



SENT VIA HAND DELIVERY AND EMAIL

October 15, 2014

City of St. Paul
Attn: City Clerk Shari Moore (cityclerk@ci.stpaul.mn.us)
310 City Hall
15 Kellogg Blvd West
St. Paul, MN 55102

RE: Wendy's located at 1780 University Avenue West (the "Wendy's Property")
PIN: 33-29-23-42-0016
City File # 19082, Assessment # 101000

Dear Ms. Moore:

This letter concerns the St. Paul City Council Public Hearing Notice Ratification of Assessment for the above referenced project (the "Project"). The proposed assessment for the Wendy's Property is \$7,071.90 (the "Assessment"). 256 Holdings, LLC, a Minnesota limited liability company (the "Taxpayer"), is the tenant and taxpayer of the Wendy's Property. The Taxpayer objects to the Assessment. According to Minn. Stat. 429.081, this letter is the written objection to the Assessment by the Taxpayer.

The Assessment exceeds the special benefit to the Wendy's Property, because the improvements for which the Taxpayer is being assessed do not raise the fair market value of the Wendy's Property. A special assessment is an unconstitutional taking if the assessment exceeds the special benefit. A special benefit is measured by the increase in the market land value of the land owing to the improvement.

Since the beginning of construction of the Green Line in front of the Wendy's Property, the sales at the Wendy's Property have been consistently down. Annual sales at the Wendy's Property in 2011 dropped 26% in the first year of construction of the Green Line as compared to sales at the Wendy's Property in 2010. Using the 2010 annual sales as a benchmark, sales were down in 2012 by 22.5% and 24% in 2013. Since the construction of the Green Line commenced, annual sales at the Wendy's Property are down by an average of 24% based on 2010 sales.

The value of the Wendy's Property is directly tied to the gross sales at the Wendy's property. Rent payable to the landlord is a percentage of sales, and the stream of rental income to the landlord is a

determining factor of the value of the Wendy's Property. Construction of the Green Line and any associated improvements did not increase the value of the Wendy's Property.

If you have any questions or concerns, please email me at johns@wendysfourcrown.com or call me at 612-714-0030.

Sincerely,



John Saunders
VP & General Counsel
NearCo, LLC

cc: Jack H. Chabot, 466 N Columbia Avenue, Columbus, OH 43209