An appraisal of the Monona South Towne development, Monona, Wisconsin. January 1, 1983

Landmark Research, Inc.
[s.l.]: [s.n.], January 1, 1983

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AN APPRAISAL OF

THE MONONA SOUTH TOWNE DEVELOPMENT
MONONA, WISCONSIN

AS OF
JANUARY 1, 1983

PREPARED FOR:

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I. PURPOSE OF THE APPRAISAL

An appraisal is a defensible estimate of a property's value that is derived by means of a systematic process in which the problem is defined and the necessary data is gathered, analyzed and interpreted. This report follows this appraisal process and attempts to convey its essential elements and conclusions.

A. The Appraisal Problem

1. Statement of the Issue

This appraisal was requested and authorized by Lee Brown on behalf of the City of Monona. It is intended to assist with their evaluation of the feasibility of an acquisition of a property from Monona Property Joint Venture. The appraisal and report are to serve as a basis for negotiation, but will not be used in an eminent domain action. As a result, this appraisal estimates only the value of the property, not the loss and damage associated with a taking. The appraisal value is to be allocated among the various land use areas that comprise the subject property.

2. Special Assumptions

The conclusions presented in this appraisal are based on the following assumptions which were specified by Lee Brown and others representing our client, the City of Monona:

1. The uses to which the subject property can legally be put are exclusively those designated in the land use map, shown here as Figure 1, provided for the appraiser by the City of Monona.

2. The West Broadway (U.S. Highway 12 and 18) right-of-way will remain within its present corridor rather than be relocated so as to bisect the subject lands.

3. The impact of the subject property's existing Tax Incremental Financing (TIF) District, if any, is excluded from consideration in this appraisal.

4. Resale of developed lots within the subject property will be for a cash price; the seller will not provide any financing.

B. Identification of the Subject Property and the Legal Interests Appraised

The subject of this appraisal is a vacant mixed land use tract that is known as the Monona South Towne Development. These lands, as shown in Figure 1, include seven land use districts which have a total area of 110.9 acres (4,833,678 square feet). A complete legal description of the property is, however, not available.

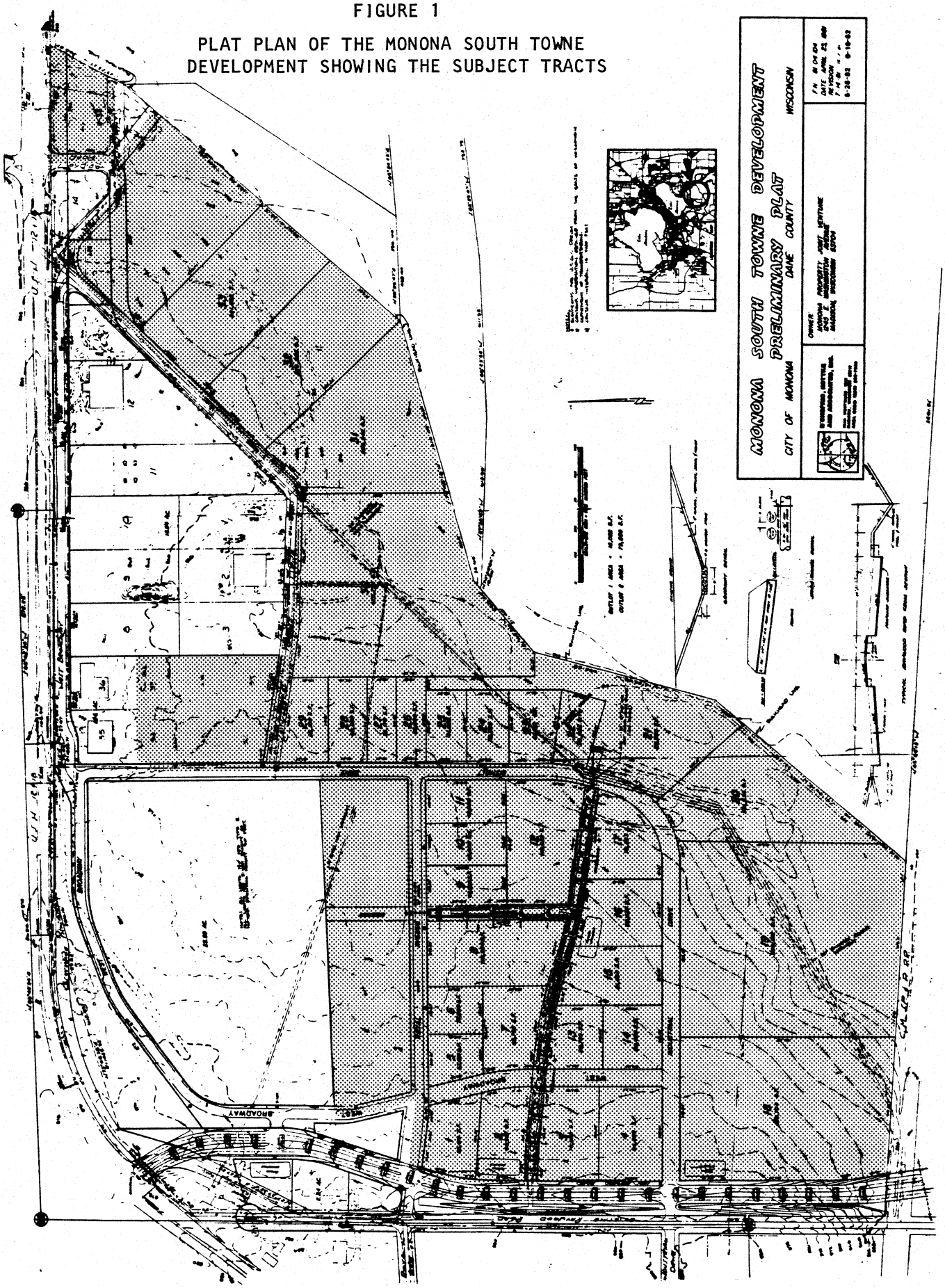
The interest appraised includes a fee simple interest in the subject property subject to easements, zoning, and special assessments of record.

C. Date of the Valuation

This appraisal is made retrospective to the date of January 1, 1983, and the analysis and conclusions are applicable to

FIGURE 1

PLAT PLAN OF THE MONONA SOUTH TOWNE
DEVELOPMENT SHOWING THE SUBJECT TRACTS



that date. The appraiser's final inspection of the property was made on April 8, 1983.

D. Definition of Market Value

As used in this appraisal and report, the term "market value" is defined as:

> The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
>
> Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> 1. buyer and seller are typically motivated.
> 2. both parties are well informed or well advised, and each acting in what they consider their own best interest.
> 3. a reasonable time is allowed for exposure in the open market.
> 4. payment is made in cash or its equivalent.
> 5. financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
> 6. the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction. [1]

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[1] Byrl N. Boyce, Real Estate Appraisal Terminology, Revised Edition, AIREA, SREA, Ballinger, Cambridge, Mass., 1981, pp. 160-161.

E. Statements of General Assumptions and Limiting Conditions

1. Contributions of Other Professionals

   - Information furnished by others in this report, while believed to be reliable, is in no sense guaranteed by the appraisers.

   - Because no legal advice was available, the appraiser assumes no responsibility for legal matters.

   - All information furnished regarding property for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.

2. Facts and Forecasts Under Conditions of Uncertainty

   - The comparable sales data relied upon in this appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

   - Forecasts of the effective demand for space are based upon the best available data concerning the market, but are projected under conditions of uncertainty.

   - Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the site for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.

   - Although the arithmetic of the computer output has been hand checked for accuracy, no guarantee is made of the program's infallibility.

   - Sketches in this report are included to assist the reader in visualizing the property. These drawings are for illustrative purposes only and do not represent an actual survey of the property.

3. Controls on Use of Appraisal

- Values for various components of the subject parcel as contained within the report are valid only when making a summation and are not to be used independently for any purpose and must be considered invalid if so used.

- Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any other purpose by anyone without the previous written consent of the appraiser or the applicant and, in any event, only in its entirety.

- Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly regarding the valuation conclusions and the identity of the appraiser, of the firm with which he is connected, or any of his associates.

- This report shall not be used in the client's reports or financial statements or in any documents filed with any governmental agency, unless: (1) prior to making any such reference in any report or statement or any document filed with the Securities and Exchange Commission or other governmental agency, the appraiser is allowed to review the text of such reference to determine the accuracy and adequacy of such reference to the appraisal report prepared by the appraiser; (2) in the appraiser's opinion the proposed reference is not untrue or misleading in light of the circumstances under which it is made; and (3) written permission has been obtained by the client from the appraiser for these uses.

II. DESCRIPTION AND ANALYSIS OF THE SUBJECT PROPERTY

A. Use and Operation of the Property

The subject property was originally developed as the Royal Airport and operated prior to World War II. Subsequent to its abandonment for this use it was again given over to agriculture. Later it was acquired by the Gisholt Machine Tool Company (a division of Giddings and Lewis) as the planned site for relocation from their existing facility on Madison's East Washington Avenue. Prior to developing the subject site the Gisholt business was closed and their Madison holdings were transferred to a group headed by Gordon Rice, a local real estate investor. In September 1973, Rice and others, doing business as Monona Property Joint Venture, platted a portion of the former Gisholt lands and developed several uses. The most notable of these is the Wisconsin Physicians Service (WPS) insurance company state headquarters building. Several other small buildings housing office and service uses were built during subsequent years but the pace of development was slow. The uncertain status of the long debated West Broadway renovation project may have contributed in some part to the slack demand.

A major step in the development of the area occurred early in 1981 when Shopko Stores purchased a 10.25 acre portion of the South Towne plat (for a price of $1.95 per square foot) as the site of a community shopping center facility. Over the past year the South Towne Mall has been completed and is now nearly fully opened for business. The community type center's anchor tenants are a Shopko store and a Kohl's Department Store. Early reports indicate that the center is operating very successfully and, as a result, has generated more interest in the area than was previously the case.

In conjunction with this development, an extensive system of internal streets has been added to the entire South Towne development. These streets, as were shown in Figure 1, were funded by the City of Monona and the lands they serve are now subject to special assessments. These costs (see Appendix A) are to be amortized over eight years with interest at 10.25 percent on the unpaid balance. All special assessments are due upon sale of the property.

While many roads are now in place or under construction, other work remains to be done. As a result, the ultimate cost of these assessments is unknown. However, the City of Monona has estimated these costs and made allocations to various site areas. These estimates are shown in Appendix A.

B. Location and Linkages

The South Towne development, as shown in Figure 2, is located on the south side of the contiguous Madison area, along the south edge of the City of Monona. It is approximately three miles southeast of the Capitol Square, three miles west of Interstate Highway 90 and 94, and one mile east of John Nolen Drive, which provides access to Madison's central business district.

Despite its relative proximity to downtown Madison, the subject's area has been somewhat slow to develop. Several reasons for this are apparent. First, Lake Monona, which is situated approximately one-quarter mile north of the subject, has diverted outward expansion of the City of Madison to both sides of the subject area rather than through the subject area. Second, the Madison Metropolitan Sewage District's Nine Springs Treatment Plant, which is located approximately one-half mile south of the subject, has discouraged development in the area. Third, poor soils in marshland areas to the south of the subject property limit the maximum growth potential of the area and, thereby, further reduce the attractiveness of the area to users who would build in anticipation of an expanding residential trade area.

More recently, residential growth in adjoining areas, particularly in Fitchburg Township (now the City of

FIGURE 2

LOCATION OF SOUTH TOWNE DEVELOPMENT
RELATIVE TO MADISON METROPOLITAN AREA

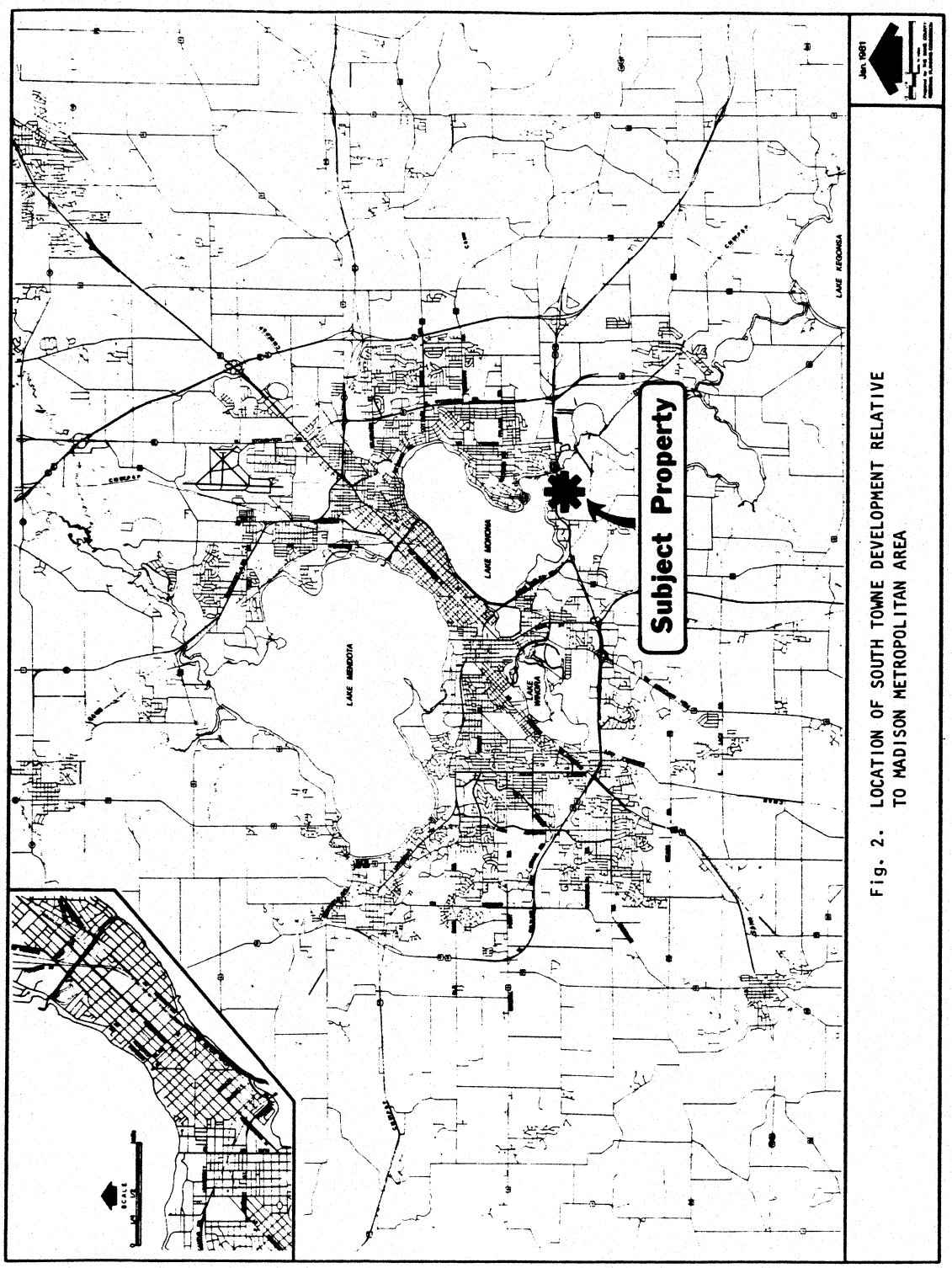

Fig. 2. LOCATION OF SOUTH TOWNE DEVELOPMENT RELATIVE TO MADISON METROPOLITAN AREA

Fitchburg), has increased the desirability of the south side in general and the subject area in particular. This impact has been transferred most directly to the subject site via the area's primary traffic artery, West Broadway Boulevard (U.S. Highway 12 and 18). Traffic counts along this roadway are among the highest in the Madison area and have been increasing over the past several years. The 1981 and 1976 counts along with the percentage change are shown in Table 1.

TABLE 1

WEST BROADWAY (US HIGHWAY 12 AND 18)
24 HOUR WEEKDAY TRAFFIC COUNTS:
1976 AND 1981

LOCATION	1976	1981	PERCENT CHANGE
Broadway at Raywood	46,600	50,250	7.8%
Broadway at Yahara River	39,000	43,500	11.5%

Source: East Madison Traffic Flow Map, City of Madison, Wisconsin, Department of Transportation, Division of Traffic Engineering (1976 and 1981).

It is the market access afforded by this roadway that provides the majority of the demand for goods and services at the subject's location. Because the subject site is not now and probably will not be surrounded by a large residential

trade area, successful uses will not be oriented toward the convenience type retail goods. The location then offers the best potential for retail facilities oriented toward shopping or specialty goods, retail/service enterprises, offices, and office/warehouse facilities. These last three uses are especially able to benefit from the subject's very good vehicular access to the entire Madison area and to the Interstate Highway system.

The recent development of the South Towne Mall Shopping Center has increased the desirability of the area by providing support facilities necessary for continued development. In addition to creating an image of activity in the area, the facility provides eating places and shopping for the area's potential employees.

The relative desirability of the subject property should be further enhanced if plans to upgrade the Raywood Road intersection are pursued. Current plans call for Raywood Road, upon which the subject property fronts, to become one of the two main interchanges with an upgraded, six-lane West Broadway. The other main interchange will be at Rimrock Road, which is located more than one mile to the west of the subject. As a part of this plan, the existing John Nolen Drive interchange will be closed off.

The proposed West Broadway renovation program will have a significant impact on the subject property. At present, two routes are being considered. One route calls for a widening of the roadway within its existing corridor while the other would relocate the roadway through the center of the subject property on a more southerly route. For purposes of this appraisal, the City of Monona has instructed Landmark Research, Inc., to assume that the roadway will remain in its existing corridor.

C. The Subject Site

1. Physiographic Characteristics

a. Size and Shape

The subject property is comprised of seven land use districts that have a total net land area of 110.9 acres. These districts are delineated in Figure 3 and further described in Table 2. Photographs of the property are presented in Figure 4.

FIGURE 3

PLOT OF THE MONONA SOUTH TOWNE
DEVELOPMENT SHOWING THE SUBJECT TRACTS
BY LAND USE CATEGORY

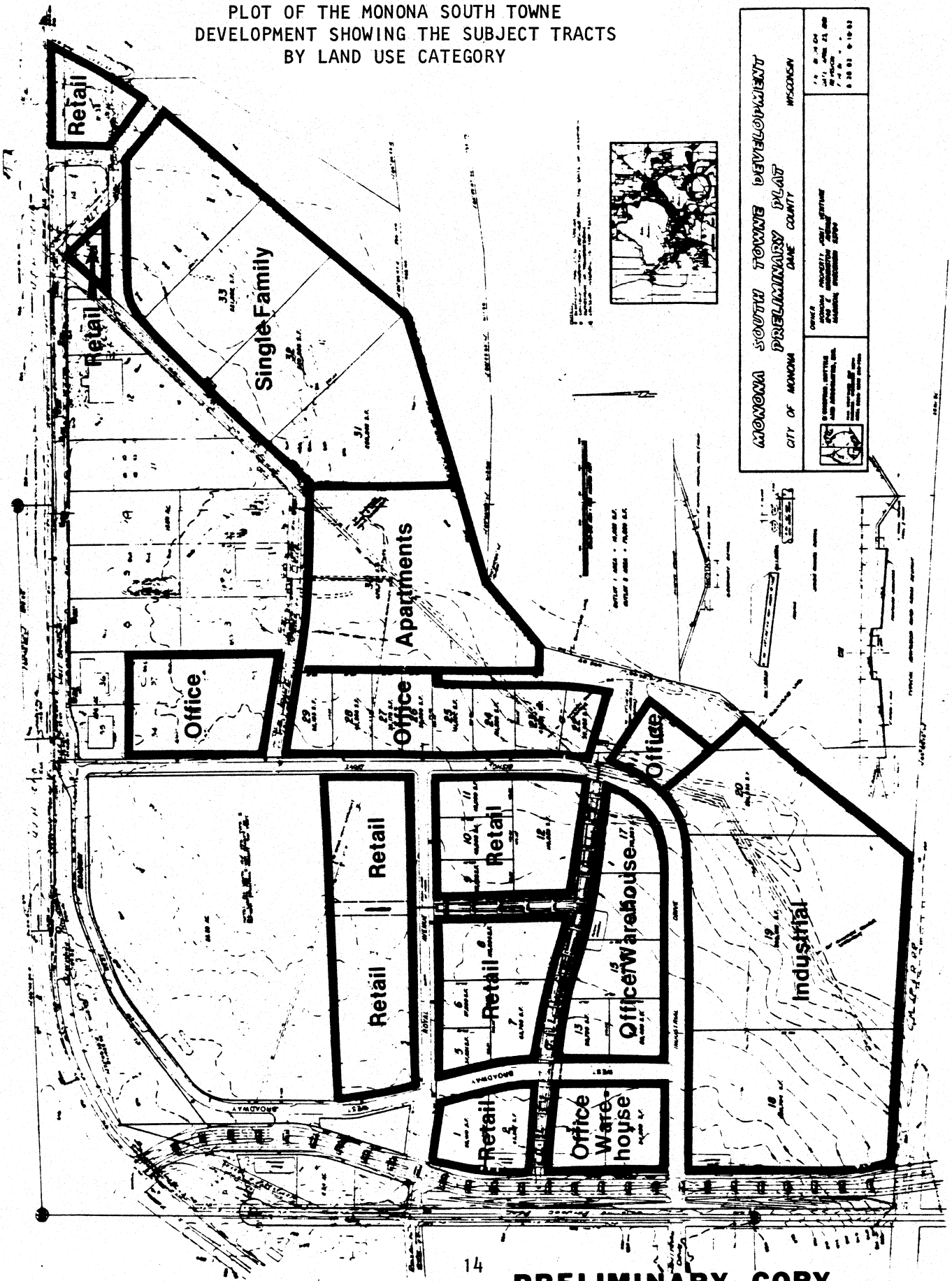

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Fig. 4 Photographs of the subject property.

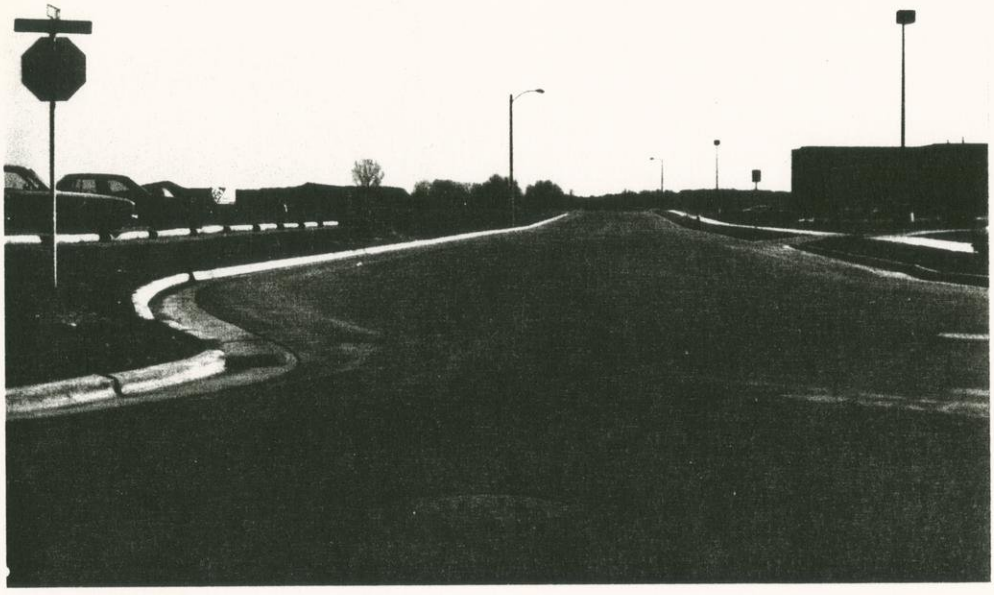

Fig. 4a View looking south along Gisholt Drive from West Broadway frontage road toward the subject land.

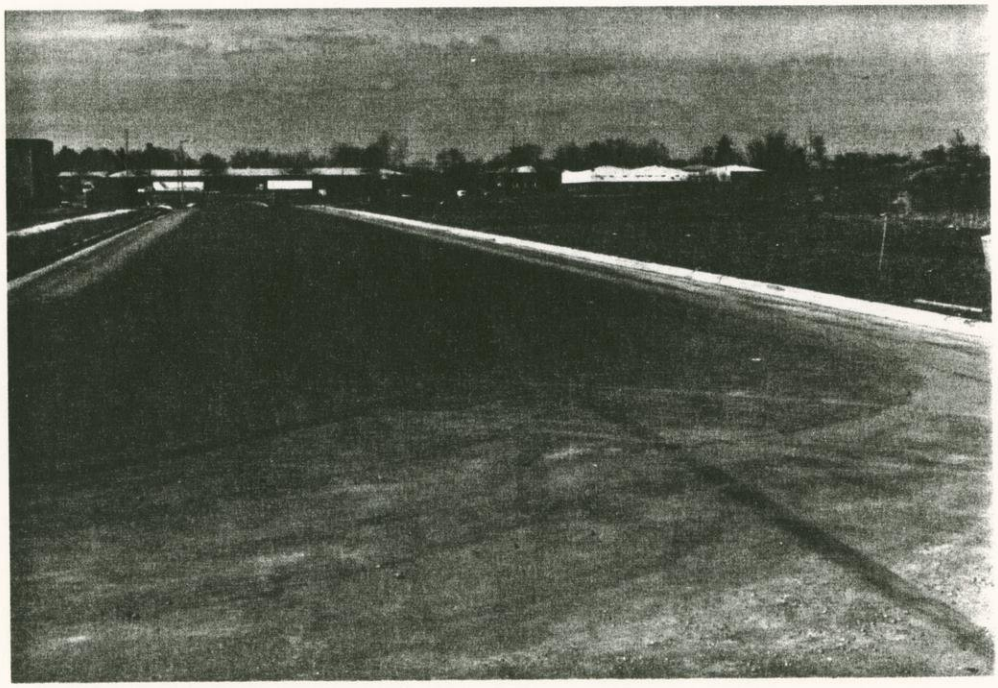

Fig. 4b View looking north along Gisholt Drive from Royal Avenue intersection towards West Broadway.

Fig. 4c Looking south from adjacent property across South Towne Drive toward subject's multi-family lands.

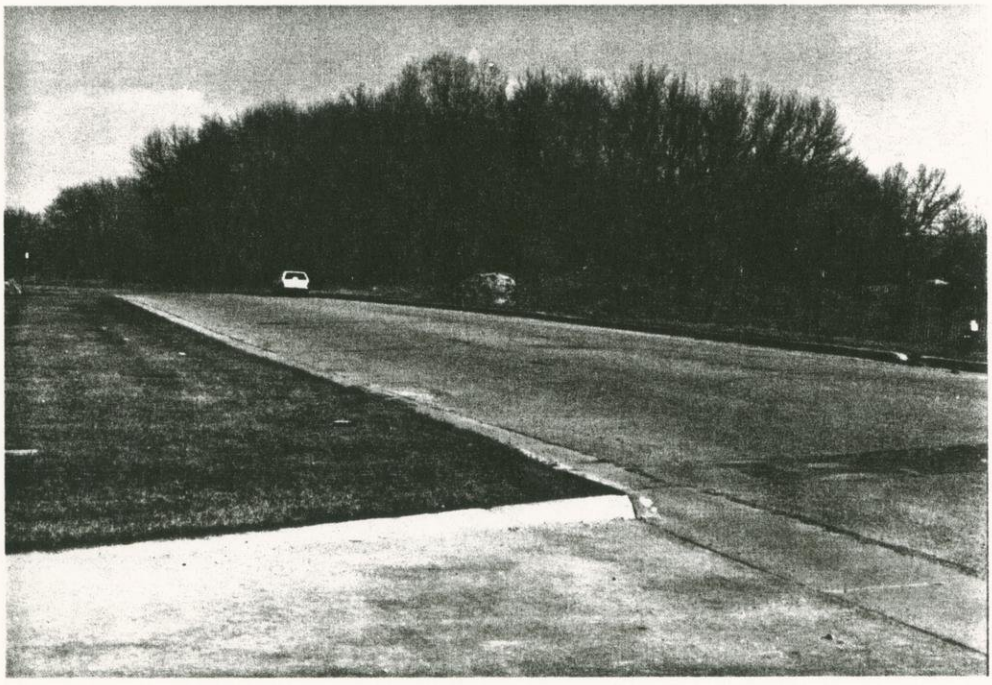

Fig. 4d Looking east along South Towne Drive toward subject's zero lot line residential land.

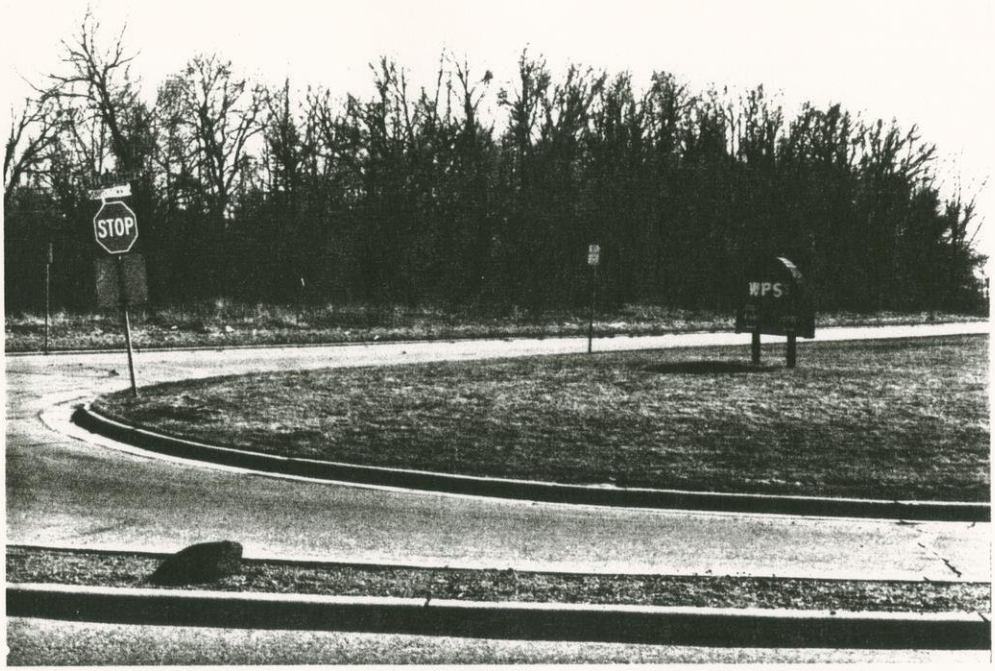

Fig. 4e Looking south from West Broadway frontage road along South Towne Drive at subject's zero lot-line residential area.

Fig. 4f Looking east along U.S.H. 12&18 along the West Broadway frontage road at the subject's Bridge Road intersection.

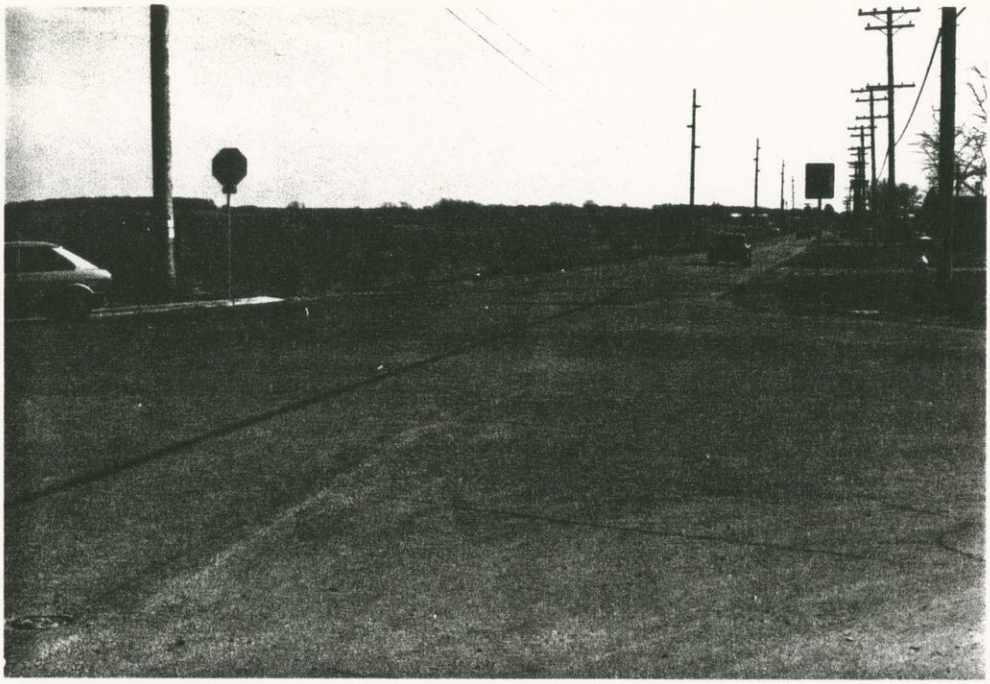

Fig. 4g Looking south along existing Raywood Road from Royal Avenue Intersection.

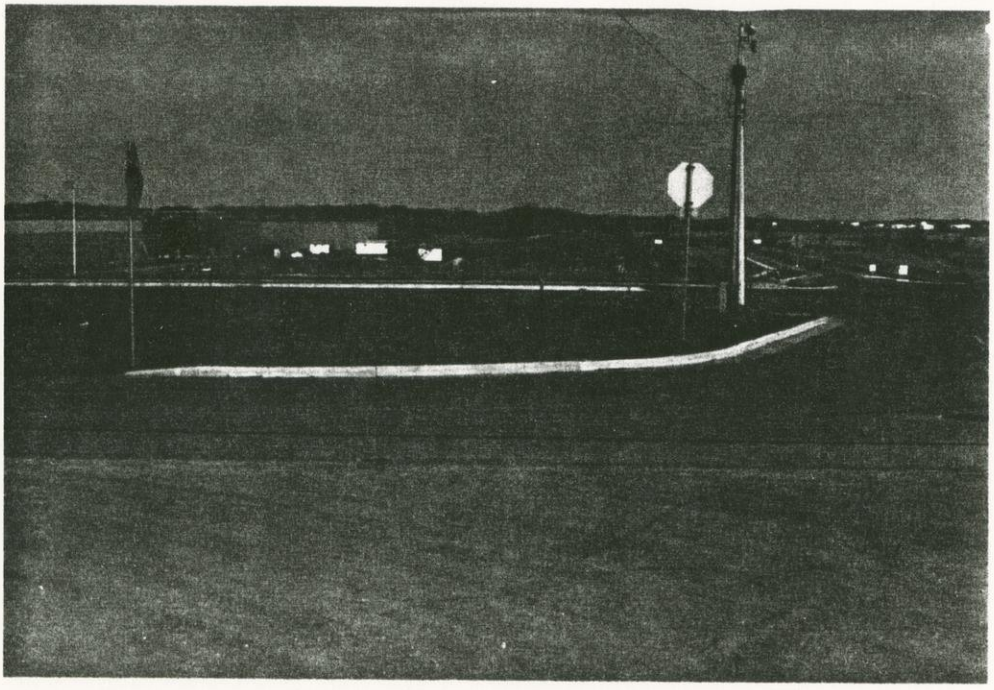

Fig. 4h Looking east along Royal Avenue from existing Raywood Road intersection.

Fig. 4i Looking west along Royal Avenue across subject's retail service area.

Fig. 4j Looking south along Gisholt Drive right-of-way at subject's non-retail service and industrial area.

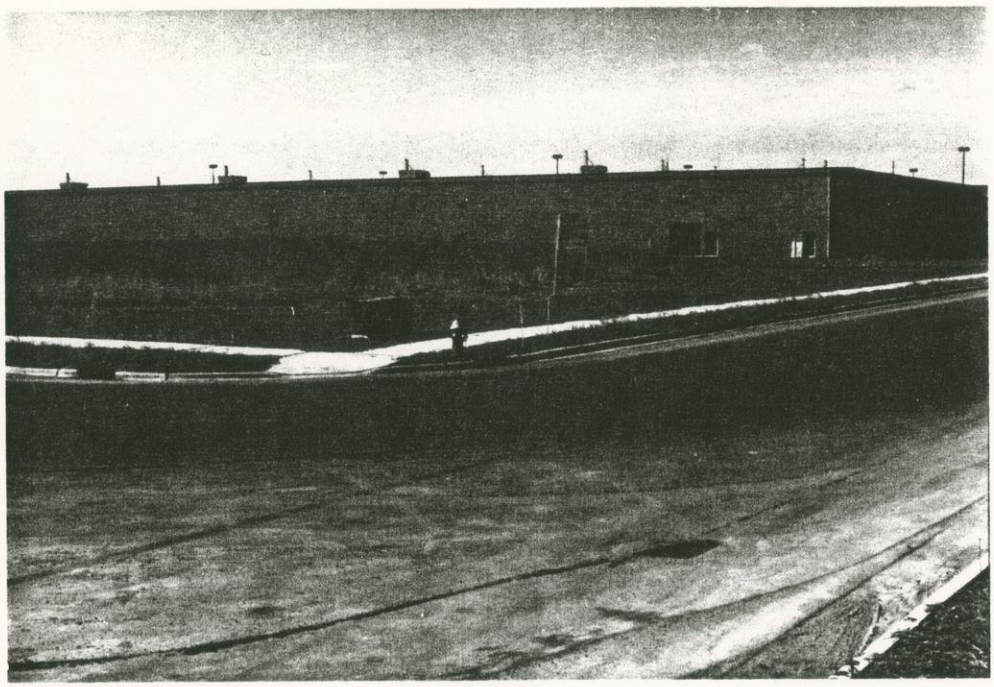

Fig. 4k Looking northwest from Royal Avenue/Gisholt Drive intersection at rear of existing South Towne shopping center.

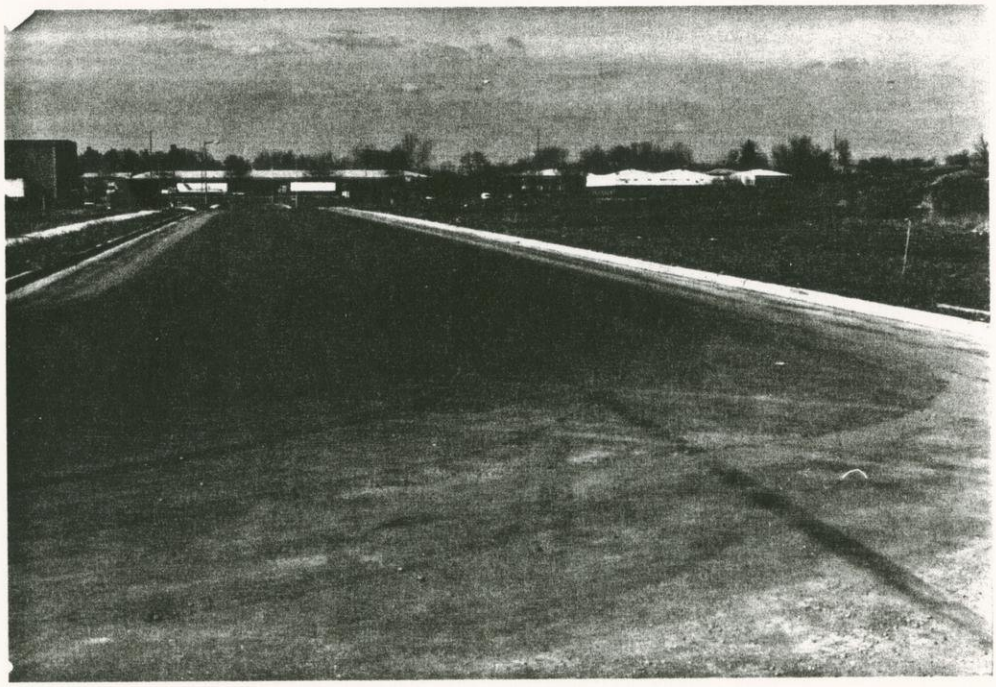

Fig. 4l Looking north along Gisholt Drive with the subject's office zoned land to right of roadway.

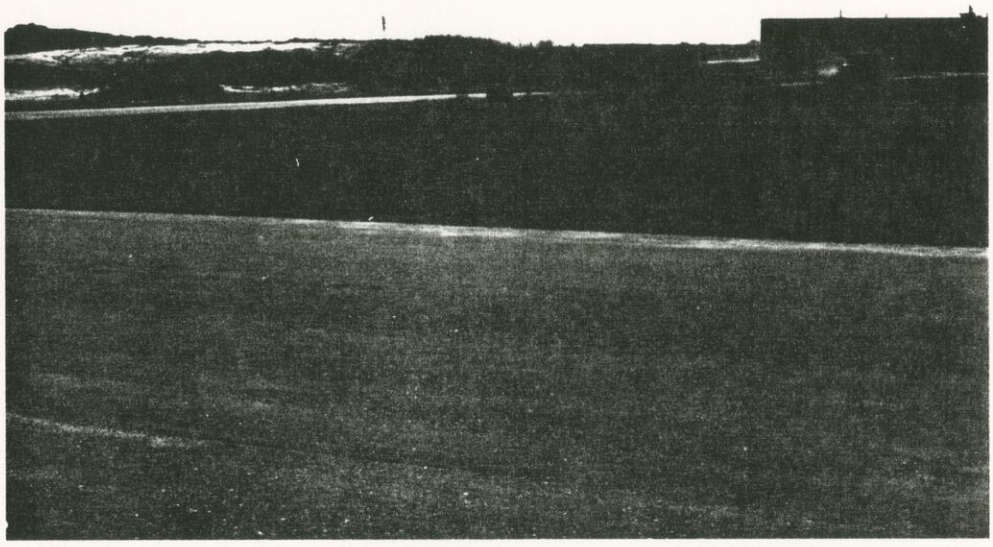

Fig. 4m Looking southwest from adjacent property across South Towne Drive at subject's office area.

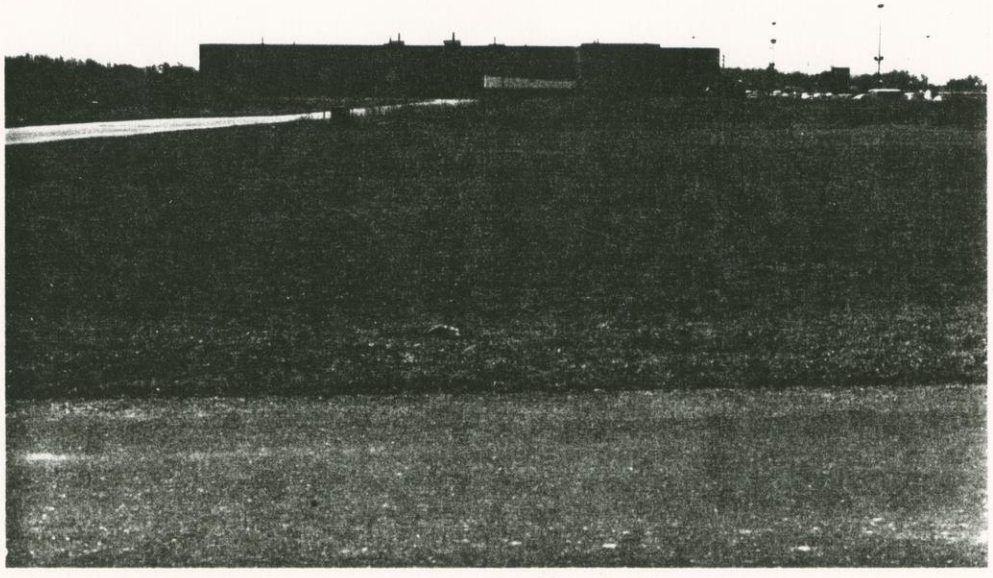

Fig. 4n Looking west along north side of South Towne Drive across office zoned lands towards South Towne Shopping Center.

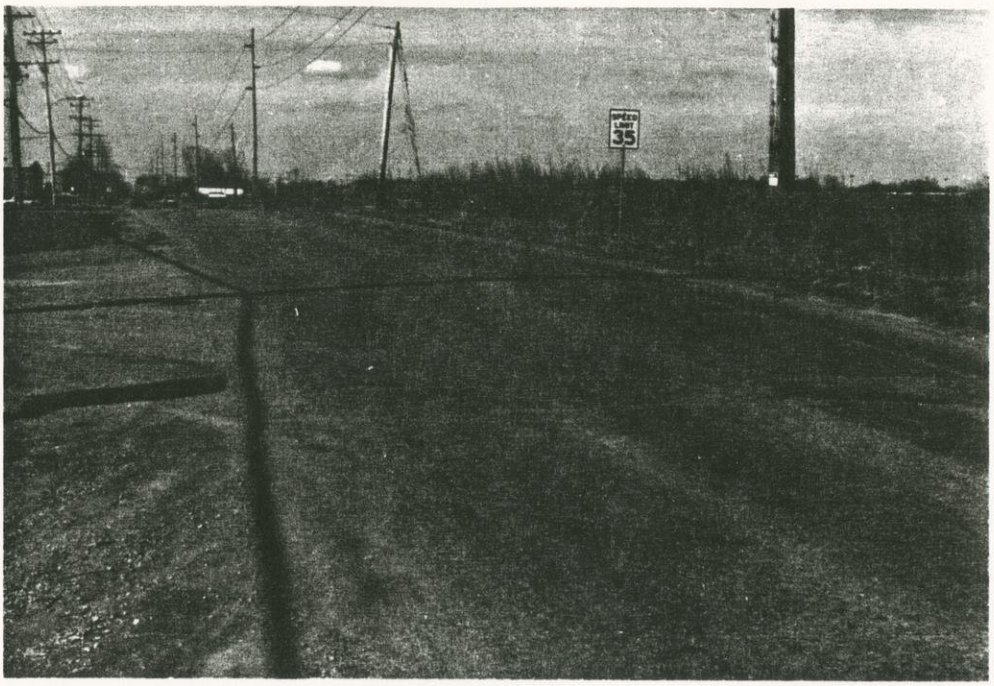

Fig. 4o Looking north along existing Raywood Road showing subject's industrial zoned area to right of roadway.

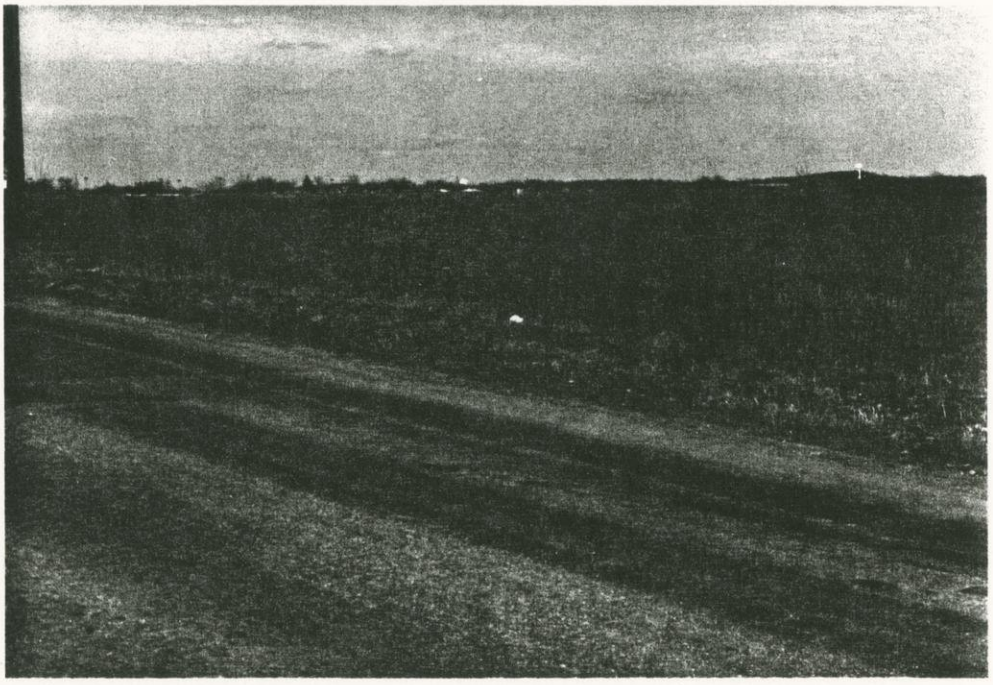

Fig. 4p Looking northeast from existing Raywood Road across subject's industrial zoned land.

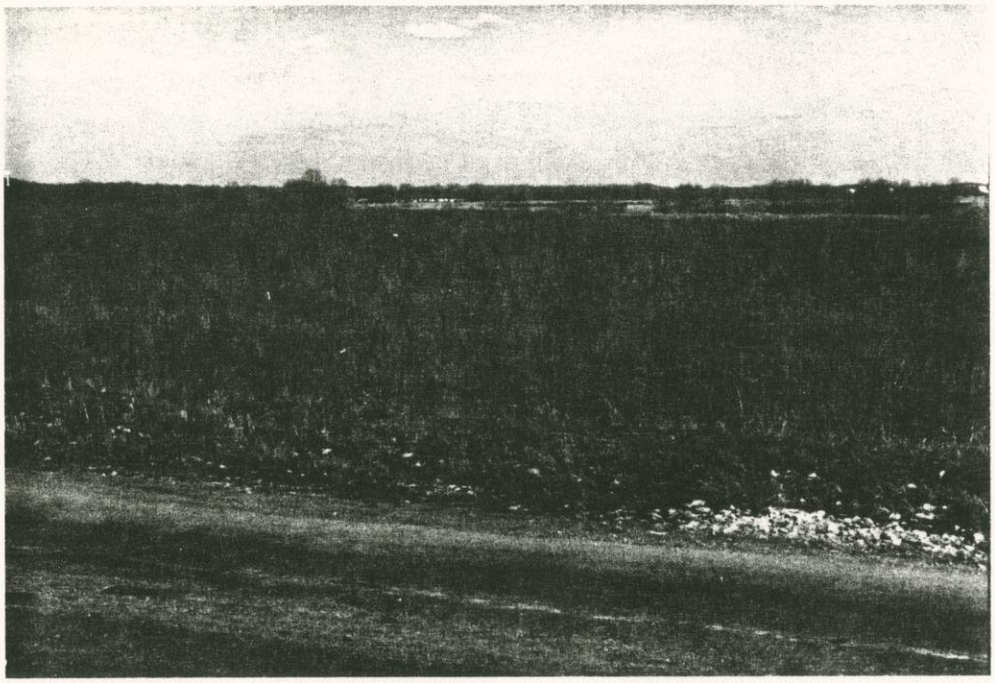

Fig. 4q Looking east from Raywood Road across subject's industrial zoned land.

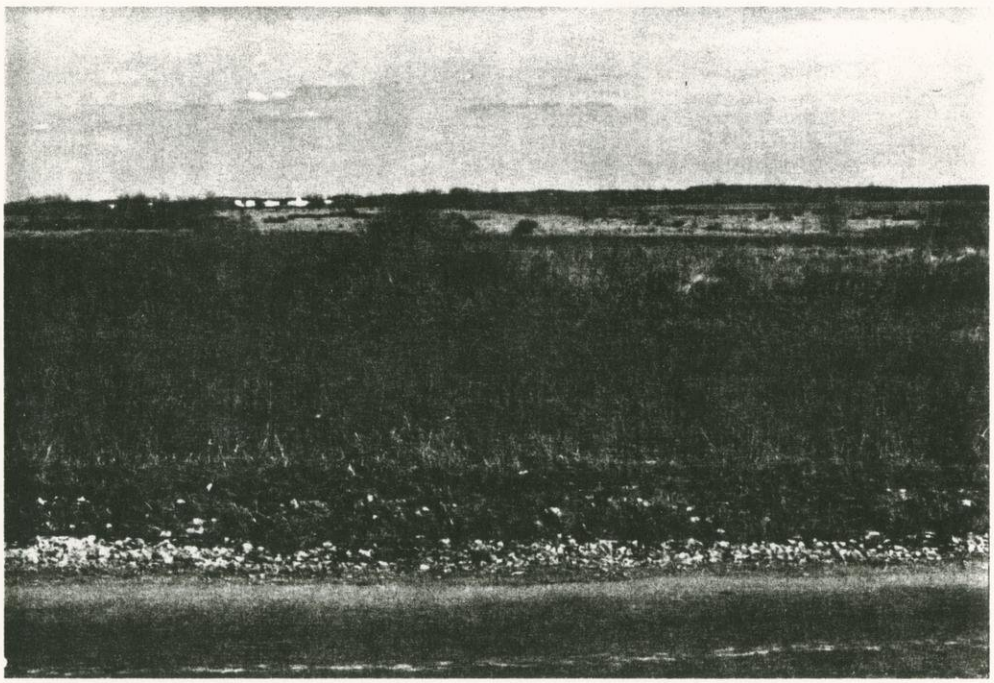

Fig. 4r Looking east from Raywood Road across subject's industrial zoned land.

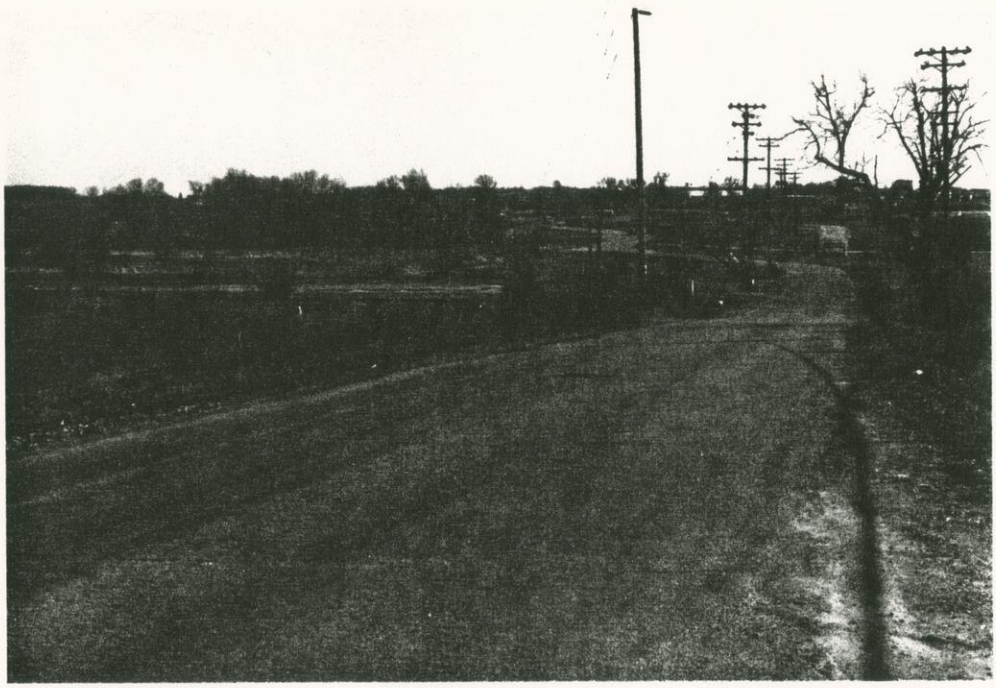

Fig. 4s Looking south along existing Raywood Road toward railroad crossing at southwest corner of subject site.

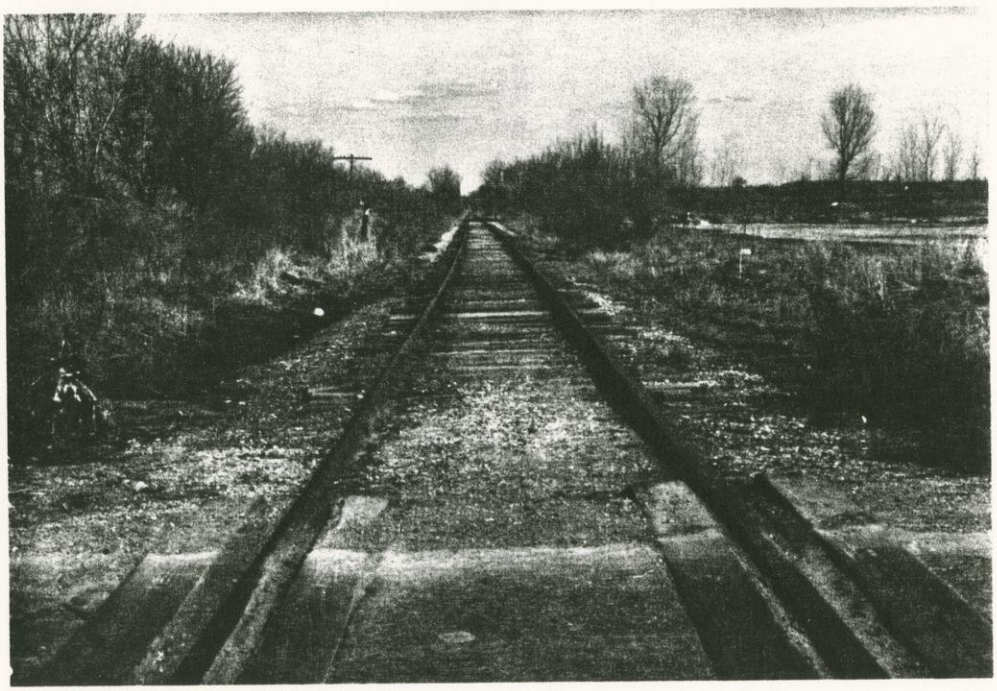

Fig. 4t Looking east along the railroad right-of-way from southwesterly corner of the subject property.

TABLE 2

MONONA SOUTH TOWNE DEVELOPMENT
LAND USE BY NET AREA

	NET LAND AREA SQ.FT.	NET LAND AREA ACRES	PCT. OF TOTAL
Zero Lot Line Residential	940,430	21.6	19.5%
Multifamily	476,724	10.9	9.8
Suburban Office	413,449	9.5	8.6
Corporate Office	187,744	4.3	3.9
Retail/Service	1,091,327	25.1	22.6
Non-Retail Commercial	502,853	11.5	10.4
Industrial	1,221,151	28.0	25.3
TOTAL	4,833,678	110.9	100.0%

Source: Landmark Research, Inc.

Much of the subject site has been platted into individual lots that are typically rectangular and which have adequate frontage to depth ratios.

b. Topography and Drainage

The topography and drainage of the subject property are generally conducive to its development. It is generally level to gently rolling and at street grade. The steepest slopes (approximately 10 percent) are found at the southwest edge of

the property but are not expected to present any development problems for probable users. The interior of the site, located on the block bounded by Raywood Road, Royal Avenue, Gisholt Drive and Industrial Drive, is drained via ditches located in a greenway outlot that flows out in a southeasterly direction.

c. Soils and Subsoil Conditions

Soil studies were neither made nor provided for use in this appraisal. However, an investigation of available information [2] indicates that the subject property generally has soils that will not adversely affect its potential use and value.

The majority of these soils are from the St. Charles series. However, in the area of Lot 30 (a multiple family parcel) soils are from the Virgil series and are subject to seasonably high water tables. [3]

d. Ground Cover and Vegetation

The subject property is generally open grassland that has grown up since previous agricultural uses were discontinued. However, a small area of the property on the southeast side of South Towne Drive is heavily wooded with mature hardwood trees.

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[2] United States Department of Agriculture, Soil Survey of Dane County, Wisconsin, (January, 1978) Sheet 104.

[3] See Appendix B.

This area is currently designated for single-family development and will benefit from this aesthetically pleasing attribute.

2. Access

Overall access to the property is very good. The eastbound lane of West Broadway permits access from signal controlled at-grade intersections. One such intersection is with Raywood Road, which runs in a north-south direction along the west boundary of the property. The second is at Bridge Road, which leads directly into South Towne Boulevard and the West Broadway frontage road. A third access point from the eastbound lane of West Broadway is available at Gisholt Drive. Since West Broadway is a divided highway, the only available access from the westbound lane is at the Raywood and Bridge Road intersections. Raywood Road provides secondary access via intersections at Royal Avenue and Industrial Drive.

The internal street pattern provides good access to all individual sites. Ingress and egress is or will be available from driveways that are at site grade.

3. Utilities and Public Services

A full complement of urban services and utilities is available to the subject site. This includes water from the City of Monona; sanitary sewer from the Madison Metropolitan Sewage District; natural gas from Madison Gas and Electric

Company; and buried telephone service from Wisconsin Telephone Company, a Bell System affiliate, with a Madison exchange. The service capacity of this recently installed system is adequate for all uses to which the property could reasonably be put.

4. Legal and Political Constraints

The most significant constraint upon the use(s), and in turn the value of the subject property, is the City of Monona Zoning Code and Master Plan. These regulations are in the form of flexible performance criteria rather than rigid specifications.

The South Towne property is classified as a Community Design District (CDD). The characteristics of this district and the district's performance standards are shown in Appendix C. This classification promotes a mixed use development that:

> ... will include a compatible mix of residential, commercial, industrial, or open space uses which realize the goals of the Master Plan...development shall occur according to a large-scale plan rather than on a piecemeal basis. It is intended that this plan be a mutual product of efforts of the property owner and the City. [4]

The intent of this ordinance has been implemented and has resulted in the land use plan for the subject property which

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[4] City of Monona Ordinance: Chapter 12 - Zoning Code Section 12.110 and 12.111.

will serve as the basis for this appraisal. As previously described, this plan delineates seven land use areas shown in Figure 3.

D. The Subject Improvements

The subject property is a vacant mixed use subdivision which is improved with streets and underground utilities according to the previously described plans. The streets were funded by special assessments charged through the City of Monona and were built to their specifications. As of the effective date of this appraisal, the construction of Industrial Drive, extended south of Royal Avenue, was funded but not yet begun. For purposes of this appraisal, the expected cost of this improvement, to be completed in mid-1983, was used as the basis for the total special assessment charge which was then allocated for the site area served on a price per square foot basis (see Appendix A). For previous improvements, the City of Monona's actual allocations were used.

E. Highest and Best Use

The term highest and best use is defined as being "that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported,

financially feasible, and which results in highest land value." [5]

In the case of the subject property, the City of Monona zoning ordinance is the controlling factor with respect to the subject property's highest and best use. This ordinance defines seven land use zones which, as per specific instructions by the City of Monona, are considered as unalterable. However, for purposes of this appraisal, the relatively fine distinction that may exist between general office development and corporate office development has been disregarded. Moreover, because of potential similarities among some uses within each category, a portion of the retail/service zone has been allowed development frequently considered to be an office/warehouse use. A catalog-showroom center such as the nearby Phillips store is an example of this type of use. The highest and best use of each of the subject's use zones is more specifically described below:

1. Zero Lot Line Residential

This 21.6 acre site can be developed to a density of six units per acre, or approximately 130 units overall. This development will presumably occur in several stages linking the development process to the rate of market demand.

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[5] Byrl N. Boyce, pp. 126-127.

2. Multiple Family Residential

This 10.9 acre site can be developed to a density of approximately 12 units per acre, or approximately 132 units. The property will presumably be sold to one developer in a single transaction.

3. Office

This 13.8 acre area (601,193 square feet) can be improved to a maximum floor area ratio (the ratio of gross floor area of the building to net site area) of approximately 35 percent. This suggests that it could accommodate buildings with a total floor area of approximately 210,000 square feet.

4. Retail/Service

This zone contains 25.1 acres (1,091,327 square feet) of net usable site area and given a 25 percent floor area ratio, could accommodate approximately 272,832 square feet of retail building area. However, as will be shown later, this area is excessive relative to the expected demand for space that is exclusively retail in nature. Because of this, 619,692 square feet of the retail area is also considered to be available for uses that are broadly considered office/warehouse uses. Facilities that have some type of direct consumer sales activities should be given priority for this area.

5. Non-Retail Commercial

This zone, which will primarily accommodate office/ warehouse type uses, contains 11.5 acres (502,853 square feet) of site area. Given a typical floor area ratio of 35 percent, it will accommodate structures with a combined floor area of approximately 176,000 square feet. To this is added the surplus site area from the retail zone to bring the total available area to 25.8 acres (1,122,545 square feet). At a floor area ratio of 35 percent, this combined zone will permit approximately 393,000 square feet of building floor area.

6. Manufacturing

This zone contains 28.0 acres (1,221,151 square feet) and, with a floor area ratio of 35 percent, will accommodate approximately 427,000 square feet of building area. This area is to be limited to facilities that perform some type of manufacturing process rather than exclusively warehousing. The layout of the area will permit a single large facility or several smaller facilities.

The uses outlined above will then serve as the basis for the following valuation of the subject property.

III. VALUATION OF THE SUBJECT PROPERTY

A. The Valuation Methodology

Because the subject property is unique in the Madison area, comparable sales do not exist, and a traditional sales comparison approach cannot be applied. In the absence of this data, the appraiser must simulate the calculus that a typical investor would employ to arrive at the price that he would pay for the property. This is best accomplished by means of a land development cash flow model. This method of valuation estimates the retail sales price for sites within each portion of the subject and the rate of sale to arrive at an estimate of the gross revenues that will be received by the purchaser over his ownership term, which expires when the entire project is sold off. From this, the expenses associated with the development, the sale, and holding costs are deducted to arrive at an estimate of the net annual cash flows that would accrue to the investor. This series of net cash flows is then discounted at a typically required rate of return to yield the present worth of the investor's interest in the property.

B. The Valuation Model

The application of this valuation model begins with an estimate of the rate at which each of the subject property's land use areas would be expected to sell.

1. The Absorption Rates

The absorption rates for each of the subject's land use categories were derived from an investigation of historic absorption rates in the subject's market area. This market area is defined as being the geographic area within which uses of the subject property would reasonably be expected to seek alternative locations. Two such areas were identified and are shown in Figures 5 and 6. One of these applies to office/ warehouse and manufacturing uses, the second applies to retail and office uses.

Subsequent to the identification of these market areas, a survey of building permit activity during each of the five years between 1978 and 1982 was made. Data on permit activity gathered by the Dane County Regional Planning Commission was used to identify the individual permits. Once identified, the governmental units which issued the permits were contacted and the actual building areas were obtained from the permits themselves. The building areas were then grouped into seven separate use categories. Data showing the floor area built for each building type during each of the preceding five years is shown in Table 3.

To apply this measure of demand, we have assumed that demand for the various use categories will be equal to the average demand over the past five years. A review of

FIGURE 5

COMPETING MARKET AREA FOR
SOUTH TOWNE INDUSTRIAL SITES

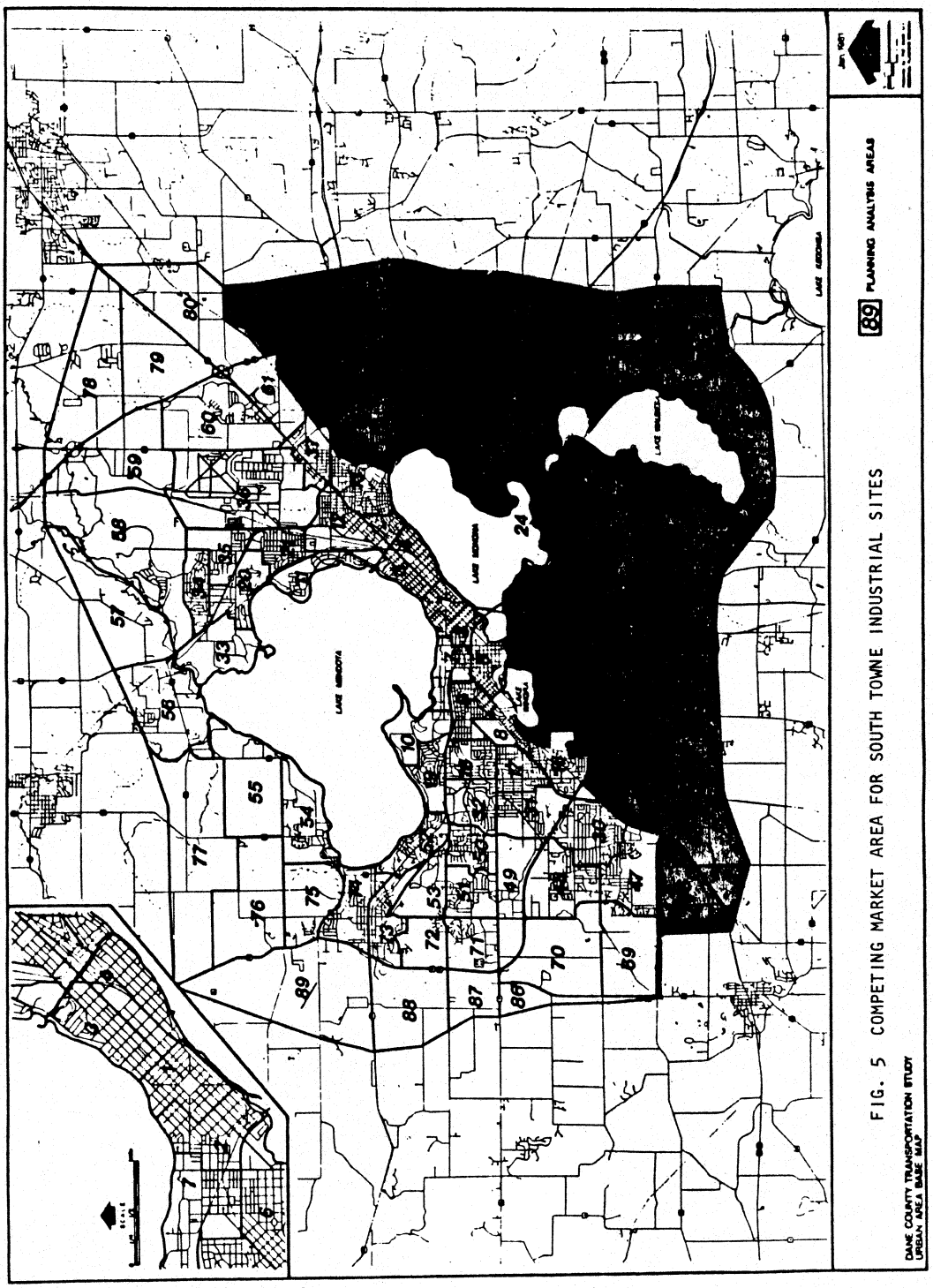

FIG. 5 COMPETING MARKET AREA FOR SOUTH TOWNE INDUSTRIAL SITES

FIGURE 6

COMPETING MARKET AREA FOR
SOUTH TOWNE COMMERCIAL SITES

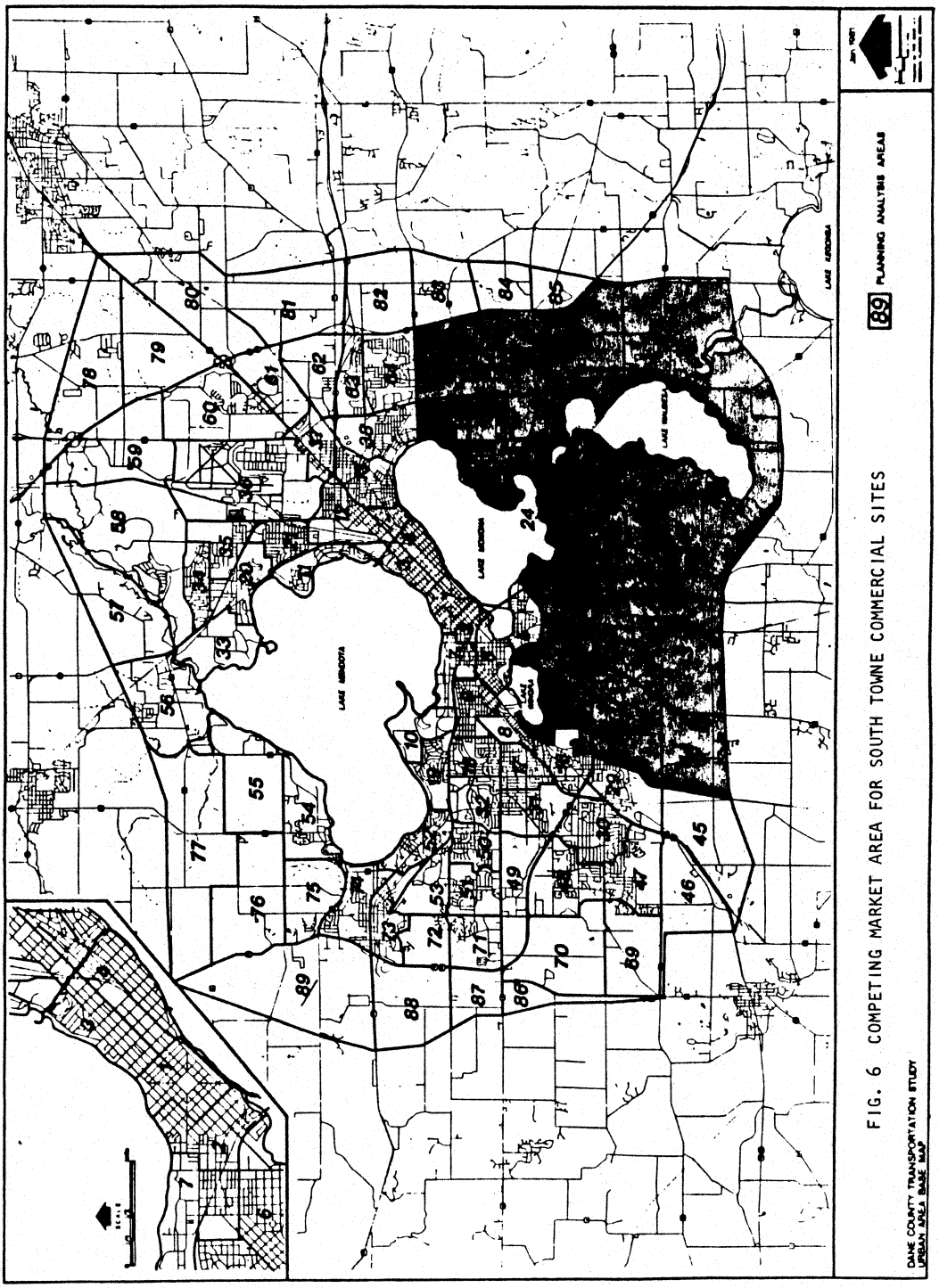

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TABLE 3

SUMMARY OF BUILDING AREA (SQ.FT.) CONSTRUCTED IN STUDY AREAS 1978 - 1982

YEAR	MERCANTILE	SALES/ SERVICE	FOOD SERVICE	OFFICE	OFFICE WAREHOUSE	INDUSTRIAL MFG.	OTHER
1978	20,855	5,895	6,764	44,050	736,687	30,704	-0-
1979	108,560	13,233	-0-	41,776	375,575	36,793	12,000
1980	189,934	3,700	1,800	86,492	478,585	12,000	20,656
1981	7,800	-0-	1,566	35,741	33,992	36,000	-0-
1982	117,350	4,875	4,081	30,444	70,722	20,000	-0-
MEAN	88,900	5,541	2,842	47,700	339,112	27,099	6,531
STANDARD DEVIATION	75,185	4,843	2,632	22,327	293,249	10,777	9,452
	0.846	0.874	0.926	0.475	0.865	0.398	1.447

TOTAL

1978 844,955
1979 587,937
1980 793,167
1981 115 099
1982 247,472

$\bar{x}$ 517,726
Std. 325 201
norm Std dev. 0.628

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absorption rates indicates that the range of activity over the past five years typifies the range of the real estate development cycle in Madison. Using an average smooths the pace of development and represents some degree of economic optimism given the level of excess supply of commercial/retail space in Madison and the probability that the subject area will be isolated by road construction during the next five years.

The use of building permit activity as a basis for a land absorption estimate is justified by two factors. First, the speculative demand which has characterized many area land markets over the past two decades is now very limited by high interest rates. The rate at which land has been required by actual construction is, therefore, a far more reliable estimate of future demand. Second, data about actual building permit activity is far more accurate than data regarding land transfers, which are frequently only transfers from one owner to another related party and do not represent any new demand for sites. However, the use of building permit activity does present one problem; the building area must be converted to a corresponding estimate of the site area required to support the volume of building activity. This is accomplished using a normal ratio of building area to land area known as a floor area ratio.

The floor area ratio for each land use category was computed from a sample of existing properties where both land area and building area were known. The results of this investigation, along with the resulting market area estimates of site area demand resulting from the average building permit activity occurring over the past five years, is shown in Table 4. In this table, mercantile, sales/service, and food service were combined into a single retail/service category, and the "other" category, which includes parking lots, etc., was omitted.

The total market area demand for each of the land use categories in Table 4 is translated to the demand for land area at the subject site by multiplying the overall square feet of annual market area demand by the proportion of total demand that the subject property can reasonably expect to capture. This capture rate was estimated by the appraisers given data on the characteristics of the subject property, its current competition, and the new competition which is expected to develop during the subject's sell-off period. The capture rates for each land use type and the resulting average annual demand for the subject lands, by category, are shown in Table 5.

These absorption schedules are reliable estimates of expected future demand given that the experience of the past five years are indicative of a range of business conditions.

TABLE 4

AVERAGE ANNUAL MARKET AREA DEMAND FOR
NEW BUILDING FLOOR AREA AND
SITE AREA BY USE TYPE

USE TYPE	AVERAGE ANNUAL DEMAND FLOOR AREA (SQ.FT.)	FLOOR AREA RATIO	AVERAGE ANNUAL DEMAND FOR SITE AREA	
			SQ.FT.	ACRES
Office	47,700	0.35	136,286	3.1
Retail/Service	97,283	0.25	389,132	8.9
Non-Retail Commercial	339,112	0.35	968,891	22.2
Industrial	27,099	0.35	77,426	1.8

Source: Landmark Research, Inc.

TABLE 5

FORECAST ABSORPTION AND SELL-OFF PERIOD
FOR THE SUBJECT LANDS BY USE TYPE

USE TYPE	ANNUAL MARKET AREA DEMAND	SUBJECT CAPTURE RATIO	ANNUAL ABSORPTION AT SUBJECT PROP. (SQ.FT.)	(ACRES)	AVAILABLE SITE AREA (SQ.FT.)	(ACRES)	SELL-OFF PERIOD (YEARS)
Office	136,286	30%	40,886	0.9	601,193	13.8	14.7
Retail/Service	389,132	10%	38,913	0.9	1,091,327	25.1	28.0
Non-Retail Commercial	968,891	35%	339,112	7.8	502,853	11.5	1.5
Industrial	77,426	20%	15,485	0.4	1,221,151	28.0	78.9

This assumption is reasonable for all but industrial manufacturing lands. The market for these uses is sporatic and may not be accurately reflected in a five-year sample. Moreover, purchasers tend to acquire large sites and a single transaction could transfer the subject's entire 28.0 acre manufacturing tract. At least one area manufacturer has already expressed interest in the site. Moreover, the availability of the Tax Incremental Financing (TIF) would prove to be an extremely attractive inducement to prospective purchasers. This "spot market", where the property may or may not sell, makes the application of a discounted cash flow land development model inappropriate. The manufacturing land can then only be valued by sales comparison techniques. This approach is described in a later section of this report.

The absorption rates for the subject's zero lot line residential land and its multi family land were not analyzed in the same way as the other land use categories. This difference is justified by their relatively small size which suggests that each would transfer to a single buyer in one transaction per property type. Based upon our analysis of the zero lot line site, the parcel is expected to sell to a single buyer in three successive transactions involving equal sized tracts. These sales are forecast to occur at two-year

intervals beginning two years after the date of this appraisal and ending after six years have elapsed.

The present condition of the multiple family housing market currently raises serious questions about the feasibility of any new development. The sale of this portion of the subject property is, therefore, difficult to anticipate. It could reasonably be expected to occur at any time in the next three years. To reflect this situation as accurately as possible, a sale of one-third of the property in each of the following three years is forecast.

2. Retail Sales Prices for the Subject Sites

An analysis of the Madison area land market has been made for the purpose of identifying sales transactions from which the most probable selling price of the typical sites within each of the subject's land use zones can be estimated. Tables 6, 7, and 8 summarize these comparable transactions for residential, commercial, and industrial sites respectively. The location of each sale is shown in Figures 7, 8, and 9.

The following retail land sale prices for each of the subject's land use categories have been estimated from this data and are shown in Table 9.

TABLE 6

SUMMARY OF RESIDENTIAL LAND SALES DATA

SALE NO.	LOCATION	SALE DATE	SIZE (ACRES)	DWELLING UNITS (DU)	DENSITY (DU's/AC.)	SALE PRICE $	SALE PRICE $/DU
R-1	Mondale Court	9/77	1.56	16	10.3	$ 77,600	$4,850
R-2	Pike Drive	7/79	3.50	45	12.9	210,000	4,667
R-3	University Avenue	9/80	3.54	16	4.5	105,000	6,563
R-4	Century Avenue	2/78	5.26	48	9.1	150,000	3,125
R-5	Tree Lane	11/81	5.50	96	17.5	473,800	4,935
R-6	Post Road	11/79	5.70	90	15.8	279,000	3,100
R-7	Offshore Drive	2/81	10.53	207	19.7	600,000	2,899
R-8	Fordem Avenue	9/79	11.60	N/A	N/A	500,000	N/A
R-9	Pebble Beach Road	1/81	31.50	299	9.5	767,000	2,565
R-10	Tree Lane	77	N/A	N/A	4.5	N/A	4,000-5,000

Source: Landmark Research, Inc.

FIGURE 7

LOCATION OF RESIDENTIAL
LAND SALES

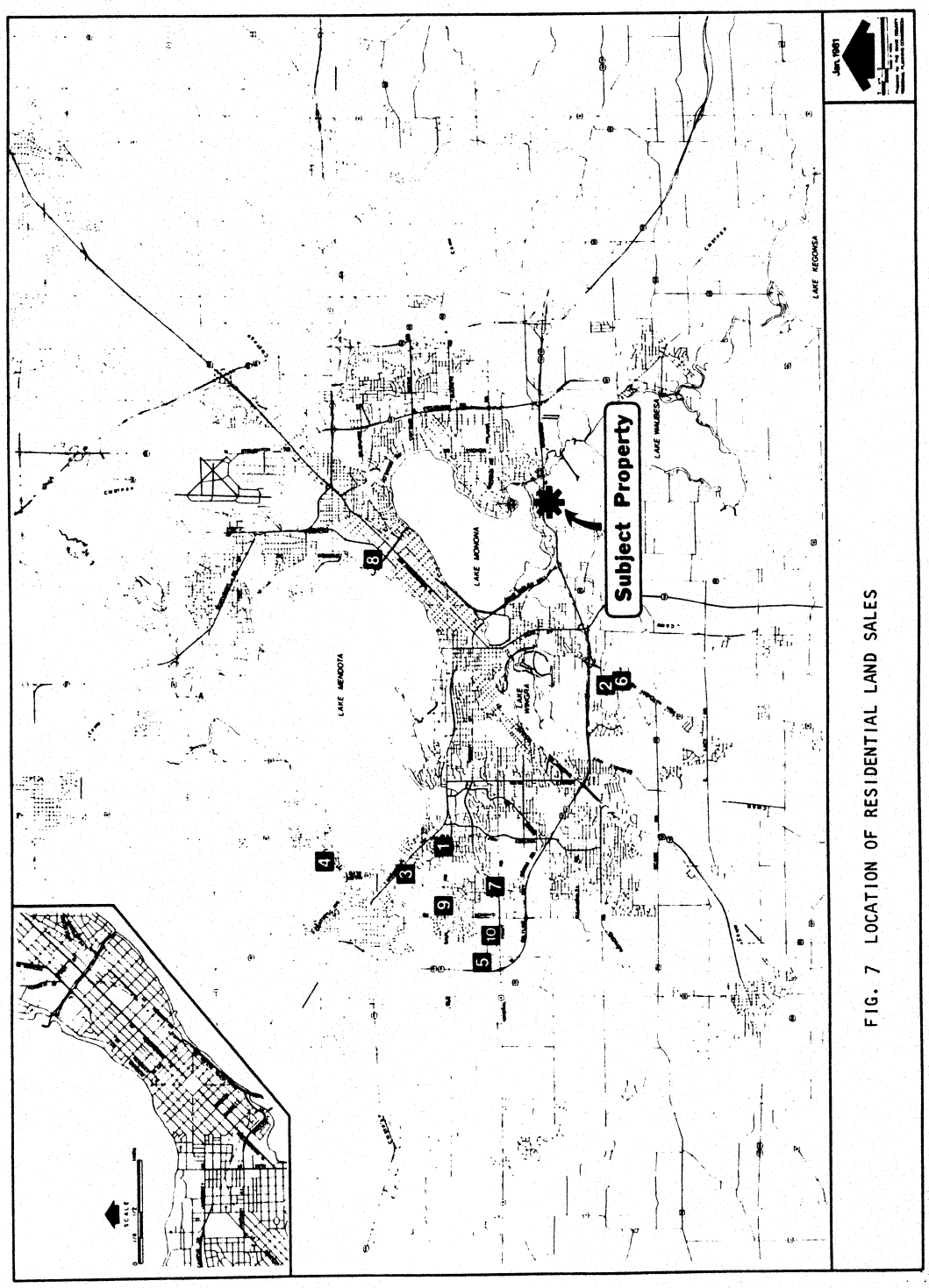

FIG. 7 LOCATION OF RESIDENTIAL LAND SALES

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TABLE 7

SUMMARY OF COMMERCIAL LAND SALES DATA

SALE NO.	LOCATION	SALE DATE	SIZE SQ.FT.	SIZE ACRES	ZONING (a)	SALE PRICE $	SALE PRICE $/SF
C-1	S. Park Street	3/81	17,250	0.396	C-2 (b)	$112,000	$6.49
C-2	Grand Canyon Drive	1/80	22,112	0.508	C3-L	60,000	2.71
C-3	Grand Canyon Drive	1/81	24,813	0.570	C3-L	68,000	2.74
C-4	W. Broadway	4/76	25,200	0.579	B-1 (c)	84,000	3.33
C-5	Yellowstone Drive	3/81	28,264	0.649	C3-L	81,500	2.88
C-6	University Avenue	6/76	30,926	0.710	C1	175,000	5.66
C-7	Monona Drive	1/78	33,106	0.713	B1 (c)	75,000	2.27
C-8	Grand Teton Plaza	12/79	33,566	0.771	C3-L	75,600	2.25
C-9	Grand Teton Plaza	5/81	34,004	0.781	C3-L	76,509	2.25
C-10	Monona Drive	12/77	37,241	0.855	B-1 (c)	70,000	1.88
C-11	Gammon Road	12/80	38,226	0.878	C3-L	111,238	2.91
C-12	W. Broadway	7/82	42,776	0.982	B-1 (c)	211,500	4.94
C-13	Northport Drive	8/82	43,112	0.990	C2	149,000	3.46
C-14	E. Washington Avenue	12/79	44,640	1.025	C2	175,000	3.92
C-15	University Avenue	5/78	44,800	1.028	C1	232,000	5.18
C-16	Hayes Road	2/79	46,888	1.076	C2	105,500	2.25
C-17	Grand Teton Plaza	1/82	47,438	1.089	C3-L	142,300	3.00
C-18	Rolfsmeyer Road	2/80	47,916	1.100	C3-L	26,000	0.54
C-19	Northport Drive	11/76	48,944	1.124	C2	210,000	4.29
C-20	W. Beltline Hwy	1/76	49,275	1.131	C1	119,000	2.42
C-21	E. Washington Avenue	6/79	52,000	1.194	C2	145,000	2.79
C-22	Odana Road	4/80	52,506	1.205	C3-L	157,000	2.99
C-23	Syene Road	12/81	53,571	1.230	C3-L	80,400	1.50
C-24	Thierer Road	12/80	62,816	1.442	C3-L	204,000	3.25
C-25	High Point Road	4/81	65,950	1.514	C3-L	123,000	1.87
C-26	Grand Canyon Drive	11/81	69,773	1.602	C3-L	84,100	1.21
C-27	W. Broadway	5/80	75,246	1.727	C2	232,000	3.08
C-28	Grand Canyon Drive	11/81	78,697	1.807	C3-L	250,000	3.18
C-29	Grand Teton Plaza	8/79	85,192	1.956	C3-L	206,000	2.42
C-30	Hayes Road	8/79	90,637	2.081	C2	227,700	2.51
C-31	Hayes Road	1/80	118,395	2.718	C2	250,000	2.11
C-32	Whitney Way	6/81	123,275	2.830	C3-L	493,000	4.00
C-33	Grand Canyon Drive	2/80	125,342	2.877	C3-L	332,156	2.65
C-34	Syene Road	12/81	178,573	4.099	C3-L	300,000	1.68
C-35	Odana Road	11/81	244,314	5.609	C3-L	623,000	2.55
C-36	W. Beltline Hwy	8/79	312,100	7.265	C2 (b)	625,000	2.00
C-37	Mineral Point Road	1/80	431,679	9.910	C3-L	703,500	1.63
C-38	W. Broadway	3/81	446.577	10.252	CDD (c)	871,500	1.95

(a) All City of Madison unless otherwise indicated
(b) Town of Madison
(c) City of Monona

Source: Landmark Research, Inc.

FIGURE 8

LOCATION OF COMMERCIAL
LAND SALES

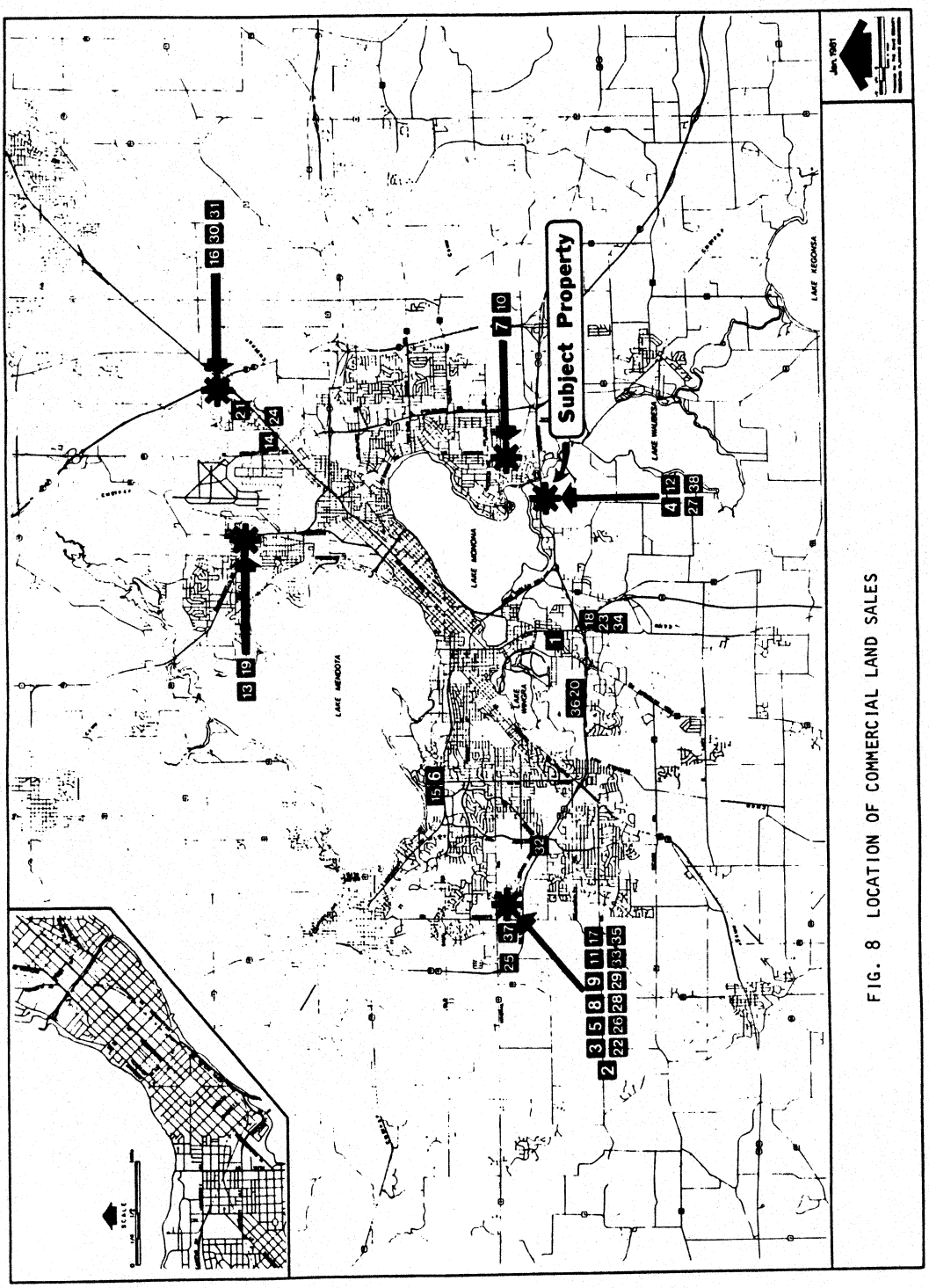

FIG. 8 LOCATION OF COMMERCIAL LAND SALES

TABLE 8

SUMMARY OF INDUSTRIAL LAND SALES DATA

SALE NO.	LOCATION	SALE DATE	SIZE SQ.FT.	SIZE ACRES	ZONING (a)	SALE PRICE $	SALE PRICE $/SF
I-1	Neptune Court	11/79	24,927	0.572	MI	$ 31,150	$1.25
I-2	Tasman Street	10/81	24,975	0.573	MI	32,000	1.28
I-3	Neptune Court	2/79	44,913	1.031	MI	51,825	1.15
I-4	Watson Avenue	11/81	45,000	1.033	MI	64,200	1.43
I-5	Pflaum Road	9/82	45,472	1.044	MI	60,000	1.32
I-6	S. Stoughton Road	7/79	47,994	1.102	MI	46,000	0.96
I-7	Stewart Street	8/81	70,945	1.629	MI	84,000	1.18
I-8	Pflaum Road	6/80	75,533	1.734	MI	45,000	0.60
I-9	Argosy Court	9/80	82,787	1.901	MI	74,500	0.90
I-10	Robertson Road	1/82	98,600	2.264	MI	98,600	1.00
I-11	Mustang Way	3/80	104,952	2.409	MI	63,000	0.60
I-12	Advance Road	3/81	107,201	2.461	MI	69,000	0.64
I-13	Terminal Drive	10/79	155,428	3.568	MI (b)	110,000	0.71
I-14	Triangle Street	10/77	156.468	3.592	MI (b)	24,000	0.15
I-15	Robertson Road	7/80	160,970	3.695	MI	144,000	0.89
I-16	Commercial Avenue	10/80	175,547	4.030	MI	181,150	1.03
I-17	Pflaum Road	5/81	272,250	6.250	MI	135,000	0.50
I-18	Progress Road	3/81	307,534	7.060	M2	117,500	0.38

(a) All City of Madison unless otherwise indicated
(b) McFarland Zoning Code

Source: Landmark Research, Inc.

FIGURE 9

LOCATION OF INDUSTRIAL
LAND SALES

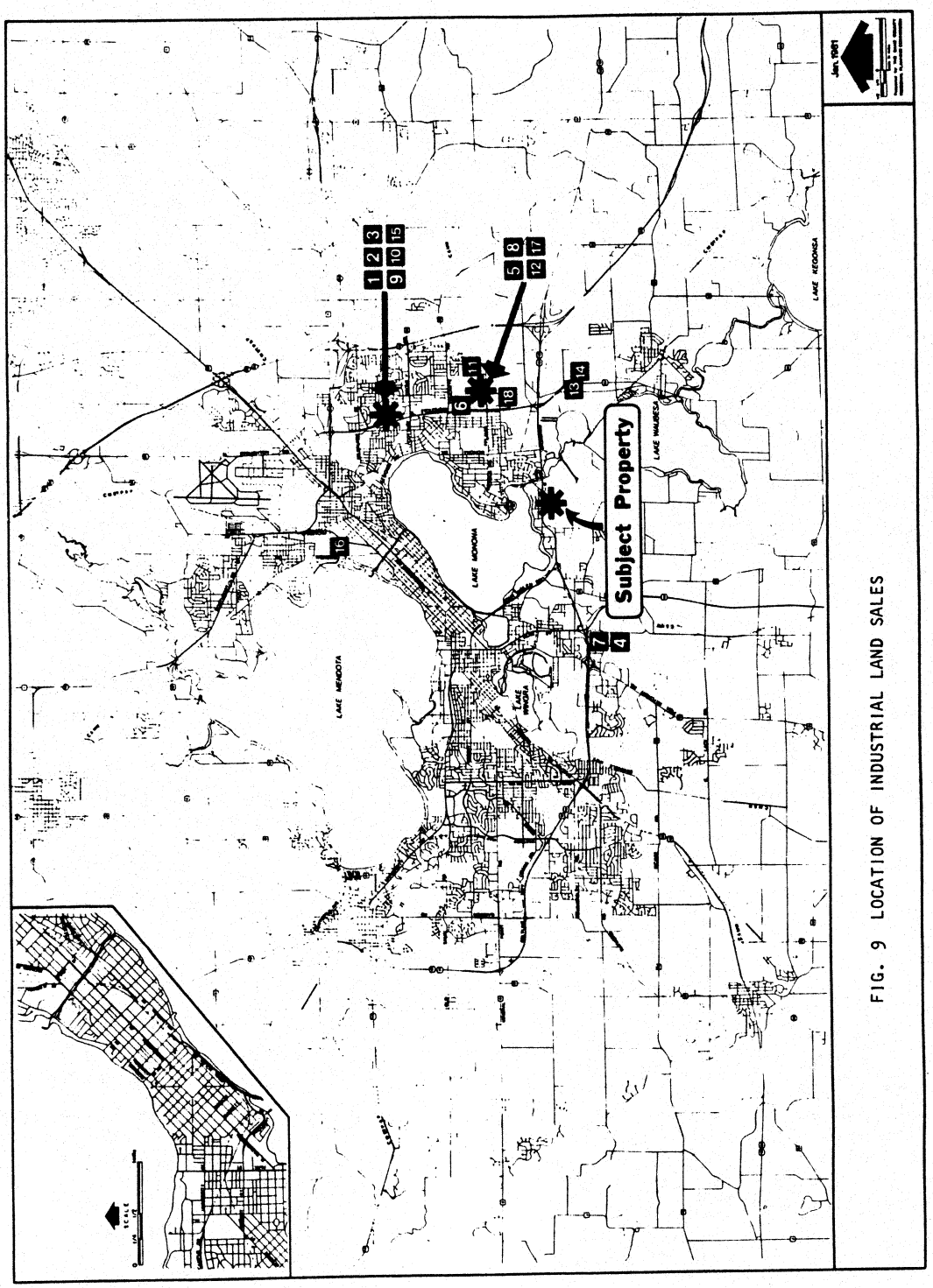

FIG. 9 LOCATION OF INDUSTRIAL LAND SALES

TABLE 9

FORECAST RETAIL PRICES FOR THE SUBJECT LANDS
BY LAND USE CATEGORY IN FIRST YEAR OF PROJECTION

ZONE	RETAIL PRICE $/SF	RETAIL PRICE $/D.U.
Zero Lot Line Residential	$0.62	$4,500
Multiple Family	0.97	3,500
Office	1.75	N/A
Retail/Service	1.75	N/A
Non-Retail Commercial	1.25	N/A
Industrial	0.75	N/A

Source: Landmark Research, Inc.

These retail sales prices are applicable to transactions in the first year of sales subsequent to this appraisal. These retail prices are forecast to increase at a rate of four percent per annum thereafter.

3. Development Expenses

The following costs and expenses can be expected by a typical purchaser of the subject property:

Sale and Closing Costs: Are estimated to be 10 percent of annual gross sales revenue.

Real Estate Taxes: Real estate taxes are computed in a manner consistent with the Property Assessment Manual for Wisconsin Assessors, Section 8, pages 10 through 14. This technique requires that the market value of available land for each year

be estimated. The available area at the beginning of the year plus the remaining area at the end of the year divided by two yields the average available land for the year. The average available land is then multiplied by the current year's per square foot sales price to obtain an estimate of market value. Then, the total raw land value (value of bare ground excluding streets, grading, improvements, etc.) of available land is subtracted from the estimated market value of available land. For purposes of this appraisal, the raw land value is estimated to be 20 percent of the estimated market value of available land. The result is multiplied by the appropriate yearly projection term factor which is based upon the investor's required rate of return and on the assessor's estimate of the length of time it would take the developer to sell all the land. Based upon the expected sell-off periods shown in Table 5, the assessor would not reasonably accept more than a ten-year sell-off or projection period. The raw land value is then added back to the resulting product to obtain land value for assessment purposes (assuming an assessment level of 100 percent). Then, this land value is multiplied by the tax rate to obtain an estimate of real estate taxes for that year. A tax rate of 2.5 percent of assessed value is used throughout this forecast.

Management and Administration: This is estimated to be a fixed charge of $1,000 per year for each land use group, plus one percent of the full retail price of the average land owned (beginning area plus ending area divided by two) during the year.

Special Assessments: The City of Monona has installed improvements and levied special assessments against the property. These are to be fully amortized by the property owner over an eight year term with interest on the unpaid balance charged at 10.5 percent. The installment to amortize is calculated just as it would be for a conventional mortgage. However, the special assessments contain a due-on-sale clause that requires that all outstanding special assessments on a given piece of property be paid when the property is sold. This requires periodic partial release payments. For purposes of this computation, it is assumed that all sales are closed at the end of each projection year. This implies that the owner/investor would pay interest on special assessments for the entire year and then pay off a portion of the special assessments equal to the outstanding balance at year end times the proportion of land sold during the year. This partial release payment will also trigger a reduction in the annual

installment to amortize in the same proportion as area sold to the beginning land area.

4. Required Rate of Return

Data regarding the rate of return that would typically be required by a probable purchaser of the subject is best obtained from interviews with investors who are actively involved with projects that are similar to the subject. However, each project is unique and the rate of return is inextricably related to the risk inherant in the assumptions which are made about the investment's performance. In this case, the assumptions with respect to sell-off periods, retail market prices, required capital expenditures, and holding costs are believed to be reasonable and therefore entail less risk than more optimistic projections. Based upon this, a discount rate of 25 percent is most applicable to the subject property.

5. Financing

The subject property is currently subject to special assessments which serve as the financing available for the purchase of the property. These are of sufficient size to preclude the addition of private mortgage, which would by law, be subordinated to the special assessments.

6. The Land Development Models

The output from five South Towne Land Development Models (one for each land use category except the manufacturing lands) shown as Tables 10 through 14, apply the data and assumptions described above to derive an estimate of the market value of five of the subject's land use zones. The results of the modeling process are summarized in Table 15.

7. Valuation of the Manufacturing Lands

Because of the spot market associated with the manufacturing portion of the subject property, it is not amenable to valuation via a cash flow model. It is, therefore, necessary to look directly to similar properties which have sold in the market. These sales are summarized in Table 15.

Sale M-1 was acquired approximately 13 months prior to the date of this valuation by the Walgreen Company as the site of its regional distribution warehouse. The sale price for this property would be expected to have increased somewhat during the period between its actual sale and the date of this appraisal. The comparable property is believed to be somewhat less desirable than the subject property because of its suburban location and the associated lack of urban services. However, it does enjoy excellent access to the interstate highway system and has linkages that are at least equal to the subject's. The comparable property is rail served and, given

TABLE 10

SOUTH TOWNE LAND DEVELOPMENT MODEL
SINGLE FAMILY LANDS

YEAR	1	2	3	4	5	6
Available area-Begin Yr.(s.f)	940430	940430	626953	626953	313476	313476
Area Sold (s.f.)	0	313477	0	313477	0	313476
Remaining area-End Yr. (s.f.)	940430	626953	626953	313476	313476	0
Pct. of Total Area Sold During Year	.00	33.33	.00	50.00	.00	100.00
Sale Price ($/s.f.)	.62	.64	.67	.70	.73	.75
Gross Sales Revenue	0	202130	0	218624	0	236463
Less: Sales & Closing Costs	0	20213	0	21862	0	23646
Net Sales Revenue	0	181917	0	196761	0	212816
Less: Real Estate Taxes	7113	6367	5634	4591	3365	1868
Less: Management and Administration	6831	6053	5204	4279	3274	2182
Less: Special Assessment Payments						
Spcl. Assmnt. Bal. ($ B.O.Y.)	0	0	0	0	0	0
Interest Rate	.105	.105	.105	.105	.105	.105
Interest ($)	0	0	0	0	0	0
Payment ($)	0	0	0	0	0	0
Principal ($)	0	0	0	0	0	0
Partial Release Payment ($)	0	0	0	0	0	0
Cash Throw-Off	-13944	169497	-10838	187891	-6639	208766
NET PRESENT VALUE OF PROJECT	221285					

TABLE 11

SOUTH TOWNE LAND DEVELOPMENT MODEL
MULTIPLE FAMILY LANDS

YEAR	1	2	3
Available area-Begin Yr.(s.f)	476724	317816	158908
Area Sold (s.f.)	158908	158908	158908
Remaining area-End Yr. (s.f.)	317816	158908	0
Pct. of Total Area Sold During Year	33.33	50.00	100.00
Sale Price ($/s.f.)	.97	1.01	1.05
Gross Sales Revenue	154141	160306	166719
Less: Sales & Closing Costs	15414	16031	16672
Net Sales Revenue	138727	144276	150047
Less: Real Estate Taxes	4701	3030	1117
Less: Management and Administration	4854	3405	1834
Less: Special Assessment Payments			
Spcl. Assmnt. Bal. ($ B.O.Y.)	0	0	0
Interest Rate	.105	.105	.105
Interest ($)	0	0	0
Payment ($)	0	0	0
Principal ($)	0	0	0
Partial Release Payment ($)	0	0	0
Cash Throw-Off	129172	137841	147096
NET PRESENT VALUE OF PROJECT	266869		

TABLE 12

SOUTH TOWNE LAND DEVELOPMENT MODEL

OFFICE LANDS

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Available area-Begin Yr.(s.f)	601193	560307	519421	478535	437649	396763	355877	314991	274105	233219	192333	151447	110561	69675	28789
Area Sold (s.f.)	40886	40886	40886	40886	40886	40886	40886	40886	40886	40886	40886	40886	40886	40886	28789
Remaining area-End Yr. (s.f.)	560307	519421	478535	437649	396763	355877	314991	274105	233219	192333	151447	110561	69675	28789	0
Pct. of Total Area Sold During Year	6.80	7.30	7.87	8.54	9.34	10.30	11.49	12.98	14.92	17.53	21.26	27.00	36.98	58.68	100.00
Sale Price ($/s.f.)	1.75	1.82	1.89	1.97	2.05	2.13	2.21	2.30	2.39	2.49	2.59	2.69	2.80	2.91	3.03
Gross Sales Revenue	71551	74413	77389	80485	83704	87052	90534	94156	97922	101839	105912	110149	114555	119137	87243
Less: Sales & Closing Costs	7155	7441	7739	8048	8370	8705	9053	9416	9792	10184	10591	11015	11455	11914	8724
Net Sales Revenue	64395	66971	69650	72436	75334	78347	81481	84740	88130	91655	95321	99134	103099	107223	78519
Less: Real Estate Taxes	12399	12380	12656	12625	12641	12660	12478	12210	11786	11130	11132	8823	6312	3586	1091
Less: Management and Administration	11163	10826	10445	10018	9541	9012	8428	7783	7075	6300	5453	4529	3525	2435	1436
Less: Special Assessment Payments															
Spcl. Assmnt. Bal. ($ B.O.Y.)	110335	94001	78096	62740	48073	34260	21489	9983	0	0	0	0	0	0	0
Interest Rate	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105
Interest ($)	11585	9870	8200	6588	5048	3597	2256	1048	0	0	0	0	0	0	0
Payment ($)	21060	19628	18195	16763	15331	13899	12466	11032	0	0	0	0	0	0	0
Principal ($)	9475	9758	9995	10176	10283	10301	10210	9983	0	0	0	0	0	0	0
Partial Release Payment ($)	6859	6147	5361	4491	3530	2469	1296	0	0	0	0	0	0	0	0
Cash Throw-Off	12914	17991	22994	28540	34290	40307	46813	53716	69269	74225	78737	85781	93262	101202	75992
NET PRESENT VALUE OF PROJECT	128116														

TABLE 13

SOUTH TOWNE LAND DEVELOPMENT MODEL
RETAIL/SERVICE LANDS

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13
Available area-Begin Yr.(s.f)	471635	432722	393809	354896	315983	277070	238157	199244	160331	121418	82505	43592	4679
Area Sold (s.f.)	38913	38913	38913	38913	38913	38913	38913	38913	38913	38913	38913	38913	4679
Remaining area-End Yr. (s.f.)	432722	393809	354896	315983	277070	238157	199244	160331	121418	82505	43592	4679	0
Pct. of Total Area Sold During Year	8.25	8.99	9.88	10.96	12.31	14.04	16.34	19.53	24.27	32.05	47.16	89.27	100.00
Sale Price ($/s.f.)	1.75	1.82	1.89	1.97	2.05	2.13	2.21	2.30	2.39	2.49	2.59	2.69	2.80
Gross Sales Revenue	68098	70822	73655	76601	79665	82851	86165	89612	93196	96924	100801	104833	13110
Less: Sales & Closing Costs	6810	7082	7365	7660	7966	8285	8617	8961	9320	9692	10080	10483	1311
Net Sales Revenue	61288	63739	66289	68941	71698	74566	77549	80651	83877	87232	90721	94350	11799
Less: Real Estate Taxes	9654	9477	9495	9244	8985	8666	8136	7453	6545	5333	4083	1626	164
Less: Management and Administration	8913	8521	8086	7603	7071	6485	5843	5140	4374	3540	2633	1650	1066
Less: Special Assessment Payments													
Spcl. Assmt. Bal. ($ B.O.Y.)	189656	159066	129735	101952	76052	52422	31511	13837	0	0	0	0	0
Interest Rate	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105	.105
Interest ($)	19914	16702	13622	10705	7985	5504	3309	1453	0	0	0	0	0
Payment ($)	36200	33213	30227	27240	24253	21266	18280	15290	0	0	0	0	0
Principal ($)	16286	16511	16604	16535	16268	15762	14971	13837	0	0	0	0	0
Partial Release Payment ($)	14304	12819	11179	9366	7362	5149	2702	0	0	0	0	0	0
Cash Throw-Off	-7783	-292	7303	15488	24028	33000	42588	52768	72957	78359	84005	91074	10569
NET PRESENT VALUE OF PROJECT	70240												

TABLE 14

SOUTH TOWNE LAND DEVELOPMENT MODEL
OFFICE/WAREHOUSE LANDS

YEAR	1	2	3	4
Available area-Begin Yr.(s.f)	1122545	783433	444321	105209
Area Sold (s.f.)	339112	339112	339112	105209
Remaining area-End Yr. (s.f.)	783433	444321	105209	0
Pct. of Total Area Sold During Year	30.21	43.29	76.32	100.00
Sale Price ($/s.f.)	1.25	1.30	1.35	1.41
Gross Sales Revenue	423890	440846	458479	147932
Less: Sales & Closing Costs	42389	44085	45848	14793
Net Sales Revenue	381501	396761	412631	133139
Less: Real Estate Taxes	14533	10055	4978	1036
Less: Management and Administration	12912	8980	4715	1740
Less: Special Assessment Payments				
Spcl. Assmnt. Bal. ($ B.O.Y.)	359528	229371	116584	24072
Interest Rate	.105	.105	.105	.105
Interest ($)	37750	24084	12241	2528
Payment ($)	68623	47893	27162	6432
Principal ($)	30873	23809	14921	3904
Partial Release Payment ($)	99284	88979	77591	20168
Cash Throw-Off	186148	240854	298186	103764
NET PRESENT VALUE OF PROJECT	498238			

TABLE 15

BULK LAND SALE SUMMARY

SALE NO.	LOCATION	SALE DATE	SIZE ACRES	SALE PRICE $	SALE PRICE $/AC	SALE PRICE $/SQ.FT.
M-1	State Highway 19 near I-90/94	11/80	21.0	$220,900	$10,519	$0.241
M-2	Vondron Road	11/82	160.0	320,000	2,000	$0.046

Source: Primary

the uncertainty associated with the operation of the track adjacent to the subject, is considered slightly more desirable. At 21.0 acres, this site is slightly smaller than the subject, however, it is in the same size category and would, all other things equal, sell at approximately the same price as the subject. This property was not, however, subject to the special assessments which encumber the subject property. These charges total approximately $8,900 per acre and represent a direct detriment to the subject site.

Comparable sale M-2 is located on Madison's east side near Interstate Highway 90. It was purchased approximately one year prior to the date of the subject's valuation, but realized very little appreciation during the interim period. For an industrial use, this comparable property is believed to have a location that is very comparable to the subject's. However, it is nearly six times the subject's size and was purchased for the purpose of creating an industrial subdivision. Because of its large size it would clearly require a longer development time than the subject and would therefore sell at a lower price. Moreover, it is not improved with streets and utilities in a way which would permit its sale without further subdivision. Because of these conditions, it represents a bulk land transaction in a wholesale market. It was not subject to special assessments, but will require extensive capital

improvements prior to its sale at retail price levels. Overall, this property sold at a price level far below that which would be expected for the subject.

These two sales are believed to be indicative of the current market for large industrial sales in the Madison area. Based upon this analysis, the estimated market value of a fee simple interest in the subject's manufacturing lands given their encumberance by special assessments is estimated to be $4,000 per acre or $112,000 overall.

C. The Final Value Estimate

The majority of the subject lands have been valued via a land development model which combines characteristics of the traditional sales comparison and income approaches to value. The manufacturing lands were valued by direct sales comparison. This approach, as summarized in Table 16, results in a $1,300,000 market value estimate for the entire subject property. This total results from a summation of the values derived from individual components of the property. This value conclusion has anticipated the risk/return issues.

This market value estimate reflects a per acre price of approximately $11,700 which converts to approximately $0.27 per square foot. Because the property is unique within Madison, sales of comparable properties are not available to support this overall estimate. However, the overall value appears

TABLE 16

SUMMARY OF MARKET VALUE ESTIMATES
BY LAND USE TYPE

ZONE	SQ.FT.	ACRES	$	$/SF	$/AC	$/D.U.
Single Family	940,430	21.6	$ 221,285	0.235	$10,250	$1,702
Multiple Family	476,724	10.9	266,869	0.560	24,385	2,022
Office	601,193	13.8	128,116	0.213	9,283	N/A
Retail/Service	471,635 (a)	10.8	70,240	0.149	6,487	N/A
Office/Warehouse	1,122,545 (a)	25.8	498,238	0.444	19,334	N/A
Industrial	1,221,151	28.0	112,000	0.092	4,000	N/A
TOTAL	4,833,678	110.9	$1,296,748	0.268	$11,693	
Rounded to:			$1,300,000			

Source: Primary

(a) Area subsequent to relocation of land from retail to office/warehouse.

reasonable relative to the pattern of other known market transactions.

A key factor in this value is the high overhead attributable to the special assessments which are payable in the early years of the development period. Given the expected rate of sales, the existing street and utility systems have been provided to an area which is too large and has thereby increased the holding costs above optimum levels.

In conclusion, the estimated market value of the subject property and property rights described herein, as of January 1, 1983, is:

ONE MILLION THREE HUNDRED THOUSAND DOLLARS

($1,300,000)

APPENDIX A

ESTIMATED SPECIAL ASSESSMENTS
BY LAND USE AREA

APPENDIX A

ESTIMATED SPECIAL ASSESSMENTS BY LAND USE AREA

RETAIL SERVICE	HIGH	AVERAGE	LOW
For Industrial Drive (Planned)	$ 51,520	$ 49,280	$ 47,040
For Royal Avenue (Existing)	314,570	314,570	314,570
For 1/2 of West Broadway (Proposed)	75,000	75,000	75,000
	$441,090	$438,850	$436,610

OFFICE	HIGH	AVERAGE	LOW
For Industrial Drive (Planned)	$ 43,056	$ 41,184	$ 39,312
For Royal Avenue (Existing)	69,151	69,151	69,151
	$112,207	$110,335	$108,463

OFFICE/WAREHOUSE	HIGH	AVERAGE	LOW
For Industrial Drive (Planned)	$105,984	$101,376	$96,768
For 1/2 of West Broadway (Proposed)	75,000	75,000	75,000
	$180,984	$176,376	$171,768

INDUSTRIAL	HIGH	AVERAGE	LOW
For Industrial Drive	$259,440	$248,160	$236,880

Source: City of Monona Engineer

APPENDIX B

U.S.D.A. SOIL CONSERVATION
SERVICE DATA ON SOUTH TOWNE SOILS

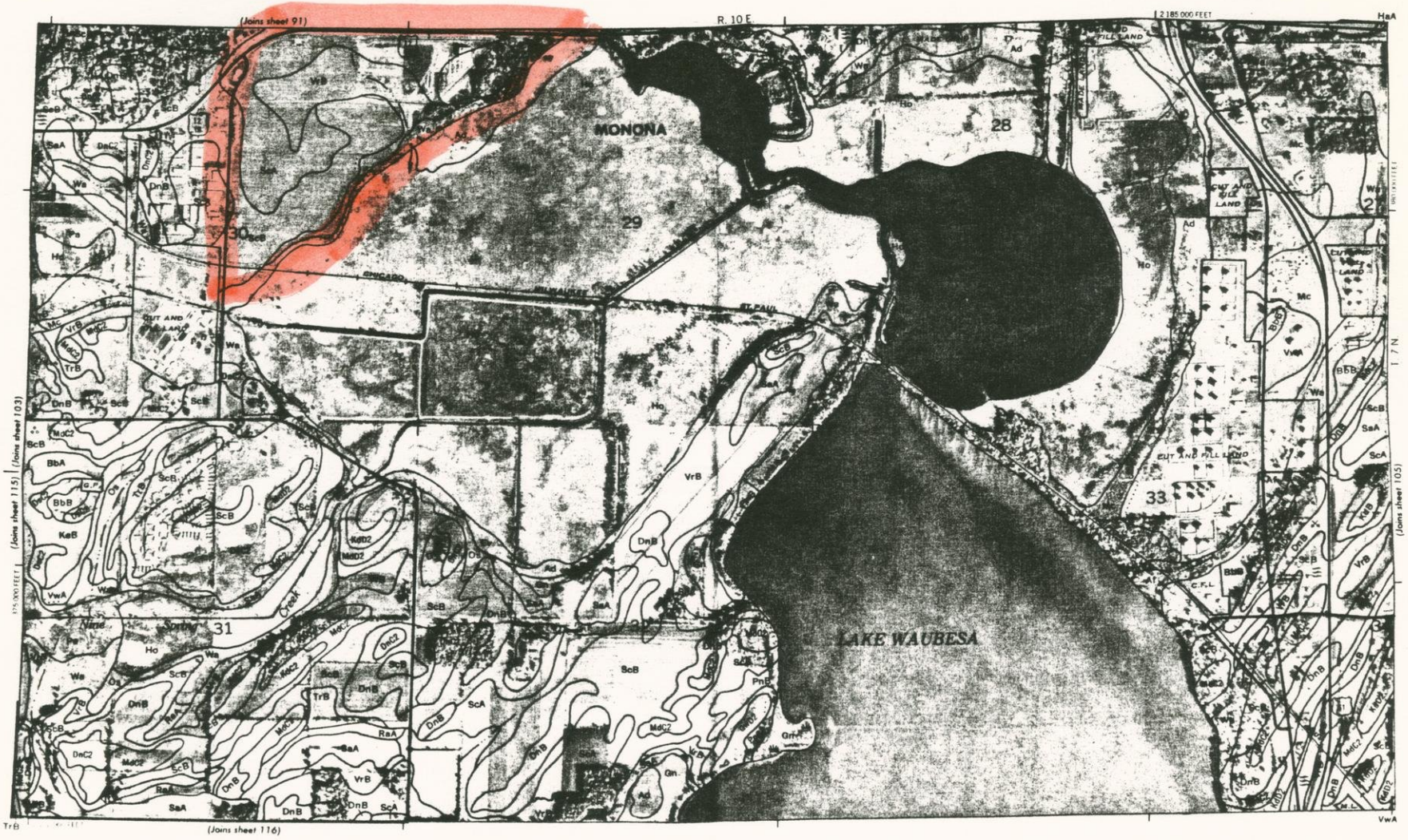

TABLE 11.—*Degree and kinds of limitations of the soils for town and country planning*—Continued

Soil series and map symbols	Septic tank absorption fields	Sewage lagoons	Shallow excavations	Dwellings with basements	Sanitary landfill [1]	Highway location	Local streets and roads
Ringwood (*continued*)							
RnC2	Moderate: slope	Severe: slope; substratum has moderately rapid permeability.	Slight	Moderate: slope	Slight	Moderate: subsoil has low bearing capacity.	Moderate: slope; low bearing capacity; moderate shrink-swell potential and stability; erodible.
Rockton:							
RoB	Severe: bedrock at a depth of 2 to 4 feet.	Severe: dolomite bedrock at a depth of 2 to 4 feet.	Very severe: massive dolomite at a depth of about 3 feet precludes extensive trenching or ditching.	Severe where bedrock needs to be excavated: massive dolomite at a depth of about 3 feet.	Severe: danger of contaminating ground water.	Moderate: dolomite bedrock at a depth of 2 to 4 feet.	Moderate: dolomite at a depth of 2 to 4 feet; subsoil has moderate bearing capacity; unstable where wet.
RoC2	Severe: bedrock at a depth of 2 to 4 feet.	Severe: dolomite bedrock at a depth of 2 to 4 feet.	Very severe: massive dolomite at a depth of about 3 feet precludes extensive trenching or ditching.	Severe where bedrock needs to be excavated: massive dolomite at a depth of about 3 feet.	Severe: danger of contaminating ground water.	Moderate: dolomite bedrock at a depth of 2 to 4 feet.	Moderate: slope; dolomite at a depth of 2 to 4 feet; subsoil has moderate bearing capacity; unstable where wet.
RoD2	Severe: bedrock at a depth of 2 to 4 feet.	Severe: dolomite bedrock at a depth of 2 to 4 feet.	Very severe: massive dolomite at a depth of about 3 feet precludes extensive trenching or ditching.	Very severe: slope; massive dolomite at a depth of about 3 feet.	Very severe: danger of contaminating ground water.	Severe: slope; dolomite bedrock at a depth of 2 to 4 feet.	Severe: slope; dolomite at a depth of 2 to 4 feet; subsoil has moderate bearing capacity; unstable where wet.
Rodman: RpE	Severe: slope; droughty; stony; danger of contaminating ground water.	Severe: substratum has rapid permeability.	Severe: steepness; poor stability throughout.	Severe: steepness; erodible; droughty.	Severe: danger of contaminating ground water.	Moderate: slope; stony	Severe: steepness.
Sable: SeA	Very severe: seasonal high water table.	Moderate: seasonal high water table; moderate permeability.	Severe: seasonal high water table; subject to flooding; fair stability to a depth of about 5 feet.	Very severe: low bearing capacity; moderate shear strength and compressibility; subject to flooding; seasonal high water table.	Very severe: seasonal high water table.	Severe: permanent or seasonal high water table at a depth of less than 1 foot; high frost heave potential.	Severe: seasonal high water table at a depth of less than 1 foot; subsoil has moderate bearing capacity and compressibility; unstable where wet; high frost heave.
St. Charles:							
ScA, ScB	Moderate: subject to frost heave; filter fields have short life because of dispersion of silt.	Moderate: substratum has moderately rapid permeability.	Slight	Slight	Slight	Moderate: subsoil has low bearing capacity.	Moderate: subsoil has low bearing capacity and moderate shrink-swell potential.
ScC2	Moderate: slope; subject to frost heave; filter fields have short life because of dispersion of silt.	Severe: slope; substratum has moderately rapid permeability.	Moderate: slope; fair to good stability throughout.	Moderate: slope	Slight	Moderate: subsoil has low bearing capacity.	Moderate: slope; subsoil has low bearing capacity and moderate shrink-swell potential.
ScD2	Severe: slope; subject to frost heave; filter fields have short life because of dispersion of silt.	Severe: slope; substratum has moderately rapid permeability.	Severe: slope; fair to good stability throughout.	Severe: slope	Moderate: slope	Severe: slope; subsoil has low bearing capacity.	Severe: slope; subsoil has low bearing capacity and moderate shrink-swell potential.
Salter:							
SeB, SeC2	Moderate: moderately slow permeability in lower part of subsoil restricts use of systems; contrasting material at a depth of about 3 feet slows percolation.	Moderate: lower part of substratum has rapid permeability; upper part of substratum is a good source of seal blanket material.	Moderate: poor stability in subsoil.	Moderate to a depth of 3 to 6 feet: low bearing capacity; low shrink-swell potential. Slight at a depth of 6 to 10 feet.	Moderate: danger of contaminating ground water if underlying sand and gravel are exposed.	Moderate: silt layer has low bearing capacity and low shrink-swell potential.	Severe: substratum has low bearing capacity; cuts need to be above a depth of 3 feet so as not to expose silt.
SfA, SfB2	Moderate: filter fields difficult to maintain.	Moderate: low stability; difficult to compact; rapid permeability in lower substratum.	Slight	Moderate to depth of substratum: low bearing capacity; subject to liquefaction and piping. Slight in lower substratum: highly stable; high bearing capacity.	Moderate: danger of contaminating ground water if lower substratum is exposed.	Moderate to depth of substratum: cuts and fills have low stability; highly erodible. Slight in lower substratum: highly stable.	Moderate: subsoil has moderate bearing capacity; cuts should not expose silty material in substratum.
Salter, wet variant: ShA	Very severe: seasonal high water table.	Moderate: moderate permeability; low stability.	Moderate: seasonal high water table; subsoil and substratum have fair stability.	Severe: moderate bearing capacity; frost heave; seasonal high water table; subject to seasonal wetness.	Severe: seasonal high water table; danger of contaminating ground water; unstable when wet.	Moderate: seasonal high water table at a depth of 1 to 3 feet; high frost heave potential.	Severe: subsoil has moderate bearing capacity; subject to frost heave; low stability; seasonal high water table at a depth of 1 to 3 feet.

TABLE 11.—*Degree and kinds of limitations of the soils for town and country planning*—Continued

Soil series and map symbols	Septic tank absorption fields	Sewage lagoons	Shallow excavations	Dwellings with basements	Sanitary landfill [1]	Highway location	Local streets and roads
Seaton:							
SmB	Moderate: seasonal high water table at a depth of 3 to 5 feet because of seepage from higher areas; filter field has short life because of dispersion of silt.	Moderate: moderate permeability.	Slight	Moderate: low bearing capacity where wet; subject to frost heave; erodible.	Slight	Moderate: subsoil has low bearing capacity; highly erodible.	Moderate: subsoil has low bearing capacity; unstable where wet; highly erodible.
SmC2	Moderate: slope; seasonal high water table at a depth of 3 to 5 feet because of seepage from higher areas; filter field has short life because of dispersion of silt.	Severe: slope; moderate permeability.	Moderate: slope; saturated at a depth of 3 to 5 feet during wet periods; fair stability.	Moderate: slope; low bearing capacity where wet; subject to frost heave; erodible.	Slight	Moderate: subsoil has low bearing capacity; highly erodible.	Moderate: slope; subsoil has low bearing capacity; unstable where wet; highly erodible.
SmD2, SmE2	Severe: moderately steep and steep.	Severe: slope; moderate permeability.	Severe: slope; saturated at a depth of 3 to 5 feet during wet periods; fair stability.	Severe: slope; low bearing capacity where wet; subject to frost heave; erodible.	Severe: steepness	Severe: slope; subsoil has low bearing capacity; highly erodible.	Severe: slope; subsoil has low bearing capacity; unstable where wet; highly erodible.
Seaton, loamy variant:							
SnC2	Moderate: slope; moderate permeability; filter fields have shorter life due to dispersion of silt.	Severe: slope; moderate permeability.	Moderate: slope	Moderate: slope; low bearing capacity; moderate compressibility and high shear strength.	Slight	Moderate: subsoil has low bearing capacity.	Moderate: slope; low bearing capacity where wet; erodible.
SnD2	Severe: slope; erodible; moderately permeable; filter fields have short life because of dispersion of silt.	Severe: slope; moderate permeability.	Severe: slope	Severe: slope; low bearing capacity; moderate compressibility and high shear strength.	Moderate: slope	Moderate: slope; low bearing capacity where wet; erodible.	Severe: slope; low bearing capacity where wet; erodible.
SnE	Severe: slope; erodible; moderately permeable; filter fields have short life because of dispersion of silt.	Severe: slope; moderate permeability.	Severe: slope	Severe: slope; low bearing capacity; moderate compressibility and high shear strength.	Severe: slope	Severe: slope; low bearing capacity where wet; erodible.	Severe: slope; low bearing capacity where wet; erodible.
Sogn: SoD, SoE	Very severe: bedrock at a depth of less than 2 feet; danger of contaminating ground water; erodible.	Severe: dolomite bedrock at a depth of less than 2 feet.	Very severe: dolomite bedrock at a depth of less than 2 feet; generally not rippable to a depth of 5 feet.	Severe: erodible; bedrock hinders excavation; difficult to install utilities.	Severe: bedrock at a depth of less than 2 feet.	Severe: bedrock hinders excavation; erodible.	Severe: dolomite bedrock at a depth of less than 2 feet; steepness.
*Spinks:							
SpB	Moderate: danger of contaminating ground water.	Severe: rapidly permeable; difficult to compact.	Severe: poor stability	Slight	Severe: danger of contaminating ground water.	Slight	Slight.
SpC	Moderate: slope; danger of contaminating ground water.	Severe: rapidly permeable; difficult to compact.	Severe: poor stability	Moderate: slope; subject to liquefaction and piping where wet; high bearing capacity where confined.	Severe: danger of contaminating ground water.	Slight	Moderate: slope; substratum is highly erodible and unstable.
SpD For Plainfield part of SpB, SpC, and SpD, see Plainfield series.	Severe: slope	Severe: rapidly permeable; difficult to compact.	Severe: poor stability	Severe: slope; subject to liquefaction and piping where wet; high bearing capacity where confined.	Severe: danger of contaminating ground water.	Moderate: slope; loose sand hinders hauling; subject to soil blowing.	Severe: slope; substratum is highly erodible and unstable.
Stony and rocky land: St	Very severe: steepness; shallow to bedrock.	Very severe: steepness; rapid permeability.	Very severe: steepness; shallow to bedrock.	Severe: steepness; unstable.	Very severe: steepness; shallow to bedrock.	Severe: subject to landslides and severe erosion.	Very severe: highly erodible; steepness; subject to landslides.
Troxel: TrB	Very severe in areas: subject to flooding; seasonal high water table at a depth of 3 to 5 feet.	Moderate: moderately permeable; low stability when wet; subject to frequent flooding of short duration.	Severe: subject to frequent flooding; seasonal high water table at a depth of 3 to 5 feet; fair stability in lower part of profile.	Severe: low bearing capacity; high shear strength and moderate compressibility; subject to flooding.	Severe: subject to frequent flooding of short duration.	Severe: high frost heave potential; subject to seasonal flooding.	Severe: low bearing capacity in subsoil and substratum; subject to frequent flooding.
Virgil: VrB	Severe: seasonal high water table; danger of contaminating ground water.	Moderate: substratum has moderately rapid permeability.	Severe: seasonal high water table; subsoil has fair stability.	Severe: seasonal high water table hinders installation; subject to seasonal wetness; substratum has high bearing capacity.	Moderate: seasonal high water table; difficult to work in wet season.	Moderate: seasonal high water table at a depth of 1 to 3 feet; subsoil has a high frost heave potential.	Severe: subsoil has low bearing capacity and is unstable where wet; seasonal high water table at a depth of 1 to 3 feet; high frost heave potential.

TABLE 11.—*Degree and kinds of limitations of the soils for town and country planning*—Continued

Soil series and map symbols	Septic tank absorption fields	Sewage lagoons	Shallow excavations	Dwellings with basements	Sanitary landfill [1]	Highway location	Local streets and roads
Virgil (*continued*) VwA	Severe: seasonal high water table.	Moderate: moderately rapid permeability in substratum.	Severe: seasonal high water table; fair stability in subsoil; poor stability in substratum.	Severe: seasonal high water table; high bearing capacity in substratum; subject to liquefaction and piping when wet; subject to seasonal wetness.	Severe: seasonal high water table; difficult to work in wet periods; partial amelioration of leachate; subject to flooding.	Moderate: seasonal high water table at a depth of 1 to 3 feet; high frost heave potential.	Severe: subsoil has low bearing capacity; unstable when wet; subject to frost heave; seasonal high water table at a depth of 1 to 3 feet.
Wacousta: Wa	Very severe: seasonal high water table.	Moderate: seasonal high water table; moderately slow permeability.	Very severe: seasonal high water table at a depth of less than 1 foot; poor stability.	Very severe: low bearing capacity; moderate shear strength and compressibility; seasonal high water table at a depth of less than 1 foot.	Very severe: seasonal high water table.	Severe: permanent or seasonal high water table at a depth of less than 1 foot; high frost heave potential.	Very severe: seasonal high water table; low bearing capacity; moderate compressibility; subject to frequent flooding.
Warsaw: WrB	Moderate: danger of contaminating ground water.	Severe: substratum is rapidly permeable.	Moderate: subsoil has good stability; substratum has poor stability.	Slight	Severe: danger of contaminating ground water.	Slight	Moderate: moderate bearing capacity and shrink-swell potential in subsoil.
WrC2	Moderate: slope; danger of contaminating ground water.	Severe: substratum is rapidly permeable.	Moderate: slope; subsoil has good stability; substratum has poor stability.	Moderate: slope	Severe: danger of contaminating ground water.	Moderate: slope; erodible; highly stable at all moisture content.	Moderate: slope; subsoil has moderate bearing capacity and shrink-swell potential; substratum has very high bearing capacity.
Watseka: Wt	Very severe: seasonal high water table; danger of contaminating ground water.	Severe: high permeability	Severe: poor stability throughout; seasonal high water table at a depth of 1 to 3 feet.	Severe: seasonal high water table hinders installation; subject to liquefaction and piping when wet; subject to seasonal wetness.	Severe: danger of contaminating ground water; seasonal high water table.	Moderate: seasonal high water table at a depth of 1 to 3 feet; loose sand hinders hauling in places; subject to soil blowing.	Moderate: seasonal high water table at a depth of 1 to 3 feet; sand is unstable unless confined.
Westville: WvB	Slight	Moderate: substratum has moderately rapid permeability.	Slight	Slight	Slight	Moderate: subsoil has low bearing capacity.	Moderate: low bearing capacity and moderate shrink-swell potential; erodible.
WvC2	Moderate: slope	Severe: slope; substratum has moderately rapid permeability.	Moderate: slope; thick subsoil has good stability.	Moderate: slope	Slight	Moderate: subsoil has low bearing capacity.	Moderate: low bearing capacity and moderate shrink-swell potential; erodible.
WvD2	Severe: slope	Severe: slope; substratum has moderately rapid permeability.	Severe: slope; thick subsoil has good stability.	Severe: slope	Moderate: slope	Severe: slope; subsoil has low bearing capacity.	Severe: low bearing capacity and moderate shrink-swell potential; erodible.
Whalan: WwE2, WxD2	Severe: bedrock at a depth of 2 to 4 feet; possible contamination of ground water.	Severe: dolomite bedrock at a depth of 2 to 4 feet.	Severe: massive dolomite at a depth of 2 to 4 feet; not rippable at a depth of 5 feet.	Severe: bedrock at a depth of 2 to 4 feet; must be excavated.	Severe: danger of contaminating ground water.	Severe: slope; dolomite bedrock at a depth of 2 to 4 feet.	Severe: dolomite bedrock at a depth of 2 to 4 feet; subsoil has moderate bearing capacity; unstable where wet; bedrock difficult to excavate.
WxB, WxC2	Severe: bedrock at a depth of 2 to 4 feet; possible contamination of ground water.	Severe: dolomite bedrock at a depth of 2 to 4 feet.	Severe: massive dolomite at a depth of 2 to 4 feet; not rippable at a depth of 5 feet.	Severe: bedrock at a depth of 2 to 4 feet; must be excavated.	Severe: danger of contaminating ground water.	Moderate: dolomite bedrock at a depth of 2 to 4 feet.	Severe: dolomite bedrock at a depth of 2 to 4 feet; subsoil has moderate bearing capacity; unstable where wet; bedrock difficult to excavate.

[1] Onsite studies of the underlying strata, water table, and hazard of aquifer pollution and drainage into ground water need to be made for landfill deeper than 5 or 6 feet.

These soils mainly are on extensive benches in the south-central part of the county.

In the valleys where the outwash and rivers have created successions of terraces, the deposits on the higher benches are earlier than the deposits on the lower benches. The age of the material on the various benches, however, is sometimes masked by later deposits of Peorian loess (*8*). The benches on the lower levels formed more recently than the higher benches and in places are still receiving deposits from periodic flooding. The benches that formed more recently are visible along most large streams.

The soils of the acid sand outwash plains formed either in areas where there is no loess or in areas where the mantle of loess is as much as 2 feet thick. The thickness of loess determines the degree of soil development in the underlying outwash. Where there is no loess, the soils have a subsoil of sandy loam to sandy clay loam and extend to a depth of 24 to 36 inches. Dickinson and Meridian soils are representative of soils that formed in these areas. Where there is a thin loess mantle, part of the subsoil formed in the underlying sand. The Dells soils are representative of soils that formed in these areas.

Soils of the calcareous outwash plains formed in calcareous, loamy outwash deposits. The depth and intensity of weathering were probably determined by the texture, thickness, and calcium carbonate equivalent of the outwash material. Soils that formed in moderately thick, loamy deposits that have a high calcium carbonate equivalent extend to a depth of 24 to 40 inches and have a subsoil of sandy clay loam to clay loam. The Dresden and Hayfield soils are representative of soils that formed in these areas. The soils that formed in areas of thick loess deposits over thin loamy outwash extend to a depth of 40 to 60 inches and have a subsoil of silty clay loam. The Batavia soils, Plano soils, gravelly substratum, Virgil soils, gravelly substratum, and Elburn soils, gravelly substratum, are representative of the soils that formed in these areas.

APPENDIX C

CITY OF MONONA ZONING CODE: SECTION 12.11
COMMUNITY DESIGN DISTRICT

COMMUNITY DESIGN DISTRICT

12.110 **CHARACTERISTICS OF DISTRICT.** The community design district is characterized by large, predominantly undeveloped tracts. Because of the salience of these properties, the community vests a particular interest in their rational, comprehensively planned development. As part of the limited remaining area of undeveloped land within the City, these properties are of critical importance in establishing a balance in land uses and in community services. It is expected that the development of property within this district will take advantage of the flexibility provided by the planned community development procedure. Further, it is expected that the district development will include a compatible mix of residential, commercial, industrial, or open space uses which realize the goals of the Master Plan.

12.111 **DISTRICT PERFORMANCE STANDARDS.** (1) Development shall occur only after coordinated advance site planning to retain the unique character of these tracts and to strike an acceptable balance between natural preservation, growth and development.

(2) For each tract, development shall occur according to a large-scale plan rather than on a piecemeal basis. It is intended that this plan be a mutual product of efforts of the property owner and the City. This could be implemented by a policy resolution of the Planning and Environmental Commission to accept the owner's general development plan for the tract, or it could be implemented by a mutual decision by the owner and the City to rezone the tract to a Planned Community Development based on a General Development Plan. .

(3) Development shall preserve the maximum possible amount of open space and environmental amenities through techniques such as clustering, site planning and permanent reservation of open space.

(4) All uses and their intensity, appearance and arrangement shall be of a visual and operational character which:

(a) Is compatible with the physical nature of the site, with particular concern for preservation of natural features, open space, tree growth, unique or environmentally significant landforms and unobstructed public views of bodies of water.

(b) Would produce an attractive environment of sustained aesthetic and ecological desirability, economic stability and functional practicality compatible with the general policy guidelines of the comprehensive master plan as well as the specific concerns expressed by the community.

(c) Would not create a traffic or parking demand incompatible with the existing or proposed facilities to serve it unless jointly resolved.

(d) Would not seriously affect the anticipated provision of school or municipal services unless jointly resolved.

(e) Serve regional and community needs for employment, open space, moderate-cost housing, lake access and/or recreational facilities.