

An appraisal of 3520 East Washington Avenue, Madison, Wisconsin. March 17, 1986

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AN APPRAISAL OF
3520 EAST WASHINGTON AVENUE
MADISON, WISCONSIN

*Landmark
Research
Inc.*

AN APPRAISAL OF
3520 EAST WASHINGTON AVENUE
MADISON, WISCONSIN

AS OF
MARCH 17, 1986

PREPARED FOR

DWIGHT ZECK
MADISON CELEBRATION STATION, INC.

PREPARED BY
LANDMARK RESEARCH, INC.
JAMES A. GRAASKAMP, PH.D., SREA, CRE
PAUL J. GLEASON

Landmark
Research
Inc.

March 17, 1986

James A. Graaskamp, Ph.D., S.R.E.A., C.R.E.

Jean B. Davis, M.S.

Mr. Dwight Zeck
Madison Celebration Station, Inc.
625 West Washington Avenue
Madison, WI 53703

Dear Mr. Zeck:

With this letter, we are transmitting our appraisal of the vacant building located at 3520 East Washington Avenue in the City of Madison, Dane County, Wisconsin as requested by you. The appraisers have inspected the property and have no vested interest, present or future, in the property.

We have established Fair Market Value as of March 17, 1986, assuming cash to the seller, subject to the assumptions and limiting conditions noted throughout the report. As we agreed, our analysis was limited to the market comparison approach to value.

Based on our analysis, Fair Market Value as of March 17, 1986, subject to the assumptions and limiting conditions contained in the report, is:

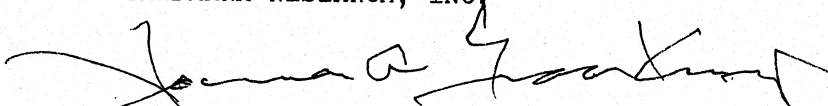
FOUR HUNDRED NINETY FIVE THOUSAND DOLLARS

(\$495,000)

assuming cash to the seller.

We are pleased to have been of service, and we remain available to answer any questions you may have regarding this report.

FOR LANDMARK RESEARCH, INC.


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

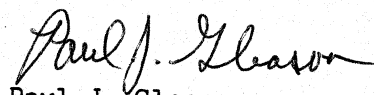

Paul J. Gleason
Real Estate Appraiser/Analyst

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I. INTRODUCTION

The content of an appraisal is determined by the decision for which it will serve as a benchmark and by the limiting assumptions inherent in the property, the data base, or other factors in the decision context.

A. Issue for Which the Appraisal is Required

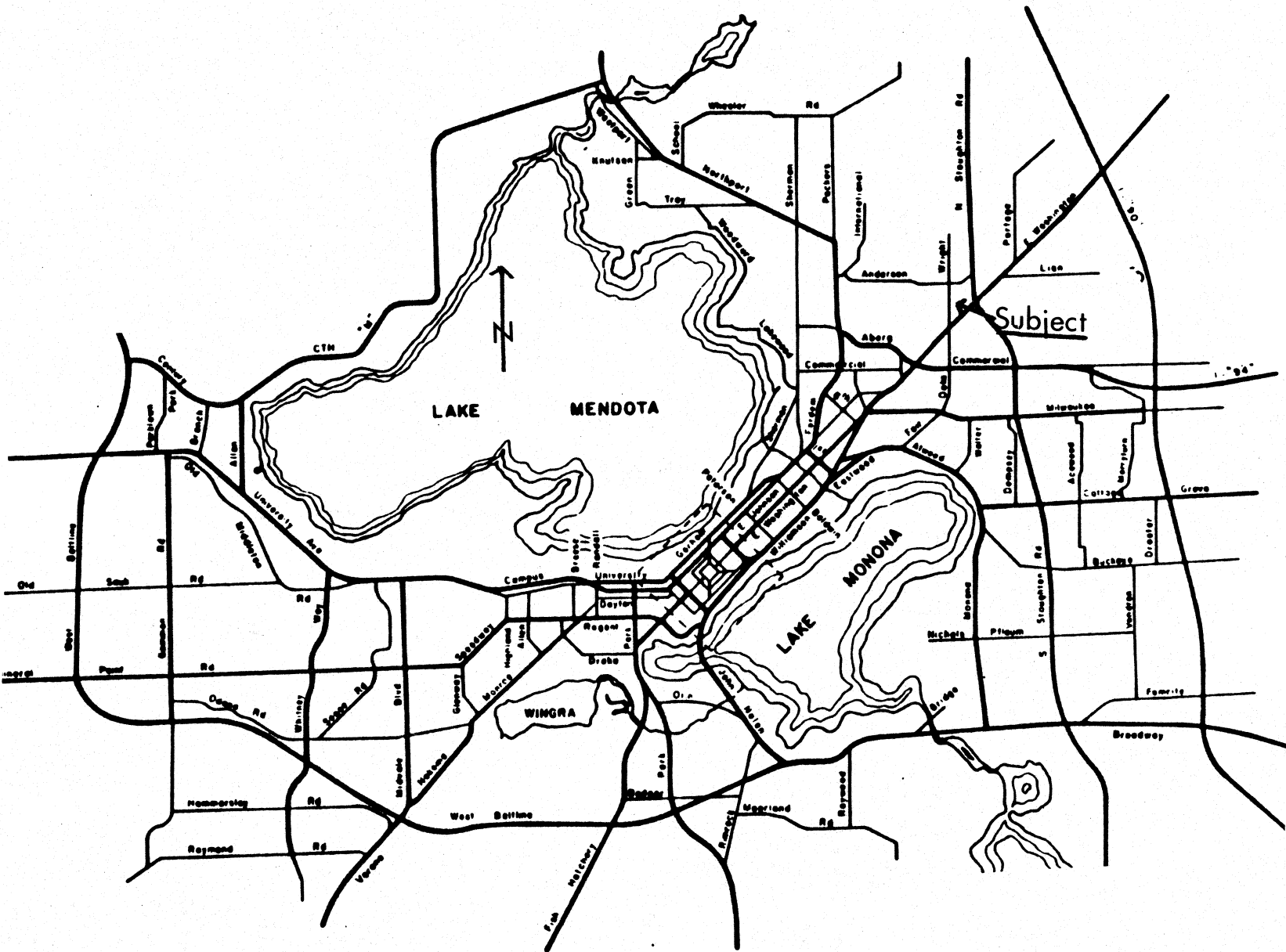
This appraisal was requested by Mr. Dwight Zeck of Madison Celebration Station, Inc., the owner of the subject property. The purpose of the appraisal is to estimate fair market value of the property to assist Madison Celebration Station, Inc., in obtaining first mortgage financing. Refinancing is necessary to pay off the land contract by which Madison Celebration Station, Inc., obtained equitable interest in the property.

B. Real Estate Interest Appraised

The real estate to be appraised is a fee simple interest in the land and improvements located at 3520 East Washington Avenue. Exhibit I-1 shows the location of the subject property. It has the following legal description:

Lots 5 through 10 and 15 through 22, Block 1, Clyde A. Gallagher Subdivision, in the City of Madison, subject to dedication of southeast 16.5 feet to the City of Madison for street purposes.

Title to the property is currently held by Mr. Theodore A. Vail. The property was sold on land contract to Madison Celebration Station, Inc., on June 15, 1983. This appraisal assumes that proceeds of the refinancing will be used to satisfy the land contract and in turn satisfy the underlying mortgage and mortgage note.



The property is also subject to a liability for property taxes, special assessments, interest, and penalty charges of \$40,172.72. Exhibit I-2 contains a summary of these liabilities. The appraisal assumes that they will be paid at the time of refinancing.

C. Limitations on the Appraisal Process

Normally, an appraisal of improved property includes separate value estimates based on the cost approach, income approach, and market comparison approach. The appraiser then reconciles the three approaches in arriving at a final value estimate.

The owner has chosen to limit the appraiser in this case to use of the market comparison approach due to the special purpose for which the appraisal is requested. The appraiser's estimate of fair market value is, therefore, subject to this limitation. The appraisal is also subject to the Statement of General Assumptions and Limiting Conditions contained in Appendix A.

D. Definition of Value and Date of Valuation

The appraised value shall be Fair Market Value as defined in Exhibit I-3. The date of this appraisal is March 17, 1986.

EXHIBIT I-2

PROPERTY TAXES AND SPECIAL ASSESSMENTS DUE

=====				
	<u>Principal</u>	<u>Interest</u>	<u>Penalty</u>	<u>Total Due</u>
<u>Property Taxes</u>				
1983	\$ 9,028.14	\$2,437.60	\$1,218.80	\$12,684.54
1984	11,952.33	1,792.85	896.42	14,641.60
1985	<u>12,388.78</u>	<u>---</u>	<u>---</u>	<u>12,388.78</u>
Subtotal	\$33,369.25	\$4,230.45	\$2,115.22	\$39,714.92
<u>Specials</u>				
1984	<u>373.71</u>	<u>56.06</u>	<u>28.03</u>	<u>457.80</u>
TOTAL	\$33,742.96	\$4,286.51	\$2,143.25	\$40,172.72
	=====	=====	=====	=====

EXHIBIT I-3

FAIR MARKET VALUE DEFINITION

A current definition of market value is

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.

Source: American Institute of Real Estate Appraisers, The Appraisal of Real Estate, Eighth Edition, Chicago, IL, 1983, p. 33.

II. PROPERTY DESCRIPTION

A. Physical Attributes of Site

1. Dimensions and Site Area

The subject site is L-shaped with approximately 240 feet of frontage on East Washington Avenue and 320 feet on Ridgeway Avenue to the rear. The southwesterly lot line measures 223.5 feet. Exhibit II-1 is a map of the subject site. Exhibit II-2 is a site plan showing existing improvements.

Lots 5 through 10 have a depth of 103.5 feet because of the dedication of a 16.5 foot wide strip along East Washington Avenue to the City. Lots 15 through 22 along Ridgeway Avenue have a depth of 120 feet. The total area of the subject site is about 63,240 square feet.

2. Topography, Geology, and Soils

The site slopes gradually from the center of the site at the elevation of 39.5 feet in all directions, but predominantly down to the north corner of the parking lot at the elevation 34.88 feet. The elevations are given in reference to the city datum (0.00), which has been established at 1,845.6 feet above sea level. Elevations were taken from the site survey plan prepared by Donald L. Paulson, land surveyor, for Madison Celebration Station, Inc.

The Soil Survey of Dane County indicates that the soil is St. Charles Silt Loam, which had a depth to bedrock greater than 10 feet and a depth to seasonal water table of 3 to 5 feet with low bearing capacity. The soil is moderately

MAP OF SUBJECT SITE

PART OF **MADISON** CITY OF
AND REGIONAL AREA

NE ¼ SEC. 32 T. 8 N. - R. 10 E.

SCALE 200 FEET TO 1 INCH

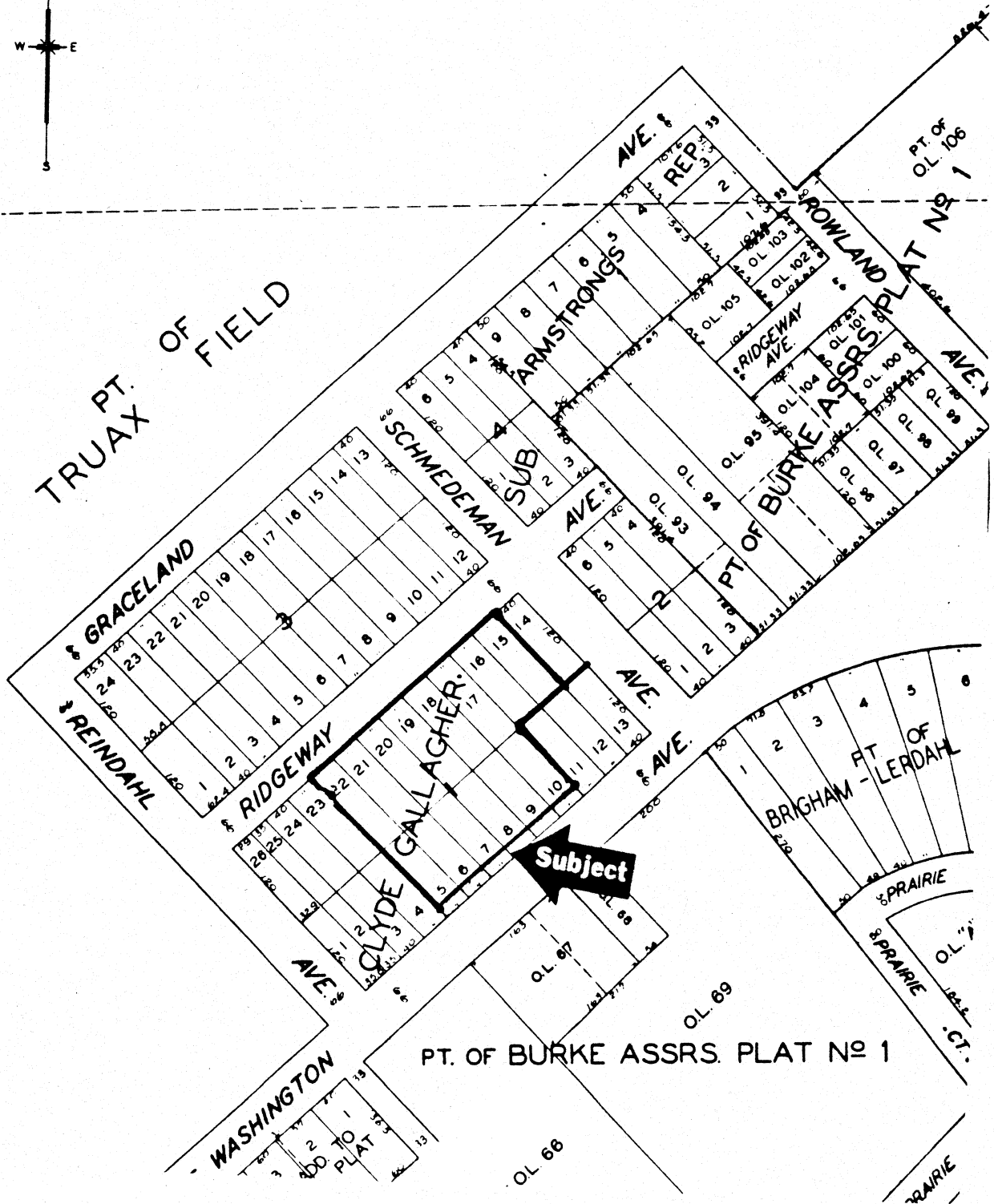
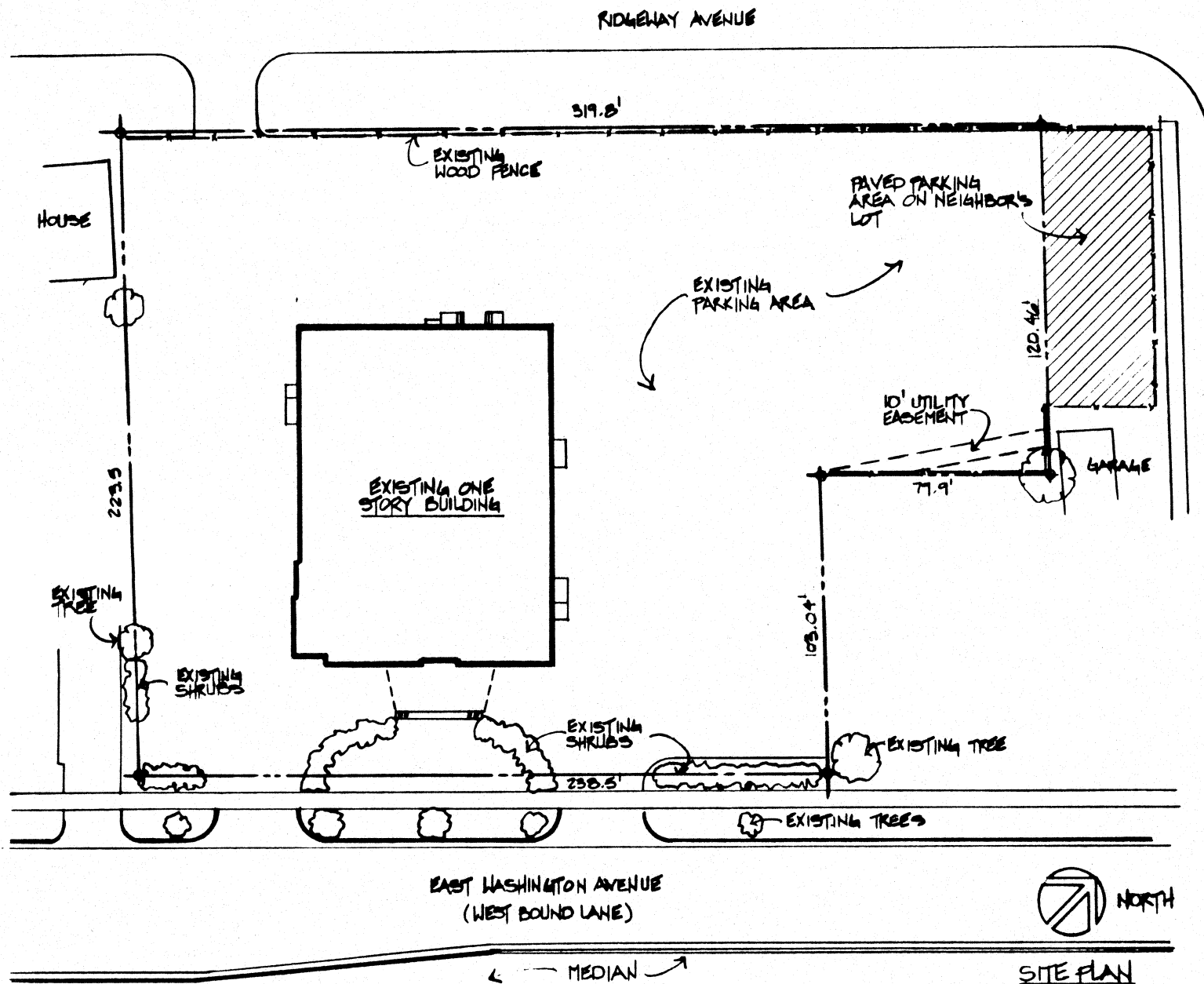


EXHIBIT II-2

SITE PLAN



SITE PLAN

to well-drained with low to moderate shrink/swell potential. The soil has a low corrosiveness to both concrete and uncoated steel. Existing foundation walls shown no signs of settling, cracks, or water damage.

3. Water and Sewer Service

Water and sewer services to the site appear to be adequate for most commercial uses. The site is served by a two-inch water lateral off a six-inch main and a six-inch sewer lateral off an eight-inch main along Ridgeway Avenue.

B. Legal/Political Attributes

1. Zoning

The subject property is zoned C2 General Commercial District. The purpose of this classification is to "accommodate the shopping needs of a much larger consumer population and area of residency than that served by the C1 limited commercial district." The C2 district is generally located in proximity to residential areas and major thoroughfares. It permits a wider range of uses than in the C1 district.

Permitted uses include retailing of convenience, durable, and fashion goods, the furnishing of certain personal and other services, banks, dry goods stores, and taverns. All types of office uses are permitted. All permitted uses under C1 including restaurants are permitted. An extensive list of permitted uses is contained in the Zoning Code (Appendix B). Appendix B also contains a list of conditional uses that are permitted with a conditional use permit.

The subject site is included in a Cc (Commercial Commercial) designated area on the Madison City Land Use Plan Map, indicating that variance and conditional use decisions will favor commercial uses. According to local

developers, the east side of Madison has lagged behind the west side in terms of development due to substantially lower per-capita incomes of eastsiders. Anticipated growth will be along major transportation routes, such as East Washington Avenue, as evidenced by the planned development of the Gateway East shopping center, expansion at East Towne, and a major addition to the Holiday Inn on East Washington Avenue.

2. Building Code

Because the subject has been vacant for some time, an occupancy permit will be needed to place the property into use once again. Occupancy or renovation of the subject could trigger new code requirements particularly in the areas of barrier-free access and fire safety requirements, including sprinklers. Any plan for use of the subject must include an analysis of the applicable code requirements and estimates of cost to comply.

3. Political Constraints

Analysis of the political constraints on the subject site must take into consideration Madison Alderperson Michael S. Shivers' position relative to the development of the site. Shivers has lived behind the subject site on Ridgeway Avenue since 1962. Great sensitivity will be required of development alternatives as they relate to his political clout in the neighborhood area and in city council.

Opposition exists from Shivers and the neighborhood residents to any transfer or issuance of a liquor license for the subject property. The current owners of the property obtained a beer and wine license for their proposed restaurant from Madison's Liquor License Review Board. The vote of the review board was 4 to 1, Shivers dissenting.

Holding a liquor license is viewed as a privilege, not a right, by the City's Alcohol License Review Board. While opposition to a liquor license by the resident alderman may be difficult to overcome, the primary consideration will be how the residents of the neighborhood view the development of the site.

According to Shivers, the fence at the rear of the site was installed because the previous owners were in violation of a city ordinance which prohibits ingress and egress of commercial traffic on a residential street. In 1971, ingress and egress from the rear of the site was approved by the City Engineering Department. A subsequent verbal agreement by the owners and the City has left an ambiguous constraint on the property. No ordinance that prohibits ingress and egress could be found. However, City Ordinance 10.08 (8) (J) states:

When a building permit is required for the reconstruction or remodeling of an existing commercial site or a zoning or occupancy certificate is required for use or change of use for any land, buildings or structures, all of the existing, as well as the proposed, driveway approaches and parking facilities shall comply with all design standards as set forth in this ordinance.

The ordinance give discretionary power to the Engineering Department through their approval powers over parking lot specifications. Since the subject property will need to have new parking lot improvements, departmental approval to remove the fence will be needed, even though no ordinance or written agreement specifically prevents its removal. Approval is again dependent on neighborhood residents. [1]

[1] Interview by Howard Levy with City of Madison Assistant Zoning Administrator Elaine L. Goff and City of Madison Traffic Engineer Gene Strobusch, October 21, 1985.

C. Linkage Attributes

Linkage attributes relate to the physical network of services and proximity of relationships generating a flow of goods, services, and people to and from the subject parcel. Physical linkages include sidewalks, roads, and other ties, while locational linkages have to do with accessibility to ancillary and supportive land uses.

1. Contiguous Uses

The subject site is located in a transitional neighborhood of mixed uses. Within a block of the subject are a striptease joint, bars, discount stores, a new medical clinic, a commercial bakery, financial service offices, restaurants, and several older homes, some of which have been converted to commercial uses. The new Madison Area Technical College (MATC) is less than one-half mile away via Wright Street or Stoughton Road.

A tendency for the more prosperous businesses to locate on the outbound (eastbound) side of East Washington is notable. Daily commuters on East Washington live in Sun Prairie and Windsor and would be more likely to shop or stop to eat on the way home after work. On the subject block, for instance, four single-family residences, a used car lot, small engine repair, nightclub, small offices, and two bars are on the inbound side. Marc's Big Boy, Shakey's Pizza, Pedros Mexican Food, Kuppenheimers Men's Clothing, Famous Footwear, and Lake City Glass and Paint are among the uses on the outbound side.

The subject property's immediate neighbors to the southwest and northeast are Blazer Financial Services and a single-family home respectively. The single-family home sits on lots 11 to 14 and effectively limits both visibility and access to the subject. (See Exhibit II-1.) The owner is asking a high

price for this property, aware of both the access value of Lot 14 and the screening effect of the house on Lots 11 to 13.

To the northwest across Ridgeway Avenue are older single-family homes. Due to residents' sentiments against traffic, approval for a rear exit from the parking area might be difficult to achieve.

2. Pedestrian Linkages

Pedestrian traffic is limited on East Washington Avenue due to marginal employment or pedestrian traffic generators on the blocks contiguous to the subject site. Also, pedestrian access from the outbound side of East Washington is almost impossible because of the heavy vehicle traffic.

3. Auto Linkages

The primary linkage of the subject to Madison and other parts of Wisconsin is East Washington Avenue. East Washington Avenue provides a strong link to the downtown area, three miles southwest of the subject. It is a major traffic carrier from residential areas to the northeast, including Sun Prairie, to the downtown employment centers. Its location on the inbound lane makes it less desirable than if it were located outbound, when more people would be likely to stop.

Situated in mid-block, access is difficult for outbound traffic. It requires proceeding past the site and making a U-turn at the intersection of East Washington and Schmedeman Avenue. Particularly at times of high traffic volumes such as the afternoon rush hour, the difficulty of this maneuver would preclude all but the most determined from visiting the site via the eastbound lane. This difficulty makes the site more desirable for a destination-type establishment than one that relies more on impulse buyers, such as a

convenience or fast food establishment. Provision for additional access from Schmedeman or Ridgeway Avenues would ease slightly but not eliminate this problem. Traffic leaving the site has an equally difficult time heading east.

In addition to East Washington Avenue, several major roads serve the area. Aberg and Commercial Avenues (State Trunk Highway 30) intersect East Washington less than one mile southwest of the site. Stoughton Road (U.S. Highway 51) intersects East Washington Avenue one-fourth mile to the northeast. Interstates 90 and 94 are two miles north and northeast on East Washington and Commercial Avenues. The heavy traffic on Wright Street and on Stoughton Road is expected to increase further when MATC opens its new campus.

The newly expanded Dane County Regional Airport is directly north of the subject. Although the private aircraft terminal is accessible via Stoughton Road, the main terminal is on the opposite side of the airfield to the west. The subject property is within the glide path of the runways, but the car traffic partially masks the air traffic noises. Retail shopping centers are located to the west on Aberg Avenue and Northport Drive around the edges of the airport. Several small office and light industrial buildings around the southern fringe of the airport to the north and west of the subject illustrate signs of increasing development in the Truax Industrial Park. A number of buildings are under construction; vacant lots are for sale.

The Capitol Square in the Central Business District (CBD) of Madison, a concentrated employment center characterized by financial and governmental activities, is located three miles to the southwest on East Washington Avenue. Despite City efforts to revive retailing enterprises, the Square has become primarily a gathering place for work or fun rather than a shopping destination.

The shopping nucleus for eastsiders is East Towne Mall located one mile northeast of the subject on East Washington Avenue. Opitz Realty has recently acquired 240 acres adjacent to East Towne with the apparent intent of adding shopping, possibly including a major new department store. Near East Towne are several restaurants and motels, including the Midway Motor Lodge, Ramada Inn, Holiday Inn, Howard Johnson's, Pancake House, McDonald's, Sizzlin' Steaks, Ponderosa, Pizza Hut, Wendy's, Mountain Jack's, Red Lobster, Nino's Steak House, Heritage House, and Rocky Rococo. Over 33 restaurants are on East Washington between Interstate 90 and 94 and State Highway 30, the major ones concentrated between Interstate 90 and 94 and U.S. Highway 51. Within one-quarter mile of the subject are Lewis' The Prime Rib and Brat und Brau on Stoughton Road, Hoffman House, Lotus Chinese Restaurant, Cousins Submarines, Shakey's Pizza Parlor, Pedro's Mexican Restaurante, and Marc's Big Boy.

In summary, the subject's main linkages are to East Towne and the Capitol Square via East Washington Avenue. The small pocket of low income housing and small residences behind the subject does not provide a potential market or support for the site. The surrounding uses on East Washington Avenue are varied, and particularly shabby on the subject's side of the street. The immediate surroundings, combined with the limited vehicular access to the site and limited visibility of the improvement, weakens the critical linkages to the site.

D. Dynamic Attributes

Dynamic attributes are those intangible factors that affect one's perception of the property. Though they are not attributes of the property itself, they affect the value in the mind of a potential purchaser by increasing or decreasing the desirability of the area.

The east side is generally considered to be less affluent and more industrial than the west side. This perception is compounded by the relative lack of housing for middle to upper income people who might want to live on the east side. Although there are signs of growth, such as MATC, office development near the airport, and planned retail development near East Towne, the east side is still viewed as low growth.

Closer to the site, the conglomeration of uses near the subject, many in older buildings, presents an appearance perceived by many as unattractive. The lack of prominence of the building itself is a negative factor. Although attractive, the subject is not eye-catching. The image of the subject as the location of several business failures also must be overcome.

E. Building Attributes

1. Background

Since its construction in 1960, the subject improvement has had a variety of uses. Originally the site was occupied by a successful restaurant called Welch's Embers. After 12 years, the death of its owner, Leo Welch, caused the Embers to change hands. During the next seven years the restaurant was bought and sold several times. One brief era of success occurred when two women opened the downstairs as a New Orleans style beer/shrimp bar called "The Proud Mary" and operated the first floor as a gourmet restaurant called the "The French Quarter". The women sold the business but without their management it soon folded. Since then the building has unsuccessfully been used as a nightclub and as retail space for Madison Waterbeds, which went out of business three years ago. Madison Celebration Station, Inc., the current owners of the building, have aborted their plans to use the structure as a specialty pizza restaurant.

2. Type of Construction

Exhibit II-3 contains a description of the building improvements at 3520 East Washington Avenue. The structural system for the building is a light steel industrial frame with masonry curtain walls and a steel truss system for a roof. Exterior foundation walls are set 89 feet apart with two parallel load-bearing walls in the basement set 30 and 40 feet in from the exterior walls. They support the steel pipe columns on the first floor. The basement is divided into individual rooms with load-bearing masonry walls that support the pre-cast concrete planks of the first floor. The pitched roof is constructed of steel beams supported by columns in the interior of the building and in the exterior masonry walls. Steel joists span between the steel beams to support the metal deck and the roofing material. Acoustic ceiling is hung from the roof system and is covered with a nine-inch layer of batt insulation. The attic space contains mechanical equipment including the air-conditioning unit. Access to the attic is via a pull down stair above the basement service stairway. A system of hung walkways allow servicing within the attic.

The subject has an attractive front facade with a drive-through canopied entrance. The front entrance is flanked by two large hip-height windows. These are the only windows in the building. The combination of the facade and landscaping make for a relatively attractive view from East Washington in comparison to some nearby properties. Exhibit II-4 contains photos of the subject property.

EXHIBIT II-3

DESCRIPTION OF IMPROVEMENTS
3520 EAST WASHINGTON AVENUE

NUMBER OF STORIES: One story

AGE: Approximately 25 years

ROOMS:

Basement	20 rooms, the majority of which are utility or storage areas
First Floor	1 large open space with an entry area and 4 rooms

EXTERIOR:

Foundation	Poured-in-place concrete.
Walls	Concrete block with brick masonry veneer.
Roof	Pitched roof; built-up roofing with asphalt and gravel ballast on 1.5 inches of rigid insulation and metal deck.

CONSTRUCTION:

Floors	Pre-cast concrete planks with 1.5 inch concrete topping.
Basement walls	Interior concrete block load-bearing walls.
Roof structure	Wide-flange steel beams and steel bar joists.

BASEMENT:

Full basement; partially finished; concrete floor slab; separate men's and women's restrooms with ceramic tile floor, metal toilet partitions, and plastic laminate counter-tops around the sinks

HEATING:

Hot water boiler--
Burnham #806-W with input of 330,000 BTU/HR, output of 264,000 BTU/HR; baseboard heat

AIR CONDITIONING & VENTILATION:

Three fan units--one in attic and two in basement; chiller--Trane #3E5R80 with 60 ton capacity

UTILITIES

2" water service; 6" city sewer; 600 amp single-phase lighting service and 600 amp three-phase power service

PHOTOGRAPHS OF THE SUBJECT PROPERTY



View of front of subject from across East Washington Avenue



View looking west toward subject



View of rear and northeast side of subject across parking lot



View of subject, including side entrance,
looking northeast along East Washington Avenue

3. Structural Condition and Code Uniformity

In general, the subject property is in good condition. The most notable problem area is the water leakage visible near the wall in the main room of the basement. Evidence of normal wear and tear is visible but there are no apparent serious structural problems.

Because the building has been vacant for some time, the City of Madison Building Inspection Department will require a new occupancy permit before allowing any use. Depending on use, extent of renovation, and other factors, a number of problems could be brought to light by an inspection.

If the basement area was intended for public use the owner could be required to make modifications so that the area was accessible to the handicapped. The narrow circular, stairway might need to be enlarged or modified to make room for a lift or elevator. Barrier-free toilet facilities would also be required, as would a concrete entry ramp. An enclosed exit stairway with direct outside access might also be required. The enclosure would need to be of fire-resistant construction.

This is not intended to be an exhaustive list of needed modifications. A potential buyer would need to do a thorough analysis of code provisions in light of the specific intended use.

4. Interior Description and Finishes

Most of the basement walls are load-bearing with the primary exception being the wall located between the largest room and the former kitchen. Replacement of load-bearing walls with columns and beams would be costly. The ceiling in the largest room in the basement appears to contain three concrete beams spanning the 39-foot width. Hollowcore pre-cast concrete floor planks

approximately two feet wide and sixteen feet long span between either bearing walls or concrete beams. The basement contains approximately 20 rooms and storage rooms.

Three large rooms in the basement contain mechanicals. The structure is heated by a gas-fired hot water boiler with radiant baseboard conductors. Electrical service is 600 AMP. Three fan ventilation units, two of which are in the basement, and a 60 ton chiller air condition the building.

The basement finishes are generally poorly maintained and of lower quality than on the first floor. Apparently, the basement has been unused for several years. Three basement rooms are finished and useable as is for small offices. One is woodpaneled, carpeted, and contains shelves and a blackboard and two chandeliers. Another is woodpaneled with old maps hung above a cup rail, carpeted, and has black tile ceiling with fluorescent recessed lighting. The third is woodpaneled, carpeted, and has a drywall ceiling. The largest room, once the dancing hall for the "Proud Mary", has an acoustic tile ceiling, a track for a room divider, and a tile floor in poor condition. The exterior wall in this room is mildewed, showing evidence of a water problem along the southwest foundation wall. A brick grilling area is located at the kitchen end of the dancing hall. The kitchen in the basement is devoid of all equipment and is gutted--even the floor tiles have been removed. Only a dumbwaiter connects the kitchen to the first floor. The many small and large storage rooms have minimal finish. Employee toilets are located in the west/northwest corner of the basement.

Four stairways lead from the basement to the first floor. A four foot wide wood stair in the southwest corner leads from a secondary entrance directly to the basement. The northeast corner contains a utilitarian concrete

stairway. The entry area contains two curved stairways which arch together to form a circle. The men's and women's restrooms are located midway down where the circle is completed. Although the restrooms are not handicapped-accessible, they are in adequate condition, requiring only cosmetic alterations. The men's room contains four urinals, three sinks, two stools, two hand dryers, ceramic tile floor, and wainscoting. The women's room contains five stools, three sinks in a formica-top vanity, two hand dryers, a long lighted mirror, ceramic tile floor, wallpapered walls, and metal acoustic tile ceiling. Four tiny finished rooms along the curved ramp opposite the bathrooms appear to have formerly served as dressing rooms.

Essentially, the first floor is one large open space that was last used as a retail waterbed showroom. Included within this main space are six square nine-inch columns that divide the width of the structure into spans of 39 feet, 17 feet, and 30 feet. A dropped acoustical tile ceiling is located six inches below the original ceiling which hides the steel roof structure of wide-flange steel beams and prefabricated steel bar joists. Batt insulation, nine inches thick, R-30, has been installed in the attic space accessible via a hatch and expandable ladder in the northeast ceiling stair. The ceiling contains the light, sound, and ventilation systems. Light fixtures include fluorescent units and track lighting strips. New prefabricated insulated panels with a vinyl, fabric covering finish the exterior walls. The floor has medium quality, beige, wall-to-wall carpeting in fair condition.

A semicircular entry lobby at the front is raised (three steps with wrought iron rails), surrounded by brick arches, and contains a coat check or cash register counter. The lobby ceiling is plaster with heavily-textured paint. The front entry has double glass doors. At the two rear corners of the first floor are two small offices: one has a janitor's closet with wash sink

and access to the rear stairs to the basement; the other has a glass viewing window to the large room. Both offices have fluorescent lighting.

The exterior dimensions of the subject are approximately 89 feet by 120 feet. It contains 10,697 square feet of ground floor gross building area and total useable gross building area of 18,697 square feet, including basement. Exhibit II-5 contains a drawing of the layout of both the main floor and basement.

5. Site Improvements

Except the shrubbery in front of the canopy, the subject site is paved with asphalt providing 115 car parking capacity. The pavement is cracked, and will require either repaving or resealing by the new owner. Along the entire length of the rear property line (Ridgeway Avenue), a screened privacy fence insulates the property from the residential neighborhood. The fence was erected at the request of Alderman Shivers because the owners were apparently in violation of a city ordinance prohibiting access to a commercial site from surrounding neighborhoods. Removal of the fence and restoration of access to Ridgeway Avenue may be negotiable, depending on the proposed use of the site.

F. Highest and Best Use

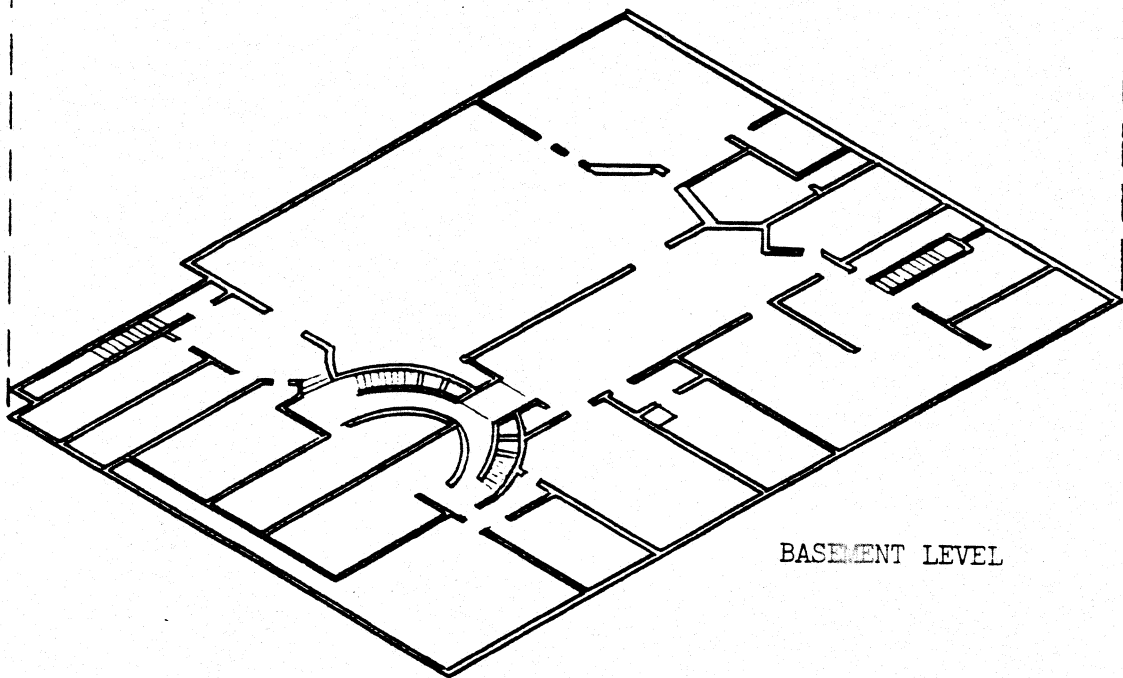
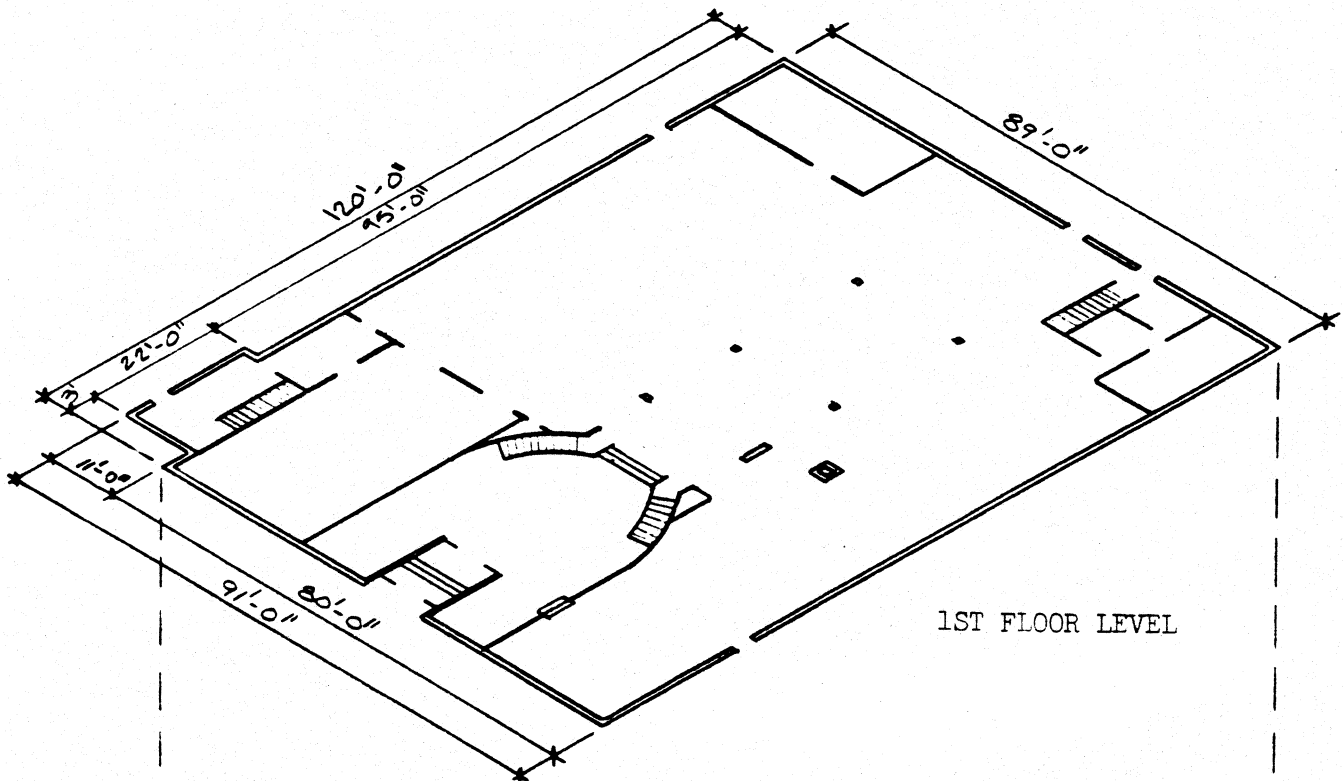
Given the accessibility problems of the site and the relatively low visibility, the subject is most suited to an establishment viewed by consumers as a preconceived destination. This could include a restaurant or entertainment facility or a retailing outlet for shopping goods. The highest and best use, therefore, is as owner or renter-occupied commercial space.

G. Most Probable Buyer

The most probable buyer of the subject property is either an owner/proprietor of a business desiring to own his own space or an

EXHIBIT II-5

LAYOUT OF SUBJECT PROPERTY



investor/developer of commercial space who would renovate and lease to one or several commercial tenants. The investor/developer might also be attracted by the potential for expansion due to the large parking surface.

III. MARKET COMPARISON APPROACH TO VALUE

This appraisal relies on the Market Comparison Approach to Value to estimate the Fair Market Value of the subject property. In the case of improved, used real estate the market comparison approach is generally the most accurate appraisal method because it is based on analysis of actual sales of similar properties.

A. Sales of Comparable Buildings on East Washington Avenue

In an attempt to maximize the similarities between the comparables and the subject, the search was limited to other commercial buildings on East Washington Avenue. Four sales were selected and are detailed in Exhibit III-1. Exhibit III-2 shows the location of the comparable sales in relation to the subject.

It is frequently necessary to adjust the gross selling prices of the comparables for financing provided by seller, other non-market considerations, time of sale, and certain other factors. No adjustments were deemed necessary in this case. Although Comparable No. 2 was a 1982 sale, the appraiser does not feel a price adjustment is warranted because of the negative aspects of an East Washington location and lack of appreciation in the general real estate market.

B. Adjustments for Qualitative Differences Among Comparable Properties

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



3769 East Washington Avenue

EXHIBIT III-1 (Continued)

COMPARABLE SALE NO. 1 (Continued)
3769 East Washington Avenue

DATE OF SALE:	October 22, 1985
SALE PRICE:	\$320,000
TERMS OF SALE:	Cash
CASH EQUIVALENT PRICE:	\$320,000
GRANTOR:	Berg Pearson, Inc.
GRANTEE:	The Washington Group, a general partnership consisting of Raymond Pickett, Scott Pickett, Lawrence Pickett and Arthur Sandridge
RECORDING INFORMATION:	Volume 7415, Page 85
LOT SIZE:	29,067 square feet
FRONTAGE:	95 feet
ZONING:	C-2
GROSS BUILDING AREA:	13,500 square feet (4,500 square feet of shop/warehouse space)
MAIN FLOOR GROSS BUILDING AREA:	13,500 square feet
BUILDING DESCRIPTION:	One-story steel-frame with brick veneer facade.
CONDITION/QUALITY CONSTRUCTION:	Fair
ACCESS:	From side street through parking lot of adjacent use to the east.



3501 East Washington Avenue

EXHIBIT III-1 (Continued)

COMPARABLE SALE NO. 2 (Continued)
3501 East Washington Avenue

DATE OF SALE:	October 15, 1982
SALE PRICE:	\$450,000
TERMS OF SALE:	Land contract, \$50,000 down, 13.5 percent interest, balance due October 1, 1987.
CASH EQUIVALENT PRICE:	\$450,000
VENDOR:	Sky Acres, Inc.
VENDEE:	Steven L. Villard and Gerald L. Sheskey
RECORDING INFORMATION:	Volume 4043, Page 46
LOT SIZE:	49,647 square feet
FRONTAGE:	226 feet
ZONING:	C-2
GROSS BUILDING AREA:	23,820 square feet (4,000 finished mezzanine, 4,000 on main floor, balance warehouse)
MAIN FLOOR GROSS BUILDING AREA:	19,820 square feet
BUILDING DESCRIPTION:	One-story steel-frame structure with a mezzanine level for offices. Metal panel skin exterior with glass facade.
CONDITION/QUALITY CONSTRUCTION:	Fair
ACCESS:	Located mid-block on the eastbound lane.



4630 East Washington Avenue

EXHIBIT III-1 (Continued)

COMPARABLE SALE NO. 3 (Continued)
4630 East Washington Avenue

DATE OF SALE:	August 21, 1985
SALE PRICE:	\$1,082,500
TERMS OF SALE:	Land contract, \$236,000 down, balance due December 16, 1985
CASH EQUIVALENT PRICE:	\$1,082,500
VENDOR:	G & F Building Company
VENDEE:	Leonard Mattioli, George Reuhl, Douglas Ruehl
RECORDING INFORMATION:	Volume 7172, Page 197
LOT SIZE:	104,000 square feet
FRONTAGE:	400 feet
ZONING:	C-2
GROSS BUILDING AREA:	35,500 square feet (upper level is ground accessible from northeast parking lot)
MAIN FLOOR GROSS BUILDING AREA:	17,750 square feet
BUILDING DESCRIPTION:	Two-story steel-frame structure, metal panel skin with brick facade on the front elevation
CONDITION/QUALITY CONSTRUCTION:	Good
ACCESS:	From east or westbound traffic via frontage road.



4302 East Washington Avenue

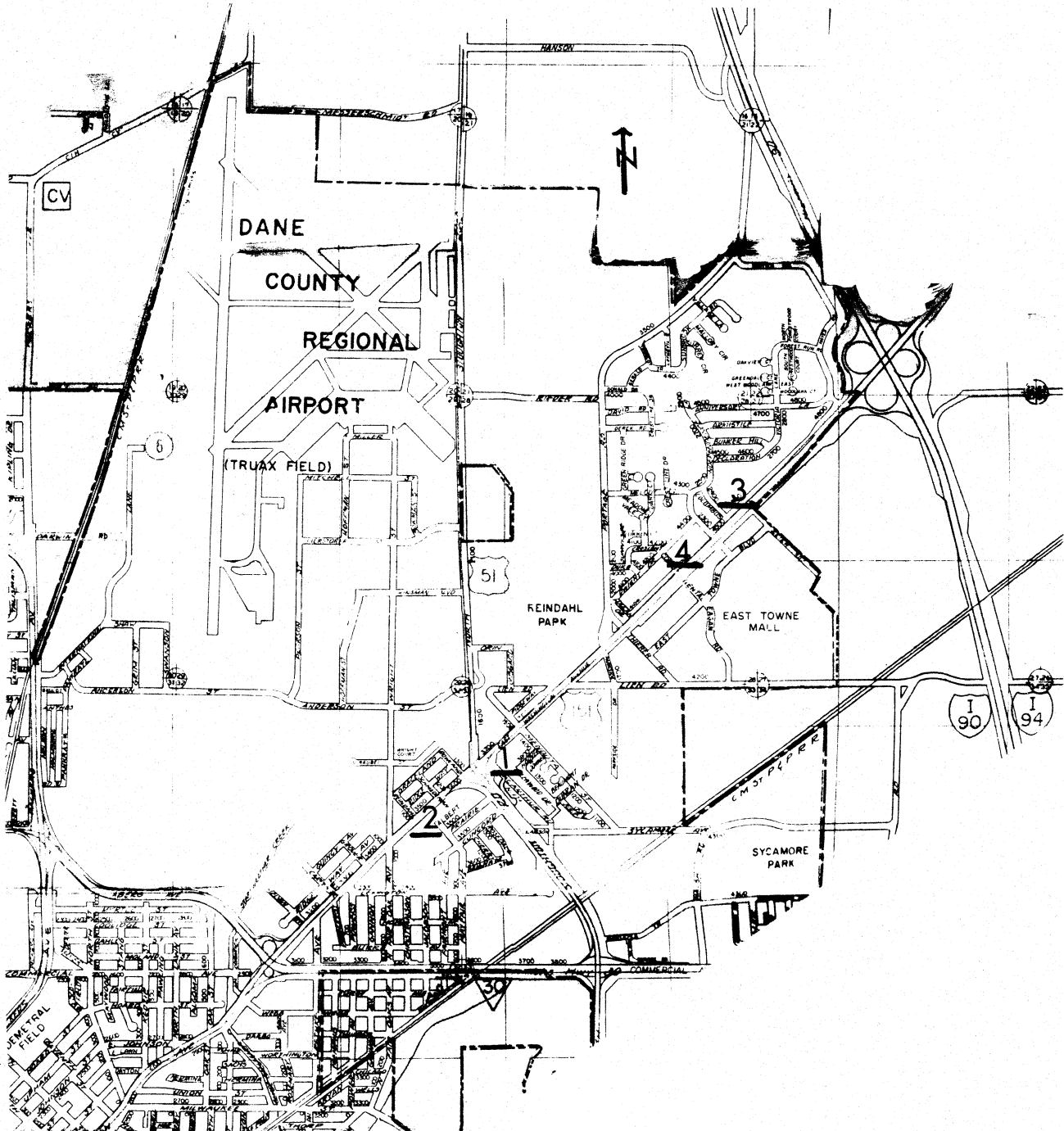
EXHIBIT III-1 (Continued)

COMPARABLE SALE NO. 4 (Continued)
4302 East Washington Avenue

DATE OF SALE:	March 29, 1985
SALE PRICE:	\$210,000
TERMS OF SALE:	Cash
CASH EQUIVALENT PRICE:	\$210,000
GRANTOR:	Sarah Ross
GRANTEE:	Augusta Realty, Inc.
RECORDING INFORMATION:	Volume 6654, Page 44
LOT SIZE:	15,000 square feet
FRONTAGE:	100 feet
ZONING:	C-2
GROSS BUILDING AREA:	3,900 square feet
MAIN FLOOR GROSS BUILDING AREA:	3,900 square feet
BUILDING DESCRIPTION:	One-story wood-frame structure with wood siding. Front facade has storefront glass.
CONDITION/QUALITY CONSTRUCTION:	Excellent
ACCESS:	From east or westbound traffic via frontage road.

EXHIBIT III-2

LOCATION OF COMPARABLE PROPERTIES



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 visibility, accessibility, condition/quality construction, size, and space useability, because several comparables contain unfinished warehouse space and the subject contains useable basement space.

Each of the sales was then ranked for relative value of the attributes. The scoring system is detailed in Exhibit III-3. The weights assigned the attributes were generated from a nonparametric statistics formula developed by Gene Dilmore. [2] 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-4.

The object of the weighted scoring method is to divide the total weighted score into the adjusted price per square foot of gross building area to arrive at the adjusted price per square foot of gross building 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 appraisers use the mean or average price per point per foot of gross building area as the pricing algorithm for the subject property.

Since the first objective is to reduce dispersion of the price per point per unit of building area, a computer program developed by Gene Dilmore is

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

EXHIBIT III-3

SCALE FOR SCORING COMPARABLES AND SUBJECT

VISIBILITY

- 5 = Location on frontage road provides good visibility from both directions
- 3 = Fair visibility because of no setback or wide frontage
- 1 = Setback and shielding by adjacent uses limits visibility

ACCESSIBILITY

- 5 = Location on frontage road provides good access away from heavy traffic
- 3 = Median cut provides access from both directions
- 1 = Access from one direction or through parking lot of adjacent use

CONDITION/QUALITY CONSTRUCTION

- 5 = Combination of current condition and construction quality is above average
- 3 = Combination of current condition and construction quality is average
- 1 = Combination of current condition and construction quality is below average

SIZE

- 5 = GBA under 10,000 square feet
- 3 = GBA between 10,000 and 25,000 square feet
- 1 = GBA over 25,000 square feet

SPACE USEABILITY

- 5 = More than 79 percent of GBA is finished, useable, above ground
- 3 = 60 percent to 79 percent
- 1 = Under 60 percent

EXHIBIT III-4

WEIGHTED MATRIX FOR COMPARABLES AND SUBJECT
SCORE/WEIGHTED SCORE

<u>Attribute</u>	<u>Weight</u>	<u>No. 1</u>	<u>No. 2</u>	<u>No. 3</u>	<u>No. 4</u>	<u>Subject</u>
Visibility	5%	1/0.05	3/0.15	5/0.25	5/0.25	3/0.15
Accessibility	0%	1/0.00	3/0.00	5/0.00	5/0.00	1/0.00
Condition/ Quality Construction	35%	1/0.35	1/0.35	3/1.05	5/1.75	3/1.05
Size	35%	3/1.05	3/1.05	1/0.35	5/1.75	3/1.05
Space Useability	25%	3/0.75	1/0.25	5/1.25	5/1.25	1/0.25
Total Weighted Score	100%	2.20	1.80	2.90	5.00	2.50
Adjusted Selling Price		\$320,000	\$450,000	\$1,082,500	\$210,000	
Square Feet of GBA		13,500	23,820	35,500	3,900	18,697
Adjusted Selling Price/GBA		\$23.70	\$18.89	\$30.49	\$53.85	
Price/Point/ Square Foot		\$10.77	\$10.49	\$10.51	\$10.77	

utilized to test the initial weights assigned by the appraisers to each price sensitive qualitative attribute until that combination of weights is found that best predicts the prices of the comparable property. The justification of the resulting comparable price formula is provided in Exhibit III-5, 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 3520 East Washington Avenue. The computer output of the Dilmore quantitative point weighting program for the comparable sales is shown in Appendix C.

C. Conclusion

Having determined the pricing algorithm that predicts the price of the comparable sales to a reasonable degree, it is then possible to apply the mean price per point per square foot of gross building area to the subject property as detailed in Exhibit III-6. Note that the base price per point per gross building area score is \$10.64 and the standard error of the mean is plus or minus \$0.15. Since the gross building area of the subject is 18,697 square feet including basement, and the total weighted point score is 2.5, in its present condition in the current market, using the same standards applied to the comparable properties, the market comparison price or cash value can be estimated as:

High	
Estimate:	$\$10.79 \times 2.5 \times 18,697 \text{ SF} = \$504,456 \text{ or } \$504,000$ (\$26.98/SF)
Central	
Tendency:	$\$10.64 \times 2.5 \times 18,697 \text{ SF} = \$497,235 \text{ or } \$497,000$ (\$26.59/SF)
Low	
Estimate:	$\$10.49 \times 2.5 \times 18,697 \text{ SF} = \$490,014 \text{ or } \$490,000$ (\$26.21/SF)

THEREFORE THE APPRAISER CONCLUDES THAT THE MARKET COMPARISON APPROACH TO FAIR MARKET VALUE WITH CASH TO THE SELLER WOULD SUGGEST A PRICE OF \$495,000 AS OF MARCH 17, 1986.

EXHIBIT III-5

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

NO.	COMPARABLE PROPERTY	WEIGHTED POINT SCORE	MEAN PRICE PER POINT SCORE	PREDICTED PRICE/ SF GBA	ACTUAL PRICE/ SF GBA	VARIANCE	% OF VARIANCE TO ACTUAL PRICE
1	3769 East Washington Avenue	2.2	\$10.64	\$23.40	\$23.70	\$-0.30	1.3%
2	3501 East Washington Avenue	1.8	\$10.64	\$19.15	\$18.89	\$ 0.26	1.4%
3	4630 East Washington Avenue	2.9	\$10.64	\$30.85	\$30.49	\$ 0.36	1.2%
4	4302 East Washington Avenue	5.0	\$10.64	\$53.19	\$53.85	\$-0.66	1.2%
NET VARIANCE						\$-0.34	=====

EXHIBIT III-6

CALCULATION OF MOST PROBABLE PRICE USING
MEAN PRICE PER POINT EQUATION METHOD

COMPARABLE PROPERTY	SELLING PRICE PER SF OF GBA	POINT SCORE	PRICE PER SF OF GBA/ TOTAL WEIGHTED SCORE (X)
1	\$23.70	2.20	\$10.77
2	\$18.89	1.80	\$10.49
3	\$30.49	2.90	\$10.51
4	\$53.85	5.00	\$10.77
TOTAL			\$42.54

Total of Price Per SF of GBA = \$42.54

Total Weighted Score

Mean Value (\bar{X}) = \$42.54 / 4 = \$10.64

Standard Deviation of the Mean = $\sqrt{\frac{X - \bar{X}^2}{n - 1}}$ = \$0.15 where:

X	\bar{X}	(X - \bar{X})	(X - \bar{X}) ²	n	n - 1
\$10.77 -	\$10.64	= \$ 0.13	0.0169	4	3
\$10.49 -	10.64	= \$-0.15	0.0225		
\$10.51 -	10.64	= \$-0.13	0.0169		
\$10.77 -	10.64	= \$ 0.13	0.0169		
			0.0732		

$$\sqrt{\frac{0.0732}{3}} = \sqrt{0.0244} = \$0.15$$

EXHIBIT III-6 (Continued)

Value Range of Price/Point Score: $\$10.64 \pm \0.15

Since GBA of subject is 18,697 square feet and total weighted point score of subject is 2.5, then:

High
Estimate: $\$10.79 \times 2.5 \times 18,697 \text{ SF} = \$504,456 \text{ or } \$504,000$
(\$26.98/SF)

Central
Tendency: $\$10.64 \times 2.5 \times 18,697 \text{ SF} = \$497,235 \text{ or } \$497,000$
(\$26.59/SF)

Low
Estimate: $\$10.49 \times 2.5 \times 18,697 \text{ SF} = \$490,014 \text{ or } \$490,000$
(\$26.21/SF)

CERTIFICATION OF VALUE

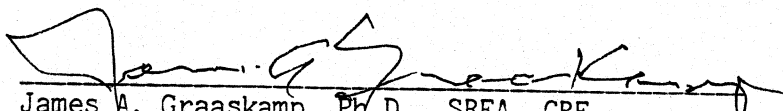
We hereby certify that we have no interest, present or contemplated, in the property located at 3520 East Washington Avenue, City of Madison, County of Dane, Wisconsin, and that neither the employment to make the appraisal nor the compensation is contingent on the value of the property. We certify that 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.

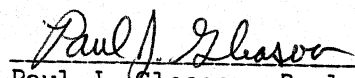
Based on the information and subject to the limiting conditions contained in this report, it is our opinion that the market value as defined herein, of this property as of March 17, 1986, is:

FOUR HUNDRED NINETY FIVE DOLLARS

(\$495,000)

assuming cash to the seller.


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


Paul J. Gleason, Real Estate Appraiser/Analyst

March 17, 1986
Date

APPENDIX A

STATEMENTS OF GENERAL ASSUMPTIONS AND
LIMITING CONDITIONS

This appraisal is made subject to and it condition upon the following 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.

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.

APPENDIX B

ZONING CODE

ZONING CODE

Sec. 28.09(3)

(3) C2 General Commercial District.

(a) Statement Of Purpose. The C2 general commercial district is established to accommodate the shopping needs of a much larger consumer population and area of residency than that served by the C1 limited commercial district. Within this district, which is located in relative proximity to residential areas and to major thoroughfares, is permitted a wider range of uses than in the C1 limited commercial district. Uses permitted in this district include not only the retailing of convenience goods and the furnishing of certain personal services, but also the retailing of durable and fashion goods and the furnishing of other types of services. Also permitted are all types of office uses. Within this district, there is no limitation on the size of establishments as provided in the C1 limited commercial district, except any retail use or any hotel or motel exceeding 50,000 square feet in size must be approved as conditional uses. (Am. by Ord. 8287, 3-16-84)

(b) General Regulations. Uses permitted in the C2 district are subject to the following conditions:

1. All goods produced on the premises shall be sold at retail on the premises where produced unless approved as a conditional use. (Am. by Ord. 5982, 9-30-77)
2. All business, servicing or processing, except for off-street parking, off-street loading, display and sale of farm produce and nursery stock, display of merchandise such as garden, lawn and recreation supplies and equipment for sale to the public, establishments of the drive-in type and outdoor eating areas of restaurants approved as a conditional use by the Plan Commission, shall be conducted within completely enclosed buildings. (Am. by Ord. 7019, 6-27-80)

APPENDIX B (CONTINUED)

ZONING CODE

Sec. 28.09(3)(b)3.

3. Parking of trucks as an accessory use, when used in the conduct of a permitted business listed hereinafter, shall be limited to vehicles of not over one and one-half (1 1/2) tons capacity when located within one hundred fifty (150) feet of a residence district boundary line.

(c) Permitted Uses. The following uses are permitted in the C2 district:

1. Accessory uses.
2. Any use permitted in the C1 district.
3. Amusement establishments, including archery ranges, bowling alleys, dance halls, golf driving ranges, gymnasiums, pool halls, swimming pools, skating rinks and other similar indoor amusement facilities.
4. Antique shops.
5. Art galleries and museums.
6. Auction rooms.
7. Automobile accessory stores.
8. Banks and financial institutions.
9. Blueprinting and photostating establishments.
10. Business machine sales and service establishments.
11. (R. by Ord. 5638, 11-3-76)
12. Carpet and rug stores.
13. Catering establishments.
14. China and glassware stores.
15. Clothing and costume rental stores.
16. Coin and philatelic stores.
17. Convalescent homes and nursing homes, provided that the zoning lot shall be not less than one-half (1/2) acre and further provided that the side and rear yards as established in the R5 district are provided. Provided also that the intended use abuts on one side either:
 - a. A residential zoning district; or
 - b. A substantially permanent residential building in the commercial district.
18. Department stores.
19. Dry goods stores.
20. Employment agencies.
21. Exterminating shops.
22. Floor covering stores (linoleum and tile).
23. Florist shops and conservatories with no limitation on number of employees.
24. Fraternal, philanthropic and eleemosynary uses.
25. Furniture stores.
26. Furrier shops, including the incidental storage and conditioning of furs.
27. Hospitals and sanitariums.
28. Hotels and motels.
29. Household appliance stores, including radio and television sales and service.
30. Interior decorating shops, including upholstering and making of draperies, slipcovers and other similar articles when conducted as part of the retail operation and secondary to the principal use.
31. Jewelry stores, including watch repair.
32. Laboratories--research, development and testing.

APPENDIX B (CONTINUED)

Sec. 28.09(3)(c)33.

ZONING CODE

33. Leather goods and luggage stores.
 34. Loan offices.
 35. Locksmith shops.
 36. Meat markets, including sale of meat and meat products to restaurants, hotels, clubs and other similar establishments when such sale is conducted as part of the retail business on the premises.
 37. Musical instrument sales and repair.
 38. Offices, business and professional.
 39. Office supply stores.
 40. Optical sales.
 41. Orthopedic and medical appliance and supply stores.
 42. Paint and wallpaper stores.
 43. Phonograph, record and sheet music stores.
 44. (R. by Ord. 7006, 6-6-80)
 45. Picture framing.
 46. Printing, publishing and bookbinding establishments.
 47. Radio and television studios and stations.
 48. Recording studios.
 49. Schools--music, dance, business or trade.
 50. Secondhand stores and rummage shops.
 51. Sewing machine sales and service, household appliances only.
 52. Sporting goods stores.
 53. Tailor shops.
 54. Taverns, except adult entertainment taverns. (Am. by Ord. 6101, 1-6-78)
 55. Taxidermists.
 56. Telegraph offices.
 57. Theaters, indoor.
 58. Ticket agencies, amusement.
 59. Tobacco shops.
 60. Travel bureaus and transportation ticket offices.
 61. Typewriter and adding machine sales and service establishments.
 62. Undertaking establishments and funeral parlors.
 63. Upholstery shops.
 64. Water softener sales and service.
 65. Film developing and processing. (Cr. by Ord. 6226, 5-3-78)
 66. Wholesale magazine distribution agencies, provided the hours of operation are limited to 7:00 a.m. to 7:00 p.m., and further provided that none of the magazines handled by such agencies fall within the definition of materials handled by an adult book store as defined in Sec. 28.03(2). (Cr. by Ord. 6876, 1-17-80)
 67. Outdoor display and sale of farm produce and nursery stock. (Cr. by Ord. 7020, 6-27-80)
 68. Newspaper distribution agencies for home delivery and retail sale provided the property is not adjacent to a residential lot. (Cr. by Ord. 8254, 2-20-84)
- (d) Conditional Uses. The following conditional uses may be allowed in the C2 district subject to the provisions of Section 28.12(10).
1. Any use allowed as a conditional use in the C1 district unless permitted in (c) above.

APPENDIX B (CONTINUED)

ZONING CODE

Sec. 28.09(3)(d)2.

2. Outdoor eating areas of restaurants and/or outdoor areas of cabarets. (Cr. by Ord. 7472, 7-30-81)
3. Automobile laundries, provided that the Plan Commission shall first obtain a report and recommendations from the Traffic Engineer on traffic matters.
4. Boat showrooms, including accessory sales, and repairs of boats, motors, parts and equipment, provided that the Plan Commission shall find:
 - a. That adequate off-street parking exists on the site.
 - b. That all repair of boats, motors, parts and equipment, and all sales and storage of boats, motors, parts and equipment, shall be conducted and displayed within completely enclosed buildings.
 - c. That any such use shall be located not less than one hundred twenty (120) feet from any residence district boundary line.
5. Contractors or construction offices and shops and display rooms, such as building, cement, electrical, heating, ventilating and air conditioning, masonry, painting, plumbing, refrigeration and roofing, provided that all parking (other than automobiles), loading, display of merchandise and parking or storage of equipment and supplies shall be conducted within completely enclosed buildings.
6. Garages for repair and servicing of motor vehicles of not over one and one-half (1 1/2) tons capacity, but not including body repairs, painting or motor rebuilding, providing that the Plan Commission shall find:
 - a. That adequate off-street parking exists on the site for vehicles awaiting repairs, servicing or pickup.
 - b. That all other business and servicing shall be conducted within completely enclosed buildings.
 - c. That no permanent or temporary storage of wrecked vehicles or rental vehicles shall occur on the premises unless completely screened from view or within an enclosed building.
7. Storage and warehousing establishments, provided such gross floor area shall not exceed ten thousand (10,000) square feet, and further provided that the Plan Commission shall first obtain a report and recommendations from the Traffic Engineer on traffic matters.
8. Planned development-hospital facility, provided that the total site area shall be not less than one and one-half (1 1/2) acres and further provided that the site may consist of two (2) or more zoning lots separated only by a public right-of-way where authorized by the Plan Commission.
9. Drive-in establishments.
10. Bus terminals and bus turnaround areas, provided direct vehicular access is to a major traffic route and further provided the location is not in conflict with adopted plans.
11. Small machine shop, provided that no individual machine used in the shop exceeds one thousand two hundred (1,200) pounds, that no welding, forging or casting is conducted on site, that there shall be not more than five (5) shop employees, that the hours of operation shall be limited to the hours between 7:00 a.m. and 9:00 p.m., and that finished products shall not exceed twenty-five (25) pounds in weight.

APPENDIX B (CONTINUED)

Sec. 28.09(3)(d)12.

ZONING CODE

12. Business community parking lot for operable passenger automobiles of persons employed full time within the immediate neighborhood, provided:
 - a. That such parking lot shall be located outside the central area.
 - b. That no building shall be located on such lot.
 - c. That at least eighty percent (80%) of the parking spaces located on such lot shall be leased on a monthly basis to persons employed full time in buildings within one thousand (1,000) feet walking distance from such parking lot.
 - d. That the site shall not abut residentially zoned property.
 - e. That the Traffic Engineer shall, prior to the approval of such lot, submit a report and recommendations regarding traffic and parking needs and conditions within the area.
 - f. That such lot contains a setback area which will be planted and landscaped and which conforms to screening regulations.
 13. Trailer rental, for use with private passenger motor vehicles. (Cr. by Ord. 4755, 10-24-74)
 14. Automobile rental agencies provided direct vehicular access is to the heavy traffic route system. (Cr. by Ord. 5092, 7-29-75)
 15. Sales of motorcycles, provided that the Plan Commission shall find:
 - a. That adequate off-street parking exists for motorcycles and automobiles.
 - b. That all sales and service be conducted within completely enclosed buildings.
 - c. That screening, landscaping, lighting and signs are appropriate to the location.
- (Sec. 28.09(3)(d)15. Cr. by Ord. 5515, 6-25-76)
16. Automobile sales establishments in abandoned automobile service station sites provided that the Plan Commission shall find:
 - a. That there is adequate screening and landscaping, including between the site and residential uses.
 - b. That no permanent or temporary storage of vehicles in disrepair shall occur on the premises unless within a completely enclosed building.
 - c. That the site fronts on either a street designated as an arterial street or on a frontage road adjacent to a designated arterial street.
 - d. That illumination of the site does not adversely affect adjacent properties.
 - e. That signs shall conform to the size limitation of the R5 residential district if the site is opposite or adjoining residential property.
 - f. That the hours of operation shall be limited to 8:00 a.m. to 8:00 p.m.
- (Sec. 28.09(3)(d)16. Cr. by Ord. 5533, 7-13-76)
17. Adult entertainment establishments, subject to the following conditions:
 - a. All exterior windows in any premises occupied by such establishment shall be blackened to the extent necessary to make them opaque.
 - b. No such establishment shall be located within five hundred (500) lineal feet of a church, or a private or public elementary, secondary or vocational school, or a public park, or within five hundred (500) lineal feet of any residence district.

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APPENDIX B (CONTINUED)

ZONING CODE

Sec. 28.09(3)(d)17.c.

- c. Such establishment may have only one (1) nonflashing business sign, which sign may only indicate the name of the business and identify it as an adult entertainment establishment.
- (Sec. 28.09(3)(d)17. Cr. by Ord. 5711, 12-28-76)
- 18. Attendant or metered automobile parking facilities solely for the short term (3 hours or less) use of patrons and other visitors of retail, service, office, cultural and recreational uses in the vicinity of the State Street Mall and Capitol Concourse provided:
 - a. That such lot is within three hundred (300) feet of the limits of the C4 Central Commercial District, and
 - b. That such lot contains a setback area which will be planted and landscaped and which conforms to screening regulations, and
 - c. That the Traffic Engineer shall, prior to the approval of such facility, submit a report and recommendation regarding traffic and parking conditions within the area, and
 - d. That such lot, at its location, does not defeat the adopted objectives and policies of the City nor the purposes of the zoning district, and
 - e. That no residential building shall be located on such lot.
- (Sec. 28.09(3)(d)18. Cr. by Ord. 5905, 7-7-77)
- 19. Bakeries with more than eight (8) employees or selling at other than retail provided:
 - a. That adequate off-street parking and loading exists on the site.
 - b. That the hours of operation shall be established after consideration of the occupants of adjacent properties.
- (Cr. by Ord. 5982, 9-30-77)
- 20. Model homes or garage displays. (Cr. by Ord. 6971, 4-30-80)
- 21. Physical culture and health services, reducing salons, masseurs and public baths, subject to the following conditions:
 - a. The identity, including officers and agent of any corporation and all partners in a partnership, of the owner of the building and any lessee of the portion of the building so used shall be filed with the Zoning Administrator. A copy of any lease involved shall be filed with the Zoning Administrator. Changes in any of the above information shall be reported within ten (10) days of the change to the Zoning Administrator.
 - b. The person seeking the conditional use permit shall provide, in writing, a full and detailed description of the proposed business as part of the application and shall update such description as changes occur.
 - c. The intimate parts, as that term is defined in Sec. 939.22(19), Wis. Stats., of employees shall be covered with opaque material at all times.
 - d. For public baths only, no employee shall be present with any patron in any hot tub, sauna, steam room or whirlpool except in an emergency. The occupant shall permit inspection of facilities by the City Health Division during regular business hours.
 - e. The occupant shall not permit the violation of any law relating to commercial sexual activity.
 - f. Failure of compliance with any of these conditions or operation of the business in a manner other than as most recently described may be grounds for revocation of the conditional use permit.
- (Cr. by Ord. 7006, 6-6-80)

APPENDIX B (CONTINUED)

Sec. 28.09(3)(d)22

ZONING CODE

- 22. Jail facilities. (Cr. by Ord. 7470, 7-30-81)
- 23. (R. by Ord. 7873, 11-29-82)
- 24. Any new construction of a building or an addition to an existing building in which any portion of such building or addition exceeds fifty thousand (50,000) square feet in gross floor area and is designed or intended for retail use or for a hotel or motel. This conditional use and the one hereafter are established to allow consideration of the potential impacts of the proposed conditional use on the transportation system and on the policy objectives for transportation and land use, including noise, air quality and appearance. In addition to the requirements of Section 28.12(10), "Conditional Uses," the applicant shall provide an analysis in accordance with the guidelines established by the City Department of Transportation of the proposed development's impacts on the transportation system and associated recommended solutions to the Plan Commission. The Urban Design Commission shall review the design and appearance of the proposed conditional use and provide recommendations to the Plan Commission. (Cr. by Ord. 8287, 3-16-84)
- 25. Any change of use to a retail use or a hotel or motel in a building in which more than fifty thousand (50,000) square feet of gross floor area of such building is devoted to a retail use or to a hotel or motel. For the purpose of this paragraph, a change in use shall mean a change from any other use to a retail use or to a hotel or motel. (Cr. by Ord. 8287, 3-16-84)
- 26. Adult day care facilities. (Cr. by Ord. 8392, 7-25-84)
- (e) Lot Area Requirements. In the C2 district, the lot area requirements of the C1 district shall apply.
- (f) Floor Area Ratio. In the C2 district, the floor area ratio shall not exceed 3.0.
- (g) Yard Requirements. In the C2 district, minimum yards shall be provided as follows:
 - 1. A yard shall be provided where the extension of a front or side lot line abutting a street coincides with a front lot line of an adjacent lot located in a residence district. Such yard shall be equal in depth to the minimum front yard required by this ordinance on such adjacent residential lot. Such yard shall be provided along such front or side lot abutting a street for a distance of at least twenty-five (25) feet, including the width of any intervening alley, from such residential lot.
 - 2. A yard shall be provided where a side lot line coincides with an alley right-of-way line or a side or rear lot line in an adjacent residence district. Such yard along such side lot line shall be equal in dimension to the minimum side yard which would be required under this ordinance for a residential use opposite such alley right-of-way line or on the adjacent residential lot.

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ZONING CODE

Sec. 28.09(3)(g)3.

- 3. A yard shall be provided where a rear lot line coincides with an alley right-of-way line or a side lot line or rear lot line in an adjacent district. Such yard along such rear lot line shall be ten (10) feet in depth for buildings not exceeding one story in height, and thirty (30) feet for buildings exceeding one story in height.
- 4. For residential uses, there shall be provided side and rear yards as established in the R5 district regulations. For residential uses located above the ground floor, such yards shall begin at a level no higher than the level of the finished floor of the lowest residential unit.
- (h) Usable Open Space Requirements. In the C2 district, the usable open space requirements of the C1 district shall apply.
- (i) (R. by Ord. 5831, 5-6-77)

APPENDIX C
COMPUTER OUTPUT

QF 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: 3520 EAST WASHINGTON AVENUE

Unit prices Search interval = 5

	VISIB	ACCES	CONDI	SIZE	USEAB	Price
Prel. wts.	5	0	35	35	25	-
COMP NO. 1	1	1	1	3	3	\$23.70
COMP NO. 2	3	3	1	3	1	\$18.89
COMP NO. 3	5	5	3	1	5	\$30.49
COMP NO. 4	5	5	5	5	5	\$53.85
SUBJECT	3	1	3	3	1	-

Feature/ Attribute	Weighted Matrix					Wtd. score	
	VISIBILI	ACCESSIB	CONDITIO	SIZE	USEABILI		
Initial weights	20	20	20	20	20	100	
Final weights	5	0	35	35	25	100	
COMP NO. 1	1/ 0.05	1/ 0.00	1/ 0.35	3/ 1.05	3/ 0.75	2.20	
COMP NO. 2	3/ 0.15	3/ 0.00	1/ 0.35	3/ 1.05	1/ 0.25	1.80	
COMP NO. 3	5/ 0.25	5/ 0.00	3/ 1.05	1/ 0.35	5/ 1.25	2.90	
COMP NO. 4	5/ 0.25	5/ 0.00	5/ 1.75	5/ 1.75	5/ 1.25	5.00	
SUBJECT	3/ 0.15	1/ 0.00	3/ 1.05	3/ 1.05	1/ 0.25	2.50	

APPENDIX C (CONTINUED)

Value Range Determination: Mean Price Per Point Method

Mean price per point:	\$10.64
Dispersion About the Mean:	\$0.15
Coefficient of Dispersion:	0.0145

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per Unit
Low Estimate	2.50	X	\$10.48	=	\$26.21
Central Tendency	2.50	X	\$10.64	=	\$26.59
High Estimate	2.50	X	\$10.79	=	\$26.98

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

	Predicted Price	Actual price	Error
COMP NO. 1	\$23.40	\$23.70	-\$0.30
COMP NO. 2	\$19.15	\$18.89	\$0.26
COMP NO. 3	\$30.85	\$30.49	\$0.36
COMP NO. 4	\$53.19	\$53.85	-\$0.66

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.

