



May 8, 2024

Mr. Jacob Brodin
Attorney At Law
Brodin Legal
2915 Wayzata Blvd
Minneapolis MN 55405

Re: Land Valuation for the property located at 8 Lakeside Court, Duluth, MN, Parcel code 010-2770-00110

Dear Mr. Brodin:

Pursuant to your request, I have conducted the required investigation, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the subject property land only. While the site is improved with a residential home, the appraisal assignment arises from the property Owners' concern regarding the Assessor's estimated market value of the land. Therefore, at the direction of the client, this analysis reflects the value of the land. Based on my analysis the supportable market value of the subject property is as follows:

**ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100THS DOLLARS
\$125,000**

This is a summary report which complies with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice (USPAP). The estimated marketing time of the land as though unimproved and offered for sale at a price consistent with the value conclusions of this report is one year or less. The subject land comprises approximately 6,550 square feet, is rectangular shaped with access from Lakeside Court. While the site has a view of Lake Superior, it does not have fee ownership of Lake Superior Shoreline, it has no riparian rights to the Shoreline and no stairs or pathway to access the City of Duluth owned shoreline in front of the subject parcel.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sanford C. Hoff", written in a cursive style.

Sanford C. Hoff
Certified General Real Property Appraiser
MN License #4001232

SUBJECT PROPERTY



SUBJECT PROPERTY



SUBJECT PROPERTY



Following is the data and process used to arrive at the value estimate:

Property Legal:	Lot 4 Block 2, Lakeside Court Duluth described as follows: EX THE FOLLOWING BEG INNING 35 27/100FT SLY OF NE CORNER OF LOT 4 RUNNING THENCE SLY 14, 73/100 FT TO SE CORNER THENCE WLY 8 5/10 FT THENCE NLY 9 5/10 FT THENCE ELY 6 41/100 FT THENCE, NELY 5 63/100 FT TO POINT OF BEGINNING. This legal description was captured from the County GIS site.
Ownership:	St. Louis County tax records indicate that title is held by Jeannine Marie Anderson. This entity has held title for more than five years. According to the property owner, there are no contracts pending and the property is not currently listed for sale.
Parcel Code:	010-2770-00110
Scope of the Analysis:	Inspection of the property occurred on May 6, 2024. Accompanying me during the inspection were Macey Solomon, Braden Hoff and the property owner. Data relied on in this report included, but not limited to, St. Louis County, the Property owner, LSAR MLS, and the City of Duluth. The forthcoming valuation pertains only to the land as though unimproved.
Report Type:	Appraisal report as defined by USPAP. The report is presented in a summary format with supporting documents contained in the appraisal file.
Purpose of Appraisal:	Establish the probable market value of the subject land only, as though unimproved.
Function of the Report:	The function of this appraisal is to establish the market value of the real property to be used in conjunction with a possible tax petition.
Intended Use and User:	The intended use is possible tax court proceeding. The Intended user is Mr. Jake Brodin, Attorney and Ms. Jeannie Marie Anderson the property owner.
Effective Appraisal Date:	May 6, 2024
Report Date:	May 8, 2024
Value Estimate:	Market Value as defined by USPAP. A copy of the market value definition is contained in the addendum.

Exposure & Marketing**Times:**

The marketing and exposure times necessary to achieve this price consistent with the value conclusions of this report are estimated to be one year or less.

Zoning:

The property is located in the R-1, Single family zoning district. Due to the close proximity to Lake Superior additional regulations influence utilization of the property.

Property Rights**Appraised:**

The property rights appraised are the fee simple estate unencumbered by any indebtedness and subject to zoning regulations, easements, and restrictions of record. This appraisal is for surface rights only and does not consider any mineral reservations that may be included with the property.

Neighborhood Usage:

Predominantly single-family residential uses. The neighborhood lifecycle is best described as being stable.

Site Access:

Access to the subject parcel is via Lakeside Court a 10' wide platted driveway with a gravel surface and which serves 5 properties. Access to the subject parcel is confined with a single lane driveway servicing all five homes.

Site Description:

The subject parcel is rectangular shaped and comprises approximately 6,550 square feet. The site depth is 50' with an approximate width of 132' on the north property line and 123.5 feet on the southerly property line. The city of Duluth storm water system is located at the southeast corner of the site which reduces the width of the southerly property line. The land area between the subject's southerly property line and the Lake Superior Shoreline is owned by the City of Duluth. The subject property does not have shoreline frontage and does not have riparian rights. The developed area of the site has an elevation of approximately 618' MSL with the lake level at approximately 601' MSL. The topography of the subject parcel slopes up to the north with a total elevation change approximating 6 feet. When the brush and trees are trimmed on the City property, the subject has a view of Lake Superior.

Access of Shoreline:

The subject property does not have riparian rights to the Lake Superior Shoreline and while the City of Duluth does own the shoreline abutting the subject property, the steep and rugged terrain precludes access to the shoreline. The property reports that she was told by the city of Duluth that a path or stairway down to the lakefront could not be constructed from her property or the adjacent platted roadway.

Highest and Best Use:

The four tests for highest and best use are legally permissible, physically possible, financially feasible and maximally productive. The highest and best use of the site will be viewed as though unimproved.

Legally Permissible Uses: The site is not developable, without a variance, as shoreland restrictions regulated by the DNR and City, require development to be situated 50' from the vegetation line, which in this instance is near the subject's southerly property line. A city official indicates a variance would likely be granted but not guaranteed. This uncertainty creates risk and may negatively impact the value of the property as though vacant and available for development.

Physically Possible: The overall size and shape of the site can accommodate small scale residential development. However, the aforementioned 50' setback requirement may create challenges.

Financially Feasible: The subject is financially feasible if offered for sale at a price consistent with the value conclusion of this report. Subject of course to obtaining a setback variance.

Maximally Productive: Small-Scale residential development.

Valuation Procedure:

The Assessed Value of the land must not only reflect market value if offered for sale on the open market, but also must be assessed consistent with comparable properties on an equalization basis. The market value determination will be presented first.

The Direct Sales Comparison Approach will be used to establish the market value of the subject property. The site is being valued as unimproved so the Cost Approach is not applicable. Insufficient lease data for unimproved land in this area is available to utilize the Income Approach.

Direct Sales Comparison: As a review, the subject property comprises approximately 6,550 square feet and does not have Lake Superior Shoreline frontage, does not have riparian rights, and it does not have access to the City Owned shoreline from the subject site or the adjacent platted roadways. The site does have a view of Lake Superior. The site also does not have sufficient depth from the shoreline to meet the required 50' setback from the vegetation line so a variance would be needed.

Due to a lack of both shoreline ownership or any type of waterfront access, it is not appropriate to use sales of site that have riparian rights and/or adjacent access to the waterfront. The site does have a view of Lake Superior. The characteristics of the subject site make it most similar to parcels with some type of unique feature such as a view of Lake Superior or say a high-quality location adjacent to a city park and trails. The following Sales are considered relevant for valuing the subject.

Sale #1:

Identification:	Parcel 010-4737-00170
Address:	41XX Glenwood Circle, Duluth MN
Seller:	Neva P. Nolan
Buyer:	Kristin Swenson
Sale Date:	9/19/2023
Site Size:	26,500± square feet
Sale Price:	\$90,000 – Warranty Deed Cash
Price Per S/F:	\$3.40 s/f
Comments:	Hillside Parcel with Lake Superior View

Sale #2:

Identification:	Parcel 010-0790-22380
Address:	48XX Glenwood Circle, Duluth MN
Seller:	Jeffrey Levine etal.
Buyer:	Rod Raymond
Sale Date:	4/13/2023
Site Size:	30,400± square feet
Sale Price:	\$145,000 – Warranty Deed Cash
Price Per S/F:	\$4.77 s/f
Comments:	Hillside Parcel with Lake Superior View

Comments and Analysis:

Sales #1 and #2 are located in single family neighborhoods with panoramic views of Lake Superior. The square foot prices range from \$3.40 to \$4.77 per square foot. The lot prices range from \$90,000 to \$145,000. Applying the square foot sale prices to the subject would indicate a value of \$22,250 to \$31,250 in rounded figures. The low value indication reflects the fact that buyers of residential lots often view sales prices on a per lot basis. While the subject site is small, it does have close proximity and a view of Lake Superior. The average of these two sales calculates to \$120,000 rounded.

Analysis of additional land sales in high valued and desirable subdivisions, such as the newer Hartley Hills subdivision adjacent to the Hartley Nature Center, indicates sale prices in the range of \$100,000 to \$150,000 for slightly larger sites. Based on the two sales and analysis of sale prices for competitive lots, a value estimate of \$120,000 is reasonable and supportable.

Valuation On an Equalization Basis:

Analysis of assessed land values along the Lake Superior shoreline east and west of the subject seems to indicate that the assessed values were determined predominantly on a front foot of shoreline basis with nominal consideration for site size, shoreline characteristics, road access etc. A sampling of assessed values for the "Land EMV" are provided in the following table. Note: Shoreline width is approximate base on shoreline frontage for each of the sales. While the subject's south property line does not touch the shoreline, it appears the Assessor used a shoreline calculation to determine the assessed value for the subject. Therefore, for the purposes of comparison the subject's south property line of 123.5' will be referenced.

Assessed Value Summary Table Nearby Properties

		Property 1	Property 2	Property 3
	Subject's EMV Land	5418 London Rd	5518 London Rd.	4902 London Road
Site Size S/F	6,650	29,500±	12,100±	30,225±
Road Access	Shared Drive	London Road	London Road	London Road
Riparian Rights	No	Yes	Yes	Yes
Access to Beach	No	Yes	Yes	Challenging
Shore Frontage	None/123.5'	122'	55'	131'
Assessed Value	\$459,600	\$499,000	\$289,000	\$504,300
Value Per Sq.Ft	\$69.11	\$16.91	\$23.88	\$16.68
\$ Per Front Ft.	No frontage	\$4,090	\$5,254	\$3,849

Summary And Conclusions:

The assessed value of the subject parcel on a square foot basis is significantly higher than all three properties which range from \$16.68 to \$23.88 per square foot compared to \$69.11 for the subject. The mean assessed value calculates to \$19.15 per square foot. Applying this rate to the subject indicates a value estimate of \$125,475 rounded. However, keep in mind that these sales have superior road access, ownership to the shoreline and access to the shoreline for properties #1 and #2.

Property 3 has slightly more frontage than the subject with an assessed value of \$504,300 or \$3,849 per front foot. Adjusting the assessed value for the property width difference of approximately 7.5' @ \$3,849 results in an adjusted value of \$475,400 rounded. Comparing "apples to apples" in terms of shoreline/property width, this parcel has essentially the same assessed value as the subject, yet it has 30,225 square feet with London Road Access and riparian rights, This sale alone indicates that the assessed value of the subject is significantly too high on an equalization basis.

Waterfront Parcel Sale:

The property located at 4920 London Road sold for \$18.51 per square foot excluding demolition costs which is consistent with the properties presented in the table. The parcel had London Road access, shoreline ownership and access to the beach. Applying this square foot sale price to the subject results in a value estimate of \$121,250 rounded.

Waterfront Parcel #1:

Identification:	Parcels 010-2960-00470
Address:	4920 London Road, Duluth MN
Seller:	Gregg Schmaedeke
Buyer:	John D. Duba
Sale Date:	10/29/2021
Site Size:	27,000± square feet, approximately 130 front feet
Sale Price:	\$500,000 – Warranty Deed Cash
Price Per S/F:	\$18.51 s/f
Comments:	Prior home was razed, waterfront with riparian rights and gravel beach access.

Value Conclusions and Comments:

The non-shoreline comparable sales presented in the report support a market value of \$120,000. The square foot assessed value figures (equalization basis) from nearby properties support a value of \$125,475. The waterfront sale supports a value of \$121,250. Based on this data, a stabilized value estimate for the subject, land only, approximating \$125,000 is reasonable and supportable.

**ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100THS DOLLARS
\$125,000**

The subject does not have shoreline frontage so valuing the subject based on a front foot price does not produce credible appraisal results as required by USPAP.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Sanford C. Hoff". The signature is fluid and cursive, with the first name "Sanford" being more prominent.

Sanford C. Hoff
Certified General Real Property Appraiser
MN License #4001232

ADDENDUM

CERTIFICATION

The undersigned does hereby certify, except as otherwise noted in this appraisal report that:

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, 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 or bias with respect to the parties involved.
4. The appraisal assignment was not based on a requested minimum valuation, specific valuation, or the approval of a loan.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
6. The property exterior was inspected by Sanford C. Hoff.
7. Persons providing significant professional assistance are listed in the Scope of the Appraisal Section of the report.

May 8, 2024



Sanford C. Hoff

Certified General Real Property Appraiser
MN License #4001232

DEFINITION OF MARKET VALUE

As referred to herein, “Market Value” is defined as:

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

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what they consider their best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹Federal Financial Institution Reform, Recovery, & Enforcement Act [FIRREA]

DULUTH ENGINEERING CO.

ROAD

1870 1871

GEMIST WALL

1 2 3 4 5

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

LAKE SUPERIOR

[illegible]

In the presence of
William A. Fowler
Burke C. Steele

By *J. M. Wiley*
 J. M. Wiley, President
 Secretary

State of Pennsylvania) ss.
County of Philadelphia)

On this 7th day of December, A. D. 1922, before me, a Notary Public, within and for said County, personally appeared Earl B. Putnam and J. A. Bailey, who being by me each duly sworn, did say that he, the said Earl B. Putnam, is the President, and that he and J. A. Bailey, in the Secretary of the Lakeland Land Corporation, the Corporation named in the foregoing instrument, and that the said Earl B. Putnam and J. A. Bailey are duly authorized officers of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation, by authority of its Board of Directors, and that the said Earl B. Putnam and J. A. Bailey each acknowledged said instrument to be the act and deed of said Corporation.

Notary Public, Philadelphia County, Penn.

I, Lyonel Ayres, do hereby certify that I am a surveyor, and that I have, at the request of the proprietor thereof, made a careful survey of the property described in the foregoing certificate of the proprietor, and have reannexed and replatted the same into lots, blocks, lanes, ~~streets~~ and Park, as more fully appears on the annexed plat entitled Lakeland Court, which plat is a correct representation of the survey; the length and widths of all lots, ~~streets~~ as are shown on the plat; monuments for the guidance of future surveys have been correctly placed in the ground as shown; the outside boundary lines are correctly designated on the plat; the original platting is shown by blue lines and letters; there are no rivers, streams, creeks, lakes, ponds or swamps, or public highways and thoroughfares opened or traveled, existing before the platting other than shown on the plat.

I hereby certify that the above instrument is true and correct.

Subscribed and sworn before me this 14th day of October, A. D. 1922.

H. G. Gilbert
Notary Public, St. Louis County, Minn.
J. H. GILBERT
NOTARY PUBLIC, St. Louis County, Minn.
My Commission expires by expiration August 24, 1925.

I hereby certify that the annexed plat of Lakeside Court was approved and accepted by the Council of the City of Duluth, on this 1st day of December, A. D. 1922.

Taxes for the year 1923
lands described within, PAID
G. R. VIVIAN, County Treasurer
By E. J. [Signature] Deputy

Approved as to form, substance
and legality.
Chas. C. Tran
Notary Public
Dec 12 1922

Taxen paid and transfer entered the
15th day of April, A.D. 19
W. H. BOWMAN, County Auditor
W. H. BOWMAN

LAKE SIDE COURT IN **LOTS D'E & F LESTER PARK** **FIRST DIV.**

Scale: 30 Ft. = 1 Inch.

Duluth Engineering Co.

329146

OFFICE OF REGISTER OF DEEDS
STATE OF MINNESOTA
County of St. Louis
I hereby certify that the within
survey was made
on the 13th day of
August 1920
at Duluth, Minn.
by
Duluth Engineering Co.
per
C. C. Coffey

Vacated:- See Misc. 24-Page 465-4-476.

KNOW ALL MEN BY THESE PRESENTS: That Lakeside Land Company, a corporation, organized and existing under the laws of the State of Wisconsin, being the owner of the following described property, lying and being in the County of St. Louis, State of Minnesota, to wit: All of Lots D' E and F, Lester Park, First Division, according to the recorded plat thereof on file and of record in the office of the Register of Deeds, in and for the County of St. Louis, State of Minnesota, and being desirous of rearranging and replating the same into lots, blocks and courts, has caused the same to be surveyed and the annexed plat thereof to be made in accordance with the statutes, in such cases made and provided. Now therefore, the said Lakeside Land Company, hereby ratifies and confirms in all respects said survey, and the plat thereof as LAKE SIDE COURT, and hereby dedicates to public use the courts and building lines therein delineated.

IN WITNESS WHEREOF: The said Lakeside Land Company, has caused these presents to be signed by its President and Secretary and its official seal to be attached this 13th day of August, A.D. 1920.

Lakeside Land Company.

In the presence of
By Earl B. Putnam President
John A. Bailey Secretary
State of Pennsylvania
County of Philadelphia

On this 13th day of August, A.D. 1920, before me, a Notary Public, within and for said County, personally appeared Earl B. Putnam and John A. Bailey, who being by me each duly sworn, did say that he, the said Earl B. Putnam is the President, and that he, the said John A. Bailey is the Secretary of Lakeside Land Company, the Corporation named in the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and the said Earl B. Putnam and John A. Bailey, each acknowledged said instrument to be the act and deed of said Corporation.

Notary Public

My commission expires

I, Lyonal Ayres, do hereby certify that I am a surveyor, and that I have at the request of the proprietor thereof, made a careful survey of the property described in the foregoing certificate of the proprietor, and have rearranged and replated the same into lots, blocks and courts, as more fully appears on the annexed plat, entitled "LAKE SIDE COURT", which plat is a correct representation of the survey; the length and widths of all lots and courts are as shown on the plat; monuments for the guidance of future surveys have been correctly placed in the ground as shown; the outside boundary lines are correctly designated on the plat; the original platting is shown by blue lines and letters; there are no rivers, streams, creeks, lakes, ponds or swamps, or public highways and thoroughfares opened or traversed, existing before the replating, other than shown on the plat.

I hereby certify that the above instrument is true and correct

Samuel Ayres
Surveyor

Subscribed and sworn to before me this 13th day of August, A.D. 1920

Notary Public Miss M. M. Allen

St. Louis County, Minnesota.

My Commission Expires July 1st 1922

I hereby certify that the annexed plat of "LAKE SIDE COURT" was approved and accepted by the Council of the City of Duluth, on this 16th day of August, A.D. 1920.

John A. Bailey
City Clerk

Examined and transfer entered this

13th day of August, 1920

at Duluth, Minn.

per

C. C. Coffey
Register

Examined and transfer entered this

13th day of August, 1920

at Duluth, Minn.

per

John A. Bailey
City Clerk

Exam for the year of 1919 on

books showing within 15 A. 19

G. H. KOTLAND, County Treasurer

per

John A. Bailey
City Clerk

QUALIFICATIONS OF THE APPRAISER

Sanford C. Hoff, Minnesota Certified General Real Property Appraiser and licensed Real Estate Broker, is the president of F. I. Salter Company, Inc., a 130+-year old real estate firm, whose specialties include real estate appraisals, brokerage, property management, property development, building maintenance, and consulting.

Professional Affiliations:

- Appraisal Institute
- Duluth Area Association of Realtors
- BOMA - Building Owners and Managers Association
- Minnesota Association of Commercial Realtors

State Licensing:

- Minnesota Certified General Real Property Appraisal License
I.D. Number #4001232
- Resident Real Estate Broker
I.D. Number #20338275

Education:

- BA Degree from the University of Minnesota in Business Administration
- Over the past 26 years I have attended numerous lectures, schools, seminars, and short courses covering most phases of the real estate and appraisal industry, including residential and multiple-dwellings, various types of commercial, industrial and income producing properties.

Types of Clients:

- Major Financial Institutions
- Law Firms
- Relocation Companies
- Religious Institutions
- Corporate and Private Property Owners
- Government Agencies
- Qualified as an expert witness in the 6th Judicial District.

Qualifications of the Appraiser, continued

Experience

- Residential and recreational properties
- Multi-family dwellings
- Shopping centers
- Marina facilities
- Office buildings
- Service stations- Convenience Stores
- A variety of commercial buildings
- Large tracts of lake property
- Sub-division analysis
- Liquor stores
- Automobile dealerships
- Nursing homes
- Medical Clinics
- Involved in numerous condemnation projects
- Mini storage buildings
- Wood Processing plants

STATE OF MINNESOTA



SANFORD C HOFF
800B WEST RAILROAD STREET
DULUTH, MN 55802

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that
Sanford C Hoff

800B WEST RAILROAD STREET
DULUTH, MN 55802

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

Resident Appraiser : Certified General

License Number: 4001232

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2025.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 29, 2023.

A handwritten signature in cursive script, reading "Grace Arnold".

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:

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