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A MARKET AND FINANCIAL PARAMETERS STUDY OF RAIL CORRIDORS IN THE MADISON ISTHMUS

SECTION II

EAST WILSON/WILLIAMSON RAIL CORRIDOR

Landmark Research Inc.

1501 Monroe Street, Madison, Wisconsin 53711, 608-256-1090

Landmark Research Inc.

May 6, 1983

James A. Graaskamp, Ph.D., SREA, CRE
Jean B. Davis, MS

Mr. John Urich
Principal Planner
Community Development Planning
Strategy Planning Unit - DPD
Madison Municipal Building
215 Monona Avenue
Madison, WI 53710

Dear Mr. Urich:

We are transmitting to you our final report as per City of Madison contract #38071 in the following format:

There are twenty sets of four report sections with each report section bound as follows:

Section I - Definition of Assignment and Underlying Assumptions
Section II - East Wilson/Williamson Rail Corridor
Section III - West Washington Rail Corridor
Section IV - Alternative Land Bank Vehicles, Purchase Financing, and Constraints on Timing

Please convey our appreciation for the cooperation of Chairpersons Nicole Gotthelf and Billy Feitlinger and the many contributions of their committees. We also owe considerable content to the insight of Mike Nagy, Jerry Tucker, and particularly, Tony Frey, all of whom have an exceptional professional grasp of their areas of responsibilities.

The East and West Rail Corridors are an exceptional opportunity for revitalization of the Isthmus and integration of the Marquette and Brittingham Neighborhoods into the downtown Madison environment.

A quick response by the Committees in defining a Master Plan, allocating tasks to the CDA, organizing community leaders and marshalling planning agencies is necessary to avoid spoiling the opportunity as a result of uncoordinated efforts by a few real estate mavericks.

Thank you for the opportunity to participate in this effort to define strategic alternatives, to identify potential markets, and to sketch financial requirements.

FOR LANDMARK RESEARCH, INC.

James A. Graaskamp, Ph.D., SREA, CRE
Urban Land Economist

Jean B. Davis

Jean B. Davis, MS

Fraser B. Gurd

Fraser B. Gurd, MS

jc

A MARKET AND FINANCIAL PARAMETERS STUDY OF RAIL CORRIDORS IN THE MADISON ISTHMUS

SECTION I
DEFINITION OF ASSIGNMENT AND UNDERLYING ASSUMPTIONS

SECTION II *
EAST WILSON/WILLIAMSON RAIL CORRIDOR

SECTION III
WEST WASHINGTON RAIL CORRIDOR

SECTION IV
ALTERNATIVE LAND BANK VEHICLES, PURCHASE FINANCING AND CONSTRAINTS ON TIMING

FOR

CITY OF MADISON
PLANNING AND DEVELOPMENT DEPARTMENT

AS OF

MAY 1, 1983

PREPARED BY
LANDMARK RESEARCH, INC.

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II. EAST WILSON/WILLIAMSON RAIL CORRIDOR

A. Definition of Assignment

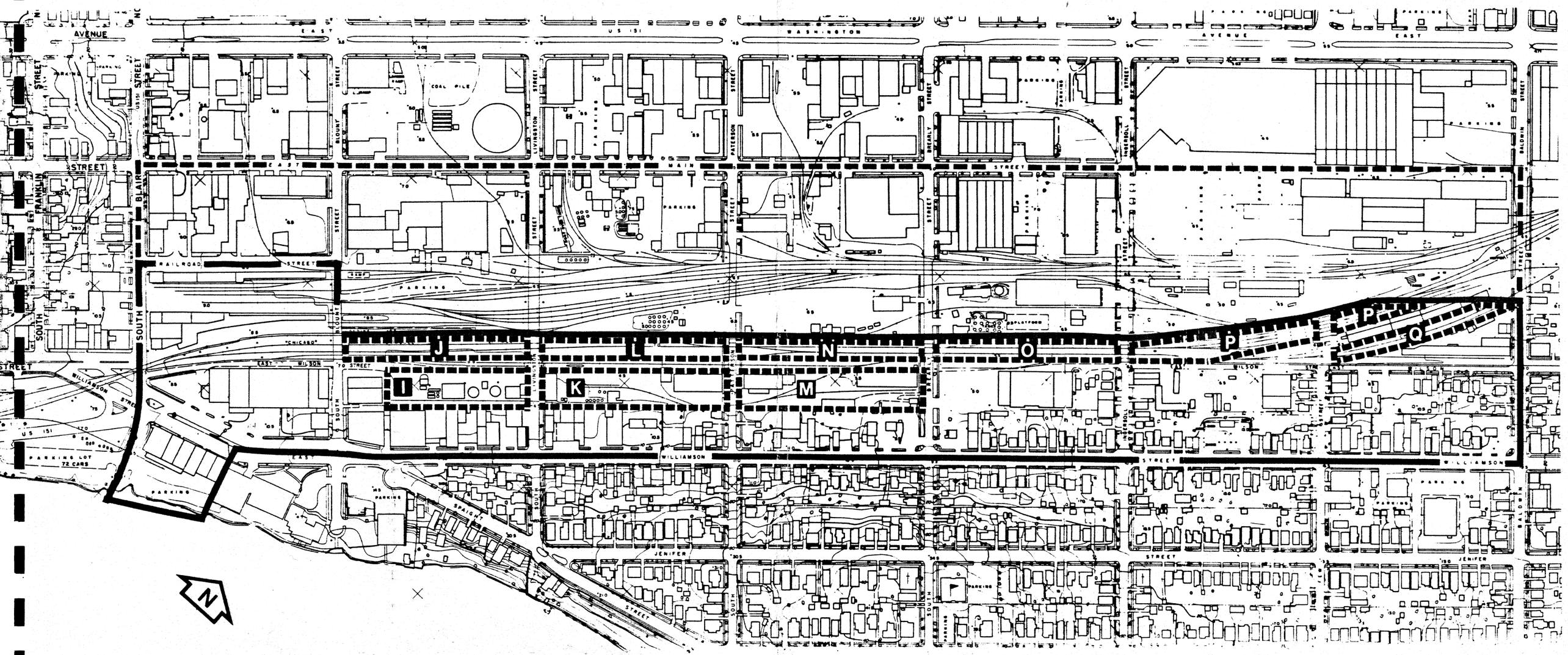
The study area was originally defined by the East Wilson Rail Corridor Committee as a narrow band between the Blair/Wilson/John Nolen intersection on the west and the Baldwin/Williamson intersection on the east with the center line on Williamson Street as the southern boundary and East Main Street as the northern boundary (see Exhibit II-1). The northern boundary was later restricted to the northern boundary of the Milwaukee Road right-of-way. Within this area the Committee requested redevelopment plans for the 600, 700, and 800 blocks of Williamson Street and for the lands to be vacated by the railroad which lie east of Brearly and north of Wilson. (A City Planning Department land use map refers to these as Areas 2, 3, 4, 6, and 7 in Exhibit II-2.)

The consultant was instructed to propose feasible development plans that would enhance the residential character of Williamson Street, salvage buildings which are of significance to the neighborhood, enhance businesses on Williamson Street, reduce through-traffic, and suggest funding sources for the advancement of both the City and Marquette Neighborhood Master Plans.

Unlike the West Washington Corridor, which until now has been unclaimed by any political group, the Marquette

EXHIBIT II-1

MAP OF ORIGINAL STUDY AREA,
RAILWAY ACQUISITIONS AND POTENTIAL TIF
DISTRICT - EAST WILSON/WILLIAMSON RAIL CORRIDOR



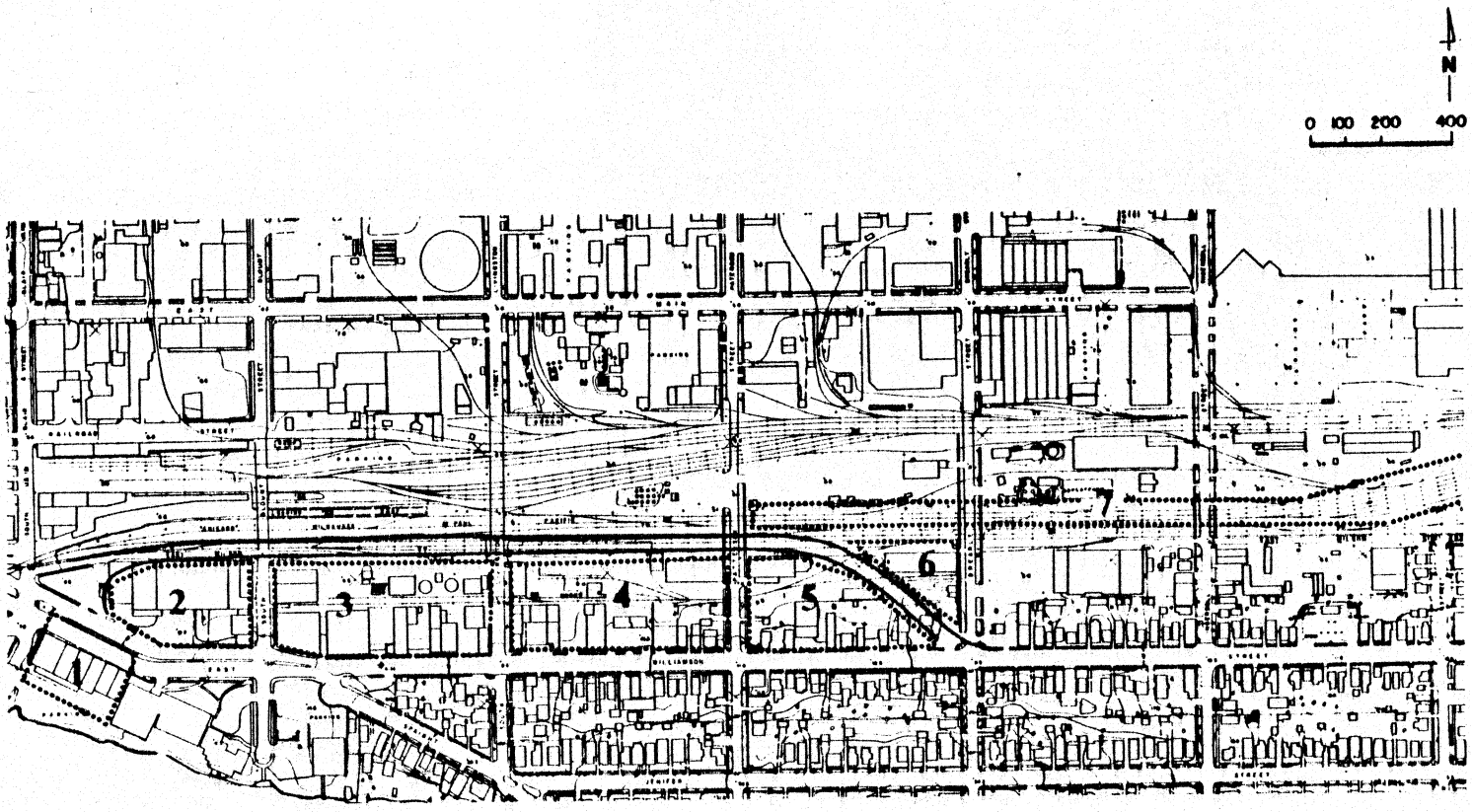
= Proposed TIF boundaries

= Original study area (where different from proposed TIF boundaries)

= Rail parcels to be acquired (lettered I through Q)

EXHIBIT II-2

CITY OF MADISON - MAP OF LAND USE RECOMMENDATIONS FOR EAST WILSON/WILLIAMSON RAIL CORRIDOR



East Wilson St. Rail Corridor Planning Area

1	COMMERCIAL	4	RESIDENTIAL
2	COMMERCIAL / INSTITUTIONAL OR RESIDENTIAL	5	RESIDENTIAL / COMMERCIAL
3	OFFICE / COMMERCIAL	6	WAREHOUSE
		7	OFFICE / WAREHOUSE

CITY OF MADISON WISCONSIN
DEPARTMENT OF PLANNING & DEVELOPMENT

LAND USE RECOMMENDATIONS Map

Neighborhood Association has been making aggressive plans for the railroad corridor parallel to Williamson Street for many years. Unfortunately, purchases by Madison Gas & Electric, Research Products, and others have greatly reduced the affected area of the corridor in terms of what is available now so that plans for large parks and residential buffers to Main Street are no longer possible with the resources available to the City. Williamson Street is a shortcut from downtown to Monona and to east Madison and a collector street for trucks and traffic generated by the warehouse-industrial district to the north. The Williamson Street commercial district is blighted on the north side by the presence of unused sidetracks. Analysis of each block has attempted to recognize the need to relocate certain tenants who are relatively incompatible with residential and ancillary retail uses.

Exhibit II-3 contains a listing of each tax parcel involved in the study area, and Exhibit II-4 shows the study area superimposed on an aerial photograph with the encroachments of Madison Gas & Electric and Research Products on the corridor.

It was necessary to analyze each study parcel intensively in order to produce an analysis of at least two feasible projects; some thought had to be given to the relocation of certain tenants currently occupying land leased from the railroad. Although the leases have a nominal 60-day

EXHIBIT II-3

LISTING OF EAST WILSON/WILLIAMSON RAIL CORRIDOR TIF DISTRICT PARCELS - BY BLOCK AND INCLUDING MOST PROBABLE MARKET

EAST WILSON/WILLIAMSON RAIL CORRIDOR - TIF DISTRICT

PARCEL ADDRESS	PARCEL # 0709-133	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 18 - 400 Block East Wilson Street								
416 E. Wilson St	1822-0	Sandner, John, Trustee 5403 Bashford McFarland, WI 53558	69 x 118	8,142	$ 42,100	$152,200	$194,300	Optioned to Cardinal Hotel Associates

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-133	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 17 - 500 Block East Wilson Street								
125 S. Franklin St	1711-5	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	66 x 132	8,712	$ 21,800	$ 12,500	$ 34,300	Assemblage for future redevelopment as residential
133 S. Franklin St	1712-3	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	66 x 132	8,712	21,800	12,500	34,300	Assemblage for future redevelopment as residential
137 S. Franklin St	1714-9	Fatsis, Katina 137 S. Franklin Madison, WI 53703	33 x 132	4,356	10,900	21,600	32,500	
141 S. Franklin St	1715-7	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	33 x 132	4,356	10,900	20,300	31,200	Assemblage for future redevelopment as residential
502 E. Wilson St	1716-5	Millard, Catherine E. 502 E. Wilson St Madison, WI 53703	20	1,379	7,500	42,500	50,000	Not for sale
504 E. Wilson St	1717-3	Millard, Catherine E. 502 E. Wilson St Madison, WI 53703	23	2,230	12,000	38,000	50,000	Not for sale
506 E. Wilson St	1718-1	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	44	8,103	34,000	41,000	75,000	Assemblage for future redevelopment as residential
510 E. Wilson St	1719-9	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	44	5,808	24,000	56,500	80,500	Assemblage for future redevelopment as residential
514 E. Wilson St	1720-6	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	19	1,930	8,000	23,000	31,000	Assemblage for future redevelopment as residential
516 E. Wilson St	1721-4	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	19	1,930	8,000	23,000	31,000	Assemblage for future redevelopment as residential
518 E. Wilson St	1722-2	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	26	1,716	9,000	22,000	31,000	Assemblage for future redevelopment as residential
520 E. Wilson St	1723-0	Sinaiko Trust, Pauline c/o Bernard A. Seltzer 3609 Odana Road Madison, WI 53711	67	4,422	27,000	118,000	145,000	Possible acquisition for Blair/ Nolen intersection with remainder to assemblage above

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-133	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 17 - 500 Block East Wilson Street (Continued)								
118 S. Blair St	1729-8	Rhode, Earl L. & Randall Rhode 7029 Briar Lane Sun Prairie, WI 53590	66	8,712	$ 22,300	$ 67,700	$ 90,000	Assemblage for future redevelopment as residential
124 S. Blair St	1728-0	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	66	8,712	33,100	-0-	33,100	Assemblage for future redevelopment as residential
132 S. Blair St	1727-2	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	66	8,712	28,000	76,500	104,500	Assemblage for future redevelopment as residential
138 S. Blair St	1726-4	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	66	8,712	30,000	7,600	37,600	Assemblage for future redevelopment as residential
140 S. Blair St	1725-6	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	33	4,356	14,600	400	15,000	Assemblage for future redevelopment as residential
148 S. Blair St	1724-8	Rhode, Earl L. 7029 Briar Lane Sun Prairie, WI 53590	33	3,069	11,300	1,100	12,400	Assemblage for futue redevelopment as residential [1]
				95,927	$334,200	$584,200	$918,400	

[1] Total land area in Rhode assemblage: 83,540 square feet
Total 1982 assessed value in Rhode assemblage: $640,900

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-133	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 20 - 600 Block Williamson Street (Odd Side)								
601 Williamson St	2001-7	Seven J's Inc. c/o Henry E. Reynolds 301 S. Blount St Madison, WI 53703	297	48,704	$255,700	$ 79,300	$335,000	Commercial/retail development with present owners as limited partners

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-133	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 19 - 600 Block Williamson Street (Even Side)								
623 E. Wilson St	1904-4	Stark, Harold 702 Dunning St Madison, WI 53704	66	7,590	$ 17,000	$ 27,500	$ 44,500	Condemnation for Blair/Nolen intersection with one-way pair alternate (available for trade)
629 E. Wilson St	1902-8	Milson Co. c/o Harry N. Forman 105 E. Silver Spring Dr Milwaukee, WI 53217	264	48,194	108,400	216,600	325,000	Partial taking for Blair/Nolen intersection with resale of remainder to Ela or Roy's Transfer (currently for sale)
651 E. Wilson St	1901-0	Reynolds, Henry E. 301 S. Blount St Madison, WI 53703	66	8,712	19,600	30,400	50,000	Not for sale
602 Williamson St	1905-2	Bob Williams Auto Mart 602 Williamson St Madison, WI 53703	190	13,200	43,900	21,100	65,000	Condemnation for Blair/Nolen intersection with one-way pair alternate (currently for sale)
654 Williamson St	1909-4	Red Caboose Day Care Center 654 Williamson Madison, WI 53703	165	16,170			EXEMPT	Not for sale
				93,866	$188,900	$295,600	$484,500	

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-133	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 05 - 600 Block East Wilson Street								
133 S. Blair St	0502-9	Madison Gas & Electric 100 N. Fairchild St Madison, WI 53703	594	129,274			EXEMPT	Not for sale
602 E. Wilson St	0501-1	Chicago & Northwestern RR One North Western Center 165 N. Canal St Chicago, IL 60606	540	28,910			EXEMPT	Not for sale
				158,184				

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 17 - 700 Block Williamson Street								
301 S. Blount	1701-4	Reynolds, Henry E. 301 S. Blount St Madison, WI 53703	132	17,424	$ 21,000	$ 99,000	$120,000	Not for sale
702 Williamson St	1702-2	Reynolds, Henry E. 301 S. Blount St Madison, WI 53703	135	15,840	38,400	81,600	120,000	Not for sale
714 Williamson St	1703-0	Lemco Enterprises c/o RECAP, Inc. 402 Gammon Place, Ste 380 Madison, WI 53719	66	8,712	20,700	129,300	150,000	Available for redevelopment as B or C Class office space
722 Williamson St	1704-8	Larson, William 20 N. Orchard St Madison, WI 53715	132	17,424	42,100	122,900	165,000	Available for redevelopment as B or C Class office space
734 Williamson St	1705-6	Ela, Richard and William P.O. Box 1108 Madison, WI 53703	66	8,712	21,000	27,000	48,000	Might consider trade with City for newer 30,000 square foot facility in neighborhood; City Parking Utility would subsidize redevelopers of 714 and 722 Williamson Street
740 Williamson St	1706-4	Ela, Richard and William P.O. Box 1108 Madison, WI 53703	66	8,712	21,000	34,000	55,000	(See 734 Williamson St)
744 Williamson St	1707-2	Ela, Richard and William P.O. Box 1108 Madison, WI 53703	66	8,712	21,000	40,000	61,000	(See 734 Williamson St)
754 Williamson St	1708-0	Ela, Richard and William P.O. Box 1108 Madison, WI 53703	66	8,712	21,000	33,000	54,000	(See 734 Williamson St)
312 S. Livingston St	1709-8	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd Chicago, IL 60606	132	52,272	28,600	58,400	87,000	City acquisition for resale as retail/residential redevelopment
717 E. Wilson St	1710-5	C M St P & P RR Co. Tax Department 516 W. Jackson Chicago, IL 60606	66	8,712	5,600	-0-	5,600	City acquisition for resale as retail/residential redevelopment
				155,232	$240,400	$625,200	$865,600	

Landmark Research, Inc.

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 18 - 700 Block East Wilson Street								
201 S. Blount St	1802-0	Madison Gas & Electric 100 N. Fairchild St Madison, WI 53703	203	118,600			EXEMPT	Not for sale
223 S. Blount St	1801-2	Chicago & Northwestern RR One North Western Center 165 N. Canal St Chicago, IL 60606	60	36,828			EXEMPT	City acquisition for resale
				155,428				

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 13 - 800 Block Williamson Street								
Phase I								
301 S. Livingston St	1302-0 (1/2 total)	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd Chicago, IL 60606	132 (total)	19,350 (1/2 total)	$ 23,500	$ 3,500	$ 27,000	Acquisition with TIF financed write-down by neighborhood housing co-op corporation to be formed
808 Williamson St	1303-8	Grant, Edna 111 W. Wilson St. Apt. 601 Madison, WI 53703	99	13,068	31,600	49,400	81,000	Acquisition with TIF financed write-down by neighborhood housing co-op corporation to be formed
812 Williamson St	1304-6	Grant, C.A. 111 W. Wilson St. Apt. 601 Madison, WI 53703	33	4,356	10,600	47,400	58,000	Acquisition with TIF financed write-down by neighborhood housing co-op corporation to be formed
820 Williamson St	1305-4	Grant, C.A. 111 W. Wilson St. Apt. 601 Madison, WI 53703	66	8,712	21,000	-0-	21,000	Acquisition with TIF financed write-down by neighborhood housing co-op corporation to be formed
				45,486	$86,700	$100,300	$187,000	
Phase II								
301 S. Livingston St	1302-0 (1/2 total)	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd Chicago, IL 60606	132 (total)	19,350 (1/2 total)	23,500	3,500	27,000	Acquisition by City
824 Williamson St	1306-2	Grant, C.A. 111 W. Wilson St. Apt. 601 Madison, WI 53703	66	8,712	21,000	71,000	92,000	Acquisition by City
826 Williamson St	1307-0 (3/4 total)	S & I Investments 826 Williamson St Madison, WI 53703	198 (total)	13,068 (1/2 total)	47,400	44,850	92,250	Acquisition by City by means of a trade for light industrial site with frontage on newly constructed Wilson Street for resale to housing co-op with TIF financed write-down
				41,130	$ 91,900	$119,350	$211,250	

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 13 - 800 Block Williamson Street (Continued)								
Phase III								
826 Williamson St	1307-0 (1/4 total)	S & I Investments 826 Williamson St Madison, WI 53703	198 (total)	13,068 (1/2 total)	15,800	14,950	30,750	Acquisition by City by means of a trade for light industrial site with frontage on newly constructed Wilson Street for resale to housing co-op with TIF financed write-down
844 Williamson St	1308-8	Janeck, Robert A. P.O. Box 612 Madison, WI 53701	33	4,356	12,200	28,000	40,200	Acquisition by City or redevelopment corporation with possible relocatin of structure
848 Williamson St	1309-6	Gilbertson, William E. and Marion M. Route 1 Rio, WI 53960	33	4,356	10,600	49,400	60,000	Acquisition by City or redevelopment corporation
852 Williamson St	1310-3	Raphael T. Koch 852 Williamson St Madison, WI 53703	43	5,167	12,400	70,600	83,000	Acquisition by City or redevelopment corporation
854 Williamson St	1311-1	Raphael T. Koch 852 Williamson St Madison, WI 53703	22	641	2,300	2,900	5,200	Acquisition by City or redevelopment corporation
308 S. Paterson St	1312-9	Raphael T. Koch 852 Williamson St Madison, WI 53703	44	2,904	3,500	11,500	15,000	Acquisition by City or redevelopment corporation
302 S. Paterson St	1301-2	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd Chicago, IL 60606	132	22,176	21,500	-0-	21,500	Acquisition by City for resale with TIF write-down to housing co-op
				52,668	$ 78,300	$177,350	$255,650	
TOTALS - 800 Block Williamson Street				139,284	$256,900	$397,700	$653,900	

Landmark Research, Inc.

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 12 - 800 Block East Wilson Street								
224 S. Paterson St	1201-4	Chicago & Northwestern RR One North Western Center 165 N. Canal St Chicago, IL 60606	69	40,095			EXEMPT	To be acquired by City for conversion to industrial leased land for Jim Buckmaster's Garage and access to Struck & Irwin just east of Brearly

EXHIBIT II-3 (Continued)

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 07 - 900 Block Williamson Street								
306 S. Brearly St	0701-5	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd Chicago, IL 60606	132	22,550	$ 27,000	$ 8,000	$ 35,000	Acquisition by City with resale to Parks and Struck & Irwin Fence alternate site
931 E. Wilson St	0702-3	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd Chicago, IL 60606	225	29,700			EXEMPT	Acquisition by City for one-way pair alternate
906 Williamson St	0704-9	Red Caboose Day Care Center Inc. 654 Williamson St Madison, WI 53703	66	8,712			EXEMPT	Not for sale
910 Williamson St	0705-7	Rom, Gordon 917 Williamson St Madison, WI 53703	33	4,356	10,600	200	10,800	Not for sale
912 Williamson St	0706-5	Warren, Dean W. 912 Williamson St Madison, WI 53703	33	4,356	10,600	29,400	40,000	Not for sale
926 Williamson St	0708-1	Star Photo Inc. P.O. Box 470 Madison, WI 53701	234 x 132	30,888	55,600	264,600	320,200	Not for sale
936 Williamson St	0709-9	Sauk, Marcella 936 Williamson St Madison, WI 53703	30	3,960	11,100	22,900	34,000	Not for sale
940 Williamson St	0710-6	Rolfsmeyer, John A. 1510 Wendy Lane Madison, WI 53716	66	8,712	21,000	22,000	43,000	Not for sale
944 Williamson St	0711-4	Hendrickson, Duane H. 520 University Avenue Madison, WI 53703	132	17,424	42,000	6,000	48,000	Acquisition by City for one-way pair alternate
303 S. Paterson St	0703-1	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd. Chicago, IL 60606	132	13,580	16,500	54,500	71,000	Acquisition by City for resale to present user or investor
				144,238	$199,400	$407,600	$602,000	

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 08 - 900 Block East Wilson Street								
203 S. Paterson St	0801-3	Chicago & Northwestern RR One North Western Center 165 N. Canal St Chicago, IL 60606	69	40,986			EXEMPT	Acquisition by City for resale to Automatic Temperature Supplies, Inc.
206 S. Brearly St	0802-1	Automatic Temperature Supplies, Inc. 1023 E. Main St Madison, WI 53703	120	71,108	$ 60,100	$174,900	$235,000	Not for sale
				112,094	$ 60,100	$174,900	$235,000	

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 01 - 1000 Block Williamson Street								
1043 E. Wilson St	0102-5	Theo. Kupfer Foundry & Iron Works 149 Waubesa St Madison, WI 53704	264	34,848	$ 59,600	$249,400	$309,000	Not affected by study
1045 E. Wilson St	0101-7	Dows, Peter A. 6 Dunraven Ct. Madison, WI 53705	66	8,712	12,200	32,400	44,600	Not affected by study
1002 Williamson St	0104-1	Common Wealth Development, Inc. 1148 Williamson St Madison, WI 53703	99	13,068	31,500	-0-	31,500	Not affected by study
1012 Williamson St	0105-9	Smith, Robert C. & Richard 1012 Williamson St Madison, WI 53703	33	4,356	10,500	35,500	46,000	Not affected by study
1014 Williamson St	0106-7	Smith, Richard C. 1014-1/2 Williamson St Madison, WI 53703	42 x 50	2,100	4,100	9,900	14,000	Not affected by study
1014 Williamson St	0107-5	Hinrichs, Robert P.O. Box 444 McFarland, WI 53558	42	3,444	8,400	27,600	36,000	Not affected by study
1018 Williamson St	0108-3	Puttkammer, Ronald J. 5302 Dorsett Drive Madison, WI 53711	24 x 132	3,168	12,300	13,500	25,800	Not affected by study
1020 Williamson St	0109-1	Flores, Sharon 1020 Williamson St Madison, WI 53703	33	4,356	10,600	16,400	27,000	Not affected by study
1024 Williamson St	0110-8	Kohn, Michael D. 1024 Williamson St Madison, WI 53703	33 x 132	4,356	12,200	11,600	23,800	Not affected by study
1026 Williamson St	0111-6	Jaquish Sr., Mrs. F.J. 1026 Williamson St Madison, WI 53703	33	4,356	12,200	37,400	49,600	Not affected by study
1028 Williamson St	0112-4	Raemisch, Hedwig L. 1525 Madison St Madison, WI 53711	33	4,356	12,200	67,500	79,700	Not affected by study
1030 Williamson St	0113-2	Maher, Steven & Peter Erbach 1030 Williamson St Madison, WI 53703	33 x 132	4,356	12,200	11,600	23,800	Not affected by study

PARCEL ADDRESS	PARCEL # 0709-134	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 01 - 1000 Block Williamson Street (Continued)								
1036 Williamson St	0114-0	Wilby, Robert E. 1031 Williamson St Madison, WI 53703	33	4,356	12,200	75,000	87,200	Not affected by study
1038 Williamson St	0115-8	Hilsenhoff, Mrs. T.E. 1038 Williamson St Madison, WI 53703	33	4,356	12,200	37,600	49,800	Not affected by study
1040 Williamson St	0116-6	Collier Sr., Bert D. 4933 N. Wildwood Avenue Whitefish Bay, WI 53217	33 x 132	4,356	12,200	17,900	30,100	Not affected by study
1042 Williamson St	0117-4	Collier Sr., Bert D. 4933 N. Wildwood Avenue Whitefish Bay, WI 53217	33 x 132	4,356	12,200	40,200	52,400	Not affected by study
1046 Williamson St	0118-2	Collier Sr., Bert D. 4933 N. Wildwood Avenue Whitefish Bay, WI 53217	33 x 132	4,356	12,200	20,200	32,400	Not affected by study
1052 Williamson St	0119-0	Puttkammer, Ronald J. 5302 Dorsett Drive Madison, WI 53711	36 x 78	2,808	7,900	18,400	26,300	Not affected by study
1054 Williamson St	0120-7	Breunig, Lenita 4150 Monona Drive Madison, WI 53716	30	2,340	5,600	34,400	40,000	Not affected by study
302 S. Ingersoll St	0124-9	Nowakowski, Michael N. 222 S. Hamilton St Madison, WI 53703	31	1,996	5,800	18,400	24,200	Not affected by study
304 S. Ingersoll St	0123-1	Chamberlain, Harry 138 Leon St Madison, WI 53714	62	4,092	8,600	15,400	24,000	Not affected by study
310 S. Ingersoll St	0122-3	Weidholz Estate, Joseph c/o Bassett Millworks, Inc. 310 S. Ingersoll St Madison, WI 53703	62	4,092	8,600	18,400	27,000	Not affected by study
312 S. Ingersoll St	0121-5	Bookhout, David 4326 Buckeye Road Madison, WI 53716	31 x 66	2,046	5,700	27,300	33,000	Not affected by study
				130,630	$301,200	$836,000	$1,137,200	

EXHIBIT II-3 (Continued)

Landmark Records, Inc.

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-131	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 22 - 1000 Block East Wilson Street								
204 S. Ingersoll St	2203-5	Research Products Corp. P.O. Box 1467 Madison, WI 53701	195	69,632	$ 85,000	$362,800	$447,800	Not for sale
205 S. Brearly St	2201-9	Chicago & Northwestern RR One North Western Center 165 N. Canal St Chicago, IL 60606	114	50,905			EXEMPT	Acquisition by City for resale - likely candidates are Roy's Transfer or Research Products
215 S. Brearly St	2202-7	Byrns Oil Co., Inc. 211 S. Brearly St Madison, WI 53703	149	37,194	45,000	47,000	92,000	Not for sale
				157,731	$130,000	$409,800	$539,800	

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-131	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 24 - 1100 Block Williamson Street								
301 S. Ingersoll St	2401-5	Nickles Inc., Robert J. 303 S. Ingersoll St Madison, WI 53703	44	40,656	$ 49,300	$ 73,700	$123,000	Not affected by study
305 S. Ingersoll St	2402-3	Nickles Inc., Robert J. 303 S. Ingersoll St Madison, WI 53703	44	2,904	3,500	1,500	5,000	Not affected by study
311 S. Ingersoll St	2403-1	Nickles Inc., Robert J. 303 S. Ingersoll St Madison, WI 53703	44 x 66	2,904	6,200	21,900	28,100	Not affected by study
315 S. Ingersoll St	2404-9	Kinnear, Cleo 315 S. Ingersoll St Madison, WI 53703	33 x 66	2,178	4,600	18,300	22,900	Not affected by study
1133 E. Wilson St	2422-1	S-K Investment Co. c/o Robert Shepherd Route 3 Waunakee, WI 53597	176 x 132	23,232	41,800	98,200	140,000	Not affected by study
1102 Williamson St	2405-7	Empereur, George L. 1102 Williamson St Madison, WI 53703	33	3,267	6,700	33,800	40,500	Not affected by study
1106 Williamson St	2406-5	Czoschke, Howard H. 1106 Williamson St Madison, WI 53703	33 x 99	3,267	6,900	30,000	36,900	Not affected by study
1108 Williamson St	2407-3	Holmes, Larry & Ruth Ann 4209 Hegg Avenue Monona, WI 53716	22	2,904	6,200	19,800	26,000	Not affected by study
1110 Williamson St	2408-1	Nickles Inc., Robert J. 303 S. Ingersoll St Madison, WI 53703	44 x 132	5,808	12,200	22,300	34,500	Not affected by study
1114 Williamson St	2409-9	Puttkammer, Ronald J. 5302 Dorsett Drive Madison, WI 53711	33 x 132	4,356	9,100	31,600	40,700	Not affected by study
1120 Williamson St	2410-6	Larson, Mamie A. 1120 Williamson St Madison, WI 53703	33 x 132	4,356	9,100	21,000	30,100	Not affected by study
1122 Williamson St	2411-4	Hanson, Russell C. 1122 Williamson St Madison, WI 53703	33 x 132	4,356	9,100	16,400	25,500	Not affected by study

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-131	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 24 - 1100 Block Williamson Street (Continued)								
1130 Williamson St	2412-2	Consolidated Stations Inc. P.O. Box 861 Oshkosh, WI 54901	165	21,780	58,000	51,000	109,000	Not affected by study
1138 Williamson St	2413-0	King, Maides 1138 Williamson St Madison, WI 53703	33 x 132	4,356	9,100	23,900	33,000	Not affected by study
1140 Williamson St	2414-8	Meistner, Franklin H. 1140 Williamson St Madison, WI 53703	33 x 132	4,356	9,100	24,700	33,800	Not affected by study
1146 Williamson St	2415-6	Boehm, Deborah L. 1146 Williamson St Madison, WI 53703	33	4,356	7,800	32,200	40,000	Not affected by study
1148 Williamson St	2416-4	Marine Bank - Dane County 1965 Atwood Avenue Madison, WI 53704	33	5,676	10,200	45,800	56,000	Not affected by study
1150 Williamson St	2417-2	Puttkammer, Ronald J. 5302 Dorsett Drive Madison, WI 53711	33 x 92	3,036	6,500	16,300	22,800	Not affected by study
1154 Williamson St	2418-0	Porter, Lenard c/o Leonard Porter 6 S. Segoe Road Madison, WI 53705	33	4,356	9,100	21,400	30,500	Not affected by study
302 S. Few St	2421-3	Rogg, Hilda 302 S. Few St Madison, WI 53703	50	3,250	5,800	16,200	22,000	Not affected by study
304 S. Few St	2420-5	Allison, Eldon L. 304 S. Few St Madison, WI 53703	40 x 66	2,640	5,600	23,000	28,600	Not affected by study
308 S. Few St	2419-8	Soehnlein, Catherine M. 308 S. Few St Madison, WI 53703	42 x 66	2,772	5,900	16,700	22,600	Not affected by study
				156,766	$291,800	$659,700	$951,500	

Landmark Records, Inc.

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-131	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SQ FT	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 23 - 1100 Block East Wilson Street								
201 S. Ingersoll St	2302-5	Wis. Culvert Co. 201 S. Ingersoll St Madison, WI 53703	184	93,291	$ 53,300	$ 52,700	$106,000	Not affected by study
1130 E. Wilson St	2303-3	Lumbermens Supply Co. 212 S. Baldwin St Madison, WI 53703	350	15,200	10,500	-0-	10,500	Not affected by study (property for sale)
1134 E. Wilson St	2301-7	Chicago & Northwestern RR One North Western Center 165 N. Canal St Chicago, IL 60606	194	39,610			EXEMPT	Acquisition by City; probable market is Wis. Culvert Co.
				148,101	$ 63,800	$ 52,700	$116,500	

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0710-072	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 28 - 1200 Block Williamson Street								
1205 E. Wilson St	2812-7	Brock, Charles A. & Elizabeth J. Brock 301 S. Few St Madison, WI 53703	33	4,356	$ 10,600	$ 11,800	$ 22,400	Not affected by study
1207 E. Wilson St	2811-9	Madsen, Stanley L. 1213 E. Wilson St Madison, WI 53703	33	4,356	10,600	2,900	13,500	Not affected by study
1213 E. Wilson St	2810-1	Madsen, Stanley L. 1213 E. Wilson St Madison, WI 53703	33	4,356	10,600	7,300	17,900	Not affected by study
1217 E. Wilson St	2809-4	Madison Appliance Parts 1226 Williamson St Madison, WI 53703	33	4,356	10,600	700	11,300	Not affected by study
1221 E. Wilson St	2808-6	Madison Appliance Parts 1226 Williamson St Madison, WI 53703	66 x 132	8,712	21,000	-0-	21,000	Not affected by study
1227 E. Wilson St	2807-8	Fuller IV, H. Fred 1227 E. Wilson St Madison, WI 53703	33 x 132	4,356	9,100	18,600	27,700	Not affected by study
1229 E. Wilson St	2806-0	McGranahan, Gordon & Rachel Cole 1229 E. Wilson St Madison, WI 53703	33	4,356	9,100	30,800	39,900	Not affected by study
1231 E. Wilson St	2805-2	Earley, Kevin E. 1231 E. Wilson St Madison, WI 53703	33	4,356	10,600	1,400	12,000	Not affected by study
1233 E. Wilson St	2804-4	Three D Associates 5305 Milward Drive Madison, WI 53711	33 x 132	4,356	9,100	19,500	28,600	Not affected by study
1235 E. Wilson St	2803-6	Wood, Richard & Joy 1235 E. Wilson St Madison, WI 53703	33 x 132	4,356	9,100	22,100	31,200	Not affected by study
1237 E. Wilson St	2802-8	Gersbach, David J. 2410 Myrtle St Madison, WI 53704	33 x 132	4,356	9,100	17,300	26,400	Not affected by study
1243 E. Wilson St	2801-0	Steffes, Robert G. 1243 E. Wilson St Madison, WI 53703	33 x 132	4,356	9,100	17,600	26,700	Not affected by study

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0710-072	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 28 - 1200 Block Williamson Street (Continued)								
1202 Williamson St	2817-7	Porter, Lenard P. 6 S. Segoe Road Madison, WI 53705	66	5,940	14,300	57,700	72,000	Not affected by study
1210 Williamson	2818-5	Knight, David & Bonnie S. 518 Evergreen Avenue Madison, WI 53704	33	4,356	10,600	66,400	77,000	Not affected by study
1212 Williamson St	2819-3	Armid Corporation c/o John Riesch 7427 Elmwood Avenue Middleton, WI 53562	33	4,356	9,100	39,900	49,000	Not affected by study
1214 Williamson St	2820-0	Peterson, Ray A. 619 Morningside Avenue Madison, WI 53716	28	3,696	7,700	28,900	36,600	Not affected by study
1216 Williamson St	2821-8	Madison Appliance Parts, Inc. 1226 Williamson St Madison, WI 53703	42	5,544	13,300	82,700	96,000	Not affected by study
1222 Williamson St	2822-6	Madison Appliance Parts 1226 Williamson St Madison, WI 53703	128 x 132	16,896	39,000	93,000	132,000	Not affected by study
1234 Williamson St	2825-0	Madison Appliance Parts 1226 Williamson St Madison, WI 53703	33	4,356	10,600	13,600	24,200	Not affected by study
1236 Williamson St	2826-8	Zevnik, Ruth E. P.O. Box 1333 Madison, WI 53701	33	4,356	10,600	26,200	36,800	Not affected by study
1238 Williamson St	2827-6	Zevnik, Ruth E. P.O. Box 1333 Madison, WI 53701	33 x 132	4,356	9,100	24,700	33,800	Not affected by study
1242 Williamson St	2828-4	Engel, Amalia 1242 Williamson St Madison, WI 53703	33	4,356	7,700	36,300	44,000	Not affected by study
1246 Williamson St	2829-2	Duerst, Fred 1246 Williamson St Madison, WI 53704	33 x 132	4,356	9,100	28,800	37,900	Not affected by study
1252 Williamson St	2830-9	Self Service Oil Co. P.O. Box 6206 Rockford, IL 61125	99	13,068	53,400	44,600	98,000	Not affected by study

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0710-072	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 28 - 1200 Block Williamson Street (Continued)								
301 S. Few St	2813-5	Brock, Charles A. & Elizabeth J. Brock 301 S. Few St Madison, WI 53703	66	4,400	10,600	50,400	61,000	Not affected by study
305 S. Few St	2814-3	Sloan, Jon M. & Nancy A. 305 S. Few St Madison, WI 53703	33 x 66	2,178	4,600	30,500	35,100	Not affected by study
307 S. Few St	2815-1	Knechtges, Doris A. 307 S. Few St Madison, WI 53703	36 x 66	2,376	5,100	24,600	29,700	Not affected by study
311 S. Few St	2816-9	Esser, James M. 222 Randolph Drive, Apt.218A Madison, WI 53717	37 x 66	2,442	5,200	22,500	27,700	Not affected by study
306 S. Baldwin St	2833-3	Saley, Mrs. Edna 306 S. Baldwin Madison, WI 53703	66	6,534	13,700	38,100	51,800	Not affected by study
308 S. Baldwin St	2832-5	Fuller IV, H. Fred 1227 E. Wilson St Madison, WI 53703	33 x 99	3,267	6,900	15,100	22,000	Not affected by study
310 S. Baldwin St	2831-7	Espeseth, Earl A. 308 E. Washington Avenue Madison, WI 53703	33 x 99	3,267	6,900	10,100	17,000	Not affected by study
				156,728	$376,100	$884,100	$1,260,200	

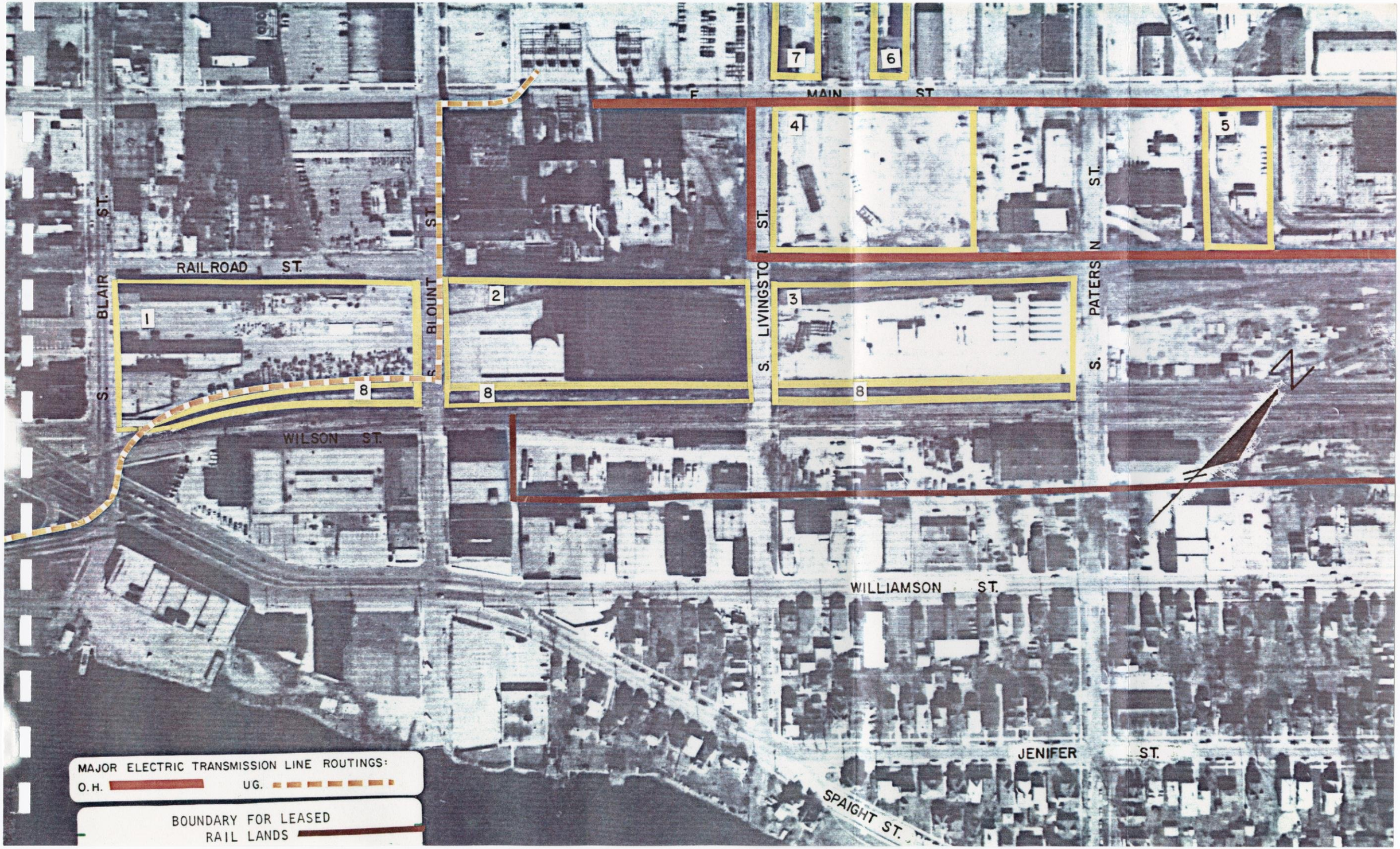
Landmark Research, Inc.

EXHIBIT II-3 (Continued)

PARCEL ADDRESS	PARCEL # 0709-131	OWNER NAME & ADDRESS	LOT	LOT SIZE IN SF	1982 ASSESSED VALUES LAND	IMPROV.	TOTAL	MOST PROBABLE MARKET
Block 00 - 1200 Block East Wilson Street								
210 S. Baldwin St	0094-0	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd. Chicago, IL 60606	20	8,800	10,500	-0-	10,500	Acquisition by City; possible resale to whomever purchases Lumbermens Supply Co.
212 S. Baldwin St	0092-4	Lumbermens Supply Co. 212 S. Baldwin St Madison, WI 53703	150	29,450	35,500	60,500	96,000	Not affected by study (property for sale)
1200 E. Wilson St	0095-8	C M St P & P RR Co. Tax Department 516 W. Jackson Blvd Chicago, IL 60606	280	24,600			EXEMPT	Acquisition by City; possible resale to whomever purchases Lumbermens Supply Co.
249 C & NW RR	0096-6	Lumbermens Supply Co 212 S. Baldwin St Madison, WI 53703	20	36,800	11,800	-0-	11,800	Not affected by study (property for sale)
225 S. Few St	0093-2	Lumbermens Supply Co 212 S. Baldwin St Madison, WI 53703	-	30,912	37,400	51,600	89,000	Not affected by study (property for sale)
201 C & NW RR	0097-4	Johnson, Paul & Kenneth 201 S. Ingersoll St Madison, WI 53703	117	21,431	9,800	-0-	9,800	Not affected by study
				151,993	$105,000	$112,100	$217,100	

EXHIBIT II-4

AERIAL PHOTOGRAPH WITH ENCROACHMENTS
ON CORRIDOR AREA DELINEATED


7
6
MAIN ST.
4
5
S. BLAIR ST.
RAILROAD ST.
1
8
BLOUNT ST.
2
8
S. LIVINGSTON ST.
3
8
S. PATERSON ST.
WILSON ST.
WILLIAMSON ST.
JENIFER ST.
SPAIGHT ST.
MAJOR ELECTRIC TRANSMISSION LINE ROUTINGS:
O.H.
U.G.
BOUNDARY FOR LEASED RAIL LANDS

cancellation period and typically a five-year term, some banks had made long-term loans for structures. Subsections of this Section each detail alternative uses, sequencing, and possible markets for the space.

B. The 600 Block

The first step in the identification of feasible reuse scenarios is the identification of those attributes of the property to be considered, including physical and legal-political characteristics, linkages which contribute towards effective demand for the property, dynamic traits which exist in the minds of people and which affect their decision-making behavior, and the environmental characteristics which impact socially and financially upon the public.

1. Physical Attributes

a. Size

The subject block is known as Block 125 in the Original Madison Plat. Typical blocks are two tiers of nine lots each with each lot having the standard Madison dimensions of 66 feet wide by 132 feet deep, for a total block size of 264 feet by 594 feet. However, various takings by the City for improvement of Williamson Street to a boulevard and by the railroad for improving site lines has left Block 125 an irregular parcel as defined in Exhibit II-5. There is a

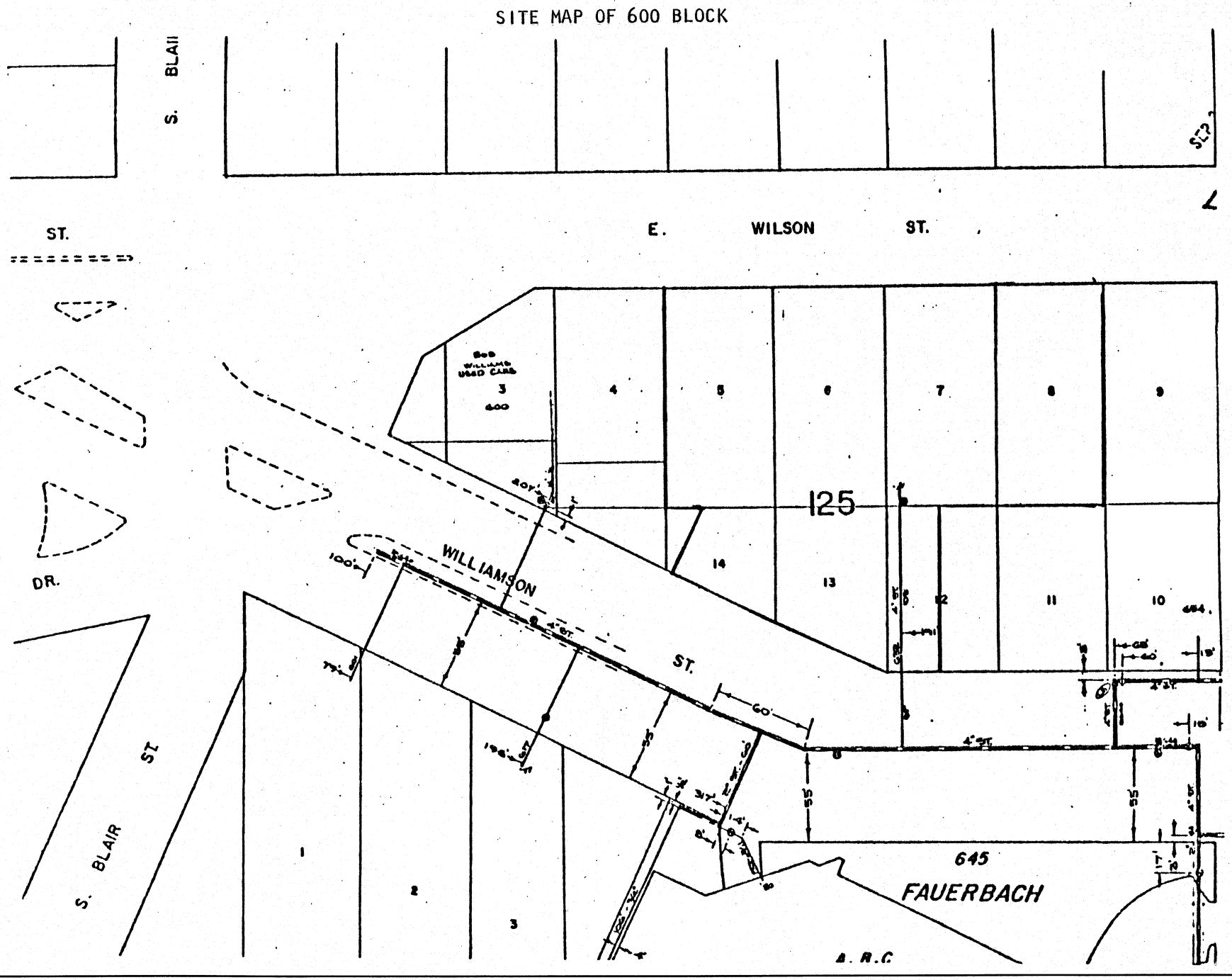

SITE MAP OF 600 BLOCK
S. BLAIR
E. WILSON ST.
ST.
DR.
WILLIAMSON ST.
S. BLAIR ST
125
645
FAUERBACH
B. R.C.
600 WILLIAMS USED CARS
3
400
4
5
6
7
8
9
14
13
12
11
10
1
2
3
100'
60'
55
55
40'

EXHIBIT II-5

total of approximately 90,000 square feet of land within these remaining irregular boundaries.

b. Topography

An earlier reconstruction of Williamson Street raised the grade of this former swamp area so that the site slopes gently down from an elevation of 10.5 feet at Williamson Street on the southeast to the elevation of 7.5 feet at Wilson Street, these elevations are given in reference to City datum (0.0) which has been established at 845.6 feet above sea level.

c. Soils

The Soil Conservation Service Soil Survey of Dane County, Wisconsin, indicates the subject site soils are less than ideal, having low bearing capacity and moderate shrink-swell potential. Depth to bedrock is over 10 feet but the seasonal high water table is between 0 and 5 feet. The Soil Survey information should be supplemented with on-site borings and analysis. Much of the subject block and surrounding sites were filled in the late 1880s and early 1900s, before the existing structures were built. The grade plus the high water table is causing seeping damage to the southern wall of the main building on the block, the former postal garage, and the soils have

contributed to settling of the northern walls of several of the buildings as revealed by cracking masonry (see Arlan Kay report in Appendix). Nevertheless, soil related building problems can be overcome with some additional construction costs.

d. Utilities

Utility service to the subject site is complete; 6 inch sewer and 4 inch water mains serve Wilson Street. Electrical service is from an overhead drop, either single phase secondary or 2.3 KV three phase service is readily available. Gas service is from a 4 inch pumping main under Williamson Street.

e. Existing Uses

The remaining usable parcels on Block 125 are improved with a variety of buildings, the majority of which are underutilized, undermaintained, and for sale. However, a day care center, the Red Caboose, owns Lots 10, 11, and the southeast 33 feet of Lot 12, of which 98 feet in depth remain following the widening of Williamson Street. The buildings are recently renovated and the grounds well maintained so that this parcel is excluded from further study as per agreement with the East Wilson Rail Corridor Steering Committee. Similarly, Lot 9 on the northeast corner of the block,

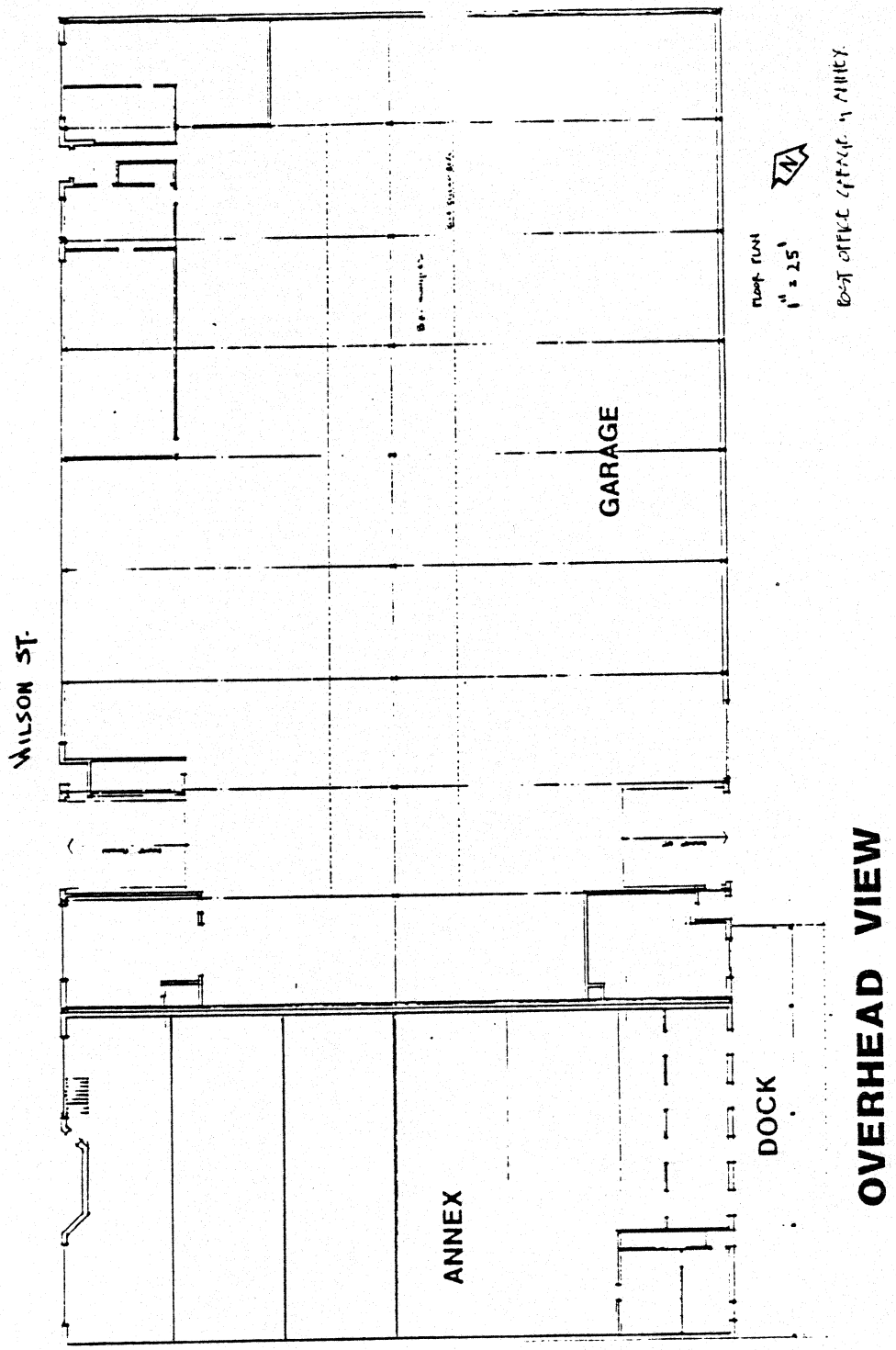
at the intersection of South Blount and East Wilson Street, is owned and occupied by the Reynold's Transfer and Storage Company which has main offices directly across the street. Being in strong hands and utilized to its potential, the one story brick industrial building is excluded from further study, reducing the total area of the block available for development to approximately 62,000 square feet.

Lots 5 through 8, 13, 14, and the southwest 33 feet of Lot 12 are owned by the Milson Corporation and are improved with a 30 year old post office garage and parcel post annex. The property site measures 48,198 square feet upon which is built an 8,712 square foot annex building and a 26,136 square foot steel frame and masonry light truck garage. (See Exhibits II-6 and II-7).

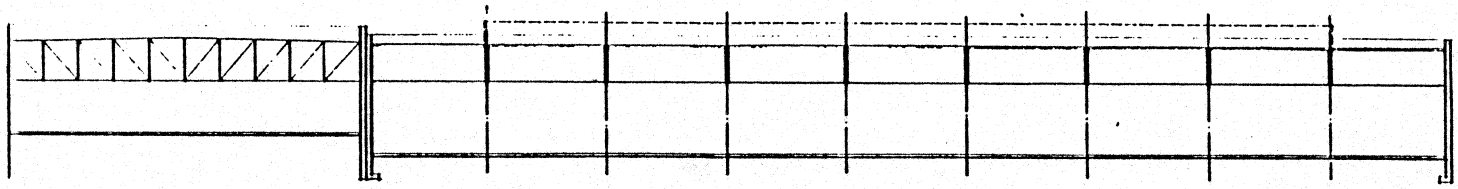
Lot 4, less 17 feet on the southeast assigned to Lot 15, is occupied by a one story brick warehouse with wood arched trusses. (See Arlan Kay study in the Appendix.) Presently used for unheated storage by Roy's Transfer Service, its convenience for storage has been significantly reduced by removal of paving stones along the railroad tracks which permitted trucks to back into the building. Only side loading is presently feasible.

EXHIBIT II-6

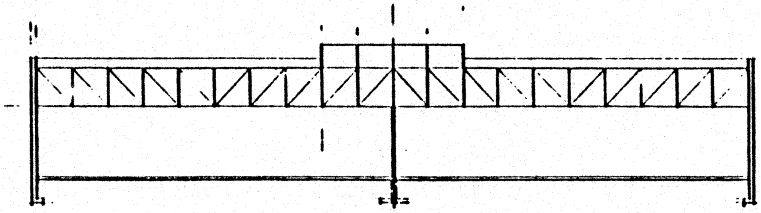
SCHEMATICS OF POST OFFICE ANNEX AND
GARAGE - OVERHEAD VIEW, FRONT AND SIDE VIEWS



SCHEMATICS OF POST OFFICE ANNEX AND GARAGE



LONGITUDINAL SECTION
1" = 25'



TRANSVERSE SECTION
1" = 25'

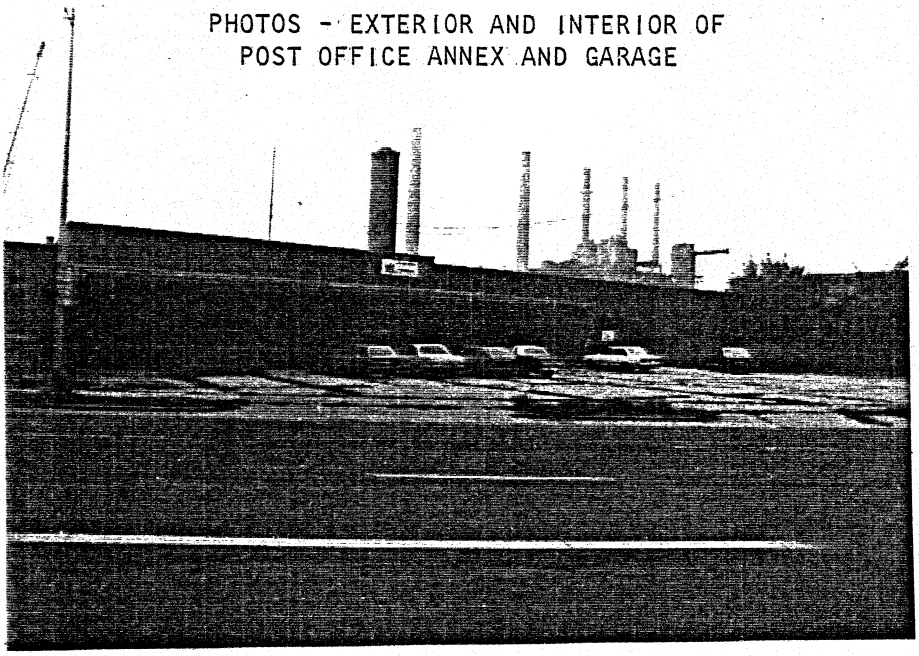
EXHIBIT II-6 (Continued)

FRONT, SIDE VIEWS

POST OFFICE GARAGE & ANNEX

EXHIBIT II-7

PHOTOS - EXTERIOR AND INTERIOR OF
POST OFFICE ANNEX AND GARAGE

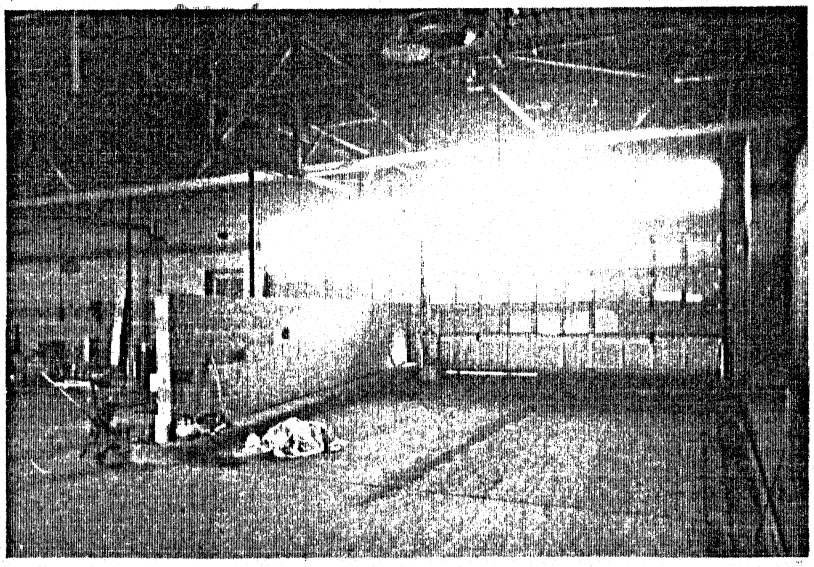


VIEW FROM WILLIAMSON STREET (FACING NORTH)

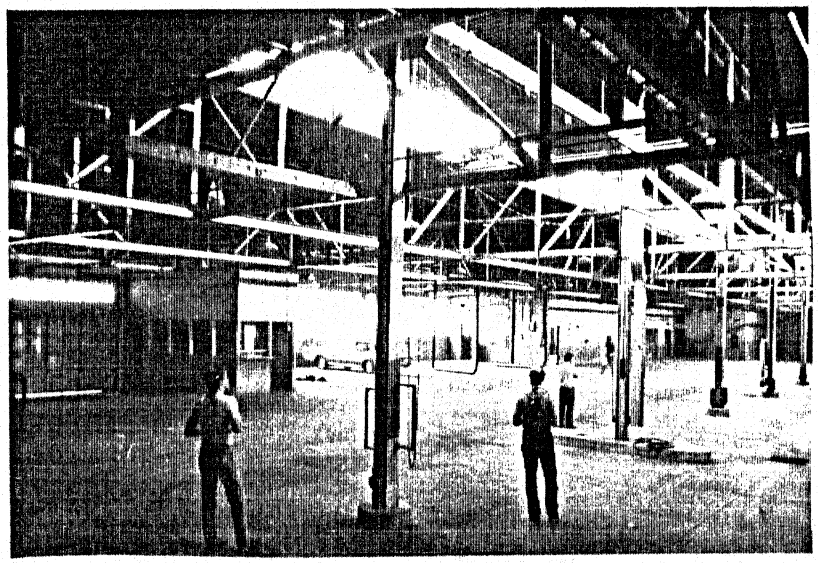


VIEW FROM WILSON STREET (FACING SOUTH)

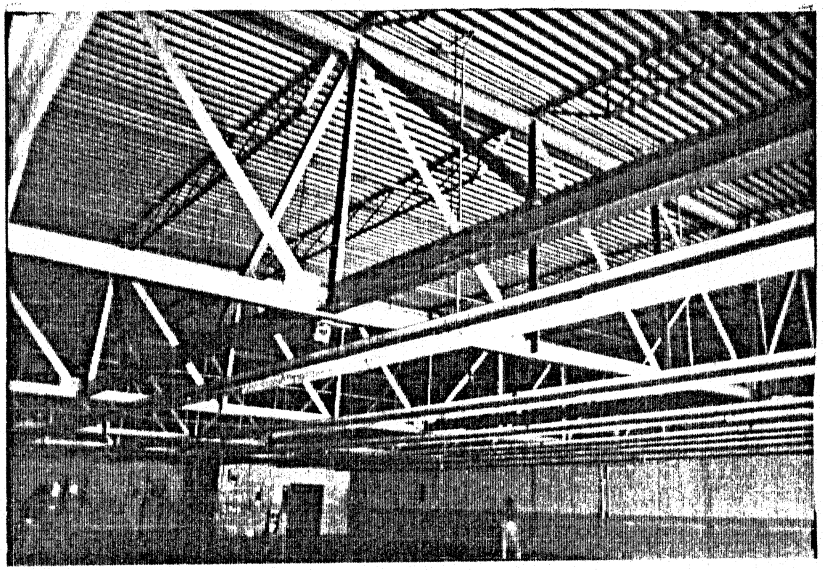
INTERIOR OF POST OFFICE ANNEX AND GARAGE



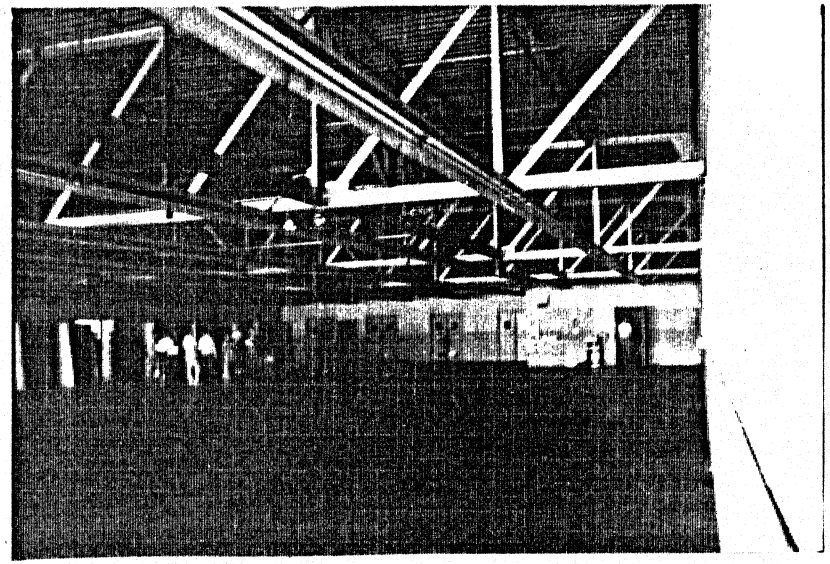
SOUTH GARAGE ENTRANCE (TO WILLIAMSON STREET)



GARAGE INTERIOR (FACING NORTH)



ANNEX TRUSS SYSTEM



ANNEX INTERIOR (FACING SOUTHEAST)

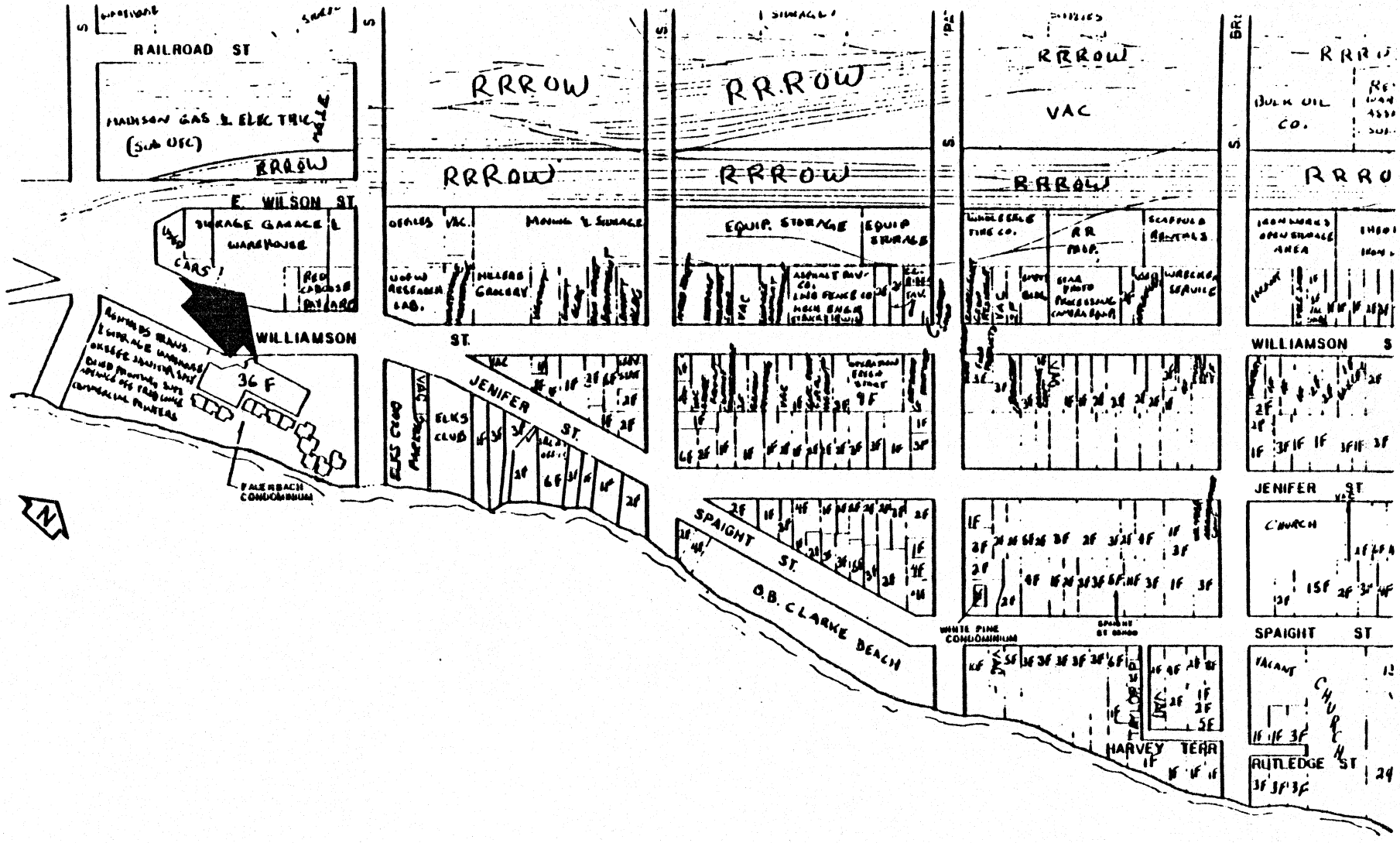
What remains of Lots 2, 3, and 15 is presently occupied by a former service station converted to Williams' Used Car lot which has access to both Williamson and East Wilson Streets. However, the grassy tip of the block is owned by the railroad to improve visibility of track street crossing. (Further land use detail is included in Exhibit II-8.)

2. Legal-Political Constraints

a. Zoning

The 600 Block is a prime example of spot zoning. Reference to Exhibit II-9 will indicate the use of C-3 to accommodate the used car lot and parking needs of the annex, C-2 zoning primarily for the benefit of Red Caboose and M-1 zoning for the balance of the block. Madison's M-1 zoning is structured to accommodate non-nuisance type industrial users that do not emit noxious fumes or have high noise levels. This type of light industry is encouraged and the M-1 zoning is used to prevent intrusions by incompatible uses in a light industrial area. (See Appendix.) The ordinance allows the location of light industry in closer proximity to

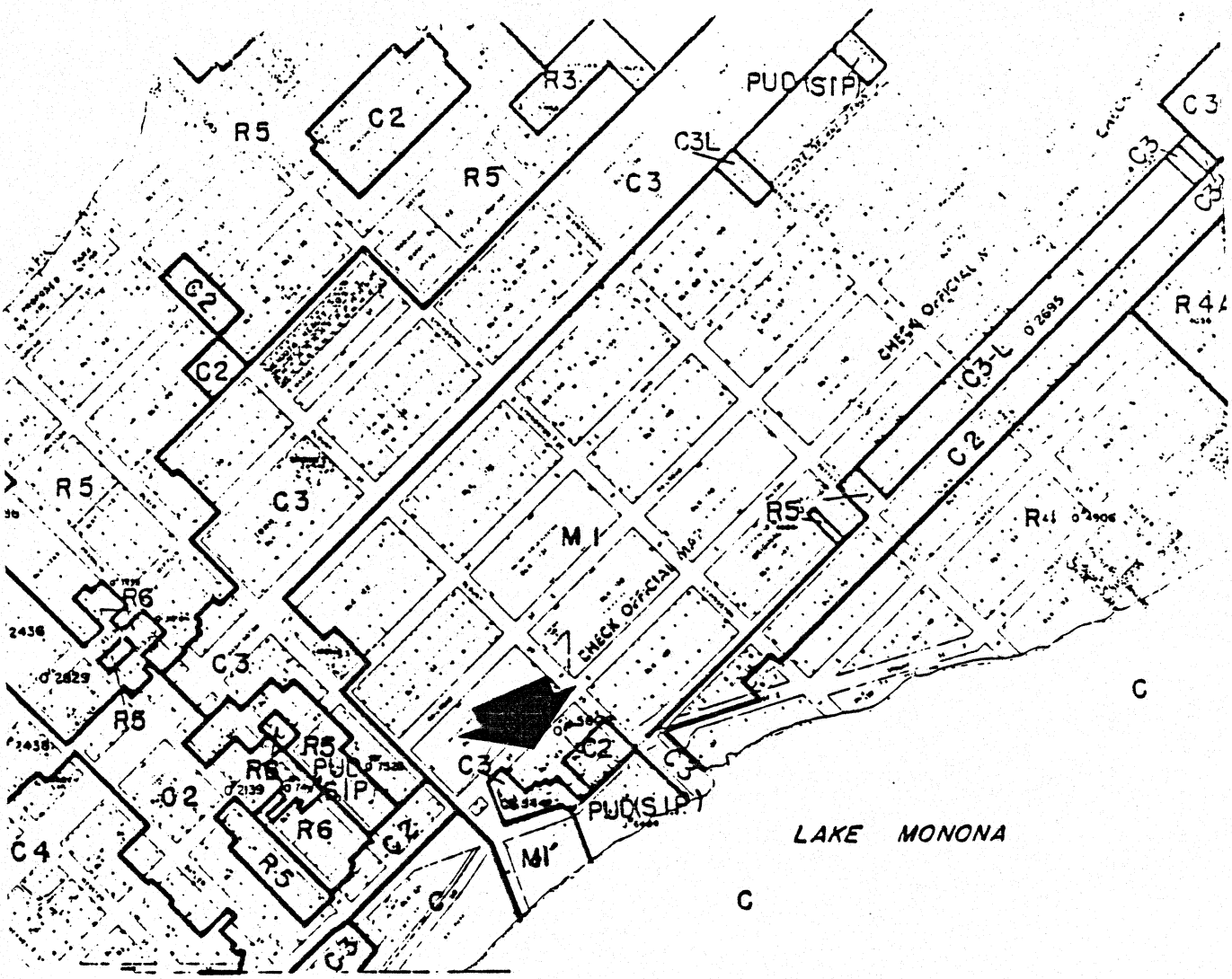
ADJACENT LAND USES MAP



ADJACENT LAND USES

EXHIBIT II-9

SUBJECT AREA ZONING MAP



SUBJECT ZONED M1,C2,C3

SUBJECT AREA ZONING

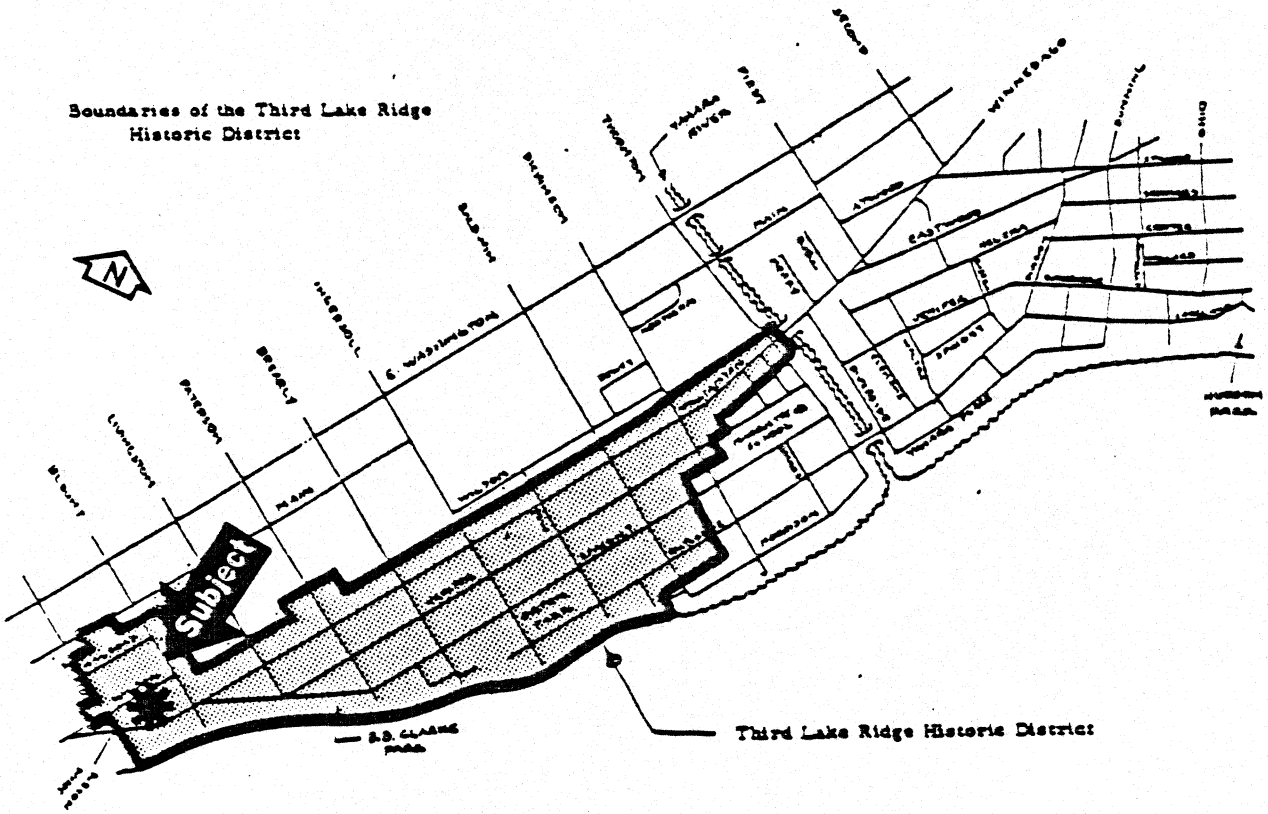
residential and other uses if, in fact, the industry is a non-nuisance type.

b. Historic District

The subject block is located within the boundaries of the Third Lake Ridge Historic District, an area established to recognize and protect buildings of architectural and historical significance. (See Exhibit II-10.) Parcels zoned for manufacturing uses in the district are subject to Madison City Landmark Ordinance Sections 33.01 (11)(d) and 33.01 (11)(e) which govern alterations of existing buildings. However, the subject block was included in the Historic District primarily for the convenience of those setting the boundaries; since there are no architecturally significant buildings on the block, the District should not impose any specific constraints on reuse other than the general standard that any renovation or reconstruction should not be unattractive or out of scale with the District. Scale implies a height restriction of three to four stories to match the Madison Gas & Electric Building, Miller-Horne Building, and Fauerbach Condominiums.

EXHIBIT II-10

THIRD LAKE RIDGE HISTORIC
DISTRICT MAP AND GUIDELINES



Source: Department of Transportation, Division of Traffic Engineering, Madison, Wisconsin.

EXHIBIT II-10 (Continued)

Soc. 3301(11) d-g

(d) Guideline Criteria for new Development in the Third Lake Ridge Historic District - Parcels Zoned for Manufacturing Use.
1. The gross volume of any new structure shall be visually compatible with the buildings and environment within its visually related area.
2. The height of any new structure shall be visually compatible with the buildings and environment within its visually related area.

(e) Guideline Criteria for Exterior Alteration in the Third Lake Ridge Historic District - Parcels Zoned for Manufacturing Use.
Alterations of the height of any existing structure shall be visually compatible with the buildings and environment within its visually related area.

(f) Guideline Criteria for new Development in the Third Lake Ridge Historic District - Parcels Zoned for Commercial Use.
1. Any new structures shall be evaluated according to both of the criteria listed in Sec. 33.01(11)(d); that is, compatibility of gross volume and height.
2. The rhythm of solids and voids in the street facade(s) of any new structure shall be compatible with the buildings within its visually related area.
3. The materials used in the street facade(s) of any new structure shall be compatible with those used in the buildings and environment within its visually related area.
4. The design of the roof of any new structure shall be compatible with those of the buildings and environment within its visually related area.
5. The rhythm of building masses and spaces created by the construction of a new structure shall be compatible with the existing rhythm of masses and spaces for those sites within its visually related area.

(g) Guideline Criteria for Exterior Alteration in the Third Lake Ridge Historic District - Parcels Zoned for Commercial Use.
1. Alterations of the height of any existing structure shall be visually compatible with the buildings and environment within its visually related area.
2. Alterations of the street facade(s) of any existing structure shall retain the original or existing historical rhythm of solids and voids.
3. Alterations of the street facade(s) of any existing structure shall retain the original or existing historical materials.
4. Alterations of the roof of any existing structure shall retain its existing historical appearance.

(h) Guideline Criteria for new Development in the Third Lake Ridge Historic District - Parcels Zoned for Residential Use.
1. Any new structure shall be evaluated according to all criteria listed in Sec. 33.01(11)(f).
2. The directional expression of any new structure shall be compatible with those of the buildings and environment within its visually related area.
3. The materials, patterns and textures of any new structure shall be compatible with those of the buildings and environment within its visually related area.
4. The landscape plan of any new structure shall be compatible with that of the buildings and environment within its visually related area.

Source: Madison Zoning Ordinance.

c. Marquette Neighborhood Association (MNA)

The Marquette Neighborhood Association, a well organized planning group, has published its amended 1982 neighborhood plan, which includes Block 600 at its southeastern periphery. A representative list of plan provisions is provided in Exhibit II-11 and any reuse of Block 600 must be sensitive to the expectations of this program. Many of these land use goals are intended to remove through traffic from Williamson Street in order to restore safety and convenience to shopping and other activities by neighborhood residents. The Marquette Neighborhood Association (MNA), according to president Nancy Leazer [1], recognizes the conflicting goals of commercial and residential revitalization and they clearly favor residential development while limiting retail use as to shops serving the local area.[2] Despite the practical limitations of creating residential and retail use in an area with declining population and relatively low purchasing power, a reuse

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[1] Interview with Nancy Leazer, President, Marquette Neighborhood Association, Madison, Wisconsin, September 29, 1982.

[2] Marquette Neighborhood Plan, Madison, Wisconsin, Summer, 1981.

EXHIBIT II-11

BRIEF SUMMARY OF MARQUETTE NEIGHBORHOOD
ASSOCIATION PLAN RECOMMENDATIONS

(1) Improve image and physical condition of buildings along Williamson Street.

(2) Cluster retail uses better and encourage compatible or complimentary uses which fill neighborhood needs.

(3) Encourage maintenance or even growth in numbers of residential properties along Williamson Street and discourage conversion of residences to commercial or retail use.

(4) Control rent levels and encourage use of lower interest ownership options for existing residents.

(5) Concentrate major retail cluster in 1200-1300 block.

(6) Diversify retail businesses.

(7) Expand Williamson Street share of potential retail shopping market.

a) for existing residents
b) for "outsiders"

(8) Increase area population.

(9) Traffic reduction and more parking (much restructuring necessary on Blair Street and East Washington; restore rush hour parking on Williamson Street)

(10) Encourage new Williamson Street Business Association, use Common Wealth to coordinate Business Succession Program.

(11) Expand Williamson Street as target for MDC programs.

scenario for housing must be considered, at least briefly, to meet with MNA inclinations for the block.

3. Site Linkages

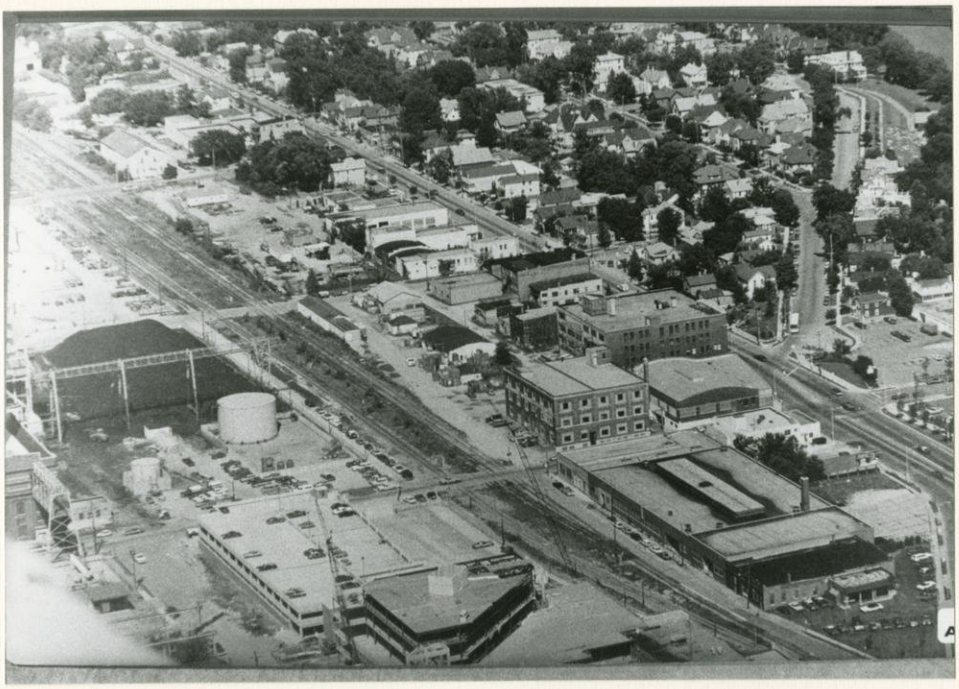
Linkage attributes are the relationships of the site to its immediate environs, activity centers, and the larger area with which the site has economic ties.

The general area is preferred by businesses which need to dispatch trucks, crews, or other services to the full Madison market without benefit of an east side and west side office. Both the City of Madison Water Utility and Madison Gas & Electric did extensive truck-trip analysis before choosing their present locations and several service businesses interviewed, including Roy's Transfer on the subject block, indicated that traffic route access to all parts of Madison was a prime factor in their choice of location, as well as price and general flexibility of building spaces. However, realization of this critical position on the Isthmus is hurt by the current state of affairs at the John Nolen, South Blair, and Williamson Street intersection. City traffic engineers have put forward a proposal for reconstruction in 1984-85 and Landmark Research has put forward an alternative so that further discussion of street linkages will be postponed to Part C of this section.

Aside from traffic, the subject block is both pivotal and transitional in terms of its neighboring environs. The hill on King Street and the rundown bars on East Wilson have effectively detached the 600 Block from the Square area markets. At the same time, the Fauerbach Condominium project on the lake to the south of the subject block has stabilized the south side of the street and made possible discussion about renovation of Machinery Row. Directly north of the block, Madison Gas & Electric is completing a new executive administration building and parking ramp. On the immediate southeast corner of the site the Red Caboose has attractively modernized its facilities while the Reynold's family has restored its two properties in the 700 Block facing South Blount. The pedestrian approaching the site from the Capitol area will be discouraged by tacky saloons, vacant buildings, and the railroad track crossing. (See Exhibit II-12.) To change the public perception and to sequence renovation of the 600 Block it will be necessary to review the 400 and 500 blocks of East Wilson in respect to proposed redevelopment of the Cardinal Hotel. In addition, the Rhode block, should it find redevelopment assistance, would complete transformation of the public perception of the residential area southeast of the Capitol. Once respectable residential development reaches

EXHIBIT II-12

PHOTOGRAPHS OF 600 THROUGH 900 BLOCKS
IN PRESENT CONDITION AND
BLAIR/NOLEN INTERSECTION IN PRESENT CONDITION



Present condition of 600 through 900 blocks



Present condition of Blair/Nolen intersection

Blair Street, the 600 Block becomes the gateway to the Marquette Neighborhood.

These linkages will be recognized by both the nature of the traffic plan alterations proposed and the boundaries of the Tax Incremental Finance district which must interrelate the sequence, value added, and impacts of private development efforts on all of these sites.

4. Dynamic Attributes

For many years the subject block has been in a transitional zone between the Marquette Neighborhood Association which generally began its work with families within the visual boundaries of the neighborhood at Jenifer Street and the Capitol Hill area which pretty well terminated at Blair Street or some say Butler Street. The 600 Block is now perceived as suitable for redevelopment consistent with MNA plans. The vacant postal warehouse on the north side of Williamson and the partially vacant and burned out Machinery Row to the south of Williamson discourage consideration of the pivotal character of the neighborhood for wholesaling and service groups.

The aesthetics of the area are mixed due to the variation of upkeep and quality of structures. Machinery Row property directly across from the subject site on Williamson Street has been called an eyesore by the

Marquette Neighborhood Association, and they feel it creates a deteriorating image at the entrance to the neighborhood.

A clear view of the subject property is difficult on approaching from Wilson Street or Williamson Street due to the adjacent structures and distracting billboards. Site aesthetics are further decreased by noise from the heavy traffic. Lake Monona cannot be seen from the subject, and the view to the Square is obstructed by the used car lot building. The only view available across Williamson Street is the partially vacant Machinery Row commercial building, and the only view across Wilson Street is the rail corridor and Madison Gas & Electric storage area and smokestacks. The new Madison Gas & Electric office building will improve this view. The area eastward on Williamson Street includes vacant retail and warehouse buildings, and older, small commercial buildings and bars mixed with some residential use. The heart of the Marquette Neighborhood lies to the south on Jenifer and Spaight Streets and contains many lovely old homes built around the turn of the century.

The major adverse influences which dominate this old core of Madison and have discouraged or delayed revitalization are the railroad tracks with their related activities and the dominant stacks and noises from the

Madison Gas & Electric coal fired, electric generating plants. While the majority of Madison Gas & Electric power comes from coal fired plants in Portage, Wisconsin, and an atomic plant in Kewanee, at least one of the Madison Gas & Electric boilers is operating constantly as a stand-by or supplement at peak load hours. The automatic unloading of coal cars, the sound of soot purification equipment, and the appearance of coal piles, smoke discharge, and related rail switching within several hundred feet of the subject property detracts significantly from residential potential. At the same time, the proposed railroad corridor will retain two main tracks within 60 feet of the northern borders of the site. These tracks are used only a few times daily but may include a more frequent light rail transit operation some day in the future so that the noise envelope places the entire block in the normally unacceptable zone of environmental quality for sites being underwritten for FHA financed residential development.

5. Environmental Attributes

The 600 Block is pivotal in terms of a potential domino effect of redevelopment within and without the study area. It would seem there are four distinct phases in removing the transitional, deteriorating image of the 600 Block and its mate to the south, Machinery Row. The general timing of

tax increments, of environmental enhancement, and redevelopment is detailed in Exhibit II-13 which will be the basis for further explanation throughout this section:

1. 1983 redevelopment of the Cardinal Hotel into 20 to 22 middle-class apartments together with Phase I of Canal Place will accomplish a tip over of the southeast quadrant of Capitol Hill to respectable housing. It could provide TIF support to the Gateway Plan if developers chose to request TIF status.

2. 1984-85 completion of a reconstruction of the John Nolen, Blair Street, Williamson Street intersection to enhance development potential of the Rhode block (500 East Wilson) and to blight or to enhance redevelopment of Machinery Row, depending on use of the City or the Landmark intersection proposal.

3. 1985 resale of surplus property including postal garage and annex to a potential user from the 700 or 800 blocks of Williamson Street redevelopment plan, or to Madison economic development agencies.

4. The Rhode block of 500 West Wilson Street could provide substantial TIF support, but the housing market, the need for realistic pricing, and perhaps a redevelopment role with CDA make it unlikely that it

EAST WILSON/WILLIAMSON RAIL CORRIDOR
ALLOCATION OF NET POTENTIAL ASSESSED VALUE INCREASE FOR TIF

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	1982 ASSESSED VALUE LAND	IMPROV.	TOTAL	ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF 1984	1985	1986	1987	1988	1989
PARCEL I - 700 BLOCK WILLIAMSON STREET 0709-134-												
312 S. Livingston 1709-8	52,272	$ 28,600	$ 58,400	$ 87,000								
717 E. Wilson 1710-5	8,712	5,600	-0-	5,600								
	60,984	$ 34,200	$ 58,400	$ 92,600	$ 121,968	$ 29,368		$ 29,368				
Miller Horne					1,000,000	1,000,000		1,000,000				
PARCEL J - 700 BLOCK EAST WILSON STREET 0709-134-												
223 S. Blount 1801-2	36,828			EXEMPT	27,621	27,621	$ 27,621					
PARCEL K - 800 BLOCK WILLIAMSON STREET [1] 0709-134-												
301 S. Livingston 1302-0	38,700	47,000	7,000	54,000								
302 S. Paterson 1301-2	22,176	21,500	-0-	21,500								
	60,876	$ 68,500	$ 7,000	$ 75,500	2,460,876	2,385,376		(7,624)	$ 797,667	$ 797,667	$ 797,666	
PARCEL L - 800 BLOCK EAST WILSON STREET 0709-134-												
224 S. Paterson 1201-4	40,095			EXEMPT	30,071	30,071		30,071				

[1] 1985 = assessed value of land after redevelopment - 1982 assessed value of land = 60,876 - 68,500
1986 = 1/3 (assessed value of improvements after redevelopment - 1982 assessed value of improvements) = (1/3)(2,400,000 - 7,000)
1987 = 1/3 (assessed value of improvements after redevelopment - 1982 assessed value of improvements) = (1/3)(2,400,000 - 7,000)
1988 = 1/3 (assessed value of improvements after redevelopment - 1982 assessed value of improvements) = (1/3)(2,400,000 - 7,000)

EXHIBIT II-13 (Continued)

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	1982 ASSESSED VALUE LAND	IMPROV.	TOTAL	ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF 1984	1985	1986	1987	1988	1989
PARCEL M - 900 BLOCK WILLIAMSON STREET [2]												
0709-134-												
306 S. Brearly	22,550	27,000	8,000	35,000								
0701-5												
931 E. Wilson	29,700			EXEMPT								
0702-3												
303 S. Paterson	13,580	16,500	54,500	71,000								
0703-1												
	65,830	$ 43,500	$ 62,500	$106,000	456,000	350,000		88,160		261,840		
PARCEL N - 900 BLOCK EAST WILSON STREET												
0709-134-												
203 S. Paterson	40,986			EXEMPT	30,740	30,740	30,740					
0801-3												
PARCEL O - 1000 BLOCK EAST WILSON STREET												
0709-131-												
205 S. Brearly	50,905			EXEMPT	25,453	25,453	25,453					
2201-9												
PARCEL P - 1100 BLOCK EAST WILSON STREET												
0709-131-												
1134 E. Wilson	39,610			EXEMPT	19,805	19,805	19,805					
2301-7												

[2] 1985 = assessed value of land after redevelopment - 1982 assessed value of land = 131,660 - 43,500
1987 = assessed value of improvements after redevelopment - 1982 assessed value of improvements = 324,340 - 62,500

EXHIBIT II-13 (Continued)

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	1982 ASSESSED VALUE LAND	IMPROV.	TOTAL	ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF 1984	1985	1986	1987	1988	1989
PARCEL Q - 1200 BLOCK EAST WILSON STREET												
0709-131-												
210 S. Baldwin	8,800	10,500	-0-	10,500								
0094-0												
1200 E. Wilson	24,600			EXEMPT								
0095-8												
	33,400	$ 10,500	-0-	$ 10,500	16,700	6,200	6,200					
East Wilson/ Williamson Rail Corridor Totals (or approximately 9.86 acres)	429,514	$156,700	$127,900	$284,600	$4,189,234	$3,904,634	$109,819	$1,139,975	$797,667	$1,059,507	$797,666	$ -0-

EXHIBIT II-13 (Continued)

EAST WILSON/WILLIAMSON STREET - ALLOCATION OF POTENTIAL NET ASSESSED VALUE INCREASE FOR TIF

EAST WILSON/WILLIAMSON STREET
ALLOCATION OF POTENTIAL NET ASSESSED VALUE INCREASE FOR TIF

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	CURRENT ASSESSED VALUE LAND	IMPROV.	TOTAL	ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF 1984	1985	1986	1987	1988	1989
400 EAST WILSON STREET - PARTIAL BLOCK (CARDINAL) 0709-133-												
416 E. Wilson 1822-0	8,142	$42,100	$152,200	$194,300	$770,000	$575,700	$575,700	(Not available unless present proposed development partnershp requests inclusion in TIF District)				

EXHIBIT II-13 (Continued)

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	CURRENT ASSESSED VALUE LAND	IMPROV.	TOTAL	ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF 1984	1985	1986	1987	1988	1989
500 EAST WILSON STREET - PARTIAL BLOCK (RHODE)												
0709-133-												
125 S. Franklin 1711-5	8,712	$21,800	$33,900	$55,700								
133 S. Franklin 1712-3	8,712	21,800	21,500	34,300								
137 S. Franklin 1714-9	4,356	10,900	21,600	32,500								
141 S. Franklin 1715-7	4,356	10,900	20,300	31,200								
502 E. Wilson 1716-5	1,379	7,500	42,500	50,000								
504 E. Wilson 1713-3	2,230	12,000	38,000	50,000								
506 E. Wilson 1718-1	8,013	34,000	41,000	75,000								
510 E. Wilson 1719-9	5,808	24,000	56,500	80,500								
514 E. Wilson 1720-6	1,930	8,000	23,000	31,000								
516 E. Wilson 1721-4	1,930	8,000	23,000	31,000								
518 E. Wilson 1722-2	1,716	9,000	22,000	31,000								
520 E. Wilson 1723-0	4,422	27,000	118,000	145,000								
148 S. Blair 1724-8	3,069	11,300	1,100	12,400								

EXHIBIT II-13 (Continued)

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	CURRENT ASSESSED VALUE LAND	IMPROV.	TOTAL	ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF 1984	1985	1986	1987	1988	1989
500 EAST WILSON STREET - PARTIAL BLOCK (RHODE) (Continued)												
0709-133-												
140 S. Blair 1725-6	4,356	$14,600	$400	$15,000								
138 S. Blair 1726-4	8,712	30,000	7,600	37,600								
132 S. Blair 1727-2	8,712	28,000	76,500	104,500								
124 S. Blair 1728-0	8,712	33,100	0	33,100								
118 S. Blair 1729-8	8,712	22,300	67,700	90,000								
	95,837	$334,200	$605,600	$939,800	$4,980,000	$4,040,200	(Not available unless present owner or future developer requests inclusion in TIF District. Potential increase sufficient to justify possible CDA condemnation and write-down.)				$4,040,200	

EXHIBIT II-13 (Continued)

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	CURRENT ASSESSED VALUE			ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF					
		LAND	IMPROV.	TOTAL			1984	1985	1986	1987	1988	1989
600 WILLIAMSON STREET - ODD SIDE OF BLOCK (MACHINERY ROW)												
0709-134-												
601 Williamson												
2001-7		$255,700	$79,300	$335,000	$1,585,000	$1,250,000				$1,250,000		

Landmark Research, Inc

EXHIBIT II-13 (Continued)

ADDRESS & PARCEL NO.	LOT SIZE IN SQ.FT.	CURRENT ASSESSED VALUE LAND	IMPROV.	TOTAL	ASSESSED VALUE AFTER RE-DEVELOPMENT	INCREASE IN ASSESSED VALUATION	ALLOCATION OF NET INCREASE FOR TIF 1984	1985	1986	1987	1988	1989
600 WILLIAMSON STREET - EVEN SIDE OF BLOCK (1)												
0709-134-												
629 E. Wilson 1902-8		$108,400	$216,600	$325,000	$584,500	$259,500						
623 E. Wilson 1904-4		17,000	27,500	44,500	-0-	<44,500>						
602 Williamson 1905-2		43,900	21,100	65,000	-0-	<65,000>						
		$169,300	$265,200	$434,500	$584,500	$150,000	$150,000					

(1) It is assumed that the other two parcels on this block, Red Caboose and Reynolds Warehouse, would be left as is. Therefore, they are not included here.

will be developed in time to contribute to financing of the Blair/John Nolen intersection. Thus, this potential is excluded from TIF potential.

Note that the attractiveness of the postal garage building depends on improving its access and image by removal of the used car lot and Roy's Transfer warehouse and provision for a circular truck access pattern from both Williamson and Wilson Streets. At the same time, elimination of the low grade industrial image also requires renovation of Machinery Row into commercial retail with the latter dependent on improved traffic access and parking possible under the Landmark plan. Unless the City can acquire the used car lot and Stark warehouse under eminent domain, the appropriate new intersection and renovation of the postal building will be less attractive to potential users in the 700 and 800 blocks, thus delaying or frustrating relocation. Thus, the 600 Block reuse potential depends on the intersection plan chosen by the City and, in turn, reuse opportunities for both Machinery Row and the other transitional blocks on Williamson, Blocks 700 and 800. depend on the availability of Block 600 space as well as the traffic pattern created by the selected intersection plan.

Although Block 600 was not included as one of the original model blocks by the East Wilson Rail Corridor Committee, it is pivotal in establishing both the fiscal support and redevelopment momentum desired by those who would revitalize the Marquette Neighborhood by appropriate assimilation of the railway corridor.

Fiscal support of intersection rebuilding costs initially anticipated including the Cardinal Hotel conversion and future redevelopment of the Rhode Block 500. However, these parcels did not initiate TIF support and thus the initial TIF area must do without them and end at Blair Street. Special assessments to Machinery Row benefited by the Landmark traffic plan could raise additional funds.

C. Intersection Reconstruction Alternatives

1. Redesign Proposal--
City Traffic Engineering

The intersection of Blair, John Nolen, Williamson, and East Wilson Streets is currently a six corner, approximately 32-lane nightmare with a high priority for reconstruction in the City capital budget process. The existing design and typical traffic volumes are provided in Exhibit II-14. It has produced long queuing at rush hour on Williamson Street going west, Blair Street going south, and

EXHIBIT II-14

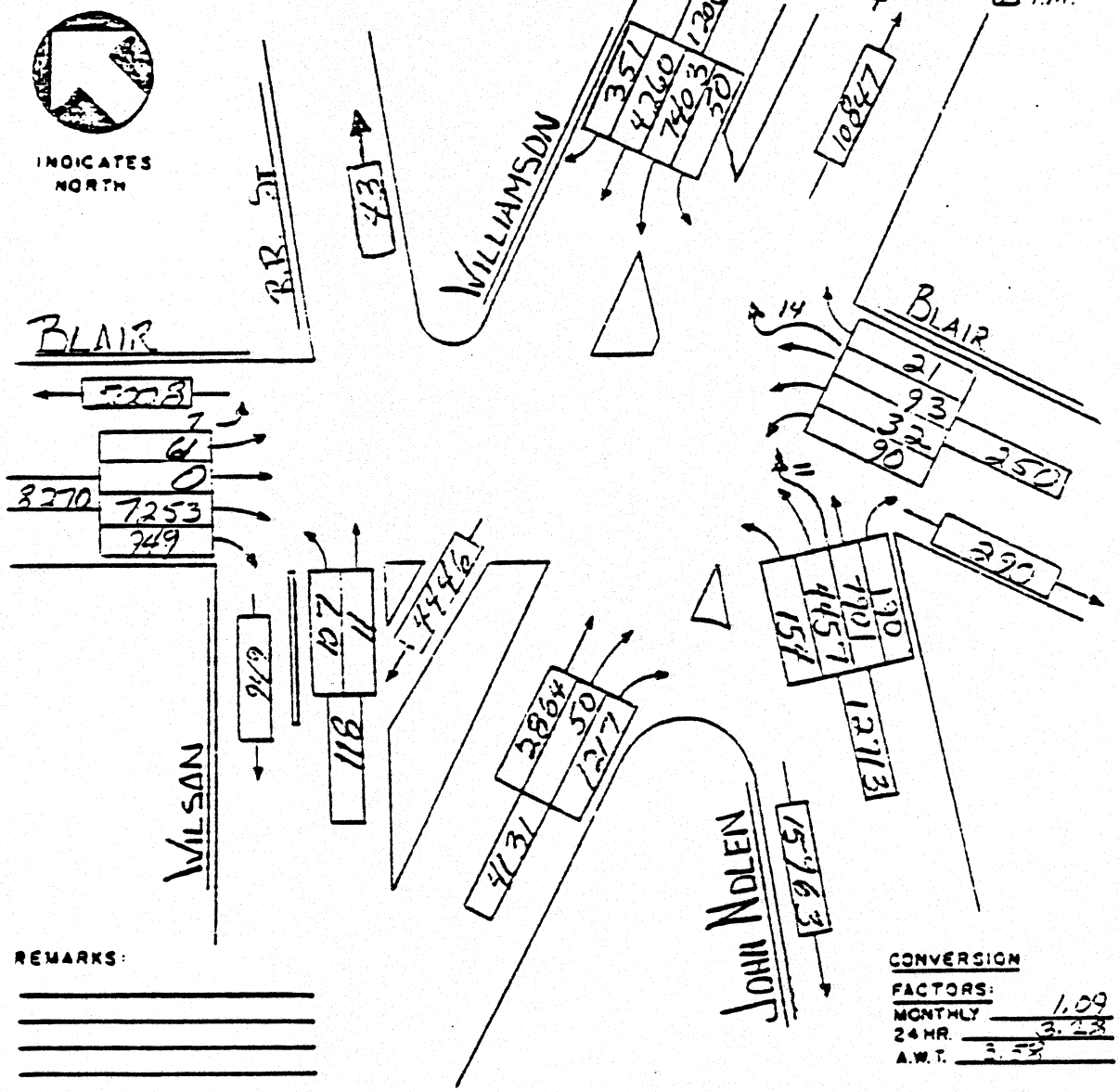
EXISTING INTERSECTION DESIGN AND TRAFFIC VOLUME

CITY OF MADISON
TRAFFIC ENGINEERING DEPARTMENT

VEHICLE VOLUME COUNT
GRAPHIC SUMMARY SHEET

INTERSECTION BLAIR, JOHN NOLEN, WILLIAMSON & WILSON

DATE 1-28-82 DAY THUR. WEATHER Cool. TIME 7 / 4 TO 9 AM. / 6 P.M.



REMARKS:

HMW
COMPLETED BY

RT
CHECKED BY

CONVERSION FACTORS:
MONTHLY 1.09
24 HR. 3.28
A.W.T. 3.52

HOURS OF COUNT SHOWN:
AWT TO

EXISTING DESIGN & VOLUME

John Nolen Drive going both east and north. After long negotiation with a variety of neighborhood committees, a redesign has been proposed which reduces the Blair Street access to Machinery Row to driveway access from both John Nolen and Williamson Street (both driveways cross a bike trail). The plan will continue to prevent left turns from Blair into Williamson Street to discourage eastbound Williamson Street traffic. Wilson Street remains with a half lane going east, accessible only by a difficult right turn from Blair going north or Williamson Street going west. No parking is permitted on Williamson Street.

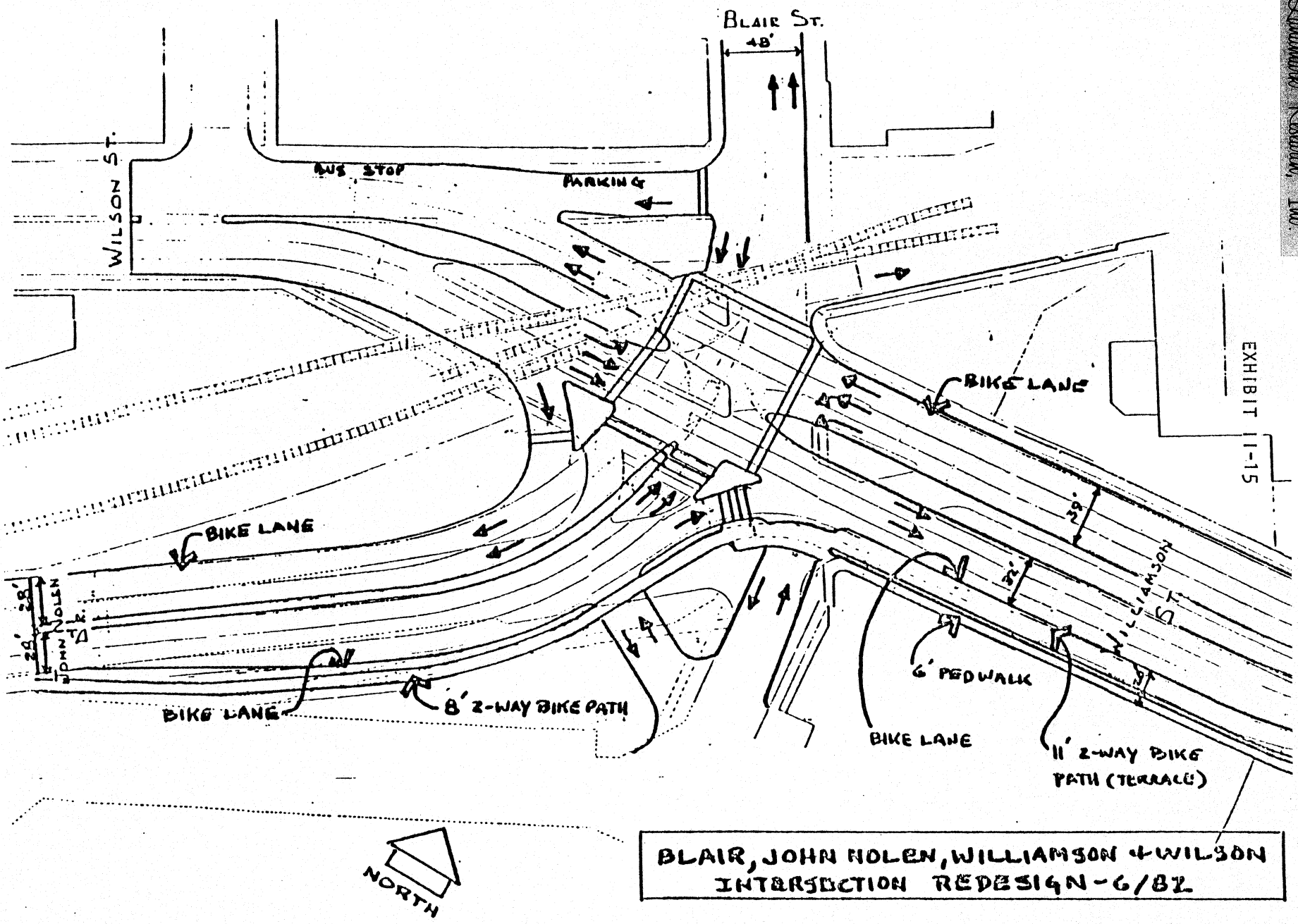
The arguments for the City's redesign plan (see Exhibit II-15) are that it best met the six design criteria of the Ad Hoc Sixth District Traffic Committee shown in Exhibit II-16.

The arguments against the City's redesign plan are:

1. Redevelopment potential of Machinery Row for retail or office use is blighted and its potential to contribute to a TIF district for redevelopment lost indefinitely as are any special benefits which could be assessed the owners of Machinery Row. All of these factors are contrary to Criteria 6, Exhibit II-16.

2. The result is four lanes of traffic funneling into Williamson Street at the 700 Block as before, creating

CITY'S REDESIGN PLAN FOR INTERSECTION



BLAIR, JOHN NOLEN, WILLIAMSON & WILSON INTERSECTION REDESIGN - 6/81

EXHIBIT II-15

EXHIBIT II-16

DESIGN CRITERIA OF THE AD HOC SIXTH DISTRICT TRAFFIC COMMITTEE

TO: Warren Somerfield, Department of Transportation
Michael Nagy, Traffic Engineering Division

FROM: William Feitlinger, Alderman, Sixth District
Linda Kessel, Chairperson, Sixth District Traffic Committee

RE: Reconstruction of the Intersection of Blair Street, John Nolen Drive, Williamson and Wilson Streets

The Marquette Neighborhood recently adopted a traffic plan for the Sixth District, a major component of which is the reconstruction of the intersection of Blair Street, John Nolen Drive, Williamson and Wilson Streets. An ad hoc committee of sixth district residents and businesses has developed various criteria with which to evaluate reconstruction designs; these criteria include;

1. Reduction of traffic on Williamson Street, so that residents and shoppers would have access, but commuter traffic is discouraged. This implies the availability of an alternative route such as East Washington Avenue or East Main Street.

2. Encouragement of neighborhood development, particularly the 600 block of Williamson Street (Block 125), which could be used for housing, recreational and commercial purposes.

3. Effect of reconstruction on other neighborhoods. This includes the effect of traffic redirection from Williamson Street to other routes, which could involve neighborhoods to the east and north of the sixth district (eg., second and sixteenth districts).

4. Safety factors for all types of users. The intersection should provide convenient, safe, preferential treatment for pedestrians, bicyclists, buses, and possibly taxis going to and from the Capitol Square, to encourage more fuel-efficient modes of transportation.

5. Does not preclude the development of other route in the future (eg., the East Main Street Corridor).

6. Net cost.

congestion and eliminating convenient and safe parking for those wishing to stop at Williamson Street businesses. Thus, Criteria 1, 2 and 4 are not met.

3. The opportunity to use eminent domain to remove unsightly structures, such as the Wilson Hotel, Williams' car dealership, and the Stark warehouse have been lost, together with the freedom to redevelop adjacent lands and enhance potential TIF financing for special assignments to reduce net costs to the City's capital budget.

4. The large City investment in the intersection would not be compatible with future development of Wilson Street as a key to surplus rail corridor redevelopment or a logical phased shunting of traffic from Williamson to Wilson, later Wilson to Main, and then still later, from East Main to the railroad corridor to Highway 113.

2. Redesign Proposal--
Landmark Research

Exhibit II-17 is a City sketch of the proposals initiated by Landmark, and referred to as the Gateway Plan. It should be noted that the curve radius at certain points needs to be adjusted to federal standards. The heart of the proposal is to make Williamson Street two lanes of one-way traffic to Brearly and a newly built East Wilson Street two

EXHIBIT II-17

LANDMARK RESEARCH REDESIGN PLAN
FOR INTERSECTION - GATEWAY PLAN

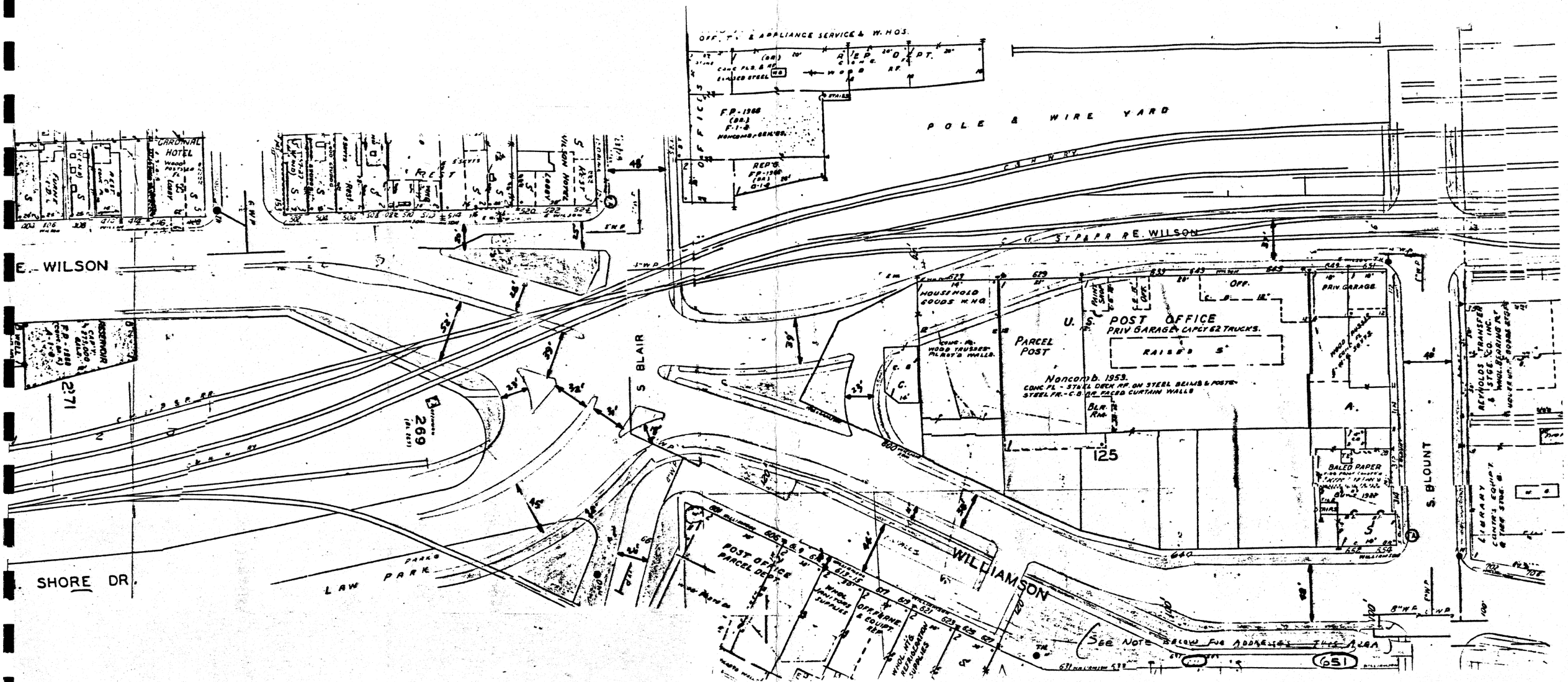
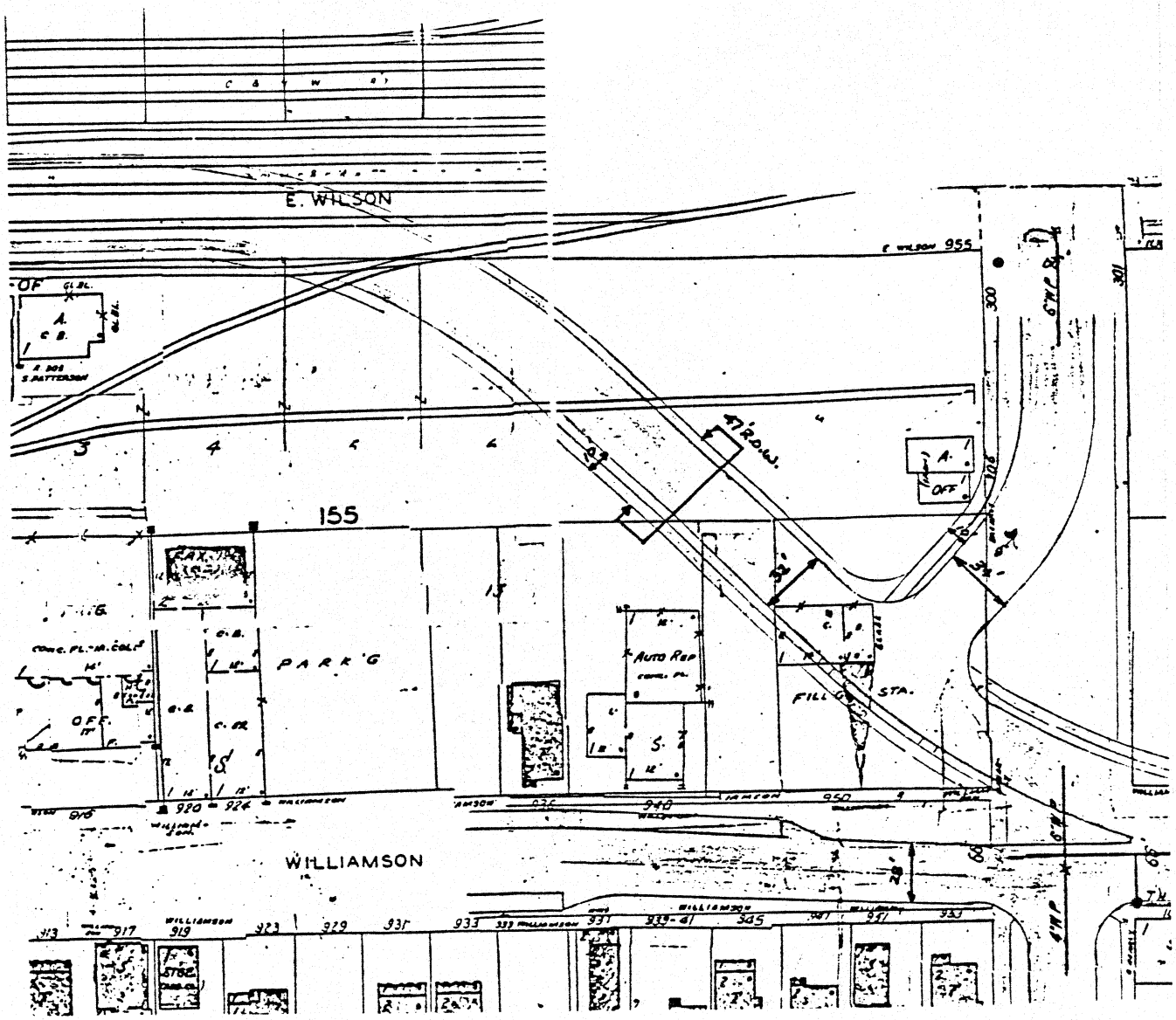


EXHIBIT II-17 (Continued)



(EXHIBIT II-17 Continued)

BLOCK 600 SCENARIO 2 WITH NOLEN/BLAIR INTERSECTION PROPOSAL
AND WILLIAMSON/E. WILSON TRAFFIC PLAN

BLOCK 900

PROPOSED ONE-WAY PAIR

BREARLY STREET CUT-BACK INTO WILLIAMSON

E. WILSON ST.
(2 lanes w/ 1 parking)

cul-de-sac

expand park located at corner of e. brearly & williamson

WILLIAMSON
(2 lanes w/ 1 parking)

E. BREARLY

lanes of one-way traffic from a Brearly connector to Blair Street.

Advantages of the Gateway proposal are:

1. Moving Williamson Street to the northern portion of its corridor in front of Machinery Row recovers old street right-of-way, provides parking in front of the building out of the traffic stream, as well as access well beyond the Blair Street intersection.

2. The intersection is reduced to a four-way intersection by combining Wilson and Williamson Streets into a boulevard entry and eliminating Blair Street south of the intersection (reducing cost - Criteria 6 and increasing safety - Criteria 4, see Exhibit II-16).

3. Only two lanes of traffic operate on Williamson Street and parking would be permitted on both sides to support Williamson Street businesses (exactly the objective of Criteria 1 and 2, see Exhibit II-16).

4. Traffic could circle each block and South Blount would be one way north between Williamson and Wilson to force Madison Gas & Electric service trucks to choose routes to the east on Main or East Washington (Criteria 1, see Exhibit II-16).

5. Federal highway funds might be used in acquisition of right-of-way which simultaneously removes the used car lot and Stark warehouse.

6. Boulevard entry would clearly define entrance into the Marquette neighborhood (may be modified by Federal curve radii required by traffic flow standard).

7. Three and a half blocks of the new Wilson Street would provide access to rail corridor lands for wholesale distribution, City service, and industrial occupancies currently on Williamson Street and detracting from residential character in the 700 and 800 blocks.

8. Circular flow would reduce truck traffic on Williamson Street from Madison Gas & Electric and distribution businesses which would be relocated in or near the rail corridor. They could use Brearly, Paterson, or Baldwin Streets to reach East Washington Avenue or East Wilson Street to reach John Nolen Drive on their way to the south and west parts of the City. The cul-de-sac on Livingston to the north of the rail corridor would reduce commercial traffic filtering into Williamson Street. Blount Street would be one-way north between Williamson and Wilson so that Madison Gas & Electric trucks could use Wilson Street to head west on

John Nolen but would find Main Street or East Washington more convenient going east.

D. Alternative Reuse Concepts for 600 Block

Review of alternative uses for the 600 Block were reduced to two general categories -- warehouse/distribution or residential, medium density. Each of these uses must be reviewed assuming the current City intersection solution and the proposed Gateway solution utilizing both Williamson and Wilson Streets.

1. City Acquisition of 600 Block Parcels

Assuming that the City would acquire the three ownership positions in the 600 Block under study, a surplus property position would remain after redevelopment of the John Nolen/Blair Street intersection. Acquisition can be estimated by the City to be $426,000 for a total taking of the car dealership, the Stark warehouse, one bay of the Parcel Post Annex, and the filling station at Brearly. Relocation costs would be minimal since major properties are vacant or for sale. (See Exhibit II-18.)

2. Warehouse/Distribution Solution Alternative

As reported previously, the 600 Block has particular appeal to businesses requiring a central point for dispatching trucks and services or receiving goods by

EXHIBIT II-18

PRELIMINARY ESTIMATE OF LAND ACQUISITION AND RELOCATION COSTS OF MARQUETTE GATEWAY PLAN BY CITY REAL ESTATE DEPARTMENT

CITY OF MADISON

INTER-DEPARTMENTAL

CORRESPONDENCE

Date: April 4, 1983

To: Tony Frey

From: Tim Gawlik

Subject: GRAASKAMP PROPOSAL - EAST WILSON STREET/WILLIAMSON STREET ONE-WAY PAIR - RIGHT-OF-WAY ESTIMATE

Attached is a right-of-way estimate for the subject study. The estimate proceeds from the Blair Street intersection with Wilson and Williamson Streets, northeasterly to the property at the northerly corner of the intersection of Williamson and Ingersoll Streets.

Properties K and L, owned by the CMSt.P&P RR, are combined for estimate purposes. There are then 8 parcels, plus 2 encroachments. One encroachment, adjacent to Property G, is a small building; the other, adjacent to Property H, is chain link fencing. Any cost which may beincurred for the 2 encroachments are included in the right-of-way contingency.

Properties marked with an asterisk are in Historic District 2.

Properties involving relocation are marked "R".

A whole taking is assumed for Parcels A, Bob Williams Auto Mart; Parcel B, Harold Stark (warehouse); and Parcel N, the Duane Hendrickson property at the westerly corner of Williamson and Ingersoll Streets, an automobile repair shop.

Please inform me as to the cost of relocating the existing Milwaukee Road rail facilities within the Wilson Street Corridor and the right-of-way cost to be paid to the North Western Transportation Co. for relocating the Milwaukee Road facilities on to their property.

M. N. Gawlik
Real Estate Coordinator

MNG:vmd

Attachment

cc: A. Milke
Mike Nagey
Jerry Tucker

EXHIBIT II-18 (Continued)

SUMMATION
Graaskamp Proposal - E. Wilson St./Williamson St. One-Way Pair
Right of Way Costs

The Parcels A, B, C, Q, K & L, M, N, and O:

Item	Estimate
Parcel Cost	~~$353,400~~ 379,400
Appraisals	$ 15,000
Staff Time	$ 10,000
Title Reports	$ 1,000
SUBTOTAL	$379,400
Contingencies	$ 20,600
TOTAL ACQUISITION COSTS	~~$400,000~~ 426,000

Joe Stepnik has estimated relocation costs for Parcels A, B, C, M and N as follows:

Item	Estimate
Relocation Costs	$108,000
Staff Time	$ 5,000
SUBTOTAL	$113,000
Contingencies (By WAR)	$ 12,000
TOTAL RELOCATION COSTS	$125,000
TOTAL RIGHT OF WAY COSTS	~~$400,000~~ 426,000
GRAND TOTAL	~~$525,000~~ 551,000

EXHIBIT II-18 (Continued)

GRAASKAMP PROPOSAL
EAST WILSON STREET/WILLIAMSON STREET
1 ONE WAY PAIR
Right-of-Way Estimate
March 31, 1983

ACQUISITION COSTS

* = Historic District
R = Relocation Costs
K&L railroad properties
= one parcel

PARCEL	ADDRESS	OWNER & USE	ESTIMATE
	BLAIR STREET		
A(*,R)	602 Williamson St.	Bob Williams Auto Mart	$ 72,000
B(*,R)	623 E. Wilson St.	Harold Stark Warehouse	49,000
C(*,R)	629 E. Wilson St.	Milson Company (old post office annex)	120,000
	BLOUNT - LIVINGSTON - PATERSON		
Q	214 South Paterson	Madison Gas & Electric	11,600
	PATERSON CUL DE SAC		
K&L	308 So. Paterson* 931 East Wilson 306 So. Brearly	C.M. ST. P & P RR	17,000
M(*,R)	940 Williamson St.	John A. Rolfsmeyer Houshold Appl. Repair, Sales	10,000
N(*,R)	944 Williamson St.	Duane H. Hendrickson Automobile Repair	52,800
	BREARLY		
O*	1002 Williamson	Commonwealth Development **VACANT**	4,000

There is a sliver shown from parcel P, following. It is assumed that the right-of-way would be adjusted to exclude this parcel.

P	1012 Williamson St.	Robert/Richard Smith Cycle Sales, Service	- 0 -
			$353.400

EXHIBIT II-18 (Continued)

Parcel Costs	$353,400	
Title Reports	1,000	
Appraisals	15,000	
Staff Time	10,000	
Subtotal	$379,400	
Contingencies*	20,600	
Acquisition Costs	$400,000	$400,000

* Includes any costs to be incurred in connection with encroachments in East Wilson St adjacent to properties G and H.

RELOCATION COSTS

Parcel	Estimate	
A	$ 35,000	
B	30,000	
C	- 0 -	
G (encroachment)	11,000	
M	2,000	
N	30,000	
Subtotal	$108,000	
Staff time	5,000	
Subtotal	$113,000	
Contingencies (WAR)	12,000	
Relocation Costs	$125,000	$125,000
GRAND TOTAL REAL ESTATE COSTS		$525,000

truck. With removal of the car lot and old Stark building, the red brick Postal Annex would be highly visible and would permit conversion to a facility for an enterprise like Roy's Transfer, the Ela distribution center, or a leaseback to groups like Independent Living or Headstart. Reference to the site plan portion of Exhibit II-17 by Arlan Kay indicates that with or without Wilson Street there is space for four to five thousand square feet of new office space near the building at the intersection of Williamson and South Blair Streets, and, with removal of three 22 foot bays in the garage building, a drive-thru for semis or school buses would be created from Williamson to Wilson Street as well as off-street parking for customers and employees. If Wilson Street were to be upgraded to a full one-way street going southwest, it would be necessary to remove one bay from the Postal Annex and replace the north wall.

The warehouse solution would permit the buyer to add 4,000 to 5,000 square feet of office space as a wraparound on the southeast corner of the Annex, thus greatly improving and exploiting the visual opportunities of the triangular site. (See Exhibit II-17.) Later it can be shown that the size and visibility of such a site might prove attractive to certain tenants and property owners in

the 700 and 800 blocks who may need to be relocated as part of a removal plan. It should be noted that the plan could be implemented immediately regardless of which intersection plan is chosen.

3. Apartment/Condominium Solution

As reported previously, the site is of doubtful residential quality due to the proximity of rail traffic and the intense car and truck traffic at the stoplight intersection. These conditions probably make the site unacceptable for federal financing. However, a design proposal intended to exploit the south and west views of the site, minimize sound encroachment with blank walls to the rail and Madison Gas & Electric installations, and to stay within the four-story scale of surrounding structures is presented in Exhibit II-19. This design scheme has 44 units, 22 indoor garages, and approximately 36 outdoor parking stalls in an auto court facing East Wilson Street. Wilson Street could become a cul-de-sac at the east end with access from Blount, thereby eliminating any Wilson Street interference with the City plan or dependence on the Gateway Plan. The residential site plan also removes auto access to Williamson Street; the stepped-backed tiers of the building pull the bulk of the structure away from Williamson Street while screening out the power plant and

ALTERNATIVE RESIDENTIAL DEVELOPMENT
BLOCK 600 - (SKETCHES DRAWN BY ARLAN KAY)

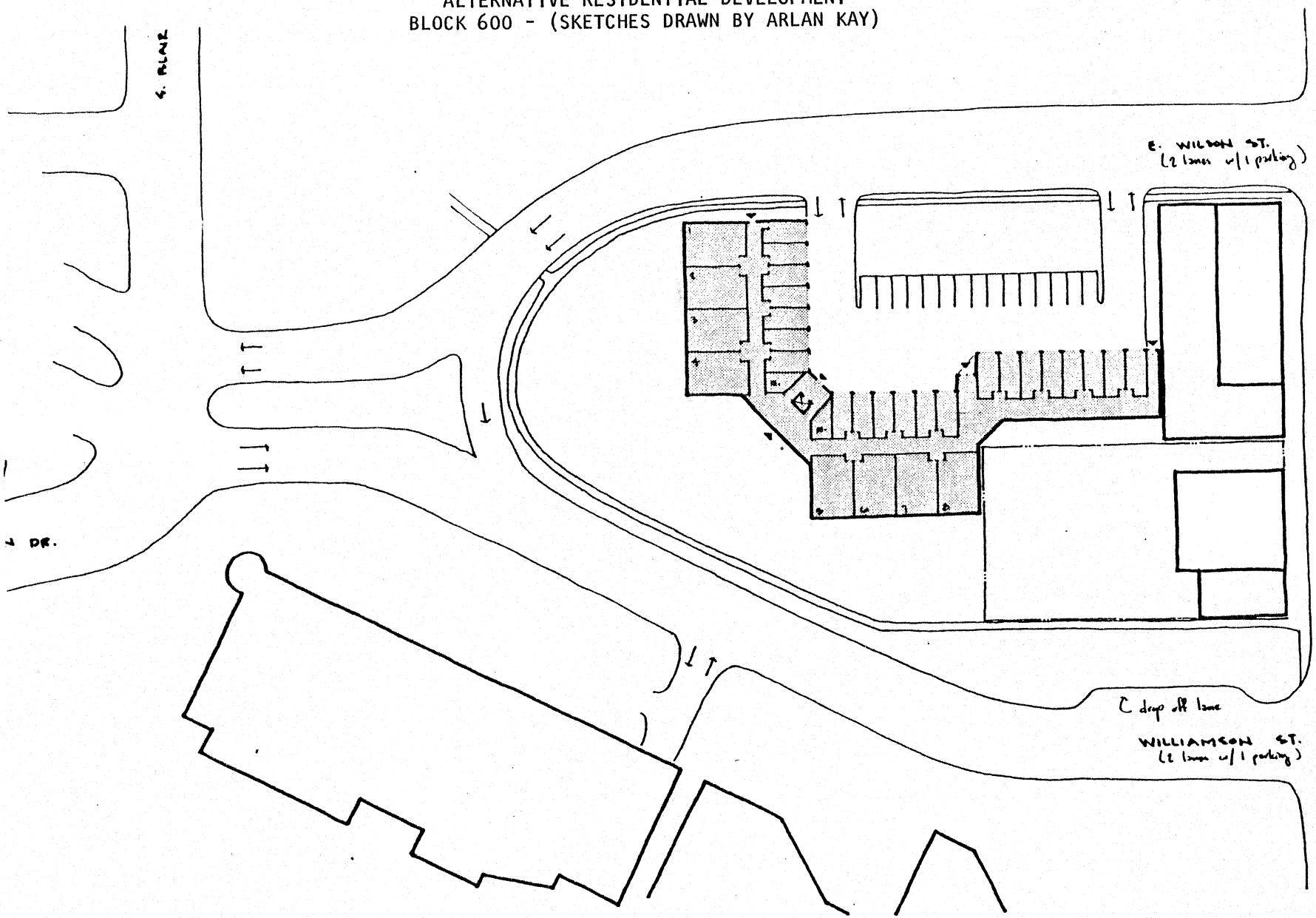
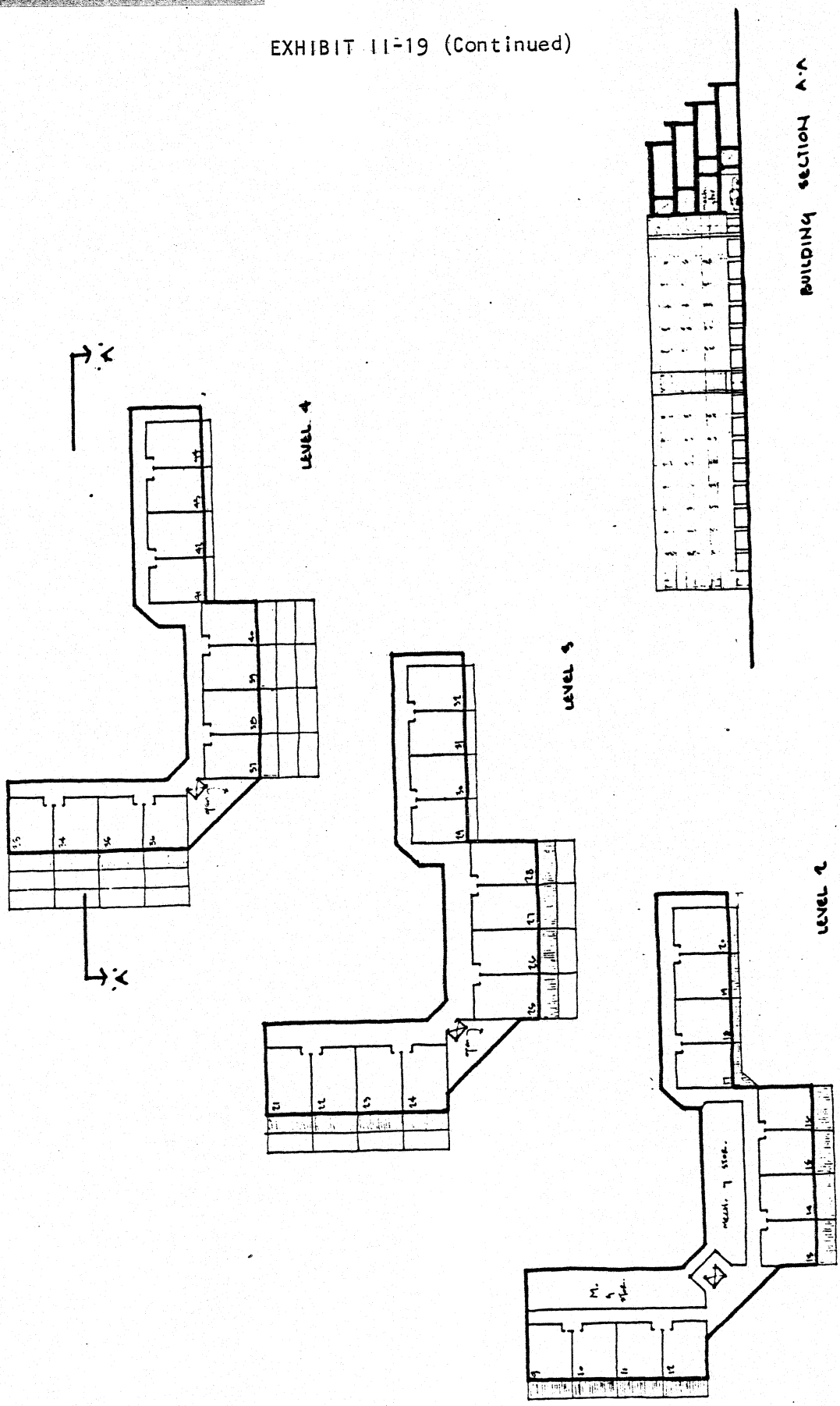


EXHIBIT II-19

EXHIBIT II-19 (Continued)



coal pile. Units would be built of masonry fire walls, concrete plank floors, and there would be rooftop balconies for all units except the first floor units which would have walled patios. The masonry mass is necessary for sound control.

The 600 Block could take a 44-unit project, marketed as a luxury rental, subsidized non-elderly rental, or medium priced condominium type of unit. The condominium financial parameters and tax increment would be the most feasible with the least write-down. The availability of one-car garages for half the units would be necessary for marketing the condominiums. A proposed physical layout which would neutralize the view of the Madison Gas & Electric power house and optimize the sun and view orientation of each unit is provided in Exhibit II-19, and the massing of such a development can be observed on the photograph overlay of the Gateway Plan provided in Exhibit II-12. Reference to Exhibit II-20 will indicate that even a massive write-down of the land of $13,357 per unit for a total of nearly $588,000 would mean a capital budget per apartment of $55,600; assuming the project were to receive the same generous financing on Tandem Plan FHA terms as Capitol Centre or the Camelot Towers, and the rent required per unit would be $9,000 per year or $750 per month. Moreover,

EXHIBIT II-20

FINANCIAL PARAMETERS OF 44-UNIT APARTMENTS ON 600 BLOCK ASSUMING TANDEM MORTGAGE SUBSIDY AND HEAVY LAND WRITE-DOWN

44 APARTMENTS - 600 BLOCK

Low Interest With Land Write-Down
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	675725	Per Unit:	15357
		-			
		LAND WRITE-DOWN	587725		13357
		+			
		CONSTRUCTION BUDGET	1986160		45140
		+			
		INDIRECT COST AND DEVELOPMENT FEES	372924		8476
		=			
		TOTAL CAPITAL BUDGET	2447084		55616
	<---			--->	
	X				X
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO	.85
=				=	
CASH EQUITY REQUIRED	367063			MORTGAGE LOAN	2080021
X					X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08				DEBT SERVICE CONSTANT	.096555
=					=
CASH THROW-OFF REQUIRED FOR EQUITY	29365	--->	+	<---	CASH REQUIRED FOR MORTGAGE LENDER	200836
			=		
		NET OPERATING INCOME	230201		
		+			
		OPERATING EXPENSES	78874		
		+			
		REAL ESTATE TAXES	61177		
		+			
		CASH REPLACEMENTS	4400		
		=			
		EFFECTIVE GROSS RENT REQUIRED	374652		
		+			
		VACANCY LOSS	19719		
		=			
		GROSS POTENTIAL RENT	394371		
		/			
		NET LEASEABLE UNITS	44		
		=			
		RENT REQUIRED PER UNIT	8963		
		RENT REQUIRED PER UNIT PER MONTH	747		
		DEFAULT RATIO =	.875540		
		DEBT COVER RATIO =	1.14621		

EXHIBIT II-20 (Continued)

TOTAL ASSESSED VALUE	2447084
-	
ORIGINAL ASSESSED VALUE	434500
=	
NET VALUE INCREMENT	2012584
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	44767
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	408660

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

44 APARTMENTS - 600 BLOCK

Low Interest With Land Write-Down
Loan to Cost Ratio Approach

Mortgage Loan:		
Loan to Cost Ratio	85%	
Interest Rate	9%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	2.5%	of total capital budget
Cash Replacements	4400	at $100/unit/year
Vacancy Loss	5%	of gross potential rent
Number of Units	44	units
Construction Budget	1986160	44 at $42,500/unit ($60 per square foot) plus 22 garage units at $5,280/unit ($20 per square foot)
Indirect Costs	372924	$75,000 plus 15% of construction costs
Site Size in Square Feet	68984	(Post Office Annex, Harold Stark Warehouse, Bob Williams Auto Mart)
Site Cost/Square Foot	9.80	
Site Acquisition Cost	675725	
Land Write-Down	587725	Write-Down to $2,000/unit
Net Site Acquisition Cost	88000	Site acquisition cost:
		12.5% of assessed value of land: 543,125
		plus relocation cost = 50% of the improvements: 132,600
		675,725
TIF Data:		
Original Assessed Value	434500	
Total Assessed Value	2447084	= Total Capital Budget
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

the maximum TIF bonding that could be justified is slightly more than $400,000 so that the residential solution as rental housing would be ill-advised and cost-ineffective. The condominium concept would parallel the cost pattern presented in Exhibit II-21. The units might sell for $75,000 (as compared to a total capital budget of $68,900). Total assessed value of the 44 condominium units would exceed $2,900,000 with the result that tax increment bonding power would just exceed a half million dollars, most of which would need to be committed to a land write-down as in the case of the Fauerbach project across the street (see Exhibit II-22). Only then would there be sufficient spread between market prices and total capital budget to compensate the developer.

The marketability of such a project as a condominium would first depend on completion of the Gateway Plan, redevelopment of Machinery Row, and at the minimum, attractive and positive plans for the Rhode 500 Block which would dominate the views for many condominium units. Those contingencies are in the future and, therefore, it is reasonable to expect an interim use of the postal annex as a distribution and service center for some time without substantial contributions to the tax increment base in time to fund capital costs of the Gateway Plan.

Landmark Research, Inc.

FINANCIAL PARAMETERS OF CONVENTIONALLY
FINANCED 44-UNIT APARTMENT PROJECT ON 600 BLOCK

44 APARTMENTS - 600 BLOCK

Conventional
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	675725	Per Unit:	15357
		-			
		LAND WRITE-DOWN	0		0
		+			
		CONSTRUCTION BUDGET	1986160		45140
		+			
		INDIRECT COST AND DEVELOPMENT FEES	372924		8476
		=			
		TOTAL CAPITAL BUDGET	3034809		68973
<---				--->	
X				X	
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO	.85
=				=	
CASH EQUITY REQUIRED	455221			MORTGAGE LOAN	2579588
X				X	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT	.142185
=				=	
CASH THROW-OFF REQUIRED FOR EQUITY	36418	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER	366778
		=			
		NET OPERATING INCOME	403195		
		+			
		OPERATING EXPENSES	128924		
		+			
		REAL ESTATE TAXES	75870		
		+			
		CASH REPLACEMENTS	4400		
		=			
		EFFECTIVE GROSS RENT REQUIRED	612390		
		+			
		VACANCY LOSS	32231		
		=			
		GROSS POTENTIAL RENT	644621		
		/			
		NET LEASEABLE UNITS	44		
		=			
		RENT REQUIRED PER UNIT	14650		
		RENT REQUIRED PER UNIT PER MONTH	1221		
		DEFAULT RATIO =	.893505		
		DEBT COVER RATIO =	1.09929		

EXHIBIT II-21 (Continued)

44 APARTMENTS - 600 BLOCK

Conventional
Loan to Cost Ratio Approach

Mortgage Loan:		
Loan to Cost Ratio	85%	
Interest Rate	14%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	2.5%	of total capital budget
Cash Replacements	4400	at $100/unit/year
Vacancy Loss	5%	of gross potential rent
Number of Units	44	units
Construction Budget	1986160	44 at $42,500/unit ($60 per square foot) plus 22 garage units at $5,280/unit ($20 per square foot)
Indirect Costs	372924	$75,000 plus 15% of construction costs
Site Size in Square Feet	68984	(Post Office Annex, Harold Stark Warehouse, Bob Williams Auto Mart)
Site Cost/Square Foot	9.80	
Site Acquisition Cost	675725	
Land Write-Down	0	
Net Site Acquisition Cost	675725	Site acquisition cost:
		12.5% of assessed value of land 543,125
		plus relocation cost = 50% of the improvements 132,600
		675,725
TIF Data:		
Original Assessed Value	434500	
Total Assessed Value	3034809	= Total Capital Budget
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

TOTAL ASSESSED VALUE	3034809
-	
ORIGINAL ASSESSED VALUE	434500
=	
NET VALUE INCREMENT	2600309
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	57840
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	528000

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

EXHIBIT II-22

TAX INCREMENT FROM 44-UNIT CONDOMINIUM ON 600 BLOCK

44 UNIT CONDO

Number of Units	44	condominium units
Construction Budget-Actual	3300000	44 units at $75,000 per unit = cost to construct
Construction Budget-Assessed	2739000	44 units at $62,250 per unit = cost for assessment purposes
Site Size in Square Feet	689842	Post Office Annex, Harold Stark Warehouse, Bob Williams Auto Mart
Site Cost/Square Foot	.26	
Site Acquisition Cost	176000	
Land Write-Down	0	
Net Site Acquisition Cost	176000	Site acquisition cost: 44 units at $4,000 per unit $176,000
TIF Data:		
Original Assessed Value	434500	
Total Assessed Value	2915000	Land Cost of $176,000 + Construction Cost (for Assessment purposes) of $2,739,000
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

TOTAL ASSESSED VALUE	2915000
-	
ORIGINAL ASSESSED VALUE	434500
=	
NET VALUE INCREMENT	2480500
X	
MILL RATE	.0222436
=	
DOLLARS OF TAX INCREMENT	55175
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	503672

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

4. Tax Increment Potential of 600 Block Redevelopment

The tax increment financial potential in only the triangular 600 Block is minimal for several reasons. First, a portion of the existing improvements would be lost to demolition and eminent domain acquisition related to reconstruction of the John Nolen/Blair intersection and possible implementation of the Gateway Plan for Wilson/Williamson Street. The major building, the Post Office Annex, is currently over-assessed at $325,000 as fair market value is closer to $225,000, at best. However, if the pivotal character of this block is recognized in terms of its dependency on redevelopment of the Cardinal Hotel and the Rhode parcels for a link to respectability, the economic power of the site to provide bootstrap financing through TIF is enhanced. Even more significant is the impact of the Landmark scenario for development of Wilson Street in terms of the tax increment potential which could then be realized from Machinery Row. Machinery Row desperately needs land recovered for parking by a reduction in the paving area of Williamson Street to survive as a redevelopment project and yet Machinery Row is also part of the 600 Block. The TIF potential of a district which includes all of the above properties is shown in Exhibit II-13. First the report will integrate this TIF potential with that existing on the 700 and 800 blocks plus the rail corridor east to Baldwin.

E. The 700 Block

The first step in the identification of feasible reuse scenarios is the identification of those attributes of the property to be considered, including physical and legal-political characteristics, linkages which contribute towards effective demand for the property, dynamic traits which exist in the minds of people and which affect their decision-making behavior, and the environmental characteristics which impact socially and financially upon the public.

1. Physical Attributes

a. Size

The subject block is known as Block 129 in the Original Madison Plat and consists of 18 lots in two tiers of nine lots each, with each lot having the standard Madison lot dimensions of 66 feet wide by 132 feet deep or 8,712 square feet. Thus, the block has a total of 264 feet of frontage to the southwest on South Blount Street and to the northeast on Livingston Street and a total of 594 feet of frontage to the southeast on Williamson Street and to the northwest on the East Wilson Street right-of-way. Only the corners of lots 18 and 17 have been cut back to accommodate the widening of Williamson Street. Early use of the block was

identified with the manufacture and distribution of farm machinery. (See Katherine Rankin letter in Appendix.)

b. Topography

An earlier reconstruction of Williamson Street raised the grade of this former swamp area so that the site slopes gently downward from an elevation of 11.5 feet at Williamson Street on the southeast to an elevation of 5.5 feet at Wilson Street; these elevations are given in reference to City datum (0.0) which has been established at 845.6 feet above sea level.

c. Soils

The Soil Conservation Service Soil Survey of Dane County, Wisconsin, indicates the subject site soils are less than ideal, having low bearing capacity and moderate shrink-swell potential. Depth to bedrock is over 10 feet but the seasonal high water table is between 0 and 5 feet. The Soil Survey information should be supplemented with on-site borings and analysis. Much of the subject block and surrounding sites were filled in the late 1880s and early 1900s, before the existing structures were built.

Architect Arlan Kay reports high water tables have produced basement flooding in the Miller-Horne building periodically. Nevertheless, soil related building problems can be overcome with some additional construction costs although basement parking or other basement uses are not recommended. (See Appendix.)

d. Utilities

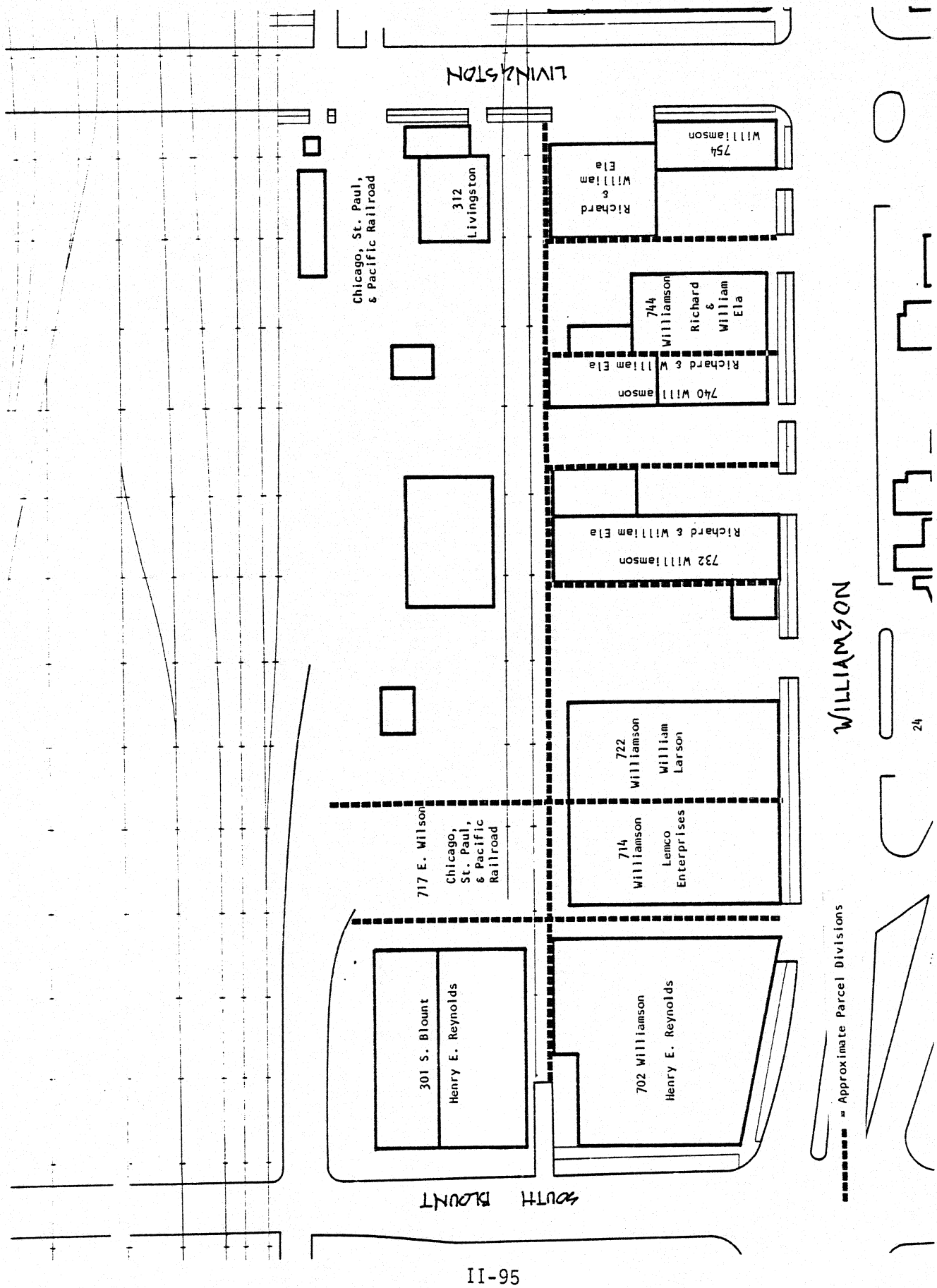
Utility service to the subject site is complete; 6 inch sewer and 4 inch water mains serve Wilson Street. Electrical service is from an overhead drop, either single phase secondary or 2.3 KV three phase service is readily available. Gas service is from a 4 inch pumping main under Williamson Street.

e. Existing Ownerships
(See Exhibit II-23)

Of the 18 lots which compose the 700 Block, Lots 1, 2, 17, and 18 are owned by Reynolds Transfer. The Reynolds' family has leased the one-story building to the University of Wisconsin and renovated the warehouse on Lots 1 and 2 for its own office plus additional rental space. These parcels are in strong hands and were excluded from the study area by the East Wilson Rail Corridor Committee. Lots 3 through 9 are owned by the railroad and Lot 3 is leased to the owners of 714 Williamson Street (Miller-Horne southwest half). Lots 4

EXHIBIT II-23

SKETCH OF 700 BLOCK WITH EXISTING UNITS



through 9 are leased to Roy's Transfer together with a small loading dock paralleling the tracks; the dock has been enclosed by the tenant. The sheds and other improvements are owned by Roy's Transfer. Annual rent to the railroad for the land and the dock is $3,050 plus taxes or $.06 per square foot of land.

Lots 10 through 13 are owned by Richard E. and William L. Ela. Various improvements at 732-734 and 754 Williamson Street are described in the Arlan Kay Report and the Katherine Rankin report, found in the Appendix. The remaining lots are beneath the Miller-Horne building which is unevenly divided by a party wall into a 55 foot, 6 inch wide building at 714 Williamson Street and a 61 foot wide building at 722 Williamson Street and a parking strip approximately 66 feet wide. 714 Williamson Street and 722 Williamson Street share related ownerships; 714 Williamson Street is owned by Robert Lehman and Michael Cohen, known as Lemco, and 722 Williamson Street is owned by Michael Cohen subject to a land contract to a partnership led by real estate broker William Krell and known as the Williamson Warehouse Associates. William Larson is listed on the tax assessment roll as the owner of record. (See

Exhibit II-24 for ownership and 1982 assessment detail.)

f. Existing Uses and Tenancies

714 Williamson Street, owned by Lemco, has leased a portion of the first floor to the St. Vincent DePaul Society, which uses the space to put its rag collection into bales weighing 900 to 1,100 pounds each. Three to four times a year the bales are loaded by forklift into boxcars on the sidetrack at the rear of the building. Bale size and weight make truck transportation difficult, but the Society would prefer a processing center closer to the other outlet at 1309 Williamson Street. Rags are no longer profitable, and therefore, a key to voluntary relocation may be the purchase of a smaller baler compatible with truck transportation.

714 Williamson Street is also leased to Notions Marketing, a distributor of sewing and craft items. Notions shares the first floor loading dock area with the Society and leases all of the second, third, and fourth floors or approximately 21,000 square feet. Notions uses semi-trailer trucks daily and the sidetrack at least once a month. The tenant dislikes vertical space and the unreliable elevator but needs

EXHIBIT II-24

OWNERSHIP, 1982 ASSESSMENT DATA, AND ESTIMATE OF ACQUISITON COST FOR 700 BLOCK

Parcel & Address	Owner	Occupant	Use	ASSESSMENT Land	Improv.	Total
0709-134-						
BLOCK FRONT						
714 Williamson 1703-0	Lemco Enterprises	Notions Marketing St. Vincent DePaul Society	Sewing & craft notions Clothes sorting and packing	$ 20,700	$129,300	$150,000
722 Williamson 1704-8	William Larson	Vacant	Vacant	42,100	122,900	165,000
732-734 Williamson 1705-6	Richard and William Ela	Owner occupied	Warehouse construction tool & equipment	21,000	27,000	48,000
740 Wiliamson 1706-4	Richard and William Ela	Owner occupied	Retail, wholesale construction, tool & equipment	21,000	34,000	55,000
744 Williamson 1707-2	Richard and William Ela	Owner occupied	Retail, wholesale construction, tool & equipment	21,000	40,000	61,000
754 Williamson 1708-0	Richard and William Ela	Owner occupied	Storage machinery	21,000	33,000	54,000
TOTAL ASSESSED VALUE				$146,800	$386,200	$533,000

TOTAL ASSESSED LAND VALUE	$146,800	
Acquisition Multiplier	1.25	
LAND ACQUISITION COST		$183,500
TOTAL ASSESSED IMPROVEMENT VALUE	$386,200	
Acquisition Multiplier	1.25	
IMPROVEMENT ACQUISITION COST		$482,750
TOTAL ASSESSED IMPROVEMENT VALUE	$386,200	
Relocation Multiplier	.50	
RELOCATION COST		$193,100
TOTAL ACQUISITION COST OF LAND AND IMPROVEMENTS - BLOCK FRONT		$859,350

EXHIBIT II-24 (Continued)

Parcel & Address	Owner	Occupant	Use	ASSESSMENT Land	Improv.	Total
0709-134-						
RAILROAD PROPERTY						
312 Livingston 1709-8	Chicago, St. Paul & Pacific Railroad	Roy's Transfer	Moving and Storage	$28,600	$58,400	$87,000
717 E. Wilson 1710-5	Chicago, St. Paul & Pacific Railroad	Lemco	Parking	5,600	0	5,600
TOTAL ASSESSED VALUE				$34,200	$58,400	$92,600

TOTAL ASSESSED LAND VALUE FOR THE FRONT HALF $146,800
Acquisition Multiplier .50

TOTAL ACQUISITION COST OF RAILROAD LAND $ 73,400 = $.94/SF

ACQUISITION COST OF TENANT IMPROVEMENTS 102,200
(1.25 + relocation multiplier of .50 = 1.75 multiplier)

TOTAL ACQUISITION COST OF RAILROAD LAND AND IMPROVEMENTS $175,600

TOTAL ACQUISITION COST OF BLOCK FRONT LAND AND IMPROVEMENTS 859,350

TOTAL ACQUISITION COST OF BLOCK FRONT AND RAILROAD PROPERTY $1,034,950 *

* Acquisition cost estimates are preliminary budgeting formulas and should not be considered as indicative of individual property values or relocation awards. It is assumed that significant errors exist on the estimate for any one parcel or ownership, but these errors tend to offset each other in the aggregate budget estimate.

truck and rail access and cheap rent (approximatey $1.35 per square foot plus utilities). 714 Williamson Street is fully rented at breakeven rent, but the landlord faces additional capital outlay to replace the boiler that failed in mid-January. Rent increases are likely.

722 Williamson Street currently is unoccupied so that cash flow pressures are prompting partnership reorganization. Present owners have tentative renovation plans described later in this section of the report which are contingent upon prompt City commitment to a neighborhood plan and some type of economic development subsidy. In March, 1983, both owners were contacted by a major developer with a prospective tenant for the complete building converted to Class B office space.

744 Williamson Street is owner occupied by a distributor of industrial supplies, particularly metal hardware items which are stored in three separate structures on the 700 Block (See Arlan Kay Report in the Appendix). The majority of the items are small, purchased from the manufacturer in bulk, but sold piecemeal from storage bins and shelves, limiting the use of pallets and forklifts.

Wholesale goods are delivered by semi-trailers, as many as a dozen trucks per day; customers pick up orders individually by car or service vehicle. Customer contact is not dependent specifically upon the 700 Block location but sales volume benefits from the central location and proximity to major customers. Owners consider traffic and truck access the main drawback to their present location.

Buildings presently provide 38,900 square feet of space, but some is not functional and the gross is more than is needed. Owners would be amenable to relocation to a single-story building with better customer access and product display area.

Owners have indicated that ideal space requirements would be:

Office	3,000 SF
Showroom, delivery and packing	6,000 SF
Unheated warehouse (includes space for expansion)	21,000 SF
TOTAL	30,000 SF

The owner would prefer 14 foot to 16 foot ceilings. Reference should be made to the description of the vacant Post Office Annex and Garage on the 600 Block, which could match these requirements.

Roy's Transfer Service Co., headquartered at 312 South Livingston Street, leases 52,272 square feet, or Lots 4 through 9, from the railroad for a current rent of $2,500 per year plus $550 for a loading dock; the tenant pays real estate taxes. Roy's Transfer also owns a warehouse located in the 600 Block previously described. Stored items are currently forklifted between the 600 and 700 Block warehouses.

The owner's present facilities on leased land are:

7,600 SF	closed storage
4,000 SF	equipment stalls and box storage
2,300 SF	heated space for packing and crating
2,600 SF	storage and office
16,500 SF	
800 SF	storage and packing materials (rented from Railroad)
17,300 SF	(plus concrete paved truck staging area)

Presently semi-trailers can move through the site by entering the alley at the railroad track from Blount Street and exiting on Livingston Street. Roy's Transfer needs more on-site semi-trailer loading space and parking for moving vans with operating room for a fork-lift. Mr. Stark, owner/manager, would consider relocation with building space requirements of approximately 20,000 square feet, an acre of land, and rail sidetrack access.

Roy's Transfer desires a central location for dispatching trucks throughout the Madison area and a central assembly and packing facility which includes preparation of goods for overseas shipment and receipt.

2. Legal-Political Constraints

All of the 700 Block is designated as M-1 Zoning and the uses previously identified on the block are conforming. In addition, the block is contained within the borders of the Third Lake Ridge Historic District which has the power to review plans for renovation or demolition of existing structures. However, the report from Katherine Rankin (found in the Appendix) suggests that only the facade of the middle Ela building (744 Williamson Street) has some small degree of historical merit. Similarly, the Marquette Neighborhood Association (MNA) has the powers to review and has expressed mild interest in the preservation of the Ela building facade, but recognizes the marginal condition of the structure. Perhaps the most significant contingent constraint is the Interstate Commerce Commission (ICC) process permitting abandonment of the railroad sidetracks. This process permits users such as the St. Vincent DePaul Society, Notions Marketing, and Roy's Transfer Service to protest and delay approval of dismantling of the sidetracks. Voluntary agreement to relocate existing

tenants and owner-occupants to more functional facilities is imperative before initiating the abandonment process.

3. Site Linkages

The dominant relationships of the 700 Block are its proximity to the Madison Gas & Electric (MG&E) coal-fired boiler plant, the plethora of rail tracks on its northwest side, and its commercial-industrial ties to the 600 Block. All of these tend to orient the block to the transition zone dividing the Square and the Marquette Neighborhood. Thus, its only identification with the Marquette Neighborhood is its inharmonious encroachment on the residences on the southeast side of Williamson Street.

Similar to the 600 and 800 blocks, the 700 Block enjoys a central location relative to the population and economic centers of Madison so that businesses locate there for centrality, sidetrack access, and low rents. Low rents are attributable to buildings which are obsolette and to a low neighborhood potential for retail sales.

The MG&E power plant, despite the noise and dust of the coal handling equipment and the soot, does offer the 600 to 800 blocks a unique opportunity to buy steam at a discounted rate from their stand-by generators. This opportunity came to light during Madison Area Technical College's (MATC) relocation debates, and studies by MG&E

indicated it would be feasible to go short distances to supply offices, housing, or even industries requiring excess heat such as greenhouses, chemical processors, and cleaning operations. This linkage to this heat energy source could prove a greater advantage as the price of energy soars.

Truck access currently depends upon unauthorized use of the unpaved rail corridor and cross-lot patterns. Trucks turning off Williamson Street face narrow alleys and traffic back-up as they maneuver. The MG&E garage tends to send service trucks east on Williamson Street or west on John Nolen Drive. MG&E would be willing to make Blount Street one-way south to a new one-way East Wilson Street which would carry traffic to John Nolen. Blount Street would become one way going north for one block between Williamson Street and Wilson Street to prevent MG&E trucks from using Williamson Street to access the east side of Madison.

4. Dynamic Attributes

Dynamic attributes of the site and its improvements are those which exist in the mind of the observer rather than in the physical facts. Residents of the Marquette Neighborhood have considerable determination to salvage the Miller-Horne building and, to a lesser extent, protect the

facade of the old Madison Candy Company building, presently Ela's main office. On the other hand, investors see the mud, semi-abandoned sidetracks, and the lack of any physical delineation of the rail yards from the rear tier of lots as blighting rent potentials and investment values. Although there may be occasional intrusions by railroad and social derelicts, the tenants on the block perceive no significant security problems for property or personal safety, probably because bars and other public facilities are located in other blocks. The Blount Street side of the lot will be anchored by the utilitarian masonry of the Reynold's property and the 700 Block will be identified, in part, by the observers passing through with the expedient conversions of commercial property to modest rental units on the southeast side of Williamson Street. However, views across Williamson Street from the Miller-Horne building benefit from a landscaped pocket park at the foot of Jenifer and Williamson Streets as well as views of Lake Monona and the Capitol from floors three and four. In short, renovations must capitalize on views to the southeast and northwest or internalize views with atriums and courtyards. Encroachment of the railroad must be eliminated if the rail yard, shantytown image is to be

greatly softened and romanced as history. (See Mollenhoff reference in Rankin letter, found in the Appendix.)

F. Alternative Reuse Concepts for 700 Block

Reuse alternatives can be subdivided between multi-family residential or commerical and between the front tier of lots only or rail acquisition so that the rear Lots 3 through 9 are included. Residential redevelopment of the Miller-Horne building was eliminated from further consideration when the architect (Arlan Kay) pointed out that the structural pattern and the shape of the building were incompatible with residential layouts. Moreover, the analysts were unable to foresee any positive cash throw-off if the building were converted to a residential use.

Commercial redevelopment could involve rehabilitation of Miller-Horne and an adjacent public parking lot, allowing the railroad to remain. Alternatively, with acquisition of the railroad lands on Block 700, redevelopment can be expanded to include some future commercial structure on the northeastern one-half of the block. (See Exhibits II-25 and II-26.)

Present owners of the Miller-Horne building have already sketched preliminary design concepts for its conversion to office and wholesale distribution use. Using their preliminary sketches, cost figures, and area counts, Landmark Research

EXHIBIT II-25

SKETCH OF ALTERNATIVE SCENARIO I
(ASSUME NO RAILROAD LAND PURCHASE
AND CITY PARKING ON ELA SITE)

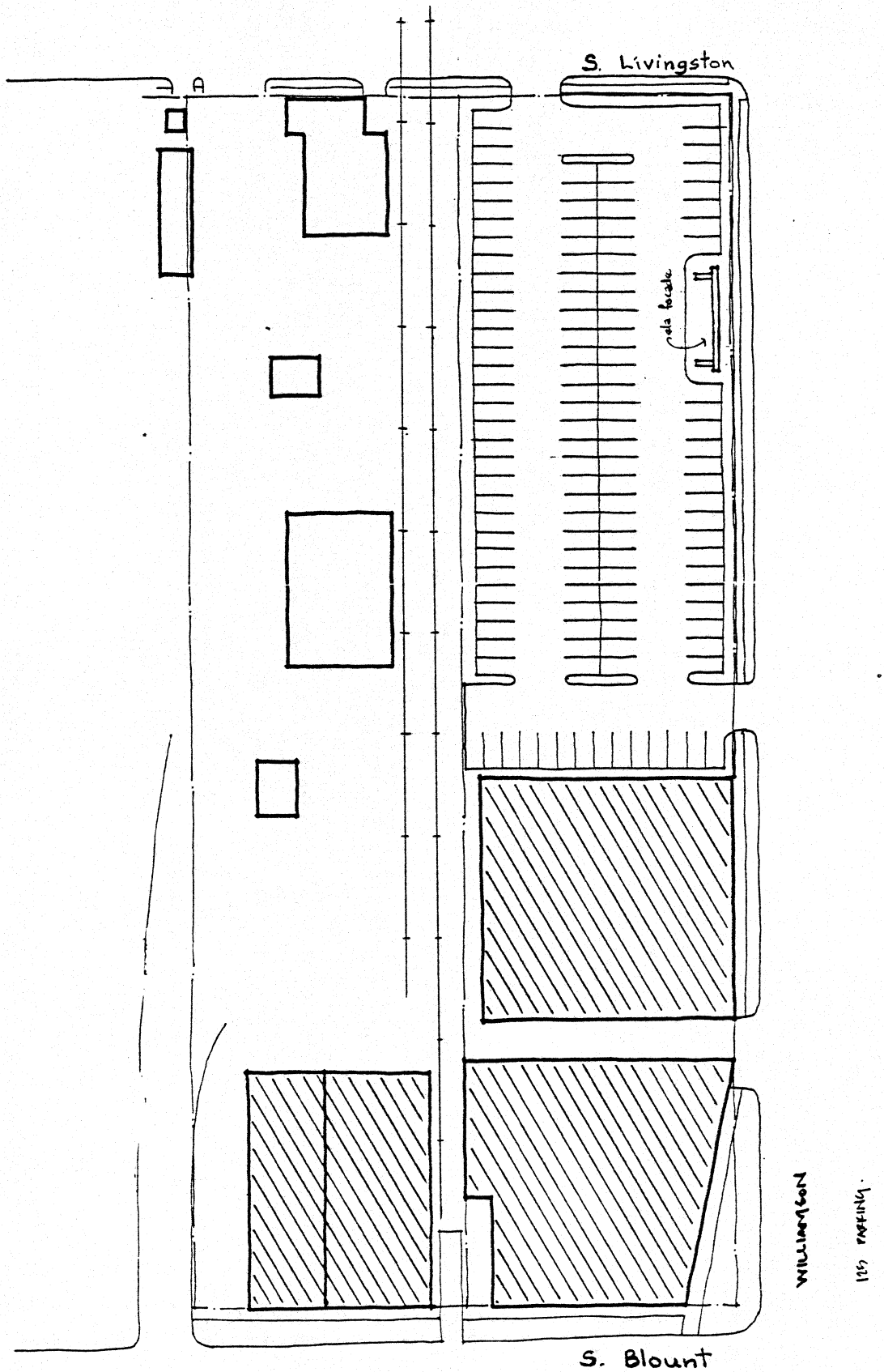
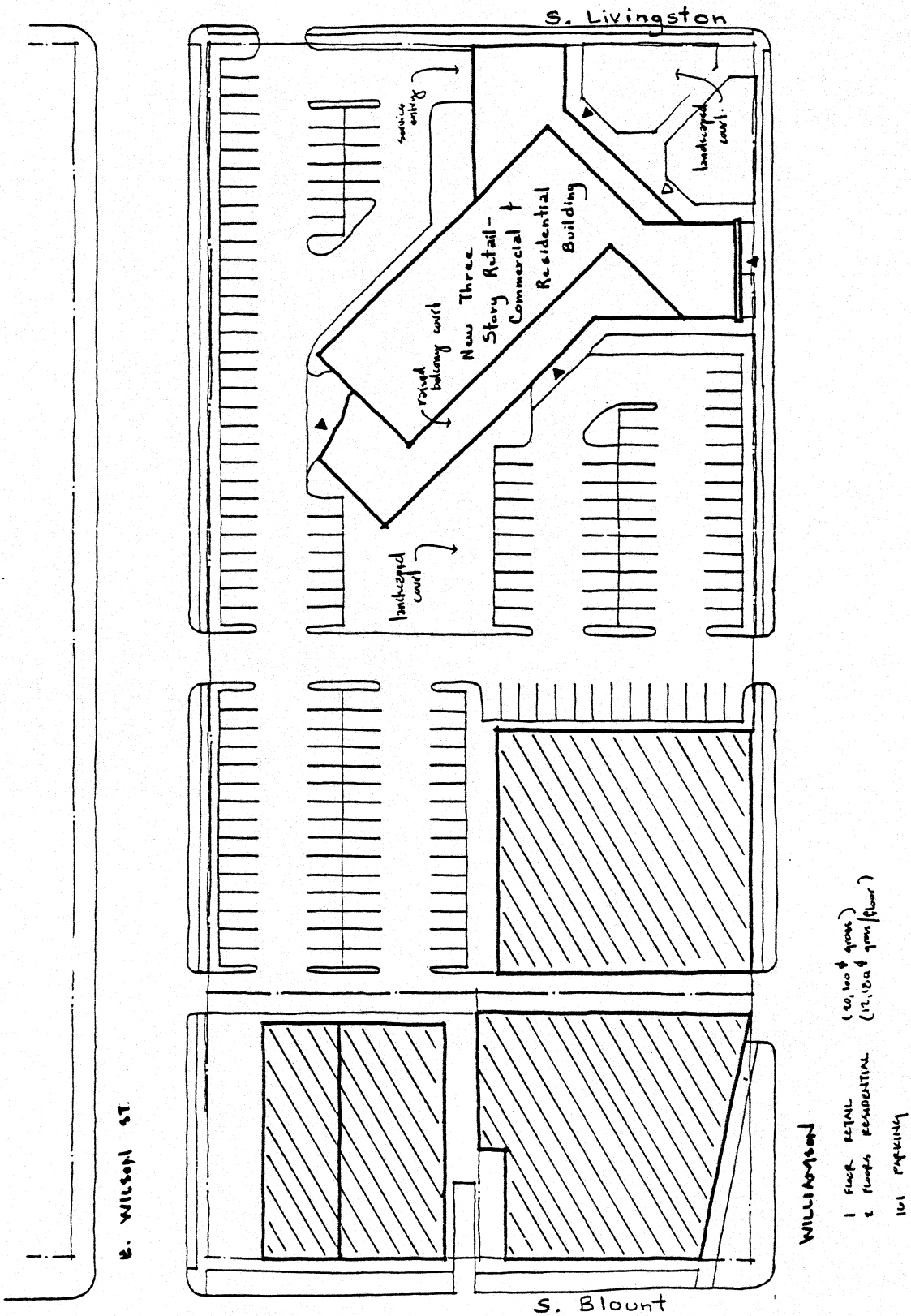


EXHIBIT II-26

SKETCH OF ALTERNATIVE SCENARIO II (ASSUME RAILROAD LAND PURCHASE FOR PARKING AND COMMERCIAL/RETAIL BUILDING ON ELA SITE)



analyzed two scenarios for renovation of the entire building to solve for the value of existing land and buildings and measure the impact of public financing on project feasibility.

SCENARIO 1	SCENARIO 2
Basic renovation to provide code required stairs and plumbing, rooftop HVAC, energy efficient strip windows, new elevators, new ceilings and carpeting.	Same basic renovations as in Scenario 1 but there is more emphasis on office partitioning, higher grade retail services on the first floor and full services to fit preferences indicated by respondents in office survey (see Appendix).
Minimal partitioning would require tenants to take at least a quarter of a floor, except on first level retail area.	
Average rent = $4.75/SF	Average rent = $6.00/SF
Utility stop = $.25/SF	Utility stop = $.90/SF
Net rentable area (NRA) = 41,600 SF	Net rentable area (NRA) = 41,600 SF
Real estate taxes = 14% of gross and inflating at 4%/year	Real estate taxes = 14% of gross and inflating at 4%/year
Operating expenses = 20% of gross and inflating at 3% of gross	Operating expenses = 20% of gross and inflating at 3% of gross
Vacancy = Declining from 45% in Year 1 to 10% in Year 3	Vacancy = Declining from 45% in Year 1 to 10% in Year 3
Improvement budget = $1,040,000 or $25/SF of NRA including a rehabilitation tax credit of $104,000	Improvement budget = $1,260,000 or approx. $30/SF and includes tenant improvements of $120,000 and capital of $100,000 to carry deficits during development phase including a rehabilitation tax credit of $104,000.

Mortgage = 12-1/2% interest, 25 years, payable monthly with minimum debt cover ratio of 1.3, 20% participation by lender in cash throw-off, assuming the third year of operation. Justified loan is $673.000.

Equity capital = justified by an 8% cash dividend and an 18% return after taxes assuming a 50% marginal individual tax rate.

See Exhibit II-27 for complete computer input and output.

Significant Results
Total investment value for existing land and buildings is a negative $36,000, at a time when current owners see their existing cost position in excess of $500,000.

The same scenario, assuming only 9% interest, presumably as a result of an economic development loan of $875,000, produces a total positive investment value for the existing land and buildings of $165,000 as detailed in Exhibit II-29.

Mortgage = 12-1/2% interest, 25 years, payable monthly with minimum debt cover ratio of 1.3, 20% participation by lender in cash throw-off, assuming the third year of operation. Justified loan is $839,000.

Equity capital = justified by an 8% cash dividend and an 18% return after taxes assuming a 50% marginal individual tax rate.

See Exhibit II-28 for complete computer input and output.

Significant Results
Total investment value for existing land and buildings is a positive $90,800, at a time when current owners see their existing cost position in excess of $500,000.

The same scenario, assuming only 9% interest, presumably as a result of an economic development loan of $1,090,000, produces a total positive investment value for the existing land and buildings of $342,000 as detailed in Exhibit II-30.

For Scenario 2, a third financing option was tested using a 12-1/2% monthly amortized loan in the amount of $608,000 and a second mortgage of 9% interest only for $300,000, but land and existing building value fell to $160,000, suggesting a deep interest subsidy would be necessary. See Exhibit II-31.

EXHIBIT II-27

SCENARIO 1

MILLER-HORNE OFFICE CONVERSION
TO CLASS C SPACE
$4.75 RENT PER SQUARE FOOT
12.5% INTEREST RATE

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

MILLER-HORNE

FOR

$4.75/SQFT - 12.5%

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$	204960.	* RATE OF GROWTH OF GROSS RENT		0.0233
* EXPENSES	$	41963.	* RATE OF GROWTH OF EXPENSES		0.0300
* R E TAXES	$	29967.	* RATE OF GROWTH OF R E TAXES		0.0400
* INCOME TAX RATE		0.5000	PROJECT VALUE GROWTH TYPE		2.0000
* VACANCY RATE		0.1900	WORKING CAPITAL LOAN RATE		0.1700
EQUITY DISCOUNT		0.1800	EXTRAORDINARY EXPENSES	$	0.
RESALE COST		0.0400	REINVESTMENT RATE		0.1000
WKG CAPITAL RS$		100000.	CAPITAL RESER INTEREST RATE		0.0000
INVESTOR TAX CLASS		0	OWNERSHIP FORM		1
INITIAL COST	$	1003866.	INITIAL EQUITY REQUIRED	$	430429.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-27 (Continued)

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD		COST	SCH
LAND & EXIST BLDG	0.65	1	30.	2	$	-36134.	0
BLDG IMPROVEMENTS	1.00	1	15.	2	$	832000.	0
TAX CREDIT	1.00	1	1.	2	$	208000.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM		ORIG BALC	PCT VALUE
MORTGAGE	0.1250	1	20	25	$	673437.	0.671

EXHIBIT II-27 (Continued)

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	197600.	197600.	197600.	216000.	216000.
2	LESS VACANCY	88920.	39520.	19760.	21600.	21600.
3	LESS REAL ESTAE TAXES	27664.	28771.	29921.	31118.	32363.
4	LESS EXPENSES	39520.	40706.	41927.	43185.	44480.
5	NET INCOME	41496.	88604.	105992.	120097.	117557.
6	LESS DEPRECIATION	262684.	54684.	54684.	54684.	54684.
7	LESS INTEREST PMTS	83946.	83492.	86345.	88458.	87149.
8	TAXABLE INCOME	-305134.	-49572.	-35037.	-23045.	-24275.
9	PLUS DEPRECIATION	262684.	54684.	54684.	54684.	54684.
10	LESS PRINCIPAL PMTS	4168.	4720.	5345.	6053.	6854.
11	CASH THROW-OFF	-46618.	392.	14302.	25586.	23554.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	0.	392.	14302.	25586.	23554.
15	WORKING CAPITAL LOAN	0.	0.	0.	0.	0.
16	DISTRIBUTABLE CASH AFTER TAX	0.	392.	14302.	25586.	23554.
17	TAX SAVINGS ON OTHER INCOME	152567.	24786.	17518.	11522.	12138.
18	SPENDABLE CASH AFTER TAXES	152567.	25178.	31820.	37109.	35692.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	331968.	708831.	847935.	960778.	940455.
20	LESS RESALE COST	13279.	28353.	33917.	38431.	37618.
21	LESS LOAN BALANCES	669269.	664549.	659204.	653151.	646297.
22	PLUS CUM. CASH RESERVES	53382.	53382.	53382.	53382.	53382.
23	BEFORE TAX NET WORTH	-297198.	69311.	208195.	322577.	309922.
24	CAPITAL GAIN (IF SOLD)	-422493.	-6021.	182203.	345216.	380390.
25	CAPITAL GAINS TAX	-84499.	-1204.	36441.	69043.	76078.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-42249.	-602.	36441.	69043.	76078.
29	AFTER TAX NET WORTH	-254948.	69913.	171755.	253534.	233844.

EXHIBIT II-27 (Continued)

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-1.6905	-1.2345	2.2102	0.6723	0.0338
31	CHANGE IN NET WORTH B/4 TAX	-727627.	366508.	138885.	114382.	-12655.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1083	0.0009	0.0332	0.0594	0.0547
33	ORIG EQUITY PAYBACK B/4 TAX	-0.1083	-0.1074	-0.0742	-0.0147	0.0400
34	B/4 TAX PRESENT VALUE	382067.	683989.	769630.	822495.	801879.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.2379	-1.3730	1.9119	0.6922	0.0631
36	CHANGE IN NET WORTH AFR TAX	-685377.	324861.	101842.	81779.	-19690.
37	ORIG EQUITY CASH RTNAFR TAX	0.3545	0.0585	0.0739	0.0862	0.0829
38	ORIG EQUITY PAYBACK AFR TAX	0.3545	0.4129	0.4869	0.5731	0.6560
39	AFTER TAX PRESENT VALUE	586673.	871023.	944715.	990090.	977137.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1250	0.1250	0.1250	0.1250	0.1250
41	LENDER BONUS INTEREST RATE	0.0000	0.0001	0.0054	0.0097	0.0090
42	DEFAULT RATIO	0.7859	0.7980	0.8276	0.7815	0.7910

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	152567.	193001.	244122.	305643.	371899.
44	MOD. I.R.R. ON ORIG EQUITY	-0.6455	-0.3304	-0.1722	-0.0820	-0.0288
45	MOD. I.R.R. ON CUM. EQUITY	-0.6455	-0.3304	-0.1722	-0.0820	-0.0288

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-575060.	-168117.	-14552.	128748.	175314.
47	CUM. CASH LESS CUM. EQUITY	-575060.	-168117.	-14552.	128748.	175314.
48	MOD. I.R.R. ON ORIG EQUITY	0.6640	-0.2193	-0.0114	0.0676	0.0707
49	MOD. I.R.R. ON CUM. EQUITY	0.6640	-0.2193	-0.0114	0.0676	0.0707

STOP --

EXHIBIT II-27 (Continued)

```
Ready


DISPLAY 700.I4

1,MILLER-HORNE, $4.75/SQFT - 12.5% INT
10,1984,0,1,1.00,5,41600
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40,197600,197600,197600,216000,216000
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70,.14,.04,*
80,.20,.03,*
100,.18,.50,.10
101,0,8.0,2
102,.17,1,.04,0
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200,2,BLDG IMPROVEMENTS
201,2,832000,1.0,2
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200,3,TAX CREDIT
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202,3,1,1,0
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301,1,1.0,.125,0,25
302,1,12,1,20,0
303,1,.20,0,6,0
400,5
403,99
999,99

Ready
```

EXHIBIT II-28

PRO FORMA, CASH FLOWS AND
INVESTMENT RESULTS FOR SCENARIO 1
MILLER-HORNE OFFICE CONVERSION
TO CLASS B SPACE
$6.00 RENT PER SQUARE FOOT
12.5% INTEREST RATE

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

MILLER-HORNE

FOR

$6.00/SQFT - 12.5% I

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$ 257587.	* RATE OF GROWTH OF GROSS RENT	0.0200
* EXPENSES	$ 53006.	* RATE OF GROWTH OF EXPENSES	0.0300
* R E TAXES	$ 37854.	* RATE OF GROWTH OF R E TAXES	0.0400
* INCOME TAX RATE	0.5000	PROJECT VALUE GROWTH TYPE	2.0000
* VACANCY RATE	0.1900	WORKING CAPITAL LOAN RATE	0.1700
EQUITY DISCOUNT	0.1800	EXTRAORDINARY EXPENSES $	0.
RESALE COST	0.0400	REINVESTMENT RATE	0.1000
WKG CAPITAL RS$	100000.	CAPITAL RESER INTEREST RATE	0.0000
INVESTOR TAX CLASS	0	OWNERSHIP FORM	1
INITIAL COST $	1250825.	INITIAL EQUITY REQUIRED $	511717.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-28

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD		COST	SCH
LAND & EXIST BLDG	0.65	1	30.	2	$	90825.	0
BLDG IMPROVEMENTS	1.00	1	15.	2	$	832000.	0
TAX CREDIT	1.00	1	1.	2	$	208000.	0
TENANT IMPROV'S	1.00	1	5.	2	$	120000.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM		ORIG BALC	PCT VALUE
MORTGAGE	0.1250	1	20	25	$	839108.	0.671

EXHIBIT II-28

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	249600.	249600.	249600.	269568.	269568.
2	LESS VACANCY	112320.	49920.	24960.	26957.	26957.
3	LESS REAL ESTAE TAXES	34944.	36342.	37795.	39307.	40880.
4	LESS EXPENSES	49920.	51418.	52960.	54549.	56185.
5	NET INCOME	52416.	111921.	133884.	148755.	145546.
6	LESS DEPRECIATION	289435.	81435.	81435.	81435.	81435.
7	LESS INTEREST PMTS	104598.	104336.	107950.	110042.	108402.
8	TAXABLE INCOME	-341616.	-73850.	-55500.	-42722.	-44290.
9	PLUS DEPRECIATION	289435.	81435.	81435.	81435.	81435.
10	LESS PRINCIPAL PMTS	5193.	5881.	6660.	7542.	8540.
11	CASH THROW-OFF	-57375.	1704.	19275.	31171.	28604.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	0.	1704.	19275.	31171.	28604.
15	WORKING CAPITAL LOAN	0.	0.	0.	0.	0.
16	DISTRIBUTABLE CASH AFTER TAX	0.	1704.	19275.	31171.	28604.
17	TAX SAVINGS ON OTHER INCOME	170808.	36925.	27750.	21361.	22145.
18	SPENDABLE CASH AFTER TAXES	170808.	38629.	47025.	52532.	50749.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	419328.	895365.	1071076.	1190040.	1164370.
20	LESS RESALE COST	16773.	35815.	42843.	47602.	46575.
21	LESS LOAN BALANCES	833915.	828033.	821374.	813832.	805291.
22	PLUS CUM. CASH RESERVES	42625.	42625.	42625.	42625.	42625.
23	BEFORE TAX NET WORTH	-388735.	74142.	249484.	371232.	355129.
24	CAPITAL GAIN (IF SOLD)	-558836.	-20406.	229711.	425352.	482143.
25	CAPITAL GAINS TAX	-111767.	-4081.	45942.	85070.	96429.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-55884.	-2041.	45942.	85070.	96429.
29	AFTER TAX NET WORTH	-332851.	76182.	203542.	286161.	258700.

EXHIBIT II-28

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-1.7597	-1.1951	2.6249	0.6129	0.0337
31	CHANGE IN NET WORTH B/4 TAX	-900452.	462877.	175342.	121748.	-16103.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1121	0.0033	0.0377	0.0609	0.0559
33	ORIG EQUITY PAYBACK B/4 TAX	-0.1121	-0.1088	-0.0711	-0.0102	0.0457
34	B/4 TAX PRESENT VALUE	461049.	844956.	955283.	1010995.	987251.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.3167	-1.3449	2.2890	0.6640	0.0814
36	CHANGE IN NET WORTH AFR TAX	-844568.	409034.	127359.	82620.	-27461.
37	ORIG EQUITY CASH RTNAFR TAX	0.3338	0.0755	0.0919	0.1027	0.0992
38	ORIG EQUITY PAYBACK AFR TAX	0.3338	0.4093	0.5012	0.6038	0.7030
39	AFTER TAX PRESENT VALUE	701783.	1066316.	1164105.	1214918.	1202582.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1250	0.1250	0.1250	0.1250	0.1250
41	LENDER BONUS INTEREST RATE	0.0000	0.0005	0.0058	0.0095	0.0088
42	DEFAULT RATIO	0.7799	0.7932	0.8228	0.7844	0.7939

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	170808.	226517.	296194.	378345.	466929.
44	MOD. I.R.R. ON ORIG EQUITY	-0.6662	-0.3347	-0.1666	-0.0727	-0.0182
45	MOD. I.R.R. ON CUM. EQUITY	-0.6662	-0.3347	-0.1666	-0.0727	-0.0182

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-729644.	-211058.	-11982.	152790.	213912.
47	CUM. CASH LESS CUM. EQUITY	-729644.	-211058.	-11982.	152790.	213912.
48	MOD. I.R.R. ON ORIG EQUITY	0.5741	-0.2335	-0.0079	0.0675	0.0724
49	MOD. I.R.R. ON CUM. EQUITY	0.5741	-0.2335	-0.0079	0.0675	0.0724

STOP --

Ready

EXHIBIT II-28

```
DISPLAY 700.I6

1,MILLER-HORNE,$6.00/SQFT - 12.5% INT
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70,.14,.04,*
80,.20,.03,*
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101,0,8.0,2
102,.17,1,.04,0
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200,1,LAND & EXIST BLDG
201,1,1.0,.65,2
202,1,1,30,0
200,2,BLDG IMPROVEMENTS
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201,3,208000,1.0,2
202,3,1,1,0
200,4,TENANT IMPROV'S
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302,1,12,1,20,0
303,1,.20,0,6,0
400,5
403,99
999,99

Ready
```

EXHIBIT II-29

PRO FORMA, CASH FLOWS AND
INVESTMENT RESULTS FOR SCENARIO 1
MILLER-HORNE OFFICE CONVERSION
TO CLASS C SPACE
$4.75 RENT PER SQUARE FOOT
9% INTEREST RATE

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

MILLER-HORNE

FOR

$4.75/SQFT - 9% INT

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$	204960.	* RATE OF GROWTH OF GROSS RENT		0.0233
* EXPENSES	$	41963.	* RATE OF GROWTH OF EXPENSES		0.0300
* R E TAXES	$	29967.	* RATE OF GROWTH OF R E TAXES		0.0400
* INCOME TAX RATE		0.5000	PROJECT VALUE GROWTH TYPE		2.0000
* VACANCY RATE		0.1900	WORKING CAPITAL LOAN RATE		0.1700
EQUITY DISCOUNT		0.1800	EXTRAORDINARY EXPENSES	$	0.
RESALE COST		0.0400	REINVESTMENT RATE		0.1000
WKG CAPITAL RS$		100000.	CAPITAL RESER INTEREST RATE		0.0000
INVESTOR TAX CLASS		0	OWNERSHIP FORM		1
INITIAL COST	$	1205418.	INITIAL EQUITY REQUIRED	$	430429.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-29

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD		COST	SCH
LAND & EXIST BLDG	0.65	1	30.	2	$	165418.	0
BLDG IMPROVEMENTS	1.00	1	15.	2	$	832000.	0
TAX CREDIT	1.00	1	1.	2	$	208000.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM		ORIG BALC	PCT VALUE
MORTGAGE	0.0900	1	20	25	$	874989.	0.726

EXHIBIT II-29

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	197600.	197600.	197600.	216000.	216000.
2	LESS VACANCY	88920.	39520.	19760.	21600.	21600.
3	LESS REAL ESTAE TAXES	27664.	28771.	29921.	31118.	32363.
4	LESS EXPENSES	39520.	40706.	41927.	43185.	44480.
5	NET INCOME	41496.	88604.	105992.	120097.	117557.
6	LESS DEPRECIATION	267051.	59051.	59051.	59051.	59051.
7	LESS INTEREST PMTS	78353.	77535.	80011.	81737.	80030.
8	TAXABLE INCOME	-303908.	-47982.	-33070.	-20690.	-21524.
9	PLUS DEPRECIATION	267051.	59051.	59051.	59051.	59051.
10	LESS PRINCIPAL PMTS	9761.	10677.	11679.	12774.	13973.
11	CASH THROW-OFF	-46618.	392.	14302.	25586.	23554.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	0.	392.	14302.	25586.	23554.
15	WORKING CAPITAL LOAN	0.	0.	0.	0.	0.
16	DISTRIBUTABLE CASH AFTER TAX	0.	392.	14302.	25586.	23554.
17	TAX SAVINGS ON OTHER INCOME	151954.	23991.	16535.	10345.	10762.
18	SPENDABLE CASH AFTER TAXES	151954.	24383.	30837.	35931.	34316.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	331968.	708831.	847935.	960778.	940455.
20	LESS RESALE COST	13279.	28353.	33917.	38431.	37618.
21	LESS LOAN BALANCES	865227.	854550.	842872.	830098.	816125.
22	PLUS CUM. CASH RESERVES	53382.	53382.	53382.	53382.	53382.
23	BEFORE TAX NET WORTH	-493156.	-120691.	24527.	145631.	140094.
24	CAPITAL GAIN (IF SOLD)	-619678.	-198839.	-6248.	161132.	200673.
25	CAPITAL GAINS TAX	-123936.	-39768.	-1250.	32226.	40135.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-61968.	-19884.	-625.	32226.	40135.
29	AFTER TAX NET WORTH	-431189.	-100807.	25152.	113404.	99959.

EXHIBIT II-29

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-2.1457	-0.7561	-1.3217	5.9806	0.1237
31	CHANGE IN NET WORTH B/4 TAX	-923585.	372465.	145219.	121103.	-5537.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1083	0.0009	0.0332	0.0594	0.0547
33	ORIG EQUITY PAYBACK B/4 TAX	-0.1083	-0.1074	-0.0742	-0.0147	0.0400
34	B/4 TAX PRESENT VALUE	417553.	749085.	859396.	932780.	929197.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.6487	-0.8228	-1.5554	4.9373	0.1840
36	CHANGE IN NET WORTH AFR TAX	-861618.	330381.	125960.	88252.	-13445.
37	ORIG EQUITY CASH RTNAFR TAX	0.3530	0.0566	0.0716	0.0835	0.0797
38	ORIG EQUITY PAYBACK AFR TAX	0.3530	0.4097	0.4813	0.5648	0.6445
39	AFTER TAX PRESENT VALUE	638349.	948876.	1055351.	1117069.	1117269.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1250	0.1250	0.1250	0.1250	0.1250
41	LENDER BONUS INTEREST RATE	0.0000	0.0001	0.0042	0.0076	0.0071
42	DEFAULT RATIO	0.7859	0.7980	0.8276	0.7815	0.7910

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	151954.	191532.	241522.	301606.	366082.
44	MOD. I.R.R. ON ORIG EQUITY	-0.6470	-0.3329	-0.1752	-0.0851	-0.0319
45	MOD. I.R.R. ON CUM. EQUITY	-0.6470	-0.3329	-0.1752	-0.0851	-0.0319

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-771632.	-359588.	-164379.	-15419.	35613.
47	CUM. CASH LESS CUM. EQUITY	-771632.	-359588.	-164379.	-15419.	35613.
48	MOD. I.R.R. ON ORIG EQUITY	0.2073	-0.5943	-0.1482	-0.0091	0.0160
49	MOD. I.R.R. ON CUM. EQUITY	0.2073	-0.5943	-0.1482	-0.0091	0.0160

STOP --

Ready

EXHIBIT II-29

```
Ready

DISPLAY 700I4.90\0\

1,MILLER-HORNE, $4.75/SQFT - 9% INT
10,1984,0,1,1.00,5,41600
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70,.14,.04,*
80,.20,.03,*
100,.18,.50,.10
101,0,8.0,2
102,.17,1,.04,0
103,0,100000,.0,0
200,1,LAND & EXIST BLDG
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202,1,1,30,0
200,2,BLDG IMPROVEMENTS
201,2,832000,1.0,2
202,2,1,15,0
200,3,TAX CREDIT
201,3,208000,1.0,2
202,3,1,1,0
300,1,MORTGAGE
301,1,1.0,.09,0,25
302,1,12,1,20,0
303,1,.20,0,6,0
400,5
403,99
999,99
```

EXHIBIT II-30

PRO FORMA, CASH FLOWS AND
INVESTMENT RESULTS FOR SCENARIO 2
MILLER-HORNE OFFICE CONVERSION
TO CLASS B SPACE
$6.00 RENT PER SQUARE FOOT
9% INTEREST RATE

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

MILLER-HORNE

FOR

$6.00/SQFT - 9% INT

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$	257587.	* RATE OF GROWTH OF GROSS RENT		0.0200
* EXPENSES	$	53006.	* RATE OF GROWTH OF EXPENSES		0.0300
* R E TAXES	$	37854.	* RATE OF GROWTH OF R E TAXES		0.0400
* INCOME TAX RATE		0.5000	PROJECT VALUE GROWTH TYPE		2.0000
* VACANCY RATE		0.1900	WORKING CAPITAL LOAN RATE		0.1700
EQUITY DISCOUNT		0.1800	EXTRAORDINARY EXPENSES	$	0.
RESALE COST		0.0400	REINVESTMENT RATE		0.1000
WKG CAPITAL RS$		100000.	CAPITAL RESER INTEREST RATE		0.0000
INVESTOR TAX CLASS		0	OWNERSHIP FORM		1
INITIAL COST	$	1501961.	INITIAL EQUITY REQUIRED	$	511717.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-30

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD		COST	SCH
LAND & EXIST BLDG	0.65	1	30.	2	$	341961.	0
BLDG IMPROVEMENTS	1.00	1	15.	2	$	832000.	0
TAX CREDIT	1.00	1	1.	2	$	208000.	0
TENANT IMPROV'S	1.00	1	5.	2	$	120000.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM		ORIG BALC	PCT VALUE
MORTGAGE	0.0900	1	20	25	$	1090244.	0.726

EXHIBIT II-30

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	249600.	249600.	249600.	269568.	269568.
2	LESS VACANCY	112320.	49920.	24960.	26957.	26957.
3	LESS REAL ESTAE TAXES	34944.	36342.	37795.	39307.	40880.
4	LESS EXPENSES	49920.	51418.	52960.	54549.	56185.
5	NET INCOME	52416.	111921.	133884.	148755.	145546.
6	LESS DEPRECIATION	294876.	86876.	86876.	86876.	86876.
7	LESS INTEREST PMTS	97628.	96913.	100058.	101667.	99532.
8	TAXABLE INCOME	-340088.	-71868.	-53049.	-39788.	-40862.
9	PLUS DEPRECIATION	294876.	86876.	86876.	86876.	86876.
10	LESS PRINCIPAL PMTS	12163.	13304.	14552.	15917.	17410.
11	CASH THROW-OFF	-57375.	1704.	19275.	31171.	28604.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	0.	1704.	19275.	31171.	28604.
15	WORKING CAPITAL LOAN	0.	0.	0.	0.	0.
16	DISTRIBUTABLE CASH AFTER TAX	0.	1704.	19275.	31171.	28604.
17	TAX SAVINGS ON OTHER INCOME	170044.	35934.	26525.	19894.	20431.
18	SPENDABLE CASH AFTER TAXES	170044.	37638.	45799.	51065.	49035.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	419328.	895365.	1071076.	1190040.	1164370.
20	LESS RESALE COST	16773.	35815.	42843.	47602.	46575.
21	LESS LOAN BALANCES	1078081.	1064777.	1050225.	1034309.	1016899.
22	PLUS CUM. CASH RESERVES	42625.	42625.	42625.	42625.	42625.
23	BEFORE TAX NET WORTH	-632901.	-162602.	20632.	150755.	143521.
24	CAPITAL GAIN (IF SOLD)	-804530.	-260658.	-5101.	195981.	258214.
25	CAPITAL GAINS TAX	-160906.	-52132.	-1020.	39196.	51643.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-80453.	-26066.	-510.	39196.	51643.
29	AFTER TAX NET WORTH	-552448.	-136536.	21142.	111559.	91879.

EXHIBIT II-30

BEFORE TAX RATIO ANALYSIS
==========

CASH FLOW ANALYSIS
==========

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-2.2368	-0.7458	-1.2454	7.8177	0.1418
31	CHANGE IN NET WORTH B/4 TAX	-1144618.	470299.	183234.	130123.	-7233.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1121	0.0033	0.0377	0.0609	0.0559
33	ORIG EQUITY PAYBACK B/4 TAX	-0.1121	-0.1088	-0.0711	-0.0102	0.0457
34	B/4 TAX PRESENT VALUE	505264.	926066.	1067133.	1148411.	1145891.

AFTER TAX RATIO ANALYSIS
==========

CASH FLOW ANALYSIS
==========

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.7473	-0.8210	-1.4903	6.6919	0.2631
36	CHANGE IN NET WORTH AFR TAX	-1064165.	415912.	157678.	90416.	-19680.
37	ORIG EQUITY CASH RTNAFR TAX	0.3323	0.0736	0.0895	0.0998	0.0958
38	ORIG EQUITY PAYBACK AFR TAX	0.3323	0.4059	0.4954	0.5951	0.6910
39	AFTER TAX PRESENT VALUE	766173.	1163322.	1302122.	1373134.	1377188.

CASH FLOW ANALYSIS
==========

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1250	0.1250	0.1250	0.1250	0.1250
41	LENDER BONUS INTEREST RATE	0.0000	0.0004	0.0045	0.0074	0.0069
42	DEFAULT RATIO	0.7799	0.7932	0.8228	0.7844	0.7939

MODIFIED INTERNAL RATE OF RETURN ANALYSIS
==========

RETURN ANALYSIS WITHOUT SALE
==========

CASH FLOW ANALYSIS
==========

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	170044.	224686.	292954.	373315.	459682.
44	MOD. I.R.R. ON ORIG EQUITY	-0.6677	-0.3374	-0.1697	-0.0758	-0.0212
45	MOD. I.R.R. ON CUM. EQUITY	-0.6677	-0.3374	-0.1697	-0.0758	-0.0212

RETURN ANALYSIS WITH SALE
==========

CASH FLOW ANALYSIS
==========

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-974574.	-449632.	-198131.	-26844.	39843.
47	CUM. CASH LESS CUM. EQUITY	-974574.	-449632.	-198131.	-26844.	39843.
48	MOD. I.R.R. ON ORIG EQUITY	0.0955	-0.6517	-0.1506	-0.0134	0.0151
49	MOD. I.R.R. ON CUM. EQUITY	0.0955	-0.6517	-0.1506	-0.0134	0.0151

STOP --

Ready

EXHIBIT II-30

```
DISPLAY 700Z\Z\I6.9

1,MILLER-HORNE,$6.00/SQFT - 9% INT
10,1984,0,1,1.00,5,41600
20,3,1,1.3,.08,3,5
40,249600,249600,249600,269568,269568
60,.45,.20,.10,*
70,.14,.04,*
80,.20,.03,*
100,.18,.50,.10
101,0,8.0,2
102,.17,1,.04,0
103,0,100000,.0,0
200,1,LAND & EXIST BLDG
201,1,1.0,.65,2
202,1,1,30,0
200,2,BLDG IMPROVEMENTS
201,2,832000,1.0,2
202,2,1,15,0
200,3,TAX CREDIT
201,3,208000,1.0,2
202,3,1,1,0
200,4,TENANT IMPROV'S
201,4,120000,1.0,2
202,4,1,5,0
300,1,MORTGAGE
301,1,1.0,.09,0,25
302,1,12,1,20,0
303,1,.20,0,6,0
400,5
403,99
999,99
```

EXHIBIT II-31

PRO FORMA, CASH FLOWS AND
INVESTMENT RESULTS FOR SCENARIO 2
MILLER-HORNE OFFICE CONVERSION
TO CLASS B SPACE
$6.00 RENT PER SQUARE FOOT
12.5% INTEREST ON MONTHLY AMORTIZED
$608,000 1ST MORTGAGE
9% INTEREST ON INTEREST ONLY
$300,000 2ND MORTGAGE

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

MILLER-HORNE

FOR

$6.00/SQFT - 12.5% I

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$	257587.	* RATE OF GROWTH OF GROSS RENT		0.0200
* EXPENSES	$	53006.	* RATE OF GROWTH OF EXPENSES		0.0300
* R E TAXES	$	37854.	* RATE OF GROWTH OF R E TAXES		0.0400
* INCOME TAX RATE		0.5000	PROJECT VALUE GROWTH TYPE		2.0000
* VACANCY RATE		0.1900	WORKING CAPITAL LOAN RATE		0.1700
EQUITY DISCOUNT		0.1800	EXTRAORDINARY EXPENSES	$	0.
RESALE COST		0.0400	REINVESTMENT RATE		0.1000
WKG CAPITAL RS$		100000.	CAPITAL RESER INTEREST RATE		0.0000
INVESTOR TAX CLASS		0	OWNERSHIP FORM		1
INITIAL COST	$	1319929.	INITIAL EQUITY REQUIRED	$	511717.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 2 MORTGAGES

EXHIBIT II-31 (Continued)

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD		COST	SCH
LAND & EXIST BLDG	0.65	1	30.	2	$	159929.	0
BLDG IMPROVEMENTS	1.00	1	15.	2	$	832000.	0
TAX CREDIT	1.00	1	1.	2	$	208000.	0
TENANT IMPROV'S	1.00	1	5.	2	$	120000.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM		ORIG BALC	PCT VALUE
FIRST MORTGAGE	0.1250	1	20	25	$	608212.	0.461
SECOND MORTGAGE	0.0900	1	25	25	$	300000.	0.227

EXHIBIT II-31 (Continued)

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	249600.	249600.	249600.	269568.	269568.
2	LESS VACANCY	112320.	49920.	24960.	26957.	26957.
3	LESS REAL ESTAE TAXES	34944.	36342.	37795.	39307.	40880.
4	LESS EXPENSES	49920.	51418.	52960.	54549.	56185.
5	NET INCOME	52416.	111921.	133884.	148755.	145546.
6	LESS DEPRECIATION	290932.	82932.	82932.	82932.	82932.
7	LESS INTEREST PMTS	102816.	103385.	107214.	109549.	108183.
8	TAXABLE INCOME	-341332.	-74397.	-56261.	-43725.	-45569.
9	PLUS DEPRECIATION	290932.	82932.	82932.	82932.	82932.
10	LESS PRINCIPAL PMTS	3764.	4263.	4827.	5467.	6190.
11	CASH THROW-OFF	-54164.	4272.	21843.	33740.	31173.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	0.	4272.	21843.	33740.	31173.
15	WORKING CAPITAL LOAN	0.	0.	0.	0.	0.
16	DISTRIBUTABLE CASH AFTER TAX	0.	4272.	21843.	33740.	31173.
17	TAX SAVINGS ON OTHER INCOME	170666.	37198.	28131.	21863.	22784.
18	SPENDABLE CASH AFTER TAXES	170666.	41471.	49974.	55603.	53957.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	419328.	895365.	1071076.	1190040.	1164370.
20	LESS RESALE COST	16773.	35815.	42843.	47602.	46575.
21	LESS LOAN BALANCES	904448.	900185.	895358.	889891.	883701.
22	PLUS CUM. CASH RESERVES	45836.	45836.	45836.	45836.	45836.
23	BEFORE TAX NET WORTH	-456057.	5201.	178711.	298383.	279930.
24	CAPITAL GAIN (IF SOLD)	-626443.	-86515.	165099.	362236.	420525.
25	CAPITAL GAINS TAX	-125289.	-17303.	33020.	72447.	84105.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-62644.	-8652.	33020.	72447.	84105.
29	AFTER TAX NET WORTH	-393413.	13853.	145691.	225936.	195825.

EXHIBIT II-31 (Continued)

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-1.8912	-1.0208	37.5592	0.8584	0.0426
31	CHANGE IN NET WORTH B/4 TAX	-967774.	461258.	173509.	119673.	-18453.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1058	0.0083	0.0427	0.0659	0.0609
33	ORIG EQUITY PAYBACK B/4 TAX	-0.1058	-0.0975	-0.0548	0.0111	0.0720
34	B/4 TAX PRESENT VALUE	475822.	869114.	987442.	1049979.	1032062.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.4353	-1.1406	13.1246	0.9324	0.1055
36	CHANGE IN NET WORTH AFR TAX	-905130.	407266.	131838.	80245.	-30111.
37	ORIG EQUITY CASH RTNAFR TAX	0.3335	0.0810	0.0977	0.1087	0.1054
38	ORIG EQUITY PAYBACK AFR TAX	0.3335	0.4146	0.5122	0.6209	0.7263
39	AFTER TAX PRESENT VALUE	719444.	1092577.	1201716.	1258258.	1250905.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1250	0.1250	0.1250	0.1250	0.1250
41	LENDER BONUS INTEREST RATE	0.0000	0.0012	0.0061	0.0094	0.0088
42	DEFAULT RATIO	0.7670	0.7829	0.8125	0.7748	0.7844

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	170666.	229203.	302097.	387910.	480658.
44	MOD. I.R.R. ON ORIG EQUITY	-0.6665	-0.3307	-0.1611	-0.0669	-0.0124
45	MOD. I.R.R. ON CUM. EQUITY	-0.6665	-0.3307	-0.1611	-0.0669	-0.0124

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-797108.	-277313.	-63929.	102129.	164766.
47	CUM. CASH LESS CUM. EQUITY	-797108.	-277313.	-63929.	102129.	164766.
48	MOD. I.R.R. ON ORIG EQUITY	0.4423	-0.3232	-0.0435	0.0465	0.0574
49	MOD. I.R.R. ON CUM. EQUITY	0.4423	-0.3232	-0.0435	0.0465	0.0574

STOP --

Ready

EXHIBIT II-31 (Continued)

```
DISPLAY 700.I6A

1,MILLER-HORNE,$6.00/SQFT - 12.5% INT
10,1984,0,1,1.00,5,41600
20,3,2,1.3,.08,3,5
40,249600,249600,249600,269568,269568
60,.45,.20,.10,*
70,.14,.04,*
80,.20,.03,*
100,.18,.50,.10
101,0,8.0,2
102,.17,1,.04,0
103,0,100000,.0,0
200,1,LAND & EXIST BLDG
201,1,1.0,.65,2
202,1,1,30,0
200,2,BLDG IMPROVEMENTS
201,2,832000,1.0,2
202,2,1,15,0
200,3,TAX CREDIT
201,3,208000,1.0,2
202,3,1,1,0
200,4,TENANT IMPROV'S
201,4,120000,1.0,2
202,4,1,5,0
300,1,FIRST MORTGAGE
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302,1,12,1,20,0
303,1,.20,0,6,0
300,2,SECOND MORTGAGE
301,2,300000,.09,1.0,25
302,2,12,1,25,0
400,5
403,99
999,99

Ready
```

Scenario 1 assumes that the rail corridor remains as is, but that the City has provided an indirect subsidy in the form of a public metered parking lot on the lots owned by the Ela Company. Convenient parking and competitive price are the most critical factors to the marketing of a B or C class office building if it is to compete with buildings closer to the Square or more remote from the Square with large parking lots. However, low rents, such as $4.75 per square foot, need the additional subsidy of low interest rates to be viable. Such help might come in the form of a capital write-down of existing land and building financed by a tax increment bond. The Miller-Horne building presently pays less than $6,000 in real estate taxes per year while Scenario 1 assumes annual real estate taxes approaching $30,000, and Scenario 2 assumes annual real estate taxes approaching $38,000 (due to higher rents). An increase of $24,000 capitalized at a constant of .115 for tax increment bond repayment suggests bonding power of approximately $200,000 in the first case and $275,000 for Scenario 2. (For composite photographs of proposed solutions, see Exhibit II-32.)

While $200,000 against a negative $36,000 existing value probably would not be sufficient to motivate investors to do Scenario 1, it might be sufficient in Scenario 2 when a $275,000 write-down was added to the justified existing land

EXHIBIT II-32

PHOTOGRAPHS OF PROPOSED MARQUETTE
GATEWAY REDEVELOPMENT PLANS
(See Exhibit II-12 for Present Condition Photographs)



Partially redeveloped 600 through 800 blocks including
redeveloped 600 Block, front half of 700 block
and west third of 800 Block housing



Redeveloped Marquette Gateway including
reconstructed Blair/Nolen intersection, 600 Block
including Machinery Row and One-Way Pair

EXHIBIT II-32 (Continued)



Redeveloped 600 through 800 blocks with Gateway and One-Way Pair including 700 Block with added commercial/office building and 800 Block - limited equity co-op housing

and building value of $90,800 (assuming 12-1/2 percent interest) in a capital base of $365,800 which narrows the gap with current investor sunk costs of $500,000. Of course, an economic development grant or blended loan cost of 9 percent interest would combine with a $275,000 write-down and a justified value of $342,000 for existing land and building to (Scenario 2) create a capital base of $617,000 to offset sunk costs of $500,000. At that point, preliminary numbers provide sufficient cushion to encourage the hope that with some private cost cutting and some public horse-trading, a thorough rehabilitation of Miller-Horne would be possible. However, there are several other factors to be considered.

Viable development requires effective demand at realistic rents, i.e., $6 and up. These rents are unattainable on the 700 Block unless railroad sidetracks, Ela's old sheds, and Roy's Transfer Service Co. are relocated and site access to the Square is improved by the development of East Wilson running one way from Brearly to the Square. This improvement also would visually define a new edge between Williamson Street and the railway.

G. Market Potential for Class B and C Office Space on the 700 Block

To assess the market potential for office space, an analysis was made of the physical attributes of the site, its

linkages and its dynamic attributes that have been previously described. The most probable user would be those tenants who are price conscious, who desire a central location, either for the purpose of distribution of goods/services or for the proximity to financial institutions, government services and other supportive services, but who also need adequate parking for staff and/or clients.

Respondents from the following categories or locations were interviewed by telephone:

1. Office tenants who had inquired about vacant school space but did not rent.
2. Potential permitted users of vacant school space who wanted a central location that was unavailable at the time.
3. Tenants of Independence Center and Washington Square (prototypes of buildings that have undergone adaptive reuse for conversion to office space).
4. Class B and C office buildings in the Hilldale Shopping Center area.

Forty-five respondents, randomly selected, constituted the survey sample.

A wide variety of businesses were interviewed, and the cumulative results are recorded in the Appendix.

The need to be near government offices on or near the Square is not as strong as hypothesized. Of the 45

respondents, only 27 percent desired proximity to government offices on the Square, but other services also found in central Madison are also considered important. Twenty respondents, or 44 percent, the majority of whom are tenants in the Hilldale area, have no interest in relocating to the near east side. When they need to expand their office space they move within the same geographical location.

Once office tenants have relocated to the suburbs, they seldom return. This leakage of small businesses from central Madison due to lack of parking, competitive price, and room for expansion has been overlooked as long as banks and insurance companies expanded into Class A space and bumped the lawyers and accountants to Class B space. This trend is now apparent as State government has retrenched and left significant vacancies in downtown office buildings such as 30 On The Square, the Tenney Building, and Investment Services.

Of the 878,500 square feet of Class A space recently surveyed in downtown Madison, only 3.6 percent or 32,000 square feet is vacant. Full service rents range from $9 to $16.25 per square foot. Of the 275,000 square feet of downtown Class B space surveyed, 23.4 percent, or 64,500 square feet, is vacant. Full service B space rents from $6.75 to $13 per square foot.

If new housing is to be built in central Madison, it will be necessary to support the new businesses that generate the

new jobs which, in turn, provide the effective demand for new housing.

Suburban style (low rise, surface parking, light construction, no elevator) offices in the rail corridors would permit central Madison to provide a competitive alternative to Class B downtown high rise office buildings which are short on convenient parking and increasingly more costly to operate. This strategy is intended to reduce the leakage caused by those who leave because of parking and price, but it is not likely to draw many tenants back to the central city.

Every respondent selected parking as the most important amenity with 91 percent ranking it as a preference item.

All respondents need some parking space for staff, and 20 (55 percent) of the 36 tenants responding expressed the need for some parking for clients.

Other amenities including parking, listed in Question 13 of the survey, are given point scores based on a weighting given to the choice preferences of respondents. As shown in the survey results found in the Appendix, parking far outweighs any other amenity with a score of 158 and air conditioning is second in importance with a score of 76. Lounge facilities for employees and an elevator, each with a score of 5, are least important to this group of tenants. The survey also indicated

that 31 (70 percent) of the respondents need 24 hour access to their office space.

There appears to be little planned mobility among these tenants in the near future. Only 16 percent had any plans to relocate and only 9 percent (four) are leaving soon. 78 percent have been in their present location for at least two years.

Tenants interviewed are currently paying from $4.50 to $9.90 per square foot with an average of $6.90. Most receive full services for their rent. While 31 percent or 14 of the respondents indicated an interest in renting space in a Miller-Horne type building at $5 per square foot, the interest rapidly declined (only 18 percent were interested) at the $7 per square foot rent level. At $9 there was virtually no interest; only two tenants responded favorably. The Class B and C markets in Madison are soft with high vacancies in the central area. Tenants are price sensitive and ample on-site parking is a requirement for Class B office tenants. However, two developers express interest in purchase of Miller-Horne to remodel for the benefit of a single tenant, which could use all the space if parking were adequate. This good prospect is the basis for expecting a minimum $1 million tax increment.

Scenario 2, following relocation of Roy's Transfer and Ela's industrial supply firm, makes available six lots on the

easterly end of the 700 Block for commercial retail development. Exhibit II-26 indicates placement of a three-story building on a diagonal to give first floor retail full exposure to oncoming traffic on both Williamson and Wilson Streets. In addition, the diagonal permits full southern exposure for solar residential on the second and third floors, turning blank walls to the coal piles and propane storage tanks across Wilson Street. The diagonal also maintains pedestrian sight lines to the new Madison Gas & Electric headquarters and the renovated Miller-Horne building. However, rents of $5 per square foot for retail with 20 percent expenses and 14 percent real estate taxes produced a negative value of $966,000 for the land if construction costs averaged $45 per square foot. (See Exhibits II-33 and II-34.) Since residential did not carry its own weight, a one-story retail/commercial costing only $30 per square foot was tested at both 15 percent interest and 12-1/2 percent interest (Exhibits II-35 and II-36). The best result was a negative $130,000 for the land.

However, a new building with $9 per square foot rents for retail (compared to $12 rents per square foot on State Street) combined with two floors of apartment space at $6 per square foot began to show that suburban rent levels would justify positive land values of $1.50 to $2 per square foot. Construction costs were assumed to be $30 per square foot for

EXHIBIT II-33

NEW THREE STORY RETAIL-COMMERCIAL
AND RESIDENTIAL BUILDING ON ELA SITE

TWO FLOORS RESIDENTIAL - $0.50 PER
SQUARE FOOT PER MONTH

ONE FLOOR RETAIL - $5.00 PER
SQUARE FOOT PER YEAR

12.5% INTEREST RATE

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

NEW BUILDING

FOR

3 STORY RES/COMM'L

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$ 227482.	* RATE OF GROWTH OF GROSS RENT	0.0300
* EXPENSES	$ 59145.	* RATE OF GROWTH OF EXPENSES	0.0300
* R E TAXES	$ 32490.	* RATE OF GROWTH OF R E TAXES	0.0400
* INCOME TAX RATE	0.5000	PROJECT VALUE GROWTH TYPE	2.0000
* VACANCY RATE	0.1420	WORKING CAPITAL LOAN RATE	0.1700
EQUITY DISCOUNT	0.1800	EXTRAORDINARY EXPENSES $	0.
RESALE COST	0.0400	REINVESTMENT RATE	0.1200
WKG CAPITAL RS$	0.	CAPITAL RESER INTEREST RATE	0.0000
INVESTOR TAX CLASS	0	OWNERSHIP FORM	1
INITIAL COST $	1133012.	INITIAL EQUITY REQUIRED $	410461.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-33 (Continued)

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD	COST	SCH
LAND	0.00	1	40.	0	$ -867688.	0
BUILDING	1.00	1	30.	2	$ 2000700.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM	ORIG BALC	PCT VALUE
MORTGAGE	0.1250	1	20	20	$ 722551.	0.638

EXHIBIT II-33 (Continued)

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	214236.	220663.	227283.	234101.	241125.
2	LESS VACANCY	77125.	30893.	15910.	16387.	16879.
3	LESS REAL ESTAE TAXES	29993.	31193.	32440.	33738.	35088.
4	LESS EXPENSES	55701.	57372.	59094.	60866.	62692.
5	NET INCOME	51417.	101205.	119839.	123110.	126466.
6	LESS DEPRECIATION	66690.	66690.	66690.	66690.	66690.
7	LESS INTEREST PMTS	89833.	88684.	87383.	85909.	84241.
8	TAXABLE INCOME	-105106.	-54169.	-34234.	-29489.	-24465.
9	PLUS DEPRECIATION	66690.	66690.	66690.	66690.	66690.
10	LESS PRINCIPAL PMTS	8678.	9827.	11128.	12601.	14270.
11	CASH THROW-OFF	-47094.	2695.	21329.	24599.	27955.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	-47094.	2695.	21329.	24599.	27955.
15	WORKING CAPITAL LOAN	47094.	52405.	39985.	22184.	0.
16	DISTRIBUTABLE CASH AFTER TAX	0.	0.	0.	0.	2001.
17	TAX SAVINGS ON OTHER INCOME	52553.	27084.	17117.	14745.	12232.
18	SPENDABLE CASH AFTER TAXES	52553.	27084.	17117.	14745.	14233.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	462750.	910846.	1078552.	1107989.	1138192.
20	LESS RESALE COST	18510.	36434.	43142.	44320.	45528.
21	LESS LOAN BALANCES	713874.	704047.	692919.	680318.	666048.
22	PLUS CUM. CASH RESERVES	0.	0.	0.	0.	0.
23	BEFORE TAX NET WORTH	-316728.	117960.	302505.	361168.	426617.
24	CAPITAL GAIN (IF SOLD)	-622082.	-125220.	102468.	197418.	293103.
25	CAPITAL GAINS TAX	-124416.	-25044.	20494.	39484.	58621.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-62208.	-12522.	20494.	39484.	58621.
29	AFTER TAX NET WORTH	-254519.	130482.	282012.	321685.	367996.

EXHIBIT II-33 (Continued)

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-1.7716	-1.3809	1.7453	0.2752	0.2586
31	CHANGE IN NET WORTH B/4 TAX	-727188.	434687.	184546.	58663.	65449.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1147	0.0066	0.0520	0.0599	0.0681
33	ORIG EQUITY PAYBACK B/4 TAX	-0.2295	-0.3506	-0.3960	-0.3901	-0.3220
34	B/4 TAX PRESENT VALUE	414228.	769293.	881672.	896532.	908943.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.4920	-1.6191	1.2925	0.1930	0.1882
36	CHANGE IN NET WORTH AFR TAX	-664980.	385001.	151530.	39673.	46312.
37	ORIG EQUITY CASH RTNAFR TAX	0.1280	0.0660	0.0417	0.0359	0.0347
38	ORIG EQUITY PAYBACK AFR TAX	0.1280	0.1940	0.2357	0.2716	0.3063
39	AFTER TAX PRESENT VALUE	551393.	880249.	968598.	970484.	971638.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1111	0.1111	0.1111	0.1111	0.1111
41	LENDER BONUS INTEREST RATE	0.0000	0.0000	0.0000	0.0000	0.0000
42	DEFAULT RATIO	0.8598	1.0612	1.0667	0.9957	0.9061

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	52553.	85944.	113374.	141723.	172963.
44	MOD. I.R.R. ON ORIG EQUITY	-0.8720	-0.5424	-0.3488	-0.2334	-0.1587
45	MOD. I.R.R. ON CUM. EQUITY	-0.8720	-0.5424	-0.3488	-0.2334	-0.1587

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-674635.	-206557.	-15075.	52947.	130498.
47	CUM. CASH LESS CUM. EQUITY	-674635.	-206557.	-15075.	52947.	130498.
48	MOD. I.R.R. ON ORIG EQUITY	0.3564	-0.2952	-0.0124	0.0308	0.0568
49	MOD. I.R.R. ON CUM. EQUITY	0.3564	-0.2952	-0.0124	0.0308	0.0568

STOP --

Ready

EXHIBIT II-33 (Continued)

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DISPLAY 700N12.MIX

1,NEW BUILDING, 3 STORY RES/COMM'L MIX
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60,.36,.14,.07,.07,.07
70,.14,.04,*
80,.26,.03,*
100,.18,.50,.12
101,0,9.0,2
102,.17,1,.04,0
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202,1,1,0,0
200,2,BUILDING
201,2,2000700,1.0,2
202,2,1,30,0
300,1,MORTGAGE
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302,1,12,1,20,0
400,5
403,99
999,99

Ready
```

EXHIBIT II-34

NEW THREE STORY RETAIL - COMMERCIAL
AND RESIDENTIAL BUILDING ON ELA SITE

TWO FLOORS RESIDENTIAL - $0.50 PER
SQUARE FOOT PER MONTH

ONE FLOOR RETAIL - $5.00 PER
SQUARE FOOT PER YEAR

15% INTEREST RATE WITH EQUITY KICKER

$45.00 PER SQUARE FOOT CONSTRUCTION
COSTS FOR RETAIL SHELL
AND FINISHED RESIDENTIAL UNITS

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

NEW BUILDING

FOR

3 STORY RES/COMM'L

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$ 227482.	* RATE OF GROWTH OF GROSS RENT	0.0300
* EXPENSES	$ 59145.	* RATE OF GROWTH OF EXPENSES	0.0300
* R E TAXES	$ 32490.	* RATE OF GROWTH OF R E TAXES	0.0400
* INCOME TAX RATE	0.5000	PROJECT VALUE GROWTH TYPE	2.0000
* VACANCY RATE	0.1420	WORKING CAPITAL LOAN RATE	0.1700
EQUITY DISCOUNT	0.1800	EXTRAORDINARY EXPENSES $	0.
RESALE COST	0.0400	REINVESTMENT RATE	0.1200
WKG CAPITAL RS$	0.	CAPITAL RESER INTEREST RATE	0.0000
INVESTOR TAX CLASS	0	OWNERSHIP FORM	1
INITIAL COST $	1033887.	INITIAL EQUITY REQUIRED $	410461.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-34 (Continued)

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD	COST	SCH
LAND	0.00	1	40.	0	$ -966813.	0
BUILDING	1.00	1	30.	2	$ 2000700.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM	ORIG BALC	PCT VALUE
MORTGAGE	0.1500	1	20	20	$ 623426.	0.603

EXHIBIT II-34 (Continued)

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	214236.	220663.	227283.	234101.	241125.
2	LESS VACANCY	77125.	30893.	15910.	16387.	16879.
3	LESS REAL ESTAE TAXES	29993.	31193.	32440.	33738.	35088.
4	LESS EXPENSES	55701.	57372.	59094.	60866.	62692.
5	NET INCOME	51417.	101205.	119839.	123110.	126466.
6	LESS DEPRECIATION	66690.	66690.	66690.	66690.	66690.
7	LESS INTEREST PMTS	93156.	92834.	95561.	95056.	94381.
8	TAXABLE INCOME	-108429.	-58319.	-42412.	-38636.	-34605.
9	PLUS DEPRECIATION	66690.	66690.	66690.	66690.	66690.
10	LESS PRINCIPAL PMTS	5355.	6216.	7215.	8375.	9721.
11	CASH THROW-OFF	-47094.	2156.	17063.	19680.	22364.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	-47094.	2156.	17063.	19680.	22364.
15	WORKING CAPITAL LOAN	47094.	52944.	44882.	32832.	16049.
16	DISTRIBUTABLE CASH AFTER TAX	0.	0.	0.	0.	0.
17	TAX SAVINGS ON OTHER INCOME	54215.	29159.	21206.	19318.	17302.
18	SPENDABLE CASH AFTER TAXES	54215.	29159.	21206.	19318.	17302.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	462750.	910846.	1078552.	1107989.	1138192.
20	LESS RESALE COST	18510.	36434.	43142.	44320.	45528.
21	LESS LOAN BALANCES	618072.	611856.	604641.	596267.	586546.
22	PLUS CUM. CASH RESERVES	0.	0.	0.	0.	0.
23	BEFORE TAX NET WORTH	-220925.	209612.	385887.	434571.	490069.
24	CAPITAL GAIN (IF SOLD)	-522957.	-26095.	201593.	296542.	392227.
25	CAPITAL GAINS TAX	-104591.	-5219.	40319.	59308.	78445.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-52296.	-2610.	40319.	59308.	78445.
29	AFTER TAX NET WORTH	-168630.	212221.	345569.	375262.	411624.

EXHIBIT II-34 (Continued)

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-1.5382	-1.9585	0.9224	0.1772	0.1792
31	CHANGE IN NET WORTH B/4 TAX	-631386.	430537.	176275.	48684.	55499.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1147	0.0053	0.0416	0.0479	0.0545
33	ORIG EQUITY PAYBACK B/4 TAX	-0.2295	-0.3532	-0.4210	-0.4530	-0.4376
34	B/4 TAX PRESENT VALUE	396291.	735604.	830312.	829747.	829589.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.2787	-2.4314	0.7283	0.1418	0.1430
36	CHANGE IN NET WORTH AFR TAX	-579091.	380851.	133347.	29694.	36362.
37	ORIG EQUITY CASH RTNAFR TAX	0.1321	0.0710	0.0517	0.0471	0.0422
38	ORIG EQUITY PAYBACK AFR TAX	0.1321	0.2031	0.2548	0.3019	0.3440
39	AFTER TAX PRESENT VALUE	526464.	842727.	913543.	906739.	900671.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1111	0.1111	0.1111	0.1111	0.1111
41	LENDER BONUS INTEREST RATE	0.0000	0.0009	0.0070	0.0081	0.0094
42	DEFAULT RATIO	0.8598	1.0637	1.0879	1.0377	0.9734

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	54215.	89880.	121871.	155814.	191814.
44	MOD. I.R.R. ON ORIG EQUITY	-0.8679	-0.5321	-0.3329	-0.2151	-0.1411
45	MOD. I.R.R. ON CUM. EQUITY	-0.8679	-0.5321	-0.3329	-0.2151	-0.1411

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-577172.	-110969.	56979.	120615.	192977.
47	CUM. CASH LESS CUM. EQUITY	-577172.	-110969.	56979.	120615.	192977.
48	MOD. I.R.R. ON ORIG EQUITY	0.5938	-0.1458	0.0443	0.0665	0.0801
49	MOD. I.R.R. ON CUM. EQUITY	0.5938	-0.1458	0.0443	0.0665	0.0801

STOP --

Ready

EXHIBIT II-34 (Continued)

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DISPLAY 700N15.MIX.

1,NEW BUILDING, 3 STORY RES/COMM'L MIX
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70,.14,.04,*
80,.26,.03,*
100,.18,.50,.12
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102,.17,1,.04,0
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200,2,BUILDING
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300,1,MORTGAGE
301,1,1.0,.15,0,20
302,1,12,1,20,0
303,1,.20,0,6,0
400,5
403,99
999,99
```

EXHIBIT II-35

NEW ONE-STORY RETAIL-COMMERCIAL
BUILDING ON ELA SITE

$5.00 RENT PER SQUARE FOOT
15% INTEREST RATE

$30.00 PER SQUARE FOOT CONSTRUCTION
COSTS FOR STRUCTURE SHELL

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

NEW BUILDING

FOR

20100/18000 - $30/S

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$	97494.	* RATE OF GROWTH OF GROSS RENT		0.0400
* EXPENSES	$	24847.	* RATE OF GROWTH OF EXPENSES		0.0300
* R E TAXES	$	13649.	* RATE OF GROWTH OF R E TAXES		0.0400
* INCOME TAX RATE		0.5000	PROJECT VALUE GROWTH TYPE		2.0000
* VACANCY RATE		0.1900	WORKING CAPITAL LOAN RATE		0.1700
EQUITY DISCOUNT		0.1800	EXTRAORDINARY EXPENSES	$	0.
RESALE COST		0.0400	REINVESTMENT RATE		0.1200
WKG CAPITAL RS$		0.	CAPITAL RESER INTEREST RATE		0.0000
INVESTOR TAX CLASS		0	OWNERSHIP FORM		1
INITIAL COST	$	431586.	INITIAL EQUITY REQUIRED	$	171343.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-35 (Continued)

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD		COST	SCH
LAND	0.00	1	40.	0	$	-171414.	0
BUILDING	1.00	1	30.	2	$	603000.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM		ORIG BALC	PCT VALUE
MORTGAGE	0.1500	1	20	20	$	260243.	0.603

EXHIBIT II-35 (Continued)

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	90000.	93600.	97344.	101238.	105287.
2	LESS VACANCY	40500.	18720.	9734.	10124.	10529.
3	LESS REAL ESTAE TAXES	12600.	13104.	13628.	14173.	14740.
4	LESS EXPENSES	23400.	24102.	24825.	25570.	26337.
5	NET INCOME	13500.	37674.	49156.	51371.	53681.
6	LESS DEPRECIATION	20100.	20100.	20100.	20100.	20100.
7	LESS INTEREST PMTS	38887.	38528.	38110.	37626.	37064.
8	TAXABLE INCOME	-45487.	-20954.	-9054.	-6355.	-3483.
9	PLUS DEPRECIATION	20100.	20100.	20100.	20100.	20100.
10	LESS PRINCIPAL PMTS	2235.	2595.	3012.	3496.	4058.
11	CASH THROW-OFF	-27622.	-3448.	8034.	10249.	12559.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	-27622.	-3448.	8034.	10249.	12559.
15	WORKING CAPITAL LOAN	27622.	35766.	33812.	29311.	21735.
16	DISTRIBUTABLE CASH AFTER TAX	0.	0.	0.	0.	0.
17	TAX SAVINGS ON OTHER INCOME	22743.	10477.	4527.	3178.	1741.
18	SPENDABLE CASH AFTER TAXES	22743.	10477.	4527.	3178.	1741.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	121500.	339066.	442407.	462338.	483133.
20	LESS RESALE COST	4860.	13563.	17696.	18494.	19325.
21	LESS LOAN BALANCES	258007.	255413.	252401.	248905.	244847.
22	PLUS CUM. CASH RESERVES	0.	0.	0.	0.	0.
23	BEFORE TAX NET WORTH	-168990.	34324.	138498.	165628.	197225.
24	CAPITAL GAIN (IF SOLD)	-294846.	-65882.	53425.	92659.	132722.
25	CAPITAL GAINS TAX	-58969.	-13176.	10685.	18532.	26544.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-29485.	-6588.	10685.	18532.	26544.
29	AFTER TAX NET WORTH	-139505.	40913.	127813.	147096.	170681.

EXHIBIT II-35 (Continued)

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-1.9863	-1.2031	3.2690	0.2699	0.2666
31	CHANGE IN NET WORTH B/4 TAX	-340333.	203314.	104173.	27130.	31597.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1612	-0.0201	0.0469	0.0598	0.0733
33	ORIG EQUITY PAYBACK B/4 TAX	-0.3224	-0.5513	-0.7017	-0.8130	-0.8665
34	B/4 TAX PRESENT VALUE	93623.	259009.	323542.	329963.	336232.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.6815	-1.3684	2.2347	0.1757	0.1722
36	CHANGE IN NET WORTH AFR TAX	-310848.	180418.	86900.	19283.	23585.
37	ORIG EQUITY CASH RTNAFR TAX	0.1327	0.0611	0.0264	0.0185	0.0102
38	ORIG EQUITY PAYBACK AFR TAX	0.1327	0.1939	0.2203	0.2388	0.2490
39	AFTER TAX PRESENT VALUE	161292.	316424.	367587.	367306.	366803.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1111	0.1111	0.1111	0.1111	0.1111
41	LENDER BONUS INTEREST RATE	0.0000	0.0000	0.0000	0.0000	0.0000
42	DEFAULT RATIO	0.8569	1.1319	1.1849	1.1328	1.0591

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	22743.	35949.	44790.	53343.	61486.
44	MOD. I.R.R. ON ORIG EQUITY	-0.8673	-0.5420	-0.3606	-0.2530	-0.1853
45	MOD. I.R.R. ON CUM. EQUITY	-0.8673	-0.5420	-0.3606	-0.2530	-0.1853

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-317589.	-101069.	1260.	29096.	60823.
47	CUM. CASH LESS CUM. EQUITY	-317589.	-101069.	1260.	29096.	60823.
48	MOD. I.R.R. ON ORIG EQUITY	0.1465	-0.3596	0.0024	0.0400	0.0626
49	MOD. I.R.R. ON CUM. EQUITY	0.1465	-0.3596	0.0024	0.0400	0.0626

STOP --

Ready

EXHIBIT II-35 (Continued)

```
DISPLAY 700N.15

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400,5
403,99
999,99

Ready
```

EXHIBIT II-36

NEW ONE-STORY RETAIL-COMMERCIAL
BUILDING ON ELA SITE

$5.00 RENT PER SQUARE FOOT

12.5% INTEREST RATE

$30.00 PER SQUARE FOOT CONSTRUCTION
COSTS FOR STRUCTURE SHELL

RUN NUMBER 0

P R O F O R M A

INVESTMENT ANALYSIS OF

NEW BUILDING

FOR

20100/18000 - $30/S

R E P O R T S E C T I O N N U M B E R 1 PAGE 1

* GROSS RENT	$	97494.	* RATE OF GROWTH OF GROSS RENT		0.0400
* EXPENSES	$	24847.	* RATE OF GROWTH OF EXPENSES		0.0300
* R E TAXES	$	13649.	* RATE OF GROWTH OF R E TAXES		0.0400
* INCOME TAX RATE		0.5000	PROJECT VALUE GROWTH TYPE		2.0000
* VACANCY RATE		0.1900	WORKING CAPITAL LOAN RATE		0.1700
EQUITY DISCOUNT		0.1800	EXTRAORDINARY EXPENSES	$	0.
RESALE COST		0.0400	REINVESTMENT RATE		0.1200
WKG CAPITAL RS$		0.	CAPITAL RESER INTEREST RATE		0.0000
INVESTOR TAX CLASS		0	OWNERSHIP FORM		1
INITIAL COST	$	472964.	INITIAL EQUITY REQUIRED	$	171343.

ALL '*' VALUES ARE AVERAGE AMOUNTS FOR HOLDING PERIOD. OF 5 YRS.
INITIAL COST DERIVED THROUGH BACKDOOR TYPE 3 USING 1 MORTGAGES

EXHIBIT II-36 (Continued)

REPORT SECTION NUMBER 2 PAGE 1

COMPONENT SUMMARY

TITLE	PCT. DEPR	BEGIN USE	USEFUL LIFE	DEPR METHOD	COST	SCH
LAND	0.00	1	40.	0	$ -130036.	0
BUILDING	1.00	1	30.	2	$ 603000.	0

MORTGAGE SUMMARY

TITLE	INTR RATE	BEGIN YR.	END YR.	TERM	ORIG BALC	PCT VALUE
MORTGAGE	0.1250	1	20	20	$ 301622.	0.638

EXHIBIT II-36 (Continued)

REPORT SECTION NUMBER 3 PAGE 1

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
1	GROSS RENT	90000.	93600.	97344.	101238.	105287.
2	LESS VACANCY	40500.	18720.	9734.	10124.	10529.
3	LESS REAL ESTAE TAXES	12600.	13104.	13628.	14173.	14740.
4	LESS EXPENSES	23400.	24102.	24825.	25570.	26337.
5	NET INCOME	13500.	37674.	49156.	51371.	53681.
6	LESS DEPRECIATION	20100.	20100.	20100.	20100.	20100.
7	LESS INTEREST PMTS	37500.	37020.	36477.	35862.	35165.
8	TAXABLE INCOME	-44100.	-19446.	-7421.	-4591.	-1584.
9	PLUS DEPRECIATION	20100.	20100.	20100.	20100.	20100.
10	LESS PRINCIPAL PMTS	3622.	4102.	4645.	5260.	5957.
11	CASH THROW-OFF	-27622.	-3448.	8034.	10249.	12559.
12	LESS INCOME TAXES	0.	0.	0.	0.	0.
13	LESS RESERVES	0.	0.	0.	0.	0.
14	CASH FROM OPERATIONS	-27622.	-3448.	8034.	10249.	12559.
15	WORKING CAPITAL LOAN	27622.	35766.	33812.	29312.	21735.
16	DISTRIBUTABLE CASH AFTER TAX	0.	0.	0.	0.	0.
17	TAX SAVINGS ON OTHER INCOME	22050.	9723.	3710.	2295.	792.
18	SPENDABLE CASH AFTER TAXES	22050.	9723.	3710.	2295.	792.

MARKET VALUE & REVERSION

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
19	END OF YEAR MARKET VALUE	121500.	339066.	442407.	462338.	483133.
20	LESS RESALE COST	4860.	13563.	17696.	18494.	19325.
21	LESS LOAN BALANCES	297999.	293897.	289252.	283992.	278035.
22	PLUS CUM. CASH RESERVES	0.	0.	0.	0.	0.
23	BEFORE TAX NET WORTH	-208981.	-4160.	101647.	130541.	164037.
24	CAPITAL GAIN (IF SOLD)	-336224.	-107261.	12047.	51280.	91343.
25	CAPITAL GAINS TAX	-67245.	-21452.	2409.	10256.	18269.
26	MINIMUM PREF. TAX	0.	0.	0.	0.	0.
27	INCOME TAX ON EXCESS DEP.	0.	0.	0.	0.	0.
28	TOTAL TAX ON SALE	-33622.	-10726.	2409.	10256.	18269.
29	AFTER TAX NET WORTH	-175359.	6566.	99238.	120285.	145769.

EXHIBIT II-36 (Continued)

BEFORE TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
30	RETURN ON NET WORTH B/4 TAX	-2.2197	-0.9801	-27.3666	0.3851	0.3528
31	CHANGE IN NET WORTH B/4 TAX	-380324.	204821.	105807.	28894.	33496.
32	ORIG EQUITY CASH RTNB/4 TAX	-0.1612	-0.0201	0.0469	0.0598	0.0733
33	ORIG EQUITY PAYBACK B/4 TAX	-0.3224	-0.5513	-0.7017	-0.8130	-0.8665
34	B/4 TAX PRESENT VALUE	101110.	272749.	342492.	353244.	363104.

AFTER TAX RATIO ANALYSIS

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
35	RETURN ON NET WORTH AFR TAX	-1.8947	-1.0929	14.6784	0.2352	0.2184
36	CHANGE IN NET WORTH AFR TAX	-346702.	181925.	92671.	21048.	25483.
37	ORIG EQUITY CASH RTNAFR TAX	0.1287	0.0567	0.0217	0.0134	0.0046
38	ORIG EQUITY PAYBACK AFR TAX	0.1287	0.1854	0.2071	0.2205	0.2251
39	AFTER TAX PRESENT VALUE	171699.	332007.	389948.	392775.	394796.

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
40	NET INCOME-MARKET VALUE RTO	0.1111	0.1111	0.1111	0.1111	0.1111
41	LENDER BONUS INTEREST RATE	0.0000	0.0000	0.0000	0.0000	0.0000
42	DEFAULT RATIO	0.8569	1.1319	1.1849	1.1328	1.0591

MODIFIED INTERNAL RATE OF RETURN ANALYSIS

RETURN ANALYSIS WITHOUT SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
43	CUM. AFR TAX SPENDABLE CASH	22050.	34419.	42260.	49626.	56373.
44	MOD. I.R.R. ON ORIG EQUITY	-0.8713	-0.5518	-0.3729	-0.2664	-0.1994
45	MOD. I.R.R. ON CUM. EQUITY	-0.8713	-0.5518	-0.3729	-0.2664	-0.1994

RETURN ANALYSIS WITH SALE

CASH FLOW ANALYSIS

		1984	1985	1986	1987	1988
46	CUM. CASH LESS ORIG EQUITY	-358274.	-141084.	-29846.	-1431.	30799.
47	CUM. CASH LESS CUM. EQUITY	-358274.	-141084.	-29846.	-1431.	30799.
48	MOD. I.R.R. ON ORIG EQUITY	-0.0910	-0.5798	-0.0618	-0.0021	0.0336
49	MOD. I.R.R. ON CUM. EQUITY	-0.0910	-0.5798	-0.0618	-0.0021	0.0336

STOP --

Ready

EXHIBIT II-36 (Continued)

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DISPLAY 700N.12

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302,1,12,1,20,0
400,5
403,99
999,99

Ready
```

retail space and $45 per square foot for residential when the cost of real estate taxes was 15 percent of gross, operating expenses 16 percent (tenants paid all the utilities) and interest costs were 12-1/2 percent. Such a project would produce a tax increment of $35,000 in excess of that paid by Roy's Transfer and Ela currently.

H. The 800 Block

The Marquette Neighborhood Association has a strong preference for additional housing units on Williamson Street as a replacement for certain uses which are incompatible with the residential character they wish to reestablish. The Association would prefer to see housing in the 600 Block and a residential conversion of Miller-Horne. However, recognizing that the 600 location and the Miller-Horne structure were unsuitable for housing, they focused their interest on the 800 Block. The residential proposal must be compatible with neighborhood styles, provide high-ceilinged spaces as found in existing homes, and incorporate neighborhood preference for passive solar. Site orientation is to avoid the looming presence of Madison Gas and Electric and the noise on the railroad corridor while relating to Williamson Street in such a way that some of the units closest to the sidewalk could be used for small shops. To that end, architect Arlan Kay designed a structure with a steep-pitched roof utilizing a

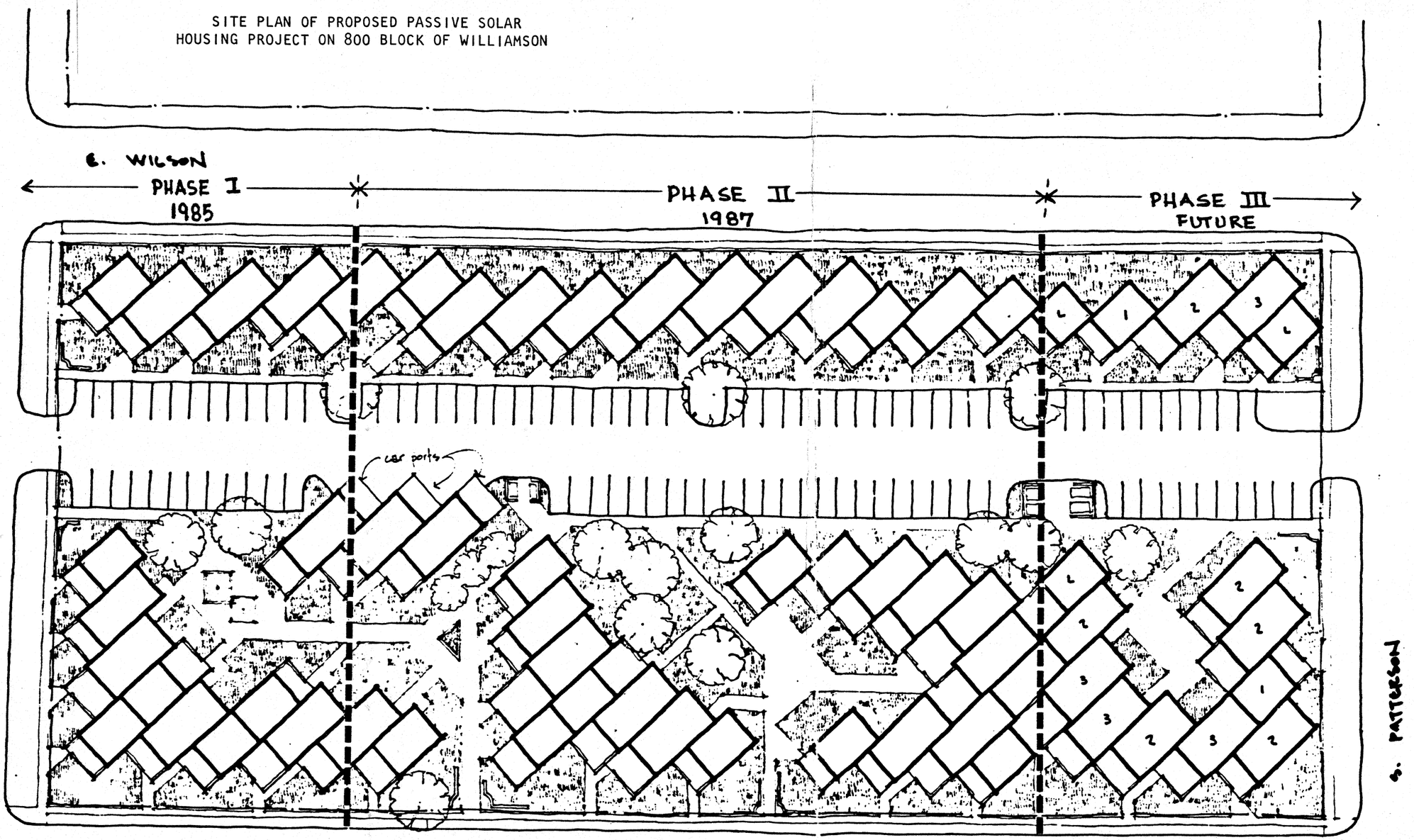
factory- built mechanical core including bathroom, kitchen, and heating plant. The unit can be pre-fabricated and exterior materials matched to the neighborhood. A site plan is provided in Exhibit II-37, photographs of a display model (available at City Hall) in Exhibit II-38, and basic floor schematics are provided in Exhibits II-39 through II-41.

1. Physical Condition and Current Uses

The 800 Block is divided in half by a sidetrack with several spurs that continue on to the 700 Block. The site is flat with a slight pitch down to the tracks and the basic soils are swampy. Ownership is dominated by the Struck and Irwin interests who lease the back half of the block from the railroad for storage of their fence building materials and equipment. They sub-lease a portion of the railroad land to an asphalt paving company which once prepared their emulsifiers on the site. The fence company would like to remain in the neighborhood with a facade exposed to the heavy traffic and the back of their storage lot with access to sidetrack facilities. The asphalt paving company expects to relocate. Annual rents were recently raised from $7,500 net to $9,500 net as the railroad positions itself to sell the property. On the front southeast corner of the block is the administrative center for Operation Headstart, which leases from a family estate

EXHIBIT II-37

SITE PLAN OF PROPOSED PASSIVE SOLAR
HOUSING PROJECT ON 800 BLOCK OF WILLIAMSON



BLOCK 800
SITE PLAN

EXHIBIT II-38

PHOTOGRAPH OF PASSIVE SOLAR
HOUSING MODEL PREPARED FOR
800 BLOCK OF WILLIAMSON

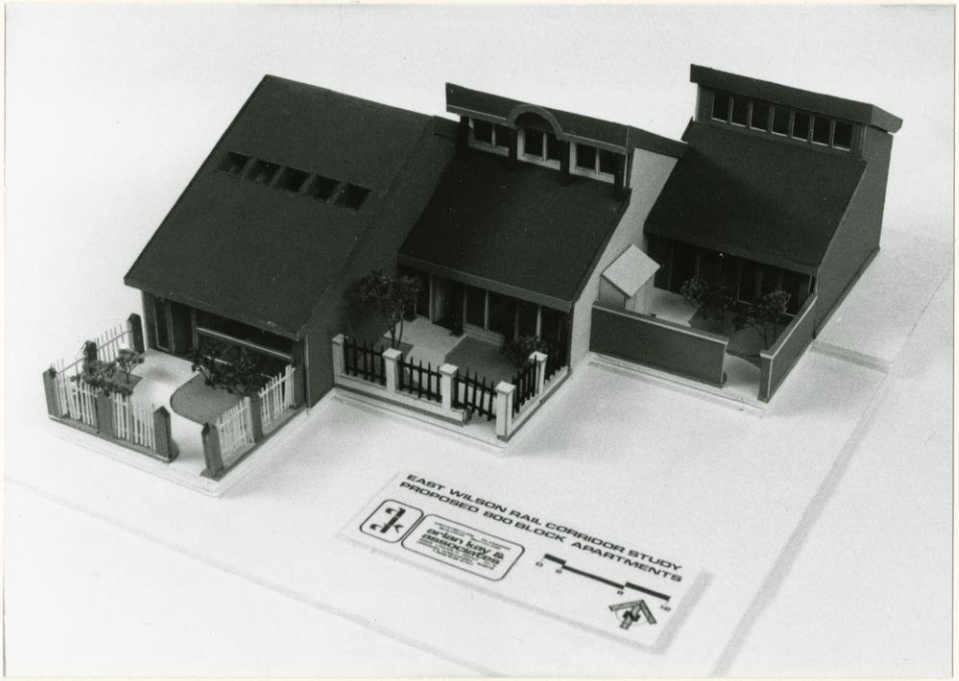


EXHIBIT II-39

PASSIVE SOLAR UNIT FLOOR PLAN - LOFT MODEL

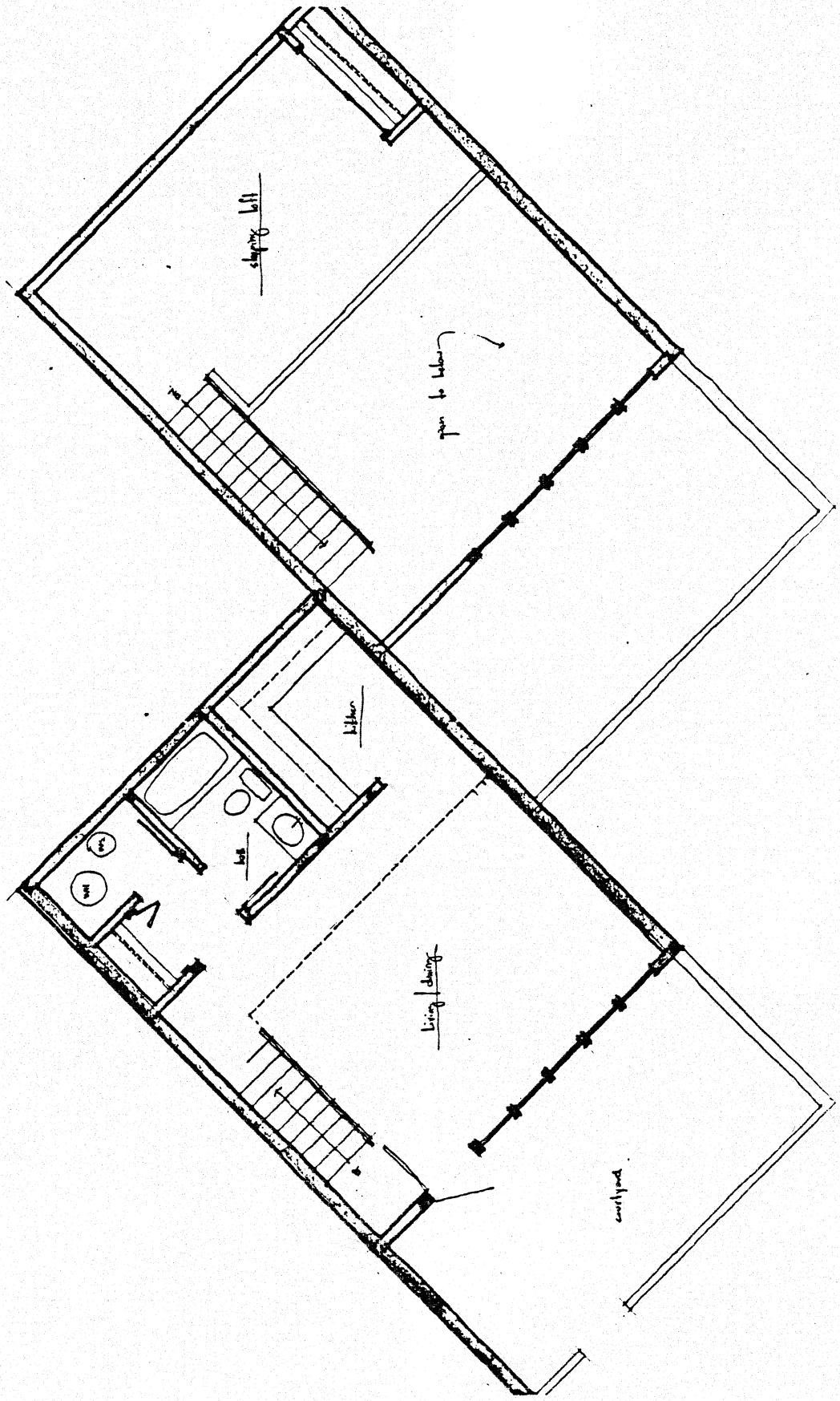


EXHIBIT II-40

PASSIVE SOLAR UNIT FLOOR PLAN
ONE BEDROOM PLUS LOFT MODEL

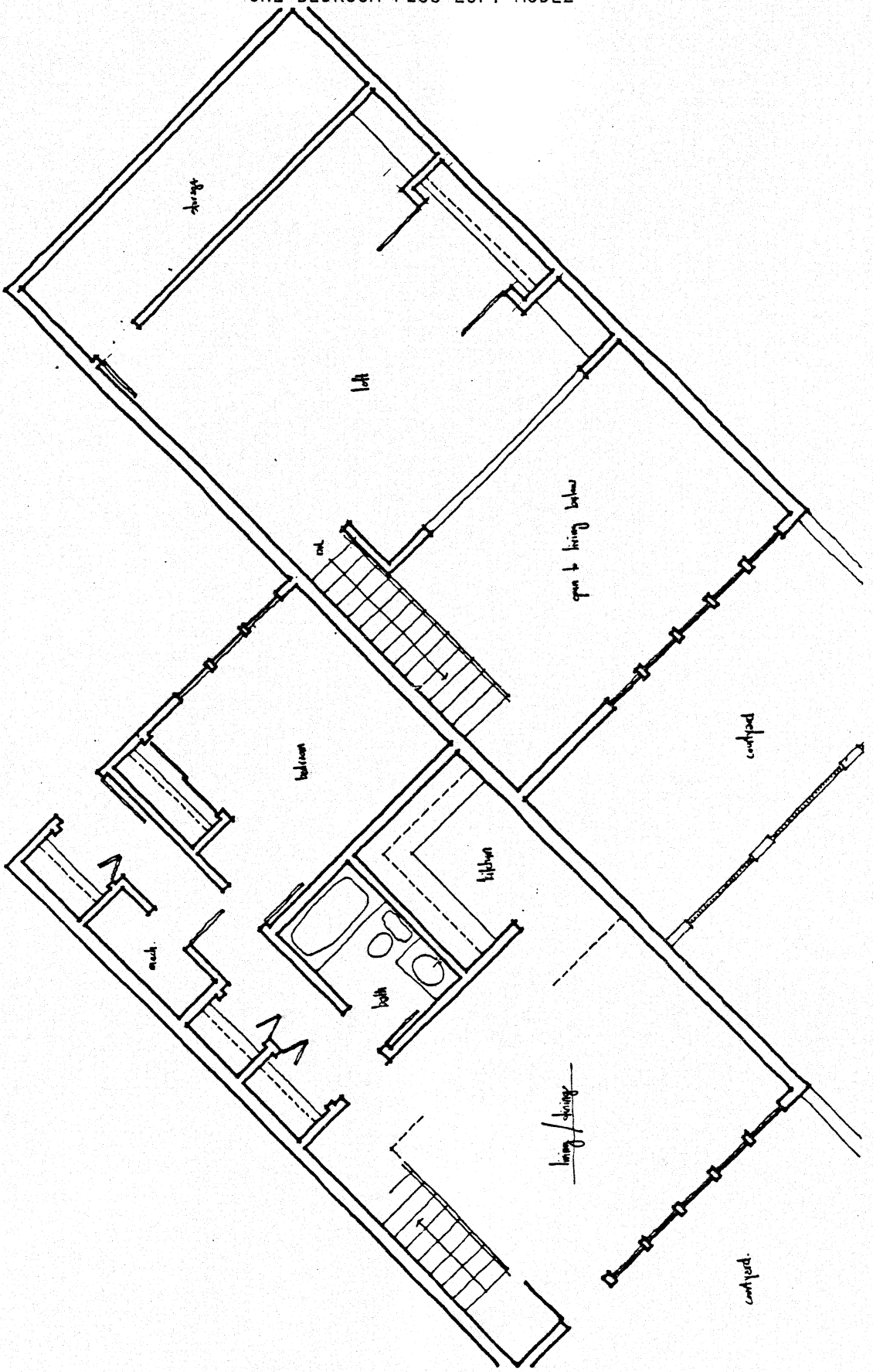
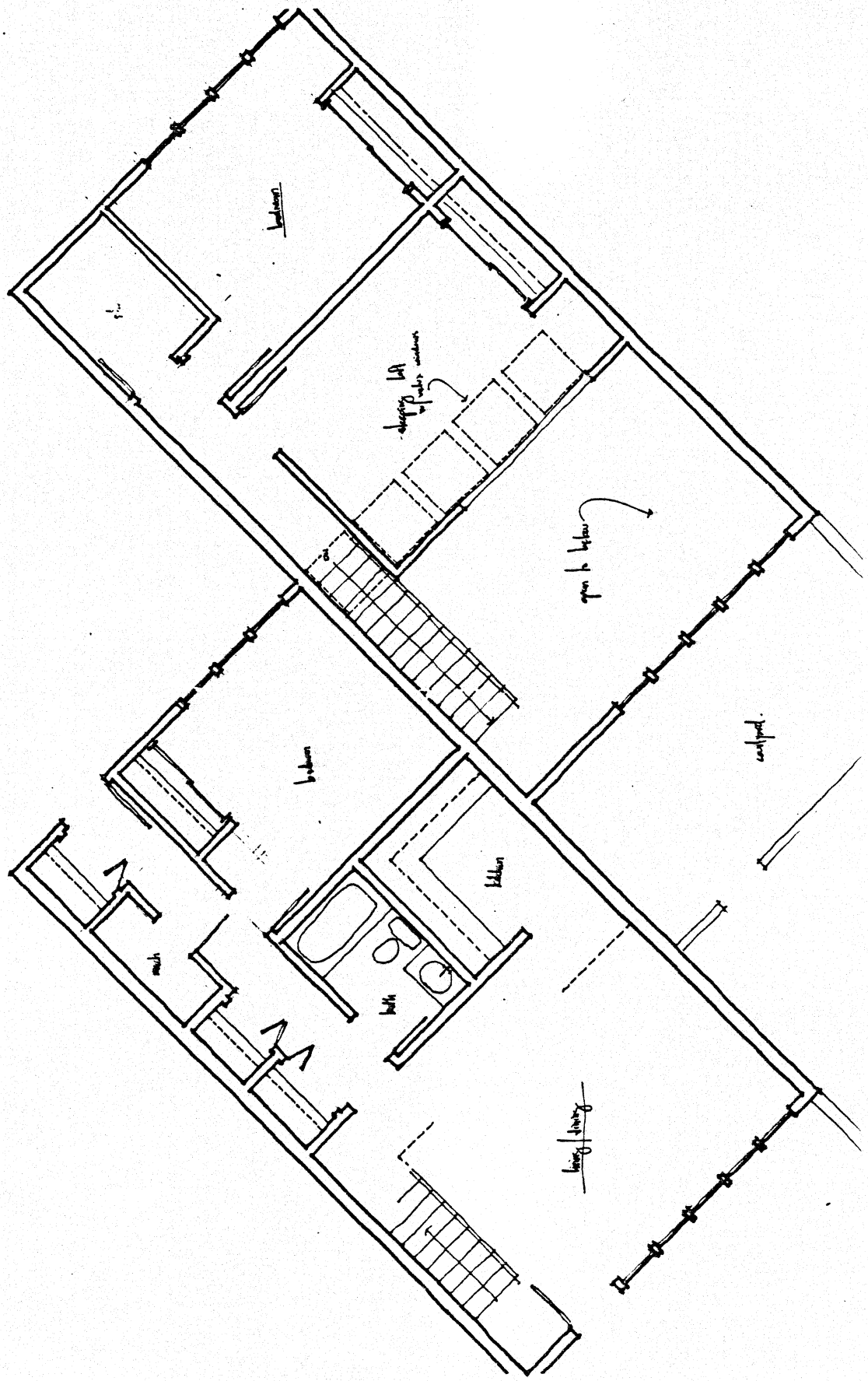


EXHIBIT II-41

PASSIVE SOLAR UNIT FLOOR PLAN
TWO BEDROOM PLUS LOFT MODEL



supportive of Operation Headstart. The C. A. Grant family, property owner and former occupant, would consider sale of the property. Operation Headstart requires 3,600 square feet of office space, 4,500 square feet of unheated storage and garage space, and seven stalls for school buses. They share the building with the asphalt paving company. The next two parcels to the east are a parking lot and a wholesale florist who occupies 6,800 square feet of a former sign company garage. The florist would like to remain in the area while positioning himself for ease of distribution and frequent trips to the airport. The consultant does not presently know of a comparable structure nearby which would be available for relocation. At the far end of the block is a small leather shop located in an historical building which was built in the late 1800s as a barber shop. (See Rankin letter and Arlan Kay Report in the Appendix.) Built on skids, it is easily relocated if the structure is considered worth saving. Adjacent to the leather shop is a tavern which sponsors a motorcycle club. The motorcycle club occupies, rent free, a small house on its rear yard. A third house on the block has been restored on the exterior but the interior is relatively untouched. Architect Kay reports the restored house is movable while there are no redeeming features in the

tavern. As a result of these ownerships the conversion to housing is phased to miss the florist in the first phase, and to relocate the fence company to Area 6 of the City Plan (Exhibit II-2) prior to Phase II. Phase III would require City assistance for relocation and eminent domain acquisition.

2. Financial Feasibility

The basic unit types of the proposed residential plan were priced for construction costs by Wick Building Systems and operating costs were derived from recent construction downtown including Capitol Centre and Camelot. Four financing packages were tested to estimate the necessary rent schedules and it appeared that the 66 units proposed would require a land write-down to a maximum cost of $2,000 per unit and the same type of tandem financing which was secured for Capitol Centre. Reference to Exhibit II-42 will provide a rent and financing summary. A second aspect of the financial analysis is the pro forma of revenues and expenses for the project unit and for the community. The assessed value of the new project minus the assessed value of the old properties which it replaced measures a tax increment which, when multiplied by the mill rate, will produce dollars available for a TIF escrow account. This fund can float bonds with which to subsidize or finance

EXHIBIT II-42

RENT AND FINANCING SUMMARY
OF FOUR ALTERNATIVE FINANCING PACKAGES
FOR 66 PASSIVE SOLAR UNITS
ON BLOCK 800 OF WILLIAMSON STREET
(See Appendix for further details)

Construction Cost

Loft Type Units (725 sq.ft.) - $25,000/unit

One Bedroom plus Loft Units (965 sq.ft.) - $28,600/unit

Two Bedroom plus Loft Units (965 sq.ft. plus second bath) - $30,800/unit

Site Acquisition Cost - $1,031,040

LOAN TO COST RATIO SUMMARY

		LOFT TYPE	1-BR & LOFT	2-BR & LOFT
Conventional Financing - 14%	Rent Required/Month:	$823	$896	$940
	Maximum TIF Subsidy:	$459,587	$512,547	$544,912
Land Write-Down to $2,000/unit with Conventional Financing	Rent Required/Month:	$571	$644	$688
	Maximum TIF Subsidy:	$275,816	$328,777	$361,141
Land Write-Down to $2,000/unit at WHFA Rates - 11.5%	Rent Required/Month:	$501	$564	$603
	Maximum TIF Subsidy:	$275,816	$328,777	$361,141
Land Write-Down to $2,000/unit at 7.5% Tandem Rate	Rent Required/Month:	$396	$445	$476
	Maximum TIF Subsidy:	$275,816	$328,777	$361,141

EXHIBIT II-42 (Continued)

DEBT COVER RATIO APPROACH SUMMARY
(LAND RESIDUAL)

CONVENTIONAL FINANCING - 14%

Monthly Rents (at $.55/sq.ft./month)	$399	$530	$650
Proceeds Available for Property Purchase	$(716,977)	$(526,680)	$(198,242)

NOTE: Assumptions and data for each run are included with each run.

selected aspects of the project. The net potential tax increment amount is specified for each year of a three phase project.

3. Effective Market Demand

The proposed residential units were tested for potential market demand by means of a telephone interview survey followed by a design panel. A report on the design panel is included in the Appendix and was generally favorable except for placement of the stairs. Effective demand measured by the survey has been reported in Exhibit II-43. If the product can be brought in at rents that are affordable, it can be shown that there is an effective demand for 20 units per year among residents who live in the area. A consumer panel of volunteers identified by the telephone survey was held by Landmark Research at Boehm's Restaurant on Williamson Street. These panelists were generally enthusiastic about the plan except for a desire to switch back the stairway to land closer to the bathroom. This group preferred development of the apartments by a cooperative of tenants who would have an equity and management interest. In addition, the panel suggested that units closest to Williamson Street might be permitted to be used as shops and artisan studios. The consultant agrees that such a cooperative would make the project more

EXHIBIT II-43

EAST WILSON RAIL CORRIDOR STUDY

HOUSING SURVEY

Underlying Assumption: Persons who have already chosen the Williamson Street, Jenifer Street area near the 800 Block of Williamson Street are the prototype of persons who will choose to live in this area in the future. Their housing needs, shopping preferences, transportation modes, income levels, and other attributes are representative of the persons who will consider the 800 Block on Williamson as a place to live.

. There is a fairly equal division of one and two bedroom units. The average rent for the one bedroom unit is $250.00 per month including utilities and $350.00 per month including utilities for the two bedroom unit.

. A slight majority (58.5 percent) of the respondents perceive their dwelling unit to be in excellent or good condition while 41.5 percent ranked their units as only fair to poor. There seems to be little correlation between the amount of the rent and the condition of the unit.

. The majority (63 percent) of dwelling units in the study area are older homes converted to apartments.

EXHIBIT II-43 (Continued)

. The majority (73 percent) of the dwellings have no laundry facilities in the unit or the building. Fifty-one percent of the respondents would like to have a laundromat on Williamson Street.

. Other types of businesses which would be welcomed on Williamson Street between Blair and Baldwin are: a coffee house, a speciality restaurant, e.g. Oriental, and a deli/sandwich shop. Preliminary tabulations indicate many residents eat away from home frequently. Also considered desirable are: a movie theatre and a flower shop. The respondents do not want: a bank or savings and loan, a beauty shop/barbershop, a fast food restaurant such as A & W, a bowling alley, or a convenience food shop like PDQ.

. Most residents combine their grocery shopping with periodic trips to Kohl's, or Eagle, as well as to the local Coop. Only two respondents mentioned a need for a larger grocery store in the neighborhood.

. The central location of the study area, with its proximity to the bus, work, and school, is a major factor in people's decision to live there. Many residents find their housing unit

EXHIBIT II-43 (Continued)

attractive and appreciate the unique features found in older buildings. The reasonableness of the rent and the neighborhood itself are also factors in the choice.

. The deferred maintenance found in many units, the high cost of utilities in energy inefficient units, and uncooperative landlords are the major reasons for tenant dissatisfaction. The lack of security and fear of crime are not frequently mentioned by residents.

. Changes desired in living units most frequently mentioned are: more efficient heating systems and more space including convenient storage.

. There is a wide range of the proportion of income respondents spend for housing:

6 spend less than 20%

17 spend between 21% and 45%

8 spend between 46% and 61%

10 did not respond

. Some respondents indicated a positive interest in affordable, newer, energy efficient units on Williamson Street. Traffic and noise are the main distractions. Pet owners are

EXHIBIT II-43 (Continued)

concerned about the welfare of their animals. Of the 44 percent expressing a positive interest in new, affordable housing, six would still be interested if rents were increased, two would want lower rents, and ten would want rents to remain the same as they are now paying.

feasible, but only if the Gateway Plan clearly buffered the site relative to the northern railway corridor and cul-de-sacced cross streets. A principal objection was the high density, but this qualification evaporated when it was pointed out that 66 units on Block 800 were equal to the density in the present older market neighborhoods where the big, old houses are converted to rental units.

An apartment project on the north side of Williamson Street enjoys a backyard that is part of the railway corridor. The Gateway Plan would provide a clean definition and barrier between the residential units and the rail yard. North of the proposed Wilson Street there is a 50 to 80 foot strip on which to locate some warehouse buildings for distributors like Ela, Notions Marketing, and others, and these units would provide an additional sight and sound barrier to the remaining railroad corridor.

I. Rail Corridor Fragments

Rail company lands that may be purchased represent a far smaller corridor than many people have envisioned. East of Brearly several fragments of rail corridor land (Areas 6 and 7 on Madison Land Use Plan, Exhibit II-2) would be used to locate new light industrial buildings suitable for businesses moved away from Williamson Street to eliminate interference with residential development. These buildings plus green space

would define and buffer the Marquette Neighborhood on the north. Better definition of the Marquette Neighborhood would also be accomplished by the construction of a one-way East Wilson Street as part of the Gateway Plan on a rail bed of two tracks plus existing street right-of-way. In addition, the Fauerbach/Miller-Horne transition zone would be clearly integrated visually and converted to activities compatible with the Marquette Neighborhood. The Gateway Plan would both soften and enhance the visual impact of Machinery Row and, in the long run, the removal of the Postal Garage/Annex would permit massing of a residential block in its place to convert this no-man's-land into a viable residential mixed-use area. However, effective integration of the corridor fragments together with clear delineation of the Marquette Neighborhood along this northern boundary by means of the Gateway Plan will require significant investment in capital structure as estimated and by City Real Estate and Traffic Engineering Staff in Exhibit II-44, with selected modifications as a result of further discussions as to assumptions.

J. Financial Limitations of Wilson Street Land Bank

A key issue in the financial analysis of the Wilson Street rail corridor is whether the expense of the Gateway corridor can be funded in large part by means of the tax increment

EXHIBIT II-44

COST ESTIMATES OF GATEWAY PLAN IMPLEMENTATION AS PHASE II OF REDEVELOPMENT OF BLAIR-JOHN NOLEN INTERSECTION

(Based on City Estimates from Exhibit II-20)

Railway Land	
1984 60%, 5.92 AC @ $.60/SF	$ 155,000
1985 40%, 3.94 AC @ $.60/SF	105,000
Total Real Estate Costs	525,000
Resale Values Areas 5 and 6	(75,000)
Relocation of 2,200 feet of Milwaukee Road main line	135,000
Removal of Milwaukee Road trackage in East Wilson Street	35,000
Roadway Construction	1,350,000*
Integration of Gateway Phase II with Blair-John Nolen Plan Phase I Net of special assessments to Machinery Row parcel	150,000
	$2,380,000
Contingency (reconstruction of infrastructure, placing electric wires underground, etc.)	367,000
	$2,747,000

Capital Cost Allocated Over Time

Year 1	$ 695,000
Year 2	552,000
Year 3	1,500,000
	$2,747,000

Sales Pace

1985 - Parcels I, J, P, and Q
1986 - Half of Parcel K
1987 - Half of Parcel K, Parcel L
1988 - Parcels M, N, and O

* Inflated to 1985 costs and 10% contingency removed.

EXHIBIT II-44 (Continued)

Industrial Bond Issue - $2,200,000

11% interest, 10 year term

Block Grant or TIF Write-downs	$1,125,000
Special Assessment Funding	350,000
	$1,475,000

Additional Assumptions and Data in Program Run

financing bond power. Tax revenues are based on individual lot development over time, and a possible sequence of development or transfer of parcels from exempt status to taxable status is suggested in Exhibit II-13. The pace of development assumed for a pro forma land bank model reflects the existence of buyers for certain parcels during the early years of rearranging land uses to provide cleared areas; indeed, all of the demand for land will be indigenous to the neighborhood. The consequences of charging all costs of the Gateway Plan to the land bank without grants would be that retail prices of land would be excessive. Even assuming $1,475,000 of TIF write-downs and special assessments, the industrial land must be priced at more than $3.50 per square foot and commercial land excessively priced at $8.00 per square foot as shown in Exhibit II-45. Therefore, some steep subsidy will be necessary. A second run of the computer land bank model was made assuming $2,475,000 from grants and special assessments in order to better understand the sensitivity of land price to capital improvements as in Exhibit II-46. With that additional help, sales prices approach market values in the area.

Reference to Exhibit II-47, in terms of potential capital funding and in terms of source and application of TIF dollars, shows a shortfall in funding the Gateway Plan of $963,000.

EXHIBIT II-45

ASSUMPTIONS AND LAND BANK CASH FLOW IMPLICATIONS
FOR LAND USE PRICING OF EAST WILSON STREET CORRIDOR
ASSUMING $1,475,000 IN SUBSIDIES FOR GATEWAY PLAN

Land

Average cost of $0.60 per square foot

Purchase made over two years:

1984 - 60%, 5.92 AC	$155,000
1985 - 40%, 3.94 AC	105,000
	$260,000

Improvements to Land

1984 - Relocate and remove railroad tracks	$ 170,000
1984 - Property Acquisition	525,000
1985 - Cost of 1,800 feet of storm sewer ($140 per foot)	252,000
1986 - Wilson/Williamson One-Way Reconstruction	1,500,000
	$2,447,000
Land and Improvements to Land	$2,707,000

Sales

1985 - Parcels I, J, Q, and P

1986 - Half of Parcel K

1987 - Half of Parcel K
Parcel L

1988 - Parcels M, N, & O

Industrial Bond Issue - $2,200,000

11% interest, 10 year term

Block Grant or TIF Write-downs	$1,125,000
Special Assessment Funding	350,000
	$1,475,000

EXHIBIT II-45 (Continued)

Sinking Fund Contributions

1984	-0-
1985	$300,000
1986	$300,000
1987	$400,000
1988	$700,000
1989	$300,000

Assumptions Common to All Landbank Analyses

Bond Floating Costs--5% of bond amounts

Revolving Fund--funded with the net proceeds from the bond sale
--earns interest at 6%

Interest Contingency--an amount equal to one year's interest payment
--earns interest at 7-1/2%

Contingency Fund--5% of bond amount
--earns interest at 7-1/2%

Sinking Fund--to accumulate funds to repay bond principal
--earns interest at a rate equal to the bond interest rate

Working Capital Loan--when the revolving fund is not sufficient to cover cash outflows, the fund will borrow at 11% to cover the shortfall

Interim Lease Income--$1,000 per acre income on Land Bank property temporarily leased out to others before being sold

Projected Annual Sales Price Inflation Rate--commercial land - 5% per year
--industrial land - 3% per year
--residential land - 4% per year

Market Value/Land Value Multiplier--industrial land - 40%
--commercial land - 100%
--residential land - 30%

EXHIBIT II-45 (Continued)

RAIL CORRIDOR LAND BANK MODEL

GENERAL

All land Bank analyses solve for the necessary final sales price of the land given acquisition costs, holding costs, site improvements costs, bond costs, and an absorption schedule of the land sales.

Principal Land Bank Expenses

- Land Acquisition Costs
- Site Improvement Costs
- Bond Principal Sinking Fund Contributions
- Bond Interest Costs
- Organizational Costs
- Overhead Costs

Principal Land Bank Revenues

- Net Proceeds from Bond Sales
- Equity Contribution
- Land Sales Revenue
- Grant Funds
- Interest on Revolving Fund
- Interim Lease Revenue

EXHIBIT II-46

ASSUMPTIONS AND LAND BANK CASH FLOW IMPLICATIONS
FOR LAND USE PRICING OF EAST WILSON STREET CORRIDOR
ASSUMING $2,475,000 IN SUBSIDIES FOR GATEWAY PLAN

Land		
Average cost of $0.60 per square foot		
Purchase made over two years:		
1984 - 60%, 5.92 AC		$155,000
1985 - 40%, 3.94 AC		105,000
		$260,000
Improvements to Land		
1984 - Relocate and remove railroad tracks		$ 170,000
1984 - Property Acquisition		525,000
1985 - Cost of 1,800 feet of storm sewer ($140 per foot)		252,000
1986 - Wilson/Williamson One-Way Reconstruction		1,500,000
		$2,447,000
Land and Improvements to Land		$2,707,000
Sales		
1985 - Parcels I, J, Q, and P		
1986 - Half of Parcel K		
1987 - Half of Parcel K Parcel L		
1988 - Parcels M, N, & O		
Industrial Bond Issue - $2,200,000		
11% interest, 10 year term		
Block Grant or TIF Write-downs	$2,125,000	
Special Assessment Funding	350,000	
	$2,475,000	

EXHIBIT II-46 (Continued)

Sinking Fund Contributions

1984	-0-
1985	$300,000
1986	$300,000
1987	$400,000
1988	$700,000
1989	$300,000

Assumptions Common to All Landbank Analyses

Bond Floating Costs--5% of bond amounts

Revolving Fund--funded with the net proceeds from the bond sale
--earns interest at 6%

Interest Contingency--an amount equal to one year's interest payment
--earns interest at 7-1/2%

Contingency Fund--5% of bond amount
--earns interest at 7-1/2%

Sinking Fund--to accumulate funds to repay bond principal
--earns interest at a rate equal to the bond interest rate

Working Capital Loan--when the revolving fund is not sufficient to cover cash outflows, the fund will borrow at 11% to cover the shortfall

Interim Lease Income--$1,000 per acre income on Land Bank property temporarily leased out to others before being sold

Projected Annual Sales--commercial land - 5% per year
Price Inflation Rate --industrial land - 3% per year
--residential land - 4% per year

Market Value/Land Value Multiplier--industrial land - 40%
--commercial land - 100%
--residential land - 30%

EXHIBIT II-47

POTENTIAL SOURCE AND APPLICATION OF TIF DOLLARS
(See Exhibit II-13 for parcels and for timing)

Machinery Row Tax Increment Potential (50,000 SF x $25/SF)	$1,250,000
Block 600 (with Annex)	150,000
Block 700 - Miller-Horne (40,000 SF x $25/SF)	1,000,000
Block 700 - 18,000 SF Commercial (18,000 SF x $50/SF new)	900,000
Block 800 - 60 units housing (60 units $40,000)	2,400,000
Exempt railroad land back on tax roll	110,000
Areas 5 and 6	350,000
Net Assessed Value Increment	$6,160,000
Mill Rate .022	x .022
Dollars of Tax Increment	135,520
Divide by Tax Increment Bond Constant .109546	÷ .109546
TIF Available	$1,237,000
Grants and Aids Required	$2,400,000
TIF Available	(1,237,000)
Block Grants Available	(200,000)
Shortfall	963,000
Plus Write-down Needed for 800 Block Housing	325,000
Plus Write-down Needed to Relocate Ela for 700 Block Parking	300,000
TOTAL SHORT-FALL IN CAPITAL FUNDING	$1,588,000

When the write-downs needed for the 800 Block housing development and relocation costs of the Ela Company from the 700 Block are added, the total capital funding shortfall is $1,588,000, say $1,600,000.

Unless the CDA can find a method to transfer TIF surplus from the West Washington Rail Corridor, the City cannot generate the full cost of the Gateway Plan from the limited development potential contained in the 600, 700, and 800 blocks of East Wilson/Williamson Streets.

The consultant did not include redevelopment of the Cardinal Hotel, the Rhode Block, or the warehouse strip north of Wilson Street in the totals of available tax increment. If CDA wanted to accelerate development of the Rhode block, the gap could be covered. However, the immediate economic potential of the West Corridor suggests that a better interim solution, which does not depend on premature development of expensive housing units in the Isthmus, would be for the City to use assessed value gains on the West Corridor to justify a $1.6 million general obligation bond with which to fund the Gateway Plan, thus transferring surplus values on the West Corridor (see Section III) to fund the all-City problem of the John Nolen/Blair Street intersection and related Gateway Plan.

Office and apartment development of the 500 and 600 blocks of Wilson Street might narrow the gap in tax increments

to acceptable levels, but the current Madison market does not justify that hope in the near future.

Since this analysis was written, City traffic committees have voted to proceed with detailing the Gateway Plan as a possible amendment to the already approved Blair Street four-lane program and John Nolen intersection. In addition, the City Real Estate Department has been authorized to purchase a strip of land from the Annex-warehouse-Williams' properties to permit shifting Williamson Street lanes far enough north to provide parking in front of Machinery Row. The consultant would urge CDA to purchase these three properties in their entirety as there are nonprofit agencies such as Independent Living who would lease/purchase the postal garage and Annex after the City had reserved necessary corridors for future implementation of the Gateway Plan. Those purchases and leases might be accomplished more quickly than the full plan and would permit the Gateway Plan to survive the January 17, 1984, deadline required for amendment of present plans. Such a date is difficult to meet in the absence of firm redevelopment TIF expectations for Miller-Horne, Machinery Row, and other development.

APPENDICES

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Parcel #1902-8

629 E. Wilson Street
Post Office Annex

General Description

The one-story masonry and unprotected steel frame building constructed in the early 1950's was built in two sections, at two different times, as rental spaces for the Post Office Department but is now vacant.

The basic shell is in "good" condition, but is lacking in energy conservation measures and was built with economy of construction as the primary consideration.

The steel frame and girders are very deep to carry the roof loads for the long spans. The girders are low to the floor, 9'-8" and 13'-0", and are 7' to 8' deep.

All of the masonry walls are non-load-bearing in-fill between the structural steel columns.

Significant deterioration includes the clerestory roof edges which are collapsing, moisture damage along the south wall caused by surface water penetration, and some shrinkage cracks along the north wall.

Areas requiring maintenance/repairs include the roof, loading dock doors and windows and correcting the site drainage.

The 12" masonry walls are uninsulated. The roof has only a 1/2" insulating board over the steel deck. All of the windows are single glazed steel frame units. The oil fired boiler is feeding a number of remote air handling units.

The electrical service has two services--200 amp for the West, 400 amp for the East. These are just adequate for the previous use but probably marginal for other uses.

Code

There are no major code deficiencies which would prevent re-use of this building.

Assets

The basic building shell has little significant deterioration at this time. The structural modual and column spacing allow for many redevelopment possibilities. There are very few existing interior walls to interfere with redevelopment.

Vehicular access is available from both E. Wilson and Williamson Street.

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Parcel #1902-8

Liabilities

Alterations to improve the energy consumption must be done if the building is to be heated.

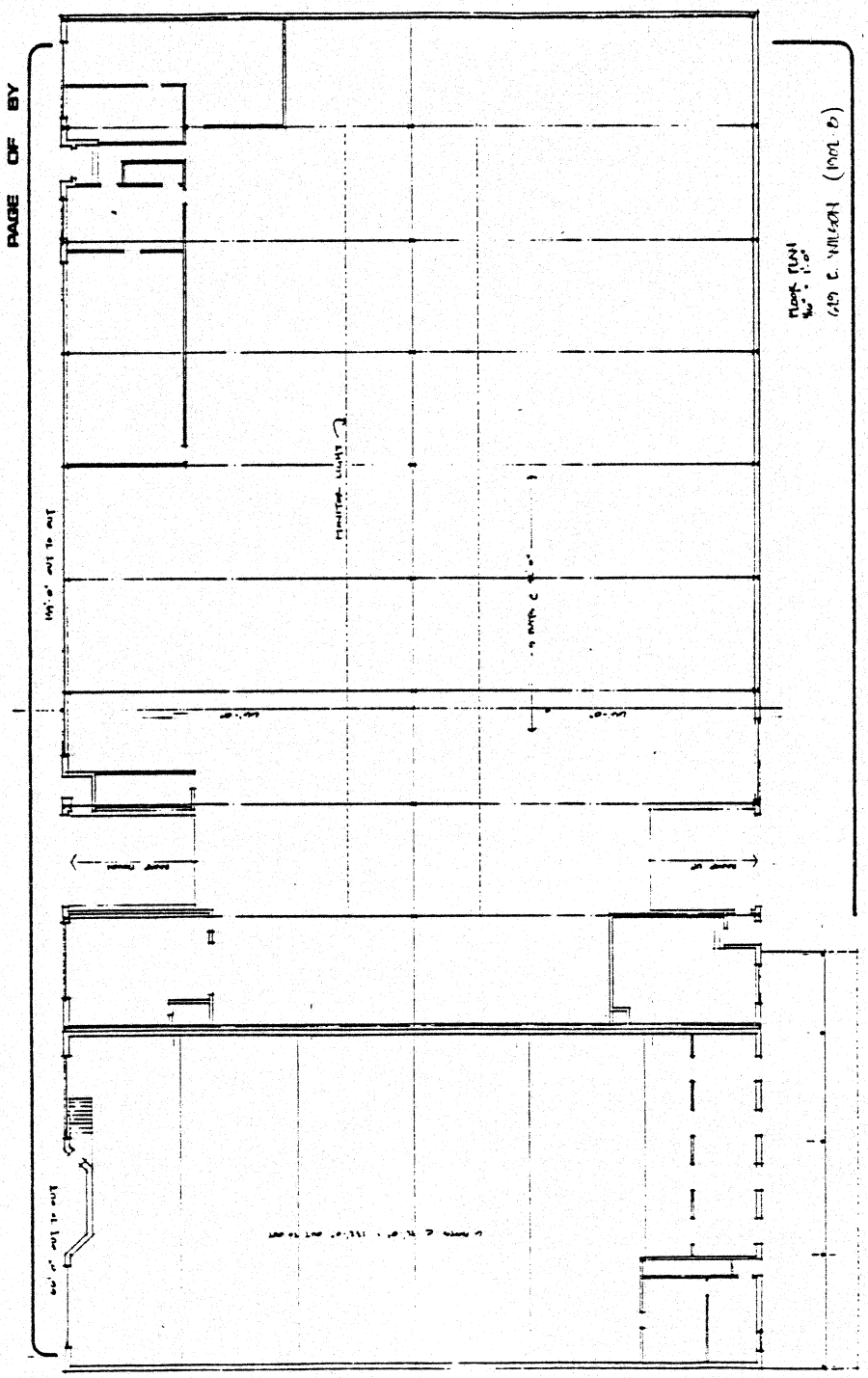
Deep roof girders resulting in low ceiling clearances, 9'-8" to 13'-0", limit the height of vehicles and machinery that can be used within the space. (Semi-trucks vary from 11'-6" to 13'-6".) Small parking or usable open space in proportion to the size of the building.

The floor elevation of the west section is 4 feet higher than the eastern section making vehicular traffic difficult between the sections.

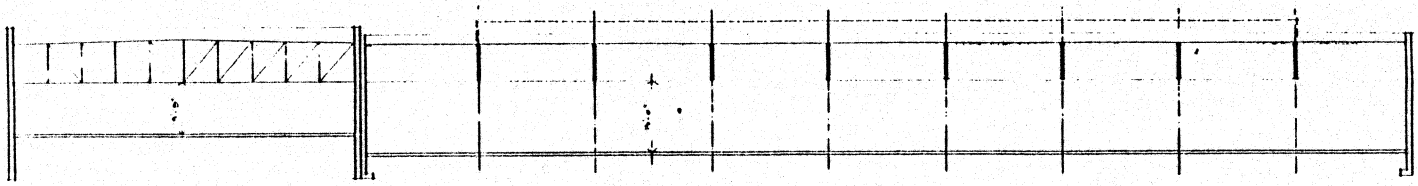
Conversion

Redevelopment would be limited to commercial, industrial, warehousing and office type uses. Residential use is very inappropriate unless large portions of the building were demolished to provide internal courts to provide required light and ventilation.

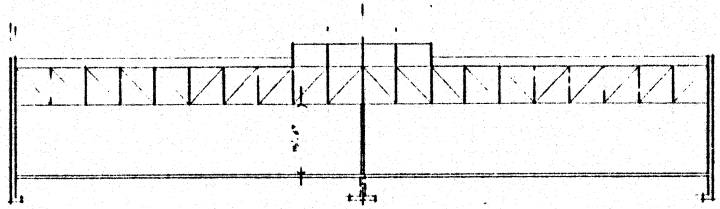
The volume and location of the eastern section allows good vehicular access essential for merchandising, industrial, warehousing, or other vehicle oriented businesses.


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LONGITUDINAL SECTION
1/16" = 1'-0"



TRANSVERSE SECTION
1/16" = 1'-0"

CA9 E WILSON (1902-03)

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Parcel #1702-2

706 Williamson Street
Gnotobiotics Laboratory

General Description

The one-story exterior masonry building with a basement under the west half which was probably constructed between 1910 and 1920 is in "fair" condition. In the late 1950's or early 1960's a 1500 S.F. triangular portion of the building was removed as part of a widening of Williamson Street. The present aluminum and glass facade was installed in the resultant void.

Twenty inch diameter concrete columns in the basement support a two-way reinforced concrete floor slab that is eleven inches thick. Basement space is partially used for antique auto storage.

The main floor has two areas. The front, with a flat wood frame roof is divided into offices for the laboratory. The rear, used for laboratory spaces is covered by long span steel bow trusses which support wood framing.

The quality of the original construction would be average light industrial except for the basement which has a very good reinforced concrete structure. Interior renovations are of very low quality.

Code

There are no significant code problems that affect the present use.

The present boiler room is isolated under the loading dock. This is advantageous from a code point of view.

Assets

Good vehicle access to three sides is available with a loading dock and ramp to the basement level in the rear.

Interior spaces are relatively flexible with a minimum of interior columns and bearing walls. Past remodelings are of very low quality and easily removed.

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Parcel #1702-2

Liabilities

The building is in only "fair" condition and of very little architectural significance.

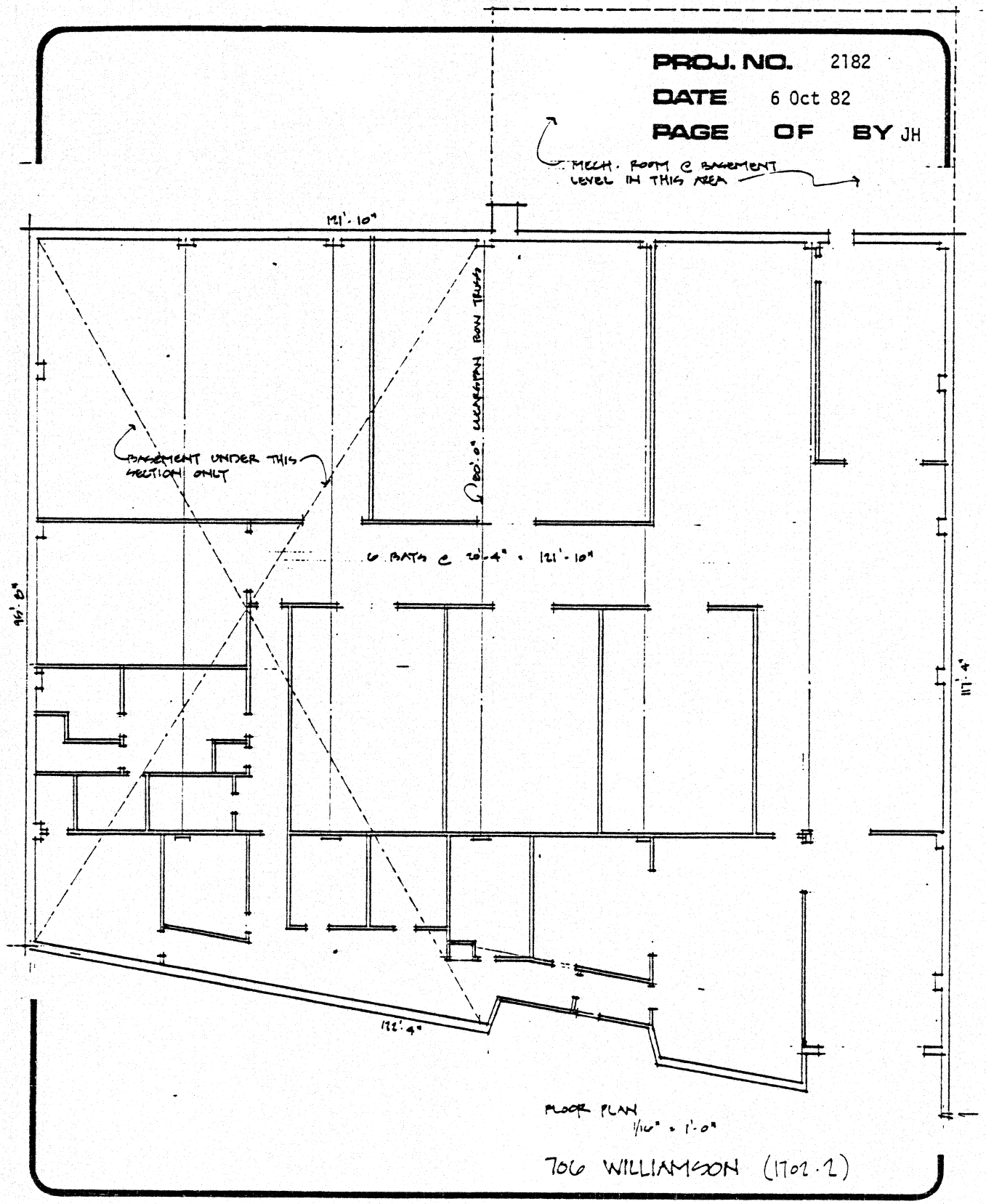
No vertical expansion is feasible and usable open space is non-existant.

The front facade transmits street noise and heat readily.

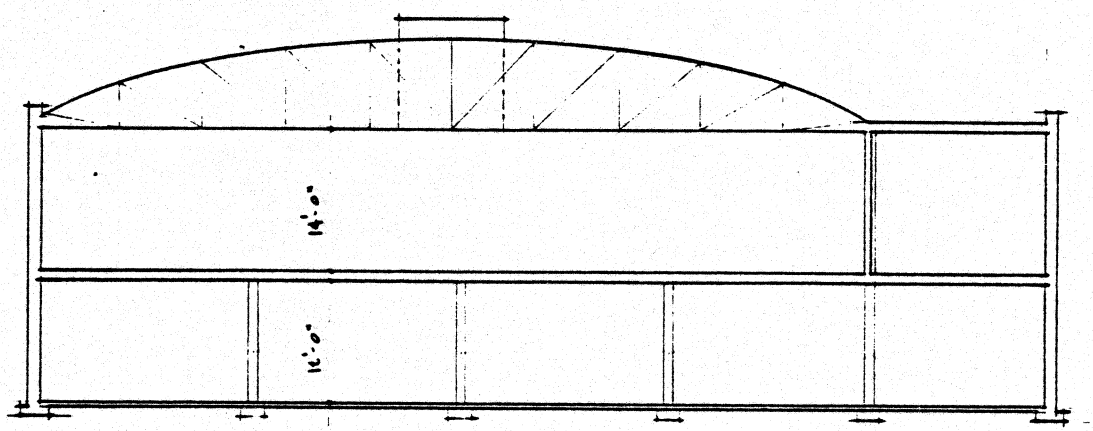
Conversion

Conversion to commercial, industrial, warehousing or office space would present few problems. Primary value is the building shell and the mechanical system which is in reasonable condition. The electrical service appears adequate but the present distribution system and fixtures are average and may not suit the needs of a different user. Plumbing and sanitary systems are relatively new.

Residential conversion is possible but the depth of the building would result in wasted interior space.


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MECH. ROOM @ BASEMENT LEVEL IN THIS AREA
121'-10"
80'-0" LONGSPAN BOW TRUSS
BASEMENT UNDER THIS SECTION ONLY
6 BAYS @ 20'-4" = 121'-10"
96'-0"
117'-4"
122'-4"
FLOOR PLAN
1/16" = 1'-0"
706 WILLIAMSON (1702-2)

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BUILDING SECTION
1/16" = 1'-0"

706 WILLIAMSON (1702.2)

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Parcels #1703-0 and #1704-8

714 and 722 Williamson Street
"Olds Seed Co. Building"

General Description

The poured in place concrete frame building was constructed in two different time periods with a third addition planned to the east but never built. The westerly half was built in 1913 with the easterly half built in 1914.

The concrete frame structure consists of one way concrete slabs on concrete beams framed into concrete girders which are framed into concrete columns. The masonry walls are non-load-bearing in-fill.

The ~~easterly~~ westerly half is occupied with clothing recycling on first floor and a mail order sewing company on second, third and fourth. The ~~western~~ eastern half is vacant.

Condition

The building is in "good" condition but has not been maintained very well for a number of years.

The east half had 4" of standing water covering the entire basement level hampering inspection of this area. The west half was dry but water stains on floor and walls were evident and the elevator pit had over three feet of water in it. (Water level was about 8" below the basement floor.) The basement level is approximately three feet above Lake Monona.

The boiler for the west side (appears to be original, recently converted to gas) is showing advanced signs of deterioration.

The entire heating system is old, with some floors having few or no radiators. Very few leaks were noted. There is no insulation in walls.

Windows are primarily single glazed steel frame industrial type units except in the administrative office areas which have wood or steel frame double hung windows. The wood windows are deteriorating rapidly; the steel windows function. All windows show signs of condensation and frosting resulting in water damage to the walls under the windows.

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Parcels #1703-0 and #1704-8

Masonry walls are in good condition except for the upper two floors on the west half which show significant water damage and thermal expansion cracks.

The concrete roof structure for the west half also shows signs of exterior wall or frame movement as all of the perimeter beams and girders have vertical cracks at the joint of the exterior member to the interior members. This is a significant structural fault that needs closer examination and monitoring.

Code

Exiting is very poor to dangerous for the upper two floors. Fire doors and horizontal exits that were to provide a second means of egress for the upper floors have been locked and bricked in (each half is now under separate ownership) with no alternative second exit. A fire escape serving the west half required a person to climb out an awning window about six feet above the floor. Stairways and elevator shafts are open with minimal to no fire isolation provided.

Boiler rooms have minimal fire walls.

Access for the handicapped is good to excellent.

Assets

The concrete frame construction is the biggest asset by providing a durable fire resistive structure.

The assumed structural capacity (based on original use) regular structural bays and floor to ceiling heights are adaptable to a large number of uses. The fire resistive type construction allows for easier up-dating to present code requirements.

None of the existing "interior improvements" are of significant value and can be easily removed.

An addition to the east can still be built and attached to the existing structure.

Liabilities

The heating system will need to be replaced in the near future.

Energy conservation measures will be based on planned usage and need to be addressed. Deterioration due to condensation, thermal movement and infiltration will soon start to accelerate.

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Parcels #1703-0 and #1704-8

The electrical system is adequate for present usage but allows minimal flexibility for industrial, commercial, office or residential needs.

The lower level has groundwater penetration problems.

The split ownership makes code compliance more difficult. Savings from common use mechanical and exit systems are less likely.

Conversion

Residential - Location, available site and building configuration do not allow for efficient or pleasing apartment or economical apartment development.

Surrounded on three sides by commercial and industrial properties, a lake view is available only from the south face and somewhat from the west. The balance of views, usable open space and surrounding lots are devoted to commercial and industrial activities.

The shape of the building, code and acceptable design standards require apartments to be placed along the perimeter of the building with windows for every living and sleeping room. This does not allow efficient use of the depth of the building. Maximum depth of an apartment from an exterior wall is about 25' to 30' unless the apartment is very large or very open. Utilizing the 30' along the outside 25% of the building would be unusable and would have to be devoted to ancillary uses as compared to 10% for typical apartments.

The Basset warehouse conversion on West Washington Avenue is comparable as it is approximately the same size as the west half of the study building. The "box car" apartments in the Basset warehouse are about 28' to 32' deep (about half the depth of the building) with the balance of the space used for tenant storage, stairs and very large hallways. About 30% of the floor area is devoted to ancillary, circulation, open and unassigned space.

"Artist loft" type of apartments that provide large open spaces with few or no division walls within the apartment are possible. Such spaces still need natural light and ventilation. Ceiling heights, except on the first floor, do not allow for construction of mezzanines.

Parking is possible in the basement area but maneuvering space and numbers would be limited by the column bays and sufficient ramp area on the exterior.

It is possible to construct apartments within this building but the negative location and construction problems cannot be overcome easily. A significant subsidy or very high rent would have to be charged.

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Parcels #1703-0 and #1704-8

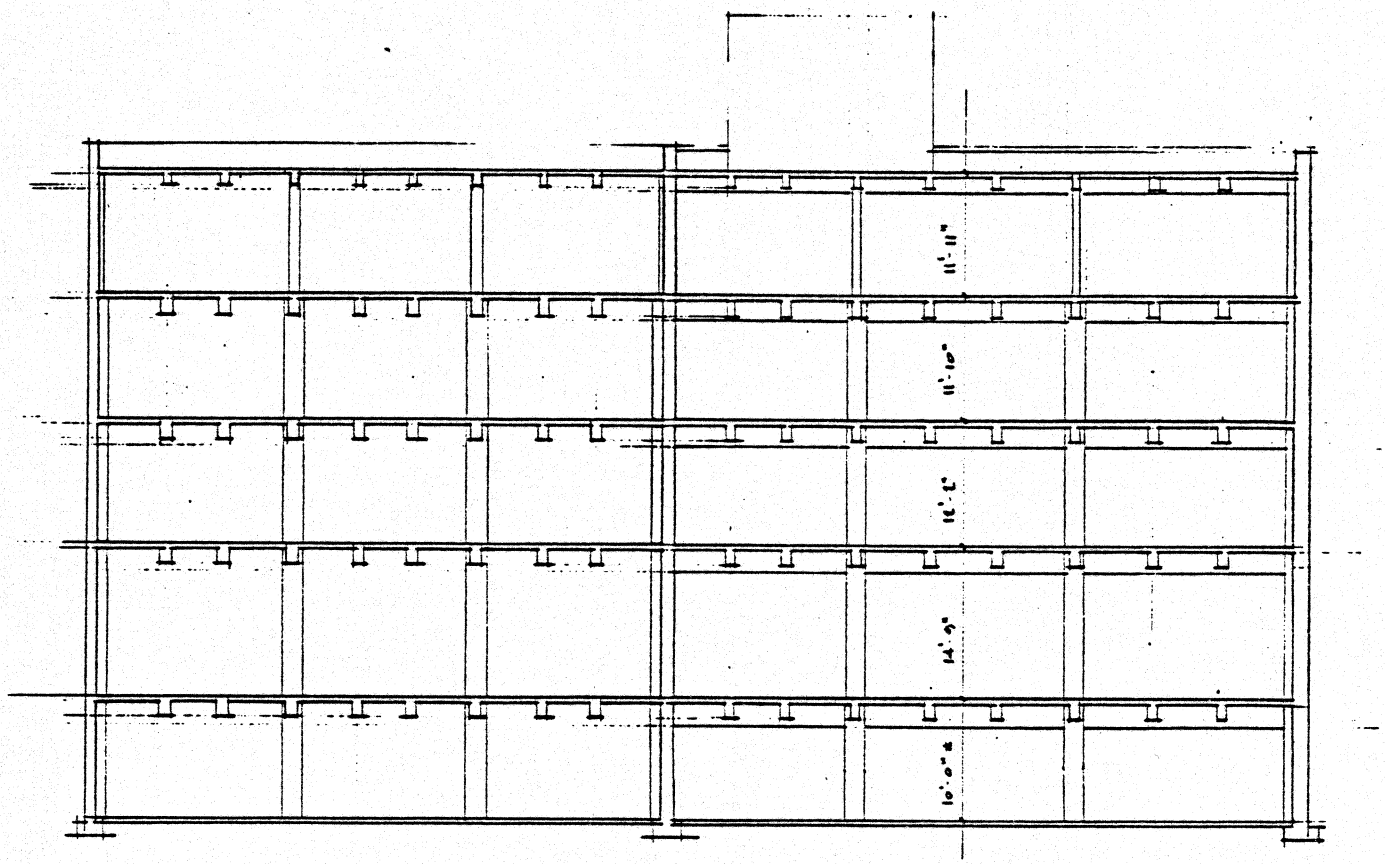
Offices/Commercial/Industrial/Warehousing - The building is designed for and best suited for these uses. The location factor favors commercial uses as compared with residential.

Parking and ease of access may be limiting factors. These site factors will have a greater impact on how the building is to be reused for business purposes than the physical limitations of the building. Additional parking, loading and street access can be made available if redevelopment of this site is done in coordination with neighboring properties.

Most industrial users are demanding the flexibility and apparent efficiencies of single story open spaces. Therefore building limitations for industrial purposes would include ceiling heights and column spacing and multiple stories.

Redevelopment of the space for any use should include new heating/ventilating, energy conservation, water protection, vertical circulation, exiting, and window systems. The plumbing and electrical systems should be upgraded as to meet the specific needs of the new user.

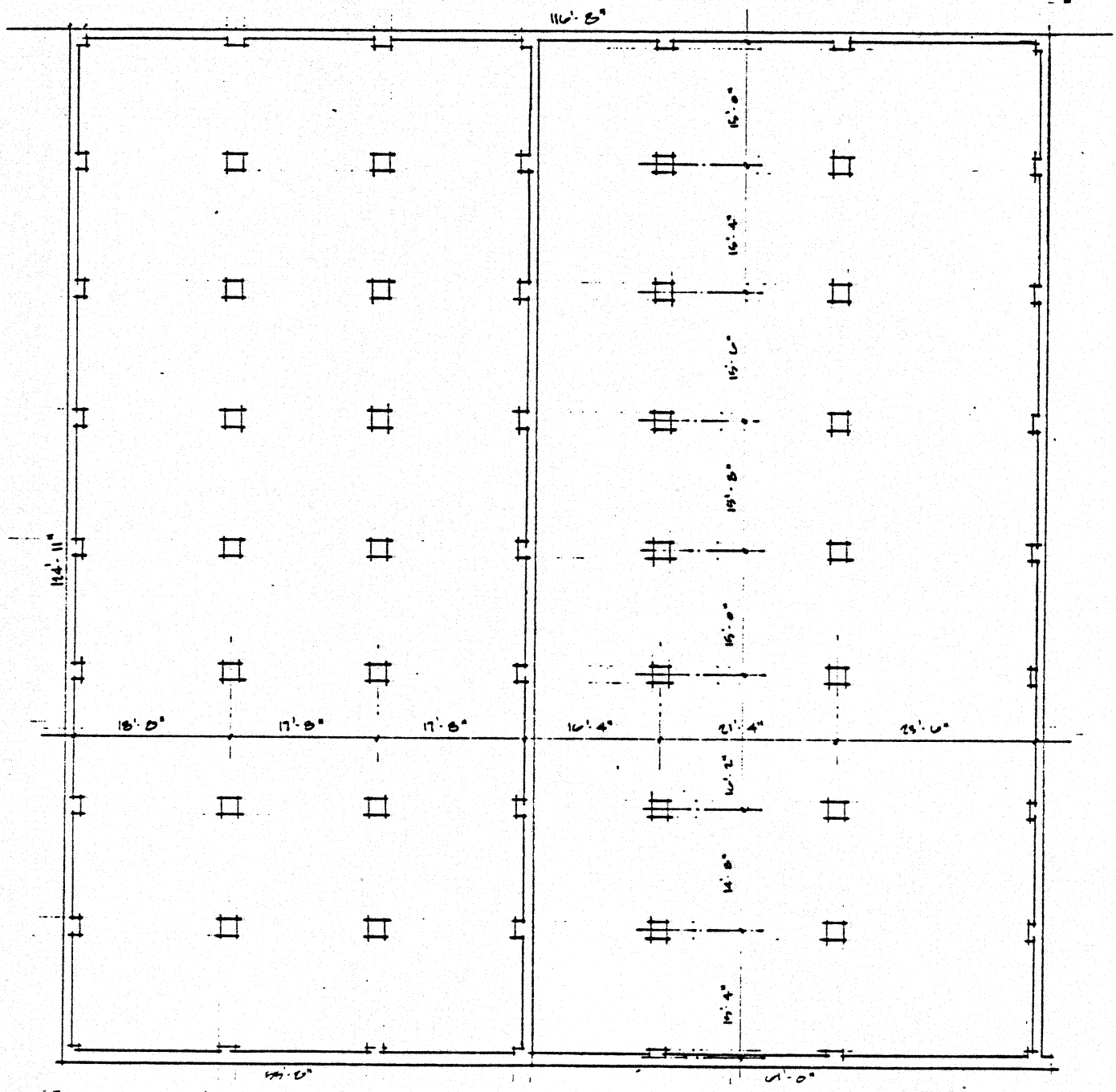
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BUILDING SECTION
1/16" = 1'-0"

714-722 WILLIAMSON (1103.0/04.0)

PROJ. NO. 2182
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FLOOR PLAN
1/16" = 1'-0"

714-722 WILLIAMSON (1703-0/04-8)

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Parcel #1705-6

732 E. Williamson Street

General Description

The two-story wood frame building (36'-3" x 132'-9") covered with stamped steel siding with a masonry facade on Williamson Street is in "very poor" condition. The structure is being supported by stone and concrete piers with no other foundation or protection of the crawl space. The floor structure has collapsed and has been repaired and shored up in many locations. The rear of the building has racked 12" to 18" to the east.

A concrete block addition (29' x 50') used for warehousing is to the rear. This lightly structured, uninsulated building with no significant mechanical systems is in "fair" condition.

Code

Structure and deterioration are the primary code violations. Other code problems are not important since correction of the structure and general deterioration do not appear feasible or desirable.

Assets

It exists and therefore can probably provide cheap warehouse space until a more appropriate use for the site can be found.

The addition can continue to operate as a warehouse.

Liabilities

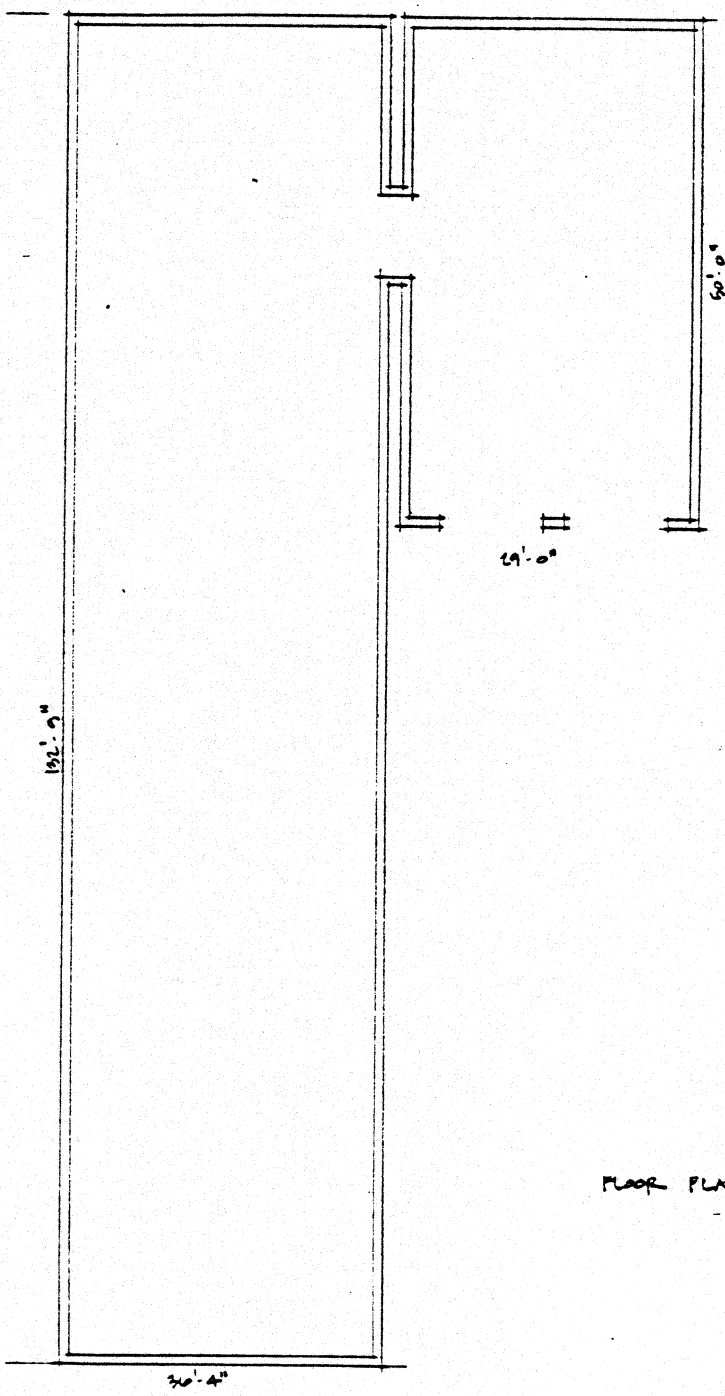
Deterioration and possible condemnation.

Conversion

No potential except new development.

Addition is of light construction and of little value except as warehouse. Conversion costs would have to include new mechanical and energy conservation systems. Such conversion costs would be more costly than the building is presently worth.

PROJ. NO. 2182
DATE 6 Oct 82
PAGE OF BY JH



FLOOR PLAN
1/16" = 1'-0"

732 WILLIAMSON (1705-6)

PROJ. NO. 2182
DATE 6 Oct 82
PAGE OF BY AK

Parcel #1707-2 and #1706-4

744 Williamson Street
Richard E. Ela Co.

General Description

The Richard E. Ela Company's main facility is housed within two attached buildings facing Williamson Street plus a number of one-story additions to the rear. The main buildings are two-story and three-story with exterior load bearing masonry walls and interior wood frame construction.

The three-story (easterly) structure, built in 1903 for the Madison Candy Co., is in "fair" condition. The original central beam and column line was reinforced early in the building's history with additional columns and truss/rods for the beams to correct structural deficiencies. The remedial work was well done. The floor framing was very heavy but the original timber beams were improperly sized.

The sandstone foundation shows some deterioration due to moisture but has no settlement cracks.

Systems include the original freight elevator, a 1930's type gravity furnace with a blower added, and older electrical. Toilet rooms are small and old.

The roof has a number of active leaks which have stained the roof and third floor structure. As a result of the leaks, the ends of the main timber supporting the roof is rotting. The roof and main timber should be repaired very soon. Due to the open shafts and stairways and uninsulated walls and roof, condensation of moist warm air from the lower floors may also be taking place in the attic space. Third floor walls have been damaged by water and movement but can be repaired.

The two-story (westerly) portion, built 1910 to 1920 is in "fair" condition and is used for offices and shop on the first floor and dead storage on the second floor. The second floor was once divided into two apartments. There is less deterioration in this area but the original quality of the building was average.

Two one-story additions to the rear are being used as a loading dock area. Although some are relatively new they are of light masonry, steel and/or wood construction. The spaces are fairly small and not very flexible.

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Parcel #1707-2 and #1706-4

Code

The major code problems are related to fire safety and consist of open shafts for the elevator and stairway and poor alternative escape routes for the basement, second and third floor levels. Correction of these code problems will depend on future uses.

Assets

Building type and condition can allow continued use by present owner or could be adapted to other uses (see below for alternative uses).

Adjacent parcel numbers 1705-6, 1706-4, and 1708-0 are also owned by the Ela Company and thus provide a relatively large package for development considerations.

Liabilities

Most of the improvements to the basic building shell are outdated and would require replacement or major alteration. The rear additions are not easily adaptable for reuse.

The spaces are all relatively small and not very flexible if open plans are required.

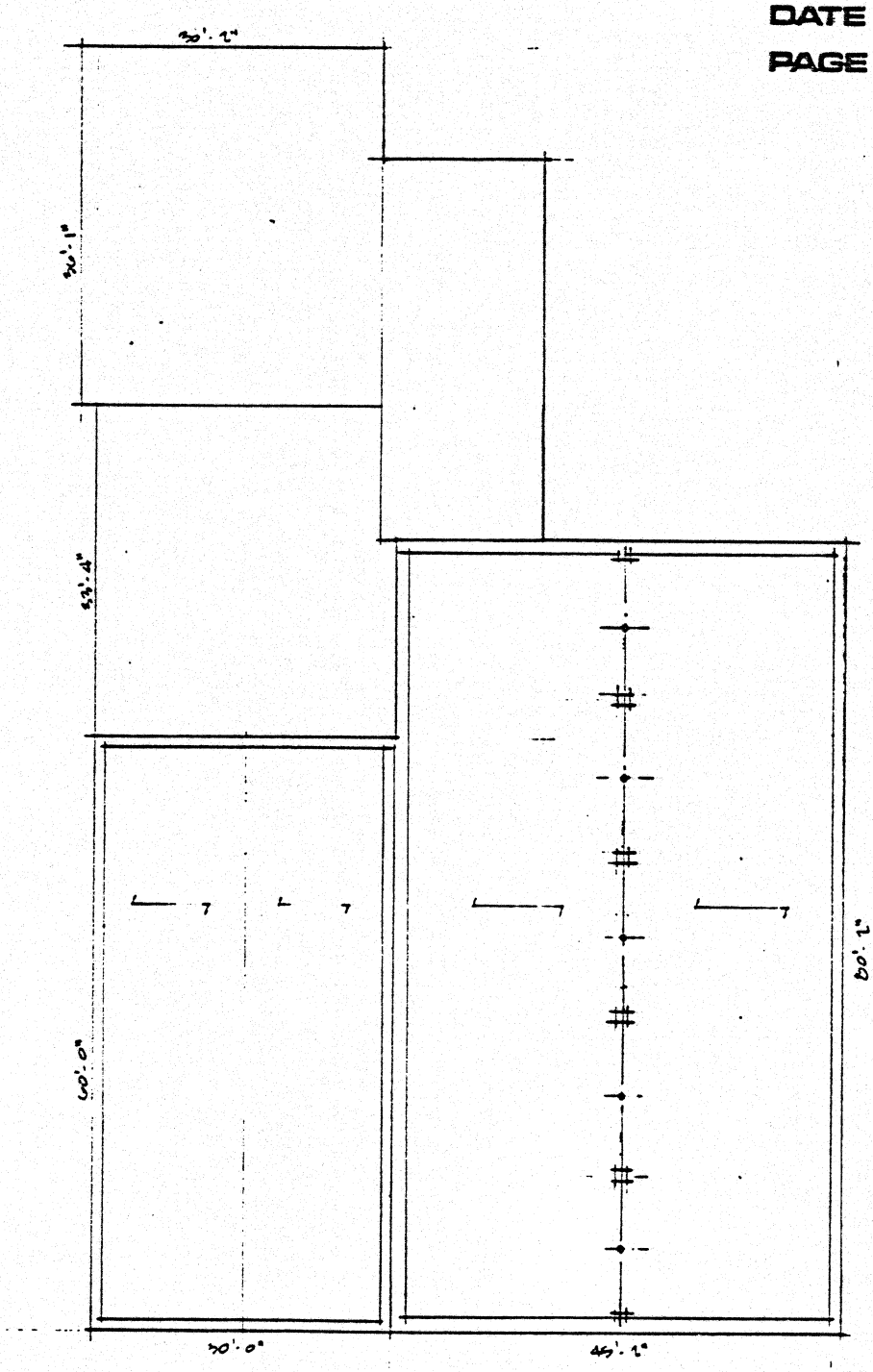
Much energy conservation work must be done if total building is to be heated.

Conversion

The building works fairly well as an office/warehouse/distribution center, but continued effective use by the present or similar type occupant should be accompanied by new loading and material handling areas. Finishes, mechanical, electrical, plumbing and elevator systems should be replaced or improved.

Residential use is possible and would require all new systems. Additional lot area would be required for parking and usable open space. Location within an industrial warehousing type area is very questionable.

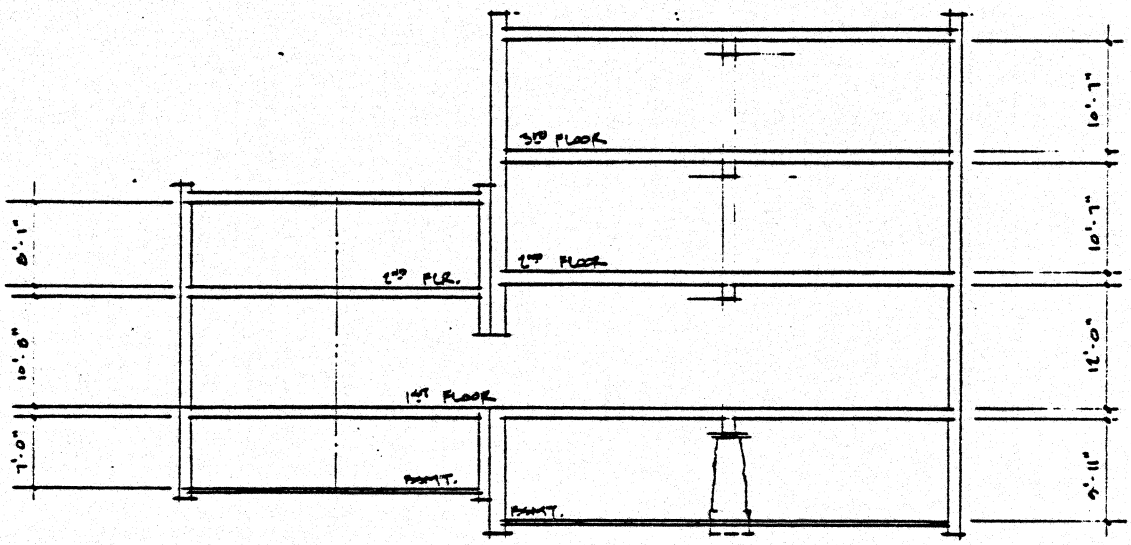
PROJ. NO. 2182
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FLOOR PLAN
1/16" = 1'-0"

740-744 WILLIAMSON (1706-4/07-2)

PROJ. NO. 2182
DATE 6 Oct 82
PAGE OF BY JH



BUILDING SECTION
1/16" = 1'-0"

740-744 WILLIAMSON (1706-4/07-2)

PROJ. NO. 2182
DATE 6 Oct 82
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Parcel #1708-0

754 Williamson Street
Root Beer Factory

General Description

The two-story turn of the century building on the corner of Williamson and S. Livingston, which is being used for miscellaneous storage by the Ela Co., is in "poor" condition. The structure is exterior load bearing masonry with wood frame floor and roof members spanning the width of the building. There is no basement.

Connected to the rear and facing Livingston Street is an exterior masonry (concrete block) supporting a steel deck and bar joist roof for the one-story 1950's addition used for vehicle and miscellaneous storage. The addition is in "good" condition.

The older building was not well built originally and has not been well maintained. The heating system failed and was abandoned. Plumbing has been abandoned and the electrical system is marginal. While the main floor is a concrete slab on grade, the second floor and roof structure deflect easily. The second floor has a sign warning of a 50 pound per square foot load limit. A preliminary review suggests this is optimistic.

The newer addition is a tall uninsulated, unheated space with large garage doors to the east. Deterioration is limited to a wood overhand for the garage doors, some shrinkage cracks and some damage from trucks backing into a wall at the garage doors.

Code

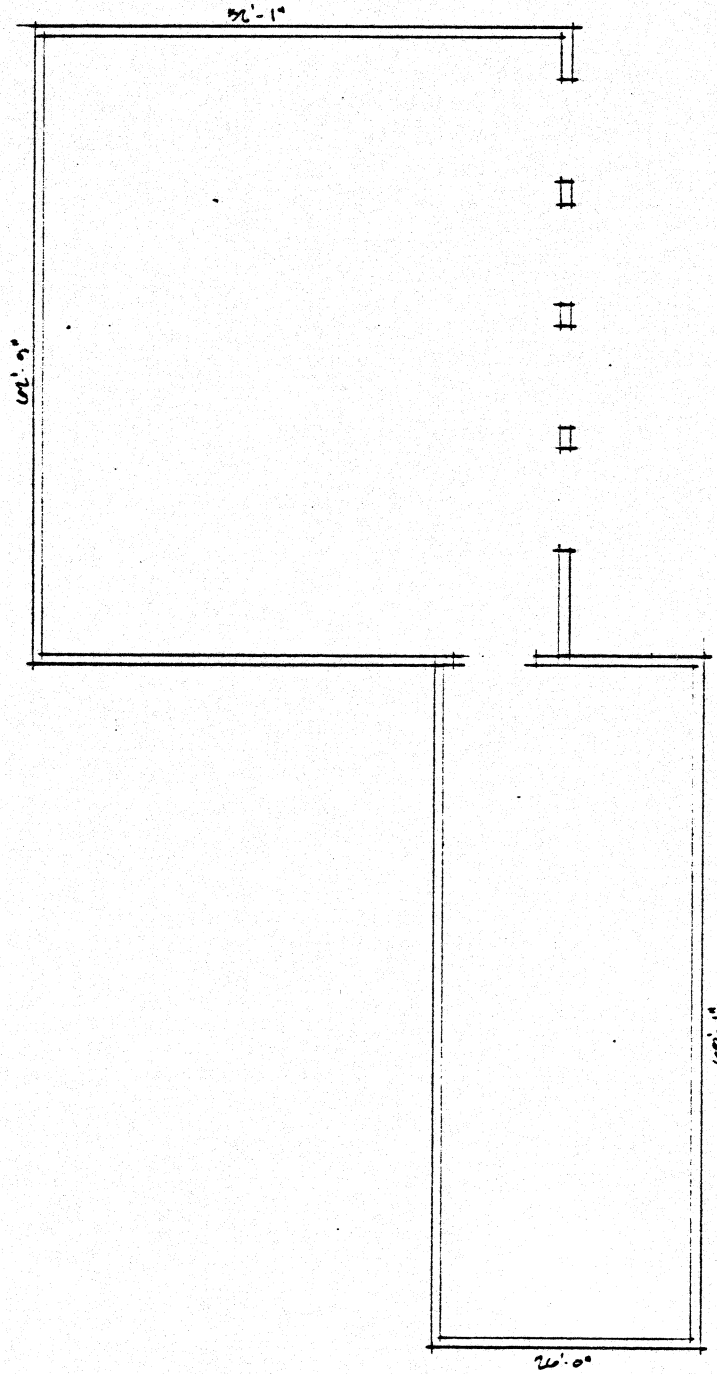
There are no significant code problems other than the City's maintenance code. As long as the second story is used entirely for storage, a second exit is not required. The 50 PSF load limitation of the second floor must be observed. (Note: Typical warehouse and storage loading varies from 125 to 250 pounds per square foot.)

Assets

The buildings represent economical storage/warehouse space until other more intensive uses can be developed on the site.

The space within the addition is flexible and could be adapted to many industrial/warehouse uses.

PROJ. NO. 2182
DATE 6 Oct 82
PAGE OF BY JH



FLOOR PLAN
1/16" = 1'-0"

754 WILLIAMSON (1708-0)

PROJ. NO. 2182
DATE 6 Oct 82
PAGE OF BY AK

Parcel #1708-0

Liabilities

The old building is deteriorating rapidly. Conversion or up-dating would probably cost more than new construction, depending on the proposed usage.

Conversion

Conversion from a cold warehouse to any other use would require installation of new mechanical, plumbing, electrical and energy conservation systems in addition to significantly rehabilitating the older building. The rehabilitation of the older building is of questionable value.

The older building could be converted to residential or office uses while the addition is appropriate for warehousing or manufacturing. Residential would be questionable--due to location but is better than other buildings studied.

Parcel # & address	Owner	Lessor	Use	ASSESSMENT Land	Improv.	Total
602 Williamson 1905-2	Bob Williams Auto Mart	Owner occupied	Used Autos	$43,900	$21,100	$65,000
623 E. Wilson 1904-4	Harold Stark	Unknown	Warehouse/household goods	17,000	27,500	44,500
629 E. Wilson 1902-8	Milson Co.	Vacant	Old Post Office	128,000	216,600	325,000
651 E. Wilson 1901-0	Henry Reynolds	Owner occupied	Vehicle storage & repair	19,600	30,400	50,000
654 Williamson 1909-4	Red Caboose Day Care Center	Owner occupied	Day Care Center	0	0	0
706 Williamson 1702-2	Henry Reynolds	U.W. Gnotobiotic	Laboratory which provides a germ free environment	38,400	81,000	120,000
301 S. Blount 1701-4	Henry Reynolds	Auto engine research company & owner occupied	Engineering Research offices & storage	21,000	99,000	120,000
714 Williamson 1703-0	Lemco Enterprises	St. Vincent DePaul Society	Clothes sorting & packing	20,700	129,000	150,000
717 E. Wilson 1710-5	Chicago, St. Paul & Pacific Railroad	None	Vacant land	5,600	0	5,600
722 Williamson 1704-8	William Larson	Vacant	Vacant	42,100	122,900	165,000
732 Williamson 1705-6	Richard & William Ela	Owner occupied	Warehouse construction tool & equipment	21,000	27,000	48,000
740 Williamson 1706-4	Richard & William Ela	Owner occupied	Retail, wholesale const. tool & equipment	21,000	34,000	55,000
744 Williamson 1707-2	Richard & William Ela	Owner occupied	Retail, wholesale const. tool & equipment	21,000	40,000	61,000

Landmark Research, Inc.

M-1 ZONING ORDINANCE

M1 Limited Manufacturing District.

(a) Statement Of Purpose. The M1 limited manufacturing district is established to accommodate existing non-nuisance type industrial uses presently located in relative proximity to residential areas, and to preserve and protect lands designated on the comprehensive plan for industrial development and use from the intrusion of certain incompatible uses which might impede the development and use of lands for industrial purposes. Development in the M1 limited manufacturing district is limited primarily to certain commercial uses and certain industrial uses, such as the fabrication of materials and specialized manufacturing and research institutions, all of a non-nuisance type.

(b) General Regulations. Uses permitted in the M1 district are subject to the following conditions:

1. All business, servicing or processing, except for off-street parking, off-street loading, display of merchandise for sale to the public, establishments of the drive-in type and outdoor eating areas of restaurants approved as a conditional use by the Plan Commission, shall be conducted within completely enclosed buildings unless otherwise indicated hereinafter. (Am. by Ord. 4305, 8-29-73)
2. All storage within one hundred (100) feet of a residence district, arterial or collector street, except for motor vehicles in operable condition, shall be within completely enclosed buildings or effectively screened with screening not less than six (6) feet nor more than eight (8) feet in height, provided no storage located within fifty (50) feet of such screening shall exceed the maximum height of such screening. (Am. by Ord. 4752, 10-24-74)

Source: City of Madison, General Ordinance, sec. 28.10(1)(d)

ENVIRONMENTAL IMPACTS OF SPECIAL SIGNIFICANCE

Marquette Gateway Plan and Redevelopment of Blocks 600 - 800 Notes from Arlan Kay

Exhibit II-12 shows the existing conditions of Blocks 600, 700, 800, and 900 of Williamson and East Wilson Street.

Old commercial development dominates the area and separates the residential blocks to the south of Williamson from the industrial corridor to the north of Wilson. The 600 and west half of the 700 Block are a peninsula of higher density buildings that are isolated from the neighborhood due to their size, density, location and the surrounding streets. The rest of the 700, 800, and 900 Blocks has a low, more residential type scale, but is separated from the residential blocks to the south by the heavy traffic of Williamson Street. This area is both a barrier and an extension of the industrial corridor which is dominated by the Madison Gas and Electric complex of coal piles, stacks and generating plant.

Exhibit II-32 show the phasing of development and the impact of a single and double street solutions.

An interim solution is shown in Exhibit II-32 which removes the buildings from the east half of the 700 Block and provides needed parking for the commercial buildings to the west. The Ela Facade is to remain as a sculptural gateway from Williamson Street or be part of a future redevelopment.

The middle section of the postal annex is to be partially demolished to provide vehicular access, parking, loading and maneuvering room for trucks serving proposed commercial/ warehouse. The existing warehouse and used car lot would be removed and an office space will be added. The open space created by clearing the two westerly buildings on the 600 Block would be the first phase of a gateway to the Marquette neighborhood.

The first phase of housing development would be started on the 800 Block allowing existing commercial occupants to continue functioning until relocation was completed.

The last photo in Exhibit II-32 represents a solution to the needs for open space, neighborhood identification, housing, commercial development, traffic control and parking while separating these people oriented spaces from the industrial corridor buildings and activities.

Development on the subject blocks is oriented to Williamson Street while turning its back on the industrial corridor noise, activity and visually negative elements. Wilson Street becomes an additional separation of the new neighborhood oriented development.

A gateway to the Marquette neighborhood is created by the revised intersection at Blair Street. The landscaped gateway and open space along with the orientation of the intersection

is to encourage use of Blair Street as a connector to East Washington Avenue and John Nolen Drive. The split traffic pattern is to reduce traffic counts on Wilson or Williamson encouraging redevelopment and incorporation of Machinery Row and the 600 and 700 Blocks into the neighborhood. This would also create a separation of the neighborhood from the downtown.

Development of the 600 Block shown includes using the postal annex for commercial redevelopment with the central portion demolished to accommodate trucks for loading, maneuvering and parking. A new residential development is also possible.

The split traffic pattern allows creation of a drop off area for the Red Caboose Day Care Center as well as access and parking for future redevelopment of Machinery Row.

700 Block redevelopment is primarily commercial. The removal of the easterly buildings and use of the rail property allows the construction of a new commercial retail facility and parking needed by all of the remaining and new buildings. The new structure would maintain the street scale and be oriented towards Williamson Street. This would be accomplished by reusing the facade of the Ela Building. The commercial spaces would be oriented to the south and west and be related to the Olds Seed building with shared parking between.

Residential units constructed on the upper floors would have a solar orientation with an elevated balcony for common use. Primary entry is oriented to the small park/open space created at the corner of Williamson and Paterson. This landscaped open space is separated from the commercial "district" and is the transition to the residential development of the 800 Block.

The residential units proposed for the 800 Block are also oriented to Williamson Street. They turn their backs on the industrial corridor and Wilson Street by having a landscaped earth berm constructed along the Wilson Street frontage. This will reduce the traffic and industrial noise. The living units have a southerly orientation to make maximum usage of passive and active solar technologies. Private courtyards are complimented with common open space and small playgrounds for children too small to go to the public parks. Individual units are to be economical yet of interesting open designs with a variety of sizes and features. Parking is to be along a single landscaped spine within the block to maximize the amount of space available for living units and open space, both private and common.

The two story, closely spaced design is to compliment the existing residential scale of the southern blocks while the

form, courts and solar orientation is to be a statement of present day needs, concerns and desires.

Street redevelopment is a primary element of the eastern portion of the 900 Block where Wilson and Williamson merge. Brearly Street becomes a cul-de-sac north of Wilson. The result is an enlargement of the existing park while further reducing traffic to and from the industrial corridor.

Rec'd 12-29-82

Department of Planning
and Development
Neighborhood Revitalization Unit

City of
Madison

December 23, 1982

Ms. Jean Davis
Landmark Research Inc.
1501 Monroe Street
Madison, WI 53711

Dear Jean:

At your request I have researched the histories of the buildings at 732-4, 744 and 754 Williamson Street. Following is the factual information that I uncovered:

732-734 Williamson Street was built in 1898 by John Sprecher, a retired merchant, as an investment property. Its first occupant was the Moline Plow Company, which remained in the building until around the depression. Later occupants included the Auto License Department, Badger Feeds, and Keenan Agricultural Equipment in the 1950s. The distribution of agricultural equipment was one of Madison's major industries at the turn-of-the-century. The Sprecher Building was located in an area known as Implement Row for its concentration of wholesale implement dealers. Of the eleven buildings or complexes shown by David Mollenhoff on his map of Implement Row in 1904, the Sprecher Building is one of only three remaining.

744 Williamson Street was constructed in 1903 to the designs of Captain John Nader, an important early Madison engineer and architect. The Madison Candy Company was established in 1899. By 1902, they had 35 employees and specialized in chocolate creams. They occupied the building until ca. 1928. Later occupants included the Wisconsin Farm Bureau Federation and Ela Welding. Candy manufacturing was a somewhat important industry in Madison, largely, I believe, because of the strong German population. Other buildings remaining related to candy manufacturing in Madison are Waltzinger's (a candy factory combined with a store and soda fountain) at 19 North Pinckney, Keeley's Palace of Sweets, a similar operation at 112-114 North Carroll, Keeley's factory at 949-951 East Washington Avenue, built ca. 1914 and altered somewhat, and Teckmeyer's at 550 West Washington Avenue (now the Bassett Warehouse Apartments), built in 1908. Architecturally, the Madison Candy Company compares well with other turn-of-the-century industrial structures remaining in Madison. Perhaps because it was located on a busy main street, its front facade is more stylish than most other industrial buildings in Madison.

Madison Municipal Building
215 Monona Avenue
Madison, WI 53710
608 266 4787

754 Williamson Street was built for the Lake City Bottling Works in 1906 to the designs of the well-known local architectural firm of Claude and Starck. The Lake City Bottling Works was formed many years previously and operated a factory at the corner of Paterson and Spaight (demolished) in the 1890s. In 1902, the operation was located at 654 Williamson (gone), and in 1904 the operation was at 912 Williamson Street in a store building that still remains, relatively intact. The Company remained at 754 Williamson Street until ca. 1953. The only other early (pre-1910) building associated with a bottling works in Madison is 846 Williamson Street, a two-story frame building that housed the short-lived Schubert and Taft Bottling Works, ca. 1898, (recently it housed the Jolly Tavern; it has been much altered). Bottling works were a minor industry in Madison.

Based on this information, it is my opinion that the Lake City Bottling Works and the Sprecher Building are not historically significant enough to be listed on the National Register of Historic Places as individual sites. The Madison Candy Company might be eligible architecturally as one of the best remaining designs for a turn-of-the-century industrial structure. All three buildings, as you know, are located in the Third Lake Ridge Historic District. The histories of the early commercial and manufacturing enterprises for which these buildings were constructed are integral parts of the history of the Third Lake Ridge Historic District, which was designated because it is an intact neighborhood including not only the homes, but also the shops and factories in which neighborhood residents earned their livings. Therefore, if the Landmarks Commission were considering demolition of these buildings, I would recommend to them that preservation alternatives be studied before demolition were approved. For instance, I understand that the Sprecher Building is perhaps structurally unsound. If such were the case, then I would recommend that the Landmarks Commission approve demolition.

I hope this information is useful to you. If you have further questions, please call me at 266-6552.

Sincerely yours,

Katherine H. Rankin

Katherine H. Rankin
Preservation Planner

KHR:jj

Landmark Research, Inc.
November 1982

Survey No. _____

EAST WILSON STREET - OFFICE SURVEY

Business _____ Address _____

Phone No. _____ Respondent _____

Date/Time _____ Role in Company _____

Interviewer _____

Good morning/afternoon. My name is_____and I work for Landmark Research in Madison. May I speak to your office manager?
Good morning/afternoon. My name is _____
and I work for Landmark Research in Madison. We're conducting an office survey and I'd like to ask you some questions.
With whom am I speaking?

According to the phone directory, it appears that your office is _____.

1. Can you tell me a little about the nature of your business?

   See separate attached summary

2. Why did you choose your present location?

   See separate attached summary

3. Does your business location depend on proximity to bus lines?

   YES = 17 NO = 28

4. Do you need to be near government or other offices on or near the Square?

   YES = 12 NO = 33

5. Are there any other businesses or facilities which your office needs to be near?

   YES = 17 - Post office, medical services, GEF, financial institutions, copy center, printer, secretarial pool, government offices, social service office

   NO = 28

6. a. Where were you located before you moved to your present location?

See separate attached summary

b. Why did you move?

See separate attached summary

c. Do you have more or less space than at your previous location?

MORE LESS

21 = More space now
8 = Less space now
11 = Did not change size of space
5 = Did not know

7. Is there parking at your present location?

YES = 42 NO = 3

If yes: How many spaces do you have? _____

35 = lot on site - parking included in rent
6 = 2 - 10 spaces allocated - included in rent

Is your parking included in your rent or, if not, how much do you pay per month for each space?

$ N/A Included in Rent

8. What would be the ideal number of parking spaces for your:

Average = 5 Staff or Employees — Range = 1-15 parking spaces needed for staff (42 respondents) (Exception = Visiting nurses have 30 staff spaces)

Average = 2 Customers or Clients — Range = 0-10 parking spaces needed for clients (36 respondents)

_____ Overall Needs

9. What is the size, in square feet if possible, of your present space?

See separate attached summary

10. What are you paying per month to occupy your present space?

a. Base Rent — Range = $4.50/SF - $9.90/SF (adjusted to full service) (Exception = Medical/dental office rents = $10/SF - $11.50/SF and are excluded from descriptive statistics)

Average rent = $6.90/SF plus or minus a standard deviation of $1.20/SF. Range within one standard deviation = $5.70/SF to $8.10/SF.

b. Which of the following are included in your rent?

X = Included

		Yes	No	Didn't Know	No Response
____	Heat	40	3	1	1
____	Electricity	38	5	1	1
____	Water/Sewer	42	1	1	1
____	Real Estate Taxes	42	1	1	1
____	Air Conditioning	39	4	1	1
____	Janitorial	38	5	1	1
____	Insurance	42	1	1	1
____	Grounds Maintenance (including trash & snow removal)	41	2	1	1

c. Do you pay for or does your landlord pay for:

Landlord	Tenant	
38	2	Minor interior maintenance or repairs
44	0	Major maintenance, repairs, or replacement of mechanical equipment

d. Is there an annual inflation index for your rent?

13 = Yes
18 = No

13 = Didn't know
1 = No response

e. Do you pay a percentage of sales as rent subject to a minimum or maximum amount of sales?

0 = Yes
25 = No
20 = No response or didn't know

11. Do you need individually partitioned offices or do you prefer an open office layout subdivided with movable dividers?

Individually Partitioned	Movable Dividers	Some of both
33	5	7

12. Would you sacrifice some window space for lower rents?

YES	NO	DIDN'T KNOW	NO RESPONSE
25	17	2	1

13. Next I'm going to list some amenities. After each one, please answer yes if it is an amenity that would be important for your office or no if it wouldn't be important. (NOTE: If they reply that it's an important amenity, ask them "Do you presently have _____? Then, once you have the amenities they consider important and whether or not they presently have them, ask them to rank the top 3 of their yes answers. You may have to read back those amenities they considered important in order for them to rank them.)

See attached summary for ranking.

	Y=Important N=Not Important	Y=Have * N=Don't Have	Rank of Importance
a.	Y=39 N=5	Y=40 N=1	____ air conditioning
b.	Y=25 N=10	Y=16 N=8	____ central copy facilities (9 respondents have own copy machine)
c.	Y=15 N=29	Y=8 N=5	____ auxiliary meeting room
d.	Y=41 N=3	Y=41 N=0	____ janitorial service

e.	Y=10 N=34	Y=6 N=3	____	lounge facilities for employees
f.	Y=28 N=16	Y=22 N=5	____	storage rooms
g.	Y=14 N=30	Y=11 N=3	____	elevator
h.	Y=24 N=20	Y=23 N=1	____	main reception area
i.	Y=19 N=25	Y=14 N=2	____	security system
j.	Y=44 N=0	Y=41 N=3	____	parking
k.	_____	_____	____	other:_____

Please rank, in order of preference, the top three of the amenities you chose.

* One respondent refused to continue the interview and not all of the remaining 44 respondents indicated what they did or did not have in their offices.

14. Could you use storage space at a nearby mini-warehouse?

YES = 5 NO = 38 DIDN'T KNOW = 1

15. What do you like most about the space you are now renting?

See separate attached summary

16. What do you like least about your space?

See separate attached summary

17. Do you have any plans that would require more space than you presently have?

YES = 12 NO = 28 DIDN'T KNOW = 1

18. Is there additional space available for expansion at your current location?

YES	NO	DIDN'T KNOW	NO RESPONSE
25	15	3	1

19. a. How long have you been in your present location?

Less than 2 years = 8
2 through 5 years = 21
6 through 10 years = 9
Greater than 10 years = 5
Didn't know = 1
No response = 1

b. How long do you plan to stay?

Leaving soon = 4
1 to 3 years = 8
4 to 10 years = 1
Will stay indefinitely = 20
Didn't know = 11
No response = 1

c. Do you have any plans to relocate?

Yes = 7
No = 28
Didn't know = 9
No response = 1

20. Do you require 24 hour access to your office?

YES = 31 NO = 13 NO RESPONSE = 1

21. Does your office require handicapped access?

YES = 16 NO = 28 NO RESPONSE = 1

22. Would you consider moving to modernized, rehabilitated * office space on the near East side of Madison, 6 blocks from the Capitol Square, with ample on-site parking, if the full-service rate was:

	YES	NO	DIDN'T KNOW	NO RESPONSE
$5.00/Square Foot/Year	14	24	6	1
$7.00/Square Foot/Year	8	30	6	1
$9.00/Square Foot/Year	2	38	4	1

That's the end of our survey. Thank you very much for taking the time to answer our questions.

[COMMENTS:]
*Office tenants on Madison's westside (near the Hilldale Shopping Center) did not want to be on the eastside. Some respondents from other parts of Madison were very receptive to rehabilitated space with parking near the Square; most were very price sensitive.

1. Can you tell me a little about the nature of your business?

Nature of Business	Number of Respondents
Business services (e.g. advertisers, insurance, printers, etc.)	18
Social service	12
Professional (e.g. dentist, doctor, lawyer)	4
Professional association	4
Government agency	2
Retail product	1
Oil drilling partnership	1
Labor union	1
Contractor	1
Trade association	1

2. Why did you choose your present location?

Reasons	Number of Respondents
Central location	10
Affordable rent	9
Convenience to banks/other needs. (Frequently mentioned by tenants in Hilldale area and Independence Center)	8
Proximity to residence of owner/boss	7
Needed adequate parking	5
Share space with similar business	5

2. Why did you choose your present location? (Continued)

Reasons	Number of Respondents
Accessibility of buses	3
Needed small offices	1
More space needed	1
Near medical clinic (Planned Parenthood)	1
Community groups in building (Wisc. Nutrition Assoc.)	1
Didn't know	7
Total Responses (Multi-responses by some respondents)	58

6. a. Where were you located before you moved to your present location?

Previous Location	Number of Respondents
Central Madison (Bedford to Blair St., Lake Mendota to Lakeside St. area)	8
Near east side (Blair St. to Yahara River)	6
Near west side (Bedford St. to Highland Ave.)	3
Far east side (East of Yahara River)	5
Far west side (West of Highland Ave.)	8
Did not move	10
Did not know	4
Came from Milwaukee	1
Total	45

6. b. Why did you move?

Of the eight respondents previously located in central Madison, reasons for moving included: Price, more space needed, lack of parking, area considered dangerous, and desire to be closer to residence. New locations were divided between the near east side and the Hilldale area plus one respondent found lower priced space on the Square.

Of the six respondents previously located on the near east side, reasons for moving included: avoid a rent increase, improved and/or increased space quality and/or size, closer to Square and lease expired. Moves were divided between the Square and the near east side.

Of the three respondents previously located on the near west side, reasons for moving included increased space needs and a desire to be closer to home. None relocated in central Madison.

Of the five respondents previously located on far east side, the need for more space was the main reason given. Central Madison, the near east side and the far west side were areas for relocation.

Of the eight respondents previously located on the far west side, all but one relocated in the same area. Most needed more space.

9. What is the size, in square feet if possible, of your present space?

Number of respondents = 30

Size ranged from 200 square feet to 27,770 square feet.

Of those, 21 offices with less than 1,000 square feet of space had an average of 500 square feet. Of the seven offices with more than 1,000 square feet but less than 6,000 square feet, there was an average of 1,750 square feet per office.

The remaining two offices contained 6,028 square feet and 27,700 square feet respectively.

13. Please rank, in order of preference, the top three of the amenities you chose.

Amenity	Ranking of Importance Number of Responses 1st Choice Weight = 5	2nd Choice Weight = 3	3rd Choice Weight = 1	Total Score
Air conditioning	5	15	6	76
Central copy facilities (9 respondents have own copier)	4	3	2	31
Auxiliary meeting room	3	1	2	20
Janitorial service	0	5	12	27
Lounge facilities for employees	1	0	0	5
Storage rooms	0	2	4	10
Elevator	1	0	0	5
Main reception area	1	7	3	29
Security system	3	3	3	27
Parking	26	7	7	158

15. What do you like most about the space you are now renting?

16. What do you like least about your space?

Number of Respondents	Present Location	Like Most		Like Least	
3	Central Madison	Location	= 3	Too small	= 2
		Clean & New	= 1	Poor HVAC	= 1
		Windows	= 2	Lack of parking	= 1
18	Near east side	Location	= 10	Lack of windows	= 1
		Ample space/ unique layout	= 2	Poor HVAC	= 3
				Poor maintenance	= 1
		Reasonable rent and/or free parking	= 2	Too small	= 1
				Poor landlord	= 2
		Good mgmt.	= 1	No windows/unattractive bldg.	= 2
				Inadequate parking	= 1
				No 24 hr. access	= 1
2	Far east side	Location	= 2	Broken elevator	= 1
		Office size	= 1	Not enough space	= 1
		Reasonable rent	= 2		
		Ample parking	= 1		
2	Near west side	Location	= 2	Unusable space	= 1
		Ample parking	= 1		
20	Far west side	Location	= 14	Layout poor/ small	= 3
		Ample, cheerful space	= 4	High costs	= 2
		Reasonable rent	= 2	Lack of storage	= 1
				Poor decor	= 2
				No sink	= 1
				Lack of parking stalls	= 3

November 30, 1981

Carol Nielson, DPD

Kitty Rankin, Preservation Planner

The 800 and 900 blocks of Williamson Street north side

Below please find a listing of those sites in Blocks 147 and 155 that I have researched as having some potential to be historically or architecturally significant. It appears from my research that none of the sites listed is of sufficient historical significance to be eligible to be nominated as a Madison landmark or listed on the National Register of Historic Places.

However, the grouping of historic buildings taken as a whole does contribute to the historic character of the Third Lake Ridge Historic District. The loss of a number of these older buildings would detract from the historic character of the neighborhood and from the historically important buildings across the street and on near-by Jenifer and Spaight Streets. Therefore, I would recommend that the first priority be to retain as many of the older buildings listed below as possible with new construction as in-fill between them, in a similar scale, materials, etc., as per the Third Lake Ridge guidelines for new construction. However, if some of the buildings are in such disrepair as to make rehabilitation or continued use unfeasible, their preservation would not be of utmost importance in my opinion.

I have divided the list of structures into two parts: buildings with some historical significance due to age or retention of architectural character and other old buildings which appear to have very little historic or architectural significance.

Buildings with some historical significance:

844 Williamson Street - Built as a dwelling in 1890 by Andrew Schubert, a driver for Breckheimer's Brewery on King St. Some of its other early occupants include a railroad man, a carpenter and a baker. This house retains more of its historic Queen Anne Appearance than most houses of its age in Madison.

852 Williamson Street - Built in 1867 as a two-story gable-roofed building to house J. C. Wicker's coal and stove establishment. Wicker's concern lasted only a few years. In the late 19th century it became a large rooming house, operated for some time by Christian Horstmeyer. The mansard roof was added between 1892 and 1899. The building is probably one of the oldest buildings in the neighborhood, but it has been adversely altered several times. If it is feasible, it would be a nice project to tear off the later additions in the front and reside it.

912 Williamson Street - Built for Henry Wesell's grocery store and residence above in 1887. It has been little altered on the exterior, making it unusual among older commercial buildings.

Buildings with little historical interest:

802 Williamson Street - Built by the Schlitz Brewing Co. for their Madison agency in 1904, this two-story brick commercial building also housed Charles Niebuhr's saloon. It is probably of little historical importance because other buildings remaining in Madison that were built by brewing companies and/or housed saloons that are better examples of their type.

848 Williamson Street - This much altered two-story frame commercial building was constructed in 1898 onto the front of a very old house built before 1855 by an early pioneer, James Donnellon. The structure has been altered too much to warrant special efforts to preserve it.

854 Williamson Street - This tiny one-story frame store was built ca. 1895-1896. It served from its date of construction until the 1970s as a barber shop.

301-303 S. Paterson Street - This building was constructed as a tobacco warehouse ca. 1900 for Frank S. Baines, who lived in Janesville. About the same time, the two brick warehouses for tobacco were built at the west end of Doty Street. By 1914 the Baines warehouse was no longer being used for tobacco. Nabisco and a cheese wholesaler were using the space. Later it became a fuel company. Because of the existence of the two large brick warehouses in the west railroad corridor, I do not believe it would be necessary to save the Baines warehouse.

308 S. Paterson Street - This 1-1/2 story frame house was built ca. 1894. One of its first occupants was Duncan McDonald, a carpenter. It does not appear to have any historic or architectural significance.

906 Williamson Street - Built sometime between 1902 and 1908, this simple frame house was the home for many years of Julia Carey, a widow, and her sister Margaret, a dressmaker. The house remained in the family until the mid-1970s. The building appears to have no historic importance.

936 Williamson Street - This two-story frame house with a Queen Anne porch was either built or substantially remodelled in 1884 by William Theis, a cabinetmaker, and his family, who lived on this site for many years. It does not appear to be of any historical significance.

Kitty Rankin
Preservation Planner

KR:mef

DETAILS ON RENT AND FINANCING
OF FOUR ALTERNATIVE FINANCING PACKAGES
FOR 66 PASSIVE SOLAR UNITS
ON BLOCK 800 OF WILLIAMSON STREET
(SUPPORTS EXHIBIT II-42)

LOFT TYPE UNITS

Loan to Cost Ratio Approach

Mortgage Loan:		
Loan to Cost Ratio	85%	
Interest Rate	14%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	2.5%	of total capital budget
Cash Replacements	6300	at $100/unit/year
Vacancy Loss	5%	of gross potential rent
Number of Units	63	loft type units
Construction Budget	1575000	63 at $25,000/unit per Wick estimate
Indirect Costs	311250	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet
Site Cost/Square Foot	6.51	
Site Acquisition Cost	1031040	
Land Write-Down	0	
Net Site Acquisition Cost	1031040	Site acquisition cost:

12.5% of assessed value of land & imp. for front half	723,000
plus relocation cost = 50% of the improvements	195,000
plus railroad land = 60% of land assessment for front	113,040
	1,031,040

TIF Data:		
Original Assessed Value	653900	
Total Assessed Value	2917290	= Total Capital Budget
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

LOFT TYPE UNITS

Loan to Cost Ratio Approach

	SITE ACQUISITION COST	1031040	Per Unit: 16366
	-		
	LAND WRITE-DOWN	0	0
	+		
	CONSTRUCTION BUDGET	1575000	25000
	+		
	INDIRECT COST AND DEVELOPMENT FEES	311250	4940
	=		
	TOTAL CAPITAL BUDGET	2917290	46306
<---			--->
X			X
1 - LOAN TO COST RATIO	.15		LOAN TO COST RATIO .85
=			=
CASH EQUITY REQUIRED	437594		MORTGAGE LOAN 2479697
X			X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08		DEBT SERVICE CONSTANT .142185
=			=
CASH THROW-OFF REQUIRED FOR EQUITY	35007	---> + <---	CASH REQUIRED FOR MORTGAGE LENDER 352575
	=		
	NET OPERATING INCOME	387582	
	+		
	OPERATING EXPENSES	124484	
	+		
	REAL ESTATE TAXES	72932	
	+		
	CASH REPLACEMENTS	6300	
	=		
	EFFECTIVE GROSS RENT REQUIRED	591298	
	+		
	VACANCY LOSS	31121	
	=		
	GROSS POTENTIAL RENT	622419	
	/		
	NET LEASEABLE UNITS	63	
	=		
	RENT REQUIRED PER UNIT	9880	
	RENT REQUIRED PER UNIT PER MONTH	823	
	DEFAULT RATIO =	.893756	
	DEBT COVER RATIO =	1.09929	

TOTAL ASSESSED VALUE	2917290
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	2263390
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	50346
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	459587

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

ONE BEDROOM PLUS LOFT TYPE UNITS

Conventional
Loan to Cost Ratio Approach

Mortgage Loan:		
Loan to Cost Ratio	85%	
Interest Rate	14%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	2.5%	of total capital budget
Cash Replacements	6300	at $100/unit/year
Vacancy Loss	5%	of gross potential rent
Number of Units	63	one bedroom plus loft type units
Construction Budget	1801800	63 at $28,600/unit ($25,000 base plus 240 square feet at $15/square foot)
Indirect Costs	345270	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet
Site Cost/Square Foot	6.51	
Site Acquisition Cost	1031040	
Land Write-Down	0	
Net Site Acquisition Cost	1031040	Site acquisition cost:

12.5% of assessed value of land & imp. for front half	723,000
plus relocation cost = 50% of the improvements	195,000
plus railroad land = 60% of land assessment for front	113,040
	1,031,040

TIF Data:		
Original Assessed Value	653900	
Total Assessed Value	3178110	= Total Capital Budget
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

ONE BEDROOM PLUS LOFT TYPE UNITS

Conventional
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit:	16366
		-			
		LAND WRITE-DOWN	0		0
		+			
		CONSTRUCTION BUDGET	1801800		28600
		+			
		INDIRECT COST AND DEVELOPMENT FEES	345270		5480
		=			
		TOTAL CAPITAL BUDGET	3178110		50446
	<---			--->	
	X				X
1 - LOAN TO COST RATIO	.15				LOAN TO COST RATIO .85
	=				=
CASH EQUITY REQUIRED	476717				MORTGAGE LOAN 2701394
	X				X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08				DEBT SERVICE CONSTANT .142185
	=				=
CASH THROW-OFF REQUIRED FOR EQUITY	38137	--->	+	<---	CASH REQUIRED FOR MORTGAGE LENDER 384097
			=		
		NET OPERATING INCOME	422234		
		+			
		OPERATING EXPENSES	135463		
		+			
		REAL ESTATE TAXES	79453		
		+			
		CASH REPLACEMENTS	6300		
		=			
		EFFECTIVE GROSS RENT REQUIRED	643450		
		+			
		VACANCY LOSS	33866		
		=			
		GROSS POTENTIAL RENT	677316		
		/			
		NET LEASEABLE UNITS	63		
		=			
		RENT REQUIRED PER UNIT	10751		
		RENT REQUIRED PER UNIT PER MONTH	896		
		DEFAULT RATIO =	.893693		
		DEBT COVER RATIO =	1.09929		

TOTAL ASSESSED VALUE	3178110
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	2524210
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	56148
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	512547

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

TWO BEDROOM PLUS LOFT TYPE UNITS

Conventional
Loan to Cost Ratio Approach

Mortgage Loan:			
Loan to Cost Ratio	85%		
Interest Rate	14%		
Term in Years	30		
Payments per Period	12		
Pre-Tax Cash Equity Rate	8%		
Operations:			
Operating Expenses	20%	of gross potential rent	
Real Estate Taxes	2.5%	of total capital budget	
Cash Replacements	6300	at $100/unit/year	
Vacancy Loss	5%	of gross potential rent	
Number of Units	63	two bedroom plus loft type units	
Construction Budget	1940400	63 at $30,800/unit ($25,000 base plus 240 square feet at $15/square foot plus $2,200/unit for second bath)	
Indirect Costs	366060	$75,000 plus 15% of construction costs	
Site Size in Square Feet	158400	264 feet by 600 feet	
Site Cost/Square Foot	6.51		
Site Acquisition Cost	1031040		
Land Write-Down	0		
Net Site Acquisition Cost	1031040	Site acquisition cost:	
		12.5% of assessed value of land & imp. for front half	723,000
		plus relocation cost = 50% of the improvements	195,000
		plus railroad land = 60% of land assessment for front	113,040
			1,031,040
TIF Data:			
Original Assessed Value	653900		
Total Assessed Value	3337500	= Total Capital Budget	
Mill Rate	22.2436		
Tax Increment Bond Constant	.109546	9 percent, 20 years	

TWO BEDROOM PLUS LOFT TYPE UNITS

Conventional
Loan to Cost Ratio Approach

			SITE ACQUISITION COST	1031040	Per Unit: 16366
			-		
			LAND WRITE-DOWN	0	0
			+		
			CONSTRUCTION BUDGET	1940400	30800
			+		
			INDIRECT COST AND DEVELOPMENT FEES	366060	5810
			=		
			TOTAL CAPITAL BUDGET	3337500	52976
	<---				--->
	X				X
1 - LOAN TO COST RATIO	.15				LOAN TO COST RATIO .85
=					=
CASH EQUITY REQUIRED	500625				MORTGAGE LOAN 2836875
X					X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08				DEBT SERVICE CONSTANT .142185
=					=
CASH THROW-OFF REQUIRED FOR EQUITY	40050	--->	+	<---	CASH REQUIRED FOR MORTGAGE LENDER 403360
			=		
			NET OPERATING INCOME	443410	
			+		
			OPERATING EXPENSES	142173	
			+		
			REAL ESTATE TAXES	83438	
			+		
			CASH REPLACEMENTS	6300	
			=		
			EFFECTIVE GROSS RENT REQUIRED	675320	
			+		
			VACANCY LOSS	35543	
			=		
			GROSS POTENTIAL RENT	710863	
			/		
			NET LEASEABLE UNITS	63	
			=		
			RENT REQUIRED PER UNIT	11284	
			RENT REQUIRED PER UNIT PER MONTH	940	
			DEFAULT RATIO =	.893660	
			DEBT COVER RATIO =	1.09929	

TOTAL ASSESSED VALUE	3337500
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	2683600
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	59693
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	544912

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

LOFT TYPE UNITS

Loan to Cost Ratio Approach

Mortgage Loan:		
Loan to Cost Ratio	85%	
Interest Rate	14%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	2.5%	of total capital budget
Cash Replacements	6300	at $100/unit/year
Vacancy Loss	5%	of gross potential rent
Number of Units	63	loft type units
Construction Budget	1575000	63 at $25,000/unit per Wick estimate
Indirect Costs	311250	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet
Site Cost/Square Foot	6.51	
Site Acquisition Cost	1031040	
Land Write-Down	905040	
Net Site Acquisition Cost	126000	Site acquisition cost:

12.5% of assessed value of land & imp. for front half	723,000
plus relocation cost = 50% of the improvements	195,000
plus railroad land = 60% of land assessment for front	113,040
	1,031,040

TIF Data:		
Original Assessed Value	653900	
Total Assessed Value	2012250	= Total Capital Budget
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

LOFT TYPE UNITS

Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit:	16366
		-			
		LAND WRITE-DOWN	905040		14365.7
		+			
		CONSTRUCTION BUDGET	1575000		25000
		+			
		INDIRECT COST AND DEVELOPMENT FEES	311250		4940
		=			
		TOTAL CAPITAL BUDGET	2012250		31940
<---				--->	
X				X	
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO	.85
=				=	
CASH EQUITY REQUIRED	301838			MORTGAGE LOAN	1710413
X				X	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT	.142185
=				=	
CASH THROW-OFF REQUIRED FOR EQUITY	24147	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER	243194
		=			
		NET OPERATING INCOME	267341		
		+			
		OPERATING EXPENSES	86386		
		+			
		REAL ESTATE TAXES	50306		
		+			
		CASH REPLACEMENTS	6300		
		=			
		EFFECTIVE GROSS RENT REQUIRED	410334		
		+			
		VACANCY LOSS	21597		
		=			
		GROSS POTENTIAL RENT	431930		
		/			
		NET LEASEABLE UNITS	63		
		=			
		RENT REQUIRED PER UNIT	6856		
		RENT REQUIRED PER UNIT PER MONTH	571		
		DEFAULT RATIO =	.894095		
		DEBT COVER RATIO =	1.09929		

TOTAL ASSESSED VALUE	2012250
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1358350
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	30215
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	275816

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

ONE BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:			
Loan to Cost Ratio	85%		
Interest Rate	14%		
Term in Years	30		
Payments per Period	12		
Pre-Tax Cash Equity Rate	8%		
Operations:			
Operating Expenses	20%	of gross potential rent	
Real Estate Taxes	2.5%	of total capital budget	
Cash Replacements	6300	at $100/unit/year	
Vacancy Loss	5%	of gross potential rent	
Number of Units	63	one bedroom plus loft type units	
Construction Budget	1801800	63 at $28,600/unit ($25,000 base plus 240 square feet at $15/square foot)	
Indirect Costs	345270	$75,000 plus 15% of construction costs	
Site Size in Square Feet	158400	264 feet by 600 feet	
Site Cost/Square Foot	6.51		
Site Acquisition Cost	1031040		
Land Write-Down	905040		
Net Site Acquisition Cost	126000	Site acquisition cost:	
		12.5% of assessed value of land & imp. for front half	723,000
		plus relocation cost = 50% of the improvements	195,000
		plus railroad land = 60% of land assessment for front	113,040
			1,031,040
TIF Data:			
Original Assessed Value	653900		
Total Assessed Value	2273070	= Total Capital Budget	
Mill Rate	22.2436		
Tax Increment Bond Constant	.109546	9 percent, 20 years	

ONE BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit:	16366
		-			
		LAND WRITE-DOWN	905040		14365.7
		+			
		CONSTRUCTION BUDGET	1801800		28600
		+			
		INDIRECT COST AND DEVELOPMENT FEES	345270		5480
		=			
		TOTAL CAPITAL BUDGET	2273070		36080
	<---			--->	
	X				X
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO	.85
	=				=
CASH EQUITY REQUIRED	340961			MORTGAGE LOAN	1932110
	X				X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT	.142185
	=				=
CASH THROW-OFF REQUIRED FOR EQUITY	27277	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER	274716
		=			
		NET OPERATING INCOME	301993		
		+			
		OPERATING EXPENSES	97365		
		+			
		REAL ESTATE TAXES	56827		
		+			
		CASH REPLACEMENTS	6300		
		=			
		EFFECTIVE GROSS RENT REQUIRED	462485		
		+			
		VACANCY LOSS	24341		
		=			
		GROSS POTENTIAL RENT	486826		
		/			
		NET LEASEABLE UNITS	63		
		=			
		RENT REQUIRED PER UNIT	7727		
		RENT REQUIRED PER UNIT PER MONTH	644		
		DEFAULT RATIO =	.893970		
		DEBT COVER RATIO =	1.09929		

TOTAL ASSESSED VALUE	2273070
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1619170
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	36016
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	328777

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

TWO BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:			
Loan to Cost Ratio	85%		
Interest Rate	14%		
Term in Years	30		
Payments per Period	12		
Pre-Tax Cash Equity Rate	8%		
Operations:			
Operating Expenses	20%	of gross potential rent	
Real Estate Taxes	2.5%	of total capital budget	
Cash Replacements	6300	at $100/unit/year	
Vacancy Loss	5%	of gross potential rent	
Number of Units	63	two bedroom plus loft type units	
Construction Budget	1940400	63 at $30,800/unit ($25,000 base plus 240 square feet at $15/square foot plus $2,200/unit for second bath)	
Indirect Costs	366060	$75,000 plus 15% of construction costs	
Site Size in Square Feet	158400	264 feet by 600 feet	
Site Cost/Square Foot	6.51		
Site Acquisition Cost	1031040		
Land Write-Down	905040		
Net Site Acquisition Cost	126000	Site acquisition cost:	
		12.5% of assessed value of land & imp. for front half	723,000
		plus relocation cost = 50% of the improvements	195,000
		plus railroad land = 60% of land assessment for front	113,040
			1,031,040
TIF Data:			
Original Assessed Value	653900		
Total Assessed Value	2432460	= Total Capital Budget	
Mill Rate	22.2436		
Tax Increment Bond Constant	.109546	9 percent, 20 years	

TWO BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit:	16366
		-			
		LAND WRITE-DOWN	905040		14365.7
		+			
		CONSTRUCTION BUDGET	1940400		30800
		+			
		INDIRECT COST AND DEVELOPMENT FEES	366060		5810
		=			
		TOTAL CAPITAL BUDGET	2432460		38610
<---				--->	
X				X	
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO	.85
=				=	
CASH EQUITY REQUIRED	364869			MORTGAGE LOAN	2067591
X				X	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT	.142185
=				=	
CASH THROW-OFF REQUIRED FOR EQUITY	29190	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER	293980
		=			
		NET OPERATING INCOME	323169		
		+			
		OPERATING EXPENSES	104075		
		+			
		REAL ESTATE TAXES	60812		
		+			
		CASH REPLACEMENTS	6300		
		=			
		EFFECTIVE GROSS RENT REQUIRED	494355		
		+			
		VACANCY LOSS	26019		
		=			
		GROSS POTENTIAL RENT	520374		
		/			
		NET LEASEABLE UNITS	63		
		=			
		RENT REQUIRED PER UNIT	8260		
		RENT REQUIRED PER UNIT PER MONTH	688		
		DEFAULT RATIO =	.893907		
		DEBT COVER RATIO =	1.09929		

TOTAL ASSESSED VALUE	2432460
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1778560
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	39562
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	361141

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:		
Loan to Cost Ratio	85%	
Interest Rate	11.5%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	2.5%	of total capital budget
Cash Replacements	6300	at $100/unit/year
Vacancy Loss	5%	of gross potential rent
Number of Units	63	loft type units
Construction Budget	1575000	63 at $25,000/unit
Indirect Costs	311250	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet
Site Cost/Square Foot	6.51	
Site Acquisition Cost	1031040	
Land Write-Down	905040	Write-Down to $2,000/unit
Net Site Acquisition Cost	126000	Site acquisition cost:

12.5% of assessed value of land & imp. for front half	723,000
plus relocation cost = 50% of the improvements	195,000
plus railroad land = 60% of land assessment for front	113,040
	1,031,040

TIF Data:		
Original Assessed Value	653900	
Total Assessed Value	2012250	= Total Capital Budget
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

SITE ACQUISITION COST	1031040	Per Unit:	16366
-			
LAND WRITE-DOWN	905040		14366
+			
CONSTRUCTION BUDGET	1575000		25000
+			
INDIRECT COST AND DEVELOPMENT FEES	311250		4940
=			
TOTAL CAPITAL BUDGET	2012250		31940
<---		--->	
X		X	
1 - LOAN TO COST RATIO	.15	LOAN TO COST RATIO	.85
=		=	
CASH EQUITY REQUIRED	301838	MORTGAGE LOAN	1710413
X		X	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08	DEBT SERVICE CONSTANT	.118835
=		=	
CASH THROW-OFF REQUIRED FOR EQUITY	24147	CASH REQUIRED FOR MORTGAGE LENDER	203257
---> + <---			
=			
NET OPERATING INCOME	227404		
+			
OPERATING EXPENSES	75736		
+			
REAL ESTATE TAXES	50306		
+			
CASH REPLACEMENTS	6300		
=			
EFFECTIVE GROSS RENT REQUIRED	359746		
+			
VACANCY LOSS	18934		
=			
GROSS POTENTIAL RENT	378680		
/			
NET LEASEABLE UNITS	63		
=			
RENT REQUIRED PER UNIT	6011		
RENT REQUIRED PER UNIT PER MONTH	501		
DEFAULT RATIO =	.886234		
DEBT COVER RATIO =	1.11880		

TOTAL ASSESSED VALUE	2012250
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1358350
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	30215
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	275816

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

ONE BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:			
Loan to Cost Ratio	85%		
Interest Rate	11.5%		
Term in Years	30		
Payments per Period	12		
Pre-Tax Cash Equity Rate	8%		
Operations:			
Operating Expenses	20%	of gross potential rent	
Real Estate Taxes	2.5%	of total capital budget	
Cash Replacements	6300	at $100/unit/year	
Vacancy Loss	5%	of gross potential rent	
Number of Units	63	one bedroom plus loft type units	
Construction Budget	1801800	63 at $28,600/unit ($25,000 base plus 240 square feet at $15/square foot)	
Indirect Costs	345270	$75,000 plus 15% of construction costs	
Site Size in Square Feet	158400	264 feet by 600 feet	
Site Cost/Square Foot	6.51		
Site Acquisition Cost	1031040		
Land Write-Down	905040	Write-Down to $2,000/unit	
Net Site Acquisition Cost	126000	Site acquisition cost:	
		12.5% of assessed value of land & imp. for front half	723,000
		plus relocation cost = 50% of the improvements	195,000
		plus railroad land = 60% of land assessment for front	113,040
			1,031,040
TIF Data:			
Original Assessed Value	653900		
Total Assessed Value	2273070	= Total Capital Budget	
Mill Rate	22.2436		
Tax Increment Bond Constant	.109546	9 percent, 20 years	

ONE BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit:	16366
		-			
		LAND WRITE-DOWN	905040		14365.7
		+			
		CONSTRUCTION BUDGET	1801800		28600
		+			
		INDIRECT COST AND DEVELOPMENT FEES	345270		5480
		=			
		TOTAL CAPITAL BUDGET	2273070		36080
	<---			--->	
	X			X	
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO	.85
	=			=	
CASH EQUITY REQUIRED	340961			MORTGAGE LOAN	1932110
	X			X	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT	.118835
	=			=	
CASH THROW-OFF REQUIRED FOR EQUITY	27277	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER	229602
		=			
		NET OPERATING INCOME	256879		
		+			
		OPERATING EXPENSES	85335		
		+			
		REAL ESTATE TAXES	56827		
		+			
		CASH REPLACEMENTS	6300		
		=			
		EFFECTIVE GROSS RENT REQUIRED	405341		
		+			
		VACANCY LOSS	21334		
		=			
		GROSS POTENTIAL RENT	426674		
		/			
		NET LEASEABLE UNITS	63		
		=			
		RENT REQUIRED PER UNIT	6773		
		RENT REQUIRED PER UNIT PER MONTH	564		
		DEFAULT RATIO =	.986071		
		DEBT COVER RATIO =	1.11880		

TOTAL ASSESSED VALUE	2273070
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1619170
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	36016
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	328777

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

TWO BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:			
Loan to Cost Ratio	85%		
Interest Rate	11.5%		
Term in Years	30		
Payments per Period	12		
Pre-Tax Cash Equity Rate	8%		
Operations:			
Operating Expenses	20%	of gross potential rent	
Real Estate Taxes	2.5%	of total capital budget	
Cash Replacements	6300	at $100/unit/year	
Vacancy Loss	5%	of gross potential rent	
Number of Units	63	two bedroom plus loft type units	
Construction Budget	1940400	63 at $30,800/unit ($25,000 base plus 240 square feet at $15/square foot plus $2,200/unit for second bath)	
Indirect Costs	366060	$75,000 plus 15% of construction costs	
Site Size in Square Feet	158400	264 feet by 600 feet	
Site Cost/Square Foot	6.51		
Site Acquisition Cost	1031040		
Land Write-Down	905040	Write-Down to $2,000/unit	
Net Site Acquisition Cost	126000	Site acquisition cost:	
		12.5% of assessed value of land & imp. for front half	723,000
		plus relocation cost = 50% of the improvements	195,000
		plus railroad land = 60% of land assessment for front	113,040
			1,031,040
TIF Data:			
Original Assessed Value	653900		
Total Assessed Value	2432460	= Total Capital Budget	
Mill Rate	22.2436		
Tax Increment Bond Constant	.109546	9 percent, 20 years	

TWO BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit: 16366
		-		
		LAND WRITE-DOWN	905040	14363.7
		+		
		CONSTRUCTION BUDGET	1940400	30800
		+		
		INDIRECT COST AND DEVELOPMENT FEES	366060	5810
		=		
		TOTAL CAPITAL BUDGET	2432460	38610
	<---			--->
	X			X
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO .85
	=			=
CASH EQUITY REQUIRED	364869			MORTGAGE LOAN 2067591
	X			X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT .118835
	=			=
CASH THROW-OFF REQUIRED FOR EQUITY	29190	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER 245702
		=		
		NET OPERATING INCOME	274892	
		+		
		OPERATING EXPENSES	91201	
		+		
		REAL ESTATE TAXES	60812	
		+		
		CASH REPLACEMENTS	6300	
		=		
		EFFECTIVE GROSS RENT REQUIRED	433204	
		+		
		VACANCY LOSS	22800	
		=		
		GROSS POTENTIAL RENT	456004	
		/		
		NET LEASEABLE UNITS	63	
		=		
		RENT REQUIRED PER UNIT	7238	
		RENT REQUIRED PER UNIT PER MONTH	603	
		DEFAULT RATIO =	.885988	
		DEBT COVER RATIO =	1.11880	

TOTAL ASSESSED VALUE	2432460
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1778560
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	39562
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	361141

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:		
Loan to Cost Ratio	85%	
Interest Rate	7.5%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	2.5%	of total capital budget
Cash Replacements	6300	at $100/unit/year
Vacancy Loss	5%	of gross potential rent
Number of Units	63	loft type units
Construction Budget	1575000	63 at $25,000/unit
Indirect Costs	311250	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet
Site Cost/Square Foot	6.51	
Site Acquisition Cost	1031040	
Land Write-Down	905040	Write-Down to $2,000/unit
Net Site Acquisition Cost	126000	Site acquisition cost:

12.5% of assessed value of land & imp. for front half	723,000
plus relocation cost = 50% of the improvements	195,000
plus railroad land = 60% of land assessment for front	113,040
	1,031,040

TIF Data:		
Original Assessed Value	653900	
Total Assessed Value	2012250	= Total Capital Budget
Mill Rate	22.2436	
Tax Increment Bond Constant	.109546	9 percent, 20 years

LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit: 16366
		-		
		LAND WRITE-DOWN	905040	14366
		+		
		CONSTRUCTION BUDGET	1575000	25000
		+		
		INDIRECT COST AND DEVELOPMENT FEES	311250	4940
		=		
		TOTAL CAPITAL BUDGET	2012250	31940
	<---			--->
	X			X
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO .85
=				=
CASH EQUITY REQUIRED	301838			MORTGAGE LOAN 1710413
X				X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT .083906
=				=
CASH THROW-OFF REQUIRED FOR EQUITY	24147	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER 143513
		=		
		NET OPERATING INCOME	167660	
		+		
		OPERATING EXPENSES	59804	
		+		
		REAL ESTATE TAXES	50306	
		+		
		CASH REPLACEMENTS	6300	
		=		
		EFFECTIVE GROSS RENT REQUIRED	284071	
		+		
		VACANCY LOSS	14951	
		=		
		GROSS POTENTIAL RENT	299022	
		/		
		NET LEASEABLE UNITS	63	
		=		
		RENT REQUIRED PER UNIT	4746	
		RENT REQUIRED PER UNIT PER MONTH	396	
		DEFAULT RATIO =	.869247	
		DEBT COVER RATIO =	1.16826	

TOTAL ASSESSED VALUE	2012250
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1358350
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	30215
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	275816

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

ONE BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:			
Loan to Cost Ratio	85%		
Interest Rate	7.5%		
Term in Years	30		
Payments per Period	12		
Pre-Tax Cash Equity Rate	8%		
Operations:			
Operating Expenses	20%	of gross potential rent	
Real Estate Taxes	2.5%	of total capital budget	
Cash Replacements	6300	at $100/unit/year	
Vacancy Loss	5%	of gross potential rent	
Number of Units	63	one bedroom plus loft type units	
Construction Budget	1801800	63 at $28,600/unit	
		($25,000 base plus 240 square feet at $15/square foot)	
Indirect Costs	345270	$75,000 plus 15% of construction costs	
Site Size in Square Feet	158400	264 feet by 600 feet	
Site Cost/Square Foot	6.51		
Site Acquisition Cost	1031040		
Land Write-Down	905040	Write-Down to $2,000/unit	
Net Site Acquisition Cost	126000	Site acquisition cost:	
		12.5% of assessed value of land & imp. for front half	723,000
		plus relocation cost = 50% of the improvements	195,000
		plus railroad land = 60% of land assessment for front	113,040
			1,031,040
TIF Data:			
Original Assessed Value	653900		
Total Assessed Value	2273070	= Total Capital Budget	
Mill Rate	22.2436		
Tax Increment Bond Constant	.109546	9 percent, 20 years	

ONE BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit:	16366
		-			
		LAND WRITE-DOWN	905040		14365.7
		+			
		CONSTRUCTION BUDGET	1801800		28600
		+			
		INDIRECT COST AND DEVELOPMENT FEES	345270		5480
		=			
		TOTAL CAPITAL BUDGET	2273070		36080
	<---			--->	
				X	
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO	.85
				=	
CASH EQUITY REQUIRED	340961			MORTGAGE LOAN	1932110
X				X	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT	.083906
=				=	
CASH THROW-OFF REQUIRED FOR EQUITY	27277	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER	162115
		=			
		NET OPERATING INCOME	189392		
		+			
		OPERATING EXPENSES	67338		
		+			
		REAL ESTATE TAXES	56827		
		+			
		CASH REPLACEMENTS	6300		
		=			
		EFFECTIVE GROSS RENT REQUIRED	319857		
		+			
		VACANCY LOSS	16835		
		=			
		GROSS POTENTIAL RENT	336692		
		/			
		NET LEASEABLE UNITS	63		
		=			
		RENT REQUIRED PER UNIT	5344		
		RENT REQUIRED PER UNIT PER MONTH	445		
		DEFAULT RATIO =	.868986		
		DEBT COVER RATIO =	1.16826		

TOTAL ASSESSED VALUE	2273070
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1619170
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	36016
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	328777

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

TWO BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

Mortgage Loan:			
Loan to Cost Ratio	85%		
Interest Rate	7.5%		
Term in Years	30		
Payments per Period	12		
Pre-Tax Cash Equity Rate	8%		
Operations:			
Operating Expenses	20%	of gross potential rent	
Real Estate Taxes	2.5%	of total capital budget	
Cash Replacements	6300	at $100/unit/year	
Vacancy Loss	5%	of gross potential rent	
Number of Units	63	two bedroom plus loft type units	
Construction Budget	1940400	63 at $30,800/unit ($25,000 base plus 240 square feet at $15/square foot plus $2,200/unit for second bath)	
Indirect Costs	366060	$75,000 plus 15% of construction costs	
Site Size in Square Feet	158400	264 feet by 600 feet	
Site Cost/Square Foot	6.51		
Site Acquisition Cost	1031040		
Land Write-Down	905040	Write-Down to $2,000/unit	
Net Site Acquisition Cost	126000	Site acquisition cost:	
		12.5% of assessed value of land & imp. for front half	723,000
		plus relocation cost = 50% of the improvements	195,000
		plus railroad land = 60% of land assessment for front	113,040
			1,031,040
TIF Data:			
Original Assessed Value	653900		
Total Assessed Value	2432460	= Total Capital Budget	
Mill Rate	22.2436		
Tax Increment Bond Constant	.109546	9 percent, 20 years	

TWO BEDROOM PLUS LOFT TYPE UNITS

Land Write-Down Model
Loan to Cost Ratio Approach

		SITE ACQUISITION COST	1031040	Per Unit: 16366
		-		
		LAND WRITE-DOWN	905040	14365.7
		+		
		CONSTRUCTION BUDGET	1940400	30800
		+		
		INDIRECT COST AND DEVELOPMENT FEES	366060	5810
		=		
		TOTAL CAPITAL BUDGET	2432460	38610
	<---			--->
	X			X
1 - LOAN TO COST RATIO	.15			LOAN TO COST RATIO .85
	=			=
CASH EQUITY REQUIRED	364869			MORTGAGE LOAN 2067591
	X			X
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT .083906
	=			=
CASH THROW-OFF REQUIRED FOR EQUITY	29190	---> + <---		CASH REQUIRED FOR MORTGAGE LENDER 173483
		=		
		NET OPERATING INCOME	202672	
		+		
		OPERATING EXPENSES	71942	
		+		
		REAL ESTATE TAXES	60812	
		+		
		CASH REPLACEMENTS	6300	
		=		
		EFFECTIVE GROSS RENT REQUIRED	341726	
		+		
		VACANCY LOSS	17986	
		=		
		GROSS POTENTIAL RENT	359712	
		/		
		NET LEASEABLE UNITS	63	
		=		
		RENT REQUIRED PER UNIT	5710	
		RENT REQUIRED PER UNIT PER MONTH	476	
		DEFAULT RATIO =	.868853	
		DEBT COVER RATIO =	1.16826	

TOTAL ASSESSED VALUE	2432460
-	
ORIGINAL ASSESSED VALUE	653900
=	
NET VALUE INCREMENT	1778560
X	
MILL RATE	.022244
=	
DOLLARS OF TAX INCREMENT	39562
/	
TAX INCREMENT BOND CONSTANT	.109546
=	
MAXIMUM TIF SUBSIDY	361141

(Does not take into account effect of losses in shared revenue resulting from higher assessment)

LOFT TYPE UNITS

Conventional Financing
Debt Cover Ratio Approach

Mortgage Loan:		
Debt Cover Ratio	1.1	
Interest Rate	14%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	21.4%	of gross potential rent
Cash Replacements	6300	@ $100/unit/year
Vacancy Loss	5%	
Number of Units	63	loft type units
Projected Rent/Unit/Month	398.75	$0.55/square foot/month times 725 square feet
Gross Potential Rent	301455	
Construction Budget	1575000	63 at $25,000/unit per Wick estimate
Indirect Costs	311250	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet

LOFT TYPE UNITS

Conventional Financing
Debt Cover Ratio Approach

		GROSS POTENTIAL RENT	301455		
		-			
		VACANCY LOSS	15073		
		=			
		EFFECTIVE GROSS REVENUE	286382		
		-			
		OPERATING EXPENSES	60291		
		-			
		REAL ESTATE TAXES	64511		
		-			
		CASH REPLACEMENTS	6300		
		=			
		NET OPERATING INCOME AVAILABLE FOR DEBT PAYMENT, INCOME TAX, CASH DIVIDENDS	155280		
<---				--->	
-				/	
DEBT SERVICE CASH	141164			DEBT COVER RATIO REQUIRED BY LENDERS	1.1
=				=	
CASH AVAILABLE FOR INCOME TAX & INVESTORS	14116			CASH AVAILABLE FOR DEBT SERVICE	141164
/				/	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08			DEBT SERVICE CONSTANT	.142185
=				=	
JUSTIFIED CASH EQUITY INVESTMENT	176454	---> + <---		JUSTIFIED MORTGAGE LOAN	992819.
		=			
		TOTAL JUSTIFIED INVESTMENT	1169273	Per Unit:	18560
		-			
		EXISTING CLAIMS AND/OR PLANNED IMPROVEMENT BUDGET	1575000		25000
		-			
		INDIRECT COSTS AND DEVELOPMENT FEES	311250		4940
		=			
		PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS	-716977		-11381
				Per Square Foot:	-4.53

DEFAULT RATIO = .903173

ONE BEDROOM PLUS LOFT TYPE UNITS

Conventional Financing
Debt Cover Ratio Approach

Mortgage Loan:		
Debt Cover Ratio	1.1	
Interest Rate	14%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	19.8%	of gross potential rent
Cash Replacements	6300	@ $100/unit/year
Vacancy Loss	5%	
Number of Units	63	one bedroom plus loft type units
Projected Rent/Unit/Month	530.75	$0.55/square foot/month times 965 square feet
Gross Potential Rent	401247	
Construction Budget	1801800	63 at $28,600/unit per Wick estimate ($25,000 base plus 240 square feet at $15/square foot)
Indirect Costs	345270	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet

ONE BEDROOM PLUS LOFT TYPE UNITS

Conventional Financing
Debt Cover Ratio Approach

		GROSS POTENTIAL RENT	401247		
		-			
		VACANCY LOSS	20062		
		=			
		EFFECTIVE GROSS REVENUE	381185		
		-			
		OPERATING EXPENSES	80249		
		-			
		REAL ESTATE TAXES	79447		
		-			
		CASH REPLACEMENTS	6300		
		=			
		NET OPERATING INCOME AVAILABLE FOR DEBT PAYMENT, INCOME TAX, CASH DIVIDENDS	215188	--->	
<---					/
-					
DEBT SERVICE CASH	195626				DEBT COVER RATIO REQUIRED BY LENDERS 1.1
=					=
CASH AVAILABLE FOR INCOME TAX & INVESTORS	19563				CASH AVAILABLE FOR DEBT SERVICE 195626
/					/
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08				DEBT SERVICE CONSTANT .142185
=					=
JUSTIFIED CASH EQUITY INVESTMENT	244532	--->	+	<---	JUSTIFIED MORTGAGE LOAN 1375858
			=		
		TOTAL JUSTIFIED INVESTMENT	1620390		Per Unit: 25720
		-			
		EXISTING CLAIMS AND/OR PLANNED IMPROVEMENT BUDGET	1801800		28600
		-			
		INDIRECT COSTS AND DEVELOPMENT FEES	345270		5480
		=			
		PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS	-526680		-8360
					Per Square Foot: -3.33

DEFAULT RATIO = .901246

TWO BEDROOM PLUS LOFT TYPE UNITS

Conventional Financing
Debt Cover Ratio Approach

Mortgage Loan:		
Debt Cover Ratio	1.1	
Interest Rate	14%	
Term in Years	30	
Payments per Period	12	
Pre-Tax Cash Equity Rate	8%	
Operations:		
Operating Expenses	20%	of gross potential rent
Real Estate Taxes	16.9%	of gross potential rent
Cash Replacements	6300	@ $100/unit/year
Vacancy Loss	5%	
Number of Units	63	two bedroom plus loft type units
Projected Rent/Unit/Month	651.75	$0.55/square foot/month times 1185 square feet
Gross Potential Rent	492723	
Construction Budget	1940400	63 at $30,800/unit per Wick estimate ($25,000 base plus 240 square feet at $15/square foot plus $2,200/unit for second bath)
Indirect Costs	366060	$75,000 plus 15% of construction costs
Site Size in Square Feet	158400	264 feet by 600 feet

TWO BEDROOM PLUS LOFT TYPE UNITS

Conventional Financing
Debt Cover Ratio Approach

			GROSS POTENTIAL RENT	492723		
			-			
			VACANCY LOSS	24636		
			=			
			EFFECTIVE GROSS REVENUE	468087		
			-			
			OPERATING EXPENSES	98545		
			-			
			REAL ESTATE TAXES	83270		
			-			
			CASH REPLACEMENTS	6300		
			=			
			NET OPERATING INCOME AVAILABLE FOR DEBT PAYMENT, INCOME TAX, CASH DIVIDENDS	279972		
<---					--->	
-					/	
DEBT SERVICE CASH	254520				DEBT COVER RATIO REQUIRED BY LENDERS	1.1
=					=	
CASH AVAILABLE FOR INCOME TAX & INVESTORS	25452				CASH AVAILABLE FOR DEBT SERVICE	254520
/					/	
REQUIRED PRE-TAX CASH DISTRIBUTION RATE	.08				DEBT SERVICE CONSTANT	.142185
=					=	
JUSTIFIED CASH EQUITY INVESTMENT	318150	--->	+	<---	JUSTIFIED MORTGAGE LOAN	1790068
			=			
			TOTAL JUSTIFIED INVESTMENT	2108218	Per Unit:	33464
			-			
			EXISTING CLAIMS AND/OR PLANNED IMPROVEMENT BUDGET	1940400		30800
			-			
			INDIRECT COSTS AND DEVELOPMENT FEES	366060		5810
			=			
			PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS	-198242		-3147
					Per Square Foot:	-1.25

DEFAULT RATIO = .898344

SUMMARY OF RESULTS FROM CONSUMER PANEL REGARDING PROPOSED HOUSING DESIGN FOR 800 BLOCK OF WILLIAMSON STREET

On December 18, 1982 a consumer panel of Williamson Street area residents met with Landmark Research staff at Boehm's Restaurant to critique development plans and housing designs proposed for the 800 Block of Williamson Street. A copy of the consumer panel program and a cumulative summary of the questions and responses are included as Exhibit 1 and Exhibit 2.

EXHIBIT 1

EAST WILSON RAIL CORRIDOR STUDY
CONSUMER PANEL

Boehm's Restaurant
1146 Williamson Street

December 18, 1982

PROGRAM

11 am. A. Sign-in and Place Luncheon Order

B. Presentation of Proposed Scenarios for Blocks 600, 700, and 800 on Williamson/East Wilson

1. Picture of neighborhood taken from Lake Monona (Note shore in foreground)
2. Picture of model blocks as they are today
3. Long-shot view of rail corridor from Blair Street to Baldwin Street
4. Picture of model blocks with proposed new development
5. Picture of model blocks with proposed new development and one-way street pair on East Wilson and Williamson
6. Sketches of proposed new Blair/John Nolen intersection
7. Sketch of Brearly Street cut back with one-way pair (Note expanded park area)
8. Cross-sections and floor plans of model block 800 residential units
   a. Loft only
   b. One bedroom plus loft
   c. Two bedroom plus loft
9. Landscaped site plan with residential unit foot pads for each development phase (Note potential for carport or garage)

C. Presentation of Housing Models

D. Consumer Panelists Written Response to Questions

E. Discussion of Project and Product Design with Consumer Panelists

F. Collect Written Responses from Panelists

EAST WILSON RAIL CORRIDOR STUDY
CONSUMER PANEL

Boehm's Restaurant
1146 Williamson Street

December 18, 1982

Please fill in the following information:

Name:

Address:

Type of Living Unit: Older home converted to rental units ____

Apartment building ____

Single family home ____

Other ____

Number of bedrooms _____

Number of adults living in residental unit _____

Number of cars driven by adjults in residential unit _____

Number of children living in residential unit _____

Rent per month: $_____

Includes:	Yes	No
Heat:		
Electricity:		
Furniture:		

EXHIBIT 2

QUESTIONS FOR CONSUMER PANELISTS

1. Which is preferable--a patio with an open type fence so the common area is visible or with a closed type fence so the patio is private?

   Open fence = 9
   Closed type = 1

   Comments: Option for bushes for more screening if desired.

2. Would you prefer a grassy or paved patio area?

   Grassy = 10
   Paved = 0

3. Bicycles could be stored in the patio or at the rear door. Which would you prefer?

   Patio = 3
   Rear door = 5
   No response = 2

   Comments: Inside rear door would be more secure for safety reasons.

4. Would you pay a few more dollars of rent to have a privacy screen just inside the front door to block the view of the living room from the front entry? Please comment on its importance to you.

   Yes = 2
   No = 7
   No response = 1

   Comments: Could be good airlock.
   Option to have it movable.

5. What is your reaction to a high loft ceiling in the living room of your apartment?

   Yes = 10
   No = 0

   Comments: If ceiling fan is included.
   Nice but wastes heat.

6. Would it be acceptable to have the bathroom on the first floor and a loft as the sleeping area? Please comment.

   Acceptable = 8
   Not acceptable = 2

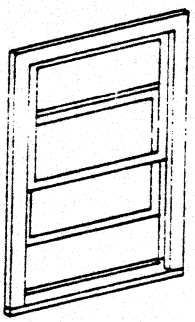
   Comments: Inconvenient.
   What about handicapped or elderly people.

7. Would you want louvered or sliding panels to create privacy above the loft railing?

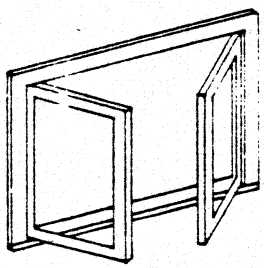
   Yes = 4
   No = 6

   Comments: Leave it up to the renter.

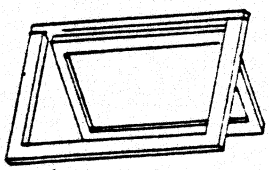
8. Which would you prefer--casement windows, double-hung windows, or hopper windows under fixed glass? Think about summer versus winter.



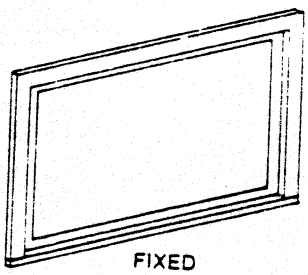
DOUBLE OR SINGLE-HUNG



CASEMENT



HOPPER



FIXED

   Double or single-hung = 3
   Casement = 3
   Hopper = 4
   Fixed = 2

   Comments: Look for greatest energy efficiency and insulation.
   Whatever window used should be able to open.
   Safety.

9. In the kitchen:

   a. Would you be willing to trade windows for less cabinet space?

      Yes = 8
      No = 2

   b. Would you prefer windows to sound control?

      Yes = 9
      No = 1

   c. Would you prefer to have an "L shaped pass-through" with an eating area?

      Yes = 7
      No = 2
      No response = 1

      Comments: Waste of space.

10. Would you prefer solar hot water to conventionally heated water?

    Yes = 10
    No = 0

    Comments: Would prefer solar with back up.
    Whatever is cheaper.

11. Because of the proximity of the site to Madison Gas & Electric (MG&E) facilities, it might be possible to obtain steam heat from MG&E at half the market price. Please express your opinion regarding this possibility.

    Agree = 10
    Disagree = 0

    Comments: Great if you can keep cost down.
    Sounds good with back up system.
    Whatever is more cost efficient.

12. Would you prefer an individual heat pump for each major room to a centrally distributed heating system?

Individual = 3
Central = 7

Comments: Individual system is more energy efficient although aesthetically less pleasing.
Whatever is cheapest.

13. There are many ways to conserve energy. Please indicate your preference for the following:

a. An outside clothes line versus none on the site

Clothes line = 5
No clothes line = 4
No response = 1

Comments: Would like clothes line and laundry facilities available.
Too much traffic pollution - smells bad.
Too much dirt from MG&E.

b. Cooperative management of yard maintenance and snow removal versus each individual operating lawn mowers and snow removal equipment independently of one another

Cooperative = 8
Individual = 1
No response = 1

14. In the one bedroom plus loft unit, would you use the loft as a studio for either art or writing or as a study? If none of these uses are appealing, what would be your use preference?

Plants = 1
Bedroom/guest room = 4
Studio/library = 5

15. Is it necessary to have a carport or garage at the rear of the apartment instead of a reserved stall on a surface parking lot? How much more would you pay each month to have a carport_____? to have an enclosed garage_____?

Garage = 2
Carport = 1
Stall = 3

Comments: Would pay from $10 - $25.
Not necessary to have garage or carport.

16. Given the sound controls built into the residential site plans, how do you feel about the site's proximity to the boiler plate and to the coal yard?

Acceptable = 7
Not acceptable = 2
No response = 1

17. The rail corridor from Blount to Brearly is very narrow, but begins to widen east of Brearly Street. Did you realize little development could occur in the rail corridor west of Brearly? Please comment on your perception of the best use of the rail corridor.

Park/recreational area = 4
Residential/quality housing = 2
No response = 3

18. The neighborhood seems to have two linear focuses. In our opinion Williamson Street and Spaight Street represent these focal points. Where do you perceive the major lines of the neighborhood to be?

Comments: Development on Jenifer would lead to Williamson.
Williamson/Spaight/Lake Monona? - great neighborhood, deserves attention. Would need idealistic traffic pattern. Businesses and ships would benefit.
Blount/Williamson/Lake Monona/Thornton
Rail corridor would improve Williamson.

19. In order to learn of your preferences regarding the look and style of housing in the neighborhood, please indicate your preference for the following exterior features:

    a. Traditional narrow siding or contemporary wood treatment

       Traditional = 5
       Contemporary = 2
       No response = 3

    b. Clean trim or gingerbread type trim

       Clean trim = 3
       Gingerbread type = 4
       No response = 4

    c. Traditional old brick or contemporary masonry which might include sculptural concrete blocks, stucco or oversized bricks

       Traditional = 8
       Contemporary = 0
       No response = 2

20. What is your preference regarding ownership of a new housing development in the neighborhood? Some of the possible ownership forms include:

    a. Ownership as a cooperative of the tenants and managed by a committee of tenants

       Acceptable = 7
       Not acceptable = 1
       No response = 2

       Comments: Great, especially if group can be involved in construction, planning, financing.
       Usually turns out to be unruly, badly managed.
       Great idea but experience shows it won't work.
       Great for neighborhood.
       Who will organize it?

b. Ownership as a cooperative of the tenants who employ professional property management

Acceptable = 7
Not acceptable = 1
No response = 2

Comments: Great, as long as tenants have some control on major decisions.

c. Ownership by the Madison Housing Authority to achieve the lowest occupancy costs

Acceptable = 4
Not acceptable = 1
No response = 5

Comments: Depends on financing.
Seems to keep costs low.

d. Ownership by a private development company for strict enforcement of leases and maintenance

Acceptable = 0
Not acceptable = 5
No response = 5

e. Develop as a condominium project with a condominium association employing professional property management

Acceptable = 0
Not acceptable = 6
No response = 4

Comments: Would accept as last resort.
Would rather move than have "condos" in neighborhood.
"Condos" would give too much of an air of exclusivity - would not like.

f. Ownership by Madison Development Corporation or by Common Wealth who employs professional property management

Acceptable = 4
Not acceptable = 1
No response = 5

Other Comments:

Would like low-income family/individual housing, would hate to see well-paid, high-income professionals turning neighborhood into "exclusive area"; would turn us into a nouveau west side.

Other Comments:

There would have to be care taken to get the tenants together at an early stage to build up necessary working relationships.

I think you are mistaken to think people from the neighborhood would move into these units. Most of them moved here so as not to live in units like this. This doesn't mean I think these units are necessarily a bad idea, but that you should be aware they will be populated by people outside the neighborhood in all likelihood.

Some comments pro loft as area for art, music, study.

Some against loft for reasons that it was a lot of space to be used for that type of thing for the cost of rent.

Public transportation must be near.

Bike paths and bike racks are important.

Loft style seems great for single person or student, not family.

Families wouldn't want loft style because of sound control, no playground area, bathroom set-up, no close-off for children.

Then again, some people with children have no yard now and like the design of the project.

Other Comments: (Continued)

Condominiumns stop neighborhood deterioration but people buying thgem wouldn't be as "welcome" to neighborhood.

Interested in coop because of the upkeep of the project.

Sweat equity is a possibility if condo or coop is ownership form relative to finish of interior.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Assistant Secretary for Community Planning and Development

24 CFR Part 570

[Docket No. R-79-498]

Community Development Block Grants; Loan Guarantees

AGENCY: Department of Housing and Urban Development.

ACTION: Final rulemaking.

SUMMARY: The Secretary is issuing final rules on Subpart M of the regulations for the community development block grant program governing loan guarantees under section 108 of the Housing and Community Development Act of 1974, as amended ("section 108"). Rules governing loan guarantees have been revised to incorporate changes authorized by Title I of the Housing and Community Development Act of 1977.

EFFECTIVE DATE: October 5, 1979.

FOR FURTHER INFORMATION CONTACT: Paul D. Webster, Financial Analyst, Office of Block Grant Assistance, HUD/Community Planning and Development, Room 7178, 451 Seventh Street, S.W., Washington, D.C. 20410, (202) 755-6328.

SUPPLEMENTARY INFORMATION: On January 18, 1978 revisions to Subpart M were published in the Federal Register (43 FR 2714) as an interim rule. Interested parties were given until March 1, 1978 to submit views and comments. All comments were considered carefully in development of the final rule. There follows a discussion of the significant comments and the changes that were made.

Eligible Applicants

There were several comments objecting to the limitation on eligibility to metropolitan cities and urban counties. Commenters on this issue recommended for a number of reasons that eligibility be extended to communities receiving Comprehensive Grants with multiyear funding commitments under the Small Cities program. All commenters argued that such communities are on a par with metropolitan cities and urban counties with respect to their access to an assured source of funds for loan repayment.

The Department agrees that small cities with multiyear funding commitments can offer adequate security, provided the loan guarantee covers the same period as the commitment. As indicated in the interim rule, an ability to furnish adequate security is the principal criterion of eligibility to apply for loan guarantee assistance. Therefore, it is deemed appropriate to extend eligibility to these communities. As the first step to accomplish this, a proposed rule soon will be published in the Federal Register that would include small cities receiving Comprehensive Grants with multiyear funding commitments as eligible applicants.

Careful consideration was given to including these communities as eligible applicants under this rule. However, further rulemaking is deemed essential for the following reasons.

Since the interim rule limited eligibility to entitlement recipients, many loan guarantee requirements were developed in light of requirements applicable to entitlement grants. These include application submission requirements, criteria for disapproval of loan guarantee requests, and reduction in the amount of loan guarantee assistance requested. Requirements on the maximum loan amount and the loan repayment period are also consonant with the entitlement grant concept.

Loan guarantee requirements also should be consonant with the requirements of the Small Cities program. At the same time, the interests of the Department as guarantor must be protected. However, both objectives cannot be achieved without extensive revision of this rule. Provisions of this subpart pertaining to the loan repayment period, review and approval of applications, submission requirements, and the maximum loan amount will all require modification. In addition, preapplication submission requirements must be developed and included in this subpart.

Further rulemaking will obtain for the Department the useful comments and recommendations of interested parties on the substantial changes resulting from extending eligibility and will help avoid the risk of arbitrary action. Publication of the proposed rule will have the added benefit of assuring that the impact of extending eligibility on the administration of the Small Cities program is fully considered.

Based on the foregoing considerations, the requirements of this section will not be changed at this time.

Eligible Activities

The introductory statement of this section has been changed to note that for purposes of determining the eligibility of activities for which loan guarantee assistance may be provided, § 570.204 does not apply. Section 570.204, which authorizes assistance to be provided directly to certain qualified private entities, is inapplicable since further grants or loans may not be made from guaranteed loan funds.

Section 570.701(a) has been clarified to indicate that acquisition of real property must be by the unit of general local government or its designated public agency.

The introductory statement of § 570.701(c), governing related expenses, has been revised to indicate that such expenses must be related to the acquisition, rehabilitation, development, or use of the real property assisted under this subpart.

Section 570.701(c)(4) has been clarified to better delineate the types of property improvements that are eligible for construction, reconstruction, or installation with loan guarantee assistance. These include all of the types of public improvements and public utilities eligible for assistance under Subpart C, and those eligible public facilities under Subpart C which are not buildings. For example, parking lots, water and sewer lines, and utility lines would all be eligible for loan guarantee assistance; however, a fire station or a public parking garage would be ineligible. As a further criterion of eligibility, expenses eligible under § 570.701(c)(4) must be related to the preparation for development or use of the assisted property.

Application Requirements

The requirement specified in § 570.702(a)(2) that an application for loan guarantee assistance include a proposed instrument effecting a pledge of grant has been deleted. This requirement is no longer necessary because the form of the pledge of grant required as security for repayment of obligations guaranteed under this subpart shall be prescribed by HUD and included as a provision of the contract required under § 570.703(b)(1). The requirement for an opinion of counsel as to the applicant's legal authority to make such pledge has also been deleted. In lieu of this opinion of counsel, the applicant shall be required to submit a certification providing assurance that it possesses legal authority to make the pledge of grants required under § 570.703(b)(2).

The reference to "community development budget" in § 570.702(b) is changed to "cost summary."

In paragraph (d) of § 570.702, which governs HUD review and approval of applications, subparagraphs (1), (2), and (3) of the interim rule have been redesignated as subdivisions (i), (ii), and (iii) of subparagraph (1) of the final rule.

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In § 570.702(d)(1)(i), as redesignated, the reference to "§ 570.306(b)(2)" has been changed to "570.311(c)."

Section 570.702(d)(1)(ii) of the final rule has been revised to clarify that a loan guarantee request may be disapproved whenever the Secretary determines that the guarantee constitutes an unacceptable financial risk. This change is essential to permit consideration of all factors relevant to determining financial risk, including but not limited to: length of proposed repayment period, ratio of expected annual debt service requirements to expected annual grant amount, an applicant's status as a metropolitan city or urban county during the proposed repayment period, and an applicant's ability to furnish adequate security pursuant to § 570.703(b).

A new provision, § 570.702(d)(2), has been added which specifies the reasons for which HUD may reduce the amount of loan guarantee assistance requested. This provision corresponds to § 570.311(e) and is added to ensure that loan guarantee funds are approved for use in a manner consonant with statutory and administrative requirements applicable to approval of block grant funds.

Paragraph (e)(2) of this section has been modified to indicate the applicability of environmental review requirements for multiyear projects to designated public agencies. Changes have also been made to conform this provision to the requirements of § 570.301(d).

Loan Requirements

Section 570.703(a) has been modified to indicate the requirement pertaining to the maximum loan amount also applies to notes or other obligations issued by designated public agencies. The reference to "§ 570.102" is changed to "§ 570.311."

Section 570.703(b)(1) has been changed for the sake of clarity to note that the contract required under this provision shall be entered into with HUD.

Section 570.703(c)(2) has been changed to more clearly reflect the full scope of the Secretary's authority to apply pledged grants. In this regard, the Secretary is authorized to apply grant funds pledged pursuant to paragraph (b)(2) of this section, whether or not there has been a default by the borrower requiring payments pursuant to the Secretary's guarantee. This authority is reflected in the contract required by paragraph (b)(1) of this section.

Section 570.703(e) has been changed to note the applicability of this provision to designated public agencies.

Comments Not Acted Upon

Several comments were received which after due consideration were not accepted. There follows a discussion of these comments.

Some commenters recommended that § 570.703(b), which pertains to the contract and pledge of grants required as security, be modified to accomodate the requirements of states having limitations prohibiting political subdivisions from incurring indebtedness beyond the current fiscal year. The proposed regulation has been retained because it reflects the statutory provision (section 108(d)) on which it is based more precisely than the alternatives presented by the commenters; however, where the form of the contract or pledge is an obstacle to participation under the loan guarantee provision, HUD will consider modifications on a case by case basis, provided such modifications do not impair the security for the loan guarantee or result in nonconformance with the statutory provision.

Section 570.702(a)(3), requiring that applicants certify that neither they nor public agencies own property suitable for the purpose for which the guarantee is being requested, was criticized as being too restrictive. It was recommended that this requirement be waived under specified circumstances. Although waiver of this requirement will be considered under extenuating circumstances, such circumstances will not be specified in the regulations. If a particular application of this requirement meets the criteria for a waiver under § 570.4, a request for waiver of the requirement will be considered.

One commenter noted that the Act authorizes the Secretary, at her discretion, to require other security to be furnished (e.g., tax increments), and urged that § 570.702(c) be changed to indicate that approval of a loan guarantee request reflects consideration of such other security. HUD will utilize this authority and require revenues which may result from activities financed under this subpart and which constitute program income under § 570.506 to be pledged as additional security. However, the pledge of such revenues will not be a factor in the determination as to whether a loan guarantee covering a repayment period of six years or less is an acceptable financial risk. This does not preclude an applicant from developing a financial plan which provides for the utilization of other revenues, in lieu of block grant funds, for payment of principal or interest. It is, however, the applicant's responsibility to determine whether other revenues are sufficient for that purpose. Because HUD will make no determination as to the sufficiency of other security, the recommended change was not adopted.

It was recommended that a new provision be added to § 570.702 which would require the applicant to comply with the procedures prescribed by the Advisory Council on Historic Preservation in 36 CFR Part 800 if the project would affect resources listed or eligible for listing in the National Register of Historic Places. This requirement is set forth in § 570.604 and is made applicable under § 570.705 to activities or projects assisted under this subpart. It is therefore unnecessary to repeat the requirement in a separate provision.

A Finding of Inapplicability with respect to Environmental Impact has been prepared in accordance with HUD Handbook 1390.1. A copy of the Finding is available for inspection and copying during business hours in the Office of the Rules Docket Clerk, Room 5216, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410.

Accordingly, 24 CFR Part 570 is amended by revising Subpart M as set forth below.

PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS

Authority: Title I, Housing and Community Development Act of 1974 (Pub. L. 93-383, 88 Stat. 633).

Subpart M—Loan Guarantees

§ 570.700 Eligible applicants.

(a) Units of general local government entitled to receive basic grant amounts under § 570.102 (metropolitan cities and urban counties) may apply for loan guarantee assistance under this subpart. Loan guarantee assistance will be limited to such entitlement recipients in order to assure a reasonably certain source of repayment.

(b) Public agencies may be designated by eligible units of general local government to receive a loan guarantee on notes or other obligations issued by the public agency in accordance with this subpart. In such case the applicant unit of general local government shall be required to pledge its current and future entitlement grants as security for the notes or other obligations issued by the public agency.

§ 570.701 Eligible activities.

For purposes of determining the eligibility of the following activities for which loan guarantee assistance may be

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provided, the requirements of Subpart C (other than § 570.204) shall apply:

(a) Acquisition by the unit of general local government or its designated public agency of real property (including improvements thereon) including acquisition for economic development purposes.

(b) Rehabilitation of real property (including improvements thereon) owned or acquired by the unit of general local government.

(c) Payment of the following expenses related to the acquisition, rehabilitation, development, or use of the real property:

(1) Interest on obligations guaranteed under this subpart.

(2) Relocation payments and assistance for individuals, families, businesses, nonprofit organizations, and farm operations displaced by activities financed with loan guarantee assistance. (Further information regarding relocation costs is set forth in § 570.602.)

(3) Clearance, demolition and removal of buildings and improvements, including movement of structures to other sites.

(4) Construction, reconstruction, or installation of public improvements, utilities, or facilities (other than buildings) related to the preparation for development or use of the real property. For example, parking lots, water and sewer lines, and utility lines would be eligible for loan guarantee assistance, but a fire station and a public parking garage would be ineligible.

§ 570.702 Application requirements.

An application for loan guarantee shall be made as a part of an application for grant assistance or as a Community Development Program amendment. Except as provided in the following paragraphs, the applicant shall comply with the application requirements outlined in Subpart D.

(a) *Other submission requirements.* In addition to the documentation required to be submitted with a grant application, an application for loan guarantee shall include the following:

(1) A schedule for repayment of the loan which identifies the sources of repayment;

(2) A certification providing assurance that the applicant possesses legal authority to make the pledge of grants required under § 570.703(b)(2).

(3) When the proceeds of the loan are to be used for acquisition of real property, a certification providing assurance that real property already owned by the applicant or a local public agency is not suitable for the intended use of the land to be acquired, and a brief statement of the reasons why the existing land inventory is inadequate.

(b) *Community Development Program.* The project summary shall specify those activities that will be financed with loan guarantee assistance. Proceeds from guaranteed loans shall be identified as an anticipated resource in the cost summary.

(c) *Economic feasibility and financial risk.* The Secretary will make no determination with respect to the economic feasibility of projects proposed to be funded with the proceeds of guaranteed loans; such determination is the responsibility of the applicant. In determining whether a loan guarantee constitutes an acceptable financial risk, the Secretary will consider the applicant's current and future entitlement block grants as the primary source of loan repayment. Approval of a loan guarantee under this subpart is not to be construed, in any way, as indicating that HUD has agreed to the feasibility of a project beyond recognition that block grant funds should be sufficient to retire the debt.

(d) *HUD review and approval of applications.* The Area Office shall review the application for compliance with application requirements specified in Subpart D and this subpart, and forward the application together with its recommendation for approval or disapproval of the requested loan guarantee to HUD Headquarters.

(1) The Secretary will approve the loan guarantee request unless:

(i) One or more of the criteria for disapproval specified in § 570.311(c) are applicable.

(ii) The Secretary determines that the guarantee constitutes an unacceptable financial risk. Factors that will be considered in assessing financial risk shall include, but not be limited to, the following:

(A) The length of the proposed repayment period;

(B) The ratio of expected annual debt service requirements to expected annual grant amount;

(C) The applicant's status as a metropolitan city or urban county during the proposed repayment period; and

(D) The applicant's ability to furnish adequate security pursuant to § 570.703(b).

(iii) The guarantee requested exceeds the maximum loan amount specified under § 570.703(a).

(2) The Secretary may approve loan guarantee assistance for an amount less than requested for the following reasons:

(i) Activities are not eligible under Subpart C or § 570.701;

(ii) Activities do not meet other program requirements, such as benefits to low- and moderate-income persons described in § 570.302; or

(iii) The applicant's performance does not meet the standards prescribed in § 570.909.

(3) The Secretary will notify the applicant in writing that the loan guarantee request has either been approved or disapproved. If the request is disapproved the applicant shall be informed of the specific reasons for disapproval. If the request is approved, the Secretary shall issue an offer of commitment to guarantee obligations of the applicant or the designated public agency subject to such conditions as the Secretary may prescribe, including the conditions for release of funds described in paragraph (e).

(e) *Environmental review.* (1) the applicant shall comply with HUD Environmental Review Procedures (24 CFR Part 58) leading to certification for the release of funds for each project carried out with loan guarantee assistance. These procedures set forth the regulations, policies, responsibilities, and procedures governing the carrying out of environmental review responsibilities of applicants.

For the purposes of this paragraph, the "release of funds" shall be deemed to occur at the time of guarantee of notes or other obligations by the Secretary.

(2) The environmental assessment of a multiyear project financed with loan guarantee assistance, performed under 24 CFR Part 58, should encompass the entire multiyear scope of activities. Upon certification that the applicant has completed the environmental requirements for a multiyear project, HUD may issue its release of funds for the entire project. The continued authority of an applicant (or the designated public agency, where appropriate) to commit Title I funds to a multiyear project or to be reimbursed for the expenditure of local funds for costs of such project, after completion of environmental requirements and HUD release of funds, shall be subject to the continued relevance and completeness of the environmental assessment performed. The applicant shall, prior to any further commitment of funds to the project, complete the requirements of 24 CFR Part 58 relating to the updating of environmental clearances in the event that:

(i) There is any significant or substantial change in the nature, magnitude or extent of the project;

(ii) There is any significant or substantial change in the environment affecting the project; or

(iii) Previously conducted environmental reviews are insufficient due to changed circumstances, including

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the availability of additional data or advances in technology.

§ 570.703 Loan requirements.

(a) *Maximum loan amount.* No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the total outstanding notes or obligations guaranteed under this subpart (including principal and interest thereon) on behalf of the applicant or public agency duly designated by the applicant would thereby exceed an amount equal to three times the amount of the entitlement grant approval for the applicant pursuant to § 570.311; however, this maximum amount is to be reduced by the amount of any grant funds required by HUD to be applied to the repayment of urban renewal temporary loans pursuant to § 570.802.

(b) *Security requirements.* To assure the repayment of notes or other obligations and charges incurred under this subpart and as a condition for receiving loan guarantee assistance, the applicant (or the applicant and designated public agency, where appropriate) shall:

(1) Enter into a contract with HUD, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed hereunder;

(2) Pledge any grant approved or for which the applicant may become eligible under this Part; and

(3) Furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, including increments in local tax receipts generated by the activities assisted under this Part or disposition proceeds from the sale of land or rehabilitated property.

(c) *Use of grants for loan repayment.* Notwithstanding any other provision of this Part:

(1) Grants allocated to an applicant under this Part (including program income derived therefrom) are authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be authorized by the Secretary) on the notes or other obligations guaranteed pursuant to this subpart.

(2) The Secretary may apply grants pledged pursuant to paragraph (b)(2) of this section to any amounts due under the note or other obligation guaranteed pursuant to this subpart, or to the purchase of such obligation, in accordance with the terms of the contract required by paragraph (b)(1) of this section.

(d) *Debt obligations.* Notes or other obligations guaranteed pursuant to this subpart shall be in the form and denominations prescribed by the Secretary. Such notes or other obligations shall be issued and sold only to the Federal Financing Bank under such terms as may be prescribed by the Secretary and the Federal Financing Bank.

(e) *Taxable obligations.* Interest earned on obligations guaranteed under this subpart shall be subject to Federal taxation as provided in Section 108(j) of the Act.

All applicants or designated public agencies issuing guaranteed obligations must bear the full cost of interest.

(f) *Loan repayment period.* As a general rule, the repayment period for a loan guaranteed under this subpart shall be limited to six years. However, a longer repayment period may be permitted in special cases where it is deemed necessary to achieve the purposes of this Part.

§ 570.704 Federal guarantee.

The full faith and credit of the United States is pledged to the payment of all guarantees made under this subpart. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and the validity of such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

§ 570.705 Applicability of rules and regulations.

The provisions of Subparts A, B, C, D, J, K, and O shall apply to this subpart, except to the extent they are specifically modified or augmented by the provisions of this subpart.

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Robert C. Embry, Jr.,

Assistant Secretary for Community Planning and Development.

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