# The appraisal of the Monona South Towne development. April 7, 1983

Landmark Research, Inc.
[s.l.]: [s.n.], April 7, 1983

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# THE APPRAISAL OF
# THE MONONA SOUTH TOWNE
# DEVELOPMENT

A
PRELIMINARY REPORT TO
THE CITY OF MONONA
CITY COUNCIL
AND
COMMUNITY DEVELOPMENT AUTHORITY

APRIL 7, 1983

Landmark
Research
Inc.

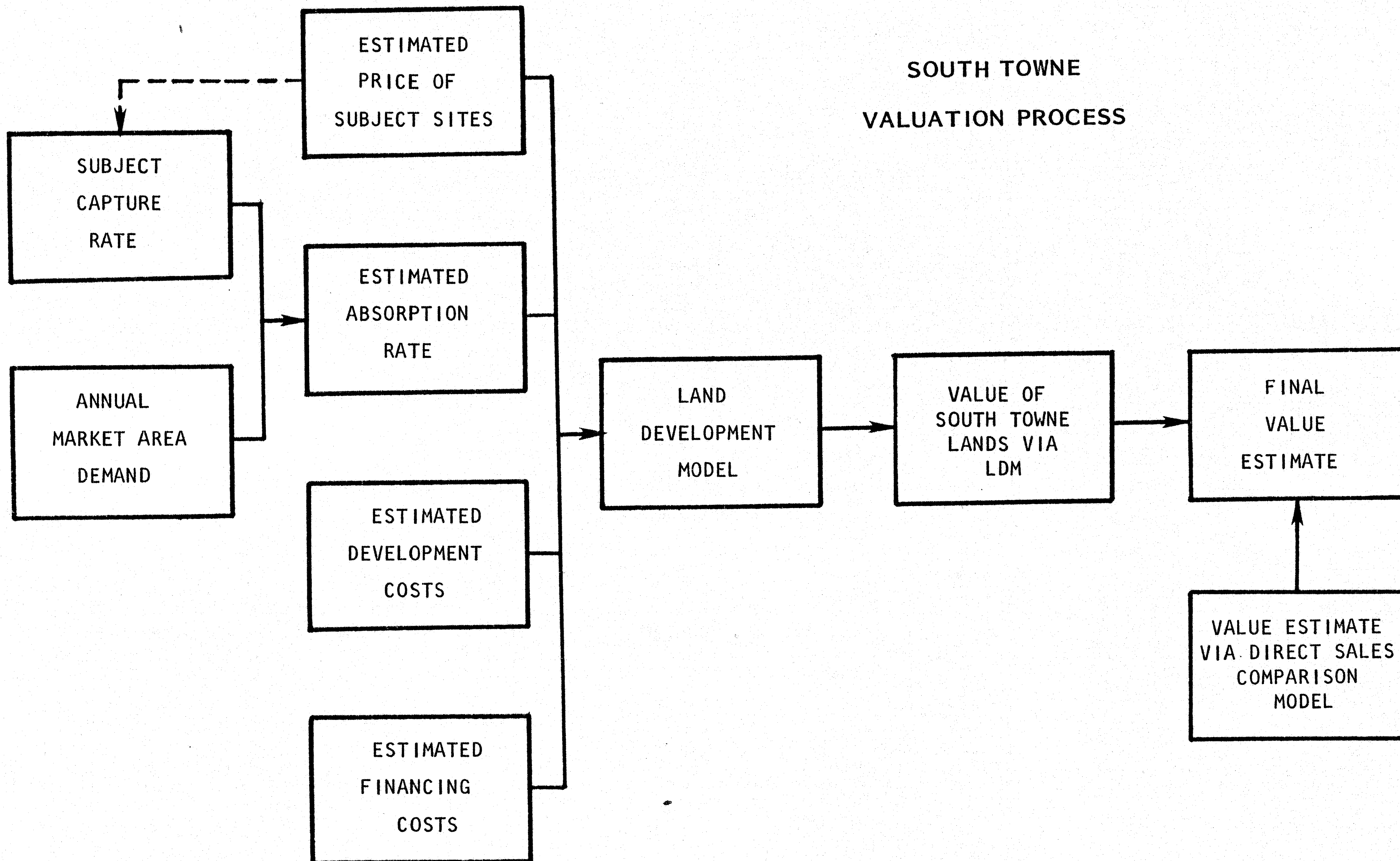
TABLE 1

MONONA SOUTH TOWNE DEVELOPMENT
LAND USE BY NET AREA

| | NET LAND AREA SQ.FT. | NET LAND AREA ACRES | PCT. OF TOTAL |
|---|---|---|---|
| Zero Lot Line Residential | 940,430 | 21.6 | 19.5% |
| Multifamily | 476,724 | 10.9 | 9.8 |
| Suburban Office | 413,449 | 9.5 | 8.6 |
| Corporate Office | 187,744 | 4.3 | 3.9 |
| Retail/Service | 1,091,327 | 25.0 | 22.6 |
| Non-Retail Commercial | 502,853 | 11.5 | 10.4 |
| Industrial | 1,221,151 | 28.0 | 25.3 |
| TOTAL | 4,833,678 | 110.8 | 100.0% |

Source: Landmark Research, Inc.

# SOUTH TOWNE
# VALUATION PROCESS

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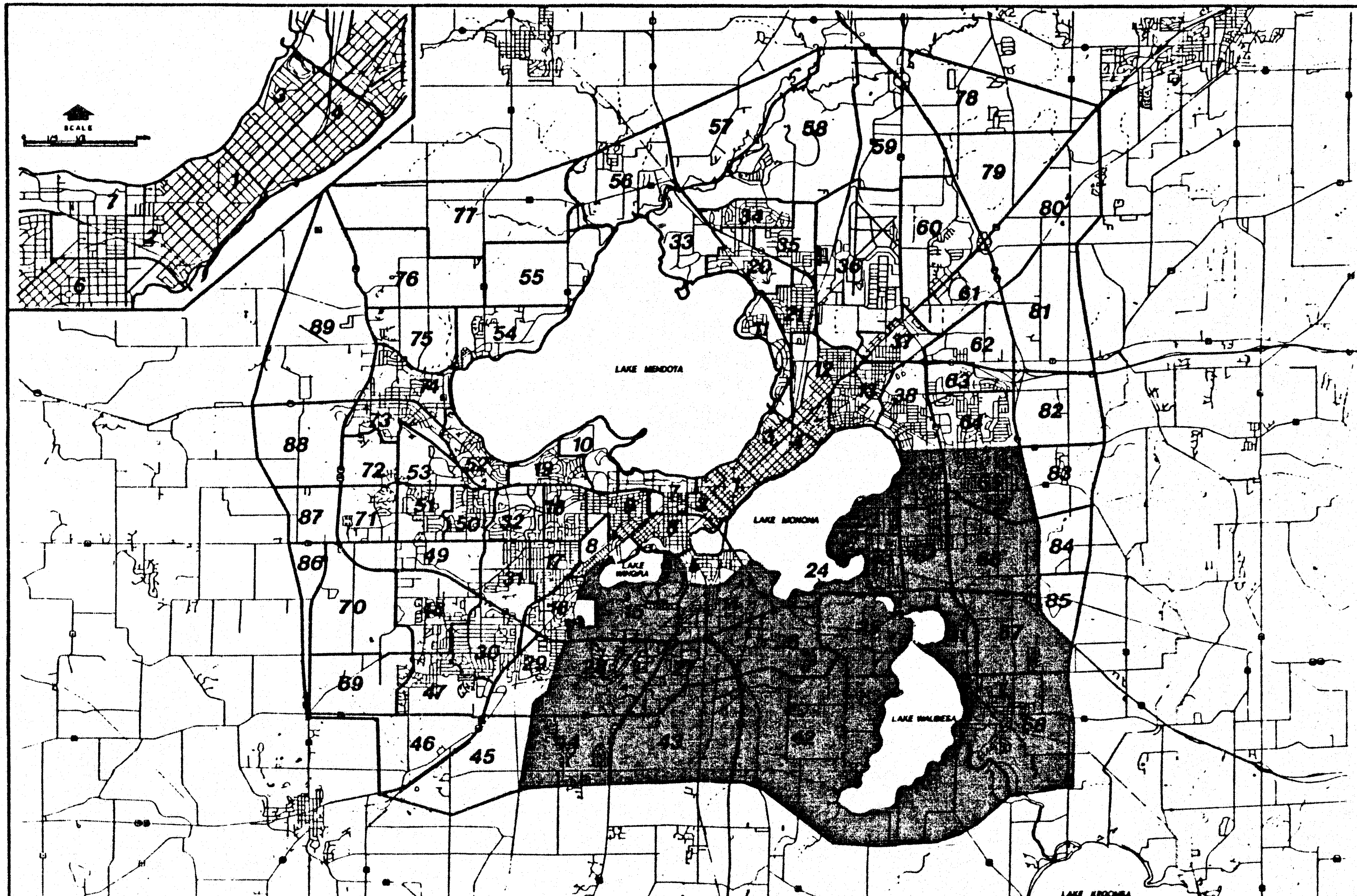
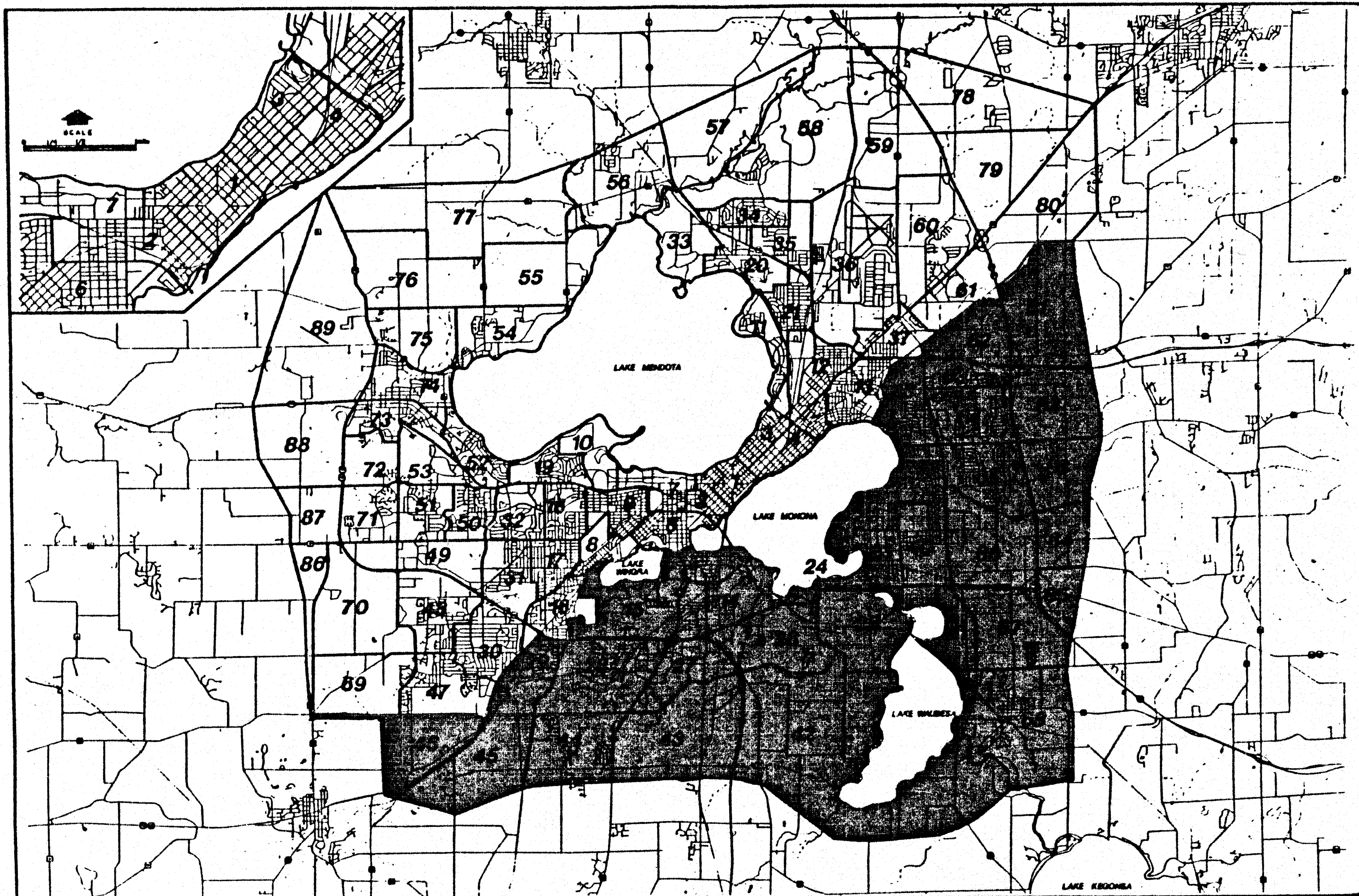



COMPETING MARKET AREA FOR SOUTH TOWNE COMMERCIAL SITES

89 PLANNING ANALYSIS AREAS

Jan 1981

DANE COUNTY TRANSPORTATION STUDY
URBAN AREA BASE MAP




COMPETING MARKET AREA FOR SOUTH TOWNE INDUSTRIAL SITES

89 PLANNING ANALYSIS AREAS

Jan 1981

DANE COUNTY TRANSPORTATION STUDY
URBAN AREA BASE MAP

Landmark Research, Inc.

Square feet

TABLE 2

SUMMARY OF BUILDING AREA CONSTRUCTED
IN STUDY AREAS 1978 - 1982

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

TABLE 3

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

| USE TYPE | AVERAGE ANNUAL DEMAND FLOOR AREA (SQ.FT.) | FLOOR AREA RATIO | AVERAGE ANNUAL DEMAND FOR SITE AREA SQ.FT. | ACRES |
|---|---|---|---|---|
| Office | 47,700 | 0.35 | 136,286 | 3.1 |
| Retail/Service | 97,283 | 0.25 | 389,132 | 8.9 |
| Non-Retail Commercial | 442,926 | 0.35 | 1,265,503 | 29.1 |
| Industrial | 27,099 | 0.35 | 77,426 | 1.8 |

Source: Landmark Research, Inc.

TABLE 4

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

| USE TYPE | ANNUAL MARKET AREA DEMAND | SUBJECT CAPTURE RATIO | ANNUAL ABSORPTION AT SUBJECT PROP. (SQ.FT.) | ANNUAL ABSORPTION AT SUBJECT PROP. (ACRES) | AVAILABLE SITE AREA (SQ.FT.) | AVAILABLE SITE AREA (ACRES) | SELL-OFF PERIOD (YEARS) |
|---|---|---|---|---|---|---|---|
| Office | 136,286 | 30% | 40,886 | 0.9 | 601,193 | 13.8 | 14.7 |
| Retail/Service | 389,132 | 10% | 38,913 | 0.9 | 1,091,327 | 25.0 | 28.0 |
| Non-Retail Commercial | 1,265,503 | 30% | 379,651 | 8.7 | 502,853 | 11.5 | 1.3 |
| Industrial | 77,426 | 20% | 15,485 | 0.4 | 1,221,151 | 28.0 | 78.9 |

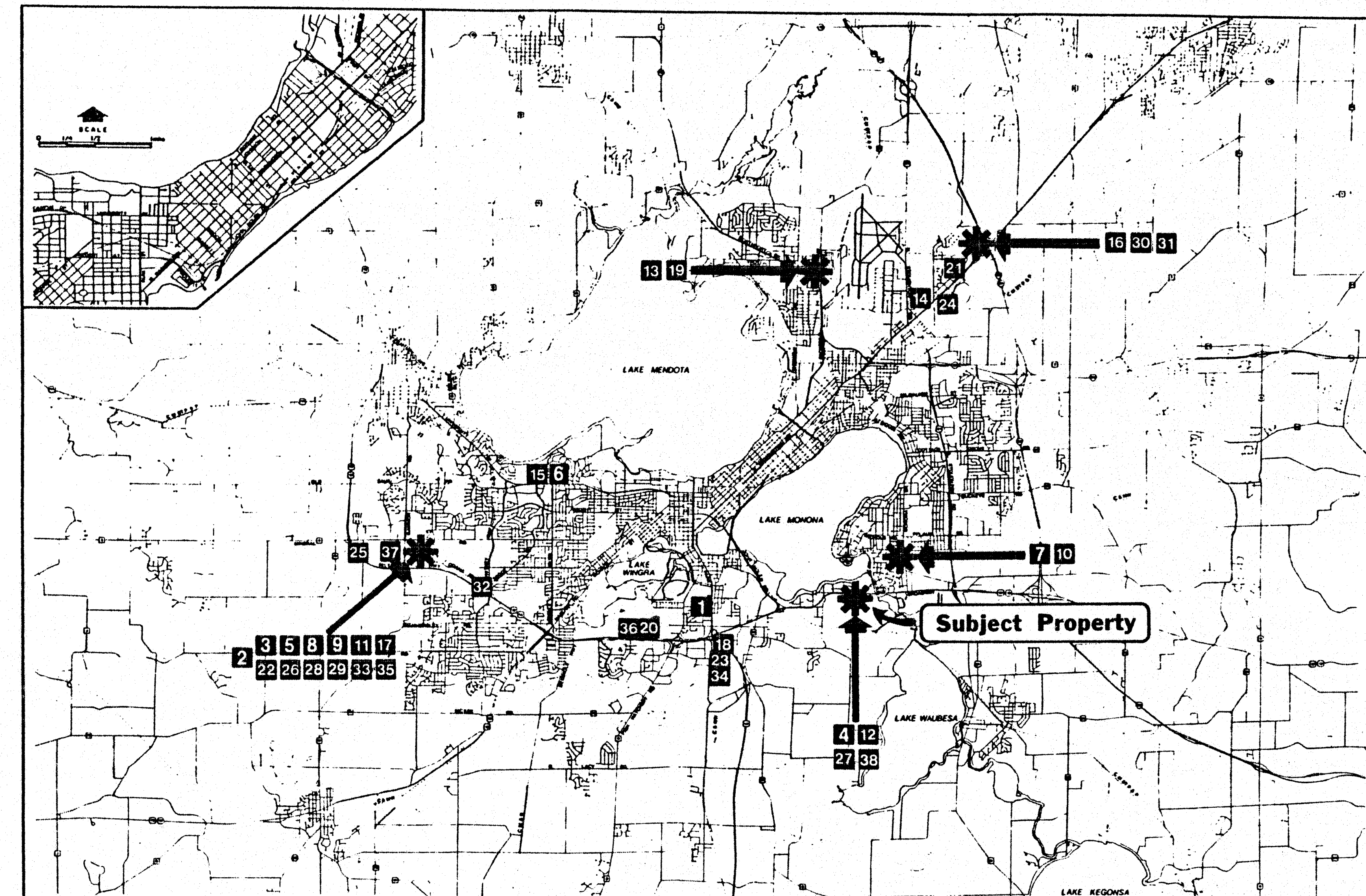
TABLE 5

SUMMARY OF COMMERCIAL LAND SALES DATA

| SALE NO. | LOCATION | SALE DATE | SIZE SQ.FT. | SIZE ACRES | ZONING (a) | SALE PRICE $ | SALE PRICE $/SF |
|---|---|---|---|---|---|---|---|
| C-1 | S. Park Street | 3/81 | 17,250 | 0.396 | C-2 (b) | $112,000 | $6.49 |
| C-2 | Grand Canyon Drive | 1/80 | 22,112 | 0.508 | C3-L | 60,000 | 2.71 |
| C-3 | Grand Canyon Drive | 1/81 | 24,813 | 0.570 | C3-L | 68,000 | 2.74 |
| C-4 | W. Broadway | 4/76 | 25,200 | 0.579 | B-1 (c) | 84,000 | 3.33 |
| C-5 | Yellowstone Drive | 3/81 | 28,264 | 0.649 | C3-L | 81,500 | 2.88 |
| C-6 | University Avenue | 6/76 | 30,926 | 0.710 | C1 | 175,000 | 5.66 |
| C-7 | Monona Drive | 1/78 | 33,106 | 0.713 | B1 (c) | 75,000 | 2.27 |
| C-8 | Grand Teton Plaza | 12/79 | 33,566 | 0.771 | C3-L | 75,600 | 2.25 |
| C-9 | Grand Teton Plaza | 5/81 | 34,004 | 0.781 | C3-L | 76,509 | 2.25 |
| C-10 | Monona Drive | 12/77 | 37,241 | 0.855 | B-1 (c) | 70,000 | 1.88 |
| C-11 | Gammon Road | 12/80 | 38,226 | 0.878 | C3-L | 111,238 | 2.91 |
| C-12 | W. Broadway | 7/82 | 42,776 | 0.982 | B-1 (c) | 211,500 | 4.94 |
| C-13 | Northport Drive | 8/82 | 43,112 | 0.990 | C2 | 149,000 | 3.46 |
| C-14 | E. Washington Avenue | 12/79 | 44,640 | 1.025 | C2 | 175,000 | 3.92 |
| C-15 | University Avenue | 5/78 | 44,800 | 1.028 | C1 | 232,000 | 5.18 |
| C-16 | Hayes Road | 2/79 | 46,888 | 1.076 | C2 | 105,500 | 2.25 |
| C-17 | Grand Teton Plaza | 1/82 | 47,438 | 1.089 | C3-L | 142,300 | 3.00 |
| C-18 | Rolfsmeyer Road | 2/80 | 47,916 | 1.100 | C3-L | 26,000 | 0.54 |
| C-19 | Northport Drive | 11/76 | 48,944 | 1.124 | C2 | 210,000 | 4.29 |
| C-20 | W. Beltline Hwy | 1/76 | 49,275 | 1.131 | C1 | 119,000 | 2.42 |
| C-21 | E. Washington Avenue | 6/79 | 52,000 | 1.194 | C2 | 145,000 | 2.79 |
| C-22 | Odana Road | 4/80 | 52,506 | 1.205 | C3-L | 157,000 | 2.99 |
| C-23 | Syene Road | 12/81 | 53,571 | 1.230 | C3-L | 80,400 | 1.50 |
| C-24 | Thierer Road | 12/80 | 62,816 | 1.442 | C3-L | 204,000 | 3.25 |
| C-25 | High Point Road | 4/81 | 65,950 | 1.514 | C3-L | 123,000 | 1.87 |
| C-26 | Grand Canyon Drive | 11/81 | 69,773 | 1.602 | C3-L | 84,100 | 1.21 |
| C-27 | W. Broadway | 5/80 | 75,246 | 1.727 | C2 | 232,000 | 3.08 |
| C-28 | Grand Canyon Drive | 11/81 | 78,697 | 1.807 | C3-L | 250,000 | 3.18 |
| C-29 | Grand Teton Plaza | 8/79 | 85,192 | 1.956 | C3-L | 206,000 | 2.42 |
| C-30 | Hayes Road | 8/79 | 90,637 | 2.081 | C2 | 227,700 | 2.51 |
| C-31 | Hayes Road | 1/80 | 118,395 | 2.718 | C2 | 250,000 | 2.11 |
| C-32 | Whitney Way | 6/81 | 123,275 | 2.830 | C3-L | 493,000 | 4.00 |
| C-33 | Grand Canyon Drive | 2/80 | 125,342 | 2.877 | C3-L | 332,156 | 2.65 |
| C-34 | Syene Road | 12/81 | 178,573 | 4.099 | C3-L | 300,000 | 1.68 |
| C-35 | Odana Road | 11/81 | 244,314 | 5.609 | C3-L | 623,000 | 2.55 |
| C-36 | W. Beltline Hwy | 8/79 | 312,100 | 7.265 | C2 (b) | 625,000 | 2.00 |
| C-37 | Mineral Point Road | 1/80 | 431,679 | 9.910 | C3-L | 703,500 | 1.63 |
| C-38 | W. Broadway | 3/81 | 446,577 | 10.252 | CDD (c) | 871,500 | 1.95 |

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

Source: Landmark Research, Inc.




LOCATION OF COMMERCIAL LAND SALES

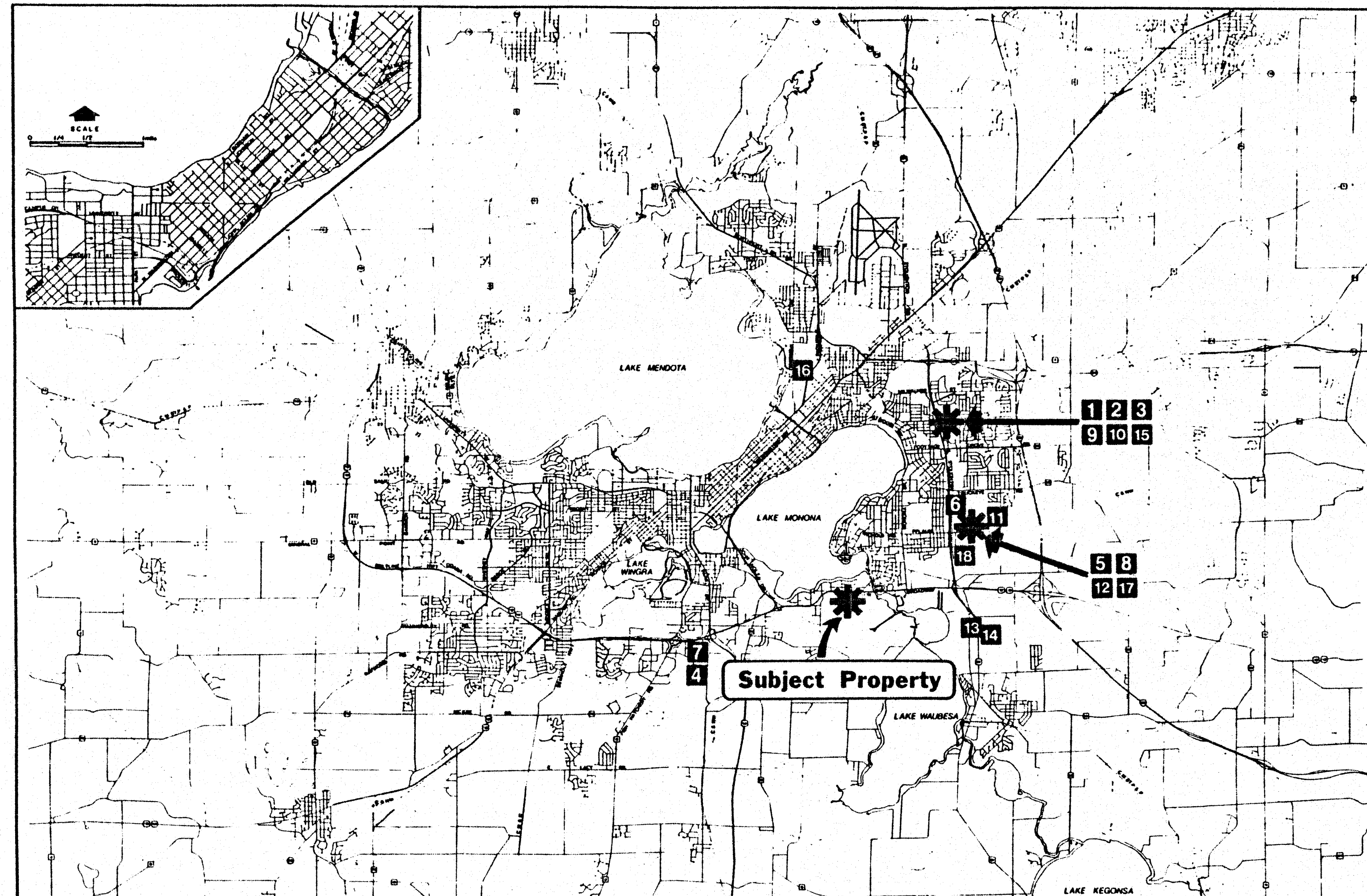
TABLE 6

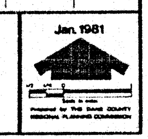
SUMMARY OF INDUSTRIAL LAND SALES DATA

| SALE NO. | LOCATION | SALE DATE | SIZE SQ.FT. | SIZE ACRES | ZONING (a) | SALE PRICE $ | SALE PRICE $/SF |
|---|---|---|---|---|---|---|---|
| I-1 | Neptune Court | 11/79 | 24,927 | 0.572 | MI | $ 31,150 | $1.25 |
| I-2 | Tasman Street | 10/81 | 24,975 | 0.573 | MI | 32,000 | 1.28 |
| I-3 | Neptune Court | 2/79 | 44,913 | 1.031 | MI | 51,825 | 1.15 |
| I-4 | Watson Avenue | 11/81 | 45,000 | 1.033 | MI | 64,200 | 1.43 |
| I-5 | Pflaum Road | 9/82 | 45,472 | 1.044 | MI | 60,000 | 1.32 |
| I-6 | S. Stoughton Road | 7/79 | 47,994 | 1.102 | MI | 46,000 | 0.96 |
| I-7 | Stewart Street | 8/81 | 70,945 | 1.629 | MI | 84,000 | 1.18 |
| I-8 | Pflaum Road | 6/80 | 75,533 | 1.734 | MI | 45,000 | 0.60 |
| I-9 | Argosy Court | 9/80 | 82,787 | 1.901 | MI | 74,500 | 0.90 |
| I-10 | Robertson Road | 1/82 | 98,600 | 2.264 | MI | 98,600 | 1.00 |
| I-11 | Mustang Way | 3/80 | 104,952 | 2.409 | MI | 63,000 | 0.60 |
| I-12 | Advance Road | 3/81 | 107,201 | 2.461 | MI | 69,000 | 0.64 |
| I-13 | Terminal Drive | 10/79 | 155,428 | 3.568 | MI (b) | 110,000 | 0.71 |
| I-14 | Triangle Street | 10/77 | 156,468 | 3.592 | MI (b) | 24,000 | 0.15 |
| I-15 | Robertson Road | 7/80 | 160,970 | 3.695 | MI | 144,000 | 0.89 |
| I-16 | Commercial Avenue | 10/80 | 175,547 | 4.030 | MI | 181,150 | 1.03 |
| I-17 | Pflaum Road | 5/81 | 272,250 | 6.250 | MI | 135,000 | 0.50 |
| I-18 | Progress Road | 3/81 | 307,534 | 7.060 | M2 | 117,500 | 0.38 |

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

Source: Landmark Research, Inc.



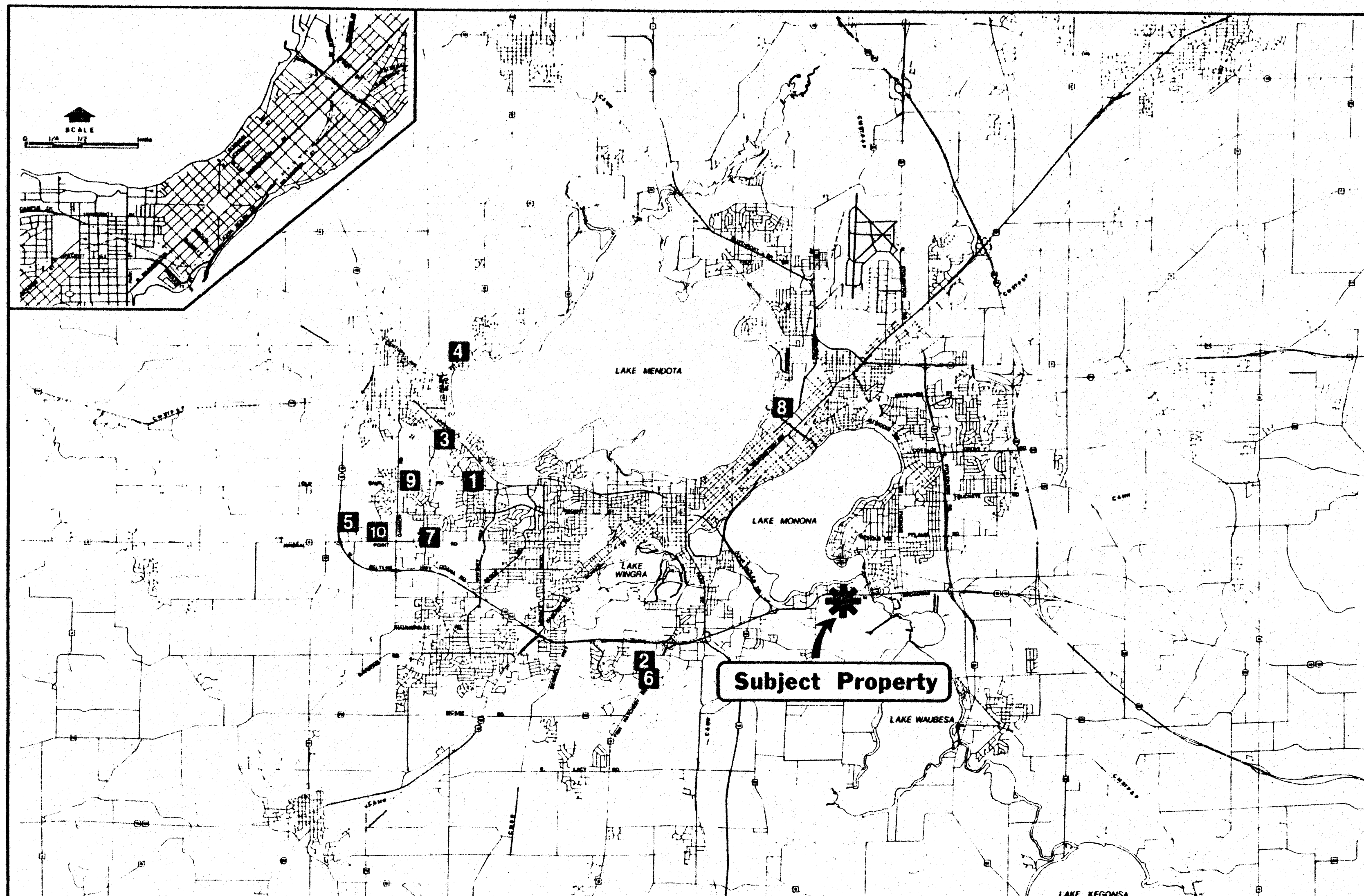

LOCATION OF INDUSTRIAL LAND SALES

TABLE 7

SUMMARY OF RESIDENTIAL LAND SALES DATA

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

Source: Landmark Research, Inc.




LOCATION OF RESIDENTIAL LAND SALES

Jan. 1981

Prepared by THE DANE COUNTY REGIONAL PLANNING COMMISSION

LAND DEVELOPMENT CASH FLOW ANALYSIS FOR--LAND DEVELOPMENT TEST-INDUSTRIAL

SUMMARY OF INPUTS

| | |
|---|---|
| NUMBER OF CAPITOL COSTS | 1 |
| NUMBER OF SALES UNITS | 1 |
| NUMBER OF GENERAL UNITS | 1 |
| NUMBER OF MORTGAGES | 1 |
| YEAR OF FINAL DEDICATIONS | 10 |
| YEAR START | 1984 |
| TOTAL ACRES IN DEVELOPMENT | 28.00 |
| TOTAL COST OF LAND | 283576. |
| DEBT OUTSTANDING ON LAND | 0. |
| ANNUAL CARRYING COST PER ACRE OF LAND | 5. |
| CASH EQUITY | 0. |
| STARTUP COSTS | 10000. |
| MARGINAL TAX RATE | 50.00 % |
| WORKING CAPITAL INTEREST RATE | 13.00 % |
| EQUITY RATE--USED IN PRESENT VALUE | 20.00 % |
| REAL ESTATE TAX EQUALIZATION RATE | 33.36 % |
| PORTFOLIO RATE--OR OPPORTUNITY COST | 18.00 % |
| REAL ESTATE TAXES PER THOUSAND OF VALUE | 60.80 |
| FIXED ADMIN + GENERAL EXPENSES PER YEAR | 0. |
| PRORATION FORMULA 0/0 TO LAND AREA | 100.00 % |
| ADM + GEN EXPENSES AS A 0/0 OF SALES VALUE | 5.00 % |
| PRORATION FORMULA 0/0 TO SALES VALUE | 00.00 % |
| ADM + GEN EXPENSES AS A 0/0 OF CAPITAL EXP | 00.00 % |
| CASH TO BE REINVESTED EACH YEAR | 0. |
| YEAR REINVESTMENT STOPS | 0. |

| AGGREGATE RESULTS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| DEVELOPMENT PERIOD | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
| REVENUE FROM CASH SALES | 0. | 0. | 203500. | 0. | 0. | 203500. | 0. | 0. | 202500. | 0. |
| DOWNPAYMENT RECEIVED | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| ACCOUNTS RECEIVABLE ADDED | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| SALES COSTS | | | | | | | | | | |
| COMMISSIONS PAID | 0. | 0. | 10175. | 0. | 0. | 10175. | 0. | 0. | 10125. | 0. |
| CLOSING COSTS | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| CASH FROM OPERATIONS | 0. | 0. | 193325. | 0. | 0. | 193325. | 0. | 0. | 192375. | 0. |
| LESS CASH OUTLAYS | | | | | | | | | | |
| CARRYING COSTS--RAW LAND | 140. | 140. | 117. | 93. | 93. | 70. | 46. | 46. | 23. | 0. |
| CARRYING COSTS--INVENTORY | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| REAL ESTATE TAX--RAW LAND | 5752. | 5924. | 5077. | 4172. | 4325. | 3324. | 2265. | 2342. | 1211. | 2. |
| REAL ESTATE TAXES--INVENTORY | 0. | 0. | 5. | 10. | 0. | 5. | 10. | 0. | -14. | 0. |
| MANAGEMENT + ADMIN. COSTS | 0. | 0. | 10175. | 0. | 0. | 10175. | 0. | 0. | 10142. | 0. |
| NEW ALLOCATED CAPITAL OUTLAYS | 0. | 0. | 76. | 0. | 0. | 76. | 0. | 0. | 76. | 0. |
| NEW GENERAL CAPITAL OUTLAYS | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| NET CASH REVENUE | -5892. | -6064. | 177875. | -4276. | -4418. | 179675. | -2322. | -2388. | 180937. | -2. |
| PROJECT DEBT STRUCTURE | | | | | | | | | | |
| TOTAL INITIAL BALANCE 212682. | | | | | | | | | | |
| BALANCE END OF YEAR | 211839. | 210860. | 209724. | 208405. | 206874. | 205097. | 203035. | 200641. | 197862. | 194636. |
| TOTAL PRINCIPAL PAYMENTS | 843. | 979. | 1136. | 1319. | 1531. | 1777. | 2063. | 2394. | 2779. | 3226. |
| WORKING CAPITAL INTEREST | 0. | 0. | 5038. | 0. | 4805. | 9629. | 0. | 4551. | 9111. | 0. |
| INTEREST PAID ON LOANS | 31846. | 31710. | 31553. | 31370. | 31158. | 30912. | 30627. | 30295. | 29910. | 29463. |
| INTEREST ADDED TO LOAN BAL. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| NET CASH FROM DEBT INCURRED | 212682. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| CASH AVAILABLE BEFORE TAXES | 174101. | -38753. | 145186. | -36965. | -37108. | 146985. | -35011. | -35077. | 148248. | -32691. |
| TAX ALLOCATION OF CAPITALAL COSTS | | | | | | | | | | |
| UNIT IMPROVEMENTS | 0. | 0. | 76. | 0. | 0. | 76. | 0. | 0. | 76. | 0. |
| GENERAL IMPOVEMENTS | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| LAND COST | 0. | 0. | 94628. | 0. | 0. | 94628. | 0. | 0. | 94395. | 0. |
| TAXABLE INCOME FROM OPERATIONS | -39738. | -39775. | 44656. | -37646. | -42382. | 44505. | -32948. | -37234. | 47520. | -29466. |
| ESTIMATED INCOME TAXES | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| NET CASH AFTER TAXES | 174101. | -38753. | 145186. | -36965. | -37108. | 146985. | -35011. | -35077. | 148248. | -32691. |
| CASH AFTER TAXES FOR DIVIDENDS OR REINVESTMENT | 164101. | -38753. | 145186. | -36965. | -37108. | 146985. | -35011. | -35077. | 148248. | -32691. |
| REINVESTED EARNINGS | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| WORKING CAPITAL LOAN BALANCE | 0. | 38753. | 0. | 36965. | 74072. | 0. | 35011. | 70088. | 0. | 0. |
| DIVIDENDS PAID | 164101. | 0. | 106432. | 0. | 0. | 72913. | 0. | 0. | 78160. | -32691. |
| NET AFTER TAX + DEBT REPAYMENT ON BULK SALES | 71737. | 33963. | -20775. | -56654. | -92231. | -111009. | -144190. | -176873. | -198169. | -194636. |
| P.V. AT 20.0/0 OF EQUITY RETURNS | 196532. | 160336. | 186321. | 171022. | 161278. | 185585. | 182521. | 181627. | 199504. | 201195. |
| MOD. INTERNAL RATE OF RETURN | 00.00 | 00.00 | 3.47 | 4.53 | 5.70 | 10.36 | 11.07 | 11.77 | 13.75 | 14.24 |

Landmark Research, Inc.

# GLOSSARY

ABSORPTION RATE - the rate, expressed in square feet of ground area per year, at which the subject lands are expected to be transfered from the developer to the consumer.

CAPTURE RATE - that proportion of the total market area demand that can be expected to be satisfied by the subject property.

FLOOR AREA RATIO (FAR) - The relationship between the gross floor area of a building and the square foot area of the plot on which it stands. A floor area ratio of 0.25 indicates that the floor area of a building is 25% of the property's total land area.

MARKET AREA - The geographic area within which the subject property will compete for consumers of site area.

MARKET VALUE - The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated
2. both parties are well informed or well advised, and each acting in what they consider their own best interest
3. a reasonable time is allowed for exposure in the open market
4. payment is made in cash or its equivalent
5. financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale
6. the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.