

APPRAISAL REPORT

SUBJECT

**NON-ANNEXED LAND
42nd Street
Grand Forks Township 58201**

DATE OF REPORT

June 1, 2021

Appraisal Services Inc.

1220 MAIN AVENUE, SUITE 125
FARGO, NORTH DAKOTA 58103
PHONE: (701) 235-1189

CLIENT

City of Grand Forks
255 North 4th Street
Grand Forks, ND 58206-5200

EFFECTIVE DATE OF VALUE

As Is Value - March 8, 2021

PREPARED BY

Petter N. Eriksmoen, MAI

petter@asind.com

File # 21P166

Appraisal Services Inc.

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June 1, 2021

Mr. Ryan Brooks
City of Grand Forks
255 North 4th Street
Grand Forks, ND 58206-5200

Dear Mr. Brooks:

In accordance with your request, I have completed an appraisal of the market value of the fee simple interest in the following property:

Non-Annexed Land
42nd Street
Grand Forks Township

This appraisal report was prepared at the request of City of Grand Forks to determine the *as is* fair market value of the property for annexation and acquisition by the City of Grand Forks. The intended users are limited to City of Grand Forks and the property owner, Danks Asset Management, LLC. It is not to be relied on by any other parties for any other purpose.

I personally viewed the property, which is a non-annexed parcel of land improved with a garage/storage building and single-family residence. It is positioned along 42nd Street, just south of the Alerus Center. While not technically annexed by the City, it is bordered by City Limits on all three sides and the City Zoning Map indicates a C-PUD overlay. The parcel totals 6.28 acres, per County assessment and tax information.

I have conducted an appraisal analysis of the factors that bear upon the value of the real estate. Based on the appraisal analysis summarized in the attached report, it is my opinion that the Market Value of the fee simple interest of the appraised property, as of March 8, 2021 is:

ONE MILLION DOLLARS
(\$2,120,000)

It is assumed that there are no adverse environmental conditions affecting the parcel. The appraiser is not an expert in determining these conditions and other expertise should be sought, if so desired.

The accompanying Appraisal Report contains a summary of the data, reasoning, and analysis, which was used in the appraisal process to develop the appraiser's opinion of value.

Mr. Brooks
June 1, 2021
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Additional supporting documentation, concerning the data, reasoning, and analyses, is retained in the appraiser's files. The report is considered to conform to the Uniform Standards of Professional Appraisal Practice (USPAP).

This appraisal assignment was not based on a requested minimum valuation or specific valuation or approval of a loan. The appraised value reflects a typical exposure time period of 1 to 2 years. Due to stable market conditions, the marketing time was also estimated to be 1 to 2 years.

Please call if any further information is required.

Respectfully submitted,

APPRAISAL SERVICES INC.

A handwritten signature in blue ink, appearing to read "Petter N. Eriksmoen", followed by the initials "--mb".

Petter N. Eriksmoen, MAI
ND Certified General Real Property Appraiser #CG-21517
MN Non-Resident Appraiser: Certified General License #40367366

PNE/mab

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Name:	Non-Annexed Land		
Property Address:	42nd Street Grand Forks Township		
Effective Value Date (As Is Value):	3/8/2021		
Date of Appraisal Report:	6/1/2021		
Property Rights Appraised:	Fee Simple		
Zoning:	C-PUD, Commercial Planned Unit Development District		
Current/Proposed Use:	Agricultural Land		
Appraised Use:	Development Land		
Highest and Best Use:	Development Land		
Flood Zone:	Zone X		
Flood Map Number:	38035C0589E		
Tax Identification Number:	17-4402-00007-000		
Census Tract Number:	38 035 0108.01		
MSA Number:	24220		
Site Size:	6.28 Acres	273,557 Square Feet	
<u>Summary of Analysis</u>			
As Is Market Value Estimate	\$7.75 /SF	or	\$2,120,000
Balance of Unpaid Special Assessments Included in Value		\$0	
Estimated Exposure Time Period:	1 to 2 Years		
Estimated Marketing Time Period:	1 to 2 Years		

APPRAISAL REPORT

Overview

This is an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice (USPAP). It contains a summary of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.

Client

City of Grand Forks
255 North 4th Street
Grand Forks, ND 58206-5200

Appraiser

Petter N. Eriksmoen, MAI
Appraisal Services Inc.
1220 Main Avenue, Suite 125
Fargo, North Dakota 58103

Subject Property

The appraised parcel is a 6.28-acre tract of land currently improved with a garage/shop and single-family residence. It is in a secondary commercial neighborhood south of the Alerus Center in Grand Forks. The property is bordered in red in the following Grand Forks County 2020 GIS imagery.



APPRAISAL REPORT (Cont.)

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the appraised property as of the effective date of the report. Market Value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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 acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹

Intended Use of Report

This appraisal report was prepared at the request of City of Grand Forks to determine the *as is* fair market value of the property for annexation and acquisition by the City of Grand Forks. The intended users are limited to City of Grand Forks and the property owner, Danks Asset Management, LLC. It is not to be relied on by any other parties for any other purpose.

Interest Valued

The interest valued herein is the fee simple interest, which is defined as follows:

"Fee-Simple - 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."²

Effective Date of Value

The effective date of the value conclusion is March 8, 2021, the date the parcel was viewed by the appraiser.

¹ Office of the Comptroller of the Currency under 12 CFR, Part 34, subpart C-appraisals, 34.42 Definitions (h).

² The Dictionary of Real Estate Appraisal, Sixth Edition, The Appraisal Institute, Illinois, 2015, Page 90

APPRAISAL REPORT (Cont.)

Date of Report

June 1, 2021

Extraordinary Assumptions and Hypothetical Conditions

An Extraordinary Assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”³ This appraisal contains no extraordinary assumptions.

A Hypothetical Condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”⁴ This appraisal contains no hypothetical conditions.

Scope of Work

This appraisal was prepared in conformance with USPAP. The appraised property is parcel of future commercial development land that is within the Grand Forks City Limits, but remains non-annexed. I have extensive experience appraising a wide variety of commercial property in and around the Grand Forks metro area, including vacant land like the subject. The assignment was considered to be within the scope of my qualifications. No additional steps were considered necessary or appropriate to comply with the competency provisions of USPAP. In preparing the appraisal, the appraiser:

- Physically viewed the site and surrounding neighborhood, and interviewed representatives of the City of Grand Forks, which plans to purchase and annex the parcel,
- Investigated and verified public records for descriptive data on the subject property including, but not limited to, taxes, assessments, easements, restrictions, zoning, municipal services, and a sales history of the subject property for the past three years,
- Inspected and analyzed the regional, community and neighborhood characteristics impacting the value of the appraised property,
- Considered the physical, governmental, social and economic factors, which impact the value of the subject property,
- Researched and confirmed comparable land sales and analyzed the data using the Sales Comparison Approach, reconciling the value indication into a final estimate of value and summarizing the analysis and conclusions in an Appraisal Report in conformance with Standard 2 of USPAP.

³ Uniform Standards of Professional Appraisal Practice (USPAP). 2020-2021 Edition; The Appraisal Foundation; Washington, DC; 2020. Page 4.

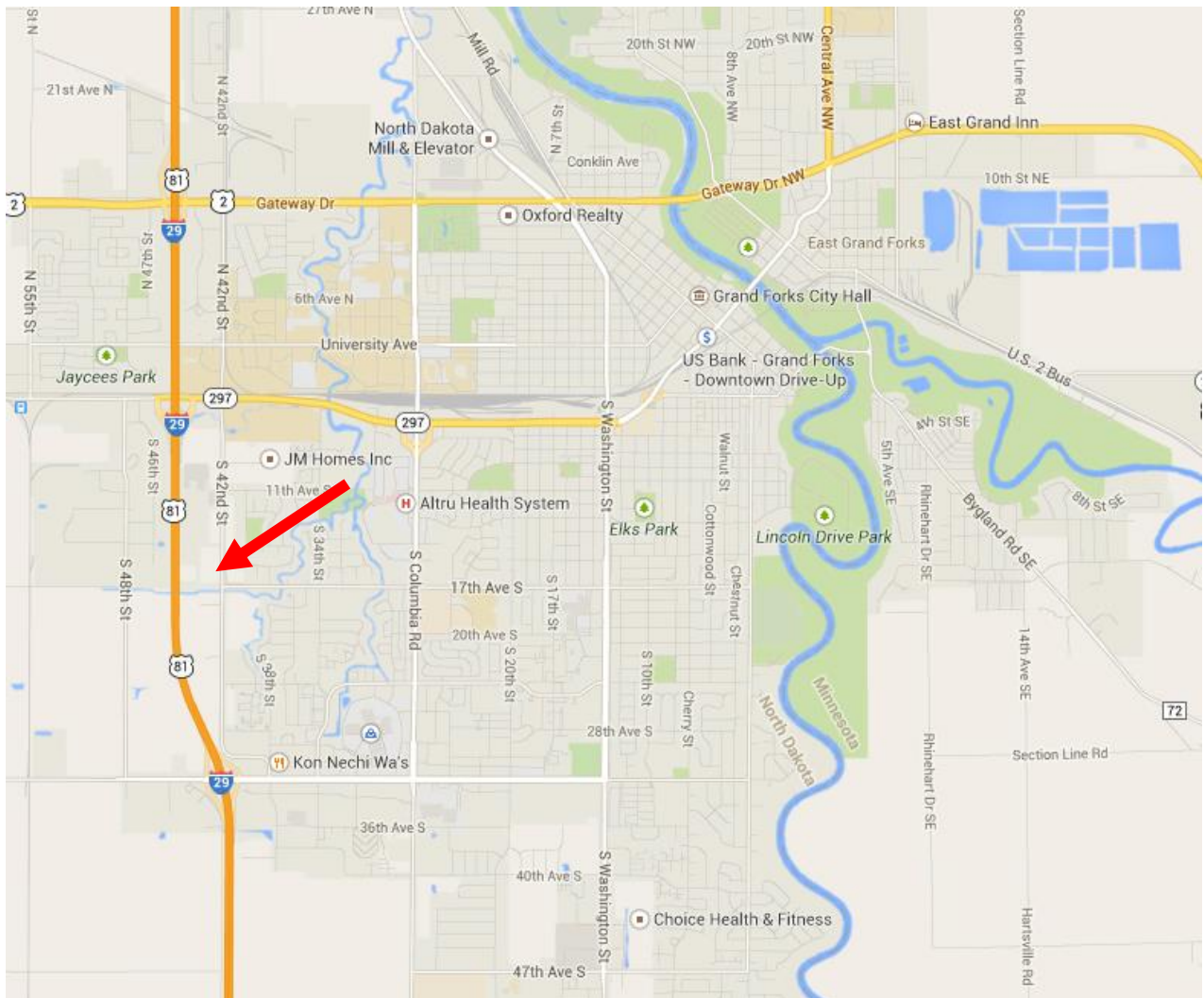
⁴ *Ibid.*, Page 4

APPRAISAL REPORT (Cont.)

Description of the Real Estate Appraised

Community and Regional Description

The subject is on the west side of Grand Forks, North Dakota as related on the following map. Grand Forks is located on the eastern edge of the state in the agriculturally rich Red River Valley. Interstate 29 passes through the western portion of the community and provides a major traffic route into Canada for the Midwestern portion of the country. Grand Forks is the County Seat for Grand Forks County and the 3rd largest community North Dakota.



Map Data © Google 2019

Grand Forks and adjacent East Grand Forks, Minnesota, are the nucleus of a Metropolitan Statistical Area with a population of about 100,000 and are a sub-regional, metropolitan center for retail and wholesale trade, transportation, finance, industry, education, culture, medicine,

APPRAISAL REPORT (Cont.)

entertainment, and conventions. The largest community in North Dakota is Fargo, which is the nucleus of a population center totaling approximately 230,000. Fargo is located 70 miles south of Grand Forks and has similar economic drivers including agriculture, medicine, and education. The City experienced virtually no population growth between the 1990 and 2000 census. The lack of growth was related to a significant flood event that occurred in April 1997, when floodwater inundated most of the city. The community has successfully rebounded from this disaster, and the flood protection systems have been redone to ensure that a similar event does not occur. The 2010 Census indicated that the Grand Forks population had increased 7% to 52,838, related below.

Year	Grand Forks	Grand Forks County	North Dakota	East Grand Forks	Polk County	Minnesota
1980	43,765	66,100	652,717	8,537	34,844	4,075,970
1990	49,425	70,683	638,800	8,658	32,498	4,375,099
2000	49,321	66,109	642,200	7,501	31,369	4,919,492
2010	52,838	66,861	672,591	8,601	31,600	5,303,925
2018	56,984	70,770	760,077	8,600	31,529	5,611,179

Source: U.S. Census Bureau; 2018 data U.S. Census Bureau estimate

The national economic downturn in 2008 had a limited impact on the area due to the stability of the local and regional economy. The Grand Forks/East Grand Forks metro area is one of the major population centers in the region and is surrounded by rich agricultural land. Lending practices in the region are more conservative than in other parts of the nation. All these conditions have helped the local economy continue to grow, even during periodic downturns in the national economy. This bodes well for the metro area during the current COVID-19 pandemic, as it has historically fared better than the national average in economic downturns and experiences positive population growth. The metro has maintained strong employment over the past five years.

Year	Grand Forks MSA				ND State Rate	National Rate
	Labor Force	Employed	Unemployed	Rate		
2015	54,843	53,213	1,630	3.0%	2.7%	5.3%
2016	56,832	55,142	1,690	3.0%	3.2%	4.9%
2017	55,935	54,362	1,573	2.8%	2.6%	4.4%
2018	54,700	53,226	1,474	2.7%	2.6%	3.9%
2019	53,776	52,338	1,438	2.7%	2.4%	3.7%

Source: North Dakota Job Service

Grand Forks County COVID-19 Unemployment Figures, as of Feb 20	
Last 4 quarter's Average Employment	38,281
Initial Claims since March '20	10,170
Initial Claims week of Feb 20	60
Change from week prior	(18)
Avg Continued Claims since March '20	1,436
Continued Claims week of Dec 19	574
Change from week prior	+13

Due to the economic issues caused by the ongoing COVID-19 pandemic, beginning in mid-March of 2020, unemployment claims increased atypically, with Grand Forks County reporting 10,170 initial unemployment claims since March 1, 2020. As of February 20, there were 574 continued unemployment claims, a figure that trended down substantially from more than 2,000 in the first week of July and has been

relatively steady over the last several months.

The December unemployment rate in Grand Forks County (most recently available) is estimated at 3.4%, while the Grand Forks/East Grand Forks metro unemployment rate is estimated slightly higher at 3.6%. The North Dakota state rate is 4.1% as of December figures.

APPRAISAL REPORT (Cont.)

Unemployment Data - December 2020			
	GF Metro	GF Cty	ND
Labor Force	54,774	38,162	396,991
Employed	52,798	36,854	380,668
Unemployed	1,976	1,308	16,323
Rate	3.6%	3.4%	4.1%
Historic Unemployment Rate			
Nov 2020	3.4%	3.1%	4.2%
Dec 2019	2.5%	1.3%	2.2%

Most of the losses were in food service, sales, manufacturing, and healthcare, which had to close by the Minnesota state Governor's order. However, most industries could reopen on May 1 in North Dakota and regional economies appear to be regaining their traction quickly. As of November 14, the Governor issued a new order requiring the use of face coverings in all indoor businesses, a 50% maximum occupancy requirement, not to exceed 150 patrons for bar,

restaurant, and food service establishments, with in-person service required to be closed from 10 PM to 4 AM. As part of this order, the state is making \$54 million available through a hospitality grant program to help businesses during this required lower occupancy period and the Bank of North Dakota is providing \$70 million in interest rate buy down funds to help these businesses with existing debt obligations. Banquet, ballroom, and event venues are limited to 25% occupancy, and gatherings no larger than 150 people. These requirements are in effect for 30 days from November 14 to December 13. This was extended an additional 30 days into January, but the hours restrictions were recently rescinded. These requirements appear to have substantially lowered transmission rates and new cases and hospitalizations have come down substantially since November. Due to the short period and the financial stimulus provided, this order is not considered to substantially impact the commercial property market. This may also be part of the impetus for modest increases in initial and continued claims over the last month.

Residential and commercial growth in Grand Forks is related in the annual building permit information summarized below, with 2019 showing a substantial increase in total volume from 2018. As noted, 2020 will likely show decreasing volume related to the economic "pause" caused by the COVID-19 pandemic.

GRAND FORKS BUILDING PERMIT SUMMARY

Year	Single Family / Duplex			Townhomes			Apartments					Commercial \$ Volume	Total \$ Volume
	# of Units	Total \$ Volume	Ave \$ Per Unit	# of Units	Total \$ Volume	Ave \$ Per Unit	# of Bldgs	# of Units	Total \$ Volume	Ave \$ Per Unit	Av Units Per Bldg		
2015	117	\$31,970,233	\$273,250	36	\$6,994,178	\$194,283	9	280	\$23,145,000	\$82,661	31	\$35,688,744	\$203,309,401
2016	99	\$28,047,266	\$283,306	14	\$2,716,367	\$194,026	5	191	\$17,738,600	\$92,872	38	\$25,169,665	\$140,940,924
2017	85	\$24,159,192	\$284,226	18	\$4,292,810	\$238,489	4	186	\$16,192,892	\$87,059	47	\$22,824,499	\$133,766,938
2018	123	\$32,117,821	\$261,120	13	\$2,826,667	\$217,436	2	91	\$6,735,000	\$74,011	46	\$57,169,157	\$156,473,039
2019	<u>81</u>	<u>\$23,338,477</u>	<u>\$288,129</u>	<u>24</u>	<u>\$5,090,921</u>	<u>\$212,122</u>	<u>2</u>	<u>40</u>	<u>\$6,077,545</u>	<u>\$151,939</u>	<u>20</u>	<u>\$116,133,607</u>	<u>\$329,061,146</u>
5 Yr Avg	101	\$27,926,598	\$276,501	21	\$4,384,189	\$208,771	4	158	\$13,977,807	\$88,692	36	\$51,397,134	\$192,710,290
10 Yr Avg	97	\$25,896,014	\$266,694	30	\$5,942,386	\$197,421	10	288	\$26,833,825	\$93,108	29	\$40,225,558	\$189,817,714

Source: City Inspections Department

The University of North Dakota (UND) is a major stabilizing factor of the community. The campus is located north of DeMers Avenue and railroad right-of-way, which bisects the city. UND has a student population of about 15,000. The UND Medical School and Law School are located on the

APPRAISAL REPORT (Cont.)

UND campus. UND is also one of the primary aviation schools in the upper Midwest, including weather, controller and pilot training for major US and foreign airlines. The curriculum has also expanded into unmanned aircraft. The higher education and medical facilities of the university are major stabilizing factors for the local economy.

An additional major economic force benefiting the community is the Grand Forks Air Force Base (GFAFB), located 12 miles west of the community on Highway 2 (Gateway Drive). Changes in national defense conditions resulted in the role of GFAFB changing from a strategic bomber, air-refueling and missile base, to unmanned flight operations. The base has survived past base closure cuts and recent substantial upgrades to the base appear to be a positive sign for its future.

The community is a primary medical center for northwest Minnesota and northeast North Dakota. The University of North Dakota (UND) has a medical school and there is a large medical complex located along South Columbia Road and a secondary medical complex developing along South Washington, on the southern edge of the community.

The 2010 Census indicated the breakdown of housing in Grand Forks is 10,942 owner-occupied, 10,333 renter-occupied and 1,585 units vacant, indicating a vacancy factor of about seven percent in the community. Rental housing makes up about 48% of the Grand Forks housing. The Greater Grand Forks Apartment Association conducts periodic apartment vacancy surveys of the Grand Forks-East Grand Forks metro area, which measure physical vacancy but does not account for economic vacancy such as rental incentives, skips or credit losses. The summer vacancy surveys have typically reflected the impact of the large number of college-age renters in the local area; however, most apartments are leased with one-year leases, reducing the impact of student vacancies in the summer. The February surveys have given a more reasonable picture of the local occupancy levels for most of the year. The survey expanded to a quarterly survey in 2017.

GREATER GRAND FORKS APARTMENT SURVEY SUMMARY

Survey Date	Private Units		UND Units		Total Units		New Const #Units
	#Units	Vacancy	#Units	Vacancy	#Units	Vacancy	
2/1/2014	6,781	4.4%	867	9.9%	8,225	4.8%	
7/1/2014	6,654	5.5%	827	16.3%	8,058	6.5%	685
2/1/2015	7,931	5.5%	873	11.1%	8,804	6.0%	
7/1/2015	7,030	6.6%	877	23.4%	7,907	8.5%	280
2/1/2016	8,255	6.9%	871	13.1%	9,703	7.5%	
7/1/2016	8,399	7.8%	871	19.6%	9,817	8.7%	191
2/1/2017	8,799	9.2%	865	15.1%	10,208	9.4%	
5/1/2017	9,267	5.9%	865	18.7%	10,677	6.8%	
8/1/2017	9,010	6.0%	793	15.4%	10,348	6.7%	
11/1/2017	9,076	7.3%	741	17.1%	10,362	7.9%	186
2/1/2018	8,907	8.2%	782	18.7%	10,234	8.8%	
5/1/2018	8,710	7.1%	766	21.5%	10,677	6.8%	
8/1/2018	9,080	7.5%	735	18.9%	9,817	8.7%	
11/1/2018	9,539	8.3%	735	20.5%	10,819	9.1%	91
2/1/2019	9,450	7.4%	735	25.9%	10,730	8.5%	
5/1/2019	8,656	6.4%	735	27.8%	9,938	7.8%	
8/1/2019	9,071	6.2%	631	7.6%	9,080	7.5%	
11/1/2019	8,776	5.8%	608	7.1%	9,931	5.7%	40
2/1/2020	9,450	7.4%	608	8.6%	9,987	7.0%	
5/1/2020	9,938	7.8%	610	24.8%	11,220	8.9%	
8/1/2020	9,071	6.2%	561	16.6%	10,249	6.2%	

Source: Greater GF Apt Assoc. (Survey Info); City Building Inspection Office (New Const.)

The 2012 and 2013 surveys indicated that demand had been outpacing supply and more apartment units were needed in the market. The market responded with new apartment construction (830 units in 2013, 685 units in 2014 and 280 units in 2015). The rise in vacancy conditions in 2016-2018 showed that new temporarily outpaced demand but recent surveys suggest the slowdown in new development has strengthened occupancy.

APPRAISAL REPORT (Cont.)

The community's retail center borders a two-mile stretch of 32nd Avenue South, extending from South Washington Street on the east to Interstate 29 on the west. The Columbia Mall is located in the middle of the commercial center on the northwest corner of the intersection of 32nd Avenue and Columbia Road, about 1.8 miles southeast of the appraised property. Columbia Road is a major north-south thoroughfare that is bordered by commercial development. The University of North Dakota and the primary medical facilities in the community are located along Columbia Road one to three miles north of the 32nd Avenue South intersection.

The Columbia Mall is the major commercial center in the community and contains about 710,000 square feet. A large portion of the mall (the "Target" space) had been vacant for many years. This space was converted into a Scheel's All-Sport Store several years ago, helping to improve the draw for the mall. Scheel's is a major sports store centered in Fargo, ND. The Scheel's chain has been successfully developing large sports stores throughout the Midwest portion of the country. It provides competition for the large Cabela's Sports Store that was built in downtown East Grand Forks after the 1997 flood. A major anchor (Macy's, with 99,000 square feet of fee-owned space) closed in 2017 and another anchor (Sears, occupying 108,000 square feet) recently closed, which has resulted in the Scheel's Store and J.C. Penney's Store being the only remaining anchors. The strength of the local retail market is related in the following table. Some of the decline in sale is related to the decline in Canadian traffic due to the weak Canadian Dollar exchange rate.

Total Taxable Sales and Purchases						
Grand Forks			Grand Forks County		State of ND	
Year	Total Sales	% Change	Total Sales	% Change	Total Sales	% Change
2015	\$1,212,672,435	0.7%	\$1,248,063,521	0.4%	\$14,001,627,935	-19.8%
2016	\$1,185,719,508	-2.2%	\$1,216,448,608	-2.5%	\$11,229,439,088	-19.8%
2017	\$1,162,738,041	-1.9%	\$1,192,881,511	-1.9%	\$11,501,777,720	2.4%
2018	\$1,017,522,506	-12.5%	\$1,047,716,853	-12.2%	\$11,949,352,921	3.9%
2019	\$1,016,480,385	-0.1%	\$1,045,128,117	-0.2%	\$12,310,994,750	3.0%

Source: Office of the North Dakota State Tax Commissioner

Downtown Grand Forks was inundated by floodwaters during the Red River Flood of 1997. After the flood, an effort was made to revitalize downtown Grand Forks and neighboring East Grand Forks. The Grand Forks Corporate Center was built to replace much of the downtown office space that was destroyed. A new Grand Forks Herald office building was also constructed, along with remodeling projects that turned downtown Grand Forks into a culture and arts center for the region. Many boutique shops and restaurants now occupy the downtown area along with city and county offices. In addition, the downtown neighborhood has become a desirable place to live for college students and young professionals. Downtown is now protected by a floodwall, which should ensure protection from a 500-year flood.

Grand Forks serves as a sub-regional center of major significance for retail/wholesale trade, industry, transportation, medicine, education, culture, entertainment, and conventions. This status has been beneficial and has resulted in steady growth. The economic characteristics of the

APPRAISAL REPORT (Cont.)

store. The neighborhood has developed as somewhat of a patchwork, with some large vacant parcels still utilized as arable land adjacent to developed commercial additions. Several large parcels in the immediate neighborhood, including the subject, remain non-annexed by the City.

Directly east and south of the subject is office development and the subject is zoned for B-3 type commercial development as part of the Danks Commercial Planned Unit Development (C-PUD). These factors suggest that commercial development of the subject is the most reasonably anticipated one. The continued development of the neighborhood should result in the subject experiencing stable, or modestly appreciating value in the near-term.

Property Description

The appraised property is a rectangular-shaped parcel, depicted in the 2020 City of Grand Fork GIS imagery on the following page. The subject parcel is bordered in red). The parcel's recorded site size is 6.28 acres per County records and the subject's plat.

The parcel is currently improved with a small, dated single-family residence, a detached pole framed shop/garage building, and a concrete grain silo. All three of these structures were noted to be in poor condition at or near the end of their economic life. These structures have existed on the subject site for many years dating back to when the subject and neighborhood were a farmstead. They are not considered to provide any contributory value and will be demolished following acquisition and annexation of the parcel, per the City. They are pictured in the October 2019 Google Streetview imagery below.



Imagery © Google 2019

The parcel is not encumbered by any atypical easements. Per the plat, 10-foot utility easements border the subject lot line on all four sides. Per City GIS imagery, a concrete paved sidewalk runs along

APPRAISAL REPORT (Cont.)

the east edge of the parcel. No atypical easements exist that would adversely impact the value of the subject.



Image via Cass County GIS 2020

The appraised property is designated Zone X, per the Flood Insurance Rate Map (Community Panel No. 38035C0589E) included in the attachments. This indicates areas of reduced flood risk due to levee protection. A flood map is included in the attachments.

A single concrete curb cut drive provides vehicle access to the parcel directly from 42nd Street. Per City imagery and lot line data, a 60-foot-wide street right-of-way borders the subject to the west as

APPRAISAL REPORT (Cont.)

43rd Street. This right-of-way is currently unimproved, and the City of Grand Forks owns all the parcels immediately adjacent to the subject site to the north, south and west.

Despite being bordered on all four sides by City boundaries, the subject parcel is not yet annexed by the City and is assessed as residential land and residential structures. However, the parcel is platted as part of the Danks 2nd Resubdivision and upon annexation will be zoned C-PUD, Commercial Planned Unit Development under the City of Grand Forks zoning ordinance. The subject is part of the Danks Planned Unit Development (PUD) and is indicated on the most recent amendment to the PUD as being reserved for B-3 type uses, consistent with the underlying zoning of most of the surrounding commercial development.

The B-3 zoning designation is for General Business uses, per the City ordinance: This district is intended to provide an area located in close proximity to arterials or collectors in order that highway service types of land use can be provided and is designed to furnish a wide range of retail services and goods. Most typical primary and secondary commercial uses are permitted under this designation.

The legal description for the appraised property is: Lot 8, Block 1, Danks Second Resubdivision, Grand Forks Township, Grand Forks County, North Dakota

The tax parcel identification numbers for the appraised property is 17-4402-00007-000. The current assessment and tax information, reflecting its interim residential assessment, is as follows:

True & Full Value:	Land	\$95,000
	Improvements	<u>\$151,200</u>
	Total	\$246,200
Taxes:	General*	\$2,325.26
	Annual Special Assessments	\$6.58
	Annual Drain Payment	<u>\$50.43</u>
	Total	\$2,382.27

* North Dakota allows a five percent reduction in general taxes if paid by February 15 in the year they are due.

Ownership History

According to public records the subject parcel is owned by Danks Asset Management, LLC, which acquired the parcel via Quit Claim Deed #811651 from Kathleen Danks, Keith Danks, Jr., and Cheryl Danks Anderson, on February 24, 2021. This was a related party transaction, and no consideration of value was available. The land has been in the Danks family for many years and there has been no other more recent arm's-length transfers of the parcel within the three years immediately preceding the effective date of value in this report.

Per Mr. Ryan Brooks, interim City Manager for Grand Forks, the current owner, and the City have agreed to have the property professionally appraised and determine an appropriate sale price for the City to purchase the property from Danks Asset Management, LLC and annex it into the City's jurisdiction. The City will be responsible for demolition and removal of the existing improvements.

APPRAISAL REPORT (Cont.)

Highest and Best Use

The determination of highest and best use is a result of the appraiser's judgment and analytical skill. It represents an opinion, rather than a fact that is found. The highest and best use analysis is based on the following definition: "The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued."⁵

Legally Permissible – As previously noted, the subject parcel is currently not annexed by the City of Grand Forks and reflects a residential assessment under the jurisdiction of Grand Forks County and the Grand Forks Township. However, the parcel is bordered on all sides by the City Limits and will be purchased and annexed. It is already platted. Upon annexation, the appraised parcel will be zoned C-PUD, Commercial Planned Unit Development, with B-3 type uses being allowable.

The B-3 zoning designation is for General Business uses, per the City ordinance: This district is intended to provide an area located in close proximity to arterials or collectors in order that highway service types of land use can be provided and is designed to furnish a wide range of retail services and goods.

Primary permitted uses under this designation include all permitted uses in the B-2, Shopping Center district, auto repair shops, carwashes, professional and medical clinic office uses, retail uses of non-hazardous materials, and off-street parking. This is in addition to numerous less typical commercial uses aside from industrial development.

Physical Possibility – The site is 6.28 acres, which is much larger than what is typically required for standalone commercial development in the community. The B-3 zoning has a four-story (50-foot) height limit, no minimum lot area, a maximum impervious surface of 85% of the lot area and relatively minimal front, rear, and side yard setbacks. While it would be physically possible to construct a large, single-owner commercial facility on site, the immediate neighborhood of commercial development suggests the parcel would more likely be subdivided into multiple lots to support smaller standalone development. Both would be physically possible. Necessary street and utility service infrastructure are immediately available to the site to support commercial development.

Financial Feasibility – Locally, new commercial development has been largely limited to typical office, retail, and multi-family residential development. Development with an industrial facility would not be legally permissible despite its likely financial feasibility.

Maximum Productivity – As is, the subject reflects under improvement. Given the characteristics of the neighborhood, which includes primary local transportation linkages, Interstate visibility, a

⁵ The Dictionary of Real Estate Appraisal, Fifth Edition, The Appraisal Institute, Illinois, 2010, page 93.

APPRAISAL REPORT (Cont.)

large public event draw (the Alerus Center) and the existing primary and secondary commercial development, the maximally productive use would be development with a commercial use that conforms to the neighborhood and the underlying zoning.

It is my opinion that the highest and best use of the subject parcel is for development with a commercial use that conforms to zoning. This could be a large, single user, but would more likely be subdivision into multiple commercial lots to support smaller standalone development. Given the existing large amount of vacant, developable commercial land (both annexed and un-annexed) the timing of such a use is likely within the next 2-3 years. The most likely end user would be an investor/developer, of which there are numerous experienced companies in the community and region that are active in the Grand Forks market.

Summary of Valuation and Analysis

The appraisal of real estate is typically based on the three approaches to value (Cost, Income Capitalization and Sales Comparison). All the approaches may not be applicable to every appraisal assignment. The appraised property is un-annexed commercial land adjacent to existing development in the Grand Forks City Limits. The Cost and Income Approaches are not applicable to valuing similar properties. The only reliable technique for valuing vacant, commercial land is the Sales Comparison Approach. It was the only approach relied on herein.

Sales Comparison Approach Analysis

Comparable site sales are related to the appraised site to provide the basis for the site value. Even though the subject is not yet annexed, it is platted, commercially zoned, and its annexation is imminent, per the City. The cost and timing of the annexation will be relatively nominal and is not considered to adversely impact its value. Therefore, the most reliable comparable sales included other commercial zoned parcels with comparable locations to the subject in the south and west portions of the Grand Forks metro.

I have documented the six site sales in the attachments of properties that bracket the characteristics of the subject site. A sale map is included in the following pages, relating the location of the subject and the comparable site sales. The sales are included in the site sales grids that follow, relating the adjustments to the appraised site. The appropriate unit of comparison for comparable commercial sites is price per square foot, which was the basis for this adjustment process.

The adjustment process is accomplished in two phases. The initial adjustments are referred to as transactional adjustments and include property rights conveyed (fee simple, leased fee, leasehold), financing terms (all cash, market financing seller-financing, special terms), condition of sale (arm's length, short sale, bank-owned sale) and market conditions (changes in supply and demand). The transactional adjustments are necessary to eliminate variances associated with the sale transaction, so that adjustments for location, physical characteristics, economic

APPRAISAL REPORT (Cont.)

characteristics, legal characteristics, and non-realty components can be considered.

Transactional Adjustments

Property Rights Conveyed – All the sales were vacant parcels unencumbered by leases at their time of sale reflecting the fee simple interest. No *property rights* adjustments were warranted.

Financing Terms – All the site sales were cash transactions or involved conventional financing at market rates. No *financing terms* adjustments were warranted.

Conditions of Sale – All the sales were arm's length transactions, meaning that there were no unusual conditions of sale. Sale 6 was the acquisition of large parcel along South Washington Street where the buyer had previously acquired the adjacent parcel to the south. Its sale was considered to reflect market value, reflecting no premium as an assemblage, and was not adjusted.

Market Conditions – The final transactional adjustment is for market conditions. The sales relate transactions that occurred between January 2020 and May 2014. The ongoing COVID-19 pandemic has had a limited impact on the local commercial property market and has not depressed local property values. New development, sales and leasing in the commercial property market continued to occur through 2020 and into 2021. No adjustments were warranted for Sales 1 and 2 which occurred in January 2020 and December 2019.

To assist in estimating this adjustment I compared Sales 3, 4, and 5 which are in the same immediate neighborhood of the subject. Sale 5 occurred in May 2014 and indicates a price per square foot indicator of \$9.19, while also being the largest of the three sales. Sales 3 occurred in April 2018, about 1.5 years after Sale 4, and reflects a \$0.25/sf higher price, while also being about 24,800 square feet smaller, suggesting minimal (if any) appreciation from 2016 to 2018.

Sale 6 occurred in June 2015 and is the largest of all the sales. It also reflects a price per square foot indicator of \$8.50. It has a highly visible location along South Washington Street, superior to Sales 1 and 2, which both reflect lower price per square foot indicators. Again, there is little evidence that significant value appreciation has occurred over this period, as reflected by these sales as matched pairs.

I have completed a substantial amount of commercial appraisal work in Grand Forks over the period reflected by the comparable sales and have similarly found little evidence of vacant commercial land values showing significant appreciation. This appears largely to be related to the community having an adequate amount of developable land exceeding demand, resulting in relatively stable values. I reconciled to a relatively minimal 3% adjustment to the 2014 and 2015 sales, and a 2% adjustment to the 2016 sale.

APPRAISAL REPORT (Cont.)

COMPARABLE SITE GRID

Sale No.	Subject	1	2	3	4	5	6
		GFK-70	GFK-69	GFI-30	GFI-29	GFI-25	GFK-58
Sale Date	3/2021	1/2020	12/2019	4/2018	9/2016	5/2014	6/2015
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Condition of Sale:	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Financing Terms	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.
Land Size (SF):	273,557	122,382	162,392	51,504	76,218	80,498	221,010
Zoning:	B-3, PUD	B-3, PUD	B-3, PUD	B-3	B-3	B-3	B-3
Topography:	Level	Level	Level	Level	Level	Level	Level
Shape:	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular	Irregular
Abnormal Easements:	None	None	None	None	None	None	None
Sale Price:		\$975,000	\$730,800	\$424,875	\$609,744	\$740,000	\$1,878,585
Sale Price/SF:		\$7.97	\$4.50	\$8.25	\$8.00	\$9.19	\$8.50

Adjustments for Transactional Characteristics

Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Sale Price	\$7.97	\$4.50	\$8.25	\$8.00	\$9.19	\$8.50	
Financing Terms	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.
Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Sale Price	\$7.97	\$4.50	\$8.25	\$8.00	\$9.19	\$8.50	
Condition of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Sale Price	\$7.97	\$4.50	\$8.25	\$8.00	\$9.19	\$8.50	
Market Conditions	1/2020	12/2019	4/2018	9/2016	5/2014	6/2015	
Adjustment	0.0%	0.0%	0.0%	2.0%	3.0%	3.0%	
Adjusted Sale Price	\$7.97	\$4.50	\$8.25	\$8.16	\$9.47	\$8.76	
Adjusted Price	\$7.97	\$4.50	\$8.25	\$8.16	\$9.47	\$8.76	

The remaining adjustments are associated with the characteristics of the site that appear to impact value. They include site size, location, infrastructure access and zoning. The adjustments for different characteristics are typically abstracted from the market using matched pairs (two sales that are alike, except for one characteristic that is responsible for the difference in price per square foot). This provides quantitative adjustments that can be utilized in the adjustment grid. The market is imperfect and not all adjustments can be verified quantitatively.

Physical Characteristic Adjustments

Site Size Adjustment – It is typical for sales to reflect the principle of diminishing marginal utility, showing that as site size increases, the price per square foot tends to decrease. The subject is larger than all the comparable sales at 273,557 square feet, a weakness of this approach. However, Sales 1 and 2 are both more than 120,000 square feet and sale 6 is 221,000 square feet, providing some comparability in terms of the subject's large size and support for a reliable *size* adjustment. Sales 3, 4, and 5 are substantially smaller than the subject ranging from 51,504 square feet up to 80,498 square feet. They were included being in the immediate neighborhood of the subject but warranted a downward *size* adjustment. Sales 1, 2, and 6 warranted more limited *size* adjustments.

APPRAISAL REPORT (Cont.)

I quantified this adjustment by comparing Sales 5 and 6 as a matched pair and Sales 1 and 3 as matched pairs. After all other preceding adjustments Sale 5 reflects an indicator of \$9.47/sf with Sale 6 (140,512 square feet larger) reflecting an indicator of \$8.76/sf – a difference of \$0.71. This is equal to a difference of about \$0.15/sf for every 30,000 square feet of size difference. Sale 3's adjusted indicator is \$8.25/sf, while Sale 1 (70,878 square feet larger) reflects an indicator of \$7.97/sf – a difference of \$0.28/sf. This is equal to a difference of about \$0.12/sf for every 30,000 square feet of size difference, reasonably comparable to the adjustment indicated by Sales 5 and 6. I have reconciled to a roughly \$0.13/sf adjustment for every 30,000 square feet of difference for each of the comparable sales, relative to the subject.

Location Adjustment – The sales bracket the *location* characteristics of the subject, as related in the GIS imagery on the following page. Sales 3, 4, and 5 are in the immediate neighborhood of the subject, warranting no adjustment. Sale 1 has a secondary commercial location in a developing neighborhood several blocks south of the Columbia Mall neighborhood, along Columbia Road. This is an area considered reasonably comparable to the subject based on the pace of development and the mix of secondary commercial and higher-density residential uses, while still having reasonably close access to primary local and regional linkages. It was not adjusted.

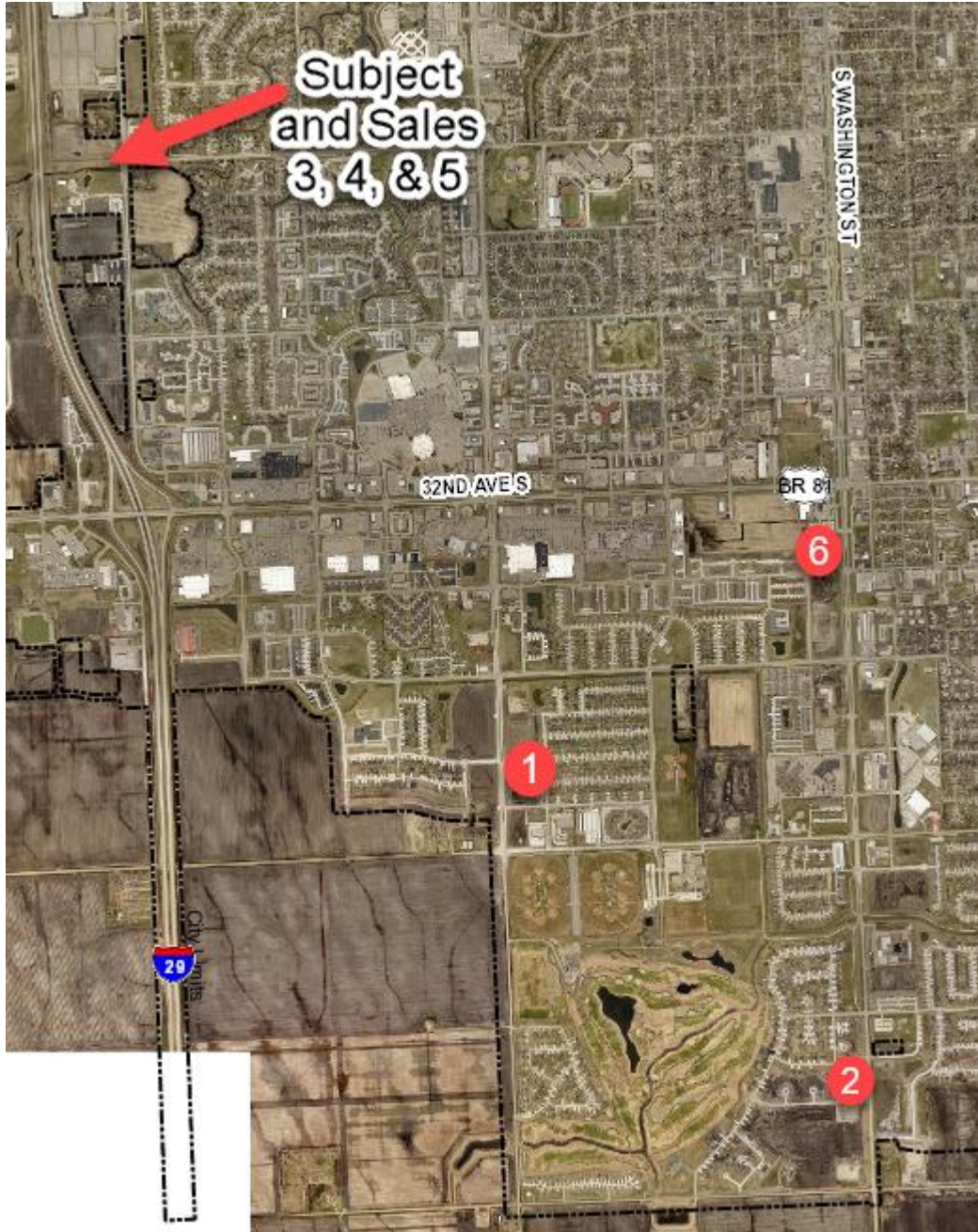
Sale 2 has an inferior location on the very south edge of Grand Forks, just two blocks north of the City Limits. This is an area of primarily residential development surrounding the King's Walk golf course and neighborhood. The only other non-residential development in its neighborhood is a tree farm/nursery and a church. It is several miles from Interstate access and lacks the visibility of the subject. Its inferior location is indicated by its significantly lower price per square foot indicator, warranting a substantial upward adjustment.

Sale 6 is positioned along South Washington Street, just south of the 32nd Avenue intersection a block to its north. While this location is farther from Interstate access, South Washington is a primary corridor and one of the highest trafficked streets in the City. The area around Sale 6 includes primary and secondary retail development, along with multi-family residential property. It is considered overall comparable to the subject's location, warranting no adjustment.

Access/Visibility Adjustment – Sales 1, 2, 4, 5, and 6 have direct frontage on primary traffic routes. Sale 3 has indirect access from 42nd Street, but has Interstate frontage, which none of the other comparable sales do. The sales do not indicate a market-based adjustment for this characteristic.

Zoning Adjustment – All the comparable sales are appropriately zoned for B-3 commercial uses, warranting no adjustment.

APPRAISAL REPORT (Cont.)



City of Grand Forks GIS 2020 | Graphic Overlays by Appraiser

Other Adjustment – The final adjustment is related to the existing improvements on the subject site that will require razing and removal prior to development. All of the comparable sales reflect parcels that were entirely vacant and immediately developable at their time of sale. I reviewed the Marshall Valuation Service’s (MVS) Demolition Costs estimate information to estimate an approximate cost for razing and removing the existing improvements. MVS indicates that small residences totaling 1,000 to 1,500 square feet reflect a range of \$3,875 to \$9,050 to demolish a one-story structure, which the subject has. A low cost class D building like the unheated

APPRAISAL REPORT (Cont.)

garage/shop building is estimated at \$3.83/sf to \$5.92/sf. The building on-site is 1,344 square feet, per GIS measurements, indicating a demolish cost range of \$5,148 to \$7,956. The concrete silo structure is just 132 square feet, which reflects a cost of about \$1,000, per MVS. This totals a range of \$10,023 to \$18,006 in estimated demolition costs for the existing improvements. With the total estimated market value of the subject parcel being more than \$2,000,000 per this analysis, it is unlikely that a prospective purchaser would seek a deduction in sale price for the required demolition costs, as they total less than 1% of the total estimated value and just \$0.065/sf.

Sale No.	Subject	1 GFK-70	2 GFK-69	3 GFJ-30	4 GFJ-29	5 GFJ-25	6 GFK-58
Adjustments for Property Characteristics							
Size		(\$0.65)	(\$0.50)	(\$0.95)	(\$0.85)	(\$0.85)	(\$0.20)
Location		\$0.00	\$3.38	\$0.00	\$0.00	\$0.00	\$0.00
Frontage/Visibility		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zoning		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
ADJUSTED SALE PRICE/SF		\$7.32	\$7.38	\$7.30	\$7.31	\$8.62	\$8.56
Multiplied by Subject Size (SF)		x 273,557	x 273,557	x 273,557	x 273,557	x 273,557	x 273,557
Indicated Value of Subject		\$2,002,436	\$2,018,849	\$1,996,965	\$1,999,700	\$2,358,060	\$2,341,646
Sale Weighting	100%	<u>25%</u>	<u>5%</u>	<u>20%</u>	<u>15%</u>	<u>15%</u>	<u>20%</u>
Sum of Weighted Value:	\$2,122,937	\$500,609	\$100,942	\$399,393	\$299,955	\$353,709	\$468,329
Reconciled Market Value (Rounded)		\$2,120,000	Equals	\$7.75 /SF			

The price per square foot indicators were applied to the subject site area indicating a value range of \$1,996,965 to \$2,358,060. The average of the value indicators was \$2,119,609. Sale 1 was given primary weighting being the most recent sale from the community and being a 100,000+ square foot sale which required lesser *size* adjustment than Sales 3-5 from the immediate neighborhood, which were given secondary weighting. Sale 6 was also given secondary weighting for its large comparable size and location. Sale 2 was given the least weight for its far inferior location.

Based on my analysis of the six sales related in the site sales grid, it is my opinion that the fair market value of the appraised property, as of March 8, 2021, was \$2,120,000, or \$7.75 per square foot of gross site area.

It is assumed that there are no adverse environmental conditions affecting the appraised property. The appraiser is not an expert in determining such factors; therefore, additional expertise should be sought, if so desired.

Two additional estimations are required in the appraisal process. These include the estimate of the typical market exposure period and the typical marketing time. Market exposure period is that period that the property is exposed to the market, prior to the date of the appraisal, which results in a sale at the appraised value. Marketing time is the period after the date of appraisal that is necessary to result in a sale at the appraised value.

APPRAISAL REPORT (Cont.)

The comparable sales usually provide the strongest basis for estimating market exposure time. It is difficult to abstract exposure period information from land sales. Vacant land often remains undeveloped for long periods of time. This could indicate that the land was initially overpriced. The enclosed sales relate properties that were available for considerable periods of time.

It is noteworthy that the market exposure period is really a process. It requires the listing of the property, exposure of the property to the market, negotiations of the sale between the buyer and the seller, due diligence of the buyer and additional time to obtain financing. Considering this process, local growth patterns, and the characteristics of the appraised property, it is my opinion that the typical market exposure time period reflected by the value conclusion herein is 1 to 2 years.

Due to the stability of the local market, it is also my opinion that the typical marketing time period would also be 1 to 2 years, based on the value conclusion.

Assumptions and Limiting Conditions

1. This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice. It contains a summary of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed by the appraiser for matters that are legal in nature. The title is assumed to be good and marketable and the legal description, as furnished by others, is assumed to be true and correct.
3. The property is appraised as if free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

APPRAISAL REPORT (Cont.)

7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been identified, defined, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is confined within the boundaries or property lines of the property described and that there are no encroachments or trespasses unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value, unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required discovering them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict

APPRAISAL REPORT (Cont.)

access by disabled individuals may adversely affect the property's value, marketability, or utility.

15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without the prior written consent and approval of the appraiser.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have performed no services, as an appraiser or in any other capacity, regarding a portion of the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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,

APPRAISAL REPORT (Cont.)

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.

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and in accordance with the Code of Professional Ethics of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, Petter N. Eriksmoen, have completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- As of the date of this report, I, Petter N. Eriksmoen, have completed the Continuing Education Requirements for Designated Members of the Appraisal Institute.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The appraisal assignment was not based on a requested minimum valuation or specific valuation or approval of a loan.
- I have personally viewed the property that is the subject of this report:

Non-Annexed Land
42nd Street
Grand Forks Township

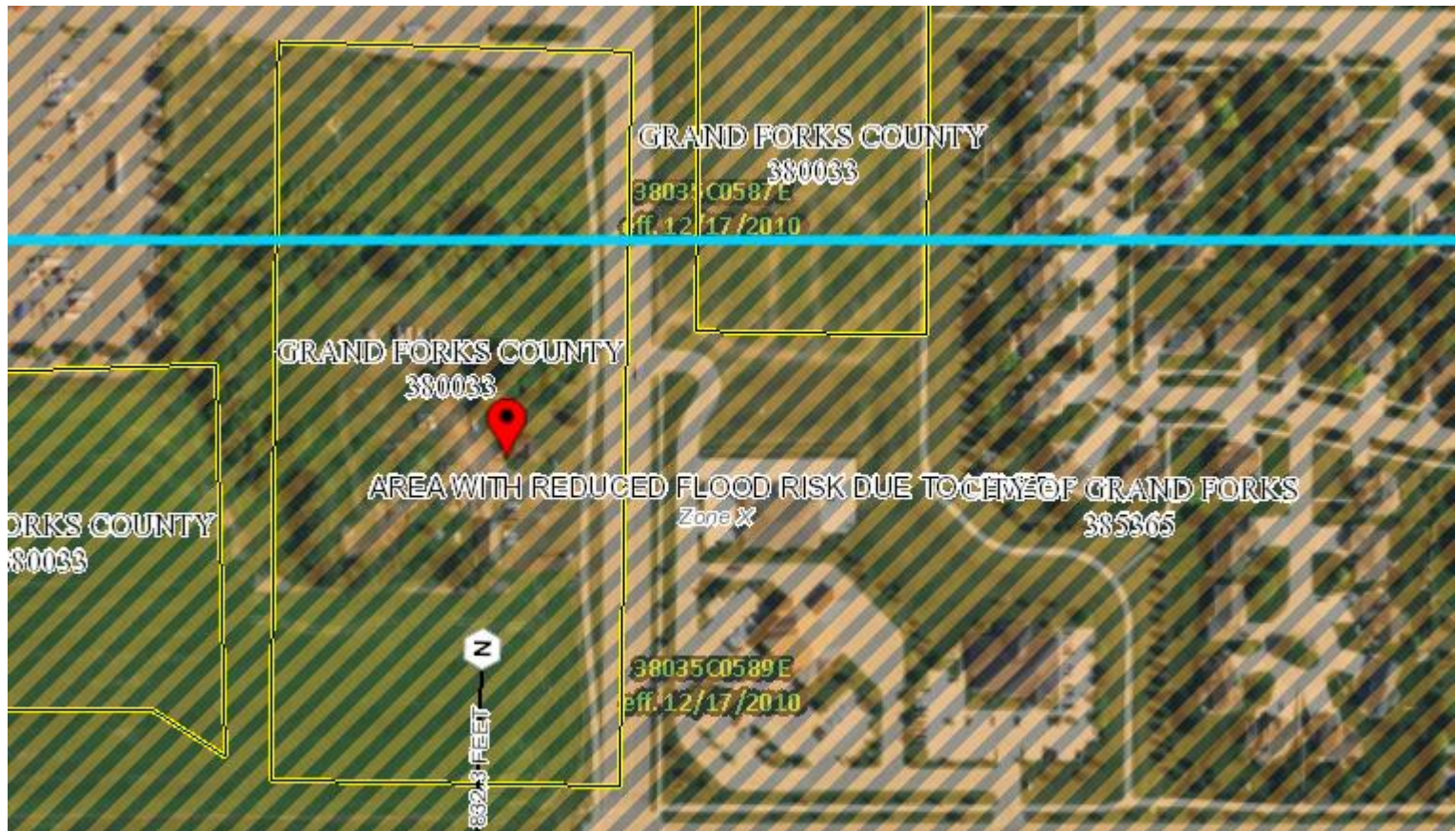
APPRAISAL SERVICES INC.



mb

Petter N. Eriksmoen, MAI
ND Certified General Real Property Appraiser #CG-21517
MN Non-Resident Appraiser: Certified General License #40367366

ATTACHMENTS



PIN Approximate location based on user input and does not represent an authoritative property location

MAP PANELS

- Selected FloodMap Boundary
- Digital Data Available
- No Digital Data Available
- Unmapped

OTHER AREAS

- Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D
- Otherwise Protected Area
- Coastal Barrier Resource System Area

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, V, A99
- With BFE or Depth
- Regulatory Floodway Zone AE, AO, AH, VE, AR

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

GENERAL STRUCTURES

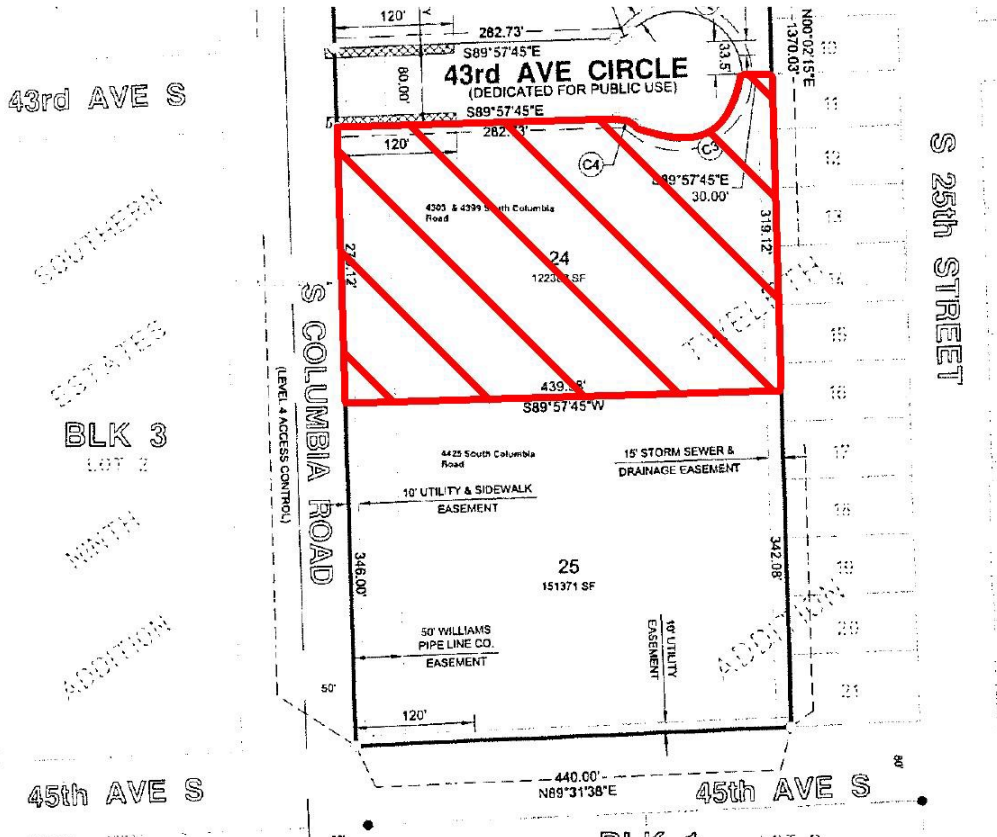
- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

SITE VALUE ANALYSIS ATTACHMENTS

Sale Number GFK-70

Date of Sale: 1/20/2020
Property Address: 4303-4399 Columbia Rd S
Grand Forks, ND
Data on Recording: WD# 798359
Grantor: Useldinger, et al.
Grantee: SOCO Group, LLC
Verified To: PNE Verified By: Records, Buyer
Legal Description: Lot 24, Block 1, Replat of Southern Estates 12th Addition to the City of Grand Forks, Grand Forks County, North Dakota

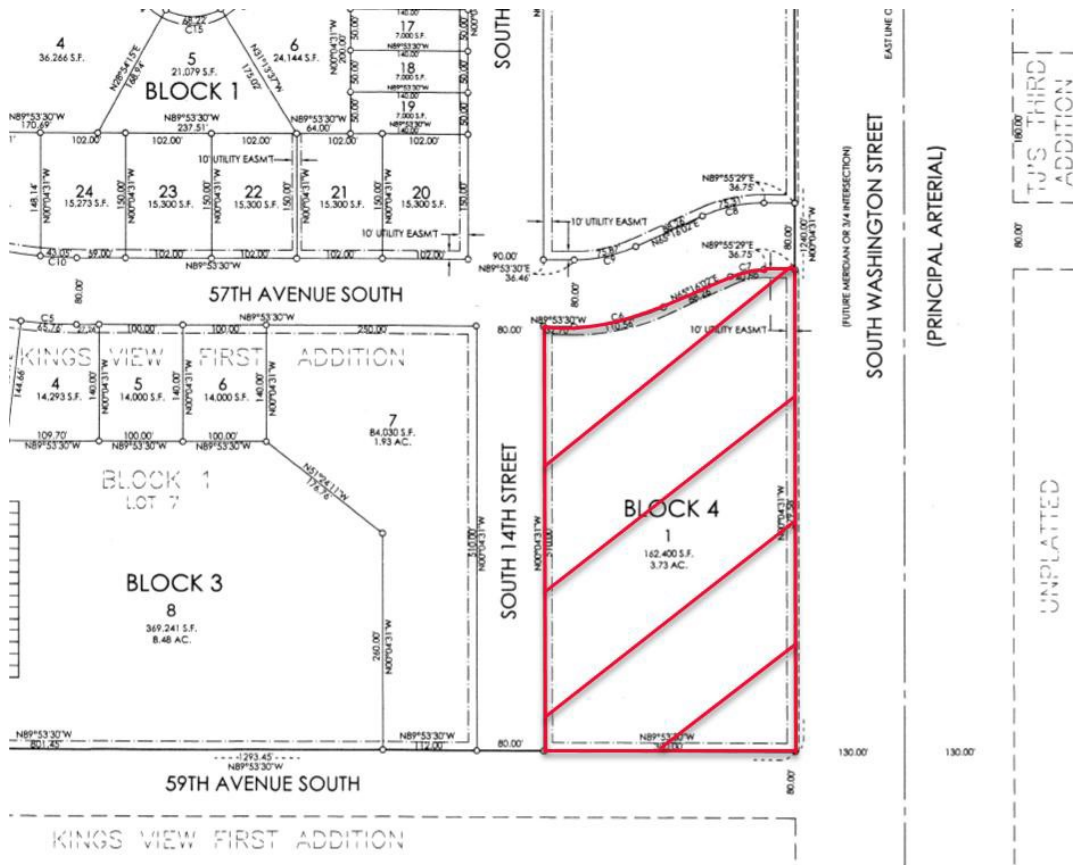
Zoning: B-3, PUD, General Business
Land Size: 122,382 Sq. Ft.
Frontage: 279' on Columbia Road
Sale Price: \$975,000.00
Sale Price Per Unit: \$7.97/sq. ft.
Remarks: Sale price does not include any special assessments. Purchased for development with a two-building office park.



Sale Number GFK-69

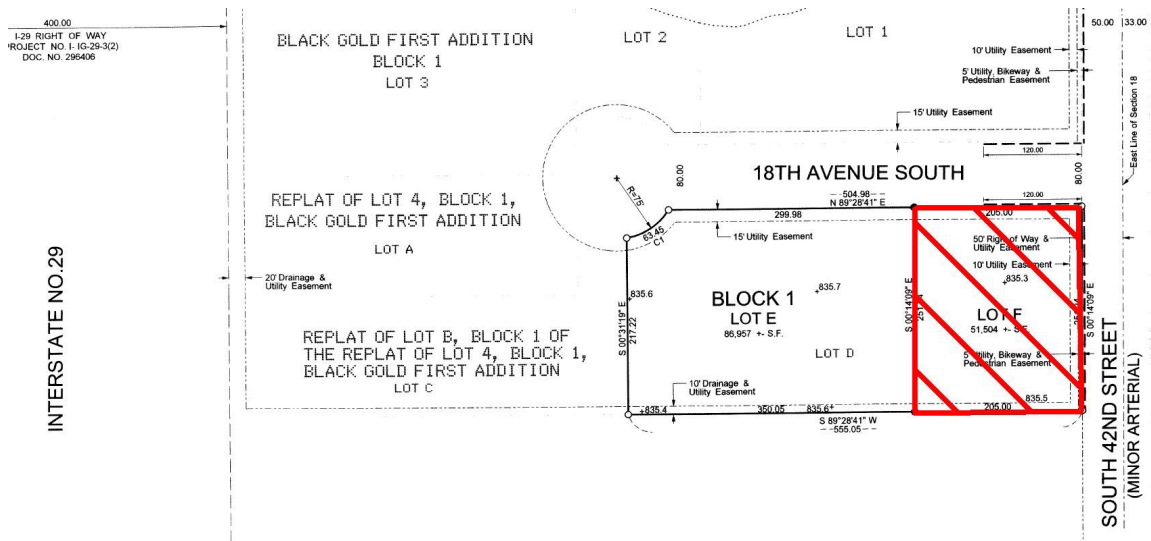
Date of Sale: 12/17/2019
 Property Address: 5750 Washington Street South
 Grand Forks, ND
 Data on Recording: Warranty Deed# 798055
 Grantor: Deacon's Development, LLP
 Grantee: KDJ Investment Group, LLC
 Verified To: PNE Verified By: Records / Buyer
 Legal Description: Lot 1, Block 4, King's View 3rd Resubdivision to the City of Grand Forks, Grand Forks County, North Dakota. (PID 44-2122-00035-000)

Zoning: C-PUD, Commercial Planned Unit Develo
 Land Size: 162,392 Sq. Ft.
 Frontage: 580' on Washington, 510' on 14th St, 309' on 57 Av
 Sale Price: \$800,386.00
 Sale Price Per Unit: \$4.93/sq. ft.
 Remarks: Vacant commercial site purchased for development with a medical office. Frontage on South Washington Street but no curb cut. Sale price includes unpaid special assessments of \$69,586.



Sale Number GFJ-30

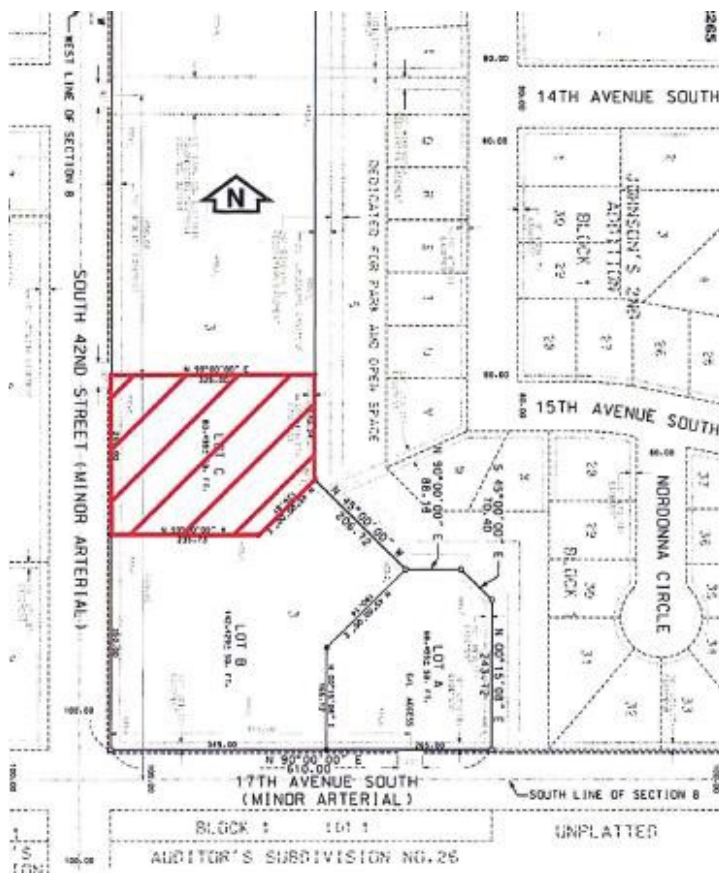
Date of Sale: 4/5/2018
Property Address: 1820 42nd Street South
Grand Forks, ND
Data on Recording: Warranty Deed #782392
Grantor: Halverson Family Investments, LLLP
Grantee: Brilliant Vision Properties, LLP
Verified To: Neal Eriksmoen
Verified By: Public Records
Legal Description: Lot F (a Replat of Lot D of the Replat of Lot B of the Replat of Lot 4), Block 1, Black Gold First Addition to the City of Grand Forks, Grand Forks County, North Dakota.
Zoning: B-3, General Business
Land Size: 51,504 Sq. Ft.
Frontage: 251.24' on 42nd St S and 205' on 18th Ave S
Sale Price: \$438,335.00
Sale Price Per Unit: \$8.51/sq. ft.
Remarks: Vacant commercial site split from larger parcel. Site has frontage on 42nd Street but no access. Sale price includes an estimated special assessment balance of \$13,460 assumed by the buyer.



Sale Number GFJ-25

Date of Sale: 5/28/2014
Property Address: 1511 & 1533 42nd Street South
Grand Forks, ND
Data on Recording: Warranty Deed #742976
Grantor: Johnson Farms
Grantee: Positive Ones Family Trust et al
Verified To: Jeff Mangen
Verified By: Records
Legal Description: Lot C, Block 1 of the Replat of Lot 3, Block 1 in Johnson's 4th Addition to the City of Grand Forks, Grand Forks County, North Dakota

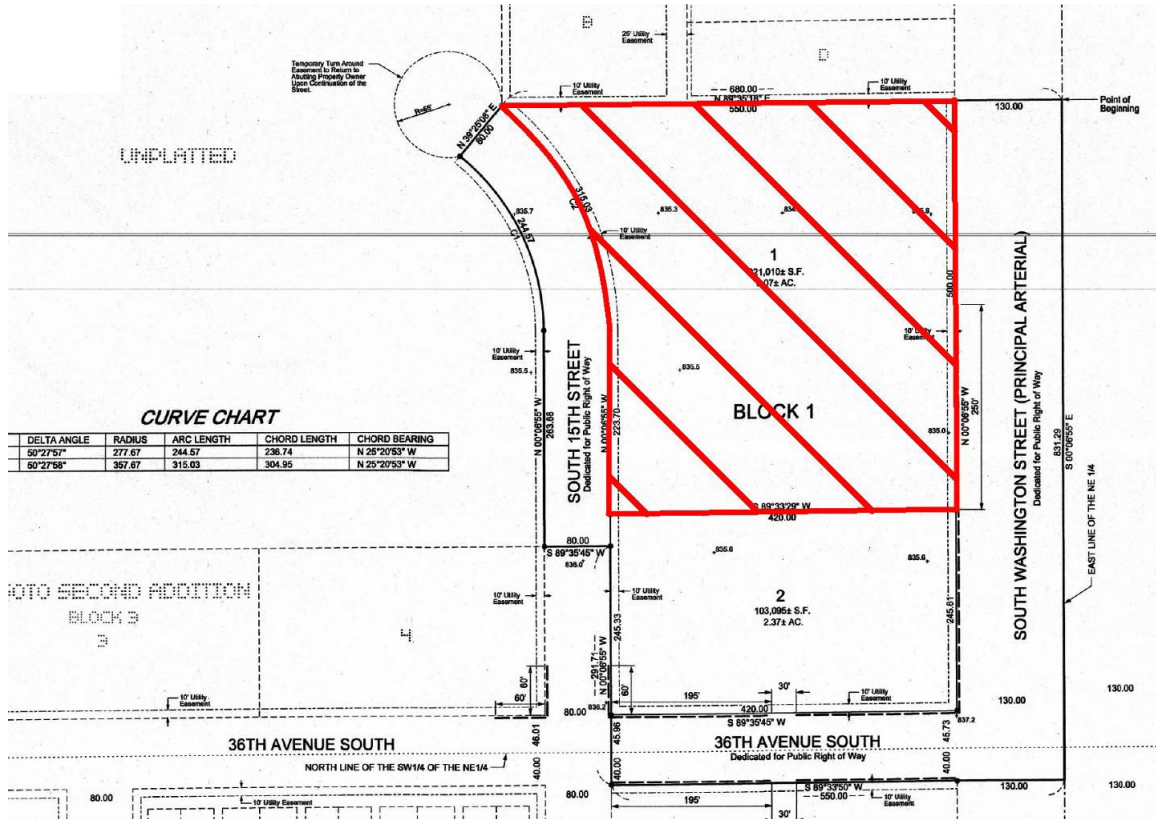
Zoning: PUD B-3, PUD General Business
Land Size: 80,498 Sq. Ft.
Frontage: 260 feet on 42nd Street South
Sale Price: \$759,707.00
Sale Price Per Unit: \$9.44/sq. ft.
Remarks: Vacant land suitable for commercial development. Sale price includes unpaid special assessment balance of \$19,707 assumed by the buyer.



Sale Number GFK-58

Date of Sale: 6/10/2015
 Property Address: 3440 Washington Street South
 Grand Forks, ND
 Data on Recording: Warranty Deed# 753928
 Grantor: Desoto Associates, LLC
 Grantee: Saturn Development Inc.
 Verified To: Scott Mandy
 Verified By: Records
 Legal Description: Lot 1, Block 1, Gransberg 3rd Addition to the city of Grand Forks, Grand Forks County, North Dakota.

Zoning: B3, General Commercial
 Land Size: 221,010 Sq. Ft.
 Frontage: 500' on Washington St S & 539' on 15th St S
 Sale Price: \$1,878,585.00
 Sale Price Per Unit: \$8.50/sq. ft.
 Remarks: Site was purchased by the adjacent property owner as part of a two-parcel purchase. South 250 feet of frontage along Washington Street has restricted access to the thoroughfare. 15th Street South had not been developed.



COMMUNITY PROFILE



Grand Forks, ND/East Grand Forks, MN Community Profile

Prepared by Esri
Latitude: 47.90468
Longitude: -97.04664

Population Summary	
2000 Total Population	57,564
2010 Total Population	61,809
2019 Total Population	67,612
2019 Group Quarters	3,564
2024 Total Population	69,689
2019-2024 Annual Rate	0.61%
2019 Total Daytime Population	72,640
Workers	43,154
Residents	29,486
Household Summary	
2000 Households	22,845
2000 Average Household Size	2.35
2010 Households	25,900
2010 Average Household Size	2.24
2019 Households	28,833
2019 Average Household Size	2.22
2024 Households	29,975
2024 Average Household Size	2.21
2019-2024 Annual Rate	0.78%
2010 Families	13,689
2010 Average Family Size	2.90
2019 Families	14,843
2019 Average Family Size	2.90
2024 Families	15,278
2024 Average Family Size	2.89
2019-2024 Annual Rate	0.58%
Housing Unit Summary	
2000 Housing Units	24,200
Owner Occupied Housing Units	50.5%
Renter Occupied Housing Units	43.9%
Vacant Housing Units	5.6%
2010 Housing Units	27,229
Owner Occupied Housing Units	48.0%
Renter Occupied Housing Units	47.2%
Vacant Housing Units	4.9%
2019 Housing Units	30,675
Owner Occupied Housing Units	43.0%
Renter Occupied Housing Units	51.0%
Vacant Housing Units	6.0%
2024 Housing Units	31,994
Owner Occupied Housing Units	43.2%
Renter Occupied Housing Units	50.5%
Vacant Housing Units	6.3%
Median Household Income	
2019	\$45,548
2024	\$53,748
Median Home Value	
2019	\$208,562
2024	\$243,300
Per Capita Income	
2019	\$28,397
2024	\$32,624
Median Age	
2010	29.4
2019	31.7
2024	32.8

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



2019 Households by Income

Household Income Base	28,833
<\$15,000	17.5%
\$15,000 - \$24,999	11.2%
\$25,000 - \$34,999	11.6%
\$35,000 - \$49,999	12.8%
\$50,000 - \$74,999	13.7%
\$75,000 - \$99,999	11.7%
\$100,000 - \$149,999	14.5%
\$150,000 - \$199,999	3.6%
\$200,000+	3.3%
Average Household Income	\$66,112

2024 Households by Income

Household Income Base	29,975
<\$15,000	16.2%
\$15,000 - \$24,999	10.5%
\$25,000 - \$34,999	10.5%
\$35,000 - \$49,999	10.0%
\$50,000 - \$74,999	13.8%
\$75,000 - \$99,999	12.9%
\$100,000 - \$149,999	17.4%
\$150,000 - \$199,999	4.7%
\$200,000+	3.9%
Average Household Income	\$75,416

2019 Owner Occupied Housing Units by Value

Total	13,202
<\$50,000	5.5%
\$50,000 - \$99,999	5.7%
\$100,000 - \$149,999	10.7%
\$150,000 - \$199,999	24.8%
\$200,000 - \$249,999	19.6%
\$250,000 - \$299,999	13.1%
\$300,000 - \$399,999	13.3%
\$400,000 - \$499,999	3.7%
\$500,000 - \$749,999	2.5%
\$750,000 - \$999,999	1.1%
\$1,000,000 - \$1,499,999	0.1%
\$1,500,000 - \$1,999,999	0.1%
\$2,000,000 +	0.1%
Average Home Value	\$233,508

2024 Owner Occupied Housing Units by Value

Total	13,810
<\$50,000	3.7%
\$50,000 - \$99,999	3.5%
\$100,000 - \$149,999	6.4%
\$150,000 - \$199,999	18.3%
\$200,000 - \$249,999	20.9%
\$250,000 - \$299,999	16.7%
\$300,000 - \$399,999	19.4%
\$400,000 - \$499,999	5.7%
\$500,000 - \$749,999	3.5%
\$750,000 - \$999,999	1.6%
\$1,000,000 - \$1,499,999	0.1%
\$1,500,000 - \$1,999,999	0.1%
\$2,000,000 +	0.1%
Average Home Value	\$270,281

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



2010 Population by Age	
Total	61,812
0 - 4	6.3%
5 - 9	5.1%
10 - 14	4.9%
15 - 24	25.7%
25 - 34	15.0%
35 - 44	10.0%
45 - 54	12.3%
55 - 64	10.0%
65 - 74	5.2%
75 - 84	3.6%
85 +	1.8%
18 +	80.4%
2019 Population by Age	
Total	67,615
0 - 4	5.8%
5 - 9	5.2%
10 - 14	4.9%
15 - 24	21.3%
25 - 34	17.8%
35 - 44	10.3%
45 - 54	10.0%
55 - 64	11.1%
65 - 74	7.7%
75 - 84	3.9%
85 +	2.0%
18 +	81.3%
2024 Population by Age	
Total	69,690
0 - 4	5.9%
5 - 9	5.1%
10 - 14	4.9%
15 - 24	20.6%
25 - 34	16.8%
35 - 44	11.7%
45 - 54	9.4%
55 - 64	10.1%
65 - 74	8.7%
75 - 84	4.8%
85 +	1.9%
18 +	81.3%
2010 Population by Sex	
Males	31,444
Females	30,365
2019 Population by Sex	
Males	34,508
Females	33,104
2024 Population by Sex	
Males	35,533
Females	34,156

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



2010 Population by Race/Ethnicity

2019 Population by Race/Ethnicity

2024 Population by Race/Ethnicity

2010 Population by Relationship and Household Type

Total	61,809
In Households	94.0%
In Family Households	66.1%
Householder	22.1%
Spouse	16.4%
Child	23.9%
Other relative	1.8%
Nonrelative	1.8%
In Nonfamily Households	27.9%
In Group Quarters	6.0%
Institutionalized Population	0.6%
Noninstitutionalized Population	5.4%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



2019 Population 25+ by Educational Attainment	
Total	42,414
Less than 9th Grade	1.6%
9th - 12th Grade, No Diploma	3.2%
High School Graduate	18.8%
GED/Alternative Credential	3.7%
Some College, No Degree	22.4%
Associate Degree	12.5%
Bachelor's Degree	23.3%
Graduate/Professional Degree	14.5%
2019 Population 15+ by Marital Status	
Total	56,841
Never Married	42.9%
Married	43.2%
Widowed	4.4%
Divorced	9.5%
2019 Civilian Population 16+ in Labor Force	
Civilian Employed	96.0%
Civilian Unemployed (Unemployment Rate)	4.0%
2019 Employed Population 16+ by Industry	
Total	38,613
Agriculture/Mining	2.8%
Construction	8.1%
Manufacturing	6.4%
Wholesale Trade	2.4%
Retail Trade	14.7%
Transportation/Utilities	3.9%
Information	1.4%
Finance/Insurance/Real Estate	3.9%
Services	52.1%
Public Administration	4.4%
2019 Employed Population 16+ by Occupation	
Total	38,612
White Collar	60.4%
Management/Business/Financial	11.5%
Professional	23.2%
Sales	11.3%
Administrative Support	14.5%
Services	21.5%
Blue Collar	18.2%
Farming/Forestry/Fishing	0.7%
Construction/Extraction	5.4%
Installation/Maintenance/Repair	3.3%
Production	3.0%
Transportation/Material Moving	5.8%
2010 Population By Urban/ Rural Status	
Total Population	61,809
Population Inside Urbanized Area	97.9%
Population Inside Urbanized Cluster	0.0%
Rural Population	2.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



2010 Households by Type	
Total	25,900
Households with 1 Person	33.8%
Households with 2+ People	66.2%
Family Households	52.9%
Husband-wife Families	39.3%
With Related Children	16.4%
Other Family (No Spouse Present)	13.6%
Other Family with Male Householder	3.7%
With Related Children	2.1%
Other Family with Female Householder	9.9%
With Related Children	6.9%
Nonfamily Households	13.3%
All Households with Children	25.7%
Multigenerational Households	1.2%
Unmarried Partner Households	6.7%
Male-female	6.4%
Same-sex	0.4%
2010 Households by Size	
Total	25,901
1 Person Household	33.8%
2 Person Household	34.1%
3 Person Household	14.9%
4 Person Household	10.8%
5 Person Household	4.3%
6 Person Household	1.5%
7 + Person Household	0.5%
2010 Households by Tenure and Mortgage Status	
Total	25,900
Owner Occupied	50.4%
Owned with a Mortgage/Loan	35.1%
Owned Free and Clear	15.4%
Renter Occupied	49.6%
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	27,229
Housing Units Inside Urbanized Area	98.2%
Housing Units Inside Urbanized Cluster	0.0%
Rural Housing Units	1.8%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



Top 3 Tapestry Segments

1. College Towns (14B)
2. Emerald City (8B)
3. In Style (5B)

2019 Consumer Spending

Apparel & Services: Total \$	\$48,271,693
Average Spent	\$1,674.18
Spending Potential Index	78
Education: Total \$	\$35,755,030
Average Spent	\$1,240.07
Spending Potential Index	78
Entertainment/Recreation: Total \$	\$70,821,292
Average Spent	\$2,456.26
Spending Potential Index	75
Food at Home: Total \$	\$114,756,694
Average Spent	\$3,980.05
Spending Potential Index	77
Food Away from Home: Total \$	\$83,492,686
Average Spent	\$2,895.73
Spending Potential Index	79
Health Care: Total \$	\$127,176,607
Average Spent	\$4,410.80
Spending Potential Index	74
HH Furnishings & Equipment: Total \$	\$47,312,035
Average Spent	\$1,640.90
Spending Potential Index	77
Personal Care Products & Services: Total \$	\$19,920,066
Average Spent	\$690.88
Spending Potential Index	78
Shelter: Total \$	\$414,498,762
Average Spent	\$14,375.85
Spending Potential Index	78
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$54,165,068
Average Spent	\$1,878.58
Spending Potential Index	76
Travel: Total \$	\$47,663,689
Average Spent	\$1,653.10
Spending Potential Index	74
Vehicle Maintenance & Repairs: Total \$	\$27,056,960
Average Spent	\$938.40
Spending Potential Index	82

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.

LETTER OF ENGAGEMENT

Appraisal Services Inc.

Neal A. Eriksmoen, MAI
Petter N. Eriksmoen, MAI
Marit M. Eriksmoen
Alan P. Leirness, MAI, CCIM
Jeffrey M. Mangan
Alex L. Oestreich

1220 Main Avenue, Suite 125
Fargo, ND 58103-8201
Phone (701) 235-1189
Fax (701) 235-9465
www.asind.com

March 26, 2021

Mr. Ryan Brooks
City of Grand Forks
255 North 4th Street
Grand Forks, ND 58206-5200

Delivered Via Email: rbrooks@grandforksgov.com

Dear Mr. Brooks:

Per your request, Appraisal Services Inc. will complete an Appraisal Report, conforming to USPAP, relating the fee simple market value of the following properties:

Corporate Center I
401 Demers Avenue
Grand Forks, ND 58201

Corporate Center II
401 Demers Avenue
Grand Forks, ND 58201

Danks 42nd St. LLP
Lot 8, Block 1, Danks 2nd Resub.
Grand Forks, ND 58201

The purpose of this appraisal is to estimate the Market Value of the appraised property as of the effective date of the report. Market Value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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 acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale, or other special or creative terms, services, fees, costs, or credits involved in the transaction."¹

The client will be the City of Grand Forks. The intended use is to determine an estimate of market value to support possible sales transactions of all three parcels. The intended users are limited to City of Grand Forks.

The appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP).

¹ Office of the Comptroller of the Currency under 12 CFR, Part 34, subpart C-appraisals, 34.42 Definitions (h).

March 26, 2021

Page 2

The cumulative fee for the three appraisals will be \$8,000. The date of completion will be April 9th, 2021.

If the timing and costs are acceptable, please sign and return the letter so we will schedule the appraisal assignment. Also, please provide the contact person to view and obtain the pertinent information about the properties.

Respectfully submitted,

APPRAISAL SERVICES INC.

 mb

Petter N. Eriksmoen, MAI

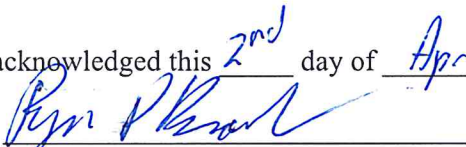
ND Certified General Appraiser #CG-21517

MN Non-Resident Appraiser: Certified General License #40367366

PNE/mab

Accepted and acknowledged this 2nd day of April, 2021.

Signature:



Print:

Ryan P. Brooks

Property Contact Person:

Mark Saunders

Contact Phone Number:

746-2661

APPRAISER'S QUALIFICATIONS & LICENSES

QUALIFICATIONS OF PETTER N. ERIKSMOEN, MAI

EDUCATION:

Concordia College, Moorhead, MN, Bachelor of Arts, May 2010

Seminars & Workshops -

Basic Appraisal Procedures, 6/12	2016-2017 USPAP Update, 12/15
Basic Appraisal Principles, 7/12	Advanced Income Capitalization, 2/16
15-Hour USPAP Qualification, 7/12	Advanced Concepts & Case Studies 11/16
Site Valuation & Cost Approach, 9/12	Advanced Market Analysis & Highest & Best Use, 2/17
Sales Comparison Approach, 10/12	2018-2019 USPAP Update, 12/17
Income Approach/Part I, 2/13	2040 Comprehensive Plan Update, 4/19
Income Approach/Part 2, 6/13	Online Data Verification Methods, 7/19
Real Estate Finance Statistics & Valuation 2/14	Online Small Hotel/Motel Valuation 8/19
Market Analysis & Highest & Best Use, 3/14	Valuation Resources for Photovoltaic System, 8/19
Report Writing and Case Studies, 12/14	2020-2021 USPAP Update, 11/19
Quantitative Analysis, 2/15	
2014-2015 USPAP Update, 8/15	

WORK EXPERIENCE:

November 2010 through October 2011 – Non-Profit Independent Contractor

October 2011 through July 2012 – Whole Foods Market (Supervisor)

August 2012 through May 2015 – Appraisal Services Inc. (Apprentice Appraiser)

June 2015 to present – Appraisal Services Inc. (Certified General Appraiser)

EXPERIENCE SUMMARY:

Approximate number of appraisals accomplished during the last five years:

Apartments	76	Motel	12
Office	122	Restaurant/Lounge	42
Retail	76	Vacant Land	38
Warehouse/Industrial	91	Church/School	0
Mini-Storage	1	Serv.Station/Car Wash	5
Mobile Home Parks	0	Special Purpose	12
Mixed Use	55	Comparable Rent Studies	0
Subdivision Analysis	22	Other	11

MEMBERSHIPS/LICENSES:

North Dakota Certified General Appraiser Permit #CG-21517

Minnesota Non-Resident Appraiser #40367366

Designated Member – Appraisal Institute (MAI)

REFERENCES:

Kory Werlinger, Bell Bank, 3100 13th Avenue South, Fargo, ND 58103, (701) 298-7109

Tom Devorak, Bremer Bank, 1444 45th Street Southwest, Fargo, ND 58103, (701) 492-2631

STATE OF MINNESOTA



PETTER NEALSSON ERIKSMOEN
1220 MAIN AVENUE
SUITE 125
FARGO, ND 58103

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that
Petter Nealsson Eriksmoen

1220 MAIN AVENUE
SUITE 125
FARGO, ND 58103

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

License Number: 40367366

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2021.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 27, 2019.

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.

North Dakota Real Estate Appraiser
Qualifications and Ethics Board



Petter N. Eriksmoen
Is fully qualified
in the State of North Dakota as a

CERTIFIED GENERAL APPRAISER
ND Permit Number: CG-21517

Date of Issuance: 01/01/2021
Expiration Date: 12/31/2021

Unless sooner suspended or revoked, as provided by law.

Appraiser Signature