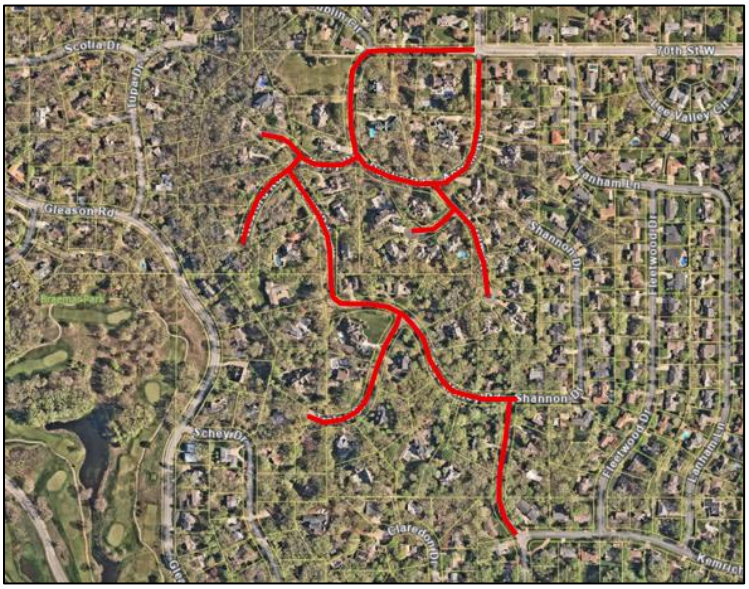
Report Type
Real Estate Consulting
Letter Report (Restricted Appraisal)

Effective Date
August 4, 2025

Client
City of Edina
Attn: Aaron Ditzler, Asst. City Engineer
7450 Metro Boulevard
Edina, MN 55439

Subject Properties
Street Improvement Project
Assessment District 1
Edina, MN 55439



File # V2508001 – Assessment District 1

Prepared By:
Ethan Waytas, MAI, Appraiser
William R. Waytas, SRA, Appraiser

Nagell Appraisal Incorporated
12805 Highway 55, Suite 300
Plymouth, Minnesota 55441
Tel: 952.544.8966 | Fax: 952.544.8969

NAGELL APPRAISAL INCORPORATED

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

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

City of Edina
Attn: Aaron Ditzler, Assistant City Engineer
7450 Metro Boulevard
Edina, MN 55439

Report Date: August 5, 2025

To Aaron Ditzler:

Per your request, this is a letter report to assist the city for guidance regarding a street improvement project within the City of Edina.

The following information outlines the scope and intent of this document:

Client:	City of Edina
Intended User:	City of Edina
Note:	Only the client and name intended user can rely upon this report.
Effective Date:	August 4, 2025
Report Type:	Restricted Appraisal (as a restricted appraisal, this report may not contain supporting rationale for all of the opinions and conclusions as stated. This information is retained in the workfile)
Intended Use:	The intended use of this report is for decision-making purposes regarding a road project and part of establishing the special assessments.
Value Provided:	Market Value (as is), see rear of report for definition
Interest Provided:	Fee Simple, real estate only (no FF&E, business value, etc.)
Subject Property:	This report provides a summary of special benefit ranges. Specific properties are not identified at this time.
Scope of Work:	The appraiser (Ethan Waytas, MAI) reviewed sales, rents, listings, and costs in the market. The appraiser, Ethan Waytas, MAI, completed a personal viewing of the project area. William R. Waytas, SRA did not view the project area. The market was analyzed to indicate a benefit range that would be applicable to the project. In addition, the appraiser has completed a cursory review of the zoning and future land use plan. Other research includes prior discussions with market participants and discussion with the city regarding the project.

Inspection:	Ethan Waytas, MAI viewed the project area on August 4, 2025. William R. Waytas, SRA did not view the project area. The appraiser also reviewed county information, information on the internet, Google Street View Photos, MLS photos, etc. for preliminary property information. More property information is included in the addenda.
Sales Comparison Approach:	Sales data was analyzed to indicate a market benefit range.
Income Approach:	This approach was not applied at this time, as it is considered less reliable given the project and scope of assignment.
Cost Approach:	This approach was considered regarding new road costs and physical depreciation.
Uses in Project Area:	Most uses appear to be residential.
Report Assistance:	Ethan Waytas, MAI wrote the report and analyzed the market data. William R. Waytas, SRA read the report and agreed with the conclusions.
Sales History:	See rear of report for more information.

Note: Relevant information and analysis is retained in the workfile. This restricted appraisal provides a conclusion of market benefit range. If additional property information is provided, including an interior inspection, conclusions could differ from the indicated market benefit range.

PROJECT

The City of Edina is proposing a road reconstruction improvement project along70th Street West, Dublin Road, Antrim Road, Antrim Terrace, Antrim Court, Kerry Road, Wexford Road, Down Road, Lee Valley Road, Tralee Drive, and Shannon Drive.

Reconstruction includes removal of the existing asphalt road, repairing and upgrading the road base as needed, new asphalt, and new concrete curb and gutter.

The city will also be replacing of portion the existing watermain and upgrading the sanitary sewer with a cured-in-place (CIPP) liner. Portions of the service lines from the streets will be replaced to the property right-of-way.

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

AREA DESCRIPTION

The City of Edina is a first ring suburban community located approximately 15 minutes south of Downtown Minneapolis. The population was 47,941 as of 2010 census (an increase of 1.1% from the 2000 census). The 2022 estimated population is 52,437 (a decrease of 2.0% from 2010).

Commercial and industrial users are scattered throughout the city, however, major commercial (Southdale Center) is located along France Avenue South and major industrial near Highway 100 and I-494. The remainder of the city is mostly made up of single-family residential homes. Edina has a reputation as a stable community. Access to most shopping and surrounding communities is within 5 to 15 minutes. Most existing buildings in the area range from average to good quality.

Single family homes generally range in value between $350,000 and $3,000,000+ for the overall city. Within a ½ mile radius of the project area (within the city only), the average home price over the past two years is around $922,989 while the median sale price is $805,000 (MLS statistics). Most homes are average to good quality.

IDENTIFIED SUBJECT PROPERTIES

At this time, the city has indicated there are approximately 61 properties to be assessed. The properties appear to be all single-family residential.

Within the Special Assessment District 1 the lot sizes range from 0.37 acres to 1.83 acres, with an average of 0.84 acres.

EXISTING STREETS & UTILITIES

Physical Condition of the Existing Road: The existing road improvements are paved asphalt. Approximately 1/3rd of the streets have existing concrete curb and gutter; the remaining streets do not have concrete curb or gutter. The road condition, based on the visual inspection of the streets, is rated to be Fair.

Physical Condition of Existing Utilities: Public sanitary sewer and water are within the project area. Based on city inspection, a portion of the watermain and the entire sanitary sewer main are in need of replacement or substantial improvements.

Functional Design of the Road: The existing road is paved asphalt and in overall Fair condition.

Road and utility infrastructure in poor to fair condition do not meet the expectations of typical market participants in this suburban market for re-development, resale price, and/or updating the current uses.

Overall, the existing streets are in Fair condition, are beginning to look dated (or function), and reflect likewise on the adjoining properties. Similarly, the existing water and sewer utilities are old and are in need of replacement or substantial updates to remain functional.

PROPOSED IMPROVEMENTS

The City of Edina is proposing a road reconstruction improvement project along70th Street West, Dublin Road, Antrim Road, Antrim Terrace, Antrim Court, Kerry Road, Wexford Road, Down Road, Lee Valley Road, Tralee Drive, and Shannon Drive.

Reconstruction includes removal of the existing asphalt road, repairing and upgrading the road base as needed, new asphalt, and new concrete curb and gutter.

The city will also be replacing of portion the existing watermain and upgrading the sanitary sewer with a cured-in-place (CIPP) liner. Portions of the service lines from the streets will be replaced to the property right-of-way.

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

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

HIGHEST AND BEST USE

The subject project area is located in the southwestern portion of the city in an area of primarily single-family residential uses with some scattered apartments and residential condos.

Existing owners in the project area appear to update their property as needed when site and building components wear out or become dated. Owners in the overall area commonly pave their driveways, either with asphalt or concrete. Therefore, it is logical to update the road infrastructure to the subject properties, as these are essential property characteristics that are expected in the market.

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

If replacement of components of real estate near the end of their economic life in a home or building is postponed, it can be costlier in the long run; delays in replacing components can result in incurring higher interim maintenance costs and potential difficulty in marketing the property. Also, it is typical for the cost of the replacement of an improvement to increase over time. It is logical and prudent for market participants to update/replace dated components when needed.

The existing improved residential sites that are currently developed would continue to have the same highest and best use before and after the project. The proposed project would increase the appeal of the properties.

Note: It is very common in the subject area for existing homes to be purchased and the improvements are razed. The buyer then constructs a new, larger home.

DISCUSSION OF MARKET BENEFIT

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

Description	Existing Improvements	Change
1) Road Surface	**Fair**	**New, asphalt**
2) Base Condition	**Fair, some soil issues**	**Compacted, new, upgraded**
3) Curb	**Concrete, dated; portions of the streets have no curb or gutter**	**All new concrete curb and gutter**
4) Drainage	**Average**	**Improved**
5) Storm Sewer	**Yes**	**Improved**
6) City water	**Dated to Average**	**Portions Replaced**
7) City sewer	**Dated**	**Upgraded**
8) Sidewalk	None	None
9) Street Lights	Average	Average
10) Functional Design of Road	**Dated**	**Good, new**
11) Traffic Management	**Fair**	**Good**
12) Pedestrian Use (biking, walking, etc.)	**Fair**	**Good**
13) Median	n/a	n/a
14) Road Proximity to Properties	n/a	n/a
15) Dust	n/a	n/a
16) Visual Impact on Properties	**Fair**	**Good**

Based on the preceding grid, the subject properties will improve in 11 of the 16 categories. Market participants generally recognize that roads and utility infrastructure need replacing when nearing the end of a long economic life.

A typical buyer in the subject market commonly prefers a good condition paved road surface versus an inferior paved road. In addition to visual benefit, new street improvements provide better and safer use for pedestrians (biking, walking, stroller, rollerblading, etc.) and drivers. The new streets will enhance potential for new development, redevelopment, and/or updating current properties.

Similarly for utilities, market participants prefer new or newer utilities versus older utilities.

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

Single-Family Residential (no watermain & service improvements):

Given the scope of the project, properties in the area with the proposed street and utility improvements could see the following benefits (presented as a range).

- **Single-Family Residential Homes** $20,000 to $25,000 per buildable lot

Generally, smaller lots would be on the lower end of the range while larger lots would be on the upper end of the range.

Single-Family Residential (watermain & service improvements):

Given the scope of the project, properties in the area with the proposed street and utility improvements could see the following benefits (presented as a range).

- **Single-Family Residential Homes** $25,000 to $30,000 per buildable lot

Generally, smaller lots would be on the lower end of the range while larger lots would be on the upper end of the range.

The estimated utility improvement benefits are allocated 75% to the watermain and 25% to the water service upgrades.

Note: The above benefit ranges consider only the scope of the project. Higher value buildings or larger lots are on the upper end of the ranges. Properties on corners, with one street being improved and the other not, might receive less than the above ranges (for example 50% of the benefit).

CONCLUSION

The market benefit range is based on an analysis of the overall market. No specific properties were appraised at this time. New information provided from owners, including an inspection, could change the preliminary conclusions.

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

Sincerely,

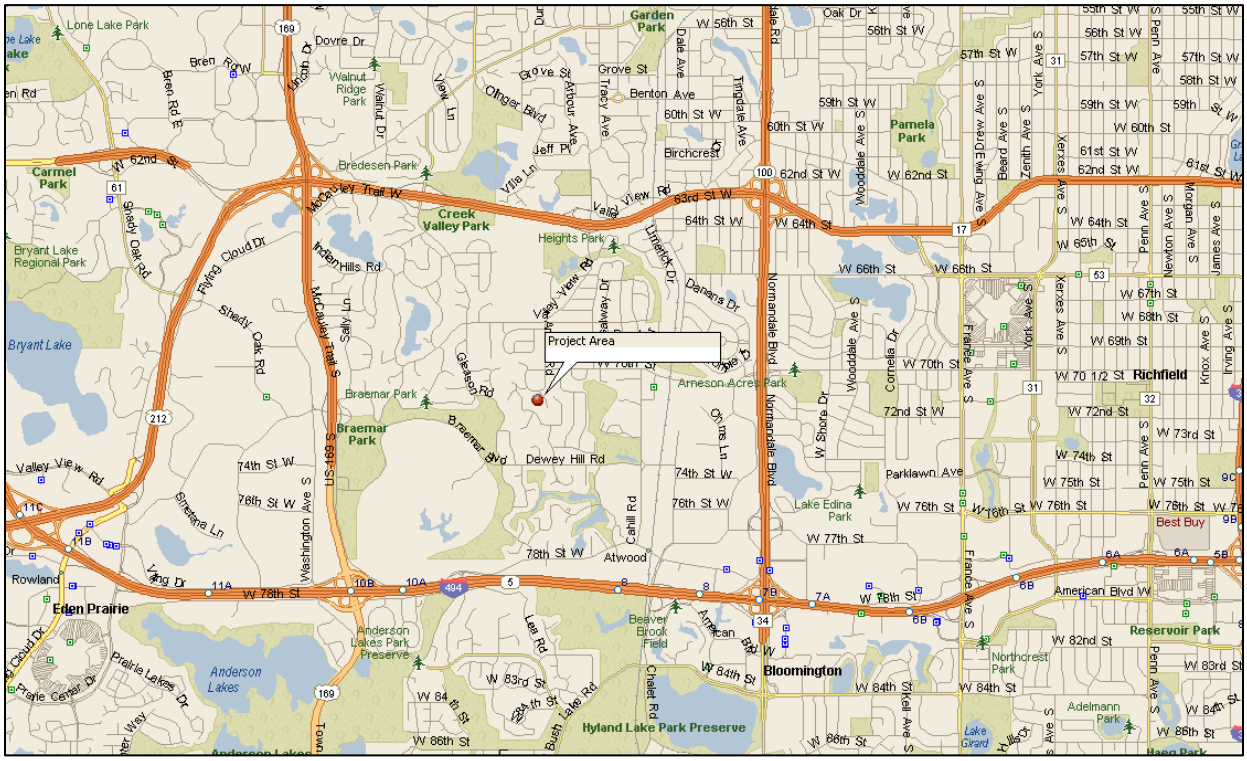
Ethan Waytas, MAI
Certified General MN 40368613

William R. Waytas, SRA
Certified General MN 4000813

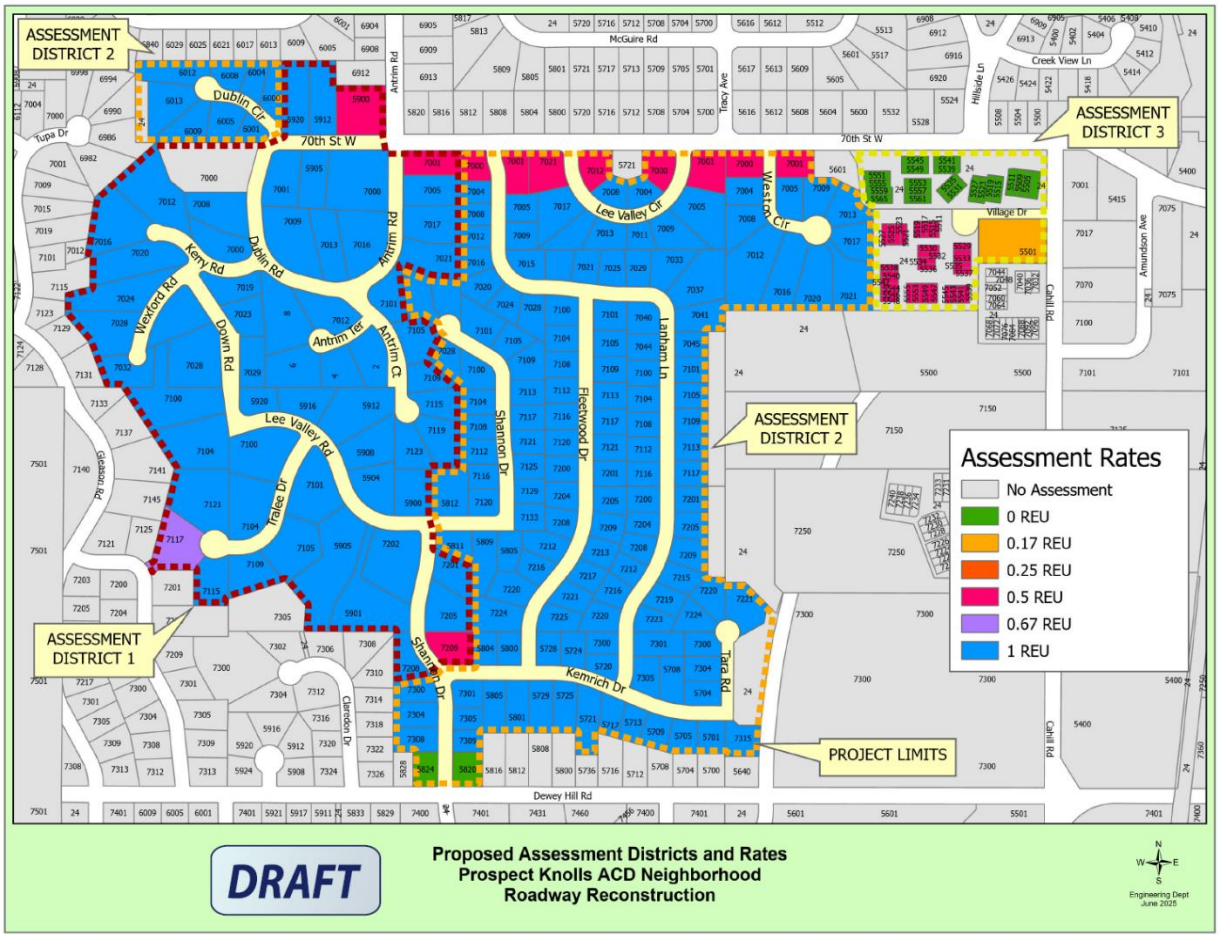
Enclosures: Location Map, Aerial Map View of Project, Subject Photos, Qualifications

LOCATION MAP



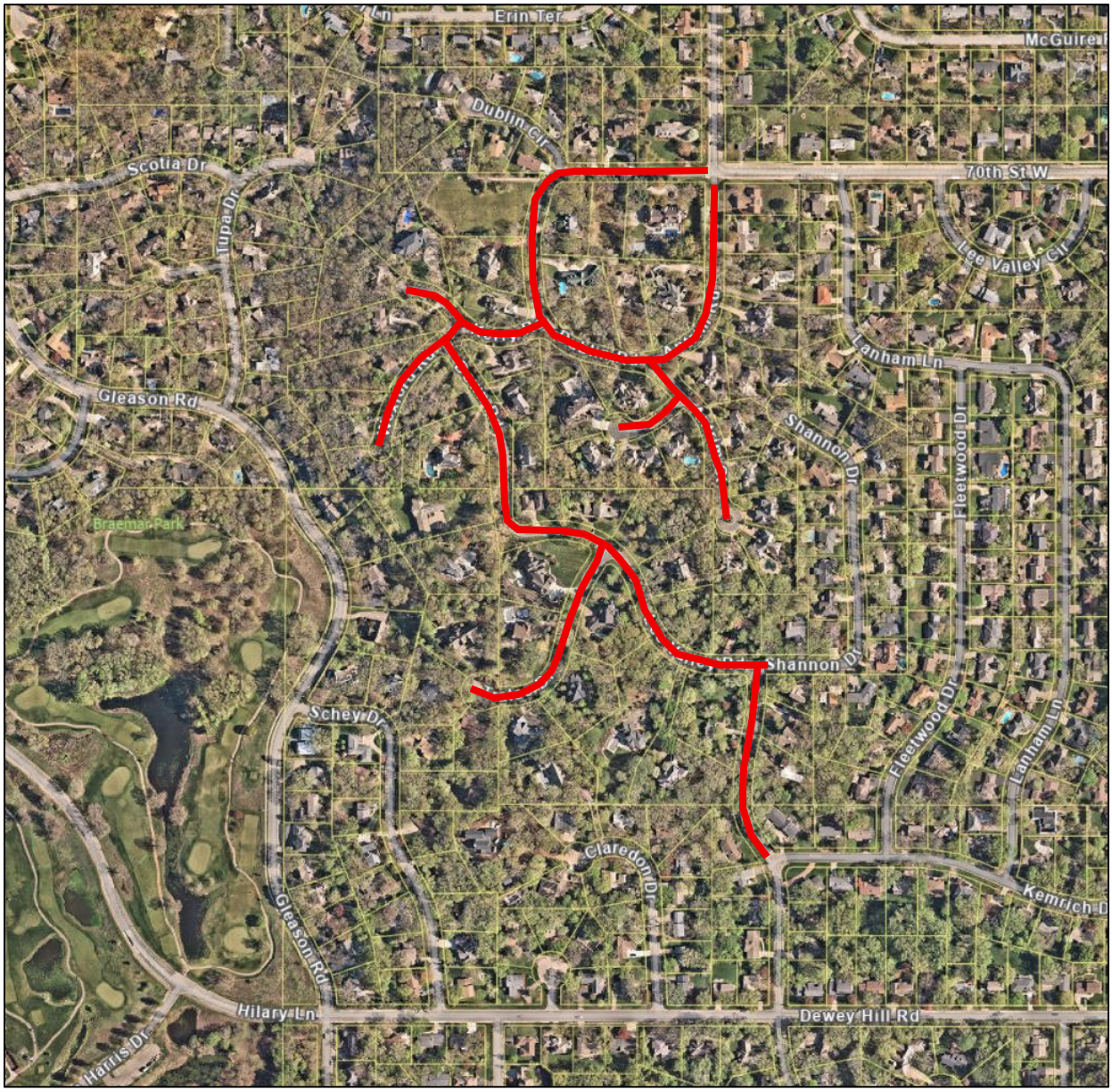


PROJECT MAP



The above project map was provided by the city.

AERIAL VIEW OF PROJECT MAP



The red line reflects the indicated reconstruction project area.

STREET PHOTOGRAPHS



Street view



Street view



Street view



Street view

Street Photographs – continued



Street view



Street view

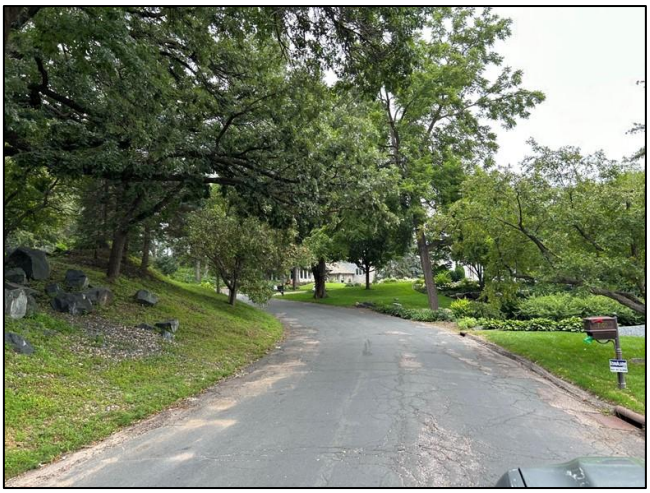


Street view



Street view

Street Photographs – continued



Street view



Street view



Street view



Street view

Street Photographs – continued



Street view



Street view



Street view



Street view

Street Photographs – continued



Street view



Street view



Street view



Street view

PRIOR SALES HISTORY

Agent Single Line - Single Family

#	List #	S	Street Address	City	Price	DOM	Style	Stories	Beds	Bth	TFSF	Built
1	6355141	CLS	7300 Shannon Drive	Edina	$621,000	70	SINGL	TWO	3	4	3,210	1972
2	6591168	CLS	7202 Shannon Drive	Minneapolis	$790,000	14	SINGL	4PLUSSI	3	2	1,847	1957
3	6658397	CLS	7115 Tralee Drive	Edina	$885,000	33	SINGL	ONE	5	4	5,662	1971
4	6223603	CLS	7101 Antrim Court	Edina	$900,000	148	SINGL	ONE	6	4	4,942	1984
5	6237136	CLS	7032 Wexford Road	Edina	$1,000,000	67	SINGL	TWO	5	5	7,004	1973
6	6538291	CLS	7001 Antrim Road	Edina	$1,200,000	109	SINGL	ONE	5	4	5,163	1968
7	6419876	CLS	7001 Dublin Road	Edina	$1,375,000	116	SINGL	TWO	4	4	5,358	1949
8	6698320	CLS	4 Antrim Terrace	Edina	$1,415,000	61	SINGL	TWO	5	8	7,806	1987
9	6361614	CLS	7012 Kerry Road	Edina	$2,375,000	12	SINGL	TWO	5	6	8,143	2003
10	6510796	CLS	7021 Antrim Road	Edina	$2,400,000	74	SINGL	TWO	6	7	8,416	1991

Information Deemed Reliable But Not Guaranteed. Copyright (c) 2025 Regional Multiple Listing Service of Minnesota., Inc. All Rights Reserved.

The above sales occurred in the project area within the past three years.

The sales appear to be market appropriate, as they were listed on the open market.

DEFINITIONS

MARKET VALUE - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently 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:

(A) buyer and seller are typically motivated;

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

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

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

(E) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

As stated by USPAP;

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

The identified properties in this report are assumed to be in average condition and to have average appeal based on public information available. The conclusions are considered to be credible within this report based on the publicly available information. That said, if the properties vary in terms of condition, appeal, etc., the conclusions could differ.

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

The provided conclusions assume the project is completed on the same day as the effective date.

The above noted assumptions might have affected the assignment results.

CERTIFICATION

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

1) The statements of fact contained in this report are true and correct.

2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.

3) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6) My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

8) The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which includes the Uniform Standards of Appraisal Practice.

9) Ethan Waytas, MAI viewed the project area. William R. Waytas did not view the project area or identified properties. Ethan Waytas wrote, analyzed, and selected all the data in the report. William R. Waytas read the report, concurred with the findings, and then co-signed the report.

10) No one provided significant professional assistance to the person signing this report.

11) In accordance with the competency provision USPAP, I have verified that my knowledge, experience and education are sufficient to allow me to competently complete this appraisal. See attached qualifications.

12) As of the date of this report, William R. Waytas and Ethan Waytas have completed the requirements of the continuing education program of the appraisal institute.

13) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.

14) We **have not** provided services as an appraiser or non-appraiser, regarding any of the properties in the project within the 3-year period immediately preceding acceptance to this assignment.



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



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

QUALIFICATIONS

Appraisal Experience

Presently and since 2006, **Ethan Waytas, MAI** has been employed as an employee of Nagell Appraisal Incorporated, an independent appraisal firm (11 employees) who annually prepare 1,500 +/- appraisal reports of all types. He is currently a full time licensed certified general real estate appraiser, partner, and director of the company's IT department.

Properties appraised:

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

Testimony

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

Professional Membership, Associations & Affiliations

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

Education

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

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

Appraisal Experience

Presently and since 1985, **William R. Waytas** has been employed as a full time real estate appraiser. Currently a partner and President of the Nagell Appraisal & Consulting, an independent appraisal firm (11 employees) who annually prepare 1,500 +/- appraisal reports of all types. Mr. Waytas was employed with Iver C. Johnson & Company, Ltd., Phoenix, AZ from 1985 to 1987.

Properties appraised:

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

Professional Membership, Associations & Affiliations

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

Testimony

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

Mediator

-- Court appointed in Wright County.

Committees

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

Education

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

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

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

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

Speaking Engagements

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

Publications

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