



A "Before" and "After" Market Value Appraisal of Real Property

RAMSEY COUNTY PARKS & RECREATION TRACT

Northwest Side of Pigs Eye Lake Near the Terminus of Pigs Eye Lake Road
St. Paul, Minnesota 55119

NSP Transmission Line 0892 Expansion Project
Property Owned by Ramsey County Parks & Recreation

Effective Appraisal Date: September 18, 2025



PREPARED FOR:

Brian Sullivan
Siting and Land Rights
Xcel Energy
414 Nicollet Mall, 414-06
Minneapolis, MN 55401

PREPARED BY:

RLS Valuation, Inc. | TaTonka Real Estate Advisors, Inc.
150 South 5th Street
Suite 1400
Minneapolis, Minnesota 55402



**RLS Valuation |
TaTonka Real Estate Advisors**

150 South 5th Street, Suite 1400
Minneapolis, Minnesota 55402
612-466-7300 main
612-466-7319 fax
www.TaTonkaRE.com

RLS Direct: (612) 466-7312
RLS Mobile: (612) 819-0529

September 26, 2025

Brian Sullivan
Siting and Land Rights
Xcel Energy
414 Nicollet Mall, 414-06
Minneapolis, MN 55401

RE: Appraisal of "Before" and "After" Market Value
Ramsey County Parks & Recreation Tract – Pigs Eye Lake Property
Northwest Side of Pigs Eye Lake Near the Terminus of Pigs Eye Lake Road
St. Paul, Minnesota 55119

NSP Transmission Line 0892 Expansion Project
RLS Valuation | TaTonka File No. 25-147

Dear Brian Sullivan:

As requested, we have investigated and analyzed the above-referenced property in order to conclude its market value in fee simple estate both before and after a proposed partial acquisition of the real property, as of the effective appraisal date of September 24, 2025. The intended use of this appraisal is to assist the client, Xcel Energy, in offering just compensation for the value impact of this partial acquisition, which is being done to widen an existing permanent transmission line easement running across a tract owned by Ramsey County Parks & Recreation located in the Mississippi River and Pigs Eye Lake area of St. Paul. The intended user of this appraisal report is the client and its legal counsel. The results of this analysis and the rationale utilized in our conclusions are explained in the following appraisal report.

The subject of this valuation involves property containing both land and a portion of a shallow lake, oriented only for conservation and/or recreational purposes, located on the northwest side of Pigs Eye Lake about 1,000 feet east of the terminus of Pigs Eye Lake Road in St. Paul, Minnesota. It has no street address. Before the acquisition, the subject real estate contains a total area of 160.0 acres, or 6,969,600 square feet, and it is a non-buildable, restricted-use, parcel situated in the Mississippi flood fringe within the 100-year flood hazard zone designation. The lake portion is shallow, and the upland area, which is estimated to contain only approximately 40 acres, or around 1,700,000 square feet, is generally level and unimproved.

After the acquisition, the gross area of the subject site does not change as there is no permanent easement or other permanent takings being acquired in fee, but the parcel will have an existing transmission line easement on it expanded by 212,573 square feet (4.88 acres) over the site. This proposed 170-foot-wide expanded easement area will run diagonally through the northern half of the subject property where a 90-foot-wide high-voltage power line already exists. No other changes or impacts to the subject parcel are occurring as a result of this acquisition.

Because there are no structures or other essential site improvements on the subject parcel, and because no part of the proposed transmission line easement expansion causes any measurable severance damages to the subject remainder property as perceived by the market, the value conclusions reported herein deal only with the subject tract in the acquisition area, and no improvements need to be appraised.

This appraisal assignment has been performed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and this report is in compliance with State Licensure Requirements. This appraisal assignment has also been prepared in compliance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Based on our investigation of the subject property, its market, and the factors considered to affect its value, it is our opinion its fee simple market values "before" and "after" the proposed acquisition described herein, as of September 24, 2025, are as follows:

Conclusion of Value - Before the Acquisition

\$1,115,000

Conclusion of Value - After the Acquisition*

\$1,098,000

* Considering all impacts imposed by the acquisition.

Following standard procedures recognized by the appraisal industry in performing an appraisal of this type, compensation to a property owner or owners in a proposed partial acquisition like the one described herein is indicated simply by subtracting a property's "after" value from its "before" value. In this instance, the difference between the two values above is **\$17,000**, and it is the amount concluded by the appraiser for the indication of total damages due the owner as a result of this acquisition. Furthermore, it is our opinion these indicated damages due to the proposed partial acquisition are broken down as follows:

Summary of Indicated Damages

Pigs Eye Lake Park Site

Land Value - Before the Acquisition	\$1,115,000
Less: Land Value - After Any Permanent Acquisition*	(\$1,098,000)
Equals: Difference in Land Value Indicated	\$17,000
Add: Value Impact Due to Additional Severance Damage Issues	None
Add: Total Value of Improvements Acquired and Not Replaced	None
Add: Total Rectification Costs Due to the Acquisition	None
Equals: Total Damages Indicated	<u>\$17,000</u>

* Before considering the impact on value due to any severance damage to the remainder parcel, as well as any minor improvements affected permanently and/or temporarily and any temporary construction easements involved in the acquisition.



It must be noted that these value conclusions and the damages indicated by their difference assume that that all information provided to the appraiser by the owner's representative, the client, and other government agencies is accurate. In addition, this appraisal assignment is subject to a hypothetical condition, but there are no extraordinary assumptions. The hypothetical condition applied is that the proposed acquisition described herein occurs on the effective date of the appraisal.

We note the use of this hypothetical condition may affect the assignment results if it was otherwise not applied, and we also note these value conclusions are also subject to the standard assumptions and limiting conditions set forth at the end of this report, which are typically included in most appraisal assignments.

As discussed in more detail in the attached appraisal report, the subject property before the acquisition does not have any larger parcel complications, and the acquisition also has no larger parcel complications as it is occurring entirely within the borders of the subject tract.

It must also be stressed that the "before" and "after" market values concluded herein consider the subject real estate has had adequate exposure to the market for a reasonable length of time—i.e., enough to realize these conclusions of market value on the appraisal date. A specific exposure time is not estimated because the definition of market value used in this appraisal is set by the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), which by Jurisdictional Rule supersedes the USPAP definition, and it does not call for a specific exposure time.

Finally, no changes of any item of this report can be made by anyone other than the appraiser certifying this appraisal, and RLS Valuation | TaTonka Real Estate Advisors and the appraiser have no responsibility for any such unauthorized changes. This letter of transmittal and the pages that follow constitute our report, including the data and analyses utilized in forming the opinions and conclusions presented herein.

Thank you for relying on RLS Valuation | TaTonka Real Estate Advisors to assist you in your real estate matters. If you have any questions concerning this report, or should you require any additional information, please do not hesitate to contact us.

Sincerely,

RLS VALUATION, INC. | TATONKA REAL ESTATE ADVISORS

A handwritten signature in blue ink, appearing to read "RL Skare", is written over a light blue horizontal line.

Rodger L. Skare, MAI
Director of Appraisal Services
Certified General Real Property Appraiser
Minnesota Appraisal License No. 4000725
RLS/at

Certification

The undersigned certifies that to the best of his or her knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, as well as any extraordinary assumptions or hypothetical conditions discussed in this report, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have not made a personal inspection of the particular property that is the subject of this report; however, I did view it close up on a previous appraisal of another property in the immediate area.
- No one provided significant real property appraisal assistance to the person signing this certification and report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, Rodger L. Skare has completed the continuing education program for Designated Members of the Appraisal Institute.



Rodger L. Skare, MAI
Director of Appraisal Services
Certified General Real Property Appraiser
Minnesota Appraisal License No. 4000725

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Executive Summary – Subject Illustrations



AERIAL PHOTO OF SUBJECT PROPERTY AND APPROXIMATE EASEMENT AREA



Oblique Aerial of Subject Property Looking North



Oblique Aerial of Subject Property Looking West



Looking Northeasterly at Powerline Easement Area of Subject Property from near West-Central Border of Site



Looking Northwesterly at Subject Property (i.e., Lake and Land in Background) from near Highway 61



NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 1 OF 1 SHEETS

LOCATION: CITY OF ST. PAUL, RAMSEY COUNTY, MINNESOTA
GRANTOR: COUNTY OF RAMSEY



1" = 400'



2025-01-31 VIEW ONLY!

LINE: 0892-0893
SEC. 10, T.28N., R.22W., 4TH P.M.
COUNTY: RAMSEY



NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 1 OF 1 SHEETS

LOCATION: CITY OF ST. PAUL, RAMSEY COUNTY, MINNESOTA
GRANTOR: COUNTY OF RAMSEY



1" = 200'



2025-01-31 VIEW ONLY!

LINE: 0892-0893
SEC. 10, T.28N, R.22W, 4TH P.M.
COUNTY: RAMSEY

Executive Summary – Facts and Findings

Property Appraised:	Ramsey County Parks & Recreation Tract – Pigs Eye Lake Property Northwest Side of Pigs Eye Lake Near the Southerly Terminus of Pigs Eye Lake Road St. Paul, Minnesota 55119
Property Type:	Conservation / Environmental Tract (Underlying Land and Affected Site Improvements, If Any)
Property Owner:	Ramsey County Parks & Recreation
Parcel ID No.:	10-28-222-41-0002 Ramsey County, Minnesota
Appraisal Date:	September 24, 2025
Inspection Date:	Not Inspected for this Assignment (Previously Viewed on March 26, 2025)
Report Date:	September 26, 2025
Property Rights Appraised:	Fee Simple Estate
"Before" Gross Land Area:	6,969,600 Square Feet, or 160.0 Acres
"Before" Upland Area:	Estimated to be 1,700,000 Square Feet, or 39.03 Acres
"After" Total Land Areas:	Same as "Before" Total Land Area*
"After" Buildable Land Areas:	Same as "Before" Upland Area*
	* There is no permanent acquisition in fee involved in this case.
Property Overview:	The subject property is comprised of both land and a portion of a shallow lake, oriented only for conservation and/or recreational purposes, located on the northwest side of Pigs Eye Lake about 1,000 feet east of the terminus of Pigs Eye Lake Road in St. Paul, Minnesota. It has no street address. Before the acquisition, the subject real estate contains a total area of 160.0 acres, or 6,969,600 square feet, and it is a non-buildable, restricted-use, parcel situated in the Mississippi flood fringe within the 100-year flood hazard zone designation. The lake portion is shallow, and the upland area, which is estimated to contain only approximately 40 acres, or around 1,700,000 square feet, is generally level and unimproved (except for the powerline and towers). After the acquisition, the gross area of the subject site does not change as there is no permanent area being acquired in fee, but the parcel will have an existing transmission line easement on it expanded by 212,573 square feet (4.88 acres) over the site. This proposed approximate 73-foot-wide expanded easement area will run diagonally through the northern half of the subject property where an approximate 83-foot-wide high-voltage power line already exists. No other changes or impacts to the subject parcel are occurring as a result of this acquisition.

Land Use Guide Plan:	CA-ROS, River Critical Area, Rural and Open Space
Zoning:	H1, Residential, with the entire parcel subject to a Flood Fringe Overlay District in a 100-Year Flood Hazard area.
Description of the Acquisition:	The proposed partial acquisition in this case involves a strip of land being acquired as a permanent easement for the purpose of widening an existing permanent transmission line easement extending diagonally across the northerly half of the subject tract. This existing easement is currently around 83 feet wide and covers approximately 5.57 acres, or around 242,629 square feet, running from the west-central edge of the site to its northeast corner. This easement is being widened by an estimated 73 feet next to the south side of the existing easement area, making a total new easement area of approximately 10.45 acres, or 455,202 square feet. As a result, the newly expanded easement area is reported to be 4.88 acres, or around 212,573 square feet.
Highest and Best Use:	<u>As Vacant</u> The maximally productive use of the subject site as a vacant tract of floodplain land and part of a shallow lake is only for conservation/ environmental and/or recreation purposes. This opinion of the subjects' highest and best use as a vacant tract applies to the subject property both before and after the proposed acquisition.
Highest and Best Use:	<u>As Improved</u> No opinion on the subject property needs to be provided both before and after the acquisition because no structures or any essential site improvements exist on this parcel (other than the powerline and power poles, which are already owned by Xcel Energy and are considered only as trade fixtures for this utility company and are not included in the real property valuation).
Marketing Period Estimate:	A specific exposure time and/or marketing period is not estimated in this appraisal assignment because the definition of market value used in this appraisal is set by the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), which supersedes the USPAP definition. UASFLA does not call for a specific exposure time estimate, nor does it call for a specific marketing period estimate. Therefore, the "before" and "after" market values concluded herein simply consider the subject real estate has had adequate exposure to the market for a reasonable length of time—i.e., enough to realize this conclusion of market value on the effective appraisal date.
Valuation Overview :	The final results of the valuation approach(es) applied to the subject property, as of the appraisal date and before and after the acquisition described herein, are shown on the following page.

Conclusion of Land Value - Before the Acquisition

\$1,115,000

Conclusion of Land Value - After the Acquisition*

\$1,098,000

* Considering all impacts on value due to the proposed acquisition.

Indication of Damages: The difference between the final "before" and "after" values of the subject property and the indication of the damages incurred by the owner as a result of the acquisition in this case are shown below.

Summary of "Before and After" Value Difference*

Land Value - Before the Taking	\$1,115,000
Land Value - After the Permanent Taking*	\$1,098,000
Difference in Land Values Indicated*	<u>\$17,000</u>

* Considering all impacts on value due to the proposed acquisition.

Summary of Damages: Furthermore, it is our opinion the total indicated damages are broken down as of the appraisal date as shown below, and we note the total value difference concluded equals only 1.5% of the subject's total "before" land value.

Summary of Indicated Damages

Pigs Eye Lake Park Site

Land Value - Before the Acquisition	\$1,115,000
Less: Land Value - After Any Permanent Acquisition*	(\$1,098,000)
Equals: Difference in Land Value Indicated	\$17,000
Add: Value Impact Due to Additional Severance Damage Issues	None
Add: Total Value of Improvements Acquired and Not Replaced	None
Add: Total Rectification Costs Due to the Acquisition	None
Equals: Total Damages Indicated	<u>\$17,000</u>

* Before considering the impact on value due to any severance damage to the remainder parcel, as well as any minor improvements affected permanently and/or temporarily and any temporary construction easements involved in the acquisition.

Overview of the Appraisal Assignment

Property Summary

The property that is the subject of this property containing both land and a portion of a shallow lake oriented only for conservation and/or recreational purposes located on the northwest side of Pigs Eye Lake, about 1,000 feet east of the terminus of Pigs Eye Lake Road in St. Paul, Minnesota. This tract is generally on the east side of Mississippi River in the northwest quadrant of Pigs Eye Lake. There is no address for this floodplain and lake property.

Before the acquisition, the subject real estate contains a total area of 160.0 acres, or 6,969,600 square feet, and it is a non-buildable, restricted-use, parcel situated in the Mississippi flood fringe within the 100-year flood hazard zone designation. The lake portion is shallow, and the upland area, which is estimated to contain only approximately 40 acres, or around 1,700,000 square feet, is generally level and unimproved (except for the powerline and towers).

After the acquisition, the gross area of the subject site does not change as there is no permanent area being acquired in fee, but the parcel will have an existing transmission line easement on it expanded by 212,573 square feet (4.88 acres) over the site. This proposed approximate 73-foot-wide expanded easement area will run diagonally through the northern half of the subject property where an approximate 83-foot-wide high-voltage power line already exists. No other changes or impacts to the subject parcel are occurring as a result of this acquisition.

This real estate is described in detail in the Property Description and Analysis section of this report. Also, the characteristics of the property are illustrated by the various exhibits presented at the beginning of this report and throughout this document.

Legal Descriptions

The legal descriptions of the Abstract and Torrens properties that comprise the subject real estate are provided in the Addenda of this report. Also provided are legal descriptions of the expanded transmission line easements on these two properties. These legal descriptions have been provided by Xcel Energy.

Property Interest Appraised

Appraisals for acquisition purposes are typically done in **fee simple estate**. Such is the case in this appraisal as well. Fee simple estate is defined in The Dictionary of Real Estate Appraisal, Seventh Edition, published by the Appraisal Institute, as *"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."* (We note that the valuation of a property in fee simple estate implies that the subject property, if any improvements on it are included in the appraisal, is valued under the assumption that it is occupied at a level and/or a rate consistent with other similar properties in its market area, and that the occupant or occupants on it have an average credit rating.)

Definition of Market Value

Market value as utilized in this appraisal assignment specifically conforms to the definition provided by the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), which states that “*market value is the amount in cash, or on terms reasonable equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration all available economic users of the property.*”

It must be noted this concept of market value also generally conforms to the definition provided in The Dictionary of Real Estate Appraisal, Seventh Edition, which is also referred to in the Uniform Standards of Professional Appraisal Practice (USPAP) in force as of the date of this report. This definition is as stated below.

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated,*
- *Both parties are well informed or well advised, and acting in what they consider their own best interests,*
- *A reasonable time is allowed for exposure in the open market,*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Definitions of Real Estate and Real Property

The terms real estate and real property, as utilized in this appraisal report, are defined in The Dictionary of Real Estate Appraisal, Seventh Edition, as well as from the most recent Uniform Standards of Professional Appraisal Practice (USPAP) in force as of the writing of this report. Complete definitions of these terms are retained in the appraiser's files, but, in short, real estate is defined as an identified parcel or tract of land, including improvements, if any, and real property is defined as the interests, benefits, and rights inherent in the ownership of real estate.

Purpose and Intended Use of the Appraisal

The purpose and intended use of this appraisal is to conclude the before and after market values of the subject property in fee simple estate to assist the client (Xcel Energy) in offering just compensation for the value impact of a partial acquisition, which is being done to widen an existing permanent transmission line easement running across a tract owned by Ramsey County Parks & Recreation located in the Pigs Eye Lake area of St. Paul. No other uses of the results of this appraisal and this report are intended by the appraiser.

Intended Users of the Appraisal

The intended users of this report are the client (Xcel Energy) and/or its legal counsel. No other users of this report are intended by the appraiser.

Competency of the Appraiser

Since the beginning of the appraisal assignment, Rodger L. Skare, MAI, has had the knowledge and experience to complete this valuation in a competent manner and in compliance with USPAP.

Scope of the Appraisal

The scope of work delineates the tasks agreed upon by the client and the appraiser to complete the appraisal and fulfill the intended use by the client. The steps followed, which are listed below and on the following page, are sufficient to perform a reliable and credible result for this intended use. In general, the work efforts relate to the type and extent of research and analysis completed, and it pertains to such elements as the gathering of physical, legal and economic data on the subject and other market items, and the inspection and analysis of the market data. More specifically, these are the details concerning the accomplished work efforts and reporting format of the appraisal.

Thus, in completing this assignment, we followed the general procedures listed below.

- The subject property has not been inspected by the appraiser for this particular assignment; however, he had previously viewed it and took photos of it on March 26, 2025, when he was working on an assignment of another property in the area. No one from Ramsey County Parks & Recreation availed themselves to conduct an inspection of the property, despite phone calls and emails sent by the appraiser to do so. (This property is landlocked and not accessible by the general public due to gated properties, major highways, and large railyards surrounding it.) It must be noted, however, that the appraiser was able to talk to Brett (Gus) Blumer, Director of Planning & Development, Ramsey County Parks & Recreation who answered questions about the property and provided information on the tract and expressed concerns about the acquisition in this case.
- The property description and analysis are based on the earlier viewing, information provided by Gus Blumer, city and county data and records, county assessment plats and records, and recorded property deeds. Information and plans provided by Xcel Energy are also relied on.
- Regional and city analyses have been performed recently by RLS Valuation | TaTonka Real Estate Advisors. They are provided in the Addenda. A neighborhood analysis is based on a physical inspection of the area, as well as on studies performed in conjunction with other properties appraised in the area. This analysis is provided later in this report.
- The highest and best use of the subject property both before and after the acquisition are analyzed using the data compiled in the aforementioned steps, as well as the results of the "before" and "after" valuation approaches discussed in the following paragraphs.
- Considering the scope of the proposed acquisition in this case, as well as considering our highest and best use conclusions of the subject property before and after the acquisition along with the way properties like it are analyzed and purchased, only the sales comparison approach to land value is opined to be applicable in this appraisal assignment in the "before" case. A description and definition of this approach is presented later in this report.

- The same land sales comparison approach is applied in the “after” valuation, but because the impact of the acquisition is minor and has no impact nor disturbs any structures or any essential site improvements, it is handled in the form of a “taking plus damages” analysis and applied to the characteristics of the subject property in its “after” condition.
- This “taking plus damages” type of analysis considers the value of the subject site both before and after the acquisition, as well as any impacts on minor site improvements that may exist and are directly affected by the acquisition. A description of this type of “after” analysis and its specific application to the subject property is presented later in this report.
- The pertinent market data needed to perform this “before” and “after” valuation approach is thoroughly researched, collected and analyzed. The sources of this data include appraisal files and other data sources maintained in our office, as well as updated surveys provided by the researchers at TaTonka Real Estate Advisors, as well as other real estate offices. Discussions with brokers, leasing agents, mortgage bankers, property managers, other appraisers, and principals involved in dealing with the subject property types are also an integral part of this appraisal process. As a result, much of the data used in this appraisal is verified in some form and, in many instances, confirmed directly with the buyer, seller, tenant, owner or broker involved. In many cases, we contacted more than one of the above.
- Once all of the “after” value impacts are known, the value of the subject site in its “after” state is analyzed and concluded, and then it is deducted from the value of the property in its “before” condition. The result provides a difference in the property’s values due to the proposed acquisition action. Added to this value difference are the total amounts of the contributory value of any site improvements affected and not replaced and/or the total rectification costs of any site improvements that need to be replaced and/or cured to mitigate the impact of the damages. The sums of both analyses indicate a reliable and credible total impact on value for purposes of this appraisal assignment.
- The final total damage indication is summarized according to its component parts, based on the types and/or impacts of the acquisition occurring in this case.
- This appraisal is presented in a narrative appraisal report format, as defined in USPAP 2024-2025 Standards Rule 2-2a.

Extraordinary Assumptions and Hypothetical Conditions

Extraordinary Assumptions are assumptions related directly to a specific appraisal assignment, as of the effective date of the assignment results, which, if found to be false, could alter an appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions.
- The appraiser has a reasonable basis for the extraordinary assumption.
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

In this appraisal assignment, no extraordinary assumptions need to be made.

Hypothetical Conditions are conditions directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

In this appraisal assignment, one hypothetical condition is needed. This hypothetical condition is that the proposed acquisition described herein occurs on the effective date of the appraisal. No other hypothetical conditions exist in this analysis, but the use of this hypothetical condition may also affect the assignment results if it was not otherwise applied.

Implementation of the Project Rule

According to most recent edition of the Uniform Appraisal Standards for Federal Land Acquisitions as of the date of this report, appraisals dealing with potential eminent domain matters must disregard any alteration or influence in the market value of a property being acquired that is attributable to the project for which it is being acquired. This conscious lack of consideration for the impact on value of the project is called the project rule. Stated another way, project benefits that are general in nature cannot be used to offset damages. As a result, the project rule is followed in this appraisal.

Consideration of the Larger Parcel

In our opinion, the subject property before the acquisition does not have any larger parcel complications, other than the fact it is comprised of an Abstract and a Torrens property, which deal only with how these parcels are recorded. As a result, the subject tract is appraised in its entirety, according to the unit rule, and no parcels or properties immediately surrounding it or connected to it in some way, shape or form qualify as being a larger parcel that has unity of ownership, unity of use, and direct or relative contiguity. In addition, we note the acquisition impacting the subject property is contained within its borders and is opined to affect only this property, so the parcel in its “after” condition also has no larger parcel issues.

History of the Subject Property

- | | |
|------------------------------|---|
| Subject Ownership: | Ramsey County Parks & Recreation |
| Subject Use History: | The subject tract has always been floodplain land and part of a shallow lake and has never had any improvements or essential site improvements on it (other than the powerline and power poles, which are already owned by Xcel Energy and are considered only as trade fixtures for this utility company and are not included in the real property valuation). |
| Subject Transaction History: | No transactions of the subject tract are reported within the last five years, and in fact no sales of any of this property are believed to have taken place for many decades—if at all. As a result, no further investigation and analysis into the sales history of the subject property needed in this appraisal assignment. |
| Current Transaction Status: | The subject land tract is not known to be currently listed for sale or lease, and no unsolicited offers on this real estate are believed to have been made for at least the last five years. |

Description and Analysis of the Acquisition

Overview of the Partial Acquisition Requirements in this Case

According to representatives of Xcel Energy, an existing high-voltage transmission line running in the subject area and across a tract owned by Ramsey County Parks & Recreation described in this appraisal report needs to be upgraded and expanded. Thus, to accomplish this requirement, expansions of the existing permanent powerline easement across several sites in the area needs to be acquired. Included in the parcels affected is the subject tract. A description of this proposed partial acquisition over the subject property is provided below, and it includes an analysis of the impact (or impacts) of this acquisition on the subject site.

Narrative Description of the Proposed Partial Acquisition

As discussed in earlier sections of this report, the proposed partial acquisition impacting the subject real estate in this case involves a strip of land being acquired as permanent easement for the purpose of widening an existing permanent transmission line easement extending across The proposed partial acquisition in this case involves a strip of land being acquired as a permanent easement for the purpose of widening an existing permanent transmission line easement extending diagonally across the northerly half of the subject tract. This existing easement is currently around 83 feet wide and covers approximately 5.57 acres, or around 242,629 square feet, running from the west-central edge of the site to its northeast corner. This easement is being widened by an estimated 73 feet next to the south side of the existing easement area, making a total new easement area of approximately 10.45 acres, or 455,202 square feet. As a result, the newly expanded easement area is reported to be 4.88 acres, or around 212,573 square feet.

Legal Description of the Proposed Partial Acquisition

As mentioned earlier, the legal descriptions of the proposed partial acquisition in this case is provided in the Addenda of this report. In addition, we note the acquisition plans and drawings provided herein are believed to accurately portray the area of acquisition impacting the subject property and represent the legal description of the proposed acquisition area.

Impact of the Proposed Partial Acquisition on the Subject Property

According to information and plans provided by officials with Xcel Energy, the partial acquisition impacting the subject real estate is relatively minor. Our viewing of this property on March 26, 2025, and our review of the acquisition plans and aerial photographs with an overlay of these easement areas confirmed this fact. Because no improvements exist on this property (other than the powerline itself and the tower fixtures in the easement area), and because no part of the expanded easement causes any measurable severance damages to the remainder of the subject property as perceived by the market, the valuation of the acquisition in this case is quite simple and involves only an analysis of the value of the underlying land parcel.

The reasons for arriving at these “before” and “after” opinions and conclusions are stated on the following page.

The reasons this “before” and “after” appraisal is quite simple and involves only an analysis of the value of the underlying parcel are as follows:

- First, no transmission line upgrades and construction in the expanded subject easement acquisition area will have an adverse impact on any improvements on the subject site.
- Second, Ramsey County Parks & Recreation will be able to continue their “use” of the property as it has in up until the appraisal date.
- Third, all current and future installation and maintenance and/or replacement of the high voltage powerlines and steel monopoles in the easement area will be paid for, and the responsibility of, Xcel Energy, and any site improvements and/or land disturbed while they are being installed or replaced now or at any time in the future will also be rectified by Xcel Energy.
- Finally, any trees and brush in the transmission line easement expansion area on the subject site that may end up being removed have no adverse impact on the value of this parcel, as most vegetation found on surplus land like the subject adds no contributory value to the parcel to begin with.

As a result, no adverse measurable impacts on the value of the subject remainder property (i.e., no curable and incurable severance damages) as perceived by the market will take place as a result of this action, and only a simple “taking plus damages” appraisal analysis needs to be performed in this appraisal assignment.

Detailed Illustrations and Photographs of the Acquisition Area

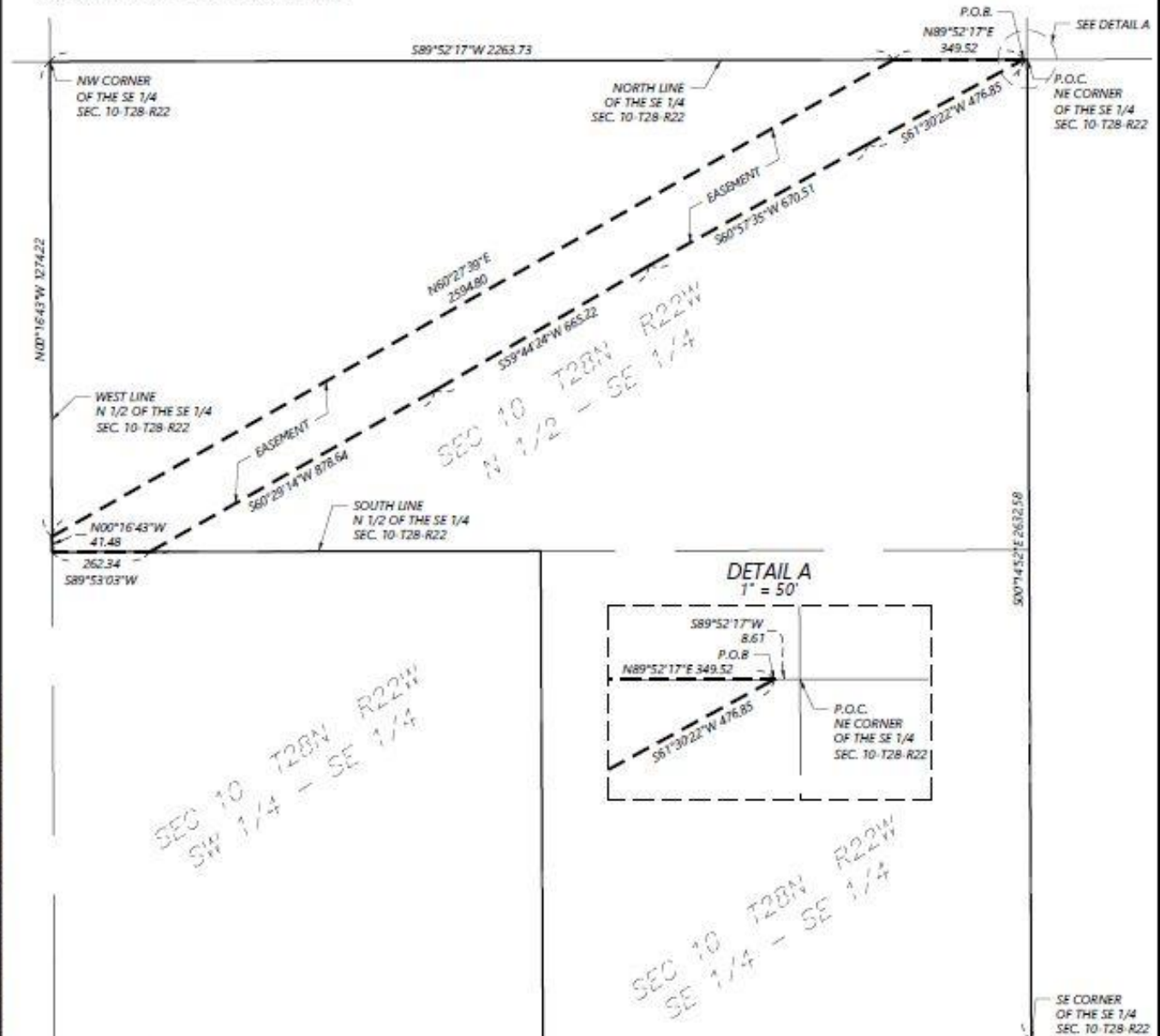
Provided on the following pages are plans of the proposed easement expansion area impacting the subject property, along with an aerial photograph of this area with an overlay of the acquisition plan. And following these documents are photographs of the permanent easement expansion area on the site that is proposed to be acquired. We note an aerial photograph of the subject property with an overlay of the proposed acquisition plan on the site has already been provided near the beginning of this report.



NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 1 OF 2 SHEETS

CERTIFICATE OF SURVEY
GRANTOR: COUNTY OF RAMSEY
SEE SHEET 2 OF 2 FOR DESCRIPTION



LINE: 0892-0893
SEC. 10, T.28N, R.22W, 4TH PM.
COUNTY: RAMSEY

P.O.C. = POINT OF COMMENCEMENT
P.O.B. = POINT OF BEGINNING
P.O.T. = POINT OF TERMINATION

I HEREBY CERTIFY THAT THIS SURVEY, PLAN OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

Westwood

Phone: (320) 253-9455 13341 Cypress Drive, Suite 101
Fax: (320) 270-9455 Austin, MN 56425
westwoodps.com

Westwood Professional Services, Inc.

BEARINGS, DISTANCES AND ACREAGE ARE BASED ON RAMSEY COUNTY COORDINATE SYSTEM, NAD83 (2011) ADJUSTMENT, US SURVEY FT

Seth T. Weckman

SETH T. WECKMAN

LIC. NO. 57085

DATE 09/24/2024



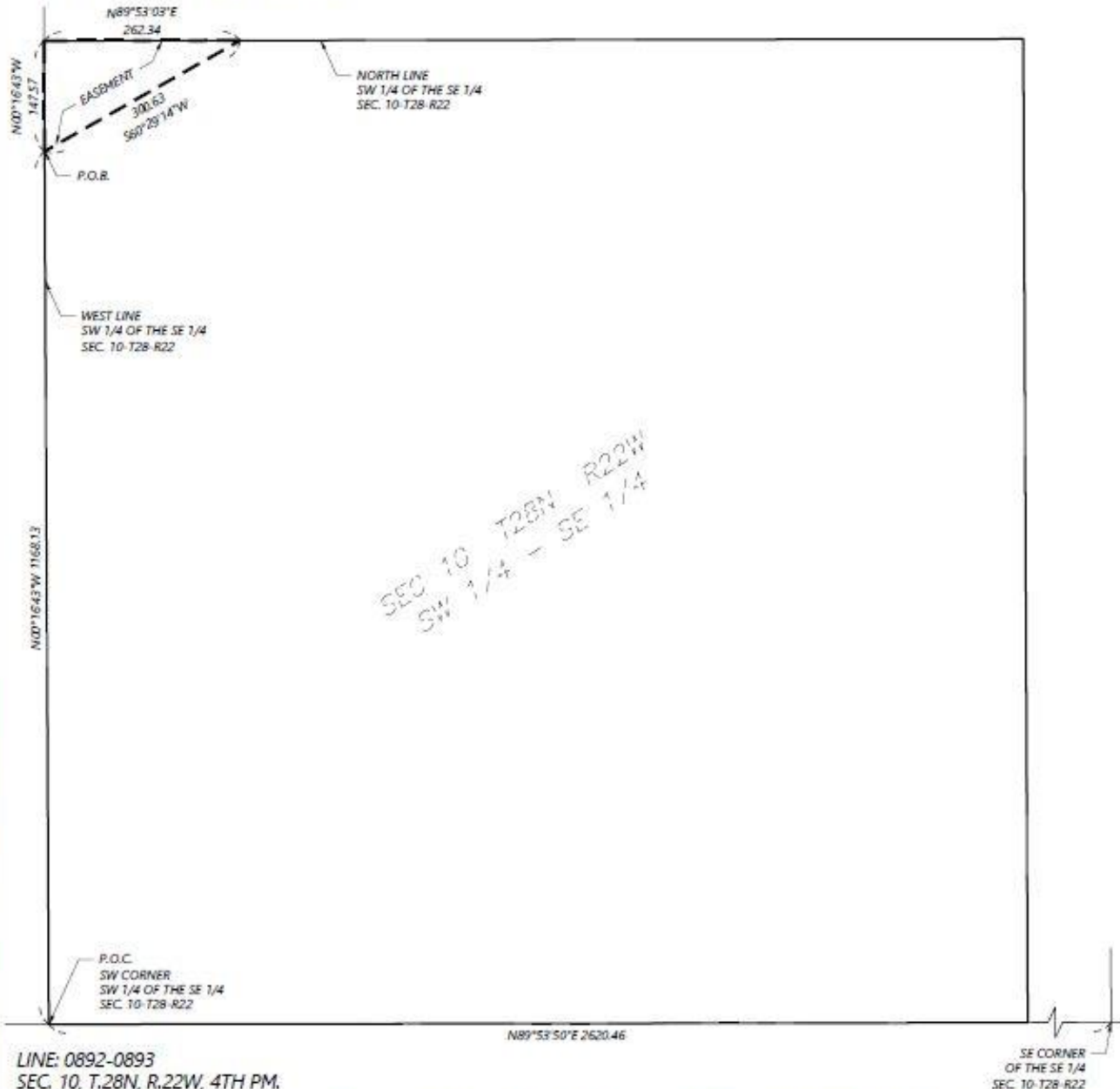
NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 1 OF 2 SHEETS



1" = 200'

CERTIFICATE OF SURVEY
GRANTOR: COUNTY OF RAMSEY
SEE SHEET 2 OF 2 FOR DESCRIPTION



LINE: 0892-0893
SEC. 10, T.28N, R.22W, 4TH PM.
COUNTY: RAMSEY

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Westwood

Phone (202) 253-9405 13241 Cypress Drive, Suite 101
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LIC. NO. 57085

DATE 09/24/2024



Looking Easterly at Southwest Portion of Acquisition Area (in Background at Power Pole)



**Looking Northeasterly at Powerline Easement Area of Subject Property from
near West-Central Border of Site**

Subject Real Estate Tax and Assessment Data

Throughout Minnesota, real estate taxes payable in a given year are based on the Assessor's Estimate of Market Value (AEMV) for the preceding year estimated as of January 2 of that year. The taxes are payable in two equal installments with the first half due May 15th and the second half due October 15th. In other words, taxes due in the year of the valuation (2025) are based on the 1/2/2024 AEMV. The amount of the taxes is based on a tax rate which is in effect for the subject property. This tax rate, which is actually referred to as the effective tax rate for purposes of this appraisal, is made up of state, county, municipal, school district and any special jurisdiction tax rates which are individually set and combined into one overall rate. The effective tax rate is the real estate taxes (excluding special assessments) divided by the preceding year's total AEMV.

As mentioned earlier in this appraisal report, the subject site is comprised of only one tax parcel, despite the fact it is made up of an Abstract and a Torrens property, which deal only with how these parcels are recorded. The property identification (PID) number for this tract. Which is entirely in Ramsey County, is shown below.

Subject Tract PID No.
10-28-22-41-0002

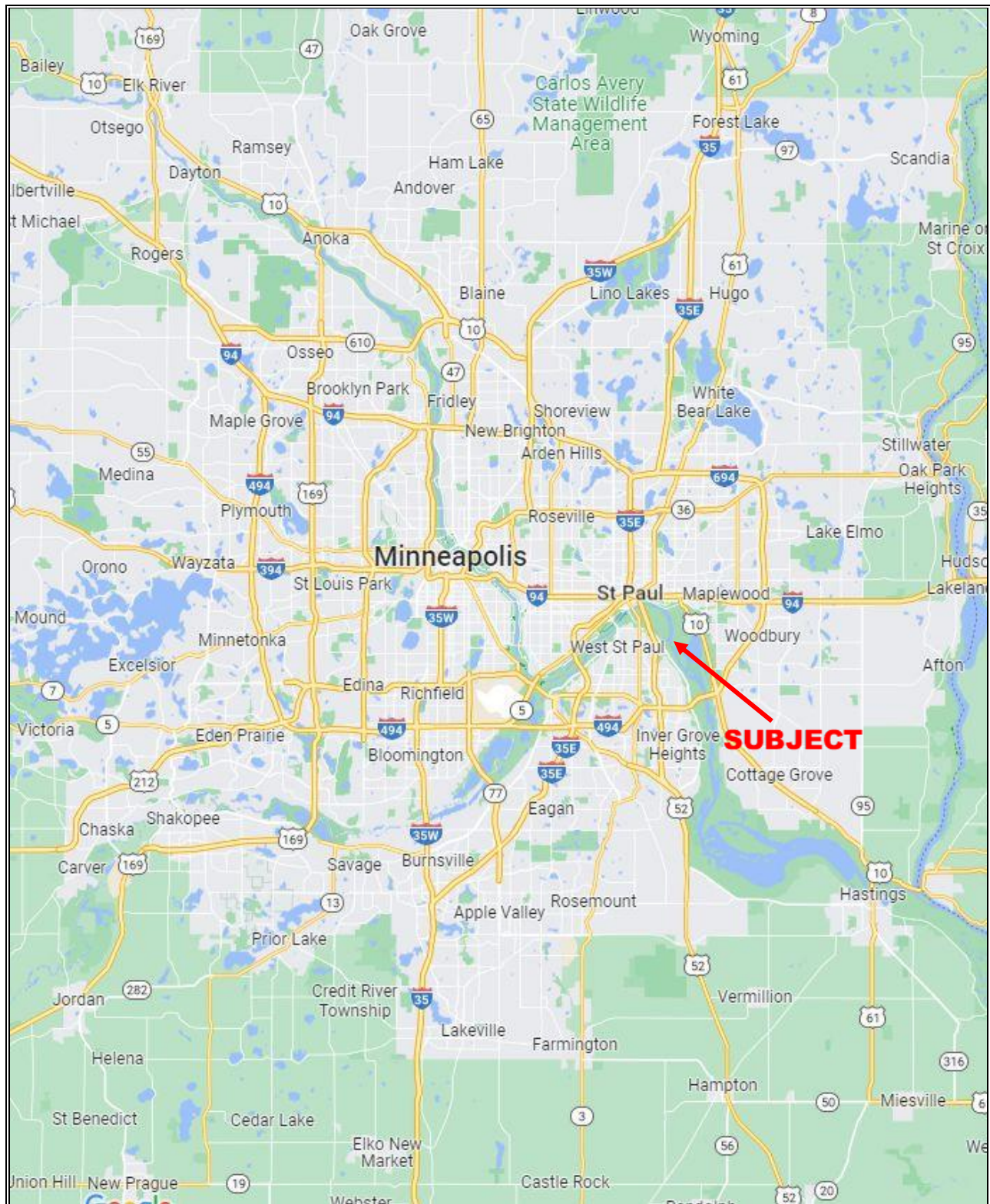
Due to the fact this tax parcel is owned by Ramsey County Parks & Recreation, which is obviously a governmental entity, it has a tax-exempt status, and therefore no specific real estate taxes are paid on this real estate. However, there is an annual Assessor's Estimate of Market Value (AEMV) on this parcel, despite the fact it is tax exempt. This AEMV information is provided in the chart on the following page.

Looking at these assessor's value estimates, it is our opinion the subject's estimated land value is quite high compared to our "before" land value for this restricted-use tract concluded herein.

County Assessor's Information and Real Estate Tax Data	
Parcel ID No. (PIN):	10-28-22-41-0002
Parcel Address of Record:	No Address
City, State:	St. Paul, MN
County:	Ramsey
Property Type(s):	Exempt - Vacant Land Non-Homestead
Tax Data for Year Payable:	2025
Est. Mrkt. Value (EMV) Date:	1/2/2024
Land:	\$1,742,400
Building:	<u>\$0</u>
Total:	\$1,742,400
Real Estate Taxes:	\$0.00
Effective Tax Rate*:	0.00%
Other Mun. Charges (MC):	
Solid Waste Disp. Fee:	\$0.00
Special Assessments:	<u>\$0.00</u>
Total Other Mun. Charges:	\$0.00
Total Taxes & Mun. Charges:	\$0.00
Total Taxes & MC (PSF-GBA):	None
Tax Data for Year Payable:	2026
Est. of Market Value (EMV)	1/2/2025
Land:	\$1,742,400
Building:	<u>\$0</u>
Total:	\$1,742,400
* Formula: Real Estate Taxes in the Year Indicated Divided by the EMV for the Previous Year	

<u>Other Assessor Information</u>	
Land Size (SF):	6,909,487
Est. Market Value (EMV) Date:	1/2/2024
Land EMV PSF of Land Area:	\$0.25
Total EMV PSF of Land Area:	\$0.25
Total MC Based on PSF - Land	\$0.00
Building Size (SF-GBA):	0
Est. Market Value (EMV) Date:	1/2/2024
Building EMV PSF of GBA:	\$0.00
Total EMV PSF of GBA:	\$0.00
Total MC Based on PSF-GBA:	\$0.00

Regional, City and Neighborhood Area Analyses



SUBJECT REGIONAL LOCATION MAP

Regional and City Location Analysis and Description

Geographically, the subject property is situated in the southeast quadrant of St. Paul, Minnesota, which is pretty much located in the center of the Minneapolis/St. Paul Metropolitan Area—also known as the Twin Cities Metro Area. More specifically, the subject property is located on the northwest side of Pigs Eye Lake, about 1,000 feet east of the terminus of Pigs Eye Lake Road in St. Paul. This tract is generally on the east side of Mississippi River in the northwest quadrant of Pigs Eye Lake. There is no address for this floodplain and lake property.

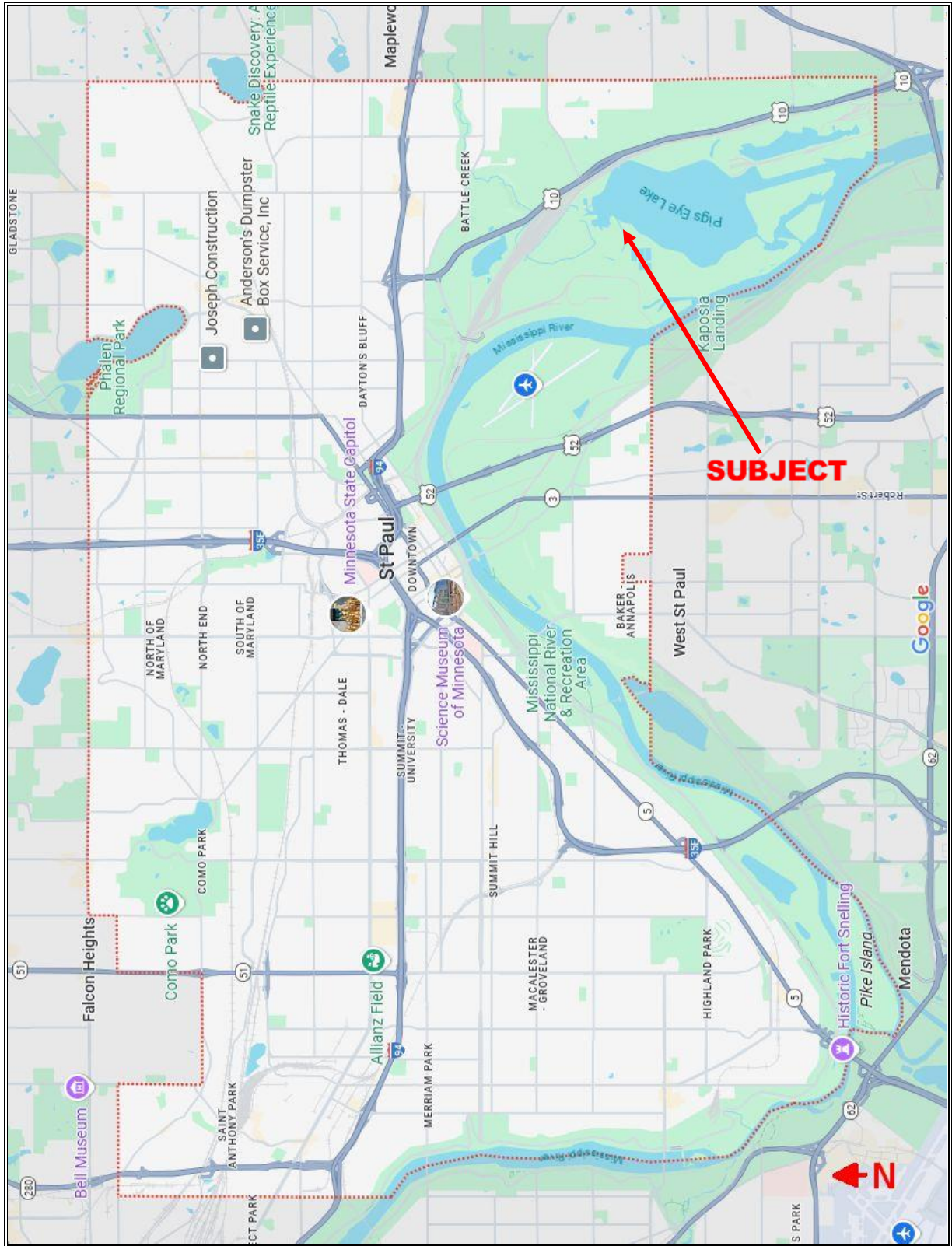
Minneapolis and St. Paul—the Twin Cities—are the geographic, economic and historic centers of an ever-expanding multi-county metropolitan area located in the north central region of the United States. Both cities are located along the Mississippi River, close to the confluence of the Minnesota River, in the east-central region of the state. They share a municipal border for nearly seven miles, and their downtown districts are only ten miles apart.

Created by the retreat of the glaciers around ten thousand years ago, the area is characterized by a gently rolling and mostly wooded topography dotted with numerous lakes and rivers. In fact, Minneapolis literally means “city of lakes”, combining the Native American word for lakes (“minne”) with the Greek work for city (“polis”). It also contains many large wetland areas loaded with ponds and creeks. For this reason, the entire metropolitan area has many large parks and preservation areas that serve their nearby communities, which is an amenity unique to such a large metropolitan area.

Because of these amenities and an extensive expressway network with few major physical barriers, many suburban communities have spread out in all directions from the Twin Cities, including into a section of northwestern Wisconsin. The Twin Cities’ highway system also spreads out in all directions from the core downtown areas: north to Duluth, Minnesota; northwest to St. Cloud, Minnesota, and Fargo, North Dakota; southwest to Mankato, Minnesota; south to Des Moines, Iowa; and southeast to Madison and Milwaukee, Wisconsin, and Chicago, Illinois.

A regional description of the Twin Cities Metro Area as of or around the appraisal date is provided in the Addenda of this report. Also provided is a description of the city of St. Paul. A map showing the location of the subject property in this city is given on the following page.

Following this city location map is a description and analysis of the neighborhood or local area in which the subject property is located.



SUBJECT CITY LOCATION MAP (NORTH TO LEFT SIDE OF PAGE)

Subject Neighborhood Description and Analysis

As mentioned earlier, the subject property is located on the northwest side of Pigs Eye Lake, about 1,000 feet east of the terminus of Pigs Eye Lake Road in St. Paul. This tract is generally on the east side of Mississippi River in the northwest quadrant of Pigs Eye Lake. This property has no street address.

A neighborhood is typically defined as an area of complimentary land uses. In this case, the subject neighborhood is generally identified as being generally industrial in nature, but it is also typical of a sector found mostly within the flood plain and flood fringe areas of a major river corridor.

In our opinion, the boundaries of the subject neighborhood extend from Warner Road and the Mississippi River to the north, down to the border of St. Paul to the south (approximately a half mile north of Interstate Highway 494), and from Concord Street to the west over to State Highway 61 to the east. The Mississippi River essentially runs roughly north/south through the middle of this area.

The property uses around the subject site include a large former landfill site, a very large railyard owned and operated by CPKC Railway (formally Soo Line Railroad), a large auto/truck marshaling yard, several grain elevators and barge loading/unloading sites that front the Mississippi River, some riverfront aggregate loading and unloading sites, and a large wastewater treatment plant with an old ash ponds storage property (owned and operated by the Metropolitan Waste Control Commission). There are also several large tracts of land and/or undeveloped land, and other miscellaneous parcels which are either conservation and/or recreation land, or they are used by the City of St. Paul for materials storage and wood chip processing.

A large percentage of the neighborhood is also occupied by the Mississippi River itself, including its backwater areas and Pigs Eye Lake. The Battle Creek Watershed District is also found in this area, and the creek itself runs north/south through the middle of the former landfill site, mentioned above, into Pigs Eye Lake just north and northeast of the subject site. Across the river from the subject neighborhood is a large regional airport, which is known as the St. Paul Downtown Airport or Holman Field, and beyond this airport property to the west is the large Riverview Industrial Park which is owned and operated by the St. Paul Port Authority.

Access to the subject neighborhood, in general, is accomplished via a full interchange between Childs Road and Warner Road. The former is primarily a two-way street which serves only local traffic (mostly going to the Pigs Eye Wastewater Treatment facility), and the latter is a four-lane highway that runs along the Mississippi river and connects downtown St. Paul with Interstate Highway 35E to the west and US Highway 61 to the east. Highway 61 exists approximately one mile east of the subject properties, and it has a major interchange to the north with Interstate Highway 94.

Thus, access to the neighborhood is good; however, access to subject site is considerably less desirable. Although Pigs Eye Lake Road has an intersection with Childs Road just a few hundred feet south of the Warner Road/Childs Road interchange, three railroad tracks that parallel Childs Road crossover Pigs Eye Lake Road at grade. Our research shows that approximately 15 to 20 trains use these three lines each business day, with the size of the trains ranging from a few cars all the way up to 125 cars. It is reported that several also stop at this location, blocking the only access to Pigs Eye Lake Road. Childs Road and Pigs Eye Lake Road offer the only vehicular access points up near the subject parcel (with cartway/trail access to the site itself).

Although Pigs Eye Lake Road is the only point of access to Childs Road and Warner Road, this single-point access issue is not a problem for accommodating traffic according to officials with the city of Saint Paul. Even if the subject could be developed as regular industrial land, the increase in traffic would not be so great as to warrant a second access point into the area.

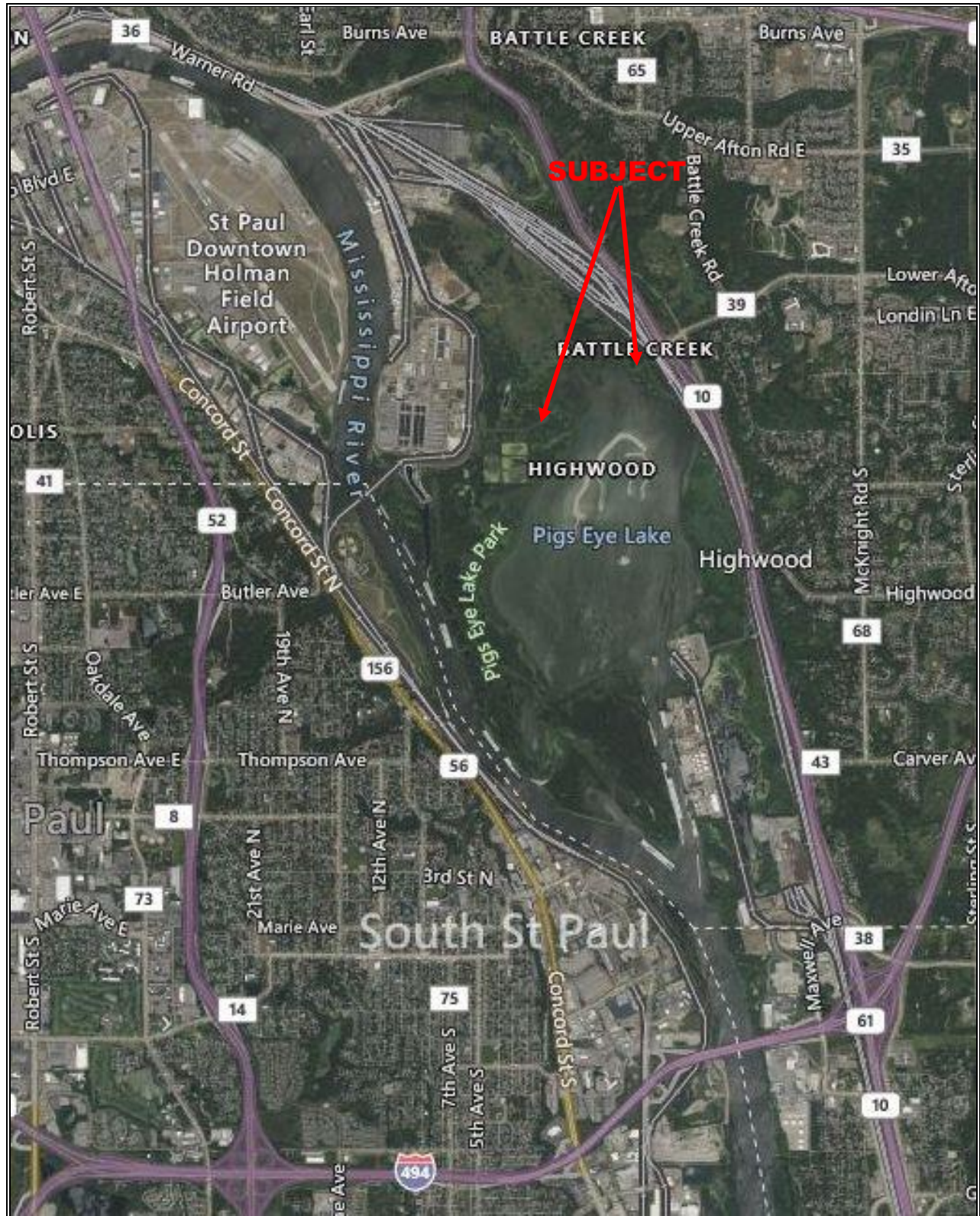
The same is true for the wastewater treatment plant land in the area. If this site were available for new industrial development, it is also not a concern for traffic generation in the area. The St. Paul Fire Department also reports the single-point of access to the area is not a concern. Furthermore, Childs Road and a portion of Pigs Eye Lake Road are publicly owned streets, and all typical utilities are located in or near Childs Road.

In fact, Child Road's only issue is that it is prone to flooding approximately every four to five years or so, on average. This fact can cause access issues for several to many weeks at a time when it does occur.

Generally, the subject neighborhood is concluded to be in the stable stage of its life cycle, which typically follows a pattern of growth, stability, degradation and finally revitalization and re-growth. This opinion is based on the fact that little new development is occurring in the area, as well as not much renovation and updating.

In conclusion, the subject neighborhood is conveniently accessible to the local work force and interstate highway network. Neighborhood characteristics reflect an inner-city and riverfront setting and are suitable for a variety of industrial development types. The neighborhood positively impacts the subject given the influence of industrial and riverfront commercial development that serves the community.

Provided on the following page is an aerial photograph of the subject neighborhood showing the subject property's location within its borders.



AERIAL PHOTO OF SUBJECT NEIGHBORHOOD (SUBJECT UPLAND ON BOTH SIDES OF PIGS EYE LAKE)

Property Description and Analysis

Subject Land Use Guide Plan

According to St. Paul's latest Comprehensive Land Use Guide Plan, the subject site is guided for CA-ROS, River Critical Area, Rural and Open Spaces (Mississippi River Corridor Critical Area [MRCCA]). This guide plan is intended to keep properties in it in their natural state, with no development possible and only a restricted use for conservation/environment and/or recreational use along the Mississippi River and within the floodplain area in the City of St. Paul.

This plan for the subject site extends out to 2040, and it was last updated and approved in 2020. A copy of the subject's land use plan map is provided on the following page, and excerpts of this Land Use Guide Plan and the MRCCA district are retained in the appraiser's files.

This land use guide plan for the subject is consistent with other like properties in the immediate area that are located along the Mississippi River, Childs Road and Pigs Eye Road, and they are also consistent with other similar properties that are found in the subject neighborhood under these two constraints.

Subject Zoning

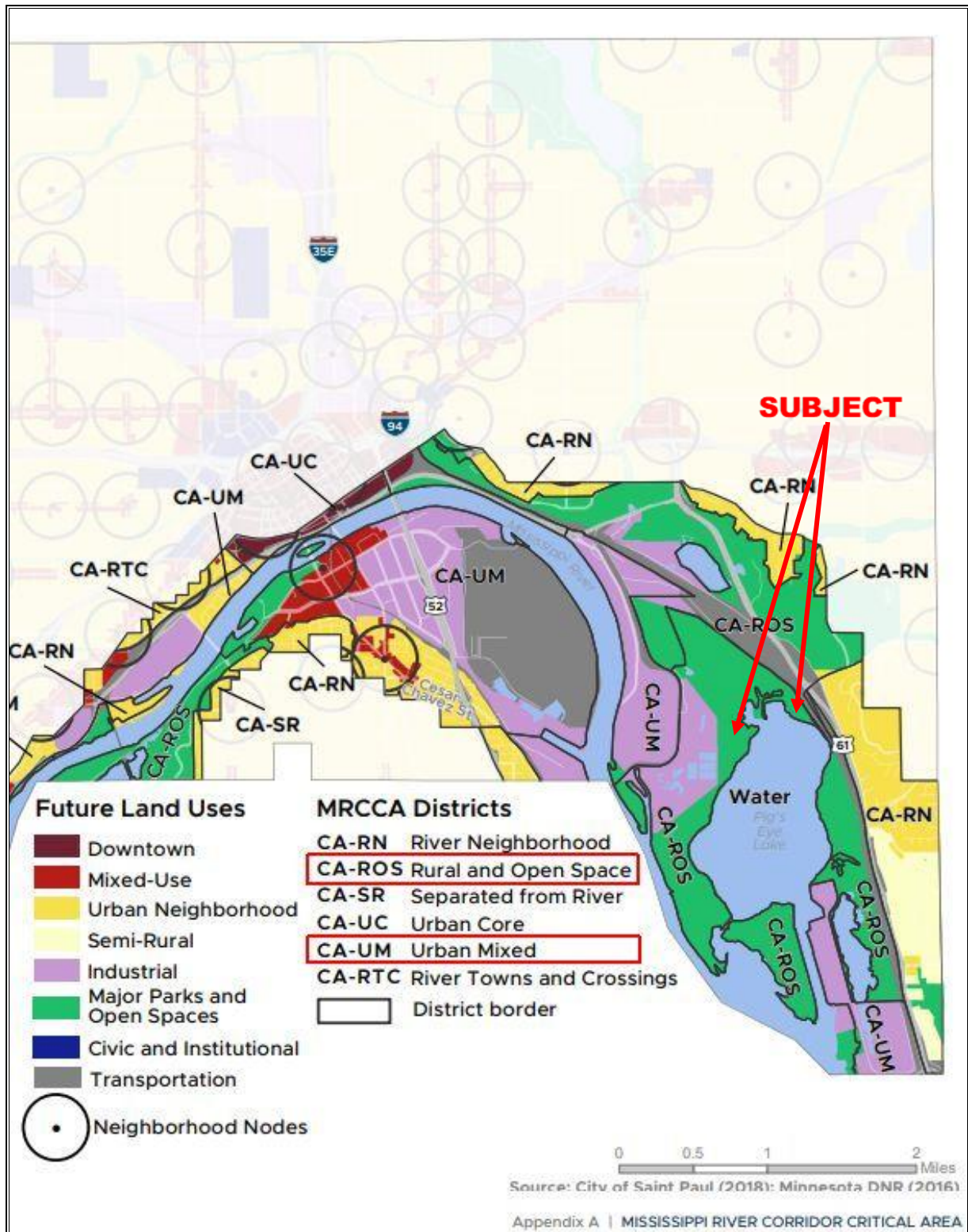
As can be seen in Subject Zoning Map on the page following the Land Use Guide Plan Map mentioned above, most of the subject site is currently zoned H1, Residential, with the entire parcel subject to a Flood Fringe Overlay District in a 100-Year Flood Hazard area. This zoning classification includes basically all of the subject powerline easement area.

The subject property is situated in the Mississippi River floodplain, and no part of the site has an elevation high enough to allow development to occur on it. As a result, it cannot house any structures on it, and being in an H1, Residential District, its uses are very restricted. In fact, like the land use guide plan discussion above, this particular zoning in the floodplain is intended to keep properties in it in their natural state, with no development possible and only a restricted use for conservation/environment and/or recreational use along the Mississippi River and within the floodplain area in the City of St. Paul.

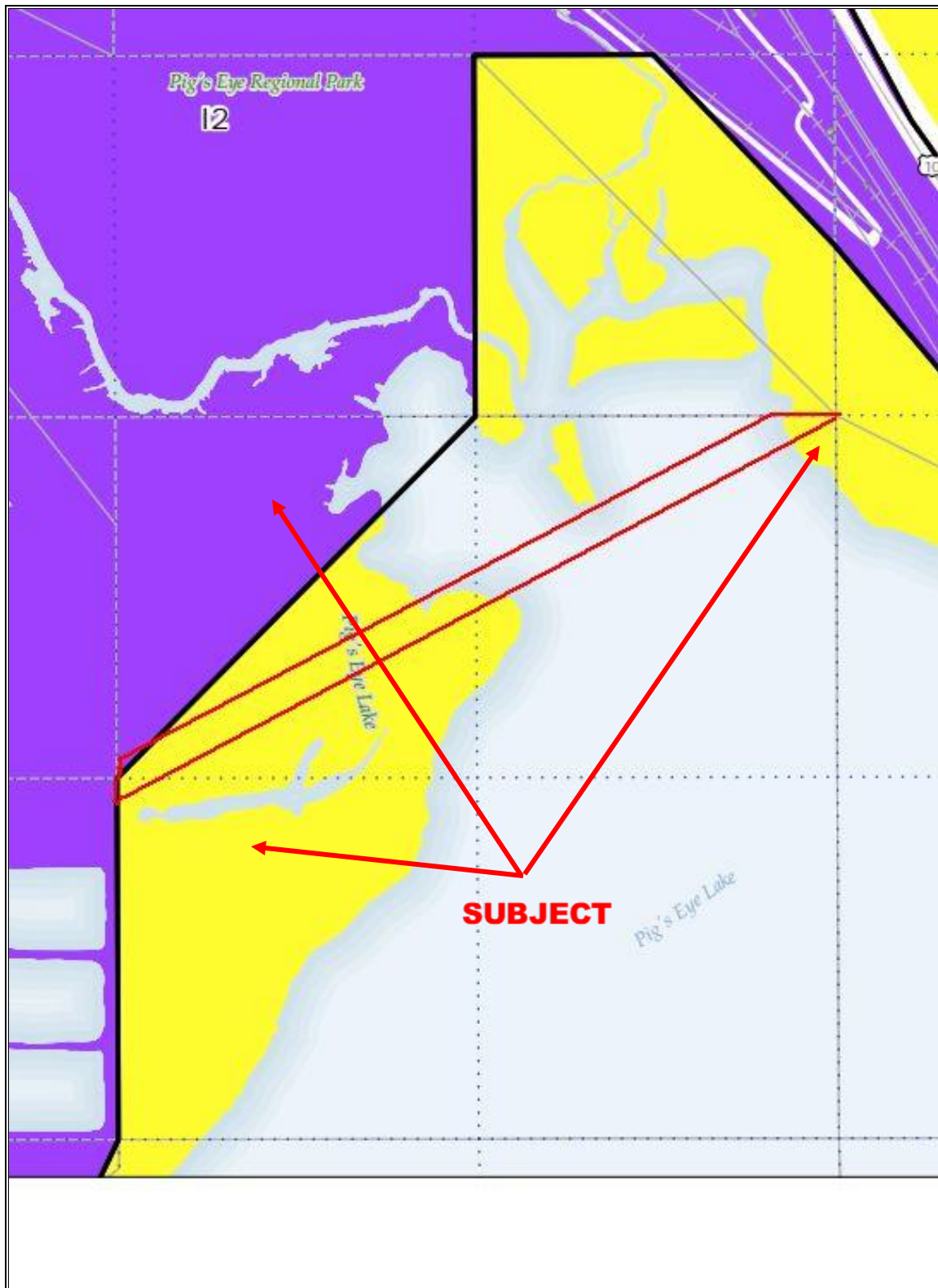
(We note the far northwesterly corner of this tract is located in and I-2, General Industrial District, but because this area is entirely inside the 100-Year Floodplain Area which can never be developed, and because almost all of the subject easement area is in the H1 District, only the H1 zoning considerations need to be analyzed in this appraisal assignment.)

Excerpts from the H1 zoning code and the MRCCA are also retained in the appraiser's files.

In our opinion, the existing use of the subject property conforms to its zoning condition and land use guide plan designation imposed on it. Despite this opinion, however, it must be noted the appraiser and RLS Valuation | TaTonka Real Estate make no representation as to the exact status of the property's legal use and conformance.



SUBJECT FUTURE LAND USE GUIDE PLAN MAP (SUBJECT UPLAND ON BOTH SIDES OF PIGS EYE LAKE)



SUBJECT ZONING MAP

Subject Site Descriptions and Analyses

The subject parcel is an interior tract containing both land and a portion of a shallow lake oriented only for conservation and/or recreational purposes located on the northwest side of Pigs Eye Lake, about 1,000 feet east of the terminus of Pigs Eye Lake Road in St. Paul, Minnesota. This tract is generally on the east side of Mississippi River in the northwest quadrant of Pigs Eye Lake. There is no address for this floodplain and lake property.

Before the acquisition, the subject real estate contains a total area of 160.0 acres, or 6,969,600 square feet, and it is a non-buildable, restricted-use, parcel situated in the Mississippi flood fringe within the 100-year flood hazard zone designation. The lake portion is shallow, and the upland area, which is estimated to contain only approximately 40 acres, or around 1,700,000 square feet, is generally level and unimproved (except for the powerline and towers).

After the acquisition, the gross area of the subject site does not change as there is no permanent area being acquired in fee, but the parcel will have an existing transmission line easement on it expanded by 212,573 square feet (4.88 acres) over the site. This proposed approximate 73-foot-wide expanded easement area will run diagonally through the northern half of the subject property where an approximate 83-foot-wide high-voltage power line already exists. No other changes or impacts to the subject parcel are occurring as a result of this acquisition.

The salient features of the subject site are listed below. Note that unless otherwise stated, this description and analysis applies to the subject parcel both before and after the acquisition. Also refer to the various photographs, plans and drawings provided earlier in this report for more information.

Land Areas

"Before" Gross Land Area:	6,969,600 Square Feet, or 160.0 Acres
"Before" Upland Area:	Estimated to be Around 1,700,000 Square Feet, or 39.0 Acres
"After" Total Land Area:	Same as "Before" Total Land Area*
"After" Upland Area:	Same as "Before" Upland Area*
* There is no permanent acquisition in fee involved in this case.	

Land Area Comments:	The subject site is a non-buildable tract located entirely in a FEMA 100-year flood zone It is a limited-use parcel situated in the Mississippi flood fringe overlay area with a 100-year flood zone designation.
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Site Characteristics

Shape:	Gross Area is Square, but Upland Area is Very Irregular (See Plat)
Average Width:	Gross Area - 2,640 Feet (East to West)
Average Length:	Gross Area - 2,640 Feet (North to South)
Corner / Interior Lot:	The subject site is an interior tract.
Primary Road Frontage:	None (Cartway/Trail Access) but Near Pigs Eye Lake Road
Secondary Road Frontage:	None (Cartway/Trail Access)
Traffic Count:	2,950 vehicles per day on Childs Road (No Count for Pigs Eye Lake Road)

Site Characteristics – Continued

Access:	Vehicular access to the subject neighborhood is generally good; however, access to subject site is significantly less desirable. Although Pigs Eye Lake Road has an intersection with Childs Road just a few hundred feet south of the Warner Road/Childs Road interchange, three railroad tracks that parallel Childs Road crossover Pigs Eye Lake Road at grade. Our research shows that approximately 15 to 20 trains use these three lines each business day, with the size of the trains ranging from a few cars all the way up to 125 cars. It is reported that several also stop at this location, blocking the only access to Pigs Eye Lake Road. Childs Road and Pigs Eye Lake Road offer the only vehicular access points up near the subject parcel (with cartway/trail access to the site itself). The subject tract can also be accessed by kayak, canoe or rowboat coming across Pigs Eye Lake.
Street Type(s):	Bituminous for Both Roadways
Sidewalk(s):	None
Curb and Gutter:	Concrete curbs and gutters exist only on Childs Road.
Storm Sewer:	Only in Childs Road
Topography/Terrain:	The upland areas of the subject property, which are estimated to contain around 39.03 acers, are generally level and slope down slightly to Pigs Eye Lake, but they are fully within the 100-year floodplain for the Mississippi River. They contain many trees, open fields and marsh areas, with the remaining area being part of the shallow lake that is Pigs Eye Lake.
Soil Bearing Conditions:	No information on the soil bearing capacity of either subject site has been made available, although many properties in the area are known to have issues in this regard. However, since the subject site is in the floodplain area and is not buildable, its soil type is not much of an issue.

Utilities

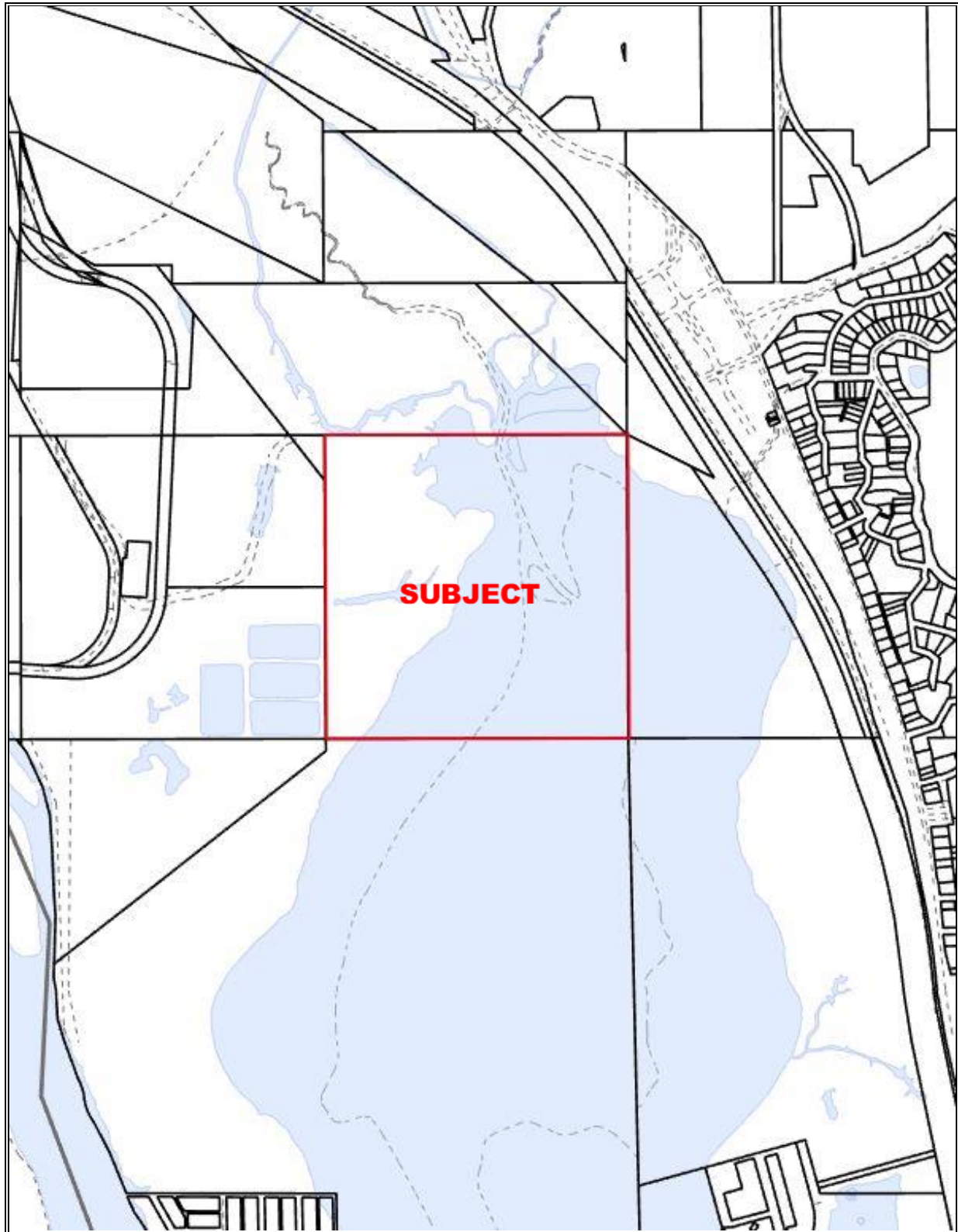
Public Electricity:	None for use specifically for the subject site.
Water Supply:	None for use specifically for the subject site.
Public Sewer:	None
Natural Gas:	None
Underground Utilities:	None
Adequacy of Utilities:	Poor
Street Lighting:	None
Infrastructure Paid For:	Not Applicable

Other Site Information

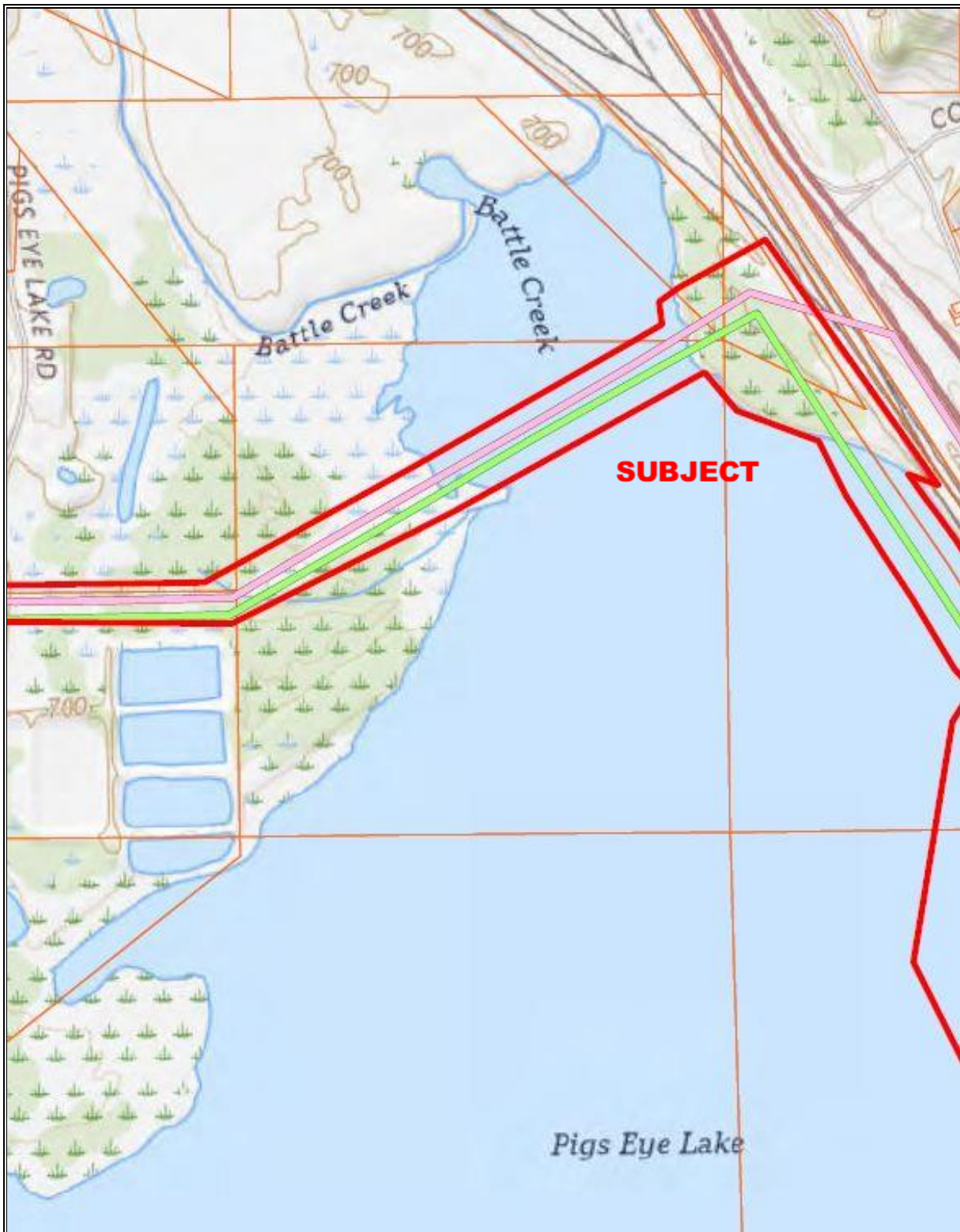
Landscaping & Vegetation:	The subject site contains many deciduous trees and volunteer growth, along with open fields and marshland.
Natural Amenities:	Borders and is part of Pigs Eye Lake, which is connected to the Mississippi River
Flood Plain:	As discussed earlier in this report, the site has a generally level topography in the 100-year flood hazard area with many trees.

- Easements:** Information on all the possible and/or likely easements on the subject parcel in its "before" condition has not been provided to the appraiser; however, it appears that none exists that significantly adversely impact its land value, plus an assumption is made that none adversely affect the subject site. This opinion includes the high-voltage transmission line that is being widened to accommodate an upgrade in this utility over the subject site and connect to the Xcel Energy substation parcel owned by NSP Company, further to the west, which is the purpose of this appraisal assignment.
- Easements – Continued:** To reiterate, the existing powerline easement running in Xcel Energy's favor over both the subject site in the "before" case is currently 83 feet wide and covers 5.57 (+/-) acres. It extends diagonally across the northerly half of the subject tract, running from the west-central edge of the site to its northeast corner. This easement is being widened by an estimated 73 feet next to the south side of the existing easement area, making a total new easement area of approximately 10.45 acres, or 455,202 square feet. As a result, the newly expanded easement area is reported to be 4.88 acres, or around 212,573 square feet.
- Encroachments:** No encroachments are known and/or reported to exist on or in the subject property that adversely affect its value.
- Recognized Environmental Issues and the Impact of "Stigma" on the Subject:** Xcel Energy has not supplied RLS Valuation | TaTonka Real Estate Advisors with any information on the potential soil and/or groundwater contamination on and/or in the subject site. In addition, the representative of the subject ownership did not report any adverse environmental problems on or in the subject site. We also note that no problems with the property were detected by the appraiser during his earlier viewing of the property. Despite this information, however, the appraiser and RLS Valuation make no representation regarding the existence or non-existence of hazardous or toxic waste substances on or in the property, and we have not determined what notices may be required. Thus, we assume the improvements are not contaminated in any adverse manner, and no contamination "stigma" exists as well.

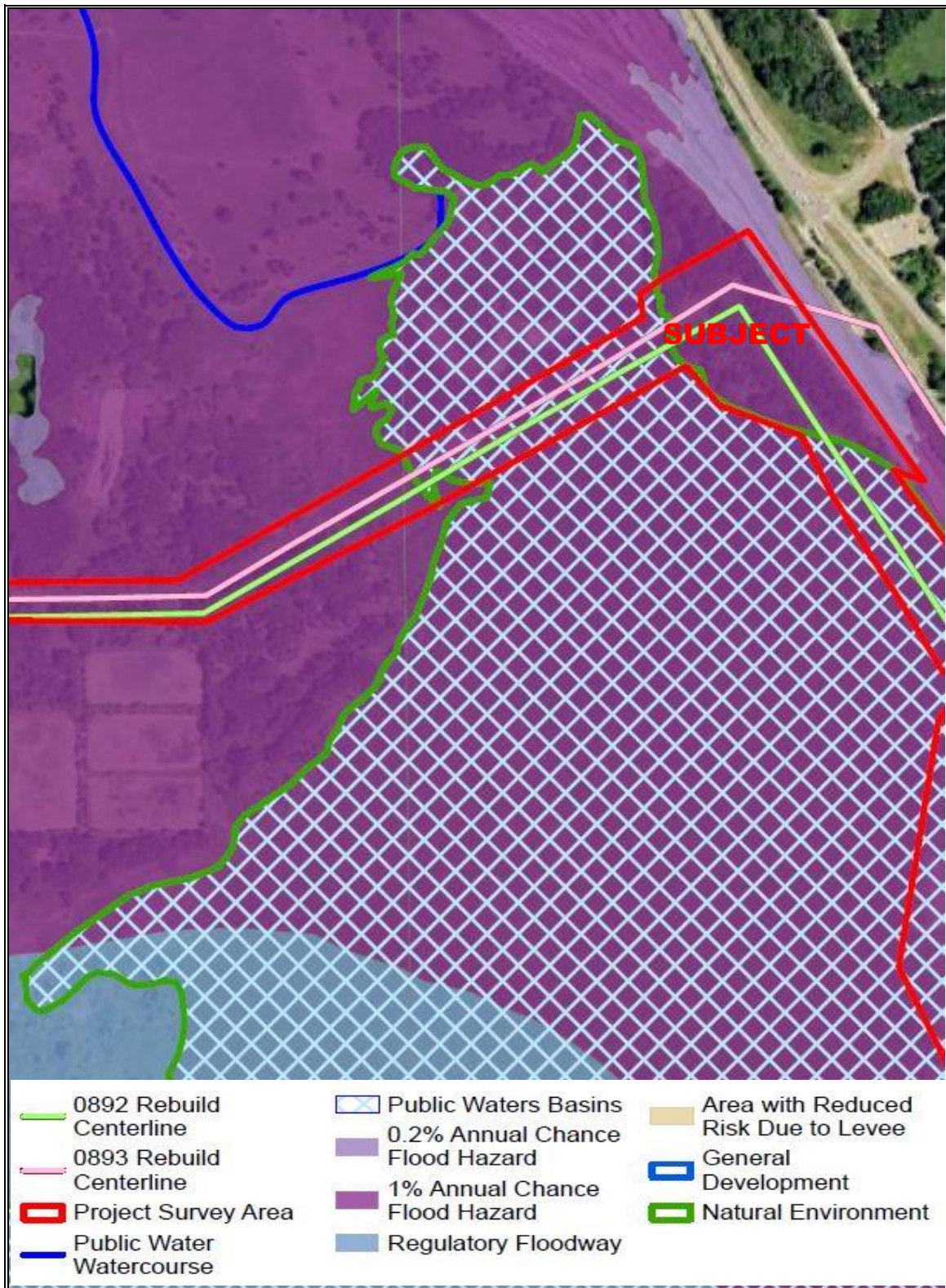
Copies of the subject's plat map, topography map, and flood plain map are presented on the following pages, along with oblique aerial photographs of the upland portions on the west and east side of the subject tract. And we note that additional aerial photographs and ground level photographs of this real estate are provided toward the beginning and throughout this report.



SUBJECT PLAT MAP – BEFORE THE ACQUISITION



SUBJECT TOPOGRAPHY AND TERRAIN MAP OUTLINING THE POWER LINE – BEFORE THE ACQUISITION



SUBJECT FLOOD PLAIN DESIGNATION MAP OUTLINING THE POWER LINE – BEFORE THE ACQUISITION



Oblique Aerial of Upland Area on West Side of Subject Property – Looking North



Oblique Aerial of Upland Area on East Side of Subject Property – Looking North

Market Analysis

As part of the overall valuation and analysis of the subject property, a study of the market in which it competes is conducted. This study assists the appraiser in leading to conclusions concerning its highest and best use, and it is also useful in establishing the economic background in which the subject property exists and the transactional parameters for selecting the various comparable sales and/or leases considered in this appraisal assignment. A marketing period and exposure period estimate for the subject property as of the appraisal date is also indicated from this analysis.

In this appraisal, the subject real estate is land oriented only for recreational and/or conservation/environmental purposes. As such, this market analysis considers the highest and best use indication for the subject property as a vacant parcel, which is for this purpose. Thus, the market value of this property is a function of the demand for, and the supply of properties like the subject in the Twin Cities region.

Demand for land is driven primarily by population growth, in which new household formation increases the demand for dwelling units. New dwelling units are built in response, and this construction consumes land. Land in such areas of growth is also consumed to meet demand for new stores and offices, to provide goods and services needed by the new residents. Base employment centers containing mostly industrial uses also consume large areas of land for the production of goods and services for export from a local market, as well as for storage and distribution within the region. Other uses also come into the picture for many other reasons, such as municipal needs, religious and/or institutional requirements, etc.

Supply of land for these different uses is simply a function of location and physical characteristics, how fully developed and area is, and what the legal permissibility factors are. Demand drives financial feasibility and, ultimately, maximum productivity. Since it is the ultimate improved use of any given parcel of land that drives its value, the likely near-term future use of the subject parcel in its "before" state must be considered in this part of the appraisal.

No specific surveys, reports or studies dealing with recreational and/or environmental land exist. As a result, the appraiser is left to rely on his research, analysis and general knowledge of this type of real estate in the community.

Thus, to accomplish this task, pertinent recent sales and listings of the subject's recreational and/or environmental use type within the subject's market area are researched and analyzed. These are considered in the Sales Comparison Approach. In other words, there basically is no market analysis that can be performed other than to look at recent sales and listings of property like the subject.

Highest and Best Use Analysis

One of the most important aspects of any real estate appraisal is the highest and best use analysis. This segment of the appraisal creates the criteria for the selection and application of the appropriate valuation approaches. Highest and best use, as defined in *The Dictionary of Real Estate Appraisal, Fifth Edition* published by the Appraisal Institute, is as stated below. (We note the *Fifth Edition* definition is more thorough and better defined than in more recent editions.)

Highest and Best Use. *The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.*

Highest and Best Use of Land or a Site as though 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.*

Highest and Best Use of Property as Improved. *The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is 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.*

Analyzing the highest and best use is typically first conducted assuming that the land is vacant or can be made vacant by razing any existing improvements. After this study, a second analysis may be employed which examines the subject property as improved and whether these improvements, in their current state and condition, represent the property's highest and best use. In both cases, determining the highest and best use as vacant and as improved, the real estate appraiser examines four criteria which are its physically possible uses, its legally permissible uses, its financially feasible uses, and its maximally productive use. The subject's highest and best use as vacant land is presented first.

Highest and Best Use – As Vacant

Presented below is our analysis of the highest and best use of the subject site as vacant in both its "before" and "after" condition. This analysis determines which type of land sales are most appropriate in the land valuation section of this report, if applied. This procedure also complements the highest and best use analysis of the subject site as improved, as it determines whether or not the current improvements, if any, represent their maximally productive use as improved.

Physically Possible

Considering the physical features of the subject site, especially its large size, its irregular shape, the lack of buildable area it contains, its level topography, its inclusion of a portion of a shallow lake, and its location in a floodplain of the Mississippi River, the uses this parcel can physically handle are restricted to only a conservation use and/or a recreational use, with the tract left in its current natural state. This opinion applies to both sites before and after the acquisition.

Legally Permissible

Considering the physically possible use potentials mentioned above, along with the subject's current H1 (Residential) zoning, its River Corridor Critical Area overlay, and its land use guide plan designation for Rural and Open Spaces, only a conservation, environmental, park and/or recreational use is legally permitted. This restricted use is due to the fact the tract is either part of a shallow lake or is significantly prone to flooding and cannot legally have any structures or other major improvements built on it in the Mississippi River Flood Fringe district.

These opinions also hold for the subject site before and after the proposed acquisition.

Financially Feasible

Considering the physically possible and likely legally permissible uses the subject site could be put to described above, it is our opinion the financially feasible uses of the parcel are only for conservation and/or recreational purposes.

Again, these opinions apply to the subject property before and after the proposed acquisition.

Maximally Productive

Finally, considering the physically possible, legally permissible and financially feasible uses that could be developed on the subject site, the maximally productive uses of this vacant tract of floodplain land and part of a shallow lake is only for conservation/ environmental and/or recreation purposes.

This opinion of the subjects' highest and best use as a vacant tract applies to the subject property both before and after the proposed acquisition.

Most Probable Buyer – As Vacant Land

As of the date of value, the most probable buyer of the subject property as a vacant parcel of ground, considering our highest and best conclusions above for the site in both its "before" and "after" conditions, is for a private conservation or environmental organization, a person or group that wants the parcel for a recreational use, or a government agency or quasi-governmental entity. A utility company and/or a municipal services provider could also be a possible buyer, but most typically do not want to own a large tract like this when they just acquire a utility easement over only part of a site.

Highest and Best Use – As Improved

If applicable given the appraisal problem, analyzing the subject property as improved allows the appraisers to determine if the current improvements will produce the highest overall return for each dollar of investment capital; and secondly, the analysis assists in identifying comparable properties that should be used in the sales comparison and/or income capitalization approaches, if applied.

No opinion on the highest and best use of the subject property "as improved" needs to be provided both before and after the acquisition because no structures or any essential site improvements exist on this parcel—other than the powerline and power poles, which are already owned by Xcel Energy and are considered only as trade fixtures for this utility company and are not included in the real property valuation.

Discussion of the Appraisal Procedure

As mentioned in the Letter of Transmittal and the Scope of the Appraisal, the subject property must be appraised both before and after the acquisition in order to determine any difference in value that may exist because of this action. Just compensation must be paid to a property owner for any or all property rights that are acquired or taken in such an action. If an entire property is being acquired, then the subject real estate is appraised in 100% full fee simple estate, which is also referred to as an acquisition in fee. In this case, the usual and customary valuations are applied. If only one or some of these rights are acquired, as is the case in this matter, this circumstance is referred to as a partial acquisition, and in such a circumstance, just compensation is typically indicated by subtracting the “after” value of that property from its “before” value. Depending on the degree and impact of the acquisition, the approaches applied can vary.

Regarding the latter circumstance, complete “before” and “after” appraisals are applied if the difference in value as a result of the acquisition is measurable. Examples of such measurable differences include (but are not limited to) a fairly significant reduction in size, a fairly noticeable change in access, visibility, shape and/or utility, an obvious change in a property’s highest and best use, or even a change in the degree or intensity of a property’s use. A mix of two or more of these conditions (as well as others not listed) can also occur.

A “before” and “after” appraisal that employs the “taking plus damages” approach is applied if the difference in value that occurs in a property is not obvious or measurable to the market. In these situations, the acquisition is usually small or fairly minor, and the difference in value is not likely to be perceived by buyers and sellers competing openly in the market—mainly because of 1) the many of components that make up value; 2) the inherent imperfections that exist in the market; and 3) the rounding of prices, rates and/or values that often takes place between buyers and sellers and/or tenants and landlords in any given transaction. In these cases, there is often no change reflected in a property’s value from its “before” condition to its “after” case using standard valuation approaches (i.e., the sales comparison and/or income capitalization approaches).

Examples of such imperceptible value differences include the acquisition of a permanent drainage easement, a utility easement and/or a sidewalk easement where the land area impacted is “shared”. Still, just compensation needs to be paid to a property owner no matter how small or inconsequential the acquisition may be; thus, the appraiser is tasked with concluding a value impact using this type of partial acquisition analysis. In this type of analysis, the specific impacts on the itemized value of each component of a property affected are delineated and added together, and the result is deducted from the “before” value to arrive at an “after” value.

These value impacts typically include the value of the land area being acquired, the contributory value of any site improvements that may be taken and cannot be replaced, and the replacement cost of any site improvements that may be affected that require correction or rectification. The latter category also includes costs that may be incurred to mitigate the impact of the acquisition on the remainder parcel, which are referred to as “costs to cure”. Thus, by utilizing the “taking plus damages” valuation methodology, which is usual and customary for appraisals of properties that are affected only by relatively minor partial acquisitions, the “after” value of the subject property is effectively concluded by deducting the sum of the various minor contributory value impacts from the property’s “before” value.

We note a combination of the two “before” and “after” valuation procedures described above may also be applied if the difference due to the proposed acquisition is comprised of both measurable and immeasurable elements—such as the permanent acquisition of a large section of a subject property and a much smaller strip of land acquired temporarily for a minor construction easement. In this particular appraisal assignment, however, only a “taking plus damages” type of after analysis is needed because of the relatively minor acquisition proposed. As discussed earlier in the Description and Analysis of the Acquisition section of this report, there is no impact on the value of the property that cannot be measured by this method of valuation. Thus, the procedure followed in this particular partial acquisition appraisal is summarized below.

- Considering 1) the scope of the acquisition, 2) the intended use of this appraisal report in this case, 3) our highest and best use conclusion of the subject property before and after the acquisition, and 4) the way properties like the subject are analyzed and purchased, only the sales comparison approach to land value is applicable in this appraisal assignment in the “before” case. A description and definition of this approach is presented later in this report.
- This approach is also basically applied in the “after” valuation scenario, but it is applied to the characteristics of the subject property in its “after” condition. If needed, it may also analyze and split those portions of the subject site after the acquisition that are unencumbered by any permanent easements after the acquisition, from those portions that are encumbered by any new permanent easements due to the acquisition. Typically, encumbered land areas are not worth the full unit value of unencumbered land areas.
- If applicable, the combined unencumbered value and encumbered value of the subject site in its permanent “after” state is analyzed and concluded, and then it is deducted from its value in its “before” condition. The result provides differences in land values due to any proposed permanent acquisition, before considering any impacts on any improvements, and before considering temporary easement acquisitions, if in fact there are any.
- Added to this value difference then are the total amounts of any site improvements that may be permanently affected and not replaced, as well as any costs that may be incurred by the owner to replace improvements or mitigate the impact of any permanent and/or temporary acquisitions or other conditions that occur within the borders of the subject property.
- A temporary easement valuation analysis is also employed, if necessary, using elements of the “after” land analysis and a form of the income capitalization approach in order to measure the value of the land acquired on a short-term basis for construction purposes, which is typically to provide additional room for the construction crew to work in, as well as re-grading or reconnecting the subject to the area of the construction project.
- In this case, there is only the widening of an existing permanent transmission line easement being acquired over a diagonal strip running over the northern half of the subject tract. As discussed earlier, no essential site improvements exist on the site that can be acquired or disturbed, and no severance damages as perceived by the market result.
- Finally, once all of the “after” value impacts are known, they are added up and applied to the subject property in its “after” state, and a total indication of damages due to the acquisition is indicated by subtracting the subject’s final “after” value from its “before” value.

Therefore, we begin this analysis of damages indicated with a “before” valuation of the subject property. This analysis commences on the following page.

Property Valuation – Before the Acquisition

As discussed in the previous section of this report, only the underlying land needs to be appraised in the “before” valuation section of this appraisal assignment. There are several methods appraisers can employ when developing an opinion of land value. The six basic procedures are the sales comparison approach, the allocation method, the extraction analysis, the subdivision development method, the land residual technique, and the ground rent capitalization method. All six methods are derived from the three basic approaches to value: sales comparison, cost and income capitalization.

After inspecting the subject and its surroundings, and after gathering available relevant data, we have determined the sales comparison approach is the most reliable and most widely accepted of all the methods available for estimating land value for properties like the subject.

Sales Comparison Approach to Land Value

In the sales comparison approach to land value, the appraiser develops an opinion of value by analyzing sales, listings, or pending sales of properties that are similar to the subject parcel. The comparative techniques of analysis applied in the sales comparison approach are fundamental to the valuation process. The sales comparison approach is defined in the *Dictionary of Real Estate Appraisal, Seventh Edition* published by the Appraisal Institute. Which is retained in our files.

The major premise of the sales comparison approach is that an opinion of the market value of a property can be supported by studying the market’s reaction to comparable and competitive properties. Comparative analysis of properties and transactions focuses on similarities and differences that affect value.

Elements of Comparison

Elements of comparison are the characteristics of properties and transactions that help explain the variances in the price paid for real property. The appraiser determines the elements of comparison for a given appraisal through market research and supports those conclusions with market evidence. When properly identified, the elements of comparison describe the factors that are associated with the prices paid for competing properties. The market data, if analyzed properly, will identify the elements of comparison within the comparable sales that are market sensitive.

The basic elements of comparison that are typically considered in sales comparison analysis include real property rights conveyed, financing terms (i.e., cash equivalency), conditions of sale (i.e., motivation), expenditures made immediately after purchase, market conditions (time), location, physical characteristics (e.g., size, soils, access, topography, developable vs. unbuildable land), use (e.g., zoning, water and riparian rights, environmental, building codes, flood zones), economic characteristics, if any (e.g., expense ratios, lease provisions, management, tenant mix), non-realty components of value, if any (e.g., business value, chattel, franchises, trademarks).

Procedure

After gathering and analyzing all relevant information on the market area and subject site, the appraiser follows a series of steps to derive a value indication by the sales comparison approach. These steps are as shown on the following page.

Steps Followed in the Sales Comparison Approach to Land Value

- Research the competitive market for information on properties that are similar to the subject parcel that have recently sold, are listed for sale or are under contract.
- Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations.
- Select the most relevant units of comparison in the market (e.g., price per acre, price per square foot, price per front foot) and develop a comparative analysis for each unit.
- Look for differences between comparable sale properties and the subject parcel using all appropriate elements of comparison and then adjust the sale price of each sale property to the subject property, accordingly.
- Reconcile the various value indications produced from the analysis of comparables to a value bracket and/or to a single value indication.

As mentioned above, any items found in the comparables that have a measurable value difference from the subject need to be adjusted. Thus, the mathematics involved in the adjustment process are as follows: a comparable's inferior condition is typically represented by a factor over 1.00, or a positive percentage (i.e., an inferior percentage), the result of which is an upward adjustment to the comparable for that particular condition; alternately, a superior condition found in a comparable is represented by a factor less than 1.00, or a negative percentage (i.e., a superior percentage), and the result is a downward adjustment to the comparable for that particular item. We note if any characteristics are the same or relatively similar to the subject, no adjustment is needed; thus, a factor of 1.00 or a 0% adjustment is applied. All of the positive and/or negative adjustments are then added together, and the cumulative or net adjustment is then added to the factor of 1.00, and the market-adjusted, cash equivalent unit sale price is multiplied by the resulting net adjustment factor in order to arrive at the overall adjusted unit sale price.

After completing this procedure, the comparables requiring the fewest and smallest adjustments are typically given the most weight in the final value estimate by the sales comparison approach.

The Selection of Comparable Land Sales – Before the Acquisition

Based on our highest and best use analysis of the subject site as vacant, the criteria for selecting the most appropriate land comparables for consideration in this "before" part of the appraisal assignment are listed below and on the following page.

Criteria for Selecting the Land Comparables – Before the Acquisition

- Recreational and/or environmental tracts of unimproved land that are entirely or mostly unbuildable, purchased for the use of the land only for hunting, fishing, canoeing or kayaking purposes, and/or for conservation and/or preservation purposes.
- Located on the edge of villages or towns in southern Dakota County, southeastern Scott County or northwestern Goodhue County—although such land purchased in more inner-city or suburban areas of the Twin Cities are considered as well. These land sales could also be located in rural areas just outside of such towns and villages in the counties and the region mentioned above.

- Ranging in size from approximately 40 to 300 acres, although the limited number of land sales of this type requires the appraiser to possibly consider both smaller and larger recreational and/or environment land tracts.
- Such properties having sold within the last three to four years—and preferably within the last 30 months or so prior to the appraisal date, since the commercial and industrial land markets have slowed down after the run-up in these markets after the COVID-19 crisis, when inflation took over and loan interest rates (and subsequently investment yield rates) increased dramatically.
- Transactions that occurred between unrelated parties where neither the buyer nor the seller was forced or unduly motivated to buy or sell.

We note the market activity surrounding these sales (and other relatively similar transactions we researched) indicates the best unit of comparison for determining the value of the subject tract is the price **per square foot of gross land area**.

In performing this land value analysis, recent listings of and/or offers on properties similar to the subject around the appraisal date are also considered; however, due to the fact they are not "bona-fide" sale transactions, they are not included as comparables in this analysis.

Based on the foregoing criteria, five land sales are selected as being the most suitable for use as comparables in this part of the assignment. The salient features of these selected sales are presented on the following pages, along with an aerial photograph of each parcel that includes a plat overlay of the lot and a location aerial showing its surrounding property uses and nearby amenities and features.

A map showing the location of these comparable sales in relation to the subject parcel immediately follows these land comparable data pages, and a fact chart summarizing these salient features is provided later in this section of the report. We note that additional details of these comparables are retained in our files.

Since the comparables chosen are not truly identical to the subject tract in every way possible and may not even fall within the ranges stated above for the selection criteria, some adjustment (or adjustments) must be made to qualify and quantify the item (or items) of difference between them—as noted earlier in this section of the report. Therefore, an adjustment grid is also presented with the fact chart mentioned in the paragraph above. The supporting data and/or basis for the judgment used to quantify these adjustments are also retained in our files.

Land Comparable No. 1

RLS Valuation | TaTonka Real Estate

PROPERTY IDENTIFICATION

Property Name	Oliver Family Floodplain Land
Location	Northeast Corner of Hwy. 3 & Vermillion River Trail
City, State	Empire Township, MN
County	Dakota
Primary Parcel ID No.	12-02900-50-015
Secondary Parcel ID No(s).	None

TRANSACTION INFORMATION

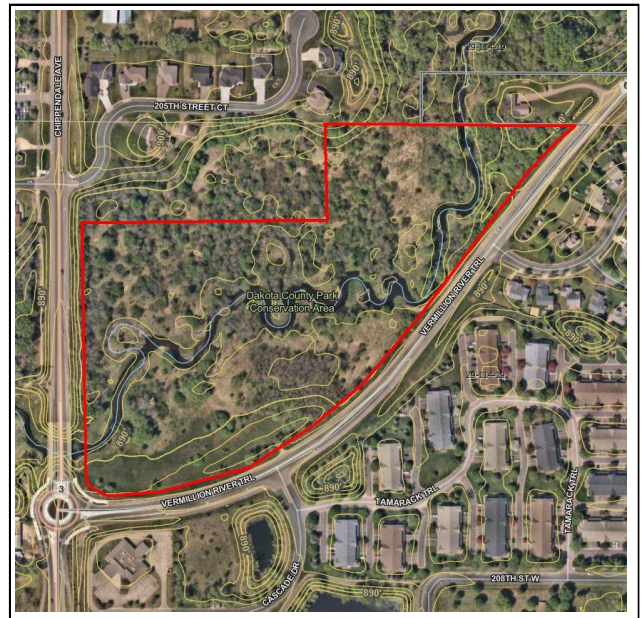
Sale Date / Sale Status	10/29/24	Closed
Transaction Verification	MnCAR, Buyer & CREV	
Buyer	County of Dakota	
Seller	Edward C. Oliver, et. al.	
Financing Terms	Cash Transaction	
Actual Sale Price	\$ 98,000	
Cash Equivalent Adjustment	None	
Cash Equivalent Sale Price	\$ 98,000	
Unpaid Special Assmts.	None	
Additional Acquisition Costs	None	(Slope Issues Not Incl.)
Total Effective Price Paid	\$ 98,000	
Total Effective Price (\$/SF)	\$ 0.10	(Gross)

PROPERTY INFORMATION

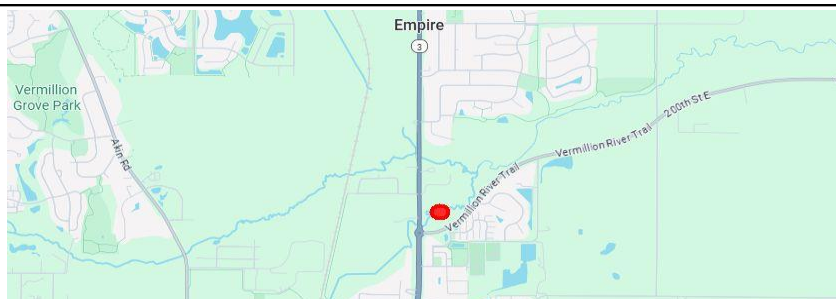
Gross Site Area (SF)	984,029	(22.59 Ac.)
Approx. Buildable Area (SF)	None	(None Ac.)
Approx. % Developable	None	
Site Shape	Irregular	
Topography / Terrain	Level / River, Wetlands & Woods	
Floodplain / Soil Conditions	Entire Site / Unbuildable	
Access Condition	Good from Paved Streets	
Water Features on Site	Vermillion River	
Improvements Included in Sale	None	
Est. Add'l Value of Imprvmnts.	Not Applicable	
Utilities & Streets In & Paid	None / Not Applicable	
Zoning At Time of Sale	MXR, Mixed Residential	
Land Use Guide Plan at Sale	Resid. (Not in Farmington Plan)	
Use of Site at Time of Sale	Environmental / Recreational	
Intended Use by Buyer at Sale	Conservation	



Aerial Photo of Land Sale w/ Plat Overlay



Aerial Photo of Land Sale w/ Topography Overlay



Land Sale Location Map

Land Comparable No. 2

RLS Valuation | TaTonka Real Estate

PROPERTY IDENTIFICATION

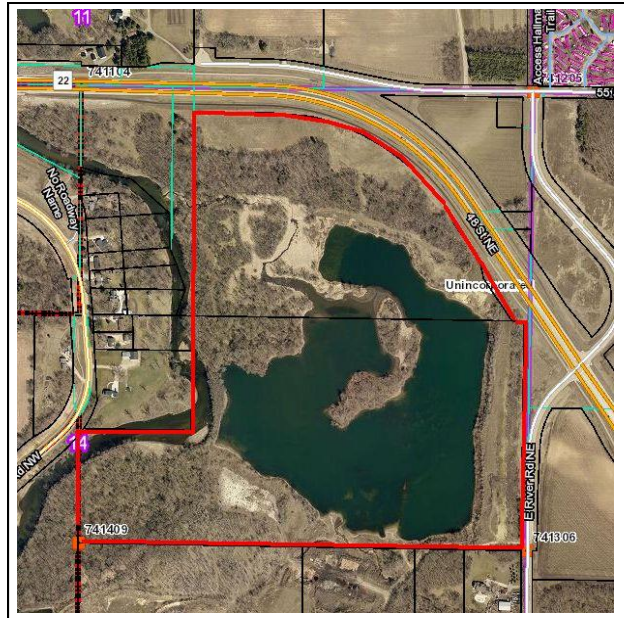
Property Name	Cascade Township Land
Location	NWQ Co. Rd. 22 & East River Rd. NE
City, State	Cascade Township, MN
County	Olmstead
Primary Parcel ID No.	74.14.11.082391
Secondary Parcel ID No(s).	& 4 More PIDs

TRANSACTION INFORMATION

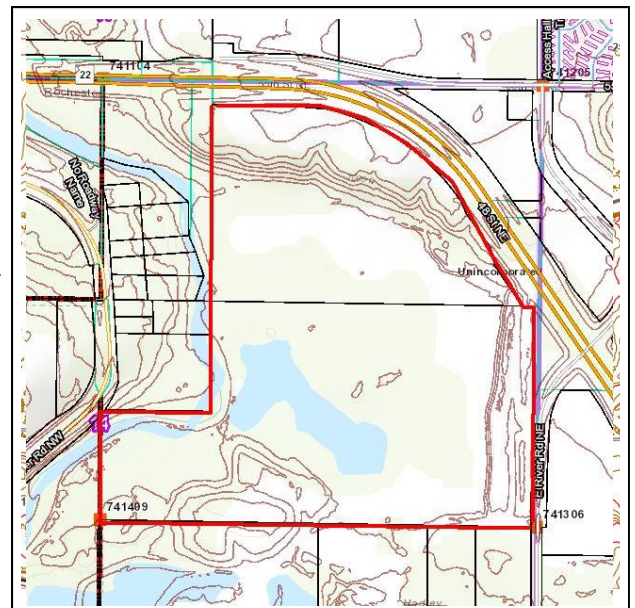
Sale Date / Sale Status	8/30/24	Closed
Transaction Verification	MnCAR & CREV	
Buyer	Legacy Lake, LLC	
Seller	Willmar Investments, LLC	
Financing Terms	5-Yr. C for D @ 0%	
Actual Sale Price	\$ 650,000	
Cash Equivalent Adjustment	None	
Cash Equivalent Sale Price	\$ 650,000	
Unpaid Special Assmts.	None	
Additional Acquisition Costs	None	
Total Effective Price Paid	\$ 650,000	
Total Effective Price (\$/SF)	\$ 0.14	(Gross)

PROPERTY INFORMATION

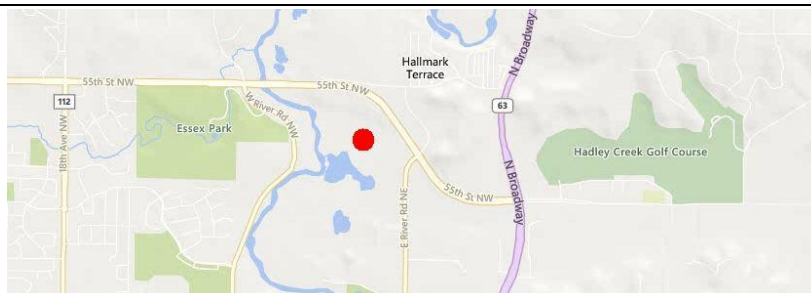
Developable Site Area (SF)	4,559,860	(104.68 Ac.)
Gross Site Area (SF)	1,600,000	(36.73 Ac.)
% Developable	35%	
Site Shape	Irregular - 2 Crescent Shapes	
Topography / Terrain	Sloping / Wooded w/ Lake & River	
Floodplain / Soil Conditions	Most of Site, Average	
Access Condition	Good from Paved Streets	
Water Features on Site	Small Lake & River	
Improvements Included in Sale	None	
Est. Add'l Value of Imprvmnts.	Not Applicable	
Utilities & Streets In & Paid	None / Not Applicable	
Zoning At Time of Sale	Ag, Agriculture	
Land Use Guide Plan at Sale	Agriculture	
Use of Site at Time of Sale	Recreational & Sm. Gravel Pit	
Intended Use by Buyer at Sale	Continued Limited Use	



Aerial Photo of Land Sale



Plat and Topography Map of Land Sale



Land Sale Location Map

Land Comparable No. 3

RLS Valuation | TaTonka Real Estate

PROPERTY IDENTIFICATION

Property Name Agate Ave. SE Site
Location 4463 Agate Ave. SE
 (NWQ Hwy. 12 & Co. Rd. 25)
City, State Buffalo, MN
County Wright
Primary Parcel ID No. 208-300-301402
Secondary Parcel ID No(s). None

TRANSACTION INFORMATION

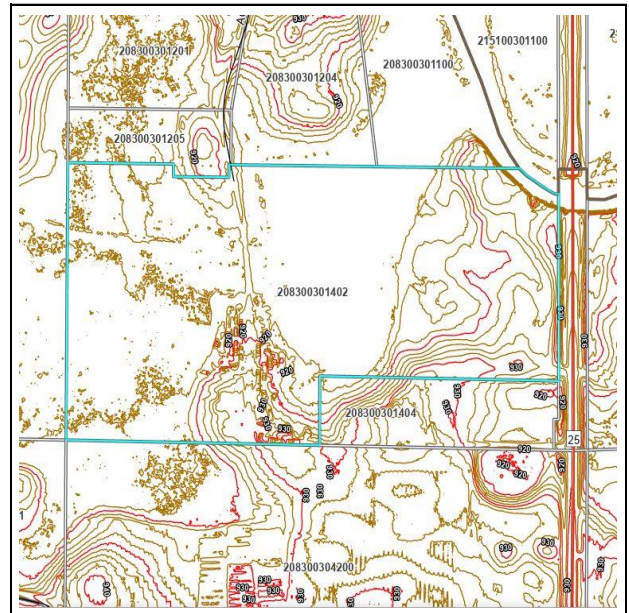
Sale Date / Sale Status 4/28/23 Closed
Transaction Verification MnCAR & CREV
Buyer T&C Real Estate, LLC
Seller Scott B. Steinle
Financing Terms Market Rate Financing
Actual Sale Price \$ 1,100,000
Cash Equivalent Adjustment \$ (100,000)
Cash Equivalent Sale Price \$ 1,000,000
Unpaid Special Assmts. None
Additional Acquisition Costs None
Total Effective Price Paid \$ 1,000,000
Total Effective Price (\$/SF) **\$ 0.34 (Gross)**

PROPERTY INFORMATION

Developable Site Area (SF) 2,978,197 (68.37 Ac.)
Gross Site Area (SF) 1,436,000 (32.97 Ac.)
% Developable 48%
Site Shape 2 Nearly Square Areas
Topography / Terrain Generally Level / Open
Floodplain / Soil Conditions Half of Site, Average
Access Condition Good from Paved Streets
Water Features on Site Small Lake & River
Improvements Included in Sale Small House & Pole Barn
Est. Add'l Value of Imprvmnts. Approx. \$100,000
Utilities & Streets In & Paid None / Not Applicable
Zoning At Time of Sale Ag, Agriculture
Land Use Guide Plan at Sale Agriculture
Use of Site at Time of Sale Recreational & Boat Storage
Intended Use by Buyer at Sale Continued Limited Use



Aerial Photo of Land Sale



Plat and Topography Map of Land Sale



Land Sale Location Map

Land Comparable No. 4

RLS Valuation | TaTonka Real Estate

PROPERTY IDENTIFICATION

Property Name	Hmong American Veterans Park
Location	6458 Highview Rd. (SWQ Hwy. 52 & 327th Way)
City, State	Cannon Falls, MN
County	Goodhue
Primary Parcel ID No.	28.031.1801
Secondary Parcel ID No(s).	None

TRANSACTION INFORMATION

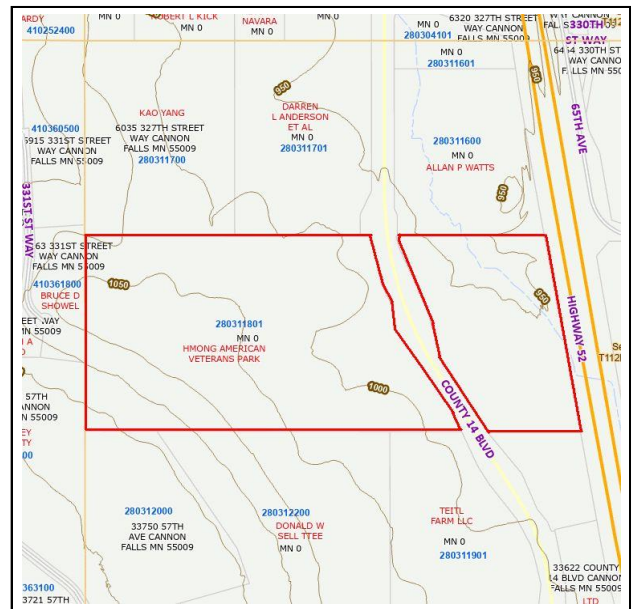
Sale Date / Sale Status	4/15/22	Closed
Transaction Verification	MnCAR & CREV	
Buyer	Fong T. Lor	
Seller	James L. Edlund, et. al.	
Financing Terms	Cash Transaction	
Actual Sale Price	\$ 800,000	
Cash Equivalent Adjustment	None	
Cash Equivalent Sale Price	\$ 800,000	
Unpaid Special Assmts.	None	
Additional Acquisition Costs	None	
Total Effective Price Paid	\$ 800,000	
Total Effective Price (\$/SF)	\$ 0.21	(Gross)

PROPERTY INFORMATION

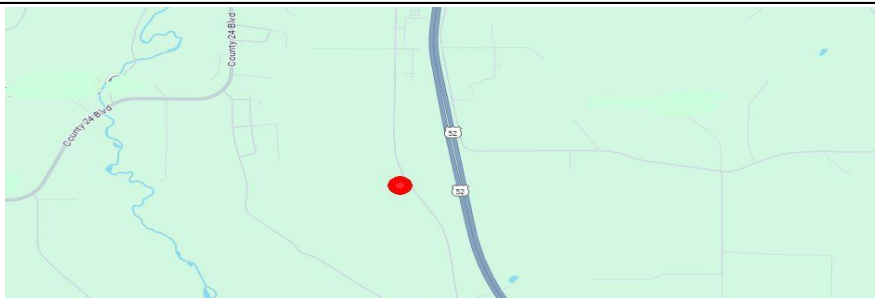
Developable Site Area (SF)	3,898,620	(89.50 Ac.)
Gross Site Area (SF)	3,500,000	(80.35 Ac.)
% Developable	90%	
Site Shape	Two Trapezoidal Sites	
Topography / Terrain	Rolling / Mostly Open	
Floodplain / Soil Conditions	Estimated to be 10% of Site, Avg.	
Access Condition	Good from Paved Streets	
Water Features on Site	Pond	
Improvements Included in Sale	None	
Est. Add'l Value of Imprvmnts.	Not Applicable	
Utilities & Streets In & Paid	None / Not Applicable	
Zoning At Time of Sale	Ag, Agriculture	
Land Use Guide Plan at Sale	Agriculture	
Use of Site at Time of Sale	Mostly Ag Land	
Intended Use by Buyer at Sale	Future Veterans Park	



Aerial Photo of Land Sale



Plat and Topography Map of Land Sale



Land Sale Location Map

Land Comparable No. 5

RLS Valuation | TaTonka Real Estate

PROPERTY IDENTIFICATION

Property Name	Marysville Township Land
Location	2400 40th St. SW (NWQ 40th St. & Clementa Ave.)
City, State	Waverly, MN
County	Wright
Primary Parcel ID No.	211-000-224300
Secondary Parcel ID No(s).	211-000-224200

TRANSACTION INFORMATION

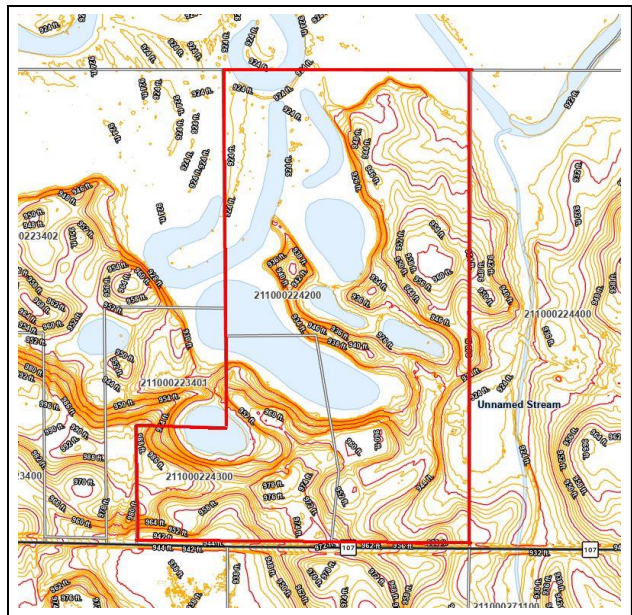
Sale Date / Sale Status	4/23/21	Closed
Transaction Verification	MnCAR & CREV	
Buyer	Jeremy Scheuble & Reed Homola	
Seller	Walter R. McCarthy Jr.	
Financing Terms	Cash Transaction	
Actual Sale Price	\$	333,000
Cash Equivalent Adjustment		None
Cash Equivalent Sale Price	\$	333,000
Unpaid Special Assmts.		None
Additional Acquisition Costs		None
Total Effective Price Paid	\$	333,000
Total Effective Price (\$/SF)	\$	0.41 (Gross)

PROPERTY INFORMATION

Developable Site Area (SF)	820,670	(18.84 Ac.)
Gross Site Area (SF)	174,000	(3.99 Ac.)
% Developable	21%	
Site Shape	Irregular Areas	
Topography / Terrain	Gently Rolling / Some Trees	
Floodplain / Soil Conditions	Most of Site, Poor	
Access Condition	Good from Paved Streets	
Water Features on Site	Small Lakes & River	
Improvements Included in Sale	Older Unhtd. Strg. Bldg. & Barn	
Est. Add'l Value of Imprvmnts.	Reported to be None	
Utilities & Streets In & Paid	None / Not Applicable	
Zoning At Time of Sale	Ag, Agriculture	
Land Use Guide Plan at Sale	Agriculture	
Use of Site at Time of Sale	Mostly Ag Land	
Intended Use by Buyer at Sale	Continued Limited Use	



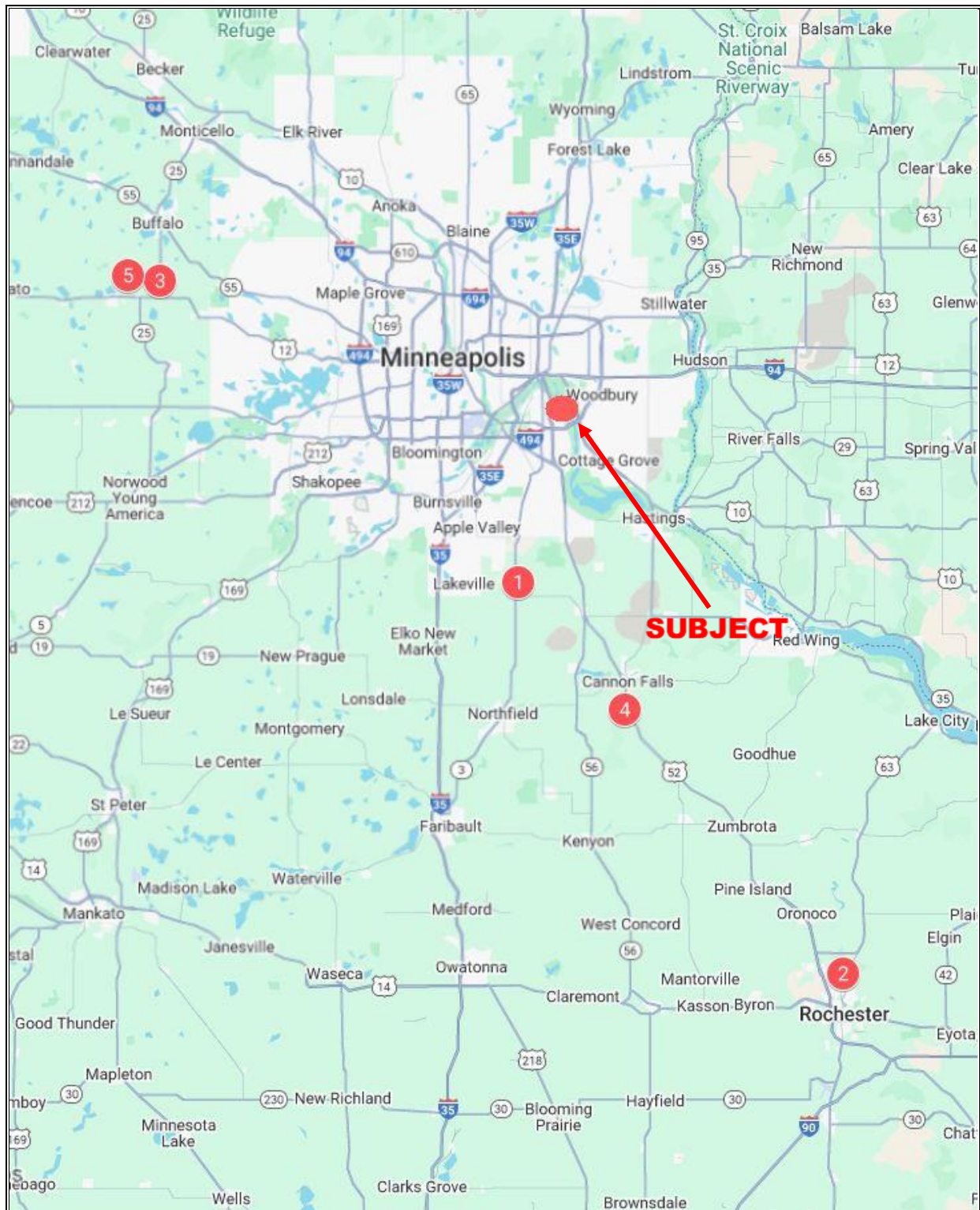
Aerial Photo of Land Sale



Plat and Topography Map of Land Sale



Land Sale Location Map



COMPARABLE LAND SALES MAP – BEFORE THE ACQUISITION



Comparable Recreational Acreage Sales Fact Chart and Adjustment Grid - Before the Acquisition

Land Sale No.	1	2	3	4	5	Subject - Before
Property Name	Oliver Family Floodplain Land	Cascade Township Land	Agate Ave. SE Site	Hmong American Veterans Park	Marysville Township Land	Ash Ponds Site
Location	Northeast Corner of Hwy. 3 & Vermillion River Trail	NWQ Co. Rd. 22 & East River Rd. NE	4463 Agate Ave. SE (NWQ Hwy. 12 & Co. Rd. 25)	6458 Highview Rd. (SWQ Hwy. 52 & 327th Way)	2400 40th St SW (NWQ 40th St. & Clementa Ave.)	No Address - Apprx. 1,000' East of Terminus of Pigs Eye Lk. Rd.
City, State	Empire Township, MN	Cascade Township, MN	Buffalo, MN	Cannon Falls, MN	Waverly, MN	St. Paul, MN
Sale Date (Closing)	Oct-24	Aug-24	Apr-23	Apr-22	Apr-21	Sep-25
Cash Equivalent Sale Price	\$98,000	\$650,000	\$1,000,000	\$800,000	\$333,000	---
Unpaid Special Assessments	None	None	None	None	None	---
Additional Acquisition Costs	None	None	None	None	None	---
Total Effective Price Paid	\$98,000	\$650,000	\$1,000,000	\$800,000	\$333,000	---
Gross Site Area (SF)	984,029	4,559,860	2,978,197	3,898,620	820,670	6,969,600
(Acres)	22.59	104.68	68.37	89.50	18.84	160.00
Apprx. Upland Area (SF)	None	1,600,000	1,436,000	3,500,000	174,000	1,700,000
(Acres)	None	36.73	32.97	80.35	3.99	39.03
Approx. % Developable	None	35%	48%	90%	21%	24%
Site Shape	Irregular	Irregular - 2 Crescent Shapes	2 Nearly Square Areas	Two Trapezoidal Sites	Irregular Areas	Not Applicable
Topography / Terrain	Level / River, Wetlands & Woods	Sloping / Wooded w/ Lake & River	Generally Level / Open	Rolling / Mostly Open	Gently Rolling / Some Trees	Lake, Floodplain, Some Upland Woods
Floodplain / Soil Conditions	Entire Site / Unbuildable	Most of Site, Average	Half of Site, Average	Estimated to be 10% of Site, Avg.	Most of Site, Poor	All in Floodplain
Access Condition	Good from Paved Streets	Good from Paved Streets	Good from Paved Streets	Good from Paved Streets	Good from Paved Streets	Cartway (Trail) or Kayak/Canoe Only
Water Features on Site	Vermillion River	Small Lake & River	Small Lake & River	Pond	Small Lakes & River	Lake & Floodplain
Improvements Included in Sale	None	None	Small House & Pole Barn	None	Older Unhtd. Strg. Bldg. & Barn	None
Est. Add'l Value of Imprvmnts.	Not Applicable	Not Applicable	Approx. \$100,000	Not Applicable	Reported to be None	Not Applicable
Utilities & Streets In & Paid	None / Not Applicable	None / Not Applicable	None / Not Applicable	None / Not Applicable	None / Not Applicable	None / Not Applicable
Zoning At Time of Sale	MXR, Mixed Residential	Ag, Agriculture	Ag, Agriculture	Ag, Agriculture	Ag, Agriculture	H1, Residential
Use of Site at Time of Sale	Environmental / Recreational	Recreational & Sm. Gravel Pit	Recreational & Boat Storage	Mostly Ag Land	Mostly Ag Land	Conservation and/or Recreational
Land Use Guide Plan	Resid. (Not in Farmington Plan)	Agriculture	Agriculture	Agriculture	Agriculture	Major Parks & Open Spaces
Intended Use by Buyer at Sale	Conservation	Continued Limited Use	Continued Limited Use	Future Veterans Park	Continued Limited Use	Highest & Best Use As Vacant
Total Price (PSF-Gross)	\$0.10	\$0.14	\$0.34	\$0.21	\$0.41	---

Marketwide Adjustments						
Rights Conveyed Adj Factor	1.00	1.00	1.00	1.00	1.00	---
Sale Condition Adjustment Factor	1.00	1.00	1.00	1.00	1.00	---
Time Adjustment Factor	1.05	1.05	1.08	1.10	1.13	---
Cumulative Adjustment Factor	1.05	1.05	1.08	1.10	1.13	---
Adjusted Price (PSF-Gross) (1)	\$0.10	\$0.15	\$0.36	\$0.23	\$0.46	---

Subject-Specific Adjustments						
General Area Location Adjustment %	15% Inf	30% Inf	15% Inf	15% Inf	15% Sup	---
Access Adjustment %	20% Sup	20% Sup	20% Sup	20% Sup	20% Sup	---
Size & Shape Adjustment %	5% Sup	5% Sup	10% Sup	5% Sup	5% Sup	---
Natural Features Adjustment %	0% --	0% --	0% --	0% --	0% --	---
Zoning/Density Condition Adjustment %	0% --	0% --	0% --	0% --	0% --	---
Degree of Limited Use Adj. %	0% --	5% Sup	20% Sup	20% Sup	20% Sup	---
Other/Site Condition Adjustments %	0% --	0% --	10% Sup	0% --	0% --	---
Net Adjustment %	10% Sup	0% --	45% Sup	30% Sup	60% Sup	---
Net Adjustment Factor	0.90	1.00	0.55	0.70	0.40	---

Adj. Price (PSF-Gross) (2)	\$0.09	\$0.15	\$0.20	\$0.16	\$0.18	---
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Footnotes:

- (1) Considering only marketwide condition adjustments.
(2) Considering all adjustments.

Conclusion of Unit Land Value and Final Land Value – Before the Acquisition

The final step in this part of our land valuation process is to reconcile the unit price indications of the comparables after making appropriate adjustments and concluding a final value of the subject parcel before the acquisition. Presented first in the chart below are the various price ranges and mean and median prices per square foot of usable land area indicated by the comparable land sales—both before and after the appropriate adjustments are applied.

"Before" Land Sales Unit Price Statistics

Pigs Eye Lake Park Site

<u>Statistic Item</u>	<u>Price (PSF)</u>
Minimum Unit Price Before Adjustment	\$0.10
Maximum Unit Price Before Adjustment	\$0.41
Minimum Adjusted Unit Price	\$0.09
Maximum Adjusted Unit Price	\$0.20
Mean Adjusted Unit Price	\$0.16
Median Adjusted Unit Price	\$0.16

Presented next is a chart that shows the overall net adjustment made to each comparable. Also provided is the absolute adjustment made to each comparable. Note that the absolute adjustment reflects the total magnitude or sum of all the adjustments applied to a particular comparable if the direction (i.e., upward or downward—or rather positive or negative) is ignored. In addition, the absolute or total adjustment figure for each land comparable is also provided.

"Before" Land Sales Overall Net and Absolute Adjustments Chart

Pigs Eye Lake Park Site

<u>Land Comp. No.</u>	<u>Overall Net Adjustment</u>	<u>Overall Absolute Adjustment</u>	<u>Adjusted Price (PSF)</u>
1	-5%	45%	\$0.09
2	5%	65%	\$0.15
3	-41%	83%	\$0.20
4	-23%	70%	\$0.16
5	-55%	73%	\$0.18

Although none of the comparable land sales is exactly like the subject site, all five are considered to be similar overall to this property. Still, the adjusted unit values of three of these sales are believed to be slightly better value indicators than the others and are given more weight in our final value conclusion of the subject site in its “before” condition.

In this land valuation, Sales 2, 4 and 5 have more characteristics that are similar to the subject site than Comparables 1 and 3, and they require fewer and smaller adjustments than these other two sales. Thus, more weight is given to their adjusted prices per square foot in this analysis. Still, Sales 1 and 3 do not need that much more terms of overall adjustment magnitude (i.e., ignoring which way the adjustments are made—i.e., upward or downward), so as a result, nearly as much weight is given to their adjusted prices per square foot.

Therefore, after considering all the factors discussed above and rounding appropriately, the fee simple unit value for the subject site “before the acquisition” and as of the appraisal date is concluded at **\$0.16 per square foot** of gross land area.

Thus, multiplying the unit value concluded above by the subject parcel’s gross land area before the acquisition, a final “before” land value for this subject, as of the appraisal date, is indicated as follows:

Land Value Conclusion - Before the Acquisition

Pigs Eye Lake Park Site

$$\begin{array}{rclclcl} 6,969,600 \text{ Sq. Ft.} & \times & \$0.16 \text{ Per Sq. Ft.} & = & \$1,115,136 \\ & & & & \text{Rounded to, } \underline{\underline{\$1,115,000}} \end{array}$$

We note this “before” value continues to equal **\$0.16 per square foot of gross land area** for the subject site, which is appropriate for applying the principles of the unit rule in this “taking plus damages” analysis for this part of the subject property.

Property Valuation – After the Acquisition

As analyzed earlier in the Discussion of the Appraisal Procedure and other sections of this report, the nature of this appraisal assignment requires that a “before” and “after” property valuation be employed, with the latter employing the “taking plus damages” technique to measure the impact on value due to the acquisition described herein. This approach is taken to ensure that all the minor value impacts on all the property rights affected are quantified as little or no change in a property’s “after” results from using standard valuation methods.

To reiterate, the proposed partial acquisition in this case involves a strip of land being acquired as permanent easement for the purpose of widening an existing permanent transmission line easement extending diagonally across the northern half of the subject tract. This easement expansion area is reported to contain approximately 4.88 acres, or 212,573 square feet. A complete description and analysis of this acquisition on the subject site is presented earlier in this report on pages 14 through 18. Other than issues described on these pages, no other acquisitions or impacts resulting from the action described have an impact on the subject property.

Because there are no improvements on the subject tract, and because no part of this expanded easement causes any measurable severance damage to the subject remainder property, the valuation of the acquisitions in this case is quite simple and involves only a “taking plus damages” approach to determining its impact on the value of the land parcel.

Thus, in this “after” valuation, the appraisal approach applied in the “before” analysis is also applied in the “after” valuation scenario. The same market data, comparables and analyses apply, but they are considered in light of the characteristics of the subject property in its “after” condition using the “taking plus damages” approach. Another way of looking at this approach is that all the data, findings and conclusions from the land sales analysis employed in the “before” appraisal are brought forward to this “after” analysis as starting points for the adjustments that can be measured using the “taking plus damages” method of determining the “before” and “after” value difference. In other words, the final value conclusion reconciled in the “before” valuation is the starting point for the “after” valuation.

Once all the “after” value impacts are discerned, they are totaled up and deducted from the “before” value conclusion. The difference indicates the final “after” value of the property. Thus, all adverse impacts affecting the subject in its “after” condition are quantified, no matter how small each impact is. This methodology is opined to be the most suitable for indicating just compensation in this case.

Typically, any new permanent acquisitions of a particular site are appraised first, followed by the valuation of any adverse impacts caused by having to cure any permanent effects and/or rectify and/or replace any adverse temporary conditions. However, in this action, only the expansion of a permanent transmission line easement is affecting the subject property.

Therefore, the impact of this permanent easement expansion is analyzed next, beginning on the following page.

Valuation of the Subject Property Considering the Permanent Acquisition

As mentioned above, the difference in the subject land value from its “before” condition to its “after” state on a permanent basis is measured in this part of the appraisal. This analysis considers the value of each subject parcel’s remaining unencumbered land as well as the land being encumbered on them by any new permanent easements. Analyses of the contributory value of any site improvements acquired on both parcels are also performed, and cost analyses of any site improvements on both parcels that are needed to mitigate damages or be replaced by the owner due to each partial acquisition must also be done. All these items are then added together to arrive at an appropriate indication of the subjects’ values after considering all the permanent impacts and costs to cure.

Valuation of the Land Remaining on the Subject Site – After the Permanent Acquisition

In this part of the appraisal, the value of the subject land making up each subject site in its “after” state, which is also referred to as the remainder parcel, considers the permanent acquisition on each property, respectively. It employs a “built-up” analysis whereby the unaffected, or unencumbered, portion of the property is valued, along with a valuation (or valuations) of a portion (or portions) that are affected by partial acquisitions where the underlying fee ownership of the property remains with the owner. Examples of the latter include areas taken for a permanent drainage easement, a permanent sidewalk or sidewalk/bikeway easement, a retention pond area, a retaining wall easement, etc. A combination of any of these encumbrances or easements (or others not listed) may also be a part of this built-up valuation analysis.

The sum of all these parts affected by the permanent acquisition or acquisitions are added together to arrive at the appropriate indication of composite land value in its “after” state. We note that any value diminution to the remainder parcel due to any possible permanent value diminution or severance damage created by the acquisition is also considered in this part of the “after” analysis.

Valuation of the Land Remaining After the Permanent Acquisition

As discussed earlier, the same land sales comparison approach with all the same comparables applied in our “before” analysis of the site is utilized in this part of our “after” valuation. The adjustments made to the comparables to conclude a unit value are also the same because the new permanent strip acquisition itself is minor compared to the subject site in its “before” state (and before considering any other permanent impacts and any temporary severance damages that result from this action). As a result, the “after” unit land value for the subject site is opined to be no different from its “before” unit value before considering any adverse impacts caused by severance damages as perceived by the market.

Thus, at this point in the appraisal process, the actual “before” unit land value for the site concluded earlier of **\$0.16 per square foot of gross tract area** (i.e., the full fee simple unit value) is now multiplied by the various encumbered and unencumbered remaining areas that comprise the underlying ownership and use of the subject site in its “after” state. We note that using the subject’s site unit value on a gross basis is appropriate for applying the principles of the unit rule in this “taking plus damages” analysis.

The question is, how much of the subject site’s total unit land value indicated above should be applied to each section of this parcel in this “after” valuation?

To reiterate, the newly expanded permanent transmission line easement area being acquired over the site encumbers 212,573 square feet, which means the subject's remaining unencumbered gross land area in its "after" state is 6,757,027 square feet (6,969,600 square feet – 212,573 square feet).

Since a "before" land valuation of the subject site has already been investigated, the next step in this "after" valuation process is to value this land in its "after" state, before considering any impacts on any site improvements that may exist. This "after" land valuation is presented next.

Regarding the **212,573 square foot** portion of the subject site encumbered by the newly expanded permanent transmission line easement, it is imperative to note the land within this area will be shared by the underlying owner in fee (and the user of the entire property) with the easement holder (the acquiring agency and the user of only the new easement area). Since the shared uses are for "different", limited purposes—that being for the existing conservation and/or park land by the former and an electric transmission line for the latter—the land value held by each party for this easement area obviously ranges somewhere between 0% to 100%. Again, the question is, how much does the market split the total 100% interest between these two parties?

This question is best answered by 1) considering where on the subject site the expanded easement is located, 2) analyzing the interest each party has in the land and their degree of use (or type of use), and 3) determining how an informed buyer and a knowledgeable seller competing in an open market would end up agreeing on a fair allocation of the land area being shared.

Considering each party's use and type of interest in this shared permanent easement area, described above, it is clear they both have mutual use and benefit of the land being acquired for these easements appeals to both parties, seemingly on an equal basis. Thus, while no specific pairings or comparables are known to exist, it is the appraiser's opinion that a **discount on value of 50%** be applied to 100% of the subject's "before" unit value conclusion for the entire area of the expanded easement on the subject site in its "after" state. This factor is based on the appraiser's judgment considering the points mentioned in the paragraph above, the seemingly equal shared use of this expanded easement by both parties involved, and the fact the subject owner still owns the underlying fee interest in the property, which provides full reversionary rights when or if this easement is ever vacated.

This 50% discount factor is also based on several schools of thought on the value impact resulting from a transmission line easement acquisition similar to the one impacting the subject site. These different opinions are described below.

- Other appraisers measuring such a similar easement typically apply a 30% to 50% discount to the unit value of the easement being acquired, depending where on a particular property the easement encumbers the site. This information is based on this appraiser's survey of his peers who have very good reputations and perform appraisal work in this regard for both acquiring agencies and property owners, and it is also based on the reported discounts that land acquisition agents see in other "before" and "after" appraisals on easement acquisitions similar to the easement proposed for the subject site.
- A persuasive article published in 2005 in the Right of Way magazine put out by the International Right of Way Association (IRWA), written by Dean Chapman, SR/WA, MAI, SRA, basically concludes his extensive empirical research and study of this type of discount ranges from no impact (0%) to 40%, with the most convincing data indicating a range for 20% to 40%.

- This appraiser's own experience in performing "before" and "after" appraisals of this type of easement encumbrance, which also generally ends up with a discount range of 30% to 50%, as well as his experience (and others of which he is aware) in completing transactions of commercial and industrial land and improved properties.
- Regarding the latter point immediately above, sometimes at a closing a relatively small issue will arise that ends up having its perceived monetary impact split in half—such as when a fairly minor item that was not discovered during the buyer's due diligence period and was not known by the seller arises at a closing, and the cost to repair or replace that item gets split 50%/50%. While this issue should have been negotiated beforehand, it is usually not enough to "kill the deal" and stop the closing. The reason why is the parties involved have invested too much in completing the transaction to let it keep the sale from going through. At first, each party typically argues that the other covers the cost. However, without any leverage other than totally stopping the transaction, they tend to split the cost in half and close the deal. This scenario can also take place where permanent "shared" easement is concerned. Upon discovery of such an issue at closing, a buyer may claim it has no value; however, the seller will often strongly disagree and say that it should be granted full value because of the use or uses it can still be put to. Therefore, based on many cases where parties like this are so polarized on one issue but are basically in agreement on all other terms and conditions of the sale, they typically settle on a point half-way between the two positions. Thus, a 50% discount factor is indicated by this analysis.

Therefore, considering all of the data and information above, and considering this new easement expansion area extends approximately 280 feet into the east central portion of the site (next to the existing transmission line easement), a total discount on value of 50% is concluded for this part of the subject site. This discount leaves **a remaining underlying land value interest of 50%** held by property owner in this part of the subject easement expansion area (100% - 50%).

Regarding the remaining unencumbered subject site area owned in fee by the subject owner, this part of the property has a unit land value in the "after" case that is no different from its "before" unit value of the subject site as vacant land. Therefore, **100%** of the actual "before" unit value of \$0.16 per square foot is multiplied by the remaining unencumbered site area after the acquisition of 6,360,196 square feet. The calculations involved are provided below.

As a result, the "built-up" or composite value of the subject site in its "after" condition can now be calculated. Again, we note it is comprised of the remaining unencumbered area of the subject site after the permanent acquisition valued at 100% of the subject's "before" unit value of \$0.16 per square foot, as well as the permanent easement at 50% of their underlying land value as they are now encumbered. These calculations are shown in the chart on the following page, which summarizes the built-up value of the subject site on the appraisal date after the acquisition.

**Pigs Eye Lake Park Site****Composite Value of Subject Property After the Permanent Acquisition**Portion of Subject Property Unencumbered by the Permanent Acquisition in this CaseRemainder Land Area Still Owned in Fee*

<u>Area</u>	<u>Unit Type</u>		<u>Unit Value</u>		<u>% Value Est.</u>		
6,757,027	Sq. Ft.	@	\$0.16/SF	x	100%	=	\$1,081,124

Remainder Land Area(s) Encumbered by Other Permanent Acquisition(s)Land Area Subject to Newly Expanded Powerline Easement

<u>Area</u>	<u>Unit Type</u>		<u>Unit Value</u>		<u>% Value Est.</u>		
212,573	Sq. Ft.	@	\$0.16/SF	x	50%	=	\$17,006

Total Value of Subject Land After the Permanent Acquisition **\$1,098,130**

Rounded to, \$1,098,000

* Remainder land area not subject to any permanent acquisition involved in this case.

Additional Damages Due to the Proposed Acquisition

As also discussed earlier in this appraisal report, no other adverse measurable impacts on the value of the subject remainder property (i.e., no curable and incurable severance damages as perceived by the market) will take place as a result of this action. No site improvements are being acquired, no replacement costs are being incurred by the owner, and no other permanent or temporary conditions affect the subject property in this case. Thus, no further analysis of any additional damages needs to be considered in this “after” appraisal analysis.

Final Value Conclusion – After the Acquisition

Finally, considering that all of the possible permanent and/or temporary impacts on the subject’s total value have been analyzed and quantified above, their results can be summarized and deducted from the property’s “before” value in order to conclude its “after” value as of the appraisal date. The calculations involved are summarized on the following page, along with a breakdown of the total indicated damages.

Summary of All Damages Indicated and the Final "After" Value Conclusion

Pigs Eye Lake Park Site

Land Value - Before the Acquisition	\$1,115,000
Less: Difference in Land Value*	(\$17,000)
Equals: Difference in Land Value Indicated*	\$1,098,000
Less: Value Impact Due to Additional Severance Damage Issues	None
Less: Total Value of Improvements Acquired and Not Replaced	None
Less: Total Costs to Cure Affected Site Improvements	None
Equals: Final Conclusion of Value - After the Acquisition	<u>\$1,098,000</u>

* Before considering the impact on value due to any severance damage to the remainder parcel, as well as any minor improvements affected permanently and/or temporarily and any temporary construction easements involved in the acquisition.

Final Conclusion of Land Value - After the Acquisition

\$1,098,000

* Considering all impacts on value due to the proposed acquisition.

Indication of Total Value Difference

In conclusion, it is our opinion the "before" and "after" market values of the subject property "as is", in fee simple estate, as of the appraisal date of September 18, 2025, are as follows:

Pigs Eye Lake Park Site

Final Conclusion of Land Value - Before the Acquisition

\$1,115,000

Final Conclusion of Land Value - After the Acquisition*

\$1,098,000

* Considering all impacts on value due to the proposed acquisition.

Following standard procedures in an acquisition appraisal such as this one, compensation to a property owner is indicated by subtracting a property's "after" value from its "before" value. As can be seen in the calculations provided below, the difference between these two values is \$17,000.

Pigs Eye Lake Park Site

Summary of "Before and After" Value Difference*

Final Value - Before the Taking	\$1,115,000
Final Value - After the Permanent Taking*	\$1,098,000
Difference in Values Indicated*	<u>\$17,000</u>

* Considering all impacts on value due to the proposed acquisition.

We note this value difference equals only 1.5% of the combined subjects' total "before" land value.

Qualifications of Rodger L. Skare, MAI

I. Career History

- A. President, RLS Valuation, Inc., 2006 – Present.
- B. Director of Appraisal Services, TaTonka Real Estate Advisors, Inc. 2019 – Present.
- C. Director, Valbridge | Mardell Partners, Inc., 2011 – 2018.
- D. Senior Vice President/Principal, Colliers Turley Martin Tucker (formerly Towle), 1991 – 2010. Recipient: Darrel Holt Award (2008); Dorsey Circle of Excellence/Masters Level (1994 – 2010).
- E. Senior Appraiser, Marquette Advisors (formerly Robert Boblett Associates, Inc.), 1984 – 1991.
- F. Architectural Designer and Developer's Assistant, Baton Corporation, 1983 – 1984.
- G. Architect's Assistant and Developer's Assistant, Zachman Homes, 1983.
- H. Architect's Assistant, Hammel Green & Abrahamson, 1982.

II. Professional Memberships

- A. Member, Appraisal Institute (MAI), Member No. 8910.
- B. 2005 President, Board of Directors, North Star Chapter of the Appraisal Institute.
- C. Certified General Real Property Appraiser, State of Minnesota, ID No. 4000725.
- D. Certified Real Estate Sales Agent, State of Minnesota, ID No. 0665500.
- E. Chairman, Board of Directors, Appraisal Data Network (ADN).
- F. Ex-Officio Chairman, Board of Directors, Tasks Unlimited, Inc.
- G. President, Tasks Unlimited Lodges, Inc.

III. Education

- A. University of Minnesota, Minneapolis, Minnesota, Bachelor of Arts Degree in Architecture, 1985.
- B. St. Olaf College, Northfield, Minnesota, Bachelor of Arts Degree, Cum Laude, Art and Art History (Architecture Concentration), 1982.
- C. Completion of all required Appraisal Institute courses for the MAI designation with certified continuing education completed through June 2027; and completion of all required coursework and continuing education required for the Minnesota Certified General Real Property Appraiser's and the Minnesota Real Estate Salesperson's licenses. Also completed the 2016 Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) Update Course.

IV. Relevant Experience

- A. Mr. Skare has recently completed valuation and counseling assignments on virtually all types of real estate pertaining to property disposition, mortgage financing, real estate tax abatement, condemnation, lease and rental rate analysis, market analysis, estate valuation and site selection. He is also an experienced expert witness testifying in condemnation cases, tax court, civil disputes and planning commission hearings. He has been hired many times to appraise property for public and private entities in various disputes, and he has been selected many times to arbitrate in conflicting valuation matters. His clientele includes major banks, lending institutions, insurance companies, pension funds, developers, governmental agencies, major industries, real estate service companies, private investors, attorneys, mortgage bankers, and other parties involved in making significant real property decisions.
- B. Mr. Skare has also been involved in brokering dozens of property sales and lease transactions, usually teaming with one or more brokers in the Twin Cities area. A list of properties transacted can be made available upon request.
- C. A list of specific appraisal experience, valuation consultation work, and brokerage involvement can be made available upon request, as well as a list of references and clients recently served.

STATE OF MINNESOTA

RODGER LAWRENCE SKARE
150 SOUTH FIFTH STREET, SUITE 1400
MINNEAPOLIS, MN 55402

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that
Rodger Lawrence Skare

150 SOUTH FIFTH STREET, SUITE 1400
MINNEAPOLIS, MN 55402

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of
Resident Appraiser : Certified General

License Number: 4000725

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2026.

IN TESTIMONY WHEREOF, I have hereunto set my hand this July 08, 2024.



COMMISSIONER OF COMMERCE
Minnesota Department of Commerce

Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. Trainees do not qualify. For further details, please visit our website at commerce.state.mn.us.

Assumptions and Limiting Conditions

This written appraisal report, and the analyses and procedures followed in this appraisal assignment, are subject to the following assumptions and limiting conditions—unless otherwise noted in this document.

1. The title to the subject property is assumed to be marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions unless otherwise noted.
2. The subject property is assumed to be under responsible and competent ownership and responsible and competent management and is analyzed considering it to be available for its highest and best use.
3. We assume there are no existing judgments or pending or threatened litigation that could affect the value of the subject property.
4. We assume there are no hidden or undisclosed conditions of the land or of the improvements that would render the subject property more or less valuable.
5. We assume the subject property is in compliance with all applicable building, environmental, zoning regulations and codes, as well as other Federal, State and local laws, regulations and codes, unless otherwise noted.
6. We assume that the revenue stamps placed on any deed referenced accurately indicate the sale price and are in correct relationship to the actual dollar amount of the transaction.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights if any. We have assumed the subject property is not affected by surface entry for the exploration or removal of any such materials, unless otherwise noted.
8. Unless specifically noted, no analysis of soils conditions or geotechnical conditions was made at the subject property. All value conclusions assume stable soils and any required soil corrections costs are to be made at the seller's expense.
9. We have assumed that the purchasing power of the U.S. dollar as of the valuation date is the basis for the value (or values) concluded herein.
10. Information, estimates, opinions and conclusions contained that were obtained from third-party sources are assumed to be reliable and accurate and have not been independently verified.
11. Unless otherwise noted, no studies have been provided to the appraiser and/or RLS Valuation | TaTonka Real Estate Advisors Partners indicating the presence or absence of recognized environmental conditions or hazardous materials on the subject property or in the improvements. Our valuation conclusion is predicated on our assumption that the subject property is free and clear of any significant environmental hazards or recognized environmental conditions including, but without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the appraiser signing this report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions to exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
12. No environmental impact studies were made available to the appraiser as part of this analysis. We reserve the right to revise or rescind any of the value conclusions and opinions based upon any subsequent environmental impact studies which are completed. If any environmental impact statements are required by law, this appraisal assumes that any such statement will be favorable and will be approved by the appropriate regulatory bodies.
13. The undersigned appraiser and RLS Valuation | TaTonka Real Estate Advisors are not building or environmental inspectors. Therefore, no guarantees are made that the subject property is free of defects or environmental conditions. Environmental issues may be present at and in the subject.
14. This appraisal report and its valuation conclusion(s) assume that satisfactory completion of any and/or all construction, remodeling, repairs or alterations have been or will be completed in a workman-like manner.

15. The presence of flood plain areas and/or wetlands may affect the market value of the property. While flood maps of the area may have been studied and comments made about the subject's location in or outside a flood hazard area, we are not qualified to detect such areas and/or define wetland boundaries, and therefore do not guarantee such determinations.
16. No responsibility is assumed for matters which are legal in nature. The furnished legal description, if any, is assumed to be correct. Also, any improvements constructed on the subject property are assumed, without survey, to be located within the legally described property and in compliance with all ordinances. Unless noted otherwise in the report, we assume that any use of the land and any improvements at the subject property are within the boundary lines of the legally described subject property and that there is no encroachment or trespass.
17. Unless otherwise noted, no consideration has been given to personal property contained on the premises of the subject property or to the cost of removing or relocating such personal property. Only the real property at the subject property has been considered in this appraisal.
18. We assume that no changes in Federal, State or local laws, regulations or codes including the Internal Revenue Code are anticipated that would measurably impact the value of real estate.
19. Due to the rounding process incorporated into the spreadsheet software, statistically insignificant variations in the resulting calculations may appear from time-to-time in this report. These variations have no impact on the final value (or values) concluded in this appraisal.
20. We have made no survey of the subject property or comparable data and assume no responsibility in connection with such matters. Any sketch, survey or boundary outline of the subject property or comparable data is for illustrative purposes only and should not be considered to be scaled accurately for dimensions. The appraisal covers the subject property as described and the areas and dimensions included are assumed to be correct. Also, unless otherwise noted, all maps, surveys and plats are oriented with north being located at the top of the graphic (i.e., oriented either portrait/vertical or landscape/horizontal).
21. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, surveys, geotechnical and geological considerations such as soil stability, engineering and structural matters for any improvements, and environmental conditions.
22. The appraisal analysis and this written appraisal report is prepared for the exclusive benefit and use of the client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party except named intended users. All parties who use or rely upon any information in this report without our prior written consent do so at their own risk.
23. Any forecasts, projections or operating expense estimates are based upon relevant market conditions, anticipated short-term supply and demand factors and an assumed stable economy. These forecasts, projections, forecasts or estimates are therefore subject to change in future conditions over time.
24. The conclusions of this appraisal report are based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained from public records, interviews, existing trends, buyer/seller decision criteria in the current marketplace and research conducted by third parties who are considered to be generally reliable. Therefore, the undersigned and RLS Valuation | TaTonka Real Estate Advisors are not responsible for these and any other future occurrences that could not have been reasonably foreseen on the effective date of this appraisal report. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these conclusions will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
25. Information in the appraisal report relating to comparable market data and other information is more fully documented in the confidential file for this property in the office of the appraiser. Our studies and field notes will be secured in our files for future reference for periods of time required by regulatory bodies and appraisal organizations of which the undersigned are members.

26. The appraiser signing this report shall not be required to prepare for or appear in Court or before any board or governmental body by reason of the completion of this appraisal assignment without satisfactory predetermined financial arrangements and time agreements.
27. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements at the property meet the ADA accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Since compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject property does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance with ADA. As a result, this appraisal analysis and the resulting value conclusion(s) assumes that no measurable impact on value results from any possible ADA issues that may exist.
28. The client and any intended users agree that by performing the services rendered in this assignment, the appraisal firm does not assume, bridge, abrogate or undertake to discharge any duty of the client to any other entity.
29. Any use of this appraisal analysis and written appraisal report by the client or intended users is conditioned upon payment of all fees in accordance with the agreed upon terms and conditions.
30. The appraiser and RLS Valuation | TaTonka Real Estate Advisors have prepared the appraisal analysis and report for the specific purpose and intended use(s) stated in the report. The use of the appraisal report by anyone other than the client or named intended users is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall solely be used for the client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to any disclosure of the appraisal report or to any part thereof including without limitation, conclusions of value and our identity to any third party.
31. In consideration for performing the services rendered at the fee arrangements agreed upon, the appraisal firm expressly limits its liability to the amount of the fee paid. The appraisal firm expressly disclaims liability as an insurer or guarantor. Any persons seeking greater protection from loss or damage than is provided for herein should obtain appropriate insurance. The client and all intended users shall indemnify and hold harmless the appraisal firm, the undersigned appraiser and employees of the appraisal firm against all claims by any third party or any judgment for loss or damage relating to the performance or nonperformance of any service by the appraisal firm.
32. It is expressly acknowledged that in any action which may be brought against the appraiser or the company with which the appraiser is affiliated, or its respective officers, owners, managers, directors, agents, subcontractors or other employees, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any conclusions or information contained therein, the parties performing the appraisal services shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the appraiser parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged by all parties that the fees charged in this agreement are in reliance upon the foregoing limitations of liability.
33. The distribution of the total valuation for the subject property 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. The appraisal report shall be considered only in its entirety, and no part of the appraisal report shall be utilized separately or out of context.
34. Neither all nor any part of the contents of this appraisal report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute or RLS Valuation | TaTonka Real Estate Advisors with which the appraiser is affiliated) shall be disseminated through advertising media, public relations media, news media, or any other means of communication including without limitation prospectuses, private offering memoranda, and other offering material provided to prospective investors without the prior written consent of the appraiser signing the appraisal report.

35. The analyses and conclusions necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our conclusions and the variations may be material.
36. An appraisal is necessarily inherently subjective and represents our opinion as to the value of the property appraised as of a specific point in time. In the event of a dispute involving interpretation or application of the agreement or use of this appraisal report, the parties to the agreement, the client and all intended users agree that this agreement shall be governed under the laws of the State of Minnesota.
37. If the subject property is encumbered by one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, the real estate industry, or the appraised property at the time these leases expire or otherwise terminate.
38. All prospective value conclusions are estimates and forecasts which are futuristic in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to, changes in the economy, changes in interest rates, changes in capitalization rates of investors, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions are stable for the foreseeable future as part of our valuation analysis.
39. Possession of this report, or a copy thereof, does not carry with it the right of publication (either in whole or in part), nor may this report be used for any purpose and by anyone other than the intended users without the express prior written consent of the appraiser and the client. Authorized copies of this report are signed in blue ink by the appraiser. Unsigned copies or copies not exhibiting a signature in blue ink or in digital form should be considered incomplete and unauthorized. All unauthorized and incomplete copies of this report should also be considered confidential and must be returned in their entirety to the appraiser.
40. The conclusions stated in this appraisal report apply only as of the effective date of the appraisal and only to the specific valuation date indicated. No representation is made as to the potential effect of subsequent events.
41. Extraordinary assumptions presume as fact, otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. If found to be false or not factual, such assumptions could alter the conclusion of value. In this appraisal, unless otherwise stated, no extraordinary assumptions are made.
42. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. In this appraisal, unless otherwise stated, no hypothetical conditions are assumed.

Addenda – Legal Descriptions Before and After the Acquisition



NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 2 OF 2 SHEETS

CERTIFICATE OF SURVEY

GRANTOR: COUNTY OF RAMSEY

"PROPERTY"

North 1/2 of Southeast 1/4 of Section 10, Township 28, Range 22.

The Southeast quarter (SE1/4) of the Southeast quarter (SE1/4 of Section Ten (10), Township Twenty-Eight (28), Range Twenty-two (22).

"EASEMENT AREA"

An easement lying over, under and across that part of the hereinbefore described "PROPERTY," described as follows:

Commencing at the northeast corner of the Southeast Quarter of Section 10, Township 28 North, Range 22 West, Ramsey County, Minnesota; thence South 89 degrees 52 minutes 17 seconds West along the north line of said Southeast Quarter, a distance of 8.61 feet to the point of beginning; thence South 61 degrees 30 minutes 22 seconds West, a distance of 476.85 feet; thence South 60 degrees 57 minutes 35 seconds West, a distance of 670.51 feet; thence South 59 degrees 44 minutes 24 seconds West, a distance of 665.22 feet; thence South 60 degrees 29 minutes 14 seconds West, a distance of 878.64 feet to the south line of the North Half of said Southeast Quarter; thence South 89 degrees 53 minutes 03 seconds West along said south line, a distance of 262.34 feet to the west line of said North Half; thence North 00 degrees 16 minutes 43 seconds West along the west line of said North Half, a distance of 41.48 feet; thence North 60 degrees 27 minutes 39 seconds East, a distance of 2594.80 feet to said north line; thence North 89 degrees 52 minutes 17 seconds East along said north line, a distance of 349.52 feet to the point of beginning.

"SUMMARY OF AREAS"

Proposed easement:	10.01 acres, more or less
Proposed easement inside road right of way:	N/A
Proposed easement less road right of way:	10.01 acres, more or less

BEARINGS, DISTANCES AND ACREAGE
ARE BASED ON RAMSEY COUNTY
COORDINATE SYSTEM, NAD83 (2011)
ADJUSTMENT, US SURVEY FT

LINE: 0892-0893
SEC. 10, T.28N, R.22W, 4TH PM.
COUNTY: RAMSEY

Westwood

Phone (202) 253-9485 13241 Cypress Drive, Suite 101
Fax (800) 270-9485 Baiter, MN 56425
westwoodpc.com

Westwood Professional Services, Inc.



NORTHERN STATES POWER
MINNESOTA

EXHIBIT A SHEET 2 OF 2 SHEETS

CERTIFICATE OF SURVEY
GRANTOR: COUNTY OF RAMSEY

"PROPERTY"

The Southwest quarter of the Southeast quarter of Section 10, Township 28, Range 22.

"EASEMENT AREA"

An easement lying over, under and across that part of the hereinbefore described "PROPERTY," described as follows:

Commencing at the southwest corner of the Southwest Quarter of the Southeast Quarter of Section 10, Township 28 North, Range 22 West, Ramsey County, Minnesota; thence North 00 degrees 16 minutes 43 seconds West along the west line of said Southwest Quarter of the Southeast Quarter, a distance of 1168.13 feet to the point of beginning; thence continuing North 00 degrees 16 minutes 43 seconds West along said west line, a distance of 147.57 feet to the north line of said Southwest Quarter of the Southeast Quarter; thence North 89 degrees 53 minutes 03 seconds East along said north line, a distance of 262.34 feet; thence South 60 degrees 29 minutes 14 seconds West, a distance of 300.63 feet to the point of beginning.

"SUMMARY OF AREAS"

<i>Proposed easement:</i>	<i>0.44 acres, more or less</i>
<i>Proposed easement inside road right of way:</i>	<i>N/A</i>
<i>Proposed easement less road right of way:</i>	<i>0.44 acres, more or less</i>

BEARINGS, DISTANCES AND ACREAGE
ARE BASED ON RAMSEY COUNTY
COORDINATE SYSTEM, NAD83 (2011)
ADJUSTMENT, US SURVEY FT

LINE: 0892-0893
SEC. 10, T.28N, R.22W, 4TH PM.
COUNTY: RAMSEY

Westwood

Phone (202) 253-9495 13341 Cypress Drive, Suite 101
Fax (202) 270-9495 Gaithersburg, MD 20878
westwoodps.com

Westwood Professional Services, Inc.

Addenda – Regional Description and Analysis

Introduction

The Twin Cities of Minneapolis and St. Paul are the geographic, economic and historic centers of an ever-expanding multi-county metropolitan area. Minneapolis and St. Paul are located along the Mississippi River, close to the confluence of the Minnesota River. Created by the retreat of the glaciers, the area is characterized by a gentle rolling topography dotted with numerous lakes. Because of an extensive expressway network and the lack of physical barriers, suburban communities have spread out in all directions from the Twin Cities.

Traditionally, St. Paul has been considered the government center, while Minneapolis is the financial center. However, the pattern of business development in the Twin Cities has evolved to the point where four major centers of economic activity have evolved as noted below.

- **Central Minneapolis** — Centered in downtown Minneapolis, but also including the University of Minnesota-Minneapolis campus, this area has the largest concentration of employment in the Twin Cities. This area is the region's primary center of financial, legal, and corporate activity, and is close to the center of the Twin Cities metropolitan area. Major activity centers include Target Field, Target Center, Minneapolis Convention Center, several art museums, theaters, Orchestra Hall, and Northrop Auditorium.
- **Central St. Paul** — Comprising downtown St. Paul and the State Capitol campus area, St. Paul experienced a resurgence of development in the late 1990s. Major employers in downtown St. Paul besides state, county and city government workers include Travelers, Lawson Software, Securion and Ecolab. Along with numerous museums, major activity centers include River Centre, Convention Center, and the Xcel Arena (home to the Minnesota Wild NHL franchise).
- **I-494 Corridor** — An 11-mile corridor extending from Eagan on the east to Eden Prairie on the west, this district possesses several major activity nodes, including the Minneapolis-St. Paul International Airport, the 4.89 million square foot Mall of America, numerous corporate campuses, mid-rise office towers, 12,000+ hotel rooms, and two additional enclosed regional malls (Southdale and Eden Prairie Center). The I-494 corridor contains the largest concentration of commercial / industrial activity in the suburban metro area.
- **I-394 Corridor** — From Highway 100 in St. Louis Park to Carlson Parkway, just west of I-494 in Minnetonka, this 6.5-mile freeway corridor is lined with a wide variety of commercial uses including major headquarter facilities for General Mills, Allianz North America, and Carlson Companies, as well as major office complexes, numerous retail centers (dominated by Ridgedale regional center along with the West End) and several hotels.

Although numerous other centers of economic activity are present throughout the metropolitan area, the above four areas comprise the dominant districts in the Twin Cities.

The Minneapolis-St. Paul International Airport, located just south of Minneapolis and St. Paul, serves as the major airport for this region. This airport served 37.2 million travelers in 2024 in nearly 324,000 aircraft movements, and in 2023 it served 34.8 million travelers. Its all-time record high of 39.6 million passengers served occurred in 2019. This airport is continually ranked as one of the best airports in the country and the world, and in 2025 it was ranked as the 18th busiest airport in the U.S. by total passengers served. It is currently undergoing a \$600 million upgrade, to be completed in 2028.

Population Trends

Per the U.S. census definition, the Minneapolis-St. Paul standard metropolitan statistical area (SMSA) is comprised of 11 counties in east-central Minnesota and two counties in west-central Wisconsin. According to the 2010 U.S. census, the Twin Cities SMSA had a population of 3,279,833 in 2010 and 2,968,806 in 2000. The 2020 census figures show the Twin Cities SMSA population at 3,690,261.

While the U.S. census uses this 13-county definition for the Twin Cities SMSA, the standard regional definition for the Twin Cities metropolitan area typically includes the following seven core counties:

- Hennepin County
- Ramsey County
- Dakota County
- Anoka County
- Washington County
- Carver County
- Scott County

These seven counties are all members of the Metropolitan Council, a regional government entity that controls municipal sewer and water line extensions and public transit. The federal 13-county SMSA definition adds the following counties:

- Sherburne
- Wright
- Chisago
- St. Croix (WI)
- Pierce (WI)
- Isanti

By 2025, the Twin Cities' seven-county metropolitan area has a population of 3.25 million. Back in 2010, it had 2.85 million people, and in 2000, its population was 2.64 million. Since 1990, when it had 2.29 million people, the population growth in the Twin Cities metro area up to 2025 has been 1.20% per year (straight-line). Its major cities of Minneapolis and St. Paul are located in the core counties of Hennepin and Ramsey, respectively. After declining in population during the 1970s, both these counties have continued to grow over the last five decades. According to 2025 estimates, Hennepin County has a population of 1,298,422, while Ramsey County has reached 561,839. A breakdown of this metro area's past, current, and projected population figures and trends are summarized below.

POPULATION TRENDS MINNEAPOLIS-ST. PAUL SEVEN-COUNTY METROPOLITAN AREA CENSUS 2000 to ESTIMATED 2025 and PROJECTED 2030

Area	Census 2000	Census 2010	Census 2020	Estimated 2025	Projected 2030	% Change				Share of Metro Population	
						2000-2025	2010-2025	2020-2025	2025-2030	2025	2000
Minneapolis	382,618	382,578	429,954	435,667	441,321	13.9%	13.9%	1.3%	1.3%	13.4%	14.5%
Suburb. Henn. Co.	733,582	769,847	851,611	862,755	871,462	17.6%	12.1%	1.3%	1.0%	26.5%	27.8%
Total Hennepin Co.	1,116,200	1,152,425	1,281,565	1,298,422	1,312,783	16.3%	12.7%	1.3%	1.1%	39.9%	42.2%
St. Paul	287,151	285,068	311,527	315,526	319,947	9.9%	10.7%	1.3%	1.4%	9.7%	10.9%
Suburb. Ramsey Co.	223,884	223,572	240,825	246,313	249,514	10.0%	10.2%	2.3%	1.3%	7.6%	8.5%
Total Ramsey Co.	511,035	508,640	552,352	561,839	569,461	9.9%	10.5%	1.7%	1.4%	17.3%	19.3%
Anoka Co.	298,084	330,844	363,887	376,937	386,405	26.5%	13.9%	3.6%	2.5%	11.6%	11.3%
Carver Co.	70,205	91,042	106,922	114,918	120,966	63.7%	26.2%	7.5%	5.3%	3.5%	2.7%
Dakota Co.	355,904	398,552	439,882	456,240	468,184	28.2%	14.5%	3.7%	2.6%	14.0%	13.5%
Scott Co.	89,498	129,928	150,928	160,005	166,673	78.8%	23.1%	6.0%	4.2%	4.9%	3.4%
Washington Co.	201,130	238,136	267,568	284,938	298,281	41.7%	19.7%	6.5%	4.7%	8.8%	7.6%
Total 7-Co. Metro	2,642,056	2,849,567	3,163,104	3,253,299	3,322,753	23.1%	14.2%	2.9%	2.1%	100.0%	100.0%

Sources: U.S. Census - 2000, 2010 and 2020

Source: ERSI (ArcGIS) - 2025 Estimate, 2030 Projection (Published in 2025)

The chart on the previous page also shows the other five main counties in this metro area have experienced growth at a considerably faster rate. This growth is due to an excellent freeway system and an extensive amount of vacant land for new development. Scott County has experienced the most rapid rate of population growth over the last 25 years, increasing 78.8% from 89,498 in 2000 to 160,005 in 2025, and it is followed by Carver County at 63.7% and Washington County at 41.7%.

According to the 2000 U.S. census, Minneapolis had a 2000 population of 382,618, representing its first population increase in 50 years after reaching a peak population of 521,718 in 1950. Minneapolis experienced significant population loss during the 1950s, 1960s and 1970s, as the size of households declined, and people moved to the suburbs. Population levels within the city of Minneapolis still declined after 1980, but at a significantly slower rate. While Minneapolis' population declined 1.6% per year in the 1970s, the annual rate of decline during the 1980s was only 0.1%, indicating a degree of stability. The stabilization of the population is attributed to decreasing declines in household size plus significant construction of multifamily housing units.

The 2025 estimated population figure for Minneapolis is 435,667, which is a 13.9% increase over the 2010 figure and a 13.9% increase over the 2000 figure as well. For the future, continued growth is indicated for the metro area, but at a slower rate. The projection for a population of 3,322,753 for the seven-county area by 2030 represents a potential 2.1% increase over the 2025 area estimate.

Presented in the chart below are the historical number of household figures for these same seven counties over the last 25 years, as well as the total for all seven counties and the individual household figures for Minneapolis and St. Paul proper. The current estimated household figures for these same geographic areas and their projected 2030 household figures are also included in this chart. A similar chart showing the number of people per household for these same years and geographic areas is provided on the following page.

**NO. OF HOUSEHOLDS TRENDS
MINNEAPOLIS-ST. PAUL METROPOLITAN AREA
CENSUS 2000 to ESTIMATED 2025 and PROJECTED 2030**

Area	Census 2000	Census 2010	Census 2020	Estimated 2025	Projected 2030	% Change				Share of Metro Population	
						2000-2025	2010-2025	2020-2025	2025-2030	2025	2000
Minneapolis	162,350	163,540	187,670	194,679	199,716	19.9%	19.0%	3.7%	2.6%	15.1%	15.9%
Suburban Hennepin Co.	293,779	312,373	340,877	349,552	356,168	19.0%	11.9%	2.5%	1.9%	27.1%	28.8%
Total Hennepin Co.	456,129	475,913	528,547	544,231	555,884	19.3%	14.4%	3.0%	2.1%	42.2%	44.7%
St. Paul	112,109	111,001	120,572	121,753	123,483	8.6%	9.7%	1.0%	1.4%	9.4%	11.0%
Suburban Ramsey Co.	89,127	91,690	98,402	98,004	97,843	10.0%	6.9%	-0.4%	-0.2%	7.6%	8.7%
Total Ramsey Co.	201,236	202,691	218,974	219,757	221,326	9.2%	8.4%	0.4%	0.7%	17.1%	19.7%
Anoka County	106,428	121,227	133,879	140,873	145,771	32.4%	16.2%	5.2%	3.5%	10.9%	10.4%
Carver County	24,356	32,891	38,863	42,361	44,980	73.9%	28.8%	9.0%	6.2%	3.3%	2.4%
Dakota County	131,151	152,060	168,008	176,680	182,870	34.7%	16.2%	5.2%	3.5%	13.7%	12.8%
Scott County	30,692	45,108	52,645	56,818	59,845	85.1%	26.0%	7.9%	5.3%	4.4%	3.0%
Washington County	71,462	87,859	99,507	108,086	114,469	51.2%	23.0%	8.6%	5.9%	8.4%	7.0%
Total 7-Co. Metro Area	1,021,454	1,117,749	1,240,423	1,288,806	1,325,145	26.2%	15.3%	3.9%	2.8%	100.0%	100.0%

Sources: U.S. Census - 2000, 2010 and 2020

Source: ERSI (ArcGIS) - 2025 Estimate, 2030 Projection (Published in 2025)

**NO. OF PEOPLE PER HOUSEHOLD TRENDS
MINNEAPOLIS-ST. PAUL METROPOLITAN AREA
CENSUS 2000 to ESTIMATED 2025 and PROJECTED 2030**

Area	Census 2000	Census 2010	Census 2020	Estimated 2025	Projected 2030	% Change			
						2000-2025	2010-2025	2020-2025	2025-2030
Minneapolis	2.36	2.34	2.29	2.24	2.21	-5.0%	-4.3%	-2.3%	-1.3%
Suburban Hennepin Co.	2.50	2.46	2.50	2.47	2.45	-1.2%	0.1%	-1.2%	-0.9%
Total Hennepin Co.	2.45	2.42	2.42	2.39	2.36	-2.5%	-1.5%	-1.6%	-1.0%
St. Paul	2.56	2.57	2.58	2.59	2.59	1.2%	0.9%	0.3%	0.0%
Suburban Ramsey Co.	2.51	2.44	2.45	2.51	2.55	0.1%	3.1%	2.7%	1.5%
Total Ramsey Co.	2.54	2.51	2.52	2.56	2.57	0.7%	1.9%	1.4%	0.6%
Anoka County	2.80	2.73	2.72	2.68	2.65	-4.5%	-2.0%	-1.6%	-0.9%
Carver County	2.88	2.77	2.75	2.71	2.69	-5.9%	-2.0%	-1.4%	-0.9%
Dakota County	2.71	2.62	2.62	2.58	2.56	-4.8%	-1.5%	-1.4%	-0.9%
Scott County	2.92	2.88	2.87	2.82	2.79	-3.4%	-2.2%	-1.8%	-1.1%
Washington County	2.81	2.71	2.69	2.64	2.61	-6.3%	-2.7%	-2.0%	-1.2%
Total 7-Co. Metro Area	2.59	2.55	2.55	2.52	2.51	-2.4%	-1.0%	-1.0%	-0.7%

Sources: U.S. Census - 2000, 2010 and 2020

Source: ERSI (ArcGIS) - 2025 Estimate, 2030 Projection (Published in 2025)

Median Household Income Statistics

According to ESRI Research Company, the median household income for the seven counties making up the core Twin Cities metro area in 2025 is \$105,502, which is 21.3% higher than the national median household income of \$81,624 and 19.5% over the State of Minnesota's median household income of \$88,297. A comparison of median household incomes for these seven individual counties, the average for these counties, the State of Minnesota, and the United States is presented in the table below.

MEDIAN HOUSEHOLD INCOME

Area	Estimated 2025	Projected 2030	Annual % Change 2025-2030
United States	\$81,624	\$92,476	2.7%
Minnesota	\$88,297	\$98,505	2.3%
Avg. 7-Co. Twin Cities Metro	\$105,502	\$116,917	2.2%
Anoka County	\$96,244	\$106,095	2.0%
Carver County	\$134,187	\$152,751	2.8%
Dakota County	\$103,582	\$113,378	1.9%
Hennepin County	\$98,606	\$110,030	2.3%
Ramsey County	\$81,734	\$89,782	2.0%
Scott County	\$109,000	\$119,718	2.0%
Washington County	\$115,164	\$126,668	2.0%

Source: ERSI (ArcGIS)

Median Home Value Statistics

A comparison of median home values for the seven individual counties and the average for these seven counties comprising the central metro area is presented in the table on the following page.

MEDIAN HOME VALUE

Area	Estimated 2025	Projected 2030	Annual % Change 2025-2030
United States	\$370,578	\$440,921	3.8%
Minnesota	\$370,277	\$428,031	3.1%
Avg. 7-Co.Twin Cities Metro	\$431,088	\$482,221	2.4%
Anoka County	\$378,920	\$417,701	2.0%
Carver County	\$488,371	\$549,231	2.5%
Dakota County	\$429,506	\$473,597	2.1%
Hennepin County	\$438,557	\$496,776	2.7%
Ramsey County	\$363,211	\$412,103	2.7%
Scott County	\$446,003	\$496,168	2.2%
Washington County	\$473,050	\$529,968	2.4%

Source: ERSI (ArcGIS)

According to ESRI Research Company, the average median home value in the seven-county Twin Cities core metropolitan area in 2025 is \$431,088, which is 16.3% higher than the national median home value of \$370,578 and 16.4% over the State of Minnesota's median household income of \$370,277.

Employment and Economic Overview

Evolving from an agricultural and lumber based regional economy in the early 20th century, the Minneapolis-St. Paul metropolitan statistical area now has a highly diversified economy that makes the area the largest economic center between Chicago and the West Coast and north of Dallas. The Twin Cities is a major national and regional leader in a number of business activities including medical technology, retailing, banking, avionics, general manufacturing, insurance, wholesaling, agricultural processing and computers. The state is currently headquarters for 17 *Fortune 500* publicly owned companies, of which 16 are located in the Twin Cities metropolitan area. It is also currently the home of many businesses listed in *Forbes Largest Private Companies*. The table below lists these 17 *Fortune 500* companies located in Minnesota, ranked by gross revenue, and the chart on the following page shows the top 26 private businesses headquartered in the state—most are in the Twin Cities area.

TOP FORTUNE 500 CORPORATIONS BASED IN MINNESOTA - 2025 vs. 2024

No.	Company	National Ranking		Headquarters	
		2025	2024	Location	Industry
1	United-Health Group	3	4	Minnetonka	Healthcare
2	Target Corporation	41	37	Minneapolis	Retailing
3	U.S. Bancorp	105	107	Minneapolis	Banking
4	Best Buy	108	100	Richfield	Retailing
5	Cenex Harvest States Coop (CHS)	115	97	Inver Grove Heights	Agribusiness
6	Minnesota Mining & Mfg. (3M)	174	134	Maplewood	Manufacturing
7	General Mills, Inc.	216	203	Golden Valley	Food products
8	Ameriprise Financial, Inc.	230	203	Minneapolis	Financial products
9	C.H. Robinson Worldwide	233	233	Eden Prairie	Transportation
10	Land 'O Lakes	262	245	Arden Hills	Food products
11	Ecolab, Inc.	274	245	St. Paul	Hygiene products
12	Xcel Energy	319	302	Minneapolis	Electrical utility
13	Hormel Foods	352	343	Austin	Food products
14	Thrivent Financial for Lutherans	388	405	Minneapolis	Insurance
15	Solventum (Fmr. 3M Health Products)	462	Not Ranked	Eagan	Healthcare products
16	Securian Financial Group	464	462	St. Paul	Insurance
17	Fastenal Inc.	492	488	Medina	Transportation equipment

Source: *Fortune 500 Magazine*, May 2025 and May 2024

MINNESOTA'S LARGEST PRIVATE COMPANIES - 2025

Rank	Corporation	Industry	Revenue (in Billions)
1	Cargill	Food, drink, tobacco	\$160.0
2	Prime Therapeutics	Pharmacy benefit manager	\$39.5
3	CHS, Inc.	Energy, agricultural business	\$39.3
4	Land O'Lakes, Inc.	Food & ag cooperative	\$16.2
5	Thrivent	Diversified financial services	\$12.0
6	Securian Financial	Diversified financial services	\$8.2
7	AgriBank	Agricultural-related financing	\$7.8
8	M.A. Mortenson	Heavy construction	\$6.7
9	Andersen Corp.	Window & door manufacturing	\$3.6
10	Digi-Key Electronics	Electronic components & tech solutions	\$3.5
11	Ryan Cos. US Inc.	Real estate development & construction	\$3.4
12	Federated Insurance	Insurance products	\$3.3
13	Rosen's Diversified	Agricultural-related supplier	\$3.2
14	Johnson Bros. Liquor	Liquor distributor	\$3.2
15	Dura Supreme Cabinetry	Cabinet Maker	\$2.7
16	Taylor Corp.	Graphic communications & labelling	\$2.3
17	American Crystal Sugar	Ag cooperative processing sugar	\$2.2
18	Ames Construction Inc.	General contractor in civil & mining	\$2.0
19	Marvin	Manufacturer of windows, doors & skylight	\$1.8
20	Rise Baking Co.	Maker & distributor of baked goods	\$1.8
21	Associated Milk Prod.	Dairy farmer cooperative	\$1.6
22	Actus Nutrition	Nutrition food products	\$1.5
23	Dooley's Petroleum Inc.	Petroleum shipper, wholesaler & retailer	\$1.5
24	Anderson Trucking	Multi-modal transport	\$1.4
25	Coburn's Inc.	Grocery retailer	\$1.4
26	Adolfson & Peterson Con.	General construction & const. mgmt.	\$1.3

Source: *Minneapolis / St. Paul Business Journal* - September 2025

The list below shows the top 25 companies in Minnesota ranked by number of employees. Again, most of these businesses are located in the Twin Cities metropolitan area or have the greatest share of their workforce in this region of Minnesota.

TOP 25 LARGEST EMPLOYERS IN MINNESOTA - 2025

Employer / Location of HQ	Employees	Employer / Location of HQ	Employees
Mayo Clinic, Rochester, MN	51,000	CentraCare Health, St. Cloud, MN	11,363
State of Minnesota, St. Paul, MN	37,100	U. S. Postal Service, Minneapolis, MN	11,217
Fairview Health Services, Minneapolis, MN	36,865	Wells Fargo Minnesota, Minneapolis, MN	11,000
Target Corporation	35,000	3M Company, Maplewood, MN	9,295
Allina Health System, Minneapolis, MN	29,163	Hennepin County, Minneapolis, MN	8,848
University of Minnesota, Minneapolis, MN	27,875	Hormel Foods Corp.	8,190
HealthPartners, Bloomington, MN	26,400	Hennepin Healthcare, Minneapolis, MN	7,482
Walmart, Inc., Bentonville, AR	24,400	North Memorial Credit Union	6,634
U.S. Federal Government, St. Paul, MN	20,800	Andersen Corp., Bayport, MN	6,500
UnitedHealth Group, Minnetonka, MN	19,000	Coborn's Inc., St. Cloud, MN	6,500
Minnesota State University, St. Paul, MN	14,600	Children's Hospital Minnesota, Minneapolis	5,976
U.S. Bancorp, Minneapolis, MN	13,000	Presbyterian Homes, Roseville, MN	5,913
Essentia Health, Duluth, MN	12,065		

Source: *Minneapolis / St. Paul Business Journal* - July 2025

Employment by Industry

Employment by industry for the Twin Cities regional area at the end of 2023 is shown below.

EMPLOYMENT BY INDUSTRY - TWIN CITIES SMSA

Industry	2023 Estimate	Percent of Employment
Agriculture/Forestry/Fishing/Hunting	15,350	0.7%
Mining/Quarrying/Oil & Gas Extraction	2,010	0.1%
Construction	125,462	6.1%
Manufacturing	276,329	13.3%
Wholesale trade	45,250	2.2%
Retail trade	217,913	10.5%
Transportation/Warehousing	95,366	4.6%
Utilities	13,613	0.7%
Information	27,491	1.3%
Finance/Insurance	137,876	6.7%
Real Estate Services/Rental/Leasing	35,549	1.7%
Professional/Scientific/Tech Services	194,345	9.4%
Management of Companies/Enterprises	5,197	0.3%
Admin/Support/Waste Management Services	73,775	3.6%
Educational Services	173,057	8.3%
Health Care/Social Assistance	309,998	15.0%
Arts/Entertainment/Recreation	41,769	2.0%
Accommodation/Food Services	109,030	5.3%
Other Services (Excl. Public Services)	95,012	4.6%
Public Administration	78,613	3.8%
Total	2,073,005	100.0%

Source: ERSI (ArcGIS)

Unemployment Data

As can be seen in the chart on the following page, the seasonally unadjusted unemployment rate halfway through 2025 is 3.4% in the Twin Cities metropolitan area, compared to 3.5% for the State of Minnesota and 4.3% nationally. All three of these figures are down from four to five years earlier, when the COVID-19 crisis was at or near its peak. This chart shows the current and historical unemployment rates for the region, state, and national levels. Note that before, during and after the COVID-19 crisis, the unemployment rate in the Twin Cities was, and still is, consistently below state and national levels.

We note that at its peak approximately five years earlier, the unemployment rate for the Twin Cities metropolitan statistical area (SMSA) spiked to a high of 10.1% in May 2020, because of the unprecedented job losses stemming from the COVID-19 pandemic, but by year-end it was back down to 4.6%. The U.S. rate spiked to 14.7% at the same time, and it then went back down to 8.1%. The unemployment rate declined during the second half of 2020 into 2021, as restrictions loosened, a vaccine was found, and many businesses reopened.

Following that period, unemployment rates continued to decline into 2022 to one of the lowest levels in history, despite increasing inflationary times, and it has leveled out in the past few years and is now more consistent with the rest of the state and the nation.

These trends can be seen in the Bureau of Labor Statistics chart below. Note how Minnesota and the Twin Cities metropolitan area have followed a similar trajectory as that of the United States.

REGIONAL, STATE & NATIONAL UNEMPLOYMENT RATES

Year	Mpls./St. Paul SMSA	Minnesota	United States
2002	4.4%	4.5%	5.8%
2003	4.7%	4.8%	6.0%
2004	4.5%	4.6%	5.6%
2005	3.8%	4.0%	5.1%
2006	3.5%	3.6%	4.3%
2007	4.3%	4.6%	4.6%
2008	5.2%	5.4%	5.8%
2009	7.8%	8.0%	9.3%
2010	6.6%	6.8%	9.1%
2011	5.5%	5.7%	8.3%
2012	5.1%	5.4%	7.6%
2013	4.3%	4.7%	6.5%
2014	3.3%	3.7%	5.4%
2015	3.1%	3.6%	4.8%
2016	3.6%	4.0%	4.5%
2017	3.2%	3.5%	4.4%
2018	3.1%	3.0%	3.9%
2019	3.1%	3.3%	3.7%
2020	4.6%	6.3%	8.1%
2021	2.4%	3.8%	5.3%
2022	2.5%	2.8%	3.5%
2023	2.5%	2.9%	3.7%
2024	2.5%	3.3%	4.1%
Mid-Year 2025	3.4%	3.5%	4.3%

Source: Minnesota Department of Economic Security
Average Year-End Annual Seasonally-Unadjusted Rates

Summary and Conclusions – Twin Cities Metropolitan Area

Although the Twin Cities has a reputation for high taxes, many surveys over the last several years have consistently ranked the area as one of the best for business and quality of life. Among the factors that people find appealing for living in the Twin Cities metropolitan area and doing business in this region are the points made on the following page. It includes a diverse and highly educated workforce, thriving business community and a network of some of the world's most well-known companies helps to provide a robust ecosystem.

These factors are also detailed on the Twin Cities Metropolitan Council website.

Twin Cities Metro Area Quality Highlights

1. High quality of life; among major metro areas the Twin Cities ranks as follows:
 - 6th in median household income
 - 5th in home ownership
 - 5th most stable metropolitan economy in the U.S. and home to 15 Fortune 500 companies
 - Boasts the top ranking for health tech cluster in the world
 - 24th in poverty.
2. A skilled workforce; the Twin Cities has high rankings among metro areas for the following.
 - 1st in the nation in percentage of population with a high school degree
 - 1st in the nation in percentage of population with an associate degree
 - 4th in the nation in percentage of population with a bachelor's degree
 - Tied for 5th in the nation in percentage of population with a bachelor's degree or more
 - Home to 19 of the top 500 higher education facilities in the U.S.
3. Housing affordability; among the 26 largest metropolitan areas, the Twin Cities has consistently ranked at or near the top, in housing affordability. This measures the proportion of homes sold in an area that would be affordable to a family at the area's median income level.
4. The metro area is the economic focal point of the upper Midwest, which includes:
 - Minnesota
 - Western Wisconsin
 - North Dakota
 - Northern Iowa
 - South Dakota
 - Eastern Montana
5. The Twin Cities metro area has excellent linkages within the upper Midwest and to the remainder of the nation via the Minneapolis-St. Paul International Airport, which provides direct air service to over 165 cities in the United States, plus Minneapolis-St. Paul is a hub city for Delta Airlines, an excellent highway system, and many trucking and rail lines; barge traffic originates in Minneapolis-St. Paul and traverses the Mississippi River.
6. Affordable office and industrial spaces allow companies to expand as businesses grow.
7. The typical cyclical swings in the Twin Cities regional economy are not as great as most of the rest of the country—both upward and downward—when it comes to recovery/expansion and recessive periods. As a result, real estate values in general tend to hold up well in this economy compared to the rest of country.
8. By 2021, the Twin Cities market recovered all the job losses that took place in 2020 due to Covid-19, but the retail and office markets suffered significantly. The local economy became robust again in 2021, but in March 2022, inflation started running rampant and quickly rose to an annual rate of around 9.0%. The Federal Reserve then reacted by raising the Federal funds rate 11 times in 16 months; a total of 525 basis points, and home mortgage and commercial real estate lending rates increased roughly the same amount, which impacted the economy at that time. However, a low unemployment rate buoyed the economy, which was good for the apartment and industrial markets, and inflation was back under control. Since 2023, retail has rebounded despite strong internet sales, but the office market is still down as a hybrid of working remotely and in the office during the week is the new norm. The apartment and industrial markets are still strong, and only recently are loan interest rates coming back down.
9. The Twin Cities' good local economy and great quality of life attract talent from around the globe. Its consistently low unemployment rate, advanced education systems, and strong cultural innovations also help to create a place where people want to live, work and play.

Addenda – St. Paul City Description and Analysis

Introduction

St. Paul is the capital of Minnesota, and together with Minneapolis, forms the urban core of the 15th most populous metropolitan area in the nation. The city's topography is characterized by bluffs, valleys and highlands. St. Paul is situated on both banks of the Mississippi River which carved a wide valley as it flowed to its confluence with the Minnesota River in the southwest corner of St. Paul. In addition to the Mississippi River, two sizable lakes located within the city limits, Lake Como and Lake Phalen, add to the recreational amenities of the city.

Founded in the mid-1800s, the city boomed as a financial and government center. During the second half of the 20th century, Minneapolis evolved into the region's financial center, while St. Paul remained the center of state government as well as a major manufacturing, distribution and insurance center. These two identities still apply today.

St. Paul is also a major education center, being home to numerous colleges and universities such as University of St. Thomas, Macalester College, Hamline University, the Mitchell Hamline College of Law, Concordia College, as well as the St. Paul campus of the University of Minnesota.

Linkages

St. Paul is well connected to the remainder of the Minneapolis-St. Paul metro area and the country via the following transportation links.

- Interstate 94 travels east-west through St. Paul and Interstate 35E runs north-south through the city. Both of these freeways provide access to downtown St. Paul.
- Other major highways serving St. Paul include US Highway 52 and US Highway 10/State Highway 61, which run north-south on the eastern side of the city, and State Highway 280, which runs north-south on its western side. (A portion of Interstate 35W which extends into State Highway 36 runs east-west about a mile north of the city's northern border.)
- The Minneapolis-St. Paul International Airport is about a 15-minute drive from downtown St. Paul. This airport continues to rank within the top 20 largest airports in the U.S. by flights.
- Three major rail lines and one local line provide freight rail service.
- Amtrak provides railway passenger service.
- Nine barge lines operate on the Mississippi and St. Croix Rivers.
- Numerous Interstate Commerce Commission authorized general carriers provide trucking service from the St. Paul area to all parts of the United States.

Demographics

St. Paul is the second largest city in Minnesota, after Minneapolis. The city experienced significant population decline during the 1970s (from 309,866 in 1970 to 270,230 in 1980) as the metropolitan area freeway network encouraged suburban development and household size declined. However, since 1980, the city has increased in population, reaching 285,068 in 2010 and 311,527 in 2020,

As can be seen in the demographic information provided a bit later in this section of the report, the population of St. Paul has continued to increase slightly over the past 15 years or so. Its current population is estimated by ESRI Research Company to be 312,729, and it is forecasted to reach 318,421 people in 2029. This slowly steady increasing rate is typical for the central cities of Minneapolis and St. Paul, as well as many of the established first-ring suburbs of the Twin Cities metropolitan area.

As can also be seen in this chart, the number of households in St. Paul also increased during the 1990s and 2000s up to 2010 and it has continued to increase over the past 15 years or so—faster than its population increases, and it is forecasted to continue to increase over the next five years. This occurrence mirrors the nationwide trend of fewer people forming a household. Contributing demographic factors include an increase in older couples with children no longer at home (“empty nesters”), delayed marriages, and increasing divorce rate, and increasing affluence that permits people to live alone.

Population and household growth in St. Paul can be compared to Minneapolis, Ramsey County and the entire metro area in the preceding section of this report, and comparisons with neighboring cities are retained in our files.

Household Income, Median Home Values and Retail Sales

Compared to the remainder of Minnesota and the nation, St. Paul is lower middle-class to middle-class community. Data compiled by ESRI Research Company estimates 2024 median household income in this city at just over \$70,000. It is forecasted to be over \$80,500 by 2029. The current income distribution in St. Paul is concentrated between \$70,000 and \$100,000, with small percentages of the population earning more or less. A distribution of income by households is retained in our files. Household and per capita income comparisons with neighboring communities, Ramsey County proper, and the Twin Cities metro area, are also retained in the appraiser’s files.

St. Paul’s current median home value is estimated by ESRI to be nearly \$348,000. By 2029, it is forecasted to be nearly \$401,500. These figures are favorable compared to the medians of the entire state and the nation.

Examining retail sales shows that the retail/service sector of St. Paul’s economy is in line with the seven-county metro area. The retail industry is well established in this older city, with most of the land within the primary retail locations developed. Retail sales growth for St. Paul and other areas as of 2020 (the latest available) are shown below.

RETAIL SALES

	2000	2010	2020	% Change 2000-2020
St. Paul	\$3,460,122,677	\$1,620,671,223	\$2,605,194,582	-24.7%
Minneapolis	\$4,999,067,315	\$4,113,387,838	\$4,518,394,137	-9.6%
Hennepin County	\$16,003,847,907	\$19,409,159,292	\$24,969,872,273	56.0%
Ramsey County	\$6,711,351,883	\$4,198,739,796	\$7,609,486,109	13.4%
7-County Metro Area	\$33,934,519,951	\$32,043,369,388	\$49,244,586,952	45.1%
Minnesota	\$61,148,997,999	\$62,662,689,494	\$82,702,480,932	35.2%

Source: *STDBOnline.com*

Since 2020, retail sales in St. Paul and Minneapolis have decreased. This trend is to be expected given the slowing inner-city economy due to the trend of more people working remotely, as well as the recession that faced the nation during the Covid-19 pandemic and its aftermath.

Number of Households, Housing Unit Types, Median Home Values and Median Age

Presented on the following page is ESRI Research Company 2024 data (the latest available) on the current demographic information for the city, including population, number of households, housing unit types, median household income, median home value, per capita income, median age, households by income, owner occupied housing units, and population by educational attainment, marital status, labor force, industry and occupation. Forecasts extending out to 2029 for all this demographic information is also provided in these charts.

Economic Summary

National quality of life rankings consistently place the Minneapolis-St. Paul metropolitan statistical area (MSA) as one of the best large metro areas in which to live. The livability of both St. Paul and Minneapolis add considerably to the stature of the Twin Cities, providing the area with a major advantage over other Midwest central cities.

However, St. Paul faces many of the same problems other cities have, such as:

- No expansion potential because incorporated cities border St. Paul
- Mature status of city with little or no land available for new development except with redevelopment assistance
- Older housing stock
- Limited population growth
- Less affluent population than suburban communities

In the early 1990s the city suffered the loss of West Publishing (now Thomson Reuters) and some of the downtown hotels closed. Its department stores have also closed. We also note that some grocery stores downtown have closed, and it was recently announced that Lunds-Byerly's, downtown St. Paul's last grocery store, is closing this store in 2025.

Despite these issues, St. Paul has succeeded in transforming its identity significantly during the past two to three decades. The city has experienced some revitalization with the following attributes:

- Some revitalization downtown with expanded employment base, increasing array of cultural attractions and an expanding residential base.
- A sizable, increasing employment base.
- Retention as a major economic center.
- Well maintained public infrastructure.
- The prestige and stability of being the State Capital.
- Attractive neighborhoods with high quality housing stock.

In addition, we note the city of St. Paul is actively engaged in expanding and accelerating economic development within the municipality. Through the St. Paul Housing & Redevelopment Authority (HRA) and the St. Paul Port Authority, the city has consistently assisted developers of residential and commercial projects with land acquisition, demolition of old buildings, provision of public improvements, environmental clean-up, soil corrections, and financing.

Conclusion

With the City's economy stabilized and expanding and the image and spirit of the city rejuvenated, we opine St. Paul will continue to improve as a desirable location to live, work and visit during the next decade.

Again, we note that presented on the following page is ESRI Research Company 2024 data (the latest available) on the current demographic information for the city, including population, number of households, housing unit types, median household income, median home value, per capita income, median age, households by income, owner occupied housing units, and population by educational attainment, marital status, labor force, industry and occupation. Forecasts extending out to 2029 for all this demographic information is also provided in these charts

Market Profile - City of St. Paul, Minnesota		
Population Summary		
2010 Total Population		285,068
2020 Total Population		311,527
2024 Total Population		312,729
2029 Total Population		318,421
2024-2029 Annual Rate		0.36%
2024 Total Daytime Population		336,329
Workers		188,232
Residents		148,097
Household Summary		
2010 Households		111,001
2010 Average Household Size		2.47
2020 Total Households		120,572
2020 Average Household Size		2.49
2024 Households		121,143
2024 Average Household Size		2.50
2029 Households		122,282
2029 Average Household Size		2.52
2024-2029 Annual Rate		0.19%
Housing Unit Summary		
2000 Housing Units		115,696
Owner Occupied Housing Units		53.1%
Renter Occupied Housing Units		43.8%
Vacant Housing Units		3.1%
2010 Housing Units		120,795
Owner Occupied Housing Units		47.2%
Renter Occupied Housing Units		44.7%
Vacant Housing Units		8.1%
2020 Housing Units		127,392
Owner Occupied Housing Units		45.7%
Renter Occupied Housing Units		49.0%
Vacant Housing Units		5.4%
2024 Housing Units		129,299
Owner Occupied Housing Units		44.1%
Renter Occupied Housing Units		49.6%
Vacant Housing Units		6.3%
2029 Housing Units		131,167
Owner Occupied Housing Units		44.6%
Renter Occupied Housing Units		48.7%
Vacant Housing Units		6.8%
Median Household Income		
2024		\$70,218
2029		\$80,518
Median Home Value		
2024		\$347,893
2029		\$401,471
Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.		