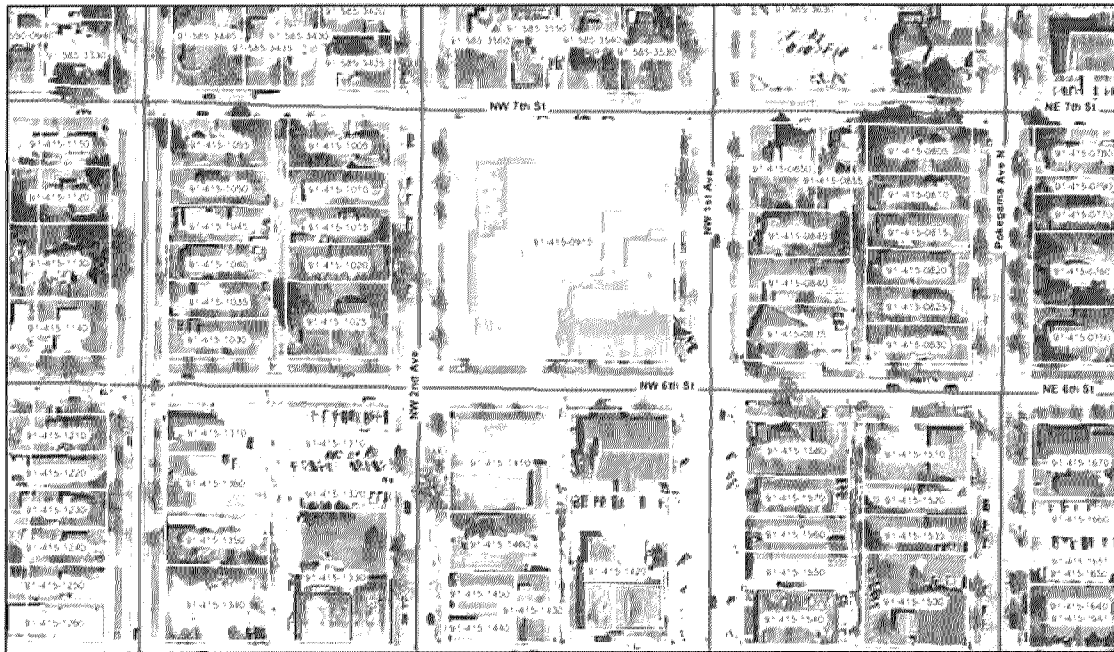
Location:	Golf Course Road
Parcel Code:	91-030-1406
Seller:	DW Jones
Buyer:	Majestic Pines
Date of Sale:	August 2013
Sale Price:	\$251,378
Zoning:	R-3
Site Size:	480,497 square feet
Price Per S/F:	\$.52 per square foot of developable area.
Comments:	Currently improved as an assisted living facility.

Comparable Land Sale 2:



Location:	169 South
Parcel Codes:	91-592-0305 & 0310
Seller:	Jacobson Family Trust
Buyer:	Rebound
Date of Sale:	January 31, 2019
Sale Price:	\$325,000
Zoning:	R-3
Site Size:	653,400 square feet
Price Per S/F:	\$.49 per square foot
Comments:	Purchased for development.

Comparable Land Sale 4:



Location: 613 NW 1st Avenue
Parcel Code: 91-415-0910
Seller: St. Josephs Church
Buyer: 1st Avenue Condominiums
Date of Sale: March 2013
Sale Price: \$160,000 + demolition costs of \$70,000 = \$230,000 total
Zoning: R-4
Site Size: 94,500 square feet
Price Per S/F: \$2.43 per square foot
Comments: Purchased for apartment development. It included a building which was demolished at an estimated cost of \$360,000 of which \$290,000 was covered by an IRRRB grant.

Comparable Land Sale 5:



Location:	SE 21 st Street and 7 th Avenue SE
Parcel Codes:	91-028-4305 & 4302
Seller:	City of Grand Rapids
Buyer:	River Hills Apartments of Grand Rapids
Date of Sale:	2014
Sale Price:	\$247,500
Zoning:	R-4
Site Size:	241,861 square feet
Price Per S/F:	\$1.02
Comments:	Purchased for apartment development.

Comparable Sale Grid

Sale #	Location	Zoning	Tax ID#	Seller To Buyer	Date of Sale	SF	Sale Price	Price / SF	Comments
1.00	GR, MN	R3	91-030-1406	DW Jones to MajesticPh	201308	480,497	\$251,378.00	\$0.52 SF	Currently improved as an Assisted Living
2.00	GR, MN	R3	91-415-0910	Jacobson to Rebound	201901	653,400	\$325,000.00	\$0.49 SF	Part of a larger development. Assisted Living
3.00	GR, MN	R3	91-592-0316	Lakewood to Southhaven	201306	151,387	\$250,000.00	\$1.65 SF	Currently Apartments, Zoning changed
4.00	GR, MN	R4	91-415-0910	St. Joseph to 1st Avenue	201303	94,500	\$230,000.00	\$2.43 SF	Apartment development
5.00	GR, MN	R4	91-028-4305	GR to River Hills	243861	241,861	\$247,861.00	\$1.02 SF	Apartment Development
Average Mean						324,329		\$1.22 SF	
Median								\$1.33 SF	
Larger Parcel								\$0.50 SF	
Smaller Parcel								\$1.33 SF	

Analysis Grid, Great River Acre Multifamily Parcel

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

Due to the considerable number of comparable sales within the subject area we have listed the best comparable sales in the sales comparison approach to value. Although the comparable sales vary, between them they account for all the features and subsequent adjustments to reflect the estimated value of the subject. It is my opinion, that these comparable sales, after adjustment, best reflect the probable market value of the subject.

Analysis of the Comparable Sales

The following comments relate to the subject building and land valuation analysis and the comparisons made to the sales data. It should be noted that all the comparable land sales and listings have been confirmed by the assessor, broker, buyer or seller. The sales are analyzed and compared to the subject and a concluded value is based on this comparison.

The comparable sales presented in the Comparable Analysis Summary Grid represent 5 completed sales in the immediate area of Grand Rapids that are similar in site characteristics as the subject. Based on my analyses, the subject properties have similar attributes of all the comparable sales used in our analysis. The mean and median price of the 5 completed sales and listings indicate a price range of \$1.22 - \$1.33 SF. Larger parcels with considerable acreage greater than 8 acres sold at \$.40-\$.52 per SF, while parcels that were under the 4 acres sold for \$1.02 - \$1.56 per SF.



Disclaimer: This document is not an appraisal as defined by USPAP (Uniform Standards of Professional Appraisal Practice). It is not to be construed as an appraisal and may not be used as such for any such purpose.

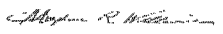
Broker's Certificate

I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. I performed this report with no bias.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting pre-determined results.
6. My 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.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant personal assistance to the person signing this certification.
9. Because of my training as a Broker and my experience in numerous real estate transactions, I am qualified to perform this assignment.
10. I have not performed a real estate service, as a broker regarding the property that is the subject of the work under review, within the three-year period immediately preceding acceptance of this assignment.

Non-Discrimination

In arriving at the estimated reasonable value, the writer has not been improperly influenced in any manner by the race, religion, or national origin of any person.





WELLSON GROUP, INC.
commercial property division

Stephen R. Welliver, President

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Areas of Expertise

Real Estate - Consulting, Brokerage, Fee Development, Title Examination and Appraisal/Valuation

Forestry - Consulting, Valuation, Harvesting Guidelines/Methods, Procurement and Silviculture

Business - Finance, Valuation and Tax Law, Business Valuations

Banking - Mortgage Banking, Commercial Loan Analysis and Audit Review.

Utility Rights-of-Way – Vegetation Management, Acquisition, Timber and Land Valuation

Machinery and Equipment- Valuation and Disposition

Civic – Leadership, Strategic Planning, Federal and State Project Funding

Positions Held (Business)

President/Owner, Wellson Group, Inc., Grand Rapids, MN, 1999-Present. Provides Real Estate, Business and Forestry consulting services to private and public entities. Provides forestry, vegetation management, timber and land and business appraisal services to the forestry industry. Provides brokerage and appraisal services for real estate, banking, timber and machinery and equipment industry. Fee development services to the commercial real estate industry.

President/Owner, Lake States Tree Service, Inc., Grand Rapids, MN. and Gaylord, MI., 1978-1998. A 230 employee based company providing vegetation contracting and consulting services to forty one electrical and gas utility companies located in Minnesota, North and South Dakota, Wisconsin, Michigan, Indiana, Missouri, Arkansas and Louisiana.

President/Owner, JSD Forest Enterprises, Grand Rapids, MN., 1982-1992. Provided mechanical/chemical and silvicultural contracting services to the forest industry. Produced 10,000 -15,000 cords annually of mixed species wood to the forest paper and sawmill industry.

Branch Manager, Minnesota Federal Savings and Loan, St. Paul, MN., 1974-1977.
Managed 50 million loan portfolio and 30 million time deposits. Valuation and management of commercial service corporation.

Positions Held (Civic)

President, Grand Rapids Public Utilities Commission, Grand Rapids, MN., 1999-2018.
Provides electricity, sewer and water to the City of Grand Rapids and surrounding area.
Recently completed the largest wastewater treatment (\$35m) plant north of the St. Paul/Minneapolis area.

Director, Grand Rapids State Bank, Grand Rapids, MN., 1996-Present. 250 Million Asset Bank serving northern Minnesota. Provides financing to large timber harvesting contractors working in the forest products industry in northern Minnesota. Currently serving on the loan, audit and valuation committee.

President and Board of Directors, Minnesota Forestry Association, 1984-1987. 2000-2004. State wide organization promoting forest ownership which provides education and resources to forest landowners.

Education and Licenses

BA, Business Finance, University of St. Thomas, St. Paul, MN
Forestry Technician, University of Minnesota, Minneapolis, MN
Minnesota Real Estate Brokers License #20388068
Minnesota Department of Natural Resources Forest Stewardship Plan Preparer #1781
Master Certified Machinery and Equipment Appraiser
Business Appraiser
Senior Business Analyst
Associate Member, American Society of Cost Segregation Professionals

Professional Organizations

Society of American Foresters
Minnesota Forestry Association
Society of Arboriculture
Minnesota Chamber of Commerce
Ruffed Grouse Society, Sponsor
Appraisal Institute
Realtors Land Institute, ALC Candidate
National Association of Realtors
National Association of Certified Valuers and Analysts
Consultants Training Institute
International Society of Business Analysts
American Society of Cost Segregation Professionals

Current and Recent Projects

Walzer Motor Company, Cost Segregation

Services Performed: 2017- Current Cost Segregation Analysis on new car dealerships in Bloomington and Owatonna, MN. Performed asset allocation into real estate and tangible asset class for reporting depreciation accounting guidelines under the IRS ITS 1245 and 1250.

Contact: Kirk Kleckner 952-258-8731

Border Foods, Site Selection anal Land Analysis

Services Performed:2013-2018 Site analysis and purchase of commercial land in Minnesota, Wisconsin, Michigan and South Dakota. Phase I, survey and soil borings contracting during due diligence period. Cost Segregation. Complete brokers opinion of value on 75 locations throughout Minnesota and Wisconsin.

Contact: Barb Schneider, Real Estate Coordinator, 763-370-0794

Rajala Timber, Grand Rapids State Bank

Services Performed: Complete timber inventory of yard wood by species and volume. Inventoried sawed wood and current lumber. Appraised all equipment and assets to fair market value and liquidated value. Performed real estate appraisals on four timbered properties.

Contact: Stephen Wilcox, 218-326-9414

Grand Rapids State Bank/ Northwest Gas Company, Business and Asset Valuation,

Services Performed: 2013 Complete business appraisal of Natural Gas entity including assets, cash flow analysis and current debt structure.

Contact: Al Leistman, Grand Rapids State Bank Vice President, 218-326-9414

CapX2020 Wind Energy Project, 87 Mile Transmission Corridor, New Construction, Bemidji- Grand Rapids 2010-2013

Services Performed: Timber and Landscape Tree Appraisal and easement acquisition of landowner parcels, Sales Data Base Development for acquisition, Real Estate Appraisals for Condemnation Proceedings.

Contacts: Jim Metcalf, Senior Right-of Way Specialist, Ottertail Power Company, 218-770-6858

Blandin Paper Company, 12,000 Acre Land Disposition and 1031 Exchange Project.

Services Performed: 2006-2018 Brokering 12,000 acres of identified land for exchange of timberland, land and timber analysis, brokerage and accounting and title closing services.

Contacts: Cheryl Adams, Blandin Land Manager, 218-327-6482

Blandin Paper Company/State of Minnesota, 185,000 Acre Conservation Easement.

Services Performed: Highest and best use analysis, appraisal review, title examination contracting, title exception review, analysis and finalization, easement descriptions and recording. Worked with the Conservation Fund and Minnesota Attorney General's Office. Consulting Services for possible sale after conservation easement (2009-2011)
Contacts: Joseph Maher, Blandin Vice President, Mill Manager, 218-327-6398
Cheryl Adams, Blandin Land Manager and Project Manager, 218-327-6482
Ann Smith, I. County Abstract, 218-326-9601
Richard Petersen, MN DNR Forest Legacy Coordinator, 507-333-2012
Dennis O'Toole, Attorney for Blandin Paper, 218-326-9603

Forest Capital Partners, Timber REIT (Boise Cascade) Appraisal and Brokerage Services 2006-2014.

Services Performed: Land Appraisal, easement descriptions, and brokerage services on 350,000 acre ownership. Innovated a land auction service to sell over 12,000 acres of selected tracts 2005-2010. Hold real estate license for current land manager.

Contacts: Scott Jones, Principal, 1 Financial Center, Boston, MA 617-832-2925.

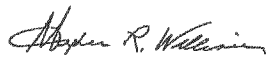
Itasca Development Corporation: Appraisal and Land Division Analysis 2010-2018.

Services Performed: Appraisal of Eco Industrial Park and land division analysis for disposition. Former Ainsworth Plant.

Contacts: Jeff Borling, 218-326-9411

I have extensive experience in real estate brokerage, real estate and business appraisal and title examination work. I represent industry and family trusts in the acquisition and disposition of real estate holdings throughout Minnesota. In addition, I work with attorneys, accountants and lending institutions providing real estate and business services to corporations and family estate planning. I have represented federal, state, county and local government agencies in real estate and forestry projects.

From 1999 until present I have performed timber and land appraisals, damage assessment, easement descriptions and appraisal, timber procurement, chemical consultation, and expert witness testimony on utility right of way and forestry issues for public and private agencies.



Stephen R. Welliver

References

Joseph Maher, Vice President Manager, UPM Kymenne/Blandin, US Operations
218-327-6398

Cheryl Adams, Land Manager, UPM Kymenne/Blandin, US Operations
218-327-6482

John Guenther, Minnesota Department of Natural Resources, Former NE Region 3
Manager

218-259-3380

Bob Lessard, Minnesota Department of Natural Resources, Northern Assistant to DNR

Commissioner for Community Outreach. Former State Senator District 3.
651-730-6738
Tom Duffus, Conservation Fund, Midwest Region Director
218-722-2398

