

SPECIAL BENEFIT CONSULTATION
C.S.A.H. 27 (AGENCY STREET) PROJECT
2021 IMPROVEMENT PROJECT
EAGLE LAKE, MINNESOTA

DATE OF REPORT:
April 23, 2021

PREPARED FOR:
City of Eagle Lake
705 Parkway Avenue
PO Box 159
Eagle Lake, MN 56024

PREPARED BY:
Patchin Messner Valuation Counselors
Sunset Pond Executive Offices
13961 West Preserve Boulevard
Burnsville, MN 55337

April 23, 2021

City of Eagle Lake
705 Parkway Avenue
PO Box 159
Eagle Lake, MN 56024

ATTN: Jennifer J. Bromeland
City Administrator

RE: Special Benefit Consultation
C.S.A.H. 27 (Agency Street) Project
2021 Improvement Project
Eagle Lake, Minnesota

Dear Ms. Bromeland:

At your request, we have investigated and analyzed probable special benefit to be derived from the above-referenced infrastructure improvement project. The City improvement project includes the reconstruction and upgrade of bituminous-surfaced streets with concrete curb and gutter, construction/upgrade of storm sewer, and replacement of sanitary sewer and water main services.

The purpose of this consultation is to provide an anticipated range of special benefit for properties in the project area. The function of this analysis is to provide guidance to the City of Eagle Lake in analyzing special benefit derived from completion of the C.S.A.H. 27 (Agency Street) Improvement Project.

In estimating anticipated special benefit to properties in the project area, individual properties or land parcels have not specifically been appraised. Rather, this analysis attempts to quantify probable special benefit directly, which can then be applied to typical properties within the project area.

Based on the data and analyses as summarized in the attached report, as well as additional information and documentation retained in the appraiser's files, it is anticipated that properties benefiting from the proposed improvement project will benefit as follows:

Property Address	PID	Property Type			
Complete Reconstruction with Replacement of Utilities					
<u>Single-Family Residential</u>					
Multiple Addresses	Multiple	Single-Family Residential Properties	\$7,500	to	\$8,000
Kevin J. Rykhuis 524 S. Agency Street	12.10.18.332.010	Single-Family w/ Excess Land for Lot Split	\$11,250	to	\$12,000
John O. & Ila E. Hansen 421 S Agency Street	12.10.18.181.007 & 12.10.18.251.002	Single-Family w/ Excess Development Land	\$7,500 \$11,500	to	\$8,000 \$12,500
			\$19,000	to	\$20,500
<u>Agricultural Acreage with Potential for Residential Subdivision</u>					
Donald P Foley Revocable Trust 38.7 Acres Adj. to 513 S. Agency St.	12.10.18.400.013	Agricultural Property w/ Development Potential	\$91,000	to	\$97,000
<u>Multi-Family Residential</u>					
Layman Limited Partnership 101 Leray Avenue	12.10.18.127.008	Multi-Family 8-Unit	\$20,000	to	\$22,000
L M Family Trust 138 N Agency Street	12.10.18.127.010	Multi-Family 6-Unit	\$16,500	to	\$18,000
Higher Point Properties LLC 101 Parkway Avenue	12.10.18.134.007	Multi-Family 3-Unit	\$11,250	to	\$12,000
B & G Properties LLC 508 S Agency Street	12.10.18.331.009	Multi-Family 12-Unit	\$27,000	to	\$33,000
R & S Winter Corp 201 S Agency Street	12.10.18.178.004	Multi-Family 4-Unit	\$13,000	to	\$14,000
B E County Housing & Redev 121 N Agency Street	12.10.18.128.008	Multi-Family 2-Unit (Townhouse\)	\$9,500	to	\$10,000
Ronald A & Linda K Klocke Living Tr. 131 N Agency Street	12.10.18.128.018	Multi-Family Half of Duplex	\$4,750	to	\$5,000
Ronald A & Linda K Klocke Living Tr. 133 N Agency Street	12.10.18.128.017	Multi-Family Half of Duplex	\$4,750	to	\$5,000

Property Address	PID	Property Type			
Complete Reconstruction with Replacement of Utilities					
<u>Non-Residential</u>					
Mark A & Rolene M Fromm & Allied Overhead Door Ownership NWC N. Agency St & Parkway Ave	12.10.18.130.001 & 12.10.18.130.018	Allied OH Door Mini Storage Vacant Land	\$18,000	to	\$19,250
Mid-Communications, Inc 110 S. Agency St	12.10.18.134.012	Industrial Storage/Eqmt. Bldg.	\$8,750	to	\$9,500
Kevin & Gayle Depuydt 114 S Agency St.	12.10.18.134.011	Commercial Music Studio	\$9,500	to	\$10,500
Wasco Properties, LLC 141 N. Agency St.	12.10.18.128.004	Maytag Laundry & Self-Service Car Wash	\$15,000	to	\$16,000
<u>Institutional Properties</u>					
City of Eagle Lake Vacant 0.02-Acre Tract	12.10.18.130.017	Vacant Remnant	\$1,125	to	\$1,200
City of Eagle Lake Unimproved R/W for Valley Lane	12.10.18.128.014	Vacant Right-of-Way	\$0	to	\$0

This consultation has been made in conformity with accepted professional, ethical and performance standards of real estate appraisal practice. The "Contingent and Limiting Conditions" section of this report should be thoroughly read and understood before relying on any information or analysis presented herein.

Thank you for allowing our firm to be of assistance in this matter. If you have any questions after reading this report, feel free to contact us at your convenience.

Respectfully submitted,

PATCHIN MESSNER VALUATION COUNSELORS

Michelle K. Hedges
Trainee Real Property Appraiser
Minnesota License 40718572

Sherril L. Brumm, MAI
Certified General Real Property Appraiser
Minnesota License 20249948

CERTIFICATION
(Real Estate)

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the properties in the project area that are the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. I have performed no services as an appraiser regarding the properties in the project area that are the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this consultation.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
7. I have not inspected the properties in the project area that are the subject of this report.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. No one provided significant real property appraisal assistance to the persons signing this certification or report.
11. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
12. This consultation cannot be completely understood without reading the Contingent and Limiting Conditions section of this report, which should be thoroughly read and understood before relying on any information or analysis presented herein.
13. As of the date of this report, Michell K. Hedges has completed the Standards and Ethics Education Requirement for Practicing Affiliates of the Appraisal Institute.

Michelle K. Hedges

Date

CERTIFICATION
(Real Estate)

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the properties in the project area that are the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. I have performed no services as an appraiser regarding the properties in the project area that are the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this consultation.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
7. I have made an exterior inspection of the properties in the project area that are the subject of this report from public right-of-way.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. No one provided significant real property appraisal assistance to the persons signing this certification or report.
11. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
12. This consultation cannot be completely understood without reading the Contingent and Limiting Conditions section of this report, which should be thoroughly read and understood before relying on any information or analysis presented herein.
13. As of the date of this report, Sherril L. Brumm has completed the continuing education program requirements for Designated Members of the Appraisal Institute.

Sherril L. Brumm, MAI

Date

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE NO.</u>
LETTER OF TRANSMITTAL	i-iii
CERTIFICATIONS.....	iv
TABLE OF CONTENTS.....	vi
STREET SCENE PHOTOGRAPHS	viii
LOCATION MAP	xix
PURPOSE OF CONSULTATION	1
FUNCTION OF CONSULTATION	1
INTENDED USER.....	1
DESCRIPTION OF PROJECT	1
PROJECT LAYOUT MAP	2
DESCRIPTION OF NEIGHBORHOOD	3
ZONING DATA	10
ZONING MAP	11
PARTIAL ZONING MAP	12
RESIDENTIAL MARKET	17
SCOPE OF CONSULTATION.....	18
MARKET VALUE DEFINED	19
SALES COMPARISON APPROACH.....	19
DETACHED SINGLE-FAMILY RESIDENTIAL.....	21
HASTINGS STUDIES	21
CIRCLE PINES STUDIES.....	29
NEW PRAGUE STUDIES	34
NEW ULM STUDIES.....	38
EAGLE LAKE STUDY	44
SUMMATION	45
DETACHED SINGLE-FAMILY RESIDENTIAL PROPERTIES LARGE ENOUGH FOR SUBDIVISION	48
COMMON OWNERSHIP TAX PARCELS.....	51
RESIDENTIAL PROPERTIES WITH HIGHEST AND BEST USE NOT TO SUBDIVIDE	53

TABLE OF CONTENTS
(CONTINUED)

<u>ITEM</u>	<u>PAGE NO.</u>
AGRICULTURAL ACREAGE WITH POTENTIAL FOR RESIDENTIAL SUBDIVISION	53
MULTI-FAMILY PROPERTIES	55
CHASKA STUDY	56
LAKEVILLE STUDY	57
COTTAGE GROVE STUDY	58
BLOOMINGTON STUDY	59
BURNSVILLE STUDIES	60
SUMMARY/CONCLUSION	63
COMMERCIAL/INDUSTRIAL PROPERTIES.....	66
INSTITUTIONAL PROPERTIES	68
FINAL SUMMATION	70
 ADDENDA	
CONTINGENT AND LIMITING CONDITIONS.....	73
APPRAISING QUALIFICATIONS OF MICHELLE K. HEDGES	77
APPRAISING QUALIFICATIONS OF SHERRIL L. BRUMM	78

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT
(All photos taken by Sherril L. Brumm on January 13, 2021)



Looking North along S. Agency Street from Thomas Drive



Looking North along S. Agency Street from Connie Lane

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking South along S. Agency Street from Connie Lane



Looking South along S. Agency Street from Blace Avenue

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking North along S. Agency Street from Blace Avenue



Looking South along S. Agency Street from Linda Drive

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking North along S. Agency Street from Linda Drive



Looking South along S. Agency Street from Maywood Avenue

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking North along S. Agency from Maywood Avenue



Looking East at S. Agency Street & Maywood Avenue Intersection

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking South along S. Agency Street from Le Sueur Avenue



Looking North along S. Agency from Le Sueur Avenue

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking East at S. Agency Street & Le Sueur Avenue Intersection



Looking South along Agency Street from just North of Parkway Avenue

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking North along N. Agency Street from just North of Parkway Avenue



Looking North along N. Agency Street from just South of Railroad Tracks

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking East at N. Agency Street & Valley View Drive Intersection



Looking South along N. Agency Street from adjacent to Duplex at 131-133 N. Agency Street

STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking North along N. Agency Street from adjacent to Duplex at 131-133 N. Agency Street



Looking South along N. Agency Street from adjacent to Alley

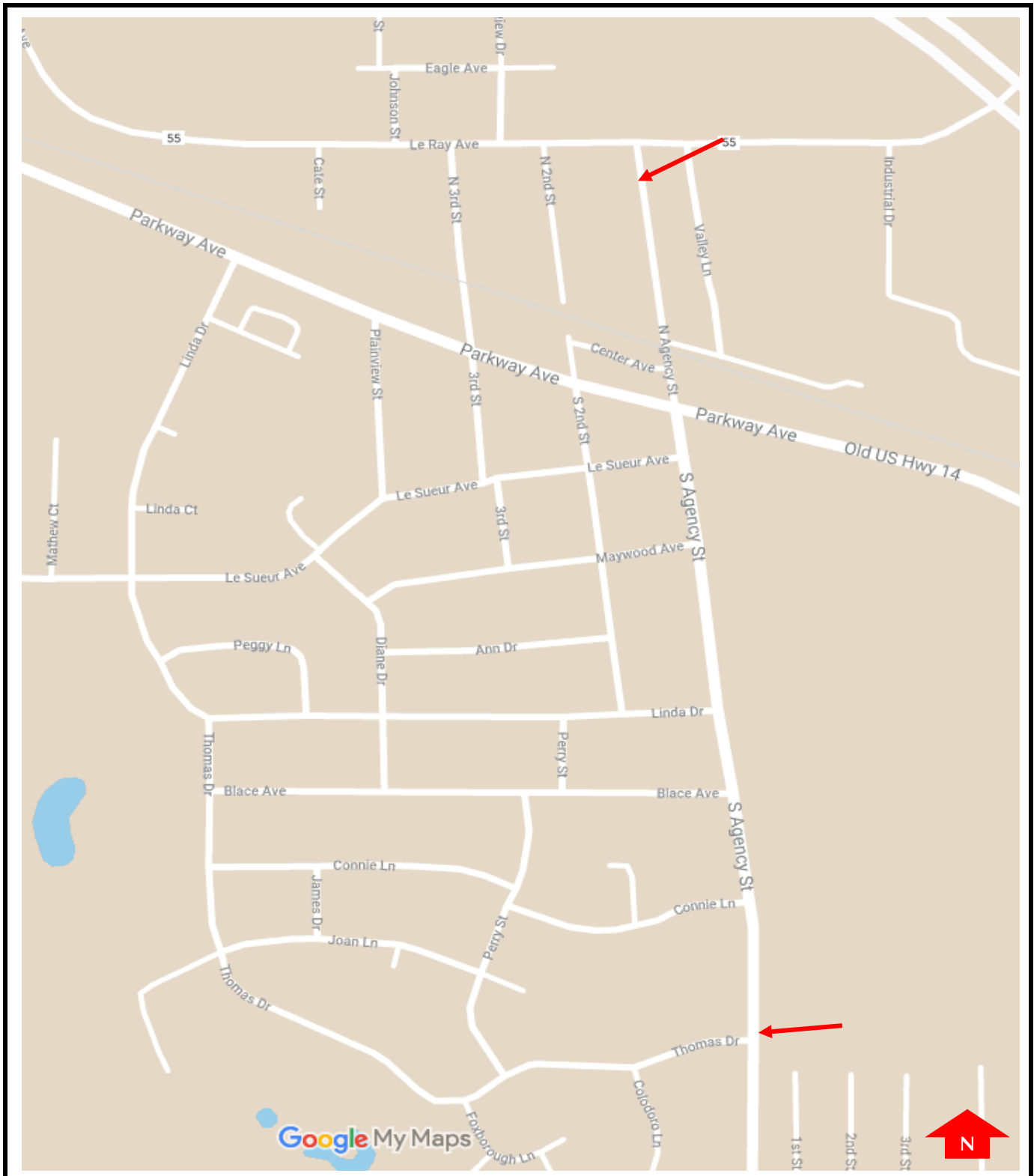
STREET SCENE PHOTOGRAPHS – BEFORE PROJECT



Looking North along N. Agency Street from adjacent to Alley



Looking South along N. Agency Street from near Le Ray Avenue



LOCATION MAP

PURPOSE OF CONSULTATION

The purpose of this consultation is to provide an anticipated range of special benefit for affected properties in the project area.

FUNCTION OF CONSULTATION

The intended use of this consultation is to provide guidance to the City of Eagle Lake in analyzing special benefit derived from completion of the C.S.A.H. 27 (Agency Street) Improvement Project.

INTENDED USER

The intended user of this consultation report is the City of Eagle Lake.

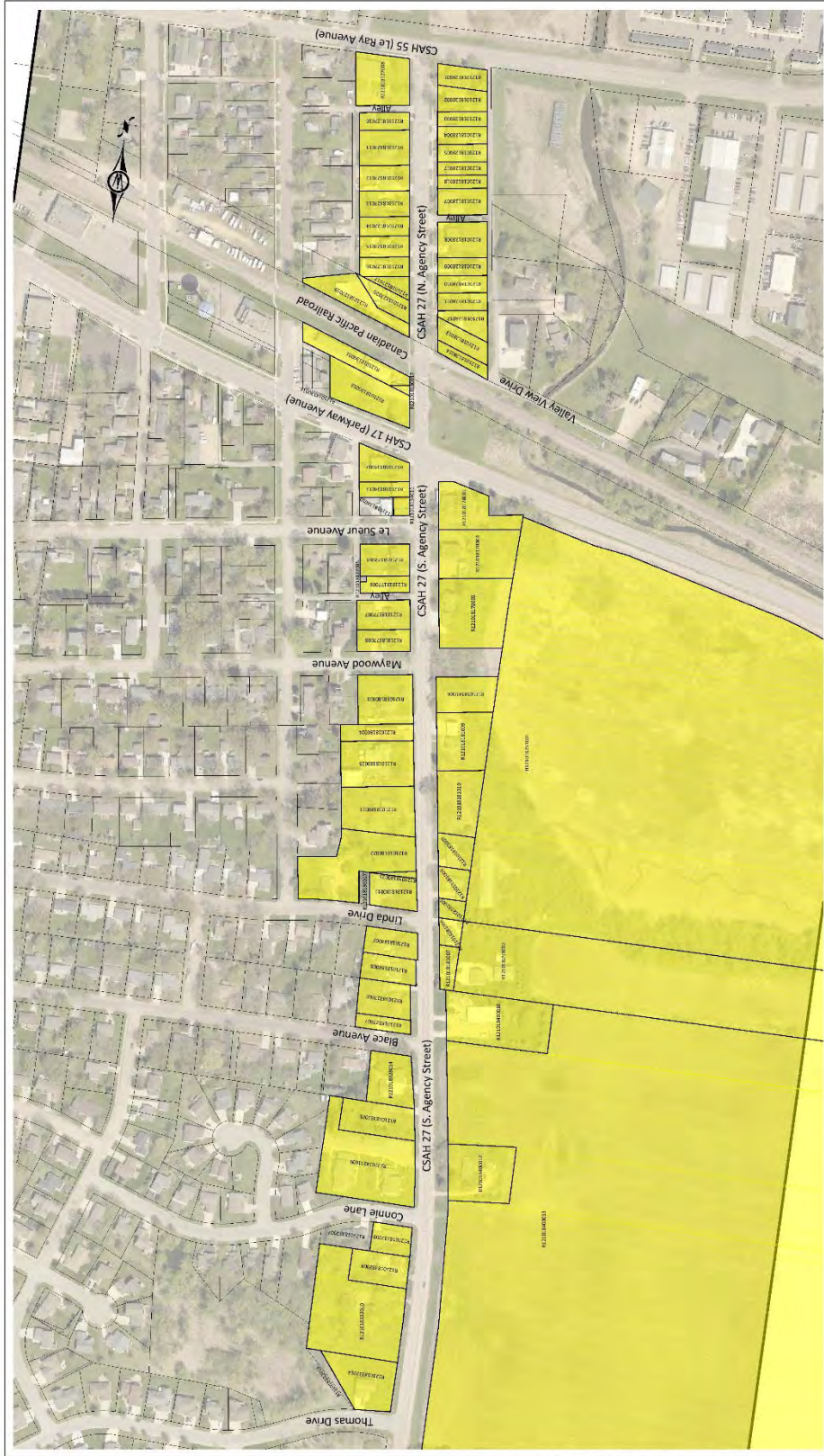
DESCRIPTION OF PROJECT

The project area includes Agency Street, from Thomas Drive, north to Agency's terminus at C.S.A.H. 55 (Le Ray Avenue).

The existing roadways are in very poor condition and are beyond their design life. In addition, the sanitary sewer and water main have reached the end of their service life. Due to the age and condition of the infrastructure, complete reconstruction is proposed.

The proposed improvements include full reconstruction of the existing bituminous roadway, replacement of concrete curb and gutter, construction/upgrade of storm sewer, and replacement of sanitary sewer and water main services.

A project map is included on the following page.



PROJECT LAYOUT MAP

\\EAGLE\GIS\15119937\CAD\CAD\DRG_119937_PARCET_MAP.dwg 11/27/2020 9:56:42 PM

DESCRIPTION OF NEIGHBORHOOD

The project is located in the easterly portion of the city of Eagle Lake. More specifically, the neighborhood boundaries can be described as follows:

North:	LeRay Avenue
South:	211th Street
East:	City Boundary
West:	Thomas Drive

Land uses in the neighborhood are primarily improved residential properties, with some agricultural, industrial and commercial uses, as well as some publicly owned properties. It is noted that the highest concentration of non-residential uses is along the Parkway Avenue corridor.

Summary grids of the affected properties are included below and on the following pages.

Detached Single-Family Residential Properties

The detached single-family residential properties in the subject project area include a wide variety of home styles, and range from approximately 42 to 165 years old, when excluding two properties constructed in 2007 and 2009. The improved properties include a wide variety of home styles, with an average of three bedrooms and an average finished area of 1,541 SF. Excluding the four tracts over 1.00 acre (ranging in size from 1.06 acres to 6.00 acres), the lot sizes range from 0.13 acres to 0.89 acres, with an average land size of 0.32 acres and a median land size of 0.25 acres. Excluding the vacant tract and the three tracts improved with only outbuildings, the improved January 2, 2020, assessed values range from \$72,900 to \$301,300, with an average 2020 assessed value of \$150,230, and a median 2020 assessed value of \$150,700.

The detached single-family residential properties are summarized in the grid spanning the following pages.

DESCRIPTION OF NEIGHBORHOOD

Detached Single-Family Residential Properties

SUMMARY OF SINGLE-FAMILY RESIDENTIAL PROPERTIES IN RECONSTRUCTION PROJECT AREA										
Address	Finished Area	BR	Year Built	Land Area	Assessed Value as of January 2, 2020		Property Taxes Payable 2020		Comments	
Christine Morse 132 N Agency Street Eagle Lake, MN	1,541	3	1915	0.32 (AC) 14,000 (SF)	Land \$29,400 Buildings <u>\$130,300</u> Total \$159,700		Net Tax \$1,932.00 Spec Asmt <u>\$20.00</u> Total \$1,952.00		R12-10-18-127-011 Sale: 7/2013 \$125,000	
Todd M. Edwards 124 N Agency Street Eagle Lake, MN	1,200	3	1925	0.23 (AC) 10,080 (SF)	Land \$21,200 Buildings <u>\$149,500</u> Total \$170,700	\$170,700	Net Tax \$1,768.00 Spec Asmt <u>\$20.00</u> Total \$1,788.00		R12-10-18-127-012 Sale: 3/2014 \$35,000 (Relative/Related Bus. Gift/Inheritance)	
John Fitzpatrick 116 N Agency Street Eagle Lake, MN	1,479	3	1925	0.23 (AC) 10,220 (SF)	Land \$21,500 Buildings <u>\$91,700</u> Total \$113,200	\$113,200	Net Tax \$996.00 Spec Asmt <u>\$20.00</u> Total \$1,016.00		R12-10-18-127-013 Sale: 4/2017 \$83,900	
Jeremy & Cynthia Nasinec 114 N Agency Street Eagle Lake, MN	1,420	2	1900	0.18 (AC) 7,700 (SF)	Land \$16,200 Buildings <u>\$88,000</u> Total \$104,200	\$104,200	Net Tax \$806.00 Spec Asmt <u>\$20.00</u> Total \$826.00		R12-10-18-127-014 Sale: 3/2020 \$16,000 (Related Parties)	
Timothy E. & Mary E. Huber 112 N Agency Street Eagle Lake, MN	1,154	3	1949	0.19 (AC) 8,400 (SF)	Land \$17,600 Buildings <u>\$109,700</u> Total \$127,300	\$127,300	Net Tax \$1,188.00 Spec Asmt <u>\$20.00</u> Total \$1,208.00		R12-10-18-127-015	
Chris R. Hintze 108 N Agency Street Eagle Lake, MN	1,089	2	1935	0.18 (AC) 7,700 (SF)	Land \$16,200 Buildings <u>\$93,100</u> Total \$109,300	\$109,300	Net Tax \$1,066.00 Spec Asmt <u>\$20.00</u> Total \$1,086.00		R12-10-18-127-016	
Monica K. Hintze 102 N Agency Street Eagle Lake, MN	1,788 & Pole Shed (1,080 SF)	2	1954	0.72 (AC) 31,327 (SF)	Land \$48,500 Buildings <u>\$157,100</u> Total \$205,600	\$205,600	Net Tax \$2,046.00 Spec Asmt <u>\$20.00</u> Total \$2,066.00		R12-10-18-127-020; R12-10-18-127-019; & R12-10-18-127-017	
Hubert B. & Joann F. Erickson 200 S Agency Street Eagle Lake, MN	1,390	3	1910	0.29 (AC) 12,600 (SF)	Land \$26,500 Buildings <u>\$95,700</u> Total \$122,200	\$122,200	Net Tax \$1,244.00 Spec Asmt <u>\$20.00</u> Total \$1,264.00		R12-10-18-177-004	
Edward C. & Janice L. Lange 208 S Agency Street Eagle Lake, MN	1,664	3	1890	0.15 (AC) 6,712 (SF)	Land \$14,500 Buildings <u>\$112,400</u> Total \$126,900	\$126,900	Net Tax \$1,254.00 Spec Asmt <u>\$20.00</u> Total \$1,274.00		R12-10-18-177-006	
Thomas J. Jr. & Robyn B. Hager 212 S Agency Street Eagle Lake, MN	1,685	3	1890	0.29 (AC) 12,500 (SF)	Land \$25,000 Buildings <u>\$125,800</u> Total \$150,800	\$150,800	Net Tax \$1,592.00 Spec Asmt <u>\$20.00</u> Total \$1,612.00		R12-10-18-177-007	
Keri R. & Andrea R. Butzer 216 S Agency Street Eagle Lake, MN	2,785	5	1900	0.22 (AC) 9,551 (SF)	Land \$19,100 Buildings <u>\$164,600</u> Total \$183,700	\$183,700	Net Tax \$1,980.00 Spec Asmt <u>\$20.00</u> Total \$2,000.00		R12-10-18-177-008 Sale: 6/2018 \$190,000 Sale: 7/2014 \$160,000	
Matthew D. & Jennifer A. Hagen 304 S Agency Street Eagle Lake, MN	1,754	3	1910	0.46 (AC) 20,250 (SF)	Land \$36,500 Buildings <u>\$114,100</u> Total \$150,600	\$150,600	Net Tax \$1,618.00 Spec Asmt <u>\$20.00</u> Total \$1,638.00		R12-10-18-180-003 Sale: 4/2014 \$109,125	
Roger L. & Ruth Bechel 308 S Agency Street Eagle Lake, MN	1,344	3	1959	0.22 (AC) 9,400 (SF)	Land \$15,400 Buildings <u>\$144,500</u> Total \$159,900	\$159,900	Net Tax \$1,430.00 Spec Asmt <u>\$20.00</u> Total \$1,450.00		R12-10-18-180-024 Common Ownership w/R12-10-18-180-025	
Roger L. & Ruth Bechel 312 S Agency Street Eagle Lake, MN	2,296	3	1890	0.59 (AC) 25,800 (SF)	Land \$38,000 Buildings <u>\$128,300</u> Total \$166,300	\$166,300	Net Tax \$1,652.00 Spec Asmt <u>\$20.00</u> Total \$1,672.00		R12-10-18-180-025 Common Ownership w/R12-10-18-180-024	
Eleanor May Mosher (LE) 324 S Agency Street Eagle Lake, MN	778	2	1920	0.57 (AC) 24,800 (SF)	Land \$37,800 Buildings <u>\$47,500</u> Total \$85,300	\$85,300	Net Tax \$740.00 Spec Asmt <u>\$20.00</u> Total \$760.00		R12-10-18-180-013	
Justin James Bauer 404 S Agency Street Eagle Lake, MN	1,128	2	1856	1.06 (AC) 46,212 (SF)	Land \$53,900 Buildings <u>\$36,900</u> Total \$90,800	\$90,800	Net Tax \$884.00 Spec Asmt <u>\$20.00</u> Total \$904.00		R12-10-18-180-022; R12-10-18-180-017	
Jamie G. & Amy S. Johnson 100 Linda Drive Eagle Lake, MN	2,287	4	1978	0.29 (AC) 12,500 (SF)	Land \$36,300 Buildings <u>\$176,200</u> Total \$212,500	\$212,500	Net Tax \$2,398.00 Spec Asmt <u>\$20.00</u> Total \$2,418.00		R12-10-18-180-011; R12-10-18-180-023 Sale: 12/2014 \$2,000 Sale: 2/2014 \$168,000	
Kay M. Miller 101 Linda Drive Eagle Lake, MN	1,477	3	1978	0.26 (AC) 11,438 (SF)	Land \$30,400 Buildings <u>\$144,600</u> Total \$175,000	\$175,000	Net Tax \$1,944.00 Spec Asmt <u>\$20.00</u> Total \$1,964.00		R12-10-18-184-007 Sale: 8/2016 \$170,000	

DESCRIPTION OF NEIGHBORHOOD

Detached Single-Family Residential Properties

SUMMARY OF SINGLE-FAMILY RESIDENTIAL PROPERTIES IN RECONSTRUCTION PROJECT AREA									
Address	Finished Area	BR	Year Built	Land Area	Assessed Value as of January 2, 2020	Property Taxes Payable 2020	Comments		
Roger A. & Patricia Tolzmann 416 S Agency Street Eagle Lake, MN	1,142	3	1960	0.26 (AC) 11,213 (SF)	Land \$22,500 Buildings \$118,000 Total \$140,500	\$140,500	Net Tax \$1,508.00 Spec Asmt \$20.00 Total \$1,528.00		R12-10-18-184-008
Earl R. Jensen 420 S Agency Street Eagle Lake, MN	884	2	1956	0.34 (AC) 14,950 (SF)	Land \$30,300 Buildings \$81,000 Total \$111,300	\$111,300	Net Tax \$1,046.00 Spec Asmt \$20.00 Total \$1,066.00		R12-10-18-327-006
Alan H. Johnson 424 S Agency Street Eagle Lake, MN	1,012	2	1975	0.15 (AC) 6,640 (SF)	Land \$12,400 Buildings \$110,600 Total \$123,000	\$123,000	Net Tax \$1,150.00 Spec Asmt \$20.00 Total \$1,170.00		R12-10-18-327-007
Mark H. & Vickie L. Huebl 500 S Agency Street Eagle Lake, MN	1,942	3	1900	0.42 (AC) 18,180 (SF)	Land \$36,800 Buildings \$140,600 Total \$177,400	\$177,400	Net Tax \$1,846.00 Spec Asmt \$20.00 Total \$1,866.00		R12-10-18-328-014 Sale: 5/2013 \$162,000
Gladys F. Dagan 504 S Agency Street Eagle Lake, MN	2,120	3	1957	0.51 (AC) 22,200 (SF)	Land \$29,300 Buildings \$163,200 Total \$192,500	\$192,500	Net Tax \$1,952.00 Spec Asmt \$20.00 Total \$1,972.00		R12-10-18-331-001
Mohamed Ahmed & Shamsu Noor 101 Connie Lane Eagle Lake, MN	1,288	4	2009	0.21 (AC) 9,143 (SF)	Land \$44,300 Buildings \$144,400 Total \$188,700	\$188,700	Net Tax \$1,984.00 Spec Asmt \$20.00 Total \$2,004.00		R12-10-18-332-008 Sale: 9/2010 \$101,489
Jeremy S. & Sadie Horkey 520 S Agency Street Eagle Lake, MN	2,135	5	1946	0.34 (AC) 14,850 (SF)	Land \$27,800 Buildings \$159,300 Total \$187,100	\$187,100	Net Tax \$428.00 Spec Asmt \$20.00 Total \$448.00		R12-10-18-332-009 Sale: 10/2018 \$155,000
Kevin J. Rykhus 524 S Agency Street Eagle Lake, MN	1,551	4	1880	1.61 (AC) 70,132 (SF)	Land \$53,100 Buildings \$123,500 Total \$176,600	\$176,600	Net Tax \$1,974.00 Spec Asmt \$20.00 Total \$1,994.00		R12-10-18-332-010
Brent Voss & Celeste Hawker 515 Thomas Drive Eagle Lake, MN	2,507	3	2007	0.54 (AC) 23,353 (SF)	Land \$64,200 Buildings \$237,100 Total \$301,300	\$301,300	Net Tax \$3,424.00 Spec Asmt \$20.00 Total \$3,444.00		R12-10-18-332-014 Sale: 12/2010 \$174,500 (Bank Sale) Sale: 12/2007 \$229,700
Michael Foley & Kathleen Foley-Shea 513 S Agency Street Eagle Lake, MN	2,100	3	1961	0.73 (AC) 32,000 (SF)	Land \$41,900 Buildings \$150,200 Total \$192,100	\$192,100	Net Tax \$2,162.00 Spec Asmt \$20.00 Total \$2,182.00		R12-10-18-400-012 Sale: 12/2010 \$50,667 (Related Parties)
Eugene H. & Joyce K. Bruender 425 S Agency Street Eagle Lake, MN	2,124 & 4,032 SF Outldg	4	1910	1.07 (AC) 46,609 (SF)	Land \$51,800 Buildings \$155,000 Total \$206,800	\$206,800	Net Tax \$2,292.00 Spec Asmt \$40.00 Total \$2,332.00		R12-10-18-400-010
John O. & Ila E. Hansen 421 S Agency Street Eagle Lake, MN	1,115	2	1900	0.14 (AC) 6,027 (SF)	Land \$18,800 Buildings \$78,200 Total \$97,000	\$97,000	Net Tax \$914.00 Spec Asmt \$20.00 Total \$934.00		R12-10-18-181-007 Common Ownership w/R12-10-18-251-002, which is integral to larger parcel.
John O. & Ila E. Hansen 421 S Agency Street Eagle Lake, MN	1,944 1,200	Outldg Garage	1994 2014	6.00 (AC) 261,360 (SF)	Land \$30,000 Buildings \$54,200 Total \$84,200	\$84,200	Net Tax \$938.00 Spec Asmt \$0.00 Total \$938.00		R12-10-18-251-002 Common Ownership w/R12-10-18-181-007
John Hansen 417 S Agency Street Eagle Lake, MN	1,497	3	1910	0.20 (AC) 8,500 (SF)	Land \$22,800 Buildings \$132,100 Total \$154,900	\$154,900	Net Tax \$1,640.00 Spec Asmt \$20.00 Total \$1,660.00		R12-10-18-181-006; R12-10-18-181-005
Ryan Bultman 409 S Agency Street Eagle Lake, MN	1,298	2	1910	0.17 (AC) 7,501 (SF)	Land \$20,400 Buildings \$88,000 Total \$108,400	\$108,400	Net Tax \$1,006.00 Spec Asmt \$20.00 Total \$1,026.00		R12-10-18-181-004 Sale: 5/2017 \$113,077
Larry R. & Janice E. Sens 405 S Agency Street Eagle Lake, MN	1,654	2	1979	0.20 (AC) 8,781 (SF)	Land \$22,500 Buildings \$147,500 Total \$170,000	\$170,000	Net Tax \$1,824.00 Spec Asmt \$20.00 Total \$1,844.00		R12-10-18-181-003
Robert J. & Audrey J. Winkler 317 S Agency Street Eagle Lake, MN	504 (2-Car Garage)	N/A	1930	0.50 (AC) 21,720 (SF)	Land \$31,900 Buildings \$2,600 Total \$34,500	\$34,500	Net Tax \$834.00 Spec Asmt \$20.00 Total \$854.00		R12-10-18-181-010 Common ownership w/adjacent parcels
Robert J. & Audrey J. Winkler 313 S Agency Street Eagle Lake, MN	1,568	3	1885	0.56 (AC) 24,585 (SF)	Land \$32,200 Buildings \$135,700 Total \$167,900	\$167,900	Net Tax \$1,774.00 Spec Asmt \$20.00 Total \$1,794.00		R12-10-18-181-009 Common ownership with adjacent parcels. Uses parking on R12-10-18-181-008.

DESCRIPTION OF NEIGHBORHOOD

Detached Single-Family Residential Properties

SUMMARY OF SINGLE-FAMILY RESIDENTIAL PROPERTIES IN RECONSTRUCTION PROJECT AREA										
Address	Finished Area	BR	Year Built	Land Area	Assessed Value as of January 2, 2020	Property Taxes Payable 2020	Comments			
Robert J. & Audrey J. Winkler Tax Parcel N of 313 S Agency St Eagle Lake, MN	Vacant Land	N/A	N/A	0.38 (AC) 16,750 (SF)	Land \$20,300 Buildings \$0 Total \$20,300	\$20,300	Net Tax \$92.00 Spec Asmt \$0.00 Total \$92.00	R12-10-18-181-008 Common ownership with adjacent parcels. Gravel parking used by R12-10-18-181-009.		
Colby Winkler 205 S Agency Street Eagle Lake, MN	2,548	2	1949	0.89 (AC) 38,700 (SF)	Land \$48,600 Buildings \$191,700 Total \$240,300	\$240,300	Net Tax \$2,446.00 Spec Asmt \$20.00 Total \$2,466.00	R12-10-18-178-005		
Robert J. & Audrey J. Winkler 107 Parkway Avenue Eagle Lake, MN	1,144 1,750	N/A Storage	1900 1920	0.49 (AC) 21,234 (SF)	Land \$33,700 Buildings \$79,800 Total \$113,500	\$113,500	Net Tax \$754.00 Spec Asmt \$20.00 Total \$774.00	R12-10-18-178-001 Common ownership with adjacent parcels.		
Nathaniel D. Netzke (CFD) 105 N Agency Street Eagle Lake, MN	2,381	4	1915	0.38 (AC) 16,740 (SF)	Land \$28,000 Buildings \$171,800 Total \$199,800	\$199,800	Net Tax \$2,012.00 Spec Asmt \$20.00 Total \$2,032.00	R12-10-18-128-012; R12-10-18-128-013 Sale: 4/2016 \$60,000 (Related Parties) Sale: 1/2014 \$62,000 (Bank Sale)		
Yevon A. Salfer 109 N Agency Street Eagle Lake, MN	1,126 676	3 Garage	1895 1984	0.16 (AC) 7,000 (SF)	Land \$14,700 Buildings \$67,600 Total \$82,300	\$82,300	Net Tax \$354.00 Spec Asmt \$20.00 Total \$374.00	R12-10-18-128-011		
Chris A. Evenson 113 N Agency Street Eagle Lake, MN	832 400 1,232	Garage	1984 2003	0.16 (AC) 7,000 (SF)	Land \$14,700 Buildings \$18,000 Total \$32,700	\$32,700	Net Tax \$328.00 Spec Asmt \$0.00 Total \$328.00	R12-10-18-128-010 Sale: 12/2020 \$163,000; sale also included R12-10-18-128-009		
Chris A. Evenson 117 N Agency Street Eagle Lake, MN	1,446	3	1930	0.16 (AC) 7,000 (SF)	Land \$14,700 Buildings \$132,000 Total \$146,700	\$146,700	Net Tax \$1,658.00 Spec Asmt \$20.00 Total \$1,678.00	R12-10-18-128-009 Sale: 12/2020 \$163,000; sale also included R12-10-18-128-010		
Sonja Rae Lynn (CFD) 129 N Agency Street Eagle Lake, MN	1,096	3	1936	0.24 (AC) 10,500 (SF)	Land \$22,100 Buildings \$92,100 Total \$114,200	\$114,200	Net Tax \$1,026.00 Spec Asmt \$20.00 Total \$1,046.00	R12-10-18-128-007		
Elizabeth, Nathan & Ruth Bechel 137 N Agency Street Eagle Lake, MN	1,184 576	3 Garage	1890 1999	0.16 (AC) 7,000 (SF)	Land \$14,700 Buildings \$91,800 Total \$106,500	\$106,500	Net Tax \$1,310.00 Spec Asmt \$20.00 Total \$1,330.00	R12-10-18-128-005 Sale: 4/2016 \$104,000 Sale: 10/2014 \$85,550 (Bank Sale)		
Charles P. & Ann L. Arnett (CFD) 145 N Agency Street Eagle Lake, MN	915	3	1900	0.13 (AC) 5,880 (SF)	Land \$12,300 Buildings \$60,600 Total \$72,900	\$72,900	Net Tax \$606.00 Spec Asmt \$20.00 Total \$626.00	R12-10-18-128-003		
Nathan Denn 149 N Agency Street Eagle Lake, MN	1,460	3	1910	0.22 (AC) 9,450 (SF)	Land \$20,800 Buildings \$112,400 Total \$133,200	\$133,200	Net Tax \$1,240.00 Spec Asmt \$20.00 Total \$1,260.00	R12-10-18-128-002 Sale: 6/2016 \$130,000		
Heather Behr 153 N Agency Street Eagle Lake, MN	872	1	1930	0.19 (AC) 8,490 (SF)	Land \$17,600 Buildings \$73,600 Total \$91,200	\$91,200	Net Tax \$1,044.00 Spec Asmt \$20.00 Total \$1,064.00	R12-10-18-128-001		

Agricultural Properties

There are several vacant tracts of land that are currently being utilized for agricultural purposes, but have potential for urban residential development.

These properties are summarized in the grid on the following page.

DESCRIPTION OF NEIGHBORHOOD

Agricultural Properties

SUMMARY OF ACREAGE PROPERTIES IN RECONSTRUCTION PROJECT AREA										
Address	Finished Area	BR	Year Built	Land Area	Assessed Value as of January 2, 2020	Property Taxes Payable 2020	Comments			
Donald P Foley Revocable Trust 38.7 Acres along E Side of S. Agency Eagle Lake, MN	Vacant Ag Land	N/A	N/A	38.70 (AC) 1,685,772 (SF)	Land \$301,300 Buildings \$0 Total \$301,300	\$301,300	Net Tax \$2,648.00 Spec Asmt \$0.00 Total \$2,648.00	R12-10-18-400-013 Common ownership w/R39-110-18-400-005, which is not included in this project.		
John O. & Ila E. Hansen 421 S Agency Street Eagle Lake, MN	1,944 1,200	Outbldg Garage	1994 2014	6.00 (AC) 261,360 (SF)	Land \$30,000 Buildings \$54,200 Total \$84,200	\$84,200	Net Tax \$938.00 Spec Asmt \$0.00 Total \$938.00	R12-10-18-251-002 Common Ownership w/R12-10-18-181-007		
Robert J. & Audrey J. Winkler N/A Eagle Lake, MN	3,888 (Outbuilding)	N/A	1983 & 1990	29.60 (AC) 1,289,376 (SF)	Land \$53,300 Buildings \$27,800 Total \$81,100	\$81,100	Net Tax \$908.00 Spec Asmt \$0.00 Total \$908.00	R12-10-18-251-001 Common ownership with adjacent parcels. ±1.25 acres in SEC & ±0.75 acres in SWC potentially considered usable.		

Multi-Family Residential Properties

There are seven multi-family residential properties (eight tax parcels) within the proposed project area, ranging from two-unit properties to a twelve-unit property. These properties range in age from 24 to 111 years old, and range in lot size from 0.16 acres to 1.20 acres, with an average land size of 0.48 acres. Overall, the improved January 2, 2020, assessed values range from \$219,600 to \$754,300. These properties are summarized below.

SUMMARY OF MULTI-FAMILY PROPERTIES IN RECONSTRUCTION PROJECT AREA										
Address	Finished Area	BR	Year Built	Land Area	Assessed Value as of January 2, 2020	Property Taxes Payable 2020	Comments			
Layman Limited Partnership 101 Leray Avenue Eagle Lake, MN	8-Unit Apartment	15 Total	1974	0.49 (AC) 21,296 (SF)	Land \$56,000 Buildings \$302,800 Total \$358,800	\$358,800	Net Tax \$5,122.00 Spec Asmt \$40.00 Total \$5,162.00	R12-10-18-127-008		
L M Family Trust 138 N Agency Street Eagle Lake, MN	6-Unit Apartment	7 Total	1920	0.16 (AC) 7,000 (SF)	Land \$45,700 Buildings \$191,100 Total \$236,800	\$236,800	Net Tax \$3,380.00 Spec Asmt \$30.00 Total \$3,410.00	R12-10-18-127-010		
Higher Point Properties LLC 101 Parkway Avenue Eagle Lake, MN	3,904 (3-Unit Resid)	12 Total	1910	0.27 (AC) 11,720 (SF)	Land \$22,500 Buildings \$197,100 Total \$219,600	\$219,600	Net Tax \$2,804.00 Spec Asmt \$20.00 Total \$2,824.00	R12-10-18-134-007		
B & G Properties LLC 508 S Agency Street Eagle Lake, MN	12 Units in Two Bldgs (7-Unit Bldg & 5-Unit Bldg)	27 Total	1997	1.20 (AC) 52,272 (SF)	Land \$111,600 Buildings \$642,700 Total \$754,300	\$754,300	Net Tax \$10,768.00 Spec Asmt \$60.00 Total \$10,828.00	R12-10-18-331-009 Sale: 9/2017 \$787,500 Sale: 10/2013 \$700,000		
R & S Winter Corp 201 S Agency Street Eagle Lake, MN	4-Unit Apartment	8 Total	1978	0.70 (AC) 30,536 (SF)	Land \$58,700 Buildings \$211,900 Total \$270,600	\$270,600	Net Tax \$3,864.00 Spec Asmt \$20.00 Total \$3,884.00	R12-10-18-178-004		
B E County Housing & Redev 121 N Agency Street Eagle Lake, MN	2,696 Townhouse (1,348 SF each Unit)	6 Total	1981	0.32 (AC) 14,000 (SF)	Land \$29,400 Buildings \$255,200 Total \$284,600	\$284,600	Net Tax EXEMPT Spec Asmt \$0.00 Total \$0.00	R12-10-18-128-008		
Ronald A & Linda K Klocke Living Trust 131 N Agency Street Eagle Lake, MN	1,215 (Half of Duplex)	3	1982	0.12 (AC) 5,250 (SF)	Land \$11,000 Buildings \$108,600 Total \$119,600	\$119,600	Net Tax \$1,794.00 Spec Asmt \$20.00 Total \$1,814.00	R12-10-18-128-018; Common Ownership w/R12-10-18-128-017		
Ronald A & Linda K Klocke Living Trust 133 N Agency Street Eagle Lake, MN	1,215 (Half of Duplex)	3	1982	0.12 (AC) 5,250 (SF)	Land \$11,000 Buildings \$108,600 Total \$119,600	\$119,600	Net Tax \$1,794.00 Spec Asmt \$20.00 Total \$1,814.00	R12-10-18-128-017; Common Ownership w/R12-10-18-128-018		

DESCRIPTION OF NEIGHBORHOOD

Industrial Properties

There are three properties that are classified as industrial, two improved properties and one vacant tract. It is noted that the Fromm and the Allied Overhead Door properties are each part of a larger ownership that includes adjacent tracts. Although these properties are zoned B-1, Community Business District, each is improved, or the larger ownership interest is improved, with an industrial-type use(s).

The affected industrial tracts are summarized in the following grid.

SUMMARY OF INDUSTRIAL PROPERTIES IN RECONSTRUCTION PROJECT AREA										
Address	Finished Area	BR	Year Built	Land Area	Assessed Value as of January 2, 2020		Property Taxes Payable 2020		Comments	
Mark A. & Rolene M. Fromm 100 N Agency Street Eagle Lake, MN	2,100 SF	N/A	1978	0.41 (AC)	Land	\$23,700		Net Tax	\$1,629.81	R12-10-18-130-001
	& 2,880 SF (Mini-Storage)		& 2008 (Mini-Storage)	17,870 (SF)	Buildings	\$73,600		Spec Asmt	\$208.19	Related ownership to R12-10-18-130-018
					Total	\$97,300	\$97,300	Total	\$1,838.00	SA \$157.08 2nd St; \$51.11 Recycle
Allied Overhead Door of Mankato Inc NWC N. Agency St & Parkway Ave. Eagle Lake, MN	Vacant Land	N/A	N/A	0.58 (AC) 25,409 (SF)	Land	\$47,500		Net Tax	\$612.44	R12-10-18-130-018
					Buildings	\$0		Spec Asmt	\$57.56	Related ownership to R12-10-18-130-001
					Total	\$47,500	\$47,500	Total	\$670.00	Sale: 11/2020 \$30,000 (from City) SA \$57.56 2nd St
Mid-Communications Inc 110 S Agency Street Eagle Lake, MN	1,044	N/A	1970	0.13 (AC) 5,880 (SF)	Land	\$16,500		Net Tax	\$976.00	R12-10-18-134-012
					Buildings	\$41,800		Spec Asmt	\$0.00	
					Total	\$58,300	\$58,300	Total	\$976.00	

Commercial Properties

There are two properties in the project area that are improved with commercial uses. One is improved with a music studio and the other is improved with a laundromat and self-service car wash.

These two properties are summarized in the following grid.

SUMMARY OF COMMERCIAL PROPERTIES IN RECONSTRUCTION PROJECT AREA										
Address	Finished Area	Property Description	Year Built	Land Area	Assessed Value as of January 2, 2020		Property Taxes Payable 2020		Comments	
Kevin & Gayle Depuydt 114 S Agency Street Eagle Lake, MN	1,932	Music Studio	1925 & 1971	0.05 (AC) 2,385 (SF)	Land	\$10,200		Net Tax	\$2,042.92	R12-10-18-134-011
					Buildings	\$106,100		Spec Asmt	\$61.08	Sale: 4/2013 \$143,000
					Total	\$116,300	\$116,300	Total	\$2,104.00	Sale: 3/2011 \$51,000
Wasco Properties LLP 141 N Agency Street Eagle Lake, MN	810 510	Laundromat & Car Wash	1985 1985	0.16 (AC) 7,000 (SF)	Land	\$17,200		Net Tax	\$1,175.18	R12-10-18-128-004
					Buildings	\$52,900		Spec Asmt	\$36.82	Maytag Laundry & Self-Service Car Wash
					Total	\$70,100	\$70,100	Total	\$1,212.00	

DESCRIPTION OF NEIGHBORHOOD

Institutional Properties

Lastly, there are two tracts within the project area that are owned by the City of Eagle Lake. Both of these tracts are vacant, and one of the two is unimproved right-of-way. It is noted that when properties improved with a public or institutional use are otherwise considered developable, as a stand-alone parcel or if assembled with adjacent lands, an appraiser may disregard current zoning or guiding because the existing zoning and/or guiding is use-specific, particularly when the highest and best use, as vacant, is for development with an economic use.

The City parcel that is 0.02 acres in size (PID 12-10-18-130-017) is not zoned, but is adjacent to B-1 zoned properties. The 0.13-acre City-owned parcel (PID 12-10-18-128-014) is zoned R-3, Limited Multiple Family Residential District. However, this tract is road right-of-way for Valley View Drive. Even if unimproved with roadway surfacing or drainage improvements, properties are analyzed net of road right-of-way; therefore, PID 12-10-18-128-014 will not benefit from completion of the C.S.A.H. 27 (Agency Street) Improvement Project.

The City-owned tracts are summarized in the following grid.

SUMMARY OF INSTITUTIONAL PROPERTIES IN RECONSTRUCTION PROJECT AREA									
Address	Finished Area	Year Built	Land Area	Assessed Value as of January 2, 2020			Property Taxes Payable 2020		Comments
City of Eagle Lake W Side of Agency St, at Center Ave Eagle Lake, MN	Vacant	N/A	0.02 (AC)	Land	\$600		Net Tax	\$10.00	R12-10-18-130-017
	Land		866 (SF)	Buildings	\$0		Spec Asmt	\$0.00	
				Total	\$600	\$600	Total	\$10.00	
City of Eagle Lake Tax Parcel S of 105 N Agency St Eagle Lake, MN	Unimproved	N/A	0.13 (AC)	Land	\$10,700		Net Tax	EXEMPT	R12-10-18-128-014
	Right-of-Way		5,600 (SF)	Buildings	\$0		Spec Asmt	\$0.00	
				Total	\$10,700	\$10,700	Total	\$0.00	

ZONING DATA

Zoning is administered by the City of Eagle Lake. The properties in the reconstruction area are zoned A-1, Agricultural; R-1, One-Family Residential; R-2, One- and Two-Family Residential; R-3, Limited Multiple-Family Residential; and B-1, Community Business District. The Eagle Lake Zoning Map is located on the following pages.

A-1, Agricultural District

The intent of the Agricultural District is “to preserve the present agricultural lands and maintain other lands in a natural state while permitting low-density residential development where municipal utilities are economically available.”

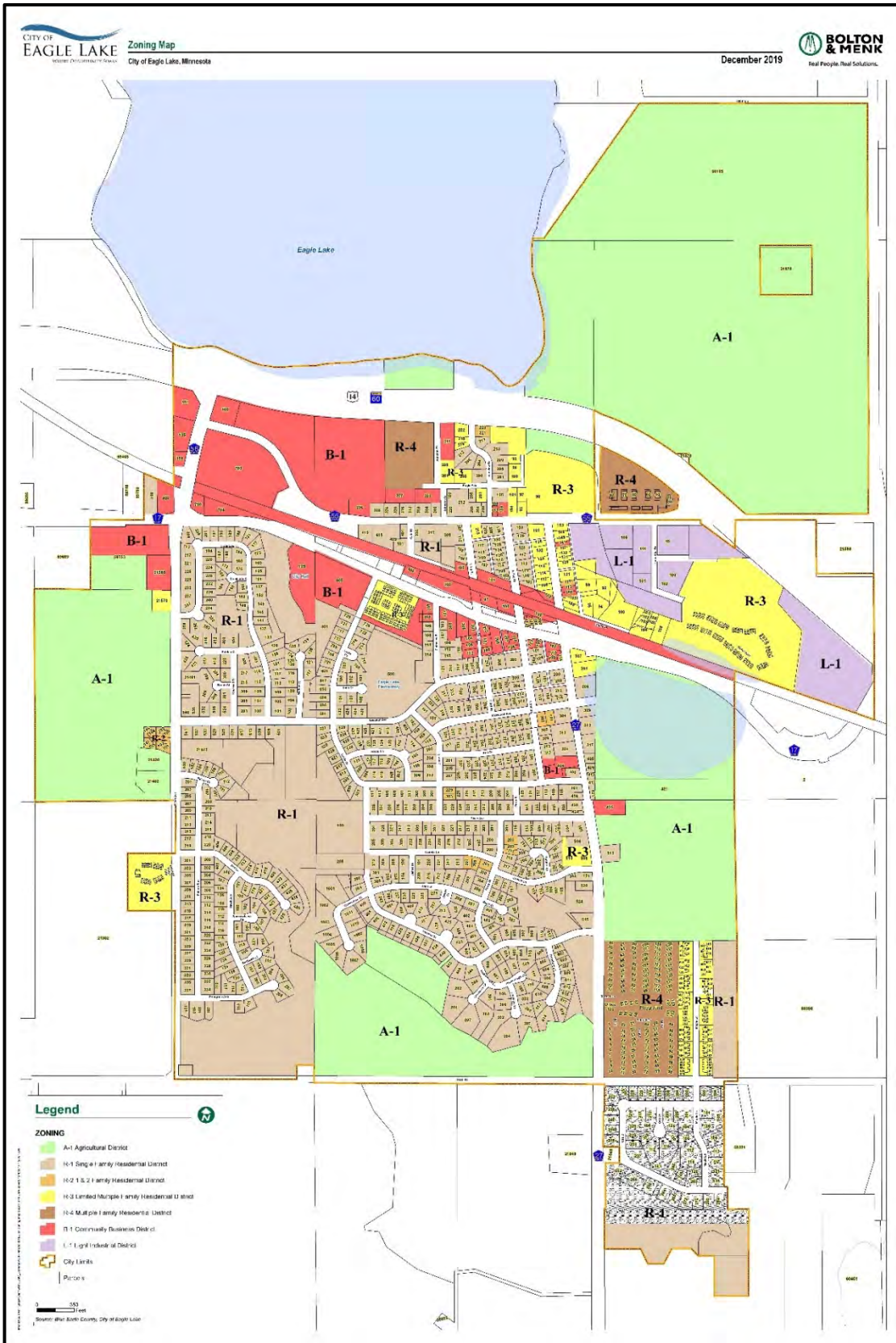
Permitted uses within the A-1 District include the following:

- Single-family detached dwellings
- Parks and recreational areas owned or operated by governmental agencies
- Public school, elementary or high, or private schools having a curriculum equivalent to a public elementary school or public high school
- Golf courses, except club houses, miniature golf courses and driving tees operated for commercial purposes,
- Churches, provided that no building shall be located within fifty (50) feet of any lot line of an abutting lot in any of the Classes of Residence Districts
- Agriculture, farming, and truck gardening except kennels, animal or poultry farms operated for commercial purposes.

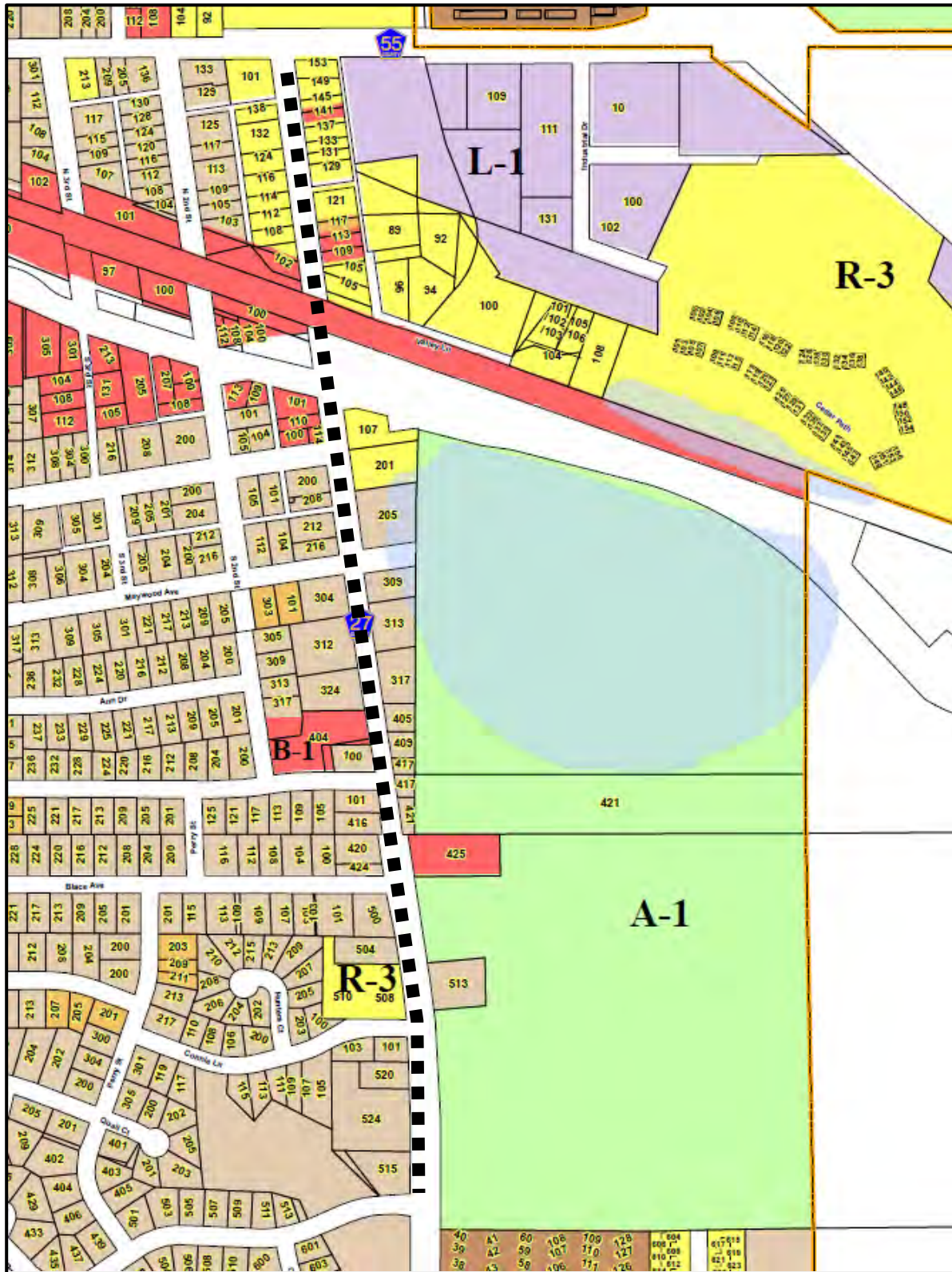
Design standards within the A-1, Agricultural District, are as follows:

Minimum Lot Area:	5 Acres
Maximum Height:	2.5 Stories or 35 Feet
Setbacks:	
Front Yard:	30 Feet
Side Yard:	10 Feet (1.5 stories or less); 12 Feet (2 stories); 15 Feet (2.5 stories or more)
Rear Yard:	20% of the depth of the lot provided the depth is a minimum 30 Feet to a maximum of 75 Feet
Corner Lots:	30 Feet (front and corner side yard)

Furthermore, there are no restrictions on agricultural buildings.



CITY OF EAGLE LAKE ZONING MAP



PARTIAL ZONING MAP

ZONING DATA

R-1, One-Family Residential District

The intent of the One-Family Residential District is “to provide for low density residential development.” Permitted uses within the R-1 District include: one-family dwellings, gardens (no retail sales), public parks, playgrounds, tennis courts, swimming pools, ball fields, other recreational facilities, schools (public and private elementary, middle and secondary), and level one home occupations.

Design standards within the R-1, Single-Family Residential District, are as follows:

Minimum Lot Area:	9,000 SF (7,000 SF if approved prior to 8/2004)
Minimum Lot Width:	70 Feet (50 feet if approved prior to 8/2004)
Maximum Height:	35 Feet or 2.5 Stories
General Setbacks:	
Front Yard:	30 Feet (25 feet if lot existed prior to 6/6/05)
Side Yard:	8 Feet each side
Rear Yard:	25 Feet
Corner Lot Setbacks:	
Front Yard:	30 Feet
Side Yard:	30 Feet (15 feet if approved prior to 7/11/05)
Maximum Ground Coverage:	35%

Additionally, the side yard setback for all other principle buildings and uses is 10% of the lot width, provided the side yard width is a minimum of 10 feet or a maximum of 30 feet on each side. Furthermore, any building where the rear yard opens to or adjoins an alley, 1/2 the width of the alley, up to 10 feet, may be included as part of the lot area. As noted above, some of the regulations are different for lots approved prior to adoption of the zoning ordinance.

R-2, One- and Two-Family Residential District

The intent of the One- and Two-Family Residential District is “to provide for low and medium-density residential development.” Permitted uses within the R-2 District include: one- and two-family and attached one-family dwellings, gardens (no retail sales), home occupations, parks, playgrounds, tennis courts, swimming pools, ball fields, other recreation facilities, and schools (public and private elementary, middle and secondary).

ZONING DATA

R-2, One- and Two-Family Residential District

Design standards within the R-2, One- and Two-Family Residential District, are as follows:

Minimum Lot Area:	10,000 SF (9,000 SF if approved prior to 8/2004)
Minimum Lot Width:	70 Feet (50 feet if approved prior to 8/2004)
Maximum Height:	35 Feet or 2.5 Stories
General Setbacks:	
Front Yard:	30 Feet
Side Yard:	10% of the width of the lot on each side, or 8 feet, whichever is greater
Rear Yard:	25 Feet
Corner Lot Setbacks:	
Front Yard:	30 Feet
Side Yard:	30 Feet
Maximum Ground Coverage:	35%

Additionally, the side yard setback for all other principle buildings and uses is 10% of the lot width, provided the side yard width is a minimum of 10 feet or a maximum of 30 feet on each side. Furthermore, any building where the rear yard opens to or adjoins an alley, 1/2 the width of the alley, up to 10 feet, may be included as part of the lot area. As noted above, some of the regulations are different for lots approved prior to adoption of the zoning ordinance.

R-3, Limited Multiple-Family Residential District

The intent of the Limited Multiple-Family Residential District is “to provide for medium density residential development.” Permitted uses within the R-3 District include: multiple-family dwellings, not to exceed eight units in one building or on one lot, one-family dwellings (attached or detached), two-family dwellings, gardens (no retail sales), parks, playgrounds, tennis courts, swimming pools, schools (public and private elementary, middle and secondary), and level one home occupations.

Design standards within the R-3 Limited MF Residential District are as follows:

Minimum Lot Area:	10,000 SF for up to four dwelling units, plus an additional 1,500 SF for each dwelling unit in excess of four units, not to exceed eight units in one building or on one lot
-------------------	--

ZONING DATA

R-3, Limited Multiple-Family Residential District

Minimum Lot Area:	Note: A lot that existed prior to the ordinance that is smaller than 10,000 SF may be used for single-family purposes only.
Minimum Lot Width:	70 Feet
Maximum Height:	35 Feet or 3 Stories
General Setbacks:	
Front Yard:	30 Feet
Side Yard:	10 Feet each side, plus 1 foot for each 1 foot of building height over 25 Feet
Rear Yard:	20% of lot depth, provided the yard is between 30 and 75 Feet
Corner Lot Setbacks:	
Front Yard:	30 Feet
Side Yard:	30 Feet
Maximum Ground Coverage:	35%

Additionally, the side yard setback for all other principle buildings and uses is 10% of the lot width, provided the side yard width is a minimum of 10 feet or a maximum of 30 feet on each side. Furthermore, any building where the rear lot line adjoins an alley, 1/2 the width of the alley, up to 10 feet, may be included as part of the lot area. As noted above, some of the regulations are different for lots approved prior to adoption of the zoning ordinance.

B-1, Community Business District

The intent of the Community Business District is “to provide for a broad range of commercial developments. The district will also accommodate office and institutional uses.”

Following is a partial list of permitted uses within the B-1 District:

- Antique Shops
- Bakeries
- Churches and other religious institutions
- Contractors: electrical, general, painting, decorating and plumbing
- Dental, medical, and scientific clinics and laboratories

ZONING DATA

B-1, Community Business District

- Drug Stores
- Grocery Stores
- Health Clubs
- Liquor Stores
- Parks and Playgrounds
- Schools, public and private elementary, middle, secondary and post-secondary
- Theaters, excluding drive-ins
- Veterinarians, including observation kennels for domestic pets, provided that all such kennels are within completely enclosed structures

Design standards within the B-1, Community Business District, are as follows:

Minimum Lot Area:	10,000 SF
Maximum Height:	35 Feet or 3 Stories
General Setbacks:	
Front Yard:	15 Feet to an impervious surface and/or any portion of a building
Side Yard:	3 Feet to an impervious surface 6 Feet to any portion of a building
Rear Yard:	3 Feet to an impervious surface 6 Feet to any portion of a building
Maximum Ground Coverage:	75%

Additionally, a transitional yard is required anywhere a B-1 District abuts a Residential District. The transitional yard requires the following:

- The dimensions of the required transitional yard on the property located in the B-1 District shall be equal to the dimensions of the required yard on the residentially zoned property which is located in closest proximity.
- The transitional yard shall extend the entire length of the abutting Residential District boundary.
- The transitional yard shall not be less than a yard required in the B-1 District.
- The transitional yard shall not be required to be more than twenty (20) feet in depth.
- The transitional yard shall be landscaped.

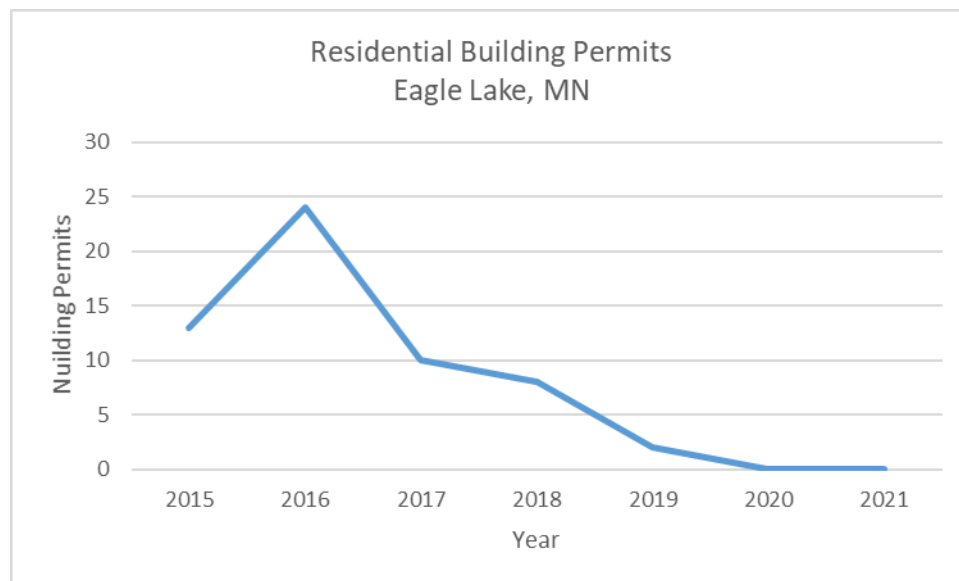
ZONING DATA

Summary

The majority of the subject properties in the project area fall under either a permitted or conditional use for their corresponding zoning district. However, there are several vacant parcels within the subject project area. These vacant parcels may have a highest and best use for independent development, assemblage with an adjoining property (if under separate ownership), or may be considered part of a larger ownership as one REU (if under same ownership as adjacent parcel). There are also several parcels with excess land that have subdivision potential. These properties will be further discussed in the analysis portion of this report.

RESIDENTIAL MARKET

According to information provided by the City of Eagle Lake, residential building permits over the past several years are as follows.



As shown above, new residential construction has seen a significant decrease since 2016. However, there were 26 sales of vacant lots and 25 new homes built from 2017 through 2020. The information above indicates that while the Eagle Lake market generally lags the

RESIDENTIAL MARKET

Twin Cities market, there is demand for new and used residential construction in Eagle Lake.

Lastly, the Eagle Heights subdivision was developed at ± 2.0 units per acre, and was nearly fully built out over approximately seven years, or at a rate of approximately 6.0 units per year. When considering the current seller's market, it is likely that Eagle Lake could support additional residential development in the coming years, albeit at a relatively slow rate of absorption.

SCOPE OF CONSULTATION

In order to estimate special benefit from the proposed utility and street improvement project, the following methodology is employed.

1. Research other reconstruction projects in various cities south of the Twin Cities Metropolitan Area, as well as various cities throughout the Twin Cities Metropolitan Area.
2. Investigate sales of single-family residential properties that sold before and after the reconstruction projects occurred, in order to isolate benefit from each particular project.
3. After investigating the above sales, and adjusting the sales for market conditions, the sales that occurred before the reconstruction project are compared to sales that occurred after the project was completed.
4. The multiple indications are then reconciled into an anticipated range of special benefit for affected residential properties in the proposed project area on a residential equivalent unit basis.
5. After residential property benefit is determined, site and property use characteristics are investigated on the non-single-family residential properties. The relationship between size and frontage is determined, and the resulting ratio is compared to a similar single-family residential ratio. Trip generation data is also used to estimate benefit to the commercial properties.

MARKET VALUE DEFINED

Market value as utilized in this consultation report conforms to the following definition obtained from Page 142 of *The Dictionary of Real Estate Appraisal*, Sixth Edition.

The most probable price that 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 and 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 acting in what they consider their best interests;*
- *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.*

Unless otherwise noted in the consultation report, market value shall represent cash equivalent terms where the seller receives all cash for their interest. The property may be financed at typical market terms under this definition.

The above definition describes market value as an exchange concept. According to *The Dictionary of Real Estate Appraisal*, Sixth Edition, at Page 245, value in exchange is defined as “a type of value that reflects the amount that can be obtained from an asset if exchanged between parties.”

SALES COMPARISON APPROACH

The sales comparison approach to value examines the sale prices of other properties similar to the before and after conditions of the subject project area that have sold in the marketplace. This approach is good evidence of value because it represents the activities and reactions of sellers, users and investors as they respond to the marketplace.

SALES COMPARISON APPROACH

The theory behind the sales comparison approach is based on the "principle of substitution," which implies that a prudent person will not pay more to buy or rent a property than it will cost to buy or rent a comparable substitute property. The validity of this approach is based on the assumption that continuity exists between similar properties of like adequacy and their market values. The reliability of this technique is dependent upon the availability of sales data and the degree of comparability of the sales studied.

To apply this approach to the C.S.A.H. 27 (Agency Street) Improvement Project, information has been sought on similar reconstruction projects located in single-family residential areas in the Twin Cities Metropolitan Area and in southern Minnesota. Since the function of this consultation is to estimate the level of special benefit resulting from the reconstruction and upgrade of bituminous-surfaced streets with concrete curb and gutter, construction/upgrade of storm sewer, and replacement of sanitary sewer and water main, sales have been selected that occurred both before and after similar projects in other communities.

Ideally, all reconstruction projects would include a similar scope of work, and in this particular case, there was enough comparable market data on complete reconstruction projects to provide for meaningful analysis. Therefore, the projects researched include reconstruction of existing streets, with replacement of both sanitary sewer and watermain services.

This analysis will examine special benefit to single-family residential properties in Eagle Lake and similar communities, which will then be correlated to the subject project area. Several projects have been identified with before and after sales that are relevant to this analysis, and these projects occurred in the cities of Hastings, Circle Pines, New Prague, New Ulm and Eagle Lake.

SALES COMPARISON APPROACH

Road Reconstruction with Replacement of Watermain & Sanitary Sewer Detached Single-Family Residential

Hastings Studies

The City of Hastings has completed several reconstruction projects from 2005 to the present. Of these projects, there were seven complete reconstruction projects that included replacement of both sanitary sewer and water main. These projects occurred in 2007, 2011 (two different areas), 2012, 2014, 2016 and 2017-2018 (two-phase project).

In order to isolate benefit, the sale prices of properties in the project areas are trended for changes in market conditions, and are trended to the average after sale price. Residential sales data, excluding new construction, has been extracted for the city of Hastings using the Multiple Listing Service (MLS), and this data was the basis for the market conditions adjustments applied to all of the projects analyzed in Hastings.

The residential sales from the 2007, 2011, 2012, 2014, 2016, and 2017-2018 projects are summarized and adjusted for market conditions on the following pages, with sale/re-sale pairings highlighted in yellow.

SALES COMPARISON APPROACH

Detached Single-Family Residential

Hastings Studies

Hastings 2007 Street & Utility Reconstruction						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	624 5th Street West	Oct-10	0.23 AC	1,488	\$151,409	\$166,429
2	824 6th Street West	Mar-10	0.26 AC	1,604	\$155,000	\$165,339
3	914 5th Street West	Nov-09	0.21 AC	1,752	\$175,000	\$182,105
4	750 7th Street West	Aug-09	0.35 AC	1,248	\$143,000	\$145,259
5	410 Forest Street	Jun-09	0.20 AC	1,738	\$199,678	\$199,678
6	811 7th Street West	Mar-09	0.29 AC	1,473	\$194,000	\$189,460
7	839 5th Street West	Oct-08	0.29 AC	1,995	\$177,030	\$165,525
8	505 5th Street West	Apr-08	0.23 AC	1,722	\$182,000	\$160,688
After Project Averages		Jun-09	0.26 AC	1,628	\$172,140	\$171,810
Sales Before Project						
1	307 5th Street West	Sep-06	0.32 AC	1,344	\$186,000	\$154,622
2	801 7th Street West	Jul-06	0.28 AC	1,344	\$164,900	\$135,878
3	929 5th Street West	Jul-06	0.24 AC	1,760	\$186,000	\$153,264
4	907 7th Street West	Jul-06	0.17 AC	2,014	\$189,900	\$156,478
5	811 7th Street West	Jul-06	0.28 AC	1,473	\$239,999	\$197,759
6	807 7th Street West	Jun-06	0.28 AC	1,473	\$255,000	\$209,177
7	614 5th Street West	Apr-06	0.23 AC	1,088	\$180,000	\$146,340
8	400 6th Street West	Jan-06	0.21 AC	1,789	\$211,000	\$169,222
9	320 6th Street West	Jan-06	0.28 AC	1,044	\$189,150	\$151,698
10	533 5th Street West	Nov-05	0.23 AC	1,745	\$214,000	\$172,826
11	733 6th Street West	Oct-05	0.29 AC	1,914	\$202,000	\$163,721
12	520 5th Street West	Aug-05	0.23 AC	1,740	\$198,500	\$161,996
13	933 5th Street West	Aug-05	0.25 AC	1,988	\$206,500	\$168,525
14	735 6th Street West	Aug-05	0.17 AC	1,551	\$169,750	\$138,533
15	829 6th Street West	Jul-05	0.26 AC	1,712	\$180,000	\$147,420
16	900 5th Street West	Jul-05	0.25 AC	2,260	\$221,000	\$180,999
17	701 5th Street West	Mar-05	0.23 AC	1,300	\$153,000	\$127,036
18	517 5th Street West	Nov-04	0.23 AC	1,474	\$214,900	\$181,956
19	825 6th Street West	Nov-04	0.17 AC	2,128	\$231,462	\$195,979
20	703 5th Street West	May-04	0.23 AC	1,434	\$163,833	\$143,993
21	513 5th Street West	May-04	0.23 AC	1,138	\$163,900	\$144,052
22	900 5th Street West	Mar-04	0.25 AC	2,260	\$197,900	\$176,052
23	812 7th Street West	Feb-04	0.26 AC	1,640	\$166,900	\$149,376
Before Project Averages		Jul-05	0.24 AC	1,635	\$195,026	\$162,039
					After Project:	= \$171,810
					Before Project:	= \$162,039
					Indicated Benefit:	\$9,771
						6.03%

SALES COMPARISON APPROACH

Detached Single-Family Residential

Hastings Studies

Although there were two areas of reconstruction in 2011, sales data was limited in the 2011, Area 1, project area before the project occurred. Therefore, Area 1 of the 2011 reconstruction project is not analyzed in this consultation.

Hastings 2011 - Areas 3&4 - Street & Utility Reconstruction						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	415 17th Street East	Nov-15	0.26 AC	2,057	\$187,888	\$169,212
2	1614 Bailey Street	Oct-15	0.23 AC	1,989	\$184,130	\$166,325
3	415 15th Street West	Jul-15	0.20 AC	1,568	\$172,660	\$157,380
4	522 McNamara Street	Dec-14	0.20 AC	1,469	\$139,000	\$130,048
5	1102 Tyler Street	Sep-14	0.23 AC	2,676	\$239,900	\$230,016
6	532 17th Street East	Mar-14	0.23 AC	1,476	\$151,742	\$153,047
7	522 McNamara Street	Dec-13	0.20 AC	1,469	\$154,036	\$158,703
8	402 17th Street East	Aug-13	0.23 AC	2,236	\$192,358	\$201,707
9	1701 Ramsey Street	Feb-12	0.23 AC	1,816	\$126,967	\$145,123
After Project Averages		Jun-14	0.22 AC	1,862	\$172,076	\$167,951
Sales Before Project						
1	549 McNamara Street	Jun-10	0.29 AC	1,964	\$159,400	\$160,739
2	1526 Bailey Street	Sep-08	0.23 AC	1,659	\$177,500	\$152,987
3	1603 Bailey Street	Aug-08	0.23 AC	2,058	\$191,090	\$163,153
Before Project Averages		Mar-09	0.25 AC	1,894	\$175,997	\$158,960
					After Project:	= \$167,951
					Before Project:	= \$158,960
					Indicated Benefit:	\$8,991
						5.66%

SALES COMPARISON APPROACH**Detached Single-Family Residential****Hastings Studies**

Hastings 2012 - Street & Utility Reconstruction						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	804 17th Street West	Oct-16	0.18 AC	2,112	\$187,210	\$175,996
2	402 18th Street West	Aug-15	0.20 AC	1,542	\$175,000	\$173,408
3	1619 Maple Street	Jul-15	0.24 AC	2,242	\$203,001	\$201,763
4	1610 Walnut Street	Jun-15	0.21 AC	1,752	\$173,500	\$172,962
5	1701 Maple Street	Jun-15	0.24 AC	2,312	\$190,314	\$189,724
6	1613 Ashland Street	Jun-15	0.22 AC	2,563	\$210,000	\$209,349
7	621 17th Street West	Apr-15	0.23 AC	1,976	\$185,156	\$185,730
8	1618 Maple Street	Sep-14	0.23 AC	2,085	\$181,000	\$189,507
9	1531 Eddy Street	Jun-14	0.21 AC	1,358	\$150,000	\$160,965
After Project Averages		May-15	0.22 AC	1,994	\$183,909	\$184,378
Sales Before Project						
1	1509 Walnut Street	Sep-10	0.22 AC	2,120	\$182,825	\$181,947
2	1607 Walnut Street	May-08	0.22 AC	1,139	\$169,362	\$152,951
3	1720 Walnut Street	Mar-08	0.23 AC	1,792	\$206,000	\$182,413
Before Project Averages		Jan-09	0.22 AC	1,684	\$186,062	\$172,437
					After Project:	= \$184,378
					Before Project:	= \$172,437
					Indicated Benefit:	\$11,941
						6.92%

SALES COMPARISON APPROACH

Detached Single-Family Residential

Hastings Studies

Hastings 2014 - Street & Utility Reconstruction						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Time	
Sales After Project						
1	510 14th Street West	Aug-17	0.23 AC	2,520	\$270,682	\$251,626
2	1413 Walnut Street	Jun-17	0.28 AC	1,680	\$237,937	\$223,661
3	501 14th Street West	May-17	0.24 AC	1,634	\$191,090	\$180,637
4	1407 Maple Street	Feb-17	0.23 AC	1,791	\$158,983	\$152,846
5	714 14th Street West	Nov-16	0.23 AC	1,590	\$198,879	\$193,927
6	1413 Walnut Street	Aug-16	0.28 AC	1,635	\$223,100	\$220,289
7	222 13th Street West	Jun-16	0.23 AC	1,664	\$206,718	\$205,291
8	808 14th Street West	Dec-15	0.23 AC	1,946	\$155,200	\$158,335
9	411 14th Street West	Aug-15	0.25 AC	1,295	\$199,900	\$206,417
10	820 14th Street West	Jun-15	0.23 AC	1,296	\$149,174	\$154,962
11	411 14th Street West	Mar-15	0.25 AC	1,295	\$199,900	\$209,515
12	400 13th Street West	Jan-15	0.21 AC	1,318	\$145,500	\$153,401
After Project Averages		May-16	0.24 AC	1,639	\$194,755	\$192,576
Sales Before Project						
1	1200 Ashland Street	Dec-13	0.21 AC	2,030	\$167,973	\$196,226
2	714 13th Street West	Aug-13	0.23 AC	1,660	\$162,499	\$193,211
3	222 13th Street West	Jul-13	0.23 AC	1,664	\$191,039	\$228,139
4	1322 Maple Street	Apr-12	0.23 AC	1,550	\$123,500	\$158,475
5	211 14th Street West	Aug-11	0.23 AC	1,712	\$132,295	\$165,448
6	709 14th Street West	Mar-11	0.23 AC	1,707	\$135,000	\$161,825
Before Project Averages		Aug-12	0.23 AC	1,721	\$152,051	\$183,887
				After Project:	= \$192,576	
				Before Project:	= \$183,887	
				Indicated Benefit:	\$8,689	
					4.73%	

SALES COMPARISON APPROACH

Detached Single-Family Residential

Hastings Studies

Hastings 2016 - Street & Utility Reconstruction						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	931 Bailey Street	May-18	0.30 AC	1,664	\$197,880	\$189,055
2	934 Bailey Street	Jul-17	0.20 AC	1,750	\$218,864	\$220,133
3	812 Bailey Street	Jun-17	0.20 AC	1,427	\$197,731	\$200,005
4	808 Bailey Street	Apr-17	0.20 AC	1,784	\$195,374	\$199,868
After Project Averages		Aug-17	0.23 AC	1,656	\$202,462	\$202,265
Sales Before Project						
1	808 Bailey Street	Sep-15	0.20 AC	1,784	\$174,900	\$193,579
2	401 5th Street East	Jul-15	0.16 AC	1,224	\$169,750	\$189,017
3	817 Bailey Street	Dec-13	0.19 AC	1,650	\$160,103	\$201,105
Before Project Averages		Jan-15	0.18 AC	1,553	\$168,251	\$194,567
					After Project:	= \$202,265
					Before Project:	= \$194,567
					Indicated Benefit:	\$7,698 3.96%

SALES COMPARISON APPROACH

Detached Single-Family Residential

Hastings Studies

Hastings 2017-2018 - Street & Utility Reconstruction						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	538 7th Street West	Apr-20	0.34 AC	2,940	\$294,500	\$290,554
2	603 8th Street West	Oct-19	0.24 AC	1,623	\$250,000	\$247,175
3	545 6th Street West	Aug-19	0.23 AC	1,192	\$187,660	\$186,159
4	522 6th Street West	Feb-19	0.23 AC	1,162	\$178,000	\$178,285
5	649 6th Street West	Feb-19	0.23 AC	2,013	\$202,400	\$202,724
6	517 8th Street West	Nov-18	0.23 AC	1,457	\$160,600	\$162,527
7	606 6th Street West	Jun-18	0.23 AC	1,302	\$217,600	\$224,977
8	303 6th Street West	Apr-18	0.26 AC	1,661	\$187,533	\$195,522
After Project Averages		Mar-19	0.25 AC	1,669	\$209,787	\$210,990
Sales Before Project						
1	621 8th Street West	Oct-17	0.17 AC	1,500	\$162,960	\$175,003
2	544 6th Street West	Sep-16	0.23 AC	1,013	\$155,103	\$178,012
3	526 7th Street West	Feb-16	0.23 AC	1,496	\$154,000	\$181,920
4	531 7th Street West	Aug-15	0.23 AC	2,459	\$204,500	\$246,279
5	314 6th Street West	Jul-14	0.14 AC	1,500	\$157,600	\$203,808
6	645 6th Street West	Jan-14	0.23 AC	1,684	\$162,525	\$220,481
Before Project Averages		Oct-15	0.21 AC	1,609	\$166,115	\$200,917
					After Project:	= \$210,990
					Before Project:	= \$200,917
					Indicated Benefit:	\$10,073 5.01%

SALES COMPARISON APPROACH

Detached Single-Family Residential

Hastings Studies

After the market conditions adjustment, the average before sale prices are compared to the average sale prices that occurred after each reconstruction project. The comparable projects are summarized below.

SUMMARY OF HASTINGS PROJECTS			
<u>Street & Utility Reconstruction</u>			
Project Year:	<u>2007</u>		<u>% of Market Value</u>
Average Sale Price After the Project	\$171,810		
Average Sale Price Before the Project	<u>\$162,039</u>		
Indicated Special Benefit	\$9,771		6.03%
Project Year:	<u>2011 - A3&4</u>		
Average Sale Price After the Project	\$167,951		
Average Sale Price Before the Project	<u>\$158,960</u>		
Indicated Special Benefit	\$8,991		5.66%
Project Year:	<u>2012</u>		
Average Sale Price After the Project	\$184,378		
Average Sale Price Before the Project	<u>\$172,437</u>		
Indicated Special Benefit	\$11,941		6.92%
Project Year:	<u>2014</u>		
Average Sale Price After the Project	\$192,576		
Average Sale Price Before the Project	<u>\$183,887</u>		
Indicated Special Benefit	\$8,689		4.73%
Project Year:	<u>2016</u>		
Average Sale Price After the Project	\$202,265		
Average Sale Price Before the Project	<u>\$194,567</u>		
Indicated Special Benefit	\$7,698		3.96%
Project Year:	<u>2017-2018</u>		
Average Sale Price After the Project	\$210,990		
Average Sale Price Before the Project	<u>\$200,917</u>		
Indicated Special Benefit	\$10,073		5.01%
Average Benefit	\$9,527		

SALES COMPARISON APPROACH

Detached Single-Family Residential

Hastings Studies

The data indicates a range of benefit from \$7,698 to \$11,941 per residential equivalent unit, with an average indicated benefit of \$9,527. These projects also indicate that special benefit ranges from 3.96% to 6.92% of the average market value before the project. Overall, land sizes and home sizes in these studies are similar for the sales studied before and after the projects occurred, making these studies good indicators of benefit for properties benefiting from road reconstruction with replacement of utilities.

In addition to the preceding special benefit studies, there are three sale/re-sale pairings of properties within the Hastings project areas. Although these pairings indicate a range of special benefit from no benefit to \$6,289 in special benefit, each market transaction varies according to motivations of and negotiations between individual participants. Even though each sale may represent an arm's-length transaction, there are specific circumstances that can influence sale prices, reducing the reliability of a particular pairing. Therefore, special benefit to single-family residential properties from a reconstruction project is best derived from an overall comparison of sales that occur before the project to sales that occur after the project.

Circle Pines Studies

In Circle Pines, there were four complete reconstruction projects occurring between 2008 and 2014 that included replacement of utilities. The 2008 project included lake front and lake view properties; therefore, this project is not analyzed due to non-homogeneous property characteristics. Furthermore, there were not enough sales after the 2014 project to provide for meaningful analysis. Therefore, only the 2010 and 2012 projects occurring in Circle Pines are analyzed in this consultation.

Residential sales data, excluding new construction, has been extracted for Anoka County using the Multiple Listing Service (MLS), and this data was the basis for the market conditions adjustments applied to both of the projects analyzed in Circle Pines.

SALES COMPARISON APPROACH

Detached Single-Family Residential

Circle Pines Studies - 2010 Project Area

As described, the 2010 Street and Utility Improvement Project in Circle Pines was a reconstruction project that included replacement of watermain and sanitary sewer services, along with storm sewer replacement. The project area included single-family properties on Pointcross Drive, East Road, Edge Drive, Keith Road, Keith Drive, Baldwin Drive, South Road and South Drive.

After researching this project, six residential sales were found after the project, which can be compared to eight residential sales that occurred before the project. The sales are summarized below.

Circle Pines 2010 Reconstruction Project						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	11 Edge Drive	Dec-14	0.26 AC	1,316	\$132,300	\$110,854
2	122 South Drive	Jul-14	0.29 AC	1,623	\$164,803	\$141,599
3	120 South Drive	Jul-12	0.34 AC	1,608	\$153,690	\$159,038
4	10 Pointcross Drive	Jun-12	0.26 AC	1,190	\$129,042	\$134,294
5	12 Edge Drive	Feb-12	0.25 AC	1,750	\$140,318	\$149,284
6	212 Keith Road	Nov-11	0.25 AC	1,592	\$114,913	\$120,705
After Project Averages		Jan-13	0.28 AC	1,513	\$139,178	\$135,962
Sales Before Project						
1	94 East Road	Jul-09	0.23 AC	1,408	\$158,983	\$140,096
2	315 Baldwin Drive	Apr-08	0.23 AC	1,168	\$143,000	\$103,732
3	11 Edge Drive	Aug-07	0.26 AC	1,316	\$175,900	\$119,524
4	218 Baldwin Drive	Jul-07	0.25 AC	2,054	\$240,000	\$162,480
5	108 Keith Road	Dec-06	0.22 AC	1,283	\$183,000	\$121,128
6	220 Baldwin Drive	Aug-06	0.24 AC	1,592	\$205,500	\$136,062
7	213 Keith Road	May-06	0.28 AC	1,401	\$175,000	\$115,585
8	8 Edge Drive	Jan-06	0.23 AC	1,239	\$177,600	\$117,642
Before Project Averages		May-07	0.24 AC	1,433	\$182,373	\$127,031
					After Project:	= \$135,962
					Before Project:	= \$127,031
					Indicated Benefit:	\$8,931
						7.03%

SALES COMPARISON APPROACH

Detached Single-Family Residential

Circle Pines Studies - 2010 Project Area

After the market conditions adjustment to January 2013 (average date of sale after the project), the before comparables indicate an average sale price of \$127,031. This can now be compared to the average adjusted sale price for the sales after the reconstruction project.

Project Year:	<u>2010</u>	<u>Percentage of</u>	<u>Average</u>
		<u>Market Value</u>	<u>Lot Size</u>
Sale Price After the Project:	\$135,962		0.28 Ac
Sale Price Before the Project:	<u>\$127,031</u>		0.24 Ac
Indicated Special Benefit:	\$ 8,931	7.03%	

The 2010 Street and Utility Improvement Project area study indicates a special benefit of \$8,931 per residential equivalent unit for a complete road reconstruction project fronting urban lots, which is 7.03% of the average market value before the project. The land sizes and home sizes are relatively similar for the sales studied before and after the project occurred. Furthermore, this project occurred in a neighborhood with values similar to many of the properties in the subject project area(s), and is considered a good indicator of benefit for the subject project area(s) benefiting from road reconstruction with replacement of utilities.

In addition to the preceding study, the property at 11 Edge Drive sold before the project and again after the road reconstruction project, and indicates no benefit. However, as summarized previously, the \$8,931 indication of benefit derived from an aggregate comparison of sales before and after the project is considered a more reliable indicator of benefit.

2012 Project Area

Similar to the 2010 project, the 2012 Street and Utility Improvement Project in Circle Pines was a reconstruction project that included replacement of watermain and sanitary sewer services, along with storm sewer replacement. The 2012 project area included single-family properties on Pine Drive, Circle Drive, Inner Drive and Duen Way.

SALES COMPARISON APPROACH

Detached Single-Family Residential

Circle Pines Studies - 2012 Project Area

After researching this project, 16 residential sales were found after the project, which can be compared to eight residential sales that occurred before the project. The sales are summarized below.

Circle Pines 2012 Reconstruction Project						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	47 Pine Drive	Aug-16	0.23 AC	1,430	\$173,110	\$158,551
2	58 Circle Drive	Jun-16	0.23 AC	1,645	\$189,150	\$175,058
3	32 Pine Drive	Jun-16	0.23 AC	1,368	\$159,530	\$147,645
4	36 Circle Drive	Jun-16	0.30 AC	1,390	\$171,796	\$158,997
5	40 Pine Drive	May-16	0.23 AC	1,538	\$184,950	\$172,059
6	36 Pine Drive	Mar-16	0.23 AC	1,202	\$152,900	\$143,757
7	44 Pine Drive	Sep-15	0.23 AC	1,023	\$126,900	\$123,042
8	45 Circle Drive	Aug-15	0.31 AC	1,554	\$143,075	\$139,441
9	57 Circle Drive	Apr-15	0.26 AC	1,344	\$127,398	\$126,736
10	16 Circle Drive	Mar-15	0.30 AC	1,445	\$157,213	\$157,213
11	49 Circle Drive	Dec-14	0.23 AC	1,282	\$118,975	\$120,867
12	71 Circle Drive	Jul-14	0.23 AC	1,050	\$135,450	\$141,180
13	10 Pine Drive	Jun-14	0.23 AC	1,667	\$176,805	\$185,239
14	54 Pine Drive	Jun-14	0.23 AC	1,456	\$150,800	\$157,993
15	37 Inner Drive	Dec-12	0.32 AC	1,290	\$127,660	\$155,618
16	16 Circle Drive	Oct-12	0.30 AC	1,349	\$138,713	\$171,047
After Project Averages		Mar-15	0.26 AC	1,377	\$152,152	\$152,153
Sales Before Project						
1	10 Circle Drive	Jul-11	0.23 AC	1,413	\$115,430	\$141,552
2	30 Pine Drive	Jul-11	0.23 AC	1,494	\$118,168	\$144,909
3	46 Circle Drive	Jun-10	0.23 AC	1,240	\$120,000	\$137,340
4	39 Inner Drive	May-10	0.32 AC	1,100	\$128,500	\$146,850
5	1 Inner Drive	Nov-09	0.23 AC	1,180	\$130,853	\$145,692
6	6 Pine Drive	Oct-09	0.23 AC	1,658	\$133,500	\$147,130
7	36 Pine Drive	Sep-09	0.23 AC	1,202	\$134,250	\$146,426
8	59 Circle Drive	Sep-08	0.26 AC	1,298	\$138,650	\$131,191
Before Project Averages		Mar-10	0.25 AC	1,323	\$127,419	\$142,636
After Project:					= \$152,153	
Before Project:					= \$142,636	
Indicated Benefit:					\$9,517	
					6.67%	

SALES COMPARISON APPROACH

Detached Single-Family Residential

Circle Pines Studies - 2012 Project Area

After the market conditions adjustment to March 2015 (average date of sale after the project), the before comparables indicate an average sale price of \$142,636. This can now be compared to the average adjusted sale price for the sales after the reconstruction project.

Project Year:	2012	Percentage of <u>Market Value</u>	Average <u>Lot Size</u>
Sale Price After the Project:	\$152,153		0.26 Ac
Sale Price Before the Project:	\$142,636		0.25 Ac
Indicated Special Benefit:	\$ 9,517	6.67%	

The 2012 Street and Utility Improvement Project area study indicates a special benefit of \$9,517 per residential equivalent unit for a complete road reconstruction project fronting urban lots, which is 6.67% of the average market value before the project. The land sizes and home sizes are relatively similar for the sales studied before and after the project occurred, and the property values are relatively similar to the affected properties in the subject project. Therefore, this project is considered a good indicator of benefit for properties benefiting from road reconstruction with replacement of utilities.

In addition to the preceding special benefit studies, there is one sale/re-sale pairing of a property within the Circle Pines 2012 project area. This pairing does not indicate any special benefit as result of the project. However, as described previously, each market transaction varies according to motivations of and negotiations between individual participants. Even though each sale may represent an arm's-length transaction, there are specific circumstances that can influence sale prices, reducing the reliability of a particular pairing. Therefore, special benefit to single-family residential properties from a reconstruction project is best derived from an overall comparison of sales that occur before the project to sales that occur after the project.

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Prague

New Prague completed several reconstruction projects between 2010 and 2015. Each project year included a variety of work, depending on the area. Overall, the project areas were relatively small and limited sales data was obtained. However, there was enough arm's-length, homogenous sales to analyze project areas in 2012, 2013 and 2014 that were reconstruction projects with replacement of both watermain and sanitary sewer.

2012/2013 Project Area

Considering there was project overlap between the 2012 and 2013 project areas, these two projects are analyzed together. The reconstruction areas receiving replacement of sanitary sewer and watermain included single-family properties along 2nd Street Northwest/2nd Street Northeast, from 3rd Avenue Northwest to 1st Avenue Northeast; 1st Avenue Northwest, from 3rd Street Northwest to Main Street; Central Avenue North, from Main Street to 1st Street; 1st Avenue Northeast, from Main Street to Second Street Northeast; and 1st Street Northwest, from 1st Avenue Northwest to First Avenue Northeast.

After researching the 2012 and 2013 project areas, nine residential sales were found after the project, which can be compared to two residential sales that occurred before the project. The sales are summarized on the following page.

Residential sales data, excluding new construction, has been extracted for New Prague, Montgomery, Le Sueur, Belle Plaine and Jordan using the Multiple Listing Service (MLS), and this data was the basis for the market conditions adjustments applied to the projects analyzed in New Prague.

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Prague 2012 & 2013 Projects						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	111 1st Avenue NE	Aug-16	0.14 AC	1,563	\$145,403	\$133,858
2	210 1st Avenue NE	Aug-16	0.28 AC	1,702	\$174,002	\$160,186
3	314 Central Avenue N	May-15	0.18 AC	1,681	\$163,630	\$161,814
4	312 Central Avenue N	Mar-15	0.25 AC	1,468	\$154,301	\$154,301
5	313 Central Avenue N	Jan-15	0.26 AC	1,690	\$159,500	\$161,286
6	107 2nd Street NW	Oct-14	0.27 AC	1,866	\$173,000	\$176,529
7	201 2nd Street NW	Sep-14	0.22 AC	2,011	\$144,530	\$147,926
8	106 2nd Street NE	Sep-14	0.24 AC	1,772	\$147,609	\$151,078
9	313 2nd Street NW	Jan-14	0.22 AC	1,135	\$151,193	\$158,465
After Project Averages		Mar-15	0.23 AC	1,654	\$157,019	\$156,160
Sales Before Project						
1	210 1st Avenue NE	Aug-09	0.27 AC	1,270	\$125,000	\$136,800
2	107 2nd Street NE	Aug-08	0.29 AC	2,258	\$170,000	\$158,525
Before Project Averages		Jan-09	0.28 AC	1,764	\$147,500	\$147,663
					After Project:	= \$156,160
					Before Project:	= \$147,663
					Indicated Benefit:	\$8,497
						5.75%

After the market conditions adjustment to March 2015 (average date of sale after the projects), the before comparables indicate an average sale price of \$147,663. This can now be compared to the average adjusted sale price for the sales after the reconstruction project.

Project Year:	<u>2012/2013</u>	Percentage of	Average
Sale Price After the Project:	\$156,160	<u>Market Value</u>	<u>Lot Size</u>
Sale Price Before the Project:	<u>\$147,663</u>		0.23 Ac
Indicated Special Benefit:	\$ 8,497	5.75%	0.28 Ac

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Prague - 2012/2013 Project Area

The 2012/2013 Project area study indicates a special benefit of \$8,497 per residential equivalent unit for a complete road reconstruction project with replacement of utilities fronting urban lots, which is 5.75% of the average market value before the project. The home sizes are relatively similar for the sales studied before and after the project occurred; although the average land size after the project is slightly smaller than the average land size before the project, the land sizes are within an acceptable range for comparison. All things considered, the project area and scope are similar to that of the subject project area(s), and this study is given consideration in the final analysis.

In addition to the preceding study, the property at 210 1st Avenue Northeast sold before the project and again after the road reconstruction project, and indicates a benefit of \$23,386. However, as summarized previously, the \$8,497 indication of benefit derived from an aggregate comparison of sales before and after the project is considered a more reliable indicator of benefit.

2014 Project Area

Similar to the 2012/2013 projects, the 2014 project in New Prague was a reconstruction project that included replacement of watermain and sanitary sewer services. The project area included single-family properties on 3rd Street Northwest, from 3rd Avenue Northwest to 2nd Avenue Northwest; 3rd Street Northwest/3rd Street Northeast, from 1st Avenue Northwest to Church Avenue North; 1st Avenue Northeast, between 2nd Street Northeast and 4th Street Northeast; and Church Avenue North, between 3rd Street Northeast and 4th Street Northeast.

After researching the 2014 project area, five residential sales were found after the project, which can be compared to six residential sales that occurred before the project. The sales are summarized on the following page.

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Prague - 2014 Project Area

New Prague 2014 Project						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	405 1st Avenue NE	Aug-16	0.19 AC	1,350	\$140,436	\$133,555
2	405 Church Avenue N	Aug-15	0.13 AC	1,185	\$168,585	\$169,529
3	203 3rd Street NE	Jul-15	0.25 AC	1,803	\$135,157	\$136,671
4	107 3rd Street NE	Jun-15	0.28 AC	1,478	\$169,406	\$172,252
5	314 Central Avenue N	May-15	0.18 AC	1,681	\$163,630	\$167,295
After Project Averages		Sep-15	0.21 AC	1,499	\$155,443	\$155,860
Sales Before Project						
1	303 3rd Street NE	Jul-12	0.14 AC	1,202	\$118,400	\$148,722
2	205 3rd Street NE	Jan-12	0.23 AC	1,546	\$94,575	\$122,560
3	308 1st Avenue NE	Aug-11	0.29 AC	1,235	\$85,448	\$108,852
4	405 1st Avenue NE	Jul-11	0.21 AC	1,206	\$110,975	\$140,883
5	404 1st Avenue NW	Jun-10	0.18 AC	1,179	\$147,440	\$179,523
6	107 3rd Sreet NE	May-10	0.28 AC	1,478	\$137,263	\$166,610
Before Project Averages		May-11	0.22 AC	1,308	\$115,684	\$144,525
					After Project:	= \$155,860
					Before Project:	= \$144,525
					Indicated Benefit:	\$11,335 7.84%

After the market conditions adjustment to September 2015 (average date of sale after the project), the before comparables indicate an average sale price of \$144,525. This can now be compared to the average adjusted sale price for the sales after the reconstruction project.

Project Year:	<u>2014</u>	Percentage of	Average
Sale Price After the Project:	\$155,860	<u>Market Value</u>	<u>Lot Size</u>
Sale Price Before the Project:	<u>\$144,525</u>		0.21 Ac
Indicated Special Benefit:	\$ 11,335	7.84%	0.22 Ac

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Prague - 2014 Project Area

The 2014 New Prague Project area study indicates a special benefit of \$11,335 per residential equivalent unit for a complete road reconstruction project including replacement of utilities fronting urban lots, which is 7.84% of the average market value before the project. The land sizes and home sizes are relatively similar for the sales studied before and after the project occurred, and the scope of this project is similar to that of the subject project area(s) benefiting from road reconstruction with replacement of utilities.

In addition to the preceding study, there are two properties that sold before the project and again after the road reconstruction project, and indicate a benefit ranging from no benefit to \$5,642 in special benefit. However, as summarized previously, the \$11,335 indication of benefit derived from an aggregate comparison of sales before and after the project is considered a more reliable indicator of benefit.

New Ulm Studies

The City of New Ulm completes several projects of varying scope each year. The appraisers received information for project years 2011 through 2015, and all of the project areas included older single-family improvements. Project areas that included street reconstruction with replacement of both watermain and sanitary sewer, as well as project areas without any replacement of utilities, were studied in each respective project year. However, only the projects that included replacement of utilities are presented in this report. Furthermore, information from the 2012 study was limited and non-homogenous, and is not further analyzed.

The projects analyzed all occurred along urban sections of roadway fronting lots that range in size from 0.09 acres to 0.27 acres. In order to isolate benefit, the sale prices of properties in the project areas are trended for changes in market conditions, and are trended to the average sale price after the project.

Residential sales data, excluding new construction, has been extracted for the cities of New Ulm, Hanska, Lafayette, Courtland, Madelia, St. James, Lake Crystal, Sleepy Eye and Comfrey using the Southern Minnesota Multiple Listing Service (MLS), and this sales data

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Ulm Studies

was the basis for the market conditions adjustments applied to all of the projects analyzed in New Ulm.

The residential sales from the 2011, 2013, 2014 and 2015 project areas that included replacement of utilities are summarized and adjusted for market conditions below and on the following pages, with sale/re-sale pairings highlighted in yellow. As with all previous studies, non-arm's-length transactions and properties with outlying physical characteristics have been removed to increase the homogeneity of the data.

New Ulm Reconstruction Project - 2011						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	1403 N. Minnesota	Dec-13	0.19 AC	1,012	\$71,785	\$70,263
2	526 S. Minnesota	Dec-13	0.10 AC	2,500	\$112,700	\$110,311
3	1216 N. Minnesota	May-13	0.19 AC	1,763*	\$136,400	\$125,745
4	526 S. Jefferson	Apr-13	0.19 AC	1,198	\$122,500	\$122,206
5	116 S. Jefferson	Feb-13	0.19 AC	1,232	\$136,700	\$137,028
6	321 S. Jefferson	Sep-12	0.19 AC	1,050	\$101,753	\$102,740
7	226 S. Jefferson	Jul-12	0.19 AC	2,182	\$110,005	\$111,347
After Project Averages		Mar-13	0.18 AC	1,529	\$113,120	\$111,377
Sales Before Project						
1	300 S. Jefferson	Dec-10	0.10 AC	1,143	\$69,000	\$73,009
2	625 S. Minnesota	Aug-10	0.19 AC	1,705	\$138,395	\$148,193
3	1315 N. Minnesota	Aug-10	0.19 AC	1,086	\$89,900	\$96,265
4	500 S. Jefferson	Jul-10	0.19 AC	1,846	\$119,500	\$128,331
5	1216 N. Minnesota	Apr-10	0.19 AC	1,063	\$73,250	\$79,366
6	1414 N. Minnesota	Oct-09	0.19 AC	1,032	\$69,900	\$74,157
7	621 S. Minnesota	Sep-09	0.19 AC	1,570	\$77,500	\$81,391
8	1518 N. Minnesota	Jul-09	0.19 AC	2,774	\$119,795	\$123,245
9	217 S. Jefferson	Jun-09	0.19 AC	2,207	\$115,000	\$117,059
10	326 S. Jefferson	May-09	0.19 AC	1,604	\$86,088	\$86,708
11	317 S. Jefferson	Apr-09	0.19 AC	1,376	\$114,900	\$114,498
Before Project Averages		Dec-09	0.18 AC	1,582	\$97,566	\$102,020
After Project:					= \$111,377	
Before Project:					= \$102,020	
Indicated Benefit:					\$9,357	
					9.17%	

* Additional space finished in lower level since previous sale.

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Ulm Studies

New Ulm Reconstruction Project - 2013						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	403 N. Minnesota	0.09 AC	1,984	\$173,045	\$170,380	
2	500 S. Franklin	0.09 AC	1,075	\$86,360	\$85,065	
3	523 N. Minnesota	0.19 AC	2,284	\$162,850	\$160,570	
4	515 N. Minnesota	0.19 AC	1,806	\$128,850	\$127,098	
5	320 S. Franklin	0.19 AC	2,515	\$153,100	\$151,094	
6	19 S. Franklin	0.19 AC	1,968	\$119,900	\$118,473	
7	126 S. Franklin	0.19 AC	1,329	\$89,725	\$88,989	
8	100 S. Franklin	0.22 AC	2,029	\$219,900	\$218,317	
9	507 N. Minnesota	0.19 AC	1,224	\$118,300	\$117,555	
10	522 S. Franklin	0.19 AC	1,520	\$121,773	\$121,517	
11	108 S. Franklin	0.19 AC	1,120	\$100,700	\$100,599	
12	101 S. Franklin	0.19 AC	2,122	\$169,700	\$170,905	
13	305 S. Franklin	0.19 AC	1,520	\$116,700	\$119,664	
14	109 S. Franklin	0.19 AC	1,528	\$107,050	\$109,769	
15	514 S. Franklin	0.19 AC	1,718	\$80,000	\$83,008	
16	825 Center	0.19 AC	1,220	\$134,700	\$140,586	
17	100 S. Franklin	0.22 AC	2,029	\$204,200	\$213,124	
18	121 S. Franklin	0.27 AC	3,005	\$214,000	\$224,657	
19	317 S. Franklin	0.19 AC	1,797	\$138,800	\$150,584	
20	105 S. Franklin	0.19 AC	942	\$63,500	\$69,564	
21	419 S. Franklin	0.19 AC	1,904	\$117,000	\$128,174	
22	427 N. Minnesota	0.09 AC	1,778	\$111,100	\$123,699	
After Project Averages		Feb-16	0.18 AC	1,746	\$133,239	\$136,063
Sales Before Project						
1	105 S. Franklin	0.19 AC	942	\$53,000	\$61,279	
2	507 N. Minnesota	0.19 AC	1,224	\$96,900	\$112,317	
3	100 S. Franklin	0.22 AC	2,029	\$185,000	\$214,434	
4	508 N. Minnesota	0.19 AC	1,612	\$104,900	\$122,030	
5	523 N. Minnesota	0.19 AC	2,284	\$145,403	\$172,971	
6	120 S. Franklin	0.19 AC	1,415	\$99,000	\$121,602	
7	903 Center	0.14 AC	1,209	\$80,000	\$99,432	
8	903 Center	0.14 AC	1,209	\$55,000	\$68,756	
9	519 N. Minnesota	0.19 AC	2,356	\$136,200	\$156,902	
10	820 S. 5th Street	0.19 AC	2,767	\$123,500	\$137,727	
Before Project Averages		Jan-11	0.18 AC	1,705	\$107,890	\$126,745
				After Project:	= \$136,063	
				Before Project:	= \$126,745	
				Indicated Benefit:	\$9,318	
					7.35%	

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Ulm Studies

New Ulm Reconstruction Project - 2014						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	612 S. Franklin	Jul-18	0.19 AC	1,840	\$123,977	\$120,766
2	615 S. Franklin	Jan-18	0.19 AC	1,025*	\$70,810	\$121,607
3	915 S. Franklin	Jun-17	0.19 AC	1,886	\$171,100	\$170,347
4	707 S. Franklin	Mar-16	0.19 AC	1,204	\$115,727	\$116,688
5	826 S. Franklin	Oct-15	0.27 AC	1,040	\$125,900	\$131,087
6	618 S. Franklin	Apr-15	0.19 AC	1,008	\$76,607	\$81,655
After Project Averages		Nov-16	0.20 AC	1,396	\$114,020	\$123,692
Sales Before Project						
1	605 S. Franklin	Nov-11	0.19 AC	835	\$69,000	\$81,689
2	827 S. Franklin	Nov-11	0.19 AC	1,212	\$96,711	\$114,496
3	927 S. Franklin	Feb-11	0.19 AC	1,485	\$100,908	\$122,553
4	610 12th Street N.	Aug-10	0.09 AC	N/A	\$105,387	\$130,279
5	700 S. Franklin	May-10	0.09 AC	1,038	\$94,000	\$117,237
6	708 S. Franklin	May-10	0.19 AC	848	\$89,900	\$112,123
7	707 S. Franklin	Apr-10	0.19 AC	1,204	\$116,000	\$145,104
8	615 S. Franklin	Apr-10	0.19 AC	825	\$80,500	\$100,697
Before Project Averages		Oct-10	0.17 AC	1,064	\$94,051	\$115,522
					After Project:	= \$123,692
					Before Project:	= \$115,522
					Indicated Benefit:	\$8,170 7.07%

* Additional space finished in lower level since previous sale.

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Ulm Studies

New Ulm Reconstruction Project - 2015						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	414 N. Front	Oct-17	0.17 AC	1,174	\$87,695	\$87,064
2	1101 N. Payne	Dec-16	0.19 AC	2,860	\$139,770	\$139,476
3	1118 N. Payne	Apr-16	0.19 AC	1,213	\$106,700	\$107,372
4	1121 N. Payne	Apr-16	0.19 AC	2,818	\$150,253	\$151,200
After Project Averages		Oct-16	0.19 AC	2,016	\$121,105	\$121,278
Sales Before Project						
1	318 N. Front	Sep-14	0.11 AC	1,184	\$62,500	\$68,600
2	1109 N. Payne	Sep-14	0.19 AC	1,828	\$137,000	\$150,371
3	1118 N. Payne	May-14	0.19 AC	1,213	\$99,640	\$110,800
4	1100 N. Payne	Jan-13	0.19 AC	1,664	\$130,000	\$150,644
5	501-509 N. Front	Sep-12	0.19 AC	1,008	\$70,000	\$81,515
6	1118 N. Payne	Jun-11	0.19 AC	1,213	\$101,000	\$121,160
Before Project Averages		Jun-13	0.18 AC	1,352	\$100,023	\$113,848
					After Project:	= \$121,278
					Before Project:	= \$113,848
					Indicated Benefit:	\$7,430 6.53%

After the market conditions adjustment, the average before sale prices are compared to the average sale prices that occurred after each reconstruction project. The comparable projects are summarized on the following page.

The data indicates a range of benefit from \$7,430 to \$9,357 per residential equivalent unit, with an average indicated benefit of \$8,569. These projects also indicate that special benefit ranges from 6.53% to 9.17% of the average market value before the project.

SALES COMPARISON APPROACH

Detached Single-Family Residential

New Ulm

SUMMARY OF NEW ULM PROJECTS			
Project Year:	<u>2011</u>		Percentage of <u>Market Value</u>
Average Sale Price After the Project	\$111,377		
Average Sale Price Before the Project	<u>\$102,020</u>		
Indicated Special Benefit	\$9,357	9.17%	
Project Year:	<u>2013</u>		
Average Sale Price After the Project	\$136,063		
Average Sale Price Before the Project	<u>\$126,745</u>		
Indicated Special Benefit	\$9,318	7.35%	
Project Year:	<u>2014</u>		
Average Sale Price After the Project	\$123,692		
Average Sale Price Before the Project	<u>\$115,522</u>		
Indicated Special Benefit	\$8,170	7.07%	
Project Year:	<u>2015</u>		
Average Sale Price After the Project	\$121,278		
Average Sale Price Before the Project	<u>\$113,848</u>		
Indicated Special Benefit	\$7,430	6.53%	
Average Benefit	\$8,569		

In addition to the preceding special benefit studies, there are numerous sale/re-sale pairings of properties within the New Ulm project areas. Excluding the pairings that finished additional space between the two sales, these pairings indicate a range in benefit from no benefit to \$8,285 in special benefit. However, as described previously, each market transaction varies according to motivations of and negotiations between individual participants. Therefore, special benefit to single-family residential properties from a reconstruction project is best derived from an overall comparison of sales that occur before the project to sales that occur after the project.

SALES COMPARISON APPROACH

Detached Single-Family Residential

Eagle Lake Study

Eagle Lake completed a reconstruction project in 2010 that had enough market data to provide for meaningful analysis. This project included replacement of utilities along the following sections of roadway: Parkway Avenue, between 2nd Street and Plainview Street; 2nd Street, between Parkway Avenue and Le Ray Avenue; and 3rd Street, between Parkway Avenue and Le Ray Avenue.

Residential sales data, excluding new construction, has been extracted for Eagle Lake and the surrounding communities of Cleveland, Kasota, Lake Crystal, Madison Lake, Mankato, Nicollet, North Mankato, Skyline and St. Peter. This data was obtained through the Realtor Association of Southern Minnesota and the Northstar Multiple Listing Service, and this data was the basis for the market conditions adjustments applied to the 2010 study in Eagle Lake.

After researching this project, one residential sale was found after the project, which can be compared to six residential sales that occurred before the project. The sales are summarized below.

2010 - 2nd & 3rd Street and Parkway Avenue Improvements Full Street Reconstruction with Sewer & Water Repl.						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	112 North 3rd Street	Dec-13	0.23 AC	1,528	\$115,000	\$115,000
After Project Averages		Dec-13	0.23 AC	1,528	\$115,000	\$115,000
Sales Before Project						
1	133 North 2nd Street	Nov-09	0.30 AC	1,635	\$74,200	\$80,908
2	113 North 2nd Street	Oct-09	0.32 AC	748	\$66,317	\$70,801
3	109 North 3rd Street	Aug-09	0.16 AC	899	\$105,500	\$107,822
4	109 North 2nd Street	Jun-09	0.16 AC	1,357	\$139,000	\$135,722
5	124 North 2nd Street	Aug-08	0.16 AC	1,600	\$142,590	\$118,496
6	117 North 3rd Street	Feb-08	0.32 AC	1,704	\$164,900	\$130,822
Before Project Averages		Apr-09	0.24 AC	1,324	\$115,418	\$107,429
					After Project:	= \$115,000
					Before Project:	= \$107,429
					Indicated Benefit:	\$7,571 7.05%

SALES COMPARISON APPROACH

Detached Single-Family Residential

Eagle Lake Study

After the market conditions adjustment to December 2013 (date of sale after the project), the before comparables indicate an average sale price of \$107,429. This can now be compared to the sale price for the sale after the reconstruction project.

	<u>2010</u>	<u>Percentage of</u>	<u>Average</u>
		<u>Market Value</u>	<u>Lot Size</u>
Project Year:			
Sale Price After the Project:	\$115,000		0.23 Ac
Sale Price Before the Project:	<u>\$107,429</u>		0.24 Ac
Indicated Special Benefit:	\$ 7,571	7.05%	

The 2010 street and utility improvement project in Eagle Lake indicates a special benefit of \$7,571 per residential equivalent unit for a complete road reconstruction project fronting urban lots, which is 7.05% of the average market value before the project. The land sizes and home sizes are relatively similar for the sales studied before and after the project occurred. However, values of the properties in the 2010 project area fall slightly below values in the subject project area and, therefore, this indication of benefit may slightly understate special benefit in the subject project area. Furthermore, there was only one market transaction that occurred after the project, which reduces reliability of the study. Even so, this indication of special benefit falls within the range of the other comparable reconstruction projects analyzed in this consultation.

Summation

As summarized on the following page, the single-family projects analyzed in this consultation that included replacement of both watermain and sanitary sewer range in indications of special benefit from \$7,430 to \$11,941 per residential equivalent unit, with an average indication of \$9,153. The indications of benefit range from 3.96% to 9.17% of the average market value before the reconstruction project.

SALES COMPARISON APPROACH**Detached Single-Family Residential****Summation**

	<u>Average Market Value Before Project</u>	<u>Indications of Special Benefit</u>	<u>Percentage of Market Value</u>
Hastings Projects			
2007	\$162,039	\$ 9,771	6.03%
2011 – Area 3&4	\$158,960	\$ 8,991	5.66%
2012	\$172,437	\$11,941	6.92%
2014	\$183,887	\$ 8,689	4.73%
2016	\$194,567	\$ 7,698	3.96%
2017-2018	\$200,917	\$10,073	5.01%
Circle Pines Projects			
2010	\$127,031	\$ 8,931	7.03%
2012	\$142,636	\$ 9,517	6.67%
New Prague Projects			
2012-2013	\$147,663	\$ 8,497	5.75%
2014	\$144,525	\$11,335	7.84%
New Ulm Projects			
2011	\$102,020	\$ 9,357	9.17%
2013	\$126,745	\$ 9,318	7.35%
2014	\$115,522	\$ 8,170	7.07%
2015	\$113,848	\$ 7,430	6.53%
Eagle Lake Project			
2010	\$107,429	\$ 7,571	7.05%

When summarizing the comparable projects analyzed in this consultation that included replacement of utilities, it is noted that the 2015 New Ulm Study is considered less reliable based on the discrepancy in average home sizes before and after the project. The remainder of the studies are considered to be reliable indicators of benefit for properties benefiting from road reconstruction with replacement of watermain and sanitary sewer. It is noted that the Eagle Lake 2010 project is considered to be a less reliable indicator due to limited sales activity after the project occurred. Even so, some weight will be given to this indicator due to it being in the same city as the subject project.

SALES COMPARISON APPROACH

Detached Single-Family Residential

Summation

While the majority of the projects studied included areas with homes of relatively lower values, the average assessed value of the single-family homes in the subject project area is in line with the average (\$146,682) and median (\$144,525) values of the comparable studies, with the subject's average assessed market value at \$150,230 and the subject's median assessed market value at \$150,700. In this case, it is also relevant to mention that the assessed values of homes in the subject project area vary greatly, from \$72,900 to \$301,300.

The Circle Pines, New Prague and New Ulm studies have average sale prices most similar to the average assessed value in the subject project area benefiting from road reconstruction with replacement of utilities. In addition, of the areas studied, Eagle Lake, New Ulm and New Prague are most proximate to the subject project area.

Considering the above, and the wide range of property values in the subject project area, the indicated special benefit to the single-family properties in the subject project area should fall at the low end of the range indicated by the studies. Conversely, based on numerous studies analyzed by this firm, there is an inverse relationship between value and percentage of indicated benefit. Therefore, special benefit, when expressed as a percentage of market value, should fall at the upper end of the range indicated by the comparable studies. It is also noted that the lowest indicated percentage of special benefit (3.96%) is also in a project area with the second highest average market value before the project (\$194,567), and the lowest market value before the project (\$102,020) has the highest indicated percentage of special benefit (9.17%). Therefore, the data is supportive of this inverse relationship.

Given the condition of the subject street improvements before the proposed project, and considering the range of assessed values of homes in the subject project area, we conclude to a range of special benefit of \$7,500 to \$8,000 per residential equivalent unit for the subject residential properties.

SALES COMPARISON APPROACH

Detached Single-Family Residential

Summation

This equates to 4.99% to 5.33% of the average assessed market value of the subject properties (\$150,230). This appears reasonable, and considers that values in the proposed project area are in the low to middle end of the range of property values from the comparable reconstruction projects, and our conclusion is also at the low end of the range of indicated benefit, when expressed as a dollar amount.

As part of this consultation, we have also examined whether or not there are any properties located within the proposed project area benefiting from road reconstruction with replacement of utilities that would potentially realize a significantly higher or lower level of benefit than the range indicated by the comparable reconstruction projects. Following is additional discussion regarding: detached single-family residential properties that have sufficient land area and street frontage to allow for subdivision; adjacent residential parcels with common ownership; agricultural properties with subdivision potential; multi-family residential properties; industrial properties; commercial properties; and the City-owned parcels.

Detached Single-Family Residential Properties Large Enough for Subdivision

As mentioned in the Zoning section of this report, the minimum lot size requirement in the subject project area's is 9,000 SF, with a minimum lot width of 70 feet. It is noted that lots existing prior to adoption of the zoning ordinance are considered buildable with a minimum size of 7,000 SF and a minimum width of 50 LF. There are numerous residential properties within the subject project area that exceed these minimum requirements by more than double, meaning there is potential for subdivision. The following improved residential properties have enough area and frontage to be subdivided into two or more residential tracts:

- 404 S. Agency Street (PIDs 12.10.18.180.022; 12.10.18.180.017)
- 524 S. Agency Street (PID 12.10.18.332.010)
- 421 S. Agency Street (PIDs 12.10.18.181.007; 12.10.18.251.002)

SALES COMPARISON APPROACH

Detached Single-Family Residential Properties Large Enough for Subdivision

404 S. Agency Street (PID 12.10.18.180.022; 12.10.18.180.017)

The property located at 404 S. Agency Street is 1.06 acres, and has frontage along multiple roadways. Due to the tract being L-shaped, there is approximately 14,000 SF of excess land in the northeast portion of the tract that fronts Agency Street. Although the highest and best use of this property is for division to create an additional lot, the second lot would gain access from Linda Drive, and would be assessed when that roadway is reconstructed. Therefore, the property known as 404 S. Agency Street, which consists of PIDs 12.10.18.180.022 and 12.10.18.180.017, should only be assessed at one REU at this time.

524 S. Agency Street (PID 12.10.18.332.010)

The property located at 524 S. Agency Street (PID 12.10.18.332.010) has approximately 210 LF of frontage along Agency Street, and totals \pm 1.61 acres, or 70,132 SF. Although this tax parcel is currently improved, the improvements are located in the northerly portion of the property, and there is approximately 21,000 SF of excess land in the southerly portion of the property. Excess land can potentially be split off into an additional lot, but not without incurring costs.

Whenever a property is subdivided, associated costs must be considered, even if just by an administrative lot split. Considering just one additional lot, survey fees and utility fees are estimated at approximately 5% to 10%. Other costs, including sales expenses and legal fees, must also be considered, and are estimated at or near 30%. Considering the market in Eagle Lake, a somewhat longer marketing time would also be likely. Therefore, applying a 50% discount to the special benefit of a developed single-family residential unit is appropriate, and benefit to the potential additional lot should be estimated at approximately 50% of special benefit to an existing single-family residential property.

Therefore, potential special benefit to PID 12.10.18.332.010 is estimated to range from **\$11,250** ($\$7,500 + (\$7,500 \times 50\%)$) to **\$12,000** ($\$8,000 + (\$8,000 \times 50\%)$).

SALES COMPARISON APPROACH

Detached Single-Family Residential Properties Large Enough for Subdivision

421 S. Agency Street (PID 12.10.18.181.007; 12.10.18.251.002)

Parcel ID 12.10.18.181.007 is improved with a home (421 S. Agency Street) and the westerly 1.00 acre of PID 12.10.18.251.002 is improved with the garage and ancillary building(s). Parcel 12.10.18.181.007 and the westerly 1.00 acre of PID 12.10.18.251.002 should be assessed together as one REU, given that this westerly 1.00 acre functions as part of the single-family unit.

The remaining easterly 5.00 acres of PID 12.10.18.251.002 is considered surplus land. Although this land does not have direct access to Agency Street, is zoned A-1, and is currently being used for agricultural purposes, a developer would likely assemble this land with adjoining properties for future urban development.

When determining an appropriate level of special benefit for land with development potential, the applicable number of residential equivalent units must be estimated. Considering surrounding land use and recent development, if assembled, the easterly 5.00 acres of PID 12.10.18.251.002 would likely develop at a density of ± 2.0 units per acre.

A development typically loses approximately one-third of the development land to roadways and open space, while a portion may be used for ponding. Therefore, approximately 60% of a property may be single-family lots, assuming the property is developed with a residential use. Minimum lot size is 9,000 SF in the R-1, Single-Family Residential District; however, the average lot size of the recent development south of the subject indicates that a more typical lot size is approximately 12,500 SF. Dividing the developable acreage by the typical lot size (based on recent development) results in the following number of potential lots, assuming the surplus land was independently developable.

Property	PIDs	Land Size	Land Available for SF Lots (at 60%)	Number of Potential Lots
421 S. Agency Street (East Portion of PID 12.10.18.251.002)	12.10.18.251.002	5.00 (AC)	3.00 (AC) ÷ 12,500 SF =	10 Lots

SALES COMPARISON APPROACH

Detached Single-Family Residential Properties Large Enough for Subdivision

421 S. Agency Street (PID 12.10.18.181.007; 12.10.18.251.002)

In addition to recognizing that a portion of developable area will likely be used for roadways and open space, this analysis also recognizes that there are costs associated with subdividing a property, which are generally approximately two-thirds +/- of raw land costs, assuming a property is independently developable. However, in the case of the easterly 5.00 acres of PID 12.10.18.251.002, assemblage with adjoining lands needs to occur in order to facilitate development.

Therefore, applying a significant discount per residential equivalent unit to the special benefit of a developed single-family residential unit is appropriate, and benefit per unit should be estimated at approximately 15% of special benefit to an existing single-family residential equivalent unit. As such, special benefit for the easterly 5.00 acres of tax parcel 12.10.18.251.002 is summarized as follows:

Property	PIDs	Number of Potential Lots	Indicated Range of Special Benefit at 15% of Typical Benefit per REU		
421 S. Agency Street (East Portion of PID 12.10.18.251.002)	12.10.18.251.002	10 Lots	\$11,761 \$11,500 (Rounded)	to	\$12,545 \$12,500 (Rounded)

In summary, special benefit to 421 S. Agency Street, which is comprised of two tax parcels, is estimated to be **\$19,000** (\$7,500 + \$11,500) to **\$20,500** (\$8,000 + \$12,500).

Common Ownership Tax Parcels

When tax parcels are under common ownership, sometimes they function as one integral residential property. The properties summarized in the following grid are tax parcels that are under common ownership, but are not independently developable due to size, location and/or access. Therefore, each of the combined parcels function as one REU, and should be assessed as such.

SALES COMPARISON APPROACH

Common Ownership Tax Parcels

Property Owner	Tax Parcel	Land Size (SF)	Number of REU's	Estimated Special Benefit
Nathaniel D. Netzke	12.10.18.128.012	7,140 SF	1 REU	\$7,500 to \$8,000
	12.10.18.128.013	9,600 SF		
		<u>16,740 SF</u>		
John Hansen	12.10.18.181.006	4,800 SF	1 REU	\$7,500 to \$8,000
	12.10.18.181.005	3,700 SF		
		<u>8,500 SF</u>		
Jamie G. & Amy S. Johnson	12.10.18.180.011	11,250 SF	1 REU	\$7,500 to \$8,000
	12.10.18.180.023	1,250 SF		
		<u>12,500 SF</u>		
Monica K. Hintze	12.10.18.127.020	8,050 SF	1 REU	\$7,500 to \$8,000
	12.10.18.127.019	18,792 SF		
	12.10.18.127.017	4,485 SF		
		<u>31,327 SF</u>		

Conversely, sometimes adjacent parcels are under common ownership, but function as independent units. The following adjacent sites are common ownership parcels, but each tax parcel has a highest and best use as one residential unit, and this analysis recognizes that the market would recognize special benefit to each developable parcel.

Property Owner	Tax Parcel	Land Size (SF)	Number of REU's	Estimated Special Benefit
Roger L. & Ruth Bechel	12.10.18.180.024	9,400 SF	1 REU	\$7,500 to \$8,000
	12.10.18.180.025	25,800 SF	1 REU	\$7,500 to \$8,000
			Total	\$15,000 to \$16,000
Robert J. & Audrey J. Winkler	12.10.18.181.010	21,720 SF	1 REU	\$7,500 to \$8,000
	12.10.18.181.009	24,585 SF	1 REU	\$7,500 to \$8,000
	12.10.18.181.008	16,750 SF	1 REU	\$7,500 to \$8,000
			Total	\$22,500 to \$24,000
Chris A. Evenson	12.10.18.128.010	7,000 SF	1 REU	\$7,500 to \$8,000
	12.10.18.128.009	7,000 SF	1 REU	\$7,500 to \$8,000
			Total	\$15,000 to \$16,000

SALES COMPARISON APPROACH

Common Ownership Tax Parcels

It is also noted that if any of the parcels in the subject project area are determined to be undevelopable, the special benefit estimate should be adjusted accordingly.

Residential Properties with H/B Use not to Subdivide

There are several properties situated on lots large enough, and with enough frontage, for subdivision, but the improvement is situated toward the central portion of the parcel and contributes significantly to value, precluding division of the tract. There are also parcels listed below that are located in the southeast portion of the neighborhood, where a single lot split is unlikely due to the slightly larger lot sizes in this particular area, and due to the potential for urban residential development.

These tracts are listed below.

- 304 S. Agency Street (PID 12.10.18.180.003)
- 500 S. Agency Street (PID 12.10.18.328.014)
- 515 Thomas Drive (PID 12.10.18.332.014)
- 513 S. Agency Street (PID 12.10.18.400.012)
- 425 S. Agency Street (PID 12.10.18.400.010)
- 107 Parkway Avenue (PID 12.10.18.178.001)
- 317 S. Agency Street (PID 12.10.18.181.010)
- 205 S. Agency Street (PID 12.10.18.178.005)

Agricultural Acreage with Potential for Residential Subdivision

Tax Parcel 12.10.18.400.013

Parcel ID 12.10.18.400.013 is a 38.7-acre tract of vacant land adjacent to 513 S. Agency Street. This parcel is also under common ownership with the 40-acre parcel that is adjacent to the east. However, the 40-acre parcel to the east is located in LeRay Township, and is not considered in this analysis. Special benefit to 513 S. Agency Street, which is one residential unit, has previously been estimated at \$7,500 to \$8,000.

SALES COMPARISON APPROACH

Agricultural Acreage with Potential for Residential Subdivision

Tax Parcel 12.10.18.400.013

Conversely, PID 12.10.18.400.013 has potential for residential development. When determining an appropriate level of special benefit for land with development potential, the applicable number of residential equivalent units must be estimated.

As previously discussed, the likely density for residential development in this area of Eagle Lake is approximately 2.0 units per acre. In addition, as discussed in the Residential Market section of this consultation report, an absorption rate of six to seven lots per year can be anticipated, based on historical absorption.

A development typically loses approximately one-third of the development land to roadways and open space, while a portion may be used for ponding. Therefore, approximately 60% of a property may be single-family lots, assuming the property is developed with a residential use. Minimum lot size is 9,000 SF in the R-1, Single-Family Residential District; however, the average lot size of the recent development south of the subject indicates that a more typical lot size is approximately 12,500 SF. Dividing the developable acreage by the typical lot size (based on recent development) results in the following number of potential lots.

Property	PIDs	Land Size	Land Available for SF Lots (at 60%)	Number of Potential Lots
Donald P. Foley Revocable Trust Property	12.10.18.400.013	38.70 (AC)	23.22 (AC) ÷ 12,500 SF	= 81 Lots

However, while an absorption period occurs with every new development, Eagle Lake is a smaller, outlying community, and its historical rate of absorption indicates an absorption period of 10 to 15 years. Averaging present value factors at a 15% discount rate for years 1 through 15 suggests an additional discount of ± 50% is appropriate. Applying the 50% discount can also be viewed as a discount that recognizes about half of the subject (19.35 acres) in Eagle Lake would likely be developed before any additional raw land is improved.

Therefore, the following grid analyzes the subject’s benefiting land size at 19.35 acres.

SALES COMPARISON APPROACH

Agricultural Acreage with Potential for Residential Subdivision

Tax Parcel 12.10.18.400.013

Property	PIDs	Land Size	Land Available for SF Lots (at 60%)		Number of Potential Lots
			÷	=	
Donald P. Foley Revocable	12.10.18.400.013	38.70 (AC)	23.22 (AC)	÷ 12,500 SF	= 81 Lots
Trust Property	at 50%	19.35 (AC)	11.61 (AC)	÷ 12,500 SF	= 40 Lots

In addition to recognizing that a portion of developable area will likely be used for roadways and open space, this analysis also recognizes that there are costs associated with subdividing a property, which are generally approximately two-thirds +/- of raw land costs. Therefore, applying a significant discount per residential equivalent unit to the special benefit of a developed single-family residential unit is appropriate, and benefit per unit should be estimated at approximately 30% of special benefit to an existing single-family residential equivalent unit. As such, special benefit to PID 12.10.18.400.013 is summarized as follows:

Property	PIDs	Number of Potential Lots	Indicated Range of Special Benefit at 30% of Typical Benefit per REU		
			\$	to	\$
Donald P. Foley Revocable	12.10.18.400.013	40 Lots	\$91,032	to	\$97,100
Trust Property			\$91,000	to	\$97,000
			(Rounded)		(Rounded)

Multi-Family Properties

There are seven multi-family properties in the project area, ranging from duplex to a 12-unit property. When estimating special benefit on a residential equivalent unit basis, it is recognized that there is an inverse relationship between size of a residential property (number of units) and special benefit per residential equivalent unit. While overall special benefit increases with the size of a property and/or the number of residential units due to increased intensity of use, the special benefit per residential equivalent unit decreases.

SALES COMPARISON APPROACH

Multi-Family Properties

In order to determine special benefit applicable to the subject multi-family properties, we have analyzed historical reconstruction projects affecting attached residential properties in the cities of Chaska, Lakeville, Cottage Grove, Bloomington and Burnsville. Although these projects and/or project areas are not directly comparable to Eagle Lake, it is useful to examine whether or not there is reduced special benefit *per unit*, when measuring benefit to multi-family properties.

Chaska Study

The 2006 Chaska Von Herten reconstruction project included an area of multi-family properties under condominium ownership. As illustrated below, an analysis of sales that occurred both before and after the project indicates a special benefit of approximately \$4,500 per unit for these properties.

Chaska 2006 Von Herten Street Reconstruction Project (TH Properties)						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	110923 Von Herten Circle	Mar-10	0.15 AC	1,736	\$158,300	\$180,446
2	110969 Von Herten Circle	May-09	0.05 AC	2,084	\$152,000	\$159,615
3	110958 Von Herten Circle	Jul-08	0.03 AC	1,410	\$136,000	\$131,838
4	110974 Von Herten Circle	Sep-07	0.05 AC	2,184	\$170,000	\$155,193
After Project Averages		Nov-08	0.07 AC	1,854	\$154,075	\$156,773
Sales Before Project						
1	110951 Von Herten Circle	May-05	0.03 AC	1,280	\$133,000	\$121,535
2	110964 Von Herten Circle	Nov-04	0.04 AC	1,500	\$161,900	\$150,243
3	110960 Von Herten Circle	Oct-04	0.05 AC	2,064	\$170,000	\$158,678
4	110961 Von Herten Circle	Jul-04	0.04 AC	1,500	\$159,900	\$151,777
5	110945 Von Herten Circle	Oct-03	0.04 AC	1,322	\$153,900	\$152,146
6	110969 Von Herten Circle	Sep-03	0.05 AC	2,084	\$168,900	\$167,414
7	110939 Von Herten Circle	Jul-03	0.04 AC	1,473	\$162,900	\$162,297
8	110941 Von Herten Circle	Mar-03	0.03 AC	1,320	\$153,500	\$154,513
Before Project Averages		Mar-04	0.04 AC	1,568	\$158,000	\$152,325
					After Project:	= \$156,773
					Before Project:	= \$152,325
					Indicated Benefit:	\$4,448 2.92%

SALES COMPARISON APPROACH

Multi-Family Properties

Chaska Study

Although the 2006 Von Herten project also included replacement of watermain due to watermain breaks occurring in the area, this property is under condominium ownership, with properties situated on very small lots, and only a percentage ownership in surrounding land. This project also included an area of detached single-family properties, which was not included in the detached single-family analysis.

Lakeville Study

In addition to detached single-family properties, a reconstruction project in the city of Lakeville in 2011 also included attached three- and four-unit single-family properties. The 2011 project did not include replacement of utilities, and the streets in this project area were in very poor condition.

Lakeville 2011 Reconstruction Project Townhome Properties						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	8931 205th Street W.	Oct-14	0.23 AC	1,442	\$142,180	\$127,976
2	20238 Hunter Court	Jul-14	0.14 AC	1,000	\$133,659	\$122,953
3	20317 Hunter Court	Jun-14	0.13 AC	1,658	\$161,474	\$149,638
4	20312 Hunter Court	May-14	0.08 AC	1,464	\$136,237	\$127,191
5	20223 Hunter Court	Nov-13	0.11 AC	1,008	\$127,525	\$125,880
6	20293 Hunter Court	Mar-13	0.11 AC	1,368	\$131,900	\$143,956
7	20281 Hunter Court	Jan-13	0.09 AC	1,008	\$76,704	\$85,717
8	20279 Hunter Court	Sep-12	0.09 AC	1,008	\$78,000	\$89,271
After Project Averages		Oct-13	0.12 AC	1,245	\$123,460	\$121,573
Sales Before Project						
1	20204 Hunter Court	Dec-10	0.28 AC	1,022	\$94,300	\$97,336
2	20208 Hunter Court	Sep-10	0.14 AC	1,008	\$93,000	\$94,646
3	20204 Hunter Court	Apr-10	0.28 AC	1,022	\$115,000	\$114,253
4	20292 Hunter Court	Oct-07	0.15 AC	1,008	\$150,000	\$112,245
5	8911 205th Street W.	Sep-07	0.23 AC	2,066	\$182,500	\$136,036
6	20365 Iberia Avenue	Jun-07	0.33 AC	1,658	\$185,000	\$136,308
7	20295 Hunter Court	Mar-07	0.07 AC	1,208	\$151,900	\$110,629
Before Project Averages		Oct-08	0.21 AC	1,285	\$138,814	\$114,493
					After Project:	= \$121,573
					Before Project:	= \$114,493
					Indicated Benefit:	\$7,080
						6.18%

SALES COMPARISON APPROACH

Multi-Family Properties

Lakeville Study

As summarized on the previous page, an analysis of sales that occurred both before and after the project indicates a special benefit of approximately \$7,000 per unit for these properties, which is less than the indicated benefit of approximately \$8,500 per unit for detached single-family properties in the 2011 project area (the single-family properties in the 2011 Lakeville project were analyzed previously by this firm, and this analysis is retained in the appraisers' files).

Cottage Grove Study

A project was completed in Cottage Grove in 2013 that affected four-unit single-family properties. This project was an urban road reclamation project with spot curb and gutter replacement, but did not include any utility work in this portion of the project area. As illustrated below, an analysis of sales that occurred both before and after the project indicates a special benefit of approximately \$4,750 per unit for these properties.

Cottage Grove 2013 Reconstruction Project Townhome Properties						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	7538 Hinton Park Avenue S	Mar-15	0.07 AC	1,470	\$164,900	\$154,214
2	7444 Hinton Park Avenue S	Oct-14	0.06 AC	1,308	\$164,000	\$158,522
3	7564 Hinton Park Avenue S	May-14	0.07 AC	1,435	\$157,777	\$157,777
4	7556 Hinton Park Avenue S	May-14	0.07 AC	1,440	\$170,000	\$170,000
5	7558 Hinton Park Avenue S	May-14	0.06 AC	1,293	\$142,500	\$142,500
6	7438 Hinton Park Avenue S	Feb-14	0.06 AC	1,435	\$163,500	\$166,901
7	7494 Hinton Park Avenue S	Feb-14	0.06 AC	1,432	\$150,253	\$153,378
8	7462 Hinton Park Avenue S	Sep-13	0.06 AC	1,432	\$139,680	\$147,530
After Project Averages		May-14	0.06 AC	1,406	\$156,576	\$156,353
Sales Before Project						
1	7554 Hinton Park Avenue S	Aug-12	0.06 AC	1,467	\$146,000	\$166,396
2	7460 Hinton Park Avenue S	May-12	0.06 AC	1,472	\$138,350	\$159,891
3	7464 Hinton Park Avenue S	Dec-11	0.06 AC	1,440	\$131,900	\$154,125
4	7462 Hinton Park Avenue S	Jul-11	0.06 AC	1,432	\$122,000	\$137,384
5	7568 Hinton Park Avenue S	Nov-10	0.06 AC	1,432	\$130,000	\$140,062
Before Project Averages		Nov-11	0.06 AC	1,449	\$133,650	\$151,572
					After Project:	= \$156,353
					Before Project:	= \$151,572
					Indicated Benefit:	\$4,781
						3.15%

SALES COMPARISON APPROACH

Multi-Family Properties

Bloomington Study

A 2010 Bloomington reconstruction project included an area of multi-family properties under condominium ownership. As illustrated below, an analysis of sales that occurred both before and after the project indicates a special benefit of approximately \$5,500 per unit for these properties.

This project occurred along Lyndale Avenue in Bloomington, between 94th Street West and 99th Street West. The project included a full street reconstruction with replacement of concrete curb and gutter, storm sewer improvements and utility work as needed. As mentioned, the property is under condominium ownership, with only a percentage ownership in surrounding land. Considering the low sale prices in this complex, the project scope of work, and that the indicated benefit is 18.01% of the before project value, the benefit is likely overstated for each particular unit. In addition, assessed values in the subject project area are significantly higher, further reducing the reliability of the results.

Bloomington 2010 Reconstruction Project - Condo Co-op Properties						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	9401 Lyndale Avenue South #126	Jul-13	N/A	1,217	\$38,500	\$34,146
2	9401 Lyndale Avenue South #411	Nov-12	N/A	1,180	\$45,685	\$44,314
3	9401 Lyndale Avenue South #212	Nov-11	N/A	1,079	\$28,900	\$29,617
4	9401 Lyndale Avenue South #119	Sep-11	N/A	1,217	\$34,900	\$34,254
After Project Averages		Jun-12	N/A	1,173	\$36,996	\$35,583
Sales Before Project						
1	9401 Lyndale Avenue South #414	Oct-07	N/A	1,043	\$37,513	\$27,797
2	9401 Lyndale Avenue South #404	Sep-07	N/A	1,082	\$43,979	\$32,509
Before Project Averages		Sep-07	N/A	1,063	\$40,746	\$30,153
				After Project:	= \$35,583	
				Before Project:	= \$30,153	
				Indicated Benefit:	\$5,430	
					18.01%	

SALES COMPARISON APPROACH

Multi-Family Properties

Burnsville Studies

There was a sufficient number of studies in the city of Burnsville from past projects to provide for meaningful analysis. The projects affecting attached single-family properties occurring in 2015 were in the following areas:

- 15-103B Parkwood Drive (Heather Hills Townhomes)
- 15-103B Parkwood Drive (Parkwood Square Townhomes)
- 15-103A Court Place

Each of these projects was a reclamation project and may, therefore, understate special benefit to properties in the subject project areas due to differences in scope of work.

In order to isolate special benefit, the sale prices of properties in each project area are trended for changes in market conditions, and are trended to the average sale price after the project was completed.

The residential sales from all three Burnsville projects/sub-projects analyzed in this consultation are summarized and adjusted for market conditions on the following pages, with sale/re-sale pairings highlighted in yellow.

SALES COMPARISON APPROACH

Multi-Family Properties

Burnsville Studies

Burnsville 2015 Parkwood Drive Reclamation Project - Heather Hills Townhomes						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	13752 Heather Hills Drive	Dec-18	0.03 AC	1,300	\$178,000	\$158,117
2	13505 Heather Hills Drive	Oct-18	0.04 AC	1,788	\$190,000	\$170,772
3	13716 Heather Hills Drive	Sep-18	0.03 AC	1,500	\$180,000	\$162,756
4	13706 Heather Hills Drive	Aug-18	0.04 AC	1,240	\$175,000	\$159,180
5	13638 Heather Hills Drive	May-18	0.04 AC	1,505	\$196,000	\$181,535
6	13700 Heather Hills Drive	Feb-18	0.04 AC	1,344	\$147,000	\$138,695
7	13636 Heather Hills Drive	Jan-18	0.04 AC	1,140	\$141,375	\$134,236
8	13449 Heather Hills Drive	Oct-17	0.03 AC	1,452	\$150,000	\$145,170
9	13421 Heather Hills Drive	Oct-17	0.04 AC	1,041	\$150,000	\$145,170
10	13734 Heather Hills Drive	Aug-17	0.04 AC	1,420	\$143,948	\$141,127
11	13718 Heather Hills Drive	Aug-17	0.03 AC	1,480	\$157,000	\$153,923
12	13769 Heather Hills Drive	Jul-17	0.04 AC	1,740	\$173,068	\$170,081
13	13753 Heather Hills Drive	Jun-17	0.04 AC	1,505	\$166,000	\$164,888
14	13705 Heather Hills Drive	Jun-17	0.04 AC	1,448	\$163,060	\$161,967
15	13432 Heather Hills Drive	May-17	0.02 AC	1,240	\$150,000	\$150,000
16	13613 Heather Hills Drive	May-17	0.02 AC	1,500	\$145,500	\$145,500
17	13436 Heather Hills Drive	Apr-17	0.02 AC	1,240	\$155,036	\$156,075
18	13416 Heather Hills Drive	Mar-17	0.03 AC	1,240	\$157,528	\$159,623
19	13712 Heather Hills Drive	Mar-17	0.03 AC	1,570	\$160,100	\$162,229
20	13610 Heather Hills Drive	Mar-17	0.03 AC	1,240	\$150,350	\$152,350
21	13746 Heather Hills Drive	Jan-17	0.04 AC	1,357	\$144,000	\$147,830
22	13549 Heather Hills Drive	Dec-16	0.03 AC	1,282	\$131,000	\$135,179
23	13441 Heather Hills Drive	Oct-16	0.04 AC	1,638	\$142,400	\$148,480
24	13405 Heather Hills Drive	Sep-16	0.04 AC	1,495	\$150,000	\$157,230
25	13520 Heather Hills Drive	Jul-16	0.03 AC	1,540	\$152,193	\$161,157
26	13504 Heather Hills Drive	Jun-16	0.03 AC	1,460	\$158,000	\$168,159
27	13457 Heather Hills Drive	May-16	0.04 AC	1,508	\$132,900	\$142,150
28	13716 Heather Hills Drive	May-16	0.03 AC	1,500	\$131,580	\$140,738
29	13710 Heather Hills Drive	May-16	0.03 AC	1,320	\$158,000	\$168,997
After Project Averages		May-17	0.03 AC	1,415	\$156,174	\$154,597
Sales Before Project						
1	13525 Heather Hills Drive	Dec-14	0.04 AC	1,530	\$137,000	\$157,851
2	13716 Heather Hills Drive	Sep-14	0.03 AC	1,500	\$132,000	\$155,562
3	13625 Heather Hills Drive	Sep-14	0.04 AC	1,160	\$111,900	\$131,874
4	13624 Heather Hills Drive	Jun-14	0.04 AC	1,595	\$128,040	\$154,263
5	13529 Heather Hills Drive	May-14	0.04 AC	1,260	\$113,490	\$137,731
6	13424 Heather Hills Drive	Apr-14	0.02 AC	1,240	\$126,000	\$154,035
7	13638 Heather Hills Drive	Oct-13	0.04 AC	1,505	\$126,100	\$163,653
8	13713 Heather Hills Drive	Sep-13	0.04 AC	1,760	\$129,883	\$170,692
9	13740 Heather Hills Drive	Aug-13	0.04 AC	1,540	\$123,850	\$164,782
10	13728 Heather Hills Drive	Aug-13	0.03 AC	1,160	\$120,000	\$159,660
11	13424 Heather Hills Drive	May-13	0.02 AC	1,880	\$89,142	\$122,971
12	13636 Heather Hills Drive	Jan-13	0.04 AC	1,140	\$89,240	\$128,943
Before Project Averages		Jan-14	0.04 AC	1,439	\$118,887	\$150,168
					After Project:	= \$154,597
					Before Project:	= \$150,168
					Indicated Benefit:	\$4,429
						2.95%

SALES COMPARISON APPROACH

Multi-Family Properties

Burnsville Studies

Burnsville 2015 Parkwood Drive Reclamation Project - Parkwood Square Townhomes						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	13520 Parkwood Drive	Nov-18	0.14 AC	2,408	\$243,750	\$229,369
2	13600 Parkwood Drive	Oct-18	0.21 AC	2,150	\$260,123	\$246,232
3	13518 Parkwood Drive	Sep-18	0.13 AC	1,706	\$261,000	\$248,550
4	13532 Parkwood Drive	Mar-18	0.22 AC	2,360	\$241,000	\$238,036
5	13614 Parkwood Drive	Jul-17	0.20 AC	2,038	\$200,000	\$207,980
6	13420 Parkwood Drive	Aug-16	0.12 AC	2,010	\$246,000	\$272,593
After Project Averages		Jan-18	0.17 AC	2,112	\$241,979	\$240,460
Sales Before Project						
1	13532 Parkwood Drive	Dec-13	0.22 AC	2,360	\$218,779	\$291,129
2	13606 Parkwood Drive	Jul-13	0.14 AC	1,860	\$164,000	\$232,339
3	13600 Parkwood Drive	Aug-12	0.21 AC	2,150	\$147,925	\$231,636
4	13504 Parkwood Drive	Jan-12	0.20 AC	1,861	\$119,000	\$193,982
Before Project Averages		Dec-12	0.19 AC	2,058	\$162,426	\$237,272
					After Project:	= \$240,460
					Before Project:	= \$237,272
					Indicated Benefit:	\$3,188 1.34%

Burnsville 2015 Court Place Reclamation Project - Townhomes						
Improved Sale	Date of Sale	Land Size	Finished SF	Sale Price	Sale Price Adj. for Mkt. Cond.	
Sales After Project						
1	13314 Court Place	Jun-18	0.04 AC	1,748	\$197,000	\$187,268
2	13334 Court Place	Sep-17	0.04 AC	1,656	\$174,600	\$175,770
3	13339 Court Place	Apr-17	0.04 AC	1,528	\$142,105	\$147,775
After Project Averages		Oct-17	0.04 AC	1,644	\$171,235	\$170,271
Sales Before Project						
1	13335 Court Place	Jul-14	0.04 AC	1,472	\$123,065	\$160,735
2	13345 Court Place	Dec-13	0.04 AC	1,356	\$114,000	\$156,602
3	13314 Court Place	Nov-13	0.04 AC	1,748	\$130,950	\$182,099
Before Project Averages		Jan-14	0.04 AC	1,525	\$122,672	\$166,479
					After Project:	= \$170,271
					Before Project:	= \$166,479
					Indicated Benefit:	\$3,792 2.28%

SALES COMPARISON APPROACH

Multi-Family Properties

Burnsville Studies

In addition to the preceding special benefit studies, there are numerous sale/re-sale pairings of properties within the Burnsville project/sub-project areas. These pairings indicate a wide range of benefit, from no benefit to nearly \$18,000 in special benefit. However, each market transaction varies according to motivations of and negotiations between individual participants. Even though each sale may represent an arm's-length transaction, there are specific circumstances that can influence sale prices, reducing the reliability of one particular pairing. Therefore, special benefit to single-family residential properties from a reconstruction project is best derived from an overall comparison of sales that occur before the project to sales that occur after the project.

Summary

Following is a summary grid of the attached housing studies analyzed in this consultation.

Project Year	Project Name and/or Location	Number of Units per Building	Avg. Sale Price Before Project	Indicated Special Benefit	SB as % of MV
2006	Chaska (Von Herten)	4	\$152,325	\$4,448	2.92%
2011	Lakeville (Lake Vale)	3 to 4	\$114,493	\$7,080	6.18%
2013	Cottage Grove (Auburn Woods)	4	\$151,572	\$4,781	3.15%
2010	Bloomington (Realife Co-Op)	96	\$30,153	\$5,430	18.01%
2015	Burnsville (Heather Hills)	5	\$150,168	\$4,429	2.95%
2015	Burnsville (Parkwood Square)	2 to 6	\$237,272	\$3,188	1.34%
2015	Burnsville (Court Place)	4	\$166,479	\$3,792	2.28%

Summary/Conclusion

With the exception of the Lakeville study, the projects researched provide a relatively tight range of benefit indications, from \$3,188 to \$5,430 per residential equivalent unit, with an average indication of benefit of \$4,345 per REU.

SALES COMPARISON APPROACH

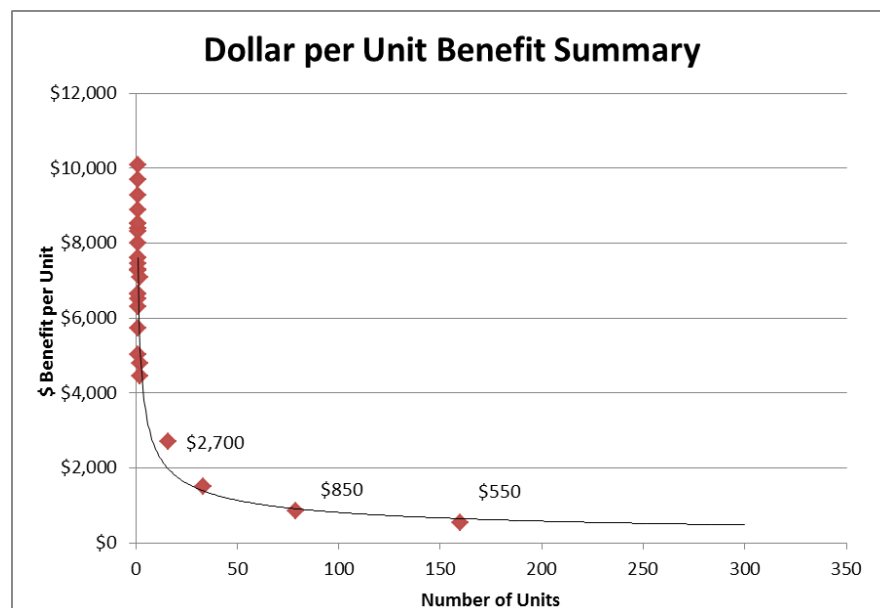
Multi-Family Properties

Summary/Conclusion

Although analysis of the 2011 Lakeville project indicates a special benefit of approximately \$7,000 per unit, this indication is approximately 80% of the indicated benefit of \$8,500 to detached single-family properties in the 2011 Lakeville project area (in appraisers' files). Applying a similar 80% to the estimated benefit of \$7,500 to \$8,000 for detached single-family properties in the subject project area results in an indicated benefit ranging from \$6,000 to \$6,400 per REU.

The range of indicated benefit from the above projects is approximately \$3,000 to \$7,000, and would be appropriate for smaller multi-unit residential properties in the Twin Cities metropolitan area. The multi-family properties in the subject project area range from duplex properties up to a 12-unit property.

As discussed previously, although overall special benefit increases with the size of a property due to increased land size and intensity of use, the special benefit per residential equivalent unit decreases, as illustrated on the graph below, which is based on previous studies conducted by this firm.



SALES COMPARISON APPROACH

Multi-Family Properties

Summary/Conclusion

Recognizing the inverse relationship between size (number of units) and special benefit per REU, special benefit to the subject multi-family properties is estimated below.

MULTI-UNIT RESIDENTIAL PROPERTIES				
Property Address	Property Type	Number of Units	Indicated Range of Special Benefit	
101 LeRay Avenue PID 12.10.18.127.008	Apartments	8	\$2,500 / Unit \$20,000	to \$2,750 / Unit \$22,000
138 N. Agency Street PID 12.10.18.127.010	Apartments	6	\$2,750 / Unit \$16,500	to \$3,000 / Unit \$18,000
101 Parkway Avenue PID 12.10.18.134.007	Conversion to 3-Unit	3	\$3,750 / Unit \$11,250	to \$4,000 / Unit \$12,000
508 S. Agency Street PID 12.10.18.331.009	Apartments (5-Unit & 7-Unit Bldgs)	12	\$2,250 / Unit \$27,000	to \$2,750 / Unit \$33,000
201 S. Agency Street PID 12.10.18.178.004	Apartments	4	\$3,250 / Unit \$13,000	to \$3,500 / Unit \$14,000
121 N. Agency Street PID 12.10.18.128.008	Two-Story Townhouses	2	\$4,750 / Unit \$9,500	to \$5,000 / Unit \$10,000
131 N. Agency Street PID 12.10.18.128.018	Duplex (Half of Duplex)	1	\$4,750	to \$5,000
133 N. Agency Street PID 12.10.18.128.017	Duplex (Half of Duplex)	1	\$4,750	to \$5,000

Although the property at 121 N. Agency Street is owned by the Blue Earth County HRA, a government entity, this property is improved with an economic use, so is included with the other multi-family properties when estimating special benefit. The two City-owned tracts will be analyzed in a subsequent section of this report.

Duplex units on separate PIDs often will realize a slightly higher level of special benefit than a two-unit property situated on one parcel. However, in this particular case, although

SALES COMPARISON APPROACH

Multi-Family Properties

Summary/Conclusion

the duplex on two separate PIDs (131-133 N. Agency Street) can likely be sold to separate owners/investors, this property does not have garage/covered parking, and the units each have two bedrooms. The property located at 121 N. Agency is a townhome on one PID. Even so, in comparison, each of these units has three bedrooms, and also has a garage space for parking and/or storage. Therefore, 121 N. Agency Street and 131-133 N. Agency Street are anticipated to realize a similar level of special benefit.

Commercial/Industrial Properties

In addition to the multi-family properties, the subject reconstruction project area includes properties with industrial-type uses and commercial properties.

The indicated special benefit to single-family properties (\$7,500 to \$8,000 per REU) summarized in this analysis is used as the starting point for estimating special benefit to commercial/industrial properties included in the C.S.A.H. 27 (Agency Street) Improvement Project. However, because these properties are used for commercial or industrial purposes, which in some instances have larger sites with greater depth and/or street frontage, along with characteristically more intense uses, they are analyzed with consideration to the more intensive nature of their use.

The methodology employed in the industrial and commercial properties' analyses examines the relationship between the square foot portion of each parcel that benefits from the street improvement project to the site's total street frontage. This relationship is then compared to the same relationship on the single-family properties. While other methodologies may be applied to evaluate the benefit to each of these properties, this approach applies a consistent, equitable analysis for evaluating the estimated benefit to each property.

Therefore, to estimate the special benefit to the commercial and industrial properties in the subject project area, the ratio of lot area to front feet for a typical single-family lot in

SALES COMPARISON APPROACH

Commercial/Industrial Properties

the project area is first estimated. This ratio is calculated to be 147.06 for single-family properties in the subject project area, and takes into account residential zoning requirements and existing lot sizes in the immediate area, as well as typical lot sizes for new construction.

Lot areas benefiting from the proposed project are then estimated for the industrial and commercial properties in the project area. The same lot area to total front feet ratio is then derived for each of the industrial and commercial properties in the project area. The individual area-to-frontage ratios are then divided by the residential area-to-frontage ratio to produce a subject-to-residential factor. These calculations are summarized in the following grids.

Property	Property Type	Total Lot Area (SF)	Frontage on Street(s) being Reconstructed	Total Front Footage
Mark A & Rolene M Fromm * & Allied Overhead Door Ownership NWC N. Agency St & Parkway Ave	Allied OH Door; Mini Storage; Vacant Land	50,232	122	549
Mid-Communications, Inc NWC N Agency St & Parkway Ave	Industrial Storage/Eqmt Bldg	5,880	43	43
Kevin & Gayle Depuydt 114 S Agency Street	Commercial Music Studio	2,385	52	98
Wasco Properties LLP 141 N Agency Street	Commercial Maytag Laundry & Self-Service Car Wash	7,000	50	100

* Note: The Fromm larger ownership interest includes the following PIDs: 12.10.18.130.001; 12.10.18.130.003; 12.10.18.130.004; 12.10.18.130.006; and 112.10.18.130.007.

Property Address	Total Lot Area (SF)	Total Front Footage	Area to Frontage Ratio	Residential Area to Frontage Ratio	Subject to Residential Factor
Mark A & Rolene M Fromm & Allied Overhead Door Ownership NWC N. Agency St & Parkway Ave	50,232	549	91.50	147.06	0.62
Mid-Communications, Inc 110 S. Agency St	5,880	43	136.74	147.06	0.93
Kevin & Gayle Depuydt 114 S Agency Street	2,385	98	24.34	147.06	0.17
Wasco Properties LLP 141 N Agency Street	7,000	100	70.00	147.06	0.48

* Note: The Fromm larger ownership interest includes the following PIDs: 12.10.18.130.001; 12.10.18.130.003; 12.10.18.130.004; 12.10.18.130.006; and 112.10.18.130.007.

SALES COMPARISON APPROACH

Commercial/Industrial Properties

Once the subject-to-residential factor is determined, this factor is then multiplied by the indicated residential benefit per front foot (approximately \$88.24 to \$94.12 per front foot), calculated by dividing the estimated special benefit to a typical single-family residential equivalent unit (\$7,500 to \$8,000 per REU) by the typical front feet of a residential lot (85 feet) in order to provide an estimated benefit per front foot for the industrial properties.

This type of analysis is applied only to affected street frontage, thereby excluding any special assessments/benefit from previous or future reconstruction projects. The range of indicated special benefit for these properties is summarized below.

COMMERCIAL PROPERTIES WITH FRONTAGE ON STREETS BEING RECONSTRUCTED						
Property Address	Property Type	Frontage on Road being Reconstructed	Subject to Resid. Factor	Trip Generation x Factor	Indicated Special Benefit per FF Resid. Ranges from \$88.24 to \$94.12/FF	
					Low (\$88.24 per FF)	High (\$94.12 per FF)
Mark A & Rolene M Fromm & Allied Overhead Door Ownership NWC N. Agency St & Parkway Ave	Commercial & Industrial Uses on the Larger Ownership	122	0.62	2.71	\$148.26 \$18,088	\$158.14 \$19,293
Mid-Communications, Inc 110 S. Agency St	Industrial Storage/Eqmt Bldg	43	0.93	2.50	\$205.16 \$8,822	\$218.83 \$9,410
Kevin & Gayle Depuydt 114 S Agency Street	Commercial Music Studio	52	0.17	12.74	\$186.04 \$9,674	\$198.44 \$10,319
Wasco Properties LLP 141 N Agency Street	Commercial Maytag Laundry & Self-Service Car Wash	50	0.48	7.20	\$302.42 \$15,121	\$322.57 \$16,128

Institutional Properties

Lastly, there are two City-owned tracts in the project area (PIDs 12.10.18.130.017 and 12.10.18.128.014). When properties improved with a public or institutional use are otherwise considered developable, an appraiser may disregard current zoning or guiding because the existing zoning and/or guiding may be use-specific, particularly when the highest and best use, as vacant, is for development with an economic use.

City-Owned Parcel 12.10.18.130.017

Parcel 12.10.18.130.017 is an 866 SF, or 0.02-acre tax parcel. It is adjacent to South Agency Street along the west side of the roadway. Given the size of this parcel, along with

SALES COMPARISON APPROACH

Institutional Properties

City-Owned Parcel 12.10.18.130.017

its triangular shape, it is considered an unbuildable remnant. Therefore, the highest and best use of this tax parcel is for assemblage.

When properties are purchased for assemblage, a discount from developable land may be realized, and discounts range from 0% to as much as 95%. The appropriate discount is dependent on utility of the parcel, as well as utility gained by assembling two or more parcels.

This parcel is located in the east-central portion of a large ownership interest, and it appears that the adjacent property owner has parked trailers and/or equipment on the City parcel. The adjacent owner's access drive may also cross this City parcel. Therefore, there is potential utility to the adjacent owner. However, there would not likely be any market competition, and the very small size of the remnant parcel limits potential utility. Furthermore, a portion of the adjacent larger ownership interest is currently vacant, which increases options for the adjacent owner. Therefore, the assemblage discount is estimated at 85%, which recognizes the subject's legal and physical constraints, as well as the potential utility to the adjacent owner.

Considering an 85% assemblage discount, special benefit is estimated at **\$1,125** (\$7,500 x 15%) to **\$1,200** (\$8,000 x 15%).

City-Owned Parcel 12.10.18.128.014

The 0.13-acre City-owned parcel (PID 12-10-18-128-014) is zoned R-3, Limited Multiple Family Residential District. However, this tract is road right-of-way for Valley View Drive. Even if unimproved with roadway surfacing or drainage improvements, properties are analyzed net of road right-of-way; therefore, PID 12-10-18-128-014 will not benefit from completion of the C.S.A.H. 27 (Agency Street) Improvement Project.

FINAL SUMMATION

The preceding analyses indicate that special benefit to properties included in the subject project area varies according to the individual property's size and intensity of use. The anticipated range of special benefit to properties in the proposed C.S.A.H. 27 (Agency Street) Improvement Project was summarized in each respective section of this report.

Conclusions of special benefit to all property types are summarized as follows, and are also included in the letter of transmittal at the beginning of this consultation report.

Property Address	PID	Property Type			
Complete Reconstruction with Replacement of Utilities					
<u>Single-Family Residential</u>					
Multiple Addresses	Multiple	Single-Family Residential Properties	\$7,500	to	\$8,000
Kevin J. Rykhus 524 S. Agency Street	12.10.18.332.010	Single-Family w/ Excess Land for Lot Split	\$11,250	to	\$12,000
John O. & Ila E. Hansen 421 S Agency Street	12.10.18.181.007 & 12.10.18.251.002	Single-Family w/ Excess Development Land	\$7,500 \$11,500	to	\$8,000 \$12,500
			\$19,000	to	\$20,500
<u>Agricultural Acreage with Potential for Residential Subdivision</u>					
Donald P Foley Revocable Trust 38.7 Acres Adj. to 513 S. Agency St.	12.10.18.400.013	Agricultural Property w/ Development Potential	\$91,000	to	\$97,000
<u>Multi-Family Residential</u>					
Layman Limited Partnership 101 Leray Avenue	12.10.18.127.008	Multi-Family 8-Unit	\$20,000	to	\$22,000
L M Family Trust 138 N Agency Street	12.10.18.127.010	Multi-Family 6-Unit	\$16,500	to	\$18,000
Higher Point Properties LLC 101 Parkway Avenue	12.10.18.134.007	Multi-Family 3-Unit	\$11,250	to	\$12,000
B & G Properties LLC 508 S Agency Street	12.10.18.331.009	Multi-Family 12-Unit	\$27,000	to	\$33,000
R & S Winter Corp 201 S Agency Street	12.10.18.178.004	Multi-Family 4-Unit	\$13,000	to	\$14,000
B E County Housing & Redev 121 N Agency Street	12.10.18.128.008	Multi-Family 2-Unit (Townhouse)	\$9,500	to	\$10,000
Ronald A & Linda K Klocke Living Tr. 131 N Agency Street	12.10.18.128.018	Multi-Family Half of Duplex	\$4,750	to	\$5,000
Ronald A & Linda K Klocke Living Tr. 133 N Agency Street	12.10.18.128.017	Multi-Family Half of Duplex	\$4,750	to	\$5,000

FINAL SUMMATION

Property Address	PID	Property Type			
Complete Reconstruction with Replacement of Utilities					
<u>Non-Residential</u>					
Mark A & Rolene M Fromm & Allied Overhead Door Ownership NWC N. Agency St & Parkway Ave	12.10.18.130.001 & 12.10.18.130.018	Allied OH Door Mini Storage Vacant Land	\$18,000	to	\$19,250
Mid-Communications, Inc 110 S. Agency St	12.10.18.134.012	Industrial Storage/Eqmt. Bldg.	\$8,750	to	\$9,500
Kevin & Gayle Depuydt 114 S Agency St.	12.10.18.134.011	Commercial Music Studio	\$9,500	to	\$10,500
Wasco Properties, LLC 141 N. Agency St.	12.10.18.128.004	Maytag Laundry & Self-Service Car Wash	\$15,000	to	\$16,000
<u>Institutional Properties</u>					
City of Eagle Lake Vacant 0.02-Acre Tract	12.10.18.130.017	Vacant Remnant	\$1,125	to	\$1,200
City of Eagle Lake Unimproved R/W for Valley Lane	12.10.18.128.014	Vacant Right-of-Way	\$0	to	\$0

ADDENDA

CONTINGENT AND LIMITING CONDITIONS

(Pages 74-75)

CONTINGENT AND LIMITING CONDITIONS

The value estimates and conclusions in the appraisal are made subject to these assumptions and conditions:

1. No title search has been made and the reader should consult an appropriate attorney or title insurance company for accurate ownership data. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The legal description, furnished or otherwise, is assumed to be correct. No responsibility is assumed for the legal description or for matters including legal or title considerations.
3. The information contained in this report is not guaranteed, but it has been gathered from reliable sources. The appraiser(s) certify that, to the best of their knowledge and belief, the statements, information and materials contained in the appraisal are correct.
4. All value estimates in this report assume stable soil and any necessary soil corrections are to be made at the seller's expense, unless otherwise noted.
5. The site plan, if any, in this report is included to assist the reader in visualizing the property, but we assume no responsibility for its accuracy.
6. The market value herein assigned is based on conditions which were applicable as of the effective date of appraisal, unless otherwise noted.
7. The appraiser(s) that signed this report shall not be required to prepare for, or appear in court, or before any board or governmental body by the reason of the completion of this assignment without predetermined arrangements and agreements.
8. Surveys, plans and sketches may have been provided in this report. These documents may not be complete or be drawn exactly to scale.
9. 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 in its entirety.
10. Information in the appraisal relating to comparable market data is more fully documented in the confidential file in the office of the appraiser.
11. All studies and field notes are secured in our files for future reference.
12. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report. It is also assumed that the utilization of the land and any improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

CONTINGENT AND LIMITING CONDITIONS

(CONTINUED)

13. The distribution of the total valuation in this report between land and any improvements, if stated, applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
14. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
15. The appraiser was not aware of the presence of soil contamination on the subject property, unless otherwise noted in this appraisal report. The effect on market value due to contamination was not considered in this appraisal, unless otherwise stated.
16. The appraiser was not aware of the presence of asbestos or other toxic contaminants in any building(s) located on the site, unless otherwise noted in this report. The effect on market value, due to contamination was not considered in this appraisal, unless otherwise stated.
17. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any detrimental environmental conditions, or for any expertise or engineering knowledge required to discover such substances. The client is urged to retain an expert in this field, if desired.
18. The value stated in this report is fee simple, assuming responsible ownership and management, unless otherwise indicated. This appraisal recognizes that available financing is a major consideration by typical purchasers of real estate in the market, and the appraisal assumes that financing is or was made available to purchasers of the property described herein.
19. The appraiser has neither present nor contemplated interest in the property appraised and employment is not contingent upon the value reported.
20. Unless otherwise stated in this report, the appraiser has not made a survey or analysis to determine whether any buildings on the property are in compliance with "The Americans with Disabilities Act" (ADA). If the property is not in compliance with the ADA, it could have a negative effect on the value of the property.
21. The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated.

APPRAISER QUALIFICATIONS

(Pages 77-79)

QUALIFICATIONS OF MICHELLE K. HEDGES

PROFESSIONAL AFFILIATIONS

Practicing Affiliate, Appraisal Institute

Trainee Real Property Appraiser, Minnesota License No. 40718572

BUSINESS EXPERIENCE

Patchin Messner Valuation Counselors, Associate Appraiser, May 2020 to Present

EDUCATIONAL BACKGROUND

Bachelor of Science Degree in Real Estate, Saint Cloud State University

SPECIALIZED REAL ESTATE TRAINING

Real Estate Law, Saint Cloud State University, 2019

Real Estate Principles, Saint Cloud State University, 2019

Real Estate Finance/Investment, Saint Cloud State University, 2019

Real Estate Appraisal, Saint Cloud State University, 2020

Real Estate Market Analysis, Saint Cloud State University, 2020

National USPAP 15-Hour Course (2020-2021), McKissock Educational Services, 2020

Supervisory Appraiser/Trainee Appraiser Course, Appraisal Institute North Star Chapter, 2020

Business Practices and Ethics, Appraisal Institute North Star Chapter, 2020

APPRAISAL CLIENTS

City of Champlin

City of Fergus Falls

City of Minnetonka

Metropolitan Council

Scott County

Xcel Energy

QUALIFICATIONS OF SHERRIL L. BRUMM

PROFESSIONAL AFFILIATION

MAI Member, Appraisal Institute

Certified General Real Property Appraiser, Minnesota License No. 20249948

Member of MNCREW, Minnesota Commercial Real Estate Women

BUSINESS EXPERIENCE

Patchin Messner Valuation Counselors, Principal, 2019 to Present

Patchin Messner Dodd & Brumm, Principal, 2011 to 2018

Patchin Messner Appraisals, Inc., 1998 to 2010

Kelly Appraisal Services, Staff Appraiser, 1995-1996

Valuation Counselors, Inc., Staff Appraiser, 1986-1989

United States Army Reserve, 1983-1989

Mid America Title Company, 1981-1984

EDUCATIONAL BACKGROUND

Bachelor of Science Degree, Northern Illinois University, majored in Finance, minored in Economics; graduated Magna Cum Laude, 1986

SPECIALIZED REAL ESTATE TRAINING

Appraisal Institute/American Institute of Real Estate Appraisers Course Work:

Real Estate Appraisal Principles

Basic Valuation Procedures

Residential Case Study

Standards of Professional Appraisal Practice

Basic Income Capitalization

Advanced Income Capitalization

Highest & Best Use and Market Analysis

Advanced Sales Comparison and Cost Approaches

Report Writing and Valuation Analysis

Advanced Applications

Business Practice and Ethics

Supervisor Appraiser/Trainee Appraiser Course

Completed Litigation Professional Development Program:

Condemnation Appraising – Principles & Applications

Litigation Appraising: Specialized Topics and Applications

The Appraiser as an Expert Witness

SEMINARS ATTENDED:

Appraisal Institute

Appraising Distressed Real Estate

Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)

APPRAISAL EXPERIENCE

Preparation of appraisals for condemnation, tax appeal, financing, acquisition/disposal, and special assessment appeal. Properties appraised include nursing homes, hospitals, apartment complexes, office and industrial buildings, shopping centers, single-family residences and development land. Specializes in litigation valuation of single-family and multi-family residential properties, development land, and commercial, industrial and investment properties.

COURT EXPERIENCE

Qualified as an expert witness in Hennepin County District Court, Isanti County District Court, Scott County District Court, and Commission Hearings in Carver County, Dakota County, Hennepin County, Rice County and Scott County.

QUALIFICATIONS OF SHERRIL L. BRUMM

(CONTINUED)

RELATED EXPERIENCE

North Star Chapter of the Appraisal Institute: Region III Alternate Representative - 2007 to 2012 and 2021; Board of Directors - 2011 to 2013

Appraisal Data Network (ADN): Board of Directors – 2010 to 2019; President 2012/2013/2014

Faculty participant at the Minnesota Association of City Attorneys Educational Conference, 2013

APPRAISAL CLIENTS

Blue Cross and Blue Shield of Minnesota	Minnesota Department of Transportation
Bolton & Menk, Inc.	Minnesota Pipeline Company, LLC
Campbell Knutson, P.A.	Peace Reformed Church
Dakota County Community Development Agency	Ramsey County Regional Railway Authority
Evergreen Land Services Company	Richfield HRA
Foreman & Associates, LLC	R. S. Eden
Fredrikson & Byron, P.A.	Saint Paul Port Authority
Great River Energy	Shakopee Mdewakanton Sioux Community
Greater Minnesota Transmission, LLC	Shakopee Public Utilities Commission
Gregerson, Rosow, Johnson & Nilan, Ltd.	SRF Consulting Group, Inc.
Henning Professional Services, Inc.	Stantec
Hoff, Barry & Kozar, P.A.	Stewart Title
Independent School District 191	TCF Bank
Independent School District 194	The Green Institute
Jaspers, Moriarty & Walburg	Three Rivers Park District
Johnson, Johnson, Burkhardt and Johnson, LLP	Ulteig
Kennedy & Graven	University of Minnesota
Leonard, Street & Deinard	Upper Midwest Management
Lindquist & Vennum, LLP	Walmart
Maki & Overum	Wells Fargo
Malkerson Gunn Martin LLP	Wilson Development Services, LLC
Melchert Hubert Sjodin, PLLP	WSB & Associates, Inc.
Metropolitan Council	Xcel Energy
Minneapolis Community Planning and Economic Development (CPED)	

Cities: Bloomington, Burnsville, Cambridge, Carver, Chaska, Chanhassen, Cologne, Cottage Grove, Crystal, Elk River, Farmington, Golden Valley, Hastings, Hermantown, Lake Elmo, Lakeville, LeSueur, Lino Lakes, Minnetonka, Minnetrista, Monticello, New Brighton, New Prague, Plymouth, Prior Lake, Ramsey, Richfield, Robbinsdale, Rosemount, St. Paul, Savage, Shakopee, Victoria, Waconia, Wayzata, and West St. Paul

Counties: Brown, Carver, Dakota, Hennepin, Ramsey, Rice, Scott