

AN APPRAISAL REPORT
(BRKW File No. 7964)

SPECIAL BENEFITS APPRAISAL
NORTHEAST PROJECT AREA
2020 MILL AND OVERLAY PROJECT
NORTHFIELD, MINNESOTA

VALUATION DATE: MARCH 6, 2020

FOR

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

BY

PAUL J. GLEASON, MAI

March 25, 2020

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

Re: Special Benefits Appraisal
Northeast Project Area
2020 Mill and Overlay Project
Northfield, Minnesota

Dear Mr. Simonson:

In accordance with your request, I have completed a special benefits appraisal pertaining to the properties located in the Northeast Area project area of the proposed Northfield 2020 Mill and Overlay Project. The proposed improvements include milling the existing top two inches of bituminous street paving and replacing it with new paving, as well as spot repair/replacement of existing concrete curb/gutter and utility components, where needed. The date of the valuation is March 6, 2020, 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 appraiser's opinions and conclusions.

The project area contains a mix of various residential properties, together with the Carleton College main campus area and other educational/institutional properties such as the Laura Baker Services Association facility. There are four subject properties in this appraisal: Typical Single-Family Lot, Small Educational/Institutional Property, Typical Large Educational/Institutional Property and CD-S Zoned Carleton College Property.

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 2020 Mill and Overlay 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 large educational/institutional sites). For two additional properties – the Small Educational/Institutional Property and the CD-S Zoned Carleton College Property – opinions of a specific benefit amount applying to these individual properties are concluded, since these properties are unique unto themselves (they are the only properties of their type/configuration in the project area).

The subject properties contain 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/utility 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 my investigation, I have formed the opinion that the value benefits applicable to the four subject properties resulting from the proposed Northfield 2020 Mill and Overlay Project – Northeast Project Area as of March 6, 2020 are as follows:

Typical Single-Family Lot (66' Frontage) – Mill & Overlay

Property Land Value – After:	\$76,800
Property Land Value – Before:	<u>\$72,500</u>
Approximate Value Benefits:	\$ 4,300 or \$65/Front Foot

Small Educational/Institutional Property (760' Frontage) – Mill & Overlay

Property Land Value – After:	\$203,900
Property Land Value – Before:	<u>\$192,400</u>
Approximate Value Benefits:	\$ 11,500 or \$15/Front Foot

Typical Large Educational/Institutional Property (431' Frontage) – Mill & Overlay

Property Land Value – After:	\$373,700
Property Land Value – Before:	<u>\$352,500</u>
Approximate Value Benefits:	\$ 21,200 or \$49/Front Foot

CD-S Zoned Carleton College Property (3,602' Frontage) – Mill & Overlay
Property Land Value – After: \$5,261,800
Property Land Value – Before: \$5,011,200
Approximate Value Benefits: \$ 250,600 or \$70/Front Foot

CD-S Zoned Carleton College Property				
Allocation of Special Benefit by Tax Parcel (based on pro-rata share of total site)				
PID #	Address	Approx. Land Area (Ac.)	% of Total	Special Benefit
22.31.4.00.001	1 College St. N.	39.60	52.45%	\$ 131,410
(portion of)		+/-		
22.31.4.52.001	---	18.50	24.51%	\$ 61,430
(portion of)		+/-		
22.31.3.25.001	201 College St. N.	3.20	4.24%	\$ 10,630
22.31.3.50.001	105 College St. N.	4.00	5.30%	\$ 13,280
22.31.3.75.003	405 1st St. E.	2.00	2.65%	\$ 6,640
22.31.3.75.002	110 Winona St. N.	1.86	2.47%	\$ 6,190
22.31.3.75.001	140 Nevada St. N.	1.86	2.47%	\$ 6,190
22.31.3.50.009	210 1st St. E.	0.25	0.33%	\$ 830
22.31.3.50.008	106 Union St. S.	0.25	0.33%	\$ 830
22.31.3.50.007	110 Union St. S.	0.27	0.35%	\$ 880
22.31.3.50.006	112 Union St. S.	0.20	0.26%	\$ 650
22.31.3.50.005	209 2nd St. E.	0.29	0.38%	\$ 950
22.31.3.50.004	205 2nd St. E.	0.25	0.33%	\$ 830
22.31.3.50.003	201 2nd St. E.	0.23	0.31%	\$ 780
22.31.3.50.002	109 Division St. S.	0.24	0.32%	\$ 800
22.31.3.50.068	300 1st St. E.	1.21	1.60%	\$ 4,010
22.31.3.50.069	107 Union St. S.	0.16	0.21%	\$ 530
22.31.3.50.070	109 Union St. S.	0.13	0.17%	\$ 430
22.31.3.50.071	307 2nd St. E.	0.25	0.33%	\$ 830
22.31.3.50.072	309 2nd St. E.	0.25	0.33%	\$ 830
22.31.3.75.004	118 College St. S.	0.50	0.66%	\$ 1,650
Total Property		75.50	100.00%	\$ 250,600

In the “after improvements” position on the date of valuation, which is March 6, 2020, 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 this hypothetical condition may have affected the assignment results.

Special Comment: As of the date of this report, the virus known as COVID-19 has been declared a pandemic with a national state of emergency in place. The pandemic has created substantial turmoil in various financial markets and due to the developing situation, it is difficult to determine the future impact of COVID-19 on local commercial and residential real estate markets.

Currently, there is not enough definitive data yet available indicating what the eventual material impact, if any, the current COVID-19 crisis may have on market conditions affecting the value of real estate. The value opinions contained in this appraisal are based on findings of an analysis of market data available to the appraiser in the time frame containing the effective date of valuation of March 6, 2020 and the period in which this appraisal assignment was completed.

The preceding opinions of market value before and after the proposed improvements are based on exposure times of 0 to 12 months.

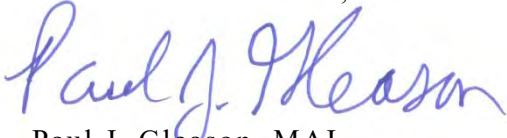
This appraisal has been made in conformity with the Code of Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Standards of Professional Practice of the State of Minnesota. This appraisal assignment is not based on a requested minimum valuation or specific valuation 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 my 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

TABLE OF CONTENTS

SALIENT FACTS AND CONCLUSIONS	1
PROJECT AREA MAP.....	3
PROJECT AREA PHOTOS – BEFORE – TAKEN 3/6/2020	4
PROPERTY IDENTIFICATION / LEGAL DESCRIPTIONS	12
PURPOSE / INTENTION OF THE APPRAISAL / INTENDED USER	14
PROPERTY RIGHTS APPRAISED	15
DATES OF INSPECTION AND VALUATION	15
SCOPE OF WORK.....	15
EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS	16
MARKET VALUE DEFINITION	17
ZONING	18
ZONING MAP.....	19
LAND USE MAP	20
TAXES AND ASSESSMENT DATA.....	21
HISTORY OF OWNERSHIP.....	22
CONTINGENT AND LIMITING CONDITIONS	22
COMPETENCY PROVISION	23
COMMUNITY/AREA DESCRIPTION	24
COMMUNITY/AREA MAP	25
DESCRIPTION OF SUBJECT PROPERTIES AND INFRASTRUCTURE – BEFORE IMPROVEMENTS	26
TYPICAL SINGLE-FAMILY LOT PARCEL MAP	30
SMALL EDUCATIONAL/INSTITUTIONAL PROPERTY PARCEL MAP.....	30
TYPICAL LARGE EDUCATIONAL/INSTITUTIONAL PROPERTY PARCEL MAP.....	31
CD-S ZONED CARLETON COLLEGE PROPERTY PARCEL MAP.....	32
CD-S ZONED CARLETON COLLEGE PROPERTY PARCEL MAP WITH FLOODPLAIN & WETLAND OVERLAY	33
BIRD’S EYE AERIAL VIEW OF CARLETON COLLEGE AND SURROUNDING AREA – LOOKING N.	34
PROJECT AREA TOPOGRAPHY MAP	35
DESCRIPTION OF PROPOSED IMPROVEMENTS.....	37
NORTHFIELD 2020 MILL AND OVERLAY PROJECT AREA MAP – NORTHEAST AREA	40
PROPERTIES TO BE ASSESSED – MAP 1	41
PROPERTIES TO BE ASSESSED – MAP 2	42
PROPERTIES TO BE ASSESSED – MAP 3	43
HIGHEST AND BEST USE ANALYSIS.....	44
SPECIAL BENEFIT CONSIDERATIONS AND CONCLUSIONS	50
THE APPRAISAL PROCESS.....	51

SPECIAL BENEFIT ANALYSIS PROCESS.....	52
LAND VALUE AFTER IMPROVEMENTS	53
COMPARABLE LAND SALES LOCATION MAP – TYPICAL SINGLE-FAMILY LOT.....	57
COMPARABLE LAND SALES LOCATION MAP 1 – SMALL EDUCATIONAL/INSTITUTIONAL PROP.	64
COMPARABLE LAND SALES LOCATION MAP 2 – SMALL EDUCATIONAL/INSTITUTIONAL PROP.	65
COMPARABLE LAND SALES LOCATION MAP – CD-S ZONED CARLETON COLLEGE PROPERTY	77
CURRENT LISTING LOCATION MAP – CD-S ZONED CARLETON COLLEGE PROPERTY.....	78
LAND VALUE BEFORE IMPROVEMENTS	84
PAIRED LOT SALES LOCATION MAP –HASTINGS, MN	85
PAIRED SALES GPLAT MAPS	86
SUMMARY AND FINAL CONCLUSIONS.....	96
CERTIFICATION.....	98
PROFESSIONAL QUALIFICATIONS.....	99
COMPANY PROFILE	101

SALIENT FACTS AND CONCLUSIONS

Property/Project Area Location: Northeast Project Area, Northfield, Minnesota

City Project: City of Northfield 2020 Mill and Overlay Project

Date of Inspection & Valuation: March 6, 2020

Date of Report: March 25, 2020

Property Rights Appraised: Fee simple interest

Subject Properties:

Typical Single-Family Lot	209 Nevada St. S. (PID # 22.31.3.75.039)
Small Educational/Institutional Property	419 3 rd St. E. (PID # 22.31.3.75. 057)
Typical Large Educational/ Institutional Property	211 Oak St. S. (PID # 22.31.4.50. 019)
CD-S Zoned Carleton College Property	1 College St. N. and multiple additional addresses (PID # 22.31.4.00.001 and 20 others)

Land Areas:

Typical Single-Family Lot	10,890 SF or 0.25 acres
Small Educational/Institutional Property	78,505 SF or 1.80 acres
Typical Large Educational/ Institutional Property	143,748 SF or 3.30 acres
CD-S Zoned Carleton College Property	3,288,622 SF or 75.50 acres

Zoning:

Typical Single-Family Lot	R1-B, Low Density Residential
Small Educational/Institutional Property	R1-B, Low Density Residential
Typical Large Educational/ Institutional Property	R1-B, Low Density Residential
CD-S Zoned Carleton College Property	CD-S, College Development

Special Benefit Conclusions – Subject Properties:

Typical Single-Family Lot (66' Frontage) – Mill & Overlay

Property Land Value – After:	\$76,800
Property Land Value – Before:	<u>\$72,500</u>
Approximate Value Benefits:	\$ 4,300 or \$65/Front Foot

Small Educational/Institutional Property (760' Frontage) – Mill & Overlay

Property Land Value – After: **\$203,900**
Property Land Value – Before: **\$192,400**
Approximate Value Benefits: **\$ 11,500 or \$15/Front Foot**

Typical Large Educational/Institutional Property (431' Frontage) – Mill & Overlay

Property Land Value – After: **\$373,700**
Property Land Value – Before: **\$352,500**
Approximate Value Benefits: **\$ 21,200 or \$49/Front Foot**

CD-S Zoned Carleton College Property (3,602' Frontage) – Mill & Overlay

Property Land Value – After: **\$5,261,800**
Property Land Value – Before: **\$5,011,200**
Approximate Value Benefits: **\$ 250,600 or \$70/Front Foot**

CD-S Zoned Carleton College Property						
Allocation of Special Benefit by Tax Parcel (based on pro-rata share of total site)						
<u>PID #</u>	<u>Address</u>	<u>Approx. Land Area (Ac.)</u>	<u>% of Total</u>	<u>Special Benefit</u>		
22.31.4.00.001	1 College St. N.	39.60	52.45%	\$ 131,410	0.5245	0.5245
(portion of)		+/-				
22.31.4.52.001	---	18.50	24.51%	\$ 61,430	0.2451	0.2451
(portion of)		+/-				
22.31.3.25.001	201 College St. N.	3.20	4.24%	\$ 10,630	0.0424	0.0424
22.31.3.50.001	105 College St. N.	4.00	5.30%	\$ 13,280	0.0530	0.0529
22.31.3.75.003	405 1st St. E.	2.00	2.65%	\$ 6,640	0.0265	0.0264
22.31.3.75.002	110 Winona St. N.	1.86	2.47%	\$ 6,190	0.0247	0.0246
22.31.3.75.001	140 Nevada St. N.	1.86	2.47%	\$ 6,190	0.0247	0.0246
22.31.3.50.009	210 1st St. E.	0.25	0.33%	\$ 830	0.0033	0.0033
22.31.3.50.008	106 Union St. S.	0.25	0.33%	\$ 830	0.0033	0.0033
22.31.3.50.007	110 Union St. S.	0.27	0.35%	\$ 880	0.0035	0.0035
22.31.3.50.006	112 Union St. S.	0.20	0.26%	\$ 650	0.0026	0.0026
22.31.3.50.005	209 2nd St. E.	0.29	0.38%	\$ 950	0.0038	0.0038
22.31.3.50.004	205 2nd St. E.	0.25	0.33%	\$ 830	0.0033	0.0033
22.31.3.50.003	201 2nd St. E.	0.23	0.31%	\$ 780	0.0031	0.0031
22.31.3.50.002	109 Division St. S.	0.24	0.32%	\$ 800	0.0032	0.0032
22.31.3.50.068	300 1st St. E.	1.21	1.60%	\$ 4,010	0.0160	0.0160
22.31.3.50.069	107 Union St. S.	0.16	0.21%	\$ 530	0.0021	0.0021
22.31.3.50.070	109 Union St. S.	0.13	0.17%	\$ 430	0.0017	0.0017
22.31.3.50.071	307 2nd St. E.	0.25	0.33%	\$ 830	0.0033	0.0033
22.31.3.50.072	309 2nd St. E.	0.25	0.33%	\$ 830	0.0033	0.0033
22.31.3.75.004	118 College St. S.	0.50	0.66%	\$ 1,650	0.0066	0.0066
Total Property		75.50	100.00%	\$ 250,600	1.0000	100.00

Appraiser:

Paul J. Gleason, MAI

PROJECT AREA PHOTOS – BEFORE – TAKEN 3/6/2020



Street view to north on Nevada St., from just south of 3rd Street



Easterly view of Typical Single-Family Lot property at 209 Nevada St. S.



Looking NW, from intersection of Winona and 3rd Streets, at southern part of
Small Educational/Institutional Property



Easterly street view on 3rd Street, from near College Street, at
Small Educational/Institutional Property (at left)



Looking SE, from intersection of College and 2nd Streets, at
Small Educational/Institutional Property



Looking east, from 3rd Street, at Typical Large Educational/Institutional Property



Looking SE, from Oak Street, at Typical Large Educational/Institutional Property



View to NE, from Oak Street, at SW part of
Typical Large Educational/Institutional Property



Street view to north on Oak Street, from north of 4th Street



Street view to NE at central part of CD-S Zoned Carleton College Property,
from intersection of 1st and College Streets



Looking NE, from Nevada and 1st Streets, at CD-S Zoned Carleton College Property



Street view to west on 1st Street from intersection with Maple Street:
CD-S Zoned Carleton College Property is at right



Looking north on Maple Street, from intersection with 2nd Street:
CD-S Zoned Carleton College Property is to right and in background, center



Northerly view from 2nd Street, east of Maple Street, at residences on CD-S Zoned
Carleton College Property, behind which is lower-lying part with tennis courts



Looking NW, from intersection of 2nd and Oak Streets, at SE part of main improved portion of CD-S Zoned Carleton College Property, containing several homes



Looking NE at SW part of CD-S Zoned Carleton College Property, containing several homes, from intersection of 2nd and Division Streets

PROPERTY IDENTIFICATION / LEGAL DESCRIPTIONS

The four subject properties in this appraisal are those located in the Northeast Area project area of the proposed City of Northfield 2020 Mill and Overlay Project. Two of the subject properties – the Typical Single-Family Lot and the Typical Large Educational/Institutional Property – are intended to be representative of the larger group of similar properties located in the area of the proposed project. Two additional subject properties are addressed as individual properties, since they are the only ones of its kind in the project area. The four subject properties are identified below:

Subject Properties Summary			
Property	Address/Location	Tax Parcel I.D. No.	Brief Legal Description
1. Typical Single-Family Lot	209 Nevada St. S.	22.31.3.75.039	Lot 8, Block 11, Northfield Original Town
2. Small Educational/Institutional Property	419 3rd St. E.	22.31.3.75.057	Lot 1 Block 13 of NORTHFIELD ORIG TOWN & L2 & L6-8 B13 & EX E107FT N48FT & L3 & EX W2 L9 & L10
3. Typical Large Educational/Institutional Property	211 Oak St. S.	22.31.4.50.019	Lengthy - Part of Sec. 31, Twp. 112, R19
4. CD-S Zoned Carleton College Property	1 College St. N.	22.31.4.00.001 (portion of)	Lengthy - Part of Sec. 31, Twp. 112, R19
	---	22.31.4.52.001 (portion of)	Lot 1, Block 1, Carleton College Addn.
	201 College St. N.	22.31.3.25.001	Lengthy - Part of Sec. 31, Twp. 112, R19
	105 College St. N.	22.31.3.50.001	ORIG TOWN L6 & L7 BLK 6 & BLKS 4 & 5 & VAC UNION & 1ST ST S
	405 1st St. E.	22.31.3.75.003	NORTHFIELD ORIG TOWN ORIG TOWN B3 & VAC COLLEGE ST
	110 Winona St. N.	22.31.3.75.002	Block 2, Northfield Original Town
	140 Nevada St. N.	22.31.3.75.001	Lots 1-8, Block 1, Northfield Original Town
	210 1st St. E.	22.31.3.50.009	Lot 5, Block 6, Northfield Original Town
	106 Union St. S.	22.31.3.50.008	Lot 4, Block 6, Northfield Original Town
	110 Union St. S.	22.31.3.50.007	N10FT E70FT L2 ALL L3 B6, Northfield Original Town
	112 Union St. S.	22.31.3.50.006	E70FT L1 & S56FT E70FT L2 B6, Northfield Original Town
	209 2nd St. E.	22.31.3.50.005	W95FT L1 & L2 B6, Northfield Original Town
	205 2nd St. E.	22.31.3.50.004	E2 L9 & L10 B6, Northfield Original Town
	201 2nd St. E.	22.31.3.50.003	NORTHFIELD ORIG TOWN ORIG TOWN W2 L9 EX BEG NW COR S28FT NELY PT 28FTE NW COR W TO BEG & W2 L10 B6
	109 Division St. S.	22.31.3.50.002	Lot 8 Block 6 of NORTHFIELD ORIG TOWN BEG NW COR L9 S28FT NELY PT 28FTE NW COR W TO BEG
	300 1st St. E.	22.31.3.50.068	NORTHFIELD ORIG TOWN ORIG TOWN L3-4-5-6 E59FT L7 E80FT L8 B7
	107 Union St. S.	22.31.3.50.069	NORTHFIELD ORIG TOWN W106FT L7 B7
	109 Union St. S.	22.31.3.50.070	NORTHFIELD ORIG TOWN W85FT L8 B7
	307 2nd St. E.	22.31.3.50.071	NORTHFIELD ORIG TOWN W2 L9 & L10 B7
	309 2nd St. E.	22.31.3.50.072	NORTHFIELD ORIG TOWN E2 L9 & L10 B7
	118 College St. S.	22.31.3.75.004	Lots 1 and 2, Block 7, Northfield Original Town

Multiple Tax Parcel Property

To conform with proper appraisal methodology, especially as it pertains to the analysis and conclusion of highest and best use, the appraiser must consider the “larger parcel,” where applicable, and not limit the analysis to just a subset of one or more tax parcels directly fronting the street to be improved (unless there is a separate and distinct highest and best use for this subset of one or more tax parcels, relative to other adjoining parcels under the same ownership which do not front the street to be improved).

In other words, the appraiser must define what, in terms of land area, comprises the property that has the potential to receive special benefits from the improvement project. The appropriately defined property to be appraised may include only one parcel, or it may include multiple parcels, or it may include only a portion of one or more parcels. The requirement to properly identify the larger parcel to be appraised remains valid even if some of the parcels forming a property do not have frontage on a street slated for improvement as part of a given project.

In general terms, the Larger Parcel is defined by the parcel or parcels which possess the following: 1) unity of ownership, 2) unity of location (typically, contiguity or close proximity) and 3) unity of use, in terms of the highest and best use of the property.

Portions of two tax parcels and the entirety of another 19 tax parcels have been defined as one **CD-S Zoned Carleton College Property** “larger parcel” for special benefits valuation purposes. This property has been delineated in accordance with the appraiser’s conclusion of what land area represents a unified area that receives special benefit from the proposed improvement project in a generally unified and uniform manner. The property that has been defined, the boundaries of which are illustrated in several maps throughout this report, is part of the main campus area of Carleton College, is all owned by Carleton College and, for the most part, meets the following parameters: a) is contiguous; b) is not substantially separated by major barriers; and c) reflects land that, as a group, has frontage on and has access from one or more streets in the project area slated for improvement. All of the tax parcels within the defined property have the same zoning (CD-S, College Development) and the same land use guiding (Educational District).

The CD-S Zoned Carleton College Property, as defined, as shown in the Subject Properties Summary table on the preceding page, contains all or parts of 21 tax parcels containing approximately 75.50 acres; it lies east and southeast of County Road 19 and west/southwest of Lyman Lakes and Spring Creek; and the southerly boundary of the property for the most part comprises parts of 2nd and 1st Streets. Included in this larger parcel property is a city block of land owned by Carleton College comprising six tax parcels which is not completely contiguous with the other 15 parcels (or portions of parcels), but reflects a block completely owned by the same owner and is only separated by one-block-long sections of either Union Street or 1st Street, with the balance of the larger parcel located immediately across these streets to the north and west.

It is noted that there are additional tax parcels owned by Carleton College in the project area which are clearly used in conjunction with the main campus and are in close proximity to the main campus as well, but are not contiguous with the main campus and are not in the CD-S, College Development zoning district. Rather, these additional parcels, which contain residences of varying types and in some cases educational buildings as well, are zoned R1-B, Low Density Residential, which is a zoning district generally compatible with educational institutional uses.

Most of the additional parcels are located within city blocks adjacent to other parcels owned by private individuals; some are on blocks with some street frontages slated for improvement with the current project, and some street frontages not slated for improvement. Most of these parcels could rather easily be sold for use individually and separate from their current use in conjunction with the main campus of Carleton College.

Given that these additional parcels described above are in many cases fragmented in terms of their ownership among other properties on various blocks, relative to the entirely common ownership of the defined CD-S Zoned Carleton College Property, and the fact that they do not share the common CD-S zoning of the main campus parcels, they have not been included in the larger parcel defined as the CD-S Zoned Carleton College Property. However, these additional parcels are concluded to have potential for special benefit from the proposed mill and overlay project, along with the many other properties in the project area not owned by Carleton College. The client should be able to equitably levy special assessments to these comparatively outlying properties via the special benefit conclusions of the other three subject properties addressed in this appraisal (Typical Single-Family Lot property, Small Educational/Institutional Property and Typical Large Educational/Institutional Property).

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 2020 Mill and Overlay Project to be completed in the Northeast Area project area. The opinions of the value benefits resulting from the public street improvement project are as of March 6, 2020. 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 larger educational/institutional sites).

For two additional properties – the Small Educational/Institutional Property and the CD-S Zoned Carleton College Property – an opinion of a specific benefit amount is concluded for those properties alone, since they reflect properties which are unique unto themselves, as there are no similar properties in this class and/or with this street frontage configuration located within the project area.

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 March 6, 2020, which is the date on which an exterior inspection of the subject properties and the project area was made by the appraiser.

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 2020 Mill and Overlay Project within the Northeast Area project area.

An exterior inspection was made by the appraiser of the subject properties and the project area on March 6, 2020. 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, Inc. in October 2019 for the City of Northfield 2020 Mill & Overlay Project was reviewed. The report details 1) the current condition of the streets/infrastructure and 2) the proposed improvements.

The subject properties contain 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 information provided online by real estate brokers and other market participants. Information and market data from these various sources were 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 have been developed in this appraisal using the Sales Comparison Approach. This approach, which is the one most appropriate for valuing the subject land, involves the comparison and analysis of land parcels recently sold which are similar to the subject land. The application of the Cost and Income Approaches typically applies only when the property valuation includes buildings and other improvements with contributory value.

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.

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.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

An Extraordinary Assumption is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021 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) 2020-2021 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 March 6, 2020, 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 this 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 Single-Family Lot	R1-B, Low Density Residential
2. Small Educational/Insitutional Property	R1-B, Low Density Residential
3. Typical Large Educational/Insitutional Property	R1-B, Low Density Residential
4. CD-S Zoned Carleton College Property	CD-S, College Development

R1-B, Low Density Residential District: The purpose of the R-1B district is “to continue to support single-family, two-family, and three-family attached and detached dwellings within the existing character of the city’s older neighborhoods [and]... to strengthen the character of existing historic neighborhoods within Northfield and to protect and enhance the unique character of those existing neighborhoods...”

Permitted uses include one-, two- and three-family dwelling, bed and breakfasts, existing multifamily house or apartment, and in-home daycare, among others. Conditional uses include licensed residential care for more than six persons, schools, and religious institutions, among others.

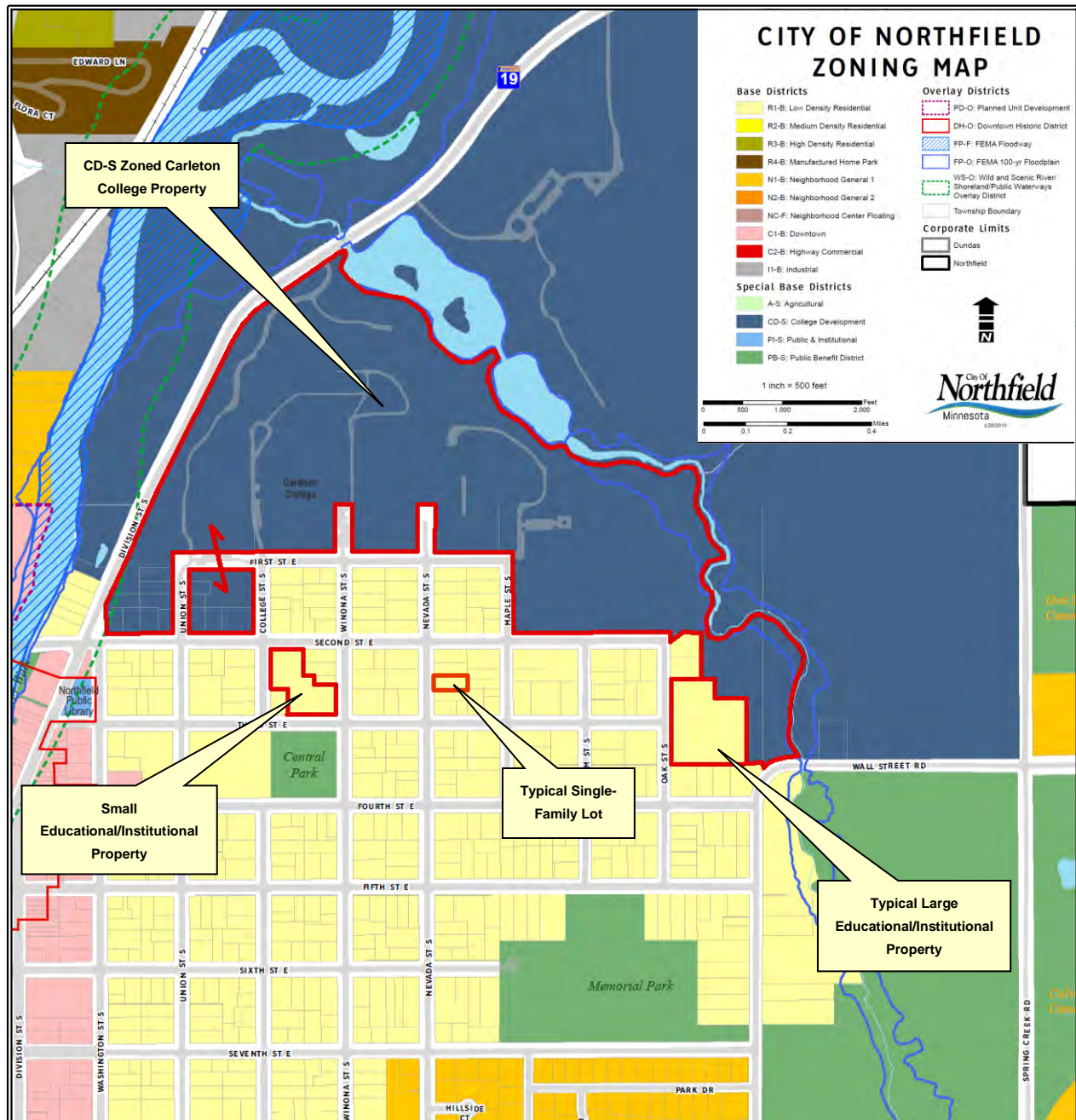
Lot requirements for single-family homes include lot widths of 50 feet minimum and 75 feet maximum, lot depth of 150 feet maximum, and 30 feet rear yard setback. Front and side setbacks vary depending on those of existing homes in the area.

CD-S, College Development District: The purpose of the CD-S district is “to allow college facilities and operations within the city limits while providing boundaries which respect the function and character of the colleges and their adjoining districts, particularly adjoining residential and commercial districts. Development near the edges of the campus referred to as the Perimeter Transition Area (PTA), which adjoins existing and/or planned residential and commercial districts, will utilize a wider process of dialog and input to facilitate compatibility between the campus and adjoining districts.”

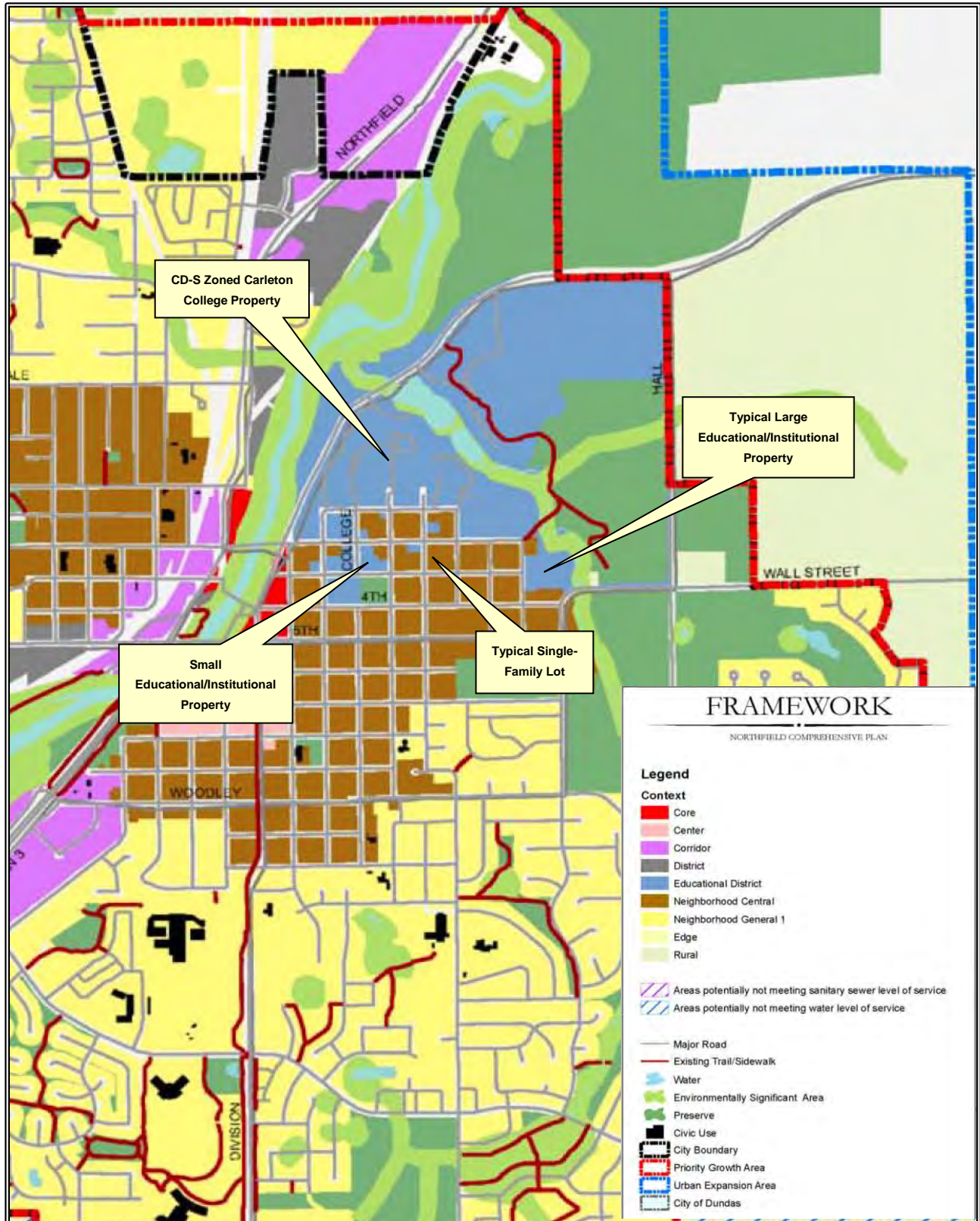
Permitted uses include agriculture, plant nurseries, bed and breakfasts, one-, two- and three-family dwelling, multifamily/apartment with four or more units, live/work structures, college related offices, dormitories/residence halls, schools/institutions of higher learning (in core area of an educational campus, 200 feet inward from boundary of CD-S zoning district). The only allowed CD-S conditional use listed in the city zoning code is schools/institutions of higher learning (near edge and within perimeter area of an educational campus, 200 feet outward from core area as defined above).

Lot requirements for the CD-S district are as follows: No minimum lot size or width; no maximum building height; front and side yard setbacks of 0 feet or as required by state building code; more than one building may be permitted on a single lot; in the perimeter area (200 feet outward from core area as defined above) adjoining residential districts, the maximum lot coverage is 40% including all buildings, other structures, and impervious surfaces.

Comprehensive Plan: The current City of Northfield Comprehensive Plan designates the following property for Neighborhood Central use (traditional urban development consisting of detached single-family homes on smaller lots): the Typical Single-Family Lot. The following properties are designated in the Comprehensive Plan for Educational District use (campus areas created by Carleton College or St. Olaf College which are walkable and offer many recreational opportunities for students and residents): Small Educational/Institutional Property, Typical Large Educational/Institutional Property, and CD-S Zoned Carleton College Property.



Zoning Map



Land Use Map

TAXES AND ASSESSMENT DATA

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

Please note that for Property 4, the CD-S Zoned Carleton College Property, the first two tax parcels shown in the taxes and assessments table below include land areas that extend beyond the portions of those parcels included in the property being appraised. For the first tax parcel in the table, the total land area reported by Rice County is 144 acres, but the vast majority of this large tax parcel lies west and northwest of County Road 19, and east/northeast of Lyman Lakes and Spring Creek. The portion of this tax parcel located within subject Property 4 is estimated at 39.6 acres.

For the second tax parcel in the table, the total land area reported by Rice County is 20.36 acres, but some of this area is located to east and beyond Spring Creek, and thus is not included in the CD-S Zoned Carleton College Property land area. The portion of this tax parcel located within subject Property 4 is estimated at 18.50 acres.

	Parcel I.D. #	Land AEMV*	Improvements AEMV*	Total AEMV*	R. E. Taxes	Effective Tax Rate	Specials & Charges	Total Tax & Specials
1.	Typical Single-Family Lot 22.31.3.75.039	\$75,500	\$247,900	\$323,400	\$5,536.00	1.71%	\$40.00	\$5,576.00
2.	Small Educational/ Institutional Property 22.31.3.75.057	\$196,000	\$1,626,700	\$1,822,700	\$0.00	0.00%	\$0.00	\$0.00
3.	Typical Large Educational/ Institutional Property 22.31.4.50.019	\$359,400	\$3,072,200	\$3,431,600	\$0.00	0.00%	\$40.00	\$40.00
4.	CD-S Zoned Carleton College Property							
	22.31.4.00.001	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**
	22.31.4.52.001	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**
	22.31.3.25.001	\$328,500	\$6,978,600	\$7,307,100	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.001	\$827,600	\$8,099,800	\$8,927,400	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.75.003	\$228,700	\$6,232,900	\$6,461,600	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.75.002	\$384,900	\$3,668,200	\$4,053,100	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.75.001	\$384,900	\$20,229,200	\$20,614,100	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.009	\$75,500	\$200,800	\$276,300	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.008	\$75,500	\$208,700	\$284,200	\$5,884.00	2.07%	\$40.00	\$5,924.00
	22.31.3.50.007	\$82,900	\$198,900	\$281,800	\$4,916.00	1.74%	\$40.00	\$4,956.00
	22.31.3.50.006	\$80,900	\$148,500	\$229,400	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.005	\$100,300	\$113,600	\$213,900	\$3,732.00	1.74%	\$40.00	\$3,772.00
	22.31.3.50.004	\$87,100	\$278,200	\$365,300	\$6,374.00	1.74%	\$40.00	\$6,414.00
	22.31.3.50.003	\$84,000	\$456,000	\$540,000	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.002	\$86,200	\$229,900	\$316,100	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.068	\$250,500	\$1,186,500	\$1,437,000	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.069	\$63,200	\$218,000	\$281,200	\$4,906.00	1.74%	\$40.00	\$4,946.00
	22.31.3.50.070	\$55,900	\$112,200	\$168,100	\$0.00	0.00%	\$0.00	\$0.00
	22.31.3.50.071	\$43,600	\$0	\$43,600	\$902.00	2.07%	\$0.00	\$902.00
	22.31.3.50.072	\$43,600	\$0	\$43,600	\$902.00	2.07%	\$0.00	\$902.00
	22.31.3.75.004	\$128,400	\$317,100	\$445,500	\$9,224.00	2.07%	\$40.00	\$9,264.00
Source: Rice County								
* Assessor's Estimated Market Value - 2018 for payable 2019								
**N/A: Subject property land includes only part of this tax parcel, not the parcel in its entirety								

HISTORY OF OWNERSHIP

Property	Fee Owner of Record
1. Typical Single-Family Lot	Serena Zabin and Chris Brunelle
2. Small Educational/Institutional Property	Carleton College
3. Typical Large Educational/Institutional Property	Laura Baker School Association
4. CD-S Zoned Carleton College Property	Carleton College

The fee owners of the four subject properties are shown in the table above.

There are no apparent recorded arms-length transfers of any of the subject properties within at least three years prior to the date of valuation; and the appraiser is not aware of any current listing, pending sale or purchase option pertaining to any of the properties as of the effective date of valuation.

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 appraiser by the client.

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.

COMPETENCY PROVISION

Paul J. Gleason, MAI has been a full-time professional real estate appraiser since 1992. Provided later in this report is a summary of his professional qualifications. Mr. Gleason has completed numerous special benefit valuations, similar to that contained within this report, within the past two decades. The educational training and extensive work experience of the appraiser, who is licensed as a Certified General Real Property Appraiser, enables completion of this appraisal assignment in a professional manner consistent with the intent of the competency provision of the Uniform Standards of Professional Appraisal Practice.

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. The U.S. Census Bureau estimates the city's population at 20,634 as of July 1, 2019.

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.

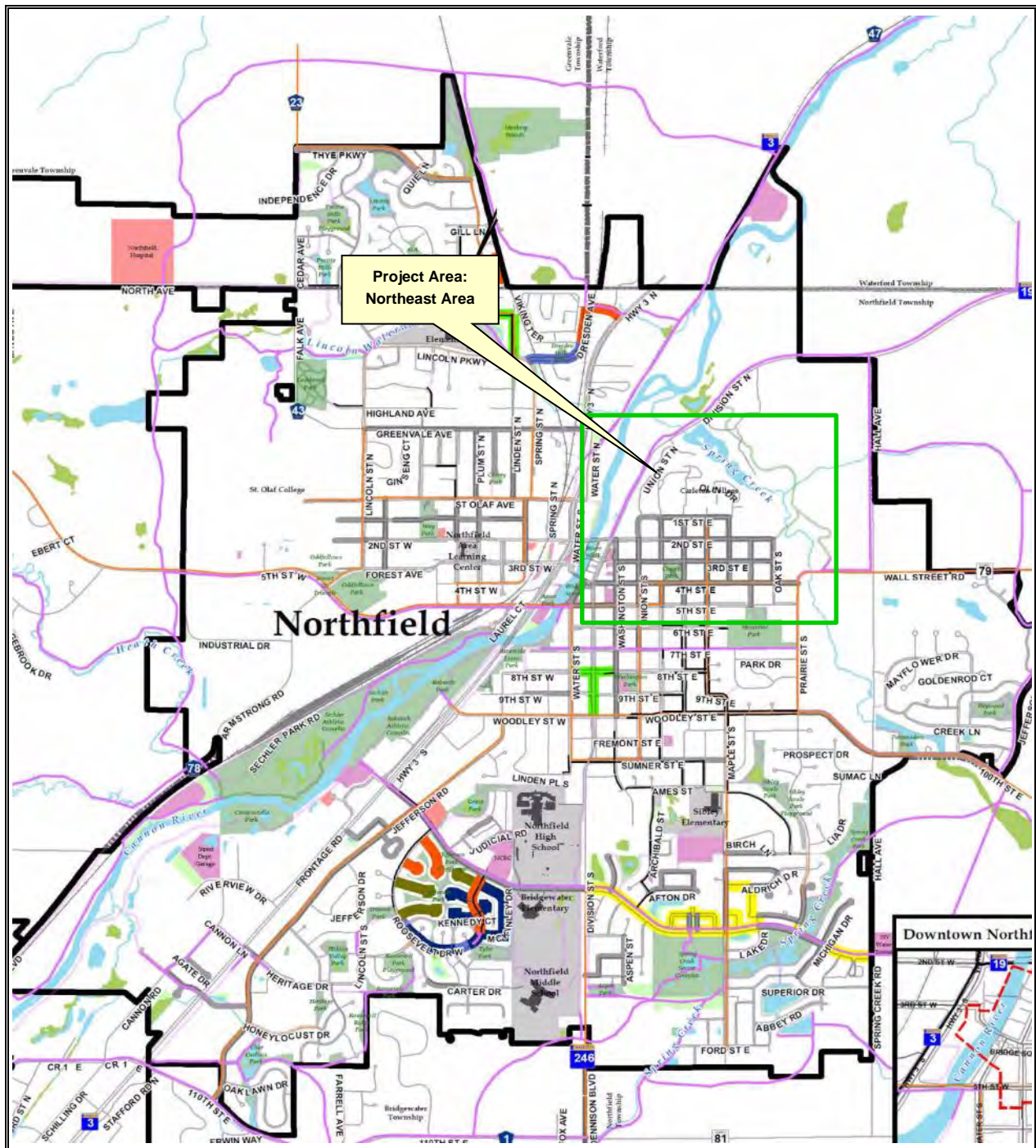
The historic downtown area of Northfield is located along the Cannon River in the central part of the city. The downtown reflects the location of the earliest development in the city and most of the historic commercial buildings are two-story brick buildings with zero-lot lines. Much of the most recent 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 Menards.

Population growth slowed considerably in the 2010s due in large part to the Great Recession, which began in the previous decade and depressed household growth as well as demand for new housing. However, in recent years new home construction activity has increased as the recession receded and the economy improved substantially, presenting a record-length economic expansion period of 10+ years.

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 continues to grow.

Area: The project area containing the subject properties is in the northeast part of Northfield, within the older, established urban inner core area surrounding the downtown district. The project area lies just north and northeast of downtown and east of the Cannon River. The most prominent neighborhood feature is the Carleton College campus, occupying the northern portion and extending significantly north of the public city streets on which it fronts. Carleton College is a private higher education institution founded in 1866, with current undergraduate enrollment of about 2,100 on a campus with a land area size reported to total 955 acres. The most densely developed part of the campus is at its southern edge.

The balance of the project area, south of the main college campus, is predominantly older housing comprising a mix of single-family homes and larger homes divided into apartments or rooming houses, a large proportion of which contain residents who attend or work at the college. Interspersed with the housing, which primarily was built in the late 1800s and early 1900s, are various Carleton College-related buildings.



Community/Area Map

DESCRIPTION OF SUBJECT PROPERTIES AND INFRASTRUCTURE – BEFORE IMPROVEMENTS

Subject Properties

Typical Single-Family Lot – 209 Nevada St. S.

This is a single-family home located on the east side of Nevada Street, between 2nd and 3rd Streets. According to county records, this two-story home was built in 1895, has an above-grade living area of 2,265 square feet, and a partial, unfinished basement. The house sits on a generally level lot with typical landscaping/tree cover and a total area of 10,890 square feet or 0.25 acres. The lot has **66 feet of street frontage**.

Small Educational/Institutional Property – 419 3rd St. E.

This property, owned by Carleton College, is located across College Street, directly southeast of the main college campus, on a city block adjoining four single-family home parcels, two of which are also owned by the college, and two of which are owned by private parties. The Small Educational/Institutional Property contains two main buildings as follows, according to county records: 1) The “Hill House”, a two-story wood-frame house, built in 1900, with 4,615 square feet of above-grade area, containing eight bedrooms and a full basement, 320 square feet of which is finished; and 2) The “Parish House”, a two-story school/classroom building with a full basement, constructed in 1915, which has about 4,690 square feet of building area per floor. Each of the two main buildings also are served by nearby detached two-car garages.

The Small Educational/Institutional Property is located on a generally level site with typical landscaping/tree cover and fronts four streets, with the following approximate front footage: 2nd Street, 165 feet; College Street, 198 feet; 3rd Street, 247 feet; and Winona Street, 150 feet. The **total amount of street frontage is approximately 760 feet**.

Typical Large Educational/Institutional Property – 211 Oak St. S.

This property, known as the Laura Baker Service Association facility, is a residence and care facility for individuals with special needs. The property, according to county records, contains six main building structures used for residence and care purposes, ranging in year built from 1923 to 2003 and totaling 32,154 square feet of main-floor footprint area, with some basement areas below some of the buildings, all of which are one-story in design. The site also contains a sizable metal-clad garage/storage building.

The Typical Large Educational/Institutional Property is located on a generally level site with about **431 feet of street frontage**, on the east side of Oak Street, between 2nd and 4th Streets. The site abuts a low-lying, undeveloped wooded area to the east and northeast, reflecting Carleton College-owned land which is unlikely to be developed at any time in the foreseeable future, given its remote configuration and location at the extreme southeast corner of the college-owned land west of Spring Creek.

CD-S Zoned Carleton College Property – 1 College St. N. (and multiple additional addresses)

General Information: This is the portion of the main campus of Carleton College which is 1) for the most part contiguous, 2) zoned CD-S, College development, and 3) concluded to have the potential for special benefit from the current proposed mill and overlay project by virtue of its connection for access purposes to the streets to be improved in the mill and overlay project. Shown on later pages in this section are maps delineating what the appraiser has defined as the CD-S Zoned Carleton College Property, which is estimated to contain 75.50 acres of land.

As discussed previously in this report in Property Identification / Legal Descriptions, although there are numerous additional parcels also owned by Carleton College which are located in the project area south of the defined main campus property, along streets to be improved as part of the project, that serve the college's uses in one way or another, they are less contiguous and are zoned R1-B, Low Density Residential, rather than the CD-S zoning of the main campus. For these reasons and others as previously discussed, though these parcels are concluded to have potential to receive special benefit from the proposed project, they are not included in the main campus property for special benefits valuation. The client should be able to equitably levy special assessments to these comparatively outlying properties via the special benefit conclusions of the other three subject properties addressed in this appraisal (Typical Single-Family Lot property, Small Educational/Institutional Property and Typical Large Educational/Institutional Property).

In addition to the presence of various parcels south of the defined CD-S Zoned Carleton College Property, there are substantial amounts of land also owned by Carleton College located west, north and east of this defined property. However, these areas are not served, in terms of providing vehicular access, by the streets slated for improvement in the currently proposed mill and overlay project addressed in this appraisal, and thus they are not judged to have potential for special benefit from this project. Consequently, these portions of the Carleton College land holdings are not included in the CD-S Zoned Carleton College Property, as defined and valued in this report.

Shape/Boundaries: The subject property is a somewhat irregular-shaped tract of land bounded generally by the following: East of County Road 19; south and southwest of Lyman Lakes and Spring Creek, which pass through the Carleton College land holdings and are connected to each other, both draining in a northwest direction into the Cannon River; north of a small segment of Wall Street Road; east of the rear yards of various properties fronting the east side of Oak Street, north of 4th Street; and north of various segments of 2nd Street and 1st Street. The subject property also includes a one-square-block area of land bounded by 1st Street to the north, College Street to the east, 2nd Street to the south, and Union Street to the west, adjoining the otherwise completely contiguous land area of the main campus to the north and west.

Buildings/Improvements, Topography: The CD-S Zoned Carleton College Property contains numerous college-related structures constructed at various times between the latter part of the 1800s through recent years. The structures include classroom facilities, research buildings, residence structures and a church building, together with maintenance buildings and others, which are supported by a network of various internal college streets, driveways, parking lots and sidewalks. The topography of the CD-S Zoned Carleton College Property site is generally level within the central portion, and is downward sloping, in some areas rather steeply, toward the west, north and east edges. In the easterly part of the site, there is a sizable lower-lying area, adjoining Spring Creek, not improved with buildings, containing tennis courts, athletic fields, lawn area and recreational areas with trails.

As shown on a parcel map later in this report illustrating the location of wetland and floodplain areas, about 5.6 acres of the southeast portion of the CD-S Zoned Carleton College Property contains wetland and floodplain areas adjoining Spring Creek. Also, the extreme southeast corner of the site, adjoining portions of this wetland and floodplain area, is relatively remote and currently undeveloped, with an irregular shape and a large portion containing fairly steeply sloping topography. This remote portion of the site is about 4.4 acres in size. The total land area including wetland, floodplain and the remote area at the extreme southeast corner is approximately 10 acres, or 13% of the total property land area of 75.5 acres.

Vehicular Access Points: There are essentially five primary vehicular access points to the CD-S Zoned Carleton College Property along its southern edge, at the terminus points into the property of Union, College, Winona, Nevada and Maple Streets. These access points lead to parking lot areas and in some cases also to internal roads/driveways extending further north in the campus. Additionally, there is a sixth primary access point into the property, near its northerly tip, along County Road 19, just southwest of Lyman Lakes. This access point connects to parking lot areas as well as an internal roads/driveways extending to the south and east into the campus. Based on a review of mapping provided by the City, there is a **total of approximately 3,602 feet of frontage** on streets at the south end of the property which are proposed for improvement within the current mill and overlay project addressed in this appraisal. These include 2nd, 1st, Union, College and Maple Streets.

Land Area Breakdown by Tax Parcel: Shown on the next page is a table which breaks down the total estimated land area of the CD-S Zoned Carleton College Property by each of its 21 tax parcels. Please note that the first two, largest land areas shown in the table represent only portions of larger tax parcels (the 39.60 acres entered in the first row is part of a larger tax parcel containing a total of 144 acres, and the 18.50 acres entered in the second row is part of a larger tax parcel containing a total of 20.36 acres).

**CD-S Zoned Carleton College Property
Land Area Breakdown by Tax Parcel (PID)**

PID #	Address	Approx. Land Area		% of Total
		SF	Ac.	
22.31.4.00.001 (portion of)	1 College St. N.	1,724,976	39.60 +/-	52.45%
22.31.4.52.001 (portion of)	---	805,860	18.50 +/-	24.51%
22.31.3.25.001	201 College St. N.	139,392	3.20	4.24%
22.31.3.50.001	105 College St. N.	174,240	4.00	5.30%
22.31.3.75.003	405 1st St. E.	87,120	2.00	2.65%
22.31.3.75.002	110 Winona St. N.	81,022	1.86	2.47%
22.31.3.75.001	140 Nevada St. N.	81,022	1.86	2.47%
22.31.3.50.009	210 1st St. E.	10,890	0.25	0.33%
22.31.3.50.008	106 Union St. S.	10,890	0.25	0.33%
22.31.3.50.007	110 Union St. S.	11,590	0.27	0.35%
22.31.3.50.006	112 Union St. S.	8,540	0.20	0.26%
22.31.3.50.005	209 2nd St. E.	12,540	0.29	0.38%
22.31.3.50.004	205 2nd St. E.	10,890	0.25	0.33%
22.31.3.50.003	201 2nd St. E.	10,106	0.23	0.31%
22.31.3.50.002	109 Division St. S.	10,644	0.24	0.32%
22.31.3.50.068	300 1st St. E.	52,734	1.21	1.60%
22.31.3.50.069	107 Union St. S.	6,996	0.16	0.21%
22.31.3.50.070	109 Union St. S.	5,610	0.13	0.17%
22.31.3.50.071	307 2nd St. E.	10,890	0.25	0.33%
22.31.3.50.072	309 2nd St. E.	10,890	0.25	0.33%
22.31.3.75.004	118 College St. S.	21,780	0.50	0.66%
	Total Property	3,288,622	75.50	100.00%



Typical Single-Family Lot Parcel Map



Small Educational/Institutional Property Parcel Map



Typical Large Educational/Institutional Property Parcel Map





CD-S Zoned Carleton College Property Parcel Map with Floodplain and Wetland Overlay



Bird's Eye Aerial View of Carleton College and Surrounding Area – Looking North



Infrastructure

The information below and on following pages, including that pertaining to existing infrastructure as well as the proposed project improvements, is taken from a feasibility report addressing the proposed City of Northfield 2020 Mill and Overlay Project, prepared by Bolton & Menk, Inc. in October 2019. Much of the following text has been directly copied and pasted into this report, though in some places the text has been modified or trimmed, as needed.

The proposed streets for this project are generally in neighborhood residential areas; they have older infrastructure, and mature trees. All the streets within the project area are classified as local roadways and experience relatively low volumes of traffic.

Streets: The streets within the project area are all bituminous surfaced with concrete curb and gutter. The pavement widths vary, ranging from about 35' to 42' – measured from curb face to curb face. The streets within the project area were originally constructed in the 1990s, 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 to varying degrees. 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 some curb settlements have caused areas of poor drainage along the edge of the pavement in various locations. Concrete sidewalks exist along one side, if not both sides, of the streets in the project area. The sidewalks appear to be in relatively good condition.

Storm Sewer: There are no known drainage issues in the project area and all piping is assumed to be in adequate condition. The current pipe network consists of Reinforced Concrete Pipe (RCP) and some Polyvinyl Chloride Pipe (PVC) with sizes ranging from 12" to 36" in diameter. The catch basins in the project area consist of precast concrete and block structures with 2'x3' castings. It is anticipated that all castings will need to be reset or replaced and that some storm structures may be in need of grouting, sealing, or replacement.

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 pick-holes. These castings are no longer used in sewer construction since they allow unwanted inflow of storm water into the system.

Watermain: The existing watermain was evaluated within the proposed project area. The current system is in good operational condition and has sufficient capacity and redundancy for the service area. There is not a history of watermain breaks in the area and the system is anticipated to last the life cycle of the street maintenance recommended until a full reconstruction is warranted. The water system in the project area contains hydrants and gate valves that were installed the same time as the mains and services.

DESCRIPTION OF PROPOSED IMPROVEMENTS

The 2020 Mill and Overlay Project will utilize a 2-inch mill and overlay to rehabilitate the existing street system. The proposed improvements are described as follows:

Streets: The streets in the project area, those proposed for mill and overlay improvements, include sections of east-west 1st, 2nd, 3rd and 4th Streets, as well as sections of north-south Union, College, Winona, Nevada, Maple, Elm and Oak Streets. These street sections 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 milling approximately 2 inches of the existing street pavement and then replacing it with 2 inches of new bituminous pavement. Isolated locations with severe distresses will be corrected with deeper bituminous patches and subgrade correction, if necessary. A mill and overlay is considered a maintenance operation that involves the removal of the top layer of pavement and installation of a new wearing surface that prolongs the expected life of the pavement by 15 years. This maintenance ensures continued serviceability to users and keeps the road's entire life cycle cost low. Spot areas of concrete curb and gutter will be replaced if they are severely damaged or settled/heaved and not allowing proper drainage.

Pedestrian Facilities: In addition to the street improvements, there are also sidewalk improvements planned. These include spot concrete sidewalk repairs and improvements to all of the existing pedestrian ramps to current ADA standards. All existing sidewalks will be assessed for significant cracking, settling, and heaving that necessitates spot replacement. These spot replacements to the existing concrete sidewalks will be completed in conjunction with the upgrades to each of the existing pedestrian ramps to meet current ADA standards.

Also, the project area was evaluated for the potential addition of bumpouts at various intersections. Bump-outs are design features that, in this case, involves radially pushing the curb line out to the inside edge of the parking lane/outside edge of the driving lane. Bump-outs are an effective means of traffic calming by narrowing the usable roadway for drivers and provide enhanced visibility between drivers and pedestrians at crosswalks while also shortening the distance required to cross the street which improves safety for pedestrians at these locations. Bump-outs have been utilized in previous City projects through the downtown corridors.

There are varying factors and limitations at specific intersections affecting which are favorable for receiving bumpout improvements. After considering such variables and limitations, the City has decided to construct bumpouts at two intersection locations: the intersection of Third Street & Winona Street in all four crossing directions and at the intersection of Third Street & College Street in the north/south crossing directions. These locations were selected because of their proximity to Central Park and the Weitz Center for Creativity, their observed pedestrian crossings, their entire intersections are within the project area, and there are no significant limitations on their design.

NOTE: A Project Area Map shown on a later page in this report indicates that a new sidewalk section will be constructed on the south side of 3rd Street between Maple and Oak Streets, where none currently exists in this location. However, the project feasibility report reviewed by the appraiser indicates that this section was considered by the City Council for such improvements, but ultimately the Council decided not to move forward with new sidewalk in this location.

Bicycle Facilities: Bikeway improvements are also planned for the project area. The City of Northfield Pedestrian, Bike, and Trail System Plan calls for bikeways on the following streets within the project area:

- ▪ Fourth Street (Nevada Street to Prairie Street)
- ▪ Second Street (Washington Street to Oak Street)
- ▪ Nevada Street (First Street to Fourth Street)

Fourth Street from Nevada Street to Prairie Street currently has two drive lanes with existing on-street bike lanes and a parking lane on the south side of the road. An On-Street Cycle Track option was selected for this corridor. This option fits within the existing street footprint, maintains two drive lanes but eliminates the parking lane, and adds a 12-foot on-street cycle track that is separated from vehicular traffic with a 4-foot painted buffer.

Second Street from Washington Street to Oak Street currently has two drive lanes with two parking lanes. The On-Street Cycle Track, as described above, was also selected for this section of street within the project area. Nevada Street, from First Street to Fourth Street, currently has two drive lanes with two parking lanes. The On-Street Bike Lanes concept option has been chosen for the Nevada Street corridor.

The On-Street Bike Lane is recommended because it aligns with the City's plans and goals, such as those laid out in the City's Pedestrian, Bike, and Trail System Plan, while still maintaining parking on one side of the road to continue to allow for visitor parking. This option fits within the existing street footprint, maintains two drive lanes but eliminates one parking lane leaving parking on only one side of the road, and adds two 5.5-foot on-street bike lanes: one in each direction. These will be striped to delineate them as bicycle lanes, but does not provide for a buffer space between cyclists and motorists lending this to be more of a commuter use bicycle facility.

NOTE: A Project Area Map shown on a later page in this report indicates that in addition to the three sections indicated on the preceding page for bike lane improvements, that College Street, from 1st to 3rd Streets will also receive bike lane improvements as part of the project. However, the project feasibility report reviewed by the appraiser indicates that this section was considered by the City Council for such improvements, but ultimately the Council decided not to move forward with bike lanes on this section.

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

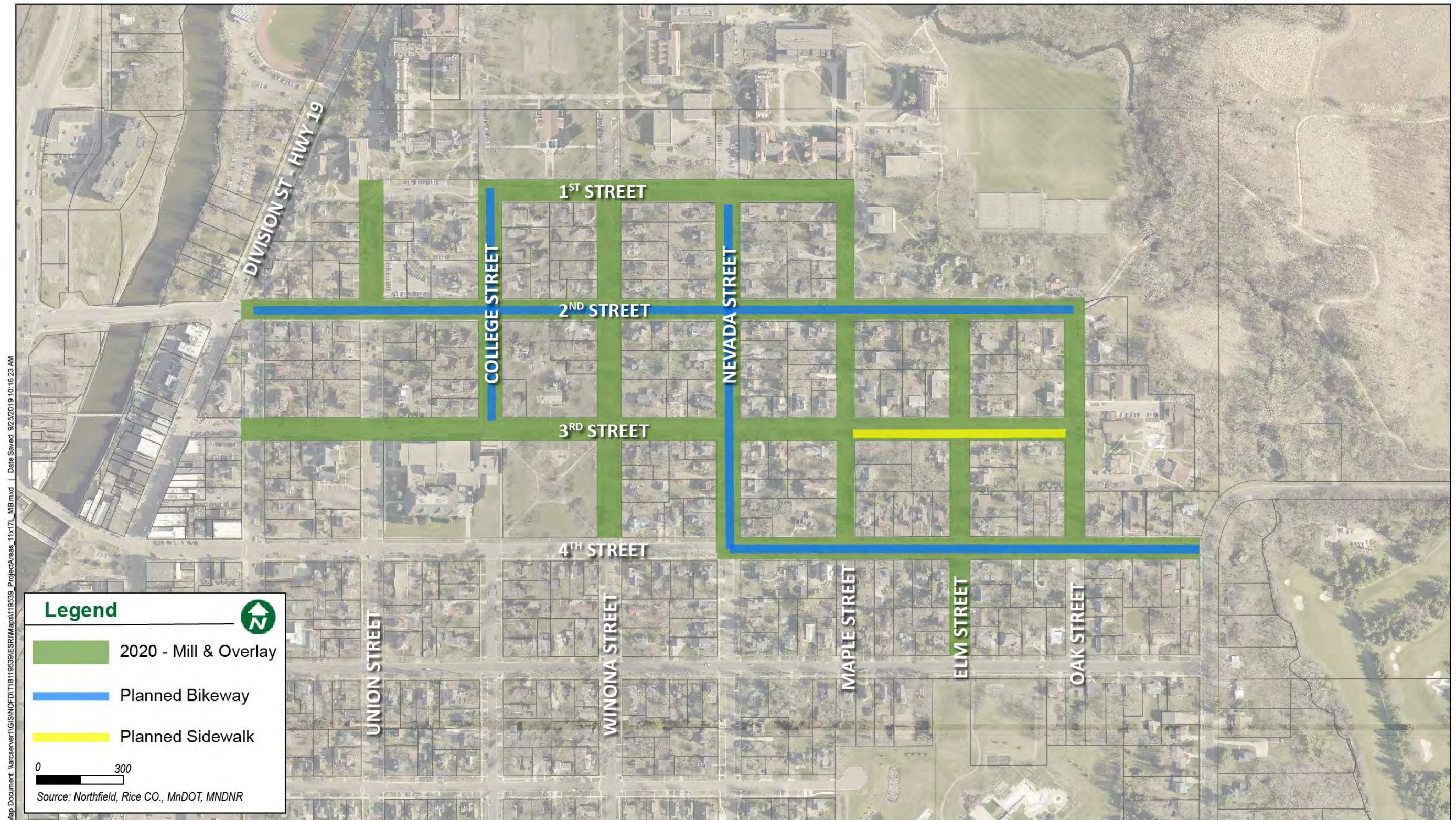
Work on the storm sewer as part of the project includes adjusting the storm sewer castings and covers to provide a smooth/drivable street surface in conjunction with the street resurfacing portion of the project. This work will include the replacement of all concrete adjustment rings for each structure. 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. Structures with significant deterioration may be replaced/reconstructed rather than rehabilitated.

Sanitary Sewer: The City of Northfield has reviewed the condition of 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.

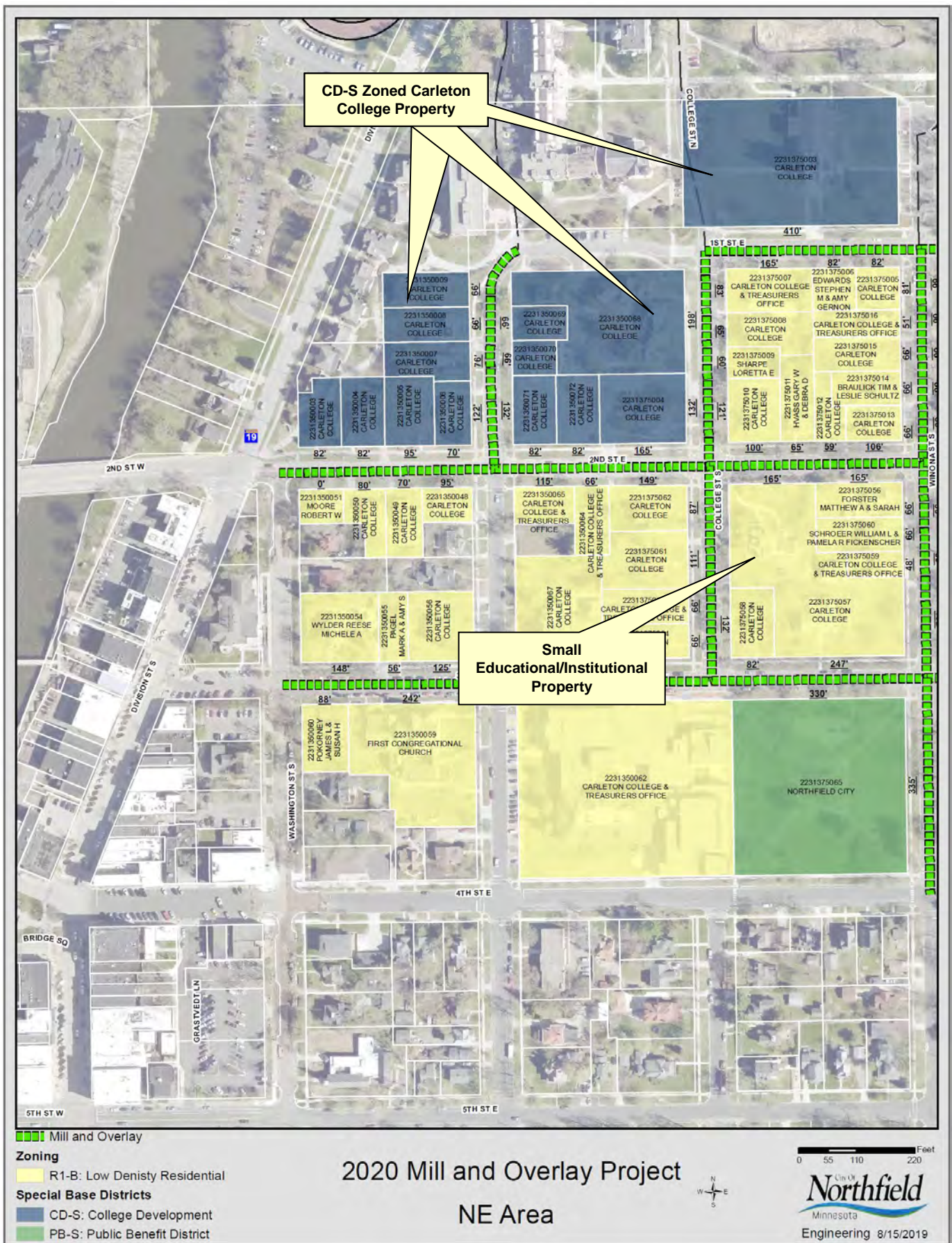
Work on the sanitary sewer as part of the project includes adjusting the sanitary sewer castings and covers to provide a smooth/drivable street surface in conjunction with the street resurfacing project. This work will include the replacement of all concrete adjustment rings for each structure. Castings and covers that are damaged or allow for inflow of storm water will be replaced. Minor grouting and concrete patching of the structures may also be completed to seal the structures and prevent infiltration/exfiltration in/out of the sanitary sewer manholes.

Watermain: The City of Northfield has reviewed the condition of the existing watermain 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 watermain system at this time.

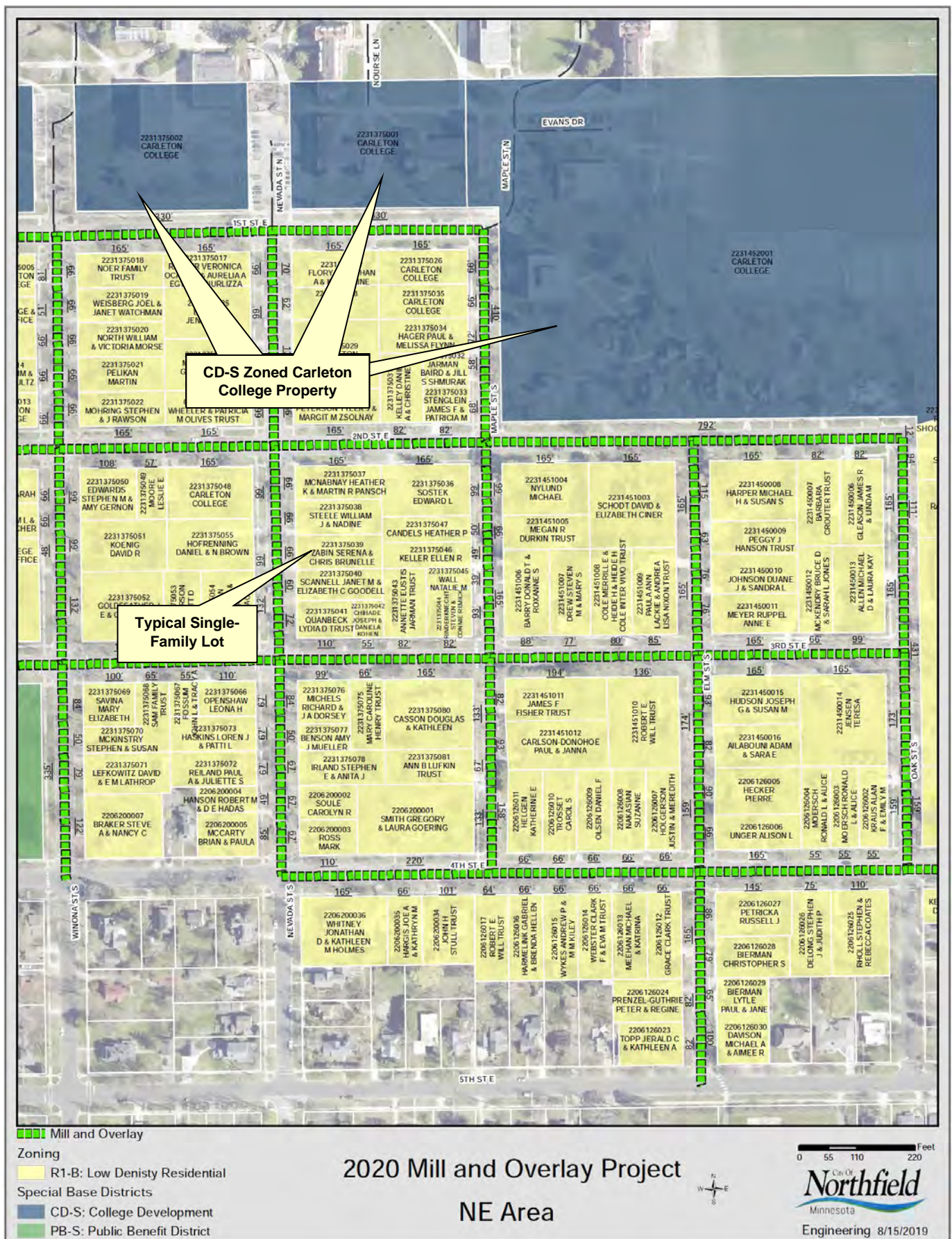
Work on the watermain system as part of this project includes adjusting the water gate valve boxes and covers to provide a smooth/drivable street surface in conjunction with the street resurfacing portion of the project. Some damaged valve box tops may require replacement. Hydrants are not expected to be affected by the proposed work, but if pedestrian or bikeway improvements do impact the existing hydrants, relocation may be necessary.



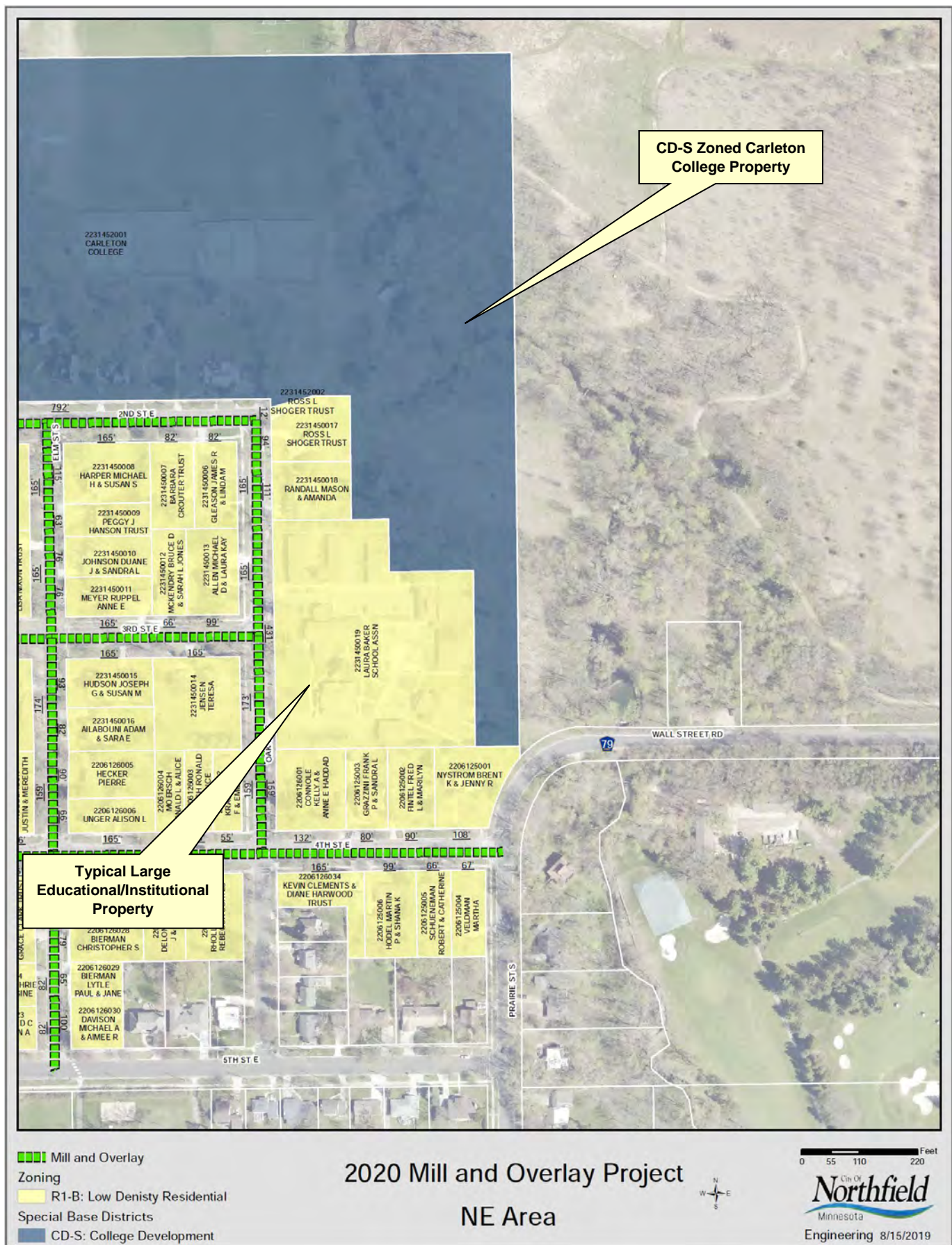
Northfield 2020 Mill and Overlay Project Area Map – Northeast Area



Properties to Be Assessed – Map 1



Properties to Be Assessed – Map 2



Properties to Be Assessed – Map 3

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.”

Special Comment: As of the date of this report, the virus known as COVID-19 has been declared a pandemic with a national state of emergency in place. The pandemic has created substantial turmoil in various financial markets and due to the developing situation, it is difficult to determine the future impact of COVID-19 on local commercial and residential real estate markets.

Currently, there is not enough definitive data yet available indicating what the eventual material impact, if any, the current COVID-19 crisis may have on market conditions affecting the value of real estate. The value opinions contained in this appraisal, and the conclusions shown below regarding the highest and best use of the subject properties, are based on findings of an analysis of market data available to the appraiser in the time frame containing the effective date of valuation of March 6, 2020 and the period in which this appraisal assignment was completed.

Highest and Best Use – Before Street Improvements

As Vacant: The Typical Single-Family Lot is a generally level, moderately treed lot located in the established central part of Northfield, north of the downtown area. The lot, which has a land area of 10,890 square feet (0.25 acres) and is zoned R1-B, Low Density Residential, is amongst other lots similar in size and zoning which are improved primarily with single-family homes, together with larger lots containing multi-unit housing and other facilities related to the operation of Carleton College, the main campus of which lies at the northern edge of the neighborhood.

After a significant downturn which lasted several years, the housing market has been showing significant and sustained levels of improvement, largely as a result of an economic recovery with a record period of duration. 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.

The Small Educational/Institutional Property comprises a somewhat irregular shaped tract of land occupying the majority (about 72%) of a city block directly across the street to the southeast of the Carleton College main campus. The site has frontage on parts of all four streets of the block on which it is located. The parcel, which has a land area of 78,405 square feet (1.80 acres) and is zoned R1-B, Low Density Residential, adjoins four single-family homes in its block and is in close proximity to other lots with the same zoning which are improved primarily with single-family homes, together with larger lots containing multi-unit housing and other facilities related to the operation of Carleton College.

If vacant, the land would be considered and evaluated primarily in terms of its ability to support development with an educational or institutional use related to nearby Carleton College or with single-family homes, which is the predominant surrounding use, with college-related uses intermixed. The current R1-B zoning allows schools as a conditional use, and single-family homes as a permitted use. R1-B zoning also allows as permitted uses two- and three-family dwellings, which appear to be present in the neighborhood but likely would be more difficult to develop in a feasible manner (i.e., in a way in which the rents generated would support new construction of such low-density multifamily structures).

The size of the Small Educational/Institutional Property site, at 1.80 acres, would be large enough to allow a reasonable level of flexibility in providing choices and layout options for one or more buildings designed to support a college-related use. As for the single-family development option, R1-B zoning requires a minimum lot width of 50 feet and a maximum of 75 feet. Based on typical lots in the area and the likely demands of the market given current home construction standards, it is concluded that lot widths of approximately 65 to 66 feet would be most appropriate to apply to the subject site, where possible. However, the site has four street frontages of different lengths, ranging from as little as 150 feet to as much as 247 feet, which affects the optimum lot widths in terms of maximizing the efficiency of subdividing the land.

An analysis of the configuration of the site results in the conclusion that seven single-family lots could be subdivided. Based on a land area of 1.80 acres, this results in a density of 3.89 units per acre.

Based on the foregoing discussion, it is concluded that the highest and best use of the Small Educational/Institutional Property, as vacant, is for subdivision into seven single-family home lots and development with new homes or, as an alternative development scenario, an educational or institutional use related to nearby Carleton College, given the property's close proximity to this educational institution.

The Typical Large Educational/Institutional Property is a mostly regular, nearly rectangular shaped parcel located in close proximity to the Carleton College main campus, at its southeast fringe. The site has 431 feet of frontage on the east side of Oak Street and, in contrast to the Small Educational/Institutional Property, is amongst entirely privately owned homes, most of which are single-family dwellings; there are few nearby parcels owned and used by Carleton College. Nonetheless, many of the same neighborhood factors influence the likely interest and development demand that would be present for this land, if it were vacant, relative to the Small Educational/Institutional Property.

If vacant, the land would be considered and evaluated primarily in terms of its ability to support development with an educational or institutional use related to nearby Carleton College or with single-family homes, which is the predominant surrounding use. The size of the Typical Large Educational/Institutional Property site, at 3.30 acres, would be large enough to allow a reasonable level of flexibility in providing choices and layout options for one or more buildings designed to support a college-related use. As for the single-family development option, based on typical lots in the area and the likely demands of the market given current home construction standards, it is concluded that lot widths of approximately 65 to 66 feet would be most appropriate to apply to the subject site, where possible. However, the dimensions of the site are such that some lots likely would require greater widths than 65 or 66 feet in order to optimize land usage.

The shape, size and dimensions of the Typical Large Educational/Institutional Property are such that, in order to maximize the number of single-family lots that could be subdivided, a public street would have to be extended from Oak Street into the site to provide direct access to at least some of the lots. An analysis of the configuration of the site results in the conclusion that approximately 12 single-family lots could be subdivided. Based on a land area of 3.30 acres, this results in a density of 3.64 units per acre.

Based on the foregoing discussion, it is concluded that the highest and best use of the Typical Large Educational/Institutional Property, as vacant, is for subdivision into 12 single-family home lots and development with new homes or, as an alternative development scenario, an educational or institutional use related to nearby Carleton College, given the property's close proximity to this educational institution.

The CD-S Zoned Carleton College Property is a somewhat irregular shaped, level to sloping tract of land located at the northern edge of a predominantly residential area lying north of downtown Northfield. Along its northeast and east edges, the site, which has a total land area estimated at 75.50 acres, adjoins Lyman Lakes, two smaller environmental lakes, and Spring Creek, which flows into and connects the lakes. Current zoning of the land is CD-S, College Development, which reflects the current use of the property as Carleton College.

As vacant, Carleton College would not be present on the subject land. Consequently, the analysis of highest and best use of the land, as vacant, is based on the land in the absence of the presence of the current Carleton College occupancy and use. In the absence of Carleton College, there is no significant likelihood that the land would attract development of a new college; such developments, representing massive undertakings, in terms of capital formation and the assumption of risk required to start a relatively large private higher education institution, are relatively rare in the current time frame, locally as well as nationally.

In the absence of Carleton College, it is highly likely that the subject land would have the same zoning as the large area adjacent south, which is R1-B, Low Density Residential. Such zoning is intended primarily for single-family homes, though it does also allow as permitted uses two- and three-family dwellings. However, as discussed previously, two- and three-family dwellings are significantly more difficult to develop in an economically feasible way than single-family homes in today's market. This factor, together with the strong current demand for new single-family homes in Northfield, results in the conclusion that the land, if vacant, most likely would be developed with single-family homes.

The site does have an irregular shape. However, the large size of the tract of 75.50 acres tends to mostly offset the shape factor, as the large size would allow significant flexibility in laying out a residential subdivision, with internal streets extending from the public streets the land currently fronts, that would efficiently maximize the number of lots that could be developed. It is noted that parts of the land have limited development utility, though this is a minority portion of the property. In the southeast part of the site, adjoining Spring Creek, about 5.6 acres or 7% of the site contains wetland or floodplain area.

Also, the extreme southeast corner reflects a relatively remote portion which has a combination of areas which are relatively narrow, low-lying, significantly sloping and irregular in shape. This land likely would be rather difficult to develop, if it could be developed at all, in an economically feasible way. This remote land area, located east of and behind two single-family homes and the Typical Large Educational/Institutional Property, is about 4.4 acres in size, reflecting about 6% of the total tract. The total area of the subject site which contains wetland, floodplain or the remote land area described above totals contains about 10 acres or 13% of the total site area.

Even though the subject site has some development utility limitations, as described above, on the whole the property has good utility and potential for development with single-family homes. In terms of density achievable on the site, the large size allows for the ability to design a layout which would tend to maximize the number of lots that can be platted. On the other hand, the wetland, floodplain and remote land areas will temper the upside of such density maximization. The Small Educational/Institutional Property and the Typical Large Educational/Institutional Property were concluded to have density potential for single-family subdivision of 3.89 and 3.64 units per acre, respectively. However, the subject site, given the relatively small lots that R1-B zoning, the presumed operative zoning for the site in the absence of Carleton College, allows, likely would be able to deliver densities above this level, given that there is a much larger land area to work with.

A typical city block in the subject property neighborhood has dimensions of 330 feet by 330 feet, and a land area of 2.50 acres. Assuming lot widths about 65 or 66 feet, such a typical block, with full 330-foot street frontages on all four sides, would be able to yield 12 lots, which is a density of 4.80 units per acre. Since no new interior streets are required for such a subdivision, this reflects a highly efficient, relatively high-density single-family lot subdivision scenario. Considering this as the upper limit and the other two subject properties mentioned above as the lower limit, it is concluded that the CD-S Zoned Carleton College Property would likely yield a density of about 4 units per acre.

Based on the foregoing discussion, it is concluded that the highest and best use of the CD-S Zoned Carleton College Property, as vacant, is for subdivision into single-family home lots and development with new homes at an approximate density level of 4 units per acre. Though the land likely would be rezoned to R1-B, Low Density Residential to accomplish such development, it is noted that the current zoning, CD-S, College Development, does already allow such single-family development and use as a permitted use.

As Improved: The Typical Single-Family Lot is improved with a two-story single-family home built in 1895, with an above-grade living area of 2,265 square feet and a partial, unfinished basement. 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.

The Small Educational/Institutional Property is a 1.80-acre land parcel, zoned R1-B, Low Density Residential, which contains two buildings serving the nearby main campus of Carleton College including a residential structure built in 1900, with 4,615 square feet of above-grade area, containing eight bedrooms and a full basement, 320 square feet of which is finished; and a two-story school/classroom building with a full basement, constructed in 1915, which has about 4,690 square feet of building area per floor.

The existing two main residence and classroom buildings, together with detached garages and other supporting improvements, represent improvements and uses which are 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 small educational/institutional property serving the nearby main campus of Carleton College.

The Typical Large Educational/Institutional Property is a 3.30-acre land parcel, zoned R1-B, Low Density Residential, which is improved as a residence and care facility for individuals with special needs. The property contains six main building structures used for residence and care purposes, ranging in year built from 1923 to 2003 and totaling 32,154 square feet of main-floor footprint area, with some basement areas below some of the buildings. The site also contains a sizable metal-clad garage/storage building.

The existing residence and care buildings, together with the garage/storage building and other supporting improvements, represent improvements and uses which are 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 an educational/institutional property.

The CD-S Zoned Carleton College Property is a 75.50-acre land parcel, zoned CD-S, College Development, which is improved as a private higher education facility known as Carleton College. The college property, which has been operating since 1866, contains numerous college-related structures constructed at various times between the latter part of the 1800s through recent years.

The existing college classroom, research, residence and maintenance/operations buildings, together with other supporting improvements, represent improvements and uses which are 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 higher education/college property.

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, sections of 1st, 2nd, 3rd, 4th, Union, College, Winona, Nevada, Maple, Elm and Oak Streets in the area of the subject properties, including those sections 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 Northeast Area project area of the proposed Northfield 2020 Mill and Overlay Project 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 minor repairs and replacements, as necessary, of water main, sanitary sewer and storm sewer utility components in the project area will preempt potential major problems and disruptions in these systems, as well as extend the life of this infrastructure, deferring the need for total replacement to a significantly later point in time.
5. The proposed project will result in some general benefits which flow to passing motorists using the improved streets and to the larger Northfield community. However, the project 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).
6. 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 in at least some cases they do vary. This is due to differences among the properties in highest and best use, parcel configuration, amount of street frontage, number of fronting streets, and/or total land area within a parcel, among other factors.

For example, the Small Educational/Institutional Property has a relatively modest special benefit, on a dollars-per-front-foot basis, relative to the other subject properties in this appraisal. Though the land portion of the property is relatively small, reflecting an area of 1.80 acres of a city block 2.50 acres in size, it has frontage on four streets. The property does not need four city street frontages to operate effectively. However, when dividing the total special benefit dollar amount accruing to this property's land area by its total street frontage, the per-front-foot special benefit amount becomes rather diluted by the presence of such a large amount of street frontage, relative to the property's land area and relative to the typical land area-to-street frontage ratio of other properties in the project area.

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.

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.

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 the subject properties. 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 the 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.

Typical Single-Family Lot Valuation – After

Comparable Land Sales Summary - After Improvements - Typical Single-Family Lot								
#	Location/ PID#	Sale Date	Sale Price ¹	Buyer	Land Area, ² Lot Dimens.	Price/SF	Zoning	Comments
				Seller				
1	1112 Union St. S. Northfield 22.06.3.26.055	5/17/19	\$63,500	Richard & Suzie Deuser Carolyn & Derek Melby	10,890 SF 0.25 ac. 66' x 165'	\$5.83	R1-B Low Density Residential	Level corner lot in inner-core urban Northfield neighborhood of smaller, moderate-priced single-family homes of varying vintages, with newest being built in 1960s/1970s. Listed on market for \$69,900 prior to sale; on market for 96 days. Fronts newer streets in good condition.
2	508 Ivanhoe Ave. Northfield 22.36.1.52.003	11/14/19	\$108,500	John & Nancy Rinn Frederick & Barbara Howe	12,201 SF 0.28 ac. 83' x 147' avg.	\$8.89	N1-B Neighborhood General 1	Heavily wooded interior lot with walkout slope located near end of secluded cul-de-sac adjoining wooded undeveloped land to north, west and south, adjoining newer, above-average priced homes. Listed on market for 73 days with asking price of \$112,900. Fronts newer street in good condition.
3	900 Heywood Rd. Northfield 22.05.2.78.012	6/13/19	\$75,450	Sandra Anderson Steven Ciernia	17,000 SF 0.39 ac. 92' x 185' avg.	\$4.44	N1-B Neighborhood General 1	Level to moderately sloping interior lot located in neighborhood of above average-priced homes built primarily in early 2000s, about two blocks south of Northfield Golf Club and golf course. Listed on market at \$79,900 for 32 days. Fronts street in average condition.
Subject	209 Nevada St. S. Northfield 22.31.3.75.039	3/6/20 Value Date	---	---	10,890 SF 0.25 ac. 66' x 165'	---	R1-B Low Density Residential	Interior lot in inner-core urban Northfield neighborhood just south of Carleton College campus. Homes in neighborhood are well maintained and above average in pricing/value, relative to most inner core Northfield residential neighborhoods. After project, lot fronts a newly milled and overlaid bituminous 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



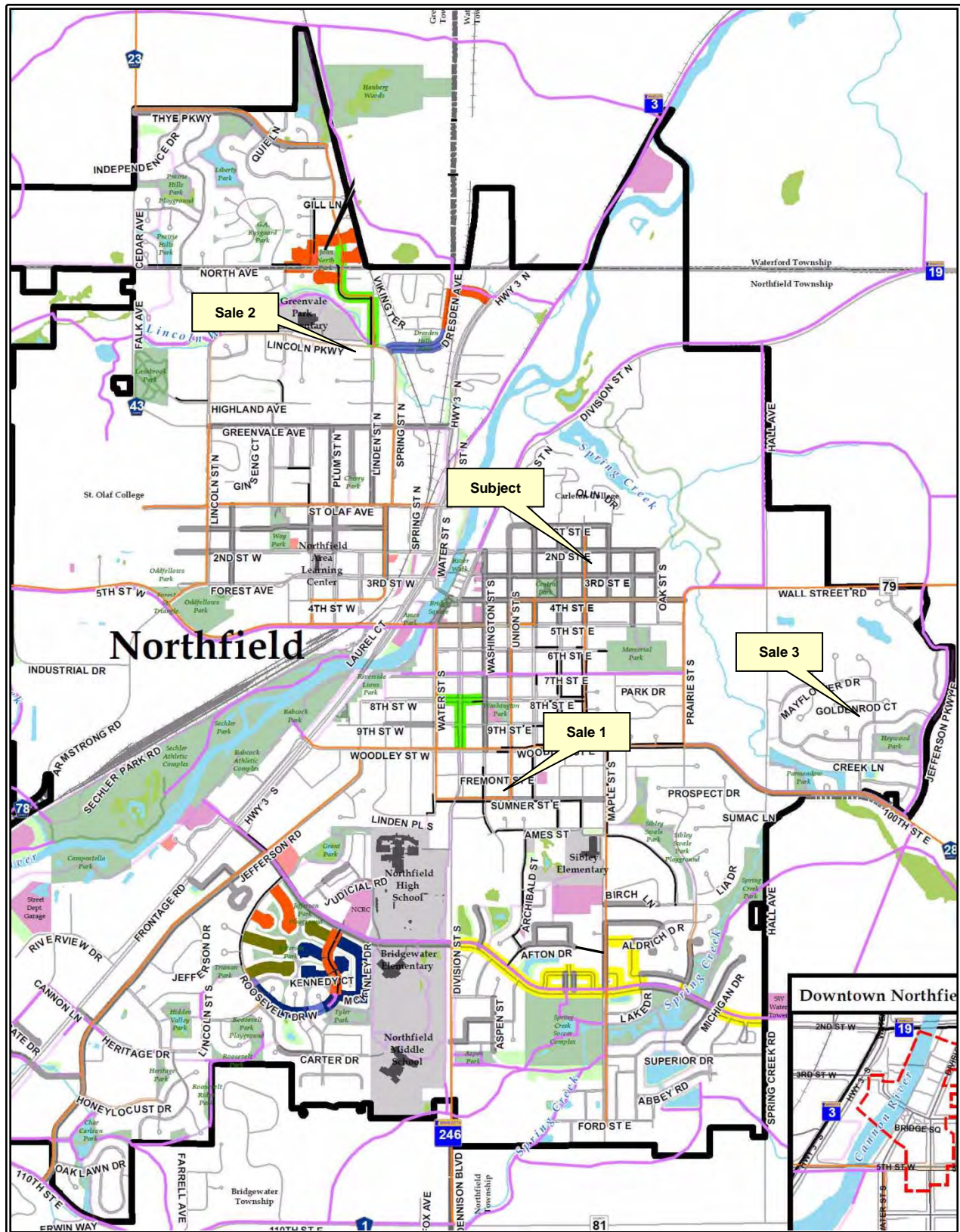
Land Sale 1: 1112 Union St. S., Northfield



Land Sale 2: 508 Ivanhoe Ave., Northfield



Land Sale 3: 900 Heywood Rd., Northfield



Comparable Land Sales Location Map – Typical Single-Family Lot

Analysis of Land Sales – After – Typical Single-Family Lot

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. All sales involved cash or cash-equivalent financing.

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

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 March 6, 2020. The comparables sold between November 20, 2018 and June 13, 2019. 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 single-family home price in the 7-county Twin Cities metro area in 2019 was \$315,000, a 5.0% increase over \$299,900 in 2018; the 2018 median represented an 8.3% increase over that of \$277,000 in 2017; and the 2017 median represented a 6.5% increase over that of \$260,000 in 2016 (average three-year annual increase rate of 7.1%). These statistics are based on an average number of sales each year of 36,279 homes.

The median single-family home price in the City of Northfield in 2019 was \$274,000, a 2.1% decrease from \$279,900 in 2018; the 2018 median represented a 12.0% increase over that of \$250,000 in 2017; and the 2017 median represented a 3.3% increase over that of \$242,000 in 2016 (average three-year increase of 4.4%). These statistics are based on an average number of sales each year of 210 homes.

Taking into account that the nearby 7-county Twin Cities metro statistics are based on a large sample size, but also giving due consideration to Northfield's local price statistics, though based on a much smaller sample size, 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 March 6, 2020.

Location: Takes into account location factors such as proximity to major access routes and shopping, visibility, surrounding development, and general area desirability/demand. The subject property is located in an urban inner core Northfield location, north of the downtown area, near Carleton College containing above-average priced homes, with above-average appeal and demand factors. Sale 1 is in an inner core location but in an area significantly south of downtown, with homes of modest/moderate size and price, inferior to the subject location. Sale 1 is adjusted upward for inferior location.

Sale 2 is in the northwest part of Northfield significantly surrounded by heavily wooded and/or private, undeveloped land, and located near the end of a cul-de-sac. The adjoining homes are new or relatively new and above average in pricing. Sale 2 is superior in overall location appeal and is adjusted downward.

Sale 3 is in a significantly newer, higher-end neighborhood near the Northfield Golf Club. Though this comparable is significantly superior to that of Sale 1, it is still somewhat inferior to the appeal of the subject close-in core location near Carleton College. Sale 3 is adjusted upward for location.

Lot Size: Generally, as parcel size increases, total price increases, but price per square foot typically decreases. Sale 1 is generally similar in size; Sales 2 and 3 are notably larger and thus adjusted downward.

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. The sales are all rectangular-shaped or only moderately irregular shaped with no significant easements or other encumbrances/restrictions; no adjustments were necessary.

Soils/Topography: Stable subsoils needing no corrective measures for building, and generally level to moderately sloping topography are preferred in the market. Lots with rear walkout slopes typically carry a premium. The subject is a generally level lot, as are Sales 1 and 3. Sale 2 has a walkout slope in the back yard, which is superior and warrants a downward adjustment.

Tree Cover/View/Privacy: The subject lot is a typical urban home site with moderate tree cover and no special view or privacy amenities. Sales 1 and 3 are similar to the subject in this respect, and thus no adjustments are required. Sale 2 is a heavily wooded lot which is superior.

Streets/Utilities: In the “after” position, the subject lot fronts a rehabilitated street which has received a pavement mill and overlay and spot curb/gutter replacement, as needed, together with repairs to utility components where needed. Sales 1 and 2 front newer streets in good condition, reflecting generally similar attributes to the subject in terms of streets/utilities; no adjustments were necessary. Sale 3 fronts a street in average condition, which is inferior to the subject, resulting in a modest upward adjustment.

Presented below is a land sales adjustment grid for the subject Typical Single-Family Lot in the after situation showing specific adjustments for the items discussed previously:

Land Sales Adjustment Grid - After Improvements - Typical SF Lot			
	Sale 1	Sale 2	Sale 3
Sale Price (\$/Lot)	\$63,500	\$108,500	\$75,450
Property Rights	x 1.00	x 1.00	x 1.00
	\$63,500	\$108,500	\$75,450
Financing	x 1.00	x 1.00	x 1.00
	\$63,500	\$108,500	\$75,450
Sale Conditions	x 1.00	x 1.00	x 1.00
	\$63,500	\$108,500	\$75,450
Market Conditions	x 1.04	x 1.02	x 1.04
Adjusted Price	\$66,040	\$110,670	\$78,468
Location	15%	-5%	5%
Lot Size	0%	-5%	-10%
Shape/Utility	0%	0%	0%
Soils/Topography	0%	-10%	0%
Tree Cover/View/Privacy	0%	-10%	0%
Streets/Utilities	0%	0%	3%
Net Adjustment	15%	-30%	-2%
Indicated Value For Subject	\$75,946	\$77,469	\$76,899

After adjustments, the land sale comparables result in value indications for the subject land ranging from \$75,946 to \$77,469. The average of the value indications is \$76,772, and significant consideration was given to all of the comparables. Market evidence best supports a value of approximately \$76,800.

OPINION OF LAND VALUE – AFTER IMPROVEMENTS: \$76,800
(Typical Single-Family Lot)

Small Educational/Institutional Property Valuation – After

Comparable Land Sales Summary - After Improvements - Small Educational/Institutional Property									
#	Location/ PID#	Sale Date	Sale Price ¹	Buyer	Land Area ²	Price/SF	Density (Units/Ac.)	Zoning	Comments
				Seller					
1	2432-44 Cotton Ln. & 501-13 Ford St. E. Northfield 22.07.3.01.045, .046, .047, .048, .053, .054, .055 & .056	7/19/19	\$160,000	Rice County Habitat for Humanity, Inc. Martin & Anita Finger	31,800 SF 0.73 ac. (approx. effective land area)	\$5.03 / SF	10.96	N-1B Nbhd. General 1 and N-2B Nbhd. General 2	Two sets of four adjoining row townhouse lots purchased for development with a total of 8 townhome units. Effective land area includes individual townhome lots plus surrounding common area land serving them. Abuts large pond area. Lots front newer streets in good condition.
2	119XX Emery Village Dr. N. Champlin 30-120-21-43-0202	3/31/17	\$176,000	Thompson Townhomes, LLC RES Holding, LLC	64,457 SF 1.48 ac.	\$2.73 / SF	5.41	R-4/PUD Medium Density PUD and R-A, Resid. Ag.	Turnkey development site within partly developed townhome project; to be developed with eight back-to-back townhome units. Northerly portion of site is zoned R-A, Resid. Ag., reflecting primarily open space. Accessed from Emery Village Dr., a newer bituminous street.
3	NWC Brockway Ave. & Connemara Trl. W. Rosemount 34-32075-00-070	3/31/17	\$870,000	Mark Elliot Homes, LLC Metro Land Holdings, LLC	323,215 SF 7.42 ac.	\$2.69 / SF	5.66	R-3 Medium Density	Known as Harmony Villas, Mark Elliot Homes, LLC is developing twin and quad homes on the site (42 units). Homes range in asking price from \$340k to \$360k. Development is located in a primarily residential area of Rosemount. Public utilities are available. Accessed from Bronze Pkwy., a newer bituminous street.
4	9255 Military Rd. Cottage Grove 03-027-21-24-0003	10/4/19	\$572,000	Londyn Development, LLC Darrel Johnson MN Irrev. Qualified Person Residence Trust	250,906 SF 5.76 ac.	\$2.28 / SF	2.81	Ag1 Agric. Preservation (Guided Low Density Res. 1- 5 units/ac.)	Mostly open, moderately sloping rural residential parcel. Purchased to assemble with buyer's adjoining parcel to create a 9.26-ac. site for development with 26-lot single-family home Ravine Meadows subdivision, with home prices averaging between about \$500,000 and \$600,000. Fronts new Ravine Pkwy. collector road on south side for which developer is liable for special assessments of \$9,000/ac. Buyer paid premium for this site in order to accomplish desired assemblage, paying about 15% above market. Sale price includes approx. \$22,000 cost to demolish existing home and abandon well/septic.
Subject	Small Educational/Institutional Property 419 3rd St. E. Northfield 22.31.3.75.057	3/6/20 Value Date	---	---	78,405 SF 1.80 ac.	---	3.89 +/-	R1-B Low Density Residential	Somewhat irregular shaped, generally level site with frontage on four streets, in close proximity to Carleton College main campus which is across the street to NW. Density level reflects estimated number of potential single-family lots that could be subdivided based on zoning and other factors. After project, all four fronting streets and many adjoining streets have been milled and overlaid and are in good condition.

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.

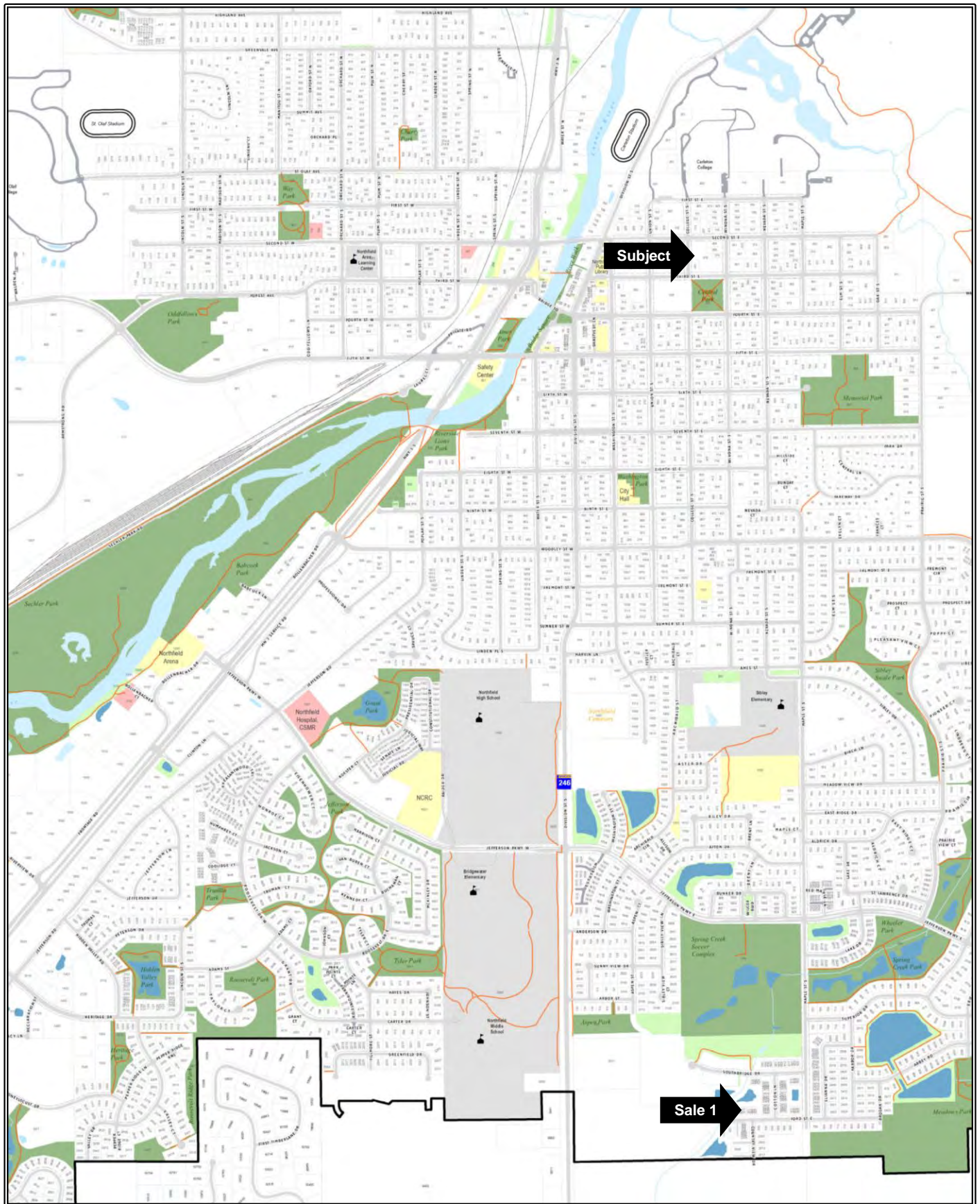
BRKW APPRAISALS, INC.



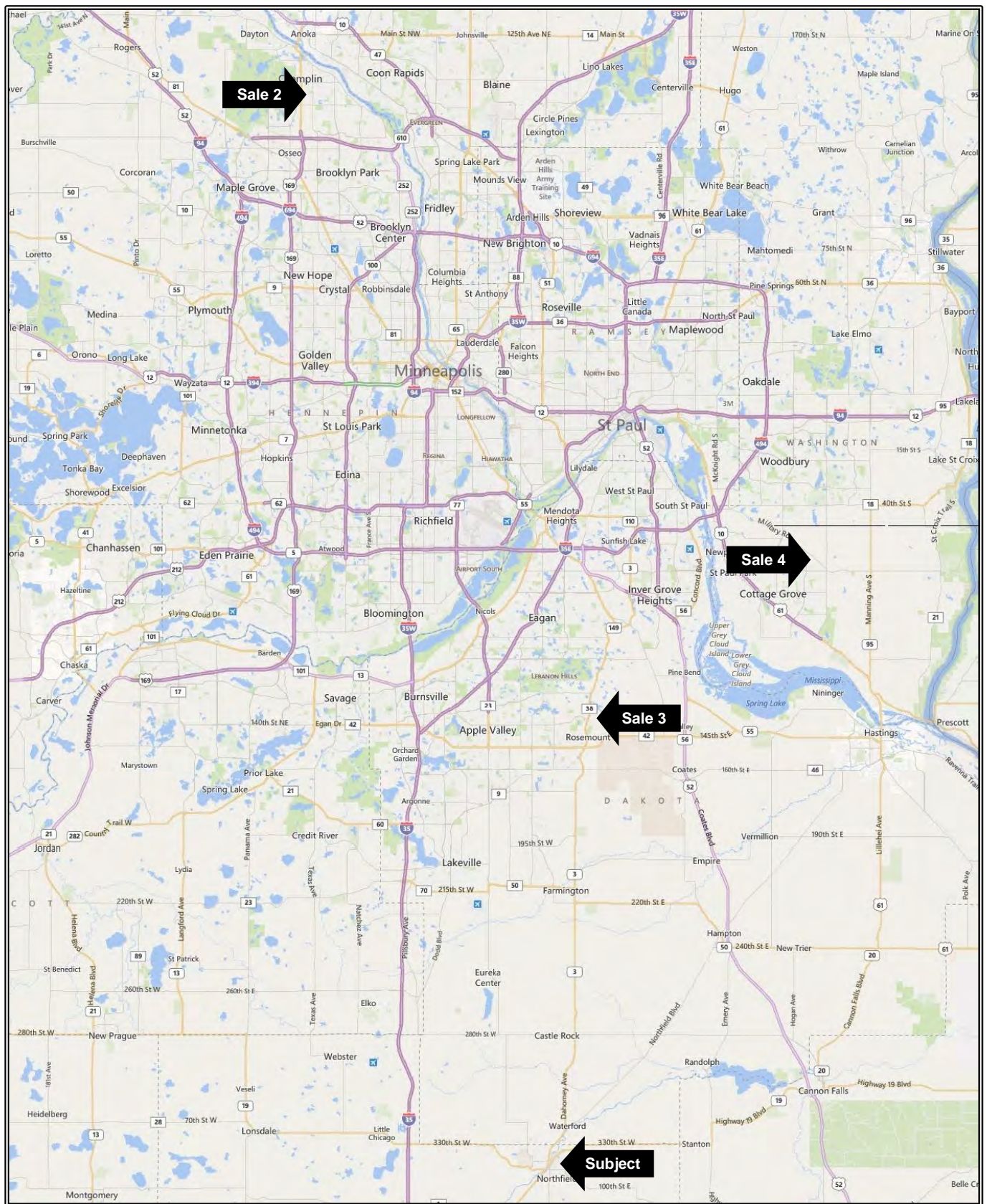
Land Sale 3: NWC Brockway Ave. & Connemara Trail West, Rosemount



Land Sale 4: 9255 Military Rd., Cottage Grove



Comparable Land Sales Location Map 1 – Small Educational/Institutional Property



Comparable Land Sales Location Map 2 – Small Educational/Institutional Property

Analysis of Land Sales – After – Small Educational/Institutional Property

Note Regarding Selection of Comparable Sales

The highest and best use of the subject Small Educational/Institutional Property, as vacant was concluded to be for educational/institutional use or, alternatively, for subdivision and development with single-family homes. No meaningful data pertaining to recent sales of land parcels reasonably similar to the subject land which were purchased for educational or institutional use were available for analysis. However, data were available pertaining to reasonably similar land parcels purchased for development with single-family homes or townhomes. Such data, after analysis and adjustment, can provide a credible opinion of the subject land value, since the subject land could be developed for either residential use or educational/institutional use.

These two alternative uses are compatible with each other and are often found together in the same location. Since land parcels with generally residential-type locations offer use potential for educational/institutional use as well, buyers tend to pay the same prices for such land in either use scenario.

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 price per square foot of land purchased.

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. Sales 1, 2 and 3 included buyers and sellers that were typically motivated and no adjustments were indicated. The buyer of Sale 4 paid an approximately 15% premium above market to secure this parcel and assemble it with another site it already owned to form a favorable tract of land for single-family residential subdivision. Sale 4 is adjusted downward to approximate market value for this land parcel.

Market Conditions/Time: Reflects changes in prices, if any, between date of each comparable sale and valuation date, due to changes in market conditions. Generally, demand for residential development land has been relatively strong, resulting in sustained price appreciation over the last several years. For this analysis, the comparables are adjusted based on estimated price movements of +3% per year from the date of each comparable sale through the effective date of valuation.

Location: Takes into account location factors such as proximity to major access routes and shopping, visibility, surrounding development, and general area desirability/demand. The subject property is within the urban inner core area of Northfield, north of the downtown area, in close proximity to the Carleton College main campus. The subject neighborhood has above-average appeal given its high-demand core location with close access to many amenities, the above-average home prices in the area, and the additional demand generated by proximity to Carleton College.

Sale 1 is located in a more outlying area within Northfield, near the southern city limits, where there are significant amounts of competing land remaining available for development. Sale 2 is within the Twin Cities northwest suburb of Champlin. Though in general Twin Cities home demand and pricing are higher than that prevailing in Northfield, Champlin is a suburb/address of relatively moderate appeal. The above-average appeal of the subject Northfield neighborhood tends to offset any advantage Sale 2 has being closer to the Twin Cities core. The comparable is considered similar overall in location desirability, relative to the subject, and no adjustment is warranted.

Sales 3 and 4 are is within the south and southeast Twin Cities suburbs of Rosemount and Cottage Grove, respectively, in growing residential areas. The closer-in locations relative to the Twin Cities are somewhat superior, resulting in downward adjustments to both comparables.

Size: Generally, as parcel size increases, total price increases, but price per square foot typically decreases. Sale 2 is within the same general size range as the subject, and no adjustment was necessary. Sale 1 is smaller and adjusted downward. Sales 3 and 4 are notably larger, requiring upward adjustment.

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 has a somewhat irregular shape. However, the shape essentially reflects two joined rectangles, more or less. These rectangles have the configuration to allow for two sets of subdivided single-family lots in a relatively efficient manner for a site of this size. Therefore, the irregular shape is not judged to have a material adverse impact on development utility.

All four comparable sales have reasonably regular shape configurations and good overall development utility. Though Sale 4 is somewhat long and narrow in shape, it was purchased for assemblage with another site adjacent east with a similar shape. The assemblage of the two sites removed any potential issues associated with their individual elongated shapes. No shape/utility adjustments to any of the comparables are required.

Soils/Topography: Stable subsoils needing no corrective measures for building, and generally level to moderately sloping topography are preferred in the market. The subject and the comparables have soils/topographies that are conducive to development; no adjustments were necessary.

View/Nature Amenities: Amenities such as wooded areas, wetlands, open space and other enhancements typically command a premium for residential land. The subject land has no special view amenities, which is similar to Sales 2, 3 and 4. Sale 1 adjoins a wetland area, resulting in a downward adjustment for this view amenity.

Zoning/Density: The subject property and comparables are being analyzed on a price-per-square-foot basis. The higher the density (i.e., number of dwelling units per acre) possible and/or approved for a development parcel, typically the more a developer will pay for the land on a per-acre or per-square-foot basis. Conversely, there typically is an inverse relationship between density and price paid per unit.

The subject land is zoned R1-B, Low Density Residential, which allows for one-, two- and three-family dwellings, together with educational/institutional uses such as schools. The highest and best use of the subject land was concluded to be for educational/institutional use or single-family home subdivision and development. It has been estimated that the subject site could be developed with single-family lots, at a density of about 3.89 units per acre. All four comparable sales are zoned or guided for residential development, though their actual or potential densities vary significantly, as discussed below:

Sale 1 was purchased for townhome development at a density of 10.96 units per acre, which is substantially superior to the subject. A substantial downward adjustment is made to Sale 1. Sales 2 and 3 have development densities of 5.41 and 5.66 units per acre, respectively, which is superior to the subject and thus downward adjustments were required for these comparables. Sale 4 involved a development density of 2.81 units per acre, which is inferior to the subject density potential and thus resulted in upward adjustment.

Streets/Utilities: In the “after” position, the subject site fronts rehabilitated streets which have received a pavement mill and overlay and spot curb/gutter replacement, as needed, together with repairs to utility components where needed. Sales 1, 2 and 3 front newer streets in good condition, reflecting generally similar attributes to the subject in terms of streets/utilities and no adjustments were necessary.

Sale 4 fronts a new collector roadway, Ravine Parkway, along its south edge, which will provide access to the new single-family subdivision. However, the buyer is liable for a \$9,000 per acre cost that must be paid to the city in order to develop the land with the subdivision. This cost liability is an inferior situation, relative to the subject property situation in the after improvements position, in which it assumed that the proposed project has been completed and all costs/assessments pertaining to the project improvements have been paid. An upward adjustment was made to Sale 4 for its inferior streets/utilities situation.

Presented below is a land sales adjustment grid for the subject Small Educational/Institutional Property in the after situation showing specific adjustments for the items discussed previously.

Land Sales Adjustment Grid - After Improvements				
Small Educational/Institutional Property				
	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/SF)	\$5.03	\$2.73	\$2.69	\$2.28
Property Rights	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$5.03	\$2.73	\$2.69	\$2.28
Financing	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$5.03	\$2.73	\$2.69	\$2.28
Sale Conditions	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 0.85</u>
	\$5.03	\$2.73	\$2.69	\$1.94
Market Conditions	<u>x 1.02</u>	<u>x 1.09</u>	<u>x 1.09</u>	<u>x 1.01</u>
Adjusted Price	\$5.13	\$2.98	\$2.93	\$1.96
Location	10%	0%	-5%	-5%
Size	-5%	0%	10%	10%
Shape/Utility	0%	0%	0%	0%
Soils/Topography	0%	0%	0%	0%
View/Nature Amenities	-3%	0%	0%	0%
Zoning/Density	-50%	-15%	-15%	10%
Streets/Utilities	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>9%</u>
Net Adjustment	-48%	-15%	-10%	24%
Indicated Value For Subject	\$2.67	\$2.53	\$2.64	\$2.43

After adjustments, the land sale comparables result in value indications for the subject Small Educational/Institutional Property ranging from \$2.43 to \$2.67 per square foot of land, with an average value indication of \$2.57 per square foot. All four comparables are considered to be pertinent value indicators for the subject land; all were given significant weight. Market evidence best supports a value of approximately \$2.60 per square foot.

Land Area: 78,405 SF or 1.80 Acres

78,405 SF @ \$2.60 / SF = \$203,853

Rounded to

OPINION OF LAND VALUE - AFTER IMPROVEMENTS: \$203,900
(Small Educational/Institutional Property)

Typical Large Educational/Institutional Property Valuation – After

Comparable Land Sales Summary - After Improvements - Typical Large Educational/Institutional Property									
#	Location/ PID#	Sale Date	Sale Price ¹	Buyer	Land Area ²	Price/SF	Density (Units/Ac.)	Zoning	Comments
				Seller					
1	2432-44 Cotton Ln. & 501-13 Ford St. E. Northfield 22.07.3.01.045, .046, .047, .048, .053, .054, .055 & .056	7/19/19	\$160,000	Rice County Habitat for Humanity, Inc. Martin & Anita Finger	31,800 SF 0.73 ac. (approx. effective land area)	\$5.03 / SF	10.96	N-1B Nbhd. General 1 and N-2B Nbhd. General 2	Two sets of four adjoining row townhouse lots purchased for development with a total of 8 townhome units. Effective land area includes individual townhome lots plus surrounding common area land serving them. Abuts large pond area. Lots front newer streets in good condition.
2	119XX Emery Village Dr. N. Champlin 30-120-21-43-0202	3/31/17	\$176,000	Thompson Townhomes, LLC RES Holding, LLC	64,457 SF 1.48 ac.	\$2.73 / SF	5.41	R-4/PUD Medium Density PUD and R-A, Resid. Ag.	Turnkey development site within partly developed townhome project; to be developed with eight back-to-back townhome units. Northerly portion of site is zoned R-A, Resid. Ag., reflecting primarily open space. Accessed from Emery Village Dr., a newer bituminous street.
3	NWC Brockway Ave. & Connemara Trl. W. Rosemount 34-32075-00-070	3/31/17	\$870,000	Mark Elliot Homes, LLC Metro Land Holdings, LLC	323,215 SF 7.42 ac.	\$2.69 / SF	5.66	R-3 Medium Density	Known as Harmony Villas, Mark Elliot Homes, LLC is developing twin and quad homes on the site (42 units). Homes range in asking price from \$340k to \$360k. Development is located in a primarily residential area of Rosemount. Public utilities are available. Accessed from Bronze Pkwy., a newer bituminous street.
4	9255 Military Rd. Cottage Grove 03-027-21-24-0003	10/4/19	\$572,000	Londyn Development, LLC Darrel Johnson MN Irrev. Qualified Person Residence Trust	250,906 SF 5.76 ac.	\$2.28 / SF	2.81	Ag1 Agric. Preservation (Guided Low Density Res. 1- 5 units/ac.)	Mostly open, moderately sloping rural residential parcel. Purchased to assemble with buyer's adjoining parcel to create a 9.26-ac. site for development with 26-lot single-family home Ravine Meadows subdivision, with home prices averaging between about \$500,000 and \$600,000. Fronts new Ravine Pkwy. collector road on south side for which developer is liable for special assessments of \$9,000/ac. Buyer paid premium for this site in order to accomplish desired assemblage, paying about 15% above market. Sale price includes approx. \$22,000 cost to demolish existing home and abandon well/septic.
Subject	Typical Large Educational/ Institutional Property 211 Oak St. S. Northfield 22.31.4.50.019	3/6/20 Value Date	---	---	143,748 SF 3.30 ac.	---	4.50 +/-	R1-B Low Density Residential	Mostly regular shaped, generally level site fronting east side of Oak St., in close proximity to Carleton College campus which is less than one block NW. Density level reflects estimated number of potential single-family lots that could be subdivided based on zoning and other factors. After project, Oak St. and many adjoining streets have been milled and overlaid and are in good condition.

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.

***See Preceding Small Educational/Institutional Property Comparables
Parcel/Location Maps***

Analysis of Land Sales – After – Typical Large Educational/Institutional Property

Please note that the same comparable sales used for the Small Educational/Institutional Property valuation also were used in the valuation of the Typical Large Educational/Institutional Property. Consequently, the same comparable sale parcel maps and location maps found earlier in this report for the former property apply to the latter property as well.

Additionally, the analysis of both properties has been made in the same manner. Both subject properties are highly similar in most respects, including location, shape/utility, soils/topography, zoning/density and streets/utilities. However, they are different in size and view/nature amenities factors. For the Typical Large Educational/Institutional Property analysis, the previous adjustments made to the comparable sales in the Small Educational/Institutional Property analysis remain the same and the previous discussion of the adjustments remains valid, except for differences in the approach to size and view/nature amenities, which are discussed below together with zoning/density, even though no adjustments were required for the latter:

Size: The Typical Large Educational/Institutional Property is 3.30 acres in size, whereas the Small Educational/Institutional Property analyzed previously is 1.80 acres in size. The adjustments made to each comparable in the preceding Small Educational/Institutional Property valuation are adjusted in a downward direction by 5 percentage points in the Typical Large Educational/Institutional Property valuation, to reflect the larger size of the site currently being analyzed.

View/Nature Amenities: The Typical Large Educational/Institutional Property abuts a low-lying, undeveloped wooded area to the east and northeast, reflecting Carleton College-owned land which is unlikely to be developed at any time in the foreseeable future, given its remote configuration and location at the extreme southeast corner of the college-owned land west of Spring Creek. This adjacent land provides an appealing natural view and privacy amenity which typically involves premiums for residential lots adjoining such an amenity.

The previously analyzed Small Educational/Institutional Property has no view/nature amenities. The adjustments made to each comparable in the preceding Small Educational/Institutional Property valuation are adjusted in an upward direction by 5 percentage points in the Typical Large Educational/Institutional Property valuation, to reflect the wooded/private land adjacency of the site currently being analyzed.

Zoning/Density: Both the Small Educational/Institutional Property and the Typical Large Educational/Institutional Property are zoned R1-B, Low Density Residential. The former was estimated to have a single-family lot development density potential of 3.89 units per acre, whereas the density potential for the same single-family use scenario on the latter was estimated to yield about 3.64 units per acre. It is recognized that these two density levels are only estimates, and the difference between the two properties in this metric is rather minimal.

Consequently, the zoning/use adjustments made in the previous valuation of the Small Educational/Institutional Property are considered valid and pertinent to the current valuation of the Typical Large Educational/Institutional Property as well. No modification of the adjustments made to the comparables in the preceding Small Educational/Institutional Property analysis are necessary for the current valuation analysis of the Typical Large Educational/Institutional Property.

Presented on the next page is a land sales adjustment grid for the subject Typical Large Educational/Institutional Property in the after situation showing specific adjustments for the items discussed previously.

Land Sales Adjustment Grid - After Improvements Typical Large Educational/Institutional Property				
	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/SF)	\$5.03	\$2.73	\$2.69	\$2.28
Property Rights	x 1.00 \$5.03	x 1.00 \$2.73	x 1.00 \$2.69	x 1.00 \$2.28
Financing	x 1.00 \$5.03	x 1.00 \$2.73	x 1.00 \$2.69	x 1.00 \$2.28
Sale Conditions	x 1.00 \$5.03	x 1.00 \$2.73	x 1.00 \$2.69	x 0.85 \$1.94
Market Conditions	x 1.02 \$5.13	x 1.09 \$2.98	x 1.09 \$2.93	x 1.01 \$1.96
Adjusted Price	\$5.13	\$2.98	\$2.93	\$1.96
Location	10%	0%	-5%	-5%
Size	-10%	-5%	5%	5%
Shape/Utility	0%	0%	0%	0%
Soils/Topography	0%	0%	0%	0%
View/Nature Amenities	2%	5%	5%	5%
Zoning/Density	-50%	-15%	-15%	10%
Streets/Utilities	0%	0%	0%	9%
Net Adjustment	-48%	-15%	-10%	24%
Indicated Value For Subject	\$2.67	\$2.53	\$2.64	\$2.43

After adjustments, the land sale comparables result in value indications for the subject Typical Large Educational/Institutional Property ranging from \$2.43 to \$2.67 per square foot of land, with an average value indication of \$2.57 per square foot. All four comparables are considered to be pertinent value indicators for the subject land; all were given significant weight. Market evidence best supports a value of approximately \$2.60 per square foot.

Land Area: 143,748 SF or 3.30 Acres

143,748 SF @ \$2.60 / SF = \$373,745

Rounded to

OPINION OF LAND VALUE - AFTER IMPROVEMENTS: \$373,700
(Typical Large Educational/Institutional Property)

CD-S Zoned Carleton College Property Valuation – After

Comparable Land Sales Summary - After Improvements - CD-S Zoned Carleton College Property									
#	Location/ PID#	Sale Date	Sale Price ¹	Buyer Seller	Land Area ²	Price/SF	Density (Units/Ac.)	Zoning	Comments
1	NE Corner Ideal Ave. S. & 65th St. S. Cottage Grove Multiple PID #s	7/18/17 & 5/4/18	\$5,315,669	U.S. Home Corp. Roger and Ruth Bothe	3,659,040 SF 84.00 ac.	\$1.45 / SF	2.74	R3 Single Family Residential with PDO, Planned Development Overlay	Generally level, open agricultural land purchased for development with Calarosa residential development consisting of 230 residential units including single-family homes, villa-style detached townhomes and attached townhomes. Sale closed on two different dates, with first date covering land for first two phases of development, and second date covering third and fourth phases. Site fronts newer bituminous streets in good condition.
2	9770-9880 Military Rd. Cottage Grove 03-027-21-41-0006, -0007 & -0008	12/4/19	\$1,172,000	Ravine Parkway, LLC Paul & Patricia Kotnour, Kenneth & Amy Kaiser	662,112 SF 15.20 ac.	\$1.77 / SF	5-10	AGI Agric. Preservation (Guided Medium Density Res. 5- 10 units/ac.)	Assemblage of two adjoining rural residential properties for eventual subdivision and development with urban residential housing (no development approval in place on date of sale). Sale price includes \$40,000 in estimated cost to demolish two homes. Fronts older rural roadway on south side and new Ravine Parkway collector roadway on north side, which will provide access upon development of land. Buyer will have to pay \$9,000/ac. for this new access road upon development.
3	W. Side Akron Ave., 1/2 Mile N. of Bonaire Path Rosemount 34-01500-50-011 & 34-01500-35-014	4/2/18 & 4/26/19	\$4,353,750	U.S. Home Corp. Richard & Dixie Cliff	3,103,650 SF 71.25 ac.	\$1.40 / SF	1.46 (based on Phase 1 density)	R1 Low Density Residential with PUD, Planned Unit Development Overlay	Moderately rolling to significantly sloping agricultural land purchased for development with single-family homes. Sale closed on two different dates, with first date covering land for first phase of development, and second date covering second phase. First phase of 41.69 ac. is approved and under development with 61 lots, reflecting density of 1.46 units/ac.; second phase yet to be platted and thus lot count not available. About 4% of site contains wetland, at north and west edges. Fronts gravel rural design road. Buyer is liable for approx. \$200,000 assessment for its share of road upgrade to new bituminous paved collector to be built by city in near future.
Listing	Current Listing Fillmore St., S. of Greenfield Dr. Northfield 22.12.4.26.022	Current Listing	\$595,000 Asking	N/A CRG Properties	448,668 SF 10.30 ac.	\$1.33 / SF Asking	4-6	N2-B Neighborhood General 2	Outlot A, Harvest Hills, consisting of a generally regular shaped site located at southern city limits, adjacent south of moderate to mid-priced single-family homes and twin homes built in 2000s and 2010s. Site elevation is substantially higher than adjoining land and appears to have been fill repository for land developed to north; significant soil export would be required to develop site. Current zoning allows mix of attached and detached residential units, with development density target of 4 to 6 units/ac. However, site has preliminary plat approval for 25 single-family lots, reflecting density of 2.43 units/ac.
Subject	CD-S Zoned Carleton College Property E. of Cty Rd. 19, N. of 2nd and 3rd Streets +/- Northfield Multiple PID #s	3/6/20 Value Date	---	---	3,288,622 SF 75.50 ac.	---	4.00 +/-	CD-S College Development	Moderately irregular shaped, level to sloping site at north edge of fully developed urban neighborhood. Adjoins Lyman Lakes and Spring Creek at NE and east edges. About 7% comprises wetland or floodplain; about 6% in SE corner has limited utility due to remote location relative to city streets, together with significantly sloping topography. Development density potential is estimated based on that of adjoining land in neighborhood and the large size of the tract. After project completion, most of streets serving land have been milled and overlaid, are in good condition.

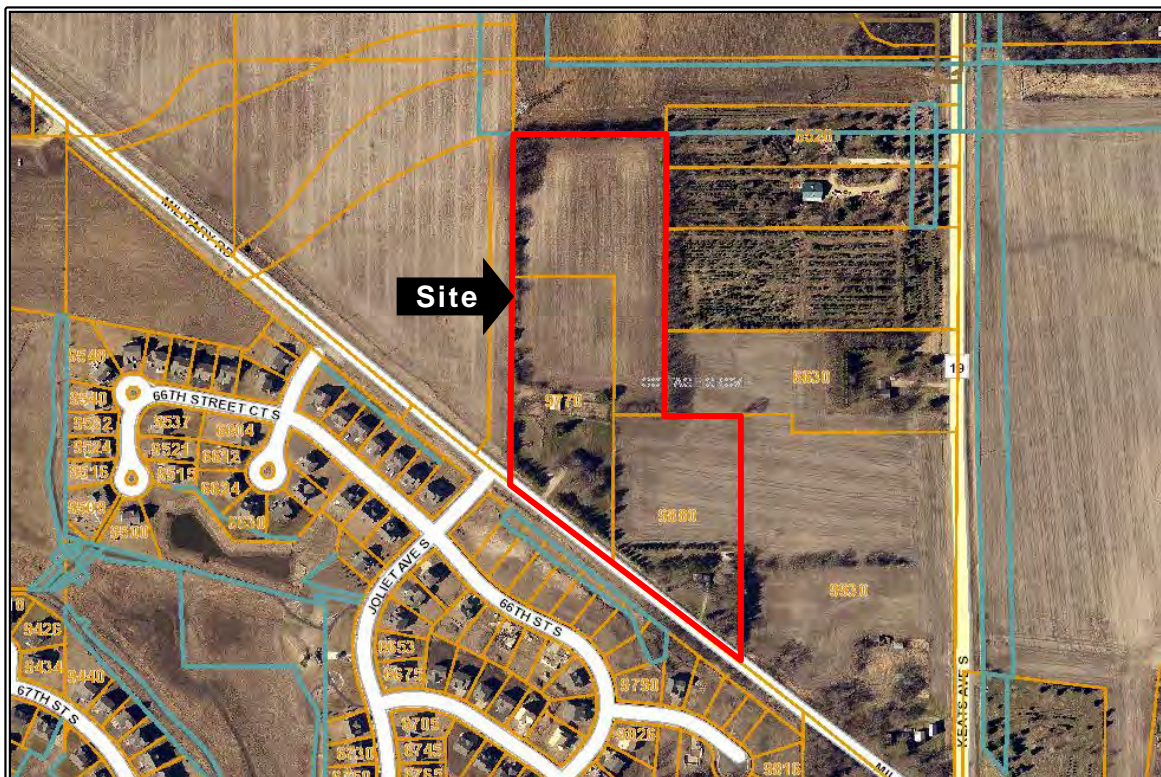
¹ Sale price includes assumed special assessments and building demolition costs, if any.

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

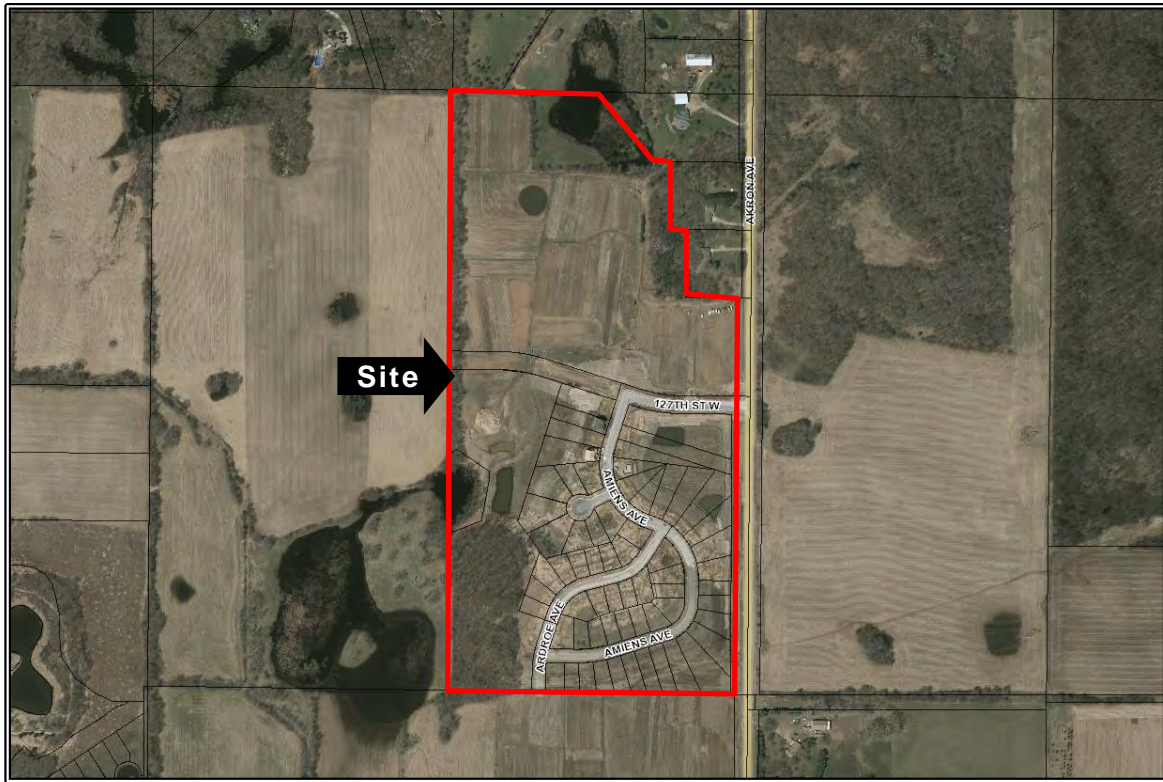
COMPARABLE LAND SALES PLAT/PARCEL MAPS



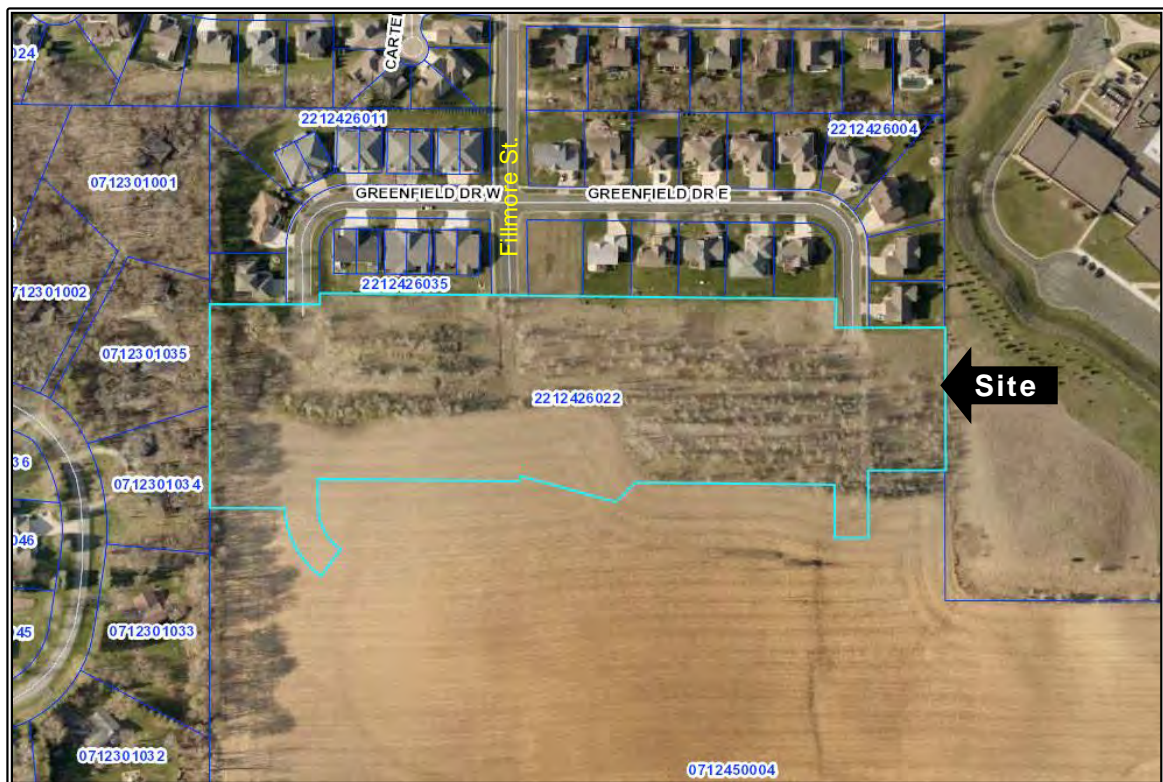
Land Sale 1: NE Corner Ideal Ave. S. and 65th St. S., Cottage Grove



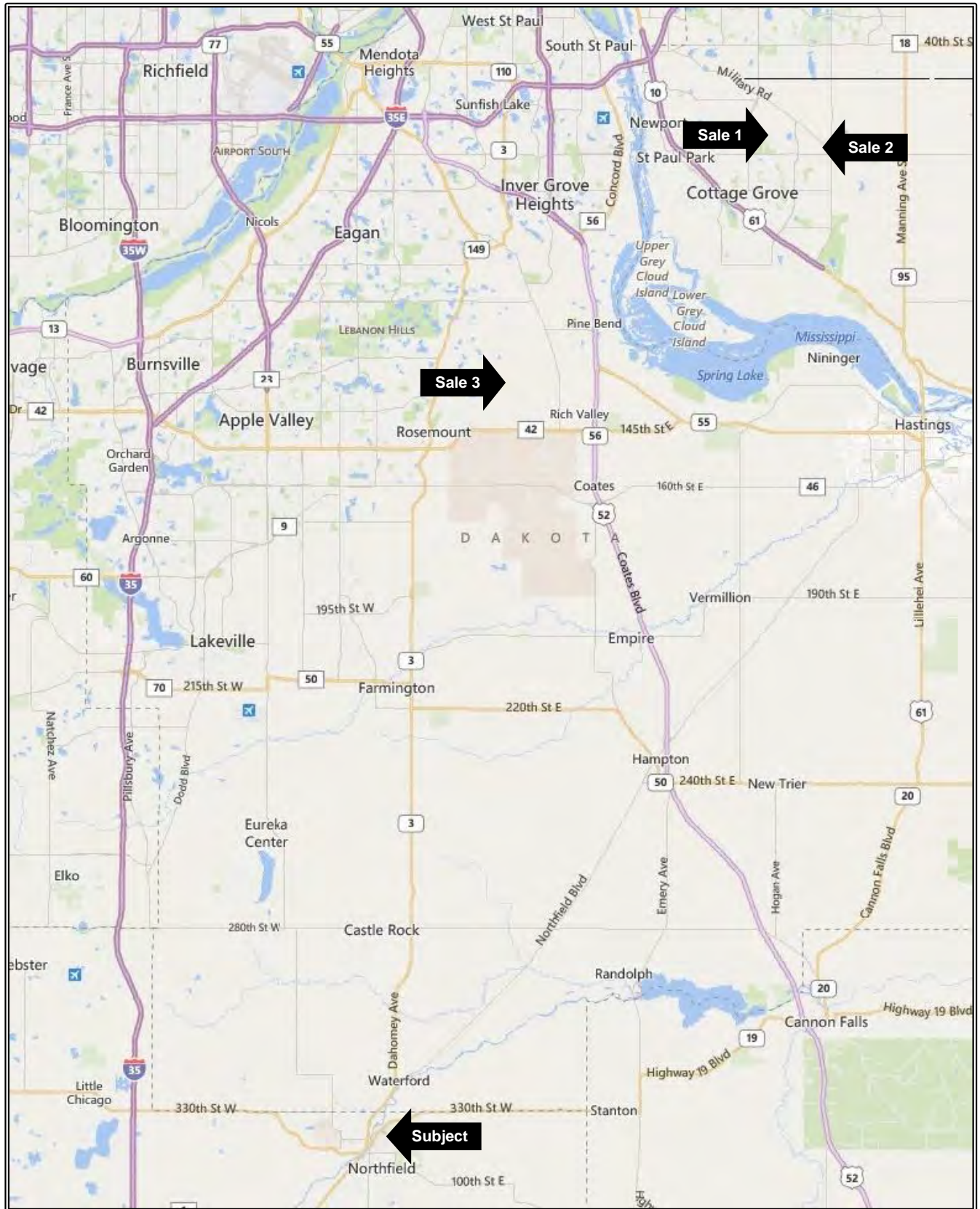
Land Sale 2: 9770-9880 Military Rd., Cottage Grove



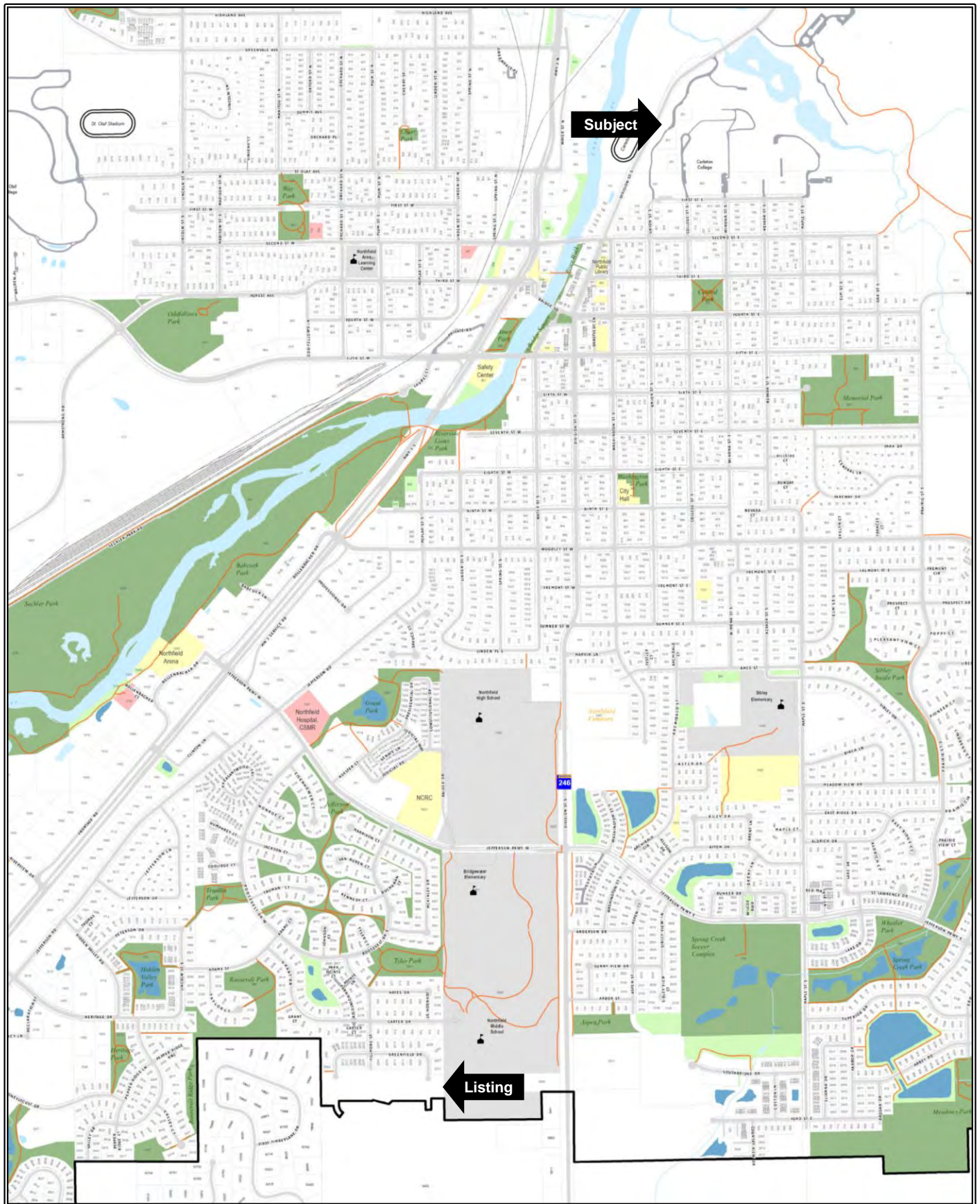
Land Sale 3: W. Side Akron Ave., 1/2 Mile N. of Bonaire Path, Rosemount



Current Listing: Fillmore St., S. of Greenfield Dr., Northfield



Comparable Land Sales Location Map – CD-S Zoned Carleton College Property



Current Listing Location Map – CD-S Zoned Carleton College Property

Analysis of Land Sales – After – CD-S Zoned Carleton College Property

Sales 1, 2 and 3 will be analyzed, and their sales prices will be adjusted in order to arrive at an opinion of the market value of the subject CD-S Zoned Carleton College Property. The Current Listing was presented as an example of an asking price for residential development land located in the City of Northfield. However, the asking price will not be analyzed along with the three comparable sales in determining a value opinion for the subject land, since it does not reflect a closed sale, and also since it appears to need a significant amount of fill export to develop (no information was available regarding the cost for such fill export, which likely would be substantial in any event).

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 price per square foot of land purchased.

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. All sales included buyers and sellers that were typically motivated and no adjustments are indicated.

Market Conditions/Time: Reflects changes in prices, if any, between date of each comparable sale and valuation date, due to changes in market conditions. Generally, demand for residential development land has been relatively strong, resulting in sustained price appreciation over the last several years. For this analysis, the comparables are adjusted based on estimated price movements of +3% per year from the date of each comparable sale through the effective date of valuation.

Location: Takes into account location factors such as proximity to major access routes and shopping, visibility, surrounding development, and general area desirability/demand. The subject property is within the urban inner core area of Northfield, north of the downtown area. The subject neighborhood has above-average appeal given its high-demand core location with close access to many amenities and the above-average home prices in the area, relative to other core areas ringing the downtown area of Northfield.

Sales 1, 2 and 3 are within the south and southeast Twin Cities suburbs of Rosemount and Cottage Grove, respectively, in growing residential areas. The closer-in locations relative to the Twin Cities are somewhat superior, resulting in downward adjustments to all three comparables.

Size: Generally, as parcel size increases, total price increases, but price per square foot typically decreases. Sales 1 and 3 are within the same general size range as the subject, and no adjustments are necessary. Sale 2 is substantially smaller and adjusted downward.

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 has a somewhat irregular shape. However, the large size of the tract, at 75.5 acres, results in the shape, for the most part, not having a significant effect on the development utility of the site, since large land sizes allow maneuvering in terms of having room on site to adjust and mitigate irregular shapes along the edges.

On the other hand, there are two specific utility factors affecting the productivity of development that could take place on the site. First, about 7% of the tract contains wetland or floodplain, which for the most part is not developable. Second, there is a remote area of land at the extreme southeast corner of the site, comprising about 6% of the total property land area, which has limited development utility given a combination of irregular shape as well as significantly sloping and low-lying topography. The two utility factors combined affect about 13% of the land on the property.

Sales 1 and 2 have reasonably regular shapes, within the context of their site sizes, and no compromised areas in terms of wetland, floodplain or remote land pockets. Sales 1 and 2 are adjusted downward for superior utility. It is noted that about 4% of Sale 3 comprises wetland. Consequently, Sale 3 is superior to the subject property in overall development utility, but not to the extent of Sales 1 and 2, resulting in a lesser downward adjustment, relative to the other two comparables.

Soils/Topography: Stable subsoils needing no corrective measures for building, and generally level to moderately sloping topography are preferred in the market. The subject property is assumed to have stable subsoils for development. Its topography ranges from generally level, to moderately sloping to significantly sloping in some areas. The more heavily sloped areas would have some impact on the efficiency with which the land could be subdivided and developed with single-family lots.

However, this topography consideration has already been factored into the appraiser's estimate of the overall density that could be achieved on the site of about 4 units per acre, which is substantially lower density than that which could be developed on a typical vacant residential-zoned city block in the area (12 lots on a 2.5-acre block, yielding 4.80 units per acre). Density is discussed later in this analysis.

All three comparables appear to have stable subsoils for development. Sales 1 and 2 are generally level sites. Sale 3 has moderately to significantly sloping topography, which appears to have affected the density with which it could be developed. Since the impact of topography is reflected in density, the density resulting from such topography is addressed and adjusted for later in this analysis.

Given the above, no adjustments are made for soils or topography.

View/Nature Amenities: Amenities such as wooded areas, wetlands, open space and other enhancements typically command a premium for residential land. The subject land has significant view/nature amenities, as its entire northeastern and eastern edge adjoins Lyman Lakes, two smaller environmental lakes, or Spring Creek, which in turn adjoins naturally vegetated undeveloped areas. Such amenities have the capacity to add significant price premiums for adjoining residential lots developed.

Sales 1 and 2 have no particular view or nature amenities, and thus these comparables are adjusted upward. About 4% of Sale 3 contains wetland area, which as a view amenity is somewhat superior to Sales 1 and 2, but still significantly inferior to the subject in terms of magnitude of view/nature amenity; a more modest upward adjustment is made to Sale 3.

Zoning/Density: The subject property and comparables are being analyzed on a price-per-square-foot basis. The higher the density (i.e., number of dwelling units per acre) possible and/or approved for a development parcel, typically the more a developer will pay for the land on a per-acre or per-square-foot basis. Conversely, there typically is an inverse relationship between density and price paid per unit.

The subject land is currently zoned CD-S, College Development, which is in place as a result of the land currently being owned by and operated as Carleton College. As vacant, in the absence of the existing college use, the land likely would be zoned the same as the rest of the neighborhood area adjacent south; that zoning being R1-B, Low Density Residential, which allows for one-, two- and three-family dwellings, together with educational/institutional uses such as schools.

The highest and best use of the subject land was concluded to be for single-family home subdivision and development. It has been estimated that the subject site could be developed with single-family lots, at an overall density of about 4 units per acre. All three comparable sales are zoned or guided for residential development, though their actual or potential densities vary significantly, as discussed below:

Sale 1 was purchased for development with a mix of predominantly single-family homes, with a smaller proportion of townhomes intermixed, at a density of 2.74 units per acre, which is inferior to the subject and resulted in an upward adjustment.

Sale 2 was purchased for residential development, though a specific development plan was not approved and in place when the sale closed. However, the land use guiding for this property is Medium Density Residential, which calls for a density of 5 to 10 units per acre. Development patterns in the area and current market preferences indicate this land likely will be developed toward the lower end of this density range. Nonetheless, such density is superior to that estimated for the subject, resulting in a downward adjustment.

The first phase of Sale 3 yielded a density of 1.46 units per acre. Though the second phase area has not yet received development approvals, it is reasonable to conclude that the density on this phase will be similar to that of the first phase, primarily due to significant slopes in portions of the property, as discussed earlier in Soils/Topography. Sale 3 is substantially inferior to the subject in density, requiring a substantial upward adjustment.

Streets/Utilities: In the “after” position, the large majority of the subject site fronts rehabilitated streets which have received a pavement mill and overlay and spot curb/gutter replacement, as needed, together with repairs to utility components where needed. The large majority of major access points to the property are along the south edge of the site, along streets which are slated for improvement. One additional major access point exists at the northwest edge of the site, along County Road 19, which is in average to good condition.

Sale 1 fronts a newer street in good condition, reflecting generally similar attributes to the subject in terms of streets/utilities and no adjustments is necessary.

Sale 2 fronts a new collector roadway, Ravine Parkway, along its north edge, which will provide access to the new residential subdivision that will be developed on the land. However, the buyer is liable for a \$9,000 per acre cost that must be paid to the city in order to develop the land with the subdivision. This cost liability is an inferior situation, relative to the subject property situation in the after improvements position, in which it assumed that the proposed project has been completed and all costs/assessments pertaining to the project improvements have been paid. An upward adjustment was made to Sale 2 for its inferior streets/utilities situation, given the pending street charge situation.

Sale 3 has a similar situation to Sale 2, in that although currently the site fronts and is accessed from an older rural gravel-surfaced road, in the near future this road will be rebuilt as a new collector, for which the city will require the developer to pay a cost share of about \$200,000. This cost liability, which must be paid in order to benefit from the new access road, affected the price paid for the land. Sale 3 is inferior to the subject, to the extent of this new road charge liability, and an upward streets/utilities adjustment was made to this comparable accordingly.

Presented on the following page is a land sales adjustment grid for the subject CD-S Zoned Carleton College Property in the after situation showing specific adjustments for the items discussed previously.

Land Sales Adjustment Grid - After Improvements CD-S Zoned Carleton College Property			
	Sale 1	Sale 2	Sale 3
Sale Price (\$/SF)	\$1.45	\$1.77	\$1.40
Property Rights	<u>x 1.00</u> \$1.45	<u>x 1.00</u> \$1.77	<u>x 1.00</u> \$1.40
Financing	<u>x 1.00</u> \$1.45	<u>x 1.00</u> \$1.77	<u>x 1.00</u> \$1.40
Sale Conditions	<u>x 1.00</u> \$1.45	<u>x 1.00</u> \$1.77	<u>x 1.00</u> \$1.40
Market Conditions	<u>x 1.07</u>	<u>x 1.01</u>	<u>x 1.04</u>
Adjusted Price	\$1.55	\$1.79	\$1.46
Location	-5%	-5%	-5%
Size	0%	-10%	0%
Shape/Utility	-10%	-10%	-6%
Soils/Topography	0%	0%	0%
View/Nature Amenities	5%	5%	2%
Zoning/Density	10%	-10%	20%
Streets/Utilities	<u>0%</u>	<u>12%</u>	<u>5%</u>
Net Adjustment	0%	-18%	16%
Indicated Value For Subject	\$1.55	\$1.47	\$1.69

After adjustments, the land sale comparables result in value indications for the subject CD-S Zoned Carleton College Property ranging from \$1.47 to \$1.69 per square foot of land, with an average value indication of \$1.57 per square foot. Sales 1 and 3, which required a much lower level of total adjustment relative to Sale 2, provide a significantly narrower range of value indication and an average of \$1.62 per square foot. Market evidence best supports a value of approximately \$1.60 per square foot.

Land Area: 3,288,622 SF or 75.50 Acres

3,288,622 SF @ \$1.60 / SF = \$5,261,795

Rounded to

OPINION OF LAND VALUE - AFTER IMPROVEMENTS: \$5,261,800
(CD-S Zoned Carleton College Property)

LAND VALUE BEFORE IMPROVEMENTS

SALES COMPARISON APPROACH

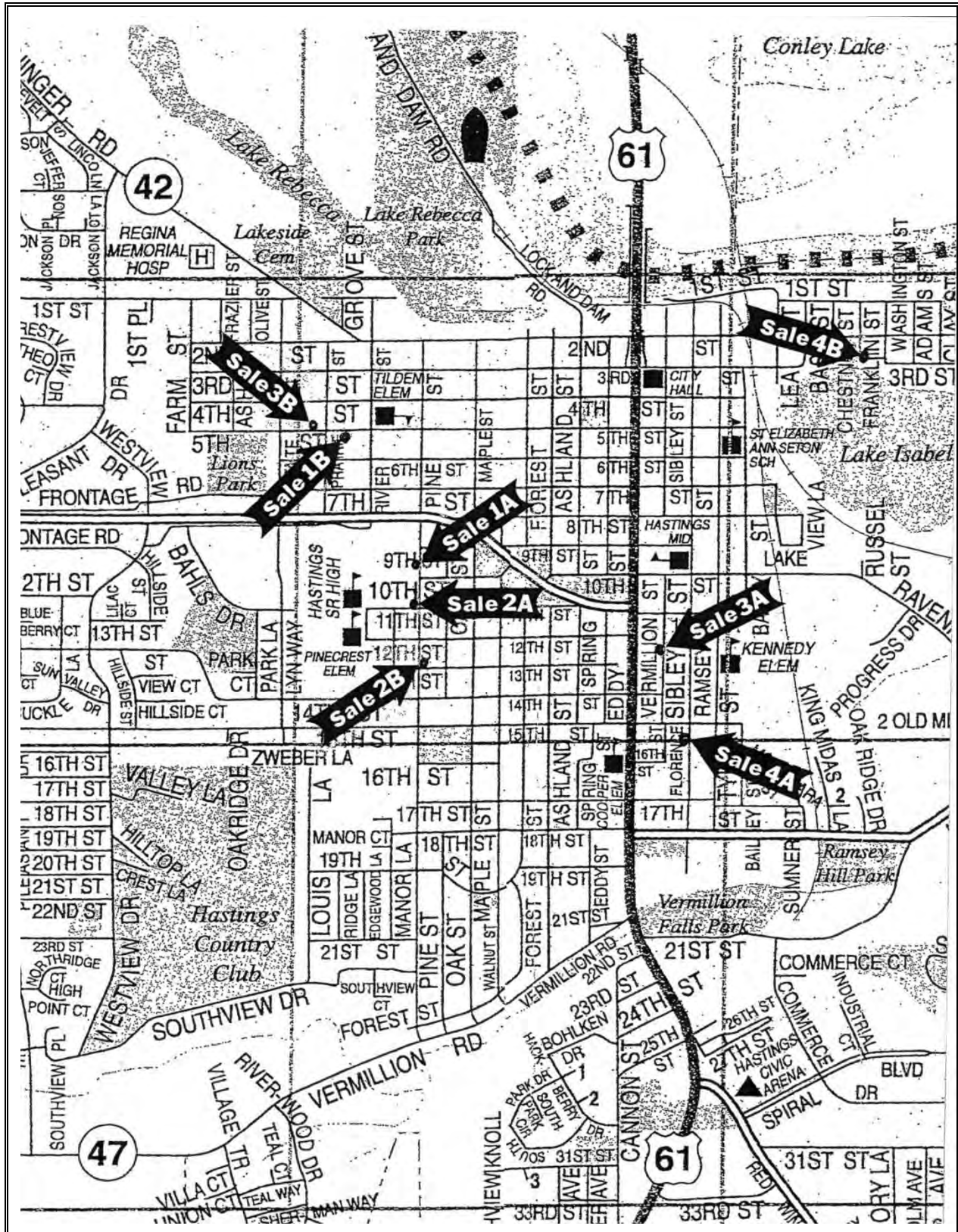
Typical Single-Family Lot – Before Mill and Overlay Improvements

Similar to the previously presented valuation of the Typical Single-Family Lot in the after situation, the value of the subject lot is addressed in the before situation, reflecting its 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.

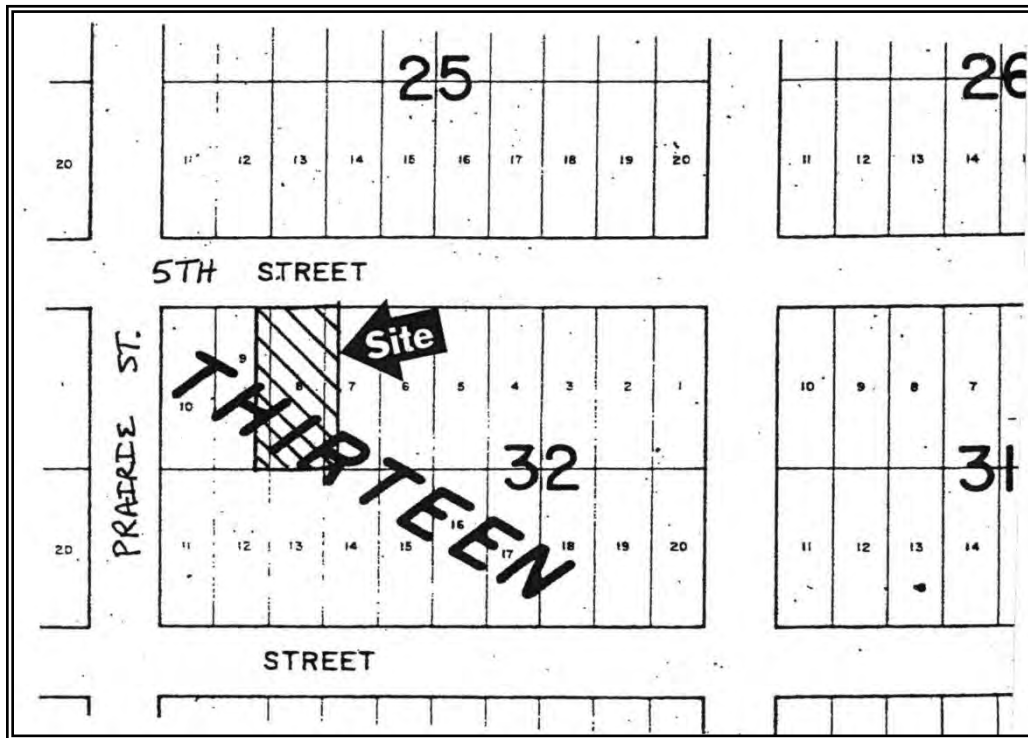
For several years, the City of Hastings has been conducting a scheduled replacement program for the older streets within the community. Consequently, there have been instances where sales took place of vacant lots fronting old, deteriorated streets, and within a relatively concurrent time frame similar 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.

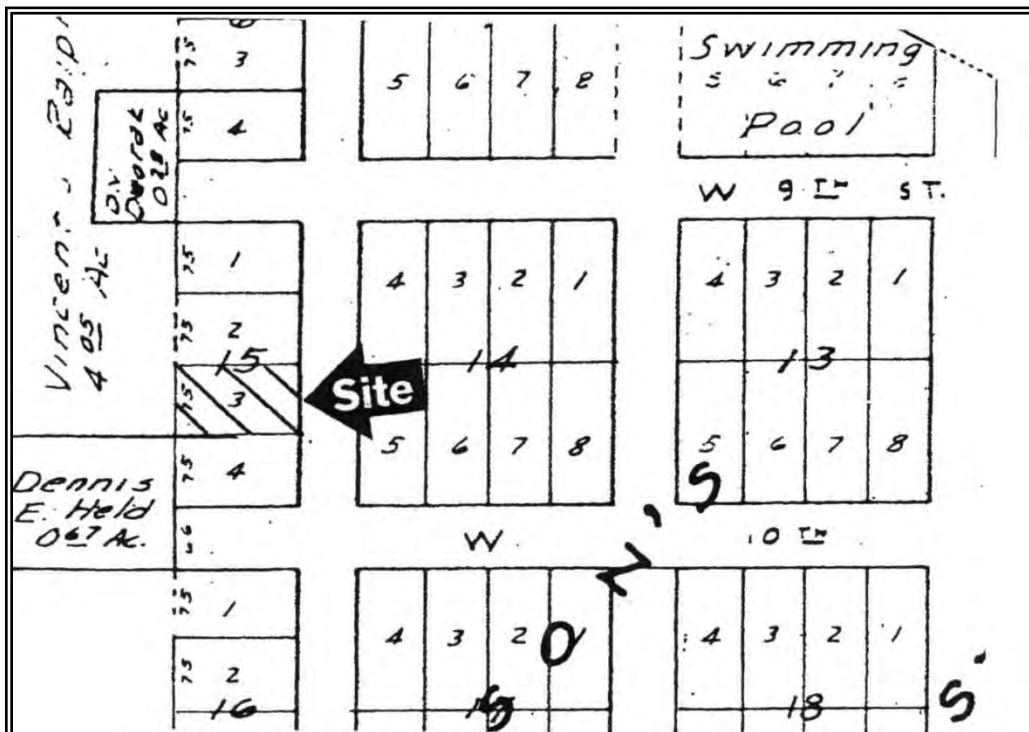


Paired Lot Sales Location Map -Hastings, MN

PAIRED SALES 1 – PLAT MAPS

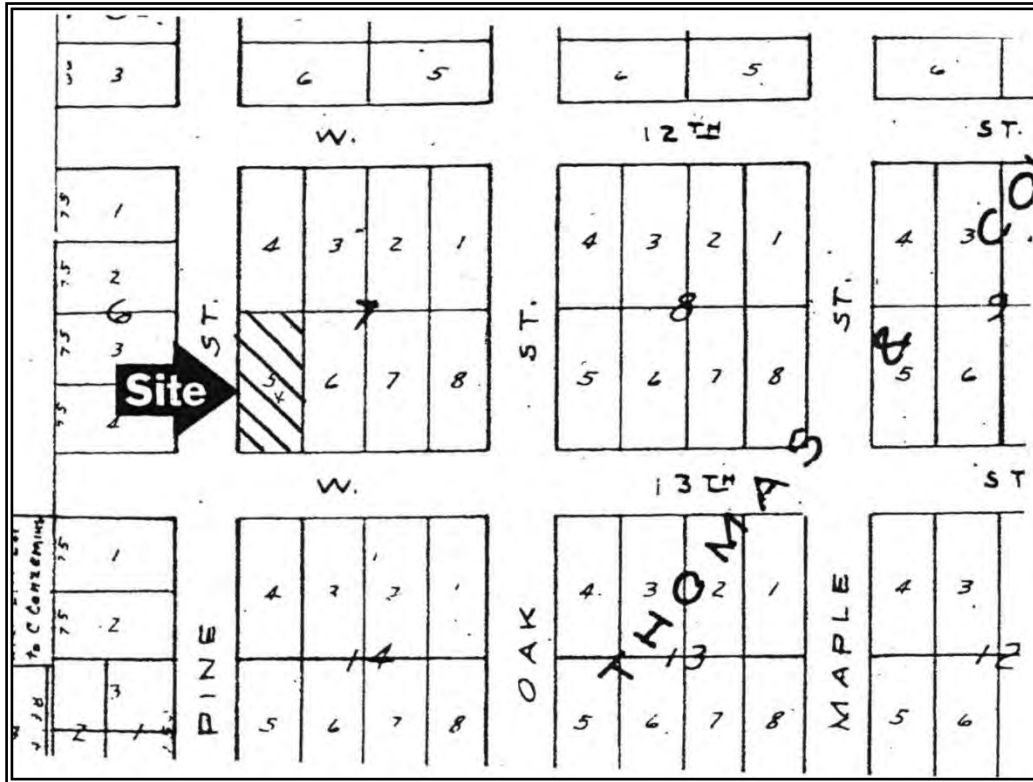


Paired Sale 1B – 831 5th Street W., Hastings

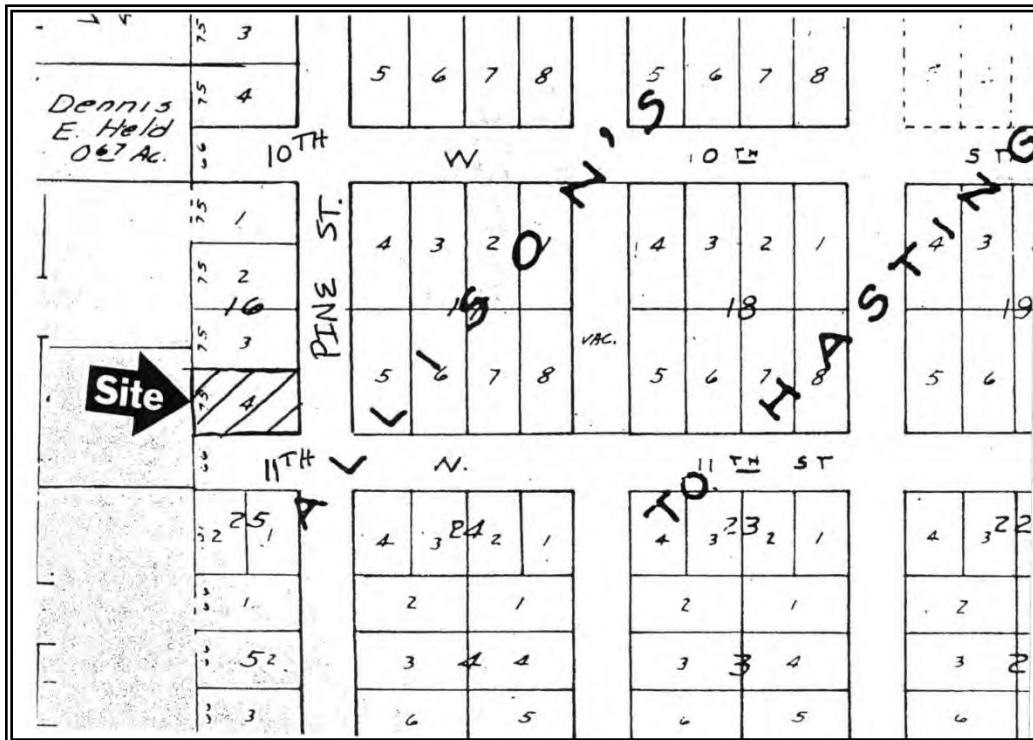


Paired Sale 1A – 910 Pine Street, Hastings

PAIRED SALES 2 – PLAT MAPS



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

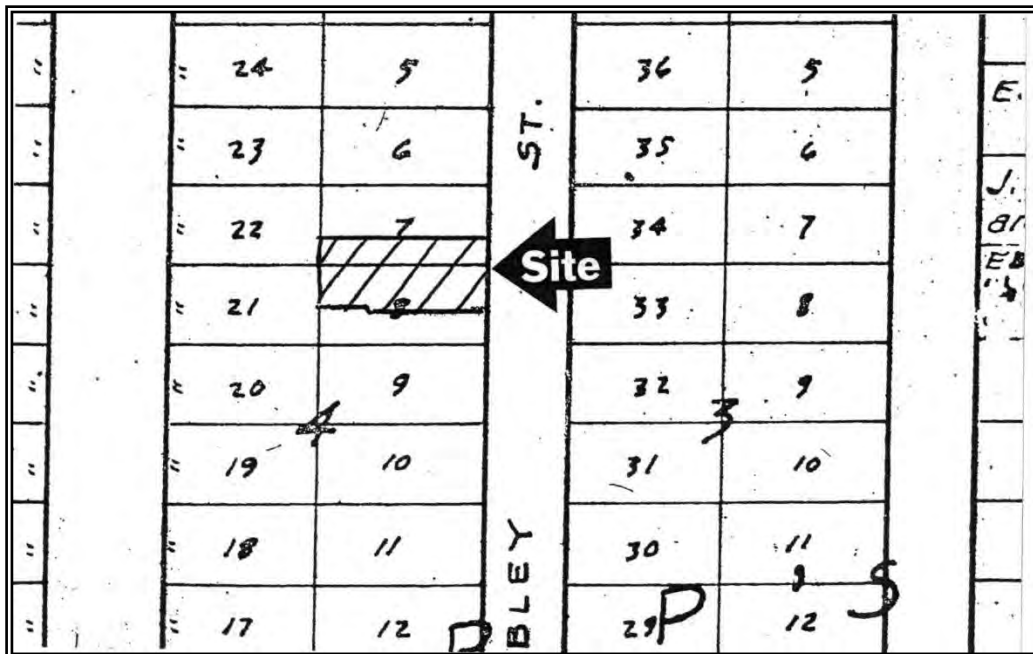


Paired Sale 2A – 1030 Pine Street, Hastings

PAIRED SALES 3 – PLAT MAPS

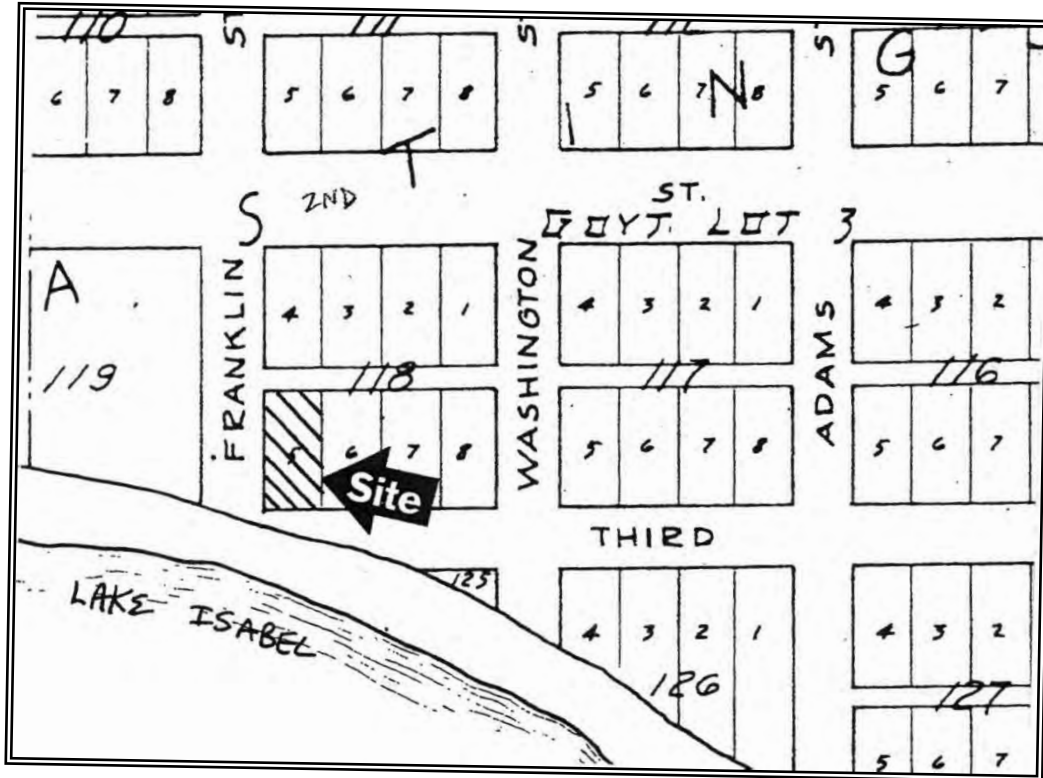


Paired Sale 3B – 906 5th Street W., Hastings

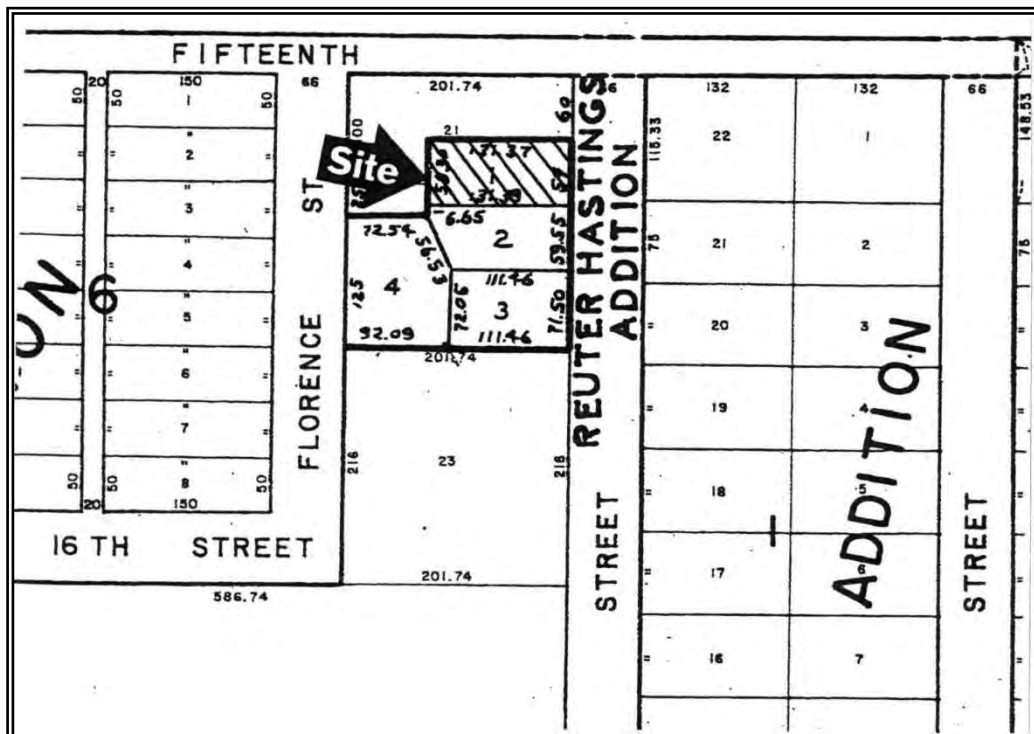


Paired Sale 3A – 1216 Sibley Street, Hastings

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 Single-Family Lot – Before Mill & Overlay 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 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 significantly 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 milling of the top two inches of bituminous paving and replacing it with two inches of new paving is required, but the street has not reached the point of needing complete reconstruction. Most of the curb/gutter is intact, with repairs or replacement needed only on a spot basis. The utility infrastructure does not need major repair or replacement, but rather spot repairs/replacements in selected areas, where indicated.

Consequently, the benefit from the proposed improvements, which include paving mill and overlay, together with repair, as needed, of concrete curb, gutter and some utility components, would be significant, but substantially less than between 12% and 13%. Considering the subject property situation, and based on my previous special benefits appraisal experience, I would estimate that the **value benefits to the subject Typical Single-Family Lot would be about 6%**, which is roughly half the level of benefit indicated for a complete reconstruction.

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 Single-Family Lot in the before situation. The “after” value reflects an amount which is 6% higher than the before value. Dividing the after value by a factor of 1.06 results in the before value as shown below:

Land Value After Street Improvements = \$76,800

$\$76,800 \div 1.06 = \$72,453$

Rounded to: \$72,500

OPINION OF LAND VALUE – BEFORE MILL & OVERLAY IMPVMTS.: \$72,500
(Typical Single-Family Lot)

Small Educational/Institutional Property – Before Mill & Overlay Improvements

The Small Educational/Institutional Property street frontages are all in need of mill and overlay improvements. As previously discussed, it was concluded that the Typical Single-Family Lot property, if needing mill and overlay work, would increase in value by about 6% after the needed improvements. This level of increase also is judged to apply with equal validity to the Small Educational/Institutional Property. Thus, the “after” value reflects an amount which is 6% higher than the before value. Dividing the after value by a factor of 1.06 results in the before value as shown below:

Land Value After Street Improvements = \$203,900

$$\$203,900 \div 1.06 = \$192,358$$

Rounded to: \$192,400

OPINION OF LAND VALUE – BEFORE MILL & OVERLAY IMPVMTS.: \$192,400
(Small Educational/Institutional Property)

Typical Large Educational/Institutional Property – Before Mill & Overlay Improvements

The Typical Large Educational/Institutional Property street frontage is in need of mill and overlay improvements. As previously discussed, it was concluded that the Typical Single-Family Lot and the Small Educational/Institutional Property, if needing mill and overlay work, would increase in value by about 6% after the needed improvements. This level of increase also is judged to apply with equal validity to the Typical Large Educational/Institutional Property. Thus, the “after” value reflects an amount which is 6% higher than the before value. Dividing the after value by a factor of 1.06 results in the before value as shown below:

Land Value After Street Improvements = \$373,700

$$\$373,700 \div 1.06 = \$352,547$$

Rounded to: \$352,500

OPINION OF LAND VALUE – BEFORE MILL & OVERLAY IMPVMTS.: \$352,500
(Typical Large Educational/Institutional Property)

CD-S Zoned Carleton College Property – Before Mill & Overlay Improvements

The CD-S Zoned Carleton College Property street frontages along its south edge, which provide the large majority of access points into the property, are in need of mill and overlay improvements. As previously discussed, it was concluded that the Typical Single-Family Lot, the Small Educational/Institutional Property and the Typical Large Educational/Institutional Property, if needing mill and overlay work, would increase in value by about 6% after the needed improvements. It is judged that this level of increase also would apply with equal validity to the CD-S Zoned Carleton College Property as well, if all of the streets providing access to the property were rehabilitated.

However, it is noted that, though most of the major access points serving the subject property emanate from its south edge, along 1st Street, there also is a major access point serving the property along County Road 19, which is not slated for improvement in the current project addressed in this appraisal. The major access points along the south edge serving large land areas, and not reflecting just driveways to single homes or other buildings, or driveways serving just single city blocks, are along 1st Street, at its intersection with Union, College, Winona, Nevada and Maple Streets. This reflects five major access points along the south edge, together with one major access point along the northwest edge, that serve the property, resulting in six total major access points.

Since the streets serving only five of the six major access points to the property are being rehabilitated in the current mill and overlay project, it is concluded that the benefit from the project to the CD-S Zoned Carleton College Property is somewhat less than 6%. It is reasonable to conclude that the benefit is around 5/6 of 6%, which is 5%.

Based on the above discussion, it is concluded that the **value benefits to the subject CD-S Zoned Carleton College Property would be about 5%** as a result of the mill and overlay improvements.

The “after” value reflects an amount which is 5% higher than the before value. Dividing the after value by a factor of 1.05 results in the before value as shown below:

Land Value After Street Improvements = \$5,261,800

$\$5,261,800 \div 1.05 = \$5,011,238$

Rounded to: \$5,011,200

**OPINION OF LAND VALUE – BEFORE MILL & OVERLAY IMPVMTS.: \$5,011,200
(CD-S Zoned Carleton College Property)**

SUMMARY AND FINAL CONCLUSIONS

Four subject properties located in the area of the proposed Northfield 2020 Mill and Overlay Project – Northeast Area project area 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 large educational/institutional properties). For two additional properties – the Small Educational/Institutional Property and the CD-S Zoned Carleton College Property – an opinion of a specific benefit amount was concluded for these individual properties, since these reflect properties which are unique unto themselves (they are the only properties of their type or configuration in the project area).

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 my opinion that the before and after market values, together with the special benefits from the improvement project pertaining to the subject properties, as of March 6, 2020 are as follows:

Typical Single-Family Lot (66' Frontage) – Mill & Overlay

Property Land Value – After:	\$76,800
Property Land Value – Before:	<u>\$72,500</u>
Approximate Value Benefits:	\$ 4,300 or \$65/Front Foot

Small Educational/Institutional Property (760' Frontage) – Mill & Overlay

Property Land Value – After:	\$203,900
Property Land Value – Before:	<u>\$192,400</u>
Approximate Value Benefits:	\$ 11,500 or \$15/Front Foot

Typical Large Educational/Institutional Property (431' Frontage) – Mill & Overlay

Property Land Value – After:	\$373,700
Property Land Value – Before:	<u>\$352,500</u>
Approximate Value Benefits:	\$ 21,200 or \$49/Front Foot

CD-S Zoned Carleton College Property (3,602' Frontage) – Mill & Overlay
Property Land Value – After: \$5,261,800
Property Land Value – Before: \$5,011,200
Approximate Value Benefits: \$ 250,600 or \$70/Front Foot

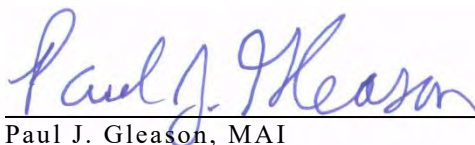
CD-S Zoned Carleton College Property						
Allocation of Special Benefit by Tax Parcel (based on pro-rata share of total site)						
PID #	Address	Approx. Land Area (Ac.)	% of Total	Special Benefit		
22.31.4.00.001 (portion of)	1 College St. N.	39.60 +/-	52.45%	\$ 131,410	0.5245	0.5
22.31.4.52.001 (portion of)	---	18.50 +/-	24.51%	\$ 61,430	0.2451	0.2
22.31.3.25.001	201 College St. N.	3.20	4.24%	\$ 10,630	0.0424	0.0
22.31.3.50.001	105 College St. N.	4.00	5.30%	\$ 13,280	0.0530	0.0
22.31.3.75.003	405 1st St. E.	2.00	2.65%	\$ 6,640	0.0265	0.0
22.31.3.75.002	110 Winona St. N.	1.86	2.47%	\$ 6,190	0.0247	0.0
22.31.3.75.001	140 Nevada St. N.	1.86	2.47%	\$ 6,190	0.0247	0.0
22.31.3.50.009	210 1st St. E.	0.25	0.33%	\$ 830	0.0033	0.0
22.31.3.50.008	106 Union St. S.	0.25	0.33%	\$ 830	0.0033	0.0
22.31.3.50.007	110 Union St. S.	0.27	0.35%	\$ 880	0.0035	0.0
22.31.3.50.006	112 Union St. S.	0.20	0.26%	\$ 650	0.0026	0.0
22.31.3.50.005	209 2nd St. E.	0.29	0.38%	\$ 950	0.0038	0.0
22.31.3.50.004	205 2nd St. E.	0.25	0.33%	\$ 830	0.0033	0.0
22.31.3.50.003	201 2nd St. E.	0.23	0.31%	\$ 780	0.0031	0.0
22.31.3.50.002	109 Division St. S.	0.24	0.32%	\$ 800	0.0032	0.0
22.31.3.50.068	300 1st St. E.	1.21	1.60%	\$ 4,010	0.0160	0.0
22.31.3.50.069	107 Union St. S.	0.16	0.21%	\$ 530	0.0021	0.0
22.31.3.50.070	109 Union St. S.	0.13	0.17%	\$ 430	0.0017	0.0
22.31.3.50.071	307 2nd St. E.	0.25	0.33%	\$ 830	0.0033	0.0
22.31.3.50.072	309 2nd St. E.	0.25	0.33%	\$ 830	0.0033	0.0
22.31.3.75.004	118 College St. S.	0.50	0.66%	\$ 1,650	0.0066	0.0
Total Property		75.50	100.00%	\$ 250,600	1.0000	100

The preceding opinions of market value before and after the proposed improvements are based on estimated property exposure times of 0 to 12 months. Exposure time is defined as “an opinion, based on supporting market data, of the 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: 2020-2021 Uniform Standards of Appraisal Practice, p. 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 my 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. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
5. I 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 my 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 my 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. I 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, I have completed 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. I have the knowledge and experience to complete this appraisal in a competent manner. Neither my company nor I have been sued by a regulatory agency or financial institution for fraud or negligence involving an appraisal report.
16. I have performed no services, as an appraiser or in any other capacity, regarding the property that is 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

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, 2020

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.

Levi J. Timming – Associate

Levi joined BRKW Appraisals, Inc. in September 2019 as a new appraiser entering the profession. He is a graduate of University of Northwestern, St. Paul, Minnesota and is licensed as a Trainee Real Property Appraiser.