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AN ANALYSIS OF

DANE COUNTY LAKEVIEW SANATORIUM PROPERTY

Landmark Research Inc.

AN ANALYSIS OF

DANE COUNTY LAKEVIEW SANATORIUM PROPERTY
1202-1206 NORTHPORT DRIVE
MADISON, WISCONSIN

AS OF

SEPTEMBER 21, 1988

PREPARED BY
LANDMARK RESEARCH, INC.

4610 University Avenue, Suite 105, Madison, Wisconsin 53705, 608-233-6400

Landmark Research Inc.

November 15, 1988

James A. Graaskamp, Ph.D., S.R.E.A., C.R.E.
Jean B. Davis, M.S.

Mr. Gaylord R. Plummer
Facilities Analyst
County of Dane
210 Martin Luther King, Jr. Blvd.
Madison, WI 53709

Dear Mr. Plummer:

With this letter we are delivering to you the analysis of the property known as the Dane County Lakeview Sanatorium, located at 1202-1206 Northport Drive, Madison, Wisconsin. We were requested to make a preliminary determination of the most probable use of several separate parcels of the property, as defined by the client. Based upon the most probable use determined for each of the four parcels, we were then requested to estimate the Market Value of each of the parcels. The parcels initially defined by the client and further delineated by the appraisers are as follows:

> PARCEL A - 22.5 acres of woods located at the north end of the subject property to be valued as if in conservancy
>
> PARCEL B - The existing buildings and the grounds including the parking lots and the area at the eastern border of the property which encompasses the Lake View Avenue access point and the City of Madison Water Utility area. The total area is approximately six acres
>
> PARCEL C - The remainder of the site or approximately 18 acres (17.7 acres, given the total site is 46.21 acres)
>
> PARCEL D - All of the improvements and grounds south of Parcel A valued as a single parcel and containing 23.71 acres

The most probable use of Parcel A was already defined as conservancy and the Market Value estimate by the Market Comparison Approach was made by using comparable sales of single family wooded homesites and lands purchased for the Nine Springs E-Way.

After a determination of the most probable uses of the existing buildings and grounds, known as Parcel B and encompassing approximately six acres, those uses were screened for economic feasibility. Only the scenario in which the apartments rents are at the upper end of the market for Madison, does the

justified investment in the project, when renovated, exceed the estimated cost of the renovation and, thereby, justify the purchase of the property as is. But there is not an adequate market demand for 75 upscale apartment units in this area of Madison. And herein lies the major land use problem for the client. The preliminary building demolition costs are estimated to be about $290,000 to clear the site.

Many possible uses were investigated for Parcel C and Parcel D, but given the many physical, legal, political, and market constraints on uses, single family and multifamily residential were determined to be the most probable uses. After screening for economic feasibility, it was concluded that a single family home subdivision was the most fitting use for the remaining parcel. Using the Market Comparison Approach, Parcel C was valued as if the buildings remained in their present use or rented as office to another user. Parcel D was valued as if the whole 23.71 acres was clear and vacant. The responsibility for the cost of demolishing the buildings has not been addressed.

As you will recall, no funds were provided for architectural, legal, or engineering fact finding, so the detailed land plan scenarios that led to the most probable use assumption and which are critical to the several value estimates, must be regarded as only preliminary. Your attention is called to the assumptions, limiting conditions, and controls on use that are included within this report.

Based upon the assumptions and limiting conditions presented in the attached report, it is the opinion of the appraisers that the most probable price in dollars and the Market Value of the various parcels which might be obtained assuming a cash sale as of September 21, 1988, are as follows:

PARCEL A

22.5 ACRES OF WOODS VALUED AS CONSERVANCY

ONE HUNDRED TWENTY TWO THOUSAND DOLLARS
($122,000)

PARCEL C

APPROXIMATELY 18 ACRES OF THE MID AND LOWER PORTIONS OF THE FRONT SLOPE ASSUMING THE EXISTING BUILDINGS REMAIN IN THEIR PRESENT OR SIMILAR USE

EIGHTY THOUSAND DOLLARS
($80,000)

PARCEL D

23.71 ACRES INCLUDING THE CREST OF THE HILL AND THE ENTIRE FRONT SLOPE
ASSUMING THE SITE IS CLEARED AND VACANT

TWO HUNDRED THOUSAND DOLLARS
($200,000)

These value conclusions are subject to the assumptions, limiting conditions, and certification contained throughout the report. As stated within the report, the valuation of the woods as conservancy has ruled out any type of development which would maximize its value, therefore, the value of the property as a whole. As also stated within the report, the sum of the value of the separate parcels will not equal the value of the whole.

We are pleased to have been of service to you and remain available to answer questions you may have regarding this appraisal.

FOR LANDMARK RESEARCH, INC.

Jean B. Davis

Jean B. Davis, President
Real Estate Analyst/Appraiser

K. Edward Atwood

K. Edward Atwood, Ph.D., CPA
Real Estate Analyst/Appraiser

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I. PROBLEM ASSIGNMENT

In general, the content of an appraisal report is determined by the decision for which it will serve as a benchmark and the limiting assumptions inherent in the whole property, the data base, or other factors in the decision context. The present owner, Dane County, has requested an estimate of the market value of the several defined parcels that make up the whole property to be used as a basis for determining the future use or disposition of all or parts of the subject property. Therefore, the constraints placed on the uses of the various parts of the property, as defined by the client, will result in an analysis of each parcel to determine its most probable use, and to determine its most probable selling price, given the identification of the most probable buyer type for each parcel.

At the request of the client, the appraisal assignment has been separated into four value estimates:

1. PARCEL A - The wooded acreage at the north end of the subject property is to be valued separately as if in conservancy regardless of the most probable uses of the other parcels.

2. PARCEL B - All improvements, except the City of Madison water tower, and the grounds in the immediate vicinity of these improvements, including all of the parking lots, are to valued as a single parcel, assuming the woods (Parcel A) remain in conservancy.

3. PARCEL C - The sloping open area between the existing buildings and Northport Drive is to be valued as a separate parcel, assuming the woods (Parcel A) remain in conservancy, and the improvements and the land around them are valued separately as Parcel B.

4. PARCEL D - Parcels B and C are to valued as a single parcel assuming the woods (Parcel A) remain in conservancy.

By limiting the use of Parcel A to conservancy, the client has ruled out any type of development which would maximize its value, and, therefore, the value of the property as a whole. Given the constraints of evaluating the property as separate parcels, and not as a whole, the client is no longer asking for the highest and best, or most probable use of the subject property as a whole. Under these constraints, the value estimates will be something less than the Market Value of the subject property if appraised as a whole. By separating the property into parts, the client has created a situation in which the most probable use of one part will impact on the value of the other parcels. This impact on value will be demonstrated throughout this report in both the determination of the most probable use of each parcel and the estimation of most probable selling price of each parcel. The sum of the value of the parts will not equal the value of the whole.

A. Date of Appraisal

This appraisal is made as of September 21, 1988, the date of inspection of the Lakeview Sanatorium property by the appraisers. A preliminary tour of the building was made on September 2, 1988.

B. Legal Interest to be Appraised

The Lakeview property, located at 1202-06 Northport Drive, is held in fee simple title by Dane County, Wisconsin. The map found in Exhibit I-1 shows the location of the subject site. The subject property was assembled by Dane County from June, 1929 through November, 1945. A 1967 quit claim transfer of one lot to Lakeview Lutheran Church was the final transaction recorded for this property. The chain of title is detailed in Exhibit I-2 and the legal description of the property is found in Exhibit I-3.

Encumbrances of record on the property include an easement and grant to the City of Madison Water Utility and a private deed restriction involving street setbacks and side yards along the vacated Esch Lane. The private restrictions, found in Appendix A, may no longer be enforceable, and in any event does not significantly constrain the uses to which the Lakeview property could be adapted. The permanent water main easement will, however, impart some limitations.

The City of Madison Water utility holds a permanent easement for a water main and booster station, as well as title to the water tower now situated on the property. The location of this easement is shown in the plat map that is a part of the easement document and is found in Exhibit I-4. The water tower is located in that part of the property to be valued as conservancy and is not to be considered in the value estimate. The main limitations presented in this easement, and assumed by the appraiser to be compatible with a conservancy use of the surrounding property, are as follows:

1. The Madison Water Utility will assume the repair and maintenance of all exiting water mains on the easement and from the easement to the water tower. This does not include relocations required by new construction or alterations caused by the property owner.

2. If it is determined that the water tower has to be replaced in the future, the property owner must grant the Madison Water Utility the necessary easements for reconstruction of a storage reservoir of a capacity compatible with the Master Plan determination.

3. The Madison Water Utility has the right of vehicular and pedestrian ingress and egress, the right of excavation and the right to operate the necessary equipment to perform the maintenance as required in the special conditions included within the easement.

These undefined future land needs suggested by this agreement are expected to preclude development that would interfere with access to the water tower and land needed to make repairs and alterations to the tank and tower. Any development scenarios for the site will assume that Lots 15 and 16, Block 2 of Lakeview Heights will be set aside for this purpose.

C. Definition of Value

For the purpose of this appraisal, the value definition for each of the separate parcels appraised is that of market value as defined in The Appraisal of Real Estate, Eighth Edition, American Institute of Real Estate Appraisers, 1983, page 33. The full text of the value definition is found in Exhibit I-5.

SECTION I

EXHIBITS

EXHIBIT I-1

P R O P LOCATION OF SUBJECT PROPERTY IN THE CITY OF MADISON

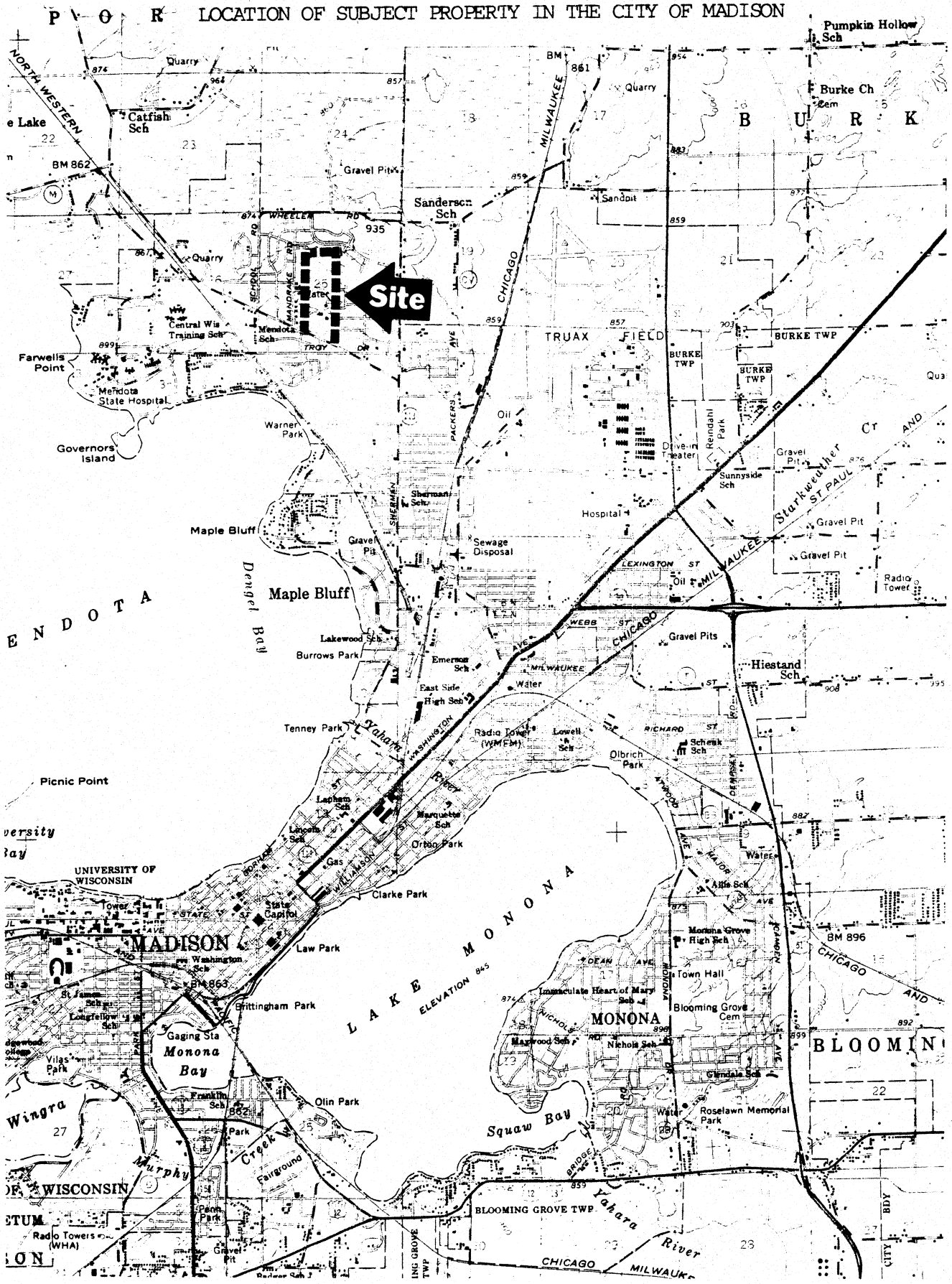


EXHIBIT I-2
CHAIN OF TITLE FOR THE LAKEVIEW SANATORIUM PROPERTY

CHAIN OF TITLE TRANSFERS

VOL./PG.	DATE	DOCUMENT	FROM	TO	COMMENTS
342/525	6/26/29	QCD	Lake View Heights, Inc.	Dane County, Wisconsin	Sewer easement
342/526	6/7/29	WD	Lake View Heights, Inc.	Dane County, Wisconsin	Lots 9, 10, 11, 16 Pt. 33 Hanover [1]
343/337	8/9/29	WD	Imhoff	Dane County, Wisconsin	Lots 13, 14, 15 & 34 Hanover [1]
471/197	11/26/45	WD	Mahlkuch	Dane County, Wisconsin	Lots 15 & 16 Lakeview Heights block 2
----	10/18/49 5/18/67	QCD	Dane County County Board resolution	Lake View Church	Lots Hanover [1]
130/144	8/8/69	Easement	Dane County	City of Madison	Water main easement

[1] Hanover Plot, Recorded Vol. B, Pg. 37, has been vacated.

EXHIBIT I-3
LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

Part of the East one-half of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 25, Township Eight (8) North, Range Nine (9) East (Town of Burke), Dane County, Wisconsin, as follows:

Beginning at the Northeast corner of the Southwest Quarter of said Section Twenty-Five (25), then South 00 degrees 59 minutes 26 seconds West, 990.73 feet to a point, then South 89 degrees 24 minutes 08 seconds East, 216.20 feet to a point; then South 01 degrees 00 minutes 21 seconds West, 126.16 feet to a point; then South 89 degrees 24 minutes 08 seconds East, 30.00 feet to a point; then South 01 degrees 00 minutes 21 seconds West, 175.00 feet to a point; then North 89 degrees 41 minutes 30 seconds West, 30.00 feet to a point; then North 01 degrees 00 minutes 21 seconds East, 20.46 feet to a point; then North 89 degrees 41 minutes 30 seconds West, 216.04 feet to a point; then South 01 degrees 14 minutes 28 seconds West 357.78 feet to a point; then South 01 degrees 05 minutes 44 seconds West 548.24 feet to a point on the Northeast line of Northport Drive (S.T.H. 113); then North 65 degrees 55 minutes 11 seconds West, along said highway 1082.07 feet to a point; then North 01 degrees 23 minutes 42 seconds East 1077.19 feet to a point; then North 0 degrees 53 minutes 14 seconds East, 640.62 feet to a point; then Northeasterly along a curve to the left, whose long chord bears North 70 degrees 05 minutes 02 seconds East, 79.30 feet, and has a radius of 200 feet, to a point; then South 89 degrees 31 minutes 20 seconds East 917.34 feet to the point of beginning.

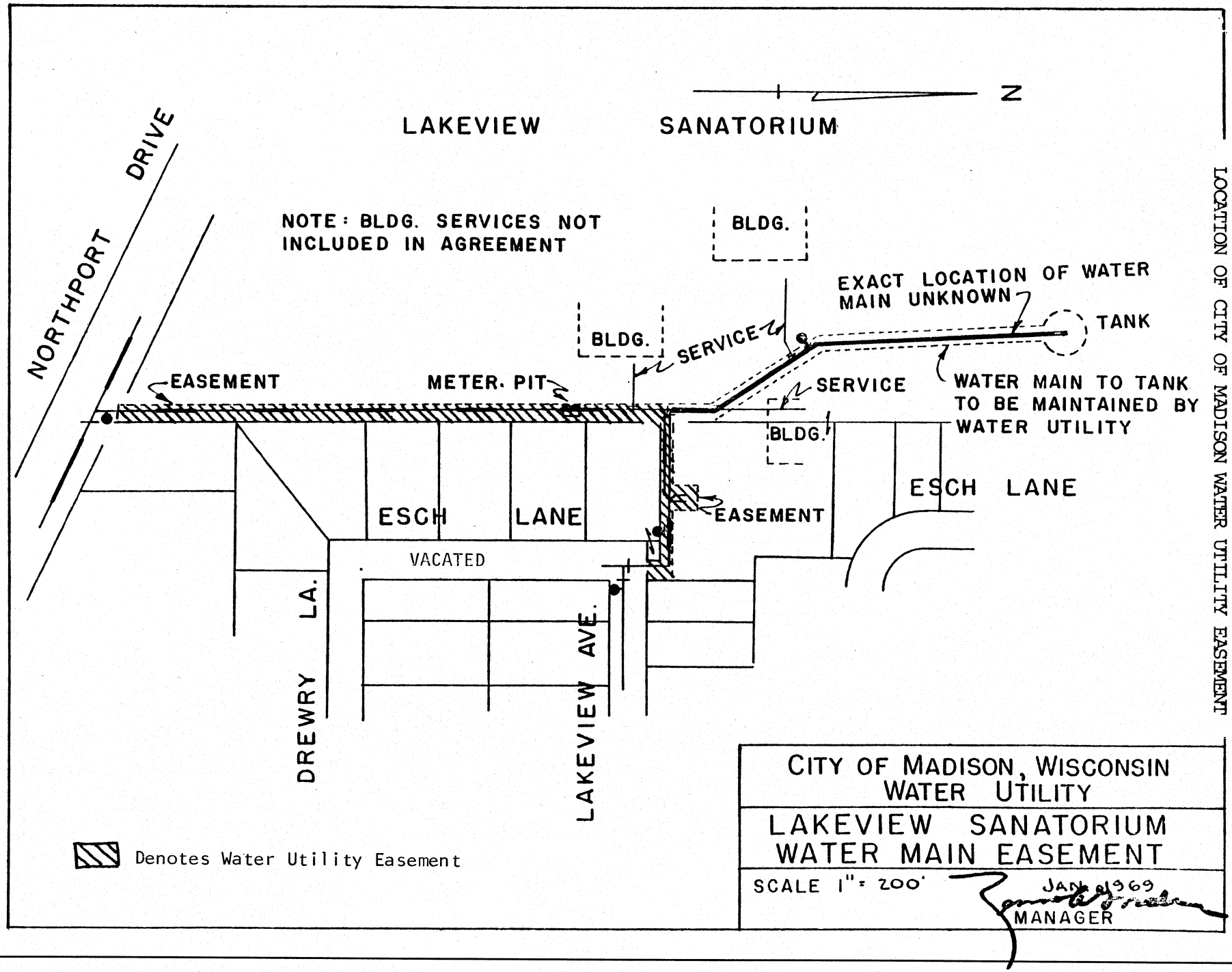


EXHIBIT I-4
LOCATION OF CITY OF MADISON WATER UTILITY EASEMENT

EXHIBIT I-5
THE DEFINITION OF MARKET VALUE

Market value is defined according to the Eighth Edition of The Appraisal of Real Estate, published by the American Institute of Real Estate Appraisers with related assumptions as follows: [1]

> The most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Fundamental assumptions and conditions presumed in this definition are as follows:

1. Buyer and seller are motivated by self-interest.

2. Buyer and seller are well informed and are acting prudently.

3. The property is exposed for a reasonable time on the open market.

4. Payment is made in cash, its equivalent, or in specified financing terms.

5. Specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date.

6. The effect, if any, on the amount of market value of atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal report.

---

[1] American Institute of Real Estate Appraisers, The Appraisal of Real Estate, Eighth Edition, Chicago, IL, 1983, p. 33.

II. PROPERTY ANALYSIS TO DETERMINE MOST PROBABLE USE

The identification of the most probable use begins with an analysis of the property attributes. An inventory of these attributes includes physical characteristics of the site and the improvements thereon, legal constraints on the nature and timing of its use, the relationship (linkages) of the site to density centers that are generators of demand, the political constraints that could prevent certain uses and impede the development process, and the perceptions of the site that are commonly held by citizens that might attract and/or repel users.

A. Background Information

The Lakeview Sanatorium property presently houses the Dane County Department of Social Services and the Dane County Department of Community Support and Health Services. Other County Boards, Commissions and Departments have occupied this space at various times since the late 1960s after the Sanatorium was closed as a tuberculosis hospital in 1966. The Lakeview Sanatorium property is currently known as the Lakeview Office Complex. The name Lake View Sanatorium, in use when the tuberculosis hospital closed, has evolved into its present form.

Dane County, the owner of the subject property, is currently analyzing its overall space needs for the future. The need to make long range space decisions has become more urgent in light of the City of Madison's proposal to renovate and expand its Municipal Building and thereby vacating a large block of its space in the jointly, but not equally owned City-County Building. Spokespersons indicate the County would prefer to move the administrative offices of the Department Social Services and the Department of Community Support and Health Services to the City-County Building. The recent sale of the University of Wisconsin Neurological and Rehabilitation (N & H) Hospital located at 1954 East Washington Avenue in Madison will force the County to seek other space for the detoxification unit operated by Tellurian UCAN, and currently a tenant in N & H building. A possible outcome of this search for a site is that the facility purchased/leased for the relocation of the detoxification unit could also provide adequate space for the Dane County Department of Social Services and those offices of the Department of Health currently occupying the Lakeview Sanatorium property. Some County spokespersons would like to move all of Social Services out of the Lakeview facility because the accessibility of the Sanatorium building is difficult for the clients, especially during the winter months. Others involved in the administration of the County strongly believe it is in the County's long range best interest to dispose of the Lakeview property.

Since Dane County initially introduced the idea of selling the Lakeview Sanatorium property in 1982, a strong neighborhood organization has been formed to oppose the sale and subsequent development of this property. The wooded area, the overlook or crest where the main building is located, and the sloping front lawn overlooking Warner Park and Lake Mendota have been valued neighborhood amenities for the past 57 years. The Dane County Parks Commission has had jurisdiction over and maintenance responsibilities for the wooded area since 1967; the Dane County Parks Commission also maintains the expansive front lawn.

B. Physical Attributes of the Site

1. Location

The subject site is located on the far northeast side of Madison, approximately two miles west of the Dane County Regional Airport one and one-half miles south and east of the Yahara River. The site is bordered by Northport Drive to the south, with the remainder of the site bordered by single family residences except for two churches and a small graveyard. The Church of Christ is located on the northeast corner of the intersection of Mandrake Road and Havey Road; the northwest corner of the subject site borders the curve in Havey Road across the street from the Church of Christ. The Lakeview Lutheran Church and its adjacent graveyard are located along the southern end of Mandrake Road and border the southwest boundary of the Lakeview Sanatorium property.

2. Size of Parcels

Exhibit II-1 shows the configuration of the site and the placement of the existing improvements. The whole site is an irregular rectangle with an approximate width of 990 feet except for an area that is approximately 216 feet wide and 281 feet long at the point of access from Lake View Avenue on the eastern border of the site. The site measures approximately 1,718 feet on its western border and 2,177 feet on its eastern border with 1,082 feet of frontage along Northport Drive. The area of the parcel is estimated to be 46.21 acres. (See site dimensions on map in Appendix A).

Although the woods occupy approximately 28 acres of the total site, the dimensions of the wooded site to be valued as conservancy and referred to as Parcel A are approximately 990 feet by 990 feet, or 22.5 acres. The dimensions for Parcel A are taken from Dane County Substitute Resolution 1 to Resolution 37, a currently tabled resolution to "rededicate Lakeview Woods as County Parklands". A sketch of Parcel A is shown in Appendix A. The remaining 23.71 acres, referred to as Parcel D, is allocated between Parcel B and Parcel C for the purposes of this appraisal.

The size of Parcel B, the building and grounds, is determined by two constraints: the amount of parking required depending upon the use and the configuration of the improvements on the site. For office use, the site would need to contain three to four acres; for residential use the site would need to cover two and one half to three acres. In this case, the overriding consideration is the configuration of the improvements on the site. As shown in Exhibit II-1, Parcel B would have to encompass the main building, the annex which is south of the main building, and the water utility area. The total area contains approximately six acres; of that area, approximately one and one half acres is allocated to the City of Madison Utility area, for the purposes of this appraisal.

The area for Parcel C, the remainder of the site , is approximately 18 acres, more or less, depending on how the boundary lines are drawn. These hypothetical property lines are delineated in each of the scenarios analyzed to determine the most probable use of Parcel C and shown in Section IV.

3. Access

Northport Drive provides access to the site from both the east and west via the private extension of Goodland Road (also referred to as Sanatorium Drive) which continues onto the site from the south and becomes a parking area behind the existing improvements. Because the drive is not a dedicated City of Madison street, Madison Metro buses do not travel beyond Northport Drive; clients either have to drive their own vehicles or walk up the steep hill to the buildings.

Although there is a dead end sign at the entry of the most western block of Lake View Avenue, the street continues onto the subject site. There are no signs or gates that prohibit a driver or pedestrian from entering the Lakeview property at this most western point on Lake View Avenue.

Discussions with City of Madison staff suggest that no additional median breaks will be allowed on Northport Drive from Mandrake Road to Troy Drive. The next directional break that is projected for Northport Drive would occur south of the Lakeview Sanatorium property when the now vacant Eagle Store is redeveloped. It is possible that a directional right turn would be allowed as an ingress/egress point at the east side of the site along Northport Drive, but traffic leaving the site would have to make a U-turn along Northport Drive to go in an easterly direction toward Madison.

Another potential problem, given the separation of the wooded area from the rest of the site, is that of public access to the woods if the rest of the site is developed for private uses. Private owners will not welcome a public easement over the front portion of the site for public access to the woods. There may need to be an access point created off Havey Road, Graedel Court, or Lake View Avenue. The immediate neighbors affected by a public easement over their property would prefer the status quo which is access from Goodland Road.

The only solution that would be supported by City of Madison Traffic Engineering would be a public parking lot at the southwest edge of the wooded area just east of the church and the graveyard. Ingress/egress would be from Northport Drive via Goodland Drive which would become a dedicated city street. Traffic Engineering does not want to encourage increased traffic on the neighborhood streets. (See Exhibit II-1 for location of churches and graveyard).

4. Traffic

The speed of the inbound traffic from County M along a six mile stretch of Northport Drive is of increasing concern to the Lakeview Sanatorium neighborhood. Although the speed limit is reduced from 55 miles per hour at Kennedy Road to 35 miles per hour at School Road and Troy Drive, the traffic, which increases from 13,600 vehicles west of Kennedy Drive to 17,650 vehicles west of School Road, does not heed the speed limit signs. The Alderperson reports that there have been about 75 accidents per year along this strip. Attempts by the Alderperson to install traffic lights at strategic points on Northport Drive have not been successful. High density uses of the subject site or the addition of ingress/egress points on the site will only increase

these traffic problems. City of Madison Traffic Engineering would not recommend a commercial use of the Lakeview site and would find a residential use more suitable than an office use. (See Exhibit II-2 for traffic counts along Northport Drive from 1976 through 1987).

5. Topography

The site rises from an elevation of 900 feet above sea level at Northport Drive to 1,040 feet above sea level two-thirds up the middle of the site, one of the highest points in Dane County. The hillside provides a captivating view of Madison and Lake Mendota to the south. The terrain, varying from 4 to 5 percent slopes up to 20 percent slopes in some areas, presents limitations to development in terms of site design. (See topographic map in Exhibit II-3).

6. Wooded Area

The area behind and to the west of the existing improvements, which is approximately 60 percent of the site, or 28 acres, is heavily wooded with oak, hickory, and other hardwoods. This portion of the property is a natural resource area currently under the jurisdiction of the Dane County Parks Commission and is known as Lakeview Woods. The area is maintained in its natural state with no improvements except hiking trails that consist of packed earth with gravel cover in some areas.

According to the February, 1982, Lakeview Property Site Analysis, prepared by the Staff of the Dane County Regional Planning Commission, Lakeview Woods consists of oak trees in three successional stages: Red Oak-White Oak woods in the northwest quadrant, Oak-Hickory woods in the southeast quadrant, and disturbed woods of mixed early and a few late successional species located in the northeast quadrant of the this natural resource area. Other vegetation includes Boxelder, Sugar Maple, Pennsylvania Sedge, Bitternut, Shagbark, Hackberry, Gray Dogwood, Redosier Dogwood, Hawthorn, White Shakeroot, Ash, Red Cedar, Honeysuckle, Bigtooth Aspen, Black Cherry, Buckthorn, Staghorn Sumac, Gooseberry, Black Locust, Black Rasberry, Canada Goldenrod, Basswood, American Elm, and Wild Grape.

According to a City of Madison park specialist, 20 acres of Lakeview Woods are in native Oaks and other hard woods with a ground layer community of native shrubs and flowers. He estimated at least 100 different plant species. The other eight acres has been disturbed by grazing and by property lines. The Boxelder, Honeysuckle, and Buckhorn, which are undesirable, aggressive and not native, spread rapidly and reduce other more desirable growth.

Along the eastern border of the site and south of the buildings is a grouping of Pines that acts a natural buffer between the site and the neighborhood. On the western border of the site and south of the main building is a mix of Oaks and Pines. A map prepared by the Dane County Regional Planning Commission (RPC) which locates the various woods and also indicates the direction of the seasonal winds is found in Appendix A.

7. View Lines From The Site

The views from the crest of the hill where the existing buildings are located are one of the outstanding attributes of this property. The magnificent view of the isthmus area and the Capitol across Lake Mendota is breathtaking. From the top of the main building the panorama includes the Dane County Regional Airport area to the east and beyond the University of Wisconsin to the west. A visual analysis prepared by the Dane County RPC is found in Appendix A.

8. Utilities

Existing utility lines which service the subject property are shown in Exhibit II-4. Utilities include water, electric, natural gas, and phone lines. An eight inch sanitary sewer main and storm sewer also serve the site. All utilities to existing buildings are provided from the east property line. Water and natural gas are accessed via Esch Lane. Overhead electric lines, overhead telephone lines, and water mains extend from Northport Drive along the eastern property line. Sanitary sewer is provided from southeast of the site with the easement running across Esch Lane.

All utilities are provided along Northport Drive. Electric lines run along most of the northern boundary of the site.

9. Soils

The Soil Survey of Dane County, Wisconsin, published by the U.S. Department of Agriculture, Soil Conservation Service, indicates three soils on the site. There soils are Whalen silt loam with six to twelve percent slopes (WxC2) and twelve to twenty percent slopes (WxD2); Westville silt loam with twelve to twenty percent slopes (WvD2); and St. Charles silt loam (ScB) with two to six percent slopes. Exhibit II-5 indicates the location of these different soil types on the site.

The Whalen soils, comprising approximately 65 percent of the site and the entire area to be valued as conservancy, were formed by glacial till over dolomite bedrock. These soils have moderate bearing capacity of the subsoil, causing them to be unstable when wet, and soil erosion can be caused by rapid water runoff, particularly on the steeper slopes. Keeping this area in woods will avoid this potential problem.

Recent test borings performed by Exploration Technology, Inc. on the grassy portion of the site south of the improvements indicate that depth to bedrock is no less than 13.5 feet as found at boring site #2. Depth to bedrock on the other two boring sites was at least 15 feet. A map in Exhibit II-6 shows the location of the three boring sites and the reports are found in Appendix A. The wooded portion of the site was not tested because it is assumed there will be no development on this acreage that is to be valued as conservancy.

For the purposes of this appraisal, it is assumed there will no increased development costs for the construction of basements, placement of underground utility lines, or for the construction of roads due to the presence of bedrock. A developer would exercise caution by including a contingency in an offer to purchase, subject to a more thorough test of the soils and the positioning of bedrock on the site.

The Westville soil, comprising approximately 30 percent of the site and the major portion of the grassy hill south of the improvements, was also formed by glacial till. The subsoil has a low bearing capacity and moderate shrink-swell potential which presents some limitation to development of local streets and roads. The steep slopes experienced on these soils result in rapid runoff and a severe hazard of erosion. No engineering cost estimates were made for the extra costs that could be incurred for water retention basins.

The St. Charles soil, located in the southeast corner of the site, is a well drained soil formed in deep glacial till. This soil poses only moderate limitations to development of local roads due to shrink-swell potential caused by subsoil with low bearing capacity.

The potential limitations to development posed by the soil types found on the subject site are not severe, but the potential extra risk in both the cost to control erosion and other unknown development problems inherent in working with steep slopes must be considered in hypothecating development scenarios for the subject site. These potential problems must also be considered in making adjustments for differences between comparable sales and the subject property when using the Market Comparison Approach to estimate most probable selling price.

C. Legal Constraints

1. Current Zoning

The subject site is currently zoned R1, single family residence district. (See Exhibit II-7 for zoning map of the neighborhood around the subject site). The statement of purpose, found in the Madison Zoning Code Section 28.08(2), is as follows:

> The R1 single-family residence district is established to stabilize and protect the essential characteristics of certain low density residential areas normally located in the outlying urban parts of the City, and to promote and encourage a suitable environment for family life where children are members of most families. Development in the R1 single-family residence district is limited primarily to single-family dwellings, low density multiple-family dwellings in planned residential developments, and certain community and recreational developments to serve residents of the district.

As shown in Exhibit II-7, the subject site is completely surrounded by R1 zoned districts with the exception of a lot zoned R2 which lies south of the intersection of Mandrake Road and Northport Drive, a parcel zoned R4 which is

located on the south side of Northport Drive between Darby Lane and Mandrake Road, and a commercial block lying south of the far eastern section of the site. This commercial area extends along Northport Drive to the east and is located on both sides of Northport Drive, and includes lots zoned C1, Limited Commercial District; C2, General Commercial District, and R4, Limited General Residence District. Encroachment by these commercial and higher density zoned districts in the direction of the subject represented a trend several years ago in rezoning along Northport as that street became more heavily traveled, but there has been little change in recent years.

2. Potential Zoning for Subject Site

For purposes of this appraisal, it is assumed that the wooded portion of the site is to be valued as if zoned Conservancy. The City of Madison Zoning Code provides the following Statement of Purpose for a Conservancy District:

> The conservancy district is established to preserve and perpetuate in an open state certain areas such as lakes and waterways, wetlands and marshes, flood plains and stream beds, certain agricultural lands, slopes and other areas of aesthetic value which, because of their unique physical features, are deemed desirable and functional as natural drainageways and water retention areas, natural habitat for plant and animal life, greenbelts and other multiple purpose uses beneficial to the community. The regulations of the conservancy district are intended not only to preserve and perpetuate certain open space land and water areas for multiple purpose uses consistent with the intent and purpose of this ordinance, but also to protect the community from the costs which may be incurred when unsuitable development occurs in certain areas. Development in the conservancy district is limited in character, although certain agricultural, commercial, educational and recreational uses are permitted when controlled by specific limitations. Civic development by the City of Madison is permitted without specific limitation where the benefit by such development of landshore and shoreline areas accrues to the community as a whole.

Permitted uses in a Conservancy District include land and water preserves; public parks and playgrounds; civic auditorium complex; and educational, recreational, and offices owned or under the jurisdiction of the Madison Metropolitan School District or the City of Madison providing resolution of adverse neighborhood impacts of such uses. Also included as a permitted use is one single family home occupied by the owner or caretaker. Although the Lakeview Woods site is large enough for two 10 acre homesites, the site does not have the required 500 feet width and street frontage required for each site. In fact, the site has no street frontage except for less than 100 feet along Havey Road. (See Appendix A for the full text of Section 28.07(2) of the Madison Zoning Code. The zoning requirements of an Agriculture District are also included because of its similarity to the Conservancy District).

Presently only single family residences are a permitted use on the entire subject site. Any other uses would require rezoning. The process involves the development of a specific use plan, the petitioning of nearby property owners for rezoning, a public hearing for all residents within 200 feet of the site, a positive recommendation by the Plan Commission, and approval by three-fourths of the City Council members present. A developer would probably call an unofficial neighborhood meeting to get an indication of neighborhood concerns before developing a specific use plan. City staff would also be invited to attend so they would also be in tune with neighborhood concerns about such problems as traffic and incompatible uses.

Discussions with various city planning officials indicate that presently there is a very low probability for commercial rezoning along the Northport Drive border of the subject property. There would be very strong neighborhood resistance to any commercial development on the subject site.

Although the site is zoned R1, its use as social service and other public service offices by Dane County these past 21 years is considered to be a grandfathered use, but this use designation might be in jeopardy if the adaptive reuse was not a similar use. The interpretation of the comparability of a grandfathered use and a new use is subjective and, in this case where there may be some objection to a change of use and ownership, the buyer would have no assurance of a continued use as offices without rezoning to C2. It is the opinion of city planning officials that C2 zoning would be considered only if a very specific office use was planned and there were deed restrictions in regard to retail uses, traffic, and other factors that would affect the beauty of the site and the comfort and safety of the neighborhood.

The use of the existing buildings for residential use would require R4 zoning. Multifamily residential is always a conditional use in an R4 zone. An irony for Dane County is that the reuse of the existing buildings requires rezoning which may be met with resistance from the neighborhood, but the demolition of the existing structures are estimated to cost between $290,000 and $300,000.

Discussions with both county and city planning officials indicate that given a development plan generally acceptable to the neighborhood and the City of Madison Department of Planning and Development, a planned unit development (PUD) or a planned community development (PCD) are also rezoning possibilities. Section 28.07 (4) of the City of Madison's General Ordinances states that the intent of PCD zoning is to:

> . . . allow diversification and variation in the relationship of uses, structures, open spaces and heights of structures in developments conceived and implemented as comprehensive and cohesive unified projects. It is further intended to encourage more rational and economic development with relation to public services, and to encourage and facilitate preservation of open land.

The intention of the PUD zoning is very similar to that defined for PCD zoning. The major difference in the two plans is that land zoned PUD remains under one entity and entails only one use while land zoned PCD is platted into parcels and sold to different entities and may have different uses.

Specifications for design standards under these two zoning classifications is intentionally vague to allow for flexibility and negotiation between planning officials and developers. A copy of the specifications of these zoning districts are also included as Appendix A.

3. Potential Political Constraints

The City of Madison's Land Use Plan, revised in November of 1983, shows the subject as a special institutional district which is described as follows:

> The purpose of this land use designation is to identify those large or strategically located parcels now occupied or planned to be occupied by major institutional uses whose special characteristics would make classifications to one of the other land use categories misleading or inappropriate.

The areas to the north and south of the subject are designated to retain their low density, single unit residential character. The area to the southeast of the subject is earmarked neighborhood commercial, while strips along Northport to the southeast and to the west of the subject are designated medium density (16 to 25 units per acre) mixed housing and multi-unit housing districts.

The subject lies in the 18th Aldermanic District in the City of Madison and in Supervisory District 18 in the County of Dane. There are several neighborhood associations in the general area of the subject property. Before the 1982 announcement that the County was considering the sale of the subject property, the closest neighborhood association was the Sherman Village Association. This group represents approximately one square mile of single-family residences located directly north of the subject. The North Lake Mendota Association represents the state hospital to the west and the surrounding residences in the area. To the east is the East Bluff Homeowners Association and to the west is the Kennedy Heights Neighborhood Association, but these latter two groups are more concerned with the specific residential complexes of the same name. According to a newspaper article in May, 1982, when the County was considering the sale and development of the Lakeview Sanatorium property, the Lakeview Neighborhood Association was formed to oppose the sale of the property to private interests and to preserve the land as a park. These neighborhood groups have been very vocal in the past and will exert a great deal of influence over the type, density and design of improvements on the subject property.

Interviews with neighborhood spokepersons confirm the strong feelings about the Lakeview property. The three most important features of the property are the woods, the overlook or crest where the buildings are located, and the sloping front lawn. The neighborhood goal is to keep the property in public ownership so that public access to the property is guaranteed. The neighbors have enlisted the aid of several conservancy groups to assist them in their goals. The Audubon Society reportedly has inventoried the birds that live in the woods and other groups are standing by with advice and moral support. The vision of one spokesperson is to have the buildings razed and create a simple

turnaround at the end of Goodland Drive on the crest of the hill to preserve public access to the view and to the woods. Picnic tables also would be available. Others would like the existing buildings to be converted to private office use that would leave them empty after 5:00 P.M. Ideally, the office would be occupied by a private business which would have a long term (99 years) ground lease from a public owner such as Dane County which would protect the neighborhood from adverse uses of the property by the use of restrictive clauses in the lease. Other persons could accept either single family or multi-family development on the site that would preserve the most important site attributes previously mentioned. There does not seem to be strong sentiment to retain the existing buildings, but if new construction does occur, it should not prevent public access to the woods, the view, and the front hill.

The back portion of the site was placed under the jurisdiction of the Dane County Parks Commission on May 18, 1967, for the purpose of "maintaining and developing such land for park purposes." This area of the site is maintained as Lakeview Woods and is perceived by most residents as a permanent county park although this area has never been formally dedicated as park or conservancy land. On June 7, 1988 a Substitute Resolution 1 to Resolution 37 was drafted "rededicating Lakeview Woods as County Parklands." This resolution was apparently tabled until disposition of the Lakeview property had been determined. But as previously mentioned, this is mute point for the purposes of this appraisal, because the appraiser has been instructed to value the upper wooded portion as conservancy. (See Appendix A for a map outlining the area referred to in Substitute Resolution 1 to Resolution 37, the text of the Resolution and the May 18, 1967 Resolution).

Since the subject property is located in the City of Madison, it seems logical to some that the Lakeview Woods should be acquired by the City of Madison Parks Department. The Madison Parks Department has made it clear that their long range plan for Madison does not include the acquisition of any more parkland of any kind in this area of Madison. In fact the City of Madison will not accept the dedication of any more open space when a new subdivision is platted in the area, but must pay a park fee instead. Any developer interested in the subject property would have to pay a park fee in lieu of open space. This added development cost is included in the hypothetical scenarios used by the appraiser to test for most probable use of the subject site.

C. Linkages

Linkages are those attributes that relate the site to its immediate surroundings, its activity centers, and its periphery point. The subject property is located on Madison's far north side. Northport Drive to Aberg Avenue connects the subject to U.S. 151, Wis. 30, U.S. 51, and Interstate 90 and 94, the major routes through and away from Madison. Northport Drive also connects the subject site to the Dane County Regional Airport located approximately two and one-half miles to the east. (See Exhibit I-1).

The predominant land use in the area is low density single-family homes. Two higher density residential complexes, the North Glen Apartments and East Bluff Condominiums, are located along Northport Drive less than one mile east of the subject. Kennedy Heights Apartments, subsidized multi-family housing, and Eastwood Park Apartments are located less than a mile west of the subject property. The linkages of the site for residential uses are excellent. Exhibit II-8 is a listing of neighborhood facilities and amenities and their

distances from the subject. Some of these amenities can be seen on the aerial photograph of the subject in Exhibit II-9. The subject property is in close proximity to various types of shopping and commercial establishments, public schools, parks, and large employment centers. Exhibit II-10 identifies the location of a variety of land uses in the neighborhood.

Warner Park, one of the city's largest parks with 263.9 acres located directly south of the subject site, offers a variety of recreational activities including organized baseball, football, picnic areas, and waterfront activities. Cherokee Park, located approximately one mile north of the subject property, is a City of Madison area park consisting of 9 acres with Yahara River frontage which also provides for skating and basketball. Cherokee Marsh, a large conservation area with 1,164.5 acres, is also located north of the Lakeview property.

Sherman Plaza, located less than one mile southeast of the subject, provides neighborhood shopping as well as a dry cleaner, barber, two banks, public library, travel service, optical service, and fast food restaurants. Limited commercial uses are allowed directly to the southeast of the subject and include a vacant grocery store, restaurant, a liquor store, a beauty shop, two fast foods shops, and small commercial offices. In addition, Shopko, a national discount store chain, was completed in 1982-83 on a site near the Oscar Mayer Plant, about two miles away. Originally the Shopko site was developed with the intention of including a large discount food store and a department store, but the food store pulled out of the plan and relocated east of the site near major highway arterials; the department store never made a commitment.

The Church of Christ and Lakeview American Lutheran Church abut the property on its western boundary. Other churches are located along Northport Drive.

Three major employers are located within two and a half miles of the subject: Mendota State Hospital, 595 employees; Oscar Mayer, 2,600 employees; and Dane County Regional Airport, number of employees not known. Other major employers located within five miles of the subject are: American Family Insurance, 2,100 employees; and Madison Kipp Corporation, 600 employees.

D. Dynamic Attributes

Based upon its physical attributes, the subject site is initially viewed by some developers as one of the premier developable tracts of land within the City of Madison. The elevation of the site allows a commanding view of Lake Mendota and Madison to the south. The orientation allows for opportunities in solar design, with the hillside acting as a buffer to the brisk winter winds from the northeast. The varied topography and vegetation enhance the aesthetics and appeal of the site as a whole. The hillside offers high visibility to people viewing it from the lake, Northport Drive, or Sherman Avenue. But without the hilltop, the viewlines, and the varied vegetation of the woods, the site becomes something more ordinary.

The neighborhood, especially northwest of the subject site, has suffered some image problems over the years. A subsidized multifamily residential complex west of the site, an empty grocery store just south of the site, an institution for the mentally ill, and another large complex of subsidized family housing to the east of the site are perceived as detractions by some people who do not live in the area.

E. Existing Improvements

1. Background and Classification

The Lakeview complex consists of four brick buildings: a four-story main building, a three-story annex building or nurses' dormitory, a power plant, and a seven-car garage and storage building. (See Exhibit II-1). An underground tunnel connects the main building with the power plant and the dormitory.

The main building currently houses the Dane County Social Services Department. It was constructed in 1930 under the Works Progress Administration as a tuberculosis sanatorium and general hospital. The general hospital was located on the fourth floor while the tuberculosis facilities were located on the first three floors and the ground floor. (This floor has no windows to the North, but has full-story exposure on the south.) The nurses' dormitory was constructed to house the sanatorium nurses and the resident physician.

Fresh air was prescribed for tuberculosis patients, hence the Lakeview Building, along with most tuberculosis sanatoriums built during this time, sits on expansive acreage offering plenty of area for long, fresh-air walks. This is also the reason for the typical large open porch areas found on the main building.

In fact, the settings chosen for most tuberculosis sanatoriums were so aesthetic and the patient population was so homogeneous (tuberculosis affected primarily people in their early to mid twenties) that many patients did not want to leave once they were cured and, in fact, many remained on and became part of the medical staff. This might explain much of the reluctance of the nursing staff and resident physician to vacate the premises once the county decided to convert the buildings to office space.

2. Type of Construction

All buildings are of concrete and brick construction with stone trim. The main building, consisting of approximately 62,000 square feet, is of a simple institutional design. (See Exhibit II-11 for a break-down of the gross building area by floors). Decorative copper plating covering joints in the rock trim and the archways on the ground floor add a touch of flair to the building, but the main physical feature of the building is its large south-facing windows. The original open porches running the full length of the building have been enclosed on all of the floors to provide for additional

office and storage space for the county. Windows are aluminum case single pane, double hung. Substantial air infiltration from these windows contributes to the building's high annual heating bills.

The major hallways in the main building were placed toward the north side of the building to allow for large south-facing patient rooms. Interior walls are plaster. Corridor floors are mostly terrazzo with some inlaid linoleum. The building was remodeled in the late sixties to adapt it to office use by the county. Many of the interior walls were removed to open up spaces. The space is broken up by foot square reinforced concrete support columns, spaced at varying widths from 12 to 20 feet apart. These columns limit the adaptability of the space to other uses. Another distinguishing characteristic of the building's interior is the existence of germ traps at the entrance to each of the south-side rooms. The germ traps are three and a half feet wide by the length of the room. Originally these rooms had two doors, often times showers, and were thought to prevent transfer of germs from patient rooms to the building corridor.

Each floor has three enclosed staircases placed along the north side of the building. Staircases consist of terrazzo steps and hardwood bannisters. The building has two 400 pound passenger hydraulic elevators and one 2,000 pound freight elevator.

The three-story dormitory building, built five years after the sanatorium, is similar in construction to the main building. The building is U-shaped, consisting of approximately 17,500 square feet. (See Exhibit II-12 for a break-down of the gross building area by floors). Because it is a much smaller building than the main building, the heavy internal concrete support columns were not necessary. Interior walls are plaster and floors are terrazzo.

The dormitory building sits down the hill to the southeast of the main building. Its large, south-facing windows provide plenty of sunshine as well as an excellent vista of Lake Mendota and Madison. The building overlooks an area heavily wooded with pine and a variety of deciduous trees. Windows are single pane and double hung, similar to the main building, but are much tighter fitting and, therefore, experience much less air infiltration.

The power house supplies the main building and the dormitory with steam heat and hot water. The steam heat is provided by two 150 horsepower gas Kewanee boilers with an oil back-up system. The boilers have a rating of 6,270 MBH and a valve capacity of 6,000 pounds per hour. Although no major operating problems have been experienced with the system, a central boiler system is very inefficient because of the energy lost in transmitting the heat over any distance. Local mechanical engineers state that the current system probably loses between 30 to 40 percent of its heat by the time it gets to either of the two receiving buildings. Another problem with the boiler system is the lack of control of the heat distribution. If the boilers were maintained for any converted use of the building requiring individual thermostat controls, the steam heat would first have to be converted to water and then transported to different building areas. This conversion would further increase energy loss and increase costs of operation. Therefore, it is concluded that any scenario for conversion of the subject buildings to regular rental or condominium would require complete replacement with a heating system internalized in the building or apartment unit.

The garage has seven car stalls at the ground level and an upper floor which is used for storage and as a work area.

Photographs of the Lakeview Sanatorium buildings and site are found in Exhibit II-13.

3. Limitations to Adaptive Reuse of Existing Structures

The very specialized medical layout of the main building and the inefficiency of the boiler plant pose substantial limitations to the convertibility of the main building to efficient residential or office uses. These features along with the stark institutional appearance of the building and possible identification of the building with a highly communicable disease, especially by older people who have lived through the fear of tuberculosis, make the marketability of the space after renovation questionable. This irrational fear is fading with the passage of time.

The limitations to adaptive reuse of the existing buildings will be discussed in further detail as the probable uses of Parcel B and Parcel D are evaluated.

4. Potential for Nomination to National Register of Historic Places

Although the 1986 Tax Reform Act trimmed back the tax benefits associated with rehabilitation projects through longer depreciation periods and lower tax brackets, for projects that qualify as historic renovations the amount of the Rehabilitation Tax Credit (RTC) is equal to 20 percent of the cost of rehabilitation, without regard to age. As of January 1, 1989, in the State of Wisconsin another five percent credit is allowed for historic properties that are renovated. The Tax Reform Act of 1986 permits an RTC of 10 percent for other properties if the property was originally placed into service prior to 1936; the subject property was placed into service in 1932. In both cases the asset's depreciable base must be reduced by the dollar amount of the RTC.

The 1986 Tax Reform Act also requires that at least 75 percent of the internal walls of the original structure be retained. For historic properties this requirement is subject to the discretion of the National Parks Service as long as the integrity of the building is maintained, but for properties not on the National Register this requirement is enforced. Therefore, if the subject property was on the National Register of Historic Places and the improvement costs were certified by the Parks Service of the Department of Interior, the owner would be able to take 25 percent of the improvements costs as a tax credit. For a property not on the Historic Register and, given the inefficiency of the existing layout of the buildings, it is unlikely a developer would find the 10 percent credit a strong enough incentive to trade for inherent building inefficiencies and reduced potential gross revenue.

On October 5, 1987, the Madison Landmarks Commission, after a discussion of the historical significance of the Lakeview Sanatorium property, approved the following motion:

> ...after carefully reviewing the history and the architectural significance of the Lakeview Sanatorium, the Landmarks Commission finds that the Lakeview Sanatorium is not historically or architecturally significant enough to warrant designation as a Madison Landmark.

The motion was passed on a 6-1 vote. If a property is designated as a Madison Landmark, approval for demolition for that property is controlled by the Landmarks Commission. Only if the property owner can show economic harm resulting from the designation, can he obtain a demolition permit. By not receiving this designation, the demolition decision still rests with the property owner.

Although the Madison Landmarks Commission did not judge the Lakeview property historically or architecturally significant, this decision would have no effect upon the application for placement on the National Register of Historic Places, according to spokepersons at the State Historical Society. Although it is believed that the Lakeview property would qualify, the resulting potential benefits are speculative and buyer would pay no more for the property because of these potential tax benefits. It would have to make economic sense to purchase and rehabilitate the property without these benefits; the potential tax credits would be the extra inducement for a developer to even consider becoming involved in this risky project.

In evaluating the desirability of a National Register designation for the Lakeview Sanatorium, the relationship of the site to the significance of the building could be an issue. Usually only the building is of importance in determining the property's eligibility. In this case the site attributes, with the hill and the fresh air, play an important part in the significance of the property. A developer would have to separate the 23.71 acres into two separate parcels under separate ownership before application is made for the historic designation or the expansive front hill may be included in the constraints that go with the designation and, therefore, no development on the hill could occur. If the owner of the existing buildings did not also control the hill, the significance of the hill is not as likely to be an issue.

5. Current Operating Costs of the Existing Improvements

In making a space use decision, the property owner needs to know the costs of continued use of the property in its present condition. Although an operating cost analysis was not a part of the appraisal assignment, the available cost figures were reviewed by the analysts in the process of evaluating the existing improvements for adaptive reuse. The following suggestions have resulted:

a) To accurately account for operating expenses, all expenses pertaining to the operation of the building and grounds must be included. For example, the Parks Department maintains the front slope, but the cost of

approximately $9,150 a year does not appear to be included in the Lakeview annual operating expenses. (See Appendix A for an itemized list of lawn maintenance expenses and for the annual Lakeview operating expenses since 1984.

b) There is a variance between the cost of capital improvements as reported by the Dane County Department of Public Works and those reported in the Lakeview operating expenses. (See Appendix A for a list of capital improvements reported by the Dane County Department of Public Works.)

c) There is a disagreement among those concerned about the future of Lakeview property as to the amount of deferred maintenance that is accumulating. Critics imply that nothing is being done to care for the building while Public Works' report on capital cost outlays would indicate otherwise. The detailed energy audits performed in 1984 listed many energy audit recommendations to retrofit the building. Apparently only some of these have been done. Many other non-energy related maintenance items continue to appear in the capital outlay budget each for succeeding year. (See Appendix A for annual recommended capital budgets.) This is understandable when the future of the building is in question, but the trade-off of costs to properly upgrade and maintain this building, and the full costs of alternative space must be carefully compared, unless there are other overriding and compelling reasons for leaving the Lakeview space so that comparative space costs would not be a factor in the decision.

d) Madison Gas and Electric reported in 1984 that ". . .while the overall energy consumption is average, the breakdown for the average electrical and fuel consumption shows different stories. The annual average electrical consumption for the facility is less than half that for the building type while the fuel consumption is 50 percent above average.". The auditor credited the occupants with a "best effort" for keeping the electrical costs low by efficient use of lights. He also indicated that the building envelopes had little to no insulation and there is a high degree of air infiltration into the buildings. The only saving factors are a temperature control system at approximately 80 percent of the individual radiators and occupied/unoccupied thermostat controls in both buildings.

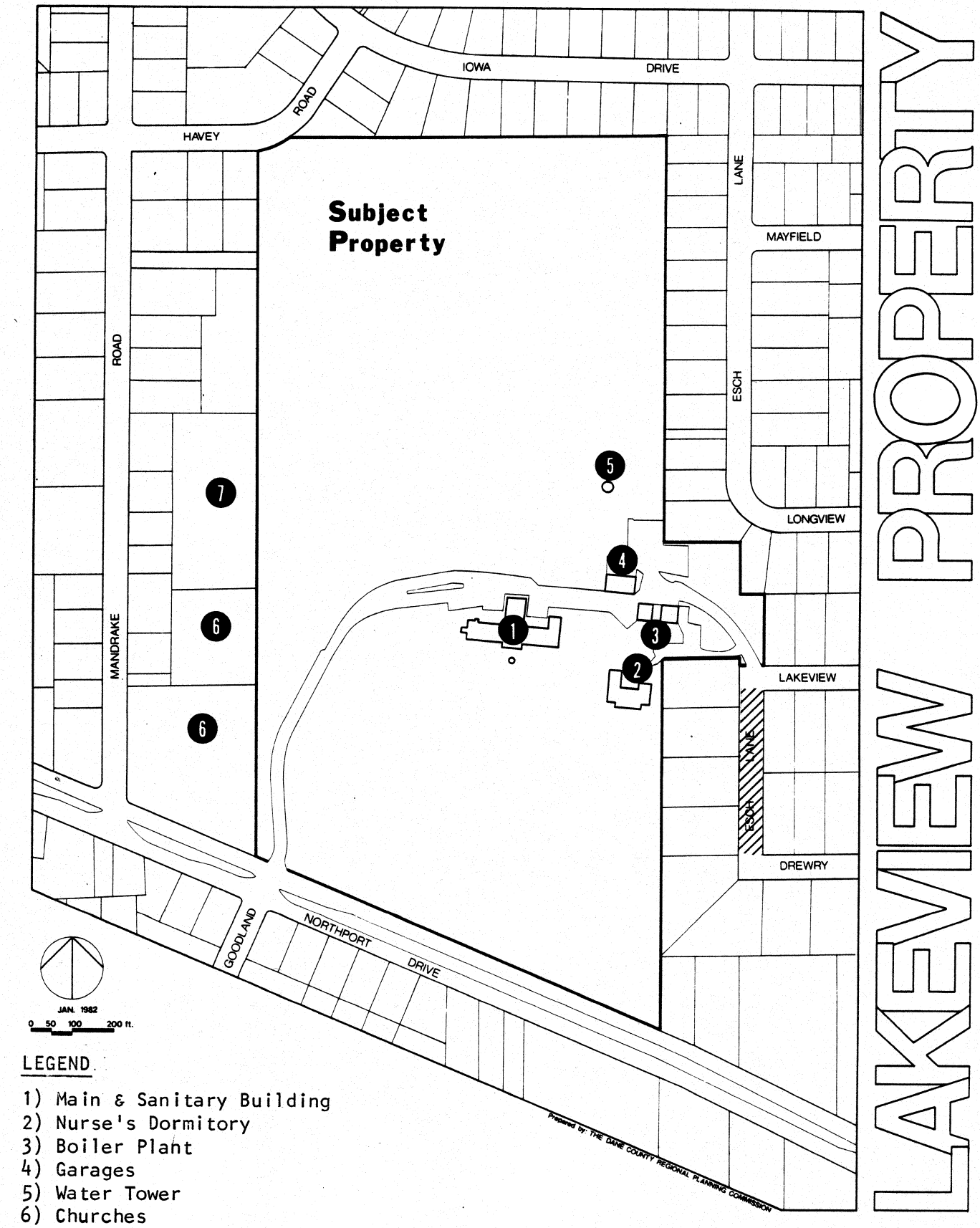
e) The Public Works Department, in summarizing the energy audits of 1984, challenged MG&E's conclusion that Lakeview energy costs of $0.69/SF are average when compared to the City County Building and the Huber Center which had costs of $1.37/SF and $1.00/SF. The Public Works Department indicated that "these two buildings are occupied twenty four hours per day, seven days per week, and use large amounts of hot water while the Lakeview buildings are only occupied for eight to ten hours per day and only five days per week." This use pattern must be kept in mind when evaluating the energy costs of Lakeview in comparison with any other buildings.

SECTION II

EXHIBITS

EXHIBIT II-1

CONFIGURATION OF THE SUBJECT SITE AND EXISTING IMPROVEMENTS



LEGEND

1) Main & Sanitary Building
2) Nurse's Dormitory
3) Boiler Plant
4) Garages
5) Water Tower
6) Churches
7) Graveyard

Vacated Street

Source: Landmark Research, Inc.

EXHIBIT II-2
TRAFFIC COUNTS ALONG NORTHPORT DRIVE FROM 1976 THROUGH 1987

LOCATION OF TRAFFIC COUNT	YEAR COUNT TAKEN					
	1976	1977	1981	1982-83	1985	1987
West of Knutson Dr. and Kennedy Rd.	N/A	11,900	12,100	13,600	13,600	13,600
West of School Road	11,350	16,000	14,100	16,050	17,650	17,650
East of Barby La. and west of Mandrake Rd.	16,800	18,600	15,350	17,250	17,000	17,000
West of intersection of Troy Dr. and Northport Dr.	17,650	21,400	18,600	18,600	21,200	21,200
West of Sherman Ave.	20,350	28,100	24,350	25,350	25,350	25,350
West of Packers Ave.	21,350	22,200	19,000	25,550	25,550	25,550

EXHIBIT II-3
TOPOGRAPHIC MAP OF SUBJECT SITE AND SURROUNDING AREA

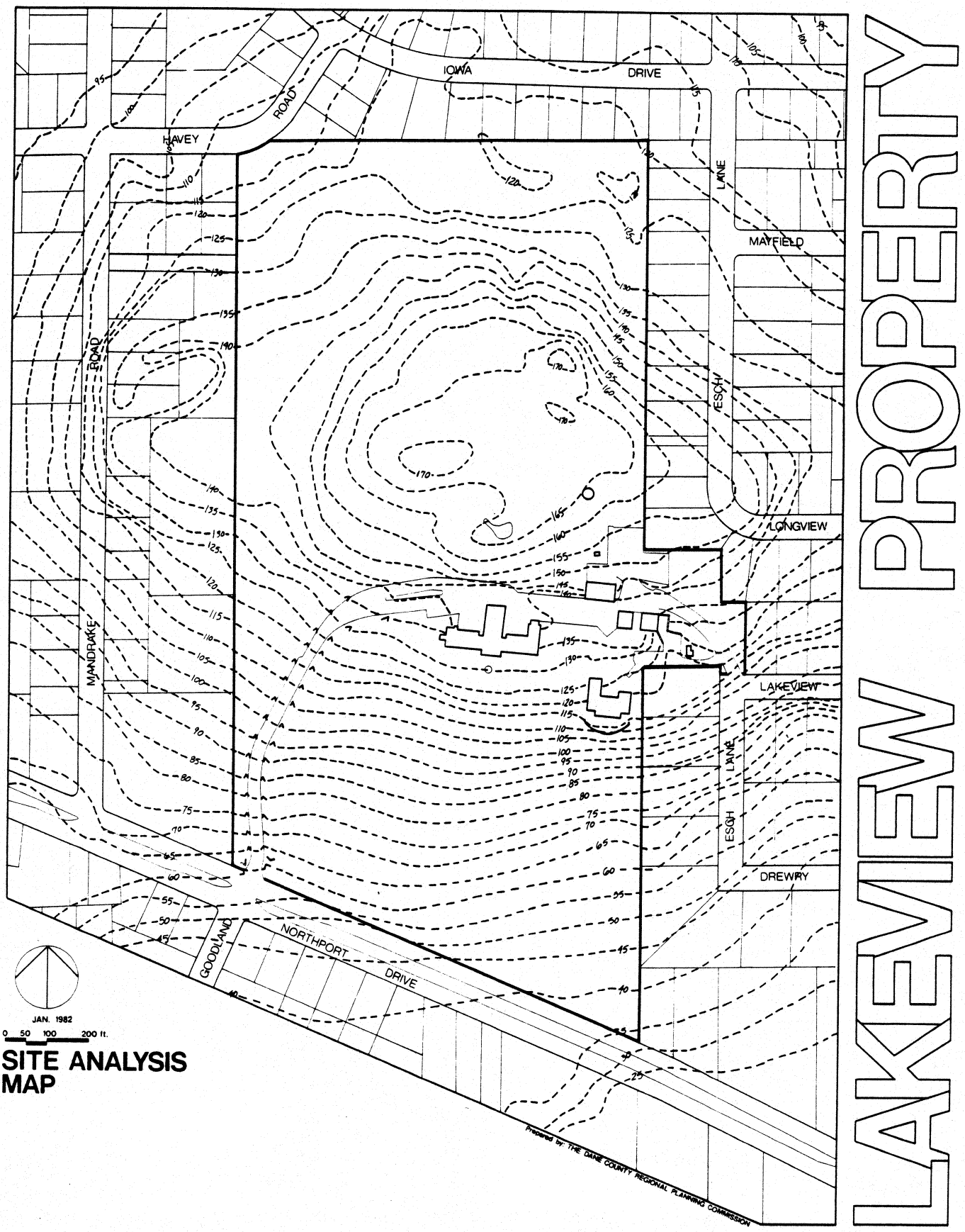
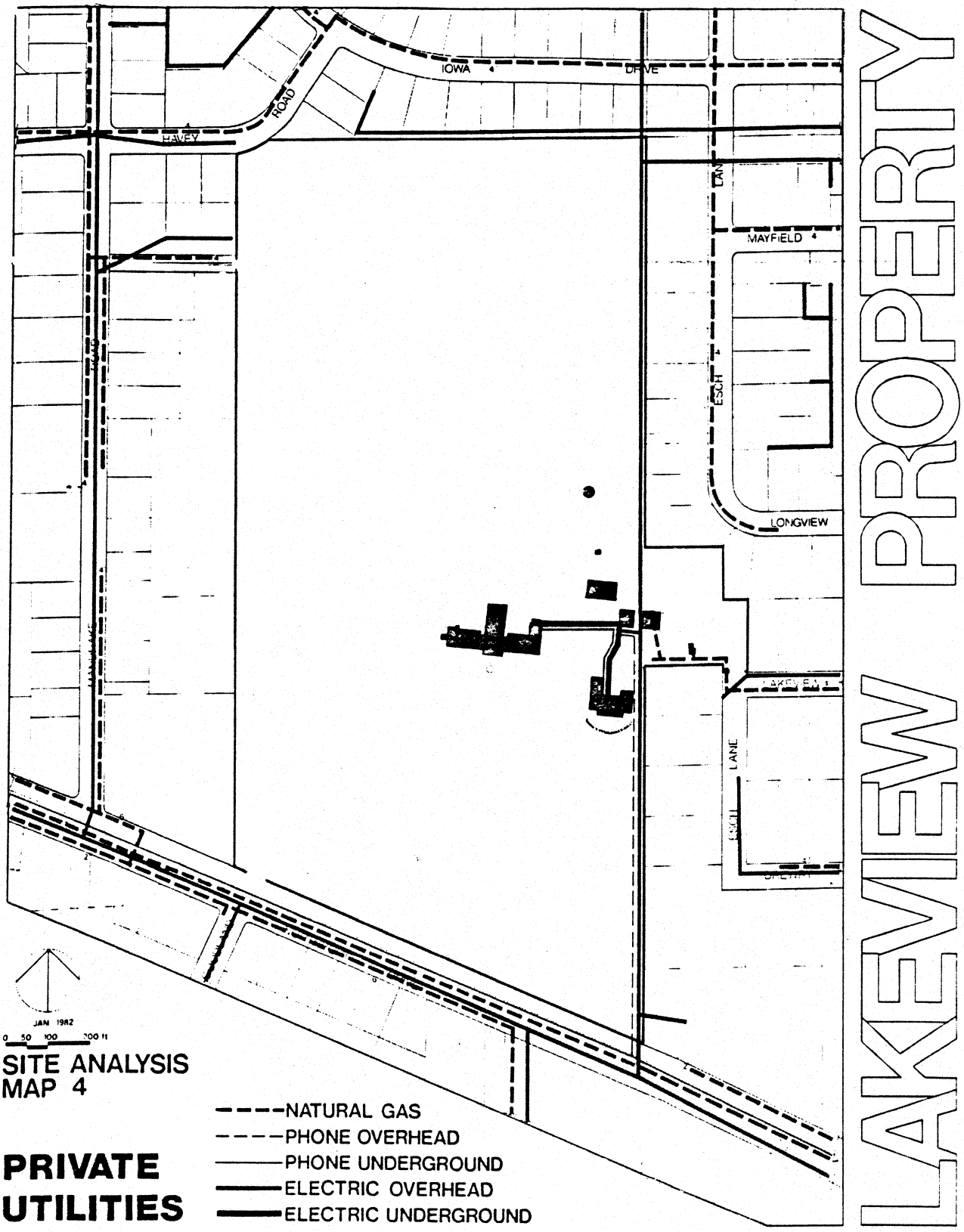
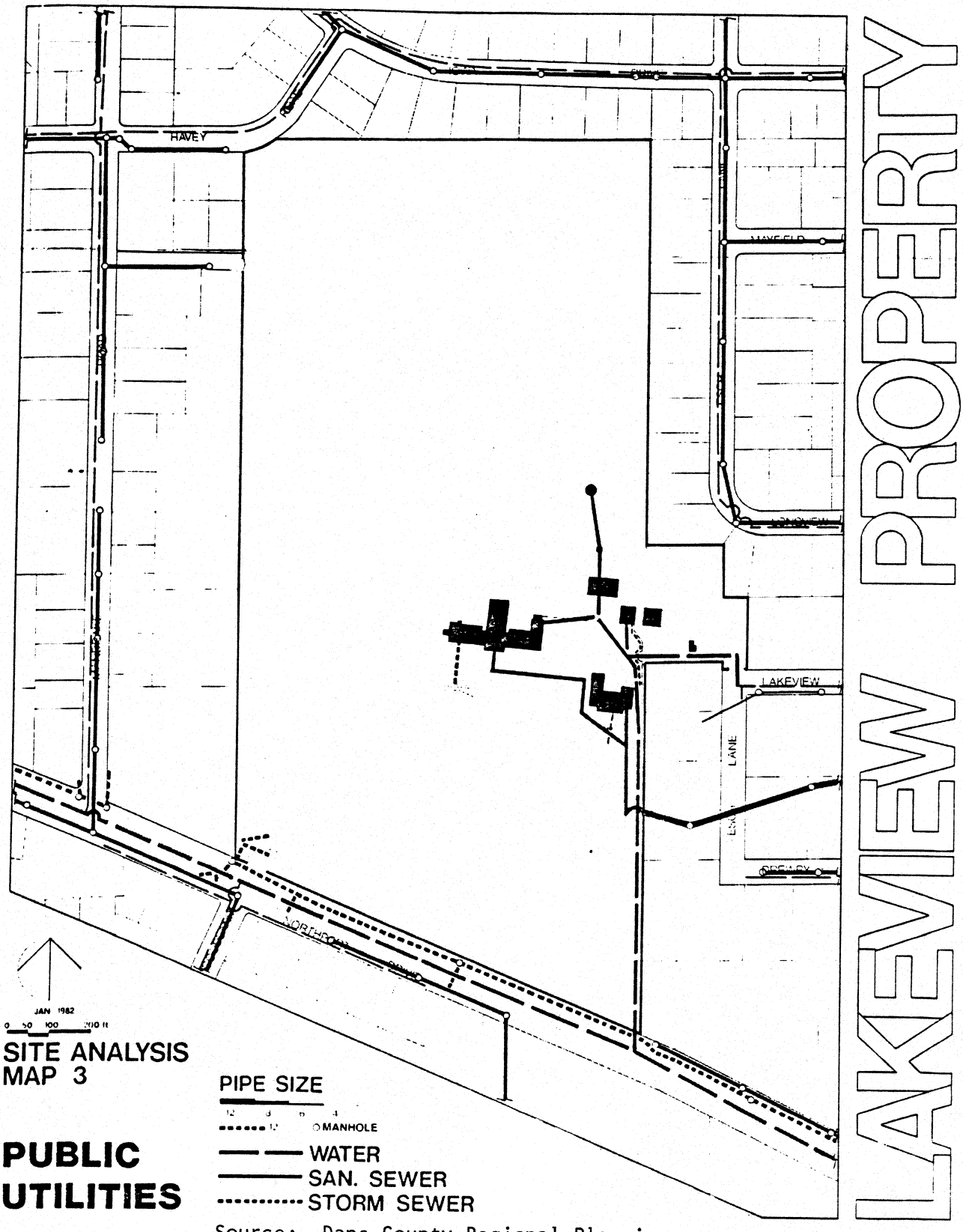


EXHIBIT II-4
PRIVATE AND PUBLIC UTILITIES SERVING SUBJECT SITE



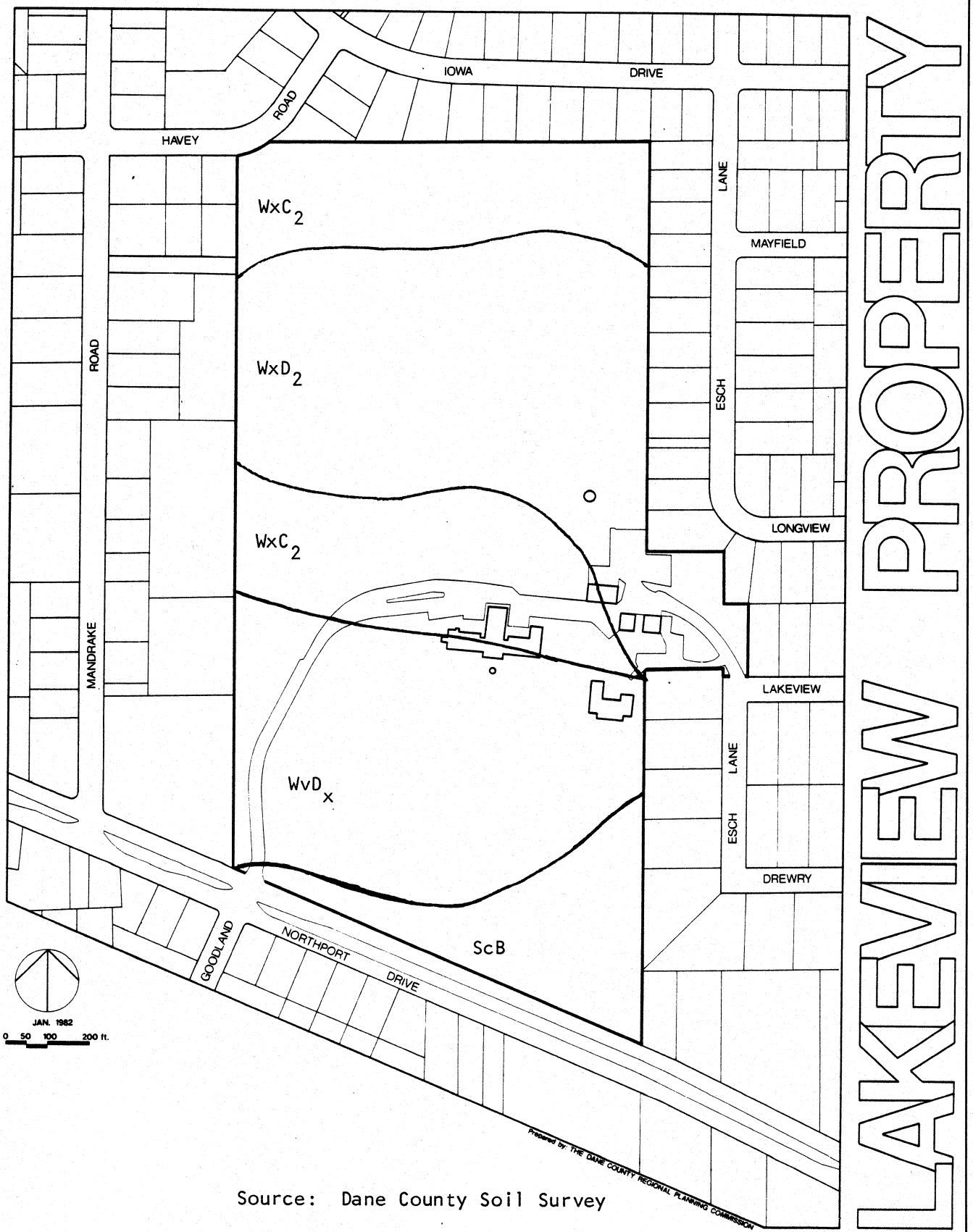
Source: Dane County Regional Planning

EXHIBIT II-4 (Continued)



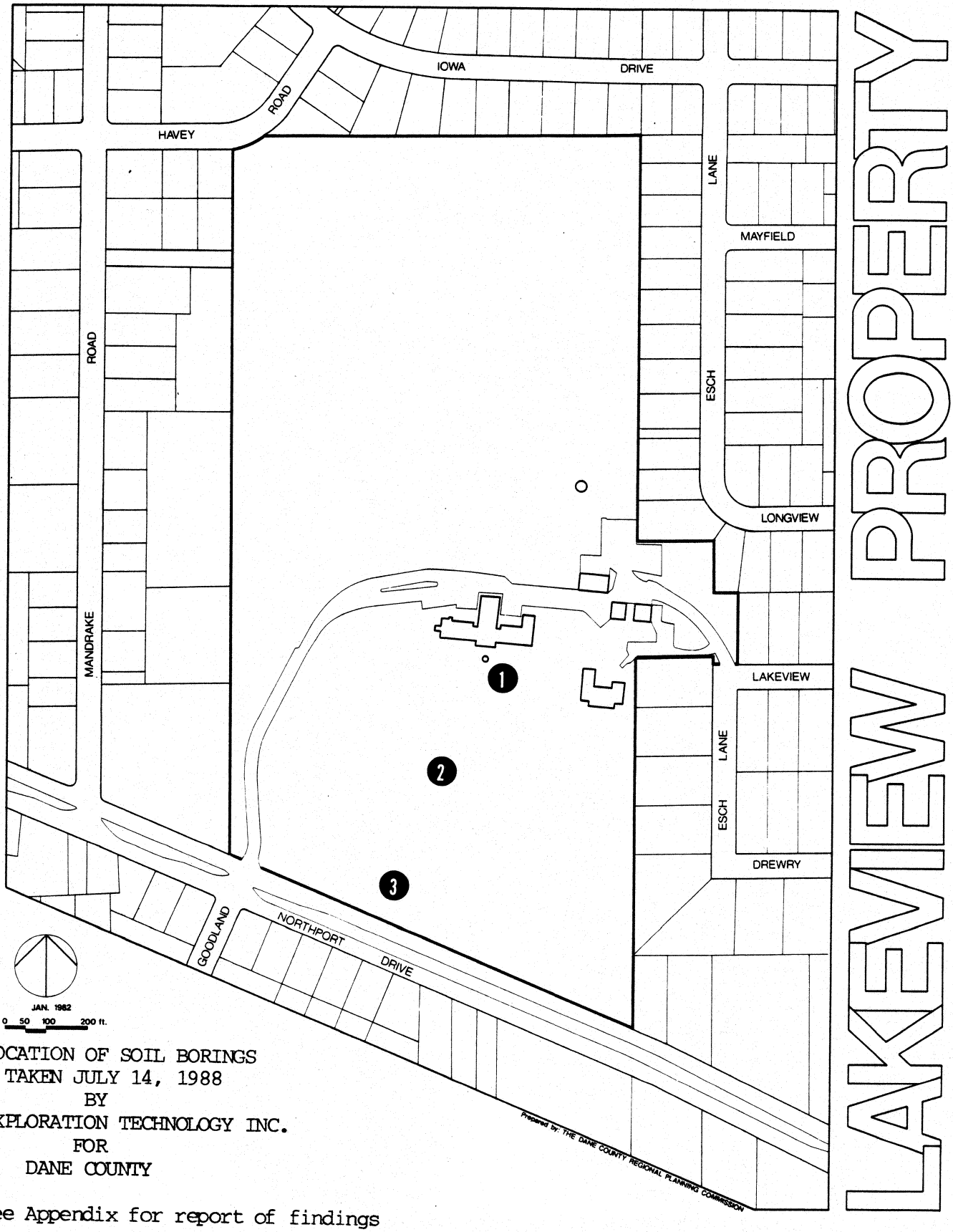
Source: Dane County Regional Planning

EXHIBIT II-5
SOIL MAP OF SUBJECT SITE



Source: Dane County Soil Survey

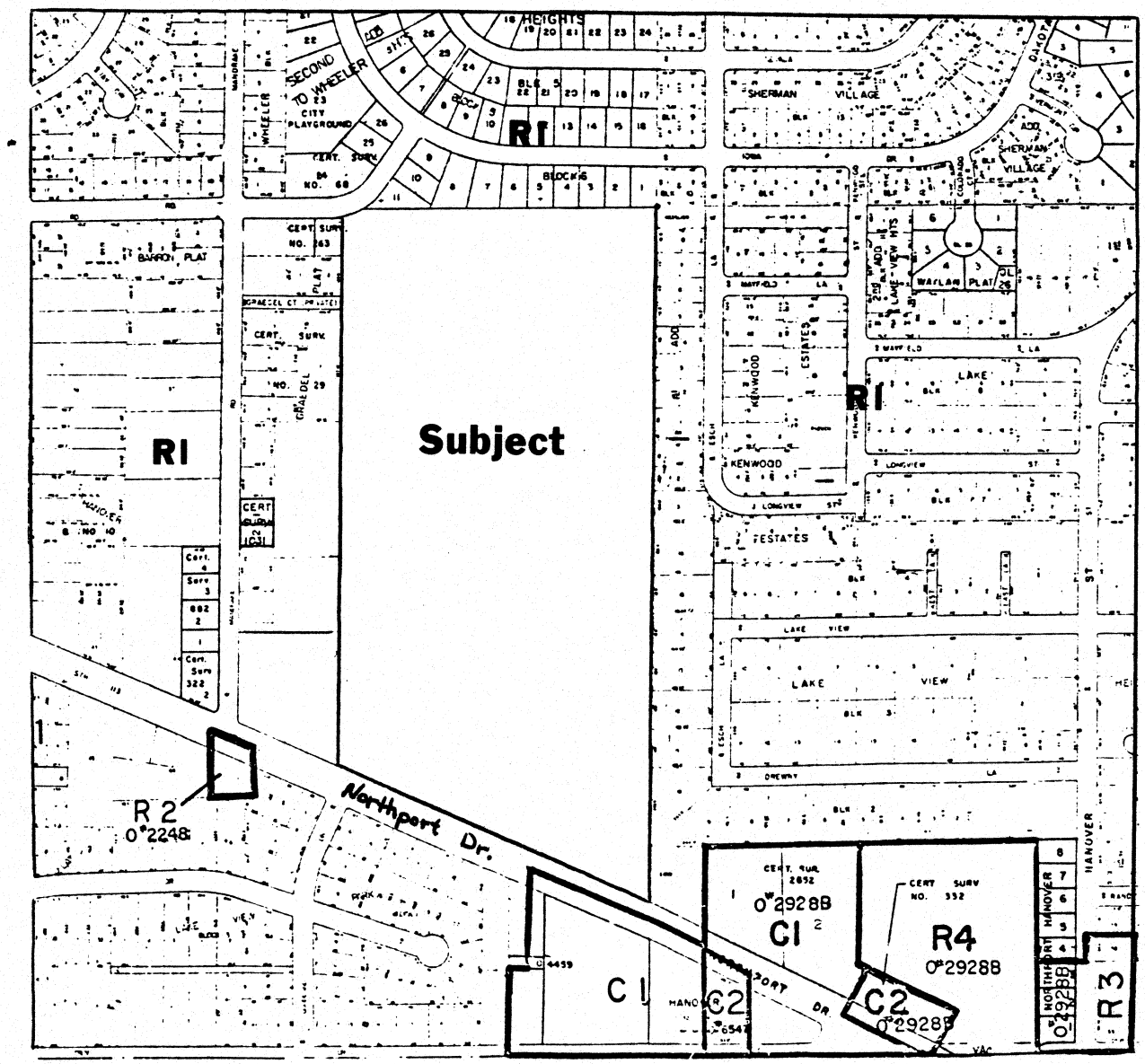
EXHIBIT II-6
LOCATION OF SOIL BORING SITES ON PARCEL D



LOCATION OF SOIL BORINGS
TAKEN JULY 14, 1988
BY
EXPLORATION TECHNOLOGY INC.
FOR
DANE COUNTY

See Appendix for report of findings

EXHIBIT II-7
ZONING MAP FOR SUBJECT SITE AND SURROUNDING AREA



Source: Madison Department
of Planning and Zoning

EXHIBIT II-8
LINKAGES FOR LAKEVIEW SANATORIUM SITE

		APPROXIMATE MILEAGE
U.S. 151 and Wisconsin 30 (to Interstate 90-94)		3.2
U.S. 51 and Wisconsin 30		3.7
Dane County Regional Airport		2.3
Wisconsin State Capitol		5.0
Shopping:		
Convenience Store		0.5
Limited Neighborhood Shopping		0.5
Community Shopping Center (Sherman Plaza)		0.7
Schools:		
Mendota Elementary and Early Childhood		0.5
Lindbergh Elementary		1.0
Lakeview Elementary		0.6
Gompers Elementary and Middle		0.6
East High		3.5
Central Wisconsin Training School		1.3
Madison Area Technical College Campus		3.0
Recreation:		
Mendota Lakefront		0.6
Warner City Park		0.5
Neighborhood Parks		
Sherman Village Park		0.5
Wheeler Heights Park		0.2
Lake View Heights Park		0.8
Cherokee Marsh		1.0
Cherokee Golf Course and Tennis-Racquetball Club		1.0
Major Madison Private Employers:	No. of Employees	
University Hospitals and Clinics	3,055	7.5
Meriter Hospitals	2,850	6.0
Oscar Mayer	2,600	2.5
American Family Insurance	2,100	6.0
CUNA Mutual Insurance	1,500	10.0
St. Mary's Hospital	1,400	6.3
Veterans Hospital	1,050	7.5
Swiss Colony	900	4.0
Major Public Employers:		
Mendota State Hospital	599 (1982)	1.5
Fire Station		0.5

EXHIBIT II-9

AERIAL PHOTOGRAPH OF THE LAKEVIEW SANATORIUM PROPERTY
AND
SURROUNDING LAND USES IN ITS IMMEDIATE NEIGHBORHOOD

LEGEND

1. Warner Park
2. Neighborhood Parks
   - 2a. Wheeler Heights Park
   - 2b. Sherman Village Park
   - 2c. Northland Manor Park
   - 2d. Lakeview Heights Park
3. North Glen Apartments
4. East Bluff Condominiums
5. Cherokee Park Condominiums
6. Single Family Residential
7. Schools
   - 7a. Mendota Elementary School
   - 7b. Gompers Middle School
   - 7c. Lake View Elementary School
8. Limited Commercial
9. Office
10. Churches


4-10-86
T8-R09-S25
JSY-CN-681
Subject Property
LEGEND
1 Warner Park
2 Neighborhood Parks
3 North Glen Apartments
4 East Bluff Condos
5 Cherokee Park Condos
6 Single Family Residential
7 Schools
8 Limited Commercial
9 Office
10 Churches

EXHIBIT II-10

MAP OF LAND USES IN THE EXPANDED NEIGHBORHOOD OF THE SUBJECT SITE

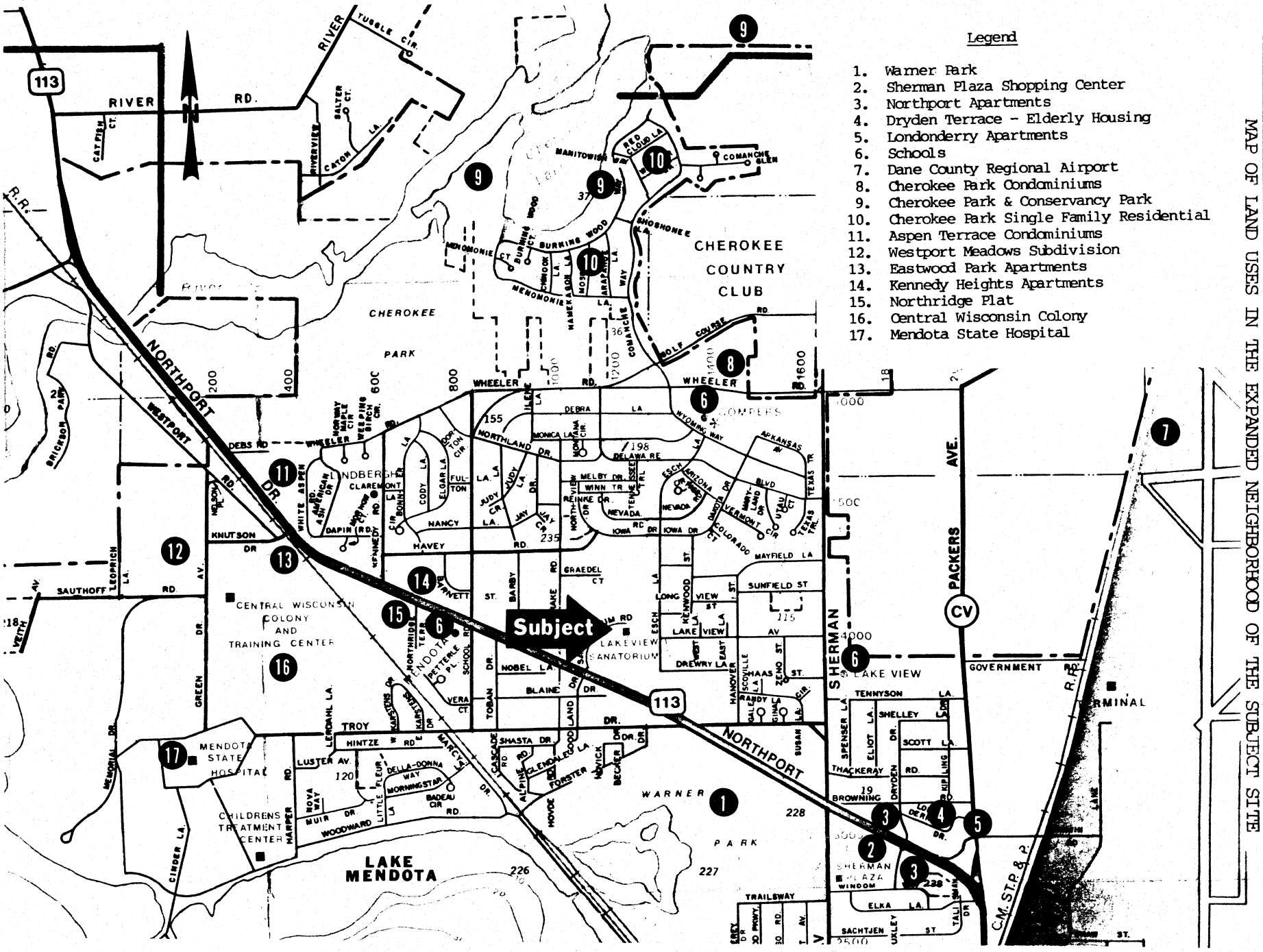


EXHIBIT II-11

GROSS BUILDING AREA
OF MAIN BUILDING

AREA	TOTAL SF BY BUILDING AREA	TOTAL SF BY FLOOR
GROUND FLOOR		
West Wing [1]	4,375	
Center	5,662	
East Wing	5,382	
Subtotal		15,419
FIRST FLOOR		
West Wing [1]	4,247	
Center	5,484	
East Wing	5,026	
Subtotal		14,757
SECOND FLOOR		
West Wing [1]	4,247	
Center	5,484	
East Wing	5,066	
Subtotal		14,797
THIRD FLOOR		
West Wing [1]	4,153	
Center	3,187	
East Wing	4,153	
Subtotal		11,493
FOURTH FLOOR		
West Wing [1]	3,282	
Center	3,174	
East Wing	3,282	
Subtotal		9,738
TOTAL		66,204

[1] Elevator at west wing of main building is not included in area count.

EXHIBIT II-12

GROSS BUILDING AREA
OF ANNEX

AREA	TOTAL SF BY BUILDING AREA	TOTAL SF BY FLOOR
GROUND FLOOR		
Porch Area	751	
West Wing	2,376	
Center Section	1,591	
East Wing	1,607	
		6,325
FIRST FLOOR		
Porch Area	751	
West Wing	2,376	
Center Section	1,591	
East Wing	1,607	
		6,325
SECOND FLOOR		
Porch Area	751	
West Wing	2,376	
Center Section	1,591	
East Wing	1,607	
		6,325
TOTAL		18,975

EXHIBIT II-13

PHOTOGRAPHS OF THE LAKEVIEW SANATORIUM SITE AND IMPROVEMENTS

DANE COUNTY
LAKEVIEW SANATORIUM PROPERTY

1202-1206 NORTHPORT DRIVE
MADISON, WISCONSIN



ACCESSORY IMPROVEMENTS
ON LAKEVIEW SANATORIUM SITE



Two story garage/shop and power plant located at north and east of main building. Demolition of brick chimneys has been in budget for several years.

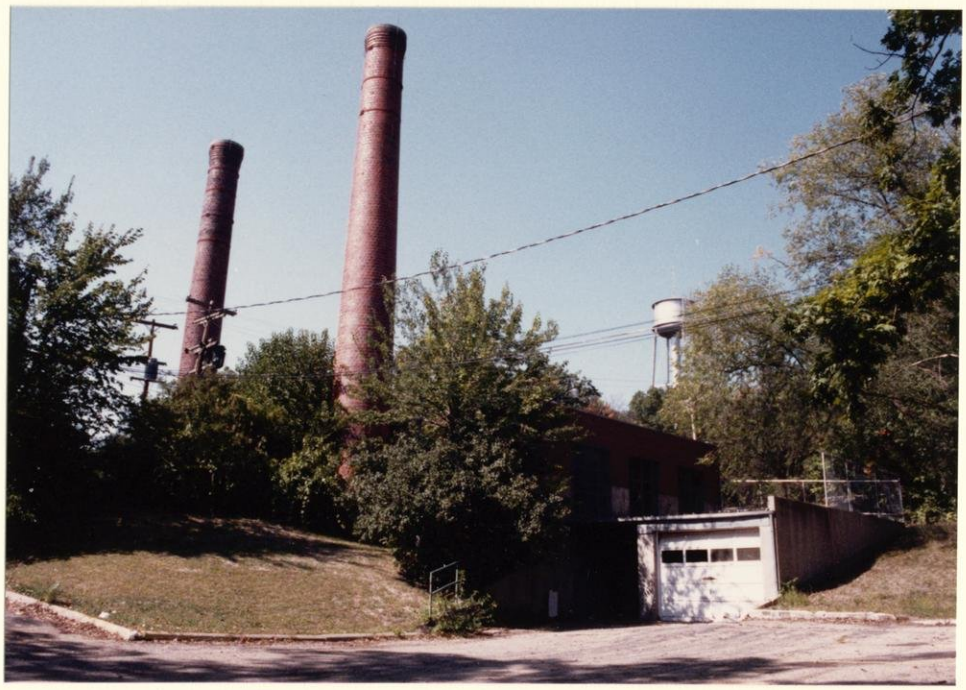


Additional parking area at eastern edge of site just south of entrance to Lakeview Woods walking path.

ACCESSORY IMPROVEMENTS
ON LAKEVIEW SANATORIUM SITE
(CONTINUED)



City of Madison Water Utility pump house located near Lake View Avenue connection and at beginning of driveway to annex building.



Looking from southeast corner of power plant.

VIEWS FROM LAKEVIEW SANATORIUM SITE



Looking southeast from roof of main building. A portion of Warner Park is seen at right side of photo.



Looking south toward Warner Park, Lake Mendota with Capitol in distance.

VIEWS FROM LAKEVIEW SANATORIUM SITE
(CONTINUED)



Looking south and west from crest of lawn in front of main building. Note Lake Mendota, Madison and University of Wisconsin in distance.



View of Lakeview Woods from north side of roof of main building.

ANNEX BUILDING
ALSO KNOWN AS NURSES' DORMITORY



Looking southeast from main building toward back of annex.



Looking from main front lawn toward southwest corner of annex.

ANNEX BUILDING
ALSO KNOWN AS NURSES' DORMITORY
(CONTINUED)



View from driveway on north side of annex.



View of front of annex which faces south.

LAKEVIEW WOODS



Along walking path in Lakeview Woods.



Looking toward Goodland Drive from southwest edge of Lakeview Woods. Note how much thinner woods are at this location.

THE MAIN SANATORIUM BUILDING



Front view, looking from southwest corner of main building.



Side view, looking from southeast corner of main building. Note recessed building line at fourth floor.

THE MAIN SANATORIUM BUILDING
(CONTINUED)



Side view, looking from west side of main building. Note distinctly different view lines from north and south sides of building.



Main building as seen from lower level of front slope. Note City of Madison water tower at rear and annex building (nurses' dormitory) slightly visible through trees.

THE LAKEVIEW SANATORIUM SITE



The site as seen from Warner Park (through a telephoto lens).



Looking toward Northport Drive from top of lawn in front of main building.

THE LAKEVIEW SANATORIUM SITE
(CONTINUED)



Looking west across lawn in front of main building. Note how building sits at crest of slope.



Looking north toward main building. Note stand of pine trees that line eastern border of site. Also note how degree of slope decreases approaching Northport Drive.

THE LAKEVIEW SANATORIUM SITE
(CONTINUED)



Looking north on Goodland Drive. Roadway is known to become slippery in winter, making it difficult for clients to walk or drive to Dane County offices.



Connection of Lakeview site to Lake View Avenue at eastern border of subject property.

III. GENERAL MARKET CHARACTERISTICS

Although a use may fit the physical, political, legal and dynamic attributes of a site, without a market for that use, there is no economic feasibility. Therefore, it is critically important to analyze the market potential for the various uses suggested by the physical analysis of the site and its improvements.

A. Demographics of Market Area

To determine the different housing and office use possibilities and the corresponding potential market absorption of each use, trends in the Madison housing and offices markets must first be investigated and analyzed. According to National Planning Data Corporation, a commercial demographic firm, the population of Madison has been gradually increasing since the 1980 census, and the total number of housing units also has been increasing, but at a more rapid rate. The 1988 estimate of the population of the City of Madison is 183,045 persons, or a 7.28% increase from the 1980 population count of 170,617 persons. The 1993 projected population for Madison results in a 4.07% increase over five years. The household size, on the other hand, has been decreasing with the creation of more households. The average household size in the City of Madison in 1980 was 2.36 persons per household, with a 1988 estimate of 2.17 person, and 1993 projection of an average of 2.09 persons per household. Corresponding census data for the Northeast side of Madison, the immediate neighborhood around the site, and the census tract which includes the subject property are shown in Exhibit III-1. A corresponding map of the Madison census tracts is found in Exhibit III-2. Note the delineation of the Northeast side of Madison, of the neighborhood, and of census tract 24.01 in which the subject property is located.

If the average household size is decreasing and the population is gradually increasing, the total housing demand would have to increase even in the absence of any residential demolitions. The decreased household size, a period of rapid inflation in the early 1980s, and an energy crisis in the early 1970s have resulted in not only an increased demand for housing units, but also a shift in demand for the type of housing. Decreased family size along with increased concerns over energy consumption have translated into a shift in housing design from larger, detached, single family residences to smaller units and a higher density residential living style. But as the interest rates declined and stabilized in the mid 1980s, the single family home once again experienced an increased demand.

To illustrate the relationship between the decrease in household size and the increase in the demand for housing units, a comparison is made between the estimated 1988 average household size of 2.17 persons in the City of Madison to the 1988 average household size of 2.30 persons per household in Census Tract 24.01. If the household size in the Census Tract of the subject property decreased to 2.17, there would be an increased demand for 72 dwelling units within that Census Tract alone.

24.01 1988 Pop. = 2,833 ÷ 2.30 = 1234 → 1306 / 1234 / 72 more units

2833 ÷ 2.17 = 1306

B. Building Permit Activity in the City of Madison

To better estimate and quantify housing demand and absorption probabilities for residential scenarios on the subject site, building permits issued in Madison over the last five and one half years were reviewed. Exhibit III-3 shows a breakdown of these permits for both single family housing units and for multifamily developments of two or more units. The percentage of single family units constructed on the East side of Madison has gradually slipped to an average of 30 percent of the total new single family construction in Madison. A similar decrease was found in the construction of new multifamily residential units on the East side. But of the new units constructed on the East side, the Northeast side from Cottage Grove Road north has captured the majority of both the single family and multifamily units. The heaviest concentration of new units are located east of the airport, not in the immediate neighborhood of the Lakeview Sanatorium. A listing of building permits issued for apartments of five units or more from 1983 through the first six months of 1988 is detailed in Exhibit III-4. A similar listing of building permits for condominiums of five or more units is detailed in Exhibit III-5. A map locating the sites for new building permits for apartments, condominiums and office buildings is found in Exhibit III-6.

Exhibit III-7 shows the relationship between the number of building permits issued annually for condominiums and rental apartments with five or more dwelling units. Of all the multifamily projects with five or more units, 75 percent to 85 percent are rental apartments and 15 percent to 25 percent are condos. Of the average total of 550 to 650 new multifamily dwelling unit permits issued each year, only about 100 are for condominium units for all of Madison. These numbers translate to a very thin market for condominiums on the Northeast side of Madison based on historical trends.

Given the demographics and building permit activity on the Northeast side of Madison, an estimate is made of the projected residential market capture that might be realized for the Lakeview Sanatorium site for both single family and multiple family units. These projected capture rate estimates are found in Exhibit III-8 and are used to estimate the economic feasibility of several alternative residential development scenarios. The number of single family homes or multifamily residential units that can be absorbed per year have a direct relationship to the price that can be paid for a residential site. The slower the absorption, the higher the carry costs and lower the raw land value. Market demand potential is a critical variable in the pricing of raw land for development.

A review of building permits for the City of Madison since 1983 indicates that the growth in new office, bank, and professional buildings has been relatively steady, but the growth has been mainly on the west side of the city. Only 20 percent to 30 percent of the new offices have been located on the northeast side of Madison. A summary of the office building activity is found in Exhibit III-9. As shown in the map found in Exhibit III-6, the new developments have been along International Lane and Anderson Street near the airport, near Stoughton Road on Neptune Court, Robertson Road, Atlas Avenue, Argosy Court, and Cottage Grove Road, and near I-90 on Hayes Road. There have been no new offices constructed in the neighborhood of the subject site which is not considered on or near a main activity corridor of Madison. Further discussion of the Madison office market can be found in Section IV of this report as several potential office uses of the property are evaluated.

C. Effect of Surrounding Uses on Market Demand for Subject Property

The predominant land use immediately around the Lakeview Sanatorium site is single family residential together with churches and neighborhood parks. According to City of Madison assessment records and from conversations with neighborhood representatives, home values in the immediate area of the site range from $45,000 to $75,000, with only a few homes in the range of $80,000 to $110,000.

Southeast of the site there is a limited area of commercial and multifamily uses; the office building, food market, and convenience store on the north side of Northport Drive are complementary to the residential land uses, but on the south side of Northport Drive the empty grocery store with its expansive and vacant parking lot plus the poorly configured groupings of other shops on the site are an adverse influence for the subject property. The empty grocery store is especially troublesome because it has been reported that the lessee, A & P (owned by Kohls), has extended its five year lease and has four more five year options on the vacant building to effectively shut out any competition for Kohls' Sherman Plaza supermarket. Only a non-supermarket use would be permitted by the tenant on a sublease basis.

In the 600 block of Northport Drive and west of the subject site, a 7.68 acre site which was purchased for development purposes ten years ago is in the process of development as 17 multifamily building sites. This subdivision, now known as Northridge Plat, was originally zoned R1 when purchased for approximately $0.10 per square foot, but has been rezoned R3 and R4. Just a few weeks ago at least two of the nine of the R3 lots originally designed for duplexes have been rezoned R4. The retail price for the 9,800 square foot duplex lots is $13,000 per unit and the 16,920 square foot four unit lots are retailing for $8,000 per unit. A 48 unit development, financed by Wisconsin Housing and Economic Development agency as low income tax credit housing, is planned for the south end of the site; the site was purchased for approximately $2,300 per unit. The slow development of this property is indicative of the soft market for multifamily lots in the area of the subject property. (See Exhibit II-10 to find the location of the Northridge Plat).

The many existing multifamily developments in the surrounding area, both subsidized and market rate, also help to define the area as low to middle income residential. The presence of a complex of State of Wisconsin institutions for developmentally and emotionally disabled persons have a dual impact on the neighborhood. While these institutions are employment centers for the neighborhood, their presence can be the source of negative attitudes toward the area.

The presence of the many recreational areas in the neighborhood are positive influences for a residential setting, but it should be noted that large recreational areas such as Warner Park and Cherokee Park and Marsh are not economic base generators nor do they house potential consumers. It should also be noted that the population base of consumers is thin in a three mile radius around the site because of the parks, Lake Mendota, the State institutions, the more rural Town of Westport, the Dane County airport, and the

more rural Town of Burke. The map of the area in Exhibit I-1 shows the vast amount of wetlands, water areas, and airport land that surround the Lakeview neighborhood. In the six census tracts that make up the neighborhood around the subject property, the population in 1988 is estimated to be 16,083 persons. (See Exhibit II-1 for the demographics of the neighborhood). Retailer location and pricing decisions are based primarily upon the socio-economic characteristics of an area. For example, a chain retailer such as T.J Maxx reportedly prefers to locate in an area with approximately 100,000 persons living within a three to five mile radius of the site under consideration.

The surrounding land uses suggest a residential use of the subject property. The location of the elementary and middle schools, the proximity of the many parks and Lake Mendota, and the proximity to several traffic corridors to places of employment complement a residential use of the subject site.

SECTION III
EXHIBITS

EXHIBIT III-1

MADISON POPULATION AND HOUSING UNITS

FOR

1980, 1988 (ESTIMATES) AND 1993 (PROJECTIONS)

MADISON POPULATION AND HOUSING UNITS
1980, 1988 ESTIMATES AND 1993 PROJECTIONS

AREA	1980	1988				1993			
		1988 Estimate	Change	% Change 8 Years	Average % Change Per Year	1993 Projection	Change	% Change 5 Years	Average % Change Per Year
City of Madison Population	170,617	183,045	12,428	7.28%	0.91%	190,499	7,454	4.07%	0.81%
Less persons in institutions	12,624	12,624				12,624			
City of Madison - (Adjusted)	157,993	170,421				177,875			
City of Madison Households	67,066	78,455	11,389	16.98%	2.12%	85,095	6,640	8.46%	1.69%
City of Madison Household Size	2.36	2.17				2.09			
Northeast Side of Madison (1)	45,911	47,584	1,673	3.64%	0.46%	48,538	954	2.00%	0.40%
Less persons in institutions	1,311	1,311				1,311			
Northeast Side - (Adjusted)	44,600	46,273				47,227			
Northeast Side Households	17,400	19,482	2,082	11.97%	1.50%	20,589	1,107	5.68%	1.14%
Northeast Side Household Size	2.56	2.38				2.29			
Neighborhood (2)	16,586	16,083	(503)	-3.03%	-0.38%	15,741	(342)	-2.13%	-0.43%
Less persons in institutions	964	964				964			
Neighborhood - (Adjusted)	15,622	15,119				14,777			
Neighborhood Households	5,743	6,052	309	5.38%	0.67%	6,157	105	1.73%	0.35%
Neighborhood Household Size	2.72	2.50				2.40			
Subject Census Tract 24.01	2,992	2,833	(159)	-5.31%	-0.66%	2,732	(101)	-3.57%	-0.71%
Less persons in institutions	0	0				0			
Subject Tract - (Adjusted)	2,992	2,833				2,732			
Census Tract 24.01 Households	1,194	1,234	40	3.35%	0.42%	1,240	6	0.49%	0.10%
Census Tract Household Size	2.51	2.30				2.20			

(1) For purposes of this appraisal, the Northeast Side is defined as Census Tracts 20, 21, 22, 23.01, 23.02, 24.01, 24.02, 25, 26.01, 26.02, 27, 30 and 112 within the City of Madison. See Exhibit III-2 for Census Tract map.

(2) The neighborhood around the subject property site is defined as Census Tracts 22, 23.01, 23.02, 24.01, 24.02 and 112 within the City of Madison. See Exhibit III-2 for Census Tract map.

Source: Demographics from National Planning Data Corporation are used for this appraisal. Although the State of Wisconsin Demographic Laboratory population estimates are slightly lower than National Planning Data's population estimates, the resulting household size estimated by the Wisconsin State Demographics Laboratory does not reflect an adjustment for persons in institutions. The rate of change of household size is similar from both sources of demographic data.

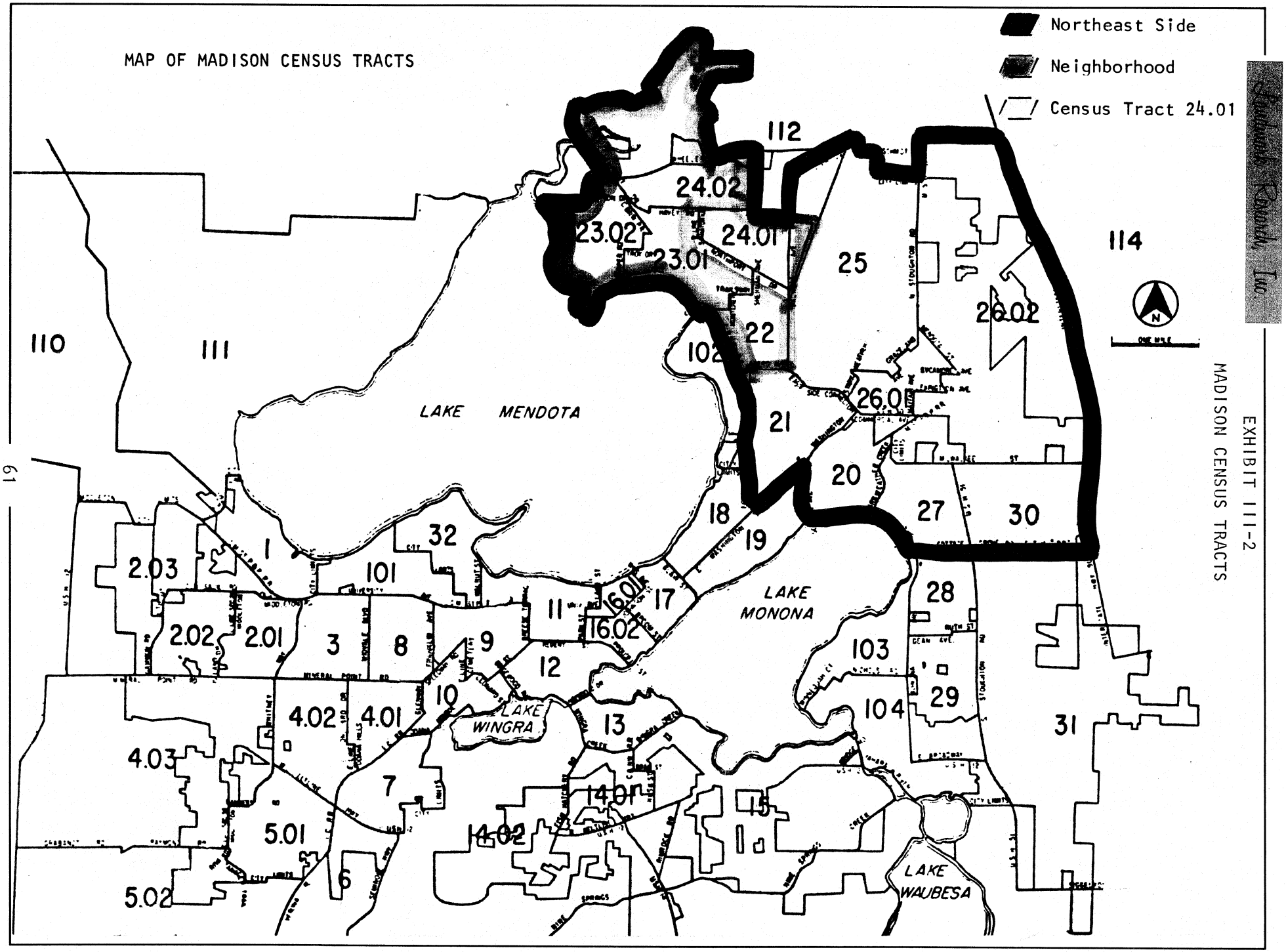


EXHIBIT III-2
MADISON CENSUS TRACTS

Southwest Regional, Inc.

RELATIONSHIP OF SINGLE FAMILY & MULTIFAMILY BUILDING PERMITS BY AREA
BUILDING PERMITS ISSUED [1]
CITY OF MADISON, 1982 - 1987
AND 6 MONTHS OF 1988

TYPE OF UNIT	1982	1983		1984		1985		1986		1987		6 MOS 1988
	# Units	# Units	% Increase Decrease	# Units	% Increase Decrease	# Units	% Increase Decrease	# Units	% Increase Decrease	# Units	% Increase Decrease	# Units
NEW SINGLE FAMILY DWELLING UNITS												
East Side	36	94	161%	76	-19%	71	-7%	108	52%	88	-19%	57
West Side	53	163	208%	180	10%	161	-11%	198	23%	247	25%	123
TOTAL	89	257	189%	256	-0%	232	-9%	306	32%	335	9%	180
East Side Units as % of Total SF DUs	40%	37%		30%		31%		35%		26%		32%
Northeast Side [2] SF Units	17	34		63		52		76		74		49
Northeast Side as % of East Side SF Units	47%	36%		83%		73%		70%		84%		86%
Neighborhood [3]	4	8		15		5		20		33		15
Neighborhood as % of Northeast SF Units	24%	24%		24%		10%		26%		45%		31%
NEW MULTIFAMILY DWELLING UNITS (Two or More DUs)												
East Side	150	394	163%	131	-67%	206	57%	292	42%	169	-42%	120
West Side	196	410	109%	666	62%	819	23%	686	-16%	518	-24%	476
TOTAL	346	804	132%	797	-1%	1,025	29%	978	-5%	687	-30%	596
East Side Units as % of Total Two or More Family Units	43%	49%		16%		20%		30%		25%		20%
Northeast Side [2] - Net New Multifamily Units	148	363		92		123		206		95		120
Northeast Side as % of East Side Two or More Family Units	99%	92%		70%		60%		71%		56%		100%
Neighborhood [3] - Net New Multifamily Units	16	50		13		34		56		50		64
Neighborhood as % of North East Two or More Family Units	11%	14%		14%		28%		27%		53%		53%
TOTAL NEW DWELLING UNITS (DU) IN MADISON	435	1061	144%	1053	-1%	1257	19%	1284	2%	1022	-20%	776
TOTAL MULTIFAMILY DU'S AS % OF TOTAL DU'S IN MADISON	80%	76%		76%		82%		76%		67%		77%
TOTAL SINGLE FAMILY DU'S AS % OF TOTAL DU'S IN MADISON	20%	24%		24%		18%		24%		33%		23%

[1] Number of new units net of demolitions.
[2] Defined by census tracts. See census tract map in Section III.
[3] Defined by census tracts. See census tract map in Section III.
SOURCE: Madison Department of Building Inspection

EXHIBIT III-3
RELATIONSHIP OF SINGLE FAMILY AND MULTIFAMILY BUILDING PERMITS BY AREA

EXHIBIT III-3 (Continued)

ALL MULTIFAMILY UNITS WITH TWO OR MORE DWELLING UNITS	1982	1983	1984	1985	1986	1987	6 MOS 1988
East Side - New Units	150	394	131	206	292	169	120
West Side - New Units	196	410	666	819	686	518	476
TOTAL NEW MF UNITS - MADISON	346	804	797	1,025	978	687	596
EAST SIDE AS PERCENTAGE OF TOTAL UNITS	43%	49%	16%	20%	30%	25%	20%
Northeast Side - New Units	148	363	92	123	206	95	120
NORTHEAST SIDE AS PERCENTAGE OF TOTAL MULTIFAMILY UNITS	43%	45%	12%	12%	21%	14%	20%
NORTHEAST SIDE AS PERCENTAGE OF EAST SIDE NEW UNITS	99%	92%	70%	60%	71%	56%	100%
ALL MULTIFAMILY UNITS WITH FIVE OR MORE FAMILY UNITS (Does not include 2-4 unit buildings)							
New Apartment Units - East & West		463	339	709	568	413	453
New Condo Units - East & West		135	128	74	109	106	22
Total New Units in Building With Five or More Units in Madison		598	467	783	677	519	475
Five or More Family Units as Percentage of All New Multifamily Units in Madison		74%	59%	76%	69%	76%	80%
Northeast Side - New Multifamily Five Units or More							
New Apartments		278	54	96	96	92	48
New Condos		34	0	46	88	98	16
Total Northeast Side - Five Units or More		312	54	142	184	190	64
NORTHEAST SIDE AS PERCENTAGE OF TOTAL NEW MADISON FIVE UNIT OR MORE		52%	12%	18%	27%	37%	13%

EXHIBIT III-4

APARTMENT BUILDING PERMITS ISSUED FOR NORTHEAST SIDE OF MADISON
1983 THROUGH JUNE, 1988

APARTMENT BUILDING PERMITS
ISSUED FOR NORTHEAST SIDE OF MADISON
1983 - FIRST 6 MONTHS OF 1988

YEAR OF ISSUE	MAP CODE NUMBER	DATE	APPLICANT	NO. OF UNITS	ADDRESS OF PROJECT		VALUE EST LISTED ON PERMIT [1]	RESULTING VALUE EST PER UNIT
1983	1A	8305	James Lund	6	3179	Ridgeway	$98,000	$16,333
	2A	8306	Munz Corporation	16	402	Walbridge	$343,518	$21,470
		8306	Munz Corporation	16	404	Walbridge	$343,518	$21,470
		8306	Munz Corporation	16	406	Walbridge	$343,518	$21,470
		8306	Munz Corporation	16	408	Walbridge	$343,518	$21,470
	3A	8306	Munz Corporation	16	602	Westwood Ct	$343,518	$21,470
		8306	Munz Corporation	16	604	Westwood Ct	$343,518	$21,470
	4A	8306	Munz Corporation	16	302	Parkwood Ct	$343,518	$21,470
		8306	Munz Corporation	16	304	Parkwood Ct	$343,518	$21,470
		8306	Munz Corporation	16	306	Parkwood Ct	$343,518	$21,470
		8306	Munz Corporation	16	308	Parkwood Ct	$343,518	$21,470
	5A	8306	Munz Corporation	16	802	Pinewood Ct	$343,518	$21,470
		8306	Munz Corporation	16	804	Pinewood Ct	$343,518	$21,470
		8306	Munz Corporation	16	806	Pinewood Ct	$343,518	$21,470
	6A	8306	Munz Corporation	16	502	Grandwood Ct	$343,518	$21,470
		8306	Munz Corporation	16	504	Grandwood Ct	$343,518	$21,470
	7A	8306	Munz Corporation	16	702	Cherrywood Ct	$343,518	$21,470
		8306	Munz Corporation	16	704	Cherrywood Ct	$343,518	$21,470
TOTAL FOR 1983				278			$5,937,806	
1984	8A	8405	James Lund	16	3802	Orin	$250,000	$15,625
	8A	8405	Schensky Builders	16	3714	Orin	$250,000	$15,625
		8405	Schensky Builders	16	3746	Orin	$250,000	$15,625
	9A	8408	Larry Greenwood	6	914	N. Oak	$120,000	$20,000
TOTAL FOR 1984				54			$870,000	
1985	1A	8507	Gil-Her	12	3154	Ridgeway Avenue	$280,000	$23,333
		8507	Contractor	12	3166	Ridgeway Avenue	$280,000	$23,333
	10A	8512	Connery Buildings	36	1624	Fordem	$2,700,000	$75,000
		8512	Connery Buildings	36	1630	Fordem	$2,700,000	$75,000
TOTAL FOR 1985				96			$5,960,000	

[1] Project cost estimate listed on building permits are often not reflective of value.

CONTINUED ON NEXT PAGE

APARTMENT BUILDING PERMITS (CONTINUED)
ISSUED FOR NORTHEAST SIDE OF MADISON
1983 - FIRST 6 MONTHS OF 1988

YEAR OF ISSUE	MAP CODE NUMBER	DATE	APPLICANT	NO. OF UNITS	ADDRESS OF PROJECT		VALUE EST LISTED ON PERMIT [1]	RESULTING VALUE EST PER UNIT
1986	1A	8605	Gil-Her	12	3160	Ridgeway Avenue	$225,000	$18,750
		8605	Gil-Her	12	3162	Ridgeway Avenue	$225,000	$18,750
		8609	Gil-Her	12	3154	Ridgeway Avenue	$225,000	$18,750
		8609	Gil-Her	12	3156	Ridgeway Avenue	$225,000	$18,750
		8609	Gil-Her	12	3158	Ridgeway Avenue	$225,000	$18,750
	11A	8611	Encore Construction	36	4701	Hayes	$700,000	$19,444
TOTAL FOR 1986				96			$1,825,000	
1987	12A	8706	Schensky Builders	12	2022	Elka Lane	$270,000	$22,500
		8710	Schensky Builders	12	2018	Elka Lane	$275,000	$22,917
	11A	8710	Encore Construction	34	4733	Hayes Road	$800,000	$23,529
		8702	Encore Construction	34	4725	Hayes Road	$450,000	$13,235
TOTAL FOR 1987				92			$1,795,000	
1988	13A	8803	Encore Construction	36	2034	Londonderry Drive	$450,000	$12,500
	12A	8803	Schensky Builders	12	2014	Elka Lane	$275,000	$22,917
TOTAL FOR 1988				48			$725,000	
GRAND TOTAL				664			$17,112,806	

[1] Project cost estimate listed on building permits are often not reflective of value.

EXHIBIT III-4 (Continued)

EXHIBIT III-5

CONDOMINIUM BUILDING PERMITS ISSUED FOR NORTHEAST SIDE OF MADISON
1983 THROUGH JUNE, 1988

CONDO BUILDING PERMITS ISSUED FOR NORTHEAST SIDE OF MADISON
1983 - FIRST 6 MONTHS OF 1988

YEAR OF ISSUE	MAP CODE NUMBER	DATE	APPLICANT	NO. OF UNITS		ADDRESS OF PROJECT		VALUE EST LISTED ON PERMIT [1]	RESULTING VALUE EST PER UNIT
1983	1C	8302	Taff and Taff	12		6	Maplewood	$1,800,000	$150,000
	2C	8305	Cherokee Park	16		1518	Golf View	$450,000	$28,125
	3C	8311	Cherokee Park	16		1502	Wheeler Road	$450,000	$28,125
TOTAL FOR 1983				44				$2,700,000	
1984			None	0				$0	
TOTAL FOR 1984				0				$0	
1985	4C	8501	G & S Construction	14		4520	Commercial	$420,000	$30,000
	2C	8501	Cherokee	16		1510	Golf View	$450,000	$28,125
		8504	Cherokee	16		1526	Golf View	$450,000	$28,125
TOTAL FOR 1985				46				$1,320,000	
1986	5C	8603	Cherokee Park	16		81	Golf Course	$450,000	$28,125
	6C	8603	Midland Builders	24		4511	Martha Lane	$300,000	$12,500
		8603	Midland Builders	24	(?)	4535	Martha Lane	$300,000	$12,500
	1C	8610	Taff & Taff (Owner)	24		1	Maplewood	$908,000	$37,833
TOTAL FOR 1986				88				$1,958,000	
1987	7C	8703	Encore Construction	64		2402	Columbus Lane	$1,200,000	$18,750
	8C	8705	John Fox - Cherokee	16		83	Golf Park	$400,000	$25,000
	6C	8709	Midland Builders	6		4523	Martha Lane	$360,000	$60,000
		8709	Midland Builders	6		4547	Martha Lane	$360,000	$60,000
	8C	8712	Cherokee (John Fox)	6		49	Golf Park	$200,000	$33,333
TOTAL FOR 1987				98				$2,520,000	
1988 [2]	2C	8801	Cherokee	16		1525	Golf View Road	$400,000	$25,000
TOTAL FOR 1988 - FIRST SIX MONTHS				16				$400,000	
GRAND TOTAL				292				$8,898,000	

[1] Project cost estimates listed on building permits are often not reflective of value. For example, the 1989 assessment for improvements for the Cherokee Park condos at 1518 Golf View Road are between $65,000 and $75,000 per unit.
[2] In August a permit was issued for 16 more condo units at Cherokee at 1517 Golf Course Road.

EXHIBIT III-6

MAP LOCATING NEW BUILDING PERMIT SITES FOR APARTMENTS, CONDOMINIUMS, AND OFFICES LOCATED ON THE NORTHEAST SIDE OF MADISON (ONLY APARTMENTS AND CONDOMINIUMS WITH FIVE UNITS OR MORE ARE SHOWN)

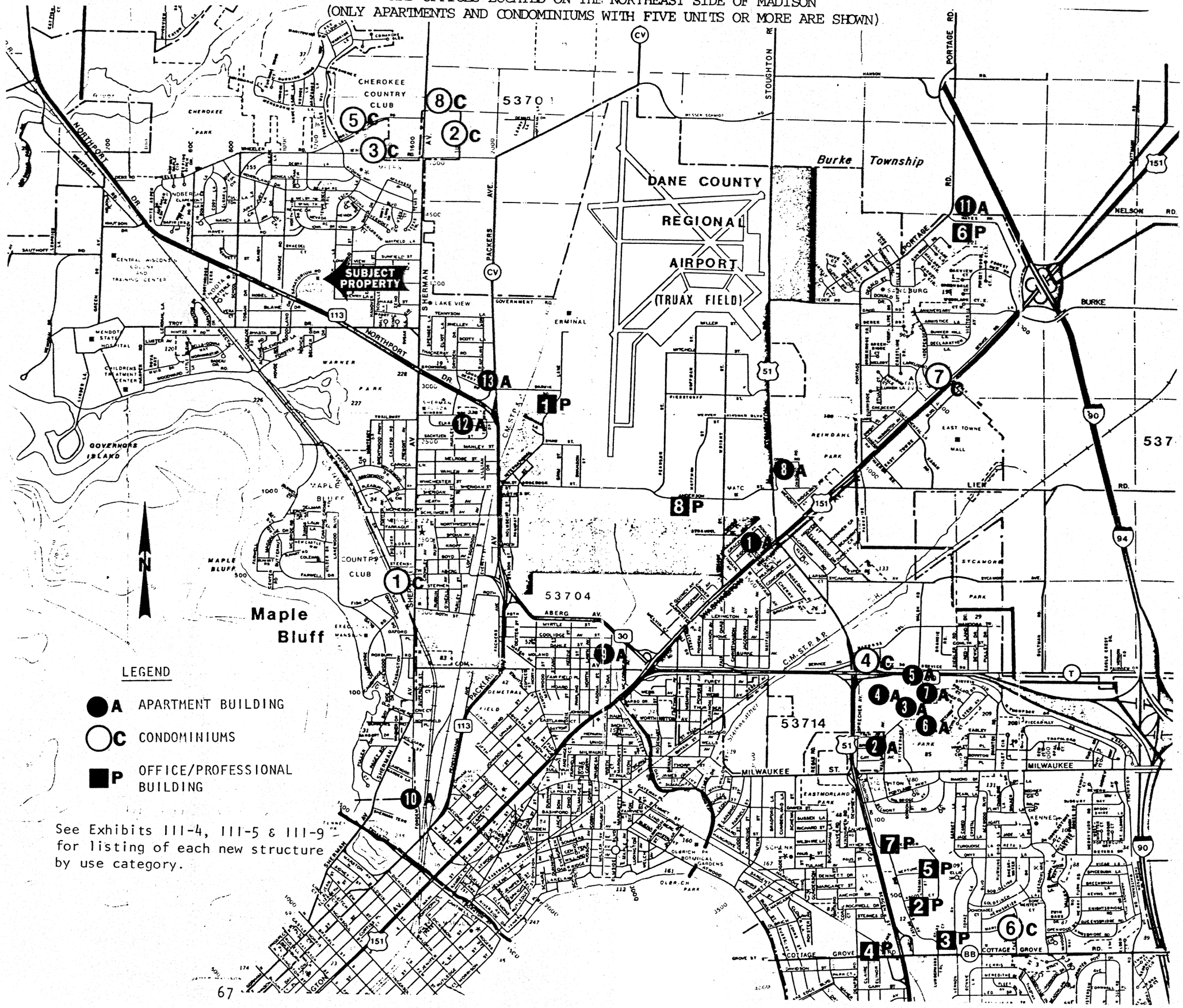


EXHIBIT III-7

RELATIONSHIP OF FIVE OR MORE UNIT APARTMENTS
AND CONDOS IN MADISON
BASED UPON BUILDING PERMITS ISSUED
FROM 1983 THROUGH FIRST SIX MONTHS OF 1988

	1983	1984	1985	1986	1987	1988 JAN-JUNE
Total number of apartments with five or more units in Madison	463	339	709	568	413	453
Total number of condos with five or more units in Madison	135	128	74	109	106	22
Total number new multifamily units in Madison	598	467	783	677	519	475
Condos as percentage of total five or more units	23%	27%	9%	16%	20%	5%
Apartments as percentage of total five or more units	77%	73%	91%	84%	80%	95%

EXHIBIT III-8

PROJECTED CAPTURE RATE ESTIMATES FOR THE SUBJECT PROPERTY
FOR RESIDENTIAL USES

		1988	1989	1990	1991	1992	1993
	Madison Population	183,045	184,509	185,985	187,473	188,973	190,485
	Less Persons in Institutions	12,624	12,624	12,624	12,624	12,624	12,624
A	Madison Population Adjusted	170,421	171,885	173,361	174,849	176,349	177,861
B	Household Size	2.17	2.15	2.14	2.12	2.10	2.09
C	Dwelling Units Needed	78,455	79,768	81,102	82,457	83,835	85,236
D	Increased Demand for DUs from previous year		1,312	1,334	1,356	1,378	1,401
E	Plus Demolitions		20	20	20	20	20
F	Total New DUs Needed		1,332	1,354	1,376	1,398	1,421
G	SINGLE FAMILY DEMAND		333	339	344	350	355
	(% of F)		25%	25%	25%	25%	25%
H	East Side Demand for SF Units		100	102	103	105	107
	(% of G)		30%	30%	30%	30%	30%
I	Northeast Side Demand for SF Units		75	77	77	79	80
	(% of H)		75%	75%	75%	75%	75%
J	Projected Lakeview Site Capture of Single Family Home Market		21	22	23	24	24
	(% of I)		28%	29%	30%	30%	30%
K	MULTIFAMILY [1] DEMAND		999	1,016	1,032	1,049	1,066
	(% of F)		75%	75%	75%	75%	75%
L	East Side Demand for MF Units		250	254	310	315	320
	(% of K)		25%	25%	30%	30%	30%
M	Northeast Side Demand for MF Units		150	165	217	221	224
	(% of L)		60%	65%	70%	70%	70%
N	Projected Lakeview Site Capture of Multifamily Home Market		45	50	65	66	67
	(% of M)		30%	30%	30%	30%	30%

[1] Multifamily includes all condos and apartments with two or more dwelling units.

Source: National Planning Data Corporation data is used for these residential market capture estimates.

EXHIBIT III-9
OFFICE, BANK AND PROFESSIONAL BUILDING PERMITS ISSUED
FOR NORTHEAST SIDE OF MADISON
1983 THROUGH JUNE, 1988

	NUMBER OF PERMITS						
OFFICE & PROFESSIONAL BUILDINGS	1983	1984	1985	1986	1987	FIRST 6 MOS 1988	
Northeast Side	2	7	1	2	4	0	[1]
Remainder of City of Madison	5	13	10	14	13	10	
Total Office & Professional Building Permits Issued	7	20	11	16	17	10	
Northeast Side as % of Total	29%	35%	9%	13%	24%	0%	

[1] Two building permits were issued in July, 1988. One was issued to Robert Newcomb for a project at 1502 Parkside Drive and the other to Gordon Renschler for a building at 2917 International Lane to be leased to American Family Insurance.

OFFICE, BANK & PROFESSIONAL BUILDING PERMITS
ISSUED FOR NORTHEAST SIDE OF MADISON
1983 - FIRST 6 MONTHS OF 1988

YEAR OF ISSUE	MAP CODE NUMBER	DATE	APPLICANT	ADDRESS OF PROJECT		VALUE EST LISTED ON PERMIT [1]
1983	1P	8311	Madsen, Orville	2801	International Lane	$970,000
	2P	8311	Building Systems General Corp	4269	Argosy	$218,000
TOTAL FOR 1983						$1,188,000
1984	3P	8401	Erdman, Marshall	814	Atlas	$280,000
	1P	8404	Madsen	2801	International	$30,000
	4P	8406	Sullivan, Ken	4522	Cottage Grove Road	$192,000
	5P	8409	Hensen Builders	4309	Neptune	$65,000
	1P	8409	Madsen	2801	International Lane	$25,000
		8410	Madsen	2801	International Lane	$12,000
	1P	8412	Rodney, Carlson	2101	International Lane	$425,000
TOTAL FOR 1984						$1,029,000
1985	1P	8505	Madsen	2401	International Lane	$3,022,000
TOTAL FOR 1985						$3,022,000
1986	6P	8602	Munz Corporation (owner)	4797	Hayes Road	$450,000
	1P	8608	Encore Construction	2317	International Lane	$720,000
TOTAL FOR 1986						$1,170,000
1987	7P	8706	Dave Rohde Construction	4487	Robertson Road	$75,000
	7P	8708	Newcomb, Robert M.	4418	Robertson Road	$350,000
	2P	8708	Windsor Homes, Inc.	4262	Argosy Court	$65,000
	8P	8711	American Structures General, Inc	2600	Anderson	$600,000
TOTAL FOR 1987						$1,090,000
1988 - FIRST 6 MONTHS			None [2]			$0
TOTAL FOR 1988 - FIRST SIX MONTHS						$0
GRAND TOTAL						$7,499,000

[1] Project cost estimate listed on building permits are often not reflective of value.
[2] Two permits issued in July/August of 1988.

EXHIBIT III-9 (Continued)

IV. MOST PROBABLE USE OF EACH PARCEL

After completing an inventory of the positive and negative attributes of the property, of the legal and political constraints on future use, of the immediate linkages of the location, and the general characteristics of the market potential, the appraiser then must identify possible compatible uses for each of the parcels defined by the client. Each considered use must maximize the marketable attributes of the property, minimize its negative characteristics, and operate within the limits of a justified, prudent investment.

When a site is in search of a use, a logical beginning is the examination of the existing and potential markets for the several permitted, conditional and most probable uses of the site.

A. Parcel A - Lakeview Woods

As discussed previously, a most probable use analysis will not be made of the wooded 22.5 acres referred to as Parcel A; the client has already declared the most probable use of this parcel to be conservancy so, by the definition of a Conservancy District in the City of Madison, there can be no private residential or commercial development other than single family homesites. A list of the permitted uses in a Conservancy District, as defined by the City of Madison Zoning Code, are found in Section II and Appendix A of this report. The most probable buyer and the appraisal methodology used to value this parcel will be discussed in Section IV of this report.

B. Parcel B - Existing Buildings and Grounds

For the purpose of this analysis, Parcel B is defined as the existing buildings and the grounds which would include Lots 15 and 16 of Block 2 of the Lakeview Heights Plat, the area referred to in this report as the Water Utility area. Parcel B is assumed to contain six acres, more or less. The site size appears to be adequate to support the parking and yard requirements of either a residential or commercial use.

1. Alternative Uses

Although the current owner is using the existing buildings for social service offices, this is a grandfathered use and a buyer of the property might have to seek rezoning to C2 for a different office use or to R4 for multifamily residential use. Given the neighborhood concern for the type of reuse that may occur, any rezoning would be accompanied by deed restrictions in regard to traffic and strict limitations on uses.

Based upon an analysis of the site, existing buildings, neighborhood, and the surrounding land uses, multi-tenant office and multifamily residential uses are assumed to be the most probable uses of Parcel B. For multi-tenant office use, based upon minimum parking requirements, the site would need to contain a minimum of 3.31 acres and for multifamily residential use the site size requirement would be a minimum of 2.31 acres. The calculations for the required site area for each use are shown in Exhibit IV-1.

Due to the physical layout of the buildings and market constraints, multifamily residential use is limited to rental apartments. A physical inspection of the buildings and a review of the building blueprints indicate that the only feasible renovation plans result in a double loaded corridor which is suitable for rental apartments, but would not be marketable as condominiums in the Madison market. The majority of successful condo projects in Madison have separate outside entries. A survey was made of multifamily apartment projects located on the Northeast side of Madison to determine market rents for the subject property. A summary of this apartment survey, which includes rent levels, apartment sizes, apartment amenities, occupancy rates and a profile of the renters, is found in Exhibit IV-2. A survey was also made of newer condominium projects in the area and these results are found in Exhibit IV-3.

Four residential scenarios are tested to determine the most feasible adaptive reuse of the buildings as apartments. With the assistance of an architect, the existing buildings floor plans were redesigned as apartments. A summary of the number of apartment units (excluding Scenario 4), the size of the unit, and the view each unit would enjoy is found in Exhibit IV-4. Both buildings are included in this summary.

For Scenarios 1, 2, and 3 there are 58 apartment units in the main building and 17 apartment units in the annex; in Scenario 1 the apartments are at market rents with a slight premium added for the views which are not available from any other apartment projects in the area. Scenario 2 assumes that rents are 1.5 times higher than market rents for the area and the units would be marketed to upper income professionals and older persons who would value the view, the proximity of the woods and other park areas, and the proximity to downtown Madison and to the airport. Scenario 3 rents are in between those tested in Scenarios 1 and 2 and the units would be marketed to the young professionals who want to be close to downtown Madison, the airport, and the many recreational areas in the neighborhood such as Warner Park, Lake Mendota, and Cherokee Marsh. Scenario 4 assumes the development of ground floor units with window wells and smaller units throughout the main building to create a total of 78 units. The annex would remain at 17 units. The rent levels would be at market with a discount for the basement level units.

A fifth scenario is developed to test the economic feasibility of the adaptive reuse of the buildings as multi-tenant office space. Discussions with leasing agents of office complexes along International Lane, on East Washington Avenue, and the Madison surplus school buildings indicate that full service office rents range from $11.75 to $13.00 per square foot with base rents at $7.00 to $8.50 before the pass through of taxes, insurance, utilities, and janitorial services for new buildings and for the older school buildings rents range from $6.50 to $8.25 per square foot for full service space. Office rents for Lakeview would range between $9.00 to $10.00 per square foot for full service space. According to an office leasing agent, the Eastside office market has been absorbing approximately 15,000 to 20,000 square feet per year. Several new office developments are in progress along East Washington Avenue and Hayes Road. It would be very difficult to lease almost 60,000 square feet of net leasable office space on the Northeast side of Madison within a reasonable time.

A summary of the tests of economic feasibility is found in Exhibit IV-5 for both potential residential and office use scenarios. The suggested rent levels, unit mix and gross potential revenue for each scenario are found in Appendix B. The "back door" analyses for these scenarios used to solve for a justified purchase price for the property in its present condition are also found in Appendix B. All of the rent, expense, financing, and improvement budget assumptions are included for each of the scenarios in Appendix B.

2. Economic Ranking of the Alternative Adaptive Reuse Scenarios for the Existing Buildings

Only Scenario 2 shows promise as an economically feasible project. For Scenarios 1, 3, 4, and 5, the estimated costs to rehabilitate the buildings are higher than can be justified in terms of potential revenue, financing costs, and justified equity contribution. Although the numbers would suggest the economic feasibility of Scenario 2, the rent levels required to generate a positive value for the purchase of the property in an "as is" condition are at the top of the market and beyond for Madison. To obtain this level of rents, the front hill, Parcel C, is assumed to be a part of the amenities and would be included in the price of the purchase of Parcel B.

The Lincoln School, a renovated older building with lake frontage and view, has a top per square foot per month rent of $1.00. The Wiedenbeck, another rehabilitated older building has a top per square foot per month rent of $1.14. (See Exhibit IV-2 for inventory of apartments on the Northeast side). Given the present dynamic attributes of the neighborhood, discussed previously in this report, and the 75 newly renovated and high priced Lakeview apartment units that would be placed in a market that has been absorbing only 30 to 45 moderately priced new multifamily units a year, it is highly unlikely that the Lakeview units would be absorbed in a timely manner.

It should be noted that a $1.00 change in the per square foot costs to renovate the buildings which have a combined gross building area of more than 79,500 square feet would result in a change in the justified investment of almost $80,000. The "back door analysis" is not meant to value a property, but to screen several alternative options to find that project that has the highest chance of economic success. It is the magnitude of the negative dollars that suggest the adaptive reuse of the buildings as rental apartments is economically unfeasible without a subsidy of some kind.

3. Example of Adaptive Reuse of a Similar Wisconsin Tuberculosis Sanatorium

Katherine Rankin, director of the Historic Preservation unit of the City of Madison Planning and Development division, did an inventory and review of TB sanatoriums in Wisconsin. The majority of facilities still occupied are being used for some public purpose such a facility for youthful offenders, an alcohol treatment facility, a chronic disease center, a home for older adults, or a nursing home.

The Tri-County Pureair Sanatorium, built in 1918-1920 in Bayfield County near Washburn, Wisconsin, has many similarities with the Lakeview Sanatorium.

The five buildings, situated in a stand of second-growth maples and white pines and overlooking Salmo Bay and Chequamegon Bay, consist of the sanatorium, a doctors's residence, a nurses's residence, the power house and a sewage treatment plant. The site contains 83.75 acres with 4,810 feet of lake frontage. The property was zoned RR for single family homes and recreational uses.

In 1975 the facility was closed and an appraisal at that time indicated a value of $310,000 for the property. Bayfield County purchased the interests in the property held by the other two counties, Ashland and Iron, and had the property placed on the National Register of Historic Places in 1981. Sometime after 1981, Bayfield County sold the property to Bayfield General Corporation for about one-third the 1975 appraised value. The buyer expressed interest in restoring the vacant improvements; plans were made to convert the facility into a hostel for travelers through the area. The Bayfield General Corporation apparently was never able to implement their plans and, in the meantime, the buildings have been so severely vandalized that even the historical and architectural significance of the improvements have been destroyed. It is the opinion of a spokesperson from the Bayfield County Clerk's office that the building will be razed and the owners have begun to subdivide and sell lake front lots. (See Appendix C for further information about the Pureair Sanatorium).

4. Conclusions

From this initial screening of the most probable adaptive reuse scenarios, the analysts have concluded there would be little to no market demand for only Parcel B with the existing buildings and a site area of approximately five to six acres. As was discussed earlier, only if subsidies in the form of historic rehabilitation tax credits, low income housing tax credits, or some other type of subsidy or financial assistance were available would a developer want to invest his time, energy and other resources in Parcel B. Also it is unlikely that a developer would invest in Parcel B without having control over the remaining Parcel C. What is done with one parcel will effect the marketability of a development project on the other parcel.

One local developer who specializes in renovating older properties is currently negotiating for a historically significant building in central Wisconsin which has none of the zoning or political constraints of the subject property; his top price for the property situated along a large river is no more than $2.00 per square foot of gross building area to be used for residential and commercial. The inherent risks of renovating an older property for a new use are extremely high, especially in buildings known to have asbestos, such as the subject property. From a developer's standpoint, the investment in an obsolete property "as is" must remain minimal.

The most probable use of Parcel B, evaluated as a single entity with the existing buildings, is to continue as office space for Dane County until this space is no longer useful for County purposes.

C. Parcel D - Combination of Parcels B and C

An analysis of Parcel C, the parcel remaining if Parcel B continues its present use, will be made following a determination of the most probable use of Parcel D, the 23.71 acre parcel as a whole. It is assumed that most probable uses for Parcel D will also be applicable to Parcel C, given its compatibility with the continuing use of Parcel B as office.

1. Alternative Uses of Parcel D

The physical attributes of the site and the character of the surrounding neighborhood suggest the following possible uses for Parcel D, a 23.71 acre site which is the combination of Parcel B and C as defined previously in this analysis. The first three possible uses initially considered assume the adaptive reuse of the existing buildings.

a. Corporate headquarters for a locally based business

b. A corporate retreat for a locally based business

c. Retirement housing campus for persons 65 years and older

d. Subdivision of the whole parcel into single-family residential lots

e. A planned community development (PCD) on the whole parcel which would include higher density residential uses

f. Limited commercial uses on the lower front 5 to 10 acres of the site and a residential subdivision on the upper portion of the site

g. Commercial uses including limited retail on the lower front 5 to 10 acres of the site with the remainder of the site dedicated to public uses

These alternative uses will be discussed in terms of the physical and dynamic attributes of the site, the legal/political constraints on these uses, and the market demand for these uses.

a. Use as a Corporate Headquarters

Several corporate decision makers were contacted to determine the selection criteria for corporate headquarter sites. The responses from each company spokesperson were similar. Their site selection criteria includes the following site characteristics:

1) Expansion capability on the site is considered a major criteria
2) Availability of public transportation
3) Adequate eating places for employees
4) Adequate parking for employees and for clients
)5 Accessibility to major thoroughfares
6) Easy for employers to get to work
7) Positive image for the company; look up and be seen

Although the site with its upward slope and magnificent views would enhance the image of a corporation, the lack of expansion potential, given the unavailability of the 22.5 acres of woods, would rule out the use of the existing property for a corporate headquarters. The lack of adequate on-site parking would also be a negative for this use.

b. Use as a Corporate Retreat

The use of the existing property for a corporate retreat or an educational center has appeal, but, according to corporate administrators, a corporate retreat would need to include an outdoor pool, tennis courts, and other recreational facilities. The need for walking trails is well satisfied by the site. But the existing building is not readily adaptable to large meeting spaces and an auditorium, given the irregular spacing of the columns.

Spokespersons for the St. Benedict Center, several miles west of Lakeview Sanatorium on County Trunk M, indicates the conference center/retreat market is a tough one. There seems to be an over supply of this type of space in Madison; St. Benedict Center management is continually searching for new market niches for their facilities. Currently they have 75,000 square feet of conference space available with accommodations for 105 overnight guests.

Spokepersons for the Yahara Center on River Road near Waunakee indicate that Madison is not a strong retreat center market. Yahara Center, with 48,000 square feet of space, can accommodate 65 overnight guests, has five meeting rooms, a 208 person capacity dining room, and an indoor pool. Although alcoholic beverages are allowed, they must be catered because the Yahara Center does not have a liquor license. Even though the sleeping rooms have private baths (St. Benedict baths are shared), management has found that guests prefer queen size beds instead of the single beds now provided. The conference and retreat center trend is for more break-out rooms plus a larger room for 50 persons or more. The Yahara Center, with 250 acres, has been listed for sale, but was recently withdrawn as the Board of Directors evaluate the future of the Yahara Center.

Other persons interviewed indicated that large corporations travel to places like Arizona for retreats or build their own retreat facilities on site (e.g. future plans for American Family and W.T. Rogers, Inc.). The analysts conclude that there is not an adequate market in Madison for another retreat center.

c. Use as Retirement Housing

Housing for the elderly has been suggested as an alternative use for the Lakeview Sanatorium buildings and site. The developer who had considered this use several years was interested before both the 1986 tax law change and the shortage of Section 8 rent subsidies from the federal government. Landmark Research, Inc., with expertise in market research for elderly housing

opportunities, would suggest that this property is not a good candidate for elderly housing for the following reasons:

1) The existing building is too institutional looking to appeal to the elderly. They are seeking home, not hospital environments. This age group would be the most sensitive to the previous use of the building as a tuberculosis sanatorium, a dynamic attribute that might repel potential users.

2) The site linkages are not favorable for the elderly. The site topography would make it difficult to walk to Brennan's or to PDQ, for example. Transportation would be necessary for every off site trip.

3) While the woods are beautiful, to the security conscious older person, a public woods could be a place to fear.

4) Contrary to popular belief, the elderly want to be where the action is, not tucked away on a peaceful, scenic hillside.

5) The cost of rehabilitating the existing buildings is so high that the rent levels required would be out of the reach for the majority of the elderly in Madison.

d. Use as a Single Family Subdivision

Since the site is currently zoned R1, the most acceptable type of development would be single family housing which would blend in with a predominantly single family neighborhood. (See Exhibits II-9 and II-10 for surrounding land uses.) Any other use would require a zoning change which would require both a favorable recommendation from the Plan Commission and approval by the City Council. Therefore, this potential use will be analyzed in greater depth.

e. Use as a Planned Community Development (PCD) with Higher Density Residential Uses

Although higher density residential uses will be less likely be acceptable to the Plan Commission and the City Council because of neighborhood objections, a PCD with multifamily dwelling units will be considered as a possible use for the site. Although the immediate neighborhood around the subject property is single family residential, the area also has a variety of multifamily uses.

f. Use as a Planned Community Development (PCD) with a Combination of Higher Density Residential Uses at the Upper Portion of the Site and Limited Commercial Uses at the Lower Portion of the Site

City staff are doubtful that commercial uses will be permitted on the subject site. There is little support for commercial uses from neighborhood representatives. Therefore, this use is not analyzed in depth although commercial/retail developers were contacted for site selection parameters and rent levels for this type of use. The majority of developers believe that the market demand for retail uses on the Lakeview site would be soft.

g. Limited Commercial Uses Including Limited Retail on the Lower Section of the Site and the Remainder of the Site Preserved for Public Uses

Although this use has received no encouragement from City staff or neighborhood representatives, this possible use will be discussed in limited detail as a possible alternative solution to a difficult land use problem, given the constraints that the cost of demolition of the existing buildings place on alternative residential uses of the site.

Of the alternative uses considered, only the single family residential subdivision which is consistent with the existing zoning and the multifamily uses will be evaluated in greater detail to screen for economic feasibility. Both of these uses would require the demolition of the existing buildings. The following steps were taken in the analysis:

1) In consultation with a local architectural firm, several plat plans were drawn, consistent with the physical attributes of the site and the zoning regulations for the assumed uses.

2) Consultation with several residential developers in Madison resulted in the development of an economic model to solve for the justified purchase price of the land, given varied use scenarios.

3) Based upon demographic projections and new construction activity in the Madison area, in general, and on the Northeast side of Madison, in particular, capture rates estimated for the subject site were used to establish the number of lots that could be sold each year. Although zoning regulations may allow a large number of units to be built on a specific site, the question of market demand for that product is the critical issue.

4) Development costs taken from developer experience, City of Madison Engineering, the National Association of Home Builder publication Cost Effective Site Planning, and Marshall Valuation Service together with financing and investment parameters confirmed by lenders and developers were applied to the various scenarios tested. After all development expenses and developer's profit are subtracted from the gross sales revenue, the remaining cash flow, discounted for time and risk, is the residual amount available to purchase the raw land.

5) Although the City Traffic Engineer Department wants the public access point to the Lakeview Woods to be located off Goodland Drive with a public parking area provided at the western side of the site, this location for public access and public parking placed too great a constraint on the residential development alternatives. Therefore, for the purposes of this analysis, it is assumed that the Lakeview Woods access point is from Lake View Avenue with parking provided on or near the area allocated to the Water Utility, unless otherwise indicated.

A land development model, using the property residual, or back door approach, converts the cash flow to a justified land investment. The unit costs for site development, financing charges, other expenses, and gross sale prices for the improved lots are detailed in each scenario. Lot sale prices and development expenses are assumed to increase at the annual rate of 4 percent and real estate taxes are assumed to increase at the annual rate of 5 percent for all the scenarios tested for economic feasibility.

The single family subdivision scenarios identified as Scenario 1-A, Scenario 1-B, and Scenario 1-C are analyzed for economic feasibility. A sketch of the plat plan of each of the scenarios is found in Exhibit IV-6. Each scenario is analyzed and the printout for each scenario is found in Exhibit IV-7. The single family residential scenarios screened for economic feasibility, assuming the site to be vacant, are described as follows:

SCENARIO 1-A

Scenario 1-A maximizes the number of lots that can be placed on the site by accessing the site via Lake View Avenue and Drewry Lane instead of Northport Drive. The approximate lot dimensions are 80 foot frontage and 120 feet in length. The residential development is considered an extension of the existing neighborhood. Net density per acre is 3.95 dwelling units.

SCENARIO 1-B

Scenario 1-B is similar to Scenario 1-A, but the access points are along Northport Drive. Only 53 single family lots can be accommodated in this plat plan. Net density per acre is 3.21 dwelling units.

SCENARIO 1-C

Scenario 1-C is an attempt to develop the site in a manner sensitive to those elements of the site that are important to the public. A public area, accessed via Northport Drive, is provided for the public to enjoy the view at the crest of the site with the center of the sloping front lawn retained as either public or private open space. The resulting plan is for 44 single family lots of the same dimensions as developed in Scenarios 1-A and 1-B. The dedicated streets are steep, but within the upper limits of slope allowed. These streets would need frequent maintenance during the winter months. The mixing of public areas with private space may be a problem. Net density per acre is 3.26 dwelling units.

The multifamily scenarios analyzed and screened for economic feasibility, assuming the site vacant, are described below. A sketch of Scenario II-RH, Scenario II-CONDORH, and Scenario III-CONDORH are found in Exhibit IV-8. The analysis of the economic feasibility of the each of the following scenarios is found is found in Exhibit IV-9.

SCENARIO II-ROWHOUSE (RH)

Scenario II-RH consists of 36 multifamily lots that vary in size from 15,000 to 18,000 square feet for the development of 4 unit, 6 unit, and 8 unit rowhouses that would most likely be sold as condominium units, but rental units

would also be a possibility. The site could accommodate 26 - 4 unit lots, 9 - 6 unit lots, and 1 - 8 unit lot for a total of 166 dwelling units. A change in zoning to a Planned Community Development (PCD) or R-4 would be required. There would need to be a slight change in the legal description of the Lakeview Woods area. A minimal area is set aside for public access to the woods. The net density per acre is 9.53 dwelling units.

SCENARIO II-CONDORH

Scenario II-CONDORH is based upon Scenario II-RH, but the choice 14 view lots are developed as condominium tower sites. There would three towers with four stories each and each tower would contain 34 moderately sized condominiums with magnificent views of the Madison area. Enclosed parking is provided on the first level or underground. The condominium units would retail for about $70,000 to $85,000 with a land cost of about $10,000 per unit. The remaining sites would be available for 13 - 4 units rowhouses, 8 - 6 units rowhouses, and 1 - 8 unit rowhouse. The public area for access to Lakeview Woods would be the same as in Scenario II-RH. The net density per acre is 11.34 dwelling units.

SCENARIO III-CONDORH

The maximum density allowed on this 23.71 acre site, given R4 zoning, is 318 dwelling units. To test the effect of maximizing the density of the site, even though the market could not absorb this many units in a timely manner, it is assumed that the three condominium towers are eight stories each with underground or at grade enclosed attached parking provided. Each tower would contain 70 moderately sized condominiums that would retail for approximately $70,000 to $85,000 with a land cost of about $10,000 per unit. The net density per acre is 16.67 dwelling units.

SCENARIOS 1-A AND 1-C AS DUPLEX LOTS

To test the effect of increased density per lot and, therefore, an increased retail price of each lot, Scenarios 1-A and 1-C were also tested as though sold as duplex lots. Although lots zoned R3 for duplexes sell for more than single family lots, the development costs are slightly higher and the market risks are also greater, especially in this area of limited demand for this type of unit. The net density per acre is 7.89 dwelling units for Scenario 1-A and 6.52 for Scenario 1-C, if sold as duplex lots.

2. Economic Ranking of the Alternatives

The probable alternative uses for the subject property can first be ranked in terms of the general budget parameters inherent in the revenue and expenses for each. The alternatives that offer the greatest financial return are then screened for effective demand, political acceptability, and risk.

On each of the outputs for each scenario, the net present value of the cash flow representing the residual land value is discounted at three different

rates. Discount rates used by local land developers are no less than 20 to 25 percent. The more risk perceived in the project, the higher the discount rate. For the extremely high risk scenarios, a 30 percent discount rate is used. A 15 percent discount rate is also shown for illustrative purposes for the lower risk scenarios. For each of the scenarios evaluated, the following residual land values (assuming the land to be cleared and vacant) and the discount rate selected for that scenario, are summarized, as follows:

SCENARIO	DISCOUNT FACTOR	RESIDUAL LAND VALUE ASSUME SITE IS VACANT
Single Family		
1-A	20%	$174,000
1-B	20%	$ 78,000
1-C	20%	$146,000
Multifamily		
1-A	25%	$200,000
1-C	25%	$187,000
II-RH	25%	$143,000
II-CONDORH	25%	$132,000
III-CONDORH	30%	$399,000

Although Scenario III-CONDORH offers the most profitable use of the site, it is unrealistic to assume that almost 100 condominium units could be absorbed each year in that market area. (See Exhibit III-7) Duplexes are usually purchased by a homeowner who occupies one unit and rents the other as income property. The market rent required to justify a land cost of $12,000 to $16,500 per unit, as used in the two duplex scenarios, would be ~~over~~ $1,000 per month. For a dwelling unit of 1,000 square feet with a building cost of $45/SF or $45,000 plus land at $12,000 or a total unit cost of $57,000, the monthly rent would be $1,140, using the rule of thumb of monthly rent at two percent of total cost. Also a zoning change would be necessary to build multifamily units on the site. Therefore, Scenarios III-CONDORH and 1-A and 1-C as duplex lots are judged too high a market risk and are not considered feasible.

Of the two remaining multifamily scenarios, Scenario II-RH offers the higher financial return, but this return is the same as for Scenario 1-C developed as single family lots. Scenario 1-A developed as single family lots offers a higher financial return than Scenario 1-C. Of these two remaining scenarios, Scenario 1-C has the greater chance of political acceptance because of its sensitivity to the neighborhood and the lesser market risk with a fewer number of units to be absorbed in a soft market.

3. Conclusions

Summaries of the feasibility analysis for both the single family residential scenarios and the multifamily residential scenarios are found in Exhibit IV-10 and Exhibit IV-11. Based upon these analyses, the most probable use of Parcel D, assuming a clear and vacant site, is a single family development as suggested in Scenario 1-C or Scenario 1-A.

D. Parcel C - Remaining Parcel

1. Alternative Uses for Parcel C

The analysts have concluded that Parcel B does not have substantial development value in the current Madison real estate market without the promise of a substantial subsidy. For the purposes of valuing the remaining Parcel C, it is assumed Dane County will continue to own the existing buildings and the use will continue to be office, either owner occupied or rental. The remaining site, described as Parcel C and containing approximately 18 acres, could be sold for development.

Although the preceding analysis suggested single family home development as the most probable use of Parcel D, the most probable use of Parcel C is more speculative because of the presence of the existing buildings which will have a dampening effect upon the marketability of any type of housing. These lots will not have the views or proximity to the woods and will sell for market prices with no premiums.

Two single family home scenarios, based on plat plans developed for Scenarios 1-B and 1-C, are screened for economic feasibility, assuming the continued use of the existing buildings as offices. Scenario 1-A is not adaptable because the street access from Lake View Avenue assumes demolition of the existing buildings. These same scenarios are evaluated as duplex lots to demonstrate the change in residual land value with increased density, and therefore, increased retail value. Sketches of these scenarios are found in Exhibit IV-12 and the output from the analysis of economic feasibility is detailed in Exhibit IV-13. The subdivision plat plans, assuming the existing buildings remain in use, are described as follows:

SCENARIO 1-D

Scenario 1-D is similar to Scenario 1-C, but the public viewing area is replaced by the existing buildings. The total land area for Parcel C is approximately 18 acres. The land area for the existing buildings and Water Utility area is approximately 6 acres. There are 35 remaining lots which measure 80 feet by 120 feet, more or less. The open space would either be owned and controlled by a neighborhood association or owned and maintained by the City of Madison. Although the City of Madison may accept the gift of the open space, the developer would still be required to pay a park fee in lieu of open space. As discussed earlier, the City of Madison does not want to purchase any more park land in this neighborhood. Although ownership by the neighborhood

association would allow the homeowners to have more controls on use, the proximity of this hill to the existing buildings will make enforcement difficult. Heavy screening by the planting of mature trees or other means will be necessary to make the two uses compatible. Access is from Northport Drive for both uses.

As a single family development with 14.08 acres of developable land, excluding the existing building site, the water utility area, and the dedicated streets, the net density per acre is 2.49 dwelling units. As a duplex development the net density per acre is 4.97 dwelling units.

SCENARIO 1-E

Scenario 1-E is an adaptation of Scenario 1-B with 43 instead of 53 single family home lots. The existing buildings occupy the area of the other 10 lots and part of the public space set aside for access to the woods for a total of approximately 6 acres. Access to the property is from Northport Drive for both uses. This scenario represents the highest density that can be obtained with a mixed use site plan and average lot sizes of 9,600 square feet. With 13.34 acres of developable land, the net density per acre is 3.22 dwelling units for single family home lots and 6.45 dwelling units for duplex lots.

2. Economic Ranking of Alternative Uses for Parcel C

As in the evaluation of Parcel D, the alternative scenarios are first ranked in terms of financial return. In this case, a higher discount rate than used for Parcel D is selected because the market demand risk is increased with the proximity of the existing buildings. For the single family home lot scenarios, a discount rate of 25 percent is used. For the duplex lots, which have more market demand uncertainty in this area of Madison due to higher rents required for economic feasibility, a 30 percent discount factor is used. For each of the scenarios, the following residual land values and the discount rates are summarized as follows:

SCENARIO	DISCOUNT FACTOR	RESIDUAL LAND VALUE
Single Family		
1-D	25%	$112,000
1-E	25%	$ 92,000
Duplex		
1-D	30%	$133,000
1-E	30%	$121,000

It would appear that Scenario 1-D with duplex lots is the most feasible of the scenarios presented, based only upon financial return. But as was discussed earlier, the market demand risk of putting 70 duplex units on the

market at that site is high. The rent levels that would have to be generated to cover land and building costs are at the upper end of the market. The zoning would have to be changed to R3. As condominiums, these units would be a tough sell under the definition of the scenario. The continued use of the existing buildings as a mixed use with residential makes Scenario 1-D at very high risk.

3. Conclusions

A summary of the results of the feasibility analysis for Parcel C is found in Exhibit IV-14. Based upon this analysis, the most probable use of Parcel C, assuming the continued use of the existing buildings, is as a single family home development. Heavy screening would be necessary to separate the uses on the site. The purchaser of Parcel C would have to have some control over the uses of the existing buildings and would have the first right of refusal to purchase the property if and when it is marketed.

Although the characteristics of the neighborhood and the political problems associated with rezoning all or part of the site lead to the most probable use of residential for Parcel C, the potential incompatibility of the two uses suggest a reconsideration of limited commercial uses on the lower portion of site. Limited retail or commercial uses in a one story structure on from five to ten acres at the lower south end of the site along Northport Drive would give the seller the highest financial return when compared with the residential scenarios and would be more compatible with the continued use of the existing buildings. The upper portion of the hill in front of the buildings would remain open space for public use as long as Parcel B remains in public ownership.

Developers of retail strip shopping centers in Madison suggest triple net rents of $5.50 per square foot for good markets and $7.00 per square foot for other retail space as reasonable in this area of Madison, given the limited population base and the adverse influences in the immediate neighborhood. Using the same "back door" analysis previously mentioned to move from gross potential revenue to a justified purchase price for the land, a range of raw land prices of from $0.85 to $1.50 per square foot of land is suggested. The revenue, expense, and financing parameters used for the analysis of a commercial use are estimates only. No comparable sales were investigated to estimate the market value of the site for commercial uses.

At the present time there is little to no encouragement from the City staff or the neighborhood for this use. The market demand for this use would need further investigation.

SECTION IV

EXHIBITS

EXHIBIT IV-1

CALCULATION OF MINIMUM SITE AREA
NEEDED FOR OFFICE USE
OF EXISTING BUILDINGS

GROSS BUILDING AREA [1]		LAND AREA REQUIRED
Main Building	66,204 SF	
Annex	18,975 SF	
TOTAL	85,179 SF	
Parking Stalls Required @ 1 Stall/400 SF GBA	284 Stalls [2]	
Land Area Needed @ 350 SF/Stall		113,600 SF
LAND AREA USED FOR BUILDING PADS		
Main Building (SF of ground floor times 1.10) [3]		16,960 SF
Annex (SF of ground floor times 1.10)		6,960 SF
Auxiliary Buildings (approximate)		6,600 SF
TOTAL AREA REQUIRED		144,120 SF 3.31 ACRES

[1] See Exhibits II-11 & II-12 for calculation of gross building areas.

[2] The site is reported to have 210 parking spaces currently.

[3] Building pad area is increased by 10% to allow for walkways and minimal yard space around buildings.

EXHIBIT IV-1 (Continued)

CALCULATION OF MINIMUM SITE AREA
NEEDED FOR MULTIFAMILY RESIDENTIAL USE
OF EXISTING BUILDINGS

FEASIBLE UNIT MIX	PARKING STALLS REQUIRED [1]		LAND AREA REQUIRED
Main Building			
30 - 2 Bdrm units	38		
24 - 1 Bdrm units	30		
4 - Efficiency units	4		
58 units	72	stalls @ 400 SF	28,800 SF
Annex			
9 - 2 Bdrm units	12		
8 - 1 Bdrm units	10		
17 units	22	stalls @ 400 SF	8,800 SF
Guest Parking	75	stalls @ 400 SF	30,000 SF
TOTAL AREA REQUIRED FOR PARKING			67,600 SF
LAND AREA USED FOR BUILDING PADS			
Main Building (SF of ground floor times 1.20) [2]			18,500 SF
Annex (SF of ground floor times 1.20)			7,590 SF
Auxiliary Buildings (approximate)			6,600 SF
TOTAL AREA REQUIRED			100,290 SF
			2.30 ACRES

[1] Off-street parking requirements are 1 space per efficiency unit and 1.25 spaces per 1, 2 and 3 bedroom units. The area used for a parking stall could also be used for detached enclosed garages measuring 12' X 20' per unit.

[2] Building pad area is increased by 20% to allow for walkways, recreational space and yard plantings. See Exhibits II-11 & II-12 for ground floor gross building areas.

SURVEY OF MULTIFAMILY APARTMENT PROJECTS
LOCATED ON THE NORTHEAST SIDE OF MADISON

	COMPARABLE	TYPE OF UNITS	TOTAL NUMBER UNITS	RENTAL RATE UNFURNISHED	UNIT SIZE SQ FT	RENT PER SQ FT	TYPE OF PARKING	TOTAL PARKING SPACES	FEE FOR PARKING
NAME	WIEDENBECK	1/1	13	$450	506	$0.89	Garage	9	$50
ADDRESS	W. Mifflin Street	1/1		$575	506	$1.14	Outside	21	$40
YEAR BUILT	1987	1/2	12	$790	750	$1.05			
AVG OCCUP RATE	100%	2/1	32	$680	1,116	$0.61			
TENANT TYPE [1]	1 & 4								
# UNITS SUBSIDIZED	12	TOTAL	57					30	
RENT RATE	$300								
NAME	LINCOLN SCHOOL	1/1	18	$550	605	$0.91	Garage	35	$45/addl space
ADDRESS	Gorham Street	1/1		$875	875	$1.00	Outside		
YEAR BUILT	1985	1/1.5	4	$875	1,200	$0.73			
AVG OCCUP RATE	100%	2/1	6	$725	1,000	$0.73			
TENANT TYPE [1]	4	2/1		$1,000	1,200	$0.83			
# UNITS SUBSIDIZED	6								
RENT RATE	$495	TOTAL	28					35	
NAME	BRIARWOOD	Studio/Eff	4	$360	457	$0.79	Garage	136	
ADDRESS	1818 Fordem Avenue	1/1	4	$400	550	$0.73	Outside	136	
YEAR BUILT	1979	1/1	80	$455	685	$0.66			
AVG OCCUP RATE	97-99%	2/1.5	16	$525	1,036	$0.51			
TENANT TYPE [1]	4 & 3	2/2	16	$565	1,084	$0.52			
# UNITS SUBSIDIZED	None	3/2	16	$625	1,248	$0.50			
RENT RATE									
		TOTAL	136					272	
NAME	EASTWOOD PARK	1/1	32	$415	820	$0.51	Garage		
ADDRESS	517 Northport Drive	2/1	32	$485	906	$0.54	Outside		
YEAR BUILT	1973	2/1.5 Den	32	$555	1,188	$0.47			
AVG OCCUP RATE	91% currently	2/1.5	32	$517	920	$0.56			
TENANT TYPE [1]	2, 3, 4, & 5								
# UNITS SUBSIDIZED	A few Section 8	TOTAL	128					0	
RENT RATE									
NAME	LAKEWOOD GARDENS	2/1		$475			Garage	10	
ADDRESS	1909 Sherman Avenue	3/1.5		$550			Outside	416	
YEAR BUILT	1968								
AVG OCCUP RATE	95%	TOTAL	208 (some townhouses privately owned)					426	
TENANT TYPE [1]	1, 2, 3, 4, & 5								
# UNITS SUBSIDIZED	10%								
RENT RATE									

[1] 1 = Student, 2 = Elderly, 3 = Family, 4 = Young Professional, 5 = Clerical

CONTINUED ON NEXT PAGE

EXHIBIT IV-2 (Continued)

	COMPARABLE	TYPE OF UNITS	TOTAL NUMBER UNITS	RENTAL RATE UNFURNISHED	UNIT SIZE SQ FT	RENT PER SQ FT	TYPE OF PARKING	TOTAL PARKING SPACES	FEE FOR PARKING
NAME	LONDONDERRY	Studio/Eff	9	$320			Garage		
ADDRESS	Londonderry	1/1	27	$430			Outside	36	
YEAR BUILT	1988	1/1		$460					
AVG OCCUP RATE	90%								
TENANT TYPE [1]	4	TOTAL	36 (36 addl in construction)					36	
# UNITS SUBSIDIZED	None								
RENT RATE									
NAME	NORTH GLEN	1/1	16	$420	606	$0.69	Garage		
ADDRESS	1506 Troy Drive	1/1	32		630		Outside	64	
YEAR BUILT	1971-72	2/1	29		838				
AVG OCCUP RATE	96-97%	2/1	19		872			64	
TENANT TYPE [1]	1, 2, 4	3/2	32	$580	1,000	$0.58			
# UNITS SUBSIDIZED	3								
RENT RATE		TOTAL	128						
NAME	PORT VISTA	Studio/Eff		$325	500	$0.65	Garage		
ADDRESS	3702 Packers Avenue	1/1		$365	650	$0.56	Outside	64	
YEAR BUILT	N/A								
AVG OCCUP RATE	100%	TOTAL	64 (2 buildings)					64	
TENANT TYPE [1]	2 & 4								
# UNITS SUBSIDIZED	None								
RENT RATE									
NAME	RIDGEVIEW HEIGHTS	Studio/Eff	8	$325	450	$0.72	Garage		
ADDRESS	3164 Ridgeway Ave	1/1	4	$375	680	$0.55	Outside	126	
YEAR BUILT	1986	2/1	72	$465	1,000	$0.47			
AVG OCCUP RATE	95%								
TENANT TYPE [1]	1, 2, 3, 4, 5	TOTAL	84					126	
# UNITS SUBSIDIZED	None								
RENT RATE									
NAME	SKYVIEW	1/1	48	$380	750	$0.51	Garage		
ADDRESS	3750 Orin Road						Outside	48	
YEAR BUILT	1983-1986								
AVG OCCUP RATE	100%	TOTAL	48					48	
TENANT TYPE [1]	1								
# UNITS SUBSIDIZED	None								
RENT RATE									

[1] 1 = Student, 2 = Elderly, 3 = Family, 4 = Young Professional, 5 = Clerical

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EXHIBIT IV-2 (Continued)

	COMPARABLE	TYPE OF UNITS	TOTAL NUMBER UNITS	RENTAL RATE UNFURNISHED	UNIT SIZE SQ FT	RENT PER SQ FT	TYPE OF PARKING	TOTAL PARKING SPACES	FEE FOR PARKING
NAME	TAFF	Studio/Eff	12	$310	N/A		Garage	12	
ADDRESS	6 Maplewood Lane	1/1	4	$325	N/A		Outside	70	
YEAR BUILT	1963	1/1		$350	N/A		(street)		
AVG OCCUP RATE	100%	2/1	19	$465	950	$0.49			
TENANT TYPE [1]	4 (not all young)	2/1		$510	950	$0.54			
# UNITS SUBSIDIZED	None		------					------	
RENT RATE		TOTAL	35					82	
NAME	VILLAGE GREEN EAST	Studio/Eff	56	$435	680	$0.64	Garage		
ADDRESS	107 Village Green Lane W	Studio/Eff	8	$440	775	$0.57	Outside	480	
YEAR BUILT	Phase I - 1977	2/1	64	$485	980	$0.49			
	Phase II - 1982	2/1	112	$505	950	$0.53			
AVG OCCUP RATE	95%		------					------	
TENANT TYPE [1]	1, 2, 3, 4, 5	TOTAL	240					480	
# UNITS SUBSIDIZED	2								
RENT RATE									
NAME	WARNER VIEW	1/1	16	$295	N/A		Garage		
ADDRESS	1309 Northport						Outside	32	
YEAR BUILT	1981		------					------	
AVG OCCUP RATE	100%	TOTAL	16					32	
TENANT TYPE [1]	1, 2, 3, 4, 5								
# UNITS SUBSIDIZED	None								
RENT RATE									
NAME	YAHARA LANDING	2/2	72	$585	1,040	$0.56	Garage	33	$45/mo short term
ADDRESS	1624 Fordem Avenue	2/2		$629	1,040	$0.60			$25/mo one year
YEAR BUILT	1986	2/2		$600	1,092	$0.55	Outside	72	
AVG OCCUP RATE	94%	2/2		$643	1,092	$0.59			
TENANT TYPE [1]	Most 4, some 1 & 2		------					------	
# UNITS SUBSIDIZED	None	TOTAL	72					105	
RENT RATE									
NAME	DRYDEN TERRACE						Garage		
ADDRESS	1902 Londenderry Drive						Outside		
YEAR BUILT			------					------	
AVG OCCUP RATE	100%	TOTAL	101					0	
TENANT TYPE [1]									
# UNITS SUBSIDIZED	All								
RENT RATE									

[1] 1 = Student, 2 = Elderly, 3 = Family, 4 = Young Professional, 5 = Clerical

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EXHIBIT IV-2 (Continued)

	COMPARABLE	TYPE OF UNITS	TOTAL NUMBER UNITS	RENTAL RATE UNFURNISHED	UNIT SIZE SQ FT	RENT PER SQ FT	TYPE OF PARKING	TOTAL PARKING SPACES	FEE FOR PARKING
NAME	SHERMAN TERRACE	2/1	216	$375	800	$0.47	Garage		
ADDRESS	Sherman Avenue	2/1		$425	800	$0.53	Outside	216	
YEAR BUILT	1948								
AVG OCCUP RATE	97%	TOTAL	216					216	
TENANT TYPE [1]	4								
# UNITS SUBSIDIZED	None								
RENT RATE									
NAME	NORTHPORT PACKERS	1/1		$297			Garage		
ADDRESS	1702 Northport Drive	1/1		$306			Outside		
YEAR BUILT		2/1		$369					
AVG OCCUP RATE		2/1		$376					
TENANT TYPE [1]		2/1.5		$407					
# UNITS SUBSIDIZED	All	3/1		$404					
RENT RATE		3/1		$411					
		3/1.5		$442					
		TOTAL	0					0	
NAME	ELKA LANE	1/1	24	$380	700	$0.54	Garage	15	$35/mo
ADDRESS	Packers Avenue	1/1		$390	700	$0.56	Outside	72	
YEAR BUILT	Fall 1987	2/1	12	$465	900	$0.52			
AVG OCCUP RATE	100%	2/1		$475	900	$0.53			
TENANT TYPE [1]	1, 2, 3, 4, 5								
# UNITS SUBSIDIZED	None	TOTAL	36 (72 total by spring 1990)					87	
RENT RATE									

[1] 1 = Student, 2 = Elderly, 3 = Family, 4 = Young Professional, 5 = Clerical

EXHIBIT IV-3

SURVEY OF NEWER CONDOMINIUM PROJECTS

LOCATED ON OR NEAR THE NORTHEAST SIDE OF MADISON

CONDO NAME	YEAR DEVELOPMENT BEGAN	TOTAL NUMBER UNITS	SALES PRICE RANGE	ESTIMATED MONTHLY CONDO FEE	PRIMARY RESIDENTS	COMMENTS	DEVELOPED BY
WHALER'S COVE Lighthouse Bay Drive	1983	10	$180,000 to $250,000	$220	Retired & Professional	5 duplex units built spec. All units have garages. All units sold in 3 1/2 years. Current prices are $280,000 to $350,000. This project has a security gate and all units have separate entrances.	Von Rutenberg/ Weber Realty Craig Recob 274-7500
LIGHTHOUSE BAY Lighthouse Bay Drive	1984	21	$99,900 to $200,000	$100	Retired & Professional	All units but one were built spec with a 3 year sellout. Most are two story townhouse style with garages and a few have finished basements. This development was a followup on the success of Whaler's Cove to a slightly lower income level. All units have separate entrances.	Von Rutenberg/ Weber Realty Craig Recob 274-7500
STANTON SQUARE 4511-4545 Martha Lane at Topaz	1986	24	$54,900 to $68,000	$45	Retired & Young Prof.	12 units built spec in 1986 (6 units per building). All units sold within 1 1/2 years. Another 12 units were completed in 4/88 and sold out immediately. All units have garages (1 or 2 car). Most units are two story, but there are a couple of ranches. All have separate entrances.	Midland Builders Robert Petersen 271-4444
CHEROKEE PARK	1978	377	$90,000 to $125,000 (for garden) $220,000 & up (for townhouse)	$100 $100	Retired & Professional (very few children)	Expect to have 399 units completed by end of 6/89. Garden condos have underground parking (2 spaces per car) and townhouses have attached garages (either 1 or 2 car). Usually 16 units sold on average per year. This complex has the following recreational facilities available for an additional fee: golf course, swimming pool, tennis courts and fitness center. The complex also has good security.	Cherokee Development John Fox 249-6417
WATER'S EDGE 4001 Monona Drive	1987	16	$159,900 to $260,000	$200 (for 1,700 SF)	Professional	Property is waterfront to Lake Monona close to downtown. Spec development has its own pier and swimming pool onsite. Only 3 units remain unsold at this time. Plans to expand on each side of original development with 36 additional units. Note: These expansion units are on different lots. Underground parking (2 spaces per unit) is available.	Monona Drive Partnership/ Weber Realty Vicki Beecher 222-1067
MAPLEWOOD Maple Wood Lane	1979	85	$92,000	$80	Retired	Average size unit is 1,150 SF. Plans on having 237 units when development is completed in 1994. Has been building approximately 24 units per year. Sales have been slow over past two years, but picked up this year. Amenities include underground parking (1 per unit), access to busline and shopping center, and elevators. Units share entrances.	Taff & Taff Larry Taff 244-7777
ASPEN TERRACE White Aspen	1980	34	$50,000 to $60,000	$45	Retired & Young Prof.	Duplex style condos with either 1 car attached or 2 car unattached garages. Build out/sell out occurred approximately two years ago. Tenants mixed and most units are owner occupied.	Weber Realty Lisa Van Buren 274-7500

NOTE: Two proposed West side condo developments that did not make it were: Sauk Borough by Steven Schlough off Harvest Hill Road @ Court of Brixham and The Woodlands by Jung Lee off Harvest Hill @ Pebble Beach. Both developments were replatted for single family homes.

EXHIBIT IV-4

MAIN BUILDING RENTAL AREA
FOR SCENARIOS 1, 2 & 3
FOR USE AS RENTAL APARTMENTS

	NO. OF UNITS	TYPE OF UNIT	SIZE (SF)	EXPOSURE	SQUARE FEET	TOTAL
GROUND FLOOR	4	2 BR	792	South	3,168	
	2	2 BR	892	South	1,784	
	6					4,952
	Rest of area = storage (6,240 SF)					
FIRST FLOOR	1	Efficiency	528	North	528	
	4	2 BR	792	South	3,168	
	2	2 BR	892	South	1,784	
	1	2 BR	952	North	952	
	4	1 BR	550	North	2,200	
	4	1 BR	640	East, West, 2 North	2,560	
	16					11,192
SECOND FLOOR	1	Efficiency	528	North	528	
	4	2 BR	792	South	3,168	
	2	2 BR	892	South	1,784	
	1	2 BR	952	North	952	
	4	1 BR	550	North	2,200	
	4	1 BR	640	East, West, 2 North	2,560	
	16					11,192
THIRD FLOOR	2	Efficiency	528	North	1,056	
	4	2 BR	792	South	3,168	
	2	2 BR	892	South	1,784	
	4	1 BR	550	North	2,200	
	12					8,208
FOURTH FLOOR - SINGLE LOADED CORRIDOR						
	4	1 BR	768	South	3,072	
		4 balconies	264			
	2	2 BR	1,028	South	2,056	
		2 balconies	144			
	2	2 BR	800	South	1,600	
		2 balconies	264			
	8					6,728
TOTALS	58					42,272 SF

EXHIBIT IV-4 (Continued)

RENTAL AREA OF ANNEX
FOR USE AS APARTMENTS

	NO. OF UNITS	TYPE OF UNIT	SIZE (SF)	EXPOSURE	SQUARE FEET	TOTAL
GROUND FLOOR	1	2 BR	980	South	980	
	2	2 BR	712	South	1,424	
	3					2,404
FIRST FLOOR	3	2 BR	801	South	2,403	
	1	1 BR	650	North & East	650	
	1	1 BR	620	North	620	
	1	1 BR	688	East & West	688	
	1	1 BR	688	North & West	688	
	7					5,049
SECOND FLOOR	3	2 BR	801	South	2,403	
	1	1 BR	650	North & East	650	
	1	1 BR	620	North	620	
	1	1 BR	688	East & West	688	
	1	1 BR	688	North & West	688	
	7					5,049
TOTALS	17					12,502 SF

EXHIBIT IV-5
SUMMARY OF TESTS OF ECONOMIC FEASIBILITY OF ALTERNATIVE USES OF EXISTING BUILDINGS

REHABILITATION PARAMETERS	SCENARIO 1 Area Market Standards Premium Given for View	SCENARIO 2 Rents 1.5 Higher Than Market in Scenario 1	SCENARIO 3 Rents 1.25 Higher Than Market in Scenario 1	SCENARIO 4 Use Basement-Main Bldg. Market Rents-No Premiums	SCENARIO 5 Multi-tenant Office Use
No. of Apartments/Office NLA					
Main Bldg.	58	58	58	78	46,760 SF NLA [2]
Annex	17	17	17	17	12,400 SF NLA
	75	75	75	95	59,160 SF NLA
Unit Cost Estimate of Rehab					
Main Bldg.	$40/SF	$50/SF	$45/SF	$40/SF [1]	$35/SF [2]
Annex	$35/SF	$45/SF	$40/SF	$35/SF	$30/SF
Type of Parking	All Surface 95 Stalls for Residents 30 Stalls for Guests	75 Detached Garages for Residents 75 Stalls for Guests	75 Detached Garages for Residents 75 Stalls for Guests	All Surface 125 Stalls Required by Code	265 Surface Stalls Required
Balconies on 4th Floor	None	8 -Apts with So. View	8 -Apts with So. View	None	None
Average Mo. Apt./Yr. Office Rent					
Main Bldg.	$561	$842	$702	$460	$9/SF/Year [2]
Annex	$555	$832	$693	$555	$9/SF/Year
Range of Monthly Rent					
Main Bldg.	$380-$874	$570-$1,311	$475-$1,092	$262-$630	
Annex	$446-$641	$670-$961	$558-$801	$446-$641	
Range of Rent/SF/MO					
Main Bldg.	$0.63-$0.95/SF	$0.98-$1.43/SF	$0.81-$1.19/SF	$0.52-$0.87/SF	
Annex	$0.70-$0.80/SF	$1.05-$1.20/SF	$0.88-$1.00/SF	$0.70-$0.80/SF	
Range of Unit Sizes					
Main Bldg.	528 SF-1,028 SF	528 SF-1,028 SF	528 SF-1,028 SF	432 SF-993 SF	
Annex	620 SF-801 SF	620 SF-801 SF	620 SF-801 SF	620 SF-801 SF	
JUSTIFIED INVESTMENT PARAMETERS					
TOTAL JUSTIFIED INVESTMENT WHEN REHAB COMPLETED	$2,802,000	$4,203,000	$3,502,500	$3,025,600	$2,329,800
PLANNED IMPROVEMENT BUDGET [3]	($3,167,500)	($4,086,000)	($3,688,600)	($3,335,500)	($2,854,000)
PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS	($365,500)	$117,000	($186,100)	($309,900)	($525,000)

[1] Rehab costs are at the same level as Scenario 1 because with the increased number of apartments there is an increased number of plumbing fixtures, cabinets, walls and doors.

[2] Of the 62,000 SF of gross building area (GBA) in the main building, it is assumed that 75% will be net leasable area (NLA). The same efficiency ratio is assumed for the annex.

[3] The planned improvement budgets are only estimates. If rehabilitation costs vary by $1 for 79,500 SF (GBA of main and annex buildings), the improvement budget will increase or decrease by $79,500. The tests indicate a relative investment potential for each scenario.

EXHIBIT IV-6

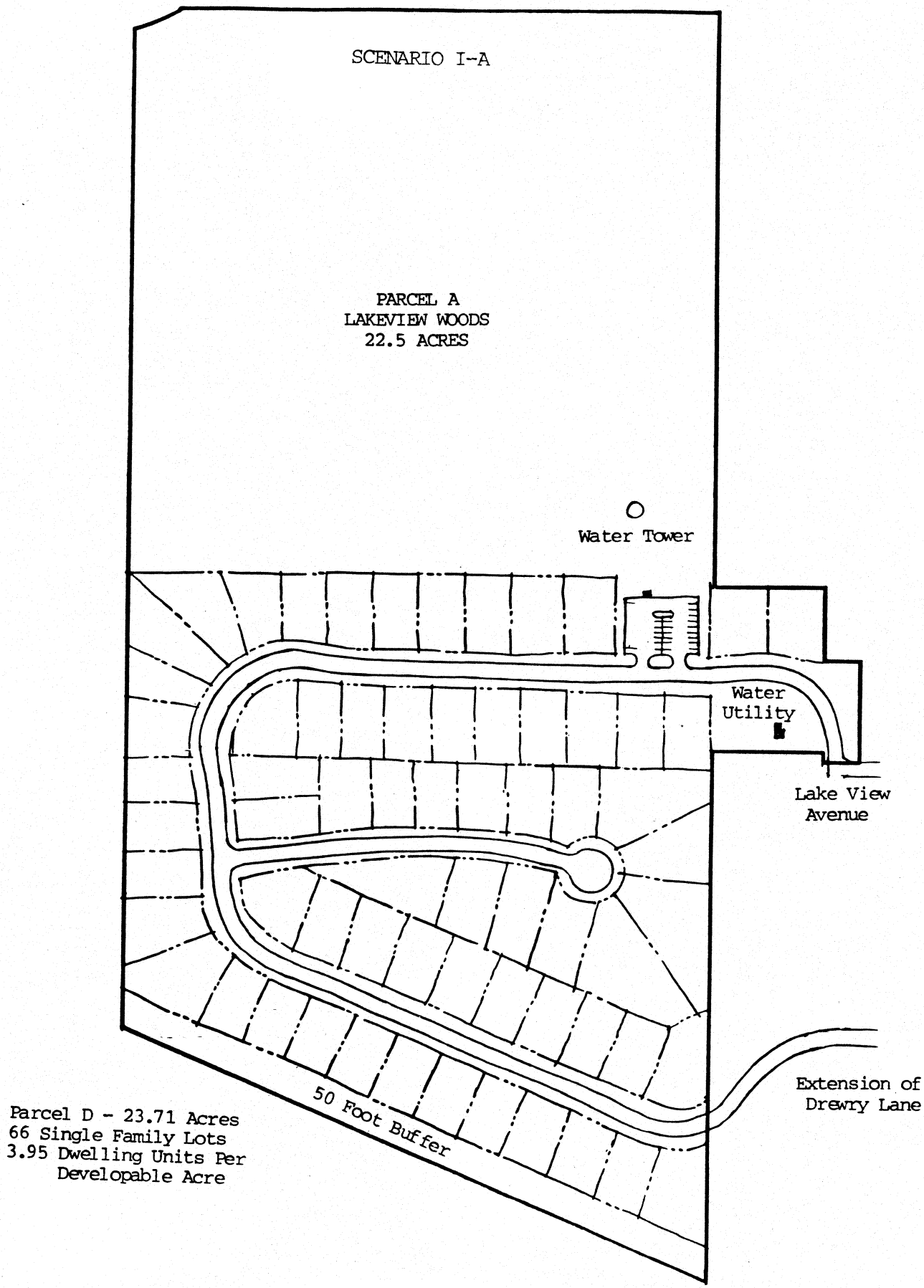
SKETCHES OF SINGLE FAMILY SUBDIVISION PLATS
FOR ANALYSIS OF MOST PROBABLE USE
FOR PARCEL D

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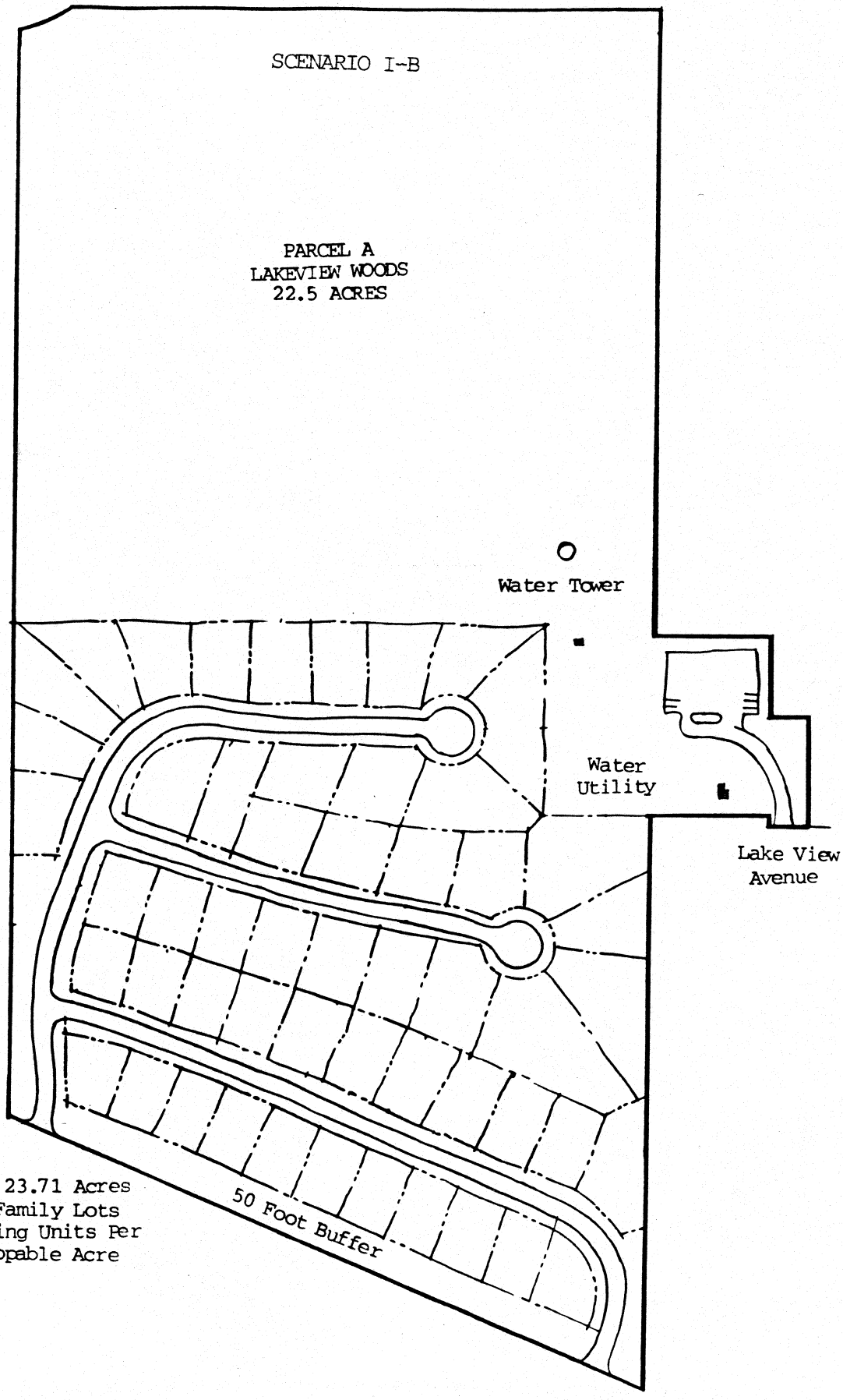
Scenario 1-A - 66 Single Family Lots

Scenario 1-B - 53 Single Family Lots

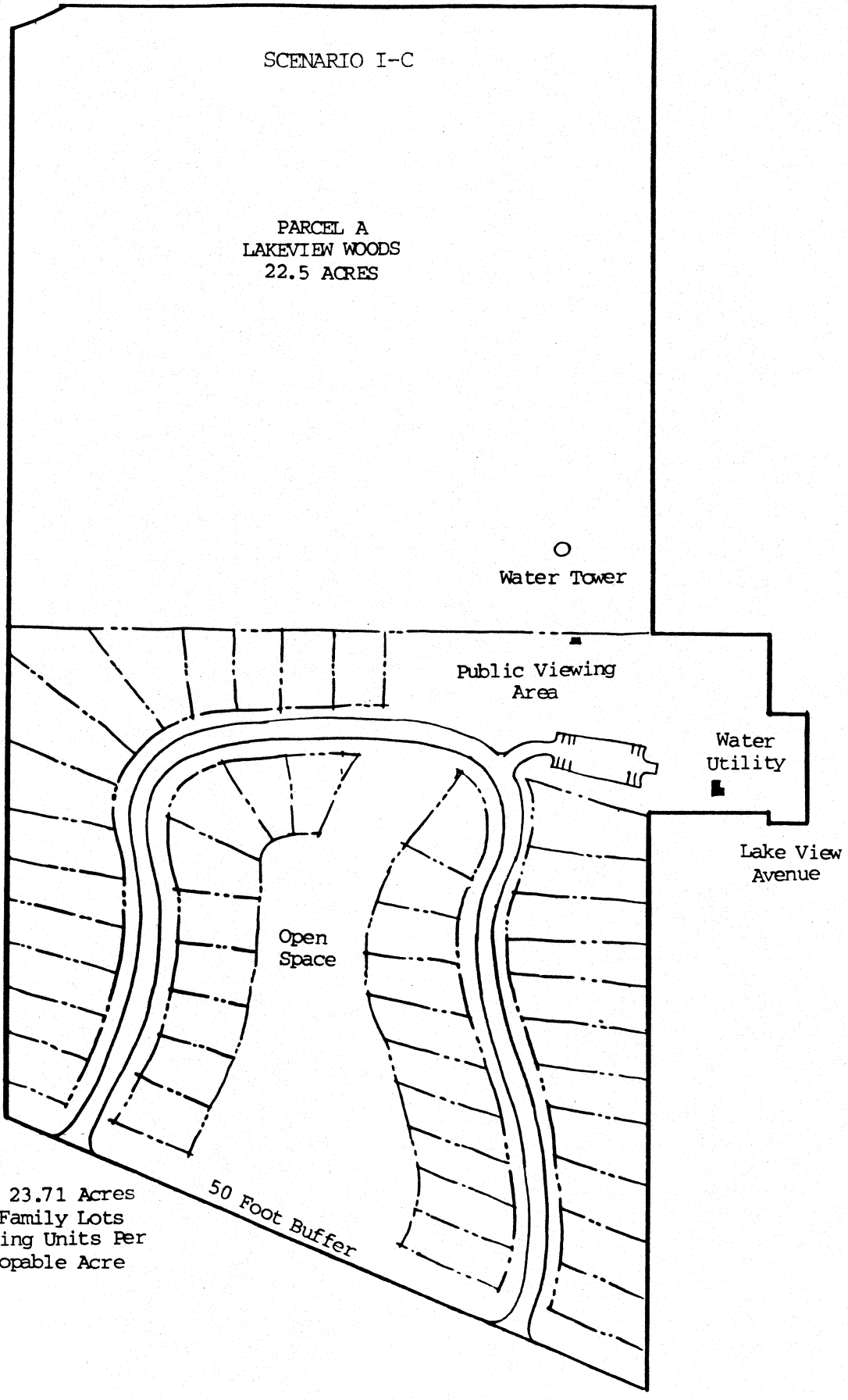
Scenario 1-C - 44 Single Family Lots



Parcel D - 23.71 Acres
66 Single Family Lots
3.95 Dwelling Units Per
Developable Acre



Parcel D - 23.71 Acres
53 Single Family Lots
3.21 Dwelling Units Per
Developable Acre



Parcel D - 23.71 Acres
44 Single Family Lots
3.26 Dwelling Units Per
Developable Acre

EXHIBIT IV-7

ANALYSIS OF ECONOMIC FEASIBILITY OF
SINGLE FAMILY SUBDIVISION SCENARIOS
FOR PARCEL D

- - - - - - - - - - - - - - - - -

Scenario 1-A - 66 Single Family Lots

Scenario 1-B - 53 Single Family Lots

Scenario 1-C - 44 Single Family Lots

SINGLE FAMILY SUBDIVISION - 66 SINGLE FAMILY LOTS AT MARKET PRICES WITH PREMIUMS FOR VIEW LOTS
CASH FLOW PROJECTIONS
SCENARIO 1-A PLAT PLAN
INGRESS/EGRESS AT LAKE VIEW AVENUE AND DREWRY LANE
EXTENSION OF EXISTING NEIGHBORHOOD

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4
DEVELOPED LOT INVENTORY:					
BEGINING BALANCE	0	0	3	3	0
ADD: LOTS DEVELOPED CURRENT YEAR	0	24	22	20	0
LOTS AVAILABLE FOR SALE	0	24	25	23	0
LESS: LOTS SOLD CURRENT YEAR	0	(21)	(22)	(23)	0
ENDING LOT INVENTORY	0	3	3	0	0
INCOME:					
Average Price/Lot		$30,000	$25,810	$21,090	$0
TOTAL REVENUE - SALES		$630,000	$567,820	$485,070	$0

GROSS SALES REVENUE $1,682,890

						EXPENSES	EXPENSES/REVENUE
EXPENSES:							
Development Costs - See Details Below		$263,364	$251,074	$228,249	$0	$742,686	44.13%
Soft Costs @ $200 per Lot	$4,800	$4,400	$4,000	$0	$0	$13,200	0.78%
Sales Expense (10%)		$63,000	$56,782	$48,507	$0	$168,289	10.00%
Development Loan Interest (11%+1pt/draw)		$18,900	$17,035	$14,552	$0	$50,487	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Cost of Esch Lot for Extension of Drewry Lane		$15,000	$0	$0	$0	$15,000	0.89%
Administrative Overhead at 3% of Sales Revenue		$18,900	$17,035	$14,552	$0	$50,487	3.00%
Developers Profit at @20% of Sales Revenue		$126,000	$113,564	$97,014	$0	$336,578	20.00%
						$0	0.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,800	$509,564	$459,489	$402,874	$0	$1,376,727	81.81%
CASH FLOW BEFORE REAL ESTATE TAXES	($4,800)	$120,436	$108,331	$82,196	$0		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$6,695	$4,642	$2,266	$0	$13,602	0.81%
CASH FLOW AFTER REAL ESTATE TAXES	($4,800)	$113,741	$103,689	$79,930	$0		

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$154,783	AT 20% DISCOUNT	$173,539
LAND VALUE PER ACRE	$6,528		$7,319
LAND VALUE PER SQUARE FOOT	$0.15		$0.17
		AT 15% DISCOUNT	$195,709
LAND VALUE PER ACRE			$8,254
LAND VALUE PER SQUARE FOOT			$0.19

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EXHIBIT IV-7
SCENARIO 1-A
(CONTINUED)

SINGLE FAMILY SUBDIVISION - 66 SINGLE FAMILY LOTS AT MARKET PRICES WITH PREMIUMS FOR VIEW LOTS
CASH FLOW PROJECTIONS
SCENARIO 1-A PLAT PLAN
INGRESS/EGRESS AT LAKE VIEW AVENUE AND DREWRY LANE
EXTENSION OF EXISTING NEIGHBORHOOD

DEVELOPMENT COSTS	
Streets at $190/Linear Foot - 3,290 Linear Feet	$625,100
Includes the following:	
Water Lines - Mains and Laterals	
Sanitary Sewer	
Storm Sewer - City of Madison Installs	
Electricity, Gas, TV Cable, and Telephone Lines -	
Average of 4,250 Linear Feet at $8/Linear Foot	$23,110
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$64,821
Park Fee @ $.15/SF*1,100 SF*66 DU's OR $170*66	$11,220
TOTAL DEVELOPMENT COSTS	$724,251
NUMBER OF DWELLING UNITS IF SINGLE FAMILY	66
COST/DWELLING UNIT	$10,974

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$315,000	$283,910	$242,535	$0
Repayment - Assume 1 Year Loans		$315,000	$283,910	$242,535	$0
End of Period Balance		$0	$0	$0	$0
Average Balance @ 50% of Total for Year		$157,500	$141,955	$121,268	$0
Interest at 12%		$18,900	$17,035	$14,552	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

24 LOTS AT AVERAGE PRICE OF $30,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.13/SF

19 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.50/SF

23 LOTS AT AVERAGE PRICE OF $19,500/LOT FOR LOWER LOTS OR 9,600 SF @ $2.03/SF

SINGLE FAMILY SUBDIVISION - 53 SINGLE FAMILY LOTS AT MARKET PRICES WITH PREMIUMS FOR VIEW LOTS
CASH FLOW PROJECTIONS
SCENARIO 1-B PLAT PLAN
INGRESS/EGRESS AT NORTHPORT DRIVE

DEVELOPED LOT INVENTORY:	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4
BEGINING BALANCE	0	0	10	10	0
ADD: LOTS DEVELOPED CURRENT YEAR	0	31	22	0	0
LOTS AVAILABLE FOR SALE	0	31	32	10	0
LESS: LOTS SOLD CURRENT YEAR	0	(21)	(22)	(10)	0
ENDING LOT INVENTORY	0	10	10	0	0
INCOME:					
Average Price/Lot		$30,000	$22,407	$20,280	
TOTAL REVENUE - SALES	$0	$630,000	$492,954	$202,800	$0

GROSS SALES REVENUE $1,325,754

EXPENSES:						EXPENSES	EXPENSES/REVENUE
Development Costs - See Details Below		$386,144	$284,999	$0	$0	$671,143	50.62%
Soft Costs @ $200 per lot	$6,200	$4,400	$0	$0	$0	$10,600	0.80%
Sales Expense (10%)		$63,000	$49,295	$20,280	$0	$132,575	10.00%
Development Loan Interest (11%+1pt/draw)		$18,900	$14,789	$6,084	$0	$39,773	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	0	0.00%
Administrative Overhead at 3% of Sales Revenue		$18,900	$14,789	$6,084	$0	$39,773	3.00%
Developers Profit at @20% of Sales Revenue		$126,000	$98,591	$40,560	$0	$265,151	20.00%
						$0	0.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$6,200	$617,344	$462,463	$73,008	$0	$1,159,014	87.42%
CASH FLOW BEFORE REAL ESTATE TAXES	($6,200)	$12,656	$30,491	$129,792	$0		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$3,205	$3,640	$3,577	$0	$10,422	0.79%
CASH FLOW AFTER REAL ESTATE TAXES	($6,200)	$9,451	$26,852	$126,215	$0		

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT $66,534
LAND VALUE PER ACRE $2,806
LAND VALUE PER SQUARE FOOT $0.06

AT 20% DISCOUNT $77,803
LAND VALUE PER ACRE $3,281
LAND VALUE PER SQUARE FOOT $0.08

AT 15% DISCOUNT $91,574
LAND VALUE PER ACRE $3,862
LAND VALUE PER SQUARE FOOT $0.09

CONTINUED ON NEXT PAGE

EXHIBIT IV-7

SCENARIO 1-B
(CONTINUED)

DEVELOPMENT COSTS

Streets at $190/Linear Foot - 3,000 Linear Feet	$570,000
Includes the following:	
Water Lines - Mains and Laterals	
Sanitary Sewer	
Storm Sewer - City of Madison Installs	
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 3,870 Linear Feet at $8/Linear Foot	$22,215
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$59,222
Park Fee at $0.15*1,100 SF*53 Units	$8,745
TOTAL DEVELOPMENT COSTS	$660,182
NUMBER OF DWELLING UNITS IF SINGLE FAMILY	53
COST/DWELLING UNIT	$12,456

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$315,000	$246,477	$101,400	$0
Repayment - Assume 1 Year Loans		$315,000	$246,477	$101,400	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$157,500	$123,239	$50,700	$0
Interest at 12%		$18,900	$14,789	$6,084	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

21 LOTS AT AVERAGE PRICE OF $30,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.13/SF

10 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.50/SF

22 LOTS AT AVERAGE PRICE OF $19,500/LOT FOR LOWER LOTS OR 9,600 SF @ $2.03/SF

SINGLE FAMILY SUBDIVISION - 44 SINGLE FAMILY LOTS AT MARKET PRICES WITH PREMIUMS FOR VIEW LOTS
CASH FLOW PROJECTIONS
SCENARIO 1-C PLAT PLAN
INGRESS/EGRESS AT NORTHPORT DRIVE
OVERLOOK AND HILL AS OPEN SPACE

DEVELOPED LOT INVENTORY:	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4
BEGINING BALANCE	0	0	2	1	0
ADD: LOTS DEVELOPED CURRENT YEAR	0	23	21	0	0
LOTS AVAILABLE FOR SALE	0	23	23	1	0
LESS: LOTS SOLD CURRENT YEAR	0	(21)	(22)	(1)	0
ENDING LOT INVENTORY	0	2	1	0	0
INCOME:					
Average Price/Lot		$27,360	$24,320	$20,280	
TOTAL REVENUE - SALES	$0	$574,560	$535,040	$20,280	$0
EXPENSES:					
Development Costs - See Details Below		$242,064	$229,855	$0	$0
Soft Costs @ $200 per Lot	$4,600	$4,200	$0	$0	$0
Sales Expense (10%)		$57,456	$53,504	$2,028	$0
Development Loan Interest (11%+1pt/draw)		$17,237	$16,051	$608	$0
Demolition Expense		$0	$0	$0	$0
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0
Administrative Overhead at 3% of Sales Revenue		$17,237	$16,051	$608	$0
Developers Profit at @20% of Sales Revenue		$114,912	$107,008	$4,056	$0
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,600	$453,105	$422,469	$7,301	$0
CASH FLOW BEFORE REAL ESTATE TAXES	($4,600)	$121,455	$112,571	$12,979	$0
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$5,607	$3,239	$358	$0
CASH FLOW AFTER REAL ESTATE TAXES	($4,600)	$115,848	$109,332	$12,621	$0

GROSS SALES REVENUE $1,129,880

	EXPENSES	EXPENSES/REVENUE
	$471,919	41.77%
	$8,800	0.78%
	$112,988	10.00%
	$33,896	3.00%
	$0	0.00%
	0	0.00%
	$33,896	3.00%
	$225,976	20.00%
	$887,475	78.55%
	$9,204	0.81%

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT $131,610
LAND VALUE PER ACRE $5,551
LAND VALUE PER SQUARE FOOT $0.13

AT 20% DISCOUNT $145,974
$6,157
$0.14

AT 15% DISCOUNT $162,701
LAND VALUE PER ACRE $6,862
LAND VALUE PER SQUARE FOOT $0.16

CONTINUED ON NEXT PAGE

EXHIBIT IV-7
SCENARIO 1-C
(CONTINUED)

DEVELOPMENT COSTS	
Streets at $190/Linear Foot - 2,100 Linear Feet	$399,000
Includes the following:	
Water Lines - Mains and Laterals	$0
Sanitary Sewer	$0
Storm Sewer - City of Madison Installs	$0
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 2,830 Linear Feet at $8/Linear Foot	$15,380
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$41,438
Park Fee @ $0.15/SF*1,100*44	$7,260
TOTAL DEVELOPMENT COSTS	$463,078
NUMBER OF DWELLING UNITS IF SINGLE FAMILY	44
COST/DWELLING UNIT	$10,525

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$287,280	$267,520	$10,140	$0
Repayment - Assume 1 Year Loans		$287,280	$267,520	$10,140	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$143,640	$133,760	$5,070	$0
Interest at 12%		$17,237	$16,051	$608	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

20 LOTS AT AVERAGE PRICE OF $30,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.13/SF

9 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.50/SF

15 LOTS AT AVERAGE PRICE OF $19,500/LOT FOR LOWER LOTS OR 9,600 SF @ $2.03/SF

EXHIBIT IV-8

SKETCHES OF MULTIFAMILY SUBDIVISION PLATS
FOR ANALYSIS OF MOST PROBABLE USE
FOR PARCEL D

- - - - - - - - - - - - - - - - -

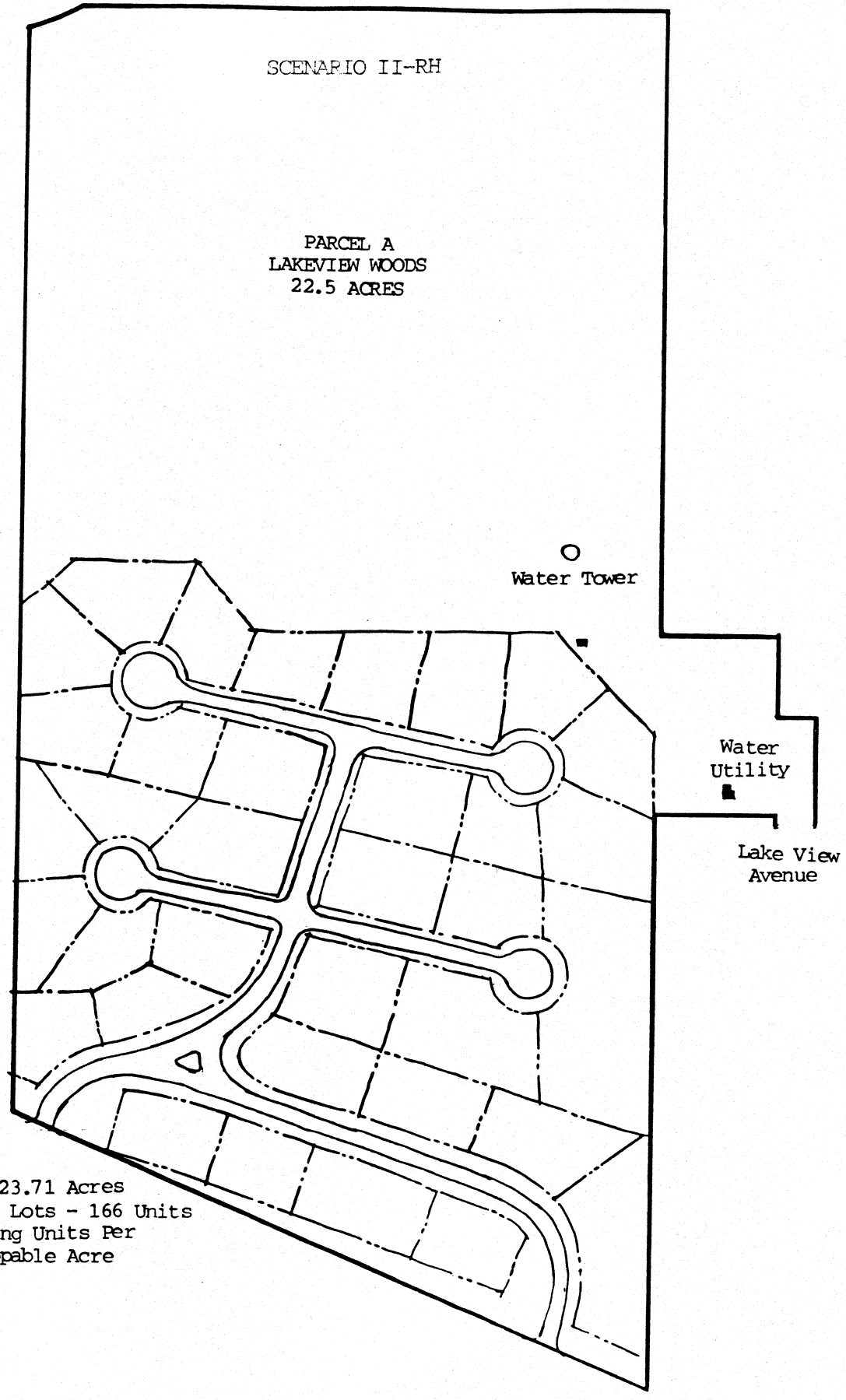
Scenario II-RH - 36 Rowhouse Lots
for 166 Dwelling Units

Scenario II-CONDORH - 22 Rowhouse Lots
3 Condominium Towers
for 210 Dwelling Units

Scenario III-CONDORH - 22 Rowhouse Lots
3 Condominium Towers
for 308 Dwelling Units

SCENARIO II-RH

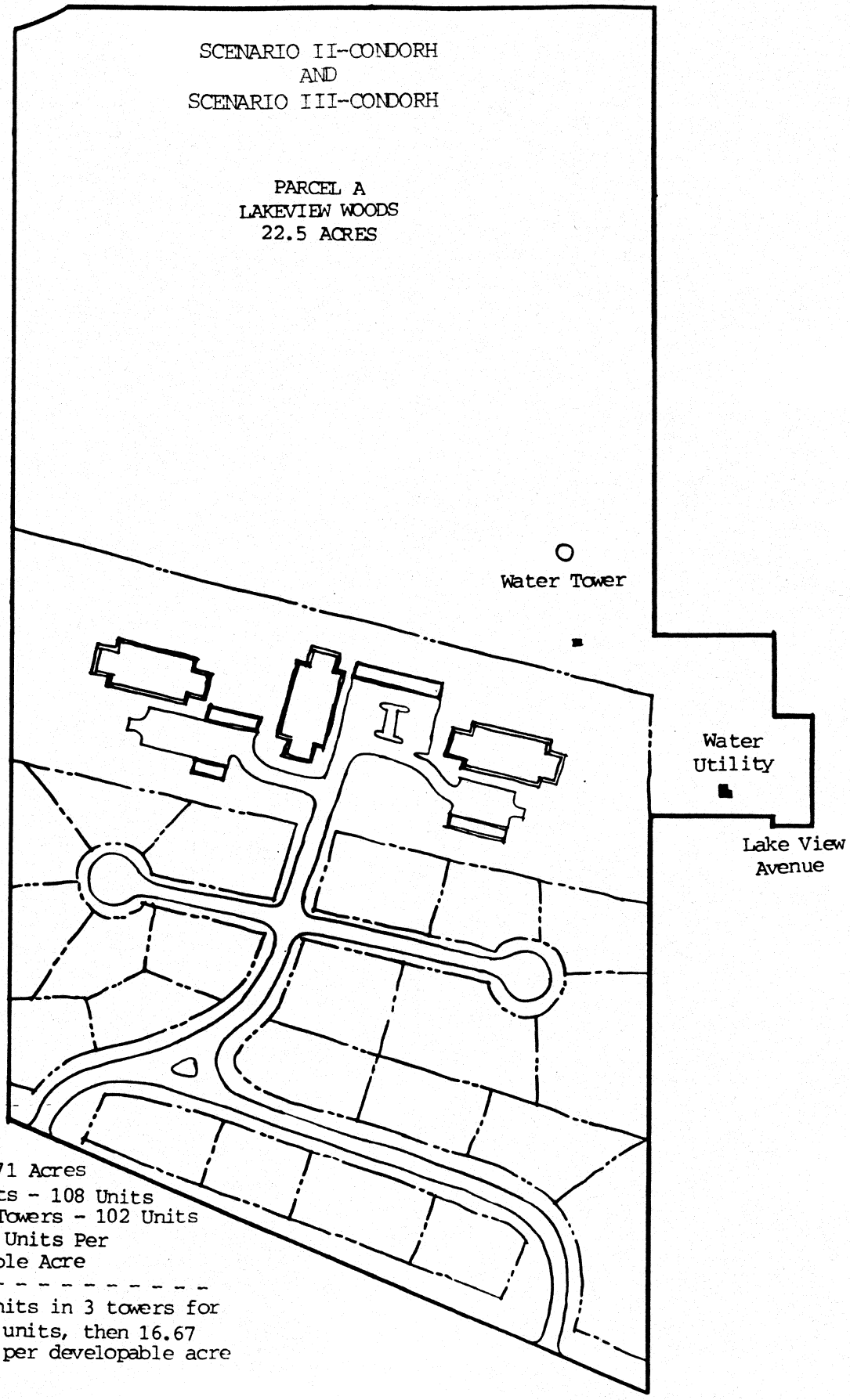
PARCEL A
LAKEVIEW WOODS
22.5 ACRES



Parcel D - 23.71 Acres
36 Rowhouse Lots - 166 Units
9.53 Dwelling Units Per
Developable Acre

SCENARIO II-CONDORH
AND
SCENARIO III-CONDORH

PARCEL A
LAKEVIEW WOODS
22.5 ACRES



Parcel D - 23.71 Acres
22 Rowhouse Lots - 108 Units
3 Condominium Towers - 102 Units
11.34 Dwelling Units Per
Developable Acre

- - - - - - - - - - - - - - - - - - - -

If 201 condo units in 3 towers for a total of 309 units, then 16.67 dwelling units per developable acre

EXHIBIT IV-9

ANALYSIS OF ECONOMIC FEASIBILITY OF
MULTIFAMILY SUBDIVISION SCENARIOS
FOR PARCEL D

- - - - - - - - - - - - - - - - -

Scenario 1-A - 66 Duplex Lots
for 132 Dwelling Units

Scenario 1-C - 44 Duplex Lots
for 88 Dwelling Units

Scenario II-RH - 36 Rowhouse Lots
for 166 Dwelling Units

SCENARIO II-CONDORH - 22 Rowhouse Lots 108
3 Condominium Towers 102
for 210 Dwelling Units

SCENARIO III-CONDORH - 22 Rowhouse Lots 108
3 Condominium Towers 201
for 308 Dwelling Units

9

EXHIBIT IV-9

SCENARIO 1-A - DUPLEX LOTS

DUPLEX SUBDIVISION - 66 DUPLEX LOTS AT MARKET - - TEST OF HIGHER RETAIL PRICES FOR IMPROVED LOTS
CASH FLOW PROJECTIONS FOR HIGHER PRICED LOTS
SCENARIO 1-A PLAT PLAN
INGRESS/EGRESS AT LAKE VIEW AVENUE AND DREWRY LANE
EXTENSION OF NEIGHBORHOOD

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4
DEVELOPED LOT INVENTORY:					
BEGINING BALANCE	0	0	3	3	0
ADD: LOTS DEVELOPED CURRENT YEAR	0	24	22	20	0
LOTS AVAILABLE FOR SALE	0	24	25	23	0
LESS: LOTS SOLD CURRENT YEAR	0	(21)	(22)	(23)	0
ENDING LOT INVENTORY	0	3	3	0	0
INCOME:					
Average Price/Lot		$33,000	$28,930	$25,960	$0
TOTAL REVENUE - SALES	$0	$693,000	$636,460	$597,080	$0
EXPENSES:					
Development Costs - See Details Below		$283,073	$269,863	$245,330	$0
Soft Costs @ $200 per Lot	$4,800	$4,400	$4,000	$0	$0
Sales Expense (10%)		$69,300	$63,646	$59,708	$0
Development Loan Interest (11%+1pt/draw)		$20,790	$19,094	$17,912	$0
Demolition Expense		$0	$0	$0	$0
Purchase of Esch Lot for Extension of Drewry Lane		$15,000	$0	$0	$0
Administrative Overhead at 3% of Sales Revenue		$20,790	$19,094	$17,912	$0
Developers Profit at @20% of Sales Revenue		$138,600	$127,292	$119,416	$0
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,800	$551,953	$502,989	$460,279	$0
CASH FLOW BEFORE REAL ESTATE TAXES	($4,800)	$141,047	$133,471	$136,801	$0
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$8,682	$6,496	$3,771	$0
CASH FLOW AFTER REAL ESTATE TAXES	($4,800)	$132,365	$126,975	$133,031	$0

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$200,374	AT 20% DISCOUNT	$225,556
LAND VALUE PER ACRE	$8,451		$9,513
LAND VALUE PER SQUARE FOOT	$0.19		$0.22
		AT 15% DISCOUNT	$255,462
LAND VALUE PER ACRE			$10,774
LAND VALUE PER SQUARE FOOT			$0.25

	GROSS SALES REVENUE $1,926,540	
	EXPENSES	EXPENSES/REVENUE
	$798,266	41.44%
	$13,200	0.69%
	$192,654	10.00%
	$57,796	3.00%
	$0	0.00%
	0	0.00%
	$57,796	3.00%
	$385,308	20.00%
	$0	0.00%
	$1,520,021	78.90%
	$18,949	0.98%

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EXHIBIT IV-9

SCENARIO 1-A - DUPLEX LOTS
(CONTINUED)

DUPLEX SUBDIVISION - 66 DUPLEX LOTS AT MARKET - - TEST OF HIGHER RETAIL PRICES FOR IMPROVED LOTS
CASH FLOW PROJECTIONS FOR HIGHER PRICED LOTS
SCENARIO 1-A PLAT PLAN
INGRESS/EGRESS AT LAKE VIEW AVENUE AND DREWRY LANE
EXTENSION OF NEIGHBORHOOD

DEVELOPMENT COSTS	
Streets at $200/Linear Foot - 3,290 Linear Feet	$658,000
Includes the following:	
Water Lines - Mains and Laterals	$0
Sanitary Sewer	$0
Storm Sewer - City of Madison Installs	$0
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 4,250 Linear Feet at $9/Linear Foot	$16,470
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$74,941
Park Fee @ $.20/SF*1,100*132	$29,040
TOTAL DEVELOPMENT COSTS	$778,451
NUMBER OF DWELLING UNITS IF DUPLEX TOWNHOUSES	132
COST/DWELLING UNIT	$5,897

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$346,500	$318,230	$298,540	$0
Repayment - Assume 1 Year Loans		$346,500	$318,230	$298,540	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$173,250	$159,115	$149,270	$0
Interest at 12%		$20,790	$19,094	$17,912	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

24 LOTS AT AVERAGE PRICE OF $33,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.44/SF

19 LOTS AT AVERAGE PRICE OF $27,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.81/SF

23 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR LOWER LOTS OR 9,600 SF @ $2.50/SF

EXHIBIT IV-9

SCENARIO I-C -- DUPLEX LOTS

DUPLEX SUBDIVISION - 44 DUPLEX LOTS AT MARKET - TEST OF HIGHER RETAIL PRICES FOR LOTS
CASH FLOW PROJECTIONS FOR HIGHER PRICED LOTS
SCENARIO 1-C PLAT PLAN
INGRESS/EGRESS AT NORTHPORT DRIVE
OVERLOOK AND HILL AS OPEN SPACE

DEVELOPED LOT INVENTORY:	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4
BEGINING BALANCE	0	0	2	1	0
ADD: LOTS DEVELOPED CURRENT YEAR	0	23	21	0	0
LOTS AVAILABLE FOR SALE	0	23	23	1	0
LESS: LOTS SOLD CURRENT YEAR	0	(21)	(22)	(1)	0
ENDING LOT INVENTORY	0	2	1	0	0
INCOME:					
Average Price/Lot		$30,570	$28,220	$25,960	
TOTAL REVENUE - SALES	$0	$641,970	$620,840	$25,960	$0
EXPENSES:					
Development Costs - See Details Below		$243,329	$231,056	$0	$0
Soft Costs @ $200 per Lot	$4,600	$4,200	$0	$0	$0
Sales Expense (10%)		$64,197	$62,084	$2,596	$0
Development Loan Interest (11%+1pt/draw)		$19,259	$18,625	$779	$0
Demolition Expense		$0	$0	$0	$0
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0
Administrative Overhead at 3% of Sales Revenue		$19,259	$18,625	$779	$0
Developers Profit at @20% of Sales Revenue		$128,394	$124,168	$5,192	$0
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,600	$478,638	$454,559	$9,346	$0
CASH FLOW BEFORE REAL ESTATE TAXES	($4,600)	$163,332	$166,281	$16,614	$0
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$7,836	$4,728	$458	$0
CASH FLOW AFTER REAL ESTATE TAXES	($4,600)	$155,496	$161,553	$16,156	$0

GROSS SALES REVENUE	$1,288,770		
	EXPENSES	EXPENSES/REVENUE	
	$474,385	36.81%	
	$8,800	0.68%	
	$128,877	10.00%	
	$38,663	3.00%	
	$0	0.00%	
	0	0.00%	
	$38,663	3.00%	
	$257,754	20.00%	
	$947,142	73.49%	
	$13,022	1.01%	

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT $185,170
LAND VALUE PER ACRE $7,810
LAND VALUE PER SQUARE FOOT $0.18

AT 20% DISCOUNT $205,433
$8,664
$0.20

AT 15% DISCOUNT $229,039
$9,660
$0.22

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EXHIBIT IV-9

SCENARIO I-C - DUPLEX LOTS
(CONTINUED)

DEVELOPMENT COSTS	
Streets at $200/Linear Foot - 2,100 Linear Feet	$399,000
Includes the following:	
Water Lines - Mains and Laterals	$0
Sanitary Sewer	$0
Storm Sewer - City of Madison Installs	$0
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 2,830 Linear Feet at $9/Linear Foot	$15,380
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$41,438
Park Fee @ $0.20/SF*1,100*44	$9,680
TOTAL DEVELOPMENT COSTS	$465,498
NUMBER OF DWELLING UNITS IF DUPLEXES	88
COST/DWELLING UNIT	$5,290

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$320,985	$310,420	$12,980	$0
Repayment - Assume 1 Year Loans		$320,985	$310,420	$12,980	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$160,493	$155,210	$6,490	$0
Interest at 12%		$19,259	$18,625	$779	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

20 LOTS AT AVERAGE PRICE OF $33,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.44/SF

9 LOTS AT AVERAGE PRICE OF $27,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.81/SF

15 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR LOWER LOTS OR 9,600 SF @ $2.50/SF

EXHIBIT IV-9

SCENARIO II-RH

DEVELOPMENT COSTS	
Streets at $200/Linear Foot - 3,150 Linear Feet	$630,000
Includes the following:	
Water Lines - Mains and Laterals	
Sanitary Sewer	
Storm Sewer - City of Madison Installs	
Electricity, Gas, TV Cable, and Telephone Lines -	
Average of 3,890 Linear Feet at $9/Linear Foot	$7,620
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$63,762
Park Fee @ $.20/SF*700 SF*166 DU's	$23,240
TOTAL DEVELOPMENT COSTS	$724,622
NUMBER OF DWELLING UNITS IF MULTIPLE FAMILY	166
COST/DWELLING UNIT	$4,365

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$312,000	$273,520	$217,402	$0
Repayment - Assume 1 Year Loans					
End of Period Balance		$312,000	$273,520	$217,402	$0
Average Balance @ 50% of Total for Year		$156,000	$136,760	$108,701	$0
Interest at 12%		$18,720	$16,411	$13,044	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

PHASE I = 13 TOP LOTS FOR 4 UNIT ROWHOUSES @$48,000 OR $12,000/UNIT AND 1 TOP LOT FOR 6 UNIT ROWHOUSE @ $54,000 OR $9,000/UNIT

PHASE II = 8 MID LOTS FOR 4 UNIT ROWHOUSES AT $40,000 OR $10,000/UNIT AND 4 LOTS FOR 6 UNIT ROWHOUSES AT $48,000 OR $8,000/UNIT

PHASE III = 5 LOTS FOR 4'S AT $34,000 OR $8,500/UNIT, 4 LOTS OF 6'S AT $36,000 OR $6,000/UNIT, AND 1 8 UNIT AT $48,000 OR $6,000/UNIT
TOTAL DEVELOPMENT HAS 166 DWELLING UNITS

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MULTIFAMILY CONDOMINIUM SUBDIVISION - 36 MULTIFAMILY LOTS AT MARKET PRICES WITH PREMIUMS FOR VIEW LOTS
CASH FLOW PROJECTIONS FOR 26 - 4 UNITS, 9 - 6 UNITS, 1 - 8 UNIT STRUCTURES OR 166 DWELLING UNITS
SCENARIO ROWHOUSE PLAT PLAN
INGRESS/EGRESS AT LAKE VIEW NORTHPORT DRIVE

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4		
DEVELOPED LOT INVENTORY:							
BEGINING BALANCE	0	0	1	1	0		
ADD: LOTS DEVELOPED CURRENT YEAR	0	14	12	10	0		
LOTS AVAILABLE FOR SALE	0	14	13	11	0		
LESS: LOTS SOLD CURRENT YEAR	0	(13)	(12)	(11)	0		
ENDING LOT INVENTORY	0	1	1	0	0		
NUMBER OF NEW DWELLING UNITS ON THE MARKET		52	58	56	0	TOTAL NO. NEW DU'S =	166
INCOME:							
Average Price/Lot		$48,000	$45,587	$39,528	$0		
						GROSS SALES REVENUE	
TOTAL REVENUE - SALES		$624,000	$547,040	$434,803	$0	$1,605,843	
EXPENSES:						EXPENSES	REVENUE/EXPENSES
Development Costs - See Details Below		$281,797	$251,202	$209,335	$0	$742,335	46.23%
Soft Costs @ $200 per Lot	$2,800	$2,400	$2,000	$0	$0	$7,200	0.45%
Sales Expense (10%)		$62,400	$54,704	$43,480	$0	$160,584	10.00%
Development Loan Interest (11%+1pt/draw)		$18,720	$16,411	$13,044	$0	$48,175	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Cost of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	$0	0.00%
Administrative Overhead at 3% of Sales Revenue		$18,720	$16,411	$13,044	$0	$48,175	3.00%
Developers Profit at @20% of Sales Revenue		$124,800	$109,408	$86,961	$0	$321,169	20.00%
						$0	0.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$2,800	$508,837	$450,137	$365,864	$0	$1,327,639	82.68%
CASH FLOW BEFORE REAL ESTATE TAXES	($2,800)	$115,163	$96,903	$68,939	$0		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$6,095	$4,052	$1,900	$0	$12,047	0.75%
CASH FLOW AFTER REAL ESTATE TAXES	($2,800)	$109,068	$92,852	$67,039	$0		
RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$142,562		AT 20% DISCOUNT	$159,471			
LAND VALUE PER ACRE	$6,013			$6,726			
LAND VALUE PER SQUARE FOOT	$0.14			$0.15			
			AT 30% DISCOUNT	$128,118			
LAND VALUE PER ACRE				$5,404			
LAND VALUE PER SQUARE FOOT				$0.12			

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EXHIBIT IV-9

SCENARIO II-RH
(CONTINUED)

	GROSS SALES REVENUE	TOTAL ANNUAL REVENUE & AVERAGE PRICE	PRICE/UNIT
YEAR 1 SALES			
10 TOP LOTS AT $48,000/LOT - ALL 4 UNITS -40 UNITS	$480,000		$12,000
3 TOP LOTS AT $48,000/LOT - ALL 4 UNITS - 12 UNITS	$144,000		$12,000
TOTAL YEAR 1 GROSS SALES		$624,000	
AVERAGE LOT PRICE		$48,000	
YEAR 2 SALES			
4 MID LOTS AT $40,000/LOT - ALL 4 UNITS - 16 UNITS	$166,400		$10,400
2 MID LOTS AT $48,000/LOT - ALL 6 UNITS - 12 UNITS	$99,840		$8,320
1 TOP LOTS AT $54,000/LOT - ONE 6 UNIT - 6 UNITS	$56,160		$9,360
3 MID LOTS AT $40,000/LOT - ALL 4 UNITS - 12 UNITS	$124,800		$10,400
2 MID LOTS AT $48,000/LOT - ALL 6 UNITS - 12 UNITS	$99,840		$8,320
TOTAL YEAR 2 GROSS SALES		$547,040	
AVERAGE LOT PRICE		$45,587	
YEAR 3 SALES			
1 LOW LOT AT $48,000/LOT - ONE 8 UNIT - 8 UNITS	$51,917		$6,490
1 MID LOT AT $40,000/LOT - ONE 4 UNIT - 4 UNITS	$43,264		$10,816
3 LOW LOTS AT $34,000/LOT - ALL 4 UNITS -12 UNITS	$110,323		$9,194
2 LOW LOTS AT $36,000/LOT - ALL 6 UNITS - 12 UNITS	$77,875		$6,490
2 LOW LOTS AT $36,000/LOT - ALL 6 UNITS - 12 UNITS	$77,875		$6,490
2 LOW LOTS AT $34,000/LOT - ALL 4 UNITS - 8 UNITS	$73,549		$9,194
TOTAL YEAR 3 GROSS SALES		$434,803	
AVERAGE LOT PRICE		$39,528	

EXHIBIT IV-9

SCENARIO II-CONDORH

MULTIFAMILY HOME SUBDIVISION - 22 MULTIFAMILY LOTS AT MARKET - 13-4 UNITS, 8-6 UNITS, 1-8 UNITS AND 3 CONDO LOTS
CASH FLOW PROJECTIONS FOR ROWHOUSE AND CONDOMINIUM LOTS
SCENARIO III-CONDORH PLAT PLAN
THREE CONDO TOWERS WITH 34 UNITS PER TOWER
TOWERS = FOUR STORIES PLUS ENCLOSED
PARKING AT/BELOW GRADE

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4	
DEVELOPED LOT INVENTORY - ROWHOUSES:						
BEGINING BALANCE	0	0	6	11	4	
ADD: LOTS DEVELOPED CURRENT YEAR	0	12	10	0	0	
LOTS AVAILABLE FOR SALE	0	12	16	11	4	
LESS: LOTS SOLD CURRENT YEAR	0	(6)	(5)	(7)	(4)	
ENDING LOT INVENTORY	0	6	11	4	0	
NUMBER OF NEW DWELLING UNITS ASSUMED ABSORBED/YR	0	24	26	34	24	TOTAL NEW DU'S-ROWHOUSES = 108
INCOME						
Average Price/Lot - Rowhouses		$40,000	$46,592	$39,556	$43,307	

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4	
CONDOMINIUM LOT INVENTORY:						
BEGINING BALANCE	0	0	0	0	0	
ADD: CONDO LOTS DEVELOPED CURRENT YEAR	0	1	1	1	0	
CONDO LOTS AVAILABLE FOR SALE	0	1	1	1	0	
LESS: CONDO LOTS SOLD CURRENT YEAR	0	(1)	(1)	(1)	0	
ENDING CONDO LOT INVENTORY	0	0	0	0	0	
NUMBER OF NEW CONDO UNITS ASSUMED ABSORBED/YR	0	34	34	34		TOTAL NEW DU'S - CONDOS = 102
INCOME						
Average Price/Condo Lot - $10,000/DU		$340,000	$353,600	$382,454	$0	
TOTAL REVENUE - TOWNHOUSE LOT SALES	$0	$240,000	$232,960	$276,890	$173,229	
TOTAL REVENUE - CONDO LOT SALES	$0	$340,000	$353,600	$382,454	$0	
TOTAL REVENUE - SALES	$0	$580,000	$586,560	$659,343	$173,229	GROSS SALES REVENUE $1,999,132
TOTAL DWELLING UNITS ASSUMED ABSORBED EACH YEAR		58	60	68	24	TOTAL NEW DU'S-TH & CND = 210

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EXHIBIT IV-9

SCENARIO II-CONDORH
(CONTINUED)

EXPENSES:	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4	GROSS SALES REVENUE $1,999,132	
Development Costs - See Details Below						EXPENSES	EXPENSES/REVENUE
Townhouse Portion		$300,480	$260,416	$0	$0	$560,896	28.06%
Condomium Portion		$77,513	$80,614	$83,838	$0	$241,966	12.10%
Soft Costs @ $200 per Lot	$2,600	$2,200	$200	$0	$0	$5,000	0.25%
Sales Expense (10%)		$58,000	$58,656	$65,934	$17,323	$199,913	10.00%
Development Loan Interest (11%+1pt/draw)		$17,400	$17,597	$19,780	$5,197	$59,974	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	$0	0.00%
Administrative Overhead at 3% of Sales Revenue		$17,400	$17,597	$19,780	$5,197	$59,974	3.00%
Developers Profit at @20% of Sales Revenue		$116,000	$117,312	$131,869	$34,646	$399,826	20.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$2,600	$588,993	$552,391	$321,202	$62,362	$1,465,187	73.29%
CASH FLOW BEFORE REAL ESTATE TAXES	($2,600)	($8,993)	$34,169	$338,141	$110,867		
Real Estate Taxes-Assume tax-exempt in year of purchase	$0	$8,360	$10,831	$12,460	$3,369	$35,019	1.75%
CASH FLOW AFTER REAL ESTATE TAXES	($2,600)	($17,353)	$23,338	$325,682	$107,498		

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$132,162	AT 20% DISCOUNT	$156,349
LAND VALUE PER ACRE	$5,574		$6,594
LAND VALUE PER SQUARE FOOT	$0.13		$0.15
		AT 30% DISCOUNT	$112,385
LAND VALUE PER ACRE			$4,740
LAND VALUE PER SQUARE FOOT			$0.11

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EXHIBIT IV-9

SCENARIO II-CONDORH
(CONTINUED)

DEVELOPMENT COSTS	ROWHOUSES	CONDO
Streets at $200/Ln.Ft.-2,450 Ln.Ft. for Rowhouses Plus 700 Linear Feet of Private Roads for Condos	$490,000	$140,000
Includes the following: Water Lines - Mains and Laterals; Sanitary Sewer; Storm Sewer - City of Madison Installs		
Electricity, Gas, TV Cable, and Telephone Lines - (Rebates for 108 RH DU & 102 CDO DU pay costs)	$0	$0
Outdoor Parking - 102 Surface Spaces at $600/Space (includes striping)	$0	$61,200
Landscaping	$0	$0
Contingency (10%)	$49,000	$0
Park Fee in Lieu of Open Space Dedication ($110/Dwelling Unit)	$11,880	$20,120
TOTAL DEVELOPMENT COSTS	$550,880	$11,220
NUMBER OF DWELLING UNITS	108	$232,540
COST/DWELLING UNIT	$5,101	102
		$2,280

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$290,000	$293,280	$329,672	$86,615
Repayment - Assume 1 Year Loans		$290,000	$293,280	$329,672	$86,615
End of Period Balance		$0	$0	$0	$0
Average Balance @ 50% of Total for Year		$145,000	$146,640	$164,836	$43,307
Interest at 12%		$17,400	$17,597	$19,780	$5,197

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

PHASE I = 8 MIDDLE LOTS FOR 4 UNIT ROWHOUSES @ $40,000 OR $10,000/UNIT AND 4 MIDDLE LOTS FOR 6 UNIT ROWHOUSES @ $48,000 OR $8,000/UNIT AND 1 CONDO LOT FOR 4 STORY TOWER AND 34 UNITS

PHASE II = 5 LOWER LOTS FOR 4'S AT $34,000 OR $8,500/UNIT AND 4 LOWER LOTS FOR 6'S AT $36,000 OR $6,000/UNIT AND 1 LOWER LOT FOR AN 8 @ $48,000 OR $6,000/LOT AND 1 CONDO LOT FOR 4 STORY TOWER AND 34 UNITS

PHASE III = 1 CONDO LOT FOR 4 STORY TOWER AND 34 UNITS

TOTAL DEVELOPMENT HAS 210 DWELLING UNITS WITH 108 ROWHOUSE UNITS AND 102 CONDO UNITS

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EXHIBIT IV-9

SCENARIO II-CONDORH
(CONTINUED)

	GROSS SALES REVENUE	TOTAL ANNUAL REVENUE & AVERAGE PRICE PER LOT	PRICE/UNIT
YEAR 1 SALES			
6 MID LOTS AT $40,000/LOT = ALL 4 UNITS - 24 UNITS	$240,000		$10,000
TOTAL GROSS SALES		$240,000	
AVERAGE LOT PRICE		$40,000	
YEAR 2 SALES			
2 MID LOTS AT $40,000/LOT = ALL 4 UNITS - 8 UNITS	$83,200		$10,400
3 MID LOTS AT $48,000/LOT = ALL 6 UNITS - 18 UNITS	$149,760		$8,320
TOTAL GROSS SALES		$232,960	
AVERAGE LOT PRICE		$46,592	
YEAR 3 SALES			
4 LOW LOTS AT $34,000/LOT = ALL 4 UNITS - 16 UNITS	$147,098		$9,194
1 MID LOT AT $48,000/LOT = ALL 6 UNITS - 6 UNITS	$51,917		$8,653
2 LOW LOTS AT $36,000/LOT = ALL 6 UNITS - 12 UNITS	$77,875		$6,490
TOTAL GROSS SALES		$276,890	
AVERAGE LOT PRICE		$39,556	
YEAR 4 SALES			
1 LOW LOT AT $48,000/LOT = ONE 8 UNIT - 8 UNITS	$53,993		$6,749
2 LOW LOTS AT $36,000/LOT = ALL 6 UNITS - 12 UNITS	$80,990		$6,749
1 LOW LOT AT $34,000/LOT = ONE 4 UNIT - 4 UNITS	$38,245		$9,561
TOTAL GROSS SALES		$173,229	

EXHIBIT IV-9

SCENARIO III-CONDORH

MULTIFAMILY HOME SUBDIVISION - 22 MULTIFAMILY LOTS AT MARKET - 13-4 UNITS, 8-6 UNITS, 1-8 UNITS AND 3 CONDO LOTS
CASH FLOW PROJECTIONS FOR ROWHOUSE AND CONDOMINIUM LOTS
SCENARIO III-CONDORH PLAT PLAN
THREE CONDO TOWERS WITH 67 UNITS PER TOWER
TOWERS = EIGHT STORIES PLUS ENCLOSED
PARKING AT/BELOW GRADE

MORE UNITS THAN MARKET CAN ABSORB	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4	
DEVELOPED LOT INVENTORY - ROWHOUSES:						
BEGINING BALANCE	0	0	6	11	4	
ADD: LOTS DEVELOPED CURRENT YEAR	0	12	10	0	0	
LOTS AVAILABLE FOR SALE	0	12	16	11	4	
LESS: LOTS SOLD CURRENT YEAR	0	(6)	(5)	(7)	(4)	
ENDING LOT INVENTORY	0	6	11	4	0	
NUMBER OF NEW DWELLING UNITS ASSUMED ABSORBED/YR	0	24	26	34	24	TOTAL NEW DU'S-ROWHOUSES = 108
INCOME						
Average Price/Lot - Rowhouses		$40,000	$46,592	$39,556	$43,307	

CONDOMINIUM LOT INVENTORY:	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4	
BEGINING BALANCE	0	0	0	0	0	
ADD: CONDO LOTS DEVELOPED CURRENT YEAR	0	1	1	1	0	
CONDO LOTS AVAILABLE FOR SALE	0	1	1	1	0	
LESS: CONDO LOTS SOLD CURRENT YEAR	0	(1)	(1)	(1)	0	
ENDING CONDO LOT INVENTORY	0	0	0	0	0	
NUMBER OF NEW CONDO UNITS ASSUMED ABSORBED/YR	0	67	67	67		TOTAL NEW DU'S - CONDOS = 201
INCOME						
Average Price/Condo Lot - $10,000/DU		$670,000	$696,800	$753,659	$0	
TOTAL REVENUE - TOWNHOUSE LOT SALES	$0	$240,000	$232,960	$276,890	$173,229	
TOTAL REVENUE - CONDO LOT SALES	$0	$670,000	$696,800	$753,659	$0	
TOTAL REVENUE - SALES	$0	$910,000	$929,760	$1,030,548	$173,229	GROSS SALES REVENUE $3,043,538
TOTAL DWELLING UNITS ASSUMED ABSORBED EACH YEAR		91	93	101	24	TOTAL NEW DU'S-TH & CND = 309

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EXHIBIT IV-9

SCENARIO III-CONDORH
(CONTINUED)

	1988-89	1989-90	1990-91	1991-92	1992-93	GROSS SALES REVENUE	
EXPENSES:	Year 0	Year 1	Year 2	Year 3	Year 4	$3,043,538	
Development Costs - See Details Below							
						EXPENSES	EXPENSES/REVENUE
Townhouse Portion		$300,480	$260,416	$0	$0	$560,896	18.43%
Condomium Portion		$81,143	$84,389	$87,765	$0	$253,297	8.32%
Soft Costs @ $200 per Lot	$2,600	$2,200	$200	$0	$0	$5,000	0.16%
Sales Expense (10%)		$91,000	$92,976	$103,055	$17,323	$304,354	10.00%
Development Loan Interest (11%+1pt/draw)		$27,300	$27,893	$30,916	$5,197	$91,306	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	$0	0.00%
Administrative Overhead at 3% of Sales Revenue		$27,300	$27,893	$30,916	$5,197	$91,306	3.00%
Developers Profit at @20% of Sales Revenue		$182,000	$185,952	$206,110	$34,646	$608,708	20.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$2,600	$711,423	$679,719	$458,762	$62,362	$1,852,504	60.87%
CASH FLOW BEFORE REAL ESTATE TAXES	($2,600)	$198,577	$250,041	$571,786	$110,867		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$22,790	$22,147	$19,222	$3,369	$67,527	2.22%
CASH FLOW AFTER REAL ESTATE TAXES	($2,600)	$175,787	$227,894	$552,565	$107,498		

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$453,436	AT 20% DISCOUNT	$518,267
LAND VALUE PER ACRE	$19,124		$21,859
LAND VALUE PER SQUARE FOOT	$0.44		$0.50
		AT 30% DISCOUNT	$399,214
LAND VALUE PER ACRE			$16,837
LAND VALUE PER SQUARE FOOT			$0.39

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EXHIBIT IV-9

SCENARIO III-CONDORH
(CONTINUED)

DEVELOPMENT COSTS	ROWHOUSES	CONDO
Streets at $200/Ln.Ft.-2,450 Ln.Ft. for Rowhouses Plus 700 Linear Feet of Private Roads for Condos	$490,000	$140,000
Includes the following: Water Lines - Mains and Laterals Sanitary Sewer Storm Sewer - City of Madison Installs		
Electricity, Gas, TV Cable, and Telephone Lines - (Rebates for 108 RH DU & 102 CDO DU pay costs)	$0	$0
Outdoor Parking - 102 Surface Spaces at $600/Space (includes striping)	$0	$61,200
Landscaping	$0	$0
Contingency (10%)	$49,000	$0
Park Fee in Lieu of Open Space Dedication ($110/Dwelling Unit)	$11,880	$20,120
TOTAL DEVELOPMENT COSTS	$550,880	$22,110
NUMBER OF DWELLING UNITS	108	$243,430
COST/DWELLING UNIT	$5,101	201
		$1,211

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$455,000	$464,880	$515,274	$86,615
Repayment - Assume 1 Year Loans		$455,000	$464,880	$515,274	$86,615
End of Period Balance		$0	$0	$0	$0
Average Balance @ 50% of Total for Year		$227,500	$232,440	$257,637	$43,307
Interest at 12%		$27,300	$27,893	$30,916	$5,197

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

PHASE 1 = 8 MIDDLE LOTS FOR 4 UNIT ROWHOUSES @ $40,000 OR $10,000/UNIT AND 4 MIDDLE LOTS FOR 6 UNIT ROWHOUSES @ $48,000 OR $8,000/UNIT AND 1 CONDO LOT FOR 4 STORY TOWER AND 67 UNITS

PHASE II = 5 LOWER LOTS FOR 4'S AT $34,000 OR $8,500/UNIT AND 4 LOWER LOTS FOR 6'S AT $36,000 OR $6,000/UNIT AND 1 LOWER LOT FOR AN 8 @ $48,000 OR $6,000/LOT AND 1 CONDO LOT FOR 4 STORY TOWER AND 67 UNITS

PHASE III = 1 CONDO LOT FOR 4 STORY TOWER AND 67 UNITS

TOTAL DEVELOPMENT HAS 309 DWELLING UNITS WITH 108 ROWHOUSE UNITS AND 201 CONDO UNITS

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EXHIBIT IV-9

SCENARIO III-CONDORH
(CONTINUED)

	GROSS SALES REVENUE	TOTAL ANNUAL REVENUE & AVERAGE PRICE PER LOT	PRICE/UNIT
YEAR 1 SALES			
6 MID LOTS AT $40,000/LOT = ALL 4 UNITS - 24 UNITS	$240,000		$10,000
TOTAL GROSS SALES		$240,000	
AVERAGE LOT PRICE		$40,000	
YEAR 2 SALES			
2 MID LOTS AT $40,000/LOT = ALL 4 UNITS - 8 UNITS	$83,200		$10,400
3 MID LOTS AT $48,000/LOT = ALL 6 UNITS - 18 UNITS	$149,760		$8,320
TOTAL GROSS SALES		$232,960	
AVERAGE LOT PRICE		$46,592	
YEAR 3 SALES			
4 LOW LOTS AT $34,000/LOT = ALL 4 UNITS - 16 UNITS	$147,098		$9,194
1 MID LOT AT $48,000/LOT = ALL 6 UNITS - 6 UNITS	$51,917		$8,653
2 LOW LOTS AT $36,000/LOT = ALL 6 UNITS - 12 UNITS	$77,875		$6,490
TOTAL GROSS SALES		$276,890	
AVERAGE LOT PRICE		$39,556	
YEAR 4 SALES			
1 LOW LOT AT $48,000/LOT = ONE 8 UNIT - 8 UNITS	$53,993		$6,749
2 LOW LOTS AT $36,000/LOT = ALL 6 UNITS - 12 UNITS	$80,990		$6,749
1 LOW LOT AT $34,000/LOT = ONE 4 UNIT - 4 UNITS	$38,245		$9,561
TOTAL GROSS SALES		$173,229	
AVERAGE LOT PRICE		$43,307	

EXHIBIT IV-10

SUMMARY OF FEASIBILITY ANALYSIS OF
SINGLE FAMILY RESIDENTIAL SUBDIVISION SCENARIOS
Parcel D

	SCENARIO 1-A	SCENARIO 1-B	SCENARIO 1-C
FEASIBILITY FACTOR	66 SINGLE FAMILY LOTS LAKE VIEW AND DREWRY ACCESS POINTS	53 SINGLE FAMILY LOTS NORTHPORT DRIVE ACCESS POINTS	44 SINGLE FAMILY LOTS OVERLOOK AND HILL PRESERVED
MARKET DEMAND RISK	Moderate demand Realistic absorption Priced at upper end of market for view, lots, given area uses and home values Moderate to low risk	Moderate demand Realistic absorption Priced at upper end of market for view, lots, given area uses and home values Moderate to low risk	Moderate demand Quicker absorption Priced at upper end of market for view, lots, given area uses and home values Low risk
LEGAL/POLITICAL ACCEPTABILITY	No zoning change Extension of Drewry required Traffic on Lake View & Drewry unacceptable to neighbors, but less traffic on Northport at critical point Access to woods via Lake View not welcomed	No zoning change No change required for street access Critical point for increased traffic on Northport Better public area for Lakeview Woods users, but Lake View access not welcomed	No zoning change Ingress/egress at Northport Drive Overlook enlarged for public use Hill clear in center for unobstructured viewline Lake View access to woods not welcomed
PROBABILITY OF OVERCOMING LEGAL/ POLITICAL PROBLEMS	Fair	Good	Very good
TECHNICAL PROBLEMS OR BENEFITS	Streets run across slope Plat plan maximizes view lots available Pine trees enhance lots at cul-de-sac	Streets run across slope Plat plan does not maximize number lots Pine trees enhance lots at cul-de-sac	Slope at 6% first 250 ft. Slope 12% at 600 ft. to top of hill Difficult in winter Responsibility for open space a problem
INVESTMENT POWER BASED UPON REVENUE GENERATION POTENTIAL BEFORE -- DEMOLITION OF EXISTING BUILDINGS	$173,539 $7,319 $0.17	$77,803 $3,281 $0.08	$145,974 $6,157 $0.14
LESS COST OF DEMOLITION OF BLDGS	($290,000)	($290,000)	($290,000)
NET RELATIVE INVESTMENT POWER IF SITE NOT CLEARED BEFORE SALE	($116,461)	($212,197)	($144,026)

EXHIBIT IV-11

SUMMARY OF FEASIBILITY ANALYSIS OF MULTIFAMILY RESIDENTIAL SUBDIVISION SCENARIOS

Parcel D

FEASIBILITY OF ALTERNATIVE USES - MULTIFAMILY SUBDIVISION DEVELOPMENT MODEL SCENARIOS TO TEST FOR MOST PROBABLE USE OF PARCEL D

FEASIBILITY FACTOR	SCENARIO 1-A 66 DUPLEX LOTS LAKE VIEW AND DREWRY ACCESS POINTS	SCENARIO 1-C 44 DUPLEX LOTS OVERLOOK AND HILL PRESERVED	SCENARIO II - RH 36 MULTIFAMILY LOTS ROWHOUSES FOR 166 UNITS	SCENARIO II - CONDORH 22 MULTIFAMILY LOTS AND 3 CONDO TOWERS FOR 210 UNITS	SCENARIO III - CONDO RH 22 MULTIFAMILY LOTS AND 3 CONDO TOWERS FOR 309 UNITS
MARKET DEMAND RISK	Would have to capture all of demand/year As rentals, at upper end of rents for area As condos, too many units for market High risk	More realistic absorption rate As rentals, at upper end of rents for area As condos, would compete with Cherokee and Maple Wood Moderate risk	As rentals, priced high and market soft for the area As condos, market steady, but strong competition-Cherokee and Maple Wood Moderate to high risk	As rentals, priced high and market soft for the area As condos, would be too much product for limited market Moderate to high risk	Would require annual market absorption of almost 100 units Unrealistic number of units for market demand in area Extremely high risk
LEGAL/POLITICAL ACCEPTABILITY	Would require R-3 zoning change Extension of Drewry required Traffic on Drewry and Lake View unacceptable especially with more dwelling units	Would require R-3 zoning change Other points same as for Basic 1-C Scenario	Zoning change to R-4 Slight change to legal description of dedicated woods Public access to woods via Lake View & limited parking for woods visitors not good Neighborhood does not want such high density use	Zoning change to R-4 Slight change to legal description of dedicated woods Public access to woods via Lake View Limited parking for woods visitors Neighborhood would oppose such high density use	Same as Condo-Rowhouse Scenario More vigorous opposition by neighbors
PROBABILITY OF OVERCOMING LEGAL/ POLITICAL PROBLEMS	Fair to poor	Good to fair	Fair to poor	Poor	Very Poor
TECHNICAL PROBLEMS OR BENEFITS	Same as Basic 1-A Scenario	Same as Basic 1-C Scenario	Streets run across slope Plat plan maximizes view lots Pine trees enhance lots at cul-de-sac on eastern border	Streets run across slope Some pines saved Plat plan maximizes best views-highest density at crest Conflict-Condo vs RH re: open space use	Same as Basic Condo-Rowhouse Scenario
INVESTMENT POWER BASED UPON REVENUE GENERATION POTENTIAL BEFORE DEMOLITION OF EXISTING BUILDINGS	$200,374 $8,451 $0.19	$185,170 $7,810 $0.18	$142,562 $6,013 $0.14	$132,162 $5,574 $0.13	$399,214 $16,837 $0.39
LESS COST OF DEMOLITION	($290,000)	($290,000)	($290,000)	($290,000)	($290,000)
NET RELATIVE INVESTMENT POWER IF SITE NOT CLEARED BEFORE SALE	($89,626)	($104,830)	($147,438)	($157,838)	$109,214

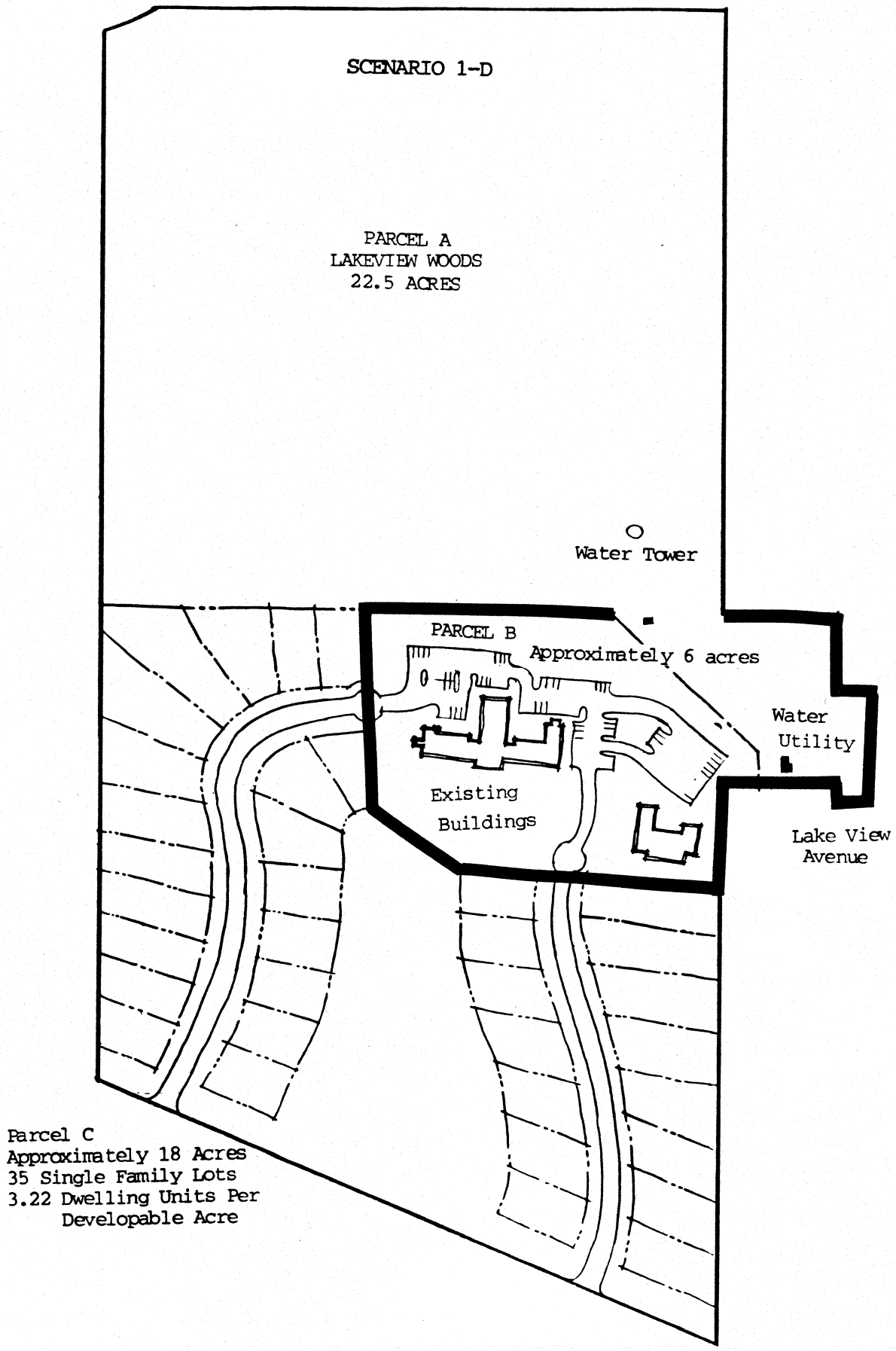
EXHIBIT IV-12

SKETCHES OF SINGLE FAMILY SUBDIVISION PLAT
FOR ANALYSIS OF MOST PROBABLE USE
FOR PARCEL C
WITH EXISTING BUILDINGS ON PARCEL B

- - - - - - - - - - - - - - - - - -

SCENARIO 1-D - 35 Single Family Lots

SCENARIO 1-E - 43 Single Family Lots


SCENARIO 1-D
PARCEL A
LAKEVIEW WOODS
22.5 ACRES
Water Tower
PARCEL B
Approximately 6 acres
Water
Utility
Existing
Buildings
Lake View
Avenue
Parcel C
Approximately 18 Acres
35 Single Family Lots
3.22 Dwelling Units Per
Developable Acre

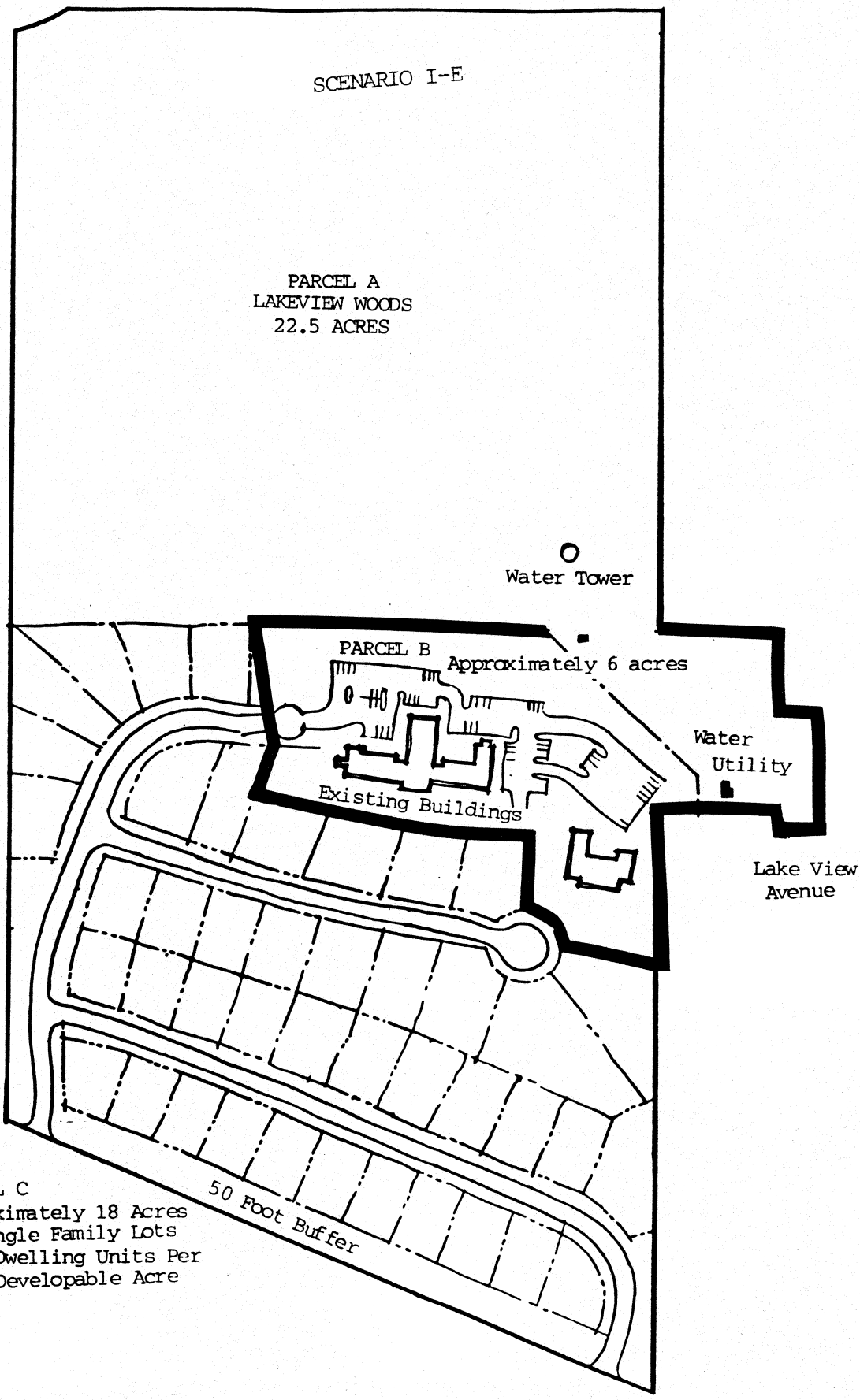

SCENARIO I-E
PARCEL A
LAKEVIEW WOODS
22.5 ACRES
Water Tower
PARCEL B
Approximately 6 acres
Water
Utility
Existing Buildings
Lake View
Avenue
PARCEL C
Approximately 18 Acres
43 Single Family Lots
3.22 Dwelling Units Per
Developable Acre
50 Foot Buffer

EXHIBIT IV-13

ANALYSIS OF ECONOMIC FEASIBILITY OF
SINGLE FAMILY AND DUPLEX SUBDIVISION PLATS
FOR PARCEL C
WITH EXISTING BUILDINGS ON PARCEL B

- - - - - - - - - - - - - - - - -

SCENARIO 1-D - 35 Single Family Lots
and as Duplex Lots

SCENARIO 1-E - 43 Single Family Lots
and as Duplex Lots

EXHIBIT IV-13

SCENARIO 1-D
SINGLE FAMILY LOTS FOR PARCEL C

SINGLE FAMILY SUBDIVISION - 35 SINGLE FAMILY LOTS AT MARKET - PARCEL C
EXISTING BUILDINGS AND SITE REMAIN DANE COUNTY PROPERTY - BUYER OF PARCEL C WOULD HAVE FIRST RIGHT OF REFUSAL TO PURCHASE BUILDING SITE
CASH FLOW PROJECTIONS FOR 35 SINGLE FAMILY LOTS ONLY - PARCEL C
SCENARIO 1-D PLAT PLAN
INGRESS/EGRESS AT NORTHPORT DRIVE

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4		
DEVELOPED LOT INVENTORY:							
BEGINING BALANCE	0	0	0	0	0		
ADD: LOTS DEVELOPED CURRENT YEAR	0	20	15	0	0		
LOTS AVAILABLE FOR SALE	0	20	15	0	0		
LESS: LOTS SOLD CURRENT YEAR	0	(20)	(15)	0	0		
ENDING LOT INVENTORY	0	0	0	0	0		
INCOME:							
Average Price/Lot		$26,175	$21,530	$0			
TOTAL REVENUE - SALES	$0	$523,500	$322,950	$0	$0	GROSS SALES REVENUE	$846,450
EXPENSES:						EXPENSES	EXPENSES/REVENUE
Development Costs - See Details Below		$191,872	$149,660	$0	$0	$341,532	40.35%
Soft Costs @ $200 per Lot	$4,000	$3,000	$0	$0	$0	$7,000	0.83%
Sales Expense (10%)		$52,350	$32,295	$0	$0	$84,645	10.00%
Development Loan Interest (11%+1pt/draw)		$15,705	$9,689	$0	$0	$25,394	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	$0	0.00%
Administrative Overhead at 3% of Sales Revenue		$15,705	$9,689	$0	$0	$25,394	3.00%
Developers Profit at @20% of Sales Revenue		$104,700	$64,590	$0	$0	$169,290	20.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,000	$383,332	$265,922	$0	$0	$653,254	77.18%
CASH FLOW BEFORE REAL ESTATE TAXES	($4,000)	$140,168	$57,028	$0	$0		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$4,692	$1,497	$0	$0	$6,189	0.73%
CASH FLOW AFTER REAL ESTATE TAXES	($4,000)	$135,476	$55,531	$0	$0		

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$111,936	AT 20% DISCOUNT	$122,883
LAND VALUE PER ACRE	$6,219		$6,827
LAND VALUE PER SQUARE FOOT	$0.14		$0.16
		AT 15% DISCOUNT	$135,473
LAND VALUE PER ACRE			$7,526
LAND VALUE PER SQUARE FOOT			$0.17

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EXHIBIT IV-13

SCENARIO 1-D

SINGLE FAMILY LOTS FOR PARCEL C

(CONTINUED)

DEVELOPMENT COSTS

Streets at $190/Linear Foot - 1,500 Linear Feet	$285,000
Includes the following:	
Water Lines - Mains and Laterals	$0
Sanitary Sewer	$0
Storm Sewer - City of Madison Installs	$0
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 2,597 Linear Feet at $8/Linear Foot	$15,001
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$30,000
Park Fee @ $0.15/SF*1,100*35	$5,775
TOTAL DEVELOPMENT COSTS	$335,776
NUMBER OF DWELLING UNITS IF SINGLE FAMILY	35
COST/DWELLING UNIT	$9,594

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$261,750	$161,475	$0	$0
Repayment - Assume 1 Year Loans		$261,750	$161,475	$0	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$130,875	$80,738	$0	$0
Interest at 12%		$15,705	$9,689	$0	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

11 LOTS AT AVERAGE PRICE OF $30,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.13/SF

8 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.50/SF

16 LOTS AT AVERAGE PRICE OF $19,500/LOT FOR LOWER LOTS OR 9,600 SF @ $2.03/SF

EXHIBIT IV-13

SCENARIO 1-E

SINGLE FAMILY LOTS FOR PARCEL C

SINGLE FAMILY SUBDIVISION - 43 SINGLE FAMILY LOTS AT MARKET - PARCEL C
EXISTING BUILDINGS AND SITE REMAIN DANE COUNTY PROPERTY - BUYER OF PARCEL C WOULD HAVE FIRST RIGHT OF REFUSAL TO PURCHASE BUILDING SITE
CASH FLOW PROJECTIONS - PARCEL C
SCENARIO 1-E PLAT PLAN
INGRESS/EGRESS AT NORTHPORT DRIVE

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4		
DEVELOPED LOT INVENTORY:							
BEGINING BALANCE	0	0	0	0	0		
ADD: LOTS DEVELOPED CURRENT YEAR	0	21	22	0	0		
LOTS AVAILABLE FOR SALE	0	21	22	0	0		
LESS: LOTS SOLD CURRENT YEAR	0	(21)	(22)	0	0		
ENDING LOT INVENTORY	0	0	0	0	0		
INCOME:							
Average Price/Lot		$27,430	$20,280	$0			
TOTAL REVENUE - SALES	$0	$576,030	$446,160	$0	$0	GROSS SALES REVENUE $1,022,190	
EXPENSES:						EXPENSES	EXPENSES/REVENUE
Development Costs - See Details Below		$235,095	$256,141	$0	$0	$491,236	48.06%
Soft Costs @ $200 per lot	$4,200	$4,400	$0	$0	$0	$8,600	0.84%
Sales Expense (10%)		$57,603	$44,616	$0	$0	$102,219	10.00%
Development Loan Interest (11%+1pt/draw)		$17,281	$13,385	$0	$0	$30,666	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	0	0.00%
Administrative Overhead at 3% of Sales Revenue		$17,281	$13,385	$0	$0	$30,666	3.00%
Developers Profit at @20% of Sales Revenue		$115,206	$89,232	$0	$0	$204,438	20.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,200	$446,866	$416,759	$0	$0	$867,825	84.90%
CASH FLOW BEFORE REAL ESTATE TAXES	($4,200)	$129,164	$29,401	$0	$0		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$3,842	$772	$0	$0	$4,613	0.45%
CASH FLOW AFTER REAL ESTATE TAXES	($4,200)	$125,323	$28,629	$0	$0		
RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$91,505		AT 20% DISCOUNT	$100,098			
LAND VALUE PER ACRE	$5,084			$5,561			
LAND VALUE PER SQUARE FOOT	$0.12			$0.13			
			AT 15% DISCOUNT	$109,934			
LAND VALUE PER ACRE				$6,107			
LAND VALUE PER SQUARE FOOT				$0.14			

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EXHIBIT IV-13

SCENARIO 1-E

SINGLE FAMILY LOTS FOR PARCEL C

(CONTINUED)

DEVELOPMENT COSTS

Streets at $190/Linear Foot - 2,700 Linear Feet	$513,000
Includes the following:	
Water Lines - Mains and Laterals	
Sanitary Sewer	
Storm Sewer - City of Madison Installs	
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 3,380 Linear Feet at $8/Linear Foot	$19,945
Outdoor Parking (includes striping)	$0
Landscaping	$0
Contingency (10%)	$53,295
Park Fee at $0.15*1,100 SF*43 Units	$7,095
TOTAL DEVELOPMENT COSTS	$593,335
NUMBER OF DWELLING UNITS IF SINGLE FAMILY	43
COST/DWELLING UNIT	$13,798

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$288,015	$223,080	$0	$0
Repayment - Assume 1 Year Loans		$288,015	$223,080	$0	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$144,008	$111,540	$0	$0
Interest at 12%		$17,281	$13,385	$0	$0

REAL ESTATE TAXES

Use State of Wisconsin Assessment Manual Methodology

Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000

Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

12 LOTS AT AVERAGE PRICE OF $30,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.13/SF

9 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.50/SF

22 LOTS AT AVERAGE PRICE OF $19,500/LOT FOR LOWER LOTS OR 9,600 SF @ $2.03/SF

EXHIBIT IV-13

SCENARIO 1-D
AS DUPLEX LOTS FOR PARCEL C

DUPLEX SUBDIVISION - 35 DUPLEX LOTS AT MARKET - PARCEL C - TEST OF HIGHER RETAIL PRICES FOR LOTS
EXISTING BUILDINGS AND SITE REMAIN DANE COUNTY PROPERTY - BUYER OF PARCEL C WOULD HAVE FIRST RIGHT OF REFUSAL TO PURCHASE BUILDING SITE
CASH FLOW PROJECTIONS FOR 35 DUPLEX LOTS ONLY - PARCEL C
SCENARIO 1-D PLAT PLAN
INGRESS/EGRESS AT NORTHPORT DRIVE

DEVELOPED LOT INVENTORY:	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4		
BEGINING BALANCE	0	0	0	0	0		
ADD: LOTS DEVELOPED CURRENT YEAR	0	20	15	0	0		
LOTS AVAILABLE FOR SALE	0	20	15	0	0		
LESS: LOTS SOLD CURRENT YEAR	0	(20)	(15)	0	0		
ENDING LOT INVENTORY	0	0	0	0	0		
INCOME:							
Average Price/Lot		$29,550	$25,790	$0			
TOTAL REVENUE - SALES	$0	$591,000	$386,850	$0	$0	GROSS SALES REVENUE $977,850	
EXPENSES:						EXPENSES	EXPENSES/REVENUE
Development Costs - See Details Below		$204,803	$159,746	$0	$0	$364,549	37.28%
Soft Costs @ $200 per Lot	$4,000	$3,000	$0	$0	$0	$7,000	0.72%
Sales Expense (10%)		$59,100	$38,685	$0	$0	$97,785	10.00%
Development Loan Interest (11%+1pt/draw)		$17,730	$11,606	$0	$0	$29,336	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	$0	0.00%
Administrative Overhead at 3% of Sales Revenue		$17,730	$11,606	$0	$0	$29,336	3.00%
Developers Profit at @20% of Sales Revenue		$118,200	$77,370	$0	$0	$195,570	20.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,000	$420,563	$299,012	$0	$0	$723,575	74.00%
CASH FLOW BEFORE REAL ESTATE TAXES	($4,000)	$170,437	$87,838	$0	$0		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$6,091	$2,306	$0	$0	$8,397	0.86%
CASH FLOW AFTER REAL ESTATE TAXES	($4,000)	$164,346	$85,532	$0	$0		

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT $145,774

LAND VALUE PER ACRE $8,099
LAND VALUE PER SQUARE FOOT $0.19

AT 20% DISCOUNT $160,294

LAND VALUE PER ACRE $8,905
LAND VALUE PER SQUARE FOOT $0.20

AT 30% DISCOUNT $133,101

LAND VALUE PER ACRE $7,394
LAND VALUE PER SQUARE FOOT $0.17

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EXHIBIT IV-13

SCENARIO 1-D
AS DUPLEX LOTS FOR PARCEL C
(CONTINUED)

DEVELOPMENT COSTS	
Streets at $200/Linear Foot - 1,500 Linear Feet	$300,000
Includes the following:	
Water Lines - Mains and Laterals	$0
Sanitary Sewer	$0
Storm Sewer - City of Madison Installs	$0
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 2,597 Linear Feet at $9/Linear Foot	$11,823
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$31,182
Park Fee @ $0.20/SF*1,100*70	$15,400
TOTAL DEVELOPMENT COSTS	$358,405
NUMBER OF DWELLING UNITS IF DUPLEXES	70
COST/DWELLING UNIT	$5,120

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$295,500	$193,425	$0	$0
Repayment - Assume 1 Year Loans		$295,500	$193,425	$0	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$147,750	$96,713	$0	$0
Interest at 12%		$17,730	$11,606	$0	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

11 LOTS AT AVERAGE PRICE OF $33,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.44/SF

8 LOTS AT AVERAGE PRICE OF $27,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.81/SF

16 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR LOWER LOTS OR 9,600 SF @ $2.50/SF

EXHIBIT IV-13

SCENARIO 1-E
AS DUPLEX LOTS

DUPLEX SUBDIVISION - 43 DUPLEX LOTS AT MARKET - PARCEL C - TEST OF HIGHER RETAIL PRICES FOR LOTS
EXISITING BUILDINGS REMAIN DANE COUNTY PROPERTY - BUYER OF PARCEL C HAS FIRST RIGHT OF REFUSAL FOR BUILDING SITE
CASH FLOW PROJECTIONS - PARCEL C
SCENARIO 1-E PLAT PLAN
INGRESS/EGRESS AT NORTHPORT DRIVE

	1988-89 Year 0	1989-90 Year 1	1990-91 Year 2	1991-92 Year 3	1992-93 Year 4		
DEVELOPED LOT INVENTORY:							
BEGINING BALANCE	0	0	0	0	0		
ADD: LOTS DEVELOPED CURRENT YEAR	0	21	22	0	0		
LOTS AVAILABLE FOR SALE	0	21	22	0	0		
LESS: LOTS SOLD CURRENT YEAR	0	(21)	(22)	0	0		
ENDING LOT INVENTORY	0	0	0	0	0		
INCOME:							
Average Price/Lot		$30,430	$24,960	$0			
TOTAL REVENUE - SALES	$0	$639,030	$549,120	$0	$0	GROSS SALES REVENUE $1,188,150	
EXPENSES:						EXPENSES	EXPENSES/REVENUE
Development Costs - See Details Below		$249,273	$271,589	$0	$0	$520,862	43.84%
Soft Costs @ $200 per lot	$4,200	$4,400	$0	$0	$0	$8,600	0.72%
Sales Expense (10%)		$63,903	$54,912	$0	$0	$118,815	10.00%
Development Loan Interest (11%+1pt/draw)		$19,171	$16,474	$0	$0	$35,645	3.00%
Demolition Expense		$0	$0	$0	$0	$0	0.00%
Purchase of Esch Lot for Extension of Drewry Lane		$0	$0	$0	$0	0	0.00%
Administrative Overhead at 3% of Sales Revenue		$19,171	$16,474	$0	$0	$35,645	3.00%
Developers Profit at @20% of Sales Revenue		$127,806	$109,824	$0	$0	$237,630	20.00%
TOTAL EXPENSES BEFORE REAL ESTATE TAXES	$4,200	$483,724	$469,272	$0	$0	$957,196	80.56%
CASH FLOW BEFORE REAL ESTATE TAXES	($4,200)	$155,306	$79,848	$0	$0		
Real Estate Taxes-Assume Tax-Exempt in Year of Purchase	$0	$5,546	$2,096	$0	$0	$7,642	0.64%
CASH FLOW AFTER REAL ESTATE TAXES	($4,200)	$149,760	$77,752	$0	$0		

RESIDUAL LAND VALUE-NPV AT 25% DISCOUNT	$132,295	AT 20% DISCOUNT	$145,495
LAND VALUE PER ACRE	$7,590		$8,347
LAND VALUE PER SQUARE FOOT	$0.17		$0.19
		AT 30% DISCOUNT	$120,775
LAND VALUE PER ACRE			$6,929
LAND VALUE PER SQUARE FOOT			$0.16

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EXHIBIT IV-13

SCENARIO 1-E
AS DUPLEX LOTS
(CONTINUED)

DEVELOPMENT COSTS

Streets at $200/Linear Foot - 2,700 Linear Feet	$540,000
Includes the following:	
Water Lines - Mains and Laterals	
Sanitary Sewer	
Storm Sewer - City of Madison Installs	
Electricity, Gas, TV Cable, and Telephone Lines	
Average of 3,380 Linear Feet at $9/Linear Foot	$23,325
Outdoor Parking	
(includes striping)	$0
Landscaping	$0
Contingency (10%)	$56,333
Park Fee at $0.20*1,100 SF*43 Units	$9,460
TOTAL DEVELOPMENT COSTS	$629,118
NUMBER OF DWELLING UNITS IF DUPLEXES	86
COST/DWELLING UNIT	$7,315

	1988-89 YEAR 0	1989-90 YEAR 1	1990-91 YEAR 2	1991-92 YEAR 3	1992-93 YEAR 4
PHASED DEVELOPMENT LOAN					
Begin Period Balance		$0	$0	$0	$0
Loan Advance at 50% of Gross Sales for Each Year		$319,515	$274,560	$0	$0
Repayment - Assume 1 Year Loans		$319,515	$274,560	$0	$0
End of Period Balance		$0	$0	$0	$0
Average Balance at 50% of Total for Year		$159,758	$137,280	$0	$0
Interest at 12%		$19,171	$16,474	$0	$0

REAL ESTATE TAXES
Use State of Wisconsin Assessment Manual Methodology
Real Estate Taxes Each Year Equal Remaining Projected Cash Flows Discounted at 20% Times the Mill Rate of $30/$1,000
Real Estate Taxes Inflated at 5% per Year

SELLING PRICES OF DEVELOPED LOTS:

12 LOTS AT AVERAGE PRICE OF $33,000/LOT FOR TOP LOTS OR 9,600 SF @ $3.44/SF

9 LOTS AT AVERAGE PRICE OF $27,000/LOT FOR MIDDLE LOTS OR 9,600 SF @ $2.81/SF

22 LOTS AT AVERAGE PRICE OF $24,000/LOT FOR LOWER LOTS OR 9,600 SF @ $2.50/SF

EXHIBIT IV-14

SUMMARY OF FEASIBILITY ANALYSIS OF
SINGLE FAMILY AND DUPLEX SUBDIVISION SCENARIOS FOR PARCEL C
ASSUMING EXISTING BUILDINGS REMAIN IN USE ON PARCEL B

FEASIBILITY OF ALTERNATIVE USES - TEST OF MOST PROBABLE USE OF PARCEL C
ASSUME EXISTING BUILDINGS REMAIN AS DANE COUNTY OFFICES

	SCENARIO 1-D	SCENARIO 1-E	SCENARIO 1-D	SCENARIO 1-E
FEASIBILITY FACTOR	35 SINGLE FAMILY LOTS EXISTING BUILDINGS PRESERVED	43 SINGLE FAMILY LOTS EXISTING BUILDINGS PRESERVED	35 DUPLEX LOTS EXISTING BUILDINGS PRESERVED	43 DUPLEX LOTS EXISTING BUILDINGS PRESERVED
MARKET DEMAND RISK	Softer market for SF lots if existing bldg use continues Lots priced at upper end of market Heavy screening needed to separate uses Moderate risk	Mixing of product type may soften demand Upper end of rental Lots priced at upper end of market Heavy screening needed to separate uses Moderate risk	Mixing of product type may soften demand Upper end of rental market-at market as owner-occupied units but compete w/ Cherokee and Maple Wood High to moderate risk	Mixing of product type may soften demand Upper end of rental market-at market as owner-occupied units but compete w/ Cheroke and Maple Wood High to moderate risk
LEGAL/POLITICAL ACCEPTABILITY	No zoning change for single family sites Limited parking for woods and buildings obstruct public viewlines	No zoning change for single family sites Limited parking for woods and buildings obstruct public viewlines	Would require R-3 zoning for duplexes Limited parking for woods-buildings obstruct public viewlines	Would require R-3 zoning for duplexes Other points same as for Basic 1-B Scenario
PROBABILITY OF OVERCOMING LEGAL/ POLITICAL PROBLEMS	Moderately good	Fair to good	Fair	Fair
TECHNICAL PROBLEMS OR BENEFITS	Slope at 6% first 250 ft. Slope 12% at 600 ft. to top of hill Difficult in winter Responsibility for open space-problem Difficult to screen different uses	Streets run across slope Plat plan does not maximize number lots May be difficult to provide necessary screening between uses Some pines saved	Slope at 6% first 250 ft. and slope 12% at 600 ft. to top of hill Difficult in winter Responsibility for open space a problem Difficult to screen different uses	Streets run across slope Plat plan does not maximize number lots May be difficult to provide necessary screening between uses Some pines saved
INVESTMENT POWER BASED UPON REVENUE GENERATION POTENTIAL	$111,936 $6,219 $0.14	$91,505 $5,084 $0.12	$133,101 $7,395 $0.17	$120,775 $6,710 $0.15
COST OF DEMOLITION	$0	$0	$0	$0
NET RELATIVE INVESTMENT POWER IF SITE NOT CLEARED BEFORE SALE	$111,936	$91,505	$133,101	$120,775

V. PREDICTION OF PRICE FROM MARKET SALES

Market transactions offer the appraiser the most reliable predictor in determining the most probable buyer. A determination of the most probable buyer will lead to insights as to the most probable price of another property of the same type in the same area. By applying the market comparison approach, an estimate of value for the subject property can be derived.

For this report, the Market Comparison will be applied separately to Parcels A, C, and D. It was determined from the most probable use analysis that Parcel B with the existing buildings and surrounding grounds is not marketable without subsidies because the cost of renovation exceeds the justified investment value of the property when renovated except for high priced apartment units that would be very difficult to market on that site in a reasonable absorption period.

A. Parcel A - Lakeview Woods

1. Most Probable Buyer of Conservancy Land

The 22.5 acres of woods located on the most elevated points on the 46.21 acre Lakeview site is the most valuable portion of the total property if sold for development purposes. For purposes of this appraisal, the development rights are assumed to be reduced to those permitted uses allowed in a Conservancy District. (See Appendix A for definition and permitted uses of a Conservancy District as found in the Madison Zoning Code) The only permitted development is a single family home to be occupied by the owner or tenant of the property.

According to City of Madison spokespersons, requests for conservancy zoning usually come from the property owner for at least two reasons:

1) A wetland property annexed by the City of Madison will be taxed more favorably if it is zoned conservancy. Since the land is undevelopable anyway, the conservancy zoning does no harm to the property owner.

2) A public agency such as the Parks Department may purchase land zoned Agriculture for park use. When the Parks Department needs to obtain a building permit for a shelter or some other structure they would seek a zoning change to conservancy to obtain the permit.

Neither the City of Madison or Dane County actively seek property for the purpose of down zoning to conservancy. And when property is zoned conservancy it is either privately owned wetlands or publicly owned property purchased for the public good and is not usually sold again. In general, only if a public agency has to purchase a larger parcel than they need would they sell off the smaller portion. Therefore, there are limited sales of property either zoned conservancy or used as conservancy.

It would appear that the most probable buyer of property with the potential to be zoned Conservancy or to be used as if zoned Conservancy is a public agency or a private environmental group. Each has its own special reason(s) for land purchases and, as will be shown, the subject property is not the type of property or is not located in the right area to be sought by any of these potential buyers. The Sierra Club does not make land acquisitions and the Trust for Public Lands does not operate in the Madison area. The following groups are representative of those active in the Madison area:

Public Agencies

1) Dane County Park Commission
   (Currently has jurisdiction over the area known as Lakeview Woods)
2) City of Madison Parks Department
3) State of Wisconsin Department of Natural Resources

Private Environmental Groups

1) The Nature Conservancy
2) Dane County Natural Heritage Foundation
3) National Audubon Society

Based upon the 1984 City of Madison Parks Open Space Plan, soon to be revised, there is no need for the acquisition of anymore park land in the Lakeview area neighborhood. Warner Park, Cherokee Park, and four neighborhood parks meet the parks needs for this area for many years to come. Therefore, the City of Madison is not a probable buyer of Parcel A. In fact, spokespersons for the City of Madison indicate that a buyer of the Lakeview property would not be able to offer Parcel A to the City to meet the open space requirement for a new subdivision to be developed on the rest of the property. Any development scenarios for Parcels C and D will require the payment of a park fee in lieu of dedicated open space.

The Wisconsin Department of Natural Resources (DNR) purchases property for the following purposes:

1) Protected fishing areas
2) Protected wildlife areas
3) Parks and recreational areas
4) Scientific areas to protect ecological systems, flora and fauna

In its long range plans the DNR determines areas of potential acquisitions and quietly works with the property owners to negotiate a purchase. Often the property owners, who know the goals of the DNR, seeks out the DNR when he is ready to sell. The DNR does not use condemnation powers to acquire property; the DNR appraises the property, makes an offer and, if it is refused, there is no purchase. The subject property is not a part of the DNR's long range acquisition plan.

The goal of The Nature Conservancy is to find and preserve habitat harboring the rarest species of plants and animals. Recently, the Wisconsin chapter has been active in acquiring 2,900 acres known as Baxter's Hollow in Sauk County. The group is actively seeking another 900 acres to complete this conservancy area. The primary goal of this group is preservation, not public access. The Nature Conservancy uses appraisals to guide acquisition prices. The subject property is not typical of the pristine areas sought by The Nature Conservancy.

The Dane County Natural Heritage Foundation has been active in assisting other organizations obtain title to conservancy lands. Acquisitions for the Nine Springs E-Way and the purchase of Wally Bauman Woods along Lake Mendota are examples of property the Dane County Natural Heritage Foundation (DCNHF) has been instrumental in helping other groups acquire. This group has no official stance on Lakeview Woods at this time, but it is likely DCNHF would assist another group that might initiate action to keep the woods in the public domain.

The National Audubon Society acceptance of donated lands or conservation easements is determined by each local chapter. The chapter's decisions are based on the value of land and the availability of local funds for maintenance. National funds may be available for purchase of very special pieces of land. The Madison chapter was instrumental in the acquisition and the continuing maintenance of Goose Pond north of Madison. The local chapter would probably be supportive of efforts to keep the woods as a nature conservancy area for the public. The local chapter has no funds for the direct acquisition of this property.

The most probable owner of the Lakeview Woods is the Dane County Parks Commission. It has been argued that Dane County has no other park area within the City of Madison and should not dedicate this area to the Parks Commission. Actually Lake Farm Park, a 295 acre recreational park located on the northwest shore of Lake Waubesa at the eastern end of the Nine Springs E-Way, is partly in the City of Madison and partly in the Town of Blooming Grove. The acquisition of this park was a part of a 1973 Dane County Park Plan. Then, in 1974, the Dane County Board of Supervisors directed the Dane County Park Commission to proceed with acquisition and development of the Nine Springs E-Way Corridor. A map showing the location of Dane County's parks is found in Exhibit V-1. The reader should note the location of Lake Farm Park and Vilas Park Zoo, both either wholly or partly located in the City of Madison. Lakeview Woods is also shown on this map.

To determine the purchase price of lands for the E-Way, for example, the Dane County Parks Department uses appraised value. The fee appraisers determine the highest and best use for the property to estimate the Market Value of the property. (Exhibit I-5 for the definition of Market Value). The appraised value is that price that the property would sell for on the open market with a willing and knowledgeable buyer and seller. Even though the County has the power of condemnation, the power is rarely used.

As mentioned before, the Dane County Parks Commission usually does not rezone its acquisitions unless it wishes to provide recreational facilities on the property. If property is purchased with LAW-CON funding, there are deed

restrictions that are required to control use and disposition. A conservancy zoning is needed to construct a parking lot or shelter. If Lakeview Park was dedicated, the zoning would probably be changed from R1 to Conservancy at the request of the property owner. When land is dedicated, the County Board no longer has jurisdiction over the disposition of the property. The County Park Commission would have to vote the property surplus and offer it to the County Board for disposition.

2. Valuation Methodology

The three basic methods of valuation are the Cost Approach, Income Approach, and Market Comparison Approach. The Cost Approach usually is used in valuing newer improved property. It consists of adding replacement cost of land to the cost of duplicating the improvements. From this total is subtracted an amount for physical and functional obsolescence of the improvements to arrive at value by the Cost Approach. This method is not relevant to vacant land.

The Income Approach consists of capitalizing the net operating income (NOI) of the property using an appropriate rate in order to estimate value. This method also is primarily used in valuing improved property where income-producing comparables are readily available for comparison.

The third approach, and the one that will be relied upon for Parcel A is the Market Comparison Approach. It consists of locating sales of similar vacant parcels and, through an orderly process of comparing attributes of the comparables to the subject property, estimating the value of the subject property.

In this case there are no comparable sales of wooded sites that are currently zoned conservancy. The few sales of remnants of larger properties purchased by public agencies and private environment protection groups are of wetlands and have no resemblance to the subject property. These parcels are usually sold for the same unit price paid for them or for their newly appraised value. Since the zoning is rarely changed from Agriculture to Conservancy, the resale prices are similar.

3. Market Comparison Approach to Estimate Most Probable Price

As discussed in Section IV, the most probable buyers of land for conservancy purposes are government agencies and private environment groups, but in this case, the subject property is currently not included in the long range purchase plans of any of these agencies or groups. As a starting point in the valuation of Parcel A, recent land acquisitions by The Nature Conservancy and the Wisconsin Department of Natural Resources are reviewed as potential comparable sales. The sales/gifts to The Nature Conservancy are summarized in Exhibit V-2. These properties located outside of Dane County are described in more detail in Appendix C. Except for the presence of woods, these parcels with their numerous streams and pristine flora and fauna are not comparable with the subject property. The highest and best use would appear to be conservancy. The sale prices of the two 1987 acquisitions range from $450 to $625 per acre for wildlife habitat and watershed area. The appraised value for the Baraboo River Floodplain Forest gift was $937.50 per acre.

The land sales to the Wisconsin Department of Natural Resources are summarized in Exhibit V-3. Except for the 1987 acquisition, these properties are all wetlands; two of the properties have frontage on Mud Lake. The range in values is from $991 to $351 per acre. The 1987 purchase is a combination of wetlands and uplands with an average price of $1,500 per acre. Except for the uplands portion of the 1987 purchase, these properties have very little comparability with the subject property.

To estimate the market value of Parcel A described as 22.5 acres of woods located on an elevated urban site with a full array of available municipal services assumed to be located within a City of Madison Conservancy District, two sets of somewhat different comparable sales are used to capture the unusual combination of attributes found in the subject property. The most analogous type of property is an unplatted wooded homesite of five or more acres zoned A-1 Agriculture (Dane County Zoning) and purchased for the construction of a single family home. The purchasers desire the privacy of a large wooded homesite and have no intention of subdividing the property for sale to another party. The A-1 Agriculture zoning allows the construction of a single family detached dwelling just as is permitted in a City of Madison Conserverancy District which permits one home per every 10 acres provided there is 500 feet of street frontage for each parcel.

Properties purchased by Dane County Parks for Nine Springs E-Way acquisitions have limited comparability to the subject property. When adjustments are made the differences, some value comparisons can be drawn between the two types of property. Dane County Parks purchases are usually a mix of wetlands and uplands with some degree of woodedness.

a. Market Comparison Approach Using Sales of Single Family Wooded Homesites as Comparables

A search for recent sales of wooded homesites purchased for the construction of a single family home revealed four sales in municipalities just outside the City of Madison. A fifth purchase of a wooded homesite by the City of Madison for expansion of Elver Park is most comparable in elevation and woodedness to the subject property. A summary of these properties is found in Exhibit V-4. A map locating each of these sales is shown in Exhibit V-5. In addition to adjustments made for quality differences to be discussed later, each sale price was adjusted for time of sale by using the Implicit Price Deflator for Gross National Product. The Implicit Price Deflator is considered superior to the Consumer Price Index because it represents an adjustment of the purchasing power of the dollar while the Consumer Price Index includes changes in retail prices caused by factors unrelated to inflation.

Comparable Sale No. 1, located in the Town of Middleton, was purchased in July of 1987 by a couple who work in the Parkwood Hills area. They have built a large custom single family home on the crest of the elevated wooded site. The cash purchase price of $63,000 for 7.6 acres translates to a unit price of $8,289 per acre. The time adjusted price is $8,485 per acre.

Comparable Sale No. 2, located off High Point Road in the Town of Middleton, was purchased in December of 1987 by the City of Madison for the expansion of Elver Park. The cash purchase price of $69,000 for 8.96 acres translates to a unit price of $7,700 per acre. The time adjusted price is $7,841 per acre. The purchase price was based upon an independent fee appraiser's estimate of the Market Value of the property sold on the open market.

Comparable Sale No. 3, located in the Town of Verona, was purchased in October 1986 by a couple who plan to construct their single family home on the site. The cash purchase price of $70,000 for 15+ acres translates to a unit price of $4,667 per acre. The time adjusted price is $4,898 per acre.

Comparable Sale No. 4, located in the City of Fitchburg, was purchased by a couple for the construction of a large custom single family home in October of 1986. The cash price of $78,000 for 20 acres translates to a unit price of $3,900 per acre. Of the 20 acres, 12 acres qualify for the Woodland Tax Law with constraints on use for 15 years or until 1995. The time adjusted price is $4,093 per acre.

Comparable Sale No. 5, located in the Town of Middleton, was purchased by a couple in January of 1986 for the construction of a large custom single family home. The purchase was by land contract, but the terms are similar to a cash sale so no adjustment is made in the price of $45,000 for 20 acres. The unit price is $2,250 per acre for a steep wooded site. The time adjusted price is $2,400 per acre.

Each property has certain attributes that are observable and significant to the purchaser. In order to adjust for the differences between the comparable sales and the subject property, some method of analyzing qualitative differences among the properties must be constructed. However, the specific unit dollar adjustments for the degree of presence or absence of these attributes cannot be measured by the appraiser. Therefore, it is appropriate to set up an ordinal scoring matrix which can be converted to a weighted average score per unit in order to build a pricing algorithm for the subject property. Price sensitive attributes chosen by the appraiser are topography, woodedness of the site, size, and prestige of the location. The scale for scoring each of the comparables and the subject property is shown in Exhibit V-6.

These scores must be converted from an ordinal ranking for each attribute to a cardinal ranking reflecting the combined impact of the score for each property and relative to each other. For this purpose, weights are computed using a computer program called QP4 developed by Gene Dilmore, a nationally known appraiser, based upon research at the University of Wisconsin. The price per acre for each comparable is divided by its weighted point score to determine the price per point per acre of land area which is then converted to the mean price per point per acre.

The resulting price algorithm is then tested for its ability to predict the price of each comparable sale home site with some acceptable variance from the actual sales price. If the algorithm closely replicates the prices actually paid for the comparable properties, the appraiser then assumes it

would also anticipate the probable price of the subject property when the subject property is scored with the same weighted point system. The results of this process are provided in Exhibit V-7. In this case a very tight distribution is achieved, with the variance between the predicted price and the actual sales price of each comparable sale no more than 3.6 percent. The results indicate a value range of $6,300 per acre on the low side to a high of $6,550 per acre. The mean price of $6,425 per acre of land area is used as an indicator of the value of the subject property.

The estimated Market Value of the subject property, as of September 21, 1988, with 22.5 acres and point score of 3.80, using the Market Comparison Approach with wooded home sites as comparable sales, is $145,000, plus or minus $3,000.

b. Market Comparison Approach Using Sales of Land Purchased by Dane County Parks Commission for the Nine Springs E-Way Acquisition

Although lands purchased for the Nine Springs E-Way Corridor are not as comparable to the subject property as the wooded homesites, these sale prices establish a floor for the market value of the subject. There are four sales of land since 1984 that have some similarities to the subject site. The buyer in each transaction was the Dane County Parks Commission. A summary of these properties is found in Exhibit V-8 and a map locating each site is found in Exhibit V-5. The sale price of each sale was adjusted for time using the Implicit Price Deflator.

Comparable Sale No. 1, located in the City of Madison, was purchased in October of 1984 for a cash price of $56,240 for 40.6 acres based upon an appraised value of $700 per acre for 19.2 acres of marshland and $2,000 per acre for 21.4 acres of uplands which are a combination of woods and tillable land. Approximately 17 acres of the lowlands is zoned as conservancy and the remainder is zoned as agriculture. The time adjusted price is $1,535 per acre.

Comparable Sale No. 2, located in the City of Madison, was purchased in April of 1986 for a cash price of $26,800 for 17.64 acres which translates to $1,519 per acre. The property is zoned agriculture. The time adjusted sale price is $1,613 per acre.

Comparable Sale No. 3, located in the Town of Blooming Grove and just west of Comparable No. 2, was purchased in September of 1985 for a cash price of $39,084 or $1,317 per acre for 29.66 acres. The purchase price was based upon an appraised value of $3,000 per acre for the uplands and $900 per acre for the lowlands. The time adjusted sale price is $1,425 per acre.

Comparable Sale No. 4, located in the City of Fitchburg, is a 19.4 acre wooded site with a rolling topography purchased in March of 1988 for Dane County Parks Commission by several groups acting for Dane County. The woods include hardwoods, bushy growth, and an abandoned apple orchard. The cash price was $67,773 or $3,493 per acre, but this was a distressed sale with the property sold at auction. Therefore, the sale does not meet the test of a market value transaction.

Only the first three sales are used for a secondary estimate of value of the subject property. All of these properties were purchased by a governmental body for the public good. As required by law, the prices paid were established by appraisals done to estimate the Market Value, assuming the highest and best use of the each property as if sold on the open market with all of the prerequisites of a fair market transaction.

The same quantitative point score method is used to adjust for the differences between the comparables and the subject property as explained previously. The scale for scoring each of the comparable sales and the subject property is shown in Exhibit V-9. The results of the QP4 program are provided in Exhibit V-10. Again, a very tight distribution is achieved, with the variance between the predicted price and the actual sales price of each comparable sale no more than 1.6 percent. The results, using sales of less comparable properties purchased by a governmental body, indicate a value range of $2,980 per acre on the low side to a high of $3,069. The mean price of $3,026 per acre of land area is used as a secondary indicator of the value of the subject property.

The estimated Market Value of the subject property, as of September 21, 1988, with 22.5 acres and point score of 4.10, using the Market Comparison Approach with agricultural and conservancy sales, is $68,000, plus or minus $1,000.

4. Value Conclusion

Since the subject property is unique and there are no directly comparables sales of wooded conservancy sites in an urban setting, the analysts have used two types of comparables to estimate a range of values for the subject property. The wooded home sites represent the upper end of the value. Each of these properties located outside the City of Madison is zoned A-1 Agriculture (except for Sale No. 3 zoned A-1 Exclusive Agriculture as explained earlier). The constraints on development are not quite as severe as intended for properties located in a Conservancy District in the City of Madison. (See Appendix A for the permitted uses for each zoning classification.)

The comparable sale sites purchased for the Nine Springs E-Way corridor represent the lower end of values for the subject property. None have the woods and viewlines of the subject site. Each of the comparables have some lowlands/wetlands located in a flood plain. All are zoned Agriculture except for Sale No. 1, located in the City of Madison and partially zoned Conservancy at the time of sale. Therefore, a weighted average of the two mean estimated values are used to estimate the value of the subject property. Although the Lakeview Woods parcel does not have the necessary 500 feet of street frontage to qualify as a homesite in a Conservancy District, the wooded homesites are otherwise more comparable to the Lakeview Woods than the E-Way land sales. Therefore, the value estimate resulting from using them as comparables sales is given a weight of 70 percent and the value estimate resulting from the Nine Springs E-Way properties is given a weight of 30 percent. The calculations are as follows:

Wooded site sales	70% * $6,425 =	$4,498 per acre
E-Way land sales	30% * $3,026 =	908 per acre
		$5,406 per acre
	Rounded	$5,410 per acre

THEREFORE, THE ANALYSTS CONCLUDE THAT THE MARKET VALUE OF THE SUBJECT PROPERTY IDENTIFIED AS PARCEL A AND KNOWN AS THE LAKEVIEW WOODS, AS DEFINED, AND AS OF SEPTEMBER 21, 1988, WITH CASH TO THE SELLER IS:

ONE HUNDRED TWENTY TWO THOUSAND DOLLARS

($122,000)

These value conclusions are subject to the assumptions, limiting conditions, and certifications contained throughout the report.

B. Parcel D - Combination of Parcels B and C Assuming Demolition of Existing Buildings

Recent market sales in a given geographical area are the most reliable predictors of what the most probable buyer might be willing to pay for a similar property in that area. All of the comparable sales of land for residential subdivision were purchased with no improvements or only minimal improvements that were easily demolished by the buyer. In this case, Parcel D will be appraised as if vacant, so that it is comparable to the comparable sales properties.

1. Most Probable Buyer of Parcel D

The 23.71 acres remaining is referred to as Parcel D. The area includes the site of the existing buildings, the Water Utility easement, the road area connecting the site to Lake View Avenue, and the large sloping grassy area between the buildings and Northport Drive. The analysis of Parcel B, as a separate entity, was discussed in Section IV of this report. It was concluded that the high cost of rehabilitating the existing buildings and the high market demand risk as upscale apartment rentals would make it difficult to find a buyer for the buildings and surrounding site without the guarantee of some type of write-down, tax incremental financing, rent subsidy, financing subsidy, or tax credits to make the rehabilitation project feasible.

Therefore, for purposes of this analysis, it is assumed the site would have to be cleared by the seller to be marketable to a most probable buyer type. Given the potential asbestos problems, the solid construction of the existing improvements, and the preliminary demolition cost estimates of $290,000, the most probable buyer of Parcel D would not be willing to assume the risks inherent in the demolition of the existing complex of structures.

The most probable use of Parcel D, as if vacant, is for the development of single family home lots. An analysis of the comparable tracts of land having similar attributes indicates that the purchasers are usually local developers who intend to develop the tract as a single family or multifamily residential subdivision. Therefore, the most probable buyer for the 23.71 acres, assumed to be available for development without the existing buildings, would be a local residential developer, operating through a partnership, who is knowledgeable about the Madison political process and the Madison residential markets and who would purchase the property contingent upon receiving approval of any zoning changes or permits deemed necessary to maximize the potential residential use of the property.

2. Appraisal Methodology

Of the three basic methods of valuation, as discussed previously in the valuation of Parcel A, the third approach to value known as the Direct Sales or the Market Comparison Approach will be relied upon for the value estimate of Parcel D, the parcel of 23.71 acres remaining of the 46.21 acres after 22.5 acres of woods are designated as conservancy.

3. Market Comparison Approach to Most Probable Price

The initial search for comparable sales from which to infer a most probable selling price or a market value for the subject property included unimproved sites located in and around Madison which were greater than five acres in size and were sold in the last seven years. Two of the older sales are located on the Northeast side of Madison so they were kept in the initial pool of comparable sales for further research and analysis. The majority of the properties were purchased for single family home subdivisions, although some of the sites are zoned for multifamily residential uses. Of the eight sales researched and analyzed, only four of the more recent sales located in or near the Northeast side of Madison are used to estimate the most probable selling price of the subject property, Parcel D. Sales data and property attributes for the eight comparable sales are found in Exhibit V-11.

Although Comparable Sales No. 2, 3, 4, and 5 were all purchased for the development of single family residential subdivisions, there are significant differences among them. To account for these differences, the same weighting system used to value Parcel A, a computerized program known as QP4, is used to value Parcel D. This weighting system takes into account those characteristics which are price-sensitive such as size, neighborhood, views, potential site development problems, and purchase as an addition to a contiguous development. The scale for scoring the comparable sale properties and the subject site are found in Exhibit V-12 and the results of the QP4 program are found in Exhibit V-13.

Comparable Sale No. 4 was purchased by sealed bid from an estate for a record high price for residential land in the Madison market. In speaking with the buyer and others in the residential development business, it was estimated that the premium paid was approximately $40,000 to $50,000. But the buyer was very knowledgeable about the move-up homebuyer market in the area and based his decision to buy on an estimated one year sell-out of the property which is apparently going to be achieved. To test the effect of this sale on the estimated selling price of the subject, a second run of QP4 was done with only Comparable Sales No. 2, 3, and 5. The results are also included in Exhibit V-13.

The test of the reliability of the pricing algorithm, calculated by Gene Dilmore's QP4 program, is its ability to predict the actual sale price of each comparable sale. The percent error or variance is less than 1 percent in all cases, therefore, reliance can be placed upon the value estimate predicted for the subject property.

The results from the two pricing models, with and without Comparable No. 4, indicate an estimated selling price range of $8,000 to $8,500 per acre for the subject property. This translates to a square foot range of $0.18 to $0.195, or a total selling price range of $190,000 to $202,000, as if vacant, based on the sale prices paid for other vacant properties purchased for single family residential development.

4. External Influences on Most Probable Price

The most probable price an investor will be willing to pay for the property will be dependent upon his perception development risks. External influences on the most probable price include the timing, availability and cost of financing to the developer. Calculations to determine the most probable use of the property were based on current day financing terms and charges. Because of the extended time frame of the development scenario, the risk of increased financing costs as well as increased construction costs must be considered by the developer. Individual developer perceptions of future financial and economic conditions will influence the amount that he is willing to pay for the property.

Another external risk posed to a developer is prolonged approval of any zoning change that might be needed. In this case the property is already zoned R1 for single family homes. But there will be an attempt by some of the neighbors to block any type of development on the site, so there may be legal maneuvers before a sale could be finalized and the necessary permits granted.

5. Value Conclusion

The estimated range of value of Parcel D, a 23.71 acre parcel assumed vacant and ready for the development of single family home lots, is from $188,000 to $200,000 or $8,000 to $8,500 per acre using the Market Comparison Approach. The buyer simulation model used to evaluate the most probable use of the property indicated a range of residual land value of $146,000 to $172,000 for the two of the three single family home development scenarios. The buyer simulation model is useful to screen the investment power of development scenarios, but more reliance is given to the price derived from actual market sales.

THEREFORE, THE ANALYSTS CONCLUDE THAT THE MOST PROBABLE SELLING PRICE OF PARCEL D, A 23.71 ACRE PARCEL AS IF VACANT, AND AS OF SEPTEMBER 21, 1988, WITH CASH TO THE SELLER IS:

TWO HUNDRED THOUSAND DOLLARS

($200,000) $8,435/acre 0.19/sf

These value conclusions are subject to the assumptions, limiting conditions, and certifications contained throughout the report. A major assumption made for the valuation of Parcel D is that the site is vacant. In fact, the site is not vacant and the estimated cost of demolition of the improvements at $290,000 exceeds the Market Value of this parcel as though vacant.

C. Parcel C - The Remaining Parcel Assuming the Buildings Continue to Occupy Parcel B

1. Most Probable Buyer of Parcel C

The most probable use of Parcel C was determined to be the development of single family home lots, given the assumption that a commercial use would not be politically possible. A buyer of Parcel C would require future control over the existing buildings and the surrounding site known in this analysis as Parcel B as well as some veto power over future uses of the existing buildings and grounds that might be detrimental to a single family home development on Parcel C. A first right of refusal for Parcel B, if and when it would be offered for sale, would be required by a buyer of Parcel C. It is assumed that a buyer of Parcel C would also have an interest in the potential renovation of the existing buildings in the future should the economics change or the opportunity for subsidies become possible to make the project financially feasible.

As stated previously, an analysis of the comparable tracts of land having similar attributes indicates that the purchasers are usually local developers who intend to develop the tract as a single family or multifamily residential subdivision. Therefore, the most probable buyer for the 18 acres, more or less, assumed to be available for development just south and west of the existing buildings, would be a local residential developer, operating through a partnership, who is knowledgeable about the Madison political process, the Madison residential markets, and who has special development skills for the adaptive reuse of historic buildings. Parcel C would be purchased contingent upon the ability of the buyer to obtain all of the permits necessary to complete the proposed development.

2. Appraisal Methodology

Of the three basic methods of valuation, as discussed previously in the valuation of Parcel A, the third approach to value known as the Direct Sales or the Market Comparison Approach will be relied upon for the value estimate of the 18 acres located between the existing buildings and Northport Drive and known as Parcel C.

3. Market Comparison Approach to Most Probable Price

The same set of comparable sales used to value Parcel D are used to estimate the value of C. Sales data and property attributes for the eight comparable sales are found in Exhibit V-11. The scale for scoring the price sensitive attributes of the comparable sales and the subject property is found in Exhibit V-13. For the subject property, Parcel C, the score for view is reduce from a score of 5 to 1 because the value of the view quickly diminishes without the main crest of the hill where the buildings are located. The view to the north also suffers with the buildings hovering over the site and blocking the woods from view.

The pricing algorithm is the same as for Parcel D and the ability of the model to predict the actual sale prices of the comparable had a margin of error of less than 1 percent. Two pricing models were used, as for Parcel D, with and without Comparable Sale No. 4. The model which includes Comparable Sale No. 4 suggest a value of approximately $70,000. The model excluding this comparable sale suggests a value of $81,000 for Parcel C. Given the greater comparability of Parcel C with the remaining three comparable sales, the value estimate suggested by the Market Comparison Approach is $80,000 for Parcel C. This translates to a value of $4,500 per acre and approximately $0.10 per square foot.

4. Value Conclusion

The estimated value of Parcel C, an 18 acre parcel, more or less, assumed vacant and ready for the development of single family home lots, is $80,000 or $4,500 per acre using the Market Comparison approach to value. The buyer simulation model used to evaluate the most probable use of the property indicated a residual land value of $112,000 for the single family home development Scenario 1-D. There was no discount given to the retail sale prices of the Parcel C lots in this model to account for the adverse effect of the mixed use of the site. The buyer simulation model, used in Section IV to determine the most probable use of the various parcels, is useful to screen the investment power of development scenarios, but more reliance is given to the price derived from actual market sales.

THEREFORE, THE ANALYSTS CONCLUDE THAT THE MOST PROBABLE SELLING PRICE OF PARCEL C, AN 18 ACRE PARCEL LOCATED SOUTH OF THE EXISTING BUILDINGS AND BORDERING NORTHPORT DRIVE, ON THE LAKEVIEW SANATORIUM SITE, AS OF SEPTEMBER 21, 1988, WITH CASH TO THE SELLER IS:

EIGHTY THOUSAND DOLLARS
($80,000)

These value conclusions are subject to the assumptions, limiting conditions, and certifications contained throughout the report.

SECTION V
EXHIBITS

EXHIBIT V-1
MAP OF DANE COUNTY PARKS

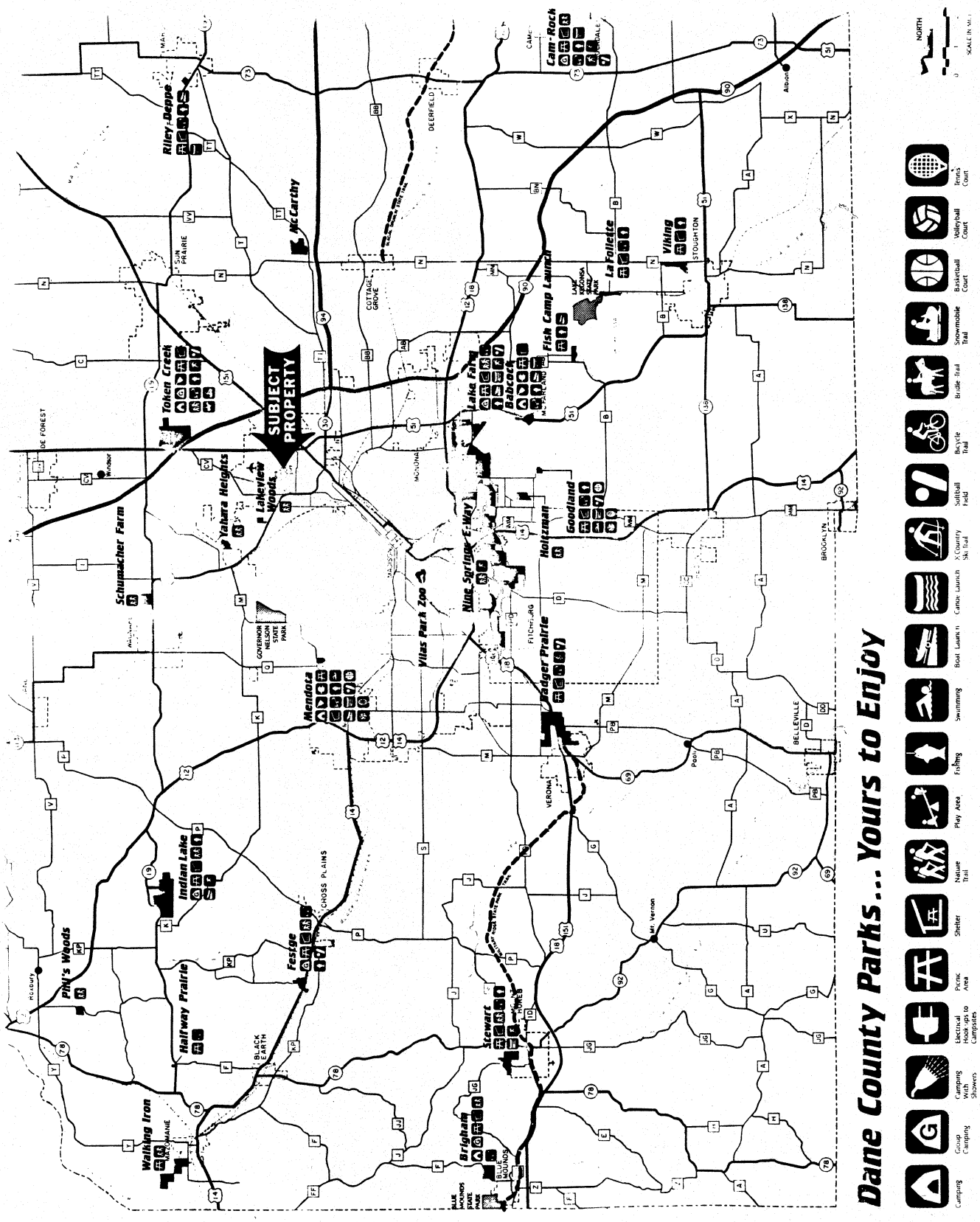


EXHIBIT V-2

PURCHASES OF LAND FOR CONSERVANCY PURPOSES
BY THE WISCONSIN CHAPTER OF THE NATURE CONSERVANCY

DATE OF SALE	LOCATION	NAME OF SITE	GRANTOR	GRANTEE	SIZE IN ACRES	PRICE	PRICE/ACRE
12/19/85	Columbia County	Baraboo River [1] Flood Plain Forest	Ralston	The Nature Conservancy	22	$20,625 [2]	$937.50
11/11/87	Sauk County	Baxter's Hollow [1]	Hill	The Nature Conservancy	40	$25,000	$625.00
11/23/87	Sauk County	Baxter's Hollow [1]	Jonas	The Nature Conservancy	5	$2,250	$450.00

[1] See Appendix C for descriptions of these properties taken from the Wisconsin Chapter of The Nature Conservancy publication, THE PLACES WE SAVE.

[2] This was a gift at the appraised value of $20,625.

EXHIBIT V-3

PURCHASES OF LAND FOR CONSERVANCY PURPOSES
BY THE WISCONSIN DEPARTMENT OF NATURAL RESOURCES

YEAR OF PURCHASE	PROPERTY LOCATION	GRANTOR/GRANTEE	SALE PRICE	SIZE OF PARCEL (ACRES)	PRICE/ACRE	ZONING AT TIME OF PURCHASE [2]	INTENDED USE/FOR USE AS
1987	Town of Dunn Pt. of Sections 17 & 18 Near Stace Road	Raymond Stace DNR	$171,000	114	$1,500 [3]	Agriculture	Scientific area to protect lower Lake Waubesa area. Can see State Capitol from site.
1986	Town of Dunn Pt. of Section 11 Eastern edge of lower Mud Lake	Marjory Sutton DNR	$11,000	16	$688 [4]	Agriculture & Flood Plain	Protected wetlands area around Mud Lake.
1986	Town of Burke Pt. of Section 8 Off County CV near Acker Road	McCarthy & McGilligan DNR	$10,200	19.2	$531	Agriculture & Flood Plain	Forms eastern edge of Cherokee Marsh.
1986	Town of Dunn Section 35 Off Rutland-Dunn County Line Rd	Leif Mikkelsen DNR	$1,650	4.7	$351	Agriculture & Flood Plain	Addition to larger parcel of wetlands for wildlife.
1984	Town of Christiana Pt. of Section 7	Edward Marty DNR	$28,057	59.07	$475	Agriculture & Flood Plain	Protected wetland area for wildlife.
1984	Town of Dunn Pt. of Section 10	LeRoy & Wilma Schaefer DNR	$67,700	68.3	$991 [5]	Agriculture & Flood Plain	Protected wetland area around Mud Lake.

[1] All sales cash to the seller.
[2] DNR does not request zoning change after purchase.
[3] Assume 50% of parcel wetlands and 50% developable uplands. If average price for wetlands is $500/acre, then uplands @ $2,700/acre.
[4] Includes 800' of Mud Lake frontage.
[5] Property has 1,400' of Mud Lake frontage and a small portion at southeastern edge is not in flood plain and is developable.

EXHIBIT V-4
Land Comparable Sales
For Wooded Single Family Home Sites
COMPARABLE SALE #1



ADDRESS: Section 27, Town of Middleton at intersection of County M and Valley View Road

DATE OF SALE: 7/29/87

GRANTOR: Ruth E. Allin

GRANTEE: Kris Lenz

RECORDING VOL/PG: 10405/16

DOCUMENT: Warranty Deed

SALE PRICE: $63,000

TERMS OF SALE: Cash to seller

ACREAGE: 7.6

ZONING: A-1 Agriculture

PRICE PER ACRE: $8,289

ADJUSTED FOR TIME: $8,485

PRICE PER SQUARE FOOT: $0.19

INTENDED USE: Single Family Homesite

IMPROVEMENTS: Large single family home

COMMENTS: Heavily wooded site with opening at top for home.

Lot slopes upward from County Trunk M at junction of Valley View Road.

Proximity to shopping and privacy important to buyer.

Gas (MG&E) and electricity (WP&L) available. No sewer and water to site at time of sale.

SALE CONFIRMED: David Lenz.

EXHIBIT V-4 (Continued)
Land Comparable Sales
For Wooded Single Family Home Sites
COMPARABLE SALE #2



ADDRESS: Off High Point Road at southwestern corner of Elver Park, Section 35, Town of Middleton

DATE OF SALE: 12/4/87

GRANTOR: Karen N. McKean

GRANTEE: City of Madison

RECORDING VOL/PG: 10887/18

DOCUMENT: Warranty Deed

SALE PRICE: $69,000

TERMS OF SALE: Cash to Seller

ACREAGE: 8.96

ZONING: A-1 Agriculture

PRICE PER ACRE: $7,700

ADJUSTED FOR TIME: $7,841

PRICE PER SQUARE FOOT: $0.18

INTENDED USE: Expansion of Elver Park

IMPROVEMENTS: None

COMMENTS: Site is wooded and on a ridge overlooking High Point Road to the west and Elver Park to the northeast.

SALE CONFIRMED: City of Madison Real Estate Department.

EXHIBIT V-4 (Continued)
Land Comparable Sales
For Wooded Single Family Home Sites
COMPARABLE SALE #3



ADDRESS: At end of Jeffy Trail off Midtown Road, Section 3, Town of Verona

DATE OF SALE: 10/29/86

GRANTOR: Joann Junkins, et al

Grantee: Stanley R. & Kathleen Morley

RECORDING VOL/PG: 9006/64

DOCUMENT: Warranty Deed

SALE PRICE: $70,000

TERMS OF SALE: Cash to seller

ACREAGE: 15+

ZONING: A-1 Exclusive

PRICE PER ACRE: $4,667

ADJUSTED FOR TIME: $4,898

PRICE PER SQUARE FOOT: $0.107

INTENDED USE: Single Family Homesite

IMPROVEMENTS: None to date

COMMENTS: Open land with approximately 3 acres of mature trees at perimeter of site. Many evergreens planted on site several years ago and will be mature in approximately 5 years to increase density of woods on site.

No utilities, sewer or water on site. Expectation that development of golf course by University of Wisconsin Foundation will enhance development in area.

SALE CONFIRMED: William Krell, broker and previous property owner.

EXHIBIT V-4 (Continued)
For Wooded Single Family Home Sites
COMPARABLE SALE #4



ADDRESS: Whalen Road east of Fish Hatchery Road, Section 22, City of Fitchburg

DATE OF SALE: 10/24/86

GRANTOR: David C. and Sandra J. Hall **GRANTEE:** George and Dorothy Gabrielse

RECORDING VOL/PG: 8982/37 **DOCUMENT:** Warranty Deed

SALE PRICE: $78,000 **TERMS OF SALE:** Cash to seller

ACREAGE: 20 acres total with 12 acres qualified for Woodland Tax Law approximately 1980 for 15 years[1]

PRICE PER ACRE: $3,900 **ADJUSTED FOR TIME:** $4,093

PRICE PER SQUARE FOOT: $0.09 **ZONING:** A-T Agricultural

INTENDED USE: Single family homesite with potential for some subdivision in future Woodland Tax qualification prevents any other use than growing timber unless owner pays penalty.

IMPROVEMENTS: Large single family home newly constructed at crest of site with woods to rear of home.

COMMENTS: Approximately 8 acres of tillable land on south was used as corn land by seller. Seller planted over 5,000 evergreens at north end of site in 1980 to supplement mature trees.

SALE CONFIRMED: David C. Hall, seller.

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[1]See Appendix for Wisconsin Assessment Manual explanation of Woodland Tax Law

EXHIBIT V-4 (Continued)
Land Comparable Sales
For Wooded Single Family Home Sites
COMPARABLE SALE #5



ADDRESS: 4519 Rocky Dell Road, Parts of Sections 6 and 7, Town of Middleton

DATE OF SALE: 1/8/86

GRANTOR: Margaret Cleary **GRANTEE:** Ralph H. and Marie Jackson

RECORDING VOL/PG: 7688/44 **DOCUMENT:** Land Contract

SALE PRICE: $45,000

TERMS OF SALE: $20,000 down (44%), balance in annual installments of not less than $5,000 with interest paid in arrears @ 11%/annum. Total payments must include a minimum of $7,480 interest. No adjustment for cash equivalency.

ACREAGE: 20 **ZONING:** A-1 Agriculture

PRICE PER ACRE: $2,250 **Adjusted for Time:** $2,400

PRICE PER SQUARE FOOT: $0.05

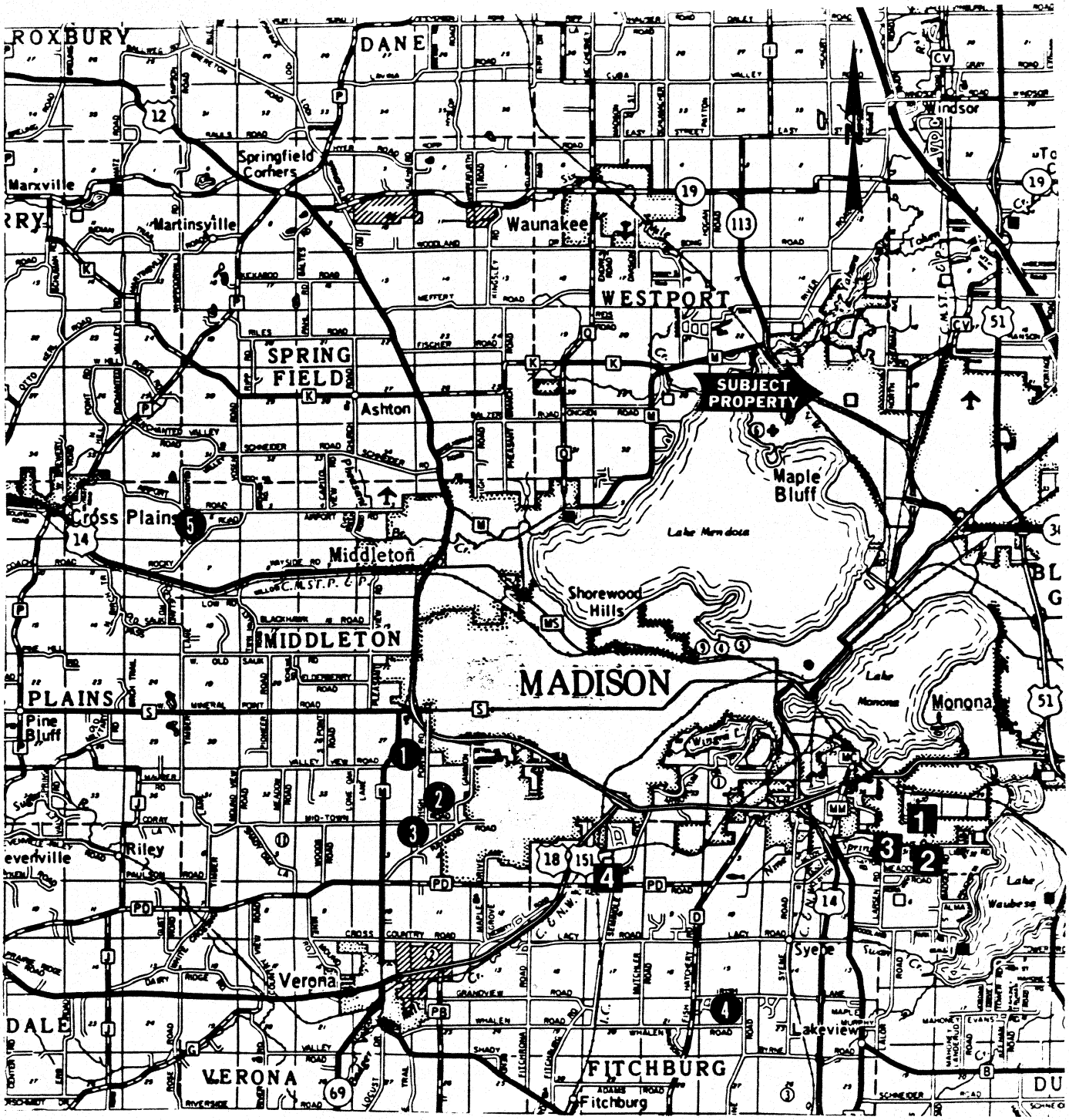
INTENDED USE: Single Family Homesite

IMPROVEMENTS: Large newly constructed single family home

COMMENTS: This steeply sloping site is accessed from Rocky Dell Road; a compact gravel road winds up the hill to the homesite at the crest. The site is wooded both at the lower and upper levels.

SALE CONFIRMED: Land contract document.

EXHIBIT V-5
LOCATION OF COMPARABLE SALES OF WOODED HOMESITES
AND
AGRICULTURE/CONSERVANCY LAND



LEGEND

● Wooded Homesites

■ Agriculture/Conservancy Land

EXHIBIT V-6
SCALE FOR SCORING COMPARABLE SALES
OF SINGLE FAMILY WOODED HOMESITES
BASED ON PRICE SENSITIVE ATTRIBUTES

PARCEL A
LAKEVIEW WOODS

ATTRIBUTE	WEIGHT	SCALE
SIZE OF SITE	10%	5 = Less than 10 acres 3 = 10 to 19 acres 1 = 20 acres or larger
WOODEDNESS OF SITE	10%	5 = 75% to 100% quality woods on site 3 = Mix of woods and open fields OR low quality woods 1 = Less than 25% of site in woods
DYNAMIC ATTRIBUTES OF SURROUNDING AREA	20%	5 = Adjacent to prestige subdivisions e.g. Applewood, Cherrywood, Cherokee Park or Seminole Forest 3 = Near, but not closely associated with, prestigious area 1 = No identification with prestigious area or isolated homesite
TOPOGRAPHY/VIEW POTENTIAL	60%	5 = Gentle upward slope with excellent view lines 3 = Level with elevated area for homesite 1 = Level with no elevated homesite areas OR extremely steep with limited homesite area

EXHIBIT V-7
MARKET COMPARISON VALUATION POINT SCORE ANALYSIS
FOR PARCEL A AS A WOODED SINGLE FAMILY HOMESITE

Project title: LAKEVIEW WOODS AS WOODED HOMESITE

Unit prices Search interval = 5

	SIZE	WOODS	PREST	TOPOG	Price
Prel. wts.	10	10	20	60	-
LENZ	5	5	5	5	$8485.00
CITY OF MAD	5	5	3	5	$7841.00
MORLEY	3	3	3	3	$4898.00
GABRIELSE	1	3	1	3	$4093.00
JACKSON	1	5	1	1	$2400.00
LAKEVIEW WO	1	5	1	5	-

Weighted Matrix

Attribute	SIZE	WOODS	PRESTIGE	TOPOGRAP	WtdScr
Initial weights	25	25	25	25	100
Final weights	10	10	20	60	100
LENZ	5/ 0.50	5/ 0.50	5/ 1.00	5/ 3.00	5.00
CITY OF MADISO	5/ 0.50	5/ 0.50	3/ 0.60	5/ 3.00	4.60
MORLEY	3/ 0.30	3/ 0.30	3/ 0.60	3/ 1.80	3.00
GABRIELSE	1/ 0.10	3/ 0.30	1/ 0.20	3/ 1.80	2.40
JACKSON	1/ 0.10	5/ 0.50	1/ 0.20	1/ 0.60	1.40
LAKEVIEW WOODS	1/ 0.10	5/ 0.50	1/ 0.20	5/ 3.00	3.80

Mean Price Per Point Method: Predicted vs. Actual Price for Comparables

	Predicted Price	Actual price	Error	% Error
LENZ	$8453.93	$8485.00	-$31.07	0.37%
CITY OF MADISON	$7777.62	$7841.00	-$63.38	0.81%
MORLEY	$5072.36	$4898.00	$174.36	3.56%
GABRIELSE	$4057.89	$4093.00	-$35.11	0.86%
JACKSON	$2367.10	$2400.00	-$32.90	1.37%

EXHIBIT V-7 (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$1690.79
Dispersion About the Mean:	$33.07
Coefficient of Variation :	0.02

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per ACRES
Low Estimate	3.80	X	$1657.72	=	$6299.33
Central Tendency	3.80	X	$1690.79	=	$6424.99
High Estimate	3.80	X	$1723.85	=	$6550.65

Transaction Zone: Mean Price Per Point Method

Number of ACRES in subject property: 22.5

Low Estimate	$141,735	or	$142,000
Central Tendency	$144,562	or	$145,000
High Estimate	$147,390	or	$147,000
	Coefficient of Variation		= 0.02

Iterations

	SIZE	WOODS	PREST	TOPOG	S.D.	Mean
Prelim. Wts.	25	25	25	25	304.0667	1663.722
Pass # 1	30	15	20	35	202.0658	1716.146
Pass # 2	20	10	25	45	119.8815	1747.089
Pass # 3	15	10	20	55	52.2987	1705.617
Pass # 4	10	10	20	60	33.06295	1690.787
Pass # 5	10	10	20	60	33.06295	1690.787

EXHIBIT V-8
COMPARABLE SALES FOR AGRICULTURE/CONSERVANCY LAND

COMPARABLE SALE #1

ADDRESS: Moorland Road & Lake Farm Road, City of Madison, Wisconsin, Section of Town of Blooming Grove

GRANTOR: Marie F. Nobbs

GRANTEE: Dane County

RECORDING VOL/PG: G247/22

DOCUMENT: Warranty Deed

DATE OF SALE: 10/84

SALE PRICE: $56,240 - Price based upon 19.2 acres of lowlands (marsh) (47%) @ $700/acre; 21.4 acres of uplands (tillable & woods) (53%) @ $2,000/acre

TERMS OF SALE: Cash to seller

ACREAGE: 40.6

PRICE PER ACRE: $1,385 **ADJUSTED FOR TIME:** $1,535/acre

ZONING: Approximately 17 acres in a Conservancy District and remainder is an Agriculture District with 19.2 acres in a Flood Plain District

INTENDED USE: Part of Nine Springs E-Way

IMPROVEMENTS: Old house and sheds of no value were demolished by buyer.

SALE CONFIRMED: Buyer

COMMENTS: Lowland marsh north of Moorland Road with some trees is Conservancy zoned area. Most of area south of Moorland Road is a gently rolling area in cropland with some trees along the Nine Springs Creek and the old homestead.

EXHIBIT V-8 (Continued)
Comparable Sales
For Agriculture/Conservancy Land

COMPARABLE SALE #2

ADDRESS: West of corner of Meadowview and Lake Farm Roads, City of Madison, Wisconsin, which lies in Section 31 of Town of Blooming Grove

GRANTOR: Jerome Sinaiko Estate

GRANTEE: Dane County

RECORDING VOL/PG:

DOCUMENT: Warranty Deed

DATE OF SALE: 4/86

SALE PRICE: $26,800

TERMS OF SALE: Cash to seller

ACREAGE: 17.64

PRICE PER ACRE: $1,519 **ADJUSTED FOR TIME:** $1,612

ZONING: In Agriculture District

INTENDED USE: Part of Nine Springs E-Way

IMPROVEMENTS: None

SALE CONFIRMED: Buyer

COMMENTS: The property purchased is at north edge of property which fronts on Meadowview Road, predominately, and on Lake Farm Road. Nine Springs Creek forms the northern border of the property purchased. Some woods are located on the property.

EXHIBIT V-8 (Continued)

Comparable Sales
For Agriculture/Conservancy Land

COMPARABLE SALE #3

ADDRESS: 4680 Meadowview Road just east of Comparable 2 but in Section 31 of Town of Blooming Grove

GRANTOR: Clarice Thrun Pagel

GRANTEE: Dane County

RECORDING VOL/PG: 6541/65

DOCUMENT: Warranty Deed

DATE OF SALE: 9/85

SALE PRICE: $39,084 - price based upon 9.13 acres of uplands @ $3,000/acre; 20.53 acres of lowlands @ $900/acre

TERMS OF SALE: Cash to seller

ACREAGE: 29.66

PRICE PER ACRE: $1,317 **ADJUSTED FOR TIME:** $1,425

ZONING: A-1 Exclusive Agriculture

INTENDED USE: Part of Nine Springs E-Way

IMPROVEMENTS: None

SALE CONFIRMED: Buyer

COMMENTS: Estimated 9.13 acres (31%) uplands and 20.53 acres (69%) of lowlands (Flood Plain)

EXHIBIT V-8 (Continued)
Land Comparable Sales
For Agriculture/Conservancy Land

COMPARABLE SALE #4

ADDRESS:	City of Fitchburg just south of Dunn's Marsh
GRANTOR:	D. C. Schmidt
GRANTEE:	Dane County Parks Commission
RECORDING VOL/PG:	N/A
DOCUMENT:	Warranty Deed
DATE OF SALE:	March 1988
SALE PRICE:	$67,772.69
TERMS OF SALE:	Cash to seller
ACREAGE:	19.4
PRICE PER ACRE:	$3,493 **ADJUSTED FOR TIME:** None
ZONING:	A-T Transitional Agriculture
INTENDED USE:	For Nine Springs Environmental Corridor

IMPROVEMENTS: None, but could be developed as single or multiple homesites.

COMMENTS: Topography is rolling with a gradual slope to the north. The site is wooded with hardwood, brushy growth and abandoned apple trees. The cost of an extension of municipal water and sewer for a subdivision is prohibitive at this time. Therefore the best use is as a single family homesite that uses a well and septic system.

This is a distressed sale with the owner in Chapter 11 and the property was sold at auction. This property cannot be used as a comparable sale.

The appraised value as of May 1987 had been $4,124 per acre.

EXHIBIT V-9

SCALE FOR SCORING COMPARABLE SALES
OF LAND IN NINE SPRINGS E-WAY AREA
ZONED AGRICULTURE/CONSERVANCY
BASED ON PRICE SENSITIVE ATTRIBUTES

ATTRIBUTE	WEIGHT	SCALE
GROUND COVER	10%	5 = 100% wooded 3 = Moderately wooded 1 = Less than 15% wooded
PROXIMITY TO URBAN AREA	40%	5 = Within an urban area 3 = Within 3 miles of urban area 1 = More than 5 miles from urban area
TOPOGRAPHY	5%	5 = All uplands with good view points 3 = More than 50% uplands with at least one elevated point 1 = More than 50% lowlands
SIZE OF PARCEL	45%	5 = Less than 20 acres 3 = Between 20 and 30 acres 1 = Greater than 30 acres

EXHIBIT V-10
MARKET COMPARISON VALUATION POINT SCORE ANALYSIS
FOR PARCEL A VALUED AS AGRICULTURE/CONSERVANCY LAND

Project title: LAKEVIEW WOODS AS AGRICULTURE/CONSERVANCY LAND

Unit prices Search interval = 5

	GROUN	PROXI	TOPOG	SIZE	Price
Prel. wts.	10	40	5	45	-
NOBBS	3	3	3	1	$1535.00
SINAIKO	3	1	3	3	$1613.00
PAGEL	1	1	1	3	$1425.00
LAKEVIEW WO	5	5	5	3	-

Weighted Matrix

Attribute	GROUND C	PROXIMIT	TOPOGRAP	SIZE	WtdScr
Initial weights	25	25	25	25	100
Final weights	10	40	5	45	100
NOBBS	3/ 0.30	3/ 1.20	3/ 0.15	1/ 0.45	2.10
SINAIKO	3/ 0.30	1/ 0.40	3/ 0.15	3/ 1.35	2.20
PAGEL	1/ 0.10	1/ 0.40	1/ 0.05	3/ 1.35	1.90
LAKEVIEW WOODS	5/ 0.50	5/ 2.00	5/ 0.25	3/ 1.35	4.10

Mean Price Per Point Method: Predicted vs. Actual Price for Comparables

	Predicted Price	Actual price	Error	% Error
NOBBS	$1549.89	$1535.00	$14.89	0.97%
SINAIKO	$1623.70	$1613.00	$10.70	0.66%
PAGEL	$1402.29	$1425.00	-$22.71	1.59%

EXHIBIT V-10 (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$738.04
Dispersion About the Mean:	$10.41
Coefficient of Variation :	0.01

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per ACRES
Low Estimate	4.10	X	$727.63	=	$2983.30
Central Tendency	4.10	X	$738.04	=	$3025.98
High Estimate	4.10	X	$748.46	=	$3068.67

Transaction Zone: Mean Price Per Point Method

Number of ACRES in subject property: 22.5

Low Estimate	$67,124	or	$67,000
Central Tendency	$68,085	or	$68,000
High Estimate	$69,045	or	$69,000
	Coefficient of Variation		= 0.01

Iterations

	GROUN	PROXI	TOPOG	SIZE	S.D.	Mean
Prelim. Wts.	25	25	25	25	185.6396	736.4
Pass # 1	15	35	15	35	90.45062	735.6437
Pass # 2	10	40	5	45	10.41336	738.0447
Pass # 3	10	40	5	45	10.41336	738.0447

EXHIBIT V-11

SUBDIVISION LAND SALES
COMPARABLE SALE #1



ADDRESS: Loeprich Lane at Sauthoff Road, Madison, Wisconsin - Northeast Side

LEGAL DESCRIPTION: Lot 2 of Certified Survey Map #3959, recorded in Volume 16 of Certified Surveys, pages 236, 237 and 238, as Document No. 1750487.

SALES PRICE: $20,000

DATE OF SALE: 12/1/82

CASH EQUIVALENT PRICE: $18,500

TYPE OF DOCUMENT: Land Contract

SITE SIZE: 237,838 SF OR 5.46 acres

DOCUMENT NUMBER: 1766363

CASH PRICE PER SF: $0.0778

VOLUME/PAGE: V4173, P62

TIME ADJUSTED CASH PRICE: $0.0925/SF OR $4,030/Acre

ZONING: Agriculture District (at time of sale)

UNITS PLANNED -

TYPE: Single family lots

TOTAL NUMBER: 16

UNITS PER ACRE OF RAW LAND: 2.93

CASH PRICE PER LOT: $1,156

GRANTOR: Eileen R. and Gregory Cirves

GRANTEE: Robert C. Voss

COMMENTS: This 5.46 acre parcel is located at the northeast corner of the intersection of Loeprich Lane and Sauthoff Road. It has been platted as part of the Westport Meadows Subdivision Lots 90 through 105. These lots will be accessed by an extension of Knutson Drive. The property was sold for $20,000 with no down payment and interest only at 9% per year with release clauses for any lots that were sold and the total to be paid within 5 years. The interest rate was at least 2% below normal at the time, therefore, the discounted cash equivalent price is $18,500.

EXHIBIT V-11 (Continued)

SUBDIVISION LAND SALES
COMPARABLE SALE #2



ADDRESS: Lerdahl Road at Nova Way, Madison, Wisconsin - Northeast Side

LEGAL DESCRIPTION: Lengthy - Tenth addition to North Shore, Part of Lot B - CSM No. 63, Govt Lot 2, Section 35, T8N, R9E

SALES PRICE: $85,000 **DATE OF SALE:** 5/12/87

SITE SIZE: 282,704 SF OR 6.49 Acres **TYPE OF DOCUMENT:** Land Contract

CASH PRICE PER SF: $0.3066 **DOCUMENT NUMBER:** 2019186

TIME ADJUSTED PRICE: $0.3145/SF OR $13,700/Acre

ZONING: R-1 (at time of sale) **VOLUME/PAGE:** V10036, P30

UNITS PLANNED -

TYPE: Single family lots **TOTAL NUMBER:** 18

UNITS PER ACRE OF RAW LAND: 2.77 **CASH PRICE PER LOT:** $4,722

GRANTOR: East Madison Realty Company **GRANTEE:** Midland Builders, Inc.

COMMENTS: This 6.49 acre parcel is located south of Luster Avenue and east of Harper Road that had been bypassed in the original construction period of the area. This parcel was platted as the Tenth Addition to North Shore. Streets and utilities were available on all sides of the site. No adjustment to price for cash equivalency.

EXHIBIT V-11 (Continued)

SUBDIVISION LAND SALES
COMPARABLE SALE #3



ADDRESS: 2601 Portage Road, Madison, Wisconsin - Northeast Side

LEGAL DESCRIPTION: The South 1/2 of the Northwest 1/4 of the Northeast 1/4 of Section 28, Township 8 North, Range 10 East, in the City of Madison.

SALES PRICE: $139,300 **DATE OF SALE:** 1/11/88

CASH EQUIVALENT PRICE: $121,400

SITE SIZE: 858,132 SF OR 19.7 Acres **TYPE OF DOCUMENT:** Warranty Deed

CASH PRICE PER SF: $0.1415 **DOCUMENT NUMBER:** 2062517

TIME ADJUSTED CASH PRICE: $0.1434/SF OR $6,245/Acre

ZONING: R-1 (at time of sale) **VOLUME/PAGE:** V11004, P38

UNITS PLANNED -

TYPE: Single family lots **TOTAL NUMBER:** 59

UNITS PER ACRE OF RAW LAND: 2.99 **CASH PRICE PER LOT:** $2,058

GRANTOR: Mary B. and Francis M. Bosold **GRANTEE:** Ray Yunker

COMMENTS: This 19.7 acre parcel is located on the east side of Portage Road between Derek Road and Melody Lane. The property was platted as the Clarendon Hills Subdivision. The purchase price of $139,300 was seller financed with four equal annual payments with no interest. Discounting this payment plan at 10% per year would provide a cash equivalent price of $121,400. Reported problems with large boulder below surface.

EXHIBIT V-11 (Continued)

SUBDIVISION LAND SALES
COMPARABLE SALE #4



ADDRESS: 4918 E. Buckeye Road, Madison, Wisconsin - Northeast Side

LEGAL DESCRIPTION: The East 693 feet of the Northeast 1/4 of the Northwest 1/4 of Section 15, Township 7 North, Range 10 East, except the North 30 feet for Starker Avenue and except the Southerly 43 feet for Buckeye Road, City of Madison, Dane County, Wisconsin.

SALES PRICE: $401,595

DATE OF SALE: 5/31/88

DISCOUNTED ADJUSTED SALE PRICE: $356,595

SITE SIZE: 877,580 SF OR 20.15 Acres

TYPE OF DOCUMENT: Personal Reps Deed

ADJUSTED PRICE: $0.4063/SF OR $17,700/Acre

DOCUMENT NUMBER: 2084128

ZONING: R-1 (at time of sale)

VOLUME/PAGE: V11495, P20

UNITS PLANNED -

TYPE: Single family lots

TOTAL NUMBER: 61

UNITS PER ACRE OF RAW LAND: 3.03

CASH PRICE PER LOT: $5,846

GRANTOR: Estate of Doris Jaarsma

GRANTEE: Simon Investments, Inc.

COMMENTS: This 20.15 acre parcel is located North of Buckeye Road between Woodvale Drive and Tarragon Drive. The property was platted as the First Addition to Buckeye Hill Estates. Sale was conducted by sealed bid. Price discounted by $45,000, as per buyer, to adjust for premium paid for sealed bid to purchase adjoining property. No price adjustment for time.

EXHIBIT V-11 (Continued)

SUBDIVISION LAND SALES
COMPARABLE SALE #5



ADDRESS: Milwaukee Street, Madison, Wisconsin

LEGAL DESCRIPTION: Lots 1 through 102, inclusive, Kennedy School Addition to Heritage Meadows, City of Madison, Dane County, Wisconsin.

SALES PRICE: $242,000

DATE OF SALE: 6/29/83

SITE SIZE: 1,311,156 SF OR 30.1 Acres

TYPE OF DOCUMENT: Land Contract

PRICE PER SF: $0.1846

DOCUMENT NUMBER: 1787512

TIME ADJUSTED PRICE: $0.2162/SF OR $9,420/Acre

ZONING: R-1 (at time of sale)

VOLUME/PAGE: V4645, P96

UNITS PLANNED -

TYPE: Single family lots

TOTAL NUMBER: 102

UNITS PER ACRE: 3.38

CASH PRICE PER LOT: $2,373

GRANTOR: Board of Education, Madison

GRANTEE: Midland Builders, Inc.

COMMENTS: This 30.1 acre parcel is located between Milwaukee Street and Coach House Road. The property had an approved preliminary plat for single family homes known as Lots 1 through 102 of the Kennedy School Addition to Heritage Meadows. Thirteen of the lots facing Milwaukee were fully improved and ready for immediate construction. No price adjustment for cash equivalency.

EXHIBIT V-11 (Continued)

SUBDIVISION LAND SALES
COMPARABLE SALE #6



ADDRESS: 3202 Portage Road, Madison, Wisconsin

LEGAL DESCRIPTION: Being part of the SE 1/4 of the SW 1/4, and part of the NE 1/4 of the SW 1/4, and part of the SW 1/4 of the SE 1/4, of Section 21, T8N, R10E, City of Madison, Dane County, Wisconsin.

SALES PRICE: $204,942

DATE OF SALE: 6/30/81

SITE SIZE: 1,659,636 SF OR
38.1 Developable Acres & 6 Acres Lowland

TYPE OF DOCUMENT: Land Contract

PRICE PER SF: $0.1235

DOCUMENT NUMBER: 1721803

TIME ADJUSTED PRICE: $0.1590/SF OR $6,925/Acre

ZONING: N/A (at time of sale)

VOLUME/PAGE: V3151, P45

UNITS PLANNED -

TYPE: Single family and Multifamily lots

TOTAL NUMBER: 125

UNITS PER ACRE OF RAW LAND: 3.29

CASH PRICE PER LOT: $1,640

GRANTOR: Geneva Felland Bartlett

GRANTEE: T. W. Weber, Inc.

COMMENTS: This 44.1 acre parcel is located at the northeast corner of Portage and Reider Roads. The property was platted as Sun Gardens Subdivision. Approximately six acres of the property is lowland and is divided into 49 outlots. These six acres are not suitable for development for homesites. Approximately 60 lots sold to date. No price adjustment made for cash equivalency.

EXHIBIT V-11 (Continued)

SUBDIVISION LAND SALES
COMPARABLE SALE #7



ADDRESS: McKee Road (County PD) at Maple Grove Road, Madison, Wisconsin

LEGAL DESCRIPTION: Part of the East 1/2 of the SW 1/4 of Section 1, T6N, R8E, Town of Verona, Dane County, Wisconsin.

SALES PRICE: $325,000

DATE OF SALE: 8/20/86

SITE SIZE: 3,354,120 SF OR 77 Acres

TYPE OF DOCUMENT: Special Warranty Deed

PRICE PER SF: $0.0969

DOCUMENT NUMBER: 1971822

TIME ADJUSTED PRICE: $0.1020/SF OR $4,440/Acre

ZONING: A-3 (at time of sale)

VOLUME/PAGE: V8954, P66

UNITS PLANNED -

TYPE: Single family lots

TOTAL NUMBER: 79 on 27.5 acres

UNITS PER ACRE OF RAW LAND: 2.87

CASH PRICE PER LOT: $1,469

GRANTOR: Atlantic Richfield Company

GRANTEE: Monson Construction Co

COMMENTS: This 77 acre parcel is located at the northeast corner of McKee Road (County PD) and Maple Grove Road. At the present time only 27.5 acres have been subdivided into 79 lots known as the Maple Grove Subdivision. The remaining 49.5 acres are currently used for agriculture purposes and will be developed next year. At full development Monson estimates a total of 132 single family lots and 600 multifamily units on site. Sale was contingent on City of Madison annexation and preliminary plat approval.

EXHIBIT V-11 (Continued)

SUBDIVISION LAND SALES
COMPARABLE SALE #8



ADDRESS: McKee Road (County PD), Madison, Wisconsin

LEGAL DESCRIPTION: Part of the NE, SE, SW and NW quarters of the SE one quarter of Section 1, Township 6 North, Range 8 East, City of Madison, Dane County, Wisconsin.

SALES PRICE: $530,565

DATE OF SALE: 10/7/87

SITE SIZE: 4,425,696 SF OR 101.6 Acres

TYPE OF DOCUMENT: Land Contract

PRICE PER SF: $0.1199

DOCUMENT NUMBER: 2050685

TIME ADJUSTED PRICE: $0.1220/SF OR $5,315/Acre

ZONING: A-3 (at time of sale)

VOLUME/PAGE: V10728, P63

UNITS PLANNED -

TYPE: Single family & multifamily lots

TOTAL NUMBER: N/A

UNITS PER ACRE OF RAW LAND: N/A

CASH PRICE PER LOT: N/A

GRANTOR: Herbert F. Kietzke and Chloris I. Kietzke

GRANTEE: Midland Builders, Inc.

COMMENTS: This 101.6 acre parcel is located on McKee Road (County PD) just east of Maple Grove Road. The subdivision was platted as Prairie Hills Addition to Meadowood and will be developed with single family and multifamily lots. Lots will be sold beginning early next year. Sale was contingent on site being annexed by City of Madison and preliminary plat approval. No adjustment to price for cash equivalency.

EXHIBIT V-12
MAP LOCATING RESIDENTIAL SUBDIVISION LAND COMPARABLE SALES

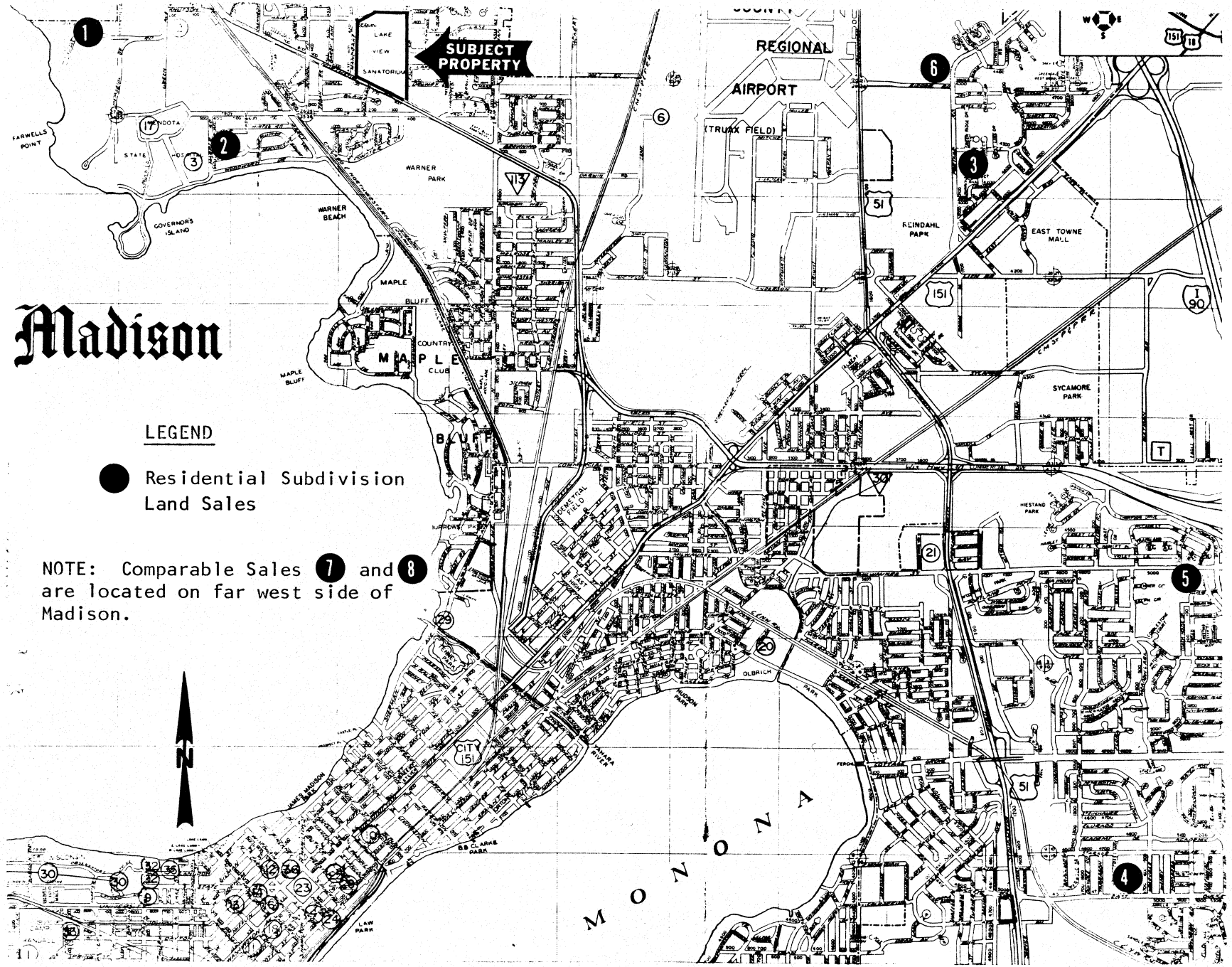


EXHIBIT V-13

SCALE FOR SCORING COMPARABLE SALES
OF RAW LAND INTENDED FOR RESIDENTIAL DEVELOPMENT
BASED ON PRICE SENSITIVE ATTRIBUTES

PARCELS C AND D

ATTRIBUTE	WEIGHT	SCALE
PERCEPTION OF NEIGHBORHOOD PRESTIGE	45%	5 = Adjacent to high income area and/or high demand for move-up housing in area 3 = Average neighborhood - homogeneous 1 = Mixed quality of homes - majority first-time homes
SIZE OF SITE	5%	5 = Less than or equal to 10 acres 3 = Greater than 10 acres, but less than 30 acres 1 = Greater than or equal to 30 acres
SITE DEVELOPMENT PROBLEMS	15%	5 = No problems 3 = Moderate to low risks with slopes or bedrock problems 1 = Moderate to high risk problems, e.g. bedrock, boulders or slope
VIEW POTENTIAL	30%	5 = At least 55% of lots have view 3 = At least 25% of lots have view 1 = Limited to no view for all lots
ADDITION TO EXISTING PLOT	5%	1 = Yes 0 = No

EXHIBIT V-14
MARKET COMPARISON VALUATION POINT SCORE ANALYSIS
FOR PARCEL D
USING FOUR COMPARABLE SALES

Project title: ESTIMATE OF MOST PROBABLE SELLING PRICE - PARCEL D

Unit prices Search interval = 5

	NEIGH	SIZE	SITE	VIEW	ADDIT	Price
Prel. wts.	45	5	15	30	5	-
NORTH SHORE	5	5	5	1	1	$13700
CLARENDON H	1	3	1	3	0	$6245
BUCKEYE EST	5	3	5	5	1	$17700
HERITAGE	3	1	5	1	1	$9420
LAKEVIEW	1	3	1	5	0	-

Weighted Matrix

Attribute	NEIGHBOR	SIZE	SITE PRO	VIEW	ADDITION	WtdScr
Initial weights	20	20	20	20	20	100
Final weights	45	5	15	30	5	100
NORTH SHORE	5/ 2.25	5/ 0.25	5/ 0.75	1/ 0.30	1/ 0.05	3.60
CLARENDON HILL	1/ 0.45	3/ 0.15	1/ 0.15	3/ 0.90	0/ 0.00	1.65
BUCKEYE ESTATE	5/ 2.25	3/ 0.15	5/ 0.75	5/ 1.50	1/ 0.05	4.70
HERITAGE	3/ 1.35	1/ 0.05	5/ 0.75	1/ 0.30	1/ 0.05	2.50
LAKEVIEW	1/ 0.45	3/ 0.15	1/ 0.15	5/ 1.50	0/ 0.00	2.25

Mean Price Per Point Method: Predicted vs. Actual Price for Comparables

	Predicted Price	Actual price	Error	% Error
NORTH SHORE	$13,612	$13,700	-$88	0.64%
CLARENDON HILLS	$6,239	$6,245	-$6	0.10%
BUCKEYE ESTATES	$17,771	$17,700	$71	0.40%
HERITAGE	$9,453	$9,420	$33	0.35%

EXHIBIT V-14 (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$3781.09
Dispersion About the Mean:	$18.40
Coefficient of Variation :	0.00

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per ACRES
Low Estimate	2.25	X	$3762.69	=	$8466.05
Central Tendency	2.25	X	$3781.09	=	$8507.45
High Estimate	2.25	X	$3799.49	=	$8548.86

Transaction Zone: Mean Price Per Point Method

Number of ACRES in subject property: 23.71

Low Estimate	$200,730	or	$201,000
Central Tendency	$201,712	or	$202,000
High Estimate	$202,693	or	$203,000
	Coefficient of Variation		= 0.00

Iterations

	NEIGH	SIZE	SITE	VIEW	ADDIT	S.D.	Mean
Prelim. Wts.	20	20	20	20	20	332.8124	4218.063
Pass # 1	30	10	15	25	20	107.0739	4287.851
Pass # 2	40	5	15	30	10	55.93282	3947.718
Pass # 3	45	5	15	30	5	18.3761	3781.09
Pass # 4	45	5	15	30	5	18.3761	3781.09

EXHIBIT V-14
MARKET COMPARISON VALUATION POINT SCORE ANALYSIS
FOR PARCEL D
USING THREE COMPARABLE SALES

Project title: ESTIMATE OF MOST PROBABLE SELLING PRICE - PARCEL D

Unit prices Search interval = 5

	NEIGH	SIZE	SITE	VIEW	ADDIT	Price
Prel. wts.	20	15	20	20	25	-
NORTH SHORE	5	5	5	1	1	$13700
CLARENDON H	1	3	1	3	0	$6245
HERITAGE	3	1	5	1	1	$9420
LAKEVIEW	1	3	1	5	0	-

Weighted Matrix

Attribute	NEIGHBOR	SIZE	SITE PRO	VIEW	ADDITION	WtdScr
Initial weights	20	20	20	20	20	100
Final weights	20	15	20	20	25	100
NORTH SHORE	5/ 1.00	5/ 0.75	5/ 1.00	1/ 0.20	1/ 0.25	3.20
CLARENDON HILL	1/ 0.20	3/ 0.45	1/ 0.20	3/ 0.60	0/ 0.00	1.45
HERITAGE	3/ 0.60	1/ 0.15	5/ 1.00	1/ 0.20	1/ 0.25	2.20
LAKEVIEW	1/ 0.20	3/ 0.45	1/ 0.20	5/ 1.00	0/ 0.00	1.85

Mean Price Per Point Method: Predicted vs. Actual Price for Comparables

	Predicted Price	Actual price	Error	% Error
NORTH SHORE	$13,728	$13,700	$28	0.20%
CLARENDON HILLS	$6,220	$6,245	-$25	0.40%
HERITAGE	$9,438	$9,420	$18	0.19%

EXHIBIT V-14 (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$4289.99
Dispersion About the Mean:	$14.56
Coefficient of Variation :	0.00

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per ACRES
Low Estimate	1.85	X	$4275.43	=	$7909.54
Central Tendency	1.85	X	$4289.99	=	$7936.48
High Estimate	1.85	X	$4304.55	=	$7963.41

Transaction Zone: Mean Price Per Point Method

Number of ACRES in subject property: 23.71

Low Estimate	$187,535	or	$188,000
Central Tendency	$188,174	or	$188,000
High Estimate	$188,813	or	$189,000
	Coefficient of Variation		= 0.00

Iterations

	NEIGH	SIZE	SITE	VIEW	ADDIT	S.D.	Mean
Prelim. Wts.	20	20	20	20	20	192.8149	4071.451
Pass # 1	20	15	20	20	25	14.64583	4289.988
Pass # 2	20	15	20	20	25	14.64583	4289.988

EXHIBIT V-15
MARKET COMPARISON VALUATION POINT SCORE ANALYSIS
FOR PARCEL C
USING FOUR COMPARABLE SALES

Project title: ESTIMATE OF MARKET VALUE FOR PARCEL C

Unit prices Search interval = 5

	NEIGH	SIZE	SITE	VIEW	ADDIT	Price
Prel. wts.	45	5	15	30	5	--
NORTH SHORE	5	5	5	1	1	$13700
CLARENDON H	1	3	1	3	0	$6245
BUCKEYE EST	5	3	5	5	1	$17700
HERITAGE	3	1	5	1	1	$9420
LAKEVIEW	1	3	1	1	0	--

Weighted Matrix

Attribute	NEIGHBOR	SIZE	SITE PRO	VIEW	ADDITION	WtdScr
Initial weights	20	20	20	20	20	100
Final weights	45	5	15	30	5	100
NORTH SHORE	5/ 2.25	5/ 0.25	5/ 0.75	1/ 0.30	1/ 0.05	3.60
CLARENDON HILL	1/ 0.45	3/ 0.15	1/ 0.15	3/ 0.90	0/ 0.00	1.65
BUCKEYE ESTATE	5/ 2.25	3/ 0.15	5/ 0.75	5/ 1.50	1/ 0.05	4.70
HERITAGE	3/ 1.35	1/ 0.05	5/ 0.75	1/ 0.30	1/ 0.05	2.50
LAKEVIEW	1/ 0.45	3/ 0.15	1/ 0.15	1/ 0.30	0/ 0.00	1.05

Mean Price Per Point Method: Predicted vs. Actual Price for Comparables

	Predicted Price	Actual price	Error	% Error
NORTH SHORE	$13,612	$13,700	-$88	0.64%
CLARENDON	$6,239	$6,245	-$6	0.10%
BUCKEYE	$17,771	$17,700	$71	0.40%
HERITAGE	$9,453	$9,420	$33	0.35%

EXHIBIT V-15 (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$3781.09
Dispersion About the Mean:	$18.40
Coefficient of Variation :	0.00

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per ACRES
Low Estimate	1.05	X	$3762.69	=	$3950.82
Central Tendency	1.05	X	$3781.09	=	$3970.14
High Estimate	1.05	X	$3799.49	=	$3989.47

Transaction Zone: Mean Price Per Point Method

Number of ACRES in subject property: 16.95

Low Estimate	$66,966	or	$67,000
Central Tendency	$67,294	or	$67,000
High Estimate	$67,621	or	$68,000
	Coefficient of Variation		= 0.00

Iterations

	NEIGH	SIZE	SITE	VIEW	ADJIT	S.D.	Mean
Prelim. Wts.	20	20	20	20	20	332.8124	4218.063
Pass # 1	30	10	15	25	20	107.0739	4287.851
Pass # 2	40	5	15	30	10	55.93282	3947.718
Pass # 3	45	5	15	30	5	18.3761	3781.09
Pass # 4	45	5	15	30	5	18.3761	3781.09

EXHIBIT V-15
MARKET COMPARISON VALUATION POINT SCORE ANALYSIS
FOR PARCEL C
USING THREE COMPARABLE SALES

Project title: ESTIMATE OF MOST PROBABLE SELLING PRICE - PARCEL C

Unit prices Search interval = 5

	NEIGH	SIZE	SITE	VIEW	ADDIT	Price
Prel. wts.	20	15	20	20	25	-
NORTH SHORE	5	5	5	1	1	$13700
CLARENDON	1	3	1	3	0	$6245
HERITAGE	3	1	5	1	1	$9420
LAKEVIEW	1	3	1	1	0	-

Weighted Matrix

Attribute	NEIGHBOR	SIZE	SITE	VIEW	ADDITION	WtdScr
Initial weights	20	20	20	20	20	100
Final weights	20	15	20	20	25	100
NORTH SHORE	5/ 1.00	5/ 0.75	5/ 1.00	1/ 0.20	1/ 0.25	3.20
CLARENDON	1/ 0.20	3/ 0.45	1/ 0.20	3/ 0.60	0/ 0.00	1.45
HERITAGE	3/ 0.60	1/ 0.15	5/ 1.00	1/ 0.20	1/ 0.25	2.20
LAKEVIEW	1/ 0.20	3/ 0.45	1/ 0.20	1/ 0.20	0/ 0.00	1.05

Mean Price Per Point Method: Predicted vs. Actual Price for Comparables

	Predicted Price	Actual price	Error	% Error
NORTH SHORE	$13,728	$13,700	$28	0.20%
CLARENDON	$6,220	$6,245	-$25	0.40%
HERITAGE	$9,438	$9,420	$18	0.19%

EXHIBIT V-15 (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$4289.99
Dispersion About the Mean:	$14.56
Coefficient of Variation :	0.00

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per ACRES
Low Estimate	1.05	X	$4275.43	=	$4489.20
Central Tendency	1.05	X	$4289.99	=	$4504.49
High Estimate	1.05	X	$4304.55	=	$4519.78

Transaction Zone: Mean Price Per Point Method

Number of ACRES in subject property: 18

Low Estimate	$80,806	or	$81,000
Central Tendency	$81,081	or	$81,000
High Estimate	$81,356	or	$81,000
	Coefficient of Variation		= 0.00

Iterations

	NEIGH	SIZE	SITE	VIEW	ADDIT	S.D.	Mean
Prelim. Wts.	20	20	20	20	20	192.8149	4071.451
Pass # 1	20	15	20	20	25	14.64583	4289.988
Pass # 2	20	15	20	20	25	14.64583	4289.988

ADDENDUM B

STATEMENTS OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. Contributions of Other Professionals

   - Information furnished by others in the report, while believed to be reliable, is in no sense guaranteed by the appraisers.
   - The appraiser assumes no responsibility for legal matters.
   - All information furnished regarding property for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.
   - All direct and indirect information supplied by the client, agents of the client, or the lawyer of the client concerning the subject property is assumed to be true and accurate but may be modified by the appraiser as appropriate to the definition of value or purpose of the appraisal consistent with other standards specified herein.

2. Facts and Forecasts Under Conditions of Uncertainty

   - The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.
   - Forecasts of the effective demand for space are based upon the best available data concerning the market, but are projected under conditions of uncertainty.
   - Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.
   - Since the projected mathematical models are based on estimates and assumptions, which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.
   - Sketches in the report are included to assist the reader in visualizing the property. These drawings are for illustrative purposes only and do not represent an actual survey of the property.

ADDENDUM B (Continued)

- In this appraisal assignment, the existence of potentially hazardous material introduced on site or in proximity to the site as a result of nearby existing or former uses in the neighborhood, or the existence of toxic waste or other building materials such as asbestos, formaldehyde insulation, radon, or other materials incorporated in property improvements must be disclosed by the owner to the appraiser. The appraiser is not qualified to detect such substances nor is he obliged to do so. Nevertheless, the existence of potentially hazardous material found on the subject property or in proximity to the site may have an adverse effect on the value and market price of the property. The property owner or those relying on this appraisal are urged to retain, at their discretion, an expert in this field of hazardous materials.

3. Controls on Use of Appraisal

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

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

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

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

- The appraiser shall not be required to give testimony or to attend any governmental hearing regarding the subject matter of this appraisal without agreement as to additional compensation and without sufficient notice to allow adequate preparation.

Contents of this appraisal report are governed by the By-Laws and Regulations of the American Institute of Real Estate Appraisers of the National Association of Realtors.

CERTIFICATION OF VALUE

We hereby certify that we have no interest, present or contemplated, in the property and that neither the employment to make the appraisal nor the compensation is contingent on the value of the property. We certify that we have personally inspected the property and that according to our knowledge and belief, all statements and information in the report are true and correct, subject to the underlying assumptions and limiting conditions.

Based on the information and subject to the limiting conditions contained in this report, it is our opinion that the Market Value as defined herein, of the several parcels as of September 21, 1988, are as follows:

PARCEL A

22.5 ACRES OF WOODS VALUED AS CONSERVANCY

ONE HUNDRED TWENTY TWO THOUSAND DOLLARS
($122,000)

PARCEL C

APPROXIMATELY 18 ACRES OF THE MID AND LOWER PORTIONS OF THE FRONT SLOPE ASSUMING THE EXISTING BUILDINGS REMAIN IN THEIR PRESENT OR SIMILAR USE

EIGHTY THOUSAND DOLLARS
($80,000)

PARCEL D

23.71 ACRES INCLUDING THE CREST OF THE HILL AND THE ENTIRE FRONT SLOPE ASSUMING THE SITE IS CLEARED AND VACANT

TWO HUNDRED THOUSAND DOLLARS
($200,000)

assuming cash to the seller.

Jean B. Davis

Jean B. Davis, President

K. Edward Atwood

K. Edward Atwood, Ph.D., CPA

Nov. 15, 1988

Date

JEAN B. DAVIS

EDUCATION

Master of Science - Real Estate Appraisal and Investment Analysis
University of Wisconsin

Master of Arts - Elementary Education - Stanford University

Bachelor of Arts - Stanford University (with distinctions)

Additional graduate and undergraduate work
Columbia Teachers College and the University of Wisconsin

PROFESSIONAL EDUCATION

Society of Real Estate Appraisers

Appraising Real Property	Course 101
Principles of Income Property Appraising	Course 201

American Institute of Real Estate Appraisers

Residential Valuation (Formerly Course VIII)

Certified as Assessor I, Department of Revenue, State of Wisconsin

PROFESSIONAL EXPERIENCE

Trained in appraisal and investment analysis, Ms. Davis is a partner at Landmark Research, Inc., specializing in market and survey research to estimate effective demand for elderly housing, residential development, and office and retail projects. She has also concentrated on tax assessment work as an assessor in the Village of Maple Bluff for seven years and as a representative of owners appealing assessed valuations in other jurisdictions.

Her work also includes the appraisal of major income properties, rehabilitated older commercial properties, and residential properties.

QUALIFICATIONS

K. EDWARD ATWOOD

EDUCATION

Ph.D., Accounting, Real Estate, and Law - University of Wisconsin

Master of Science, Real Estate Appraisal and Investment Analysis - University of Wisconsin

Master of Business Administration, Accounting - University of Wisconsin

Bachelor of Business Administration, Accounting - University of Wisconsin

ACADEMIC AND PROFESSIONAL HONORS

Beta Alpha Psi
Beta Gamma Sigma
American Accounting Association Doctoral Consortium Fellow
Honors Graduate

PROFESSIONAL DESIGNATIONS

CPA - Certified Public Accountant, American Institute of Certified Public Accountants

PROFESSIONAL AFFILIATIONS AND EXPERIENCE

Dr. Atwood has extensive experience as both an educator and a consultant in real estate, accounting, and tax related activities. His work includes varied real estate appraisal, feasibility, development, investment analysis and business valuation assignments. He has specialized in microcomputer applications to appraisal and valuation problems. The following listing includes his various affiliations and related real estate assignments:

Landmark Research, Inc.; Madison, Wisconsin
- Madison, Wisconsin
  - First Wisconsin National Bank of Madison on the Square
  - The Tenney Building
  - The Concourse
  - James Wilson Plaza Building
  - Howard Johnson Downtown
  - Pitney Bowes Building
  - El Esplanade
- LaCrosse, Wisconsin
  - Hemker Oil Building

Real Estate Dynamics, Inc.; Madison, Wisconsin
Port St. Lucie, Florida
Savannahs Property - Foundation Land Company
Dirksen Appraisal Company; Anchorage, Alaska
Anchorage, Alaska
Turnagain View East Subdivision Site - Condemnation Appraisal
Cedarwood Apartments - Investment Analysis
Anchorage Automotive - Business and Real Estate Valuation for Attorney General's Office, State of Alaska
Anchorage 5th Avenue - Valuation of Regional Mall
Juneau, Alaska
Mendenhall River Parkway - Kaiser Property
Appraisal and Tax Implications of Combination Sale/Contribution
Kodiak Island, Alaska - Koniag Regional Native Corporation
Cliff Point Subdivision Site - Residential and Commercial
Bruhn Point Subdivision Site
Rifle Range Subsurface Valuation
Remote Parcel Valuation within Kodiak National Wildlife Refuge for ANWR Exchange Negotiations
City of Madison; Madison, Wisconsin

In addition to the above listing, Dr. Atwood has been a counselor and auditor for several business concerns in both Wisconsin and Alaska while operating his own firm.

CONTINUING REAL ESTATE EDUCATION COURSES TAUGHT

Real Estate Investment Basics
Financing Real Estate
Tax Considerations of Real Estate Transactions - Society of Real Estate Appraisers
Computer Applications in Real Estate - ULI and EDUCARE
Using the Computer in the Real Estate Office
CPA Review Course
Personal Income Tax Preparation

PROFESSIONAL ORGANIZATIONS

American Accounting Association
American Taxation Association
American Institute of Certified Public Accountants
Wisconsin Institute of Certified Public Accountants
National Association of Accountants

APPENDIX A

APPENDIX A

LAKEVIEW SANATORIUM SITE DATA

EASEMENTS & RESTRICTIONS AS PART OF PURCHASE
OF LOTS 15 & 16, BLOCK 2
OF LAKEVIEW HEIGHTS

The sale was subject to the following easements and restrictions:

1. No building shall be erected nearer than 25 feet from the front property line or 10 feet from the side line.

2. No trailer, basement, tent, shack, garage, barn or outbuilding erected on the premises shall be used as a residence.

3. No building previously erected elsewhere shall be moved to the premises.

4. No residential building shall be erected at a cost of less than $2,500.00.

5. Only Caucasians shall use or occupy dwellings except for domestic servants of a different race employed by the owner or tenant. (No longer applicable.)

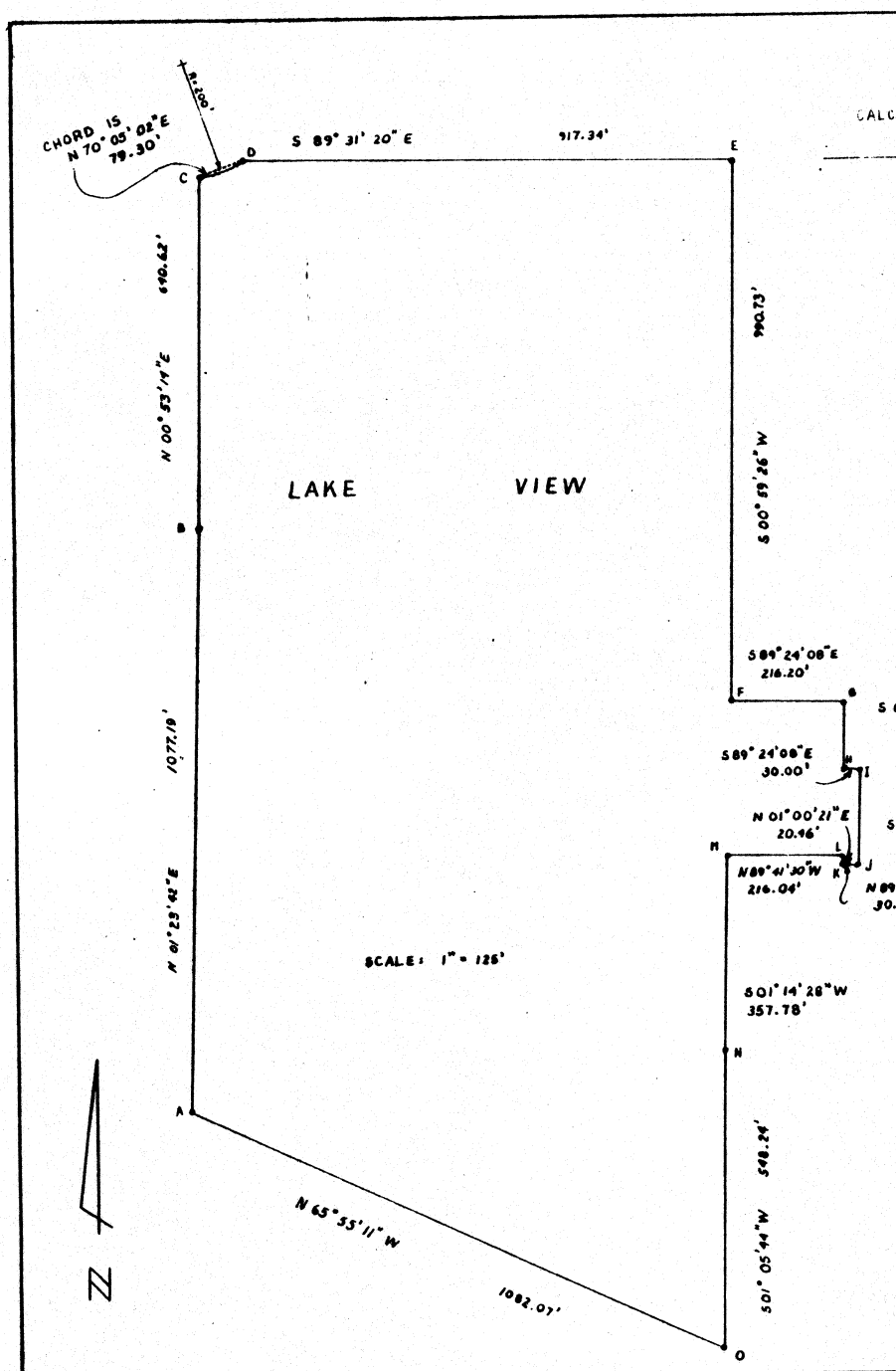
The west 40 feet of the property lying north of the south line of the power plant extended east was excepted from the above.

In addition, the county agreed to pay its proportionate share of water, sewer and street improvements to Drewry Lane.

Source: Dane County Regional Planning Commission, Lakeview Property Site Analysis, February 1982, p. 2.

AREA CALCULATIONS OF SUBJECT PROPERTY

BY KEN KOSCIK, P.E.



CALCULATION OF LAKE VIEW PROPERTY AREA USING THE DOUBLE MERIDIAN DISTANCE METHOD

LINE	DISTANCE	BEARING	LATITUDES N	LATITUDES S	DEPARTURES E	DEPARTURES W	CORRECTED LATITUDES	CORRECTED DEPARTURES	DOUBLE MERIDIAN DISTANCE	DOUBLE AREAS +	DOUBLE AREAS −
AB	1077.19	N00° 53' 14" E	1076.87		26.22		+ 1076.88	+ 26.22	26.22	28,235.79	
BC	640.62	N00° 53' 14" E	640.54		9.92		+ 640.55	+ 9.92	62.36	39,944.70	
CD	79.30	N70° 05' 02" E	23.01		76.56		+ 23.01	+ 76.56	196.84	3,900.15	
DE	917.34	S89° 31' 20" E		3.65	917.31		− 7.65	+917.32	1138.72		9,711.21
EF	990.73	S00° 59' 26" W		990.58		17.13	− 990.57	− 17.13	2038.91		2,019,683.98
FG	216.20	S89° 24' 08" E		2.25	216.19		− 2.25	+ 216.19	2237.97		5,135.93
GH	126.16	S01° 00' 21" W		126.19		2.21	− 126.19	− 2.21	2451.95		309,288.97
HI	30.00	S89° 24' 08" E		0.21	30.00		− 0.21	+ 30.00	2479.74		768.72
IJ	175.00	N01° 00' 21" E	174.97			3.07	− 174.97	− 3.07	2506.67		438,532.46
JK	30.00	N89° 41' 30" W	0.16			30.00	+ 0.16	− 30.00	2473.60	395.78	
KL	20.96	N01° 00' 21" E	20.96		0.36		+ 20.96	+ 0.36	2443.96	60,003.42	
LM	216.04	N89° 41' 30" W	1.16			216.04	+ 1.16	− 216.04	2228.28	2,584.80	
MN	357.78	S01° 14' 28" W		357.70		2.75	− 357.70	− 2.75	2004.99		717,006.03
NO	548.24	S01° 05' 44" W		548.14		16.98	− 548.14	− 10.98	1986.26		1,088,738.60
OA	1082.07	N65° 55' 11" W	991.50			431.90	+ 991.50	− 987.89	987.89	436,153.43	
	6502.15		2289.36	2289.36	1274.56	1274.56	ΣL = 0	ΣD = 0		561,289.07	4,587,814.22
				2287.36							− 561,289.07
				−0.04		−0.02					4,026,630.15 = D.A.
											÷ 2.00
											2,013,265.07 = AREA

ERROR: $E = \sqrt{(-0.04)^2 + (-0.02)^2}$

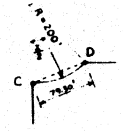
$E = 0.0447$

ERROR OF CLOSURE: $E. \text{ or } C. = \frac{0.0447'}{6502.15}$

$E. \text{ or } C. = \frac{1}{150,000} = 0.000007$

CALCULATION OF AREA NEEDED TO BE SUBTRACTED FROM THE ABOVE AREA DUE TO THE CURVED PROPERTY LINE IN THE NORTHWEST CORNER OF THE LOT.

$$A = R^2\left(\frac{\pi I^\circ}{360} - \frac{\sin I}{2}\right)$$



$\frac{I}{2} = \tan^{-1}\frac{79.30/2}{200} = 10.937^\circ$

$I = 21.875^\circ$

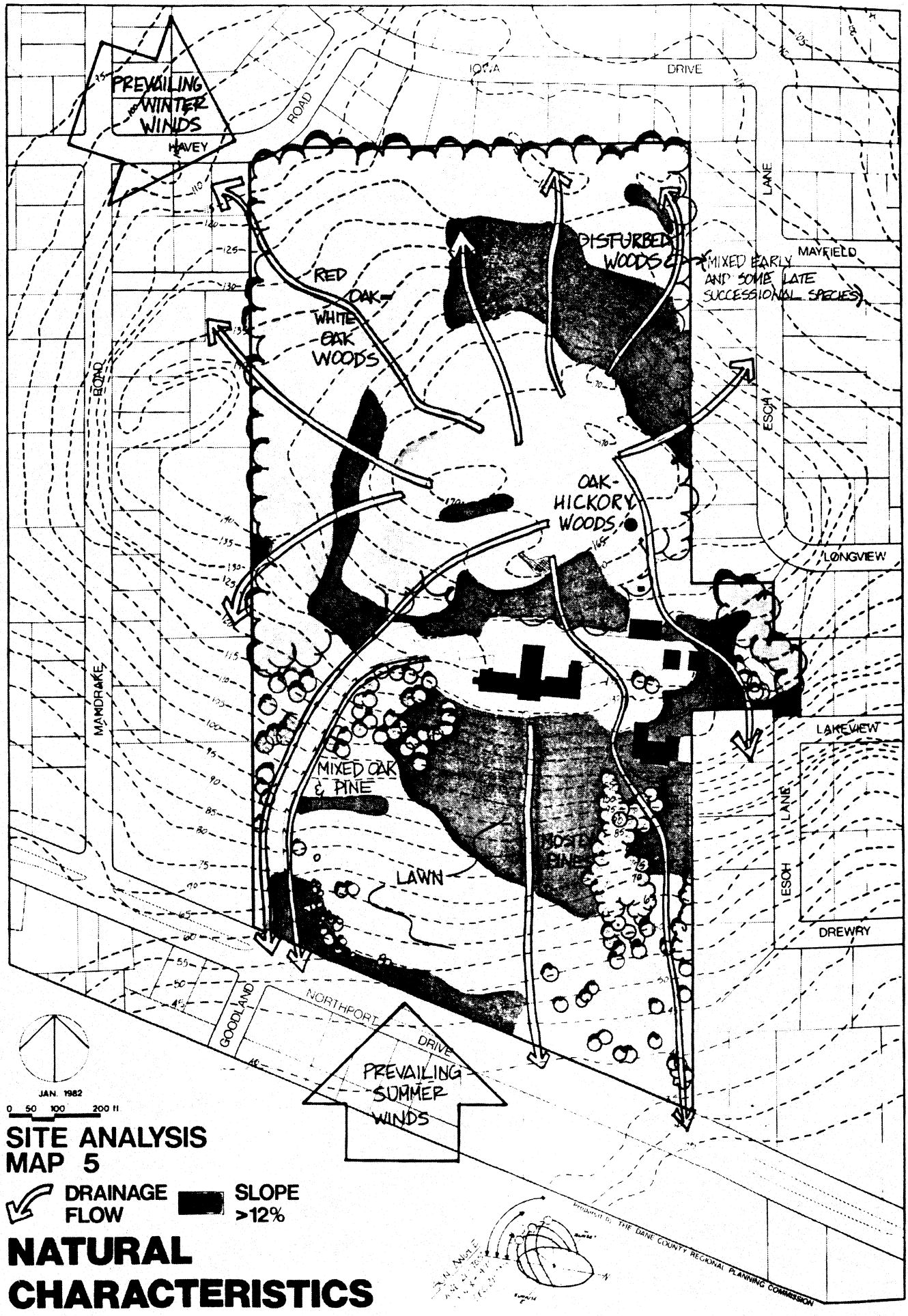
$A = 200^2\left(\frac{\pi 21.875}{360} - \frac{\sin 21.875^\circ}{2}\right) = 185$ SQ. FT.

TOTAL AREA OF LAKE VIEW PROPERTY

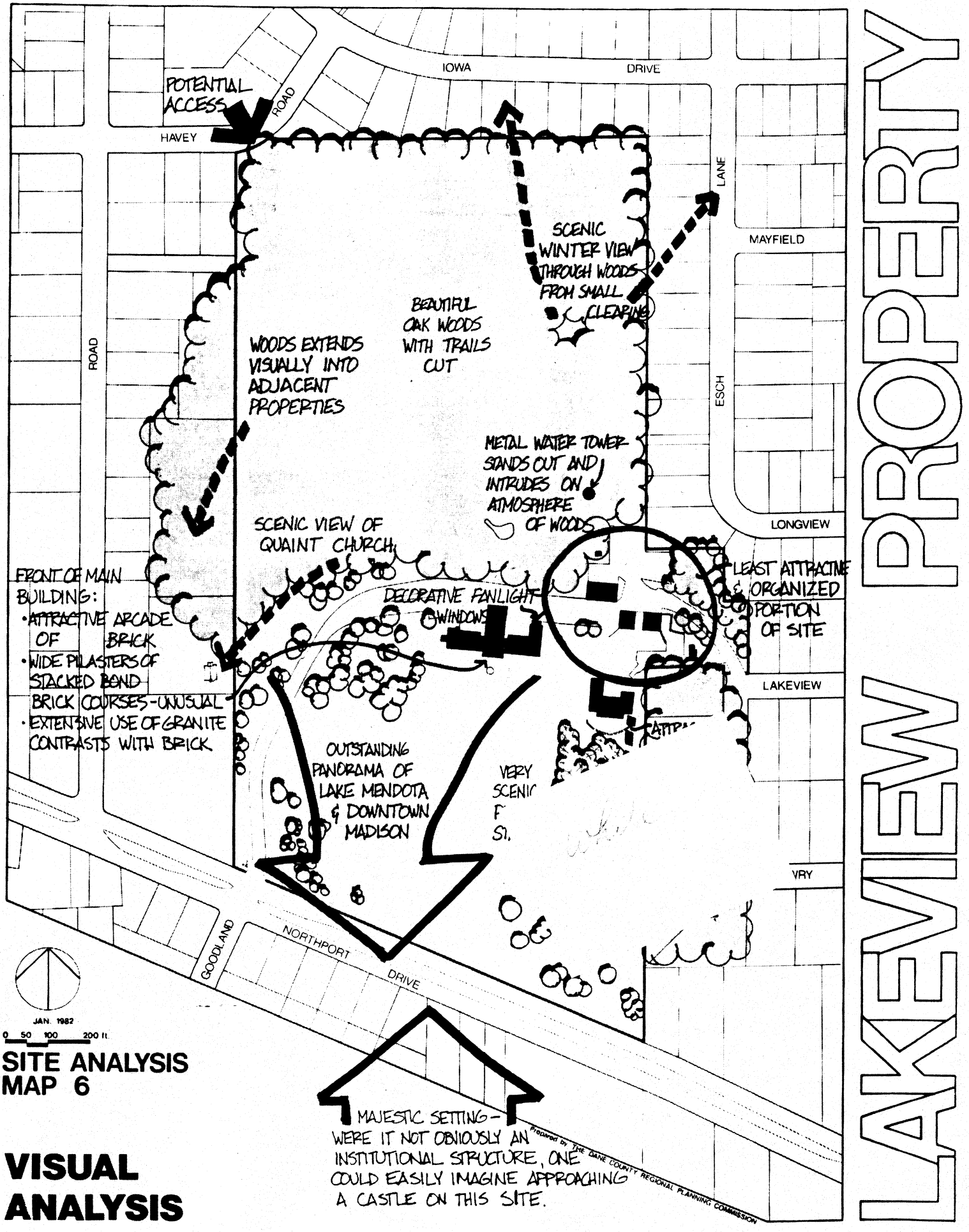
2,013,265.07 − 185 = 2,013,079.93

TOTAL AREA:

2,013,079.93 SQ. FT. = 46.21 ACRES



Source: Dane County Regional Planning Commission, Lakeview Property Site Analysis, February 1982, pg. 12.



SITE ANALYSIS MAP 6

VISUAL ANALYSIS

Source: Dane County Regional Planning Commission, Lakeview Property Site Analysis, February 1982, pg. 13.

APPENDIX A

LOG OF SOIL TEST BORINGS
TAKEN JULY 14, 1988
BY EXPLORATION TECHNOLOGY, INC.

LOG of TEST BORING

PROJECT NO. 812429
PROJECT NAME Lakeview Annex
PROJECT LOCATION Madison, WI

CLIENT Dane County
DRILLER LS

RIG 9130
CHECKED BY TCR

BORING No. 1
BORING LOCATION As Staked
OFFSET
ELEVATION
DRILL METHOD 4.0" Flight Auger

BORING DIA. 4.0'
DATE STARTED 7/14/88
DATE COMPLETED 7/14/88

SMP NO.	MOISTURE	BPF /N	REC (in.)	DEPTH (ft.)	CLASSIFICATION/DESCRIPTION	QU TSF	REMARKS
				0.5	6" Dark Silt TOPSOIL		
				1	Dense Brown Silty fine to medium SAND, little		
				1.5	Gravel, occasional Stone Chips, layers of		
1	M	37	2	2	Sandy CLAY		
				2.5			
				3			
				3.5			
				4			
				4.5			
2	M	19	6	5			
				5.5			
				6	Soft Sandy lean CLAY		
				6.5			
3	M	5	6	7			
				7.5			
				8	Very Stiff		
				8.5			
				9			
				9.5			
4	M	48	16	10	Dense light brown fine to medium SAND,		
				10.5	trace of Silty Gravel, occasional Stone Chips		
				11			
				11.5			
				12			
				12.5			
				13			
				13.5			
				14			
				14.5			
5	M	68	18	15			
				15.5	End of Boring #1 at 15.0'		
				16			
				16.5			
				17			
				17.5			

W.L. MEASUREMENTS:
While drilling
1/4 Hrs. after boring
____Hrs. after boring
Cave in depth 13.6 Moist

DRILL CASING INSTALLED NA
ADDITIVES USED NA
WELL INSTALLATION DEPTH NA
ABANDONMENT PROCEDURE Backfilled Natural Soils

EXPLORATION TECHNOLOGY INC.

LOG of TEST BORING

PROJECT NO. 812429
PROJECT NAME Lakeview Annex
PROJECT LOCATION Madison, WI

CLIENT Dane County
DRILLER LS

RIG 9130
CHECKED BY TCR

BORING No. 2
BORING LOCATION As Staked
OFFSET
ELEVATION
DRILL METHOD 4.0" Flight Auger

BORING DIA. 4.0'
DATE STARTED 7/14/88
DATE COMPLETED 7/14/88

SMP NO.	MOISTURE	BPF /N	REC (in.)	DEPTH (ft.)	CLASSIFICATION/DESCRIPTION	QU TSF	REMARKS
				0.5	4.0" Dark Silty TOPSOIL		
				1	Hard brown Sandy lean CLAY, little Gravel		
				1.5			
1	M	30	6	2	Some Sand		
				2.5			
				3			
				3.5	Dense little brown fine to medium SAND		
				4	little Gravel, Stone Chips,		
				4.5	trace of Silt		
2	M	40	18	5			
				5.5			
				6			
				6.5			
3	M	90	16	7			
				7.5			
				8			
				8.5			
				9			
				9.5			
4	M	147	16	10	Possible Bedrock		
				10.5	Augered Hard through layers		
				11			
				11.5			
				12			
				12.5			
				13			
				13.5			Auger refusal at 13.5 ft.
				14			
				14.5			
				15			
				15.5	End of Boring #2 at 13.5		
				16			
				16.5			
				17			
				17.5			

W.L. MEASUREMENTS:
While drilling
1/4 Hrs. after boring
___Hrs. after boring
Cave in depth 12.9 Moist

DRILL CASING INSTALLED NA
ADDITIVES USED NA
WELL INSTALLATION DEPTH NA
ABANDONMENT PROCEDURE Backfilled Natural Soils

EXPLORATION TECHNOLOGY INC.

LOG of TEST BORING

Page 1 of 1

PROJECT NO. 812429
PROJECT NAME Lakeview Annex
PROJECT LOCATION Madison, WI

CLIENT Dane County
DRILLER LS

RIG 9130
CHECKED BY TCR

BORING No. 3
BORING LOCATION As Staked
OFFSET
ELEVATION
DRILL METHOD 4.0" Flight Auger

BORING DIA. 4.0'
DATE STARTED 7/14/88
DATE COMPLETED 7/14/88

SMP NO.	MOISTURE	BPF /N	REC (in.)	DEPTH (ft.)	CLASSIFICATION/DESCRIPTION	QU TSF	REMARKS
				0.5	Dark Silty TOPSOIL		
				1			
				1.5			
1	M	10	10	2	Brown Silt		
				2.5			
				3	Stiff to very stiff brown lean CLAY, trace to little Sand, occasional Gravel	2.5	
				3.5			
				4			
				4.5			
2	M	12	16	5			
				5.5			
				6	Medium dense brown fine to medium SAND, little to trace of Silt, trace of Gravel		
				6.5			
3	M	19	18	7			
				7.5			
				8			
				8.5			
				9	Dense		
				9.5			
4	M	16	18	10			
				10.5	Occasional Stone Chips		
				11			
				11.5			
				12			
				12.5			
				13			
				13.5			
				14			
				14.5			
5	M	52	16	15			
				15.5	End of Boring #3 at 15.0'		
				16			
				16.5			
				17			
				17.5			

W.L. MEASUREMENTS:
While drilling
1/4 Hrs. after boring
___Hrs. after boring
Cave in depth 13.5 Moist

DRILL CASING INSTALLED NA
ADDITIVES USED NA
WELL INSTALLATION DEPTH NA
ABANDONMENT PROCEDURE Backfilled Natural Soils

EXPLORATION TECHNOLOGY INC.

APPENDIX A

CITY OF MADISON ZONING CODE FOR CONSERVANCY DISTRICT AND AGRICULTURE DISTRICT

(c) Lot Area And Lot Width Requirements. Lot areas and lot widths shall be provided in accordance with the regulations herein indicated. In addition the following regulations shall be complied with:

1. No use shall be established or hereafter maintained on a lot recorded after the effective date of this ordinance, which is of less area or less width than prescribed herein for such use in the zoning district in which it is to be located.
2. In any special district on a lot of record on the effective date of this ordinance, a single-family dwelling may be established regardless of the size of the lot, provided that all other requirements of the R1 district and of other applicable codes and ordinances of the City, state and other appropriate jurisdictions shall be complied with.

(d) Height Regulations. Maximum height regulations as set forth in the conservancy and agriculture districts shall apply to churches, schools and other public buildings.

(e) Yard Requirements. Front, side and rear yards shall be provided in accordance with the regulations herein indicated and shall be unobstructed from the ground level to the sky, except as allowed in Section 28.04(6)(e). All additions to a principal building, such as attached garages, shall comply with the yard requirements of the principal building.

(f) (R. by Ord. 5831, 5-6-77)

(g) Off-Street Parking And Loading. In the conservancy and agriculture districts, off-street parking and loading facilities shall be provided in accordance with applicable regulations herein set forth in Section 28.11. Provided, however, in the central area there shall be no specific requirements for off-street parking and loading.

✳(2) Conservancy District.

(a) Statement Of Purpose. The conservancy district is established to preserve and perpetuate in an open state certain areas such as lakes and waterways, wetlands and marshes, flood plains and stream beds, certain agricultural lands, slopes and other areas of aesthetic value which, because of their unique physical features, are deemed desirable and functional as natural drainageways and water retention areas, natural habitat for plant and animal life, greenbelts and other multiple purpose uses beneficial to the community. The regulations of the conservancy district are intended not only to preserve and perpetuate certain open space land and water areas for multiple purpose uses consistent with the intent and purpose of this ordinance, but also to protect the community from the costs which may be incurred when unsuitable development occurs in certain areas. Development in the conservancy district is limited in character, although certain agricultural, commercial, educational and recreational uses are permitted when controlled by specific limitations. Civic development by the City of Madison is permitted without specific limitation where the benefit by such development of landshore and shoreline areas accrues to the community as a whole.

(b) Permitted Uses. The following uses are permitted in the conservancy district:

1. Land and water preserves, including the following uses:
   a. Arboretums.
   b. Boating and swimming.
   c. Harvesting of wild crops, such as marsh hay, ferns, moss, berries, tree fruits and tree seeds.
   d. Fishing and trapping.
   e. Raising of fish and game animals.
   f. Sustained forestry yield.
   g. One single-family detached dwelling for the use of the owner or caretaker.

(Am. by Ord. 8301, 4-16-84)

2. Public parks and playgrounds.
3. Civic auditorium complex.
4. Educational, recreational, and offices used as follows, provided such uses are located in school buildings or buildings which are owned by or under the jurisdiction of the Madison Metropolitan School District or the City of Madison and further provided the Director of the Real Estate Development Unit shall first receive a report and recommendations from the City Department of Transportation regarding the traffic and parking impact with recommendations for either resolving adverse impacts prior to occupancy or not allowing such occupancy:
   a. Nursery schools or day care centers.
   b. Elementary and secondary schools.
   c. Business or trade schools.
   d. Colleges and universities.
   e. Other public educational facilities.
   f. Music and dance schools.
   g. Recreational buildings and community centers, nonprofit.
   h. Offices for State, County, City, Village, Town or other taxing municipality.
   i. Offices for health, medical, welfare and other institutions or organizations qualifying as nonprofit under the laws of the State of Wisconsin.

(Sec. 28.07(2)(b)4. Am. by Ord. 8081, 7-29-83)

(c) Conditional Uses. The following conditional uses may be allowed in the conservancy district subject to the provisions of Section 28.12(10).

1. Agricultural uses, including commercial dairies, commercial kennels, commercial hatcheries and commercial mink, fox and other furbearing animal farms, and rat farms, but not including commercial feeding of garbage or offal to swine or other animals. Buildings or structures used for shelter or feeding of livestock shall be located not less than one hundred fifty (150) feet from any lot in a residence district.

2. Cemeteries, including mausoleums, crematoriums and columbariums in conjunction therewith, provided that crematoriums shall be located not less than three hundred (300) feet from any lot line, and that mausoleums and columbariums shall be located not less than twenty-five (25) feet from any lot line, and further provided that the Urban Design Commission shall provide advice and make recommendations to the City Plan Commission on the design, appearance and aesthetics of each proposed mausoleum, crematorium or columbarium prior to any decision by the City Plan Commission. (Am. by Ord. 6227, 5-3-78)
3. Colleges and universities, but not including business colleges or trade schools.
4. Convents and monasteries.
5. Dredging, excavating, filling and quarrying of lands, and removal of topsoil subject to the provisions of Section 28.04(13).
6. Golf courses, golf driving ranges, or par 3 golf courses, but not including commercially operated miniature golf courses, provided clubhouses, buildings and driving ranges shall be located not less than three hundred (300) feet from any lot in a residence district.
7. Hospitals and sanitariums, including institutions for the care or treatment of the insane or feebleminded, provided buildings shall be located not less than three hundred (300) feet from any lot in a residence district.
8. Improvement, including but not limited to the alteration, creation, damming and dredging of water courses and bodies of water subject to the provisions of Section 28.04(13).
9. Institutions for the aged and for children.
10. Laboratories for research, development and testing, provided such buildings shall be located not less than one hundred fifty (150) feet from any lot line.
11. Land and water preserves, including the following uses, provided that buildings, structures or accessory facilities shall be located not less than three hundred (300) feet from any lot in a residence district:
    a. Boat landing piers, boat and motor rentals, and boat motor fuel sales establishments.
    b. Camping grounds and facilities.
    c. Restaurants.
    d. Other uses and facilities for outdoor recreation, including hotels, motels and other buildings containing dwelling units or lodging rooms for use by the transient public when accessory to such outdoor recreation use.
12. Nursery schools, which are to be annually inspected by the Director of the Inspection Unit and the Fire Prevention Bureau. (Am. by Ord. 8081, 7-29-83)
13. Public utility and public service uses as follows:
    a. Electric substations.
    b. Gas regulator stations, mixing stations and gate stations.
    c. Radio and television towers.
    d. Railroad rights-of-way, including rights-of-way for switch, spur or team tracks, but not including railroad yards and shops, or freight and service buildings. (Am. by Ord. 8273, 3-5-84)

e. Sewerage system lift stations.
f. Telephone exchanges, microwave relay towers, telephone transmission equipment buildings.
g. Water pumping stations and water reservoirs.

14. Outdoor recreational premises, clubs and grounds for hunting, swimming, tennis, boating, horse riding, skiing and other sports. Accessory clubhouses and maintenance buildings shall be located not less than one hundred (100) feet from any lot in a residence district, except buildings for shelter and keeping of horses and buildings and facilities for boating not less than three hundred (300) feet from any such lot.
15. Schools: elementary, junior high and high.
16. Accessory uses, including but not limited to the following:
    a. Athletic fields and playfields, noncommerical, including stadiums or grandstands.
    b. Dwelling units and lodging rooms in detached buildings for persons regularly employed on the premises and their immediate families.
    c. Farm dwellings appurtenant to a principal agricultural use.
    d. Home occupations.
    e. Professional offices in homes.
    f. Roadside stands.
    g. Signs as regulated in this section.
    h. Temporary buildings for storage of building materials and equipment and construction purposes when on the same or adjoining lot as the principal use for a period not to exceed the duration of such construction.
17. Municipal uses, city owned and operated.
18. Offices, business and professional, provided such uses are located in school buildings or buildings owned by or under the jurisdiction of the Madison Metropolitan School District or the City of Madison. (Am. by Ord. 6207, 3-29-78)

(d) Lot Area And Lot Width Requirements. In the conservancy district, there shall be provided a lot area of not less than ten (10) acres and a lot width and street frontage of not less than five hundred (500) feet.

(e) Height Regulations. In the conservancy district, no building or structure, other than a civic auditorium complex, shall exceed two and one-half (2 1/2) stories or thirty-five (35) feet in height.

(f) Yard Requirements. In the conservancy district, except for a civic auditorium complex, front, side and rear yards shall be provided, each of which shall not be less than the following:

1. Front yard--sixty (60) feet.
2. Side yards--each side eighty (80) feet.
3. Rear yard--one hundred (100) feet.

*(3) Agriculture District.

(a) Statement Of Purpose. The agriculture district is established to preserve, in agricultural uses, lands suited to future urban development pending proper timing and economical provision of public utilities and community facilities to ensure compact and orderly land use development. Change of zoning from agriculture to any other zoning district shall be made only when compatible with the comprehensive plan.

(b) Permitted Uses. The following uses are permitted in the agriculture district:

1. Single-family detached dwellings.
2. Agricultural uses, but not including commercial dairies, commercial dog kennels, commercial feeding of garbage or offal to swine or other animals, commercial hatcheries and commercial mink, fox and other furbearing animal farms, and rat farms. Buildings or structures used for shelter or feeding of livestock shall be located not less than one hundred fifty (150) feet from any lot in a residence district.
3. Churches.
4. Convents and monasteries.
5. Fire stations.
6. Golf courses, but not including commercially operated par 3 or miniature golf courses or golf driving ranges, provided clubhouses and maintenance buildings shall be located not less than three hundred (300) feet from any lot in a residence district.
7. Hospitals and sanitariums.
8. Institutions for the aged and for children.
9. Parks and playgrounds.
10. Schools: elementary, junior high or high.
11. Accessory uses, including but not limited to the following:
    a. Athletic fields and playfields, noncommercial, including stadiums or grandstands.
    b. Dwelling units and lodging rooms in detached buildings for persons regularly employed on the premises and their immediate families.
    c. Farm dwellings appurtenant to a principal agricultural use.
    d. Home occupations.
    e. Professional offices in homes.
    f. Roadside stands.

g. Signs as regulated in Chapter 31 of the Madison General Ordinances. (Am. by Ord. 6810, 12-12-79)
h. Temporary buildings for storage of building materials and equipment and construction purposes when on the same or adjoining lot as the principal use for a period not to exceed the duration of such construction.

12. Educational, recreational, and offices used as follows, provided such uses are located in school buildings or buildings which are owned by or under the jurisdiction of the Madison Metropolitan School District or the City of Madison and further provided the City Director of the Real Estate Development Unit shall first receive a written report and recommendations from the City Department of Transportation regarding the traffic and parking impact with recommendations for either resolving adverse impacts prior to occupancy or not allowing such occupancy:
a. Nursery schools or day care centers.
b. Elementary and secondary schools.
c. Business or trade schools.
d. Colleges and universities.
e. Other public educational facilities.
f. Music and dance schools.
g. Recreational buildings and community centers, nonprofit.
h. Offices for State, County, City, Village, Town or other taxing municipality.
i. Offices for health, medical, welfare and other institutions or organizations qualifying as nonprofit under the laws of the State of Wisconsin.

(Sec. 28.07(3)(b)12. Am. by Ord. 8081, 7-29-83)

13. Nursery schools. (Cr. by Ord. 7105, 9-25-80)

(c) Conditional Uses. The following conditional uses may be allowed in the Agriculture district subject to the provisions of Section 28.12(10).

1. Agricultural uses, including commercial dairies, commercial kennels, commercial hatcheries and commercial mink, fox and other furbearing animal farms, and rat farms, but not including commercial feeding of garbage or offal to swine or other animals. Buildings or structures used for shelter or feeding of livestock shall be located not less than one hundred fifty (150) feet from any lot in a residence district.
2. Cemeteries, including mausoleums, crematoriums and columbariums in conjunction therewith, provided such accessory buildings shall be located not less than three hundred (300) feet from any lot line.
3. Dredging, excavating, filling and quarrying of lands, and removal of topsoil subject to the provisions of Section 28.04(13).
4. Greenhouses, provided such buildings shall be located not less than one hundred fifty (150) feet from any lot in a residence district.
5. Hospitals and sanitariums, including institutions for the care or treatment of the insane or feebleminded, provided buildings shall be located not less than three hundred (300) feet from any lot in a residence district.
6. Laboratories for research, development and testing, provided such buildings shall be located not less than one hundred fifty (150) feet from any lot line.

7. Public utility and public service uses as follows:
   a. Electric substations.
   b. Gas regulator stations, mixing stations and gate stations.
   c. Radio and television towers.
   d. Railroad rights-of-way, including rights-of-way for switch, spur or team tracks, but not including railroad yards and shops, or freight and service buildings. (Am. by Ord. 8274, 3-5-84)
   e. Sewerage system lift stations.
   f. Telephone exchanges, microwave relay towers, telephone transmission equipment buildings.
   g. Water pumping stations and water reservoirs.
   h. Processed sludge drying facilities accessory to publicly owned sewage plants. (Cr. by Ord. 6974, 4-30-80)
8. Outdoor recreational premises, clubs and grounds for hunting, swimming, tennis, boating, horse riding, skiing and other sports. Accessory clubhouses and maintenance buildings shall be located not less than one hundred (100) feet from any lot in a residence district, except buildings for shelter and keeping of horses and buildings and facilities for boating not less than three hundred (300) feet from any such lot.
9. Offices, business and professional, provided such uses are located in school buildings or buildings owned by or under the jurisdiction of the Madison Metropolitan School District or the City of Madison. (Am. by Ord. 6207, 3-29-78)
10. Landscape nurseries and tree service uses (non-retail) including processing mulches and soils and storage of decorative landscape materials such as fencing and logs provided storage areas, buildings or processing shall be located not less than one hundred fifty (150) feet from any lot in a residence district. (Cr. by Ord. 4623, 7-1-74)

(d) Lot Area and Lot Width Requirements. In the agricultural district, there shall be provided a lot area of not less than five (5) acres and a lot width and street frontage of not less than three hundred (300) feet.

(e) Height Regulations. In the agriculture district, no building or structure shall exceed two and one-half (2 1/2) stories or thirty-five (35) feet in height.

(f) Yard Requirements. In the agriculture district, front, side and rear yards shall be provided, each of which shall be not less than the following:
   1. Front yard--sixty (60) feet.
   2. Side yards--each side yard eighty (80) feet.
   3. Rear yard--one hundred (100) feet.

APPENDIX A

CITY OF MADISON
ZONING CODE FOR
PLANNED COMMUNITY DEVELOPMENT
AND
PLANNED UNIT DEVELOPMENT

(4) Planned Community Development District (PCD).

(a) Statement Of Purpose. The planned community development district is established to provide a regulatory framework designed to encourage and promote improved environmental design in the City of Madison by allowing for greater freedom, imagination and flexibility in the development of land while insuring substantial compliance to the basic intent of the Zoning Code and the general plan for community development. To this intent it allows diversification and variation in the relationship of uses, structures, open spaces and heights of structures in developments conceived and implemented as comprehensive and cohesive unified projects. It is further intended to encourage more rational and economic development with relation to public services, and to encourage and facilitate preservation of open land.

(b) Permitted Uses. The following uses are permitted in the planned community development district. Provided, however, that no use shall be permitted except in conformity with a specific and precise development plan pursuant to the procedural and regulatory provisions as hereinafter set forth.

Any use permitted by right or as a conditional grant in any of the other districts of this ordinance may be permitted subject to the criteria as established in 28.07(4)(f) following, but such requirements as are made a part of an approved recorded precise development plan shall be, along with the recorded plan itself, construed to be enforced as a part of this ordinance.

(c) Lot Area, Lot Width, Height, Floor Area Ratio, Yard And Usable Open Space Requirements. In the planned community development district there shall be no predetermined specific lot area, lot width, height, floor area ratio, yard and usable open space requirements, but such requirements as are made a part of an approved recorded precise development plan shall be, along with the recorded plan itself, construed to be and enforced as part of this ordinance.

(d) (R. by Ord. 5831, 5-6-77)

(e) Off-Street Parking. In the planned community development district, off-street parking facilities shall be provided in accordance with applicable regulations as herein set forth in Section 28.11, and such requirements as are made a part of an approved recorded precise development plan shall be, along with the recorded plan itself, construed to be and enforced as a part of this ordinance.

(f) Criteria For Approval. As a basis for determining the acceptability of a planned community development district application, the following criteria shall be applied to the precise development plan for such district with specific consideration as to whether or not it is consistent with the spirit and intent of this ordinance, has been prepared with competent professional advice and guidance, and produces significant benefits in terms of environmental design.

1. Character And Intensity Of Land Use. In a planned community development district, the uses proposed and their intensity and arrangement on the site shall be a visual and operational character which:

a. Are compatible with the physical nature of the site with particular concern for preservation of natural features, tree growth and open space.

b. Would produce an attractive environment of sustained aesthetic and ecological desirability, economic stability and functional practicality compatible with the general development plans for the area as established by the community.

c. Would not adversely affect the anticipated provision for school or other municipal services.

d. Would not create a traffic or parking demand incompatible with the existing or proposed facilities to serve it.

2. Economic Feasibility And Impact. The proponents of a planned community development district application shall provide evidence satisfactory to the Common Council of its economic feasibility, of available adequate financing, and that it would not adversely affect the economic prosperity of the City or the values of surrounding properties.

3. Engineering Design Standards. The width of street right-of-way, width and location of street or other paving, outdoor lighting location of sewer and water lines, provision for storm water drainage or other similar environmental engineering consideration shall be based upon determination as to the appropriate standards necessary to implement the specific function in the specific situation; provided, however, that in no case shall standards be less than those necessary to insure the public safety and welfare as determined by the City.

4. Preservation And Maintenance Of Open Space. In a planned community development district, adequate provision shall be made for the permanent preservation and maintenance of common open space either by private reservation or dedication to the public.

a. In the case of private reservation, the open area to be reserved shall be protected against building development by conveying to the City as part of the conditions for project approval an open space easement over such open areas restricting the area against any future building or use except as is consistent with that of providing landscaped open space for the aesthetic and recreational benefit of the development. Buildings or uses for noncommercial, recreational or cultural purposes compatible with the open space objective may be permitted only where specifically authorized as part of the development plan or subsequently, with the express approval of the Common Council following approval of building, site and operational plans by the Plan Commission.

b. The care and maintenance of such open space reservation shall be assured by establishment of appropriate management organization for the project. The manner of assuring maintenance and assessing such cost to individual properties shall be included in any contractual agreement with the City and shall be included in the title to each property.

c. Ownership and tax liability of private open space reservation shall be established in a manner acceptable to the City and made a part of the conditions of the plan approval.

5. Implementation Schedule. The proponents of a planned community development district shall submit a reasonable schedule for the implementation of the development to the satisfaction of the Common Council including suitable provisions for assurance that each phase could be brought to completion in a manner which would not result in adverse effect upon the community as a result of termination at that point.

(g) Procedure. The procedure for rezoning to a planned community development district shall be as required for any other zoning district change under this chapter, except that in addition thereto, the rezoning may only be considered in conjunction with the development plan, and shall be subject to the following additional requirements:

1. General Development Plan. The applicant shall file with the Plan Commission a general development plan which shall include the following information:
   a. A statement describing the general character of the intended development.
   b. An accurate map of the project area including its relationship to surrounding properties and existing topography and key features.
   c. A plan of the proposed project showing at least the following information in sufficient detail to make possible the evaluation of the criteria for approval as set forth in 28.07(4)(f) of this section.
      i. The pattern of proposed land use including shape, size and arrangement of proposed use areas, density and environmental character.
      ii. The pattern of public and private streets.
      iii. The location, size and character of recreational and open space areas reserved or dedicated for public uses such as schools, parks, greenways, etc.
      iv. A utility feasibility study.
   d. Appropriate statistical data on the size of the development, ratio of various land uses, percentages of multifamily units by number of bedrooms, economic analysis of the development, expected staging, and any other plans or data pertinent to evaluation by the City under the criteria of 28.07(4)(f) of this section.
   e. General outline of intended organizational structure related to property owner's association, deed restrictions and private provision of common services.
2. Referral And Hearing.
   a. Within sixty (60) days after completion of the filing of the petition for approval of a general development plan, the Plan Commission shall forward the petition to the Common Council with a recommendation that the plan be approved as submitted, approved with modifications or disapproved.

(6) Planned Unit Development District (PUD).

(a) Statement Of Purpose. The planned unit development district is established to provide a voluntary regulatory framework designed to encourage and promote improved environmental and aesthetic design in the City of Madison by allowing for greater freedom, imagination and flexibility in the development of land while insuring substantial compliance to the basic intent of the zoning code and the general plan for community development. To this intent it allows diversification and variation in the bulk and relationship of uses, structures and spaces in developments conceived as comprehensive and cohesive unified plans and projects. It is further intended to encourage developments consistent with coordinated area site planning.

(b) Permitted Uses. Other than the existing use, no use shall be permitted in the planned unit development district except in conformity with a specific and precise development plan pursuant to the procedural and regulatory provisions hereinafter set forth. Any use permitted by right or as a conditional grant in any of the other districts of this ordinance.

(c) Lot Area, Lot Width, Height, Floor Area Ratio, Yard, Usable Open Space Requirements, Signs And Off-Street Parking Requirements. In the planned unit development district there shall be no predetermined specific lot area, lot width, height, floor area ratio, yard, usable open space, sign and off-street parking requirements, but such requirements as are made a part of an approved recorded precise development plan agreed upon by the owner and the City shall be, along with the recorded plan itself, construed to be and enforced as a part of this ordinance.

(d) Criteria For Approval. As a basis for determining the acceptability of a planned unit development district application the following criteria shall be applied with specific consideration as to whether or not it is consistent with the spirit and intent of this ordinance and has the potential for producing significant community benefits in terms of environmental and aesthetic design.

1. Character And Intensity Of Land Use. In a planned unit development district the uses and their intensity, appearance and arrangement shall be of a visual and operational character which:
   a. Are compatible with the physical nature of the site or area.
   b. Would produce an attractive environment of sustained aesthetic desirability, economic stability and functional practicality compatible with the general development plan.
   c. Would not adversely affect the anticipated provision for school or other municipal service unless jointly resolved.
   d. Would not create a traffic or parking demand incompatible with the existing or proposed facilities to serve it unless jointly resolved.
2. Economic Impact. Planned unit development district shall not adversely affect the economic prosperity of the City or of surrounding properties.

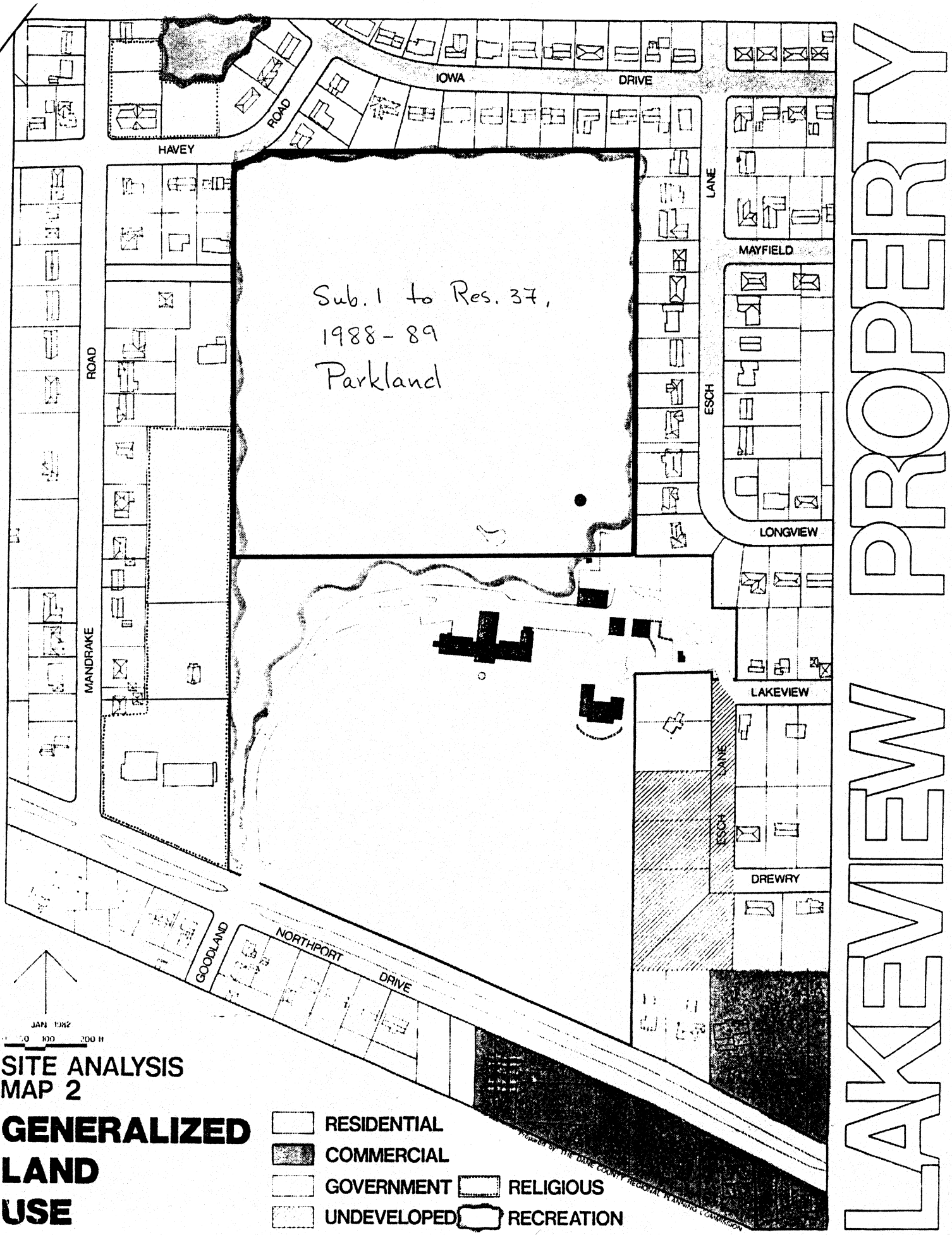
3. Preservation And Maintenance Of Open Space. In a planned unit development district adequate provision for the improvement and continuing preservation and maintenance of attractive open space shall be made.
4. Implementation Schedule. A planned unit development district shall include suitable assurances that each phase could be completed in a manner which would not result in an adverse effect upon the community as a result of termination at that point.

(e) Procedure. The procedure for rezoning to a planned unit development district shall be as required for any other zoning district change in this chapter, except that in addition thereto the rezoning may only be considered in conjunction with a development plan, and shall be subject to the following additional requirements.

1. General Development Plan. The proponents shall file the following with the City Plan Commission:
   a. A statement describing the general character of the intended development.
   b. An accurate map of the project area including its relationship to surrounding properties and existing topography and key features.
   c. A plan of the proposed project showing sufficient detail to make possible the evaluation of the criteria for approval as set forth in Section 28.07(6)(d).
   d. When requested, a general outline of intended organizational structure related to property owner's association, deed restrictions and private provision of common services.
2. Referral And Hearing.
   a. Within sixty (60) days after completion of the filing of the petition for approval of a general development plan, the City Plan Commission shall forward the petition to the Common Council with recommendations that the plan is to be approved as submitted, approved with modifications or disapproved.
   b. Upon receipt of the recommendations, the Council shall determine whether or not to initiate a proposed zoning change to establish the proposed planned unit development district and to schedule the required public hearing. If the Council fails to initiate such a change within thirty (30) days, the petitioner may file a petition directly with the City Clerk as provided by law.

APPENDIX A

LEGAL STATUS OF LAKEVIEW WOODS


LAKEVIEW PROPERTY
IOWA
DRIVE
HAVEY
ROAD
LANE
MAYFIELD
Sub. 1 to Res. 37,
1988-89
Parkland
ROAD
ESCH
LONGVIEW
MANDRAKE
LAKEVIEW
LANE
ESCH
DREWRY
GOODLAND
NORTHPORT
DRIVE
JAN 1982
SITE ANALYSIS
MAP 2
GENERALIZED
LAND
USE
RESIDENTIAL
COMMERCIAL
GOVERNMENT
RELIGIOUS
UNDEVELOPED
RECREATION
PLANNING BY THE DANE COUNTY REGIONAL PLANNING COMMISSION

Draft
For Beverly Hulle-Meyer
6/10/88

Substitute Resolution 1 to Resolution 37, 1988-89

Rededicating Lakewview Woods as County Parklands

There is apparent ambiguity in prior resolutions and actions of the County Board as related to the official status of the Lakeview Woods as a public park or conservancy area.

Lakeview Woods is presently a wooded preserve with a panoramic view of the Capitol and isthmus along with the beauty of Lake Mendota and the university Campus and is described as follows

> Part of the East 1/2 of the Southwest 1/4 and the Northwest 1/4 of the Southeast 1/4 of Section 25, T8N, R9E, Town of Westport, Dane County Wisconsin more fully described as follows:
> Beginning at the Northeast corner of the Southwest 1/4 of said Section 25; thence South 00° 59' 26" West 990.73 feet; thence South 89° 31' 20" West approximately 990 feet to the West property line; thence Northerly along the West property line approximately 970 feet, thence Northeasterly along a curve to the left, whose long chord bears North 70° 05' 02" East and has a radius of 200 feet, 79.20 feet; thence South 89° 31' 20" East 917.34 feet to the point of beginning.
> Subject to an easement to the City of Madison Water Utility and a part of a parking lot in the Southeast corner of the parcel.
> Said parcel containing approximately 22.5 acres more or less.

~~Because~~ Lakeview Woods ~~is not~~ became a conservancy area under the management of the Parks Commission by Resolution 228, adopted May 18, 1967, resolving that the described portion be placed under the jurisdiction of the Dane County Parks Commission for the purpose of maintaining and developing such land for park purposes.

The future of the property appears clouded between a pending resolution declaring all 46 acres surplus to County needs and pressures from neighborhood groups to retain the described wooded parcel as a preservation area in perpetuity.

NOW, THEREFORE, BE IT RESOLVED; that the County Board of Supervisors of the County of Dane reaffirms its prior action dedicating, as park lands, the area of the grounds known as Lakeview Woods and the same hereby is expressly re-dedicated as part of the Dane County Park system, in accordance with s. 27.05(3), Wis, Stats.

Submitted by,

_____

_____

_____

June 7, 1988

Res. 228
May 18, 1967

Delete from last line "and shall remain under the jurisdiction of said Parks Commission until otherwise directed by the Dane County Board".

Placing part of Lake View grounds under the jurisdiction of the Dane County Parks Commission

WHEREAS, the property owned by Dane County at Lake View is no longer being used for tubercular patients; and

WHEREAS, a certain portion of said property is suitable for development for park purposes;

NOW THEREFORE BE IT RESOLVED, that the following described property consisting of a portion of the Lake View grounds be placed under the jurisdiction of the Dane County Parks Commission for the purpose of maintaining and developing such land for park purposes and shall remain under the jurisdiction of said Parks Commission until otherwise directed by the Dane County Board:

Proposed area of land.

(B) Start N.W. corner of Lot 16, Block 2, Lakeview Heights, thence westerly 67 feet to southeast corner of Park roadway, thence southwesterly direction 600 feet to a point at the northwest corner of main driveway; thence in southerly direction along west side of main driveway to south property-line, thence northwesterly to southwest corner, thence north along west property-line 1,717.81 feet, thence in northeasterly direction 79.30 feet, thence due east 917.34 feet to City of Madison monument center of section 25, T8N, R9E, thence due south 990.73 feet to point of beginning.

Mr. Gugel moved for adoption of the amendment, seconded by Mr. Pertzborn. Roll call was requested and the motion to adopt amendment carried with the following vote having been recorded: Ayes — 33; Noes — 12; Absent — 2. Ayes — Messrs. Albert, Ballweg, Burrill, Dalsk, Donavan, Epstein, Erickson, Evans, Ferguson, Finley, Gruendler, Gugel, Hall, Hickman, Holte, Horan, Johnson, Jost, Klubertanz, Martin, McCarthy, McDermott, (Mrs.) Newgent, Nielsen, Ohnstad, Pertzborn, Pire Rockwell, Simmons, Solsrud, Voges, Weisensel and Harb. Noes — Messrs. Burmeister, Card, Cawley, (Mrs.) Graham, Janus, Loucks, Madsen, McKee, Quam, Ripp, Volenberg and Wake. Absent — Messrs. Eisner and Raemisch.

Mr. Gugel moved for adoption as amended, seconded by Mr. Solsrud and carried by voice vote.

Mr. Burmeister served notice that he would ask for reconsideration of Res. 228 at the next Board meeting. (NOT DONE)

APPENDIX A

LAKEVIEW OFFICE COMPLEX
OPERATING EXPENSES
AND
CAPITAL COSTS AND BUDGETS

LAKEVIEW OPERATING EXPENSES
1984 - 1987

EXPENSES	1984	1985	1986	1987
Mower and Truck	$0	$0	$0	$0
Building Repairs & Ground Maintenance	$1,440	$4,649	$3,328	$3,560
Electricity	$19,126	$17,293	$20,432	$20,181
Elevator Repairs	$4,905	$5,370	$7,255	$8,608
Heat	$39,754	$36,661	$34,853	$26,924
Insurance	$1,500	$13,296	$9,315	$0
Janitor Supplies	$5,084	$4,170	$5,424	$4,372
Plumbing, Heating & Electrical Repairs	$1,579	$2,268	$4,698	$36,964
Sundry	$591	$487	$909	$52
Purchase & Trade Services	$231,256	$224,613	$245,622	$3,719
Protective Wear	$0	$0	$0	$0
Water	$0	$0	$0	$1,391
Operating Equipment Expense	$1,783	$3,390	$1,627	$10
Waste Removal	$0	$617	$1,010	$1,719
Property Management Service	$0	$0	$0	$55,357
14-Nov-88 OPEXPENS.WK1 (LAKEVIEW DISK II)				
Asbestos Removal	$0	$0	$20,262	$0
Capital Outlay	$1,699	$3,890	$2,951	?
Total Operation & Maintenance	$308,717	$316,704	$357,686	$162,857

SOURCE: Dane County Department of Facilities Management

COST OF GROUNDS MAINTENANCE FOR 20 ACRES
(DOES NOT INCLUDE LAKEVIEW WOODS)
LAKEVIEW SANATORIUM
AS REPORTED BY KEN LE PINE
DANE COUNTY PARKS DEPARTMENT
OCTOBER 12, 1988

GROUNDS

Pre-season cleanup	4 hours/acre/acre		
	80 hrs. @ $10.13/hr.	$ 810.40	
	Equipment costs	37.50	
			$ 847.90
In-season maintenance	1.8 hours/acre/year		
Other than mowing)	36 hrs. @ $10.13	$ 364.68	
	Equipment costs	25.00	
			$ 389.68
Mowing	20 hours/acre/year		
	400 hrs. $10.13	$4,052.00	
	Equipment costs	2,500.00	
			$6,602.00
Tree and Shrub Care	80 hours/year @$10.85	$ 868.00	
	Equipment costs	437.50	
			$1,305.50
	TOTAL		$9,144.58

LAKEVIEW CAPITAL OUTLAY

DATE	PROJECT	DOLLAR AMOUNT	ANNUAL AMOUNT
1982			
9/7/82	Masonry Repairs and Waterproofing	$ 3,690.00	
			$ 3,690.00
1984			
9/11/84	Replace Exhaust Breeching - Boiler #1	$ 1,570.00	
9/11/84	Carpeting - Nurses' Annex Porch	3,430.50	
			$ 5,000.50
1985			
11/22/85	Remodeling - Locks	$ 800.00	
	Electrical - Exit Signs	700.00	
	Partition Walls & Doors	2,210.00	
12/3/85	Security Call System	3,000.00	
12/27/85	Carpeting (4 rooms) Main Building	2,038.77	
			$8,748.77
1986			
4/15/86	Asbestos Removal - Nurses' Annex	$19,900.00	
4/15/86	Asbestos Removal - Central Stores Room	3,400.00	
4/13/86	Restroom Remodeling	4,150.00	
7/7/86	Replace Water Softener	955.00	
			$28,405.00
1987			
3/87	Heating System Repairs (Boilers)	$ 9,385.00	
7/87	Heating System Repairs (Valves)	19,600.00	
8/11/87	Repair Boiler Refactory	2,457.00	
			$31,442.00
1988			
7/26/88	Pipe Insulation Asbestos Encapsulation	$ 2,516.00	
7/26/88	Replace Main Electrical Service (In-house)	?	
7/26/88	Replace Circulating Pump (In-house)	?	
			$ 2,516.00
	GRAND TOTAL		$79,802.27

SOURCE: Dane County Department of Public Works

CONSOLIDATED MAINTENANCE - 1988 CAPITAL OUTLAY BUDGET

CITY-COUNTY BUILDING

1.	Tuckpointing	$ 6,000
2.	Insulate Water Piping in Plumbing Chases	$20,000
3.	Joint Repair at M.L. King Jr. Blvd. Entrance	$ 5,000
4.	Landscaping	$ 2,500
5.	Replace Exterior Doors at Wilson Street Entrance	$20,000
6.	Install Sound Absorbing Walls in Gun Range	$ 14,000

LAKEVIEW

1.	Install New Concrete Cap on Steam Tunnel Access	$ 560
2.	Paint OH Doors, Windows on Garage Building - Caulk	$ 3,500
3.	Tuckpoint Main Building	$ 6,000
4.	Tuckpoint Dorm Building	$ 2,000
5.	Recoat Main Building Porch Roofs	$ 5,300
6.	Demolition of Boiler House Brick Chimneys	$ 6,500
7.	Bituminous Repairs and Seal Coating	$29,000
8.	Concrete Repairs at Main Building Handicapped Entrance	$ 1,400
9.	Boiler House Concrete Deck and Structure Repairs	$ 3,800
10.	Energy Retrofit	$14,000
11.	Elevator Repairs [1]	$17,000

1. Another option would be to take this elevator out of service completely.

CORRESPONDENCE/MEMORANDUM

County of Dane

DATE: July 28, 1986

TO: Paul Nelson
Consolidated Maintenance

FROM: Ken Koscik
Public Works Dept.

SUBJECT: 1987 Capital Outlay

The Public Works Department recommends that you consider the following projects in the 1987 capital outlay budget:

City-County Building

		Estimate
**1.	Tuckpointing	$ 6,000 (1) 4000
**2.	Replace exterior doors on Monona Ave. and Wilson St. Alternate: install revolving doors on Monona Ave. and Wilson St.	$40,000 (3) N,+ I $40,000
3.	Reinsulate pipes in plumbing chases	$20,000
**4.	Replace Council chamber roof	$16,600 (2)

Lakeview

**1.	Bituminous repairs and seal coating	$28,600 (5) N,+ I
2.	Demolition of boiler house brick chimneys	$ 6,000
**3.	Recoat porch roof at Main Building	$ 3,800 (3) N,+ I
**4.	Tuckpointing at Main Building	$ 2,500 (2) N,+ I
**5.	Misc. concrete repairs at Main Building entrance	$ 1,300 (4) N,+ I
**6.	Concrete deck and structure repairs at boiler house	$ 3,600 (1) N,+ I
7.	Energy retrofit	$14,000

**We strongly recommend that these items be considered for the 1987 budget. Deterioration, etc., will escalate repair and/or replacement costs if delayed.

cc: County Executive Barry
Jerry Femrite, Public Works Committee

CORRESPONDENCE/MEMORANDUM

County of Dane

Date: August 13, 1984 *File Ref:*

To: Paul Nelson
Central Maintenance

From: Tom Martinelli
Public Works Department

Subject: 1985 Lakeview Budget for "Energy Retrofit"

The following "Energy Retrofit" projects are recommended for the 1985 Lakeview budget based on the audits performed by Arnold and O'Sheridan and MG&E:

	Item	Estimated Cost	Performed by
1)	Add weatherization and astragals to all exterior doors	$200	Staff
2)	Install lock boxes on all thermostats	$50	Staff
3)	Replace fluorescent tubes with watt miser type bulbs	$100	Staff
4)	Rewire and reswitch porch lights	$1,000	Contractor
5)	Install insulation blanket on water heater	$25	Staff
6)	Perform combustion efficiency test on boilers (2 times/yr)	$350	Contractor
7)	Insulate all condensate piping and fittings in the tunnels	$1,500	Contractor
8)	Insulate condensate tank	$100	Staff
9)	Boiler turbulators	$4,000	Contractor
10)	Add flue dampers to boilers and hot water heater	$1,500	Contractor
11)	Install photocell to control exterior lighting	$250	Staff
	TOTAL	$ 9,075	
	Say	$10,000	

The "Energy Retrofit" line item should be included in the Lakeview budget for the next three to four years so that all of the energy audit recommendations may be accomplished.

If Dane County elects to continue using the Lakeview buildings for County offices, the following plan is recommended for future budgets.

1986 Budget:

	Item	Estimated Cost	Performed By
1)	Install slow-closing faucets on all lavatories	$1,000	Contractor
2)	Perform combustion efficiency test on boilers (2 times/yr)	$350	Contractor
3)	Install motorized dampers on outside air ducts for air handling units	$2,500	Contractor
4)	Replace all existing windows with insulate windows and eliminate some window openings	$200,000	Contractor
	TOTAL	$203,850	

1987 Budget:

1)	Insulate steam piping in tunnels	$9,000	Contractor
2)	Replace water heat exchanger	$10,000	Contractor
3)	Replace urinal flush tanks with flush valves	$4,000	Contractor
4)	Install automatic temperature control valves in radiators	$20,000	Contractor
5)	Replace exterior lights with high pressure sodium fixtures	$5,000	Contractor
	TOTAL	$43,000	

1988 Budget:

1)	Install toilet room exhaust fan with backdraft dampers and time clocks	$6,000	Contractor
2)	Install flue damper on incinerator	$5,000	Contractor
3)	Replace all exterior doors with insulated doors	$9,000	Contractor

	Item	Estimated Cost	Performed by
4)	Replace exit fixtures with fluorescent units	$1,000	Contractor
5)	Install separate water heaters in each building	$3,000	Contractor
6)	Install wall insulation to interior side of all exterior walls	$160,000	Contractor
	TOTAL	$184,000	

These energy retrofit improvements have been prioritized according to their pay back period. Items with short pay back periods are included in the 1985 and 1986 budgets while items with longer pay backs were delayed until the 1987 and 1988 budgets.

APPENDIX B

MOST PROBABLE USE SCENARIOS FOR PARCEL B

BACK DOOR APPROACH TO JUSTIFIED PURCHASE PRICE
PARCEL B - RENTAL LEVEL 1 WITH AVERAGE RENTS OF $555-$561/MO - ADAPTIVE REUSE OF EXISTING BUILDINGS AS 75 RENTAL APARTMENTS
ASSUMPTIONS: INTEREST AT 10.92% FOR 10 YEAR LOCK WITH MORTGAGE CONSTANT OF 11.3554% AND 30 YEAR AMORTIZATION
DEBT COVER RATIO (DCR) OF 1.2
CASH ON CASH AT 10%
REHAB COSTS AT $40/SF FOR THE MAIN BUILDING AND $35/SF FOR THE ANNEX AND 95 SURFACE PARKING STALLS REQUIRED AT $600 PER STALL PLUS 30 GUEST STALLS

INCOME POTENTIAL				
GROSS REVENUE				
Main Building	$390,713			
Annex	$113,174			
TOTAL GROSS POTENTIAL REVENUE		$503,887		
LESS VACANCY AT 5%		($25,194)		
EFFECTIVE GROSS REVENUE (EGR)			$478,693	
LESS OPERATING EXPENSES AT 35% OF EGR			($167,542)	
NET OPERATING INCOME (NOI)			$311,150	
ALLOWABLE DEBT				
MAXIMUM ANNUAL DEBT SERVICE WITH DCR OF 1.2		$259,292		
JUSTIFIED MORTGAGE LOAN				$2,283,423
JUSTIFIED EQUITY CONTRIBUTION				
CASH AVAILABLE FOR INVESTORS AND INCOME TAX		$51,858		
JUSTIFIED CASH EQUITY INVESTMENT				$518,584
JUSTIFIED PURCHASE PRICE				
TOTAL JUSTIFIED INVESTMENT				$2,802,007
LESS PLANNED IMPROVEMENT BUDGET				($3,167,500)
PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS				($365,493)

PARCEL B - RENT LEVEL 1 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
MAIN BUILDING - APPROXIMATELY 62,000 SQUARE FEET OF GROSS BUILDING AREA

RENT ROLL

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	4	2 Bdrm	792	$0.74	$586	$2,344	$28,132		
South	2	2 Bdrm	892	$0.73	$651	$1,302	$15,628		
FIRST FLOOR								$43,760	
North	1	Efficiency	528	$0.72	$380	$380	$4,562		
South	4	2 Bdrm	792	$0.76	$602	$2,408	$28,892		
South	2	2 Bdrm	892	$0.74	$660	$1,320	$15,842		
North	1	2 Bdrm	952	$0.63	$600	$600	$7,197		
North	4	1 Bdrm	550	$0.72	$396	$1,584	$19,008		
East	1	1 Bdrm	640	$0.68	$435	$435	$5,222		
West	1	1 Bdrm	640	$0.68	$435	$435	$5,222		
North	2	1 Bdrm	640	$0.70	$448	$896	$10,752		
SECOND FLOOR								$96,698	
North	1	Efficiency	528	$0.72	$380	$380	$4,562		
South	4	2 Bdrm	792	$0.78	$618	$2,471	$29,652		
South	2	2 Bdrm	892	$0.76	$678	$1,356	$16,270		
North	1	2 Bdrm	952	$0.65	$619	$619	$7,426		
North	4	1 Bdrm	550	$0.74	$407	$1,628	$19,536		
East	1	1 Bdrm	640	$0.70	$448	$448	$5,376		
West	1	1 Bdrm	640	$0.70	$448	$448	$5,376		
North	2	1 Bdrm	640	$0.72	$461	$922	$11,059		
								$99,257	
THIRD FLOOR									
North	2	Efficiency	528	$0.74	$391	$781	$9,377		
South	4	2 Bdrm	792	$0.80	$634	$2,534	$30,413		
South	2	2 Bdrm	892	$0.79	$705	$1,409	$16,912		
North	4	1 Bdrm	550	$0.76	$418	$1,672	$20,064		
								$76,766	
FOURTH FLOOR									
South + Balcony	4	1 Bdrm	768	$0.95	$730	$2,918	$35,021		
South + Balcony	2	2 Bdrm	1028	$0.85	$874	$1,748	$20,971		
South + Balcony	2	2 Bdrm	800	$0.95	$760	$1,520	$18,240		
								$74,232	
TOTALS	58 APARTMENT UNITS								$390,713
								AVERAGE RENT/UNIT/MONTH:	$561

PARCEL B - RENT LEVEL 1 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
ANNEX BUILDING - APPROXIMATELY 17,500 SQUARE FEET OF GROSS BUILDING AREA

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	3	2 Bdrm	801	$0.76	$609	$1,826	$21,915		
FIRST FLOOR								$21,915	
South	3	2 Bdrm	801	$0.78	$625	$1,874	$22,492		
North and East	1	1 Bdrm	650	$0.72	$468	$468	$5,616		
North	1	1 Bdrm	620	$0.72	$446	$446	$5,357		
East and West	1	1 Bdrm	688	$0.70	$482	$482	$5,779		
North and West	1	1 Bdrm	688	$0.70	$482	$482	$5,779		
SECOND FLOOR								$45,023	
South	3	2 Bdrm	801	$0.80	$641	$1,922	$23,069		
North and East	1	1 Bdrm	650	$0.74	$481	$481	$5,772		
North	1	1 Bdrm	620	$0.74	$459	$459	$5,506		
East and West	1	1 Bdrm	688	$0.72	$495	$495	$5,944		
North and West	1	1 Bdrm	688	$0.72	$495	$495	$5,944		
								$46,235	
TOTALS	17 APARTMENT UNITS								$113,174
								AVERAGE MONTHLY RENT:	$555

BACK DOOR APPROACH TO JUSTIFIED PURCHASE PRICE
PARCEL B - RENTAL LEVEL 2 WITH AVERAGE RENTS OF $832-$842/MO - ADAPTIVE REUSE OF EXISTING BUILDINGS AS 75 RENTAL APARTMENTS
ASSUMPTIONS: INTEREST AT 10.92% FOR 10 YEAR LOCK WITH MORTGAGE CONSTANT OF 11.3554% AND 30 YEAR AMORTIZATION
DEBT COVER RATIO (DCR) OF 1.2
CASH ON CASH AT 10%
REHAB COSTS AT $50/SF FOR THE MAIN BUILDING AND $45/SF FOR THE ANNEX
75 ENCLOSED DETACHED GARAGES AT $1,600/STALL AND 75 SURFACE STALLS AT $600/STALL
8 BALCONIES WITH A TOTAL OF 1,344 SQUARE FEET AT $25/SF FOR 4TH FLOOR UNITS WITH SOUTHERN VIEW

INCOME POTENTIAL			
GROSS REVENUE			
Main Building	$586,070		
Annex	$169,761		
TOTAL GROSS POTENTIAL REVENUE		$755,831	
LESS VACANCY AT 5%		($37,792)	
EFFECTIVE GROSS REVENUE (EGR)			$718,039
LESS OPERATING EXPENSES AT 35% OF EGR			($251,314)
NET OPERATING INCOME (NOI)			$466,726
ALLOWABLE DEBT			
MAXIMUM ANNUAL DEBT SERVICE WITH DCR OF 1.2		$388,938	
JUSTIFIED MORTGAGE LOAN			$3,425,137
JUSTIFIED EQUITY CONTRIBUTION			
CASH AVAILABLE FOR INVESTORS AND INCOME TAX		$77,788	
JUSTIFIED CASH EQUITY INVESTMENT			$777,876
JUSTIFIED PURCHASE PRICE			
TOTAL JUSTIFIED INVESTMENT			$4,203,013
LESS PLANNED IMPROVEMENT BUDGET			($4,086,100)
PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS			$116,913

PARCEL B - RENT LEVEL 2 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
MAIN BUILDING - APPROXIMATELY 62,000 SQUARE FEET OF GROSS BUIDLING AREA
RENT LEVEL 2 IS 1.5 TIMES HIGHER THAN RENT LEVEL 1

RENT ROLL

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	4	2 Bdrm	792	$1.11	$879	$3,516	$42,198		
South	2	2 Bdrm	892	$1.10	$977	$1,953	$23,442		
FIRST FLOOR								$65,640	
North	1	Efficiency	528	$1.08	$570	$570	$6,843		
South	4	2 Bdrm	792	$1.14	$903	$3,612	$43,338		
South	2	2 Bdrm	892	$1.11	$990	$1,980	$23,763		
North	1	2 Bdrm	952	$0.95	$900	$900	$10,796		
North	4	1 Bdrm	550	$1.08	$594	$2,376	$28,512		
East	1	1 Bdrm	640	$1.02	$653	$653	$7,834		
West	1	1 Bdrm	640	$1.02	$653	$653	$7,834		
North	2	1 Bdrm	640	$1.05	$672	$1,344	$16,128		
SECOND FLOOR								$145,047	
North	1	Efficiency	528	$1.08	$570	$570	$6,843		
South	4	2 Bdrm	792	$1.17	$927	$3,707	$44,479		
South	2	2 Bdrm	892	$1.14	$1,017	$2,034	$24,405		
North	1	2 Bdrm	952	$0.98	$928	$928	$11,138		
North	4	1 Bdrm	550	$1.11	$611	$2,442	$29,304		
East	1	1 Bdrm	640	$1.05	$672	$672	$8,064		
West	1	1 Bdrm	640	$1.05	$672	$672	$8,064		
North	2	1 Bdrm	640	$1.08	$691	$1,382	$16,589		
								$148,886	
THIRD FLOOR									
North	2	Efficiency	528	$1.11	$586	$1,172	$14,066		
South	4	2 Bdrm	792	$1.20	$950	$3,802	$45,619		
South	2	2 Bdrm	892	$1.19	$1,057	$2,114	$25,368		
North	4	1 Bdrm	550	$1.14	$627	$2,508	$30,096		
								$115,150	
FOURTH FLOOR									
South + Balcony	4	1 Bdrm	768	$1.43	$1,094	$4,378	$52,531		
South + Balcony	2	2 Bdrm	1028	$1.28	$1,311	$2,621	$31,457		
South + Balcony	2	2 Bdrm	800	$1.43	$1,140	$2,280	$27,360		
								$111,348	
TOTALS	58 APARTMENT UNITS								$586,070
							AVERAGE RENT/UNIT/MONTH:		$842

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PARCEL B - RENT LEVEL 2 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
ANNEX BUILDING - APPROXIMATELY 17,500 SQUARE FEET OF GROSS BUILDING AREA
RENT LEVEL 2 IS 1.5 TIMES HIGHER THAN RENT LEVEL 1

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	3	2 Bdrm	801	$1.14	$913	$2,739	$32,873		
FIRST FLOOR								$32,873	
South	3	2 Bdrm	801	$1.17	$937	$2,812	$33,738		
North and East	1	1 Bdrm	650	$1.08	$702	$702	$8,424		
North	1	1 Bdrm	620	$1.08	$670	$670	$8,035		
East and West	1	1 Bdrm	688	$1.05	$722	$722	$8,669		
North and West	1	1 Bdrm	688	$1.05	$722	$722	$8,669		
SECOND FLOOR								$67,535	
South	3	2 Bdrm	801	$1.20	$961	$2,884	$34,603		
North and East	1	1 Bdrm	650	$1.11	$722	$722	$8,658		
North	1	1 Bdrm	620	$1.11	$688	$688	$8,258		
East and West	1	1 Bdrm	688	$1.08	$743	$743	$8,916		
North and West	1	1 Bdrm	688	$1.08	$743	$743	$8,916		
								$69,353	
TOTALS	17 APARTMENT UNITS								$169,761
								AVERAGE MONTHLY RENT:	$832

BACK DOOR APPROACH TO JUSTIFIED PURCHASE PRICE
PARCEL B - RENTAL LEVEL 3 WITH AVERAGE RENTS OF $693-$702/MO - ADAPTIVE REUSE OF EXISTING BUILDINGS AS 75 RENTAL APARTMENTS
ASSUMPTIONS: INTEREST AT 10.92% FOR 10 YEAR LOCK WITH MORTGAGE CONSTANT OF 11.3554% AND 30 YEAR AMORTIZATION
DEBT COVER RATIO (DCR) OF 1.2
CASH ON CASH AT 10%
REHAB COSTS AT $45/SF FOR THE MAIN BUILDING AND $40/SF FOR THE ANNEX AND 75 ENCLOSED DETACHED GARAGES AT $1,600 PER STALL AND 75 SURFACE STALLS AT $600/STALL
8 BALCONIES WITH 1,344 SQUARE FEET AT $25/SF FOR 4TH FLOOR UNITS WITH SOUTHERN VIEW

INCOME POTENTIAL				
GROSS REVENUE				
Main Building	$488,392			
Annex	$141,467			
TOTAL GROSS POTENTIAL REVENUE		$629,859		
LESS VACANCY AT 5%		($31,493)		
EFFECTIVE GROSS REVENUE (EGR)			$598,366	
LESS OPERATING EXPENSES AT 35% OF EGR			($209,428)	
NET OPERATING INCOME (NOI)			$388,938	
ALLOWABLE DEBT				
MAXIMUM ANNUAL DEBT SERVICE WITH DCR OF 1.2		$324,115		
JUSTIFIED MORTGAGE LOAN				$2,854,280
JUSTIFIED EQUITY CONTRIBUTION				
CASH AVAILABLE FOR INVESTORS AND INCOME TAX		$64,823		
JUSTIFIED CASH EQUITY INVESTMENT				$648,230
JUSTIFIED PURCHASE PRICE				
TOTAL JUSTIFIED INVESTMENT				$3,502,510
LESS PLANNED IMPROVEMENT BUDGET				($3,688,600)
PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS				($186,090)

PARCEL B - RENT LEVEL 3 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
MAIN BUILDING - APPROXIMATELY 62,000 SQUARE FEET OF GROSS BUILDING AREA
RENT LEVEL 3 IS 1.25 TIMES HIGHER THAN RENT LEVEL 1

RENT ROLL

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	4	2 Bdrm	792	$0.93	$733	$2,930	$35,165		
South	2	2 Bdrm	892	$0.91	$814	$1,628	$19,535		
FIRST FLOOR								$54,700	
North	1	Efficiency	528	$0.90	$475	$475	$5,702		
South	4	2 Bdrm	792	$0.95	$752	$3,010	$36,115		
South	2	2 Bdrm	892	$0.93	$825	$1,650	$19,802		
North	1	2 Bdrm	952	$0.79	$750	$750	$8,996		
North	4	1 Bdrm	550	$0.90	$495	$1,980	$23,760		
East	1	1 Bdrm	640	$0.85	$544	$544	$6,528		
West	1	1 Bdrm	640	$0.85	$544	$544	$6,528		
North	2	1 Bdrm	640	$0.88	$560	$1,120	$13,440		
SECOND FLOOR								$120,872	
North	1	Efficiency	528	$0.90	$475	$475	$5,702		
South	4	2 Bdrm	792	$0.98	$772	$3,089	$37,066		
South	2	2 Bdrm	892	$0.95	$847	$1,695	$20,338		
North	1	2 Bdrm	952	$0.81	$774	$774	$9,282		
North	4	1 Bdrm	550	$0.93	$509	$2,035	$24,420		
East	1	1 Bdrm	640	$0.88	$560	$560	$6,720		
West	1	1 Bdrm	640	$0.88	$560	$560	$6,720		
North	2	1 Bdrm	640	$0.90	$576	$1,152	$13,824		
								$124,072	
THIRD FLOOR									
North	2	Efficiency	528	$0.93	$488	$977	$11,722		
South	4	2 Bdrm	792	$1.00	$792	$3,168	$38,016		
South	2	2 Bdrm	892	$0.99	$881	$1,762	$21,140		
North	4	1 Bdrm	550	$0.95	$523	$2,090	$25,080		
								$95,958	
FOURTH FLOOR									
South + Balcony	4	1 Bdrm	768	$1.19	$912	$3,648	$43,776		
South + Balcony	2	2 Bdrm	1028	$1.06	$1,092	$2,185	$26,214		
South + Balcony	2	2 Bdrm	800	$1.19	$950	$1,900	$22,800		
								$92,790	
TOTALS	58 APARTMENT UNITS								$488,392
							AVERAGE RENT/UNIT/MONTH:		$702

PARCEL B - RENT LEVEL 3 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
ANNEX BUILDING - APPROXIMATELY 17,500 SQUARE FEET OF GROSS BUILDING AREA
RENT LEVEL 3 IS 1.25 TIMES HIGHER THAN RENT LEVEL 1

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	3	2 Bdrm	801	$0.95	$761	$2,283	$27,394		
FIRST FLOOR								$27,394	
South	3	2 Bdrm	801	$0.98	$781	$2,343	$28,115		
North and East	1	1 Bdrm	650	$0.90	$585	$585	$7,020		
North	1	1 Bdrm	620	$0.90	$558	$558	$6,696		
East and West	1	1 Bdrm	688	$0.88	$602	$602	$7,224		
North and West	1	1 Bdrm	688	$0.88	$602	$602	$7,224		
SECOND FLOOR								$56,279	
South	3	2 Bdrm	801	$1.00	$801	$2,403	$28,836		
North and East	1	1 Bdrm	650	$0.93	$601	$601	$7,215		
North	1	1 Bdrm	620	$0.93	$574	$574	$6,882		
East and West	1	1 Bdrm	688	$0.90	$619	$619	$7,430		
North and West	1	1 Bdrm	688	$0.90	$619	$619	$7,430		
								$57,794	
TOTALS	17 APARTMENT UNITS								$141,467
								AVERAGE MONTHLY RENT:	$693

BACK DOOR APPROACH TO JUSTIFIED PURCHASE PRICE
PARCEL B - RENTAL LEVEL 4 WITH AVERAGE RENTS OF $460-$555/MO - ADAPTIVE REUSE OF EXISTING BUILDINGS AS 95 RENTAL APARTMENTS
ASSUMPTIONS: INTEREST AT 10.92% FOR 10 YEAR LOCK WITH MORTGAGE CONSTANT OF 11.3554% WITH 30 YEAR AMORTIZATION
DEBT COVER RATIO (DCR) OF 1.2
CASH ON CASH AT 10%
REHAB COSTS AT $40/SF FOR THE MAIN BUILDING AND $35/SF FOR THE ANNEX
ALL 66,200 SQUARE FEET OF MAIN BUILDING UTILIZED FOR RENTAL APARTMENTS INCLUDING LOWER LEVEL
125 SURFACE PARKING STALLS REQUIRED BY CODE AT $600/STALL

INCOME POTENTIAL				
GROSS REVENUE				
Main Building	$430,914			
Annex	$113,174			
TOTAL GROSS POTENTIAL REVENUE		$544,088		
LESS VACANCY AT 5%		($27,204)		
EFFECTIVE GROSS REVENUE (EGR)			$516,884	
LESS OPERATING EXPENSES AT 35% OF EGR			($180,909)	
NET OPERATING INCOME (NOI)			$335,974	
ALLOWABLE DEBT				
MAXIMUM ANNUAL DEBT SERVICE WITH DCR OF 1.2		$279,979		
JUSTIFIED MORTGAGE LOAN				$2,465,599
JUSTIFIED EQUITY CONTRIBUTION				
CASH AVAILABLE FOR INVESTORS AND INCOME TAX		$55,996		
JUSTIFIED CASH EQUITY INVESTMENT				$559,957
JUSTIFIED PURCHASE PRICE				
TOTAL JUSTIFIED INVESTMENT				$3,025,556
LESS PLANNED IMPROVEMENT BUDGET				($3,335,500)
PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS				($309,944)

PARCEL B - RENT LEVEL 4 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
MAIN BUILDING - APPROXIMATELY 62,000 SQUARE FEET OF GROSS BUILDING AREA

RENT ROLL VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	2	2 Bdrm	782	$0.70	$547	$1,095	$13,138		
South	2	2 Bdrm	667	$0.72	$480	$960	$11,526		
South	2	2 Bdrm	763	$0.70	$534	$1,068	$12,818		
South	1	2 Bdrm	729	$0.71	$518	$518	$6,211		
North	2	1 Bdrm	641	$0.55	$353	$705	$8,461		
North	2	1 Bdrm	735	$0.55	$404	$809	$9,702		
East	2	1 Bdrm	614	$0.55	$338	$675	$8,105		
West	2	1 Bdrm	614	$0.55	$338	$675	$8,105		
East	1	2 Bdrm	993	$0.55	$546	$546	$6,554		
North	1	Efficiency	503	$0.52	$262	$262	$3,139		
Subtotal	17								
FIRST FLOOR								$87,758	
North	2	2 Bdrm	588	$0.70	$412	$823	$9,878		
North	2	1 Bdrm	462	$0.70	$323	$647	$7,762		
South	2	2 Bdrm	782	$0.76	$594	$1,189	$14,264		
South	2	2 Bdrm	667	$0.78	$520	$1,041	$12,486		
South	2	2 Bdrm	763	$0.77	$588	$1,175	$14,100		
South	1	2 Bdrm	729	$0.78	$569	$569	$6,823		
East	1	2 Bdrm	813	$0.68	$553	$553	$6,634		
North	2	2 Bdrm	768	$0.70	$538	$1,075	$12,902		
East	1	Efficiency	503	$0.70	$352	$352	$4,225		
West	1	Efficiency	503	$0.70	$352	$352	$4,225		
East	1	1 Bdrm	432	$0.70	$302	$302	$3,629		
West	1	1 Bdrm	432	$0.70	$302	$302	$3,629		
	18								
SECOND FLOOR								$90,680	
North	2	2 Bdrm	588	$0.72	$423	$847	$10,161		
North	2	1 Bdrm	462	$0.72	$333	$665	$7,983		
South	2	2 Bdrm	782	$0.78	$610	$1,220	$14,639		
South	2	2 Bdrm	667	$0.80	$534	$1,067	$12,806		
South	2	2 Bdrm	763	$0.79	$603	$1,206	$14,466		
South	1	2 Bdrm	729	$0.80	$583	$583	$6,998		
East	1	2 Bdrm	813	$0.70	$569	$569	$6,829		
North	2	2 Bdrm	768	$0.72	$553	$1,106	$13,271		
East	1	Efficiency	503	$0.72	$362	$362	$4,346		
West	1	Efficiency	503	$0.72	$362	$362	$4,346		
East	1	1 Bdrm	432	$0.72	$311	$311	$3,732		
West	1	1 Bdrm	432	$0.72	$311	$311	$3,732		
Subtotal	18							$93,151	

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PARCEL B - RENT LEVEL 4 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
MAIN BUILDING - APPROXIMATELY 62,000 SQUARE FEET OF GROSS BUILDING AREA

RENT ROLL

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
THIRD FLOOR									
North	2	2 Bdrm	609	$0.74	$451	$901	$10,816		
North	1	2 Bdrm	622	$0.74	$460	$460	$5,523		
North	1	2 Bdrm	681	$0.74	$504	$504	$6,047		
South	2	2 Bdrm	782	$0.80	$626	$1,251	$15,014		
South	2	2 Bdrm	667	$0.82	$547	$1,094	$13,127		
South	2	2 Bdrm	763	$0.81	$618	$1,236	$14,833		
South	1	2 Bdrm	729	$0.82	$598	$598	$7,173		
East	1	Efficiency	503	$0.74	$372	$372	$4,467		
West	1	Efficiency	503	$0.74	$372	$372	$4,467		
East	1	1 Bdrm	528	$0.74	$391	$391	$4,689		
Subtotal	14							$86,155	
FOURTH FLOOR									
North	1	2 Bdrm	768	$0.78	$599	$599	$7,188		
North	1	2 Bdrm	808	$0.78	$630	$630	$7,563		
North	1	1 Bdrm	708	$0.78	$552	$552	$6,627		
South	2	2 Bdrm	624	$0.85	$530	$1,061	$12,730		
South	2	1 Bdrm	744	$0.85	$632	$1,265	$15,178		
South	2	1 Bdrm	460	$0.87	$400	$800	$9,605		
South	2	2 Bdrm	700	$0.85	$595	$1,190	$14,280		
Subtotal	11							$73,170	
TOTAL	78								$430,914

AVERAGE PRICE/MO/UNIT: $460

PARCEL B - RENT LEVEL 4 - ADAPTIVE REUSE OF EXISTING BUILDINGS AS RENTAL APARTMENTS
ANNEX BUILDING - APPROXIMATELY 17,500 SQUARE FEET OF GROSS BUILDING AREA
RENTS ARE THE SAME AS SCENARIO 1

VIEW	NO. OF UNITS	UNIT TYPE	UNIT SIZE SQUARE FEET	MONTHLY PRICE/SF PER UNIT	MONTHLY RENT PER UNIT	TOTAL MONTHLY REVENUE	TOTAL ANNUAL REVENUE BY UNIT TYPE	TOTAL REVENUE BY FLOOR	TOTAL ANNUAL REVENUE
GROUND FLOOR									
South	3	2 Bdrm	801	$0.76	$609	$1,826	$21,915		
FIRST FLOOR								$21,915	
South	3	2 Bdrm	801	$0.78	$625	$1,874	$22,492		
North and East	1	1 Bdrm	650	$0.72	$468	$468	$5,616		
North	1	1 Bdrm	620	$0.72	$446	$446	$5,357		
East and West	1	1 Bdrm	688	$0.70	$482	$482	$5,779		
North and West	1	1 Bdrm	688	$0.70	$482	$482	$5,779		
SECOND FLOOR								$45,023	
South	3	2 Bdrm	801	$0.80	$641	$1,922	$23,069		
North and East	1	1 Bdrm	650	$0.74	$481	$481	$5,772		
North	1	1 Bdrm	620	$0.74	$459	$459	$5,506		
East and West	1	1 Bdrm	688	$0.72	$495	$495	$5,944		
North and West	1	1 Bdrm	688	$0.72	$495	$495	$5,944		
								$46,235	
TOTALS	17 APARTMENT UNITS								$113,174
								AVERAGE MONTHLY RENT:	$555

BACK DOOR APPROACH TO JUSTIFIED PURCHASE PRICE
PARCEL B - ADAPTIVE REUSE OF EXISTING BUILDINGS AS MULTI-TENANT OFFICE SPACE
NET LEASEABLE AREA IS 75% OF GROSS BUILDING AREA AND RENTS AVERAGE $9.00/SF OF NET LEASABLE AREA (NLA)
ASSUMPTIONS: INTEREST AT 11% FOR 25 YEARS WITH MORTGAGE CONSTANT OF 11.76%
DEBT COVER RATIO OF 1.25
CASH ON CASH AT 10%
REHAB COSTS AT $35/SF FOR THE MAIN BUILDING AND $30/SF FOR THE ANNEX
CODE REQUIRES PARKING STALL FOR EVERY 300 SF OF GROSS BUILDING AREA (GBA) - 265 STALLS AT $600/STALL

INCOME POTENTIAL				
GROSS REVENUE				
Main Building	$420,845			
Annex	$113,845			
TOTAL GROSS POTENTIAL REVENUE		$534,690		
LESS VACANCY AT 10%		($53,469)		
EFFECTIVE GROSS REVENUE (EGR)			$481,221	
LESS OPERATING EXPENSES AT 45% OF EGR			($216,549)	
NET OPERATING INCOME (NOI)			$264,672	
ALLOWABLE DEBT				
MAXIMUM ANNUAL DEBT SERVICE WITH DCR OF 1.2		$211,737		
JUSTIFIED MORTGAGE LOAN				$1,800,487
JUSTIFIED EQUITY CONTRIBUTION				
CASH AVAILABLE FOR INVESTORS AND INCOME TAX		$52,934		
JUSTIFIED CASH EQUITY INVESTMENT				$529,343
JUSTIFIED PURCHASE PRICE				
TOTAL JUSTIFIED INVESTMENT				$2,329,830
LESS PLANNED IMPROVEMENT BUDGET				($2,854,000)
PROCEEDS AVAILABLE FOR PROPERTY PURCHASE AS IS				($524,170)

APPENDIX C

APPENDIX C

PUREAIR SANATORIUM
BAYFIELD COUNTY
WISCONSIN

FHR-8-300 (11-78)

NRHP 8-20-81

United States Department of the Interior
Heritage Conservation and Recreation Service

National Register of Historic Places Inventory—Nomination Form

See instructions in *How to Complete National Register Forms*
Type all entries—complete applicable sections

For HCRS use only
received
date entered

Submitted to Nat'l. 7/14/81

1. Name

historic Tri-County Pureair Sanatorium

and/or common Pureair Sanatorium (preferred)

2. Location

street & number ____ not for publication

city, town Bayfield X vicinity of congressional district 7th

state Wisconsin code 55 county Bayfield code 007

3. Classification

Category	Ownership	Status	Present Use	
___ district	X public	___ occupied	___ agriculture	___ museum
X building(s)	___ private	X unoccupied	___ commercial	___ park
___ structure	___ both	___ work in progress	___ educational	___ private residence
___ site	**Public Acquisition**	**Accessible**	___ entertainment	___ religious
___ object	___ in process	___ yes: restricted	___ government	___ scientific
	___ being considered	___ yes: unrestricted	___ industrial	___ transportation
		___ no	___ military	X other: vacant

4. Owner of Property

name County of Bayfield, Attention: James C. Strom, County Clerk

street & number 117 East 5th

city, town Washburn ___ vicinity of state Wisconsin 54801

5. Location of Legal Description

courthouse, registry of deeds, etc. Bayfield County Courthouse

street & number 117 East 5th

city, town Washburn state Wisconsin 54801

6. Representation in Existing Surveys

title Wisconsin Inventory of Historic Places has this property been determined eligible? ___ yes X no

date 1980 ___ federal ___ state ___ county ___ local

depository for survey records State Historical Society of Wisconsin

city, town 816 State Street, Madison 254 state Wisconsin 53706

7. Description

Condition		Check one	Check one
___ excellent	___ deteriorated	___ unaltered	_X_ original site
___ good	___ ruins	_X_ altered	___ moved date _____
_X_ fair	___ unexposed		

Describe the present and original (if known) physical appearance

Located south of Bayfield overlooking Salmo Bay, part of Chequamegon Bay, the Pureair Sanatorium is situated in a stand of second-growth maples and white pines. The site consists of five buildings: the sanatorium, the doctors' and nurses' residences, the power house and the sewage treatment plant. Only the sanatorium, doctors' and nurses' residences are significant to the nomination.

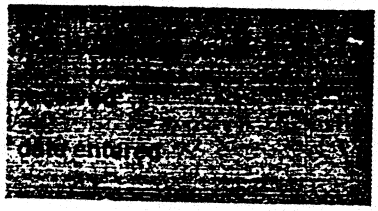
The sanatorium building is a T-shaped structure consisting of a main block, the offset west wing and the north wing. Exterior walls are made of light-colored brick with a locally quarried brownstone veneer along the first story. A brownstone course further marks the existence of stories. The main (south) facade has regular fenestration with large steel sash window openings replacing the original 4/4 casement windowns on the first and second stories. Elsewhere, all window openings are original. Openings on the northwing are distinguished from the others by segmental brick arches with brownstone keystones. All window openings have brownstone sills. The intersecting hip roofs were originally covered by tile but were replaced with composition in the early 1970s. The raised basement houses the lab, kitchen, support facilities and storage areas. The interior of the first floor consists of an open reception/lobby area in the west wing (main block) along with examination rooms. A recreation hall and dining area are located in the north wing. The east wing is divided into patient rooms and office space. Corridors throughout the building are six feet wide. The second floor is devoted entirely to patient quarters. All rooms face the bay and are separated from the corridor by a dressing area with built-in closets. Glass doors divide the spaces and provided an easy method for observing the condition of the patients. The sleeping rooms are simple and barely accommodated two beds. All sleeping rooms were unheated as this was part of the accepted treatment for tuberculosis. Later, operating facilities were installed on the second floor as the numbers housed there gradually decreased after 1945. Plaster walls, simple woodwork and steel trim are found throughout the building.

The doctors' residence, constructed in the mid-1920s, is also of light-colored brick and stands three stories in height with the north facade partially-cut into a hillside. The rectangular structure sports a gabled tile roof. Fenestration is regular and is distinguished by window openings with brownstone sills. Windows are double-hung with 6/6 lights. Shutters have been added in some cases. The interior is unspectacular with irregular floor plans. Kitchen, dining and relaxation areas are located on the first floor with private bedrooms and studies on the second and third levels. A frame wrap-around sunporch was added in the early 1960s.

The nurses' residence was erected in the early 1930s and is similar to that of the doctors'. Of light-colored brick, the building stands two stories and has a gabled tile roof. Fenestration is irregular with double-hung windows with 6/6 lights. Sills are brownstone. The rectangular plan of the building is broken by a small one-story addition, to the south facade, that contains a large picture window. A large brick end chimney is located along the east wall. The interior is irregular in plan and is divided into kitchen and dining/recreation areas on the first floor with sleeping quarters on the second. Walls are plaster-covered with simple wood trim as in the doctors' residence. Floors are covered with tile and linoleum. Furnishings are standard.

United States Department of the Interior
Heritage Conservation and Recreation Service

National Register of Historic Places Inventory—Nomination Form



Pureair Sanatorium, Bayfield, Wis. vicinity
Continuation sheet Item number 7 Page 1

DESCRIPTION (continued)

The powerhouse is a one story rectangular brick structure with a large brick smokestack at its west end. Fenestration is irregular with simple openings. Built in the 1930s, the interior mechanical systems are intact and still operational.

The sewage treatment plant was built in the early 1970s and is of standard contemporary industrial construction. It is now part of the city of Bayfield's water treatment system.

8. Significance

Period	Areas of Significance—Check and justify below				
___ prehistoric	___ archeology-prehistoric	___ community planning	___ landscape architecture	___ religion	
___ 1400–1499	___ archeology-historic	___ conservation	___ law	___ science	
___ 1500–1599	___ agriculture	___ economics	___ literature	___ sculpture	
___ 1600–1699	___ architecture	___ education	___ military	X social/ humanitarian	
___ 1700–1799	___ art	___ engineering	___ music	___ theater	
___ 1800–1899	___ commerce	___ exploration/settlement	___ philosophy	___ transportation	
X 1900–	___ communications	___ industry	___ politics/government	___ other (specify)	
		___ invention			

Specific dates 1918-23[1] **Builder/Architect**

Statement of Significance (in one paragraph)

Constructed between 1918 and 1923, the Pureair Sanatorium is significant as a representative of the fight against tuberculosis in the northern tier of Wisconsin counties. It is also significant as an early example of a regional health care unit shared by three counties: Ashland, Bayfield and Iron.

In 1918, work began on the Tri-County Pureair Sanatorium after years of exhaustive lobbying by Ashland physician, Dr. Matthew S. Hosmer. Aware of the importance of the isolation of infected individuals as the key to reducing the spread of tuberculosis, Hosmer had traveled throughout the Chequamegon Bay region since the late 1890s trying to convince area residents of the need for a TB sanatorium. However, no single county could afford to construct and maintain a sanatorium and since state law forbade cooperation between counties on such matters, Hosmer faced something of a dilemma. This was finally overcome in 1915 with the passing of special legislation to allow for the establishment and maintenance of district sanatorium hospitals.[2] Pureair was the first of only two sanatoriums to be built as a result of this change in state law, the other being Sunny~~side~~ View, jointly administered by Winnebago and Fond du Lac counties. Wrong—"the Oak" also joint

The Pureair Sanatorium opened on July 12, 1920 with every bed filled although the building was only half-finished, such was the demand for a bedrest facility for TB in the area. Ashland, Bayfield, and Iron counties had a high incidence of the disease, resulting from poor sanitation, health care and nutrition in the region. Consumption, as it was often called, was widespread among the Chippewas on the Bad River reservation in Ashland County and the Red Cliff reservation in Bayfield County. Tuberculosis was also the major killer of iron miners on the Penokee and Gogebic Ranges in Iron County, referred to locally as the "black belt." "Loggers" were also victims of the disease though it was not specific to any occupational type. By 1921, the county boards agreed to expand the sanatorium to meet the treatment needs of World War I veterans who had contracted the disease overseas. The 32-bed addition was completed in 1923.[3]

In the early years of the sanatorium's operation, the only known treatment for tuberculosis was to subject the patient to several years of isolation. Initial care consisted of near total bedrest. Fresh air was also considered crucial to the treatment and "cure" of the disease and it was for this reason that there is an abundance of window openings.[4] These

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[1] Ashland Daily Press, July 12 and September 2, 1920, p. 1 and the Iron River Pioneer, August 16, 1979, p. 4.

[2] Report of the State Board of Health, Madison, Wisconsin, 1916-17, pp. 12 & 13.

[3] Iron River Pioneer, August 16, 1979, p. 4.

[4] Harold Holand, House of Open Doors, Milwaukee: Wisconsin Anti-tuberculosis Association, 1958, p. 138.

United States Department of the Interior
Heritage Conservation and Recreation Service

National Register of Historic Places Inventory—Nomination Form

For HCRS use only
received
date entered

Pureair Sanatorium, Bayfield, Wis. vicinity
Continuation sheet Item number 8, 9, 10 Page 1

SIGNIFICANCE (continued)

8. were left open at night, even in winter, and often the rooms would fill with several inches of snow that would have to be swept out every morning. In 1945, state law was enacted to provide free care and treatment for TB. Prior to this, many families accumulated massive debts from the treatment of ailing family members. With the advent of the antibiotic streptomycin in the 1940s and later of the synthetic drug isoniazid, the need for prolonged care at a bedrest sanatorium was greatly reduced. It was because of this and new surgical techniques that Pureair was forced to close its doors in 1975.

9. MAJOR BIBLIOGRAPHICAL REFERENCES

Ashland Daily Press, July 12 and September 2, 1920

Holand, Harold, House of Open Doors, Milwaukee: Wisconsin Antituberculosis Assn., 1958

_____, ed., A Mirror for Cure-takers, Milwaukee: Wisconsin Antituberculosis Association, 1946

Iron River Pioneer, August 16, 1979

Report of the State Board of Health, Madison, Wisconsin, 1916-1917

10. GEOGRAPHICAL DATA - Verbal Boundary Description

The nominated property consists of a rectangular area located in the NW 1/4, SE 1/4, Sec. 22, T50N, R4W, Civil Town of Bayfield, Wisconsin. Beginning at a point on the northern edge of the Chicago & North Western Railway right-of-way approximately 60 feet southwest of the southwest corner of the steam powerhouse, proceed southeasterly along said right-of-way 430 feet to a point, thence northeasterly at a 90° angle 480 feet to a point on the sanatorium driveway, thence northwesterly at a 90° angle 430 feet to a point approximately 100 feet northwest of the northwest corner of the physician's residence, thence southwesterly at a 90° angle 480 feet to the point of beginning.

9. Major Bibliographical References

See continuation sheet.

10. Geographical Data

Acreage of nominated property 4.74

Quadrangle name Bayfield, Wis

Quadrangle scale 1:24000

UMT References

	Zone	Easting	Northing
A	15	664380	5184020
B	15	664350	5183880
C	15	664240	5183900
D	15	664260	5184040
E			
F			
G			
H			

Verbal boundary description and justification

See Continuation Sheet

List all states and counties for properties overlapping state or county boundaries

state	code	county	code
state	code	county	code

11. Form Prepared By

name/title Michael R. Matucheski, Preservation Assistant, Historic Preservation Division

organization State Historical Society of Wisconsin date December 12, 1980

street & number 816 State Street telephone 608/262-2970

city or town Madison state Wisconsin 53706

12. State Historic Preservation Officer Certification

The evaluated significance of this property within the state is:

___ national ___ state X local

As the designated State Historic Preservation Officer for the National Historic Preservation Act of 1966 (Public Law 89-665), I hereby nominate this property for inclusion in the National Register and certify that it has been evaluated according to the criteria and procedures set forth by the Heritage Conservation and Recreation Service.

State Historic Preservation Officer signature Richard M Conley

title Director, State Historical Society of Wisconsin date 7/2/81

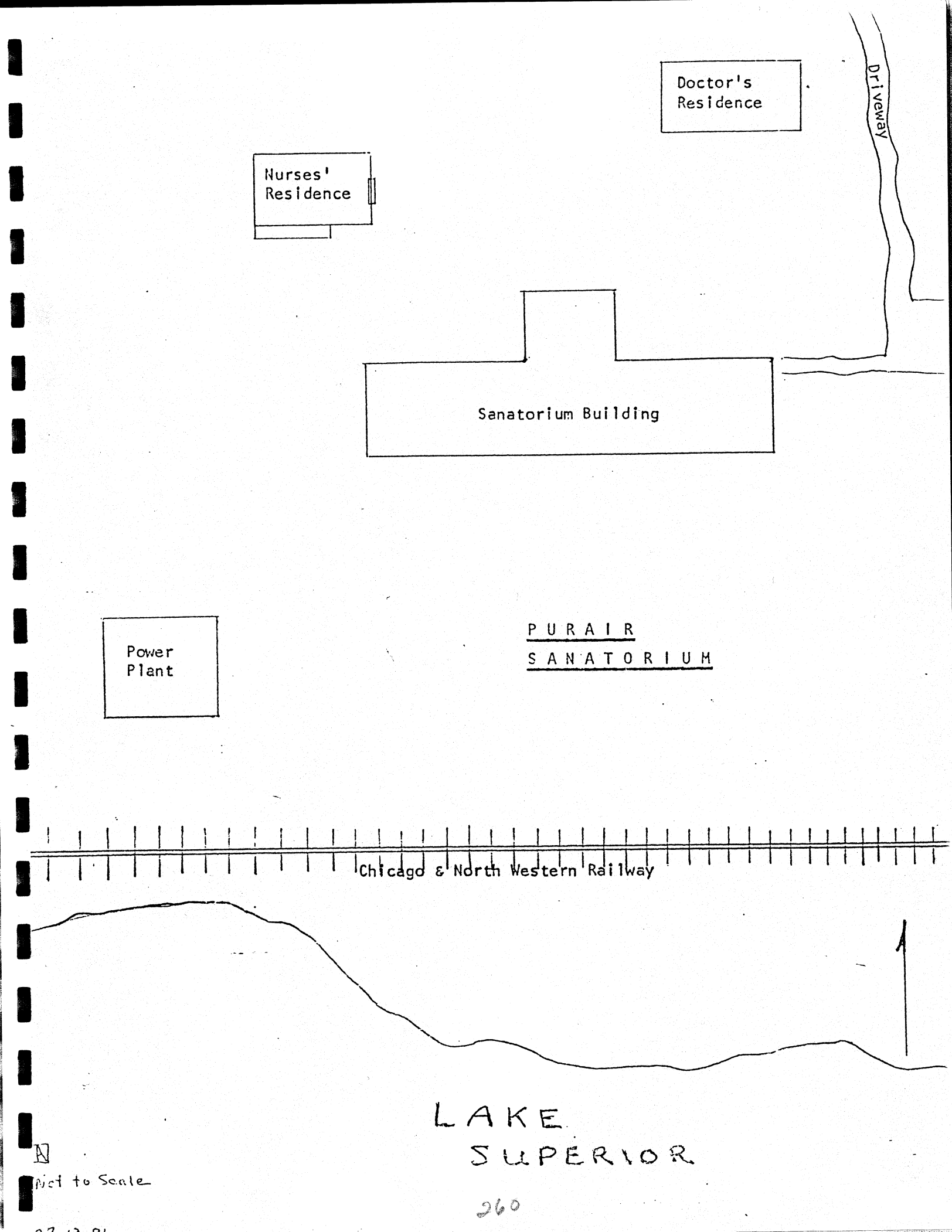
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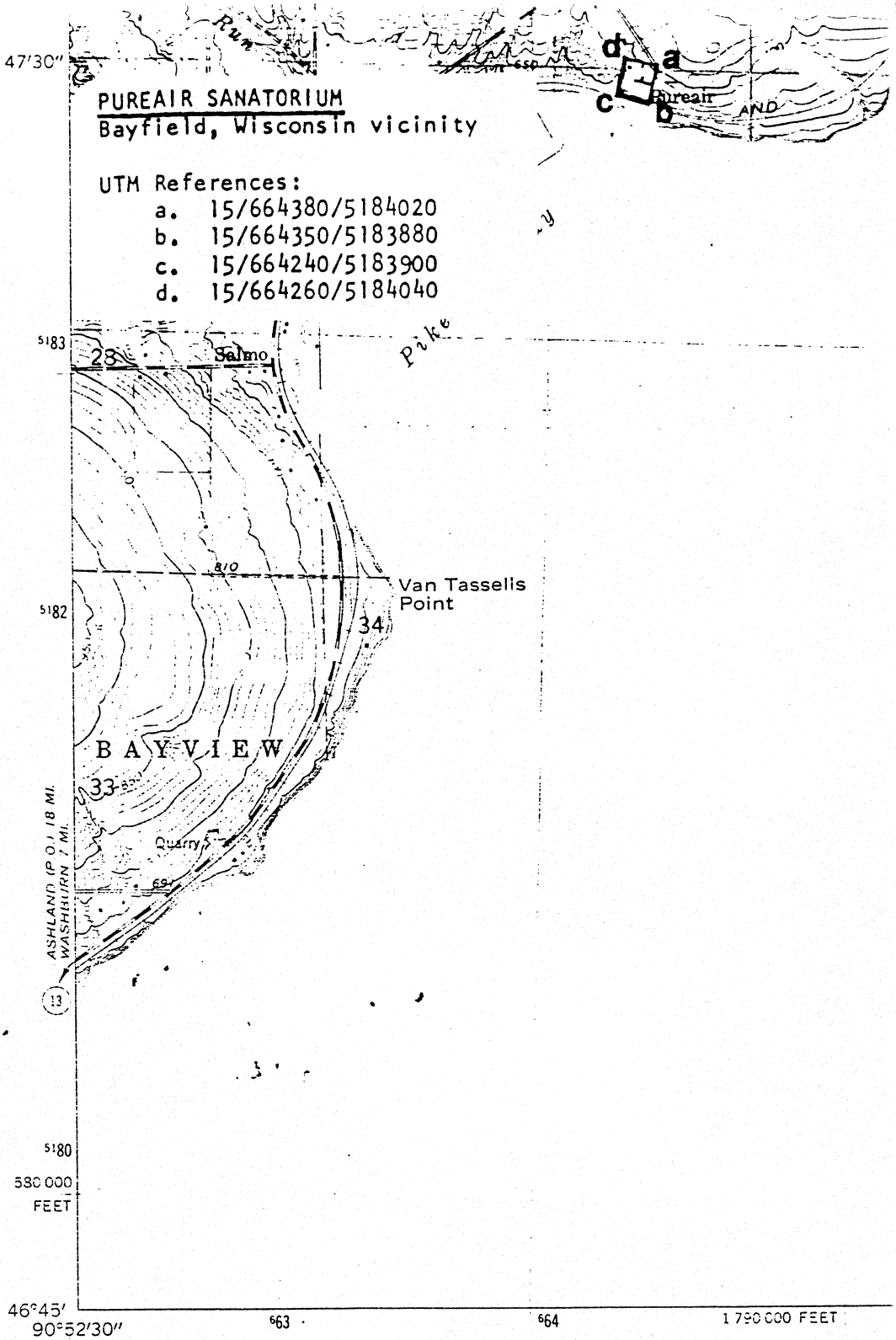
I hereby certify that this property is included in the National Register

Keeper of the National Register date

Attest: date

Chief of Registration


Doctor's Residence
Driveway
Nurses' Residence
Sanatorium Building
Power Plant
PURAIR SANATORIUM
Chicago & North Western Railway
LAKE SUPERIOR
N
Not to Scale



Mapped, edited, and published by the Geological Survey in cooperation with State of Wisconsin agencies

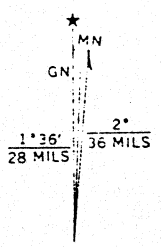
Control by USGS and USC&GS

Topography by photogrammetric methods from aerial photographs taken 1963. Field checked 1964

Selected hydrographic data compiled from U.S. Lake Survey Chart 961 (1961). This information is not intended for navigational purposes

Polyconic projection. 1927 North American datum
10,000-foot grid based on Wisconsin coordinate system, north zone
1000-metre Universal Transverse Mercator grid ticks, zone 15, shown in blue

Fine red dashed lines indicate selected fence and field lines where generally visible on aerial photographs. This information is unchecked



UTM GRID AND 1975 MAGNETIC NO
DECLINATION AT CENTER OF SHE

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APPENDIX C

THE NATURE CONSERVANCY
LAND PURCHASES

Baraboo River Floodplain Forest



white ash in winter

Precious woodland species thrive as though in another age, sheltered in a well-preserved river forest.

The flat, lush lowland that characterizes the Baraboo River Floodplain Forest is one of the few such habitats in the state that has gone undisturbed for decades. As a result, this Conservancy preserve contains a mature forest and a diverse high-quality understory of over 50 species. These were major reasons it was dedicated as a State Natural Area in 1985.

The flat terrain of the forest is crisscrossed by many sloughs or watery hollows that emphasize its proximity to running water. Flooding occurs yearly, a natural means by which to sustain the marsh and bog species here.

Among the tree species in full maturity in the forest are swamp maple, sugar maple, black ash and white ash. Ground layer species include woodbine, wood nettle, spotted jewel weed and whitegrass. There is also evidence of the rare hop-like sedge (*Carex lupuliformis*), a native prairie grass-like plant that survives only in a few mature river-bottom forests in Wisconsin.

The Nature Conservancy acquired the Baraboo River Floodplain Forest as a gift from previous owners Thomas and Luellen Ralston.



Protected: 22 Acres. Protection Goal: 26 Acres. Southcentral Wisconsin. Located along the Baraboo River in Columbia County. High-quality floodplain forest dedicated as a State Natural Area. Owned by The Nature Conservancy of Wisconsin and managed jointly by the Conservancy and the Wisconsin Department of Natural Resources. **Special Access Only.** Contact the Conservancy office at 1045 E. Dayton St., Rm. 209, Madison, WI 53703 for more information or call (608) 251-8140.

Baxter's Hollow/ R. D. & Linda Peters Preserve

Where the most endangered of birds find peaceful sanctuary, the sounds of forest and cold running stream mingle at the water's parting.



forest stream

Baxter's Hollow is one of the Wisconsin Chapter's largest, most impressive projects. Since 1969, the Conservancy has steadily acquired tracts of land in what is known as the Baraboo Bluffs area. Lush stands of trees and a mountain-like stream make Baxter's Hollow remarkable as one of the last remaining deep forest communities where a variety of wild species flourish. The current preserve contains southern Wisconsin's only undeveloped watershed. This is bordered by forest land where the numerous small streams that empty into Otter Creek originate.

The Creek is a central focus of Baxter's Hollow. It runs clear, soft and fast over quartzite bedrock boulders through a low gorge and is home to a rich collection of aquatic life rare in Wisconsin—such as the pickerel frog *(Rana palustris)* and at least five caddisfly species found in few other places.

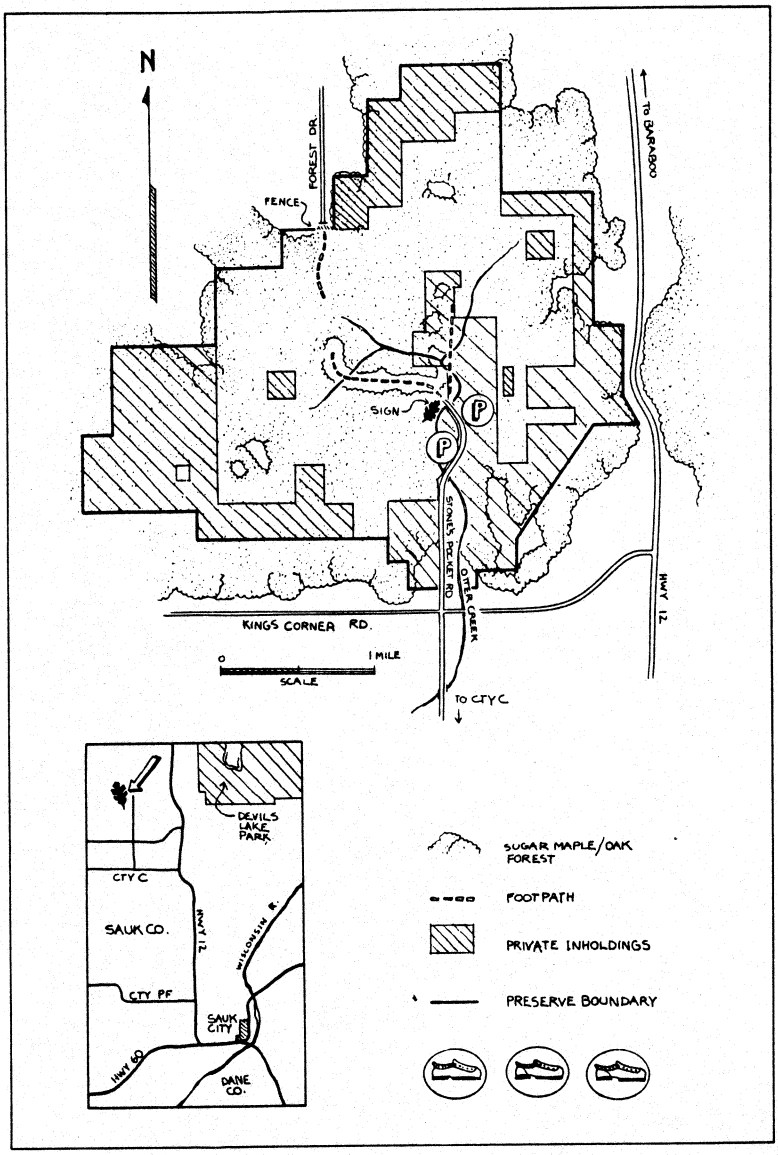
Baxter's Hollow is a major part of the state's largest intact southern deciduous forest. Rugged stands of oak, hickory, maple and ash trees characterize the northern bluffs where quartzite outcroppings rise above the forest valley. Closer to the Creek, in what was once the Klondike Campground, alder thickets grow along the water's edge. Oak and hickory trees fill in beyond. One treasure of the Baxter's Hollow Preserve is the fact that despite limited human occupation of the area, the land has been left largely wild and untouched. Such conservation over the years has encouraged a natural community tally that includes many of the major vegetation types found in Wisconsin: shaded cliff, hemlock relic, northern dry-mesic (pine-hardwood) forest, southern dry-mesic (red oak) forest, southern mesic (maple-basswood) forest, sand barrens and others.

As many as 135 bird species have been recorded at Baxter's Hollow, considered one of the most important nesting areas for forest birds in southern Wisconsin. The Cooper's hawk, the broad-winged hawk and the worm-eating and hooded warbler are protected at Baxter's Hollow.

The geological face of Baxter's Hollow is a good example of the glaciated terrain common in this part of Wisconsin. Mineral deposits—flushed and compressed by ice flows and the waters of a pre-historic lake—formed the quartzite bedrock and sandstone cliffs apparent today. The highest point is 500 feet above the terrain. Rockshelters attributed to human use 10,000 to 20,000 years ago are seen at Baxter's Hollow and other parts of the Baraboo Bluffs, evidence of both Archaic and Woodland cultures.

Private landowners in the Baraboo Hills area have been important to the Conservancy's preservation of Baxter Hollow, making cooperative conservation of this critical bird and wildlife habitat a standard of their support.

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Protected: 2900 Acres. Protection Goal: 3800 Acres. Southwestern Wisconsin. Located in Sauk County between Sauk City and Baraboo. Includes valuable watershed area with contiguous forest boundary. Dedicated as a Wisconsin Natural Area. Owned and managed by The Nature Conservancy of Wisconsin. Open to visitors for hiking and observation. Some parcels of land within the Preserve remain private and visitors are reminded not to trespass.

Directions: From Sauk City, take US Hwy. 12 north for 8 mi. to Cty. C; take a left going west on C for 1-1/2 mi. to intersection with Stone's Pocket Rd.; turn right going north; drive 2 mi. into woods and park at one of several turn-off parking sites.

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