An appraisal of certified survey map no. 4795. November 21, 1985

Landmark Research, Inc.
[s.l.]: [s.n.], November 21, 1985

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AN APPRAISAL OF

CERTIFIED SURVEY MAP NO. 4795

CITY OF MONONA

Landmark Research Inc.

Landmark Research, Inc.

AN APPRAISAL OF

CERTIFIED SURVEY MAP NO. 4795

AS OF

NOVEMBER 21, 1985

PREPARED FOR

JOHN P. LIVESEY

IN CONNECTION WITH A

PARTIAL TAKING BY THE

STATE OF WISCONSIN

DEPARTMENT OF TRANSPORTATION

PREPARED BY

LANDMARK RESEARCH, INC.

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

Landmark Research Inc.

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

October 27, 1986

Mr. John P. Livesey
Livesey Company
6515 Grand Teton Plaza
P.O. Box 5618
Madison, WI 53705

Dear Mr. Livesey:

This letter transmits an updated appraisal of Outlot 1 of Certified Survey Map #4795, formerly a part of Lot 1 of South Towne Assessors Plat, City of Monona. The update moved the date of valuation from October 9, 1985, to November 21, 1985, and after a thorough review of relevant factors, we found there to be no change in the values originally reported for October 9, 1985. However, our update also includes several clarifications on our definition of the larger parcel and our reasons for including the Bonanza property as part of our before and after values even though the sequencing of dates would indicate it sold on October 29, 1985.

Because the subject of the appraisal is vacant land, we relied on the Market Comparison Approach to Value in this appraisal. The appraisal includes a "before" valuation of all of Certified Survey Map No. 4795, formerly Lot 1 of South Towne Assessor's Plat. It also includes an "after" valuation of the remainder after the taking, specifically Lot 1 and Outlots 2 and 3 of Certified Survey Map No. 4795. The difference between the before and after valuations is the dollar value of the taking. This difference exceeds the value of the portion taken of $315,000 by a significant amount so that the larger amount prevails under Wisconsin Statutes 32.09 (6).

As a result of our analysis, we have established the following conclusions as to Fair Market Value of the larger parcel before the taking as of November 21, 1985:

EIGHT HUNDRED NINETY THOUSAND DOLLARS

($890,000)

Fair Market Value of the remainder parcels after the taking as of November 21, 1985:

THREE HUNDRED FORTY FIVE THOUSAND DOLLARS

($345,000)

Mr. John P. Livesey
Page Two
October 27, 1986

Fair Market Value of the taking as of November 21, 1985, is therefore:

FIVE HUNDRED FORTY FIVE THOUSAND DOLLARS

($545,000)

This appraisal has been made in compliance with the requirements and guidelines of the State of Wisconsin and the Federal government with respect to valuation for eminent domain purposes and is subject to limiting conditions and assumptions contained throughout the report.

We further certify, that to the best of our knowledge, the statements made in this report are true, and we have not knowingly withheld any significant information; that we have personally inspected the subject property; that we have no interest, present or contemplated in the subject property or the participants in the transaction; that neither the employment nor compensation to make said appraisal is contingent upon our value estimate; that all contingent and limiting conditions are stated herein; and that the fee charged is consistent with our usual charge for appraisal services.

Estimated Market Value, as defined, of the property taken as of November 21, 1985:

FIVE HUNDRED FORTY FIVE THOUSAND DOLLARS

($545,000)

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.

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

Paul Gleason
Paul Gleason
Real Estate Appraiser/Analyst

TABLE OF CONTENTS

TABLE OF CONTENTS (Continued)

LIST OF EXHIBITS

LIST OF APPENDICES

I. INTRODUCTION

A. Purpose of the Appraisal

This appraisal is undertaken to establish the value of a portion of a parcel of property intended for development of compatible retail uses north of a community shopping center project known as South Towne in the City of Monona, Dane County, Wisconsin. (See Exhibit I-1 for the General Location Map.) The property in question has been acquired by eminent domain by the State of Wisconsin for the purpose of rerouting sections of a limited access highway (U.S. 12 and 18) known as the Beltline, a project identified as number 1206-02-33.

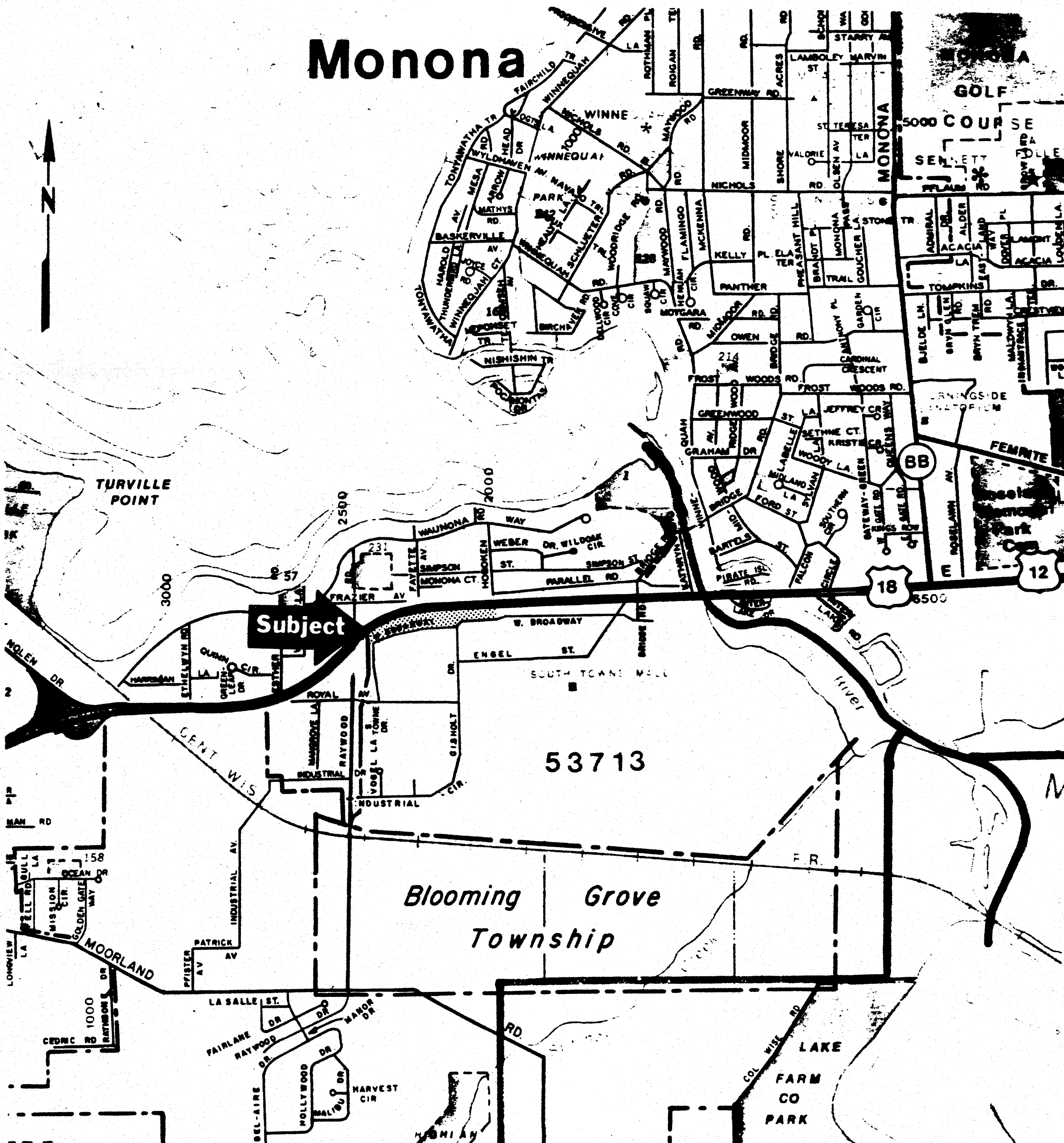
This appraisal is made for the purpose of estimating Fair Market Value of the real estate interest taken in connection with an action to contest the amount of damages awarded to the condemnee, Mr. John P. Livesey.

B. The Larger Parcel Concept

The concept of the larger parcel is a critical premise in the field of eminent domain because the appraiser cannot determine the highest and best use of a property or the value before the taking until a conclusion as to a definition of the larger parcel is reached. [1] The larger parcel may be all of one parcel, part of a parcel, or several parcels, depending on how it meets certain conditions. Specifically, <u>Real Estate</u>

EXHIBIT I-1

GENERAL LOCATION MAP



Appraisal Terminology defines the larger parcel as:

> In condemnation, that portion of a property which has unity of ownership, contiguity, and unity of use. These are three conditions which must be present to establish the larger parcel for the purpose of considering the extent of severance damage in most states. [2]

The larger parcel in the context of this appraisal refers to the whole of Certified Survey Map No. 4795, formerly Lot 1 of South Towne Assessor's Plat, City of Monona (See Exhibit I-2). All nearby parcels lack the requirement of contiguity; therefore, the larger parcel cannot be expanded to include other parcels.

It should be noted that appraisers for the State have chosen to include Lot 3 of Certified Survey Map 3743 as part of the larger parcel but that inclusion violates the principle of unity of ownership, contiguity, and unity of use.

Unity of ownership is nominally true relative to purchase by John P. Livesey; however, the properties were purchased at different times and in the case of Lot 1 of CSM 3744 the grantee is identified as John P. Livesey and Bonnie M. Livesey, husband and wife; in the second case, John P. Livesey was the purchaser and Bonnie M. Livesey was explicitly excluded from ownership.

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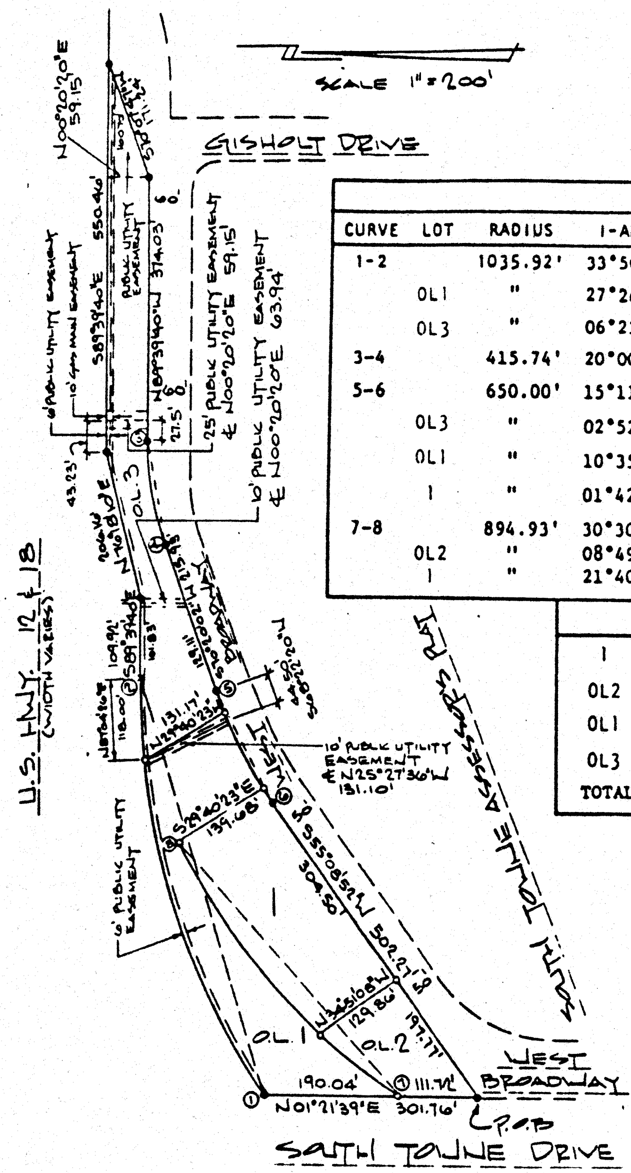
[1] J.D. Easton, M.A.I., " The Larger Parcel", Real Estate Valuation in Litigation, (Chicago, IL, American Institute of Real Estate Appraisers, 1982), Chapter 4.

[2] Byrl N. Boyce, Real Estate Appraisal Terminology, Revised Edition, AIREA, SREA, (Cambridge, Mass.: Ballinger Publishing Company, 1981), p. 148.

EXHIBIT I-2

CERTIFIED SURVEY MAP NO. 4795

CERTIFIED SURVEY MAP
DONALD L. PAULSON
LAND SURVEYOR
MADISON, WISCONSIN



CURVE DATA						
CURVE	LOT	RADIUS	I-ANGLE	CHORD	CHORD BRNG.	ARC
1-2		1035.92'	33°50'06"	602.89'	N73°25'17"E	611.74'
	OL1	"	27°26'12"	491.33'	N70°13'20"E	496.05'
	OL3	"	06°23'54"	115.63'	N87°08'23"E	115.69'
3-4		415.74'	20°00'18"	144.42'	S80°20'11"W	145.16'
5-6		650.00'	15°11'10"	171.78'	S62°44'27"W	172.28'
	OL3	"	02°52'30"	32.61'	S68°53'47"W	32.62'
	OL1	"	10°35'54"	120.06'	S62°09'35"W	120.23'
	1	"	01°42'46"	19.43'	S56°00'15"W	19.43'
7-8		894.93'	30°30'08"	470.82'	N49°12'47"E	476.43'
	OL2	"	08°49'10"	137.62'	N38°22'18"E	137.76'
	1	"	21°40'58"	336.66'	N53°37'22"E	338.67

AREA			
1	=	47,931 sq. ft.	1.100 acres
OL2	=	17,712 sq. ft.	0.407 acres
OL1	=	51,052 sq. ft.	1.172 acres
OL3	=	56,943 sq. ft.	1.307 acres
TOTAL	=	173,638 sq. ft.	3.986 acres

Tan. Bearings
1 = N56°30'14"E
2 = S89°39'40"E
3 = N89°39'40"W
4 = S70°20'02"W
5 = S70°20'02"W
6 = S55°08'52"W
7 = N33°57'43"E
8 = N64°27'51"E

Conditions of Approval:

1) No access to existing Highway 12 & 18 or to plan Connector Street between West Broadway and Highway 12 & 18.
2) Outlots 1, 2 & 3 shall not be developed unless proper zoning approval is obtained from the City of Monona.

WISCONSIN
DONALD L. PAULSON
S-728
MADISON, WIS.
LAND SURVEYOR

LEGEND
- • IRON STAKE FOUND
- ∘ IRON STAKE PLACED 1 1/4" × 30', 4.30 LBS/FT
- × "X" IN CONCRETE

Livesey Company
6515 Grand Teton Plaza
Madison, Wisconsin 53719

Arnold and O'Sheridan, Inc.
815 Forward Drive
Madison, Wisconsin 53711

September 24, 1985
85240-C-3

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY DESCRIBED HEREON ACCORDING TO THE DESCRIPTION FURNISHED AND THAT THE ABOVE MAP IS A CORRECT REPRESENTATION OF THE LOT LINES THEREOF AND I HAVE COMPLIED WITH SECTION 236.34 OF THE STATUTES OF THE STATE OF WISCONSIN.

Madison, Wisconsin Donald L. Paulson

CERTIFIED SURVEY MAP NO. 4795

DOCUMENT NO. 1905943

EXHIBIT I-2 (Continued)

CERTIFIED SURVEY MAP
DONALD L. PAULSON
LAND SURVEYOR
MADISON, WISCONSIN

DESCRIPTION

A parcel of land being Lot 1, South Towne Assessor's Plat and is located in the N½ of the NE¼ of Section 30, T7N, R10E, (Town of Blooming Grove) City of Monona, Dane County, Wisconsin, to-wit:

Beginning at the southwest corner of said lot 1; thence N01°21'39"E, 301.76 feet to a point on a curve; thence northeasterly on a curve to the right which has a radius of 1035.92 feet and a chord which bears N73°25'17"E, 602.89 feet to the point of tangency; thence S89°39'40"E, 109.92 feet; thence N76°18'10"E, 206.16 feet; thence S89°39'40"E, 550.46 feet; thence S70°07'47"W, 171.24 feet; thence N89°39'40"W, 374.03 feet to a point of curve; thence southwesterly on a curve to left which has a radius of 415.74 feet and a chord which bears S80°20'11"W, 144.42 feet to the point of tangency; thence S70°20'02"W, 215.93 feet to a point of curve; thence southwesterly on a curve to the left which has a radius of 650.00 feet and a chord which bears S62°44'27"W, 171.78 feet to the point of tangency; thence S55°08'52"W, 502.27 feet to the point of beginning.

"Approved by the City Council of the City of Monona, Dane County, Wisconsin, this 21 day of October, 1985."

Audrey M. Pachorr
Deputy Clerk, City of Monona

Received for recording this 22nd day of Oct, 19____, at 3:22 o'clock P M., and recorded in Volume 21 of Certifies Surveys, Pages 154 : 155.

Carol R. Mahnke
Carol R. Mahnke, Register of Deeds

Arnold and O'Sheridan, Inc.
815 Forward Drive
Madison, Wisconsin 53711

September 24, 1985
85240-C-4

CERTIFIED SURVEY MAP NO. 4795

DOCUMENT NO. 1905943

Livesey Company
6515 Grand Teton Plaza
Madison, Wisconsin 53719

Sheet 2 of 2

In addition, the ownership spans and methods of acquisition clearly indicate the two parcels were never part of the same transaction or intended for the same purpose. CSM 4795, a four acre parcel, was first controlled by Mr. Livesey by means of an option dated January 12, 1981, from AMCA International. The option was not exercised until 1984 and the deed was delivered December 3, 1984. Because Mr. Livesey did not own it when dealing with McDonald's, he knowingly avoided making these potential fast food sites subject to his agreement with McDonald's. As to the smaller triangular parcel known as Lot 3, CSM 3743, John P. Livesey purchased that property under a land contract dated July 22, 1981, for a price of $125,000, no cash down, with 12 percent interest and with real estate taxes the responsibility of the buyer beginning April 1, 1981. The actual warranty deed, in fulfillment of the land contract was dated August 16, 1984, from AMCA International.

Both of these parcels are separated by a tangential intersection of West Broadway and Raywood Road. Indeed Lot 3 of CSM 3743 is totally isolated on three sides of its triangular shape, before the highway project by Royal Avenue, West Broadway, and the relocated Raywood Road. Contiguity can be overlooked if other parcels are ancillary or supportive of the use on a subject property such as employees parking for an industrial plant. However, in this case, each use on each lot would be a self-contained enterprise, not dependent upon ancillary support of a discontiguous parcel.

Contiguity of use implied by the State's attorney also indicates misunderstanding. It is not enough to say that all the land would be sold for retail on a fungible basis. CSM 4795 was subject to specific land use controls by an operating agreement described in my appraisal on pages 22 through 24 which specifically sub-divided the parcel into one 5,000 square foot and one divisible 10,000 square foot building envelope sites, tantamount to a subdivision plat.

On the other hand, the smaller triangular parcel referred to as Lot 3 of CSM 3743 is to the west and rear of the shopping center so that improvements thereto would not screen the Shopko and Kohl store fronts from the major traffic routes to the north. Therefore it was not subject to allowable building location agreements. However, it was subject to a restrictive convenant in Dane County Records, Volume 5740, pages 43 through 46, that it could not be used for fast food services which generate 25 percent or more of its sales from french fries and ground beef!

Clearly the range of alternative uses is significantly different for the two parcels in question. There is also the practical reality that all of Lot 3 CSM 3743 is to be taken while the character of CSM 4795 is to be altered with a complex sculpturing of its borders to accommodate a readjustment of a highway plan with consequences to the remainder totally unrelated to Lot 3 several hundred feet to the south and west.

Therefore to consider the two parcels as a single larger parcel, is contradicted by technical, but significant differences in ownership, contiguity, and use.

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

In order to establish the value of the property taken in the case of a partial taking of a larger parcel, it is necessary to separately determine the value of the larger parcel before the taking and the value of the remaining parcel or parcels after the taking.

The property to be appraised before the taking is defined as Lot 1 of South Towne Assessor's Plat, City of Monona. It is an irregularly-shaped parcel of vacant land containing 173,638 square feet (3.986 acres) located along the north side of West Broadway and directly north of the South Towne Shopping Center. Its west property line measures 301.76 feet along South Towne Drive. It is bordered on the north by the existing Beltline (U.S. 12 and 18). Certified Survey Map No. 4795 as shown in Exhibit I-2 shows the larger parcel before the taking. The larger parcel is the sum of Lot 1 and Outlots 1, 2, and 3 as shown in Exhibit I-2.

It should be noted that our appraisal includes in the "before value" a site which was sold for development as the Bonanza Restaurant, better described as Lot 1, CSM 4795 with the grantee KESP Restaurant Services, Inc. The conveyance of this parcel took place on October 29, 1985, after our original appraisal on October 16, 1985, but prior to the official date of taking of November 21, 1985. We have also included the Bonanza parcel in the "after value". On the matter of the dates, this treatment would appear to be inconsistent but no conflict in fact exists. The Bonanza sale was done in contemplation of the taking by the State. Before the State finally determined the boundaries of its taking, the total property was known as Lot 1, CSM 3744, with no specified parcel or lot designations. Mr. Livesey has informed us that the early agreements between Livesey and Bonanza were for the "westerly part of CSM 3744". Due to buyer contingencies that were not fulfilled, the purchase as originally described in the agreements never closed, and during that delay from approximately December 1984 to September 7, 1985, the State finally established the actual boundaries and areas to be taken. Therefore, in August of 1985, Livesey and Bonanza consulted with Arnold and O'Sheridan to work out the shape of the parcel which would be sold to Bonanza, specifically a parcel fitting exactly within the area taken by the State and intended to be consistent with the State right-of-way. Therefore, it was apparent that Mr. Livesey was simply mitigating his damages following the taking since he could no longer sell the western one-half of Lot 1 CSM 3744. Therefore, it is proper and mandatory to include the Bonanza property in the before and after values, and recognize that CSM 4795 with outlots 1, 2, and 3 is a way of describing Lot 1 CSM 3744 with recognition of the State takings.

After the taking, two separate non-adjacent parcels remain. One is identified as Outlot 3 in Exhibit I-2. It contains 56,943 square feet or 1.307 acres on the easterly end of the larger parcel. All but the extreme west end of this parcel is less than sixty feet in depth and therefore is limited to landscaping and non-economic parking improvements in support of nearby retailing.

The other remaining parcel is a combination of Lot 1 and Outlot 2 as shown in Exhibit I-2. Together they contain 65,643 square feet or 1.507 acres. The two remaining parcels will be separated by the extension of Frazier Avenue to West Broadway once the project is completed.

The interest appraised includes a fee simple interest, assuming payment of special assessment liens, if any, in the subject property, and limitations of easements, zoning, and community goals of record.

D. Date of Appraisal

This appraisal is made as of November 21, 1985, the date of the Jurisdictional Offer. The analysis and conclusion presented herein are applicable on that date. The appraiser last inspected the property on May 6, 1986.

E. Definition of Market Value

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

> 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

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. [3]

F. Statement 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, prior sale, lease, financing, or withdrawal without notice.

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

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.

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 documents 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.

II. PROPERTY ANALYSIS AND BEST USE DETERMINATION

A. Physical Attributes of Subject Property

The subject property has a slight downward slope from north to south. Although some minor grading might be needed to improve the property, the slope is not thought to be great enough to affect value. The variance in elevation between the existing Beltline and West Broadway decreases as one proceeds east on the subject property. Photographs of the property are presented in Exhibit II-1.

Based on the USDA Soil Survey of Dane County, the soils on the subject property appear to be in the St. Charles silt loam series. There appears to be no significant vegetation on the subject property that would hinder development. Street access is limited to West Broadway on the south lot line. The presence of a Bonanza Restaurant recently constructed on the westerly remaining parcel is evidence of the immediate demand for the subject property.

B. Location and Linkages

The South Towne development area is located south of the contiguous City of Madison, within the south edge of the City of Monona. It is approximately three miles southeast of the

EXHIBIT II-1

PHOTOGRAPHS OF SUBJECT PROPERTY

View from South Towne Drive looking
east across westerly remainder

View looking east along the taken portion of the subject

EXHIBIT II-1 (Continued)

View looking west across taking toward westerly remainder

View looking east along Beltline and easterly remainder

EXHIBIT II-1 (Continued)

View looking west from east end of easterly remainder

View looking east across narrow
portion of easterly remainder

EXHIBIT II-1 (Continued)

View looking west along West Broadway
toward westerly remainder

View looking southeast across taking and westerly
remainder with South Towne
Shopping Center in background right

Capitol Square, three miles west of Interstate Highway 90, and one mile east of John Nolen Drive, which provides access to Madison's Central Business District (CBD).

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

More recently, residential growth in adjoining areas, particularly in the City of Fitchburg, has increased the desirability of the south side in general and the subject area in particular. This impact has been transferred most directly to the subject site via the area's primary traffic artery, West Broadway Boulevard (U.S. Highways 12 and 18). Traffic counts along this roadway are among the highest in the Madison area and have been increasing over the past several years. The 1976, 1981, and 1983 counts along with the percentage change are shown in the following table.

WEST BROADWAY (U.S. HIGHWAY 12 AND 18)[1]
24-HOUR WEEKDAY TRAFFIC COUNTS:
1976, 1981, AND 1983

LOCATION	1976	1981	1983	PERCENT CHANGE (OVER 7 YRS)
Broadway at Raywood	46,600	50,250	54,100	16.1%
Broadway at Yahara River	39,000	43,500	43,850	12.4%

It is the market access afforded by this roadway that provides the majority of the demand for goods and services at the subject's location. Because the subject site is not now and probably will not be surrounded by a large residential trade area, successful uses will not be oriented toward the convenience type retail goods. The location then offers the best potential for retail facilities oriented toward shopping or specialty goods, retail/service enterprises, offices, and office/warehouse facilities. These last three uses are especially able to benefit from the subject's very good vehicular access to the entire Madison area and to the Interstate Highway system.

Recent development of the South Towne Mall Shopping Center has increased the desirability of the area by providing amenities necessary for continued development. In addition to creating regional identification and customer draw to the area,

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[1] East Madison Traffic Flow Map, City of Madison, Wisconsin, Department of Transportation, Division of Traffic Engineering (1976, 1981, and 1983).

the facility provides eating places and shopping for the area's potential employees. A study done in November 1983 indicated South Towne was the third ranking shopping center in terms of frequency of visit in the Madison area.[2]

The subject property will be affected when plans to upgrade the South Beltline are concluded. The highway consists of improving a segment beginning at Fish Hatchery Road and extending easterly 6-1/2 miles to Interstate Highway 90. A six-lane freeway will deviate from the current alignment and pass beneath Raywood Road, parallel the existing Beltline, and limit access to a new interchange constructed at Raywood Road (see Exhibit II-2). The roadway will be at grade level and partially buffered with berming and vegetation. The impact of the new highway on the remainder parcel will be mixed.

1. Access

Presently, access to the property is good. Both eastbound and westbound traffic on the existing Beltline can enter the South Towne area via signal-controlled intersections at Raywood Road on the west and Bridge Road on the east. Both connect with the West Broadway frontage road that forms the southerly boundary of the property.

After completion of the new limited access Beltline to the south of the South Towne Shopping Center, access from the west

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[2] From work prepared by Simmons Company, November 1983, and reported by Suzanne Reuschlein of Madison Newspapers, Inc., on April 13, 1984.

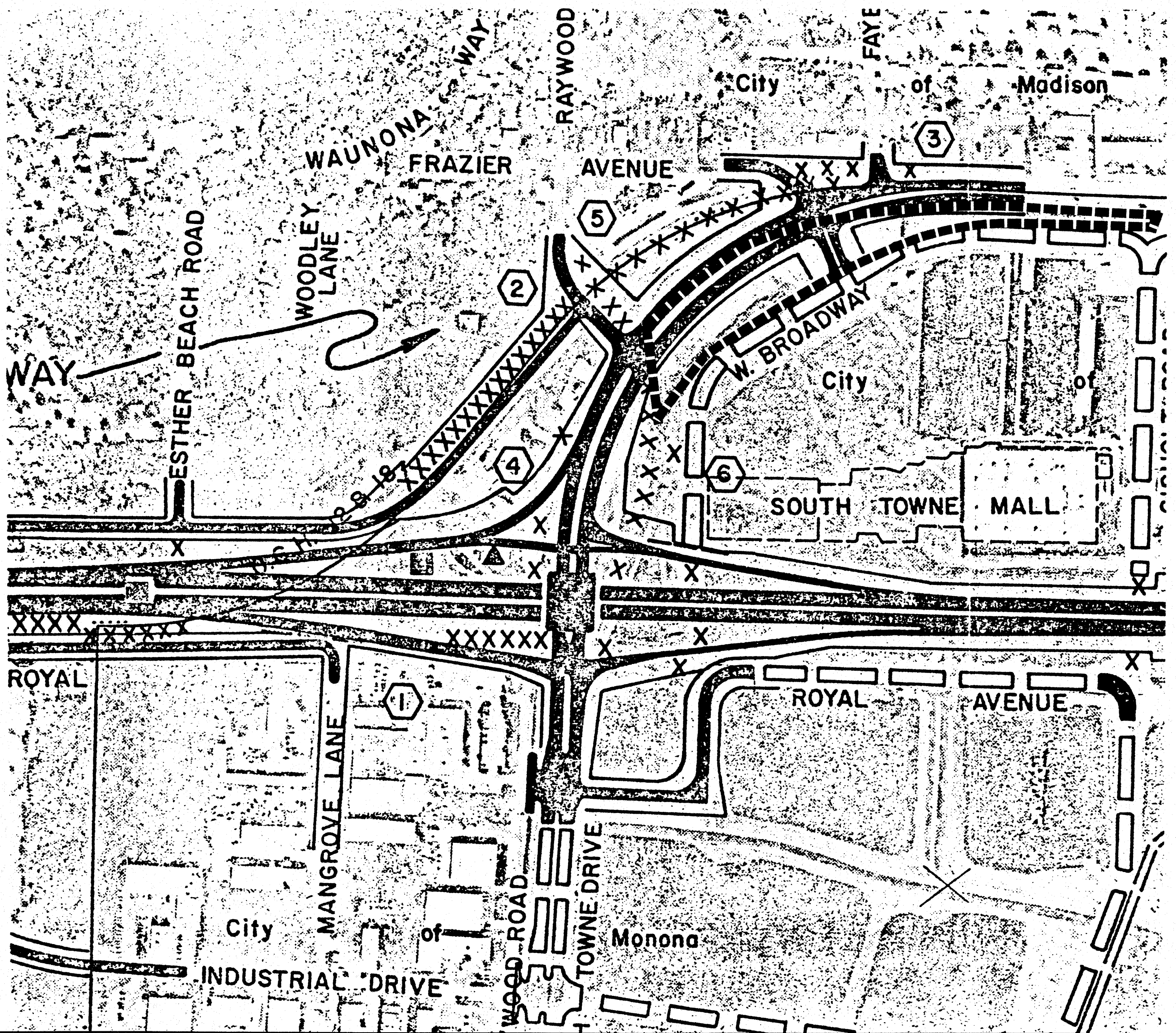

EXHIBIT II-2

PROPOSED WEST BELTLINE HIGHWAY RELOCATION will be modified. The remainder parcels will be accessible from the relocated Beltline to the south via Raywood Road and from the north via Frazier Avenue. Access from the east will be unchanged.

2. Utilities and Public Services

A full complement of urban services and utilities is available to the subject site. This includes water from the City of Monona; sanitary sewer from the Madison Metropolitan Sewage District; natural gas from Madison Gas and Electric Company; and buried telephone services from Wisconsin Telephone Company, a Bell System affiliate, with a Madison exchange. Uses to which the property could reasonably be put can be adequately served by this recently installed system.

C. Legal and Political Constraints

1. Zoning

The zoning which governs the use of the site is the City of Monona Community Design District (CDD). These regulations are in the form of flexible performance criteria rather than rigid specifications. The characteristics of the district and the district's performance standards are shown in Exhibit II-3. This classification promotes a mixed use development that:

> ...will include a compatible mix of residential, commercial, industrial, or open space uses which realize the goals of the Master Plan...development shall occur according to a large-scale plan rather than on a piecemeal basis. It is intended that this

plan be a mutual product of effort of the property owner and the City.[3]

All development within the Community Design District is subject to approval of the Monona Planning Commission.

2. Special Assessment District

In conjunction with development in South Towne, an extensive system of internal streets were added to the entire South Towne development. These streets were funded by the City of Monona and the lands they serve are now subject to special assessments. Costs are to be amortized over eight years with interest at 10.25 percent on the unpaid balance. All special assessments are due upon sale of the property. There are no remaining special assessments due related to the subject property.

3. Monona Tax Incremental District

Reasons for the creation of the Monona Tax Incremental District (TID) No. 1 are specified in the memoranda in Appendix A. Briefly, the City's use of TID No. 1 was to aid distressed or "conservation" neighborhoods. The report said:

> The City also sought to create additional employment opportunities for its residents and add to the non-residential tax base by generating industrial, retail, and commercial development in the South Towne area and undeveloped portions of Monona Drive. In

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[3] City of Monona Zoning Code: Section 12.11 Community Design District.

EXHIBIT II-3

CITY OF MONONA ZONING CODE: SECTION 12.11 - COMMUNITY DESIGN DISTRICT

COMMUNITY DESIGN DISTRICT

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

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

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

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

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

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

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

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

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

(e) Serve regional and community needs for employment, open space, moderate-cost housing, lake access and/or recreational facilities order to accomplish that goal it was necessary to invest large sums of money for public improvements such as streets, water, and sanitary and storm sewer. There was also a need to improve the City's water system to provide necessary fire protection and to service the anticipated new uses from the added development.

TID No. 1 was also used to provide security incentives to the South Towne area given the uncertainty of the final location of the South Beltline Freeway. The report continues:

> Therefore the City used TIF funds to assemble land and make it available to retailers at a cost that allowed them to bear the risk of development even in light of the uncertainty of the final Beltline location. The use of TIF funds in that fashion also served as an effort to "prime the pump" by attracting development to the area so that it would be an attractive area that would bring quality users to Monona. The developer of South Towne originally planned to build an unenclosed strip shopping center in South Towne. The City used TIF funds to induce the developer to construct a high quality enclosed mall instead. South Towne Mall has served as the flagship for development in the area. It has also provided over 900 jobs, convenient shopping opportunities for Monona residents and substantial added tax base to the City, county, school district, and state.

Tax Incremental Financing (TIF) funds were also used to acquire certain municipal equipment to service the district as well as provide municipal services such as employment and feasibility studies.

4. Private Legal Constraints on Development

A major legal constraint on development of both the larger parcel and the remainder parcels is found in the Operating

Agreement among John P. Livesey, Shopko Stores, Inc., and the Kohls Corporation. The relevant portions of the Operating Agreement are contained in Appendix B.

The Operating Agreement places restrictions on development of three parcels of land referred to as Adjacent Parcel No. 1, Adjacent Parcel No. 2, and Adjacent Parcel No. 3. Adjacent Parcel No. 1 is located south of West Broadway and is not a concern for purposes of this appraisal. However, Adjacent Parcel No. 2 and Adjacent Parcel No. 3 together make up the larger parcel being appraised.

The restriction that has the greatest bearing on this appraisal is contained in Article 44 (b) (iii). It states that:

> With respect to any Adjacent Parcel which contains an "Allowable Building Location" designation on the Plot Plan, no building may be constructed in whole or in part outside the area so designated.

Exhibit II-4 is a Plot Plan showing the Adjacent Parcels and the designated Allowable Building Locations. It also shows the approximate location of the portion of the larger parcel taken by eminent domain.

The Operating Agreement limits development on the larger parcel to one 10,000 square foot building pad on the westerly portion of the parcel and one 5,000 square foot building pad on the easterly portion of the parcel.

Mr. Livesey had made tentative plans to place two buildings of under 5,000 square feet each on the 10,000 square foot pad. There appears to be nothing in the Operating Agreement that would have precluded this. Thus, the maximum potential development prior to the taking would have been as three small commercial building sites. (See Exhibit II-5.)

Continued review of Exhibit II-4 reveals that development potential of the larger parcel is greatly reduced by the taking. The 5,000 square foot building pad is entirely within the area taken therefore that potential building site is totally eliminated. Furthermore, the 10,000 square foot building pad on the westerly portion of the larger parcel is partially within the taken area; therefore, the utility of this site is significantly reduced.

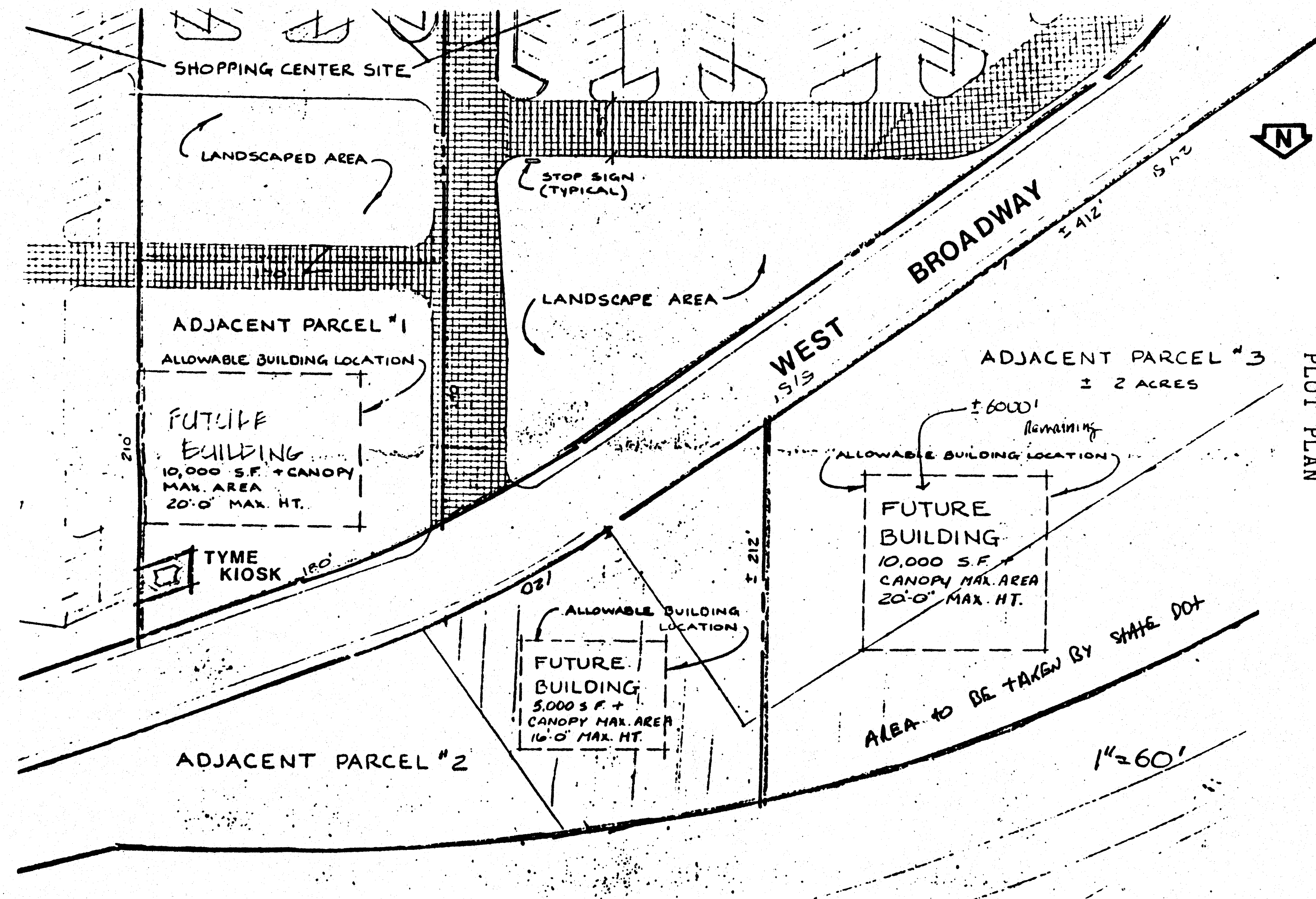
D. Highest and Best Use

The term highest and best use is defined in Real Estate Appraisal Terminology as:

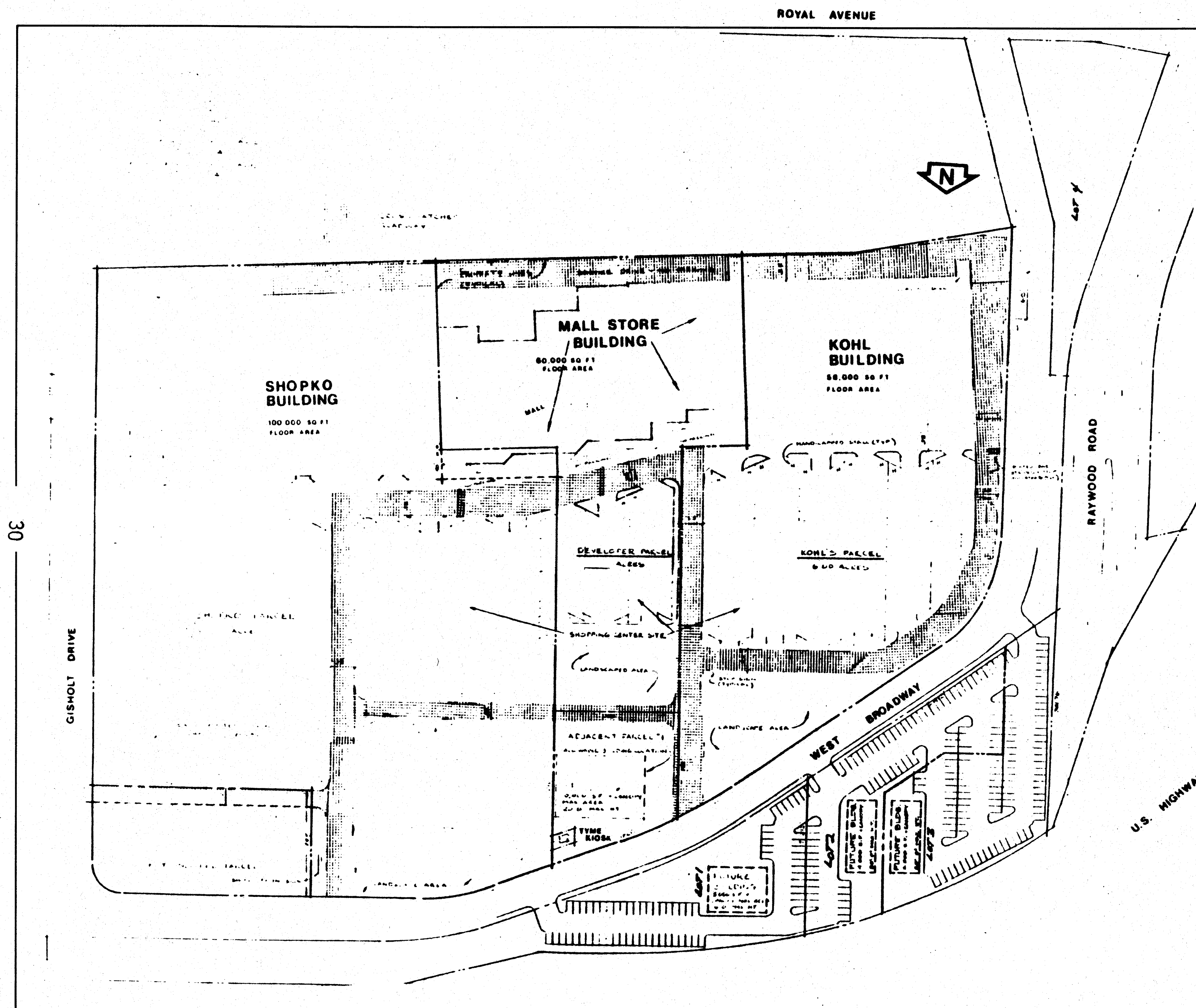
> That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.
>
> Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.
>
> The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.
>
> Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of

EXHIBIT II-4

PLOT PLAN



Landmark Research, Inc.



Landmark Research, Inc.

EXHIBIT II-5
LIVESEY DEVELOPMENT PLAN

highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be Most Profitable Use.[3]

Search for use begins with the limitations imposed by legal constraints. In the case of the subject property, the City of Monona zoning ordinance is the controlling factor with respect to highest and best use. A CDD designation allows locating compatible uses within a larger use district.

For the subject parcel, the Operating Agreement contains additional restrictions on type of development, required parking, building floor area, building height, and building design. Permitted uses under the Operating Agreement are retail and service facilities, banks and other financial institutions, and offices and office buildings.

1. Highest and Best Use Before the Taking

Because of the high traffic volume, high visibility, good accessibility, and proximity to a major shopping attraction, highest and best use of the larger parcel before the taking is determined to be use as three small development sites for

----

[3] Byrl N. Boyce, Real Estate Appraisal Terminology, Revised Edition, AIREA, SREA, Ballinger, Cambridge, Mass., 1981. pp. 126-127.

retail, restaurant, or office uses utilizing all but the narrow easterly portion (approximately 0.8 acres) that is undevelopable. This use is similar to Mr. Livesey's plan shown in Exhibit II-5 for the 3.2 useable acres.

The easterly 0.8 acres is of almost no value due to size, shape, and use restrictions. It might best be used as landscaped greenspace or overflow parking for development on the adjacent westerly portion of the larger parcel.

2. Highest and Best Use After the Taking

After the taking, two separate and distinct parcels remain with two separate highest and best uses. The westerly parcel contains 1.507 acres and still includes most of the 10,000 square foot building pad. Because of restrictions in the Operating Agreement, its highest and best use is one retail/restaurant development site. The taking includes part of the building pad and destroys the potential to develop two separate buildings on the site.

The easterly remainder parcel contains 1.307 acres. It contains no building pad and therefore cannot be improved except possibly as landscaped area or parking. Furthermore, it is separated from the westerly remainder parcel by the extension of Frazier Avenue and from the South Towne Shopping Center by West Broadway making access inconvenient at best. It is the appraiser's opinion that the easterly remainder has a highest and best use as green space after the taking and has no remaining market value.

III. VALUATION OF THE SUBJECT PROPERTY

A. 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 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 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 here, 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.

B. Valuation Before the Taking

Exhibit III-1 contains the locations of the four comparable sales used in this appraisal. Each is discussed briefly below and additional information is provided in Exhibit III-2.

Comparable Sale No. 1 is the site of the existing McDonald's Restaurant at 2051 West Broadway. It is located across the street and just east of the subject property. The McDonald's Corporation acquired the property on July 15, 1982, for $211,500 plus $8,500 in special assessments. The parcel is rectangular, measures approximately 120 feet by 295 feet, and is bounded by West Broadway to the north and Gisholt Drive to the east. Access is from West Broadway or Gisholt Drive via the interior roads of the South Towne Shopping Center. The purchase agreement allows McDonald's employees to park off-site on shopping center property in recognition of the limited size of the parcel.

Comparable Sale No. 2 is a portion of the westerly remainder parcel of the subject property sold to K.E.S.P. Restaurant Services. A Bonanza Restaurant has been constructed on the site. It was sold on October 25, 1985, for $280,000 plus $15,000 in special assessments. It is a near-rectangular parcel containing 47,931 square feet located between the existing Beltline and the West Broadway frontage road. The parcel has 304.5 feet of frontage on West Broadway, its only road access.

EXHIBIT III-1

LOCATION OF COMPARABLE SALES

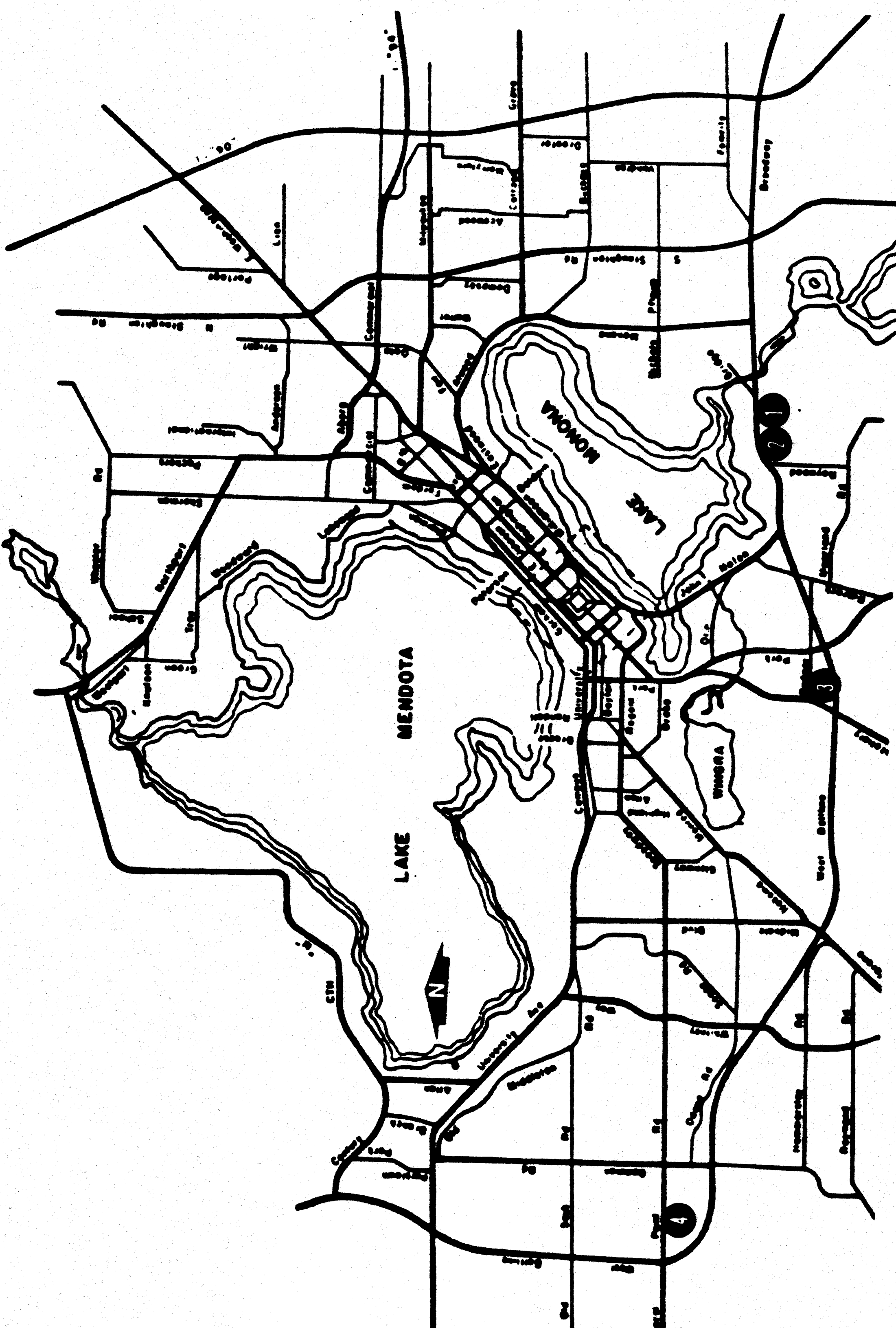


EXHIBIT III-2

COMPARABLE SALE INFORMATION

COMPARABLE SALE NO. 1

LOCATION:	2051 West Broadway, City of Monona
SALE DATE:	7/15/82
STATED PRICE:	$211,500
STATED PRICE/SF:	$6.03
SELLER:	John P. Livesey
BUYER:	McDonald's Corporation
RECORDING DATA:	Vol. 3740, Page 47, 7/30/82, Warranty Deed
SIZE:	Near rectangular parcel measuring approximately 120 feet by 295 feet containing 35,090 square feet

EXHIBIT III-2 (Continued)

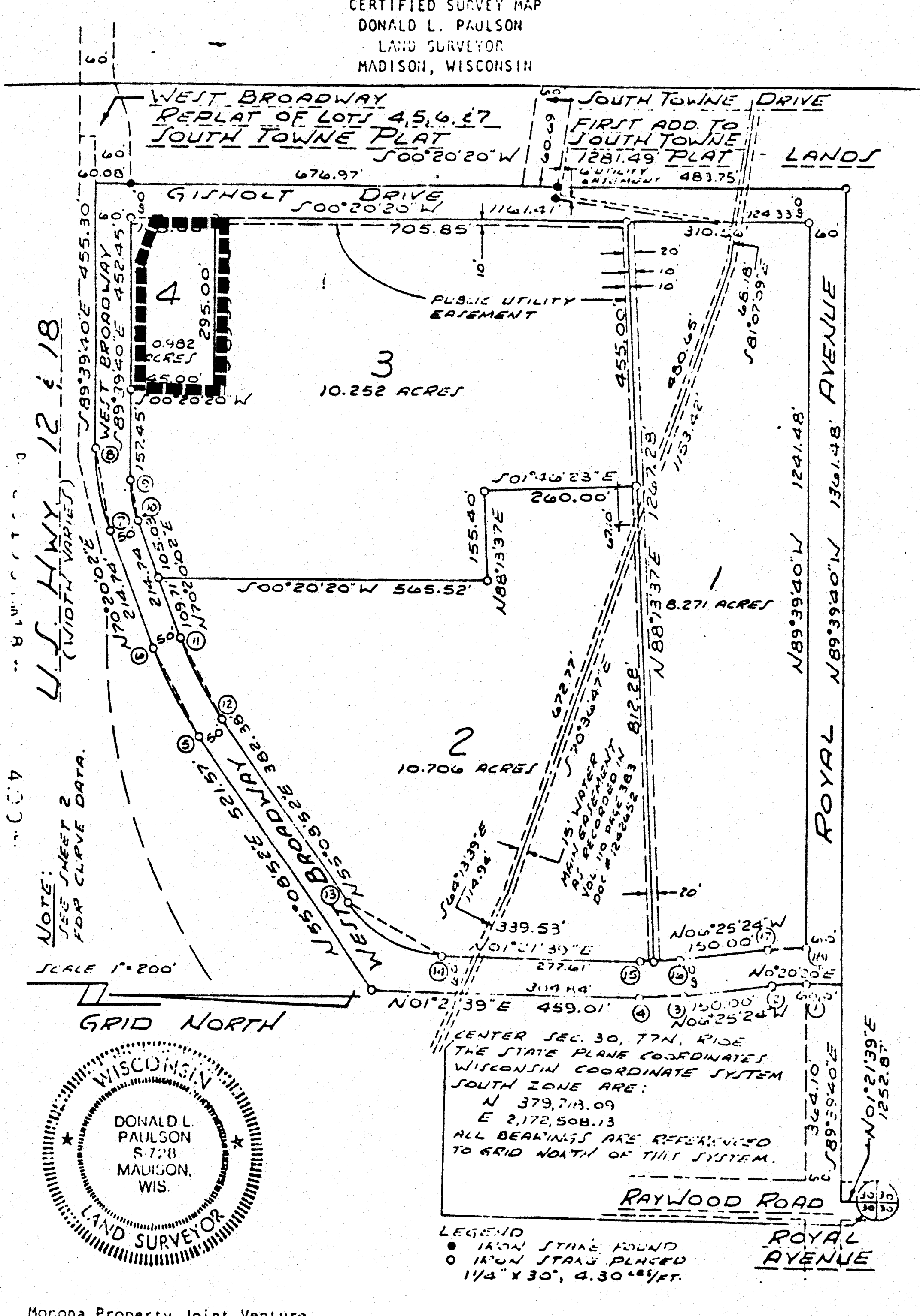
COMPARABLE SALE NO. 1 (Continued)

ZONING:	Monona Community Design District
EXPECTED USE:	McDonald's Restaurant
TERMS OF SALE:	Cash
VERIFIED BY:	John P. Livesey, Seller

EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 1 (Continued)

CERTIFIED SURVEY MAP
DONALD L. PAULSON
LAND SURVEYOR
MADISON, WISCONSIN



Monona Property Joint Venture
1245 East Washington Avenue
Madison, Wisconsin 53703

Arnold and O'Sheridan, Inc.
815 Forward Drive
Madison, Wisconsin 537

March 6, 1981
S-8085-7

CERTIFIED SURVEY MAP NUMBER 3658
DOCUMENT NUMBER 1700195
Sheet 1 of 3
15-51

EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 2

LOCATION:	2400 West Broadway, City of Monona
SALE DATE:	10/25/85
STATED PRICE:	$280,000
STATED PRICE/SF:	$5.84
SELLER:	John P. Livesey
BUYER:	K.E.S.P. Restaurant Services
RECORDING DATA:	Vol. 7432, Page 25, 10/29/85, Warranty Deed
SIZE:	47,931 square feet, near rectangular
ZONING:	Monona Community Design District

EXHIBIT III-2 (Continued)

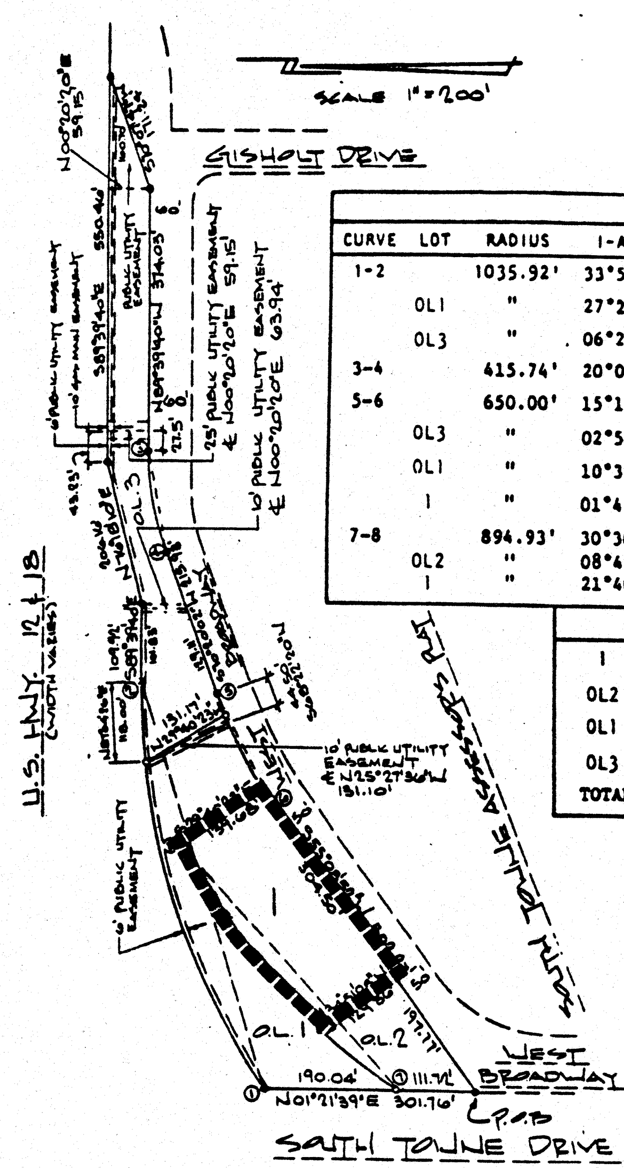
COMPARABLE SALE NO. 2 (Continued)

EXPECTED USE:	Bonanza Restaurant
TERMS OF SALE:	Cash
VERIFIED BY:	John P. Livesey, Seller

EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 2 (Continued)

CERTIFIED SURVEY MAP
DONALD L. PAULSON
LAND SURVEYOR
MADISON, WISCONSIN



CURVE	LOT	RADIUS	I-ANGLE	CHORD	CHORD BRNG.	ARC
1-2		1035.92'	33°50'06"	602.89'	N73°25'17"E	611.74'
	OL1	"	27°26'12"	491.33'	N70°13'20"E	496.05'
	OL3	"	06°23'54"	115.63'	N87°08'23"E	115.69'
3-4		415.74'	20°00'18"	144.42'	S80°20'11"W	145.16'
5-6		650.00'	15°11'10"	171.78'	S62°44'27"W	172.28'
	OL3	"	02°52'30"	32.61'	S68°53'47"W	32.62'
	OL1	"	10°35'54"	120.06'	S62°09'35"W	120.23'
	1	"	01°42'46"	19.43'	S56°00'15"W	19.43'
7-8		894.93'	30°30'08"	470.82'	N49°12'47"E	476.43'
	OL2	"	08°49'10"	137.62'	N38°22'18"E	137.76'
	1	"	21°40'58"	336.66'	N53°37'22"E	338.67

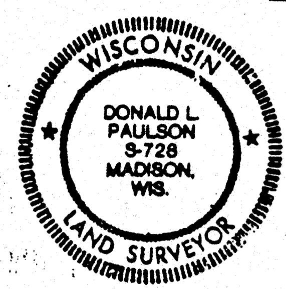
AREA

1	=	47,931 sq. ft.	1.100 acres
OL2	=	17,712 sq. ft.	0.407 acres
OL1	=	51,052 sq. ft.	1.172 acres
OL3	=	56,943 sq. ft.	1.307 acres
TOTAL	=	173,638 sq. ft.	3.986 acres

Tan. Bearings
1 = N56°30'14"E
2 = S89°39'40"E
3 = N89°39'40"W
4 = S70°20'02"W
5 = S70°20'02"W
6 = S55°08'52"W
7 = N33°57'43"E
8 = N64°27'51"E

Conditions of Approval:

1) No access to existing Highway 12 & 18 or to plan Connector Street between West Broadway and Highway 12 & 18.
2) Outlots 1, 2 & 3 shall not be developed unless proper zoning approval is obtained from the City of Monona.



LEGEND
- • IRON STAKE FOUND
- ∘ IRON STAKE PLACED 1¼" × 30', 4.30 LBS/FT
- × "X" IN CONCRETE

Livesey Company
6515 Grand Teton Plaza
Madison, Wisconsin 53719

Arnold and O'Sheridan, Inc.
815 Forward Drive
Madison, Wisconsin 53711

September 24, 1985
85240-C-3

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY DESCRIBED HEREON ACCORDING TO THE DESCRIPTION FURNISHED AND THAT THE ABOVE MAP IS A CORRECT REPRESENTATION OF THE LOT LINES THEREOF AND I HAVE COMPLIED WITH SECTION 236.34 OF THE STATUTES OF THE STATE OF WISCONSIN.

Madison, Wisconsin Donald L. Paulson
Donald L. Paulson S-728

CERTIFIED SURVEY MAP NO. 4795

DOCUMENT NO. 1905943

Sheet 1 of 2

EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 3

LOCATION:	1218 and 1221 Ann Street, City of Madison
SALE DATE:	8/5/85
STATED PRICE:	$178,000
STATED PRICE/SF:	$4.25
SELLER:	C.J. Raymond Investments
BUYER:	Hammond Investments
RECORDING DATA:	Vol. 7231, Page 80, 9/8/85, Warranty Deed
SIZE:	Irregularly shaped parcel containing 41,840 square feet

EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 3 (Continued)

ZONING:	C2 Commercial
EXPECTED USE:	Rax Restaurant
TERMS OF SALE:	Assignment of land contract with satisfaction within one month
VERIFIED BY:	John Allen, Rax Restaurants

EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 3 (Continued)

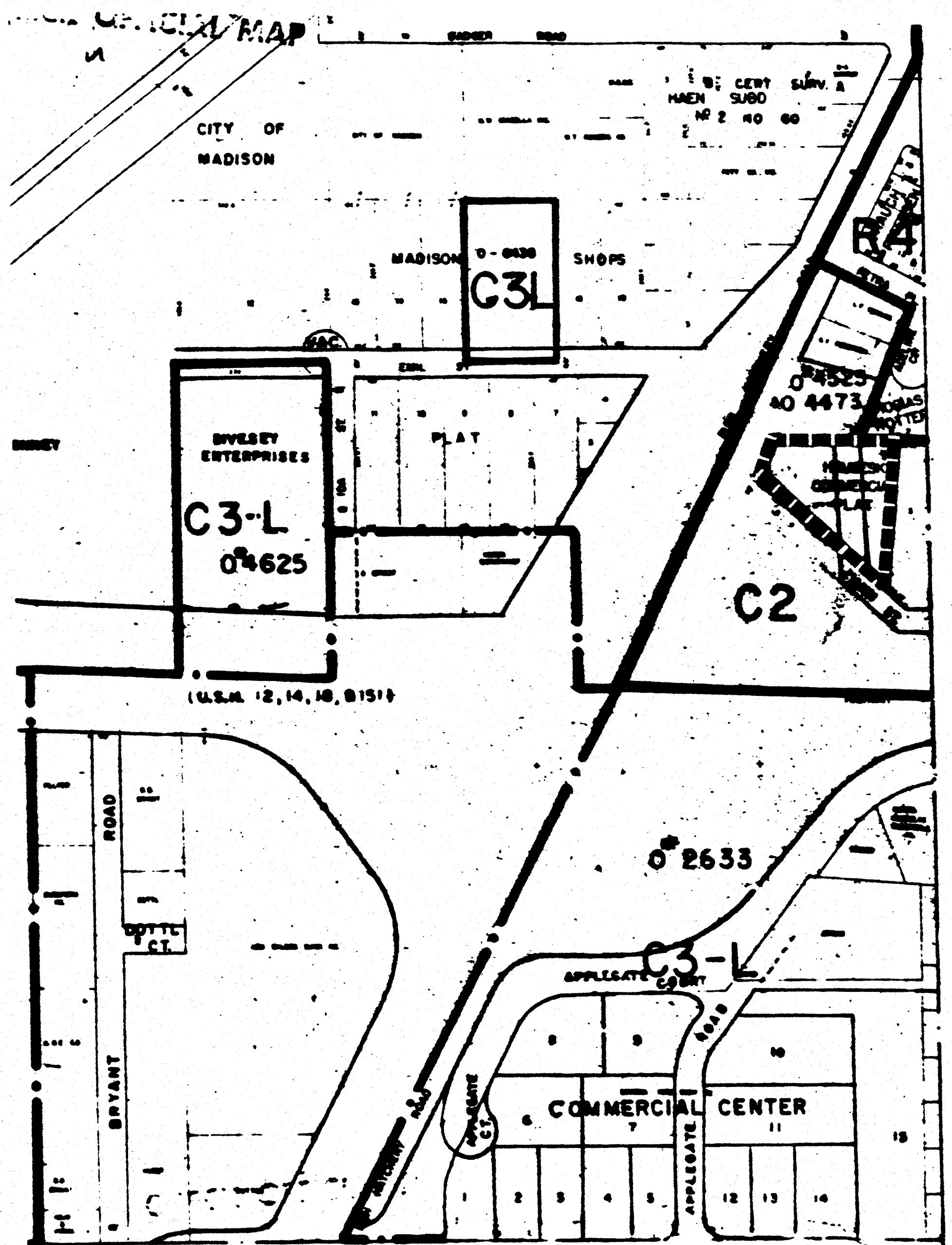


EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 4

LOCATION:	7501 Mineral Point Road, City of Madison
SALE DATE:	11/12/85
STATED PRICE:	$226,500
STATED PRICE/SF:	$6.32
SELLER:	Dr. Dennis D. Rasmussen
BUYER:	Aubrey Fowler
RECORDING DATA:	Vol. 7504, Page 58, 11/18/85, Warranty Deed
SIZE:	35,831 square feet
ZONING:	Commercial
EXPECTED USE:	Rax Restaurant

EXHIBIT III-2 (Continued)

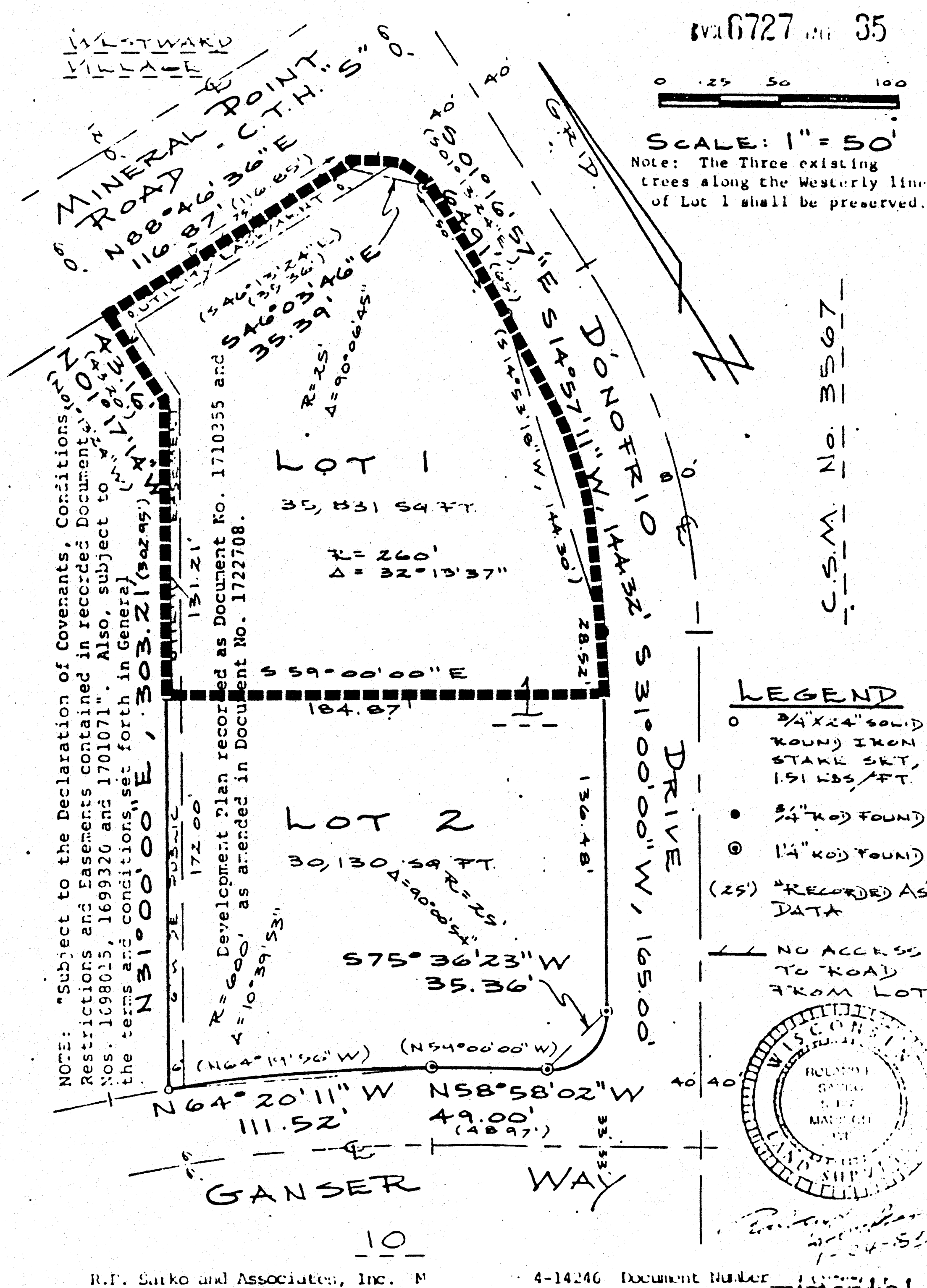
COMPARABLE SALE NO. 4 (Continued)

TERMS OF SALE:	Cash
VERIFIED BY:	Dr. Dennis D. Rasmussen, Seller

EXHIBIT III-2 (Continued)

COMPARABLE SALE NO. 4 (Continued)

Lot 1, Highpoint Commercial,
City of Madison, Dane County, Wisconsin.



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R.F. Sarko and Associates, Inc.
Land Surveyors
104 King Street

4-14246
8036
47 Three

Document Number 1477151
Map Number 4636
Volume 20
Page 196

Comparable Sale No. 3 is the site of the Rax Restaurant located at the intersection of the Beltline and Fish Hatchery Road. It was bought by Hammond Investments on August 5, 1985, for $178,000. The parcel is irregularly shaped containing 41,840 square feet with approximately two-thirds of it being southwest of Ann Street and one-third northeast. Mr. John Allen at Rax Restaurants stated that they intend to use the northeast parcel as additional parking. The property contained an old house that was removed. Access is from Ann Street.

Comparable Sale No. 4 is located at the southwest corner of Mineral Point Road and D'Onofrio Drive. A Rax Restaurant is currently under construction on the site. It contains 35,831 square feet and was purchased on November 12, 1985, by Mr. Aubrey Fowler for $226,500. Access is from D'Onofrio Drive only. This comparable is located in the high-growth West Towne area of Madison's west side.

Exhibit III-3 shows the stated price, adjusted price, and price per square foot for the comparable sales. The price per square foot calculated is the price used in predicting the value of the subject. A brief discussion of the adjustments to price follows.

Comparables No. 1 and 2 were adjusted upward for special assessments paid by buyer. Comparable No. 1, the McDonald's site, was adjusted upward 20 percent for its time of sale. This adjustment is based on an 8.5 percent increase in the Consumer Price Index for All Urban Consumers for the time span in question and an 11.5 percent adjustment for the general

EXHIBIT III-3

SIZE AND ADJUSTED PRICE OF COMPARABLES

	COMPARABLE NUMBER 1	COMPARABLE NUMBER 2	COMPARABLE NUMBER 3	COMPARABLE NUMBER 4
Stated Price	$211,500	$280,000	$178,000	$226,500
Special Assessments Assumed	8,500	15,000	0	0
Time of Sale	44,000	0	0	0
Offsite Parking Included	(33,000)	0	0	0
Removal of Improvements	0	0	5,000	0
Adjusted Price	$231,000	$295,000	$183,000	$226,500
Square Feet	35,090	47,931	41,840	35,831
$/SF	$6.58	$6.15	$4.37	$6.32

maturation of retail and other development activity in the South Towne area. It sold over three years prior to the date of valuation.

Both Comparables No. 1 and 2 include some provision for parking off-site. Because of very limited on-site parking at McDonald's, the provision allowing employees to park off-site is important and the price was adjusted down 15 percent to reflect this. The development plan for the Bonanza site already included 87 parking spaces and the provision allowing up to seven employees to park off-site is considered to have little real value, therefore no adjustment was made.

Comparable No. 3 contained an old house on the site. The cost of removal was estimated at $5,000. The price was adjusted upward to reflect this cost.

For purposes of valuation, the subject property is assumed to consist of two parts with different expected uses. These uses are described in the discussion of highest and best use earlier in this report.

The first part is the easterly 0.8 acres or 34,848 square feet. It is a narrow strip less than sixty feet wide between the existing Beltline and West Broadway. Because of shape and restrictions in the shopping center Operating Agreement, it is undevelopable and has minimal value. The Monona City Planner also considers the land undevelopable. Although a highest and best use of overflow parking for adjacent development has been determined, the demand for this is questionable. It has been assigned a minimal value before the taking of $1.00 per square foot or $35,000.

The second part is the useable 3.19 acres or 138,790 square feet. A highest and best use of three development sites for retail, restaurant, or office uses was previously determined.

After determining the adjusted price of the comparables in Exhibit III-3, some method of analyzing qualitative differences among comparable properties must be constructed. Each property has certain attributes which are observable and significant to the investor. 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. As price sensitive attributes, the appraiser chose site efficiency, linkages and visibility to traffic volume, perceived prestige/growth potential, proximity to consumer concentrations, site access, and size.

Each of the sales was then ranked for relative value of the attributes. The scoring system is detailed in Exhibit III-4. The weights assigned the attributes were generated from a non-parametric statistics formula developed by Gene Dilmore.[1]

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[1] A member of the American Institute of Real Estate Appraisers (MAI) and of the Society of Real Estate Appraisers (SREA) who has special expertise in statistics.

EXHIBIT III-4

SCALE FOR SCORING COMPARABLE SALE AND SUBJECT PROPERTY ATTRIBUTES

SITE EFFICIENCY:	5 =	Site is rectangular and fully useable
	3 =	Site has some irregularities of shape but is substantially fully useable
	1 =	Site is irregularly shaped such that a significant portion is not useable
LINKAGES AND VISIBILITY TO TRAFFIC VOLUME:	5 =	Directly accessible from both lanes of frontage road and high visibility to traffic volume
	3 =	Accessible from secondary street or interior roads or visibility to passing traffic volume considered fair
	1 =	Accessible from secondary street or interior roads and visibility to passing traffic volume considered fair
PRESTIGE/GROWTH AREA:	5 =	Perceived high prestige and rapid growth of nearby land uses
	3 =	Some public recognition and moderate growth of nearby land uses
	1 =	Low public recognition and slow growth of nearby land uses
PROXIMITY TO CONSUMER CONCENTRATIONS:	5 =	Adjacent to major consumer draws
	3 =	General proximity of significant consumer draws but cut off by traffic flow
	1 =	Isolated from other consumer draws

EXHIBIT III-4 (Continued)

SITE ACCESS:	5 =	Two or more driveway aprons on two or more streets
	3 =	Two driveway aprons on one street or two entries from different streets through other parking
	1 =	One driveway apron
SIZE:	5 =	30,000 to 39,999 square feet per development site
	3 =	40,000 to 149,999 square feet per development site
	1 =	150,000 or more square feet per development site

EXHIBIT III-5

WEIGHTED MATRIX FOR COMPARABLES AND SUBJECT

ATTRIBUTE	WEIGHT	NO. 1	NO. 2	NO. 3	NO. 4	SUBJECT BEFORE	SUBJECT AFTER
Site Efficiency	0%	5/0.00	3/0.00	3/0.00	3/0.00	3/0.00	3/0.00
Linkages	20%	3/0.60	5/1.00	3/0.60	3/0.60	5/1.00	5/1.00
Prestige/Growth	25%	3/0.75	3/0.75	1/0.25	5/1.25	3/0.75	3/0.75
Proximity	5%	5/0.25	3/0.15	1/0.05	3/0.15	3/0.15	3/0.15
Site Access	25%	3/0.75	3/0.75	3/0.75	1/0.25	3/0.75	1/0.25
Size	25%	5/1.25	3/0.75	3/0.75	5/1.25	3/0.75	3/0.75
TOTAL WEIGHTED SCORE	100%	3.60	3.40	2.40	3.50	3.40	2.90
Adjusted Price		$231,000	$295,000	$183,000	$226,500		
Square Feet		35,090	47,931	41,840	35,831	138,790	65,643
Adjusted Price/SF		$6.58	$6.15	$4.37	$6.32		
Price/Point/ Square Foot		$1.83	$1.81	$1.82	$1.81		

The total weighted score given each of the properties and the adjusted selling price per square foot per point can be found in Exhibit III-5.

The object of the weighted scoring method is to divide the total weighted score into the adjusted price per square foot of land area to arrive at the adjusted price per square foot of land area per point. This number would be identical for each comparable if all the differences among comparables could be correctly recognized and adjusted, an ideal which is not likely to happen. Therefore, the appraiser uses the mean or average price per point per square foot of land area as the pricing algorithm for the subject site.

Since the first objective is to reduce dispersion of the price per point per unit building area, a computer program developed by Gene Dilmore is utilized to test the initial weights assigned by the appraiser to each price sensitive qualitative attribute until that combination of weights is found that best predicts the prices of the comparable sites. The justification of the resulting comparable price formula is provided in Exhibit III-6, and it will be noted that a very close fit is obtained between the predicted price and the actual price, without exception. Therefore, the price per weighted point per square foot algorithm provides a basis for forecasting the market price of the subject site before the taking. The computer output of the Dilmore quantitative point weighting program for the comparable sites is shown in Appendix C.

EXHIBIT III-6

JUSTIFICATION OF PRICE FORMULA FOR COMPARABLE SALES

JUSTIFICATION OF PRICE FORMULA FOR COMPARABLE SALES
BY MEANS OF ANALYSIS OF VARIANCE OF ACTUAL SALE PRICE VS. PREDICTED
PRICE OF COMPARABLES USING MEAN PRICE PER POINT EQUATICN METHOD

NO.	COMPARABLE PROPERTY	WEIGHTED POINT SCORE	MEAN PRICE PER POINT SCORE	PREDICTED PRICE/ SF	ACTUAL PRICE/ SF	VARIANCE	% OF VARIANCE TO ACTUAL PRICE
1	2051 West Broadway	3.6	$1.83	$6.54	$6.58	$-0.04	0.6%
2	2400 West Broadway	3.4	$1.81	$6.17	$6.15	$ 0.02	0.3%
3	1218 and 1221 Ann Street	2.4	$1.82	$4.36	$4.37	$-0.01	0.2%
4	7501 Mineral Point Road	3.5	$1.81	$6.36	$6.32	$ 0.04	0.6%
					NET VARIANCE	$ 0.01	

Having determined the pricing algorithm that replicates the price of the comparable land sales, it is then possible to apply the mean price per point per square foot to the subject site as detailed in Exhibit III-7. Note that the base price per point per square foot is $1.82 and the standard error of the mean is plus or minus $0.01.

Assuming a land area of the subject site before the taking of 138,790 square feet and a total weighted point score of 3.4, the value of the westerly portion of the subject site in the current market using the same standards applied to the comparable sites falls within a range having a high estimate of $862,000, a low estimate of $852,000, and a central tendency of $857,000.

The estimated market value of the entire subject parcel before the taking can therefore be summarized as follows:

Easterly 34,848 square feet at $1.00 per square foot, rounded to	$ 35,000
Westerly 138,790 square feet at $6.17 per square foot, rounded to	857,000
Total estimated market value before the taking	$892,000
Rounded to	$890,000

C. Valuation After the Taking

After the taking, two separate non-adjacent parcels remain. The first is identified as Outlot 3 in Exhibit I-2. It contains 1.307 acres or 56,943 square feet. This parcel

EXHIBIT III-7

CALCULATION OF MOST PROBABLE PRICE FOR SUBJECT SITE USING MEAN PRICE PER POINT EQUATION METHOD

COMPARABLE PROPERTY	SELLING PRICE PER SF	POINT SCORE	PRICE PER SF/ TOTAL WEIGHTED SCORE (X)
1	\$6.58	3.60	\$1.8278
2	\$6.15	3.40	\$1.8088
3	\$4.37	2.40	\$1.8208
4	\$6.32	3.50	\$1.8057
		TOTAL	\$7.2631

$$\frac{\text{Total of Price Per SF}}{\text{Total Weighted Score}} = \$7.2631$$

Mean Value ($\bar{X}$) = \$7.2631 / 4 = \$1.8158

$$\text{Standard Deviation of the Mean} = \sqrt{\frac{X - \bar{X}^{\,2}}{n - 1}} = \$0.01 \text{ where:}$$

X	$\bar{X}$		$(X - \bar{X})$	$(X - \bar{X})^2$	n	n - 1
\$1.8278 -	\$1.8158	=	\$ 0.0120	0.00014	4	3
\$1.8088 -	\$1.8158	=	\$-0.0070	0.00005		
\$1.8208 -	\$1.8158	=	\$ 0.0050	0.00003		
\$1.8057 -	\$1.8158	=	\$-0.0101	0.00010		
				0.00032		

$$\sqrt{\frac{0.00032}{3}} = \sqrt{0.00011} = \$0.0103$$

EXHIBIT III-7 (Continued)

Value Range of Price/Point Score: $1.8158 ± $0.0103

Since area of subject is 138,790 square feet and total weighted point score of subject is 3.4, then:

High Estimate: $1.8261 x 3.4 x 138,790 SF = $861,711 or $862,000 ($6.21/SF)

Central Tendency: $1.8158 x 3.4 x 138,790 SF = $856,850 or $857,000 ($6.17/SF)

Low Estimate: $1.8055 x 3.4 x 138,790 SF = $851,990 or $852,000 ($6.14/SF) includes the 34,848 square feet determined to be unbuildable before the taking and valued at $1.00 per square foot. It also includes 22,095 square feet valued previously at $6.17 per square foot. Before the taking, this area was developable as part of Lot 1 in Exhibit II-5.

The extension of Frazier Avenue from the north to West Broadway destroys the 5,000 square foot building pad shown in Exhibit II-5 and separates the previously useable 22,095 square feet from the remaining developable land to the west. The Monona City Planner considers this parcel undevelopable after the taking because of proximity to the intersection of West Broadway and Frazier Avenue. Furthermore, the Operating Agreement referred to previously prohibits development on the site. Even billboards and signs are prohibited.

After the taking, the entire remaining easterly 56,943 square feet is valueless in the opinion of the appraiser. It is unlikely to be used as parking because there are no adjacent uses. It is not needed by the South Towne Shopping Center to preserve visibility because the Operating Agreement restrictions already do that. The parcel is now essentially a non-economic remnant.

The second remainder parcel is the combination of Lot 1 and Outlot 2 of Exhibit I-2. Its area is 65,643 square feet or 1.507 acres. The comparables and valuation process for this parcel are the same as was used in Section III-B to value the developable land before the taking. Appendix D contains the computer output applicable to this remainder parcel on an "after" basis.

Development sites generally have a higher value per square foot the smaller the site, all other factors being equal. In effect, the market usually recognizes a quantity discount for buyers of larger parcels. Also, a buyer of a commercial site will not normally buy more land than he needs at a high price.

The comparable sales range in size from 35,090 to 47,931 square feet. Before the taking, the useable portion of the subject contained three building sites on 138,790 square feet or 46,263 square feet per site. By contrast the westerly remainder contains one site of 65,643 square feet. Any of the developments that occurred on the comparable sites would not have needed a site as large as the westerly remainder.

Because of this factor, the westerly remainder parcel has a total weighted point score of 2.9 as shown in Exhibit III-5. We previously calculated in Exhibit III-7 that the base price per point per square foot is $1.82 and the standard error of the mean is $0.01. Therefore, the value of the westerly remainder parcel in the current market using the same standards applied to the comparables falls within a range having a high estimate of $348,000, a low estimate of $344,000, and a central tendency of $346,000.

The estimated market value of the remainder after the taking can therefore be summarized as follows:

Easterly 56,943 square feet	None
Westerly 65,643 square feet at $5.27 per square foot, rounded to	$346,000
Total estimated market value after the taking	$346,000
	========
Rounded to	$345,000
	========

IV. SUMMARY AND DETERMINATION OF DAMAGES

The damages to Mr. Livesey as a result of the taking of a part of Lot 1, South Towne Assessor's Plat are as follows:

Value before the taking	$890,000
Value after the taking	345,000
Damages	$545,000

The following is additional explanation for the impact of estimated damages.

	SF	Amount	$/SF
Value after the taking		$345,000	
Sale of part of westerly remainder to K.E.S.P. Restaurant Services	47,931	(295,000)	$6.15
Value assigned to non-economic remnant (easterly remainder)	56,943	(0)	
Value to be realized from balance of westerly remainder	17,712	$ 50,000	$2.82

Therefore, Mr. Livesey must sell the portion of the westerly remainder parcel still in his ownership for $2.82 per square foot to realize the appraised value after the taking. In view of the development restrictions contained in the Operating

Agreement and the potential difficulty of getting the needed approvals from the City of Monona, it is reasonable to conclude that this portion of the remainder has considerably less value than the portion sold to K.E.S.P. Restaurant Services.

The alternative measure of damages to before and after is the value of the land taken as a separate parcel. This alternative value is required under 32.09 (6). The area of the total land taken is 51,052 square feet. When the scoring system, as developed in Exhibits III-3 through III-7, is applied to this subject parcel it also scores 3.4. The base price per point of $1.8158 times 3.4 points suggests a price of $6.17 per square foot or a total price of $314,991 or rounded, $315,000. (See Exhibit III-7.) This value is less than the total damages of $545,000 established by the before and after method.

CERTIFICATION OF VALUE

The appraisers further certify that, to the best of our knowledge, the statements made in this report are true and we have not knowingly withheld any significant information; that we have personally inspected the subject property, that we have no interest, present or contemplated in the subject property or the participants in the transaction; that neither the employment nor compensation to make said appraisal is contingent upon our value estimate; and that all contingent and limiting conditions are stated herein; and the fee charged is consistent with our usual charge for appraisal services.

The estimated market value, as defined herein, of this property before the taking as of November 21, 1985, is:

EIGHT HUNDRED NINETY THOUSAND DOLLARS

($890,000)

The estimated market value, as defined herein, of this property after the taking as of November 21, 1985, is:

THREE HUNDRED FORTY FIVE THOUSAND DOLLARS

($345,000)

The loss and damages accruing as a result of this taking as of November 21, 1985, are estimated to be:

FIVE HUNDRED FORTY FIVE THOUSAND DOLLARS

($545,000)

Relative to Wisconsin Statute 32.09 (6) the Fair Market Value of the lands taken is estimated to be $315,000 as of November 21, 1985, with the balance of the loss attributable to the serverance damages to the remainder.

FOR LANDMARK RESEARCH, INC.

James A. Graaskamp, Ph.D, SREA, CRE

Paul J. Gleason

Paul J. Gleason, Real Estate Appraiser/Analyst

10/3/86

Date

APPENDIX A

HISTORY OF MONONA TAX INCREMENTAL DISTRICT NO. 1

APPENDIX A (Continued)

The reasons why Monona Tax Increment District No. 1 was created are set forth in the original project plan contained in Chapter 2 of this memorandum (see specifically section I thereof). The City sought to use the advantages offered by Tax Incremental Financing to aid some distressed or "conservation" neighborhoods where dilapidated public services (sewer, water, and streets) were tending to have a blighting influence on the neighborhood (specifically the Bartels area). The City also sought to create additional employment opportunities for its residents and add to the non-residential tax base by generating industrial, retail, and commercial development in the South Towne area and undeveloped portions of Monona Drive. In order to accomplish that goal it was necessary to invest large sums of money for public improvements such as streets, water, and sanitary and storm sewer. There was also a need to improve the City's water system to provide necessary fire protection and to service the anticipated new uses from the added development.

In addition, TIF money was used to provide "security incentives" to encourage development in areas where the private market was not willing to bear the risk of development. In South Towne, most buyers were afraid to make substantial investment in new buildings because of the tremendous uncertainty over the final location of the South Beltline Freeway. Therefore the City used TIF funds to assemble land and make it available to retailers at a cost that allowed them to bear the risk of development even in light of the uncertainty of the final beltline location. The use of TIF funds in that fashion also served as an effort to "prime the pump" by attracting development to the area so that it would be an attractive area that would bring quality users to Monona. The developer of South Towne originally planned to build an unenclosed strip shopping center in South Towne. The City used TIF funds to induce the developer to construct a high quality enclosed mall instead. South Towne Mall has served as the flagship for development in the area. It has also provided over 900 jobs, convenient shopping opportunities for Monona residents, and substantial added tax base to the City, county, school district, and state.

In all cases where the City has used "security incentives" the developer of the project has been required to guarantee to the City that they will create enough value by the new development to ensure that the TIF District will be paid back for its investment. In the event that sufficient value is not created by the developer, they are required to make cash payments to the TIF District to equalize the shortfall.

Another example where TIF funds were used to attract unique development is the case of Water Tower Place. The site of Water Tower Place was thought by most people to be undevelopable property because of the unusual shape of the lot and the fact that lateral support had to be provided to the Monona Water Tower, thus making it difficult to do additional excavation on the site. The City used a TIF security incentive to induce construction of a unique, attractive, high quality office building to that site while also protecting the structural integrity of the City's water tower.

The City has also used TIF funds to acquire certain municipal equipment necessary to service the new buildings being constructed as a result of the success of the TIF District. The City purchased a new fire engine sufficient to provide protection to the major buildings in South Towne (including WPS). The City also purchased a new communications system adequate to communicate with the areas in the southern portion of the City (primarily South Towne). Prior to

APPENDIX A (Continued)

acquisition of the new system, the Police and Fire Departments were oftentimes not able to communicate from the dispatch offices to units on the Beltline or to the south of the Beltline.

Major stormwater problems were corrected in the southern area of Monona and on Monona Drive. Although some major problems continue to exist in the Queensway Road area, extensive improvements were made in the drainage of the southern part of Monona Drive and the Ford Street area. Better fire protection ratings were achieved for the entire City by upgrading the water pressure and carrying capacity of the system.

A partial listing of the private developments and improvements constructed within the TIF District since its creation are shown below:

BUILDING	LOCATION	NUMBER OF SQUARE FEET	VALUE
√ WPS PHASE TWO (Office Building)	Engel Street	60,000	$3,425,000
√ SHOPKO STORE	West Broadway	98,000	$3,600,000
√ KOHLS DEPARTMENT STORE	West Broadway	60,000	$3,000,000
√ MCDONALDS	West Broadway	4,200	$440,000
√ SOUTH TOWNE MALL	West Broadway	70,000	$2,800,000
√ SOUTH TOWNE TWO	West Broadway	9,500	$400,000
WISCONSIN NURSES ASSOCIATION OFFICES	Monona Drive	2,800	$181,000
MADISON COIN MACHINE	Monona Drive	6,000	$239,000
HERITAGE INSURANCE	Monona Drive	4,000	$230,000
TREASURE MART	Femrite Drive	6,000	$115,000
WATER TOWER PLACE	Monona Drive	40,000	$1,600,000
√ PUROLATOR COURIER	Industrial Drive	12,500	$380,000
√ MONONA COMMERCE BLDG.	Industrial Drive	45,000	$400,000
√ SOUTH TOWNE OFFICE PARK	Gisholt Road	18,000	$1,000,000

These private developments were made possible by investment of public monies for major road construction projects such as South Towne Drive (formerly known as Raywood Road), Industrial Drive, Royal Avenue, West Broadway Frontage Road, and Gisholt Road. Market demand for purchase of land in South Towne and construction of new buildings is now very high. When the City's investment in public improvements has been repaid, all tax jurisdictions (the county, city, state, school district, and VTAE district) will substantially benefit by all of the added value that has been established in the TIF District.

APPENDIX A (Continued)

While the District has been tremendously successful in meeting its original goals, there are several important tasks left to be completed. Those tasks and goals will be set forth in Chapter 5 of this memorandum. As always, the City will insure that any money invested in TIF projects will be repaid by the development itself, not by the property taxpayer.

APPENDIX B

OPERATING AGREEMENT AMONG JOHN P. LIVESEY, SHOPKO STORES, INC., AND THE KOHLS COPORATION

APPENDIX B (Continued)

ARTICLE 44 -- DEVELOPMENT OF ADJACENT PARCELS

(a) The Adjacent Parcels shall be used only for retail and service facilities, banks and other financial institutions, and offices and office buildings. With respect to any use, Developer agrees that there shall be maintained not less than the following number of parking spaces:

(i) 5.5 car spaces for each 1,000 square feet of Floor Area in any building used primarily for the sale of food or beverages for on-premises consumption, drugstore and other retail or service-type stores.

(ii) Three car spaces for each 1,000 square feet of Floor Area in any building used primarily for a financial institution.

(iii) Two car spaces for each 1,000 square feet of Floor Area of any office building.

The parking spaces shall comply with the applicable requirements for the Shopping Center Site as set forth in this agreement.

Developer agrees that those portions of the Adjacent Parcels upon which improvements shall not have been constructed shall be kept and maintained in a neat and sightly condition.

(b) The improvements on the Adjacent Parcels shown on the Plot Plan shall comply with the following standards:

(i) the total floor area of buidlings on each Adjacent Parcel shall not exceed the maximum floor area set forth for such Adjacent Parcel as shown on the Plot Plan;

(ii) no building on any Adjacent Parcel may exceed the height limitation set forth for such adjacent Parcel as shown on the Plot Plan;

(iii) with respect to any Adjacent Parcel which contains an "Allowable Building Location" designation on the Plot Plan, no building may be constructed in whole or in part outside the area so designated;

(iv) except for traffic directional signs, there shall be no signs on any Adjacent Parcel;

(v) the exterior design and colors of buildings on the Adjacent Parcels shall be in architectural harmony with the exterior design and colors of buildings on the Shopping Center Site; and

(vi) except for traffic directional signs, all signs on the Parcels shall be within the "Allowable Building Location" shown for such Parcel and shall be subject to the written approval of ShopKo and Kohl as to size, design, and location within the "Allowable Building Location".

(c) If an improvement on any Adjacent Parcel is connected to the cross-hatched roadway as referenced in Section 18.1 hereof, Developer shall require the owner or lessee of the Adjacent Parcel or of any improvements located thereon

APPENDIX B (Continued)

VOL 3764 PAGE 27

and its successors and assigns, to pay $.10 per year for each square foot of ground area on the Adjacent Parcel in question during each year in which the Adjacent Parcel is connected to the cross-hatched roadway to be used for the maintenance of the roadway. If an improvement on any Adjacent Parcel is connected to the Common Utility Facilities, Developer shall require the owner or lessee of the Adjacent Parcel, or of any improvements located thereon and its successors and assigns to pay annually, for so long as its parcel is connected to the Common Utility Facilities, an amount equal to the costs allocable to the Common Utility Facilities multiplied by a fraction the numerator of which is the Floor Area in the building or buildings on the Adjacent Parcel in question which connect to the Common Utility Facilities and the denominator of which is said numerator plus the Floor Area of the Shopping Center Site plus the Floor Area of all buildings on other Adjacent Parcels which connect to the Common Utility Facilities.

<u>ARTICLE 45</u> -- <u>WARRANTY OF AUTHORITY</u>

Developer,Kohl and ShopKo represent and warrant to each other that they have, respectively, the full right and lawful authority to transact business in the State of Wisconsin and to enter into this Agreement for the full term hereof.

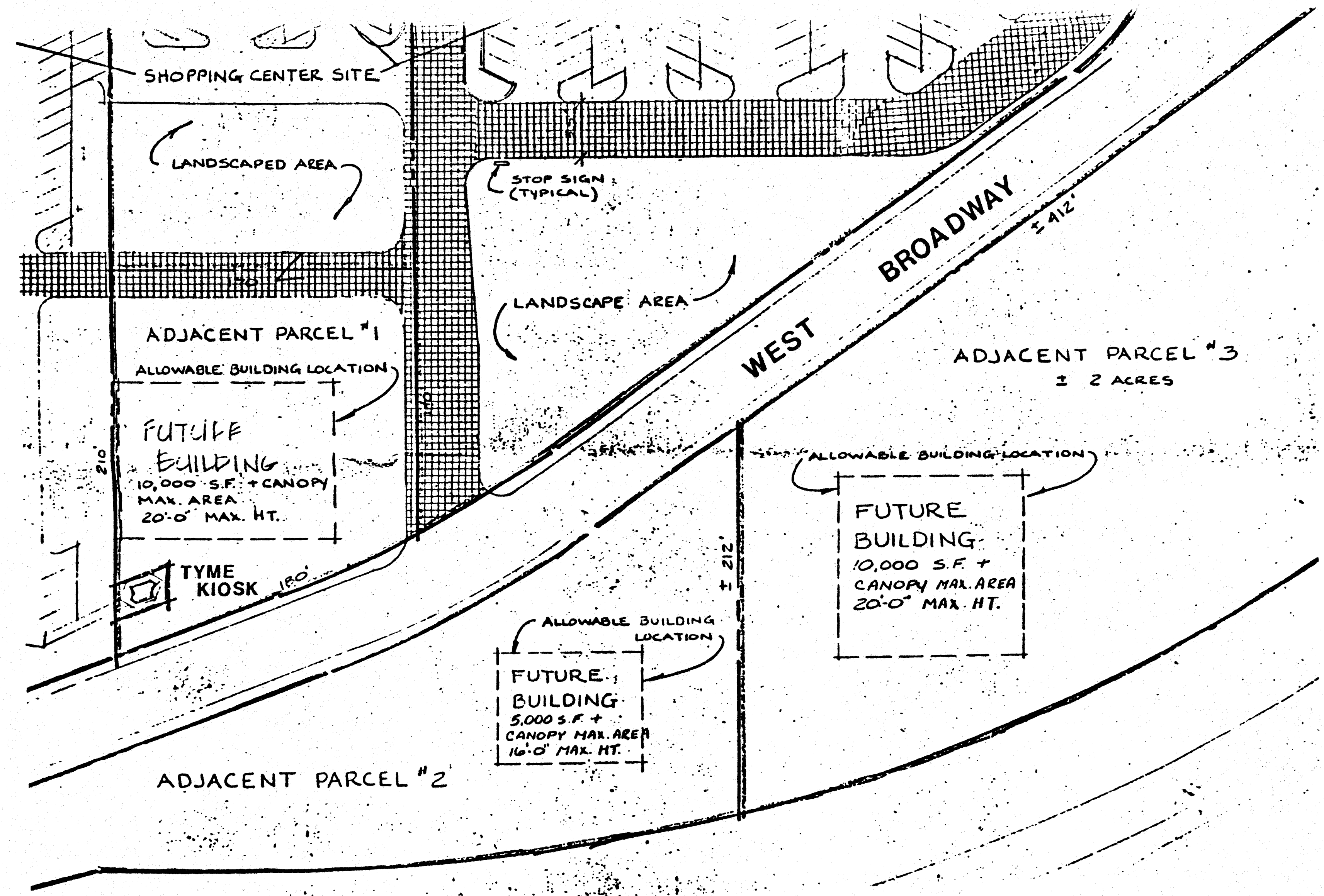
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

MONEX, a Limited Partnership

WITNESS:

By John P. Livesey, General Partner

APPENDIX B (Continued)



APPENDIX C

COMPUTER OUTPUT FOR SUBJECT SITE BEFORE THE TAKING

APPENDIX C (Continued)

QP Version 2.3

Program Choices Are:

1. Enter/edit/display/file input data
2. Analyze quality point ratings
3. Display output to screen *
4. Select options
5. Quit

* [When output is displayed to screen, you may print the output with the PrtSc key, then press <RETURN> to continue.]

Enter your choice: ?

Display Output to Screen

Select output to be displayed:

1. Input data
2. Weighted matrix for properties
3. Value range determination: mean price per point method
4. Transaction zone: mean price per point method and linear regression method
5. Mean price per point method: predicted vs. actual price for comparables
6. Linear regression method: predicted vs. actual price for comparables
7. Computation matrix

<Return> to quit
Enter your choice:

APPENDIX C (Continued)

Project title: SUBJ-BEFORE

Unit prices Search interval = 5

	EFFIC	LINKA	GROWT	PROXI	ACCES	SIZE	Price
Prel. wts.	0	20	25	5	25	25	-
COMP #1	5	3	3	5	3	5	$6.56
COMP #2	3	5	3	3	3	3	$6.15
COMP #3	3	3	1	1	3	3	$4.37
COMP #4	3	3	5	3	1	5	$6.32
SUBJ-BEFORE	3	5	3	3	3	3	-

Weighted Matrix

Feature/ Attribute	EFFICIEN	LINKAGE	GROWTH	PROXIMIT	ACCESS	SIZE	Wtd. score
Initial weights	20	20	15	15	15	15	100
Final weights	0	20	25	5	25	25	100
COMP #1	5/ 0.00	3/ 0.60	3/ 0.75	5/ 0.25	3/ 0.75	5/ 1.25	3.60
COMP #2	3/ 0.00	5/ 1.00	3/ 0.75	3/ 0.15	3/ 0.75	3/ 0.75	3.40
COMP #3	3/ 0.00	3/ 0.60	1/ 0.25	1/ 0.05	3/ 0.75	3/ 0.75	2.40
COMP #4	3/ 0.00	3/ 0.60	5/ 1.25	3/ 0.15	1/ 0.25	5/ 1.25	3.50
SUBJ-BEFORE	3/ 0.00	5/ 1.00	3/ 0.75	3/ 0.15	3/ 0.75	3/ 0.75	3.40

APPENDIX C (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$1.82
Dispersion About the Mean:	$0.01
Coefficient of Dispersion:	0.0057

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per Unit
Low Estimate	3.40	X	$1.81	=	$6.14
Central Tendency	3.40	X	$1.82	=	$6.17
High Estimate	3.40	X	$1.83	=	$6.21

Transaction Zone: Mean Price Per Point Method

Number of units in subject property: 138790

Low Estimate	$851,990	or	$852,000
Central Tendency	$856,845	or	$857,000
High Estimate	$861,700	or	$862,000

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

	Predicted Price	Actual price	Error
COMP #1	$6.54	$6.58	-$0.04
COMP #2	$6.17	$6.15	$0.02
COMP #3	$4.36	$4.37	-$0.01
COMP #4	$6.36	$6.32	$0.04

APPENDIX D

COMPUTER OUTPUT FOR SUBJECT SITE AFTER THE TAKING

APPENDIX D (Continued)

```
QP                    Version 2.3

Program Choices Are:

1. Enter/edit/display/file input data
2. Analyze quality point ratings
3. Display output to screen *
4. Select options
5. Quit


   * [When output is displayed to screen, you may print the output
     with the PrtSc key, then press <RETURN> to continue.]


Enter your choice: ?



Display Output to Screen

Select output to be displayed:

1. Input data
2. Weighted matrix for properties
3. Value range determination: mean price per point method
4. Transaction zone: mean price per point method
   and linear regression method
5. Mean price per point method: predicted vs. actual price for comparables
6. Linear regression method: predicted vs. actual price for comparables
7.  Computation matrix

<Return> to quit
Enter your choice:
```

APPENDIX D (Continued)

Project title: SUBJ-AFTER

Unit prices   Search interval = 5

	EFFIC	LINKA	GROWT	PROXI	ACCES	SIZE	Price
Prel. wts.	0	20	25	5	25	25	-
COMP #1	5	3	3	5	3	5	$6.58
COMP #2	3	5	3	3	3	3	$6.15
COMP #3	3	3	1	1	3	3	$4.37
COMP #4	3	3	5	3	1	5	$6.32
SUBJ-AFTER	3	5	3	3	3	1	-

Weighted Matrix

Feature/ Attribute	EFFICIEN	LINKAGE	GROWTH	PROXIMIT	ACCESS	SIZE	Wtd score
Initial weights	0	20	25	5	25	0	100
Final weights	0	20	25	5	25	25	100
COMP #1	5/ 0.00	3/ 0.60	3/ 0.75	5/ 0.25	3/ 0.75	5/ 1.25	3.60
COMP #2	3/ 0.00	5/ 1.00	3/ 0.75	3/ 0.15	3/ 0.75	3/ 0.75	3.40
COMP #3	3/ 0.00	3/ 0.60	1/ 0.25	1/ 0.05	3/ 0.75	3/ 0.75	2.40
COMP #4	3/ 0.00	3/ 0.60	5/ 1.25	3/ 0.15	1/ 0.25	5/ 1.25	3.50
SUBJ-AFTER	3/ 0.00	5/ 1.00	3/ 0.75	3/ 0.15	1/ 0.25	3/ 0.75	2.90

APPENDIX D (Continued)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	$1.82
Dispersion About the Mean:	$0.01
Coefficient of Dispersion:	0.0057

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per Unit
Low Estimate	2.90	X	$1.81	=	$5.24
Central Tendency	2.90	X	$1.82	=	$5.27
High Estimate	2.90	X	$1.83	=	$5.30

Transaction Zone: Mean Price Per Point Method

Number of units in subject property: 65643

Low Estimate	$343,703	or	$344,000
Central Tendency	$345,662	or	$346,000
High Estimate	$347,620	or	$348,000

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

	Predicted Price	Actual price	Error
COMP #1	$6.54	$6.58	-$0.04
COMP #2	$6.17	$6.15	$0.02
COMP #3	$4.36	$4.37	-$0.01
COMP #4	$6.36	$6.32	$0.04

QUALIFICATIONS OF THE APPRAISERS

J A M E S   A.   G R A A S K A M P

PROFESSIONAL DESIGNATIONS

SREA, Senior Real Estate Analyst, Society of Real Estate Appraisers

CRE, Counselor of Real Estate, American Society of Real Estate Counselors

CPCU, Certified Property Casualty Underwriter, College of Property Underwriters

EDUCATION

Ph.D., Urban Land Economics and Risk Management - University of Wisconsin
Master of Business Administration Security Analysis - Marquette University
Bachelor of Arts - Rollins College

ACADEMIC AND PROFESSIONAL HONORS

Chairman, Department of Real Estate and Urban Land Economics, School of Business, University of Wisconsin
Urban Land Institute Research Fellow
University of Wisconsin Fellow
Omicron Delta Kappa
Lambda Alpha - Ely Chapter
Beta Gamma Sigma
William Kiekhofer Teaching Award (1966)
Urban Land Institute Trustee

PROFESSIONAL EXPERIENCE

Dr. Graaskamp is the President and founder of Landmark Research, Inc., which was established in 1968. He is also co-founder of a general contracting firm, a land development company, and a farm investment corporation. He is formerly a member of the Board of Directors and treasurer of the Wisconsin Housing Finance Agency. He is currently a member of the Board and Executive Committee of First Asset Realty Advisors, a subsidiary of First Bank Minneapolis. He is the co-designer and instructor of the EDUCARE teaching program for computer applications in the real estate industry. His work includes substantial and varied consulting and valuation assignments to include investment counseling to insurance companies and banks, court testimony as expert witness and the market/financial analysis of various projects, both nationally and locally, and for private and corporate investors and municipalities.

PAUL J. GLEASON

EDUCATION

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

Bachelor of Business Administration - Comprehensive Public Accounting, University of Wisconsin - Eau Claire

PROFESSIONAL MEMBERSHIPS

Urban Land Institute

American and Wisconsin Institutes of Certified Public Accountants

PROFESSIONAL EXPERIENCE

Prior to association with Landmark Research, Inc., Mr. Gleason had approximately four years experience in analysis, development, and syndication of income properties and extensive experience in the practice of public accounting.