

Anoka County's Acquisition Master Plan Amendment – Boundary Adjustment at Rice Creek Chain of Lakes Park Reserve:

Background

This acquisition master plan amendment for Rice Creek Chain of Lakes Park Reserve proposes to acquire and incorporate into the Park Reserve boundary 33 acres of land to serve as replacement land for a 3.65-acre loss of land for Right-of-Way purposes at Mississippi West Regional Park. Refer to Exhibit A2 and Anoka County's Mississippi West Regional Park Master Plan – Equally Valuable Land Exchange and Boundary Adjustment Project Memo for more information.



Boundaries for Acquisition

The boundaries for the replacement land are show in Exhibits A3 & A4. The parcel for acquisition is 02-31-22-13-0001, excluding any of the Interstate 35W right of way.





Potential Land Replacement Parcels
Rice Creek Chain of Lakes Park Reserve
Exhibit A4

0 650 1,300 Feet

Land Replacement

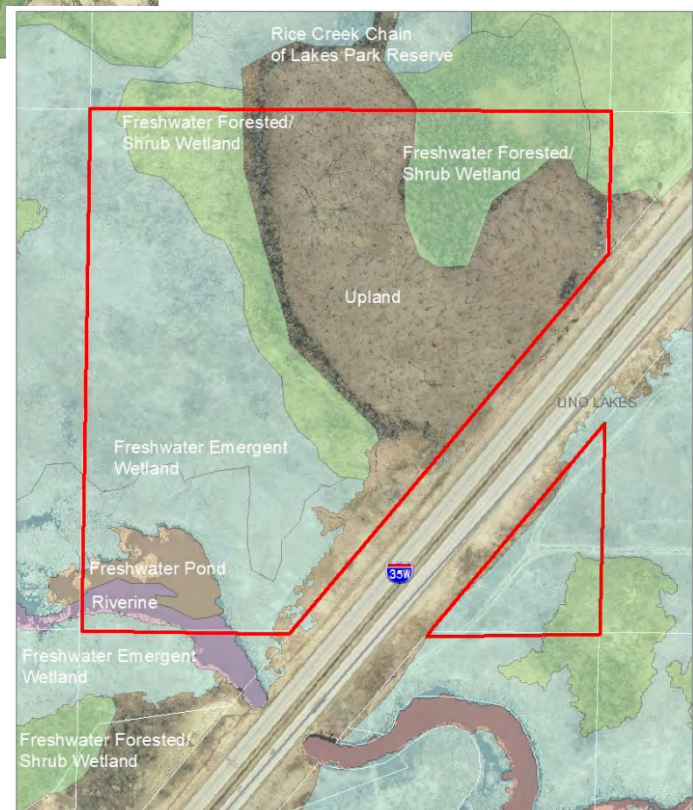
Per the 2040 Regional Parks Policy Plan, “Park reserves, like regional parks, are expected to provide for a diversity of outdoor recreational activities. The major feature that distinguishes the park reserve from a regional park is that the park reserve is also intended to provide, protect, and manage representative areas of the original major landscape types in the metropolitan area and enable appreciation and enjoyment of the natural resources that influenced the region’s development.”

“Park reserves are substantially larger than regional parks because they require adequate space to protect and manage diverse natural resources and provide for compatible outdoor activities. The minimum size for a park reserve is 1,000 acres, but larger park reserves are

Acquisition Costs

There will be no costs for this acquisition as this will be an equally valuable land exchange between different County Departments. While the land was originally set aside for an Interstate 35W crossing, the Highway Department has determined that a crossing is no longer needed near that location, therefore making that land available for the equally valuable land exchange.

There are no special assessments on the parcels and based on data from the MN Pollution Control Agency there are no potential contamination sites near the project area that will affect acquisition.



Replacement Parcels for
Mississippi West Regional Park Impacts
Wetland Types
Exhibit A5

0 300 600 Feet

desirable. To establish and maintain an uncompromised sense of nature and protect high-quality natural resources, at least 80% of each park reserve should be managed as wild lands that protect the ecological functions of the native landscape. Up to 20% of a park reserve may be developed for compatible recreational activities.”

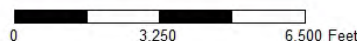
This acquisition will benefit not only the regional system, but also Rice Creek Chain of Lakes Park Reserve. As a Park Reserve it is already set up to provide protection for up to 80% of the high-quality natural resources in the area. This acquisition will close a gap in the boundary, add 33 acres to the existing 4,133 acres, making the Park Reserve 4,166 acres in total. It will also protect about 10 acres of upland, 21 acres of wetlands, 2 acres of open water and about 350’ of the Rice Creek. Refer to Exhibit A5 for the natural resources in the area. Ultimately, this acquisition provides protection to about 7000’ feet of the Rice Creek north of Interstate 35W. Weighing these gains against the loss of land at Mississippi West Regional Park, the County feels the benefits far outweigh the loss.

The Met Council’s Regional Parks Policy Plan, Chapter 4: Siting and Acquisition – General Criteria Table and Strategy 1: Priorities address the importance of acquisitions to include lands with natural resource features, access to water and/or restoration potential. The following is Anoka County’s response to those items.

The existing Park Reserve already brings in visitors from around the region with more than 750,000 visitors in 2019 (2021 numbers not available yet) and the existing park reserve already provides for geographic balance in the region. The addition of the 33 acres adds to the number of acres the County is able to conserve for diverse high-quality natural resources and while this parcel may have limited to access due to the surrounding wetland conditions, the Rice Creek is quite popular for canoeing and kayaking and therefore supports outdoor recreation



Rice Creek Chain of Lakes Park Reserve
New Boundary Map
Exhibit A6



as required. This acquisition will allow the County to protect the ecological functioning of the existing wetland complex.

Therefore, Anoka County feels strongly that the Met Council should support this acquisition and boundary adjustment. Exhibit A6 shows the resulting park reserve boundary adjustment. Anoka County will own, administer and maintain these parcels as the rest of the park reserve. The acquired 33 acres will be added to the administrative and management boundary of the Park Reserve and provide the County greater site control for the Park Reserve.

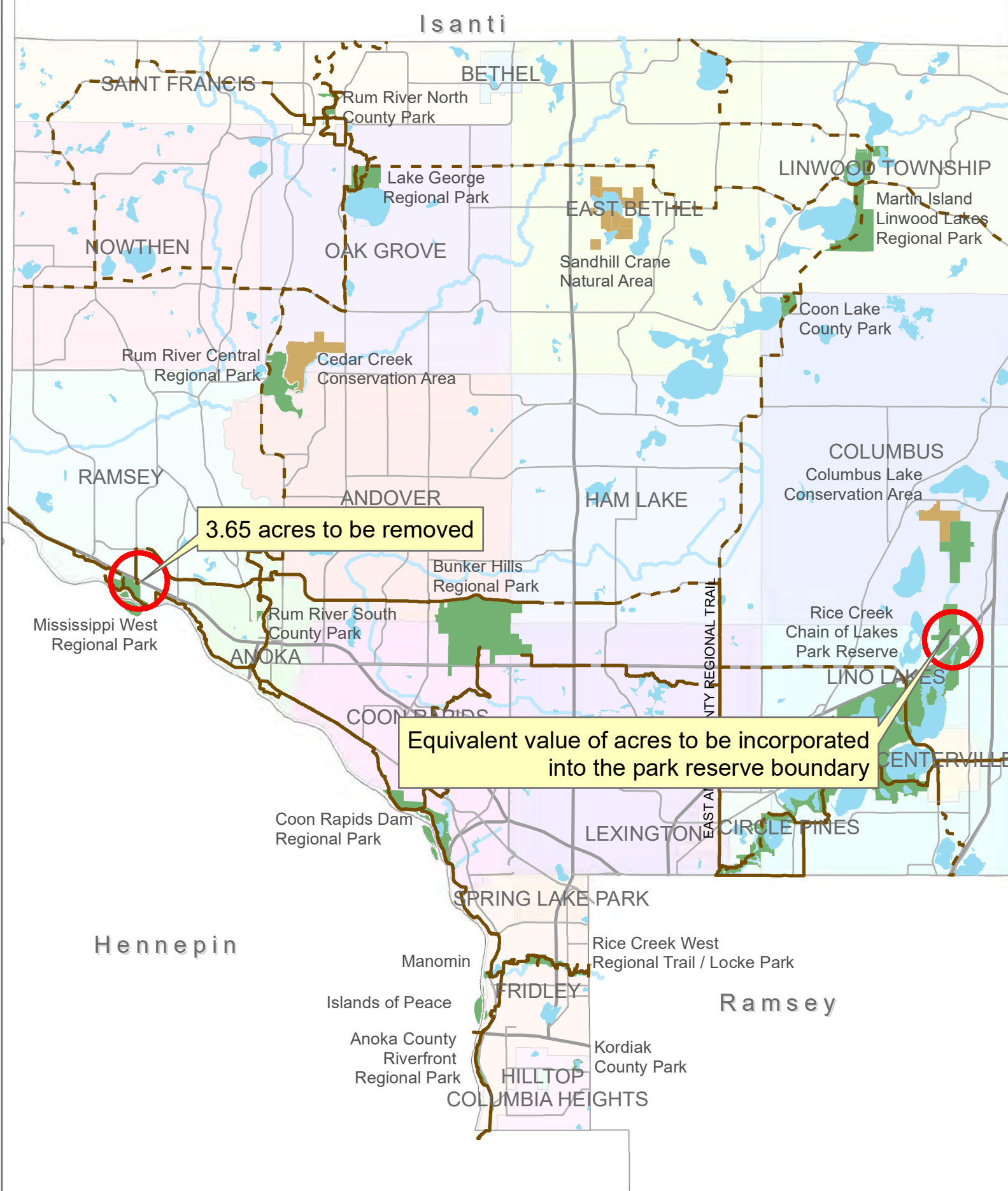
Attached to this memo are the following Exhibits:

Exhibit A2-A5: Maps showing the replacement parcels

Exhibit A6: Proposed New Park Boundary for Rice Creek Chain of Lake Park Reserve

Exhibit B: Appraisal & Title Work

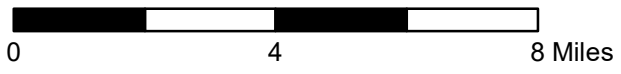
Exhibit C: County Resolution of Support



3.65 acres to be removed

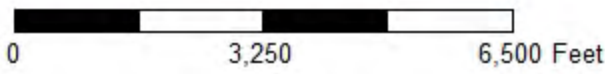
Equivalent value of acres to be incorporated into the park reserve boundary

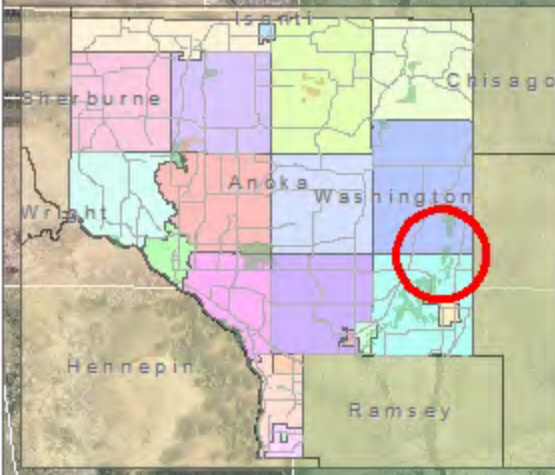
Anoka County Parks and Trails System
Parkland Exchange
EXHIBIT A2





Proposed Parkland Replacement
Rice Creek Chain of Lakes Park Reserve
Exhibit A3





COLUMBUS

Rice Creek Chain
of Lakes Park Reserve

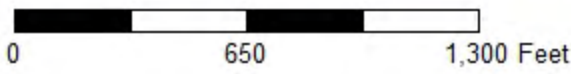
LINO LAKES

02-31-22-13-0001
(33 acres)



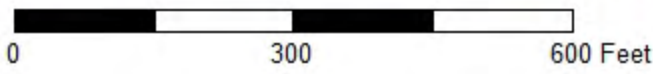
Rice Creek Chain
of Lakes Park Reserve

Potential Land Replacement Parcels
Rice Creek Chain of Lakes Park Reserve
Exhibit A4



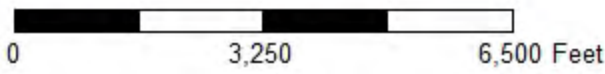


Replacement Parcels for
Mississippi West Regional Park Impacts
Wetland Types
Exhibit A5





Rice Creek Chain of Lakes Park Reserve
New Boundary Map
Exhibit A6



Report Type
Appraisal Report

Effective Date
June 28, 2022

Client

Anoka County Highway Department
Attn: Susan Anderson, Right of Way Specialist
1440 Bunker Lake Boulevard Northwest
Andover, MN 55304

Subject Property

Open Land
XXXX Interstate 35W
Lino Lakes, Anoka County, MN 55038
Owner: County of Anoka



File # G2206007

Prepared By:

Ethan Waytas, MAI, Appraiser
William R. Waytas, Appraiser

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NAGELL APPRAISAL INCORPORATED

12805 Highway 55, #300

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Established in 1968

Phone: 952-544-8966

Fax: 952-544-8969

Anoka County Highway Department
Attn: Susan Anderson, Right of Way Specialist
1440 Bunker Lake Boulevard Northwest
Andover, MN 55304

June 28, 2022

To Susan Anderson:

In accordance with your request, an **appraisal report** has been made on the following described property:

Subject Property: Open Land
 XXXX Interstate 35W
 Lino Lakes, MN 55038

Described below is a summary of the appraisal report contained herein.

Property Overview

The subject property is a 33.69 acre site that is part of an overall larger 58.82 acre property. The county has indicated the subject will be put into the county park system, the Rice Creek Chain of Lakes Park Preserve. As part of the process, the county has requested an appraisal.

The subject, as noted, is 33.69 acres. The site is located along Interstate 35W but does not have access. There are no adjoining roads; as such, the subject is effectively landlocked.

Most of the subject is low (likely wetland). As such, the property is not buildable and only has appeal for limited utility or open land purposes.

Report Use

Decision making purposes regarding parkland

Intended User(s)

Anoka County

Extraordinary Assumptions

None

Hypothetical Conditions

The subject is assumed to be split according to the county plan; if found otherwise, the value could differ.

Property Rights Appraised

- *Fee Simple Interest*: The subject is vacant land. The appraisal reflects the fee simple interest.

Property Components Appraised

- *Real Estate*: The appraised value includes the real estate value opinion.
- *Furniture, Fixtures, & Equipment (FF&E)*: The appraised value does not include personal property or FF&E. The appraised value does not include the lifts, tools, any vehicles, etc.
- *Business Value*: The appraised value does not include business value.

Highest and Best Use Conclusions

- *As Vacant*: Open or limited utility land.
- *As Improved*: Not applicable, the subject is vacant land.

Valuation Methodology

The highest and best use of the subject is the existing open land use (limited utility).

Given the highest and best use, the following approaches are used:

- *Cost Approach*: Not applied as the subject is vacant land.
- *Sales Comparison Approach*: Similar limited utility land sales.
- *Income Approach*: Not applied as properties like the subject are typically not leased. This approach was not applied.

The property is legally described herein. The appraisal assumes that the property meets all current environmental standards. The appraisal analysis and conclusions are subject to certain limiting conditions and assumptions described herein. The final value opinion, as of **June 28, 2022**, is:

Final Market Value Opinion (fee simple interest):	\$60,000
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Exposure Time / Marketing Time

Exposure Time:	Final values reflect “market exposure” time of under 1 year <u>before</u> the effective date of the appraisal. Changes in the market, use, lease and/or building subsequent to the effective appraisal date could impact value.
Marketing Time:	Marketing times for appropriately priced properties is generally 12 months +/-.

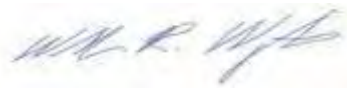
Our company has 12 employees, has been in business since 1968 and has sufficient knowledge, education, experience, resources and/or contacts to competently complete this assignment. The accompanying report contains data secured from my personal investigation and from sources considered to be reliable; however, correctness is not guaranteed. To the best of my knowledge and belief, the statements contained in this report are true and correct. Neither my employment to make this appraisal, nor the compensation, is contingent upon the value reported. This report has been prepared in conformity with the code of professional ethics and standards of professional appraisal practice of the Appraisal Institute and appraisal standards set forth by Uniform Standards of Professional Appraisal Practice.

Please contact us if you have further questions.

Sincerely,



Ethan Waytas, MAI
Certified General MN 40368613



William R. Waytas
Certified General MN 4000813

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SUMMARY OF IMPORTANT FACTS & CONCLUSIONS



Location:	XXXX Interstate 35W, Lino Lakes
Project:	Park
Parcel Number:	n/a
Appraisal Report:	Appraisal Report
Current Use:	Vacant land
Extraordinary Assumptions:	No, see rear of report for standard assumptions
Hypothetical Conditions:	Yes, see rear of report
Site Area:	33.69 acres, per client
Building Improvements:	None
Current Zoning:	R, Rural (guided Parks and Open Space)
Highest & Best Use:	Open land
Personal Property:	No personal property included
Property Rights Appraised:	Fee Simple
Cost Approach:	Not applied
Sales Comparison Approach:	\$60,000
Income Approach:	Not applied
Final Value Opinion:	\$60,000

VALUE TYPE, CONDITION & STABILITY OF PROPERTY

Type of Value:	This report provides an opinion of <u>Market Value</u> .
Condition of Value:	This report provides an opinion of the <u>as-is</u> value.
Occupancy:	The subject is vacant land.

INTENDED USE OF THE APPRAISAL

Intended Use:	<p>The client intends to use the appraisal <u>decision making purposes regarding parkland</u>.</p> <p>No party, other than the named client and listed intended users, may use or rely upon any part of this report without the prior written authorization of both the named client and the appraiser. This report is not valid unless it contains the original signatures in blue ink. Any unauthorized third party relying upon any portion of this report does so at its own risk.</p>
Intended User(s):	Anoka County Highway Department

DATE OF APPRAISAL

Effective Date:	June 28, 2022
Inspection Date:	June 3, 2022
Date of Report:	June 28, 2022

SCOPE OF THE APPRAISAL REPORT

USPAP defines Scope of Work as: The type and extent of research and analyses in an assignment.

For each appraisal, appraisal review and appraisal consulting assignment, an appraiser must:

- 1) *Identify the problem to be solved,*
- 2) *Determine and perform the scope of work necessary to develop credible assignment results; and*
- 3) *Disclose the scope of work in the report.*

1) Provide a reasonably supported value opinion as it relates to the intended use & scope.

2) Per assignment request (retained in workfile), the following degree of research and analysis has been made. The narrative format used is an **Appraisal Report**, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2a of USPAP. See individual approaches for further detail.

The scope of work for this appraisal includes:

- **a) Property Identification:** Public record, plat maps, zoning maps and aerial photographs were used to identify the subject property.
- **b) Property Inspection:** *A viewing of the subject property and neighborhood by the appraiser. Physical factors:* Based on property viewing and conversations with the client, city and county officials. Lot size is based on county information. *Economic Factors:* Consisted of gathering of information from market experts, city and/or county offices, and internet about the region, community, neighborhood, zoning, utilities, and any pending projects in the area that may affect the subject property.
- 3) • **c) Extent of Data Researched:** Sales data of competing properties within the subject market area were given primary consideration. The most relevant data is used in this report. Sources include, appraiser data files, assessor, internet, developers, agents, MLS, periodicals, in-office library, etc. In addition, during the course of appraisal practice and of this appraisal process, the appraiser has had ongoing discussions with market participants (buyers, sellers, property managers, real estate agents/brokers, appraisers, etc.) and/or viewed market data in relation to how the current real estate market may impact the subject value. The appraiser has not researched the title or ownership records.
- **d) Type and Extent of Analysis Applied at Opinions or Conclusions:** An extensive review of market data was performed. The most recent, similar and proximate data has been used. The data used will be adjusted on a grid. Reasonable and appropriate collection, verification, analysis and viewing has been performed in the valuation approaches, given the purpose and intended use of the report. A final value opinion will be discussed and correlated.

The data used was obtained from sources considered credible, yet its accuracy is not guaranteed. If found otherwise, value could differ.

PROPERTY RIGHTS APPRAISED

Real property ownership consists of a group of distinct rights. There are two primary property rights, Fee Simple and Leased Fee (as defined by The Appraisal of Real Estate, 13th Edition, Appraisal Institute).

Fee Simple Interest: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Note: This would typically reflect an owner-occupied property. When the property rights appraised are the unencumbered fee simple interest of the real estate, the appraised value is subject to normal easements for drainage, public streets and utilities, if any. The effect of any existing mortgage or delinquent taxes on the subject property has not been considered in this appraisal.

Leased Fee Interest: The ownership interest held by a lessor (landlord), which includes the right to the contract rent specified in the lease plus reversionary right when the lease expires. The lessor's interest in a property is considered a leased fee interest regardless of the duration of the lease, specified rent, the parties to the lease, or any of the terms in the lease contract.

A leased property, even one with rent that is consistent with market rent, is appraised as a leased fee interest, not as a fee simple interest. Even if the rent of the lease terms are not consistent with market terms, the lease fee interest must be given special consideration and is appraised as a leased fee interest. (The Appraisal of Real Estate, 13th Edition, Page 114)

The subject is currently vacant land. Given the scope of the assignment, the **fee simple interest** will be applied.

PROPERTY COMPONENTS APPRAISED

Real Estate: The appraised value includes the real estate value opinion. The methods utilized for the real estate valuation include:

- Sales Comparison Approach

FF&E: The appraised value does not include any values of fixtures, furnishings and equipment.

Business Value: There is no business value included in the appraised value.

IDENTIFICATION

Address:	XXX Interstate 35W Lino Lakes, Anoka County, MN 55038
County PID:	02-31-22-13-0001 (part of) & 02-31-22-42-0002 (part of)
Legal:	PID: 02-31-22-13-0001: THE SW1/4 OF NE1/4 OF SEC 2 TWP 31 RGE 22, EX RD, SUBJ TO EASE OF REC PID: 02-31-22-42-0002: LOT 8 AUDITORS SUBDIVISION NO 49 REV LYG SELY OF I 35W
Fee Owner:	County of Anoka
Census Tract #:	05.0229

REAL ESTATE TAXES

Taxes, per County Records		
	Payable 2022	Payable 2023
Total Effective Tax	Tax exempt	Tax exempt
Special Assessments / Solid Waste Fee / Other	\$0	\$0
Total Tax & Assessments:	\$0	\$0
Delinquent taxes:	None noted	
COUNTY ASSESSOR'S VALUE		
	Payable 2022	Payable 2023
Land	\$212,200	\$222,100
Building	\$0	\$0
TOTAL	\$212,200	\$222,100
\$/Acre	\$3,608 per acre	\$3,776 per acre
The subject is tax exempt as it is owned by the county.		
<p>The appraised value given in this report assumes any/all special assessments, and/or liens are paid in full and that there are no delinquent taxes, fees, payments, association dues, etc. Should it be found that any of these exist the amount should be deducted from the appraised value. Appraiser did not research these items; typically, a title search would reveal any of these.</p>		

SUBJECT SALES & BUILDING HISTORY

Listing History:	The subject is not listed for sale.	
Sales History:	Sale Price:	n/a
	Sale Date:	n/a
	Buyer:	n/a
	Seller:	n/a
	Terms:	n/a
	Source:	Public records
	Comments: No reported sales of the subject within the past 5 years.	
Pending Sale:	None noted	
Building History:	The subject is vacant land.	
Lease History:	None noted	
Leasehold Interest:	None noted	
Association Dues:	The subject is reportedly not part of an association or common interest community (CIC).	

REGIONAL DATA

Metro Area

Minneapolis-Saint Paul is the most populous urban area in Minnesota and is composed of 186 cities and townships. Built around the Mississippi, Minnesota and St. Croix rivers, the area is also nicknamed The Twin Cities for its two largest cities, Minneapolis and Saint Paul. Saint Paul is the second largest city in Minnesota, as well as the state capital.

The area is part of a larger U.S. Census division named Minneapolis-St. Paul-Bloomington, MN-WI, the country's 16th-largest metropolitan area, composed of eleven counties in Minnesota and two counties in Wisconsin. This larger area, in turn, is enveloped in the U.S. Census combined statistical area called Minneapolis-St. Paul-St. Cloud, MN-WI with an estimated population of 3.65 million people in 2019.

In both of the fully developed central cities—Minneapolis and St. Paul—the population has declined due to smaller household sizes, yet growth in other areas of their counties has been more than offsetting. Below is detailed where this growth has occurred:

POPULATION							
County	Census 2000	Census 2010	Forecast 2020	Growth 2000 - 2010		Growth 2010 - 2020	
				total	annual	total	annual
Hennepin	1,116,200	1,152,425	1,281,565	3.25%	0.32%	11.21%	1.12%
Ramsey	511,035	508,640	552,352	-0.47%	-0.05%	8.59%	0.86%
Dakota	355,904	398,552	439,882	11.98%	1.20%	10.37%	1.04%
Anoka	298,084	330,844	363,887	10.99%	1.10%	9.99%	1.00%
Washington	201,130	238,136	267,568	18.4%	1.84%	12.36%	1.24%
Scott	89,498	129,928	150,928	45.17%	4.52%	16.16%	1.62%
Wright	89,986	124,700	141,337	38.58%	3.86%	13.34%	1.33%
Carver	70,205	91,042	106,922	29.68%	2.97%	15.45%	1.72%
Sherburne	64,417	88,499	97,183	37.38%	3.74%	17.44%	1.74%
Chisago	41,101	53,887	56,621	31.11%	3.11%	5.07%	0.51%
Total	2,837,560	3,116,653	3,458,245	9.84%	0.98%	10.96%	1.10%

Source: US Census Bureau

Overall, the area has experienced moderate to good income growth. Annualized income growth of 2.5% to 3.5% is consistent with national averages.

MEDIAN HOUSEHOLD INCOME				
County	Census 2010	Estimate 2020	Growth 2010 - 2020	
			total	annual
Hennepin	59,236	81,169	37.03%	3.70%
Ramsey	50,136	67,238	34.11%	3.41%
Dakota	69,508	88,468	27.28%	2.73%
Anoka	65,771	84,379	28.29%	2.83%
Washington	77,239	97,584	26.34%	2.63%
Scott	77,314	103,261	33.56%	3.36%
Wright	66,833	87,772	31.33%	3.13%
Carver	80,173	104,011	29.73%	2.97%
Sherburne	69,971	88,671	26.73%	2.67%
Chisago	63,810	86,900	36.19%	3.62%

Source: US Census Bureau

NOTE: Most recent data available shown above.

Regional Data – continued

Economic Trends

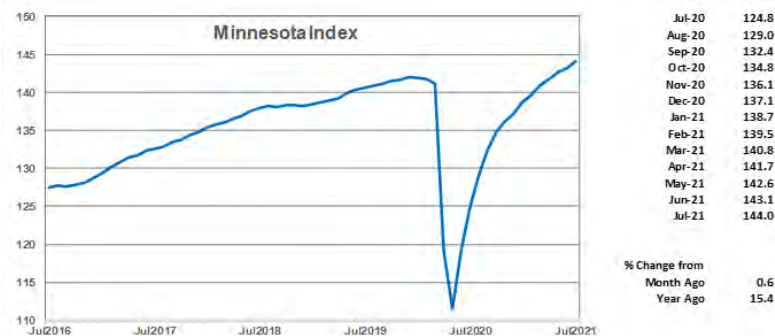
The current residential interest rates for a typical 30-year mortgage are around 4.0% to 6.5%. Commercial rates are around 4.0% to 6.0%. Rates are expected to be relatively stable for the foreseeable future.

The state of the macro economy (national, state, etc.) declined from its peak in 2006, but in 2010 began showing signs of recovery. Many economists are terming 2007 through 2009 as **“The Great Recession”**.

New construction labor costs have steadily increased, along with material costs as well. Overall, construction costs are less competitive to what they were 5 to 6 years ago. Generally, when vacancy is over 10%, new commercial/industrial construction is slow.

Listing prices have been increasing steadily since 2012 +/- and are starting to approach peak levels similar to the market in 2006, which was a period of high seller expectations. However, recent buyer and seller expectations regarding value and list prices appear to be trending towards equilibrium.

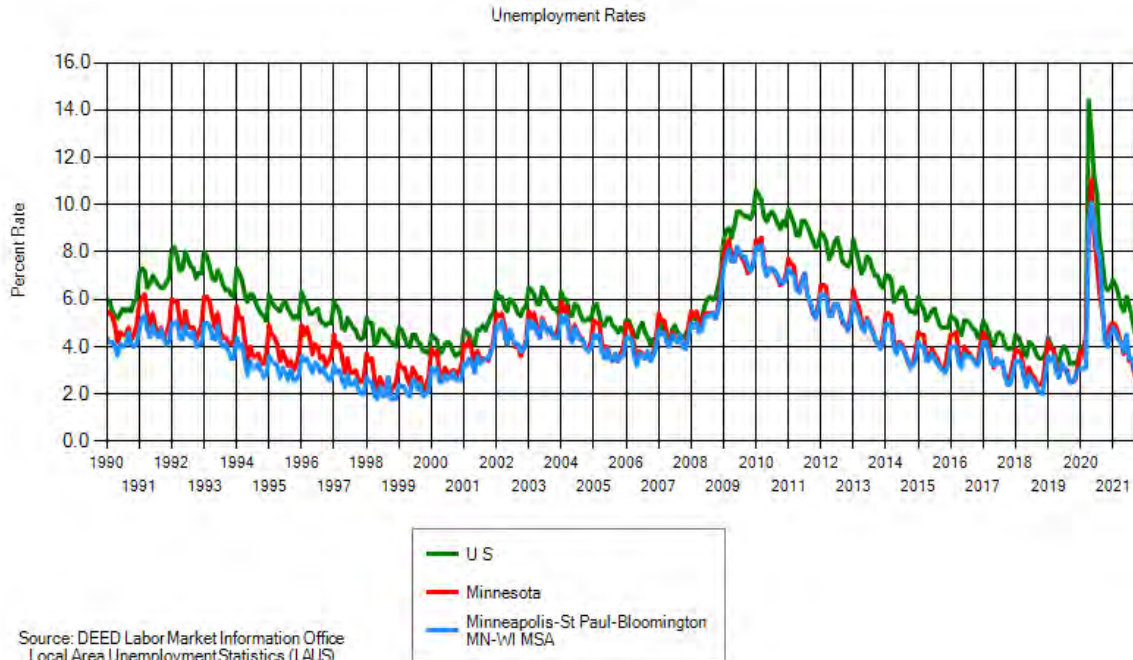
Although well diversified, the TCMA and surrounding Minnesota economy is not immune to the recent soft/declining trends of the overall economy.



Source: Minnesota DEED

The recent COVID-19 pandemic created a significant drop in the economy due to high unemployment and decreased spending in early 2020. However, spending has increased, employment is recovering, and the COVID-19 vaccines have given markets stability.

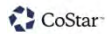
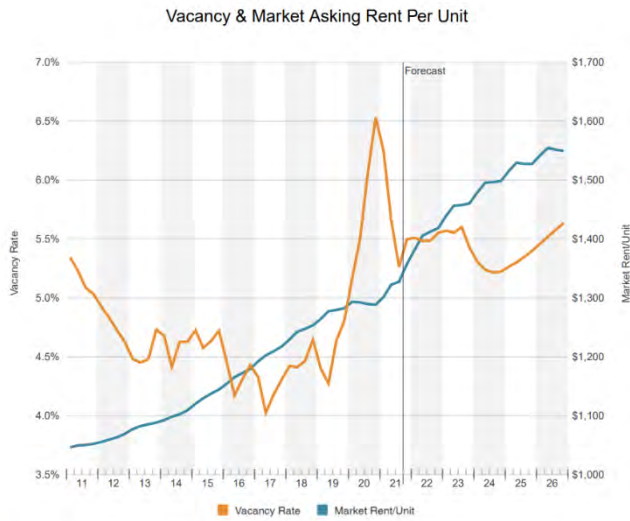
EMPLOYMENT & LABOR



Over the past ten years, unemployment rates have gone from a peak of around 7.0% to near historical lows of around 2% in late 2018. In 2020, the COVID-19 pandemic created a significant spike in the unemployment rate. The most recent data, shown below, indicates that the rate has dropped significantly and is approaching 2019 levels.

Regional Data – continued

APARTMENT MARKET



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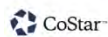
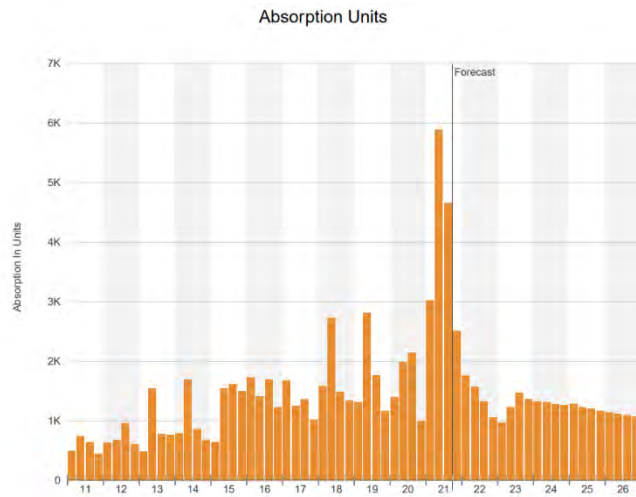
11/17/2021

CoStar reports that rents have been trending upward consistently for the past 10+ years. The current average asking rate for an apartment unit in the Twin Cities Metro is around \$1,350 per month.

Vacancy has fluctuated, but was trending downward until 2020. The COVID-19 pandemic caused a spike in vacancy, which has since been declining.

However, vacancy is higher due to significant new construction, both in Minneapolis and surrounding suburbs.

The following chart shows the annual absorption of apartment units:



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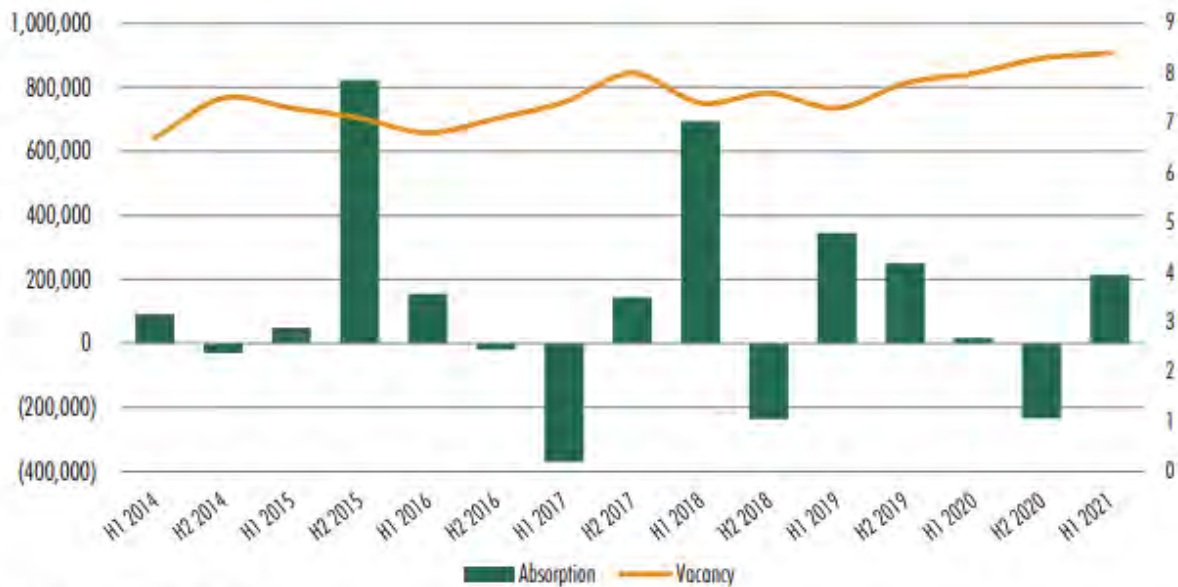
11/17/2021

Regional Data – continued

RETAIL MARKET



Figure 1: Direct Vacancy Rate and Absorption



Source: CBRE Research, H1 2021.

CBRE indicates that current retail vacancy rates have been increasing and asking rent rates have been declining. There has been absorption of vacant space in the market, however, many developers are cautious about new retail construction. Strong locations retain typical demand; more speculative retail construction generally does not occur.

Similarly, Cushman & Wakefield also shows stagnating retail asking rents and increasing vacancy:

RENT / VACANCY RATE

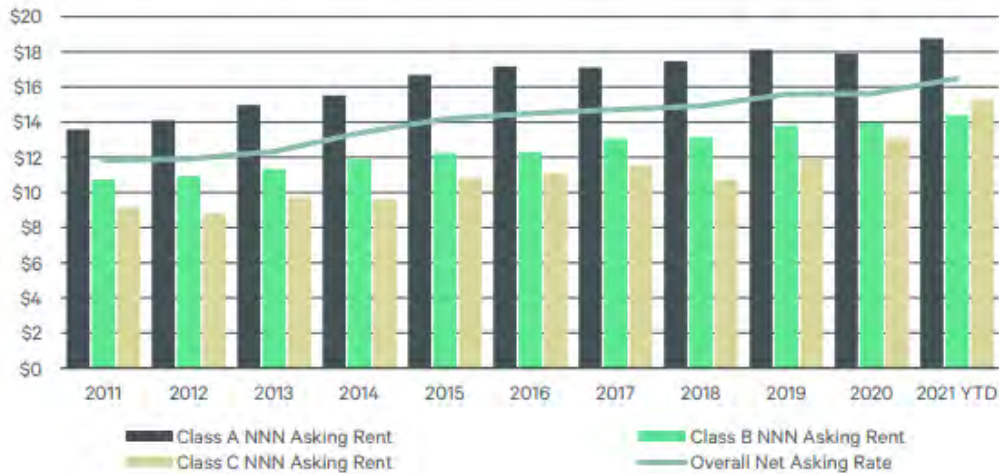


Regional Data – continued

OFFICE MARKET

CBRE data shows that asking rents for the overall office market have generally been increasing. This has also corresponded with an increase in vacancy rates as well. With the COVID-19 pandemic, many employers and workers realized that working remotely was a viable option. It is anticipated that many more companies will offer remote work full-time or part-time; this could impact office space as companies need less square footage. The counterpoint, however, is that companies might retain the same space and create social distancing opportunities in case of possible future COVID-19 flare-ups.

FIGURE 1: Historical Annual Net Asking Rates



Source: CBRE Research, Q3 2021.



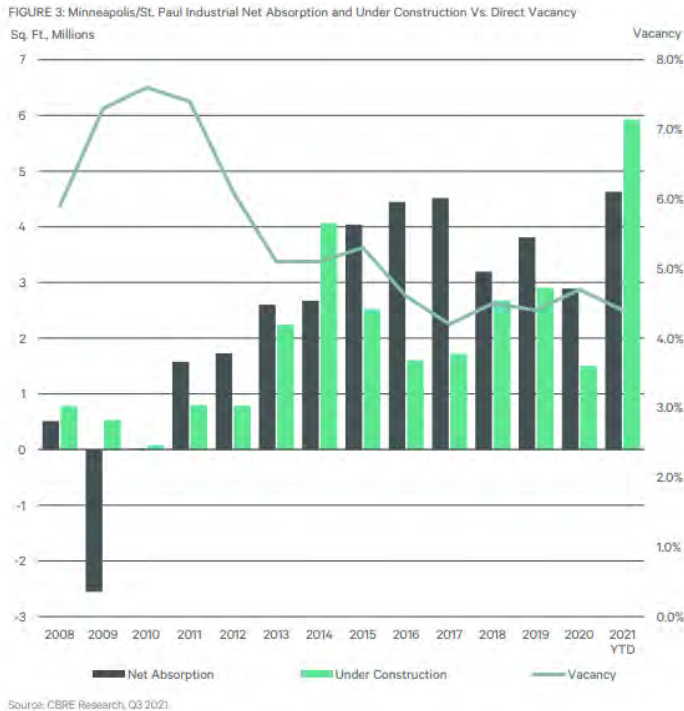
Source: CBRE Research, Q3 2021.

Regional Data – continued

INDUSTRIAL MARKET

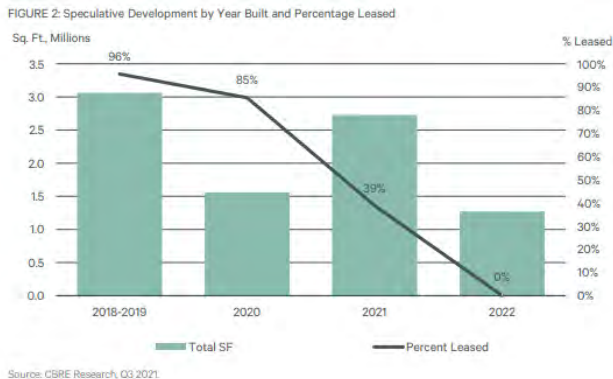
The industrial market nationwide has seen increases in rental rates and occupancy. Construction costs have been increasing as well, due to shortages created by the COVID-19 pandemic. In Minnesota the trend is similar to the country overall, vacancy has decreased, construction of new buildings is significant,

CBRE indicates that vacancy has been dropping, construction starts have increased, and absorption is significant:



Speculative development, per CBRE, has been significant. For example, almost 3 million square feet of speculative construction occurred in 2018/2019; of this, 96% has been leased. In 2020 around 1.5 million square feet was constructed, around 85% is leased.

Buildings in 2021 are about 39% leased. It appears the market is supporting speculative industrial development at this time.



Regional Data – continued

Cushman & Wakefield also reports decreasing vacancy rates and significant increases in asking rates for industrial space.

OVERALL VACANCY & ASKING RENT



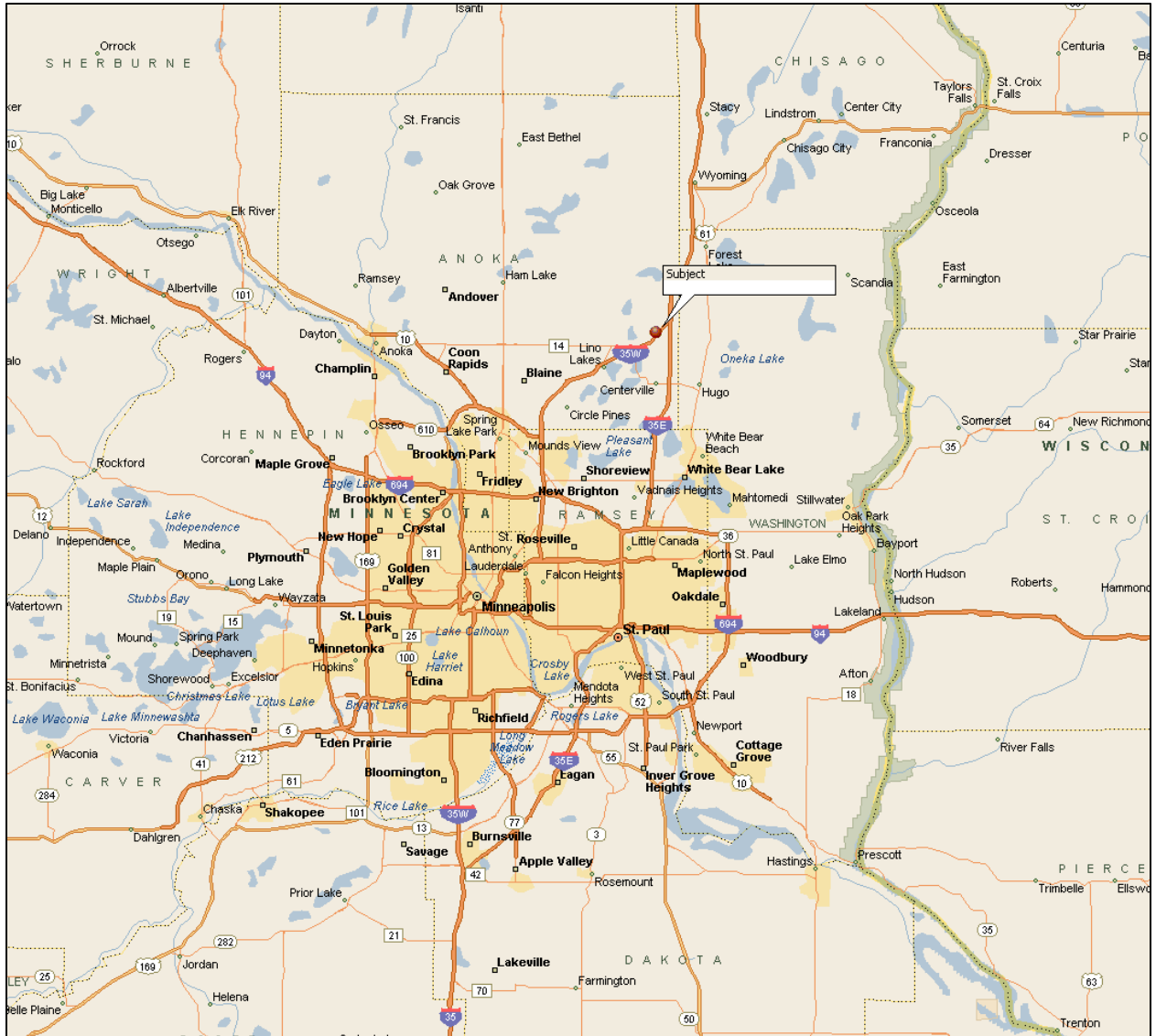
Total construction and absorption has been generally stable, but in 2021 there was significantly more absorption than construction. This would imply there is demand for more industrial space.

SPACE DEMAND / DELIVERIES



be mostly due to significant new construction.

REGIONAL MAP



CITY & NEIGHBORHOOD DESCRIPTION

Type of neighborhood:	Suburban	
Percent built-up:	60% developed (City of Lino Lakes, includes residential, apartments, commercial, industrial) 40% other/vacant/public land	
Stage of Development:	Stable, growth	
Neighborhood boundaries:	City Limits	
Major Transportation:	Interstate 35W, Interstate 35E	
Predominant type & conformity:	<i>Single Family Residential</i>	<i>45%</i>
	<i>Two- & Multi-Family</i>	<i>5%</i>
	<i>Commercial/Industrial</i>	<i>10%</i>
	<i>Other/Vacant/Public Land</i>	<i>40%</i>
	<i>Total:</i>	<i>100%</i>
	Average conformity	
Neighborhood:	Average	
Typical property age:	New to 75+ years, predominant under 40 years	
Single-Family Home Sales:	\$100,000 to \$500,000+, properties on the upper end of the range typically have lake frontage	
Apartment Sales:	\$35,000 to \$75,000+ per unit (new construction on upper end of range)	
Office Property Sales:	\$40 to \$100+ per SF	
Retail Property Sales:	\$75 to \$200+ per SF	
Industrial Property Sales:	\$35 to \$75+ per SF	
Capitalization Rates:	8-12% Historic, current rates range from 6.5% to 9.5%	
Subject Market:	Stable, gradual increase in values over time	
Neighborhood Trend:	Stable, gradual increase in values over time	
Detrimental influences:	No major apparent	

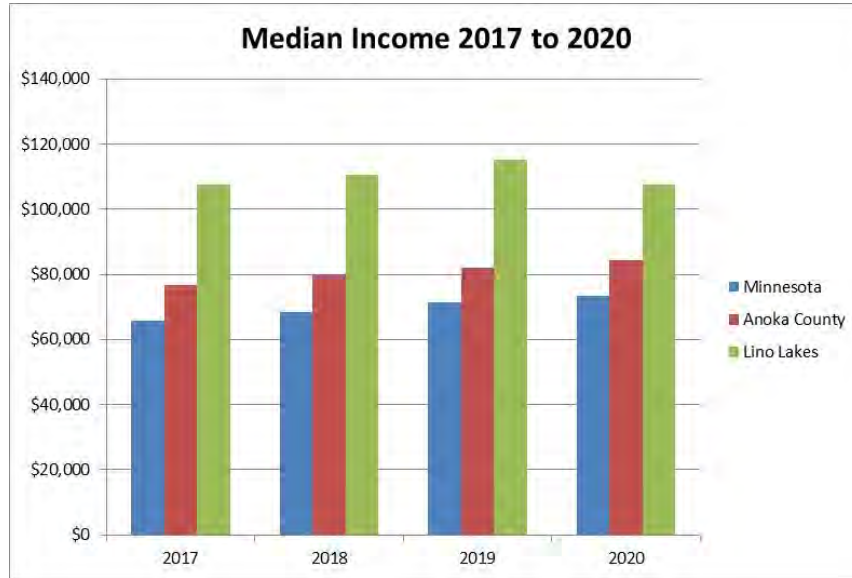
Comments: Lino Lakes is a northern suburban community located about 20 minutes from Downtown Minneapolis. The area is located near I-694/I-94, I-35W, I-35E, Hwy 65, Hwy 61, Hwy 47, Hwy 610, & Hwy 10, providing adequate access to the surrounding communities and Downtown Minneapolis/St. Paul. Similar surrounding communities include Centerville, White Bear Lake, Circle Pines, Blaine, etc. The area has a mix of residential, commercial and industrial uses which exist in a homogenous manner.

Neighborhood: The subject is located in the northeastern portion of Lino Lakes along the Interstate 35W corridor. The immediate area is mostly open low land that does not appear buildable.

City & Neighborhood Description – continued

Subject City:

As of the 2010 census the population was 20,216, in 2000 it was 11,791. This is an increase of 71.5%. The 2020 population estimate for the city is 21,399, an increase of 5.85%.



The median income for the city is above the state level and county levels (per Census Bureau). Income has increased from 2017-2019, but took a slight dip in 2020.

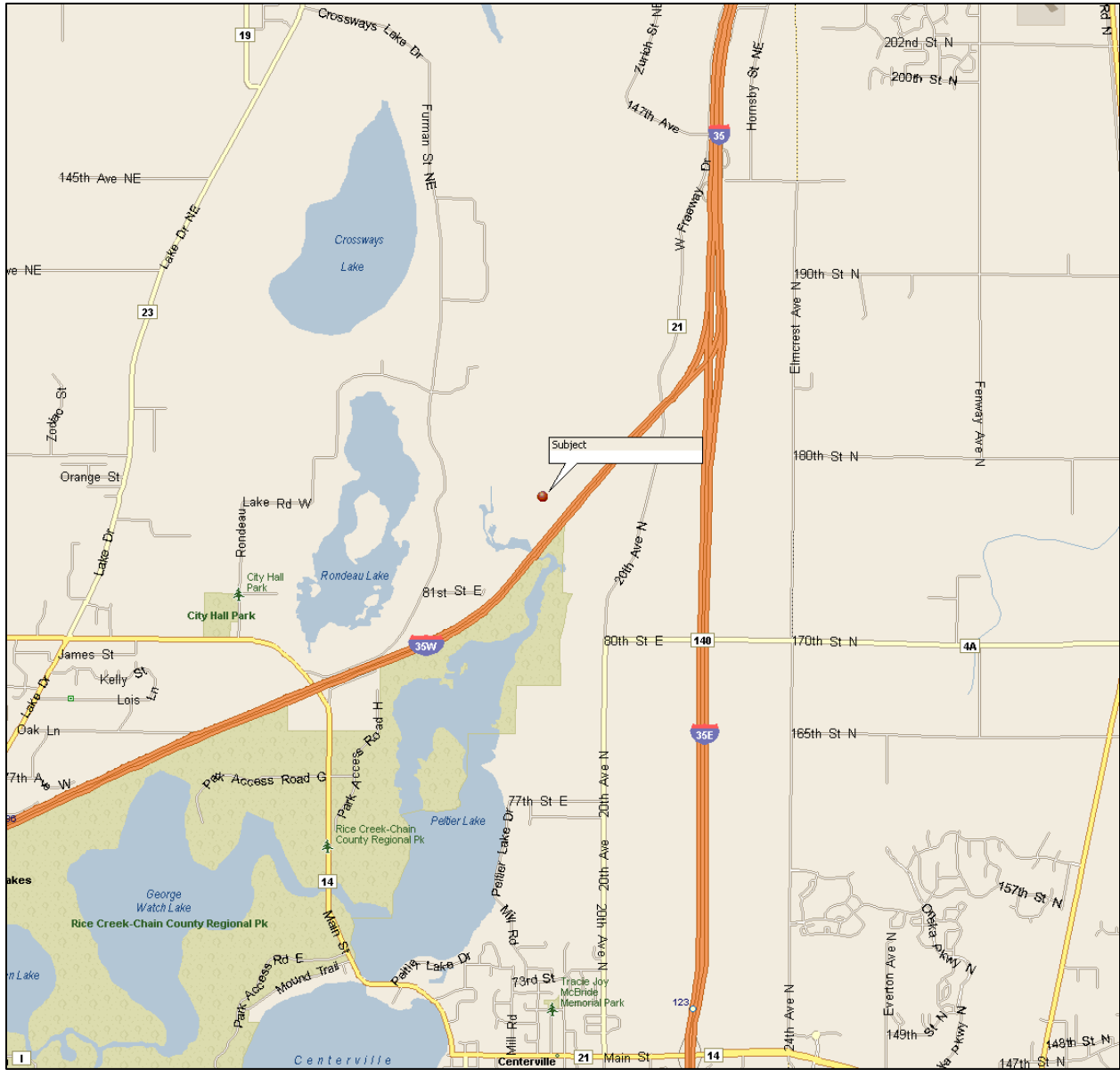
Median Home Prices: City of Lino Lakes

Source: Northstar MLS



The median sale price for a single-family home in Lino Lakes has steadily increased over the years.

NEIGHBORHOOD MAP



SURROUNDING USES



The immediate subject area is comprised of mostly open, low land and some rural residential.

SITE DESCRIPTION

Dimensions:	Appraised area is somewhat rectangular										
Gross Site Area:	Overall site is 58.82 acres										
Appraised Area:	33.69 acres, per county										
Topography / Low Area:	Mostly level / Appears mostly low, see following exhibits										
Shape:	Appraised area is somewhat rectangular										
Soil conditions:	Assumed to be stable, likely lowland that is not buildable										
Drainage:	Appears adequate										
Utilities:											
Electricity / Gas:	None / None										
Water / Sanitary Sewer:	None / None										
Off-Site Improvements:											
Street/Curb-gutter:	Concrete / None										
Sidewalk:	None										
Visual Road Condition:	Average to good										
Street Lights / Alley:	Standard / None										
Storm Sewer:	None										
Access to site (#) / Frontage:	No access / Frontage on Interstate 35W										
Traffic Count:	The MnDOT traffic count map indicates 40,375 vehicles per day (in 2021) along Interstate 35W										
Visibility:	Average to Good along the interstate										
Flood hazard zone:	Appears yes, see following flood map										
Apparent Easements:	Typical utility and drainage assumed										
Encroachments:	None noted										
Unusual Conditions:	None noted										
Use:	Open land										
Land to Building ratio:	n/a										
Excess/Surplus Land:	None noted										
Functional Adequacy:	Functional site										
Surrounding Uses:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">N</td> <td style="width: 50%;">Open land</td> <td style="width: 25%; text-align: center;">E</td> <td style="width: 25%;">Interstate 35W</td> </tr> <tr> <td style="text-align: center;">S</td> <td>Interstate 35W</td> <td style="text-align: center;">W</td> <td>Parkland</td> </tr> </table>			N	Open land	E	Interstate 35W	S	Interstate 35W	W	Parkland
N	Open land	E	Interstate 35W								
S	Interstate 35W	W	Parkland								
Distance to Major Road:	Borders Interstate 35W, no access										

Comments: The subject is a parcel of land located in Lino Lakes along the Interstate 35W corridor. The property is used as open land and borders an existing county park. The appraised site is somewhat rectangular and is comprised of mostly low land and wetland; the site does not appear buildable. Furthermore, the property does not have road access. As such, the subject has open land appeal, with limited utility.

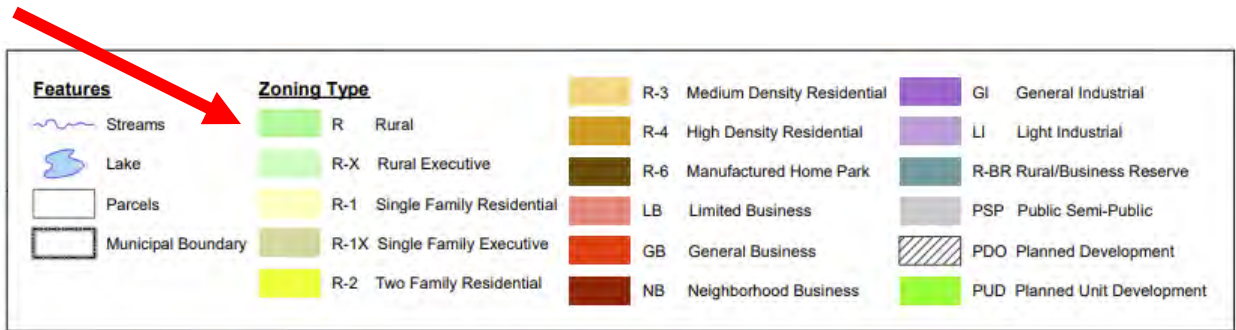
ZONING

Subject Zoning:	R, Rural District
Intent (city code):	This district is designed and intended to aid in guiding development toward fulfillment of the Comprehensive Plan and to serve the following functions: (a) To preserve productive land for agricultural use and maintain "open space" within and near to urban areas. (b) To help guide development of urban and rural areas along an orderly design to preserve continuity and efficiency of service. (c) To provide a method by which the urban farm can be guided so as to control urban sprawl and still conserve land in an economic status until such time as the need is present for an amendment to the Comprehensive Plan. (d) To reduce the possibilities of rural-urban conflicts in establishing types and levels of service, methods of financing the services and needs. To maintain an acceptable per capita cost for such services as sanitary sewer, water, police, fire, road maintenance, school transportation, and other necessary services.
Permitted Uses:	Agriculture, gardening and sod farming; commercial greenhouses and nurseries; day care facilities (14 or fewer persons); golf courses and driving ranges; governmental and public regulated utility buildings and structures necessary for the health, safety, and general welfare of the city; keeping of farm animals of up to 300 animal units in conformance with Chapter 503; public parks; single family detached dwellings; state licensed residential care facility serving six or fewer persons; temporary stands for the sale of agricultural products produced on the premises; community gardens operated by the city; The existing use appears to be allowed.
Conditional Uses / Uses Allowed by Permit:	Bicycle racing arenas; cemeteries; commercial and public radio and television transmitting antennas, and public utility microwave antennas less than 200 feet in height; commercial kennels and similar uses; veterinary hospitals; day care facilities exceeding 14 persons; public, educational and religious buildings; wild game farms and gun clubs; home occupation; commercial stables
Parking:	None noted
Major Restriction/ requirements in this district:	Minimum lot size: 10 gross acres, 2 acres buildable Minimum lot width: 330' Front yard setback: 30' to 40' Rear yard setback: 30' Side yard setback: 10'
Use:	The existing use appears to be allowed.
Source:	<i>Zoning map, city code</i>

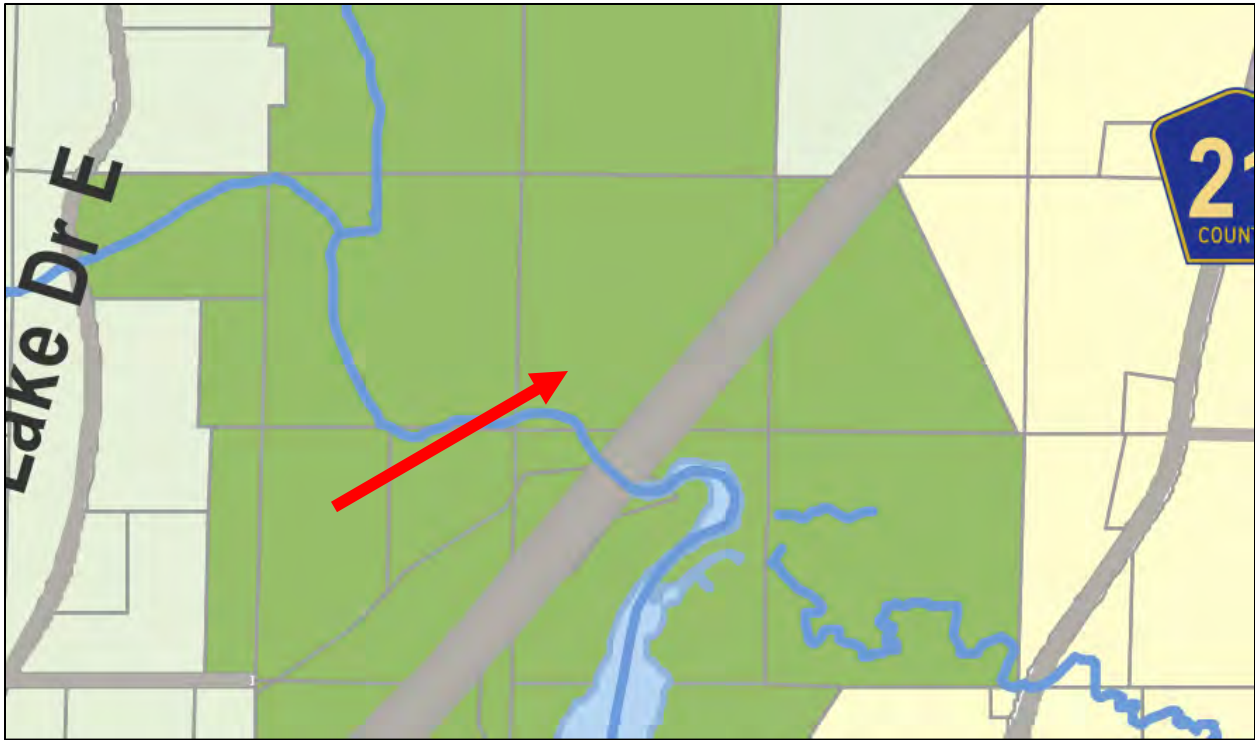
ZONING MAP



The subject is zoned R, Rural



FUTURE LAND USE MAP 2040



The subject is guided for Parks and Open Space

Legend

- | | |
|----------------------------------|-------------------------|
| Permanent Rural | Civic and Institutional |
| Urban Reserve | Parks and Open Space |
| Low Density Residential | Private Airfield |
| Low Density Mixed Residential | Right-of-Way |
| Medium Density Residential | Open Water |
| High Density Residential | Municipal Boundary |
| Planned Residential / Commercial | Parcels |
| Office Residential | Streams |
| Signature Gateway District | |
| Commercial | |
| Town Center | |
| Business Campus | |
| Industrial | |

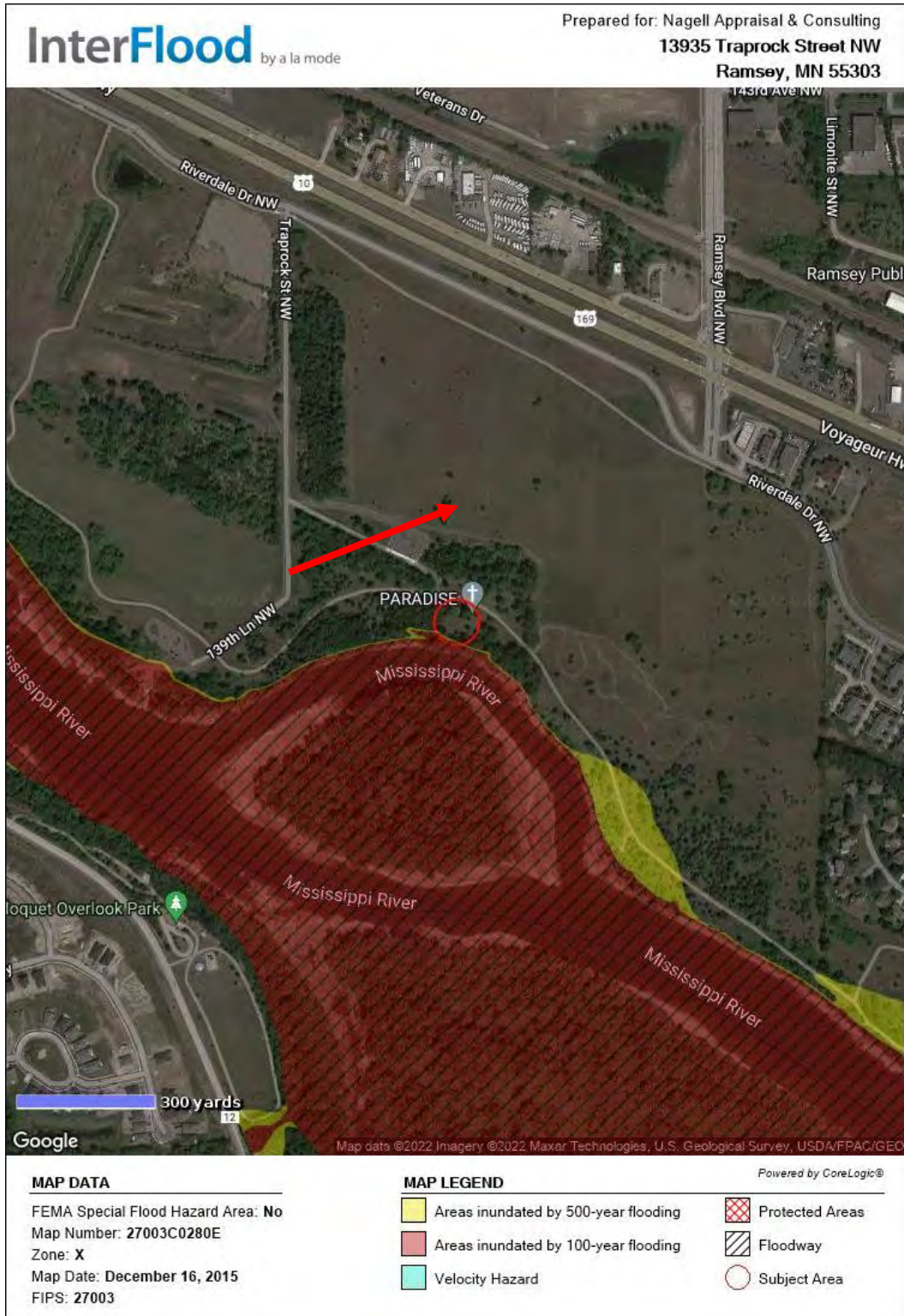


Future Land Use Map 2040 – Continued

The comprehensive plan indicates the following for the Parks and Open Space:

Passive or active recreational areas and facilities as well as lands under public control that are designated as permanently undeveloped for the purpose of resource management or protection

FLOOD MAP



The subject is indicated by the red arrow, there appears to be potential flood area along the river

AERIAL / PLAT MAP



The red outline reflects the subject site area, per county.

TOPOGRAPHY MAP



The above topography map is from the MN DNR website. The site appears to be mostly level with a gentle slope toward water areas (creek).

SUBJECT PHOTOGRAPHS



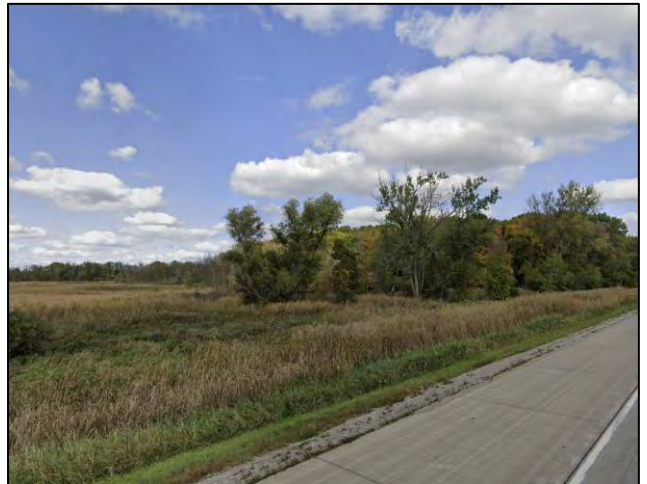
Looking southeast on Interstate 35W (Google street view)



Looking northwest on Interstate 35W (Google street view)



Site view (Google street view)



Site view (Google street view)

HIGHEST AND BEST USE

Highest and best use as defined in The Appraisal of Real Estate, Thirteenth Edition, by the Appraisal Institute, is: "The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value." Highest and best use is analyzed in two ways, site as vacant and site as improved.

<i>Typically, there are four criteria in highest and best use analysis</i>	
<i>Legally permissible uses</i>	<i>What uses are allowed by zoning?</i>
<i>Physically possible uses</i>	<i>What uses are physically possible on the site?</i>
<i>Financially feasible use</i>	<i>Which possible and permissible uses will produce a positive return?</i>
<i>Maximally productive use</i>	<i>Of the financially feasible uses, which use produces the highest return warranted by the market (the ideal improvements)?</i>

Site as Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. *The Dictionary of Real Estate Appraisal, Fifth Edition, by the Appraisal Institute.*

Legally Permissible Uses: The current **R, Rural** zoning allows for primarily residential and open land uses. The subject is guided for Parks and Open Space, which primarily allows for parks, trails, and greenway uses.

Physically Possible Uses: The subject appraised area is somewhat rectangular in shape. Visibility is average to good. The site does not have physical road access, which likely prevents many uses. The property does not appear to have electric, gas, water, or sewer available.

The site is mostly potential wetland, with even the non-wetland area very low. A full wetland delineation might indicate the entire site is wetland.

The site does not appear to be buildable given the likely wetland area and lack of access.

Financially Feasible Uses: Typically, surrounding uses, market demand, and availability of financing drive financially feasible uses.

Surrounding Uses: Uses in the immediate area park, open land, and rural residential. An open land use would be supported.

Financing: Current interest rates range from 4.0% to 6.0%. However, borrowers typically must be well qualified with 20% to 30% down. Financing for owner occupied properties (residential, commercial, industrial, and business) is rated to be average to good. For open land uses, most buyers purchase in cash.

Market Demand: Market demand for open land is rated to be soft to average. Most buyers would recognize that the property has limited building rights; prices would be lower than development land with no restrictions. Many government agencies or private conservation groups purchase land to expand or create parks/conserved areas.

Highest and Best Use – Continued

Financially Feasible Uses: An open land related use is logical on the site. Development timing is not applicable, as the site does not appear to be buildable.

Maximally Productive Use:

The highest and best use as vacant is considered to be for an open land use as market demand warrants and zoning allows.

Most Probable Buyer: Government agency or philanthropist creating nature/public space areas.

Valuation Methodology:

Non-buildable sales will be considered to value the subject.

Site as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. *The Dictionary of Real Estate Appraisal, Fifth Edition, by the Appraisal Institute.*

The subject is vacant land, this analysis is not applicable.

COST APPROACH

The subject is vacant land; therefore, the Cost Approach is not considered applicable and was not applied.

INCOME APPROACH

The Income Approach was not applied as rental and capitalization rate data for land like the subject is limited, which renders the approach unreliable.

SALES COMPARISON APPROACH

The Sales Comparison Approach to Value is predicated upon sales of properties with similar characteristics as the subject. The primary premise of this approach is that the market value of the subject is directly related to the prices of competing properties after adjustment. Adjustments are made in an effort to account for significant differences.

Land Value: Land value is estimated as if the land were vacant and available for development to its highest and best use. There are several different methods to analyze site values: sales comparison, allocation, extraction, subdivision development, land residual, and ground rent capitalization. One or more of these methods may be applicable depending on market conditions and the type of land.

The preferred and most reliable approach is the sales comparison; however, when sales data is very limited, some of the other methods may be employed if appropriate data is available. **For purposes of this appraisal, the sales comparison method has been utilized.**

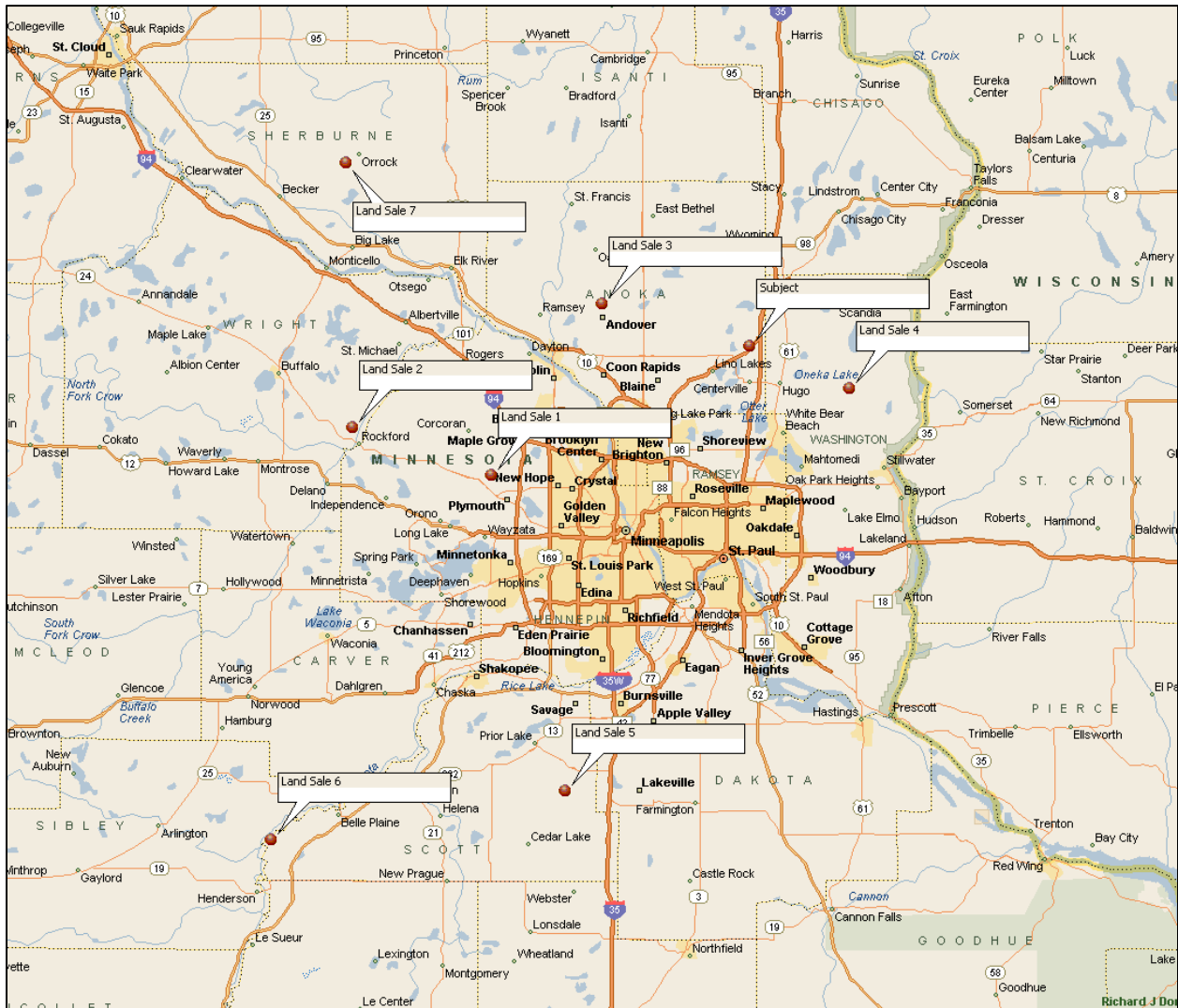
The Following Outline Is Used In The Sale Comparison Approach:

- A location map of the comparable sales.
- Comparable sales are listed.
- An adjustment grid using the comparable sales.
- A discussion of adjustment and conclusion of value.

Comparable Location Map

Primary Comparable Selection/Search Criteria:

- Mixture of low land and non-buildable sites
- Sale date of January 1, 2018 +, older sales may be considered
- 8 to 40 acres + site size
- Data from competing communities
- In some instances, older data and/or data from competing communities will be utilized due to proximity to the subject and other characteristics similar to the subject.

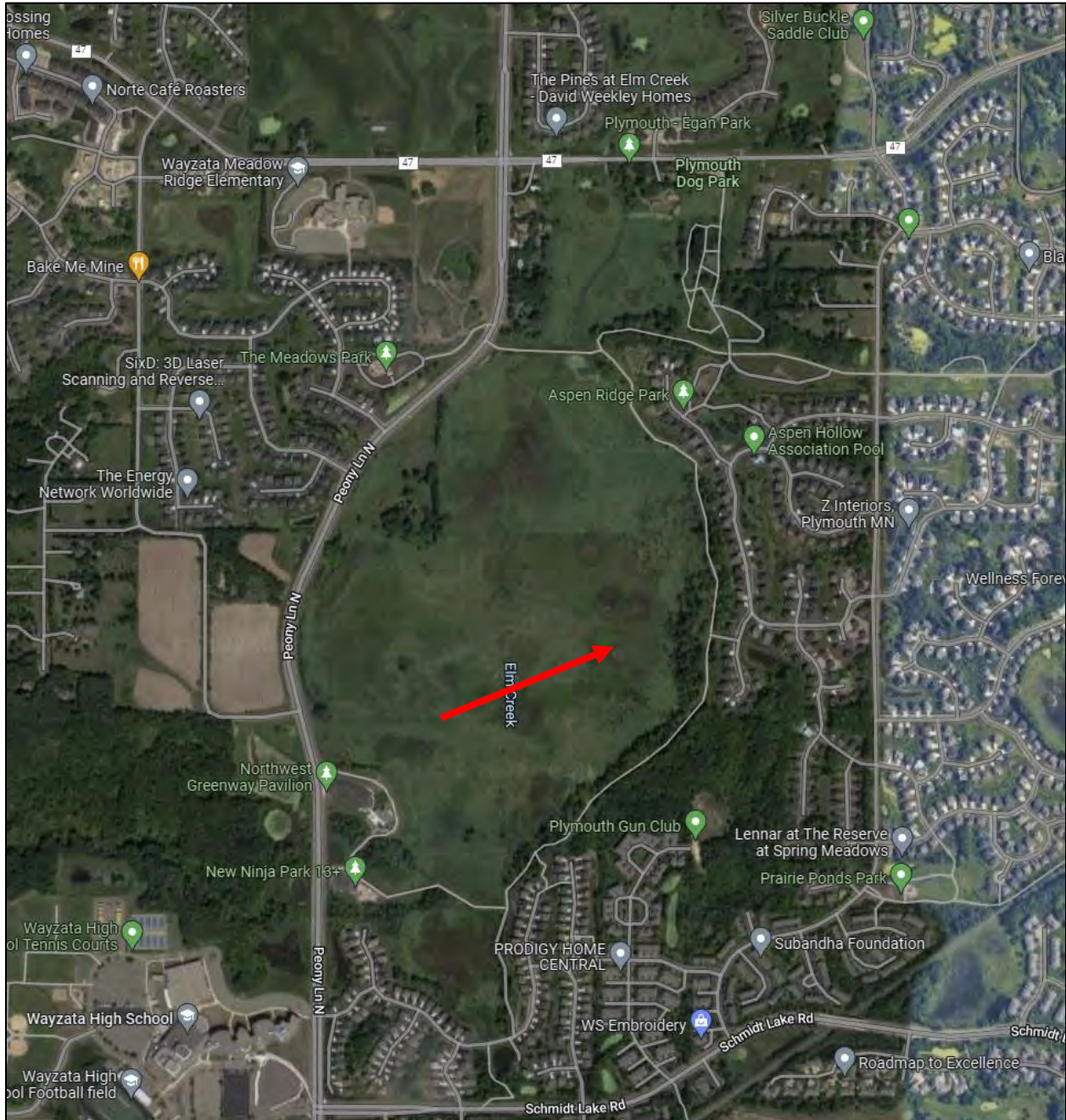


Note: There are limited sales of wetland and lowland properties near the subject. As such, the search area has been expanded.

Sales Comparison Approach – Continued

Land Sale 1:

The comparable is indicated by the red arrow. Surrounding uses include residential and Wayzata High School.



Sales Comparison Approach -- continued

Land Sale Comparable #1



Property Data

Address:	XXXX Garland Lane North, Plymouth		
PID/Legal Description:	05-118-22-33-0001		
Description:	Land parcel	Zoning/Intended Use:	Open Land
Physical Characteristics:	Mostly Low	Utilities:	Public in area
Site Size:	40.12 acres	Improvements:	None
Comments:	Similar size parcel that does not appear to be buildable due to wetlands. The site is located in a superior location relative to the subject.		

Sale Data

Sale Price:	\$310,000	Price /Acre:	\$7,727 per acre
Sale/Close Date:	February 27, 2017	Sale Terms:	Cash
Buyer:	City of Plymouth	Sale Conditions:	Motivated Buyer
Seller:	Jary Jo Kvistad, Susan Sween, John Raskob, David Sween	Source/Verification:	RediComps / CREV
Comments:	The buyer approached the seller and was reportedly motivated to purchase due to needing the site to extend a trail.		

Sales Comparison Approach – Continued

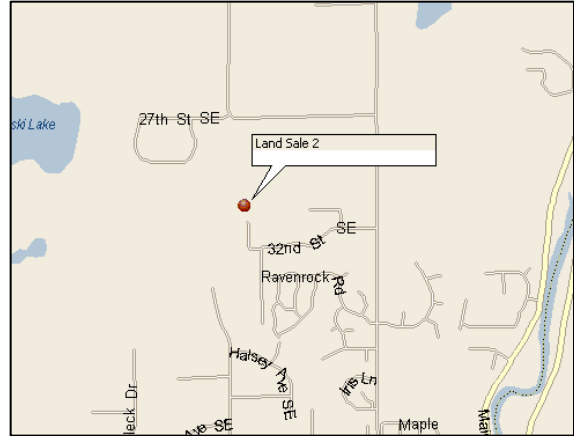
Land Sale 2:

The comparable is indicated by the red arrow. Surrounding uses include rural residential and agricultural land.



Sales Comparison Approach -- continued

Land Sale Comparable #2



Property Data

Address:	XXXX 32nd Street Southeast, Rockford Township		
PID/Legal Description:	215044002070		
Description:	Land parcel	Zoning/Intended Use:	Open Land
Physical Characteristics:	Mostly Low	Utilities:	None
Site Size:	8.96 acres	Improvements:	None
Comments:	Mostly low land that the agent indicated was likely wetland. The site is not considered buildable and would need significant fill.		

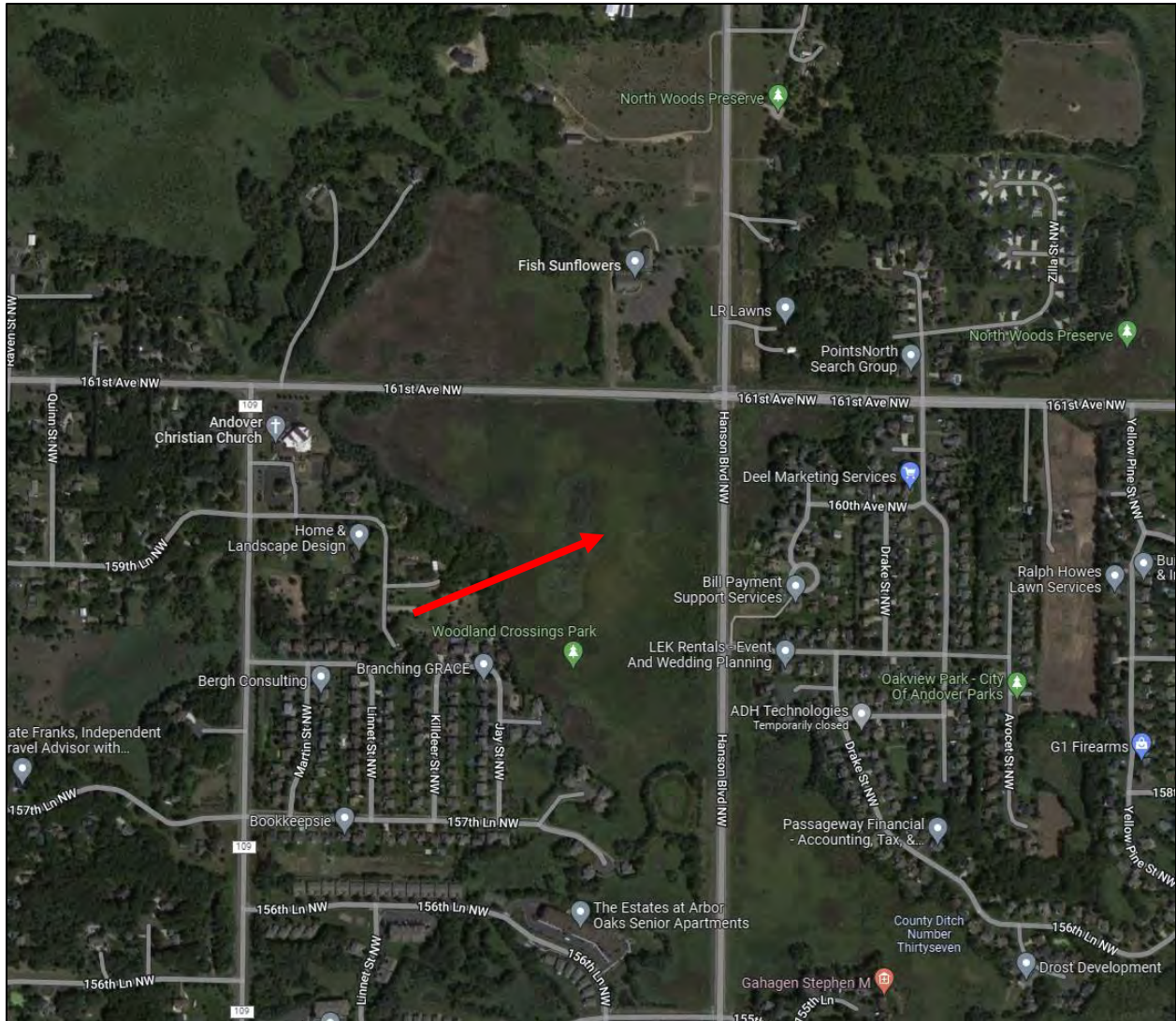
Sale Data

Sale Price:	\$22,000	Price /Acre:	\$2,455 per acre
Sale/Close Date:	July 17, 2018	Sale Terms:	CD
Buyer:	Alex Randall	Sale Conditions:	Typical
Seller:	JoAnn and Robert Hasslen	Source/Verification:	MLS, CREV
Comments:	The property was listed on the open market. The buyer purchased on a contract for deed with \$5,000 down, 6% interest, \$500 per month payments, and a balloon date of 09/01/2020. The sale terms are considered market appropriate, no adjustment for financing.		

Sales Comparison Approach – Continued

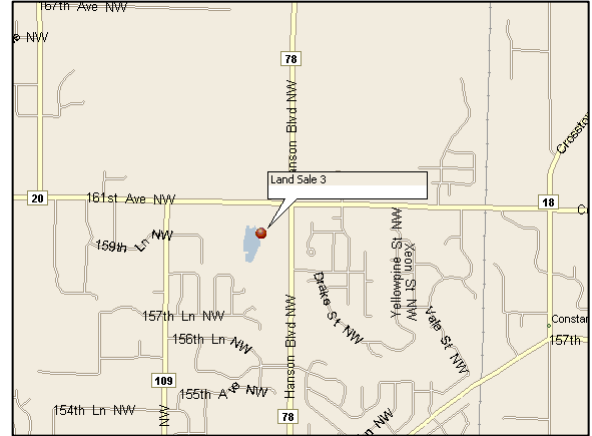
Land Sale 3:

The comparable is indicated by the red arrow. Surrounding uses include residential and open land.



Sales Comparison Approach -- continued

Land Sale Comparable #3



Property Data

Address:	XXXX 161st Avenue Northwest, Andover		
PID/Legal Description:	153224410001		
Description:	Land parcel	Zoning/Intended Use:	Open Land
Physical Characteristics:	Mostly Low	Utilities:	Public in area
Site Size:	39.14 acres	Improvements:	None
Comments:	Similar size parcel that is mostly low land. The site has frontage on two roads, but access appears difficult.		

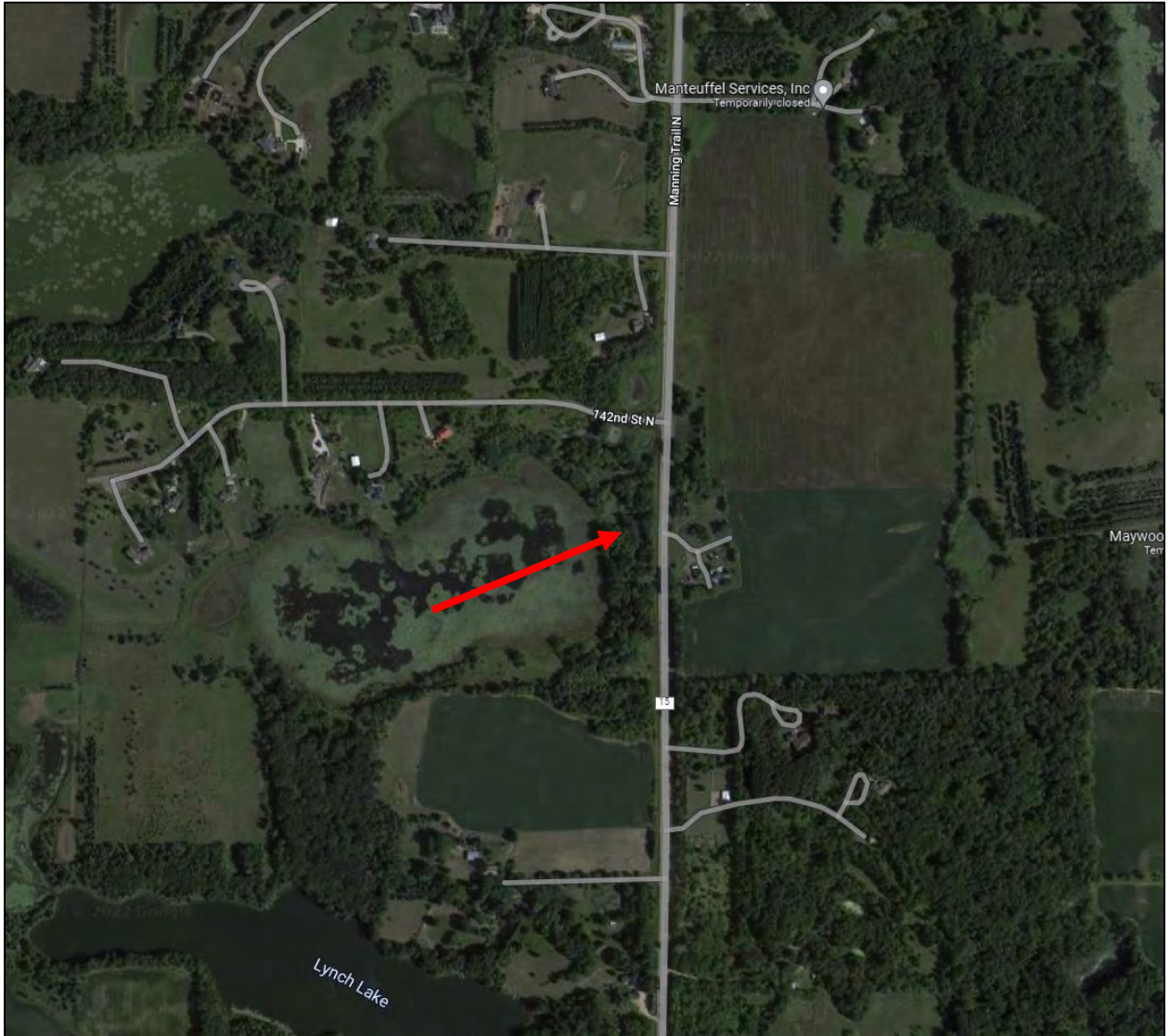
Sale Data

Sale Price:	\$30,000	Price /Acre:	\$766 per acre
Sale/Close Date:	May 1, 2020	Sale Terms:	Cash
Buyer:	City of Andover	Sale Conditions:	Typical
Seller:	Andrew Kociscak	Source/Verification:	MLS / CREV
Comments:	The property was reportedly listed on the open market. The city purchased for conservation purposes.		

Sales Comparison Approach – Continued

Land Sale 4:

The comparable is indicated by the red arrow. Surrounding uses include rural residential, open land, and agricultural.



Sales Comparison Approach -- continued

Land Sale Comparable #4



Property Data

Address:	14XXXX Manning Trail North, May Township		
PID/Legal Description:	2003120330001		
Description:	Land parcel	Zoning/Intended Use:	Open Land
Physical Characteristics:	Mostly Low	Utilities:	None
Site Size:	10.72 acres	Improvements:	None
Comments:	Smaller parcel that is comprised of upland and lowland. The site does not appear to be buildable due to various setbacks.		

Sale Data

Sale Price:	\$42,000	Price /Acre:	\$3,919 per acre
Sale/Close Date:	November 17, 2021	Sale Terms:	Cash
Buyer:	Brennen Swanson & Joseph Bydzovsky	Sale Conditions:	Typical
Seller:	Estate of Melvin D. Vietor	Source/Verification:	MLS / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach – Continued

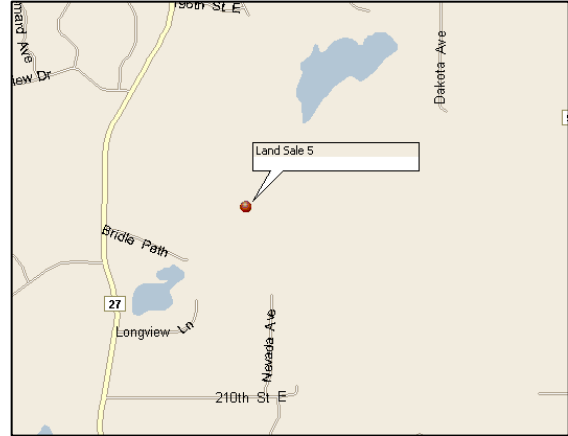
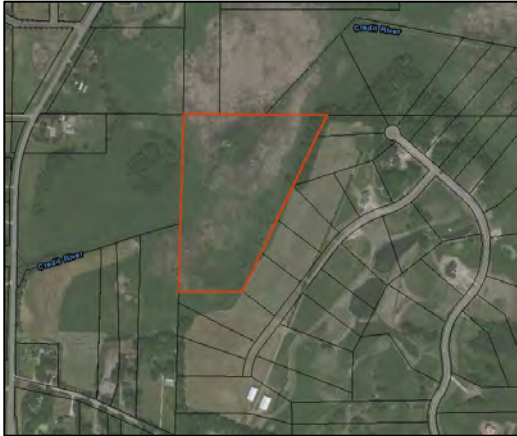
Land Sale 5:

The comparable is indicated by the red arrow. Surrounding uses include rural residential and open land.



Sales Comparison Approach -- continued

Land Sale Comparable #5



Property Data

Address:	XXXX Texas Avenue, Credit River Township		
PID/Legal Description:	049290090		
Description:	Land parcel	Zoning/Intended Use:	Open Land
Physical Characteristics:	Mostly Low	Utilities:	None
Site Size:	24.00 acres	Improvements:	None
Comments:	Slightly smaller open land that appears to be low. The property does not have apparent access and does not appear buildable.		

Sale Data

Sale Price:	\$36,000	Price /Acre:	\$1,500 per acre
Sale/Close Date:	February 27, 2020	Sale Terms:	Cash
Buyer:	Charles Perrin	Sale Conditions:	Typical
Seller:	Josefa Otting	Source/Verification:	MLS / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach – Continued

Land Sale 6:

The comparable is indicated by the red arrow. Surrounding uses include rural residential, the Minnesota River, and open land.



Sales Comparison Approach -- continued

Land Sale Comparable #6



Property Data

Address:	XXXX No Address, Belle Plaine		
PID/Legal Description:	029180050		
Description:	Land parcel	Zoning/Intended Use:	Wooded
Physical Characteristics:	Mostly Low	Utilities:	None
Site Size:	15.00 acres	Improvements:	None
Comments:	Limited utility land that is landlocked. The site appears to be mostly low and in an area prone to flooding.		

Sale Data

Sale Price:	\$30,000	Price /Acre:	\$2,000 per acre
Sale/Close Date:	February 25, 2022	Sale Terms:	Cash
Buyer:	County of Scott	Sale Conditions:	Typical
Seller:	Muehlenhardt Rev. Living Trust	Source/Verification:	MLS / CREV
Comments:	The buyer approached the seller. The purchase price appears market appropriate.		

Sales Comparison Approach – Continued

Land Sale 7:

The comparable is indicated by the red arrow. Surrounding uses include rural residential and open land.



Sales Comparison Approach -- continued

Listed below is the adjustment grid for the comparables listed on the previous pages. Comparable items of significant difference are adjusted for.

Description	Subject	1	2	3	4	5	6	7
Address	XXXX Interstate 35W Lino Lakes	XXXX Garland Lane North Plymouth	XXXX 32nd Street SE Rockford Twp	XXXX 161st Avenue Northwest Andover	14XXXX Manning Trail N May Twp	XXXX Texas Avenue Credit River Twp	XXXX No Address Belle Plaine	XXXX 95th Street Becker
Proximity	Subject	24.7 mi SW	34.7 mi SW	13.1 mi NW	9.27 mi SE	41.2 mi SW	59 mi SW	38 mi NW
Financing	Market	Cash	CD	Cash	Cash	Cash	Cash	Cash
Conditions	Typical	Motivated Buyer	Typical	Typical	Typical	Typical	Typical	Typical
Market Conditions	--	Feb-17	Jul-18	May-20	Nov-21	Feb-20	Feb-22	May-22
Location	No Access	Average	Average	No Access	Average	No Access	No Access	Average
Zoning/Use	Open Land	Open Land	Open Land	Open Land	Open Land	Open Land	Wooded	Open Land
Phys Char	Mostly Low	Mostly Low	Mostly Low	Mostly Low	Mostly Low	Mostly Low	Mostly Low	Mostly Low
Improvements	n/a	None	None	None	None	None	None	None
Size	--	--	--	--	--	--	--	--
Age	--	--	--	--	--	--	--	--
Condition	--	--	--	--	--	--	--	--
Utilities	None	Public in area	None	Public in area	None	None	None	None
Sale Price	--	\$310,000	\$22,000	\$30,000	\$42,000	\$36,000	\$30,000	\$60,000
Site Size (Ac)	33.69	40.12	8.96	39.14	10.72	24.00	15.00	63.42
Price per Ac - Site Size		\$7,727	\$2,455	\$766	\$3,919	\$1,500	\$2,000	\$946
Cond. Adj.	+/-							
Financing	Market							
Conditions	Typical	-25%						
Market Conditions	--	5.00%	4.00%	2.00%	1.00%	2.00%		
Net Cond. Adj.		-20%	4%	2%	1%	2%	0%	0%
Effective \$/Ac - Site Size		\$6,181	\$2,554	\$782	\$3,958	\$1,530	\$2,000	\$946
Adjustments	+/-							
Location	No Access	-20%						
Zoning/Use	Open Land							
Phys Char	Mostly Low				-15%			
Improvements	n/a							
Utilities	None	-5%		-5%				
Site Size (Ac)	33.69		-5%		-5%		-5%	10%
Net Adjustment		-25%	-5%	-5%	-20%	0%	-5%	10%
Adjusted Price per Ac - Site Size		\$4,636	\$2,426	\$743	\$3,166	\$1,530	\$1,900	\$1,041

Discussion of Adjustments

Property Rights: Refers to the ownership interest conveyed at the time of sale. Properties with leases or other encumbrances in place can sell for more or less than comparable properties that sell fee simple interest. The sale prices of the comparable properties were not impacted by existing lease terms (if any).

Financing: The impact financing may have had on the sale price, favorable interest rate or term. All sales were cash or estimated to be near or at market rates.

Conditions of sale: Reflects non-market conditions, which may or may not have impacted the sale price, such as differing motivations of buyer or seller (related parties, distressed or liquidation sale, listings, pending, occupancy, assemblage, etc.), impending eminent domain proceedings, influence due to tax ramifications, or lack of market exposure. Comparable 1 adjusted downward for motivated buyer.

Market Conditions: The market has generally increased around 1% per year for limited utility land. This adjustment amount is applied to the sales.

Location: This adjustment is based on the appraiser's judgment. It takes into consideration surrounding land uses, intended use, neighborhood characteristics, traffic, exposure and access. Comparable 1 adjusted for superior location.

Zoning/Use: The subject and comparables are rated similar to the subject, no adjustment.

Physical Characteristics: Shape and topography adjustments reflect the market preference for mostly rectangular and level parcels, which optimize development potential. Comparable 4 adjusted for more upland. The subject and remaining comparables are considered similar, no adjustment.

Improvements: Comparables considered to be competing, no adjustment.

Utilities: Comparables 1 and 3 adjusted for public utilities available in the area. The subject and remaining comparables are considered competing, no adjustment.

Site Size: Adjustments recognize larger parcels of land typically sell for less per acre than smaller sites. Comparables adjusted accordingly. The adjustment is based on discussions with market participants as well as previously observed sales.

Sales Comparison Approach – continued

Conclusion: The comparables used are rated to be the most indicative of data analyzed and bracket the subject value. Other sales reviewed were older, further and/or needed more adjustment. Adjustments are made on a per acre basis. The comparables utilized in this analysis each have several similar characteristics in common with the subject. While none are totally identical to the subject, each represents a viable alternative to a prospective buyer of the subject property and, after adjustment, can be utilized as an indicator of market value for the subject property.

Indicator	<u>Un-adjusted</u> Price per Acre	<u>Adjusted</u> Price per Acre
Range	\$766 - \$7,727	\$743 - \$4,636
Average	\$2,759	\$2,206
Median	\$2,000	\$1,900

Less weight given to Sale 1 which appears to be an outlier. The remaining sales have an average adjusted price per acre of \$1,800. The remaining comparables are given about equal weight as they bracket the subject characteristics. Considering the above data, the subject location, characteristics, quality, and the current market conditions, a value near the **lower range** is considered appropriate.

Site Size (Ac)	Value per Acre	Total
33.69	\$1,800	\$60,642
Indicated Value (as is)		\$60,000 (rnd.)

Note: The above price per acre would be $\$1,800 / 43,560 \text{ SF} = \0.04 per SF , rounded.

RECONCILIATION

Cost Approach	Not Applied
Sales Comparison Approach	\$60,000
Income Approach	Not Applied

The **Cost Approach** to value was not applied as the subject is vacant land.

The Direct **Sales Comparison Approach** to value analyzed recent sales of properties as compared with the characteristics of the subject property. Adjustments were made to the comparables to make them as similar to the subject as possible. This results in an indication of market value at which a typical buyer would be willing to pay for the subject property.

The **Income Approach** was not utilized due to limited rents and capitalization rates of properties similar to the subject.

Conclusion: The Sales Comparison Approach is given the most weight. Data quantity and quality was rated to be average.

Final Value Opinion	
The value opinion is:	\$60,000

EXPOSURE TIME / MARKETING TIME

Reasonable Exposure Time: Typically 1 year <u>before</u> the effective date of the appraisal.	Marketing Time Opinion: 12 months +/- <u>after</u> the effective date of the appraisal.
--	--

DEFINITIONS

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

(A) buyer and seller are typically motivated;

(B) both parties are well informed or well advised, and each acting in what they consider their own best interest;

(C) a reasonable time is allowed for exposure in the open market;

(D) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(E) 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.

Source: Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute

EASEMENT (definition) – An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities.

Source: Dictionary of Real Estate, Fifth Edition, 2010

TEMPORARY EASEMENT (definition) – An easement granted for a specific purpose and applicable for a specific time period. [Upon termination/expiration of the Temporary Easement] the unencumbered fee interest in the land reverts to the owner.

Source: Dictionary of Real Estate, Fifth Edition, 2010

ENVIRONMENTAL & STRUCTURAL ISSUES

Regarding any adverse environmental and/or improvement structural conditions (such as, but not limited to, hazardous wastes, toxic substances, mold, construction defects or inadequacies, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: **None are apparent**, however, appraiser is not an expert in this field. Value assumes no hazardous or structural conditions exist. Value assumes any abandoned wells will be properly sealed. If any of these conditions exist the appraised value could differ significantly.

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

As stated by USPAP;

Extraordinary Assumption: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions of conclusions.

None

Hypothetical Condition: That which is contrary to what exists but is supposed for the purpose of analysis.

The subject is assumed to be split according to the county plan; if found otherwise, the value could differ.

ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership and good management.
2. The furnished legal description is assumed to be correct.
3. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property. It is assumed unless otherwise noted that no survey has been viewed and that all improvements are located within the legally described property.
4. The appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
5. The distribution of the total valuation in this report between land and improvements 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.
6. The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering, which might be required to discover such factors.
7. Unless otherwise stated in this report, the existence of hazardous materials, 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 presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous materials may affect the value of the property. 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 such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
8. Information, estimates, and opinions furnished to the appraisers, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, the appraisers can assume no responsibility for accuracy of such items furnished the appraisers.
9. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraisers are affiliated. No part of the contents of this report, or copy thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or any other public means of communications without the prior written consent and approval of the appraisers.

Assumptions & Limiting Conditions – continued

10. The appraisers have no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property. The appraisers have no personal interest or bias with respect to the parties involved.

11. The appraiser has personally inspected the subject site (unless noted otherwise). The comparable sales data has been viewed via aerial maps, photographs and/or online street views along with file pictures, when available. To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and the appraisers have not knowingly withheld any significant information.

12. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. The appraisal is for the sole use of the named client.

13. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

14. To the best of our knowledge and belief, the reported analysis, opinions, and conclusions were developed, and this report was prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

15. The appraised value opinion assumes all leases (if any) are current and paid in full as of the effective date of the appraisal.

16. Excel grids and tables may have slight deviations due to rounding, which may have a nominal impact on value.

17. The appraised value opinion assumes all formulas used in the Excel grids throughout the report are accurate.

18. Unless noted, value assumes no apparent adverse site, building or zoning issues or conditions.


19. Site and building sizes are based on public record, data services, client and/or appraiser measurement at the time of appraisal and are considered reliable, but not guaranteed. Actual sizes herein could vary if made by an engineer/surveyor/contractor.


20. If any of the above if found to be different, value could change.

CERTIFICATION

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 analysis, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) My compensation for completing this assignment is not contingent upon the development or reporting of 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 appraisal.
- 7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 8) The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which includes the Uniform Standards of Appraisal Practice.
- 9) Ethan Waytas has made a personal inspection of the property that is the subject of this report. William R. Waytas did not inspect the subject property. Ethan Waytas wrote and selected all the data in the report. William R. Waytas read the report, concurred with the findings, and then co-signed the report.
- 10) No one provided significant professional assistance to the person signing this report.
- 11) In accordance with the competency provision USPAP, I have verified that my knowledge, experience and education are sufficient to allow me to competently complete this appraisal. See attached qualifications.
- 12) As of the date of this report, William R. Waytas and Ethan Waytas have completed the requirements of the continuing education program of the appraisal institute.
- 13) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- 14) We have **not** provided services as an appraiser, regarding the subject property within the 3-year period immediately preceding acceptance to this assignment.


Ethan Waytas, MAI
Certified General MN 40368613
Date: see report


William R. Waytas
Certified General MN 4000813
Date: see report

QUALIFICATIONS

Appraisal Experience

Presently and since 2006, **Ethan Waytas, MAI** has been employed as an employee of Nagell Appraisal Incorporated, an independent appraisal firm (12 employees) who annually prepare 1,500 +/- appraisal reports of all types. He is currently a full time licensed certified general real estate appraiser, partner, and director of the company's IT department.

Properties appraised:

- **Commercial** - low and high-density multi-family, retail, office, industrial, restaurant, church, strip-mall, fast-food, convenience stores, auto-service and repair, cinema, numerous special use properties, and subdivision analysis.
- **Residential** – single-family residences, hobby farms, lakeshore, condominiums, townhouses, REO, subdivisions, and land.
- **Eminent Domain** – extensive partial and total acquisition appraisal services provided to numerous governmental agencies and private owners.
- **Special Assessment** – numerous street improvement and utilities projects for both governmental and private owners.
- **Tax Appeal** – variety of property types, including commercial, industrial, and multi-family.
- **Clients** - served include banks, savings and loan associations, trust companies, corporations, governmental bodies, relocation companies, attorneys, REO companies, accountants and private individuals.
- **Area of Service** - numerous assignments throughout Minnesota.

Testimony

-- Court, commission, arbitration, mediation, etc. testimony has been given

Professional Membership, Associations & Affiliations

License: Certified General Real Property Appraiser, MN License #40368613
Holds the MAI designation from the Appraisal Institute

Education

-- Graduate of the University of Minnesota: College of Science and Engineering, Twin Cities Campus
Bachelor of Science in Computer Science, with distinction, 3.86 GPA.

General & Professional Practice Courses & Seminars

- Basic Appraisal Procedures
- Basic Appraisal Principles
- 2012-2013 15-Hour National Uniform Standards of Professional Appraisal Practice
- General Appraiser Sales Comparison Approach
- General Appraiser Income Approach – Part 1
- General Appraiser Income Approach – Part 2
- Advanced Income Capitalization
- General Appraiser Report Writing and Case Studies
- Real Estate Finance, Statistics and Valuation Modeling
- 2014-2015 7-hour National USPAP Update Course
- General Appraiser Site Valuation & Cost Approach
- Advanced Market Analysis and Highest & Best Use
- Advanced Concepts & Case Studies
- Quantitative Analysis

Curriculum Vitae -- continued

Appraisal Experience

Presently and since 1985, **William R. Waytas** has been employed as a full-time real estate appraiser. Currently a partner and President of Nagell Appraisal Incorporated, an independent appraisal firm (12 employees) who annually prepare 1,500 +/- appraisal reports of all types. Mr. Waytas was employed with Iver C. Johnson & Company, Ltd., Phoenix, AZ from 1985 to 1987.

Properties appraised:

- **Commercial** - low and high-density multi-family, retail, office, industrial, restaurant, church, strip-mall, fast-food, convenience stores, auto-service and repair, hotel, hotel water park, bed & breakfast, cinema, marina, numerous special use properties, and subdivision analysis.
- **Residential** – single-family residences, hobby farms, lakeshore, condominiums, townhouses, REO and land.
- **Eminent Domain** – extensive partial and total acquisition appraisal services provided to numerous governmental agencies and private owners.
- **Special Assessment** – numerous street improvement and utilities projects for both governmental and private owners.
- **Review** – residential, commercial and land development.
- **Clients** - served include banks, savings and loan associations, trust companies, corporations, governmental bodies, relocation companies, attorneys, REO companies, accountants and private individuals.
- **Area of Service** - most appraisal experience is in the greater Twin Cities Metro Area (typically an hour from downtown metro). Numerous assignments throughout Minnesota.

Professional Membership, Associations & Affiliations

License: Certified General Real Property Appraiser, MN License #4000813.
Appraisal Institute: SRA, Senior Residential Appraiser Designation,
General Associate Member
Employee Relocation Council: CRP Certified Relocation Professional Designation.
International Right-Of-Way Association: Member
HUD/FHA: On Lender Selection Roster and Review Appraiser
DNR: Approved appraiser for Department of Natural Resources

Testimony

-- Court, deposition, commission, arbitration & administrative testimony given.

Mediator

-- Court appointed in Wright County.

Committees

- President of Metro/Minnesota Chapter, 2002, Appraisal Institute.
- Chairman of Residential Admissions, Metro/MN Chapter, AI.
- Chairman Residential Candidate Guidance, Metro/Minnesota Chapter, AI.
- Elm Creek Watershed Commission, Medina representative 3 years.
- Medina Park Commission, 3 years.

Curriculum Vitae -- continued

Education

- Graduate of Bemidji State University, Minnesota. B.S. degree in Bus. Ad.
- During college, summer employment in building trades (residential and commercial).
- Graduate of Cecil Lawter Real Estate School. Past Arizona Real Estate License.

- **General & Professional Practice Courses & Seminars**
- Course 101-Introduction to Appraising Real Property.
- Numerous Standards of Professional Practice Seminar.
- Fair Lending Seminar.
- Eminent Domain & Condemnation Appraising.
- Eminent Domain (An In-Depth Analysis)
- Property Tax Appeal
- Eminent Domain
- Business Practices and Ethics
- Scope of Work
- Construction Disturbances and Temporary Loss of Going Concern
- Uniform Standards for Federal Land Acquisitions (Yellow Book Seminar)
- Partial Interest Valuation Divided (conservation easements, historic preservation easements, life estates, subsurface rights, access easements, air rights, water rights, transferable development rights)

- **Commercial/Industrial/Subdivision Courses & Seminars**
- Capitalization Theory & Techniques
- Highest & Best Use Seminar
- General & Residential State Certification Review Seminar
- Subdivision Analysis Seminar.
- Narrative Report Writing Seminar (general)
- Advanced Income Capitalization Seminar
- Advanced Industrial Valuation
- Appraisal of Local Retail Properties
- Appraising Convenience Stores
- Analyzing Distressed Real Estate
- Evaluating Commercial Construction
- Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets

- **Residential Courses & Seminars**
- Course 102-Applied Residential Appraising
- Narrative Report Writing Seminar (residential)
- HUD Training session local office for FHA appraisals
- Familiar with HUD Handbook 4150.1 REV-1 & other material from local FHA office.
- Appraiser/Underwriter FHA Training
- Residential Property Construction and Inspection
- Numerous other continuing education seminars for state licensing & AI

Speaking Engagements

- Bankers
- Auditors
- Assessors
- Relocation (Panel Discussion)

Publications

- Real Estate Appraisal Practice (book): Acknowledgement
- Articles for Finance & Commerce and Minnesota Real Estate Journal

ADDENDA



Anoka County Attorney

TONY PALUMBO

Justice, Advocacy, Prevention.

TO: Anoka County Highway Department
FROM: Stephen Nash, Special Assistant Anoka County Attorney
RE: TITLE OPINION
Project No.: 002-656-001
Parcel No.:
Parcel Identification No.: 02-31-22-13-0001
Abstract/Torrens: Abstract
Certificate of Title No(s).:

This is to certify that I have this day examined the abstract of documents from the tract index, field notes, and files prepared by the Anoka County Highway Department for the purpose of determining the names of all "Owners" of said property, as defined by Minn. Stat. Section 117.025, Subd. 3. Based upon said examination, I am of the opinion that the name(s) of the "Owner(s)" and their respective interest in said property, are as indicated below:

County of Anoka, a political subdivision..... Fee Owner
of the State of Minnesota
Doc. No. 1866614

State of Minnesota Fee Simple -
of the State of Minnesota for Highway Purposes, Parcel 70
Doc. No. 389138

This opinion is further subject to the following exceptions and encumbrances:

1. To questions which might be disclosed by an accurate survey of the premises;
2. To rights or claims of any person or persons in possession thereof, and to the rights of any person or persons having furnished labor or material upon said premises within the past 120 days to claim a lien upon said premises therefore;
3. To any federal or other tax liens or judgments against said property, said records thereto having not been examined by the undersigned;
4. To any unpaid real estate taxes or special assessments;
5. To any ordinances relating to the platting or subdividing of land.


Title Opinion – Parcel No.

November 1, 2021

Page 2

Please be advised that this is not an opinion as to marketable title. In addition, this opinion was prepared for the sole benefit of the County of Anoka, and the representations contained herein shall not be relied upon, extend to or inure to the benefit of anyone other than the County of Anoka.

Dated November 1, 2021



Stephen J. Nash
Special Assistant Anoka County Attorney
763-324-5451 Phone
763-324-5360 FAX
Steve.Nash@co.anoka.mn.us

SN:kvb

BOARD OF COUNTY COMMISSIONERS

Anoka County, Minnesota

DATE: June 14, 2022

RESOLUTION #2022-85

OFFERED BY COMMISSIONER: Reinert

**RESOLUTION OF SUPPORT FOR MASTER PLAN AMENDMENT
FOR ANOKA COUNTY'S RICE CREEK CHAIN OF LAKES PARK RESERVE**

WHEREAS, Anoka County and the Metropolitan Council share common goals in providing quality natural areas for outdoor recreation; and,

WHEREAS, the County of Anoka ("County") has worked with the Metropolitan Council in a cooperative effort to develop a land exchange plan leading to the County's conveyance of parkland within the Mississippi West Regional Park for highway right-of-way purposes, which constitutes a minor boundary adjustment; and,

WHEREAS, in exchange for the conveyance of land for highway purposes, the County will replace the parcels with land of equal value located adjacent to Rice Creek Chain of Lakes Park Reserve; and,

WHEREAS, the Metropolitan Council requires an updated master plan, including restrictive covenants placed on the replacement parcels, in connection with the boundary changes to the regional parks:

NOW, THEREFORE, BE IT RESOLVED that Anoka County, by and through its Board of Commissioners, does hereby adopt the Master Plan Amendment to the Rice Creek Chain of Lakes Park Reserve Master Plan, a copy of which is on file in the Parks Department, and authorizes its submission to the Metropolitan Council for its approval so that park development will be eligible for future Metropolitan Council grant funding.

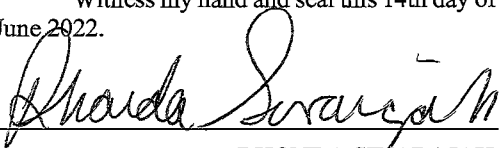
BE IT FURTHER RESOLVED that Anoka County agrees to work with the Metropolitan Council to record any restrictive covenants as required.

BE IT FINALLY RESOLVED that a copy of this resolution be forwarded to the Metropolitan Council and Anoka County Parks Department.

STATE OF MINNESOTA)
COUNTY OF ANOKA) ss

I, Rhonda Sivarajah, County Administrator, Anoka County, Minnesota, hereby certify that I have compared the foregoing copy of the resolution of the county board of said county with the original record thereof on file in the Administration Office, Anoka County, Minnesota, as stated in the minutes of the proceedings of said board at a meeting duly held on June 14, 2022, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.

Witness my hand and seal this 14th day of June 2022.


RHONDA SIVARAJAH
COUNTY ADMINISTRATOR

	<u>YES</u>	<u>NO</u>
DISTRICT #1 – LOOK	X	
DISTRICT #2 – BRAASTAD	X	
DISTRICT #3 – WEST	X	
DISTRICT #4 – MEISNER	X	
DISTRICT #5 – GAMACHE	X	
DISTRICT #6 – REINERT	X	
DISTRICT #7 – SCHULTE	X	