

AN APPRAISAL REPORT
(BRKW File No. 7889)

SPECIAL BENEFITS APPRAISAL
AREA 1: JOHN NORTH PARK AREA AND
BLUE STEM COURT

2019 STREET RECLAMATION PROJECT
NORTHFIELD, MINNESOTA

VALUATION DATE: FEBRUARY 25, 2019

FOR

CITY OF NORTHFIELD
ATTN: SEAN M. SIMONSON
ENGINEERING MANAGER
801 WASHINGTON STREET
NORTHFIELD, MINNESOTA 55057

BY

PAUL J. GLEASON, MAI
AND
MARK A. WARREN, MAI

March 4, 2019

City of Northfield
ATTN: Sean M. Simonson
Engineering Manager
801 Washington Street
Northfield, Minnesota 55057

Re: Special Benefits Appraisal
Area 1: John North Park Area and Blue Stem Court
2019 Street Reclamation Project
Northfield, Minnesota

Dear Mr. Simonson:

In accordance with your request, we have completed a special benefits appraisal pertaining to the properties located in Area 1 of the proposed Northfield 2019 Street Reclamation Project. The proposed improvements include street rehabilitation by means of reclaim, as well as spot repair/replacement of existing concrete curb/gutter and utilities, where needed. The date of the valuation is February 25, 2019, which is the date the project area was inspected. The appraisal is presented in an Appraisal Report format, with a level of discussion that can be best described as summarizing the subject property attributes and the appraisal process, but also providing enough information and detail to enable the client and intended users to understand the rationale for the appraisers' opinions and conclusions.

The project area contains a mix of residential uses, including single-family detached and twin home properties. There are four subject properties in this appraisal: 1) Typical Standard Single-Family Lot – John North Park Area; 2) Typical Twin Home Lot – John North Park Area; 3) Typical Standard Single-Family Lot – Blue Stem Court; and 4) Typical Cul-De-Sac Single-Family Lot – Blue Stem Court.

The purpose of this appraisal is to develop an opinion of the special value benefits, if any, accruing to the subject properties resulting from the proposed City of Northfield 2019 Street Reclamation Project. The intended use of the appraisal is for assisting city officials in levying in an equitable manner special assessments to properties benefited by the improvement project. The intended users are officials of the City of Northfield, which is the client of the appraisal.

It is noted that not every property potentially benefiting from improvements proposed for streets in the project area was appraised for special benefits purposes. Rather, for most properties, this appraisal reflects a preliminary benefits analysis in that it provides an approximation of likely special benefits accruing to those properties belonging to a specific use group (e.g., single-family lots and twin home lots).

The four subject properties contain residential buildings and supporting site improvements. However, since the benefits of public improvement projects such as street rehabilitation flow to the land component of the properties only, in all cases the valuation in this report involves land only. The land is valued before and after the proposed street improvements. The difference between the before and after values is the special benefit attributable to the proposed improvement project.

The market value of the fee simple interest in the subject properties has been appraised in this report. By virtue of our investigation, we have formed the opinion that the value benefits applicable to the four subject properties resulting from the proposed Northfield 2019 Street Reclamation Project – Area 1 as of February 25, 2019 are as follows:

Typical Standard Single-Family Lot – John North Park Area (85’ Frontage)

Property Land Value - After:	\$69,200
Property Land Value - Before:	<u>\$63,500</u>
Approximate Value Benefits:	\$ 5,700 or \$67/Front Foot

Typical Twin Home Lot – John North Park Area (41’ Frontage*)

Property Land Value - After:	\$34,800
Property Land Value - Before:	<u>\$31,900</u>
Approximate Value Benefits:	\$ 2,900 or \$71/Front Foot

*** Frontage is on private road connecting to Zanmiller Drive**

Typical Standard Single-Family Lot – Blue Stem Court (97’ Frontage)

Property Land Value - After:	\$73,000
Property Land Value - Before:	<u>\$67,000</u>
Approximate Value Benefits:	\$ 6,000 or \$62/Front Foot

Typical Cul-De-Sac Single-Family Lot – Blue Stem Court (63’ Frontage)

Property Land Value - After:	\$76,900
Property Land Value - Before:	<u>\$70,600</u>
Approximate Value Benefits:	\$ 6,300 or \$100/Front Foot

In the “after improvements” position on the date of valuation, which is February 25, 2019, it is assumed for valuation purposes that the proposed street improvements have been completed, when in fact they are proposed but have not yet been completed. This reflects a **hypothetical condition** applied in this appraisal. Applying the hypothetical condition may have affected the assignment results.

The preceding opinions of market value before and after the proposed improvements are based on exposure times of 0 to 6 months.

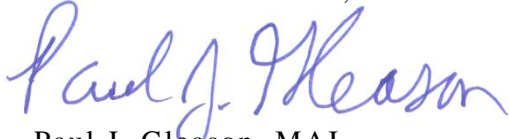
This appraisal has been made in conformity with the Code of Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Standards of Professional Practice of the State of Minnesota. This appraisal assignment is not based on a requested minimum valuation or specific valuation for approval of a loan. The estimate of market value identified in this report was developed independent of any undue influence.

This appraisal has also been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Foundation as mandated by Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). The contents are also subject to the Code of Professional Ethics and Standards of Professional Conduct, which are identified under the USPAP Guidelines.


The facts and information contained in this report were obtained from sources that are considered to be reliable and are true to the best of our knowledge and belief, but are not guaranteed. This appraisal report is contingent upon the assumptions and limiting conditions included within this report. Your attention is directed to the following report for the supporting data, analyses, and conclusions that support the market value estimate.

Sincerely,

BRKW APPRAISALS, INC.



Paul J. Gleason, MAI
Certified General Real Property Appraiser
Minnesota License #4003073



Mark A. Warren, MAI
Certified General Real Property Appraiser
Minnesota License #20415370

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SALIENT FACTS AND CONCLUSIONS

Property/Project Area Location: Area 1: John North Park Area and
Blue Stem Court
Northfield, Minnesota

City Project: City of Northfield 2019 Street Reclamation
Project

Date of Inspection & Valuation: February 25, 2019

Date of Report: March 4, 2019

Property Rights Appraised: Fee simple interest

Subject Properties:

Typical Standard SF Lot – John North Park Area	604 Gill Lane PID #: 43-52101-02-060
Typical Twin Home Lot – John North Park Area	614 Zanmiller Drive PID #: 43-52101-01-041
Typical Standard SF Lot – Blue Stem Court	1206 Blue Stem Court PID #: 43-58650-01-020
Typical Cul-De-Sac SF Lot – Blue Stem Court	1214 Blue Stem Court PID #: 43-58650-01-040

Land Areas:

Typical Standard SF Lot – John North Park Area	10,838 SF or 0.25 acres
Typical Twin Home Lot – John North Park Area	6,765 SF or 0.16 acres
Typical Standard SF Lot – Blue Stem Court	11,443 SF or 0.26 acres
Typical Cul-De-Sac SF Lot – Blue Stem Court	18,138 SF or 0.42 acres

Zoning:

Typical Standard SF Lot – John North Park Area	N1-B, Neighborhood General 1
Typical Twin Home Lot – John North Park Area	N1-B, Neighborhood General 1
Typical Standard SF Lot – Blue Stem Court	N1-B, Neighborhood General 1
Typical Cul-De-Sac SF Lot – Blue Stem Court	N1-B, Neighborhood General 1

Special Benefit Conclusions – Subject Properties:

Typical Standard Single-Family Lot – John North Park Area (85’ Frontage)

Property Land Value - After:	\$69,200
Property Land Value - Before:	<u>\$63,500</u>
Approximate Value Benefits:	\$ 5,700 or \$67/Front Foot

Typical Twin Home Lot – John North Park Area (41’ Frontage*)

Property Land Value - After:	\$34,800
Property Land Value - Before:	<u>\$31,900</u>
Approximate Value Benefits:	\$ 2,900 or \$71/Front Foot

* Frontage is on private road connecting to Zanmiller Drive

Typical Standard Single-Family Lot – Blue Stem Court (97’ Frontage)

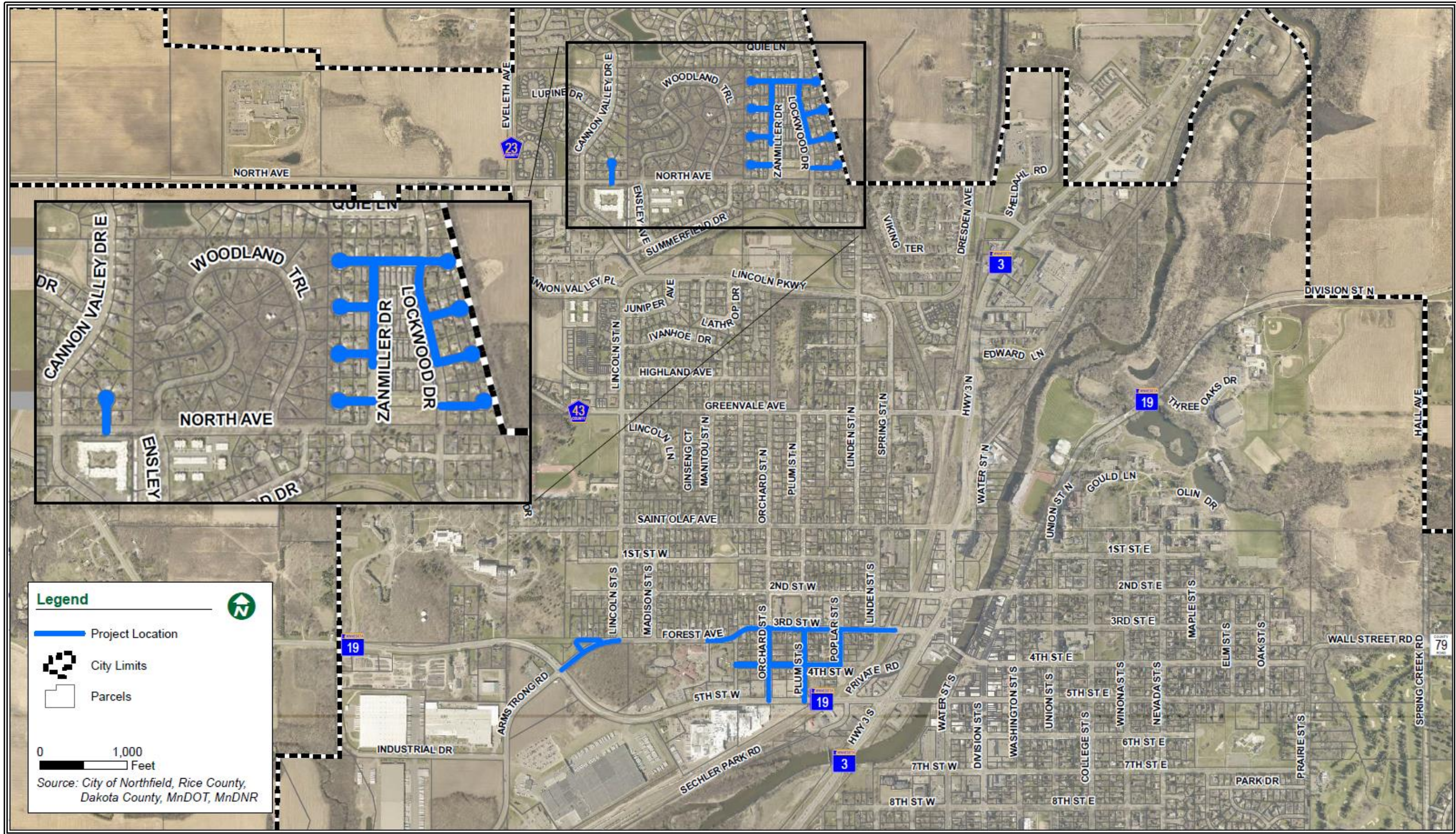
Property Land Value - After:	\$73,000
Property Land Value - Before:	<u>\$67,000</u>
Approximate Value Benefits:	\$ 6,000 or \$62/Front Foot

Typical Cul-De-Sac Single-Family Lot – Blue Stem Court (63’ Frontage)

Property Land Value - After:	\$76,900
Property Land Value - Before:	<u>\$70,600</u>
Approximate Value Benefits:	\$ 6,300 or \$100/Front Foot

Appraisers:

Paul J. Gleason, MAI
Mark A. Warren, MAI



Project Area Map – Area 1 – 2019 Street Improvement Project

PROJECT AREA PHOTOGRAPHS – BEFORE – TAKEN 2/25/2019



Street view to west on Covey Court:
Photo taken from Zanmiller Drive



Street view to north on Zanmiller Drive:
Photo taken from Eklund Court



Street view to west on Grundhoefer Court:
Photo taken from Zanmiller Drive



Street view to east on Gill Lane:
Photo taken from Zanmiller Drive



Street view to south on Lockwood Drive:
Photo taken from Gill Lane



Street view to east on Nelson Court:
Photo taken from Lockwood Drive



Street view to north on Blue Stem Court:
Photo taken from North Avenue



Looking east at Typical Standard Single-Family Lot – Blue Stem Court
1206 Blue Stem Court



Looking north at Typical Standard Single-Family Lot – John North Park Area
604 Gill Lane



Looking southeast at Typical Twin Home Lot – John North Park Area
614 Zanmiller Drive

PROPERTY IDENTIFICATION / LEGAL DESCRIPTIONS

The four subject properties in this appraisal are those located in Area 1 – John North Park Area and Blue Stem Court of the proposed City of Northfield 2019 Street Reclamation Project. Three of the subject properties are single-family homes, one in the John North Park Area, and the other two on Blue Stem Court. In addition, there is a twin home in the John North Park Area included as a subject property. Each of the four properties is intended to be generally representative of its property type/class in terms of potential special benefits that may accrue to them as a result of the proposed project.

Following is identifying information pertaining to the four subject properties appraised in this report:

Subject Properties Summary			
Property	Address/Location	Tax Parcel I.D. No.	Brief Legal Des. (from county website)
1. Typical Standard SF Lot - John North Park Area	604 Gill Lane	43-52101-02-060	Lot 6, Block 2, North Ridge 2nd Addition
2. Typical Twin Home Lot - John North Park Area	614 Zanmiller Drive	43-52101-01-041	West 1/2 of Lot 4, Block 1, North Ridge 2nd Addition
3. Typical Standard SF Lot - Blue Stem Court	1206 Bluestem Court	43-58650-01-020	Lot 2, Block 1, Prairie Hills Addition
4. Typical Cul-De-Sac SF Lot - Blue Stem Court	1214 Bluestem Court	43-58650-01-040	Lot 4, Block 1, Prairie Hills Addition

PURPOSE / INTENTION OF THE APPRAISAL / INTENDED USER

The purpose of this appraisal is to develop an opinion of the special value benefits, if any, accruing to the subject properties resulting from the proposed City of Northfield 2019 Street Reclamation Project to be completed in Area 1 – John North Park Area and Blue Stem Court. The opinions of the value benefits resulting from the public street improvement project are as of February 25, 2019. The intended use of the appraisal is for assisting city officials in levying in an equitable manner special assessments to properties benefited by the improvement project. The intended users are officials of the City of Northfield, which is the client of the appraisal.

It is noted that not every property potentially benefiting from improvements proposed for streets in the project area was appraised for special benefits purposes. Rather, for most properties, this appraisal reflects a preliminary benefits analysis in that it provides an approximation of likely special benefits accruing to those properties belonging to a specific use group (e.g., single-family lots and twin home lots).

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple estate. The property is appraised subject to usual easements for streets and utilities, if any. The source of the following definition of fee simple estate is the Dictionary of Real Estate Appraisal, 6th edition, published in 2015 by the Appraisal Institute:

“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.”

DATES OF INSPECTION AND VALUATION

The effective date of this appraisal is February 25, 2019, which is the date on which an exterior inspection of the subject properties and the project area was made by the appraisers.

SCOPE OF WORK

The four subject properties in this appraisal together provide a representation of either specific value benefits accruing to individual properties or an approximation of value benefits accruing to a category of properties concluded to receive special benefit from the proposed City of Northfield 2019 Street Reclamation Project within Area 1 – John North Park Area and Blue Stem Court.

An exterior inspection was made of the subject properties and the project area on February 25, 2019. An analysis of the highest and best use of each property was completed, based on the property attributes and market factors.

A Preliminary Engineering Report completed by Bolton & Menk in November 2018 for the City of Northfield 2019 Street Reclamation Project was reviewed by the appraisers. The report details the 1) current condition of the streets/infrastructure, and 2) the proposed improvements.

The subject properties contain residential buildings and supporting site improvements. However, since the benefits of public improvement projects such as street rehabilitation flow to the land component of the properties only, in all cases the valuation in this report involves land only.

Pertinent market data such as land parcel sales, individual lot sales, trends in real estate price levels and similar information was obtained by researching county records, city records, local data exchanges, previous appraisal files, and interviews with real estate brokers as well as other market participants. Information and market data from these various sources was then verified and checked for accuracy and completeness. The most relevant and pertinent of the market data collected has been presented and analyzed within this appraisal report.

Opinions of the market value of the subject property land components for all but the Typical Twin Home Lot have been developed in this appraisal using the Sales Comparison Approach. This approach, which is the one most appropriate for valuing the subject land, when possible, involves the comparison and analysis of land parcels recently sold which are similar to the subject land. However, for the Typical Twin Home Lot, since there were very little data pertaining to sales of vacant twin home lots, the Allocation Method was applied as an alternative for valuing the land component of this property. This land valuation technique involves obtaining information about the price/value of the land component associated with a property improved with a building, and then developing a typical ratio between the land and total property value for the purpose of estimating the value of the land component of another property.

For the Typical Twin Home Lot property, first the property was valued as improved (both land and building) using the Sales Comparison Approach, incorporating information on recent sales of similar twin home units. Next, a study of local lot and improved residential property sales activity was made in order to derive indications of the typical percentage (allocation) of value which is attributable to the land component of an improved property, relative to the building component. And finally, an appropriate allocation percentage was reconciled and then applied to the concluded value of the Twin Home Lot property, as improved, to yield an opinion of its land component value.

The land components of the four subject properties are valued before and after the proposed street improvements. The difference between the before and after values is the special benefit attributable to the proposed improvement project.

This appraisal is presented in an **Appraisal Report format** under the requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The property description, analysis and valuation process are presented using a brief narrative format. The level of discussion in this report can be best described as summarizing the subject property attributes and the appraisal process, but also providing enough information and detail to enable the client and intended users to understand the rationale for the appraiser's opinions and conclusions. Additional notes, data, analyses and other documentation supporting the appraisal are retained in the office appraisal file.

COMPETENCY PROVISION

Paul J. Gleason, MAI has been a full time professional real estate appraiser since 1992. Mark A. Warren, MAI has been a full time professional real estate appraiser since 2003. Included in this report for your review are copies of their professional qualifications. Both appraisers have completed numerous special benefit valuations, similar that contained within this report, in the past several or more years. Experience and knowledge provide each appraiser with the necessary background to complete this appraisal assignment in accordance with the competency provision of the Uniform Standards of Professional Appraisal Practice.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

An Extraordinary Assumption is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2018-2019 Edition ©The Appraisal Foundation, Page 4, 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.

A Hypothetical Condition is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2018-2019 Edition ©The Appraisal Foundation, Page 4, 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.

Comments: There are **no extraordinary assumptions** in this appraisal.

In the “after improvements” position on the date of valuation, which is February 25, 2019, it is assumed for valuation purposes that the proposed street improvements have been completed, when in fact they are proposed but have not yet been completed. This reflects a **hypothetical condition** applied in this appraisal.

Applying the hypothetical condition may have affected the assignment results.

MARKET VALUE DEFINITION

Market Value as defined by the United States Department of the Treasury through the Comptroller of the Currency and the Office of Thrift Supervision is:

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

- ◆ buyer and seller are typically motivated;
- ◆ both parties are well informed or well advised, and each acting in what he considers his own best interest;
- ◆ a reasonable time is allowed for exposure in the open market;
- ◆ payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- ◆ 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.

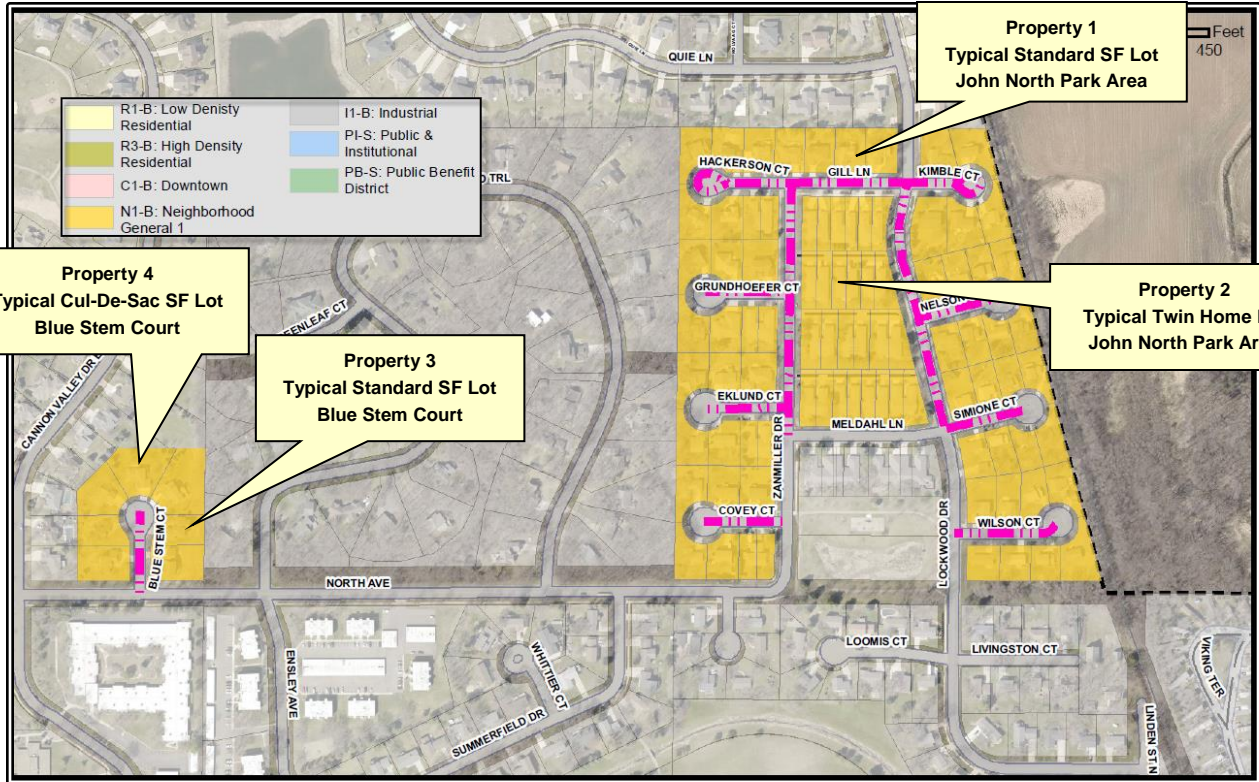
ZONING

Property	Zoning District
1. Typical Standard SF Lot - John North Park Area	N1-B, Neighborhood General 1
2. Typical Twin Home Lot - John North Park Area	N1-B, Neighborhood General 1
3. Typical Standard SF Lot - Blue Stem Court	N1-B, Neighborhood General 1
4. Typical Cul-De-Sac SF Lot - Blue Stem Court	N1-B, Neighborhood General 1

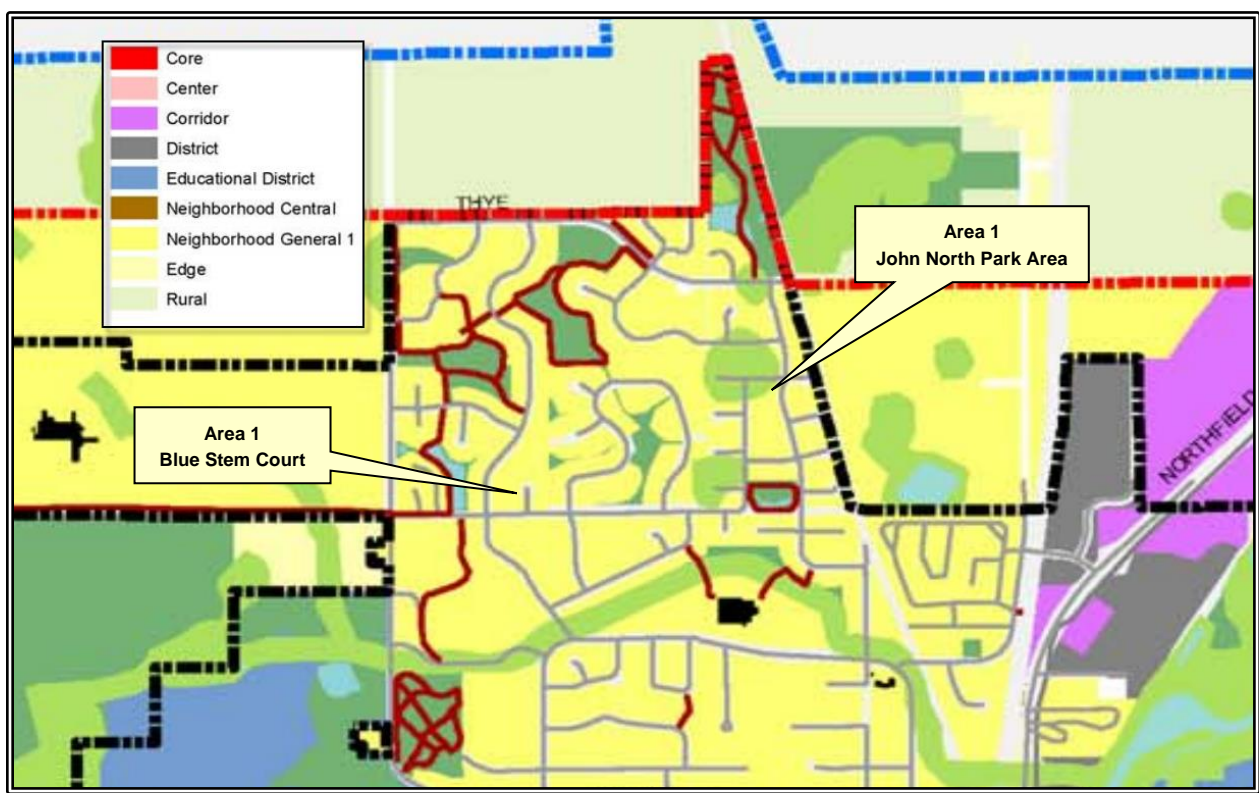
N1-B, Neighborhood General 1 District: This district is characterized “by primarily single family homes, or attached housing, on parcels that are generally larger than those found in the R1-B, and that are located on streets more curvilinear and less connected than traditional urban development patterns.” Permitted uses include one-, two- and three-family dwelling, multifamily dwellings, daycare and neighborhood-serving commercial, among others. Conditional uses include manufactured home parks, schools, religious institutions, convenience stores and limited service restaurants, among others.

Lot requirements for single-family homes include lot widths of 50 feet minimum and 75 feet maximum, lot depth of 150 feet maximum, and 30 feet rear yard setback. Front and side setbacks vary depending on those of existing homes in the area.

Comprehensive Plan: The current City of Northfield Comprehensive Plan designates the subject properties for Neighborhood General 1 use.



Zoning Map



Land Use Map

TAXES AND ASSESSMENT DATA

The tax and assessment data for the four subject properties is presented below:

	Parcel I.D. #	Land AEMV*	Improvements AEMV*	Total AEMV*	R. E. Taxes	Effective Tax Rate	Specials & Charges	Total Tax & Specials
1.	Typical Standard SF Lot - John North Park Area 43-52101-02-060	\$56,000	\$149,700	\$205,700	\$3,137.30	1.53%	\$0.00	\$3,137.30
2.	Typical Twin Home Lot - John North Park Area 43-52101-01-041	\$38,500	\$119,400	\$157,900	\$2,579.36	1.63%	\$0.00	\$2,579.36
3.	Typical Standard SF Lot - Blue Stem Court 43-58650-01-020	\$78,300	\$316,500	\$394,800	\$6,428.84	1.63%	\$0.00	\$6,428.84
4.	Typ. Cul-De-Sac SF Lot - Blue Stem Court 43-58650-01-040	\$78,300	\$232,700	\$311,000	\$4,970.64	1.60%	\$0.00	\$4,970.64
Source: Dakota County								
* Assessor's Estimated Market Value - 2017 for payable 2018								

HISTORY OF OWNERSHIP

Property	Fee Owner of Record
1. Typical Standard SF Lot - John North Park Area	Aaron & Naomi Rushing
2. Typical Twin Home Lot - John North Park Area	Clement & Connie O'Meara
3. Typical Standard SF Lot - Blue Stem Court	Michael Puppe
4. Typical Cul-De-Sac SF Lot - Blue Stem Court	Michael & Shilah Fangman

There are no apparent recorded arms-length transfers of the subject properties within at least three years prior to the date of valuation; and the appraisers are not aware of any current listing, pending sale or purchase option pertaining to any of the properties as of the effective date of valuation. Exception: The Typical Cul-De-Sac Single-Family Lot – Blue Stem Court property was sold by Terrill and Amy Herbig to the current owners on March 11, 2016 for a price of \$284,900.

CONTINGENT AND LIMITING CONDITIONS

This appraisal report is subject to the following Limiting Conditions and Assumptions:

1. The legal description contained herein is assumed to be correct.
2. The appraiser assumes no responsibility for matters legal in nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
3. No survey has been prepared of the property by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
4. Information furnished by others is assumed to be reliable. However, the appraiser assumes no responsibility for its accuracy.
5. In cases where no soil tests have been submitted, the appraiser has assumed a good subsoil condition, subject to visual observations noted in the report.
6. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering that might be required to discover such factors.
7. The appraiser is not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been previously made.
8. The distribution of the total valuation in this report between land and improvements applies only under the highest and best use of the property.
9. The Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated govern disclosure of the contents of the appraisal report.
10. 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 qualifications and only in its entirety.
11. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.
12. The value conclusion assumes all taxes and special assessments are paid in full.
13. The after improvements valuation in this appraisal assumes proposed street improvements have been completed in accordance with the description of the proposed work provided to the appraisers.

Environmental Disclaimer: The values estimated in this report are based on the assumption that the property is not adversely affected by the existence of hazardous substances or detrimental environmental conditions. A routine inspection of the property did not reveal or indicate any such conditions. In that the appraiser is not qualified in this field of expertise, the client is encouraged to retain an expert in such investigations if so desired.

COMMUNITY/AREA DESCRIPTION

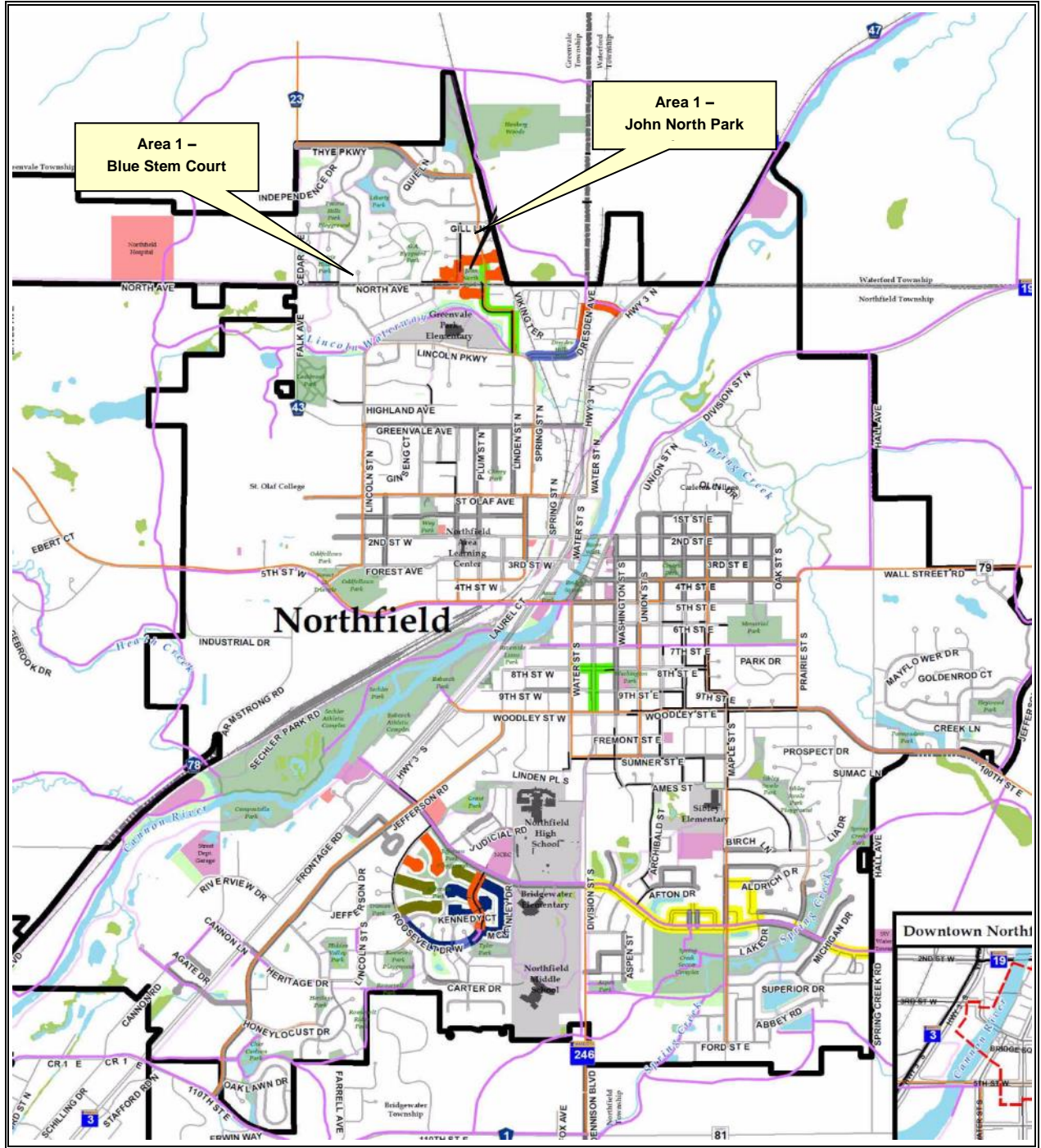
Community: Northfield, Minnesota is located in Rice County approximately 45 miles south of Minneapolis/St. Paul. The community has a small town ambience, but is rapidly becoming integrated into the greater Twin Cities metropolitan area. Northfield is the home of Carleton College and St. Olaf College, both nationally ranked four-year liberal arts schools, which bring 5,000+ students to the city. According to the U.S. Census, Northfield grew in population from 14,684 in 1990, to 17,147 in 2000 and to 20,007 in 2010.

Primary access routes into Northfield are State Highways 3 and 19, which intersect in the downtown district. Highway 19 runs east-west and intersects with I-35 seven miles west of Northfield. Highway 3 runs in a north-south orientation. Major employers include Malt-O-Meal Co., St. Olaf and Carleton Colleges, Northfield Hospital, Northfield Public Schools, and McLane Co.

The historic downtown area of Northfield is located along the Cannon River in the central part of the city. The downtown reflects the location of the earliest development in the city and most of the historic commercial buildings are two story brick buildings with zero lot lines. Much of the most recent commercial retail development has been in the Gateway commercial district on State Highway 3 in the southwest part of the city and in the adjacent City of Dundas, with big box retailers such as Target, Cub Foods and Menard's. In summary, Northfield is a stable to slowly growing bedroom community on the southern fringe of the Twin Cities Metro Area which can be anticipated to grow as the regional area resumes growth.

Area: The subject neighborhood area is best described as the northwest part of Northfield, lying south of the north city limits and west of Highway 3. The neighborhood contains a mix of uses including single- and multifamily residential and public uses, which were developed primarily in the 1970s and 1980s, though there are newer neighborhoods located at the extreme north edge of the city, which are still under construction.

Shown on the following page is a Community Map outlining the City of Northfield and showing the location of Area 1 – John North Park Area and Blue Stem Court.



Community Map

DESCRIPTION OF SUBJECT PROPERTIES AND INFRASTRUCTURE – BEFORE IMPROVEMENTS

Subject Properties

1. Typical Standard Single-Family Lot – John North Park Area – 604 Gill Lane: This is a single-family home located on the north side of Gill Lane. According to county records, this split-level home was built in 1994, has an above-grade living area of 1,341 square feet, and an attached two car garage. The house sits on a generally level, moderately treed lot with a total area of 10,838 square feet or 0.25 acres. The lot has 85 feet of street frontage and a depth of 127.51 feet.

2. Typical Twin Home Lot – John North Park Area – 614 Zanmiller Drive: This is the west unit of a twin-home structure located east of Zanmiller Drive, south of Gill Lane and west of Lockwood Drive. The twin home is accessed via a private shared driveway that extends west to Zanmiller Drive. According to county records and Multiple Listing Service data, this one-story home with a two-car attached garage was built in 1991, has an above-grade living area of 1,584 square feet, and has a partial, unfinished basement. County records indicate there are a total of two bedrooms and 1.75 baths. Amenities include a deck. Based on an exterior viewing, the twin home appears to be in generally average condition for its age. The house sits on a generally level, open landscaped lot with a total area of 6,765 square feet or 0.16 acres. The lot has a width of 41 feet and a depth of approximately 165 feet.

3. Typical Standard Single-Family Lot – Blue Stem Court – 1206 Blue Stem Court: This is a single-family home located on the east side of Bluestem Court. According to county records, this split-level home was built in 1994, has an above-grade living area of 2,184 square feet, and an attached three car garage. The house sits on a generally level, moderately treed lot with a total area of 11,443 square feet or 0.26 acres. The lot has 97.41 feet of street frontage and a depth of 121.67 feet on its northern edge and 149.49 feet on its southern edge.

4. Typical Cul-De-Sac Single-Family Lot – Blue Stem Court – 1214 Blue Stem Court: This is a single-family home located at the northerly end of the Bluestem Court cul-de-sac. According to county records, this split-level home was built in 1994, has an above-grade living area of 2,100 square feet, and an attached three car garage. The house sits on a generally level, moderately treed lot with a total area of 18,138 square feet or 0.42 acres. The lot has 62.56 feet of street frontage.

Infrastructure

The streets for the project area are generally in residential neighborhood areas. All of the streets within the project area are classified as local roadways and experience relatively low volumes of traffic, with the exception of Lockwood Drive, which is classified as an urban collector.

Streets: The streets within the project area are all bituminous surfaced with concrete curb and gutter. The pavement widths vary, ranging from 45' radii in most cul-de-sacs and 25' to 45' along through street segments – measured from curb face to curb face. The streets within the project area were constructed in the 1980s, and have received varying levels of maintenance over the years including sealcoating, mill and overlays and reclaiming. The streets are aged and exhibit wear and distress. The pavement is generally in fair to poor condition with significant transverse and longitudinal cracking, alligator cracking, potholes and rutting. Some street segments have significant settlements, which allow water to pond, infiltrate and weaken the subgrade; this has led to frost heaving, and additional transverse cracking during freeze-thaw cycles.

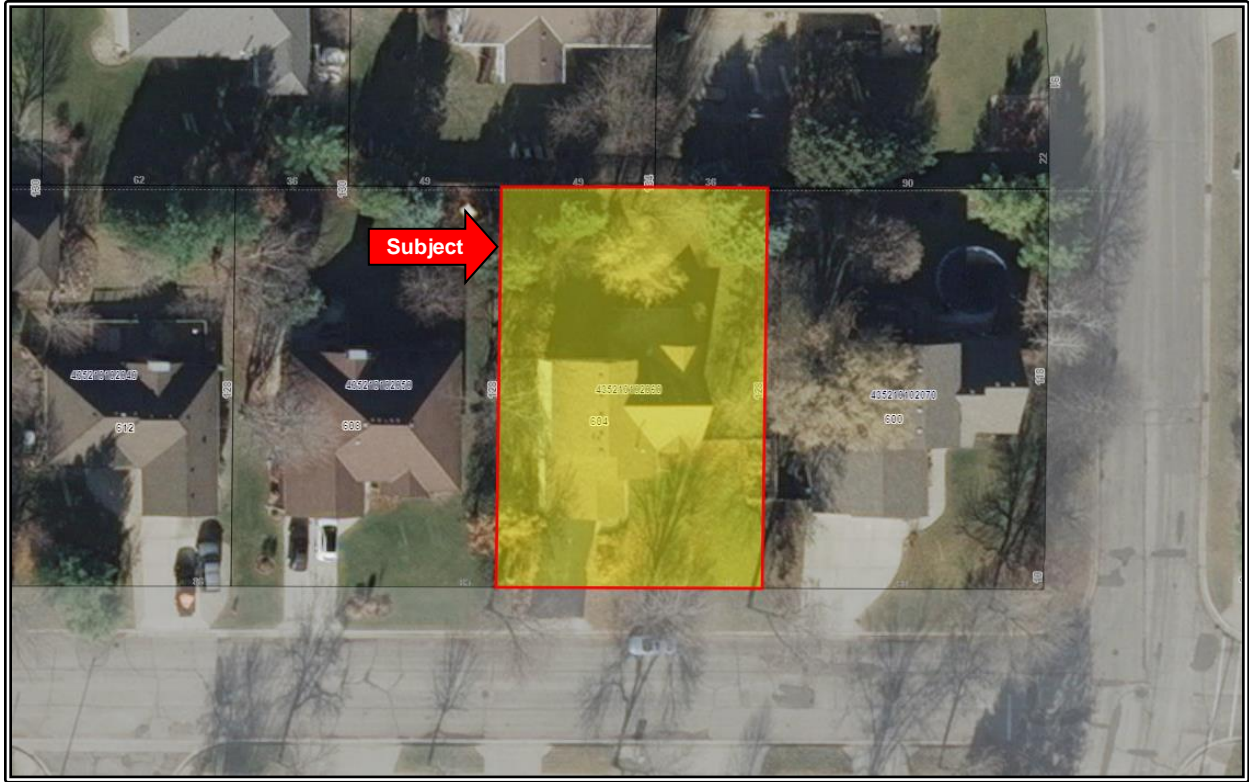
The existing concrete curb and gutter is in fair to good condition. It is noted that curb settlements have caused areas of poor drainage along the edge of the pavement in various locations.

Concrete sidewalks exist along the west side of Zanmiller Drive, and on the east side of Lockwood Drive. The sidewalk is in fair condition with cracking, heaving and spalling evident in several areas.

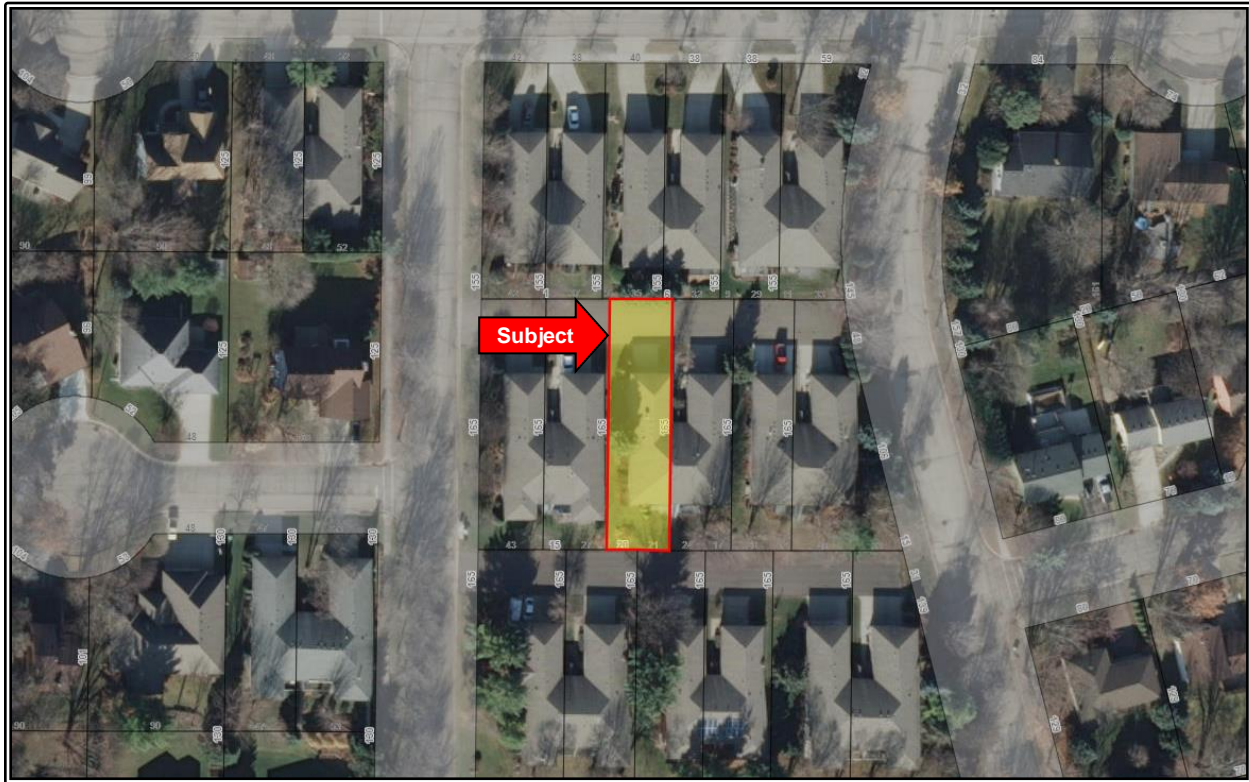
Storm Sewer: There are no known drainage issues in the project area and all piping is assumed to be in adequate condition.

Sanitary Sewer: Televising reports of the existing sanitary sewer system have not been fully completed at this time. The reports that have been completed have revealed that the existing mains all have some degree of deterioration. However, overall, the sewers on the streets in the project area are classified in fair to good condition. The sanitary sewer manholes along the project streets are pre-cast concrete and are in fair to good condition. Throughout the project, different castings are used, some of which are 24-inch in diameter with open pick-holes. These castings are no longer used in sewer construction since they allow unwanted inflow of storm water into the system.

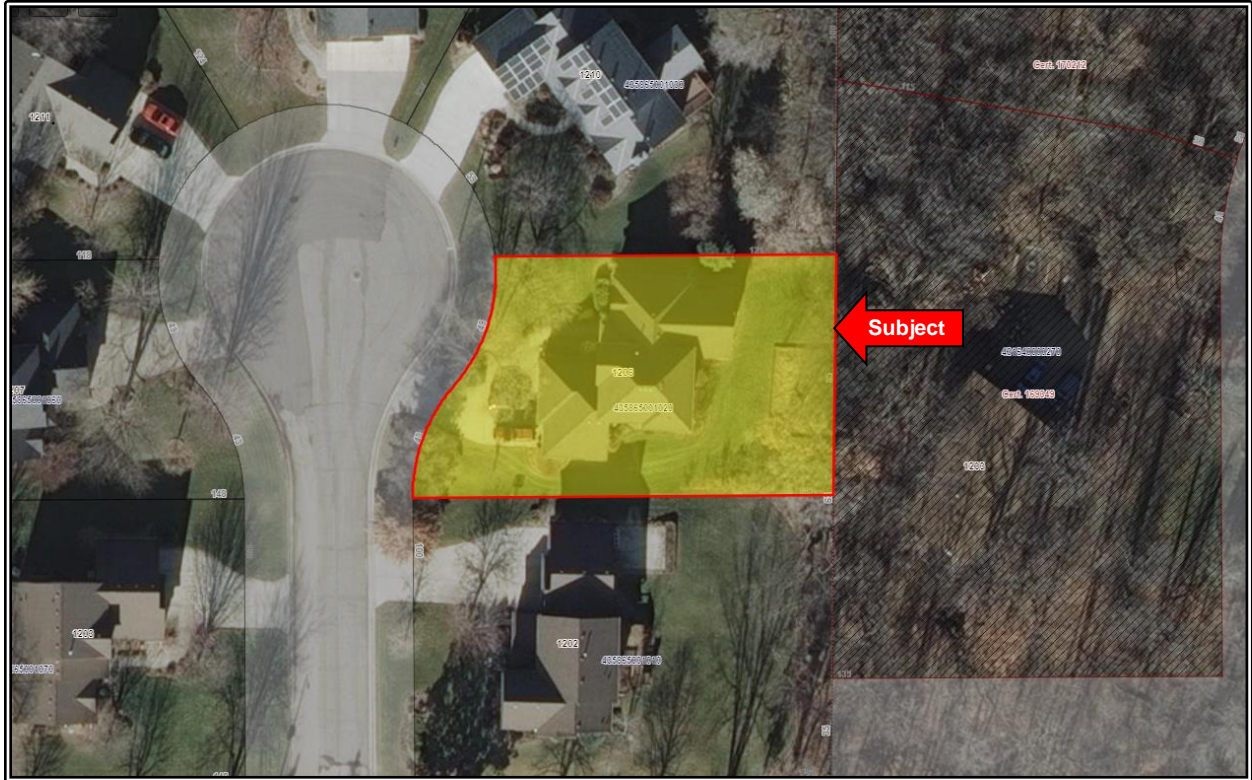
Watermain: There are no known watermain issues in the project area.



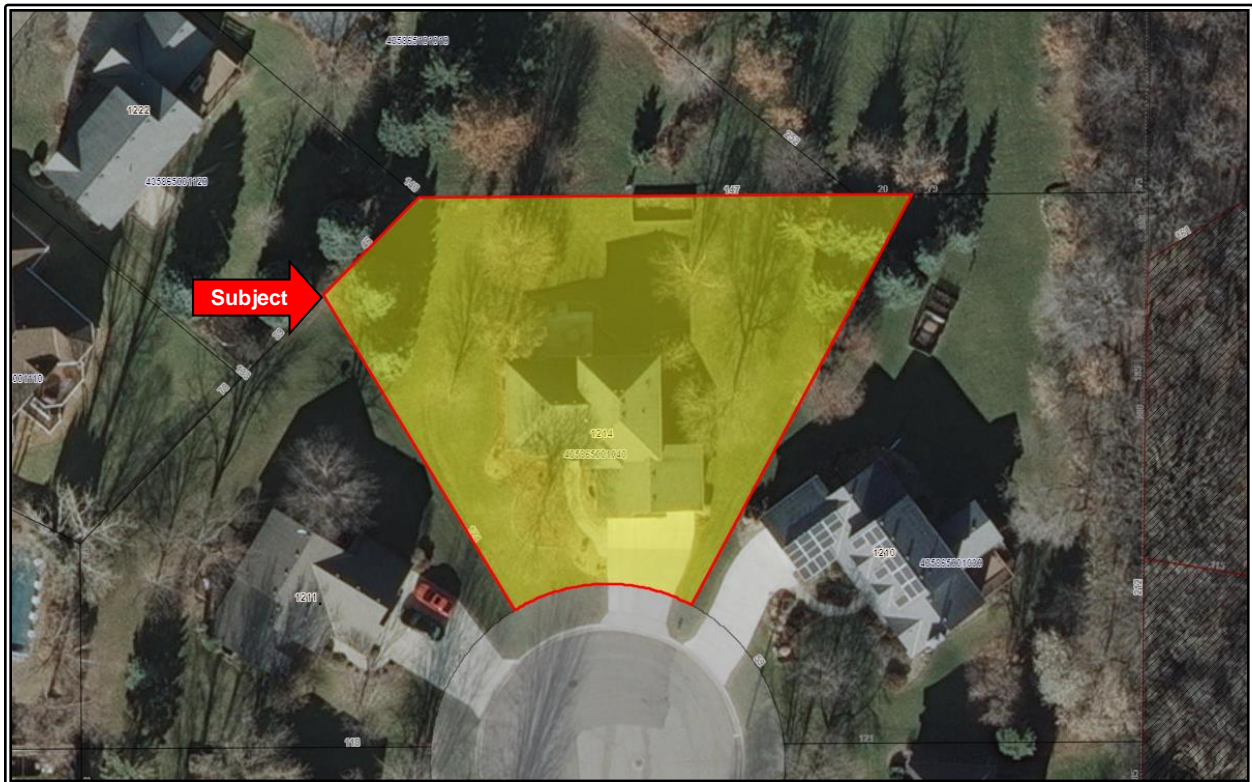
Property 1: Typical Standard Single-Family Lot – John North Park Area



Property 2: Typical Twin Home Lot – John North Park Area



Property 3: Typical Standard Single-Family Lot – Blue Stem Court



Property 4: Typical Cul-De-Sac Single-Family Lot – Blue Stem Court

DESCRIPTION OF PROPOSED IMPROVEMENTS

The 2019 Street Improvement Project will utilize full depth street reclamation and resurfacing to rehabilitate the existing street system. The proposed improvements are described as follows:

Streets: The streets proposed for improvement include Grundhoefer Court, Eklund Court, Covey Court, Hackerson Court, Kimble Court, Nelson Court, Simone Court, Wilson Court, Blue Stem Court, Zanmiller Drive, Gill Lane and Lockwood Drive. All of these streets have deteriorating pavement sections, but are not considered to be in bad enough condition that a complete reconstruction is necessary. The underlying utilities are in fair condition as well, so there is no need for a reconstruction due to this factor either.

The recommended improvements consist of reclaiming nine inches to 12 inches of the existing road base and pavement, recompacting the material and placing four inches of new bituminous pavement. The reclaim process involves grinding up the existing bituminous material, along with the base material beneath it and mixing them together. After the material is mixed, the machine places the material back within the roadway as it passes by. At that point the material is compacted and shaped to allow room for the new bituminous pavement. The project is proposing four inches of new bituminous pavement, so that will leave five to eight inches of reclaimed base material below. Spot curb and gutter will be replaced if it is severely damaged or are not allowing proper drainage.

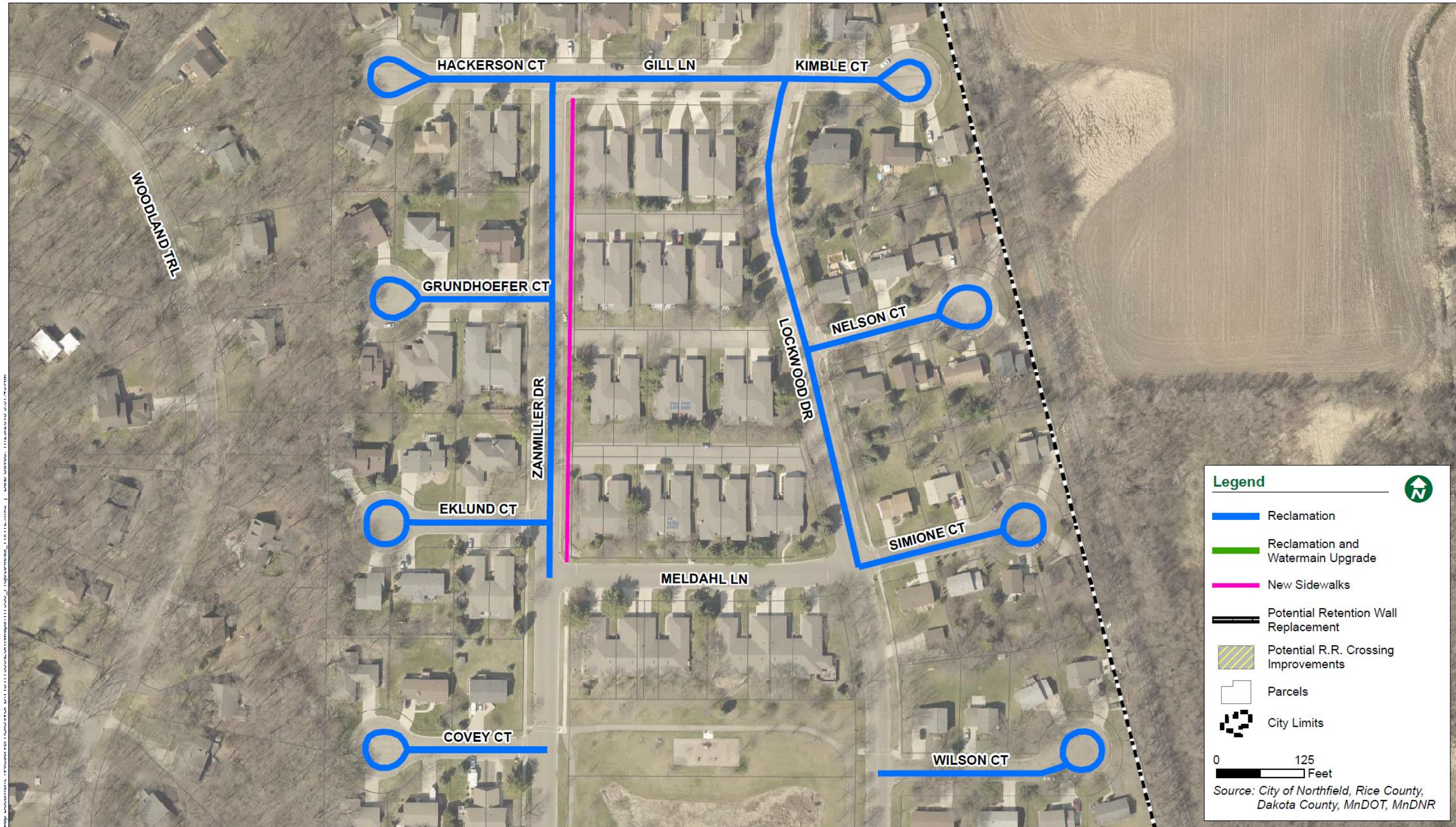
New sidewalk is planned to be installed on Zanmiller Drive (from Meldahl Lane to Gill Lane). The new sidewalk will connect to the existing sidewalk.

Storm Sewer: The City of Northfield has reviewed the condition on the existing storm sewer system located in the project and have determined that it is in satisfactory condition. Thus, limited rehabilitation work is needed to the storm sewer system at this time.

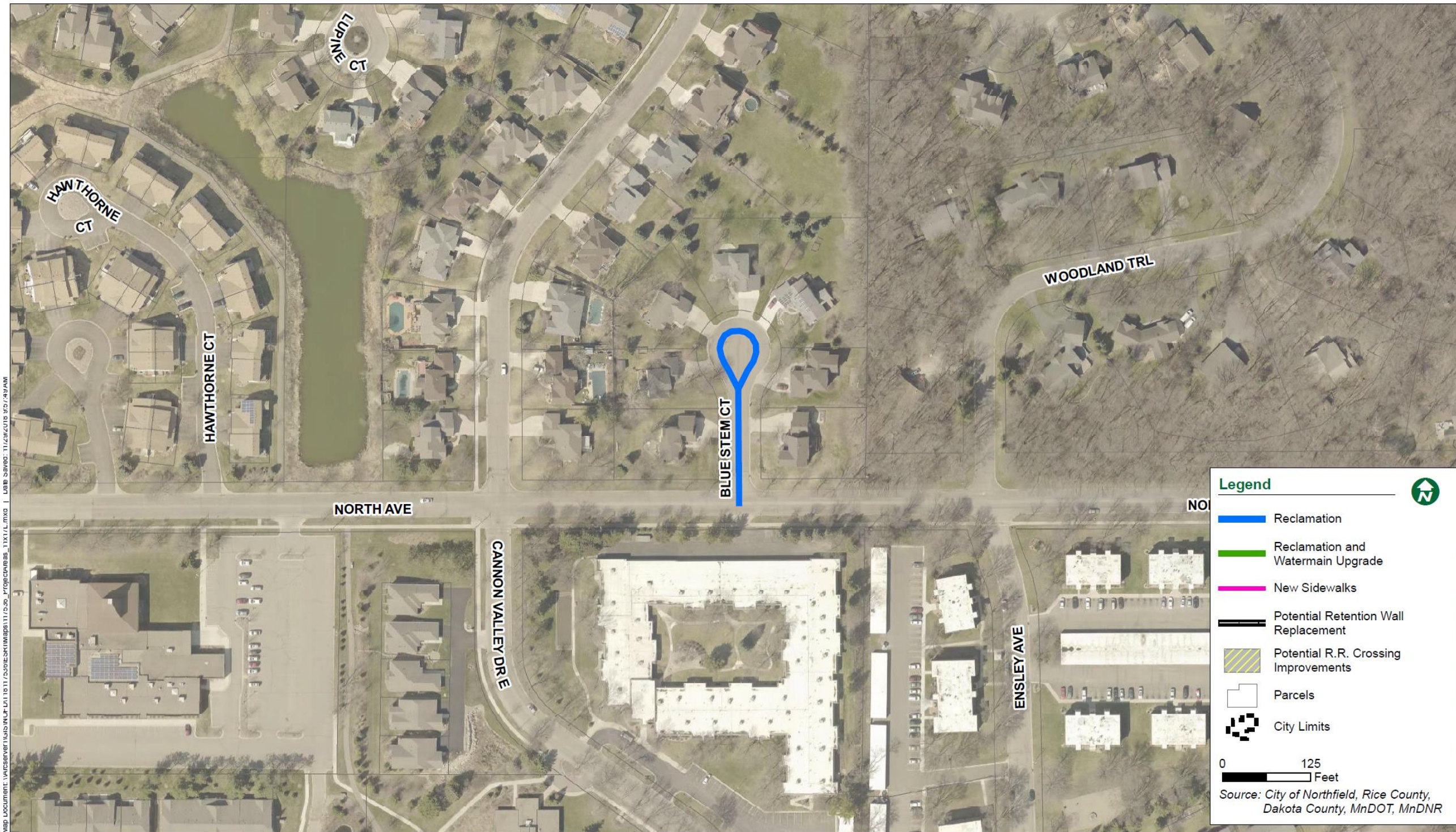
Work on the storm sewer as part of the project includes adjusting the storm sewer castings and covers to provide a smooth/drivable street surface in conjunction with the street resurfacing portion of the project and minor grouting and concrete patching of the structures may also be completed to prevent infiltration/exfiltration in/out of the storm sewer manhole for a majority of the applicable structures. There are also several structures that are proposed to be replaced due to deterioration.

Sanitary Sewer: The City of Northfield has reviewed the condition on the existing sanitary sewer system located within the boundaries of the project and have determined that it is in satisfactory condition. As such, limited rehabilitation work is needed to the sanitary sewer system at this time.

Work on the sanitary sewer as part of the project includes adjusting the sanitary sewer castings and covers to provide a smooth/drivable street surface in conjunction with the street resurfacing project. Minor grouting and concrete patching of the structures may also be completed to proven infiltration/exfiltration in/out of the sanitary sewer manhole.



Northfield 2019 Street Improvement Project Area Map – John North Park Area



Northfield 2019 Street Improvement Project Area Map – Blue Stem Court

HIGHEST AND BEST USE ANALYSIS

The term highest and best use is defined in The Dictionary of Real Estate Appraisal, sixth edition, published in 2015 by the Appraisal Institute, as:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Highest and Best Use – Before Street Improvements

As Vacant: Property 1: The Typical Standard Single-Family Lot – John North Park Area is a generally level, moderately treed lot located in the northwest portion of Northfield. The lot, which has a land area of 10,838 square feet (0.25 acres) and is zoned N1-B, Neighborhood General 1 District, is amongst other lots similar in size and zoning which are improved with single-family homes.

After a significant downturn which lasted several years, the housing market is now showing significant and sustained levels of improvement, largely as a result of the steadily improving economy. Recent market activity indicates there is increased demand for residential lots and that prices have increased substantially as well above the recessionary price levels, especially within the past few years. If the subject lot were vacant, offered on the market and priced competitively, it would attract a sufficient number of interested buyer prospects to allow the property to be sold within a reasonable amount of exposure time.

Consideration of relevant factors governing and influencing the subject property has led to the conclusion that the highest and best use, as vacant, is for development with a single-family home.

Property 2: The Typical Twin Home Lot – John North Park Area is located in the northwest portion of Northfield, amongst primarily single-family homes, with a small grouping of twin homes intermixed. The lot has an area of 6,765 square feet (0.16 acres) and is zoned N1-B, Neighborhood General 1 District, which allows for single- and multiple-family residential uses. The lot, with a 41-foot width, was designed to accommodate a twin home unit, and is adjacent west of an existing twin home structure which extends right up to the east boundary of the subject lot.

Similar to that for single-family homes, the market for twin homes has improved dramatically since the substantial recessionary period of the late 2000s and early 2010s. If vacant, sufficient demand would be present to build a twin home unit on the lot. It is concluded that the highest and best use, as vacant, is for development with a twin home.

Property 3: The Typical Standard Single-Family Lot – Blue Stem Court is a generally level, moderately treed lot located in the northwest portion of Northfield. The lot, which has a land area of 11,443 square feet (0.26 acres) and is zoned N1-B, Neighborhood General 1 District, is amongst other lots similar in size and zoning which are improved with single-family homes. The previous analysis of market factors pertaining to Property 1 applies to this property as well. Consequently, it is concluded that the highest and best use of this lot, as vacant, is for development with a single-family home.

Property 4: The Typical Cul-De-Sac Single-Family Lot – Blue Stem Court is a generally level, moderately treed lot located in the northwest portion of Northfield. The lot, which has a land area of 18,138 square feet (0.42 acres) and is zoned N1-B, Neighborhood General 1 District, is amongst other lots similar in size and zoning which are improved with single-family homes. The previous analysis of market factors pertaining to Property 1 applies to this property as well. Consequently, it is concluded that the highest and best use of this lot, as vacant, is for development with a single-family home.

As Improved: Property 1: The Typical Standard Single-Family Lot – John North Park Area is improved with a split-level single-family home built in 1994, with above grade finished area of 1,341 square feet and an attached two-car garage. The existing use is highly consistent with the highest and best use of the land, as vacant. The highest and best use of the property, as improved, is for continued use as a single-family home.

Property 2: The Typical Twin Home Lot – John North Park Area is improved with a one-story style twin home built in 1991, with above grade finished area of 1,584 square feet and an attached two-car garage. The existing use is highly consistent with the highest and best use of the land, as vacant. The highest and best use of the property, as improved, is for continued use as a twin home unit.

Property 3: The Typical Standard Single-Family Lot – Blue Stem Court is improved with a split-level single-family home built in 1994, with above grade finished area of 2,184 square feet and an attached three-car garage. The existing use is highly consistent with the highest and best use of the land, as vacant. The highest and best use of the property, as improved, is for continued use as a single-family home.

Property 4: The Typical Cul-De-Sac Single-Family Lot – Blue Stem Court is improved with a split-level single-family home built in 1994, with above grade finished area of 2,100 square feet and an attached three-car garage. The existing use is highly consistent with the highest and best use of the land, as vacant. The highest and best use of the property, as improved, is for continued use as a single-family home.

Highest and Best Use – After Street Improvements

The proposed street improvements do not cause a change in the highest and best use, as vacant or as improved, of the subject properties. The preceding conclusions of highest and best use in the before position remain valid in the after position, when the proposed project is completed.

SPECIAL BENEFIT CONSIDERATIONS AND CONCLUSIONS

1. Before the proposed improvements, the surface of the street sections in the area of the subject properties, including those on which the subject properties front, are significantly old, worn and deteriorated. The overall condition reflects that the pavement has generally reached, or is close to reaching, the end of its physical life expectancy. It can be anticipated that further deterioration will result in a worsening of existing problems associated with the advanced age, including improper street drainage, uneven driving surfaces, increased formation of potholes, etc.
2. The condition and quality of streets and utilities serving and fronting commercial, residential and other properties influences the value, curb appeal and general desirability of the properties.
3. The rehabilitation of the streets in the project area of the proposed Northfield 2019 Street Reclamation Project – Area 1 improves the safety, convenience and general appeal of access into and out of properties in the project area. The rehabilitation process reverses the deteriorating state of the existing pavement and areas of failing concrete curb and gutter, and the improvements will result in optimum drainage of the street to promote a long lifespan of the new street surface.
4. The proposed improvements will result in some general benefits which flow to passing motorists using the roadway and to the larger Northfield community. However, they also will result in special benefits to individual properties fronting the streets to be improved, including the subject properties and those indicated by the city for assessment (unless otherwise noted).
5. The land value increase for each property, on a percentage basis as well as on a per-square-foot basis and a per-front-foot basis, resulting from the street improvements can vary, and in this appraisal they do vary. This is due to differences among the properties in highest and best use, parcel configuration, amount of street frontage and/or lot size, among other factors.

THE APPRAISAL PROCESS

There are three basic valuation methodologies that may be used in estimating the market value of real estate: the Cost Approach, the Sales Comparison Approach and the Income Approach. These three valuation approaches analyze data from the market to develop independent value indications for the subject property.

The **Cost Approach** is based on the premise that an informed buyer will pay no more for a property than the cost of constructing a comparable property with similar utility. In this analysis, the cost to reproduce or replace the improvements is calculated, which is reduced by the estimated accrued depreciation that has occurred. Accrued depreciation includes physical deterioration, functional obsolescence, and external obsolescence. To the depreciated value of the improvements is then added the site value, which is estimated through the direct comparison with other vacant sites that have sold in the area in recent years, with adjustments made for dissimilarities. The Cost Approach is particularly applicable and reliable when the property being appraised is relatively new with little accrued depreciation, or is of a highly specialized design and/or utility.

The **Sales Comparison Approach** has as its premise a comparison of the subject property with others of similar design, utility and features that have sold in the recent past. To indicate a value for the property, adjustments are made to the comparables for dissimilarities with the subject property. This approach is based on the proposition that an informed buyer would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is most applicable and reliable when an active market provides sufficient sales of comparable properties for analysis.

The **Income Approach** develops a value estimate for a property predicated on a detailed analysis of its earnings potential and the rate of return on an investment demanded by prudent investors in the marketplace. This analysis converts anticipated benefits and income to be derived from ownership of a property into a value estimate. Detailed income and expense analysis results in a net operating income that the subject is able to generate, which is then converted to a value indication for the property through the capitalization process.

The final step of the appraisal process involves the appraiser analyzing the strengths and weaknesses of each of the three approaches utilized, with the value indications reconciled and correlated to arrive at a final value estimate for the property.

Valuation Approaches Used In This Appraisal

As previously discussed, the value benefits to real estate resulting from public improvements such as street reconstruction/rehabilitation and/or utility replacement flow to the land components of benefited properties, rather than to the improvements. Consequently, in this appraisal only the land components of the subject properties are being appraised for the purpose of arriving at opinions of special benefits.

For Properties 1, 3 and 4, the subject land is appraised by applying the **Sales Comparison Approach**, which involves researching and analyzing recent sales of comparable land. The Cost and Income Approaches typically apply only when there are improvements being valued in addition to land. Since this is a land-only valuation, these two approaches are not applicable.

For Property 2, a two-step valuation process is employed, given the lack of sufficient sale data pertaining to twin home lot sales to analyze within a Sales Comparison Approach. As an alternative, the entire Twin Home Lot property (land and building) is valued within the Sales Comparison Approach, incorporating data on sales of other similar twin home lot properties in the area. Subsequently, after an analysis to determine an appropriate percentage, or allocation to apply toward the total property value reflecting the land component of the subject, the **Allocation Method** is used to calculate the approximate portion of the Twin Home Lot property value attributable to the land.

SPECIAL BENEFIT ANALYSIS PROCESS

Arriving at an opinion of special value benefits accruing to the subject properties as a result of the proposed improvements is accomplished by developing "before improvements" and "after improvements" opinions of market value for the subject land. The improvements on the land are concluded to have the same value contributions to the total property value in both the "before and after" improvements positions. Consequently, the extent of special value benefits from the public improvements project can be reliably derived by analyzing the value of the land only, by processing the Sales Comparison Approach.

The available data pertaining to relevant land transactions for this analysis for the most part pertain to tracts of land which front new or newer streets in relatively good condition. Consequently, **the initial focus of this appraisal will be the "after" position**, in which it is assumed the proposed street improvements in the subject area have been completed. The comparable land sales will be compared to the subject with the newly rehabilitated improvements in place to arrive at an opinion of the subject "after" land value. **Following the "after" valuation, the subject land in its existing "before" state will be addressed**, and a value conclusion will be made reflecting the streets in need of rehabilitation. Finally, the "after" and "before" values will be compared for the purposes of deriving the special benefits associated with the street improvement project.

LAND VALUE AFTER IMPROVEMENTS

SALES COMPARISON APPROACH

The Sales Comparison Approach, which involves the comparison of recently sold land parcels similar to the subject property, is applied to the valuation of Properties 1, 3 and 4. The comparable sale prices are analyzed and adjustments are made for value-related differences relative to the subject properties. The result of the analysis and adjustments is the generation of a range of value indications for the subject land. The strengths and weaknesses of each comparable sale and its value indication are evaluated before arriving at a final value opinion for each of these three subject land parcels.

In applying the Sales Comparison Approach to the valuation of the subject land, an in-depth search was undertaken to locate data on recent sales of land with a similar highest and best use. Several sources that were checked for land sales information included the appraisal office files, county records, local data exchanges providing sale information, and the Multiple Listing Service. On following pages is the most pertinent data researched for the valuation of the subject land.

Note: For the purposes of analysis, Properties 1, 3 and 4 (the single-family lots) will be valued first, and then be followed by the valuation of Property 2 (the twin home).

Typical Standard Single-Family Lot Valuation – John North Park Area – After

Comparable Land Sales Summary - After Improvements - Typical Standard Single-Family Lot - John North Park Area								
#	Location/ PID#	Sale Date	Sale Price ¹	Buyer	Land Area, ² Lot Dimens.	Price/SF	Zoning	Comments
				Seller				
1	1603 Quie Lane Northfield 43-51502-01-040	7/11/18	\$74,900	Craig Peterson & Caroline Smith	15,642 SF 0.36 ac. 72' x 147' x 129' x 178'	\$4.79	N1-B Neighborhood General 1	Trapezoid-shaped lot at the entrance to a cul-de-sac. Lot is level and open. Listed on market for less than one month at \$79,900 prior to sale. Fronts two newer streets with concrete curb/gutter in good condition.
				Hayes & Kelly Piker				
2	904 Quie Lane Northfield 43-51502-02-070	8/30/17	\$57,900	Mr. Herbert & Associates, Inc.	13,291 SF 0.31 ac. 138' x 192' x 196'	\$4.36	N1-B Neighborhood General 1	Interior, triangular-shaped lot - base of triangle fronts Quie Lane - in newer single-family subdivision. Lot is level and open. Listed on market for about five months at \$59,900 prior to sale. Fronts newer street with concrete curb/gutter in good condition.
				Rick Pavsek Construction, Inc.				
3	508 Ivanhoe Avenue Northfield 22-36-1-52-003	7/11/18	\$102,000	Nancy & John Rinn	12,201 SF 0.28 ac. 83' x 147'	\$8.36	N1-B Neighborhood General 1	Rectangular-shaped, level lot located on a cul-de-sac with mature trees - also backs up to tree farm. In-fill location of Northfield. Listed for less than one month at \$109,787 prior to sale. Fronts average condition street with concrete curb/gutter in average condition.
				DuBose Family Trust				
4	601 Afton Drive Northfield 22-07-2-05-006	11/16/18	\$66,000	Key Land Homes	11,271 SF 0.26 ac. 85' x 151' x 90' x 127'	\$5.86	N1-B Neighborhood General 1	Interior, rectangular-shaped lot located along the north side of Afton Road in newer subdivision in the southeast portion of Northfield. Lot is level and open. Listed on market for about one month at \$68,000 prior to sale. Fronts newer street with concrete curb/gutter in good condition.
				Sarah Dennett				
Subject	604 Gill Lane Northfield 43-52101-02-060	2/25/19 Value Date	---	---	10,838 SF 0.25 ac. 85' x 128'	---	N1-B Neighborhood General 1	Rectangular-shaped, interior lot located along Gill Lane. Lot is level and moderately treed. In after project position, lot fronts rehabilitated (reclaimed) street.

¹ Sale price includes assumed special assessments and building demolition costs, if any.

² Land area excludes water and existing road right of way, if any.

COMPARABLE LAND SALES PLAT/PARCEL MAPS



Land Sale 1: 1603 Quie Lane, Northfield



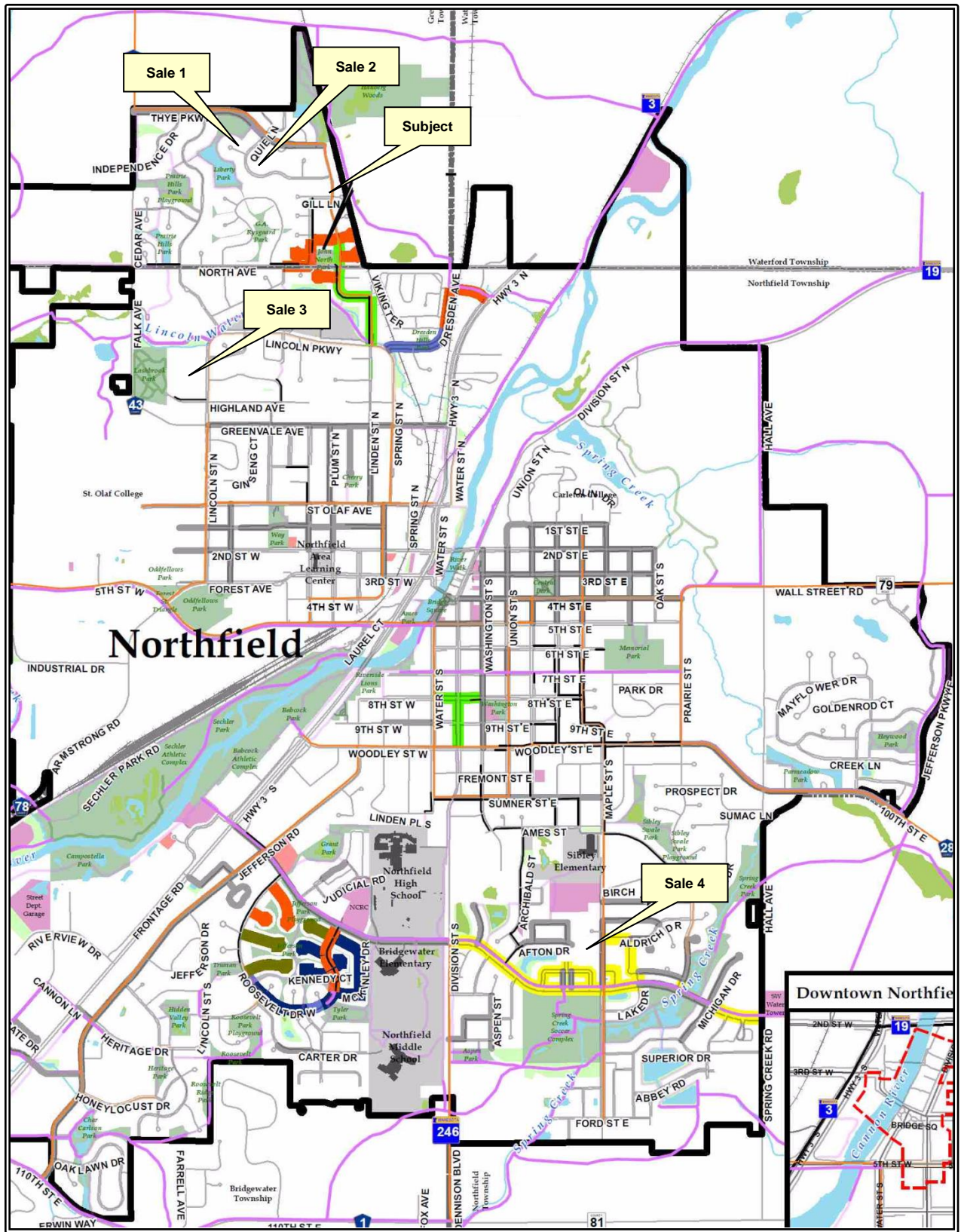
Land Sale 2: 904 Quie Lane, Northfield



Land Sale 3: 508 Ivanhoe Avenue, Northfield



Land Sale 4: 601 Afton Drive, Northfield



Comparable Land Sales Location Map – Typical Standard SF Lot – John North Park Area

Analysis of Land Sales – After – Typical Standard SF Lot – John North Park Area

The comparable land sales are adjusted for value-related differences in relation to the subject land. Upward adjustments are made to the comparable sale prices for characteristics inferior to the subject site, and downward adjustments are made for attributes which are superior to the subject. The land sales will be analyzed on the basis of the price per lot paid.

Following are items for which adjustments were considered and made, where applicable and necessary:

Property Rights Conveyed: If property rights different than those appraised for the subject property were transferred, an adjustment may be necessary (i.e., leased fee vs. fee simple).

Financing: The opinions of market value in this appraisal reflect payment in cash or cash equivalent terms. An adjustment may be necessary when the payment is something other than cash, or financing terms differ from those typically available in the market.

Sale Conditions: Consideration is given to whether transaction was arms-length or was influenced by conditions causing buyer or seller to be atypically motivated.

Market Conditions/Time: Reflects changes in prices, if any, between date of each comparable sale and valuation date, due to changes in market conditions. The effective date of valuation is February 25, 2019. The comparables sold between August 30, 2017 and November 16, 2018. Within the past several years, the housing market has been steadily improving and recovering after a major downturn that began in the latter half of the past decade.

According to Northstar Regional Multiple Listing Service (MLS) statistics, the average single-family home price in Northfield in 2018 was \$302,262, an 8.6% increase over \$278,319 in 2017. Prices of single-family homes increased on average 5.4% from 2016 to 2017 in Northfield. Note: the sales analyzed included single-family homes and excluded distressed sale situations; there were a total of 216 single-family home sales in 2016, 212 sales in 2017 and 172 sales in 2018. For this analysis, the comparable sales are adjusted based on an average price appreciation rate of 5% per year, from the date of the comparable sales to the effective date of valuation of February 25, 2019.

Location: Takes into account location factors such as proximity to major access routes and shopping, visibility, surrounding development, and general area desirability/demand. Sales 1 and 2 are located a few blocks northwest of the subject in a newer neighborhood with higher price-point homes. Moderate downward adjustments were made to Sales 1 and 2. Sale 3 is located in a more in-fill location of Northfield judged to be superior, and as such, a downward adjustment was necessary. Sale 4 is located in the southeast portion of Northfield in a neighborhood which is judged to be overall similar to the subject and no adjustment was needed.

Lot Size: Generally, as parcel size increases, total price increases, but price per square foot typically decreases. Sales 2, 3 and 4 are generally similar in size to the subject, requiring no adjustment. Sale 1 is notably different in size and is adjusted accordingly.

Shape/Utility: Development utility is affected by shape and other factors, including items such as easements. Regular shaped sites with few or no restrictions from easements and other factors are preferred in the market. The subject is a rectangular-shaped site with no known significant easements or other encumbrances/restrictions. The site possesses good overall development utility. Sales 1, 3 and 4 are generally similar to the subject in this respect and no adjustments are necessary. Sale 2 has an inferior triangular shape with the base of the triangle along the street frontage. An upward adjustment was necessary for Sale 2.

Soils/Topography: Stable subsoils needing no corrective measures for building, and generally level to moderately sloping topography are preferred in the market. The subject is a generally level lot, as are the sales. No adjustments were necessary.

Tree Cover/View/Privacy: The subject lot is moderately treed, with no view and/or privacy amenity. Sales 1, 2 and 4 have open landscapes with no trees, view or privacy amenities. These sales were adjusted upward for lack of trees. Sale 3 has mature tree coverage on its lot; in addition, it backs up to a tree farm, which offers additional privacy and view amenities. A downward adjustment was made to Sale 3.

Streets/Utilities: In the “after” position, the subject lot fronts a rehabilitated (reclaimed) street with new pavement, fortified underlying base, new curb/gutter, where needed, and repaired utility components where needed. Sales 1, 2 and 4 are located in newer subdivisions and front on newer streets judged to be in good condition; no adjustments were necessary for these sales. Sale 3 fronts a street judged to be in average condition, which is inferior to the subject’s after position. A moderate upward adjustment was made to Sale 3.

Presented on the following page is a land sales adjustment grid for the subject Typical Standard Single-Family Lot – John North Park Area in the after situation showing specific adjustments for the items discussed previously.

Land Sales Adjustment Grid - After Improvements				
Typical Standard Single-Family Lot - John North Park Area				
	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/Lot)	\$74,900	\$57,900	\$102,000	\$66,000
Property Rights	x 1.00 <hr/> \$74,900	x 1.00 <hr/> \$57,900	x 1.00 <hr/> \$102,000	x 1.00 <hr/> \$66,000
Financing	x 1.00 <hr/> \$74,900	x 1.00 <hr/> \$57,900	x 1.00 <hr/> \$102,000	x 1.00 <hr/> \$66,000
Sale Conditions	x 1.00 <hr/> \$74,900	x 1.00 <hr/> \$57,900	x 1.00 <hr/> \$102,000	x 1.00 <hr/> \$66,000
Market Conditions	x 1.03 <hr/>	x 1.07 <hr/>	x 1.03 <hr/>	x 1.01 <hr/>
Adjusted Price	\$77,147	\$61,953	\$105,060	\$66,660
Location	-5%	-5%	-30%	0%
Lot Size	-5%	0%	0%	0%
Shape/Utility	0%	15%	0%	0%
Soils/Topography	0%	0%	0%	0%
Tree Cover/View/Privacy	2%	2%	-10%	2%
Streets/Utilities	0% <hr/>	0% <hr/>	5% <hr/>	0% <hr/>
Net Adjustment	-8%	12%	-35%	2%
Indicated Value For Subject	\$70,975	\$69,387	\$68,289	\$67,993

After adjustments, the land sale comparables result in value indications for the subject land ranging from \$67,993 to \$70,975. The average of the value indications is \$69,161, and consideration was given to all of the comparables. Market evidence best supports a value of approximately \$69,200.

OPINION OF LAND VALUE – AFTER IMPROVEMENTS: \$69,200
(Typical Standard Single-Family Lot – John North Park Area)

Typical Standard Single-Family Lot Valuation – Blue Stem Court – After

Comparable Land Sales Summary - After Improvements - Typical Standard Single-Family Lot - Blue Stem Court								
#	Location/ PID#	Sale Date	Sale Price ¹	Buyer	Land Area, ²	Price/SF	Zoning	Comments
				Seller	Lot Dimens.			
1	1603 Quie Lane Northfield 43-51502-01-040	7/11/18	\$74,900	Craig Peterson & Caroline Smith	15,642 SF 0.36 ac.	\$4.79	N1-B Neighborhood General 1	Trapezoid-shaped lot at the entrance to a cul-de-sac. Lot is level and open. Listed on market for less than one month at \$79,900 prior to sale. Fronts two newer streets with concrete curb/gutter in good condition.
				Hayes & Kelly Piker	72' x 147' x 129' x 178'			
2	904 Quie Lane Northfield 43-51502-02-070	8/30/17	\$57,900	Mr. Herbert & Associates, Inc.	13,291 SF 0.31 ac.	\$4.36	N1-B Neighborhood General 1	Interior, triangular-shaped lot - base of triangle fronts Quie Lane - in newer single-family subdivision. Lot is level and open. Listed on market for about five months at \$59,900 prior to sale. Fronts newer street with concrete curb/gutter in good condition.
				Rick Pavek Construction, Inc.	138' x 192' x 196'			
3	508 Ivanhoe Avenue Northfield 22-36-1-52-003	7/11/18	\$102,000	Nancy & John Rinn	12,201 SF 0.28 ac.	\$8.36	N1-B Neighborhood General 1	Rectangular-shaped, level lot located on a cul-de-sac with mature trees - also backs up to tree farm. In-fill location of Northfield. Listed for less than one month at \$109,787 prior to sale. Fronts average condition street with concrete curb/gutter in average condition.
				DuBose Family Trust	83' x 147'			
4	601 Afton Drive Northfield 22-07-2-05-006	11/16/18	\$66,000	Key Land Homes	11,271 SF 0.26 ac.	\$5.86	N1-B Neighborhood General 1	Interior, rectangular-shaped lot located along the north side of Afton Road in newer subdivision in the southeast portion of Northfield. Lot is level and open. Listed on market for about one month at \$68,000 prior to sale. Fronts newer street with concrete curb/gutter in good condition.
				Sarah Dennett	85' x 151' x 90' x 127'			
Subject	1206 Blue Stem Court Northfield 43-58650-01-020	2/25/19 Value Date	---	---	11,443 SF 0.26 ac. 97' x 122' x 90' x 149'	---	N1-B Neighborhood General 1	Rectangular-shaped, interior lot located on east side of Blue Stem Ct. Lot is level and moderately treed. In after project position, lot fronts rehabilitated (reclaimed) street.

¹ Sale price includes assumed special assessments and building demolition costs, if any.

² Land area excludes water and existing road right of way, if any.

Analysis of Land Sales – After – Typical Standard SF Lot – Blue Stem Court

The “Typical Standard Single-Family Lot – Blue Stem Court” property is very similar to the “Typical Standard Single-Family Lot – John North Park Area” property. Thus, the adjustments made to the comparables in the preceding valuation apply with equal validity in this analysis, with an exception considered and discussed below:

Location: The Blue Stem Court project area – neighborhood – is considered moderately superior to the John North Park Area, with higher-priced homes. To reflect the difference, the location adjustments made to each of the comparable sales in the preceding analysis are modified in an upward direction by five percentage points.

Land Sales Adjustment Grid - After Improvements				
Typical Standard Single-Family Lot - Blue Stem Court				
	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/Lot)	\$74,900	\$57,900	\$102,000	\$66,000
Property Rights	x 1.00	x 1.00	x 1.00	x 1.00
	\$74,900	\$57,900	\$102,000	\$66,000
Financing	x 1.00	x 1.00	x 1.00	x 1.00
	\$74,900	\$57,900	\$102,000	\$66,000
Sale Conditions	x 1.00	x 1.00	x 1.00	x 1.00
	\$74,900	\$57,900	\$102,000	\$66,000
Market Conditions	x 1.03	x 1.07	x 1.03	x 1.01
Adjusted Price	\$77,147	\$61,953	\$105,060	\$66,660
Location	0%	0%	-25%	5%
Lot Size	-5%	0%	0%	0%
Shape/Utility	0%	15%	0%	0%
Soils/Topography	0%	0%	0%	0%
Tree Cover/View/Privacy	2%	2%	-10%	2%
Streets/Utilities	0%	0%	5%	0%
Net Adjustment	-3%	17%	-30%	7%
Indicated Value For Subject	\$74,833	\$72,485	\$73,542	\$71,326

After adjustments, the land sale comparables result in value indications for the subject land ranging from \$71,326 to \$74,833. The average of the value indications is \$73,047, and similar levels of consideration were given to all four comparables. Market evidence best supports a value of approximately \$73,000.

OPINION OF LAND VALUE – AFTER IMPROVEMENTS: \$73,000
(Typical Standard Single-Family Lot – Blue Stem Court)

Typical Cul-De-Sac Single-Family Lot Valuation – Blue Stem Court – After

Comparable Land Sales Summary - After Improvements - Typical Cul-De-Sac Single-Family Lot - Blue Stem Court								
#	Location/ PID#	Sale Date	Sale Price ¹	Buyer	Land Area, ² Lot Dimens.	Price/SF	Zoning	Comments
				Seller				
1	1603 Quie Lane Northfield 43-51502-01-040	7/11/18	\$74,900	Craig Peterson & Caroline Smith	15,642 SF 0.36 ac.	\$4.79	N1-B Neighborhood General 1	Trapezoid-shaped lot at the entrance to a cul-de-sac. Lot is level and open. Listed on market for less than one month at \$79,900 prior to sale. Fronts two newer streets with concrete curb/gutter in good condition.
				Hayes & Kelly Piker	72' x 147' x 129' x 178'			
2	904 Quie Lane Northfield 43-51502-02-070	8/30/17	\$57,900	Mr. Herbert & Associates, Inc.	13,291 SF 0.31 ac.	\$4.36	N1-B Neighborhood General 1	Interior, triangular-shaped lot - base of triangle fronts Quie Lane - in newer single-family subdivision. Lot is level and open. Listed on market for about five months at \$59,900 prior to sale. Fronts newer street with concrete curb/gutter in good condition.
				Rick Pavek Construction, Inc.	138' x 192' x 196'			
3	508 Ivanhoe Avenue Northfield 22-36-1-52-003	7/11/18	\$102,000	Nancy & John Rinn	12,201 SF 0.28 ac.	\$8.36	N1-B Neighborhood General 1	Rectangular-shaped, level lot located on a cul-de-sac with mature trees - also backs up to tree farm. In-fill location of Northfield. Listed for less than one month at \$109,787 prior to sale. Fronts average condition street with concrete curb/gutter in average condition.
				DuBose Family Trust	83' x 147'			
4	601 Afton Drive Northfield 22-07-2-05-006	11/16/18	\$66,000	Key Land Homes	11,271 SF 0.26 ac.	\$5.86	N1-B Neighborhood General 1	Interior, rectangular-shaped lot located along the north side of Afton Road in newer subdivision in the southeast portion of Northfield. Lot is level and open. Listed on market for about one month at \$68,000 prior to sale. Fronts newer street with concrete curb/gutter in good condition.
				Sarah Dennett	85' x 151' x 90' x 127'			
Subject	1214 Blue Stem Court Northfield 43-58650-01-040	2/25/19 Value Date	---	---	18,138 SF 0.42 ac. 63' x 124' x 46' x 167' x 157'	---	N1-B Neighborhood General 1	Trapezoid-shaped lot at the end of a cul-de-sac (Blue Stem Court). Lot is level and moderately treed. In after project position, lot fronts rehabilitated (reclaimed) street.

¹ Sale price includes assumed special assessments and building demolition costs, if any.

² Land area excludes water and existing road right of way, if any.

Analysis of Land Sales – After – Typical Cul-De-Sac SF Lot – Blue Stem Court

The “Typical Cul-De-Sac Single-Family Lot – Blue Stem Court” property is very similar to the “Typical Standard Single-Family Lot – Blue Stem Court” property. Thus, the adjustments made to the comparables in the preceding valuation apply with equal validity in this analysis, with an exception considered and discussed below:

Lot Size: The Typical Cul-De-Sac Single-Family Lot – Blue Stem Court property has a moderately larger lot size, at 0.42 acres, relative to the Typical Standard Single-Family Lot – Blue Stem Court property, which has a lot size of 0.26 acres. To reflect the difference, the lot size adjustments made to each of the comparable sales in the preceding analysis are modified in an upward direction by five percentage points.

Land Sales Adjustment Grid - After Improvements				
Typical Cul-De-Sac Single-Family Lot - Blue Stem Court				
	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/Lot)	\$74,900	\$57,900	\$102,000	\$66,000
Property Rights	x 1.00	x 1.00	x 1.00	x 1.00
	\$74,900	\$57,900	\$102,000	\$66,000
Financing	x 1.00	x 1.00	x 1.00	x 1.00
	\$74,900	\$57,900	\$102,000	\$66,000
Sale Conditions	x 1.00	x 1.00	x 1.00	x 1.00
	\$74,900	\$57,900	\$102,000	\$66,000
Market Conditions	x 1.03	x 1.07	x 1.03	x 1.01
Adjusted Price	\$77,147	\$61,953	\$105,060	\$66,660
Location	0%	0%	-25%	5%
Lot Size	0%	5%	5%	5%
Shape/Utility	0%	15%	0%	0%
Soils/Topography	0%	0%	0%	0%
Tree Cover/View/Privacy	2%	2%	-10%	2%
Streets/Utilities	0%	0%	5%	0%
Net Adjustment	2%	22%	-25%	12%
Indicated Value For Subject	\$78,690	\$75,583	\$78,795	\$74,659

After adjustments, the land sale comparables result in value indications for the subject land ranging from \$74,659 to \$78,795. The average of the value indications is \$76,932, and similar levels of consideration were given to all four comparables. Market evidence best supports a value of approximately \$76,900.

OPINION OF LAND VALUE – AFTER IMPROVEMENTS: \$76,900
(Typical Cul-De-Sac Single-Family Lot – Blue Stem Court)

Typical Twin Home Lot Valuation – John North Park Area – After

The best method for valuing the Typical Twin Home Lot – John North Park Area would be to value the land via the Sales Comparison Approach, by analyzing information pertaining to the relatively recent sales of lots purchased for the construction of a twin home unit, which is the highest and best use of the subject lot. However, twin home lots are unique in that they typically do not sell individually because it is generally not practical to build just one twin home unit when, by definition, it must join up with another twin home unit on an adjoining lot; typically, both twin home units are built at or near the same time. The value of two adjoining twin lots as indicated by their purchase together, or in a group of than two lots, is not necessarily reflective of an individual twin home lot. Consequently, the Allocation Method will be applied as an alternative.

First, the Typical Twin Home Lot total property (land and building) will be valued via the Sales Comparison Approach. After developing an opinion of the total subject property as improved, the typical percentage of value for such a property comprising the land component will be discussed and concluded. This percentage will then be applied to the value of the property, as improved, to arrive at an opinion of the land value, as vacant. **Please note that the subject Twin Home Lot property, as improved, is valued via the Sales Comparison Approach without a complete interior and exterior viewing of the property, but rather based on an exterior-only viewing from the street and on property information available in county records and from Multiple Listing Service data pertaining to when the property was listed and last sold in 2013.** However, for the purposes of arriving at an opinion of the underlying land value as part of this special benefits appraisal, this limited-viewing method is judged to be an appropriate and acceptable approach toward valuing the property.

SALES COMPARISON APPROACH – TYPICAL TWIN HOME LOT PROPERTY (AS IMPROVED)

A number of twin home sales have been researched and reviewed, with primary emphasis given to sales of properties in reasonable proximity to the subject and of similar design, size, age, utility, and quality. On the following pages is a presentation of the comparable sales which are concluded to possess the highest degree of overall similarity to the subject property, and thus are included in the Sales Comparison Approach for valuing the subject.



Sale #1: **701 Hackerson Court, Northfield**

Land Area: 6,500 square feet or 0.15 acres

Gross Living Area
(Above-grade space): 1,597 square feet

House Description: One-story twin home built in 1992. Floorplan includes living room, dining room, kitchen, sun porch, two bedrooms and two three-quarter baths. There is also a two-car attached garage. The basement level is full, and unfinished. Amenities include a patio.

Buyer / Seller: Thomas and Nancy Loesch / Thomas and Roxzanne Devney

Sale Date: June 13, 2018

Sale Price: \$220,000; Conventional mortgage, no seller contributions

Located in the vicinity of the subject at the southwest corner of Zanmiller Drive and Hackerson Court. Average overall quality/appeal, with stained cedar siding; fair to average property condition. Fronts two streets that are to be rehabilitated as part of the 2019 Street Improvement Project. Listed on the Multiple Listing Service for less than one month with an asking price of \$224,900 at time of sale.



Sale #2: **609 Gill Lane, Northfield**

Land Area: 5,890 square feet or 0.14 acres

Gross Living Area
(Above-grade space): 1,587 square feet

House Description: One-story twin home built in 1994. Floorplan includes living room, dining room, kitchen, two bedrooms and 1.5 bathrooms. There is also a two-car attached garage, deck and patio. The basement level is full, and unfinished. Amentites include a deck and a patio.

Buyer / Seller: William and Sandra Stai / Gloria Dubbels

Sale Date: October 13, 2017

Sale Price: \$227,900; Conventional mortgage, \$3,450 in seller contributions

Located in the vicinity of the subject along the south side of Gill Lane. Average overall quality/appeal, with stained cedar siding; average property condition. Fronts a street which is to be rehabilitated as part of the 2019 Street Improvement Project. Listed on the Multiple Listing Service for less than one month with an asking price of \$229,900 at time of sale. The seller contributed cash concessions of \$3,450 at the closing.



Sale #3: **1301 Thomas Court, Northfield**

Land Area: 7,463 square feet or 0.17 acres

Gross Living Area
(Above-grade space): 1,228 square feet

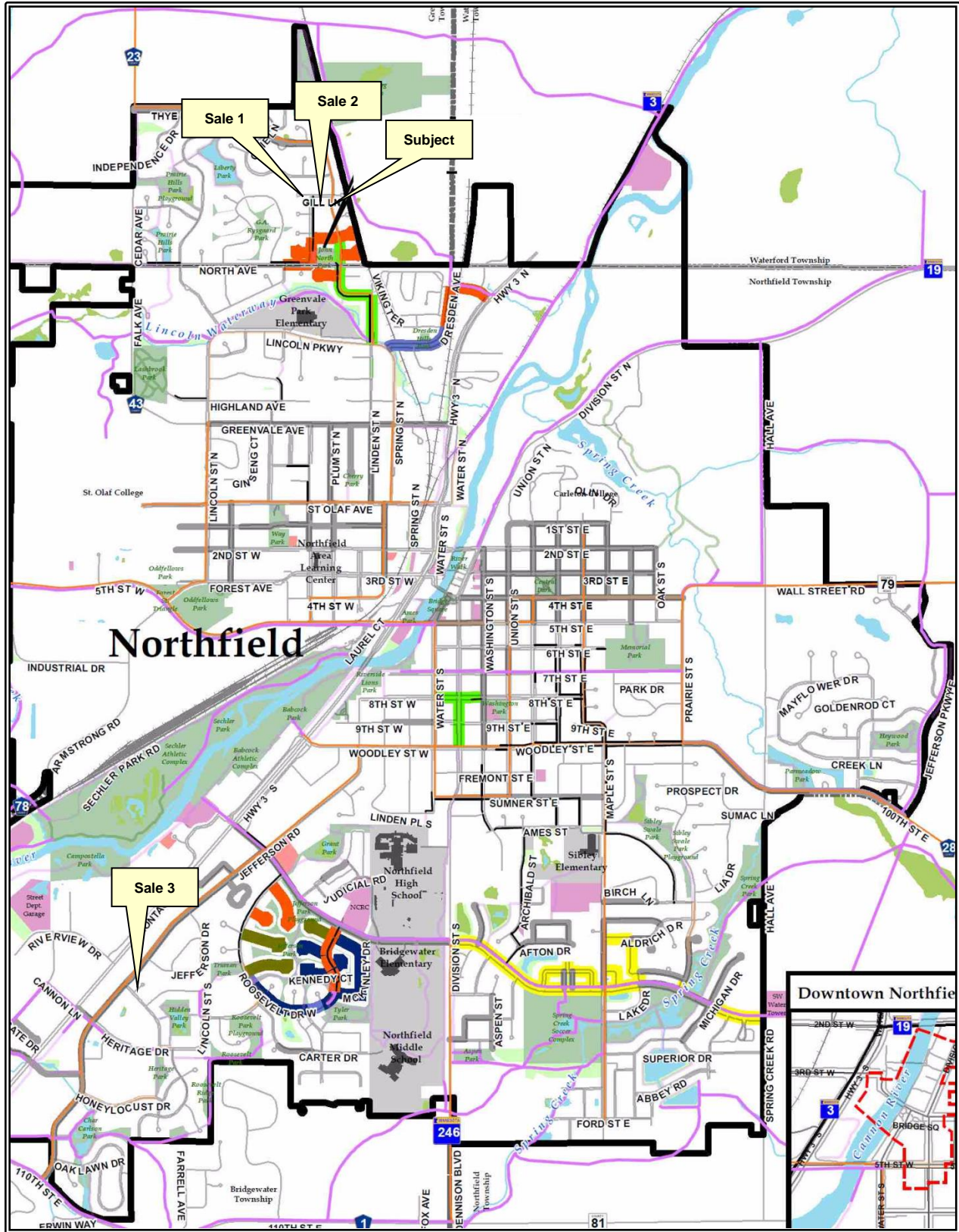
House Description: Split entry-style twin home unit built in 1995. Fully above-grade upper level includes living room, dining room, kitchen, two bedrooms and 1.75 bathrooms. Full walkout basement with 1,171 square feet of finish, includes family room, bedroom and a three-quarter bath. There is also a two-car attached garage. Amenities include two decks and a fireplace.

Buyer / Seller: Kevin and Julie Ellingson / Lyle and Bonnie Cole

Sale Date: March 15, 2018

Sale Price: \$244,500; Conventional mortgage, no seller contributions

Located in south central Northfield at the northeast corner of Hidden Valley Road and Jefferson Road. Property rears to Jefferson Road, sides to Hidden Valley Road and fronts to Thomas Court. Average overall quality/appeal, and average property condition. Fronts average condition bituminous streets with concrete curb/gutter. Listed on the Multiple Listing Service for less than one month with an asking price of \$239,900 at time of sale.



Comparable Twin Home Sales Location Map – Typical Twin Home Lot – John North Park Area

Analysis of Twin Home Sales – After – John North Park Area

The twin home sales are analyzed and their sale prices are adjusted for value-related differences. The adjustments are shown in a grid on the next page. Most adjustments are self-explanatory. Three specific adjustment items are discussed below:

Sales or Financing Concessions: The definition of market value contained in this report, reflecting the appraised value applicable to the subject property, is based on cash or cash-equivalent terms. Sale 2 involved a transaction in which the seller contributed cash concessions at the closing, thereby effectively reducing the seller's cash proceeds from the transaction, relative to the stated purchase price. To properly arrive at an indicated market value of the subject property based on cash or cash-equivalent terms, for Sale 2, a downward Sales or Financing Concessions adjustment was made in the amount equal to the seller-paid concessions dollar amount, to reflect the net effective cash value of the transaction.

Date of Sale (Closing): This is a market conditions adjustment, reflecting changes in prices, if any, between the date of each comparable sale and the valuation date, due to changes in market conditions. Within the past several years, the housing market has been steadily improving and recovering after a major downturn that began in the latter half of the past decade.

According to Northstar Regional Multiple Listing Service (MLS) statistics, the median townhouse/twin home price in Northfield in 2018 was \$202,900, a 0.97% increase over \$200,950 in 2017. Prices of townhouse/twin homes increased on average 21.05% from 2016 to 2017 in Northfield. Note: the sales analyzed included townhouse/twin homes and excluded distressed sale situations; there were a total of 63 sales in 2016, 76 sales in 2017 and 59 sales in 2018.

According to Northstar Regional Multiple Listing Service (MLS) statistics, the median townhouse/twin home price in Dakota County in 2018 was \$199,950, an 8.08% increase over \$185,000 in 2017. Prices of townhouse/twin homes increased on average 6.06% from 2016 to 2017 in Dakota County. Note: the sales analyzed included townhouse/twin homes and excluded distressed sale situations; there were a total of 2,245 sales in 2016, 2,370 sales in 2017 and 2,192 sales in 2018.

For this analysis, the comparable sales are adjusted based on an average price appreciation rate of 3% per year, from the date of the comparable sales to the effective date of valuation of February 25, 2019.

Streets: In the “after” position, the subject lot fronts a rehabilitated (reclaimed) street with new pavement, fortified underlying base and spot repair/replacement of curb/gutter, where needed. For all practical purposes, this reflects the subject property fronting a newer bituminous paved street with concrete curb/gutter, in good overall condition.

All three sales front bituminous paved streets with concrete curb/gutter. The streets are in inferior condition relative to the subject and upward adjust are made to the comparables in accordance with their inferiority.

Home Sales Adjustment Grid - After Improvements - Typical Twin Home Lot Property							
Address	SUBJECT	SALE#1		SALE#2		SALE#3	
		614 Zanmiller Dr. Northfield	701 Hackerson Ct. Northfield		609 Gill Ln. Northfield		1301 Thomas Ct. Northfield
Sale Price			\$ 220,000		\$ 227,900		\$ 244,500
Price/Above Grade SF		\$138		\$144		\$199	
Data and/or Verification Source		MLS/Broker - 11 Days on Mkt. County Records		MLS/Broker - 12 Days on Mkt. County Records		MLS/Broker - 19 Days on Mkt. County Records	
VALUE ADJUSTMENTS	Description	Description	+/- Adj.	Description	+/- Adj.	Description	+/- Adj.
Sales or Financing		Conventional Mtg.		Conv. Mtg. - seller	- 3,450	Conventional Mtg.	
Concessions		No Concessions		contributed \$3,450		No Concessions	
Date of Sale (Closing)	2/25/2019 Val. Date	6/13/2018	+ 4,600	10/13/2017	+ 9,400	3/15/2018	+ 7,000
Location	Northfield/Avg.	Similar		Similar		Superior	- 3,000
Site	0.16 ac.	0.15 ac.		0.14 ac.		0.17 ac.	
View	Typical residential	Similar		Similar		Similar	
Design	One-story twin home	One-story twin hm.		One-story twin hm.		Split-entry twin hm.	
Quality/Appeal	Average	Average		Average		Average	
Age	1991	1992		1994	- 2,500	1995	- 2,500
Condition	Average	Fair to Average	+ 5,000	Average		Average	
Above Grade Rm. Count (Total rms./BRs/Baths)	6 / 2 / 1.75	6 / 2 / 1.5	+ 1,000	5 / 2 / 1.5	+ 1,000	5 / 2 / 1.75	
Above Grade SF	1,584	1,597	- 300	1,587	- 100	1,228	+ 8,900
Basement	Ptl., No Walkout	Full, No Walkout	- 1,000	Full, No Walkout	- 1,000	Full, Walkout	- 5,000
Basement Finish SF	0	0				1,171	- 17,600
Other	Deck	Patio	+ 1,000	Deck, Patio	- 1,000	1FR, 1BR, .75BT	
Garage	2 Car / Attached	2 Car / Attached		2 Car / Attached		2 Decks, 1 FP	- 3,000
Street	New pvmt., spot curb/gutter replcmnt.	Poor condition street	+ 3,000	Poor condition street	+ 3,000	Avg. condition street	+ 1,500
Net Adjustment		6.05%	- 13,300	2.35%	+ 5,350	-5.60%	- 13,700
Gross Adjustments		7.23%		7.90%		19.84%	
Adjusted Sales Price			\$ 233,300		\$ 233,250		\$ 230,800

As shown on adjustment grid above, the adjusted comparable sales provide value indications for the subject Typical Twin Home Lot – John North Park Area total property, as improved, ranging from \$230,800 to \$233,300. The average of the three value indications is \$232,450. All three sales have significant similarities to the subject property in varying respects; all are considered to provide pertinent value indications, after adjustments, of the subject property value. All three comparables are given significant weight. It is concluded that market evidence best supports a subject property market value conclusion, as improved, of \$232,000 within the Sales Comparison Approach.

**SALES COMPARISON APPROACH VALUE INDICATION –
AFTER IMPROVEMENTS: \$232,000
(Typical Twin Home Lot Property – John North Park Area, As Improved)**

Allocation of Twin Home Lot Property Land Value Component

Since insufficient data pertaining to reasonably comparable twin home lot sales were not available for analysis, the Typical Twin Home Lot – John North Park Area property land value will be estimated by allocation, which applies an appropriate percentage of the total property value, as improved, toward the land component value. Shown on the following page is an analysis of data pertaining to sales of lots and improved properties in close proximity to each other, for the purpose of arriving at an applicable allocation percentage amount for the subject land value component.

1101 Superior Drive, Northfield – This is a 0.29-acre single-family home lot located in a newer residential subdivision which is approaching full development. The lot sold on April 27, 2016 for \$48,300, after which a new home was constructed on the lot. The property then sold as improved for \$360,724, on September 16, 2016. The portion of the property value allocable to the land is estimated using the following calculation:

$$\$48,300 \text{ Lot Price} \div \$360,724 \text{ Home Price} = 13.39\% \text{ Land Value Allocation}$$

2106 Erie Drive, Northfield – This is a 0.27-acre single-family home lot located in a newer residential subdivision which is approaching full development. The lot sold on May 31, 2016 for \$58,300, after which a new home was constructed on the lot. The property then sold as improved for \$380,097, on October 25, 2016. The portion of the property value allocable to the land is estimated using the following calculation:

$$\$58,300 \text{ Lot Price} \div \$380,097 \text{ Home Price} = 15.34\% \text{ Land Value Allocation}$$

904 Quie Lane, Northfield – This is a 0.31-acre single-family home lot located in a newer residential subdivision which is approaching full development. The lot sold on August 30, 2017 for \$57,900, after which a new home was constructed on the lot. The property then sold as improved for \$390,740, on March 2, 2018. The portion of the property value allocable to the land is estimated using the following calculation:

$$\$57,900 \text{ Lot Price} \div \$390,740 \text{ Home Price} = 14.82\% \text{ Land Value Allocation}$$

Conclusion of Subject Land Value Allocation

The above local market-extracted land value allocations range between 13.39% and 15.34% of total property value. Based on the above, the Typical Twin Home Lot – John North Park Area land value component is estimated based on the following calculations:

$$\$232,000 \text{ Total Property Value} \times 15\% \text{ Land Value Allocation} = \$34,800$$

OPINION OF LAND VALUE – AFTER IMPROVEMENTS: \$34,800
(Typical Twin Home Lot – John North Park Area)

LAND VALUE BEFORE IMPROVEMENTS

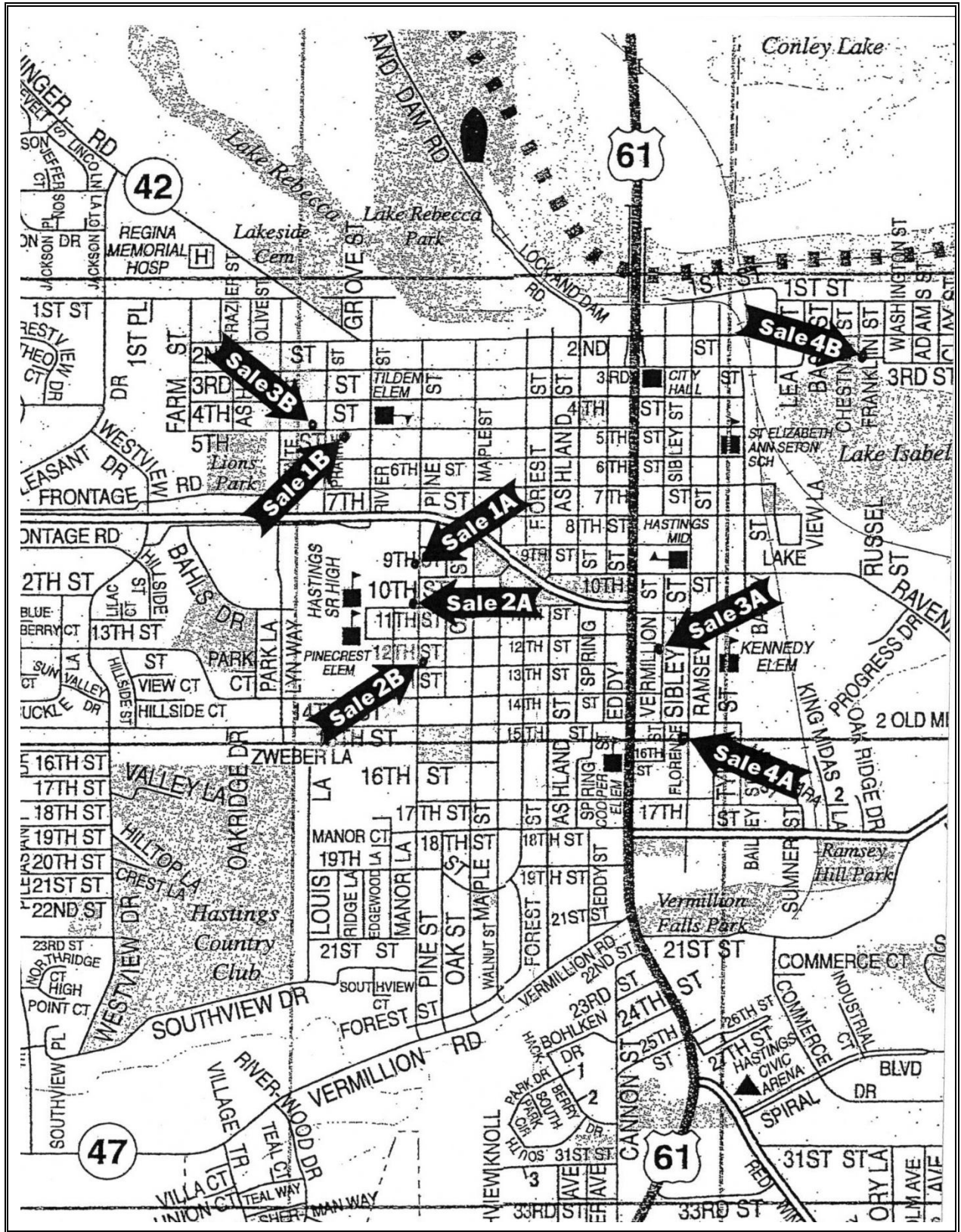
SALES COMPARISON APPROACH

Similar to the previously presented valuation of the four subject property land parcels in the after situation, the values of the subject land parcels are addressed in the before situation, reflecting their current state with frontage on an old, worn street in need of rehabilitation. Relative to the after position, all of the adjustments made to the comparables for value-related differences remain the same, except for streets, since this aspect of the property has changed between the before and after positions. Therefore, a before value indication can be derived by making an appropriate adjustment to the after value indication which reflects the impact of the difference in streets.

In consideration of the appropriate adjustment to make for differences between the comparable sales and the subject property as it pertains to streets, reference is made to a “paired sales” study conducted by BRKW Appraisals, Inc. in the City of Hastings, a similar community to Northfield in that it is an older, established river town with an outlying position relative to the core of the Twin Cities. Hastings is located about 25 miles southeast of Minneapolis and about 25 miles northeast of Northfield.

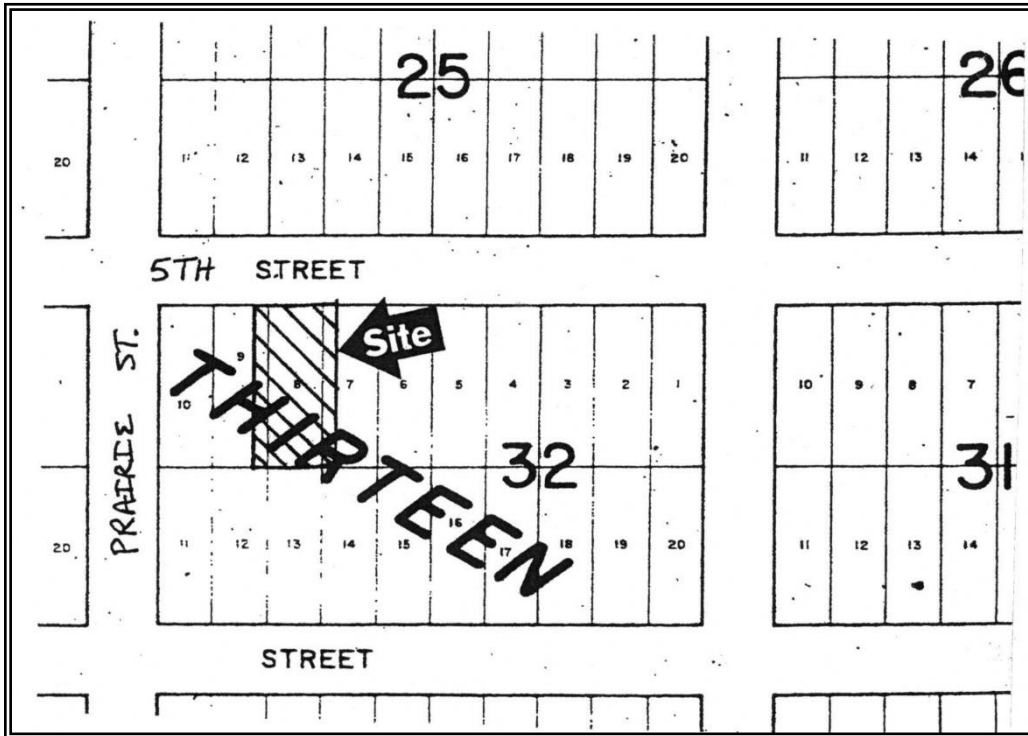
For several years, the City of Hastings has been conducting a scheduled replacement program for the older streets within the community. Consequently, there have been instances where sales took place of vacant lots fronting old, deteriorated streets, and within a relatively concurrent time frame similar lots fronting reconstructed streets also were sold. Such a setting allowed for a direct pairing of the sale prices of lots on deteriorated streets versus new streets, with minimal difference between the lots other than street/utility quality and condition.

On the following pages is summary information for several vacant single-family lot sales in Hastings. These sales are arranged in paired sets with one lot sale fronting on an older street without curb and gutter, or with older bituminous curbs, (Sale B, before) and one sale on a newer paved street with concrete curb and gutter (Sale A, after). These sets of paired sales will be analyzed, with adjustments made for all value-related differences except for the quality and condition of the fronting streets. Sale B (before) will be adjusted to Sale A (after) in the adjustment analysis. The analysis will result in an indicated percentage value benefit factor attributable to the difference in the quality and condition of the fronting streets and utilities.

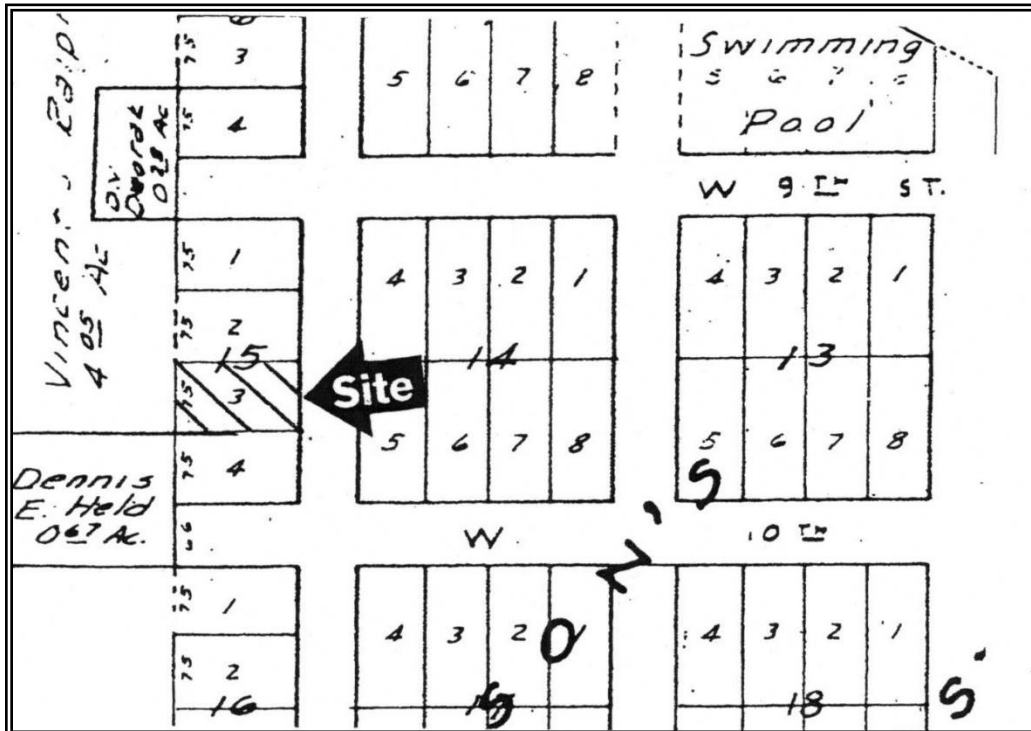


Paired Lot Sales Location Map -Hastings, MN

PAIRED SALES – PLAT MAPS

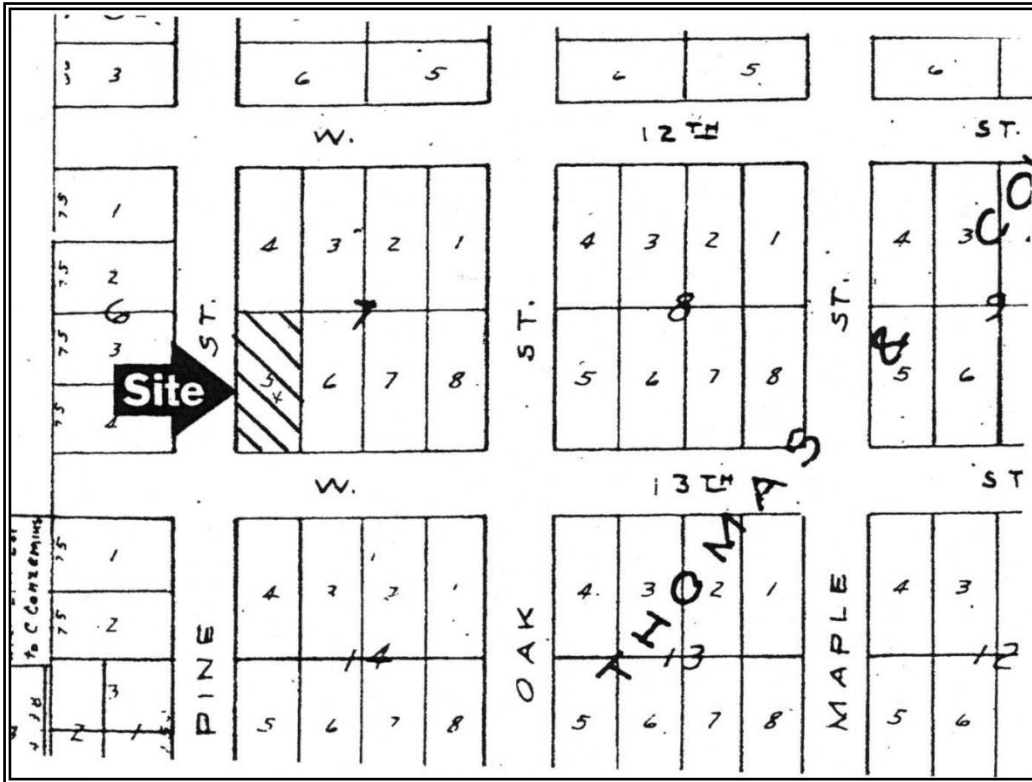


Paired Sale 1B – 831 5th Street W., Hastings

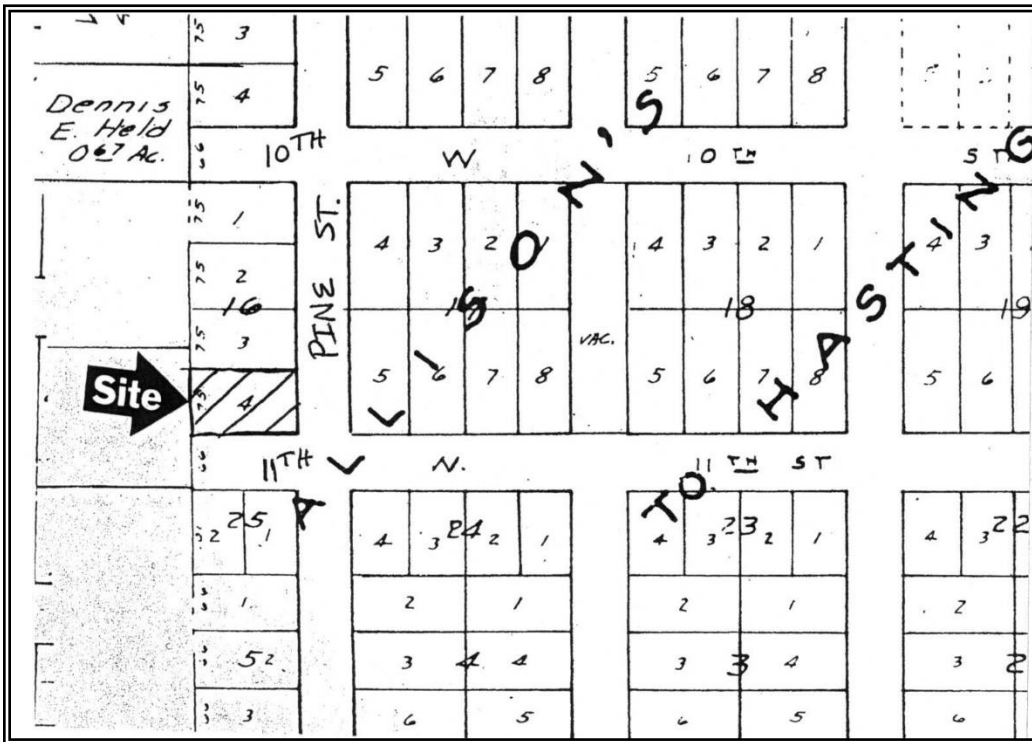


Paired Sale 1A – 910 Pine Street, Hastings

PAIRED SALES 2 - PLAT MAPS



Paired Sale 2B - 820 13th Street W., Hastings

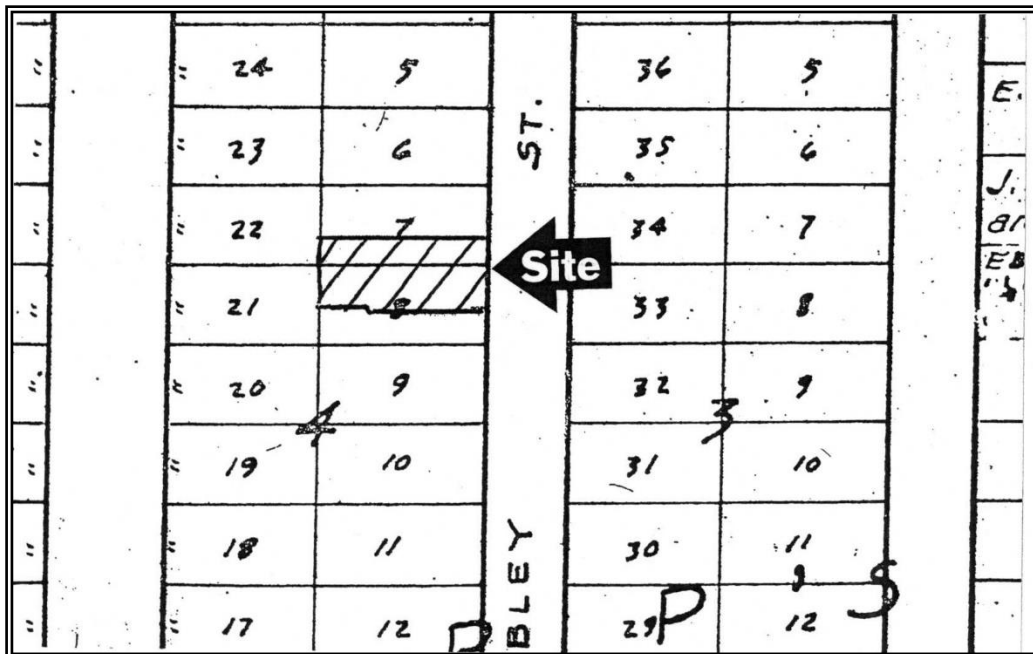


Paired Sale 2A - 1030 Pine Street, Hastings

PAIRED SALES 3 – PLAT MAPS

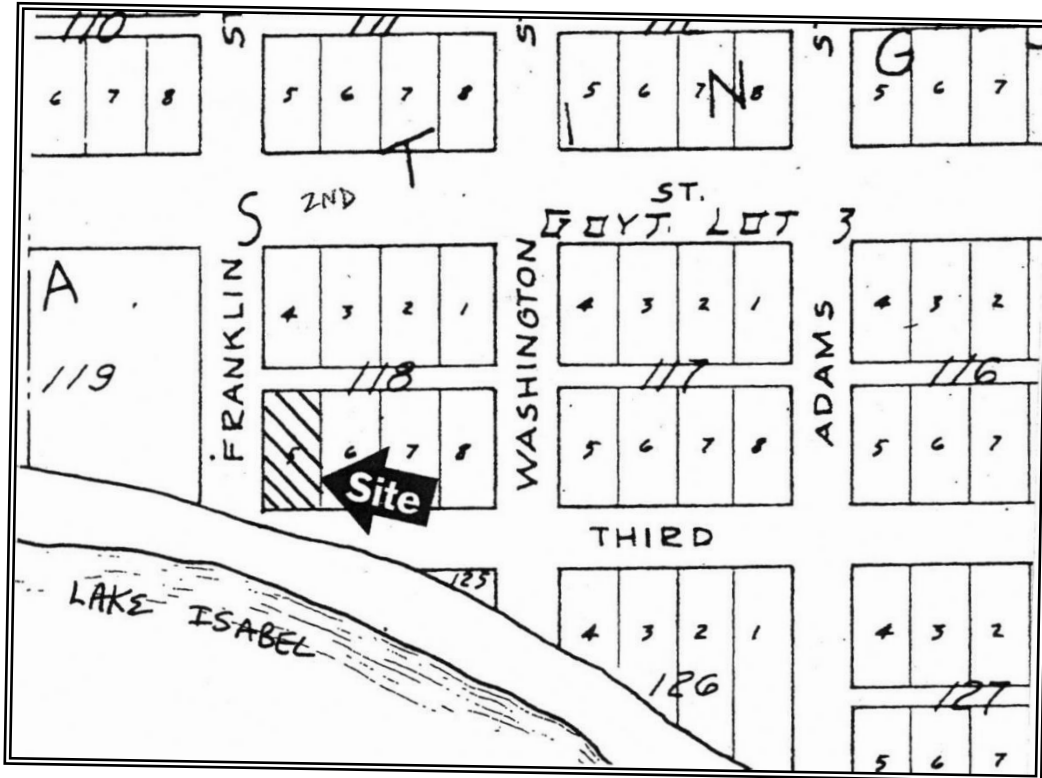


Paired Sale 3B – 906 5th Street W., Hastings

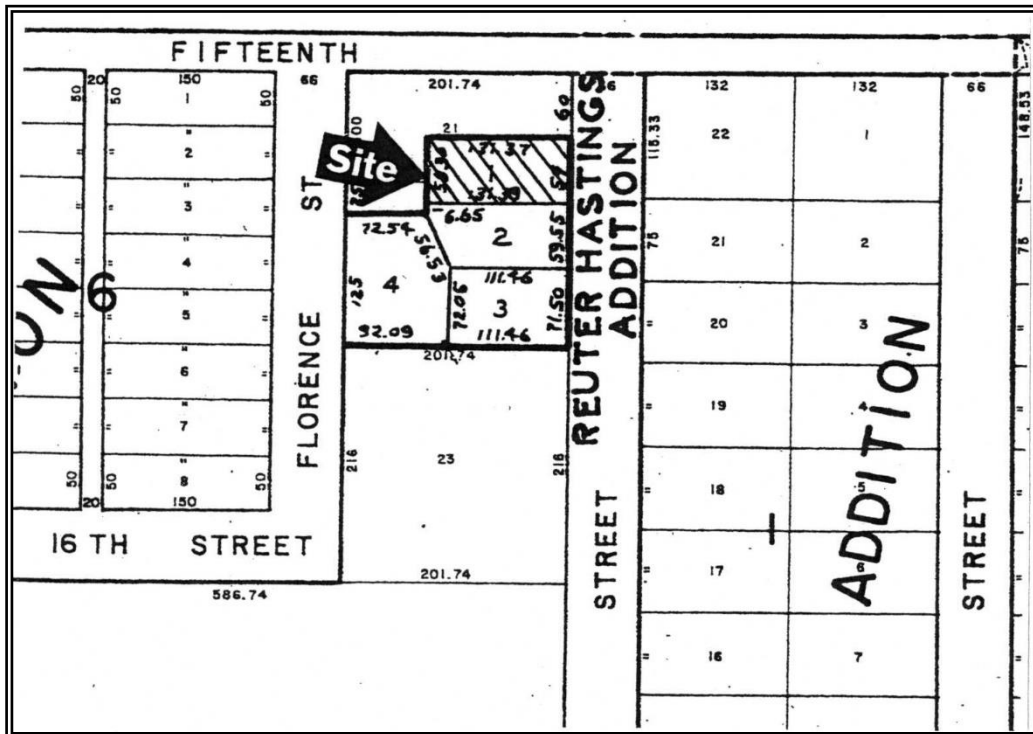


Paired Sale 3A – 1216 Sibley Street, Hastings

PAIRED SALES 4 – PLAT MAPS



Paired Sale 4B – 221 Franklin Street, Hastings



Paired Sale 4A – 1504 Ramsey Street, Hastings

Paired Lot Sales Summary Data								
#	Location	Sale Date	Sale Price	Lot Size / Frontage	\$ / Site	\$ / FF	Zoning	Comments
1B	831 5 th St. W. Hastings	12/99	\$35,000	12,080 SF 80' FF	\$35,000	\$437.50	R-2	Interior level lot in average location, old paved street with no curb & gutters.
1A	910 Pine St. Hastings	9/01	\$40,000	9,825 SF 75' FF	\$40,000	\$533.33	R-2	Interior level lot in average location, newer paved street with concrete curb & gutter, backs up to school property.
2B	820 13 th St. W. Hastings	1/01	\$42,000	9,900 SF 66' FF	\$42,000	\$636.36	R-2	Corner level lot in average location, old paved street with no curb & gutters, side street newer with conc. C & G.
2A	1030 Pine St. Hastings	11/01	\$52,000	9,825 SF 75' FF	\$52,000	\$693.33	R-2	Corner level lot in average location, newer paved street with concrete C & G, side street older with no C & G.
3B	906 5 th St. W. Hastings	7/00	\$31,700	7,350 SF 50' FF	\$31,700	\$634.00	R-2	Interior level lot in average location, old paved street with old bituminous curb & gutters
3A	1216 Sibley St. Hastings	9/03	\$41,000	7,776 SF 60' FF	\$41,000	\$683.33	R-2	Interior level lot in average location, newer paved street with concrete C & G, backs up to commercial property.
4B	221 Franklin St. Hastings	7/97	\$27,000	9,240 SF 66' FF	\$27,000	\$409.09	R-2	Interior sloping lot with lake views, gravel street with no curb & gutters, adjacent to park on the west.
4A	1504 Ramsey St. Hastings	10/99	\$33,000	7,664 SF 59' FF	\$33,000	\$559.32	R-2	Interior level lot in average location, newer paved street with concrete C & G.

Adjustments are made to the B sales compared to the A sales for value-related differences (such as for time of sale, lot size, etc.), except for access quality, which is the attribute being measured, and thus the attribute being isolated. The result is the indicated difference in value between the B and A sales as a result of new streets (A sales) versus old, deteriorated streets (B sales). Shown below and on the next page is the result of the paired sales analysis:

Paired Sales Adjustment Grid				
	Paired Sales 1		Paired Sales 2	
	1B	1A	2B	2A
Sale Date:	12/99	9/01	1/01	11/01
Street Frontage:	80'	75'	66'	75'
Sale Price (\$/Site):	\$35,000	\$40,000	\$42,000	\$52,000
Property Rights:	<u>x 1.00</u> \$35,000		<u>x 1.00</u> \$42,000	
Financing:	<u>x 1.00</u> \$35,000		<u>x 1.00</u> \$42,000	
Conditions of Sale:	<u>x 1.00</u> \$35,000		<u>x 1.00</u> \$42,000	
Mkt. Conditions/Time:	<u>x 1.105</u>		<u>x 1.055</u>	
Adjusted Price:	\$38,675	\$40,000	\$44,310	\$52,000
Location:	-0-		-0-	
Size/Shape:	-8%		+4%	
Soils/Topo/Trees:	-0-		-0-	
Zoning/Utility:	-0-		-0-	
Corner/Interior:	-0-		-0-	
Net Adjustment:	-8%		+4%	
Indicated Values:	\$35,581	\$40,000	\$46,082	\$52,000
Value Benefit (\$)		\$4,419		\$5,918
Value Benefit (%)		12.42%		12.84%
Value Benefit (\$/FF)		\$58.92/FF		\$78.90/FF

Paired Sales Adjustment Grid				
	Paired Sales 3		Paired Sales 4	
	3B	3A	4B	4A
Sale Date:	7/00	9/03	7/97	10/99
Street frontage:	50'	60'	66'	59'
Sale Price (\$/Site):	\$31,700	\$41,000	\$27,000	\$33,000
Property Rights:	<u>x 1.00</u> \$31,700		<u>x 1.00</u> \$27,000	
Financing:	<u>x 1.00</u> \$31,700		<u>x 1.00</u> \$27,000	
Conditions of Sale:	<u>x 1.00</u> \$31,700		<u>x 1.00</u> \$27,000	
Mkt. Conditions/Time:	<u>x 1.19</u>		<u>x 1.135</u>	
Adjusted Price:	\$37,723	\$41,000	\$30,645	\$33,000
Location:	-8%		-3%	
Size/Shape:	+5%		-7%	
Soils/Topo/Trees:	-0-		+5%	
Zoning/Utility:	-0-		-0-	
Corner/Interior:	-0-		-0-	
Net Adjustment:	-3%		-5%	
Indicated Values:	\$36,591	\$41,000	\$29,113	\$33,000
Value Benefit (\$)		\$4,409		\$3,887
Value Benefit (%)		12.05%		13.35%
Value Benefit (\$/FF)		\$73.48/FF		\$65.89/FF

After adjustments, the paired land sale comparables result in the indication that the new, reconstructed streets have a higher value than the old, deteriorated streets on a percentage basis as follows:

Percentage Value Increase Given New Reconstructed Vs. Old Deteriorated Street:

Range: 12.05% to 13.35%
Average: 12.67%

All of the paired sales are considered generally reliable value indicators after the adjustment process. All of the paired sales involve "before" lots that front old deteriorated streets which are to the point at which they are in need of total reconstruction (removal of all pavement, base, curb/gutter and, in many cases, existing utility lines and replaced with all new of these components).

Typical Standard Single-Family Lot – John North Park Area – Before Reclamation Improvements

In the preceding matched pairs analysis, the range of indicated special benefit for complete street reconstruction is between approximately 12% and somewhat more than 13%. If the Typical Single-Family Lot – John North Park Area fronting street were deteriorated to the point where it needed complete reconstruction, the data indicates that the value benefit or increase in the land value resulting from the proposed improvements would be somewhere between 12% and 13%. However, it is noted that the subject land in the before position is somewhat superior to the “inferior” lots in the paired sales analysis. In the before position, the subject street frontage is deteriorated to the point that a complete pavement replacement is required and some reworking/strengthening of the underlying base is necessary, but the street has not reached the point of needing complete reconstruction. Most of the curb/gutter is intact with repairs or replacement needed on a spot basis, and the base material does not need complete removal and replacement; nor does the utility infrastructure need major repair or replacement.

Consequently, the benefit from the proposed improvements, which include reclaiming and replacing the existing pavement, together with repair, as needed, of concrete curb, gutter and associated storm sewer, would be significant, but less than between 12% and 13%. Considering the subject property situation, and based on our previous special benefits appraisal experience, we would estimate that the **value benefits to the subject Typical Single-Family Lot – John North Park Area would be about 9%.**

All of the adjustments made in the preceding “after” valuation of the property (e.g., market conditions, location, size, etc.) remain valid in the “before” valuation; the only factor that has changed is the street condition. Thus, the market-derived percentage value benefits of the street improvements will be applied to the previously estimated value of the property in the after situation to calculate the value of the subject Typical Standard Single-Family Lot – John North Park Area in the before situation. The “after” value reflects an amount which is 9% higher than the before value. Dividing the after value by a factor of 1.09 results in the before value as shown below:

Land Value After Street Improvements = \$69,200

$$\$69,200 \div 1.09 = \$63,486$$

Rounded to: \$63,500

**OPINION OF LAND VALUE – BEFORE RECLAMATION IMPVMTS.: \$63,500
(Typical Standard Single-Family Lot – John North Park Area)**

Typical Twin Home Lot – John North Park Area – Before Reclamation Improvements

The valuation of the Typical Twin Home Lot – John North Park Area in the before situation is approached in the same manner as that shown previously for the Typical Standard Single-Family Lot in the John North Park Area. The twin home lot is similar to the single-family lots in that at this time it fronts a street in need of rehabilitation in the form of pavement reclamation and spot repair/replacement of existing concrete curb/gutter. A benefit level of 9% was concluded for the Typical Standard Single-Family Lot – John North Park Area. After considering the situation, it is concluded that a 9% benefit level also applies to the Typical Twin Home Lot – John North Park Area.

Land Value After Street Improvements = \$34,800

$$\$34,800 \div 1.09 = \$31,927$$

Rounded to: \$31,900

**OPINION OF LAND VALUE – BEFORE RECLAMATION IMPVMTS.: \$31,900
(Typical Twin Home Lot – John North Park Area)**

Typical Standard Single-Family Lot – Blue Stem Court – Before Reclamation Improvements

The valuation of the Typical Standard Single-Family Lot – Blue Stem Court in the before situation is approached in the same manner as that shown previously for the Typical Standard Single-Family Lot in the John North Park Area. The Typical Standard Single-Family Lot – Blue Stem Court lot is similar in that at this it fronts a street in need of rehabilitation in the form of pavement reclamation and spot repair/replacement of existing concrete curb/gutter. A benefit level of 9% was concluded for the Typical Standard Single-Family Lot – Blue Stem Court. After considering the situation, it is concluded that a 9% benefit level also applies in the case of the property currently being analyzed.

Land Value After Street Improvements = \$73,000

$$\$73,000 \div 1.09 = \$66,972$$

Rounded to: \$67,000

**OPINION OF LAND VALUE – BEFORE RECLAMATION IMPVMTS.: \$67,000
(Typical Standard Single-Family Lot – Blue Stem Court)**

Typical Cul-De-Sac Single-Family Lot – Blue Stem Court – Before Reclamation Improvements

The valuation of the Typical Cul-De-Sac Single-Family Lot – Blue Stem Court in the before situation is approached in the same manner as that shown previously for the other single-family lots. The Typical Cul-De-Sac Single-Family Lot – Bluestem Court lot is similar in that at this it fronts a street in need of rehabilitation in the form of pavement reclamation and spot repair/replacement of existing concrete curb/gutter. A benefit level of 9% was concluded for the Typical Cul-De-Sac Single-Family Lot – Bluestem Court. After considering the situation, it is concluded that a 9% benefit level also applies in this case, as shown below:

Land Value After Street Improvements = \$76,900

$$\$76,900 \div 1.09 = \$70,550$$

Rounded to: \$70,600

**OPINION OF LAND VALUE – BEFORE RECLAMATION IMPVMTS.: \$70,600
(Typical Cul-De-Sac Single-Family Lot – Blue Stem Court)**

SUMMARY AND FINAL CONCLUSIONS

Four subject properties located in the area of the proposed Northfield 2019 Street Reclamation Project – Area 1 have been appraised for the purpose of developing opinions of the increase, if any, in the market value of the properties resulting from the proposed project improvements. The special benefit value conclusions made in this appraisal are intended to be used by city officials as a basis for levying special assessments to all of the properties in the project area benefited by the improvements, in accordance with the city assessment policy.

It is noted that not every property potentially benefiting from improvements proposed for streets in the project area was appraised for special benefits purposes. Rather, for most properties, this appraisal reflects a preliminary benefits analysis in that it provides an approximation of likely special benefits accruing to those properties belonging to a specific use group (e.g., single-family lots and twin home lots).

In summary, it has been concluded that the proposed street improvements do result in measurable value benefits to the four subject properties addressed in this appraisal, as well as to the other properties in the project area intended for assessment by the city. It is our opinion that the before and after market values, together with the special benefits from the improvement project pertaining to the subject properties, as of February 25, 2019 are as shown on the following page.

Typical Standard Single-Family Lot – John North Park Area (85’ Frontage)
Property Land Value - After: \$69,200
Property Land Value - Before: \$63,500
Approximate Value Benefits: \$ 5,700 or \$67/Front Foot

Typical Twin Home Lot – John North Park Area (41’ Frontage*)
Property Land Value - After: \$34,800
Property Land Value - Before: \$31,900
Approximate Value Benefits: \$ 2,900 or \$71/Front Foot
*** Frontage is on private road connecting to Zanmiller Drive**

Typical Standard Single-Family Lot – Blue Stem Court (97’ Frontage)
Property Land Value - After: \$73,000
Property Land Value - Before: \$67,000
Approximate Value Benefits: \$ 6,000 or \$62/Front Foot

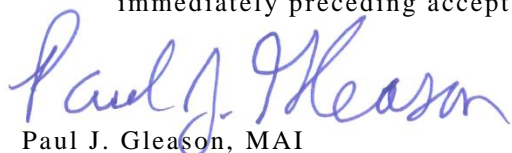
Typical Cul-De-Sac Single-Family Lot – Blue Stem Court (63’ Frontage)
Property Land Value - After: \$76,900
Property Land Value - Before: \$70,600
Approximate Value Benefits: \$ 6,300 or \$100/Front Foot

The opinions of market value are based on an estimated property exposure time of 0 to 6 months. Exposure time is defined as “the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal” (Source: 2018-2019 Uniform Standards of Appraisal Practice, Page 4).

CERTIFICATION

The undersigned does hereby certify that in this appraisal report:

1. This appraisal assignment is not based on a requested minimum valuation or specific valuation for approval of a loan. The estimate of market value identified in this report was developed independent of any undue influence.
2. Neither our engagement to make this appraisal (or any future appraisals for this client), nor any compensation, therefore, are contingent upon the development or report of a predetermined value or direction in value that favors the cause of the client, the amount of value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
3. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. We have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
5. We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
6. To the best of our knowledge and belief the statements of fact contained in this appraisal report upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
7. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased analyses, opinions, and conclusions.
8. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.
9. No one provided significant professional assistance to the person(s) signing this certification.
10. We have made a personal inspection of the property that is the subject of this report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Paul J. Gleason and Mark A. Warren have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
13. The by-laws and regulations of the Appraisal Institute govern disclosure of the contents of this appraisal report.
14. 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 he/she is connected, or any reference to the Appraisal Institute or MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.
15. We have the knowledge and experience to complete this appraisal in a competent manner. We have not been sued by a regulatory agency or financial institution for fraud or negligence involving an appraisal report.
16. No services as an appraiser or in any other capacity have been performed regarding the properties that are the subject of the report within the three year period immediately preceding acceptance of this assignment.



Paul J. Gleason, MAI
Certified General Real Property Appraiser
Minnesota License #4003073



Mark A. Warren, MAI
Certified General Real Property Appraiser
Minnesota License #20415370

PROFESSIONAL QUALIFICATIONS
PAUL J. GLEASON, MAI

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

MAI Member – The Appraisal Institute

APPRAISER LICENSE

Certified General Real Property Appraiser – State of Minnesota –
License #4003073

EDUCATION

University of Wisconsin at La Crosse, Wisconsin – 1985
Bachelor of Science Degree in Business Administration

PROFESSIONAL EXPERIENCE

Principal – BRKW Appraisals, Inc., St. Paul, MN, 2007-present

Staff Appraiser – BRKW Appraisals, Inc., St. Paul, MN, 1993-2006

Appraiser – Certified Appraisers, Excelsior, MN, 1993

Appraiser – Stiles Appraisals, Inc., Plymouth, MN, 1992-1993

Expert Witness Testimony – For real estate litigation in numerous condemnation commissioners' hearings, arbitration hearings and in District Court

Presenter/Speaker at Minnesota Department of Transportation's 2016 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2014 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2012 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2010 Right of Way Professionals Workshop, Breezy Point, MN

Appraisal assignments have been completed for the following purposes:

Condemnation – Partial and total acquisitions, in fee title and in easement form

Property Damage Claims Litigation

Special Benefits Valuation

Mortgage Financing

General Valuation Needs – Purchase negotiations, listing prices, internal family or partnership transactions, estate planning/taxes, marriage dissolution, etc.

PROPERTY TYPES APPRAISED

Land – Commercial, industrial, residential acreage, agricultural, finished lots
Commercial Buildings – Office, industrial, retail, medical office, auto dealerships
Apartment Buildings/Complexes
1-4 Family Residential – Single-family home, townhome, condo, duplex, fourplex

PROFESSIONAL REAL ESTATE STUDIES

Appraisal Institute courses, including all required for MAI designation:

- Course 110: Appraisal Principles (examination passed)
- Course 120: Appraisal Procedures (examination passed)
- Course 210: Residential Case Study
- Course 310: Basic Income Capitalization
- Course 410: National Uniform Standards of Professional Appraisal Practice
- Course 420: Business Practices and Ethics
- Course 510: Advanced Income Capitalization
- Course 520: Highest and Best Use and Market Analysis
- Course 530: Advanced Sales Comparison and Cost Approaches
- Course 540: Report Writing and Valuation Analysis
- Course 550: Advanced Applications

Numerous additional classes and seminars for appraisal pre-license and continuing education requirements, on an ongoing basis, from Appraisal Institute and other sources

CLIENTS INCLUDE

Minnesota Cities of Afton, Austin, Apple Valley, Blaine, Cambridge, Cottage Grove, Eagan, Lino Lakes, Maplewood, Northfield, Oak Park Heights, Owatonna, Prior Lake, Rochester, Savage, Wabasha and Woodbury, among others

Anchor Bank	Associated Bank
BMO Harris Bank N.A.	Bremer Bank
Bridgewater Bank	Dougherty, Molenda, Solfest, Hills & Bauer, P.A.
Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP	Greene Espel PLLP
Minnesota Bank & Trust	Minnesota Dept. of Transportation
US Bank	Western Bank

And various other individuals, attorneys, communities and counties

Revised: January 1, 2019

PROFESSIONAL QUALIFICATIONS
MARK A. WARREN, MAI

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

MAI Member – The Appraisal Institute

APPRAISER LICENSE

Certified General Real Property Appraiser - State of Minnesota - License
#20415370

EDUCATION

University of Minnesota, Minneapolis, Minnesota
Bachelor of Arts Degree – Religious Studies Major, 2003

PROFESSIONAL EXPERIENCE

Principal – BRKW Appraisals, Inc., St. Paul, MN, 2016-present
Staff Appraiser – BRKW Appraisals, Inc., St. Paul, MN, 2009-2015
Appraiser – The Appraisal Group, Maple Grove, MN, 2005-2009
Appraiser – Elmquist-Warren Appraisals, St. Paul, MN, 2003-2005

Expert witness testimony in commissioners’ hearings for condemnation cases

PROPERTY TYPES APPRAISED

Apartment Buildings	Medical Clinics	Restaurants
Auto Service Centers	Mini-Storage Buildings	Retail Stores
Banks	Mixed Use Properties	Shopping Centers
Churches	Mobile Home Parks	Single Family Homes
Condos & Townhomes	Office Buildings	Special Purpose
Convenience Stores	Office-Showrooms	R & D Buildings
Gas Stations	Office-Warehouses	Vacant Land
Manufacturing Buildings	Recreational Facilities	

PROFESSIONAL REAL ESTATE STUDIES

Basic Income Capitalization, Appraisal Institute, 2005
Advanced Sales Comparison & Cost Approaches, Appraisal Institute, 2006
Report Writing & Valuation Analysis, Appraisal Institute, 2006
Advanced Income Capitalization, Appraisal Institute, 2007
Highest & Best Use & Market Analysis, Appraisal Institute, 2007
National USPAP Update Course, Appraisal Institute, 2007 & 2009
Associates Guidance Leadership Program, Appraisal Institute, 2009
The New Residential Market Conditions Form, Appraisal Institute, 2009
Condemnation Appraising: Principles & Applications, Appraisal Institute, 2009
Fundamentals of Separating Real Property, Personal Property, and Intangible
Business Assets, Appraisal Institute, 2012
Advanced Concepts & Case Studies, Appraisal Institute, 2016

CLIENTS INCLUDE

Cities of Cottage Grove, Eagan, Hastings, Inver Grove Heights, Newport,
Northfield, Pine Island, Savage, Wabasha and Woodbury

Old National Bank	Alliance Bank
Bremer Bank	Bridgewater Bank
Carver County CDA	Centennial School District
Dakota County CDA	Deerwood Bank
Dougherty, Molenda, Solfest, Hills & Bauer, P.A.	Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP
Honsa & Associates, P.A.	Johnson Bank
First State Bank of Wyoming	Landmark Community Bank
MidWestOne Bank	North Star Bank
Minnesota Bank & Trust	Minnesota Dept. of Transportation
US Bank	Wells Fargo Bank

And various other individuals, attorneys, communities and counties

Revised: January 1, 2019

COMPANY PROFILE

BRKW APPRAISALS, INC.

1600 University Avenue, Suite 314
St. Paul, Minnesota 55104

Phone: 651-646-6114
Fax: 651 646-8086
email: brkw@brkw.com
Website: www.brkw.com

BRKW Appraisals, Inc. (formerly known as Bettendorf Rohrer Knoche Wall, Inc.) is a full-service professional real estate appraisal company formed in 1991. The two principals of the firm have more than 40 years of combined experience in the valuation of a wide variety of real estate. Located in the Midway area of St. Paul, we concentrate on the appraisal of real estate primarily in the Twin Cities Metropolitan Area, as well as outlying communities in Minnesota.

Our extensive professional training and experience enable us to provide the expertise necessary for consistently reliable real estate valuation. Our appraisal reports are confidential documents completed in accordance with all current standards of professional appraisal practice and ethics. All of the appraisers employed by the company have the Certified General Real Property Appraiser license from the State of Minnesota. Our appraisers stay current with advances in appraisal techniques and the changing real estate market through continuing education programs.

At BRKW Appraisals, Inc. we strive to build and maintain long-lasting relationships with our clients. Our goal is to provide high-quality professional real estate valuation services in a timely manner that is consistent with the needs of our clients.

Appraisal & Consulting Services

Real Estate Appraisals
Mortgage Financing Appraisals
Condemnation/Litigation Appraisals
Review Appraisals
Real Estate Tax Abatements
Special Benefits Analysis
Expert Witness Testimony
REO Portfolio Valuation
Feasibility Studies
Market Surveys

Property Types

Commercial Properties
Industrial Properties
Multiple Family Residential
Single Family Residential
Subdivision Analysis
Vacant Land Parcels
Special Purpose Properties
Gas Station / Convenience Stores
Schools and Churches
Recreation Facilities

APPRAISAL STAFF

Paul J. Gleason, MAI – Principal and Managing Partner

Paul has been appraising real estate since 1992, and has the MAI designation of the Appraisal Institute. He has in-depth experience in the valuation of numerous real estate property types. Over the years, he has developed special expertise in the appraisal of land, and in eminent domain as well as special benefits valuations. Paul is a graduate of the University of Wisconsin at La Crosse and licensed as a Certified General Real Property Appraiser.

Mark A. Warren, MAI – Principal

Mark, a third-generation real property appraiser, has been appraising since 2003 and has the MAI designation of the Appraisal Institute. Types of property appraised include office, industrial, hotel/motel, retail/commercial, and other special use properties. Mark is a graduate of the University of Minnesota and licensed as a Certified General Real Property Appraiser.

Dylan J. Beckwith – Associate

Dylan joined BRKW Appraisals, Inc. in June 2018 as a new appraiser entering the profession. He is a recent graduate of the University of Minnesota – Twin Cities and is licensed as a Trainee Real Property Appraiser.