

Bugge, Dawn

From: Jason Smith
Sent: Wednesday, May 16, 2018 11:02 AM
To: Bugge, Dawn
Subject: Files for RES 18-94
Attachments: Smith, Jason - C.BRE Consultation Letter regarding the City of Blaine's proposed Resolution 18-93.pdf; Scanned Documents.pdf; ATT00001.txt

Dawn,

Know these are late but I was hoping you could get these in the 'official' files and to Council regarding the Park Construction matter on tomorrow's agenda.

One is an opinion from a real estate agent familiar with Blaine and the other is a letter of opinion from and appraiser at CBRE.

Would have had it sooner but given we just got their updated plans on Friday it was the best that we could do.

Let me know if you've got any questions.

Kind regards,

-Jason Smith



Kevin T. Meeks, MAI
 Vice President
 Valuation & Advisory Services

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Kevin.Meeks@cbre.com
 www.cbre.com

May 15, 2018

Mr. Jason Smith
 2788 103rd Court
 Blaine, MN 55449

Dear Mr. Smith:

At your request and authorization, CBRE, Inc. has prepared the following consultation report regarding the effect of granting the Conditional Use Permit being applied for by Park Construction Company, for the property located at 10201 Xylite Street NE in Blaine, Minnesota (Anoka County PID #22-31-23-33-0015), on the market values of the following single-family homes that abut the site:

EFFECT OF PROPOSED C.U.P. ON THE FOLLOWING PROPERTIES			
#	ADDRESS	#	ADDRESS
1)	2660 103rd Ct. NE	7)	2778 103rd Ct. NE
2)	2674 103rd Ct. NE	8)	2794 103rd Ct. NE
3)	2692 103rd Ct. NE	9)	10305 Xylite St. NE
4)	2716 103rd Ct. NE	10)	10315 Xylite St. NE
5)	2732 103rd Ct. NE	11)	10325 Xylite St. NE
6)	2772 103rd Ct. NE		

CLIENT

The client of this consultation report are the owners of the above-referenced properties, in care of Jason Smith.

INTENDED USERS

The intended users of this consultation report are the owners of the above-referenced properties, the City of Blaine's Planning Commission, and Park Construction Company.

BACKGROUND

Park Construction Company, a heavy road and utility contractor, has reached an agreement to purchase the undeveloped outlot that has an Anoka County Property ID of 22-31-23-33-0015.

The property currently has an unassigned address, however upon replatting will have an address of 10201 Xylite Street NE, and is illustrated below:



The site has a total site size of 18.5 acres, and a useable site size (net of wetlands) of 13.68 acres. Park Construction Company's development plan and proposed use for the site require a Conditional Use Permit (CUP) be obtained from the City of Blaine. On April 11, 2018, the City of Blaine held a Planning Commission meeting, at which Park Construction Company's application for a CUP for the property was presented, and the public had the opportunity to voice their questions and concerns. The public's concerns include, among others, that the proposed uses allowed by the CUP will negatively impact the market values of the adjacent

residential properties because of diminished views, noise pollution, and light pollution. In response, Park Construction Company revised their application as summarized in the City of Blaine's proposed Resolution 18-93 printed May 11, 2018. The site is zoned I-2 (Heavy Industrial) and allows the uses that are part of the application by Conditional Use Permit (CUP). The CUP review and process therefore applies to:

- Multiple buildings on one parcel (there are six buildings proposed).
- Contractor yard with outside storage of equipment used in the business as well as materials.
- Special purpose fencing which would permit the taller privacy wall of 8 -feet and 18-feet at certain locations along the borders.

SCOPE OF THE ANALYSIS

In preparing this analysis, the appraiser Kevin T. Meeks, MAI has taken the following steps:

1. On May 12, 2018, physically inspected the property located at 10201 Xylite Street NE in Blaine, Minnesota, as well as the residential properties that abut it.
2. Reviewed the City of Blaine's Resolution 18-93 (Granting of Conditional Use Permit) and Resolution 18-94 (Granting Preliminary Plat Approval) that were printed May 11, 2018.
3. Reviewed Park Construction's proposed building elevation drawings, site surveys, grading and erosion plan, and a summary of Parkside Construction Business Highlights.
4. Reviewed aerial photographs of Park Construction's current storage lot at 30 81st Street, as well as aerial photographs of the proposed subject site.
5. Analyzed lot sales from the Sanctuary Fifth, Seventh, and Ninth Additions.
6. Analyzed Anoka County GIS Aerial Data pertaining to 10201 Xylite Street NE and the adjacent residential properties.
7. Reviewed previous paired sales analyses prepared by Kevin Meeks, and/or CBRE pertaining to a variety of detrimental conditions affecting single-family homes including traffic exposure, construction related interference, proximity to high voltage transmission lines, proximity to railroads, and proximity to commercial uses.

CHANGES TO THE ADJACENT RESIDENTIAL PROPERTIES FROM THE PROPOSED CUP

If the property to be known as 10201 Xylite Street NE (Anoka County PID 22-31-23-33-0015) is developed and used according to the proposed Resolution 18-93, it will result in the following negative impacts on the abutting residential properties:

Changes to the Adjacent Residential Properties as a result of the Proposed CUP

1. Diminished views
2. Increased light pollution
3. Increased noise pollution

The proposed CUP would allow the site to be developed with multiple buildings on one lot, a contractor yard with outside storage of materials and equipment, and special purpose fencing. Based on a study prepared by the CUP applicant, it is concluded that a 16-foot wall would need to be placed on the south side of the pond (at the north edge of the yard area) in order to screen the view of the contractor yard from the 1st (main) floor of the homes. The applicant proposes that this is accomplished by modifying the site plan to create a line of buildings and wall that stretches along the north side of the yard. The metal building edges and wall sections would be a minimum of 18 feet in height with roof sections being taller. The applicant claims that the construction of these buildings and connecting walls will effectively seal off the yard from any view for some, but not all the adjacent residential properties, and would also dramatically reduce noise generated by equipment moving in the yard. Not only is this proposed screening plan ineffective for the adjacent residential properties that have two-story designs, as well as for the residential properties located along 103rd Court NE to the northeast of the proposed contractor's yard, but the proposed solution of having the multiple buildings and connecting walls serve as the screening from the contractor's yard by itself is an eyesore that results in diminished views. Furthermore, the screening plan would not eliminate the noise and light pollution that would result from the design plan and uses permitted by the proposed CUP.

CONCLUSION REGARDING THE IMPACT ON THE MARKET VALUES OF THE RESIDENTIAL PROPERTIES LOCATED ADJACENT TO THE PROPOSED CUP SITE

Appraiser Kevin T. Meeks, MAI has devoted much of his 26-years as an appraiser studying the effects of detrimental conditions on real estate market values. These studies include a variety of detrimental conditions such as exposure to construction related interference, increased traffic exposure, diminished views, proximity to railroads, proximity to high voltage transmission lines, as well as changes in access. Based on those studies, as well as on an analysis of single-family

Mr. Jason Smith
May 15, 2018
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lot sales in the neighborhood of the proposed CUP, it's the appraiser's opinion that the site design and proposed uses allowed by the proposed CUP described in the City of Blaine's Resolution 18-93 will result in reduced market values for the residential properties that abut the proposed CUP site at 10201 Xylite Street NE.

Sincerely,

A handwritten signature in blue ink that reads "Kevin T. Meeks". The signature is written in a cursive, slightly slanted style.

Kevin T. Meeks, MAI

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

Professional Résumé

QUALIFICATIONS

Certified General Real Property Appraiser (MN License #4003016, Expires 8/31/2018)
Designated MAI Member of the Appraisal Institute

EDUCATION

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

APPRAISAL EDUCATION AND SPECIAL COURSES

Appraisal Institute Courses

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

Appraisal Seminars (Partial List) 2009-2017

The Real Implications of the HVCC on Appraisers and Lenders (1/09)
Spotlight: The New Residential Market Conditions Form (3/09)
11th Annual R.E. Trade Seminar - Commercial/General Session (5/09)
General Demonstration Appraisal Report Writing Seminar (2/10)
2010 Annual Forecast (2/10)
Ad Valorem Tax Consultation (7/10)
Trends in the Lodging Industry and the Impact on Value (10/10)
2011 Annual Forecast (1/11)
Multi-Family Housing (10/11)
A New Economy: A Guide For Real Estate Professionals (1/12)
Condemnation Appraising: Principals and Applications (6/12)
Eminent Domain (4/13)
15th Annual R.E. Trends Seminar – Commercial/General Session (5/13)
Land & Site Valuation (7/14)
Mold, Pollution, and the Appraiser (8/14)
17th Annual R.E. Trends Seminar – Commercial/General Session (5/15)
2015 IRS Seminar (6/15)
Collaborative Discussion of Appraisal and Regulatory Issues in the Current Lending Environment (1/16)
MN Supervisory Appraiser/Trainee Appraiser (2/16)
Don't Be Another Fish in the Dark 'Net (4/16)
18th Annual R.E. Trends Seminar – Commercial/General Session (5/16)
2016-2018 National USPAP Update Equivalent (8/16)
Real Estate Valuation in Condemnation Appraising (11/2016)
Federal Land Acquisitions Yellow Book Panel Discussion (6/17)
Uniform Appraisal Standards for Federal Land Acquisitions (6/17)

Kevin T. Meeks, MAI
CBRE
800 LaSalle Avenue, Suite 1900
Minneapolis, Minnesota 55402
Professional Résumé (Cont'd)

BUSINESS EXPERIENCE

- CBRE – Minneapolis, MN
Vice President of Valuation and Advisory Services – 2016 to Current

- Meeks Appraisal & Consulting – Minneapolis, MN
CEO, Residential and Commercial Real Estate Appraiser - 1998 to 2016

- Lunieski & Associates - Bloomington, MN
Residential and Commercial Real Estate Appraiser - 1993 to 1998

- Stiles Appraisals, Inc. – Plymouth, MN
Residential Real Estate Appraiser - 1992 to 1993

PROFESSIONAL AFFILIATIONS & ADDITIONAL EXPERIENCE

- Designated MAI Member of the Appraisal Institute (2013)
- Member of the Minneapolis Area, Minnesota, & National Association of Realtors (2000 - Present)
- Member of the Hennepin County Board of Equalization (1995 -1999)
- Court Appointed Commissioner for Hennepin, Ramsey, and Dakota Counties (1998 - Present)

Kevin Meeks has participated as part of the faculty for Hennepin County Continuing Legal Education Seminars, most recently in 2016 speaking on the topic of the Valuation of Temporary Easements and Construction Related Interference.

Over the past twenty years, Kevin Meeks has provided expert witness appraisal testimony throughout the state of Minnesota, including commissioner's hearings, district court jury trials, and federal bankruptcy proceedings.

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

Professional Résumé (Cont'd)

STATE OF MINNESOTA



Department of Commerce

KEVIN THOMAS MEEKS
3144 HENNEPIN AVENUE
SUITE 202
MPLS, MN 55408

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

3144 HENNEPIN AVENUE
SUITE 202
MPLS, MN 55408

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

Resident Appraiser : Certified General

License Number: 4003016

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2018.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 08, 2016.

A handwritten signature in black ink that reads "Mike Rothman".

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division

85 7th Place East, Suite 500

St. Paul, MN 55101-3165

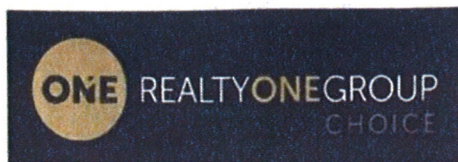
Telephone: (651) 539-1599

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.



Jason & Kari Smith
2788 103rd Ct NE
Blaine, MN 55449

Cc:
Blaine City Council
Blaine City Hall
10801 Town Square Drive NE
Blaine MN 55449

April 19, 2018

Dear Jason & Kari,

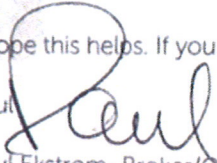
Thanks for reaching out to me yesterday. I hope I can be of help in determining the loss in value of your home if the proposed industrial site is approved to your south.

It is hard to identify a precise loss of value. Value is a perception item and of course everybody has different perceptions. I will give you mine utilizing my experience and knowledge based off over 300 homes sold in Blaine over my career.

Based on an estimated current value of your home around \$600,000 overlooking a wetland, I would expect the value overlooking an industrial site to be closer to the \$500,000 range. In my past experience, out of 10 buyers, 8-9 would probably pass on investing 500K for an executive home overlooking an industrial site. So the actual value could be lower depending on how large the buyer pool would be at the time of selling.

I hope this helps. If you need anymore information I would be glad to help!

Paul


Paul Ekstrom- Broker/Owner
Realty ONE Group Choice
1893 Station Pkwy NW, Andover, MN 55304