

front footage of the lot. For rectangular lots whose frontage is greater than its depth, the “irregular shaped lot” method shall be used.

- b) Corner Lot Adjustment: For street and trail assessments, the short side will be assessed the actual front footage. The long side will be assessed one-half the actual side footage. (See Exhibit A).
 - c) Irregular Shaped Lots: For irregular shaped lots, such as exist on cul-de-sacs and curved streets where there is more than 5.0 feet of difference between the front and rear lot lines, and where the lots frontage is greater than its depth, the “irregular shaped lot: method of determining the adjusted front footage shall be used (See Exhibit B).
2. “Area” Method of Assessment

The “area” method of assessment shall be based on the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefiting from the project. The assessment rate (i.e. cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots the City Engineer may determine that only a portion of the lots receives the benefit and may select a lot depth for the calculations equal to the benefit received. Typical use will be for industrial or commercial parks.

All properties included in the benefited area, including other government area, churches, etc., shall be assessable. The following items may not be included in area calculations: public right-of-way, and natural waterways, swamps, lakes, and other wetlands designated by the Minnesota Department of Natural Resources (DNR) or City. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

3. “Per Lot” Method of Assessment

The “per lot” method of assessment shall be based on equal assessment of all lots within the benefited area. The “assessment per lot” shall be the quotient of the “assessable cost” divided by the total assessable lots or parcels benefiting from the improvement. For the purpose of determining the “lots” or “parcels” all parcels, including government agencies, shall be included in such calculations. Typical use will be for utility improvements or Developer petitioned improvements.

SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

1. Surface Improvements: Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and includes, but is not limited to trees, lighting, sidewalks, signing, street and accessory improvements such as storm sewer lines, drainage ponds and facilities, parking lots, parks, and playgrounds.

Policy Statement: Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewer, storm sewers, water lines, gas, and electric service) shall be installed to all planned service locations such as residences or buildings.

When practical, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete curbing or curb and gutter shall be installed at the same time as street surfacing.

2. Sub-Surface Improvements: Subsurface improvements shall normally include such items as water distribution, sanitary sewer, possibly storm sewer lines, and electric and gas utilities.

Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those facilities extending from the main line to the property line. Service lines are publicly owned from the main to the right of way and privately owned and from the right of way to the structure.

Policy Statement: Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state, and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

Service lines from the lateral or trunk to the property line of all planned service locations such as residences or buildings shall be installed in conjunction with the construction of the mains. As a general policy, all parcels should have at least one service. The City may require additional services for larger parcels which have the potential for a lot split.

SECTION 9. ASSESSMENT COMPUTATIONS

The following is the typical City assessment for various specified improvements.

1. Street and Curb and Gutter Improvements
 - a) New Construction: New streets are assessed 100% to the benefited areas or properties. Street and curb and gutter improvements will normally be assessed by the adjusted front foot method, however, other methods may be utilized if conditions warrant. Cost of construction of streets shall be assessed based on the minimum design of 7-ton axle load in residential areas and 9-ton axle load in commercial and industrial areas. Oversizing costs which are incurred in excess of the above may be paid by: (1) State funds, (2) larger assessment rates to other benefited properties, (3) general obligation funds, or (4) any other method or combination of methods authorized by the City Council.
 - b) Reconstruction and Overlays: Street reconstructions and overlays are assessed 2/3 to the benefited area or properties. New curb and gutter is 100% assessed.
 - c) Gravel Streets: Upgrading of existing gravel streets by adding pavement and curb and gutter is considered new construction and all costs are assessed 100%.
 - d) Seal Coats: Seal coats are not being assessed.
 - e) Alleys: Upgrading existing gravel alleys by adding pavement is assessed 100% to all lots abutting on the alley in the block being improved. Reconstructing existing paved alleys are 100% assessed also.
 - f) Country Roads: Street reconstruction and overlays are assessed 1/3 to the benefited area or properties.
2. Sidewalks and Trails
 - a) New Construction: New sidewalks are assessed 100% to the benefited area or property.
 - b) Reconstruction: Replacement sidewalks are assessed 2/3 to the abutting property owner and 1/3 City funded.
 - c) Trails: Bituminous walkways and/or bicycle trails are a City cost.
3. Storm Sewer Improvements

Storm sewers are assessed on a project-by-project basis. Storm sewers in new subdivisions are considered an assessable improvement on an area basis.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area storm sewer charges are levied to all unplatted property at the time of platting, to re-plats that have not been charged trunk area charges when the land was originally platted, and to re-plats that have been charged trunk area charges when the land was originally platted but where the use is increasing (only the cost difference based on current and prior use is charged). The charges will be set in the annual fee schedule during the first City Council meeting in January of each year.

Storm sewers, not part of a street project, are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing storm sewers is assessed similar to street improvements.

4. Sanitary Sewer Assessments

Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains.

Oversizing costs due to larger or deeper mains and larger appurtenances will be paid for by a combination of availability charges, user charges, and/or trunk area assessment charges. Trunk area sanitary sewer charges shall be levied to all un-platted property at the time of platting and to re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the first City Council meeting in January of each year. Services installed to individual properties are fully assessed to the benefiting property.

Normally, sanitary sewers are assessed by the per lot method, but in certain situations the area wide basis (square foot or acres or adjusted front method) may be utilized at the City Council's discretion.

Lateral benefit from major trunk sewers or interceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is assessed 2/3 of the project cost.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing sanitary services, but do not have mainline sewers adjacent, across or up to their property lines pay 100% of the assessment rate for the new mainline sanitary sewer as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of a street reconstruction are replaced as part of the project and assessed directly to the property.

5. Watermain Assessments

Assessments for watermains in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for watermains in commercial and industrial areas are based upon the standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenance are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area water charges shall be levied to all un-platted property at the time of platting and to re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the first City Council meeting in January of each year. Services installed to individual properties shall be fully assessed to the benefiting property.

Normally, watermain assessments are assessed on a per lot basis, but in certain situations the area or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing water mains is assessed 2/3 of the project cost.

Lateral benefit from major trunk watermain assessments is assessed to properties benefited by the water main. Lateral watermain assessments are based on the costs for an equivalent 8-inch diameter watermain for residential properties and for an equivalent 12-inch diameter watermain for commercial/industrial properties.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing water services, but do not have mainline watermain adjacent, across or up to their property lines pay 100% of the assessment rate for the new watermain as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of the project, are assessed directly to the property.

6. Street Boulevard Trees

All street boulevard trees installed as part of new street constructions or in reconstructing existing streets shall be included as part of the overall project costs included in the assessment calculations.

7. Street Lights

All costs for new streetlights installed as part of constructing new streets or streetlights relocated as part of reconstructing streets are included in the overall project costs and included in the assessment calculations. In new subdivisions, the City may require the developer to finance street light improvement rather than assessing the cost.

8. Other Improvements

Based on the City Council determination, any other improvements may be fully assessed or assessed in part.

SECTION 10. DEFERMENT OF SPECIAL ASSESSMENTS

Subd. 1. The Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability, and the City Clerk is hereby authorized to record the deferment of special assessments where the following conditions are met:

1. The applicant must apply for the deferment not later than 90 days after the assessment is adopted by the City Council.
2. The applicant must be 65 years of age or older or retired by virtue of permanent and total disability.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his principal place of residence.
5. The average annual payment for assessments levied against the subject property exceed one percent of the adjusted gross income of the applicant as evidenced by the applicant's most recent federal income tax return. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.

Subd. 2. The deferment shall be granted for as long a period of time as the hardship exists and the conditions aforementioned have been met. However, it shall be the duty of the applicant to notify the City Clerk of any change in his status that would affect eligibility for deferment.

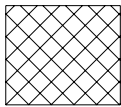
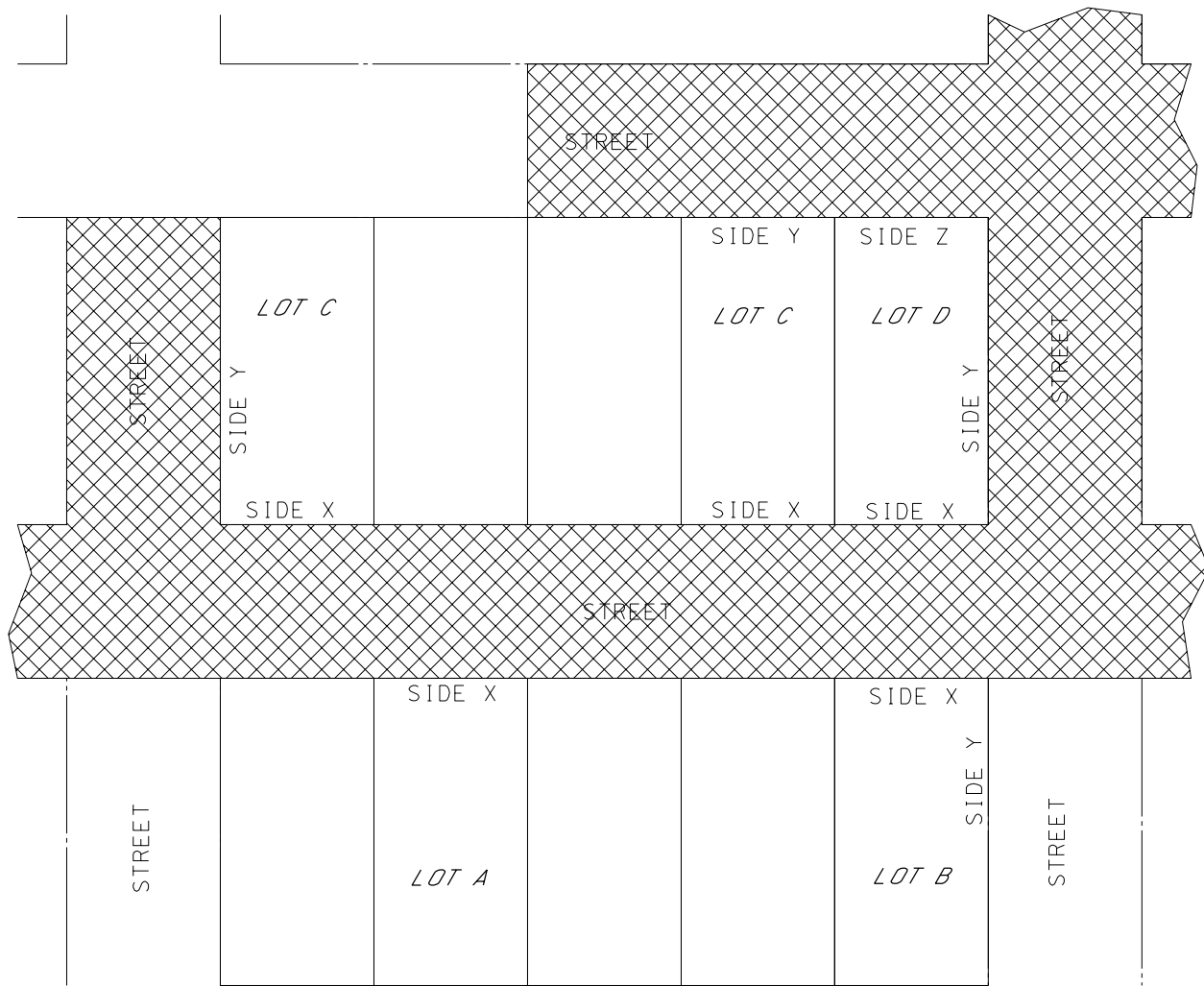
Subd. 3. The entire amount of deferred special assessments shall be due within sixty days after loss of eligibility by the applicant. If the special assessment is not paid within the sixty days, the City Clerk shall add thereto interest at a per annum interest rate of two percent above the bond interest rate and the total amount of principal and interest shall be certified to the County Auditor for collection with taxes the following year. Should the applicant demonstrate to the satisfaction of the Council, that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the Council may order that the applicant pay within sixty days a sum equal to the number of installments of deferred special assessments outstanding and unpaid to date, including principal and interest, with the balance thereafter paid according to the terms and conditions of the original special assessments.

Subd. 4. The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.

State Law Reference(s): Minn. Stat. 435.193, Senior Citizens or retired and disabled persons hardship special assessment deferral.

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PROJECT IMPROVEMENT AREA

ASSESSABLE FOOTAGE

RECTANGULAR INTERIOR LOTS - (LOT A)

SIDE X - 100% OF FOOTAGE

CORNER LOTS ADBUTTING IMPROVEMENTS ON ONE SIDE - (LOT B)

SIDE X - 100% OF FOOTAGE

SIDE Y - 0% OF FOOTAGE

LOTS ADBUTTING IMPROVEMENTS ON TWO SIDES - (LOT C)

SIDE X - 100% OF FOOTAGE

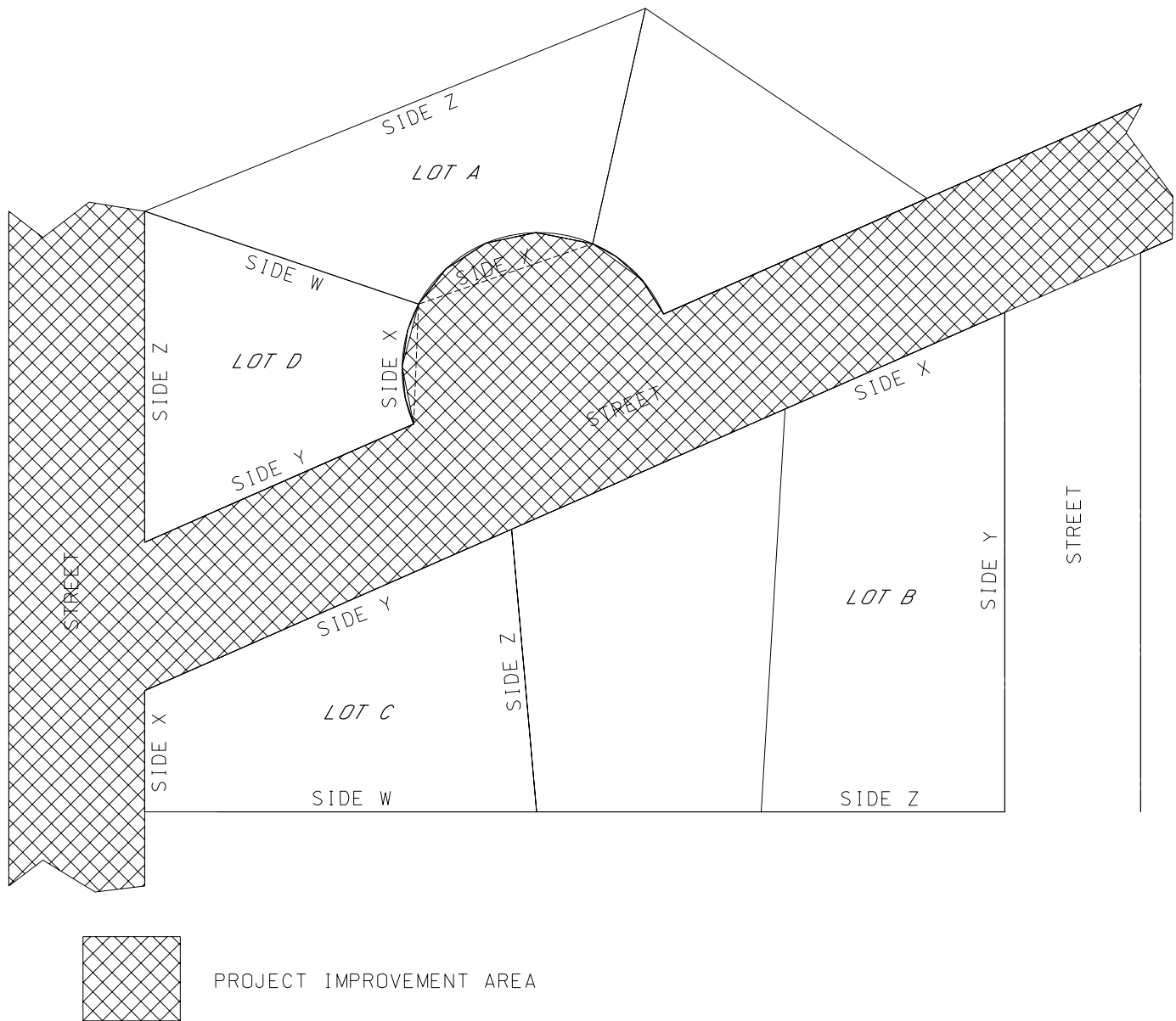
SIDE Y - 50% OF FOOTAGE

LOTS ADBUTTING IMPROVEMENTS ON THREE OR MORE SIDES - (LOT D)

SIDE X (SHORT SIDE) - 100% OF FOOTAGE

SIDE Y (LONGEST SIDE) - 50% OF FOOTAGE

SIDE Z & SUBSEQUENT SIDES - 0% OF FOOTAGE



ASSESSABLE FOOTAGE

IRREGULAR SHAPED INTERIOR LOTS - (LOT A)

100% OF THE AVERAGE WIDTH = $(\text{SIDE Z} + \text{SIDE X}) / 2$

IRREGULAR SHAPED CORNER LOTS ADBUTTING IMPROVEMENTS ON ONE SIDE - (LOT B)

100% OF THE AVERAGE WIDTH = $(\text{SIDE Z} + \text{SIDE X}) / 2$

IRREGULAR SHAPED LOTS ADBUTTING IMPROVEMENTS ON TWO SIDES - (LOT C)

100% OF AVERAGE WIDTH = $(\text{SIDE Z} + \text{SIDE X}) / 2$

50% OF AVERAGE LENGTH = $(\text{SIDE Y} + \text{SIDE W}) / 2$

IRREGULAR SHAPED LOTS ADBUTTING IMPROVEMENTS ON THREE OR MORE SIDES - (LOT D)

100% OF AVERAGE WIDTH = $(\text{SIDE Z} + \text{SIDE X}) / 2$

50% OF AVERAGE LENGTH = $(\text{SIDE Y} + \text{SIDE W}) / 2$

Appendix D

Appraisal Letter

NAGELL APPRAISAL INCORPORATED

12805 Highway 55 #300
Plymouth, MN 55441
Established in 1968

Phone 952-544-8966
Fax 952-544-8969

City of Freeport
Attn: Joan Wall, City Office
125 East Main Street
Freeport, MN 56331

August 25, 2020

To Joan Wall:

Per your request, this is a letter report to assist the city for guidance regarding a street and utility improvement project within Freeport (see attached map for the location of the street in the project). The project is improvement of streets and utilities on 3rd Street Southeast, 3rd Avenue Southeast, 4th Avenue Southeast, 2nd Street Southeast, 3rd Avenue Northeast, 4th Street Northwest, 3rd Street Northwest, and 2nd Avenue Northwest.

This report is not an appraisal of a specific property, but rather provides a preliminary opinion of a general range of market benefit, if any, for similar properties. Relevant information, including USPAP requirements, is retained in the workfile. If an appraisal of a specific property was performed, the findings of that report are considered likely to be consistent with the findings in this document (but could vary). The letter can function as a test of reasonableness for the proposed assessments.

SCOPE OF ASSIGNMENT

In accordance with your request, a drive-by viewing of the properties has been made along with some general market comments regarding benefit (if any) for the proposed street improvement project as it relates to the subject market. As noted in the engagement letter, no specific sales data has been collected for this assignment. The general market comments are based on past appraisals, experience, and market information.

Pictures of the streets were taken on August 23, 2020 by Evan Waytas (trainee appraiser, MN lic. no. 40689219). The appraiser also viewed aerial/satellite image on the county GIS website and Google street view images. Project information and documents were provided; the conclusions and information from the report were a part of the overall consulting letter analysis. The township engineer provided a preliminary summary of the project.

PROJECT

Freeport is proposing to update and improve street and utility infrastructure on the previously noted streets.

Per request, you desire to know the benefit (if any) as it impacts properties in the project area.

Motivation for the road and utility improvement project stems from deteriorating road surface and utility infrastructure.

AREA DESCRIPTION

Freeport is an outlying central Minnesota community that is about 28 miles northwest of Downtown St. Cloud. Major transportation includes Interstate 94 and County Road 11. The city is a mixture of residential, commercial, and industrial uses, with rural residential and agricultural outside city limits. Access to the St. Cloud Metro Area, surrounding communities, and the Twin Cities Metro Area is convenient. Major shopping, commercial, and support services are located in St. Cloud.

The population for Freeport in 2010 was 632. The 2019 estimated population is 669 +/-.

Single family homes generally range in value between \$50,000 and \$250,000+ in Freeport with an average of about \$175,000 (MLS statistics). Residential land prices range from \$5,000 to \$25,000+. The city of is a mixture of residential, commercial, and some industrial. In the greater area outside of city limits are agricultural and rural residential uses. Most homes are average quality.

SUBJECT PROPERTIES

The project area consists of single-family residential, commercial, religious, apartments, and industrial. The city appears to be assessing around 116 properties.

EXISTING STREETS & UTILITIES

Physical Condition of the Existing Road: The existing road improvements within the project area are mostly asphalt with gravel base. There is one street that is gravel. Some streets have concrete curb and gutter while others do not. The road condition, based on the visual inspection of the streets, is rated to be fair. There are signs of transverse, longitudinal, and alligator cracking. There are also areas of raveling.

Physical Condition of Existing Utilities: The properties in the project area have public water and sanitary sewer. Per city, the utility infrastructure is dated.

Functional Design of the Road: The existing paved and gravel roads are very dated, in fair condition, and have substantial large cracks. The road condition is rated to be fair.

Roads in poor to fair condition do not meet the expectations of typical market participants in this suburban market for re-development, resale price, and/or updating the current uses. Overall, the existing street improvements are in fair condition, are beginning to look dated and reflect likewise on the adjoining and side street properties. The existing water and sewer infrastructure is dated and in need of upgrading to continue consistent, reliable, and safe service.

PROPOSED IMPROVEMENT

The city is proposing to pave the gravel road and reconstruct the remaining asphalt streets in the project. Full reconstruction includes new sewer, water, street, and storm sewer. The other street improvement is a reclamation with new asphalt and graded base.

Parts of the project will have new water and sewer, while other parts will have a new CIPP lining.

Given the existing condition of the roads and utilities, the proposed project is logical.

If any of the above descriptions change, the benefit due to the project could differ.

HIGHEST AND BEST USE

The subject project area is located in the central portion of the city in an area of commercial, industrial, and residential uses.

Owners in the subject area appear to update their property as needed when site and building components wear out or become dated. Owners in the overall area commonly pave their driveways or maintain parking lots as needed, recognizing it adds value when done. Therefore, it is logical to update the road and/or utility infrastructure to the subject properties as needed, as these are essential property characteristics that are expected in this market.

An informed buyer would consider the condition of the road and traffic flow/management. A well-constructed and good condition road provides aesthetic appeal to a property and efficient/safe traffic flow. Given a choice, a potential informed buyer would likely prefer a newer road with good traffic flow over a deteriorating road with fair traffic flow. Additionally, a potential informed buyer would likely prefer newer utility infrastructure as compared to older, dated and inferior utility infrastructure.

If replacement of components of real estate near the end of their economic life in a home or building is postponed, it can be costlier in the long run; delays in replacing components can result in incurring higher interim maintenance costs and potential difficulty in marketing the property. Also, it is typical for the cost of the replacement of an improvement to increase over time. That said it is logical and prudent for market participants to update/replace dated components when needed. Therefore, the highest and best use of the surrounding properties in the project area is for the continued various uses with the proposed infrastructure improvements.

DISCUSSION OF MARKET BENEFIT – STREET RECONSTRUCTION

Listed below are the factors that will be taken into consideration concerning the potential benefit to the properties.

<u>Description</u>	<u>Existing Improvements</u>	<u>Change</u>
1) Road Surface	Fair	New surface asphalt
2) Base Condition	Fair to Average	Graded
3) Curb	None or Dated	New Concrete
4) Drainage	Average	Average
5) Storm Sewer	Fair to Average	New
6) City water	Dated	New
7) City sewer	Dated	New
8) Sidewalk	None	None
9) Street Lights	None	None
10) Functional Design of Road	Dated	Good, new surface asphalt
11) Traffic Management	Average	Average
12) Pedestrian Use (biking, walking, etc.)	Fair	Good
13) Median	n/a	n/a
14) Road Proximity to Properties	n/a	n/a
15) Dust	n/a	n/a
16) Visual Impact on Properties	Fair	Good

Based on the preceding grid, the subject properties will improve in 9 of the 16 categories. Market participants generally recognize that roads need replacing when nearing the end of a long economic life. A typical buyer in the subject market commonly prefers a good condition paved road surface road versus an inferior condition paved road surface. In addition to visual benefit, new street improvements provide better and safer use for pedestrians (biking, walking, stroller, rollerblading, etc.) and drivers. Similarly, the new utilities will have a greater preference for a buyer as opposed to older, dated utilities. The new streets and utilities will enhance potential for re-development and/or updating the current properties. Properties that indirectly/directly abut or have driveways/access that exit on the new street will benefit. Properties that can connect to new utilities will benefit as well.

Based on past appraisals, experience, and general market information, it is not uncommon for properties similar to those in the subject market to realize an increase in price for new street and utility improvements.

Discussion of Market Benefit – Continued

Given the scope of the project, the age/quality/condition of houses and buildings, properties in the area with newer street and utility improvements could see an average price benefit of:

- **Residential (reconstruct)** \$6,000 to \$12,000 per buildable lot
- **Industrial (reconstruct)** \$0.25 to \$0.75 per SF of site area
- **Commercial (reconstruct)** \$0.35 to \$0.85 per SF of site area

Note: The above benefit considers only the scope of the project. Higher residential homes and/or lots are on the upper end of the range. For benefit on a price per SF area, larger lots are on the lower end of the range while smaller lots are on the upper end.

DISCUSSION OF MARKET BENEFIT – STREET RECLAMATION

Listed below are the factors that will be taken into consideration concerning the potential benefit to the properties.

<u>Description</u>	<u>Existing Improvements</u>	<u>Change</u>
1) Road Surface	Fair or gravel	New surface asphalt
2) Base Condition	Fair to Average	Graded
3) Curb	None or Dated	None or Dated
4) Drainage	Average	Average
5) Storm Sewer	Dated to Average	Dated to Average
6) City water	Assumed Average	Assumed Average
7) City sewer	Assumed Average	Assumed Average
8) Sidewalk	None	None
9) Street Lights	None	None
10) Functional Design of Road	Dated	Good, new surface asphalt
11) Traffic Management	Average	Average
12) Pedestrian Use (biking, walking, etc.)	Fair	Good
13) Median	n/a	n/a
14) Road Proximity to Properties	n/a	n/a
15) Dust	n/a	n/a
16) Visual Impact on Properties	Fair	Good

Based on the preceding grid, the subject properties will improve in 5 of the 16 categories. Market participants generally recognize that roads need replacing when nearing the end of a long economic life. A typical buyer in the subject market commonly prefers a good condition paved road surface road versus an inferior condition paved road surface. In addition to visual benefit, new street improvements provide better and safer use for pedestrians (biking, walking, stroller, rollerblading, etc.) and drivers. The new streets will enhance potential for re-development and/or updating the current properties. Properties that indirectly/directly abut or have driveways/access that exit on the new street will benefit.

Based on past appraisals, experience, and general market information, it is not uncommon for properties similar to those in the subject market to realize an increase in price for new street improvements.

Discussion of Market Benefit – Continued

Given the scope of the project, the age/quality/condition of houses and buildings, properties in the area with newer street and utility improvements could see an average price benefit of:

- **Residential (reclamation)** \$4,000 to \$8,000 per buildable lot
- **Industrial (reclamation)** \$0.15 to \$0.50 per SF of site area
- **Commercial (reclamation)** \$0.25 to \$0.65 per SF of site area

- **Residential (gravel to asphalt)** \$7,000 to \$12,000 per buildable lot
- **Industrial (gravel to asphalt)** \$0.35 to \$0.85 per SF of site area
- **Commercial (gravel to asphalt)** \$0.50 to \$1.00 per SF of site area

Note: The above benefit considers only the scope of the project. Higher residential homes and/or lots are on the upper end of the range. For benefit on a price per SF area, larger lots are on the lower end of the range while smaller lots are on the upper end.

DISCUSSION OF MARKET BENEFIT – PIPE LINING (CIPP)

Listed below are the factors that will be taken into consideration concerning the potential benefit to the properties.

<u>Description</u>	<u>Existing Improvements</u>	<u>Change</u>
1) Road Surface	n/a	n/a
2) Base Condition	n/a	n/a
3) Curb	n/a	n/a
4) Drainage	n/a	n/a
5) Storm Sewer	n/a	n/a
6) City water	Assumed Average	Assumed Average
7) City sewer	Dated to Average	New lining
8) Sidewalk	n/a	n/a
9) Street Lights	n/a	n/a
10) Functional Design of Road	n/a	n/a
11) Traffic Management	n/a	n/a
12) Pedestrian Use (biking, walking, etc.)	n/a	n/a
13) Median	n/a	n/a
14) Road Proximity to Properties	n/a	n/a
15) Dust	n/a	n/a
16) Visual Impact on Properties	n/a	n/a

Based on the preceding grid, the subject properties will improve in 1 of the 2 relevant categories. Market participants generally recognize that utilities need replacing when nearing the end of a long economic life. A typical buyer in the subject market commonly prefers updated utilities as opposed to older utilities. Properties that can connect to new utilities will benefit.

Based on past appraisals, experience, and general market information, it is not uncommon for properties similar to those in the subject market to realize an increase in price for updated utilities.

Discussion of Market Benefit – Continued

Given the scope of the project, the age/quality/condition of houses and buildings, properties in the area with updated utility improvements could see an average price benefit of:

- **Single Family Residential (CIPP)** \$500 to \$1,000 per buildable lot
- **Apartments (CIPP)** \$50 to \$250 per unit
- **Industrial (CIPP)** \$0.05 to \$0.15 per SF of site area
- **Commercial (CIPP)** \$0.10 to \$0.25 per SF of site area
- **Religious (CIPP)** \$0.03 to \$0.10 per SF of site area

Note: The above benefit considers only the scope of the project. Higher residential homes and/or lots are on the upper end of the range. For benefit on a price per SF area, larger lots are on the lower end of the range while smaller lots are on the upper end.

CONCLUSION

The benefit amount noted above should not be construed or relied on as being an appraisal, but are general observations based on the overall market. If an appraisal were made on the individual properties, the actual benefit amount could vary from market observations above.

If you have additional questions, please do not hesitate to contact us.

Sincerely,



Ethan Waytas, MAI
Certified General MN 40368613

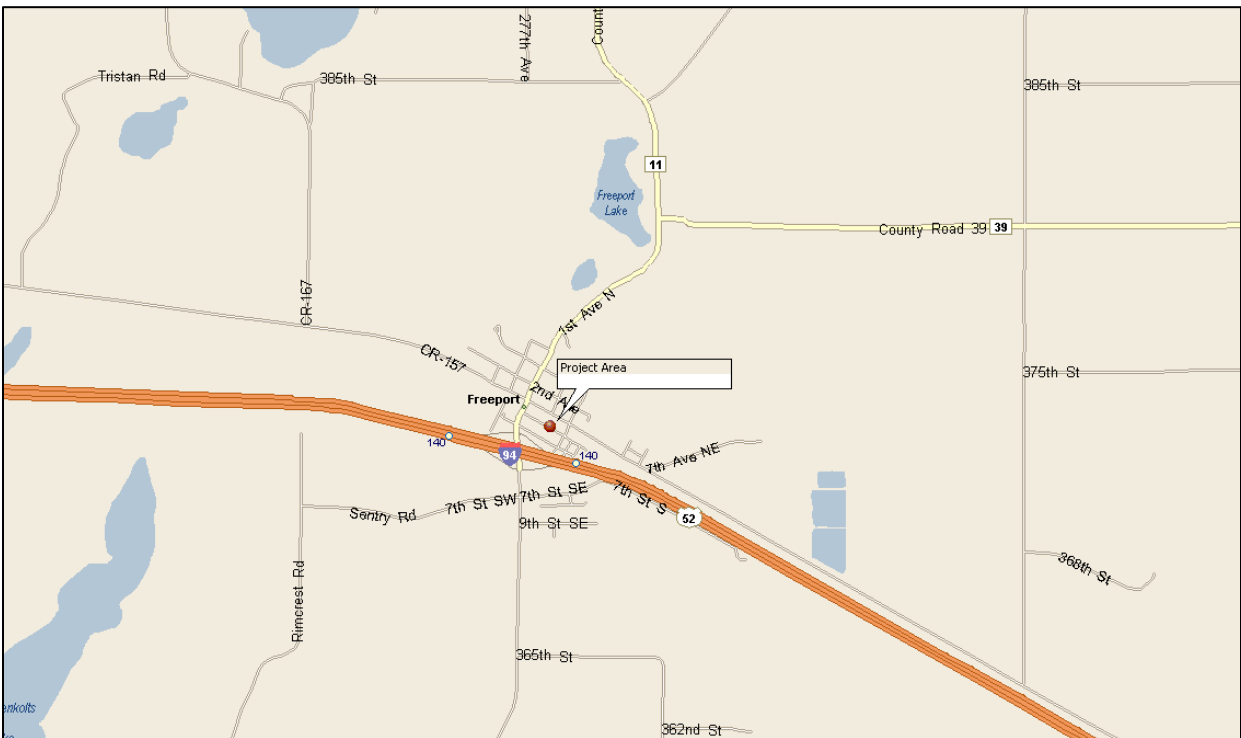
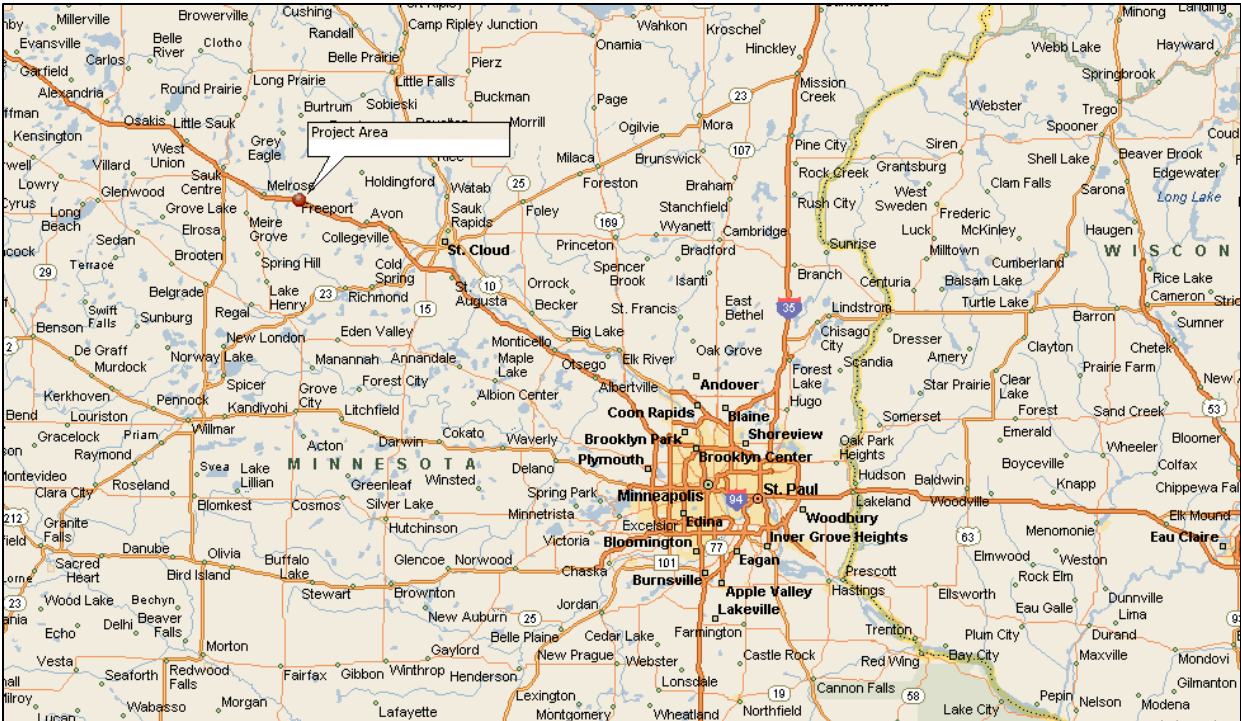


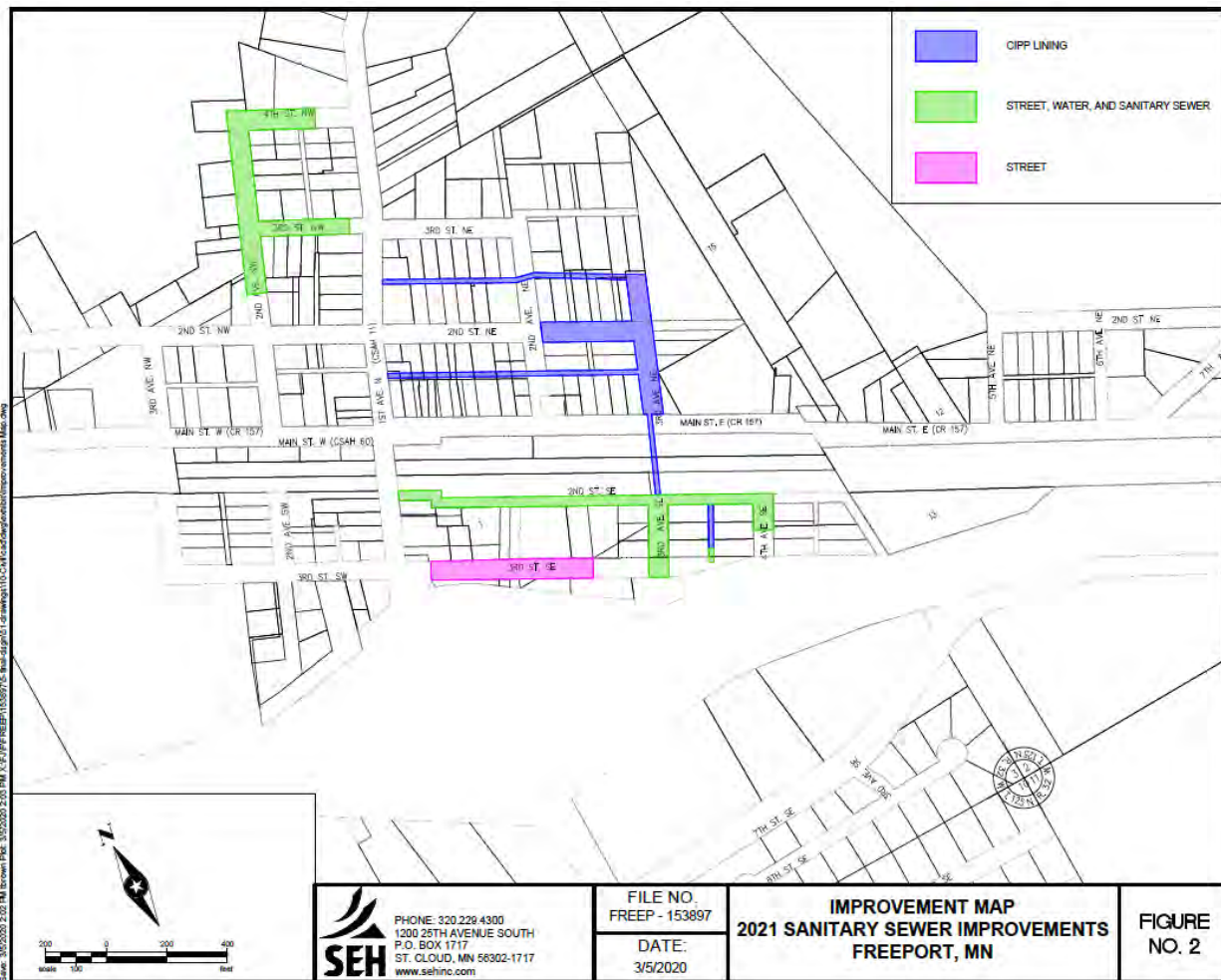
William R. Waytas, SRA
Certified General MN 4000813

Enclosures: Location Map, Aerial Map View of Project, Subject Photos, Qualifications

www.nagellmn.com

LOCATION MAP





AERIAL VIEW OF PROJECT MAP



*Red line reflects the project area

SUBJECT PHOTOGRAPHS



Street view



Street view



Street view



Street view