



Howe School

MINNEAPOLIS, MINNESOTA

EXCLUSIVELY LISTED BY:

Paul Donovan

Senior Vice President, Advisory Services Group

612.305.2113

paul.donovan@northmarq.com

Kevin Peck

Senior Real Estate Advisor, Advisory Services Group

612.305.2129

kevin.peck@northmarq.com



PAGE 3	Sale Process
PAGE 7	Offering/Neighborhood Analysis
PAGE 9	Building Analysis General Overview
PAGE 12	Floor Plans
PAGE 13	Site Analysis
PAGE 15	Four Year History of Costs
PAGE 17	Site/Location Data Survey Map Current Zoning
PAGE 21	Demographics
PAGE 23	Regional Economy



The Owner has authorized NorthMarq Investment Services (Broker) to exclusively market the Howe School. The owner makes no representations or warranties. This is an “as is” sale.

SALE PROCESS

Howe School is being offered through an open listing process. The following is a schedule of key dates:

Distribution of Initial Offering Materials	June 15, 2011
Begin Property Tours, Additional Information	June 15, 2011

The listing will be available for sixty (60) days.

All investors willing to make an offer are invited to participate. All offers are to be submitted to:

Kevin Peck
NorthMarq Real Estate Services
801 Nicollet Mall, Suite 325
Minneapolis, Minnesota 55402
612.305.2129
kevin.peck@northmarq.com

Necessary information to be provided with your purchase offer including concise responses to the following questions (please read section 10 of this offering prior to submitting an offering proposal):

1. Description of the buying entity.
2. Intended use for the property.
3. Real estate experience with specific emphasis on your intended use. Include a list of similar developments or investments, real estate experience within the City of Minneapolis and, if redeveloping, the number of projects currently underway.
4. Current real estate holdings – number, asset value and by market classification.
5. Purchase price.
6. Earnest deposit.
7. Source of equity and percentage of purchase price.
8. Source of debt and percentage of purchase price.
9. Contingencies to be satisfied prior to closing.
10. Timeline, identifying key milestones, from acceptance of offer to closing.



Following review of each purchase offer, and if interested, the Seller may negotiate with the prospective purchaser, which in the Seller’s judgment, represents the best combination of price, terms and ability to perform. The Seller reserves the right to reject any offer for any or no reason.

Howe School is being listed in an open listing. NorthMarq Real Estate Services will cooperate with other licensed brokers to ensure the highest sale price is generated for the owner.

THE LISTING WILL BE AVAILABLE FOR SIXTY (60) DAYS.



HOWE SCHOOL





HOWE SCHOOL







HOWE SCHOOL

THE OFFERING

NorthMarq has been retained as exclusive agent for the sale of Howe School. The building is well constructed. The property is in a densely populated area and lends itself to a variety of re-uses, including: residential, commercial, medical or other educational use.

Interested parties are encouraged to call for a comprehensive offering package, which includes the terms of the offering, and to request a tour of the property.

The listing will be available for sixty (60) days.

NEIGHBORHOOD OVERVIEW

Located at 3733 43rd Avenue South, Minneapolis, Minnesota 55406. Howe School previously housed kindergarten through fifth grade education programs for the Minneapolis Public School District. Situated in the Howe Neighborhood/ Longfellow Community, the school property is on a 140,107 square foot land parcel. The parcel is zoned R1A, low density,

NEIGHBORHOOD ANALYSIS

The Howe Elementary School property is located in the heart of a residential setting. It is surrounded on all four sides by single-family homes. The majority of the houses surrounding the property are smaller early twentieth century, one to one and a half story homes with two to three bedrooms.

The property is bordered on the east side by 44th Avenue South, on the west side by 43rd Avenue South, and on the north side by 37th Street . All of these streets are neighborhood streets frequented by residents in the neighborhood. The property is bordered on the south side by 38th Street East.

38th Street East is a neighborhood transit corridor that connects the neighborhood to West River Parkway on the east and Minnehaha and Hiawatha Avenues on the west. It is served by Metro Transit bus route 23, which runs east and west. Hiawatha Avenue is served by Light Rail Transit running north and south.

PROPERTY OVERVIEW

Address	3733 43rd Avenue South Minneapolis, MN 55406
Parcel Size	139,300 SF
Zoning	R1A/Single Family District
Parking	Northwest side of the building
Year Built	1927
Building Size	36,161 square feet
Number of Floors	2
Amenities	<ul style="list-style-type: none"> ● Gymnasium ● Theater/Auditorium (in gym) ● Kitchen (heat and serve) ● Longfellow Neighborhood ● Mississippi River ● Lake Street Commercial Node

single-family dwellings and cluster developments on lots with a minimum of five thousand (5,000) square feet of lot area per dwelling unit. In addition to residential uses, institutional and public uses and public services and utilities may be allowed. See Zoning on page 20.

One block west of the property is the neighborhood commercial node located at the intersection of 38th Street East and 42nd Avenue South. This node offers the community a movie theater, medical clinic, nursery, small retail establishments, and cafes.

One block west of the property is 42nd Avenue South which runs north and south and serves mostly the residents of the area. It is served by Metro Transit bus route 24, which runs north and south.

Five blocks east of the property is West River Parkway and the Mississippi River. There are walking and biking paths along the river running north and south that connect with many of both Minneapolis and St. Paul city parks and recreational paths. West River Parkway has larger homes than in the general area, river views, and the park amenities.





BUILDING ANALYSIS

The building is 36,161 square feet, is laid out in the form of a “U”, and has a total of fifteen classrooms. This is a two-story building with the main corridors on both floors conforming to the “U” shape. There are three main entrances on the south side of the building with an additional exit each on the east and west and two additional exits on the north. The first floor eastern portion of the “U” consists of three classrooms and a staffroom with a restroom and kitchen. The first floor western portion of the “U” consists of a media center, lunchroom, and several office areas. The first floor northern portion of the “U” consists of a gymnasium/auditorium and stage in the center with one classroom located on the west end and one classroom on the east end. The second floor consists of ten classrooms and two small workrooms

Of the 36,161 square feet of total building area approximately 12,300 square feet is common area (approximately 7,290 square feet on the first floor and approximately 5,010 square feet on the second floor) consisting of hallways/corridors, stairwells, restrooms, elevator, and mechanical rooms.

Based on the current floor plan of the building the Common Area Factor, the ratio of common area to total building area, is 34.01%.

In addition to the common areas the first floor consists of three classrooms of approximately 924 square feet each and two classrooms of approximately 814 square feet each as well as a gymnasium/stage of approximately 3,550 square feet, a lunchroom of approximately 1,122 square feet, a media center of approximately 2,112 square feet, and additional square feet used for miscellaneous purposes and general office spaces.

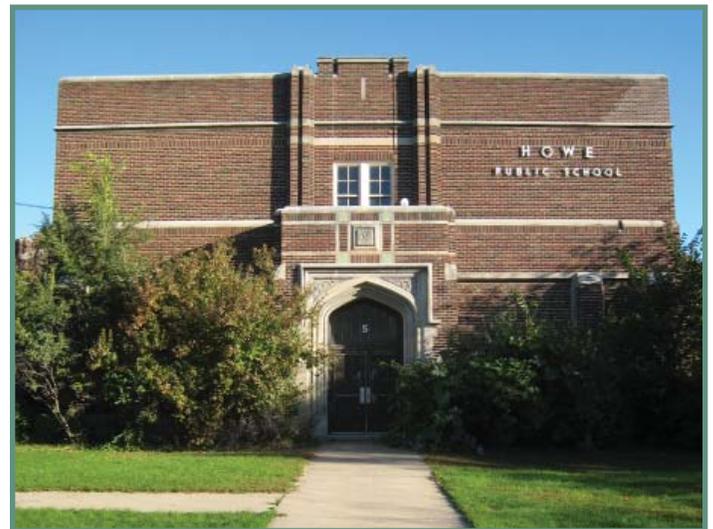
In addition to the common areas on the second floor there are four classrooms of approximately 924 square feet each, six classrooms of approximately 814 square feet each, and two small workrooms.

This facility was constructed in 1927-1928. It is classified as a cast-in-place structure. The footings on the perimeter of the structure carry a two foot three inch (2'-3") concrete grade

wall to support the exterior walls. The exterior walls are eight inches (8") of concrete with brick veneer. Sections of the wall bump out to one foot four inches (1'-4") at the windows for architectural enhancements. The west wing area over the boiler room and fuel tanks is one story; the remainder of the facility is two stories. The concrete columns support the concrete beams, joists, and deck system. The joists and deck system is twelve inches (12") thick.

The distance from floor to floor is twelve feet five inches (12'-5") with eleven feet five inches (11'-5") being clear. Above the Level 2 deck is a four foot ten inch (4'-10") wood structure to support the roof. The exterior walls (parapet) extend one foot five inches (1'-5") above the roof.

The bays vary with the main area containing bays of twenty one feet by twenty two feet (21' X 22') and eighteen feet by twenty two feet (18' X 22').





GENERAL OVERVIEW

Year Built	1927-1928
Building Foot Print	19,331 SF - First Floor 16,830 SF - Second Floor
Total Square Feet	36,161 SF
Common Area	Approximately 12,300 SF Total Approximately 7,290 SF First Floor Approximately 5,010 SF Second Floor
Elevator	One
Classrooms	15 Classrooms ranging in size from apprx. 814 to 924 sf. Classroom clearing is 12' floor to deck.
Non-classroom Space	Staffrooms, office spaces, workrooms, gymnasium/auditorium, stage, media center, lunchroom, kitchen
Exterior	Brick exterior on old and new portion
Windows	Original Double Hung Type A windows with wood frames (Appx. 169 windows)
Bathrooms	Common and private bathrooms
Ceiling Tiles	All the classrooms have acoustical ceiling tiles that are glued on.
HVAC	The facility is heated with a 2-pipe boiler system. One is fired by natural gas, the other by coal. They are both controlled with the same thermostat.
Roof	The roof was inspected during the month of August 2007. All observations are based upon this date. There are two sections of roof on this facility. The main section (17,103 square feet) is a 4-ply built-up roof with one inch (1") of insulation. A 4-ply roof consists of insulation layers to meet the heat loss code. This insulation is covered with four layers of tarpaper that are applied with hot tar and covered with pea sized rock. It was installed in the late 1970's or early 1980's. It is past its life expectancy and is in immediate need of major repairs but should be replaced.

Needed repairs include sealing a split in the tarpaper, recovering areas where the top layer of tarpaper is eroded, resealing pitch pans (areas where the roof has been penetrated to allow for electrical or mechanical use), and fastening and resealing the counterflashing (a metal piece that fastens the roofing to the wall that extends above the roof.)

The cost to make these recommended repairs is \$6,800.00. A total replacement of this portion of the roof is would cost approximately \$175,000.00. Due to the condition of this roof, it is recommended that it be replaced to protect the facility from any water damage. The second portion of this roof (2,840 square feet) is a 4-ply built-up roof with three and one half inches (3.5") of insulation. It was installed in 1995, is in good condition and has an estimated life expectancy of thirteen years.

There is currently a clogged roof drain (a pipe system to remove the water from the roof) and a missing screen (a cover to allow only water to enter the drain) over this drain that should be immediately cleaned and the screen replaced. In addition the base flashing (the area against the wall that extends above the roof) is blistering (it has bubbles in it). This condition should be monitored for any changes that may require repairs. A minor amount of vegetation and debris should be removed and the sealant at the vent stacks (pipes that extend through the roof) should be replaced.

The cost to make these recommended repairs is approximately \$300.00. To maintain the life expectancy of this roof, these repairs should be accomplished immediately.



Construction overview

This facility was constructed in 1927-1928. It is classified as a cast-in-place structure. The footings on the perimeter of the structure carry a two foot three inch (2'-3") concrete grade wall to support the exterior walls. The exterior walls are eight inches (8") of concrete with brick veneer. Sections of the wall bump out to one foot four inches (1'-4") at the windows for architectural enhancements. The west wing area over the boiler room and fuel tanks is one story; the remainder of the facility is two stories. The concrete columns support the concrete beams, joists, and deck system. The joists and deck system is twelve inches (12") thick.

The distance from floor to floor is twelve feet five inches (12'-5") with eleven feet five inches (11'-5") being clear. Above the Level 2 deck is a four foot ten inch (4'-10") wood structure to support the roof. The exterior walls (parapet) extend one foot five inches (1'-5") above the roof.

The bays vary with the main area containing bays of twenty one feet by twenty two feet (21' X 22') and eighteen feet by twenty two feet (18' X 22').

Mechanical overview

A visual inspection of the mechanical equipment at this facility occurred during the month of August 2007. All observations are based on this date.

This facility is heated with a 2-pipe boiler system. One is fired by natural gas, the other by coal. The natural gas boiler has new controls and was relined with firebrick this year. There is an AHU (air handling unit) specifically for the gym. Each classroom has radiant heat and ventilated by a central system. They are both controlled with the same thermostat. All of the equipment appears to be well maintained and in good working condition. With normal maintenance this equipment has an estimated life expectancy of an additional twenty years.

The plumbing system in this facility appears to be in good working condition. Normal maintenance should allow the plumbing systems to operate indefinitely.





SITE ANALYSIS

SOILS

Based on the Regional Landscape Ecosystems of Michigan, Minnesota, and Wisconsin General Technical Report NC-178 by Dennis A. Alber, Ecologist, the city of Minneapolis, falls within subsection of Big Woods and Anoka Sand Plain.

The Big Woods subsection's bedrock consists of Ordovician and Cambrian sandstone, shale and dolomite to the south and Cretaceous shale, sandstone, and clay to the north (Morey 1976). The soil consists of loams and clay loams (University of Minnesota et al. 1979). These are classified as both Mollisols (primarily Udolls and Aquolls) and Afisols (primarily Udalfs and Aqualfs) (Cummins and Grigal 1981).

The Anoka Sand Plain subsection is underlain by Cambrian and Ordovician dolomite, sandstone and Shale (Morey 1976). Soils are derived primarily from the fine sands of the outwash plain. The majority of these sandy soils are droughty, upland soils (psamments). There are organic soils (Hemists) in the ice block depressions and tunnel valleys as well as poorly drained prairie soils (Aquolls) and the Mississippi River (Cummins and Grigal 1981). About 70-80 percent of the soils are well drained or excessively well drained sands, and the other 20 percent are very poorly drained.

TOPOGRAPHY & DRAINAGE

This site was visually inspected in June 2007. All observations are drawn from visual inspection as well as drawings that were provided the Minneapolis Public Schools.

The parcel is rectangular in shape and runs 514 feet from north to south and 271 feet from west to east. The site is visually flat with no noticeable change in elevation. Based on the original site plan from 1927, the parcel's grade changes by about 5 feet from west to east. Given that in this location the Mississippi river is to the east of the parcel, this would be the natural drainage of this parcel.

SITE LAYOUT AND IMPROVEMENTS

The north half of the site is wide open grass fields. It currently is configured as an open grass area for out doors activities. The building is located on the south half of the site and takes up approximately one half of the site. There is a playground on the northeast corner of the building with equipments such as: swings, slides etc... The site is open for neighborhood use and there are no fenced areas.

PARKING LOT

There is a parking lot on the northwest corner next to the building. The parking lot has one curb cut that allows for entrance at the north end of the parking lot. Based on standard design, the parking lot is most likely designed to sheet drain into 43rd Avenue South. The asphalt parking lot shows signs of disrepair. There appears to be sufficient room for 30 to 40 stalls depending on the number of compact stalls. There are signs of loose asphalt, cracks and other deformities from use. The parking lot will need spot patching and a new seal coat to extend its useful life.

SIDEWALKS

The site is surrounded by a 6' sidewalk on all four sides. The sidewalk is 7.5' from the curb of the street. The sidewalk seems to be in good condition with minimal buckling or separation. There are sections of the sidewalks that are cracked and could become potential problems but nothing significant at this time. The City of Minneapolis inspects and repairs sidewalks every ten years and the cost is then assessed to the property owner. The other option is the property owner can do the repairs themselves and prior to the City's inspection schedule.

SURROUNDING STREETS

The streets surrounding the site appear to be in good condition. Visual inspection does not note any significant pot holes or significant separation or cracks in the asphalts. There was not evidence of any recent street repair at the time of the inspection.



HOWE SCHOOL

ITEM	DETAILS	CONDITION	COMMENTS
SITE			
Parcel Size	139,300 SF	Flat elevation	Rectangular shaped parcel 514' x 271'
Site Layout	The building is located on the southern portion of the site with the northern portion being an open field.		The site is flat and drains from west to east based on information provided by Minneapolis Public Schools
Parking Lot	Approximately 30-40 parking spots	Needs repair	Located on the NW side of the building. The majority of the parking lot needs spot patching and a new seal coat with new striping. Cost is estimated at \$6,000 - \$8,000.
Fence/Retaining Walls	None		
Sidewalks	6' wide sidewalk surrounds the perimeter of the site	Fair	There are minimal cracks and buckling in the sidewalk. Repairs can be initiated by the property owner at any time or by the City on a 10 year cycle.
Surrounding Streets	Surrounded by neighborhood streets	Fair	Visual inspection does not note any significant potholes, separations or cracks. There is no evidence of recent street work.





FOUR YEAR HISTORY OF COSTS

Square Feet	36,161						
		FY 04	FY 05	FY 06	FY 07	Four Year Average	Cost Per Square Foot
Electricity		9,570	9,923	4,036	3,063	6648	0.18
Gas		31,793	35,895	41,655	48,407	39437.5	1.09
Water/Sewer		2,520	2,102	4,817	5,528	3741.75	0.10
Building Maintenance		36,095	29,851	23,021	37,573	31635	0.87
Playground Maintenance		860	328	186	200	393.5	0.01
Grounds Maintenance - Fields		632	632	632	632	632	0.02
Snow Removal - Parking Lots		1,400	1,400	700	700	1050	0.03
Snow Removal - Playgrounds		460	460	-		460	0.01
Elevator		2,245	1,958	1,827	2,222	2063	0.06
Custodial		114,529	122,794	29,534	2,816	67418.25	1.86
Trash		1,599	1,599	489	500	1046.75	0.03
Subtotal Operating Costs		201,703	206,942	106,899	101,641	154,296	4.27
Building Insurance						2,176	0.06
Subtotal Other Costs						2,176	0.06
Total Costs						156,472	4.33

NOTES

Maintenance totals are pulled from the district work order system and may not reflect the true maintenance for the building.

Playground Maintenance includes: structure and surface.

Snow Removal is based on .06 per square yard, 10 removals per year plus 10 sandings for parking lots.

Snow Removal for playgrounds is based on paved areas.

Grounds Maintenance is for fields only.

Elevator costs are district averages that include: State inspections, routine maintenance and repair.

Custodial cost above includes: mowing of district lawns and snow removal/sanding of sidewalks.

Custodial time for sanding and snow-custodial is based on 7.5 hours per week average.

Custodial time for mowing is based on 5.0 hours per week average.





SITE / LOCATION DATA

Parcel Size	139,300 SF Rectangular shaped parcel 514' x 271'
Site Description	The building is located on the southern portion of the site with the northern portion being an open field.
Parking Lot	Approximately 30-40 stalls (northwest)
Fence/Retaining Walls	None
Sidewalks	Six feet wide sidewalks surround the perimeter of the site
Surrounding Streets	Surrounded by neighborhood streets

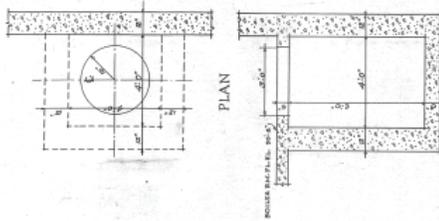




HOWE SCHOOL

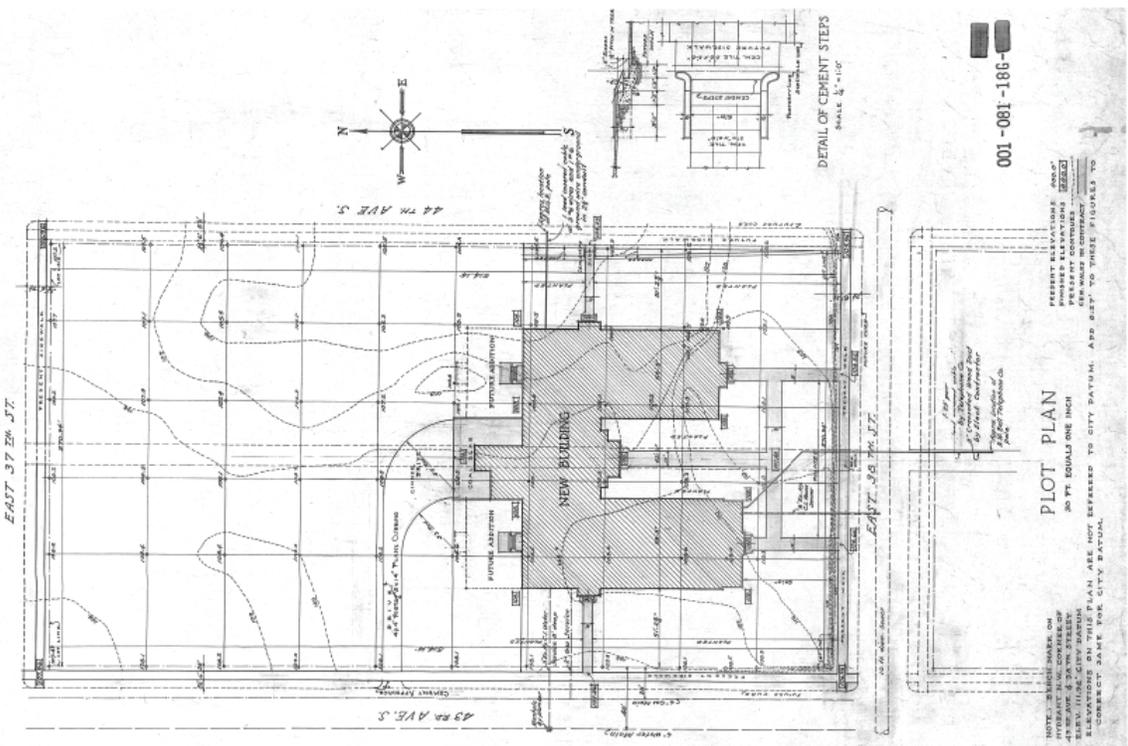
JULIA WARD HOWE
 GRANT SCHOOL
 - SELECTED, A.D. 1907.
BOARD OF EDUCATION
 L.E. JEPSON - PRESIDENT
 W.H. KINGSORE - SECRETARY
DIRECTORS
 W.C. FURDY
 J.E. MEYERS
 C. J. WILSON
 A.P. STOUT
 W.F. WESSLER
 W. F. WESSLER
 GEO. F. WORMSLEY
 BUSINESS ADMINISTRATION

BRONZE INSCRIPTION TABLET
 SIZE OF TABLET TO BE 40x24"
 FULL SIZE DETAIL TO ARCHITECT FOR APPROVAL

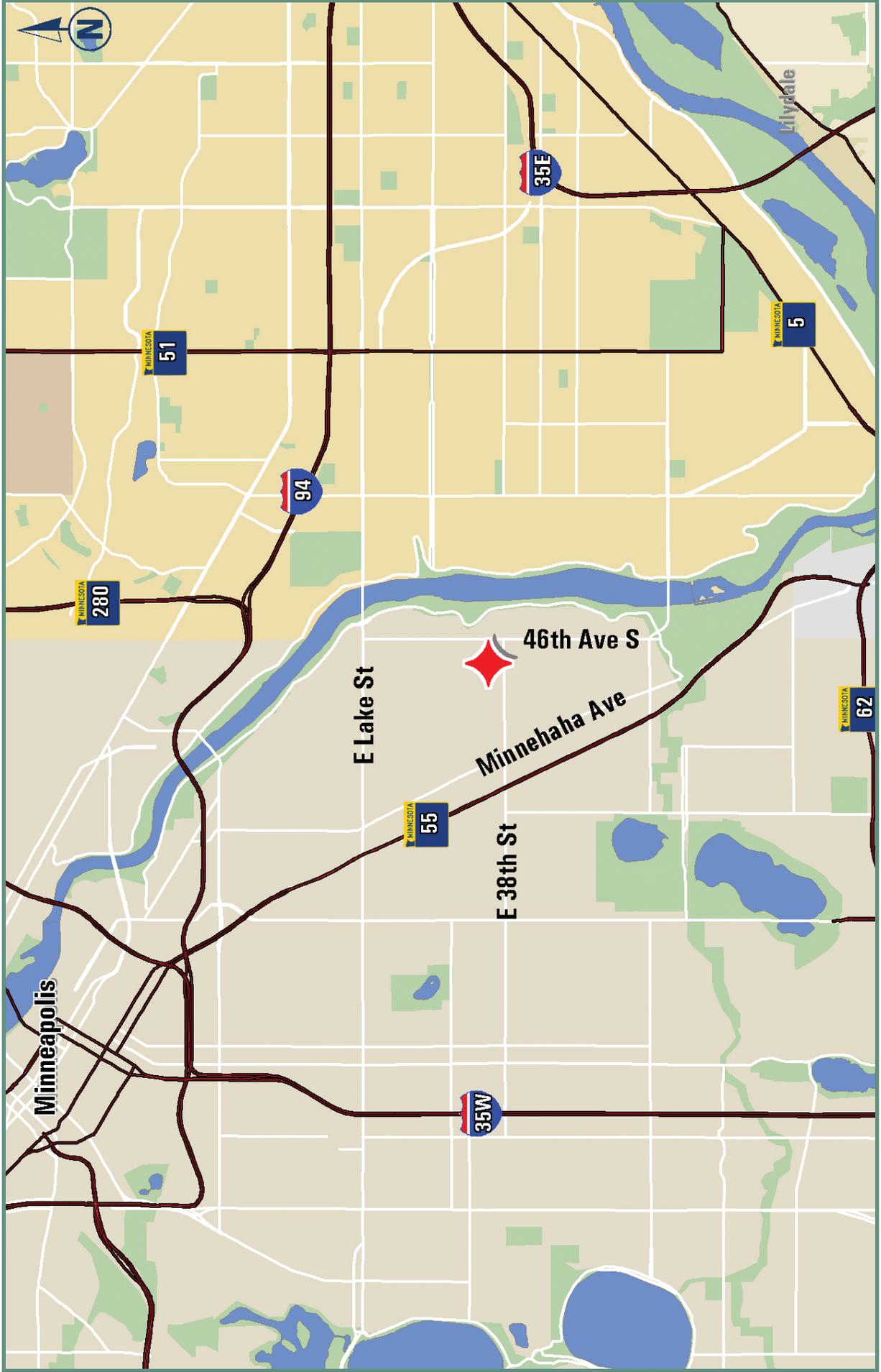


SECTION
DETAIL OF SUMP PIT
IN BOILER ROOM
 FOR JULIA WARD HOME BLDG. ONLY
 SCALE 1/2" = 1'-0"

TABLE OF CONTENTS	
I T E M S	
14	PLOT PLAN - CEMENT LAWN STEPS - BECOME TABLET.
15	FIRST FLOOR PLAN - SCHEDULE - EXIST. DRIFT WALL OPENINGS.
16	SECOND FLOOR PLAN - SCHEDULE - COMMUNITY TOILET PLANS.
17	SOCKET PLAN - FRONT HOUSE DETAIL - IRON LASTER - DOMESTIC FOOT.
18	SMALL SCALE SECTION - SECOND FLOOR CORRIDOR - WINDOW TAN.
19	LARGE SCALE WALL SECTIONS - RAFFLE PARTITIONS - IRON GUARDS.
20	MAIN ENTRANCE ELEVATIONS - TOYER - DETAIL.
21	EAST WING ELEVATION ENTRANCE & STAIR LANDING DETAILS.
22	TYPICAL CLASS ROOM PLAN - SECTIONS & DETAILS.
23	ADMINISTRATION SUITE PLANS - ELEVATIONS & SECTIONS - DETAILS.
24	COMMUNITY RECREATION PLANS - ELEVATIONS & DETAILS - WORK ROOMS.



HOWE SCHOOL





CURRENT ZONING

The Howe School property is located in zoning district described as R1A. This district is a low density housing district.

The R1A Single family District is established to provide for an environment of predominately low density, single family dwellings and cluster developments on lots with a minimum of five thousand (5,000) square feet of lot area per dwelling units. In addition to residential uses, institutional and public spaces and utilities may be allowed.

The minimum lot area and the minimum lot width for uses located in the R1A District is 5,000 square feet and 40 feet in width with the maximum floor area ratio of 0.5 or 2,500 square feet of gross floor area, whichever is greater.

Permitted uses in an R1A District include single-family dwellings, community residential facilities serving six or fewer persons, community garden, public park, or religious institution/place of assembly.

Conditional uses in an R1A District include cluster development, early childhood learning center, preschool, schools k-12, athletic fields, cemetery, developmental achievement center, golf course, public library, child care center, parking lot serving institutional and public uses, or public services and utilities.





Executive Summary

DEMOGRAPHICS

Minneapolis - 3733 43rd Ave S
-93.210872385678 44.934780731862
Rings: 1, 3, 5 miles radii

Prepared By Business Analyst Desktop
Latitude: 44.934781
Longitude: -93.210872

	0 - 1 mile	0 - 3 miles	0 - 5 miles
Population			
1990 Population	19,112	169,005	406,902
2000 Population	18,350	173,284	419,367
2010 Population	18,440	178,895	433,664
2015 Population	18,593	181,265	439,361
1990-2000 Annual Rate	-0.41%	0.25%	0.30%
2000-2010 Annual Rate	0.05%	0.31%	0.33%
2010-2015 Annual Rate	0.17%	0.26%	0.26%
2010 Male Population	48.3%	48.9%	49.9%
2010 Female Population	51.7%	51.1%	50.1%
2010 Median Age	40.7	33.1	32.7

In the identified market area, the current year population is 433,664. In 2000, the Census count in the market area was 419,367. The rate of change since 2000 was 0.33 percent annually. The five-year projection for the population in the market area is 439,361, representing a change of 0.26 percent annually from 2010 to 2015. Currently, the population is 49.9 percent male and 50.1 percent female.

Population by Employment

Currently, 91.0 percent of the civilian labor force in the identified market area is employed and 9.0 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the market area will be 92.7 percent of the civilian labor force, and unemployment will be 7.3 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 72.8 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.0 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 69.7 percent in white collar jobs (compared to 61.6 percent of the U.S. employment)
- 18.4 percent in service jobs (compared to 17.3 percent of U.S. employment)
- 11.9 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

In 2000, 63.0 percent of the market area population drove alone to work, and 3.4 percent worked at home. The average travel time to work in 2000 was 20.5 minutes in the market area, compared to the U.S average of 25.5 minutes.

Population by Education

In the current year, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 9.7 percent had not earned a high school diploma (14.8 percent in the U.S)
- 18.3 percent were high school graduates only (29.6 percent in the U.S.)
- 6.4 percent had completed an Associate degree (7.7 percent in the U.S.)
- 28.0 percent had a Bachelor's degree (17.7 percent in the U.S.)
- 19.1 percent had earned a Master's/Professional/Doctorate Degree (10.4 percent in the U.S.)

Per Capita Income

1990 Per Capita Income	\$16,321	\$14,614	\$15,428
2000 Per Capita Income	\$27,590	\$22,375	\$23,728
2010 Per Capita Income	\$37,354	\$29,615	\$31,311
2015 Per Capita Income	\$43,161	\$34,730	\$37,058
1990-2000 Annual Rate	5.39%	4.35%	4.40%
2000-2010 Annual Rate	3.00%	2.77%	2.74%
2010-2015 Annual Rate	2.93%	3.24%	3.43%

Households

1990 Households	7,953	68,785	176,484
2000 Households	8,045	69,755	180,369
2010 Total Households	8,277	72,164	188,011
2015 Total Households	8,391	73,104	191,122
1990-2000 Annual Rate	0.12%	0.14%	0.22%
2000-2010 Annual Rate	0.28%	0.33%	0.41%
2010-2015 Annual Rate	0.27%	0.26%	0.33%
2010 Average Household Size	2.19	2.30	2.16

The household count in this market area has changed from 180,369 in 2000 to 188,011 in the current year, a change of 0.41 percent annually. The five-year projection of households is 191,122, a change of 0.33 percent annually from the current year total. Average household size is currently 2.16, compared to 2.18 in the year 2000. The number of families in the current year is 78,671 in the market area.

Data Note: Income is expressed in current dollars

Source: U.S. Bureau and Census, 2000 Census of Population and Housing, ESRI forecast for 2010 and 2015. ESRI converted 1990 Census data into 2000 geography.

May 12, 2011

Made with ESRI Business Analyst



Executive Summary

DEMOGRAPHICS

Minneapolis - 3733 43rd Ave S
-93.2108723855678 44.934780731862
Rings: 1, 3, 5 miles radii

Prepared By Business Analyst Desktop
Latitude: 44.934781
Longitude: -93.210872

	0 - 1 mile	0 - 3 miles	0 - 5 miles
--	------------	-------------	-------------

Households by Income

Current median household income is \$55,659 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$65,569 in five years. In 2000, median household income was \$39,369.

Current average household income is \$70,135 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$82,853 in five years. In 2000, average household income was \$53,536, compared to \$34,689 in 1990.

Current per capita income is \$31,311 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$37,058 in five years. In 2000, the per capita income was \$23,728, compared to \$15,428 in 1990.

Median Household Income

2000 Median Household Income	\$47,322	\$42,025	\$39,369
2010 Median Household Income	\$65,607	\$59,751	\$55,659
2015 Median Household Income	\$73,554	\$67,661	\$65,569
2000-2010 Annual Rate	3.24%	3.49%	3.44%
2010-2015 Annual Rate	2.31%	2.52%	3.33%

Average Household Income

1990 Average Household Income	\$39,015	\$35,189	\$34,689
2000 Average Household Income	\$62,163	\$54,268	\$53,536
2010 Average Household Income	\$81,996	\$71,029	\$70,135
2015 Average Household Income	\$94,216	\$83,412	\$82,853
1990-2000 Annual Rate	4.77%	4.43%	4.43%
2000-2010 Annual Rate	2.74%	2.66%	2.67%
2010-2015 Annual Rate	2.82%	3.27%	3.39%

2010 Housing

1990 Total Housing Units	8,247	72,339	188,656
2000 Total Housing Units	8,221	71,698	186,475
2010 Total Housing Units	8,605	76,542	200,414
2015 Total Housing Units	8,766	78,334	205,766
1990 Owner Occupied Housing Units	6,247	41,133	85,365
1990 Renter Occupied Housing Units	1,705	27,652	91,119
1990 Vacant Housing Units	295	3,559	12,181
2000 Owner Occupied Housing Units	6,504	42,908	89,577
2000 Renter Occupied Housing Units	1,541	26,847	90,792
2000 Vacant Housing Units	178	1,950	6,115
2010 Owner Occupied Housing Units	6,565	43,093	90,717
2010 Renter Occupied Housing Units	1,712	29,071	97,294
2010 Vacant Housing Units	328	4,378	12,403
2015 Owner Occupied Housing Units	6,640	43,502	91,658
2015 Renter Occupied Housing Units	1,751	29,602	99,464
2015 Vacant Housing Units	375	5,230	14,644

Currently, 45.3 percent of the 200,414 housing units in the market area are owner occupied; 48.5 percent, renter occupied; and 6.2 are vacant. In 2000, there were 186,475 housing units - 48.0 percent owner occupied, 48.7 percent renter occupied, and 3.3 percent vacant. The rate of change in housing units since 2000 is 0.71 percent. Median home value in the market area is \$157,707, compared to a median home value of \$157,913 for the U.S. In five years, median value is projected to change by 2.14 percent annually to \$175,317. From 2000 to the current year, median home value change by 2.37 percent annually.

Data Note: Income is expressed in current dollars

Source: U.S. Bureau and Census, 2000 Census of Population and Housing, ESRI forecast for 2010 and 2015. ESRI converted 1990 Census data into 2000 geography.

May 12, 2011

Made with ESRI Business Analyst



TWIN CITIES OVERVIEW

Anchored by Minneapolis and St. Paul, the Twin Cities MSA is one of the most economically diverse and culturally vibrant regions in the country. Situated on the banks of the Mississippi River and spanning 2,800 miles, the Twin Cities represents the geographic, economic, and cultural center in the Upper Midwest, and is the primary business area between Chicago and Seattle. The 13-county MSA is home to a growing population of more than three million people. Minneapolis, with the Federal Reserve Bank and bustling CBD, serves as the business and financial hub. St. Paul plays an important role in guiding the future of this dynamic community, serving as the capital of Minnesota, the center of government, and as the historical and cultural heart of region.

Traditionally, Minneapolis and St. Paul were growth hubs for manufacturing industries such as lumber, milling, railways, agriculture and commercial trade. As opportunities developed in the service industry, the Twin Cities' economy transitioned from industry-based to a service and technology base. As a result, Twin Cities residents are offered a multitude of employment opportunities in a variety of industries, including professional services, education, health care, technology, manufacturing, financial services, retail, trade, scientific and bio technology, and high value-add services. Substantial resources are being invested in the next wave of opportunities: knowledge-based service entities.

Presently, the Twin Cities is home to 20 Fortune 500 companies and 10 of Forbes Magazine's largest private companies, a number that has continued to grow in recent years. The area also contains one of the highest concentrations of high-technology firms in the country; it is one of the country's major centers of medical high-technology industry. The University of Minnesota, located in the Twin Cities, as well as other educational institutions, facilitate access to engineers, scientists, and applied research for more than 1,300 technology intensive companies in the area. Industrial, agricultural and manufacturing firms are also highly prevalent in the metro area.





TWIN CITIES OVERVIEW - CONTINUED

The Twin Cities' remarkably diversified economy has shown resistance to the economic downturns that have affected the overall nation, as no single industry dominates the local economy. This resiliency has allowed a broad cross-section of industries to flourish throughout the Twin Cities MSA. In addition to its economic stability, the workforce in the Twin Cities is one of the most educated in the country and has expected growth rates of 5.3% by 2012.

These factors have not gone unnoticed: MarketWatch recognized the region's low jobless rate and economic resiliency by naming the Twin Cities the nation's best metro area for business two

years in a row. Minneapolis was also named a 2010 "Top Ten Boom Town" by CBS' Business Network and listed as one of the "Next Cities for Young, Talented Workers" released in 2009.

As the center of business in the Upper Midwest, Minneapolis and St. Paul represent the economic interests of the region. The Bureau of Economic Analysis includes Minnesota among the Great Plains states of Iowa, Kansas, Missouri, Nebraska and the Dakota's. Among this group, Minnesota has consistently been among the states with the highest GDP. Additionally, as a testament to the city's financial success and stability, Minneapolis is home to one of the nation's twelve Federal



POPULATION

Minneapolis/St. Paul comprises the nation's 16th largest MSA. Today, approximately three million people live within the thirteen-county MSA. The Twin Cities boasts a young population with a median age at 32.3 years, which is one of the lowest median age statistics among the 25 largest metropolitan areas in the U.S. Approximately 60% of the State of Minnesota's residents live within the Twin Cities MSA. Population is

growing steadily, a rarity for northern U.S. metropolitan cities. The Twin Cities population grew 6.4% from 1995-2005, demonstrating its number one ranking as the fastest growing Midwestern city. The Metropolitan Council, the regional quasi-governmental planning agency serving the Twin Cities MSA, projects the population of the Twin Cities MSA to increase by 31.5% by 2030, or approximately one million people.



INCOME AND EMPLOYMENT

The region's educated workforce in conjunction with a high labor force participation rate has boosted the Twin Cities' employment and personal income rates. Almost half of industry employment is concentrated in high value-add activities such as computer, device and electronics production and fabrication of high-end equipment. These activities require a highly-skilled workforce and generate above-average returns to labor. A significant component of the workforce is employed in knowledge-based service industries such as health care, biotechnology, and professional services.

The Twin Cities continually maintains a lower unemployment rate, currently near 6.8%, relative to the rest of the U.S. Per capita income continues to be higher than that of the region as well as the U.S. average. The Twin Cities' MSA ranks fifth nationally in per capita income behind the gateway cities of San Francisco, New York, Washington DC, and San Jose.

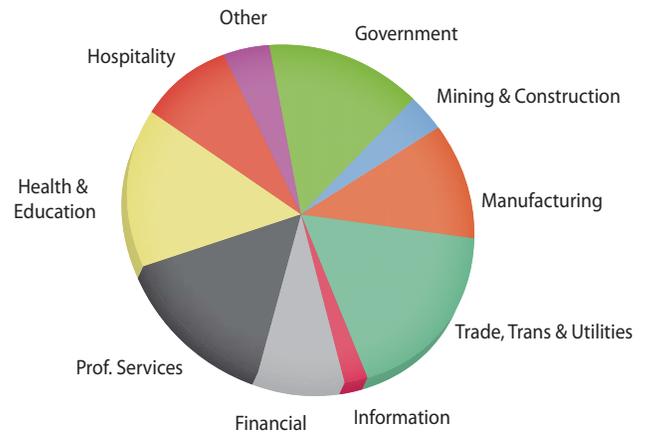
EDUCATION

The Twin Cities garnered high marks as a mecca for the young and talented in *The Rise of the Creative Class*, a recent book by Carnegie Mellon University Professor Richard Florida. Professor Florida's landmark findings highlight the Twin Cities as a national model for creating an open, inclusive culture that distinctly appeals to the economically and socially vital "creative class" of highly educated, mobile urban dwellers.

Education is taken very seriously in Minnesota. Minneapolis/St. Paul ranks in the top five cities in the U.S. in the percentage of the population with at least a bachelor degree and in the top three cities in the nation for high school graduation rates (at 91%).

Within the Twin Cities MSA, there are twelve four-year colleges and universities, six community colleges, and nine technical institutes. In addition, the region's educational powerhouse, the University of Minnesota, is a major research institution pioneering advances in medicine, engineering and computer science. There are over 40,000 full-time students at the University of Minnesota with main campuses in both Minneapolis and St. Paul.

Minneapolis/St. Paul Employment by Sector



The many thriving economic industries in Minneapolis and St. Paul are financially supported by local, regional, national and international business opportunities. The above graph details Twin Cities' employment by sector.



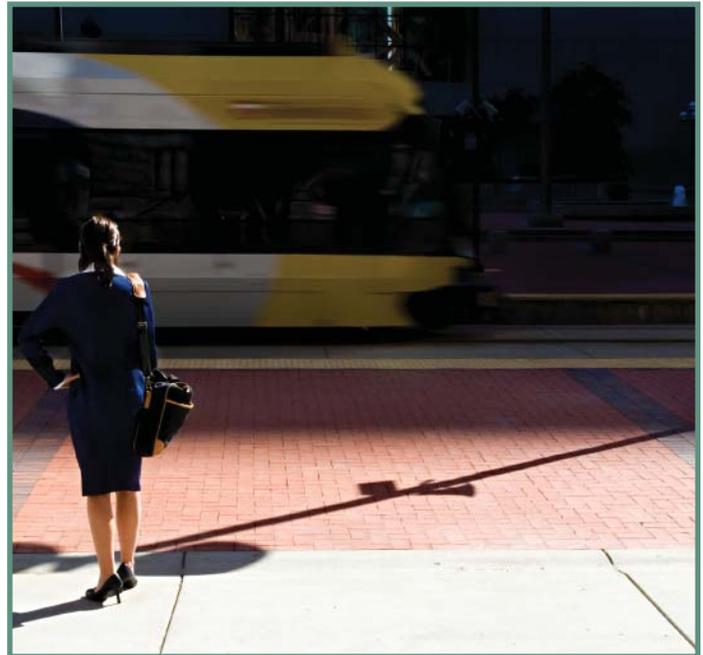


TRANSPORTATION

Major interstate highways serving the Twin Cities include I-35 (north/south), I-94 (east/west), and Interstate 494/694, the beltway encompassing the Twin Cities metro area. Six railroads and 18 passenger airlines serve the area. The highly accessible Minneapolis/St. Paul International Airport is the 13th busiest airport in the country.

The Twin Cities are located at the head of navigation on the Mississippi River and serve as the world's largest grain trading center. These attributes allow the area to support a sizeable barge industry. The river ports handle more than 11 million tons of cargo annually.

Minnesota's first Light Rail Transit (LRT) line began operations in 2004. The line connects downtown Minneapolis with residential neighborhoods, the Minneapolis/St. Paul International Airport, and the Mall of America in Bloomington. The line has proven successful beyond original estimates and is planned to be expanded in the coming years.



CORPORATE PRESENCE

The Twin Cities boast one of the largest commercial centers in the United States. Twenty Fortune 500 companies keep their global headquarters in the Twin Cities, the 8th heaviest concentration in the country. Another 13 Twin Cities-based companies are included in the Fortune 1000 ranking. The Twin

Cities are home to numerous privately held global companies including Carlson Companies and Cargill. The diversity, stability, and growth of these large corporations have spawned significant opportunities for entrepreneurial activity in small and medium-sized companies.

Twin Cities FORTUNE 500 Companies

Rank	Company	Revenues (million)
21	UnitedHealth Group	\$87,138
30	Target	\$65,357
45	Best Buy	\$45,015
47	Supervalu	\$44,564
91	CHS	\$25,729
106	3M	\$23,123
121	U.S. Bancorp	\$19,490
155	General Mills	\$14,691
160	Medtronic	\$14,599
226	Land O'Lakes	\$10,408

Rank	Company	Revenues (million)
231	Mosaic	\$10,298
244	Xcel Energy	\$9,644
288	Ameriprise Financial	\$7,946
301	C.H. Robinson Worldwide	\$7,577
340	Hormel Foods	\$6,533
342	Thrivent Financial for Lutherans	\$6,514
365	Ecolab	\$5,900
400	Nash-Finch	\$5,212
445	St. Jude Medical	\$4,681
454	Alliant Techsystems	\$4,583

Source: FORTUNE Magazine 2010



QUALITY OF LIFE

A stable economy, well-educated population with healthy business and household balance sheets, and effective public sector management contribute to an outstanding quality of life in the Twin Cities.

The arts have an important cultural, social, and economic impact on life in the Twin Cities. Minneapolis/St. Paul boasts more live theater events per capita than any city except New York in the United States.

Recent additions or expansions include an expanded Walker Art Center, a new Guthrie Theater, new Minneapolis Public Library, and world-class concerts at the Minnesota and St. Paul Orchestras.



The stories of Minnesota's extreme climate are often exaggerated. Annual precipitation of 27 inches is less than Boston, Chicago, Dallas, or New York. Residents here actively embrace all seasons.

Outdoor amenities and events abound. While Minnesota calls itself the "Land of 10,000 Lakes", it actually offers more than 15,000 lakes including more than 1,000 in the Twin Cities metro area alone, supported by one of the most extensive park and recreation systems in the U.S. Minnesota is truly a state for all seasons.



For the eighth year in a row, Minnesota was ranked as a "Most Livable State" by Morgan Quitno Press, an independent research publishing company that comprehensively evaluates communities on 44 factors including education, income, growth, crime, etc.

The Twin Cities offers a full range of professional sports with Twin's baseball, Timberwolve's basketball, Minnesota Lynx women's basketball, Minnesota Wild hockey, and Viking's football, in addition to Big Ten college sports at the University of Minnesota.





HOWE SCHOOL

LIMITATIONS

This is a confidential Real Estate Offering intended solely for your limited use and benefit in determining whether you desire to express any further interest in purchasing the Howe School (the "Property").

This Real Estate Offering was prepared by NorthMarq Real Estate Services and has been reviewed by representatives of the Owner. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. All financial projections are provided for general reference purposes only as they are based on assumptions relating to the general economy, competition, and other factors beyond the Owner's control and, therefore, are subject to material variation. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. Neither the Owner nor NorthMarq Real Estate Services has made any representation or warranty, expressed or implied, as to the accuracy or completeness of this brochure or its contents.

The Owner and NorthMarq Real Estate Services expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing this brochure or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property has (have) been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations thereunder have been satisfied.

By receipt of this Real Estate Offering, you agree that this brochure and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this brochure or any of its contents to any other entity without the prior written authorization of the Owner or NorthMarq

Real Estate Services nor will you use this brochure or any of its contents in any fashion or manner detrimental to the interest of the Owner.

In the Real Estate Offering, several documents, including leases, are described in summary form. The summaries do not purport to be complete nor, necessarily accurate descriptions of the full agreements involved. Interested parties are expected to review independently all such documents as to their accuracy and completeness.

The terms and conditions stated in this section will relate to all of the sections of this Real Estate Offering as if stated independently therein.

This Real Estate Offering shall not be deemed an indication of the state of affairs of the Property or the Owner, nor constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of this Real Estate Offering.

If, after reviewing this Real Estate Offering, you have no further interest in pursuing the purchase of the Property, kindly return this brochure to NorthMarq Real Estate Services at your earliest possible convenience. Photocopying or other duplication is not authorized.

