



# LIBRARIES

UNIVERSITY OF WISCONSIN-MADISON

## **An appraisal of the property known as the Breese Stevens House, 401 North Carroll Street, Madison, Wisconsin. November 1, 1986**

Landmark Research, Inc.

[s.l.]: [s.n.], November 1, 1986

<https://digital.library.wisc.edu/1711.dl/YFLKNV253MVHG8Z>

<http://rightsstatements.org/vocab/InC/1.0/>

The libraries provide public access to a wide range of material, including online exhibits, digitized collections, archival finding aids, our catalog, online articles, and a growing range of materials in many media.

When possible, we provide rights information in catalog records, finding aids, and other metadata that accompanies collections or items. However, it is always the user's obligation to evaluate copyright and rights issues in light of their own use.

AN APPRAISAL OF THE PROPERTY

KNOWN AS

THE BREESE STEVENS HOUSE

401 NORTH CARROLL STREET

MADISON, WISCONSIN

*Landmark  
Research  
Inc.*

AN APPRAISAL OF THE PROPERTY

KNOWN AS

THE BREESE STEVENS HOUSE

401 NORTH CARROLL STREET

MADISON, WISCONSIN

AS OF

NOVEMBER 1, 1986

PREPARED FOR

THE ESTATE OF REGINALD H. JACKSON, JR.

c/o THE TRUST DEPARTMENT

FIRST WISCONSIN- MADISON

PREPARED BY

LANDMARK RESEARCH, INC.

JAMES A. GRAASKAMP, PH.D., SREA, CRE

JEAN B. DAVIS

Landmark  
Research  
Inc.

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

Jean B. Davis, M.S.

December 19, 1986

Mr. R. Christian Davis  
Trust Account Manager  
First Wisconsin Bank of Madison  
Box 7900  
Madison, WI 53707

Dear Mr. Davis:

At your request we have appraised the Breese Stevens House at 401 North Carroll Street, Madison, County of Dane, Wisconsin. This property has historically been part of a larger family-owned homestead which includes the Jackson House at 415 North Carroll Street with which it shares a carriage house. The subject property is a designated Madison Landmark located in the designated Mansion Hill Historic District and is further encumbered by an adverse lease that expires December 31, 1990. Therefore, the appraisers have proposed a reallocation of the property lines to exclude the carriage house, to protect the residential value at 415 North Carroll Street, and to permit continued non-conforming use of 401 North Carroll Street as a 5,000 square foot office building in an R6H zone which permits only 1,500 square feet office space.

The most probable use of the subject property is to continue its grandfathered non-conforming use as an office building. The most probable tenant would be a professional partnership such as a law firm, an engineering firm, or other professional service group which would value identification with the romance of a restored Landmark residence. The five surface parking stalls remain on the subject property and additional paid parking is available across the street.

The most probable buyer of the subject property would be an owner-occupant or an investor brought in by a tenant whose professional offices would be enhanced by the distinctive architectural features of the building and a close proximity to downtown Madison. The market value, with cash to the seller and unencumbered by the present lease, as of November 1, 1986, would be:

TWO HUNDRED THIRTY THOUSAND DOLLARS

(\$230,000)

The present value of the leasehold interest of the present tenant with first right of refusal, as of November 1, 1986, is:

ONE HUNDRED FORTY THREE THOUSAND FIVE HUNDRED DOLLARS

(\$143,500)



Mr. R. Christian Davis  
Page Two  
December 19, 1986

assuming a overall rate of 11.4 percent to the end of the lease term.

The present value of the leased fee interest of the subject property, as of November 1, 1986, is, therefore,:

EIGHTY SIX THOUSAND FIVE HUNDRED DOLLARS

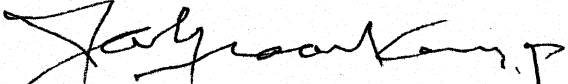
(\$86,500)


Given the significant value of the leasehold interest and the first right of refusal feature of that lease, protection of the Estate gives the Trustees only two options:

1. The Trustees can challenge the lease because of the circumstances under which it was executed and the erratic rent collections by the lessor and other issues which surround the transaction.
2. The Trustees can defer any effort to sell the subject property until the lease expires and with it, the first right of refusal to purchase. The costs of deferring sale have been itemized in the appraisal and could approach an average of \$13,700 per year or \$55,000 for the next four years which is less costly than a sale subject to the existing encumbrance of unknown enforceability.

We have been pleased to be of service to you and are available for questions and counsel as needed.

FOR LANDMARK RESEARCH, INC.

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

  
Jean B. Davis  
Real Estate Appraiser/Analyst

elm

# TABLE OF CONTENTS

	<u>PAGE</u>
LIST OF EXHIBITS . . . . .	v
LIST OF APPENDICES . . . . .	vii
 I. APPRAISAL PROBLEM ASSIGNMENT . . . . .	 1
A. The Appraisal Issue . . . . .	1
B. The Appraisal Problem . . . . .	2
C. Date of Appraisal . . . . .	5
D. Definition of Value . . . . .	5
E. Identification of the Subject Property and the Legal Interests to be Appraised . . . . .	 7
F. Special Problems . . . . .	10
G. Statement of General Assumptions and Limiting Conditions . . . .	11
II. PROPERTY ANALYSIS TO DETERMINE ALTERNATIVE USES . . . . .	14
A. Historical Background . . . . .	14
B. Physical Attributes of the Site . . . . .	18
C. Site Improvements . . . . .	18
D. Legal/Political Attributes . . . . .	19
E. Linkages . . . . .	29
F. Dynamic Attributes . . . . .	31
G. Existing Improvements . . . . .	33
H. Identification of the Most Probable Use for Subject Property . . . . .	 48

# TABLE OF CONTENTS

	<u>PAGE</u>
III. PREDICTION OF PRICE FOR SUBJECT PROPERTY . . . . .	51
A. Selection of Appraisal Methodology for Estimation of Market Value for Single-Family Residence Converted to Office/Apartment. . . . .	51
B. Market Comparison Approach to Value . . . . .	52
C. Income Approach to Value . . . . .	65
D. Comparison and Reconciliation of Market Comparison and Income Approach to Value . . . . .	85
E. Valuation of the Leasehold and the Leased Fee Interest . . . . .	86
V. VALUE CONCLUSION . . . . .	89
CERTIFICATION OF VALUE . . . . .	91
QUALIFICATIONS OF THE APPRAISERS . . . . .	92
APPENDICES . . . . .	94

## LIST OF EXHIBITS

<u>EXHIBIT</u>		<u>PAGE</u>
I-1	Site Plan for 401 North Carroll Street and 415 North Carroll Street as Currently Defined . . . . .	3
I-2	Proposed Site Plan for 401 North Carroll Street and 415 North Carroll Street as Suggested by Appraisers . . . . .	4
I-3	Annual Holding Costs for 401 North Carroll Street During Remaining Term of Lease . . . . .	6
I-4	Map of Subject Parcel . . . . .	8
II-1	Map of Original Homestead Property In Relationship to the Subject Property . . . . .	15
II-2	Chain of Title for 401 North Carroll Street and 415 North Carroll Street from 1870 to the Present . . . . .	17
II-3	Map of Mansion Hill Historic District . . . . .	20
II-4	Zoning Map for Subject Property . . . . .	22
II-5	Relationship of Improvement and Site Dimensions of the the Subject Property . . . . .	25
II-6	Uses of Property in the Surrounding Neighborhood of the Subject Property . . . . .	30
II-7	Map Illustrating Relationship of Site to Major Activity Centers.	32
II-8	Description of Improvements Located at 401 North Carroll Street.	35
II-9	Layout of Existing Floor Plans . . . . .	38
II-10	Exterior and Interior Photographs of 401 North Carroll Street .	39
II-11	Required Repairs/Replacements to Cure Deferred Maintenance of 401 North Carroll Street . . . . .	47
III-1	Comparable Sales of Larger and Older Downtown Homes Converted to Office/Apartment Use . . . . .	53

LIST OF EXHIBITS (Continued)

<u>EXHIBIT</u>		<u>PAGE</u>
III-2	Location of Comparable Sales . . . . .	54
III-3	Comparable Property No. 1 . . . . .	55
III-4	Comparable Property No. 2 . . . . .	57
III-5	Comparable Property No. 3 . . . . .	59
III-6	Comparable Property No. 4 . . . . .	61
III-7	Scale for Scoring Comparable Sales and the Subject Property Based Upon Price Sensitive Attributes . . . . .	64
III-8	Attribute Scores Assigned Comparable Sales and Subject Property, and Weighted Matrix to Solve for the Weighted Point Score and Price Per Point Score for Comparables and Subject Property . . .	66
III-9	Comparison of Predicted vs. Actual Sale Price of Each Comparable --A Test of the Pricing Algorithm . . . . .	67
III-10	Range of Market Value Estimates Using the Mean Price Per Point Methodology . . . . .	68
III-11	Survey of Downtown Madison Class B and C Office Market As of March 1985 With Selected Updates As of November 1986 . . . . .	70
III-12	Rental Rates for Offices Located in Converted Older Homes Near the Capitol Square . . . . .	71
III-13	Revenue and Expenses for 401 North Carroll Street for Office Use at Market Rents--with Extensive Footnotes . . . . .	72
III-14	Assumptions Used for Income Approach . . . . .	75
III-15	Revenue Justified Capital Budgets--Debt Cover Ratio Approach . . . . .	76
III-16	After Tax Valuation--Discounted Cash Flow Methodology . . . . .	79
III-17	Test of the Reasonableness of the Estimate of Value Using VALTEST Computer Program . . . . .	81
III-18	Estimated Value of Leasehold Interest and of Leased Fee Interest . . . . .	88

LIST OF APPENDICES

<u>APPENDIX</u>	<u>PAGE</u>
A Historical Background of Title Transfer, Opinion of Title, and Lease Document for 401 North Carroll Street . . .	94
B Applicable Zoning Codes, Landmarks Commission Regulations, and Landmark Nomination Form for the Subject Property . . . . .	101
C Excerpt from 1986 BOMA Report--Income/Expense Analysis for Office Buildings . . . . .	125

## I. APPRAISAL PROBLEM ASSIGNMENT

The content of an appraisal report is shaped both by the decision for which it will serve as a benchmark and the limiting assumptions inherent in the property, the data base, or other factors discovered in the context of the decision. This appraisal is made to assist the Trust Department of the First Wisconsin National Bank in the sale of the subject property in terms of sale strategies, listing price and a negotiated selling price. Authorization for this appraisal was made by R. Christian Davis, Trust Officer for the First Wisconsin National Bank of Madison which acts as the Personal Representative of the Estate of Reginald H. Jackson, Jr., Deceased, the title holder of the property.

### A. The Appraisal Issue

The appraisal issue is to evaluate two homes of architectural distinction and a carriage house, all of which are distributed over several whole and partial lots to form a single property in a transitional neighborhood. The property is zoned R6H and is constrained by a historical district designation; the house at 401 North Carroll Street, the subject of the appraisal, is occupied by a non-conforming use and encumbered by a non-market leasehold and the home at 415 North Carroll Street is currently vacant. The carriage house, only partially encumbered by the 401 North Carroll lease, is used for storage by the lessee. The appraisers must analyze the attributes of the property to determine the most probable use program which may suggest subdividing the total property into two or more marketable units to maximize the cash price to be

realized by the Trust Department for the benefit of medical research beneficiaries. The Trust Department must be sensitive to both the goals of a charitable estate and the community goals to protect the historical ambiance of the property and of the neighborhood.

#### B. The Appraisal Problem

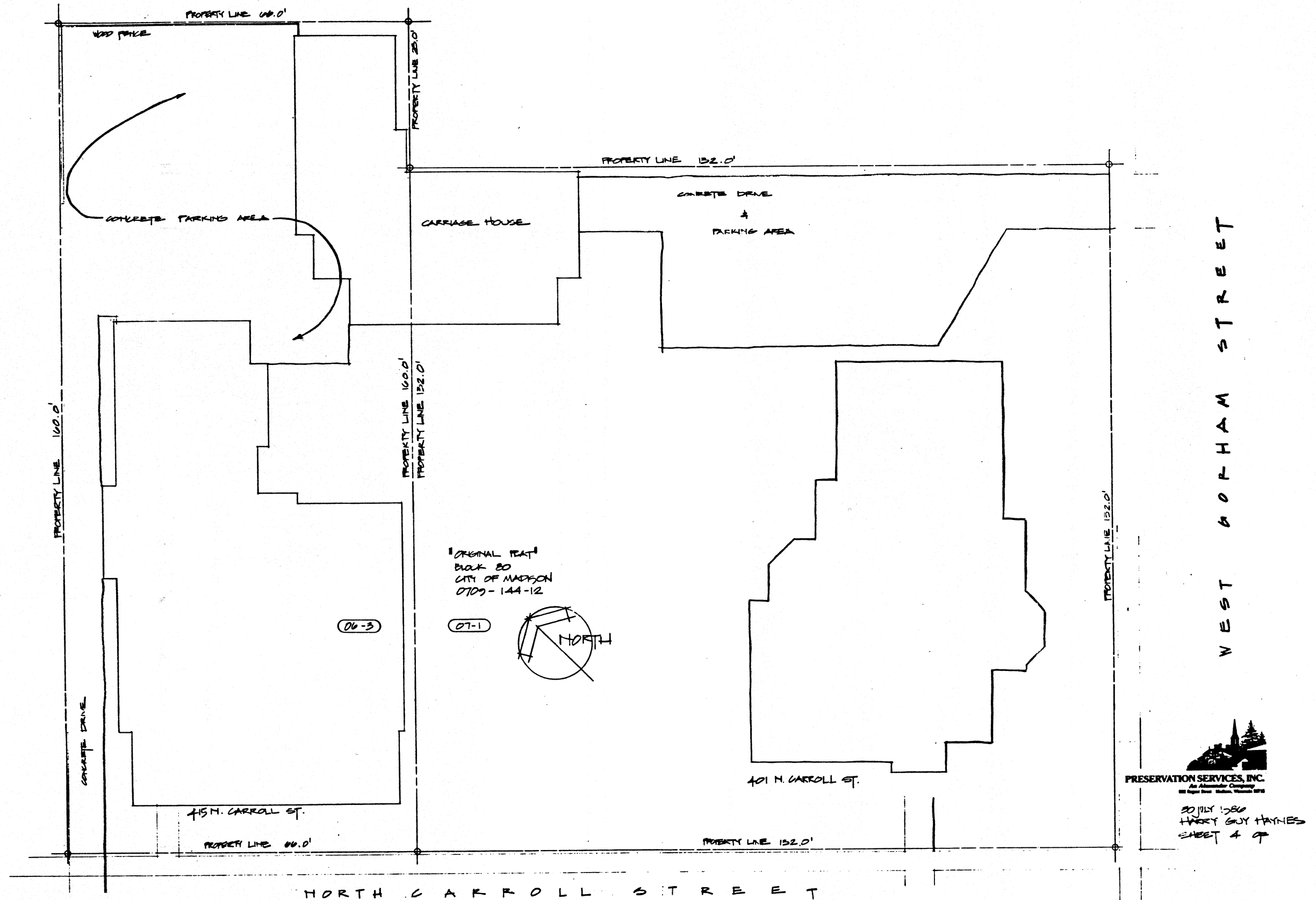
The purpose of this appraisal is to estimate the market value of the fee simple title of the formerly residential, now commercial property located at 401 North Carroll Street as of November 1, 1986. In addition, the appraisers must identify any premium or discount applicable as of that date due to the temporary encumbrance arising from a lease on the property. (See Appendix A for a copy of existing lease.)

The existing lease encumbers a portion of the carriage house and all but two feet of the open yard between the Breese Stevens House at 401 North Carroll Street and the Jackson House at 415 North Carroll Street which is also a part of the Estate of the Deceased. Whereas an office building in downtown Madison requires minimal open space, except for parking, a single-family residence of the showcase quality of the Jackson House requires a maximum of available yard space to enable the owner to control the surrounding environment. The marketability and the estimated market value of the Jackson House will be adversely affected if the majority of the open space and the entire carriage house are not reallocated as proposed by the appraisers; the commercial value of the 401 North Carroll Street property will not be adversely affected by the proposed site reallocation. The existing site plan for both properties is shown in Exhibit I-1 and the proposed reallocation of the two sites is shown in Exhibit I-2.

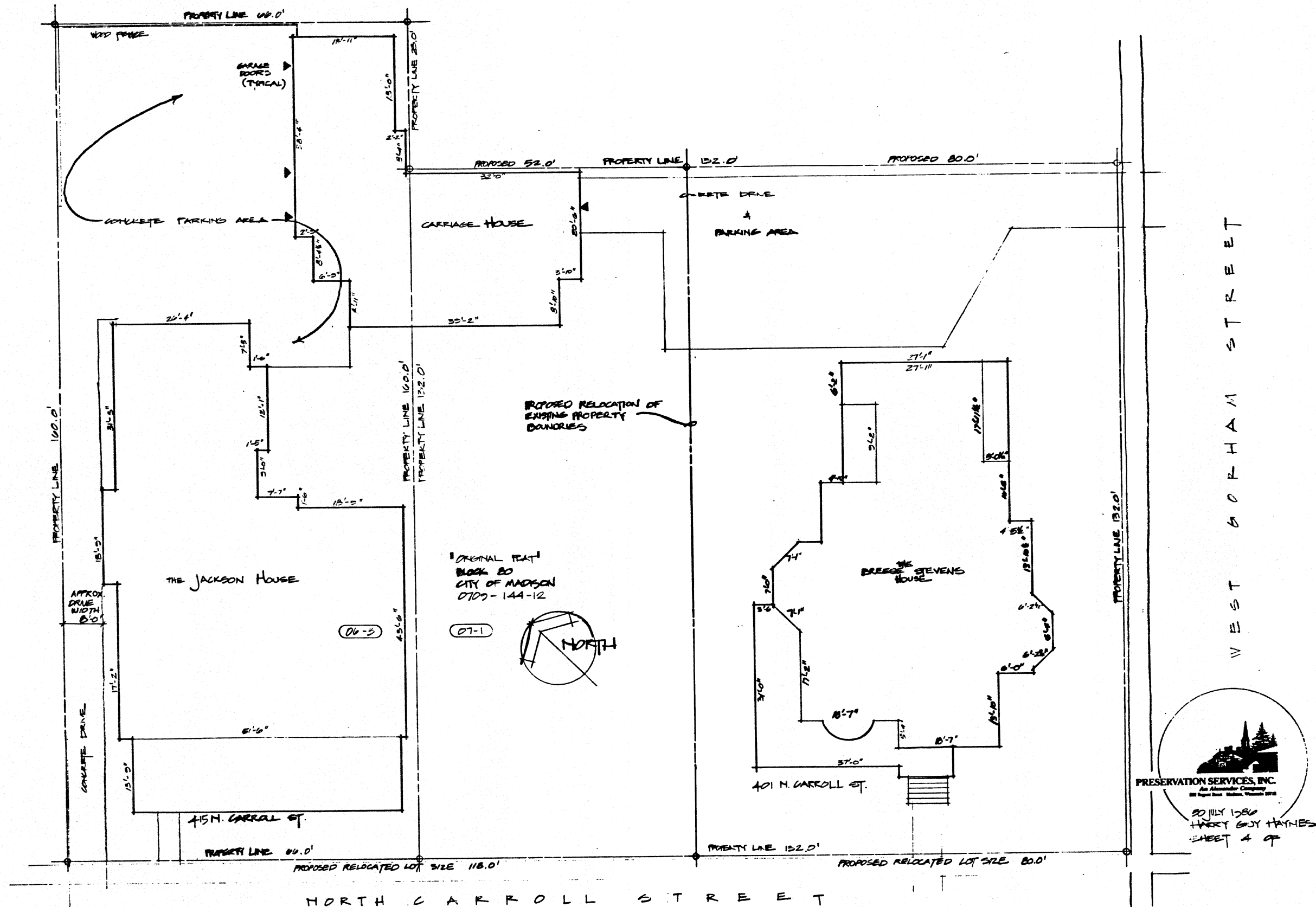


EXHIBIT I-1

SITE PLAN FOR 401 NORTH CARROLL STREET AND 415 NORTH CARROLL STREET  
AS CURRENTLY DEFINED



PROPOSED SITE PLAN FOR 401 NORTH CARROLL STREET AND 415 NORTH CARROLL STREET  
AS SUGGESTED BY APPRAISERS



The Trust Department has at least three options: 1) postpone the sale of both properties until the lease expires on December 31, 1990 and then allocate the land to maximize the market value of each property; 2) sell both properties immediately with no reallocation of the sites; 3) request the Court to reallocate the sites as proposed and sell each property in a timely fashion to maximize the value of the proceeds to the Estate and its heirs. The appraisers believe the existing lease is subject to negotiation, if not rescission. The estimated costs to the Estate of holding the subject property until the end of the lease term are found in Exhibit I-3; these costs could affect the timing of the decision to sell. The magnitude of the value of the leasehold interest will have to be compared with the magnitude of the holding costs to make an informed decision.

If the property is not sold within the next year, a program of exterior maintenance will be required to protect the house from further damage (See Exhibit II-11 for repair estimates.) The boilers, which are leaking, could require replacement at an estimated expense of \$10,000. (See Section II-G-3.)

#### C. Date of Appraisal

This appraisal is made as of November 1, 1986, and the analysis and conclusions are applicable to that date. The most recent inspection of the property was made on December 3, 1986.

#### D. Definition of Value

For purposes of the appraisal the most appropriate definition of market value [1] is:

---

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

## EXHIBIT I-3

ANNUAL HOLDING COSTS FOR  
401 NORTH CARROLL STREET DURING REMAINING TERM OF LEASE

HOLDING COSTS (Inflated at 4% per year except where noted)	1986	1987	1988	1989	1990
Real Property Taxes [1]	\$5,040	\$5,438	\$5,656	\$5,882	\$6,117
Insurance [2]	243	253	263	273	284
Exterior Deferred Maintenance [5]	0	4,605	4,789	4,981	5,180
SUBTOTAL	\$5,283	\$10,296	\$10,708	\$11,136	\$11,581
Replacement of Two Boilers [4]	0	2,500	2,600	2,704	2,812
TOTAL HOLDING COSTS	\$5,283	\$12,796	\$13,308	\$13,840	\$14,393

- [1] 7.9% increase in 1986 taxes payable in 1987; thereafter, inflated at an average rate of 4% per year.
- [2] First Wisconsin blanket all-risk policy covers all properties held by the bank at premiums far below market.
- [3] Total estimate for deferred maintenance is \$18,420; cost is spread over remaining four years.
- [4] Both boilers are operative, but short-lived; replacement costs of \$10,000 spread over remaining four years.

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.

E. Identification of the Subject Property and  
the Legal Interests to be Appraised

1. Subject Property

The subject of this appraisal is a former single-family residence built in 1863 which is now used as an office building. The existing legal description of the property located at 401 North Carroll Street as of November 1, 1986, is as follows:

Lots 9 and 10, Block 80, Madison, Wisconsin.

A map of Block 80 shown in Exhibit I-4 delineates the property as described. An opinion of title is found in Appendix A.

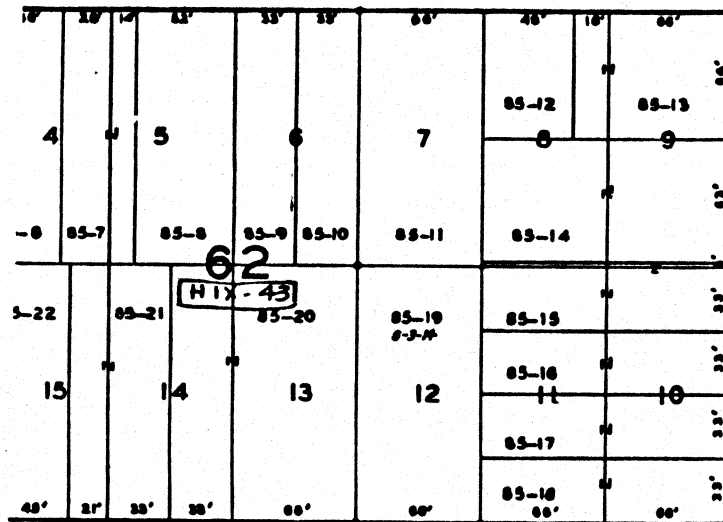
EXHIBIT I-4

MAP OF SUBJECT PARCEL

WISCONSIN AVENUE



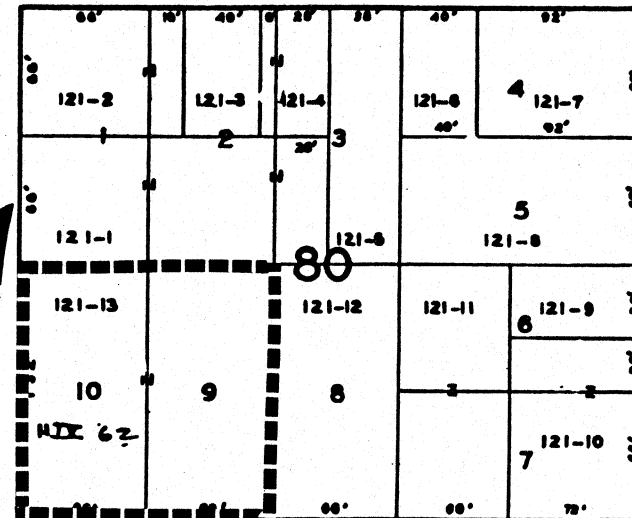
WEST GILMAN STREET



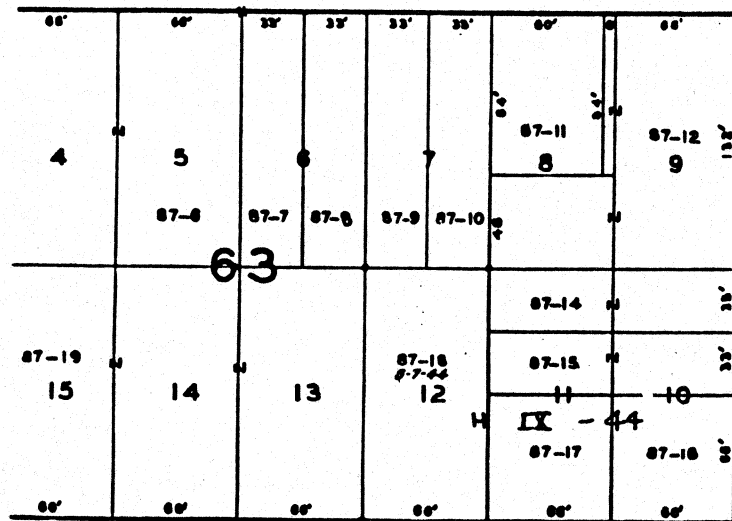
WEST GORHAM STREET

Subject

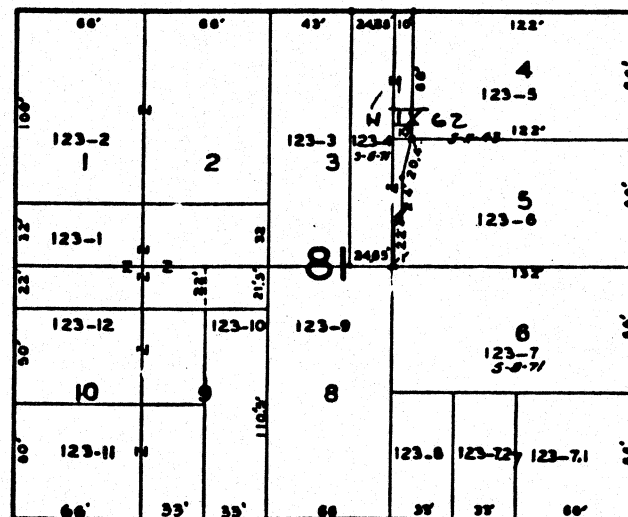
NORTH CARROLL STREET



WEST GORHAM STREET



JOHNSON STREET



The tax parcel number and the most recent property tax information are as follows:

Parcel Number	0709-144-1207-1
1986 Assessed Value (unchanged from 1985)	
Land	\$161,200 (\$9.25/SF of land at 17,424 SF)
Improvements	<u>30,000</u> (\$5.85/SF for 5,142 SF of GBA)
Total	\$191,200 (\$37.18/SF for 5,142 SF of GBA)
1985 Mill Rate	<u>.026359195</u>
1985 Real Property Taxes	\$5,039.86 =====

As further analysis will explain, the appraisers believe that the 401 North Carroll Street property should be defined by the Court, at the request of the Trust Department, to include a total frontage of only 80 lineal feet along North Carroll Street with 132 lineal feet along both the northwesterly and southwesterly property lines. The rectangular parcel would contain 10,560 SF and would not include any of the carriage house. See Exhibits I-1 and I-2 for the site plans of both properties as they exist currently and as the appraisers believe they should be defined to maximize the value of the properties as a whole.

## 2. Legal Interest Appraised

The legal interest appraised is that of fee simple title in the land and real property improvements situated on the land. This appraisal specifically excludes any items of personal property located in any of the structures or elsewhere on the property. The appraisal assumes that the property is unencumbered by liens, mortgages, easements, or other interests unless

specifically noted. No legal opinion on title to the property was either made or provided; however, the Report of Title contained in Appendix A did not disclose any encumbrances on title to the property.

F. Special Problems

The appraisal assignment is complicated by an encumbrance upon the subject property which encompasses all of Lots 9 and 10, Block 80, City of Madison. (See Exhibit I-4.) The property is currently leased until December 31, 1990, at below market rents and included in the lease is a first right of refusal on the part of the lessee should the property be offered for sale. Only a portion of the carriage house is actually on Lot 9, but the entire carriage house is currently being used for storage by the lessee. (See Appendix A for terms of the lease.)

According to information taken from building permits, the tenant has occupied the existing property since 1966, yet the existing lease, dated March 8, 1985, is the only known written lease signed by the lessor and the lessee. The lessor died March 13, 1986.

From the evidence of the uncashed rent checks made payable to the lessor by the lessee, it appears the rental rate increased from \$300 per month to \$400 per month between 1966 and 1972; the rent was for the entire building, which has a gross building area of approximately 5,142 square feet, for the yard, and for that portion of the carriage house on Lot 9, Block 80. There is no evidence of any further rent increases since 1972 in a downtown office rental market that has almost doubled in the last 14 years. The current annual rent of \$4,800 translates to \$0.9335 per square foot of GBA in an office market that ranges from \$5.00 to \$12.00 per square foot of GBA for older residences converted to office space. The current lease payment, negotiated in 1985 does



not even cover the annual property tax bill of over \$5,000, which is the responsibility of the lessor. This oversight is only one of several factors surrounding the substantial leasehold interest in the subject property which require legal review.

Therefore, the Trust Department has requested the appraisers estimate the value of the subject property as if unencumbered, and to value both the leased fee interest and the leasehold interest in the subject property as of November 1, 1986.

Since, in the opinion of the appraisers, the open yard space and the carriage house do not add significant value to the subject property when used for offices, the market value estimates will assume the smaller proposed site with 80 feet of frontage on North Carroll Street and 132 feet of frontage on West Gorham Street for both estimates of market value, as if unencumbered, and the market value, as encumbered.

G. Statement of General Assumptions and Limiting Conditions

This appraisal is made subject to the following general assumptions and limiting conditions:

1. Contributions of Other Professionals

- . Preliminary data was assembled by Madison professionals including Badger Abstract and Title Corporation; Preservation Services, Inc., architectural historians; Arlan Kay and Associates, architectural planners and building recyclists; and David Zimmerman, W.O. Zimmerman, Inc., HVAC specialists. Information furnished by these professionals and others in the report, while believed to be reliable, is in no sense guaranteed by the appraisers.
- . The appraiser assumes no responsibility for legal matters.
- . All information furnished regarding property for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and

it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.

## 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 document filed with the Securities and Exchange Commission or other governmental agency, the appraiser is allowed to review the text of such reference to determine the accuracy and adequacy of such reference to the appraisal report prepared by the appraiser; (2) in the appraiser's opinion the proposed reference is not untrue or misleading in light of the circumstances under which it is made; and (3) written permission has been obtained by the client from the appraiser for these uses.
- . The appraiser shall not be required to give testimony or to attend any governmental hearing regarding the subject matter of this appraisal without agreement as to additional compensation and without sufficient notice to allow adequate preparation.

## II. PROPERTY ANALYSIS TO DETERMINE ALTERNATIVE USES

To determine the most probable use of a property, the first step is to take an inventory of its attributes and to analyze those that appear significant. These attributes include the physical characteristics of the site and the improvements thereon, the legal constraints that may affect either the nature or the timing of its use, the relationship (linkages) of the site to various environmental elements that might attract or repel uses, and the pre-conceived perceptions of the site that citizens tend to have (e.g., prestige or danger). In this case, it is also helpful to review the ownership history of the property to better understand why the division of parcels was made as they currently exist and why there is a need to change that division to maximize the total cash price for both properties to be realized by the Trust Department.

### A. Historical Background

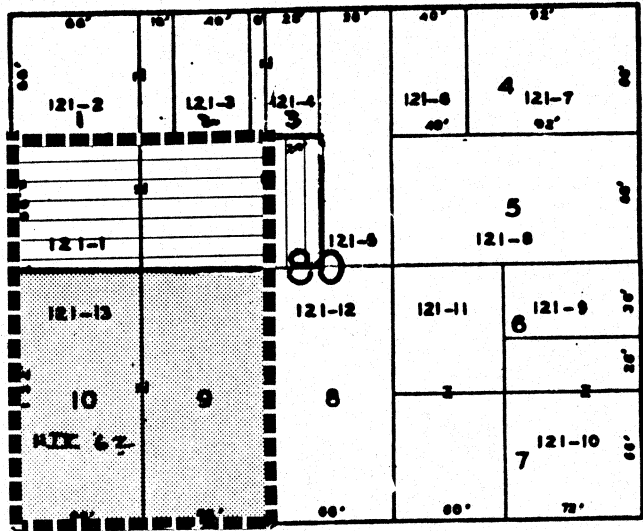
The two properties, 415 and 401 North Carroll Street constitute the original homestead owned by Breese J. Stevens in the late 1800s. [1] (See Exhibit II-1.) The Deceased's mother, Elizabeth Breese Stevens Jackson and his aunt, Amelia Fuller Stevens were born and raised in the home known as the Breese Stevens House at 401 North Carroll; when Elizabeth married Dr. Reginald

---

[1] With the exception of SW 28' of SE 1/2 of Lot 3, Block 80.

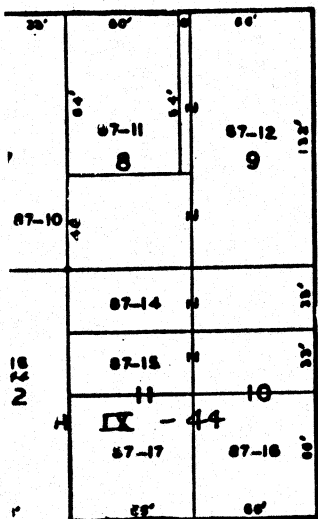
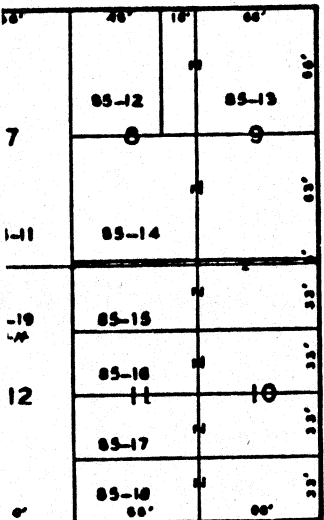
EXHIBIT II-1

MAP OF ORIGINAL HOMESTEAD PROPERTY  
IN RELATIONSHIP TO THE SUBJECT PROPERTY



WEST GILMAN STREET

WEST GORHAM STREET



JOHNSON STREET



= Original homestead as described in last will of Breese J. Stevens and assigned to his widow, Mary Elizabeth Stevens in 1906.



= Description of portion of homestead property deeded from Mary Elizabeth Breese Stevens, daughter, on November 11, 1908.  
(SE 1/2 of Lots 1 & 2, Block 80.)



= Addition to 415 N. Carroll acquired sometime between 1908 & 1957 by the Jacksons. (SW 28' of SE 1/2 of Lot 3, Block 80)



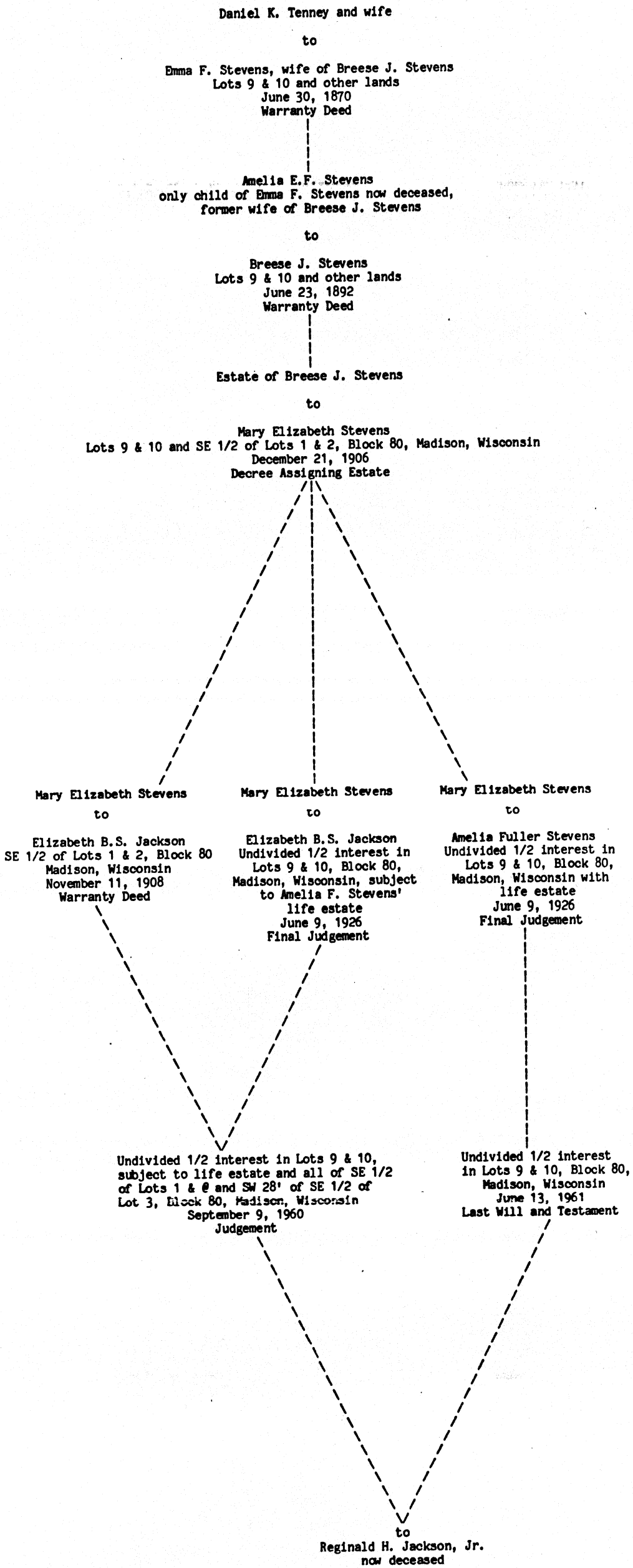
= Description of portion of homestead property assigned to Amelia Fuller Stevens and Elizabeth Breese Stevens Jackson, as tenants in common, with a life estate to Amelia Fuller Stevens, circa 1925, upon death of Mary Elizabeth Stevens.

Jackson, her widowed mother, Mary Elizabeth Stevens, deeded her daughter, Elizabeth, the 415 North Carroll Street portion of the original homestead for construction of the Jackson House in 1909. When Elizabeth Jackson died in 1957 and subsequently, Amelia Stevens, in 1961, the Deceased received title to the original homestead plus the SW 28' of the SE 1/2 of Lot 3, Block 80 which had been added sometime between 1908 and 1957 by the Reginald Jacksons. Amelia, who lived at 401 North Carroll until her death, had the right to use and enjoy the yard and the carriage house for her lifetime. Five years later, in 1966, Breese Stevens House converted to office use and the same tenant currently occupies the premises. The details of the historical ownerships are found in Appendix A. A chain of title is shown in Exhibit II-2.

The fact that the magnificent three-season porch at the Jackson House officially has only a two-foot side yard or that the carriage house extends across the Jackson/Stevens property lines was of no consequence to the close-knit family members; joint ownership protected the open space for both homes. But for a buyer of the adjacent 415 North Carroll property as a single-family home, control of the majority of the side yard between the two houses and of the entire carriage house is critical; a knowledgeable buyer would not invest in a potential showcase home without control of the surrounding environment which is necessary to have absolute assurance that the open space is not devastated by the construction of a parking lot or building in the existing green space and to have access to the garage and storage space afforded by the carriage house.

On the other hand, the typical older residence converted to office/apartment use in downtown Madison does not require open space or on-site parking, although on-site parking is a desirable amenity. Therefore, to enhance the marketability of both properties, the appraisers will assume the

CHAIN OF TITLE [1]  
TO LOTS 9 & 10, BLOCK 80, AND SE 1/2 OF LOTS 1 & 2, AND SW 28' OF SE 1/2 OF LOT 3, BLOCK 80  
MADISON, WISCONSIN



[1] This chain of title was extracted from the Abstract of Title to Lots 9 & 10, Block 80, in the City of Madison, Dane County, Wisconsin prepared by Badger Abstract and Title Corporation, Madison, Wisconsin.

carriage house to be located entirely on the Jackson House site which will also include the majority of the side yard. Exhibits I-1 and I-2 detail the existing and proposed site plans as they will be appraised to maximize the market value of each.

B. Physical Attributes of the Site

The subject site, as defined by the appraisers and located at 401 North Carroll Street, is rectangular with 80 feet of frontage on North Carroll Street, 132 feet of frontage on West Gorham Street for a total gross area of 10,560 square feet. (See Exhibit I-2 for location and dimensions of the site as defined.)

The Soil Conservation Service's Soil Survey of Dane County, Wisconsin, completed in 1972 indicates the soil is Dodge silt loam (2 to 6 percent slope) and is well-drained with a seasonal high water table at a depth of more than five feet. Limitations for dwellings with basements is slight and this is born out by the subject property's relatively dry basement that has had no evidence of significant settling cracks for almost 123 years.

C. Site Improvements

The site is served by a six-inch sewer main and a one-inch water main. The capacities are more than adequate for up to four dwelling units. Gutter, curb and sidewalk serve the property along North Carroll Street.

A concrete driveway and small parking area are located at the rear of the property with a single ingress-egress point onto West Gorham Street which is a one-way street running southwest across State Street into University Avenue. The driveway has a width of approximately 10 feet at the curb and the concrete parking area measures approximately 35 feet in width and 47 feet in length to the proposed property line dividing the two properties. Using the City of



Madison Traffic Engineering Division standard for a 90 degree angle parking stall with a width of 10 feet and a length of 18 feet, the 1,645 square feet parking area could accommodate approximately five cars leaving adequate backing and turning room to enter and to exit.

According to the building permit history for 401 North Carroll Street, a permit was issued to the Deceased on February 15, 1966, to create a parking area on the site. On a permit issued June 14, 1966, for alterations to the boiler room and other repairs necessary for commercial occupancy, it was noted that the parking area was approved as completed.

#### D. Legal/Political Attributes

##### 1. Landmark and Historic District Designation

The subject property was designated a Landmark by the Madison Landmarks Commission on March 6, 1972, and subsequently, was included in the Mansion Hill Historic District designated by the Landmarks Commission in 1976 and described in general by a map shown as Exhibit II-3. The regulations that control the construction, reconstruction, exterior alteration and demolition of property which is a Landmark or is located within the Mansion Hill Historic District are found in Appendix B. The Landmarks Commission can grant, delay or deny approval of requests to make exterior changes whether it be new construction, demolition or alternations, because it has the power to grant a Certificate of Appropriateness which must precede the issuance of a permit for any such work from the Director of the Inspection Unit, City of Madison. The denial of a demolition permit can be appealed to the City Council and overturned by a three-fourth majority vote. The criteria are severe and the process could take over a year's time. There is no appeal process for a building permit; the Landmarks Commission makes the final irrevocable decision. Only in cases in



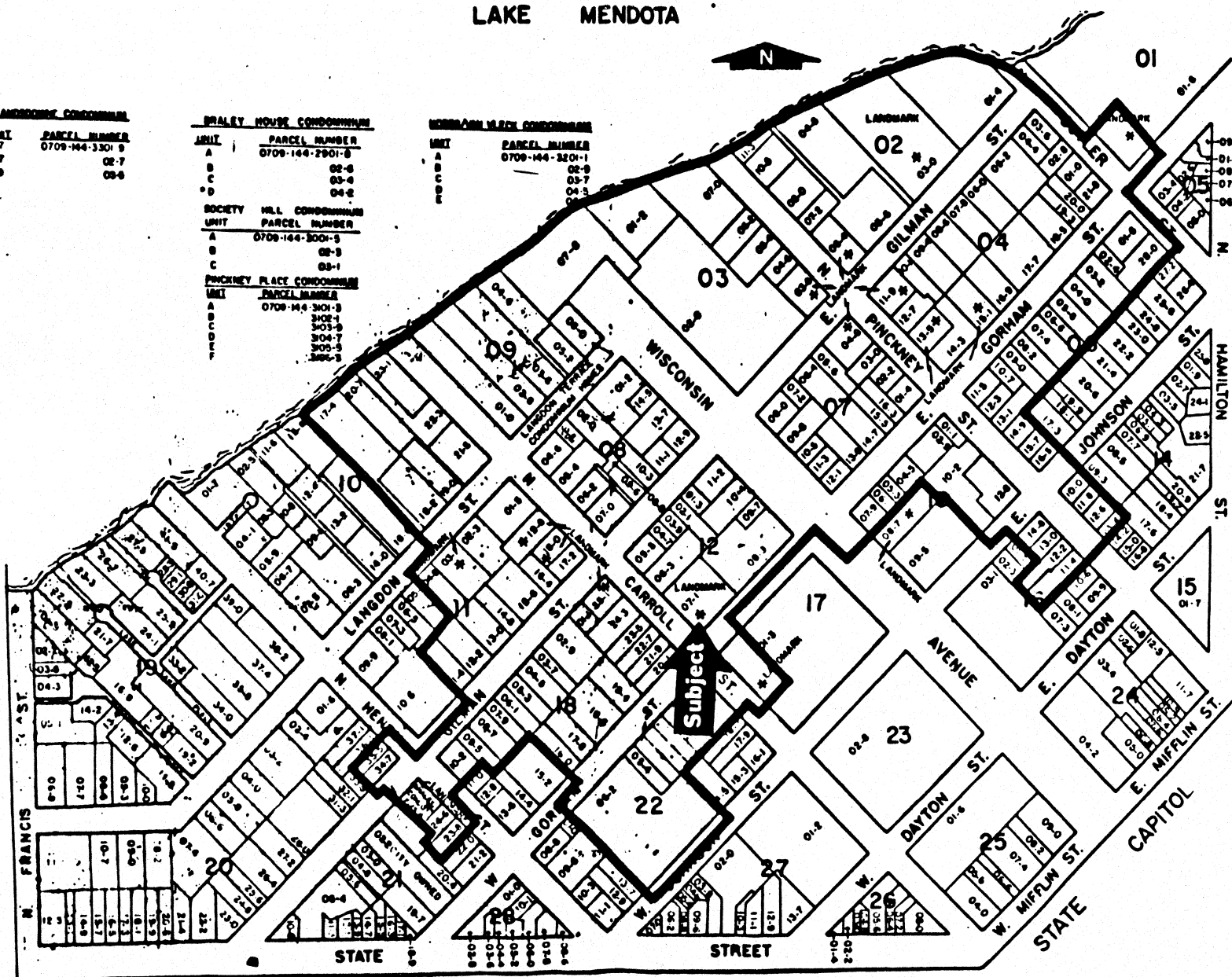
<u>UNIT</u>	<u>PARCEL NUMBER</u>
107	0709-144-3301 9
117	02-7
119	09-6

UNIT	PARCEL NUMBER
A	0709-144-2901-8
B	02-8
C	03-4
D	04-2

SOCIETY UNIT	WILL CONDOMINIUM PARCEL NUMBER
A	0709-144-2001-5
B	02-9
C	02-1

PICKNEY PLACE CONDOMINIUMS	
UNIT	PARCEL NUMBER
A	0700-M4-3101-8
B	3102-1
C	3103-9
D	3104-7
E	3105-5
F	3106-3

UNIT	PARCEL NUMBER
A	0700-144-3201-1
B	02-9
C	03-7
D	04-5



MAP OF MANSION HILL HISTORIC DISTRICT

EXHIBIT II-3

which there is difficulty in selling the property or in which there is a serious hardship to the owner, due only to the Landmark or Historic District designation, will a designation be rescinded or a decision reversed.

According to Kitty Rankin, Administrator of the City's Historic Preservation Office, any exterior changes to the Breese Stevens House property and to the carriage house would have a difficult time passing the Landmarks Commission. The open yard setting of the carriage house makes it an especially important structure and setting to preserve. The City of Madison Landmarks Commission nomination form which detail the historical importance of the subject property is found in Appendix B.

## 2. Zoning

The property is located in a R6H General Residence District. The R6H district is established for the same purposes as the R6 general residence district which are:

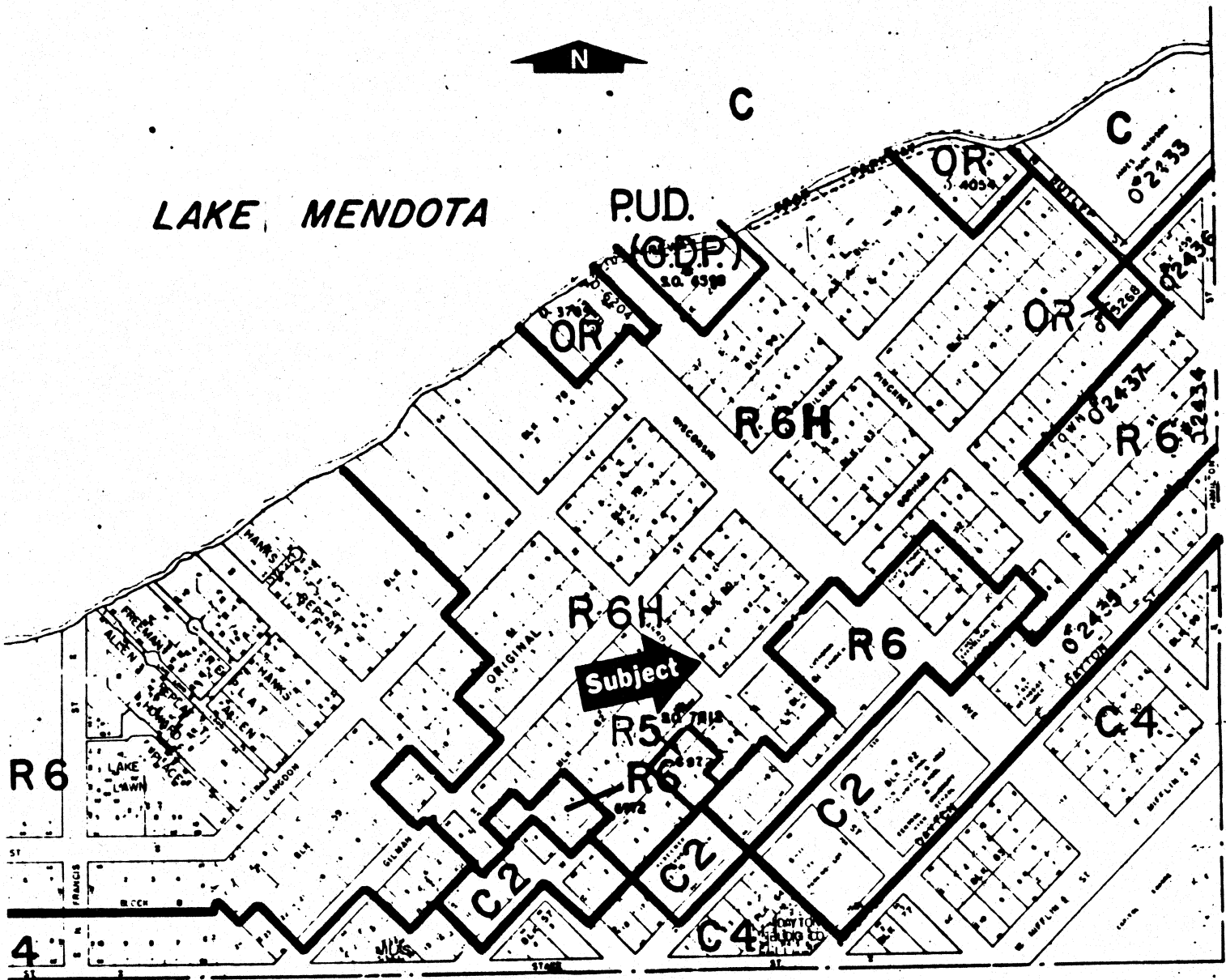
... to stabilize and protect the essential characteristics of certain of the highest density residential areas normally located in the central part of the City, and to promote and encourage, insofar as compatible with the intensity of land uses, a suitable environment for a predominantly adult population, and in those central areas located in close proximity to the central campus of the University of Wisconsin, to promote and encourage a suitable environment for student housing facilities.

But in addition, the purpose of R6H zoning is to limit the height of structures and to provide side yards in areas to preserve the historic and architectural character of a neighborhood. A portion of the zoning map which includes the subject property is shown in Exhibit II-4. The applicable zoning code sections are found in Appendix B. The listing of permitted and conditional uses found in the R6 General Residence District section, applicable for the R6H General

EXHIBIT II-4

ZONING MAP FOR SUBJECT PROPERTY

C1D



D23

Residence District, are also included. Although, the market may require on-site parking for a specific use, there are no on-site parking requirements for any use on this site.

According to the present Madison Zoning Code the only permitted uses for the subject property are:

- 1) Single- and two-family dwelling
- 2) Offices, business and professional, including offices for travel bureaus and transportation ticket offices, in a building where the principal use is residential, provided that in no case shall the total floor area devoted to office use exceed 1,500 square feet

Conditional uses which may be allowed and which have a possible application to the subject property are:

- 1) Apartment hotels
- 2) Fraternity and sorority houses and other similar types of cooperative housing facilities
- 3) Lodging houses
- 4) Multiple family dwellings
- 5) Community living arrangements for less than or equal to 15 persons
- 6) Business or professional offices of less than or equal to 3,000 SF where the principal use of the property is residential
- 7) Retail, food, beauty, barber, art galleries, photo, books, gift, tailor, shoe repair which depend on walk-in trade of less than or equal to 3,000 SF where primary use is residential

According to George C. Carran, of Madison's Department of Planning and Development, Building Inspection Unit, the property at 401 North Carroll Street was converted to office use in 1966 when the property was rented to the present

tenant; the 1966 City of Madison Zoning Code states, in part:

The following uses are permitted in the R6 District:

1. Any use permitted in the R5 District.
2. Offices for professional persons, for insurance or real estate organizations, and for non-profit civic, fraternal, governmental research, labor political, religious, and service organizations, or associations, provided in no case shall the gross total floor area of such offices exceed 15,000 square feet. (See Appendix B for specific text from the 1966 Zoning Code.)

Since office use was a permitted use in 1966, it continues to be a grandfathered non-conforming use and goes with the real estate, not the tenant. Office use for the subject property will continue to be a non-conforming use for up to 15,000 square feet of the gross building area unless the property is vacant for one year or more. Only then does the property become subject to the current permitted and conditional use regulations. It is unlikely that a purchaser of this property would want to lose this non-conforming office use for the entire 5,142 square feet of gross building area. Only 1,500 square feet of office space would be permitted under current R6H zoning with the principal use being residential.

The City of Madison Zoning Code also controls the relationship of the building and the site. The subject property, as it is legally described, is conforming under the current code and will continue to be conforming under the proposed site plan. The dimensions of the improvements in relationship to the site are found in Exhibit II-5.

EXHIBIT II-5

RELATIONSHIP OF IMPROVEMENT AND SITE DIMENSIONS OF  
SUBJECT PROPERTY LOCATED AT 401 NORTH CARROLL STREET

IMPROVEMENTS

RESIDENCE-OFFICE:

Gross Building Area (GBA) [1]

1st Floor	2,598
2nd Floor	<u>2,544</u>
TOTAL	5,142 SF

Building Footprint

1st Floor	2,598
Open Porch - Front	470
Open Porch - Back	100
Shed at Back	108
Enclosed Porch	<u>90</u>
Proposed Building Footprint	3,366 SF
With Portion of Carriage House on Lot 9	<u>890</u>
Existing Building Footprint	4,256 SF

---

[1] Includes all areas heated and above grade; does not include enclosed porch on 1st and 2nd floor, open porches at front and rear of house, third floor, or basement.

EXHIBIT II-5 (Continued)

LAND [2]

Existing Site		17,424 SF	
Proposed Site		10,560 SF	
<u>Side Yards</u>	<u>Northwest Side</u>	<u>Southeast Side</u>	<u>Zoning Requirements R6H</u>
Existing	64 feet	13 feet	Minimum of 5 feet each side and combined $\geq$ 14 feet for 1 and 2 story building
Proposed	11 feet	13 feet	
<u>Front &amp; Rear Yards</u>	<u>Front</u>	<u>Rear</u>	<u>Zoning Requirements R6H</u>
Property line to structure	15 feet	36 feet	Front Yard $\geq$ 15 feet Rear Yard $\geq$ 30 feet

COVERAGE RATIOS

<u>Lot Coverage Ratio</u>		<u>Zoning Requirements For R6H</u>
Existing Site		
Main Building	3,366 SF	
Carriage House	<u>890 SF</u>	
Total	4,256 SF/17,424 SF lot = 32%	$\leq$ 40%
Proposed Site		
Main Building	3,366 SF	
Carriage House	<u>0 SF</u>	
Total	3,366 SF/10,560 SF lot = 32%	$\leq$ 40%

[2] See existing and proposed site plans in Exhibits I-1 and I-2.



EXHIBIT II-5 (Continued)

<u>Floor Area Ratio (FAR)</u>	<u>Gross Building Area</u>	<u>Zoning Requirements For R6H</u>
Main Building		
1st Floor	2,598 SF	
Back Porch-Enclosed	<u>90 SF</u>	
Sub-Total		2,688 SF
2nd Floor	2,555 SF	
Porch-Enclosed	<u>90 SF</u>	
Subtotal		<u>2,634 SF</u>
TOTAL		5,322 SF

Existing Site

$$\text{FAR} = 5,322 \text{ SF} / 17,424 \text{ SF} = 0.56 \leq 2.0$$

Proposed Site

$$\text{FAR} = 5,322 \text{ SF} / 10,560 \text{ SF} = 0.50 \leq 2.0$$

OPEN SPACE AVAILABLE

		<u>Zoning Requirements For R6H</u>
Existing Site	(17,424 SF - 4,256 SF) = 13,168 SF [3]	70 SF per bedroom or
Proposed Site	(10,560 SF - 3,366 SF) = 7,194 SF [3]	4 bedrooms = 280 SF
		10 bedrooms = 700 SF

[3] Building footprint on existing site = 4,256 SF  
Building footprint on proposed site = 3,366 SF

### 3. Building Code Requirements

Building codes established by the Wisconsin Department of Industry, Labor and Human Relations (DILHR) and the City of Madison control building standards for the subject property. [2] A new publication from DILHR, the Historic Building Code, Chapter ILHR 70, also applies to the subject property because of its Landmark designation and its inclusion in the Mansion Hill Historic District. If a qualified historic building is preserved, renovated, repaired, or restored to maintain the building in its original condition and the use remains unchanged from the time of original construction, the owner may elect to be subject to one of the following codes:

1. Chapter ILHR 70;
2. the code in effect at the time of original construction;
3. Chapters IND 160-164 existing building code, for buildings erected prior to October 19, 1914; or
4. the prevailing code.

If a qualified historic building is either altered or remodeled in such a way to affect the structural strength, fire hazard, exits, required natural lighting, or replacement of major equipment or if its use is changed to a new use or converted from an exempt use to a public building or place of employment the owner may elect to be subject to one of the following codes:

1. Chapter ILHR 70; or
2. the prevailing code.

---

[2] DILHR Uniform Dwelling Code is applicable to one and two dwelling units, and the Building and Heating Ventilating and Air-Conditioning Code is applicable to all public buildings, mutli-family residential buildings and places of employment.

Since the use has changed from a single-family residence to office since its original construction the owner may elect to use Chapter ILHR 70 or the prevailing Chapter ILHR 54 for factories, office and mercantile buildings.

#### 4. Limitations on Uses for Subject Property

A preliminary review of applicable building codes suggest certain limitations on possible uses of the subject property, given its wood frame unprotected construction, classified as Type 8 by DILHR.

1. As commercial space, the third floor can not be used for anything, including storage unless special permission is granted. The space must remain clear and accessible in case of fire.
2. As a one- to two-family dwelling, the third floor can be used for storage, but to use as habitable space a second exit would be required from the third floor.
3. Each separate dwelling unit would have to have at least two exits from each floor of living area. Currently there are two stairwells from second to first floor. and to the basement at either end of the building.
4. Chapter ILHR 54 permits a Type 8 wood frame unprotected building with frontage on two streets to be no more than two stories in height and 6,000 SF of GBA.

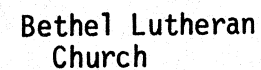
Other than use as a one-or two-family dwelling, the existing office use is most suitable for this structure.

#### E. Linkages

Linkage attributes are the relationships of the site to its immediate environment, to the activity centers of the downtown business district, and to the larger Madison area.

As shown in Exhibit II-6 the subject property is located in a block of mixed uses. The adjacent single-family dwelling at 415 North Carroll Street,

**W SOONS IN AVE.**



to the northwest, also a part of the Jackson Estate, has been vacant since 1958. On the northwest end of the block at 423 North Carroll Street is a single-family residence used, in part, for retail--a small book selling business. Apartments and a rooming house border Gilman Street and the Quisling Clinic, an out-patient medical facility, occupies more than 25 percent of the block. Directly across the street and to the southwest of the subject are low density multi-family units. The subject property located on the corner of West Gorham and North Carroll Street, has exposure to the traffic on West Gorham Street, the Bethel Lutheran Church and Quisling Clinic parking lots.

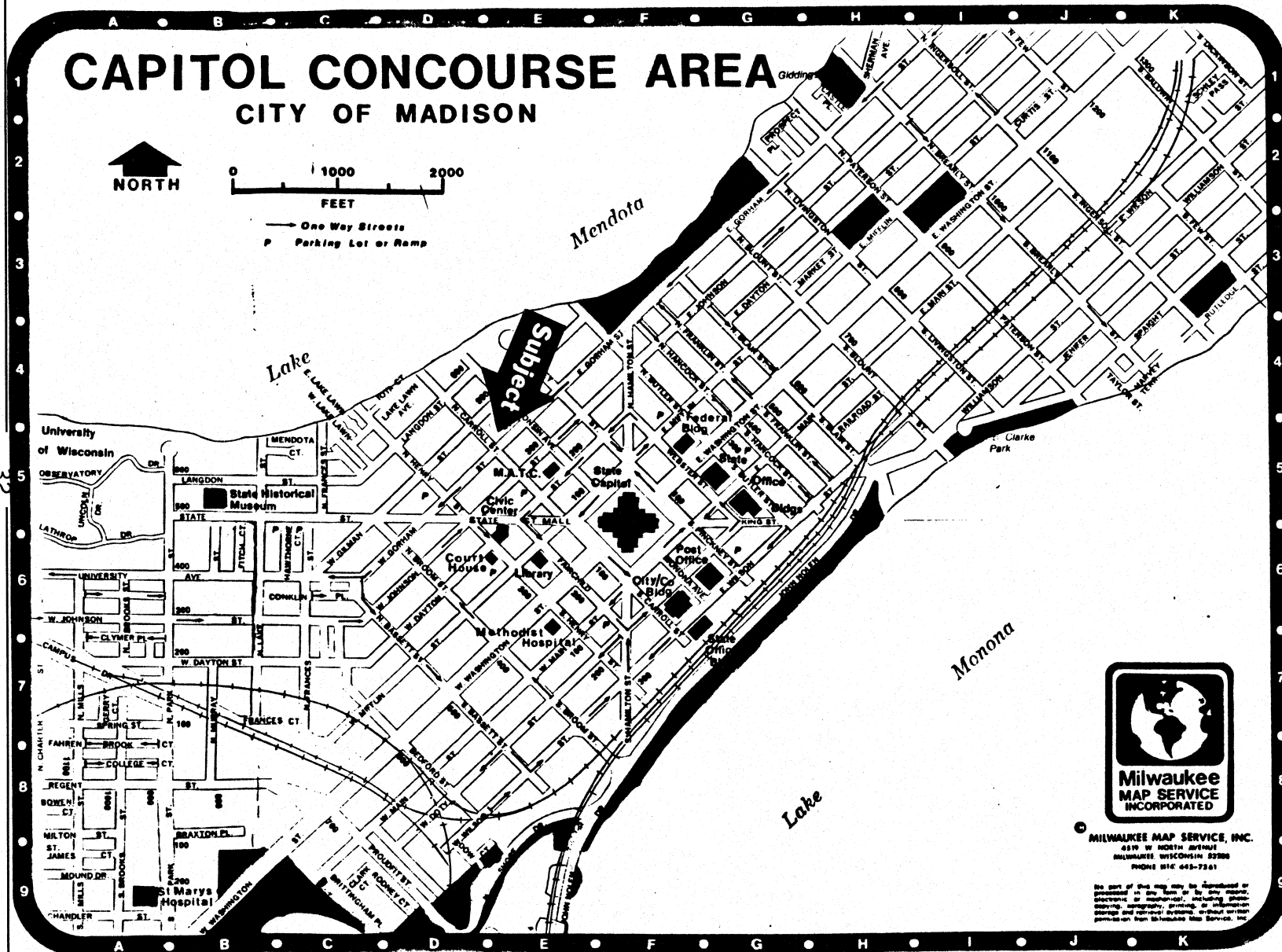
The future of the Quisling Clinic property is uncertain as the major Health Maintenance Organizations (HMO) in Madison consolidate and regroup. Physicians Plus, of which Quisling Clinic is a member, has merged with the Jackson Group. It is paradoxical that the Jackson Clinic which was started by Reginald H. Jackson's father may indirectly affect the value of his son's estate.

Bethel Lutheran Church and its large parking lot occupy the entire block southeast of Block 80 and act as a buffer between the central city's activity centers and the more residential setting of the subject property' neighborhood. The map of Madison's Capitol Concourse Area found in Exhibit II-7 illustrates the relationship of the subject site to the major public buildings located near the State Capitol, to the activities along the shore of Lake Mendota, to fraternity/sorority row on Langdon Street and to the University of Wisconsin campus.

#### F. Dynamic Attributes

Downtown Madison is in transition and it receives mixed reviews. For many years the city has been trying to lure its citizens to return and live in the

EXHIBIT II-7  
MAP ILLUSTRATING RELATIONSHIP OF SITE TO  
MAJOR ACTIVITY CENTERS



32

downtown area. The most optimistic believe a large population base of people with moderate to large economic resources will move back to central Madison and that the retail segment of the City will revive. In fact there is evidence that living downtown is attractive to many and that the office market, although not growing, has remained stable. But downtown is no longer perceived as a retail center; instead government and private offices prevail.

The Lake Mendota side of the Capitol is perceived to be relatively safe whereas the area on the Lake Monona side of the Capitol, especially to east has a high crime reputation that is gradually improving. The proximity of the subject site to the upper State Street, Madison Area Technical College, the Edgewater and Concourse Hotels and the National Guardian Life Insurance Headquarters adds to the feeling of business prestige and convenience.

#### G. Existing Improvements

##### 1. Background and Classification

The principal building, formerly a single-family residence, known as the Breese Stevens House, is a massive late Victorian brick structure built in 1863 in the Italianate style. The homestead property was purchased by Breese Stevens' first wife, Emily Fuller Stevens, in 1870 and after her death within the year, title was ultimately transferred through their daughter, Amelia, to Breese Stevens. The full chain of title is found in Exhibit II-2.

After the death of Breese Stevens, in the early 1900s, the home was occupied by his second wife, Mary Elizabeth, her daughter, Elizabeth, and her step-daughter, Amelia. Amelia, who outlived them all, occupied the house until her death in 1961. Apparently the house was vacant until the current tenant took occupancy for office use in 1966. According to the assessor's records,

the property was first a combination of office and residential uses, but as of the date of the inspection for the appraisal it appears that the use is entirely office.

## 2. Description of Improvements

A general description of the building is found in Exhibit II-8. The layout of each floor of the structure, drawn by tenant with measurements checked by Harry G. Haynes of Preservation Services, Inc., is found in Exhibit II-9. A few of the architectural details and the interior room measurements of the heated and above-grade living areas are found on the drawing. The measure of gross building area for the Breese Stevens House was previously detailed in Exhibit II-5. Exterior and interior photographs of the residence and carriage house are found in Exhibit II-10.

## 3. Structural Condition

The building is a basically sound structure, but there is some deferred maintenance. (See photographs in Exhibit II-10 of the interior.) Arlan Kay, architect and restoration expert, made a walking inspection of the building; with the assistance of James Kuenning, a contractor and cost estimator, a listing was made of the exterior and interior repairs and replacements that are required to correct the deferred maintenance. The Kay-Kuenning team assumed the boilers and steam heat distribution system to be operative, but short-lived. It is estimated that the boilers could be replaced for approximately \$5,000 each, utilizing the existing distribution system. The list of repairs/replacements needed for the building including estimated costs, are found in Exhibit II-11. The major items include new storm windows to protect the windows and walls from water damage and removal of the asbestos on



EXHIBIT II-8

DESCRIPTION OF IMPROVEMENTS  
401 NORTH CARROLL STREET

ORIGINAL USE:	Single-Family Home
CURRENT OCCUPANCY:	Office
ARCHITECTURAL STYLE:	Italianate
YEAR BUILT:	1863
NUMBER OF STORIES:	Two, plus full attic with partially finished office
ROOMS:	
	Basement
	- Several separate storage and work rooms with a boiler at each end of full basement
	- Stairs to first floor at north end and at south end of basement
	1st Floor
	- Foyer with office reception desk
	- Living room
	- Dining room
	- Library
	- Den
	- Kitchen
	- Butler's pantry
	- Bathroom - Full with basin, tub and toilet
	2nd Floor
	- Four large bedrooms
	- Two small bedrooms in servants' quarters
	Attic
	- Unfinished space with partially finished spaces used as Breese Steven's office

EXHIBIT II-8 (Continued)

ARCHITECTURAL FEATURES:

Grand staircase with oak handrail, oak balusters with wainscoting of oak panels

Ornamental plaster "stars" on foyer ceiling

Seven fireplaces with finely detailed oak and other fine wood mantles; with decorative tiles at front

Decorative wall and ceiling coverings

Distinctive open front porch with classical-style round pillars

Substantial eaves with dental corbel

EXTERIOR:

Foundation	-	Sandstone
Walls	-	Face brick on stud with wood shed at rear
Roof	-	Wood frame construction with asphalt shingles
Open Porch	-	Wood structures throughout

CONSTRUCTION:

Floors	-	Hardwood
Rafters	-	Wood
Beams	-	Wood
DILHR [1] Classifi- cation	-	Type 8 - Wood Frame

---

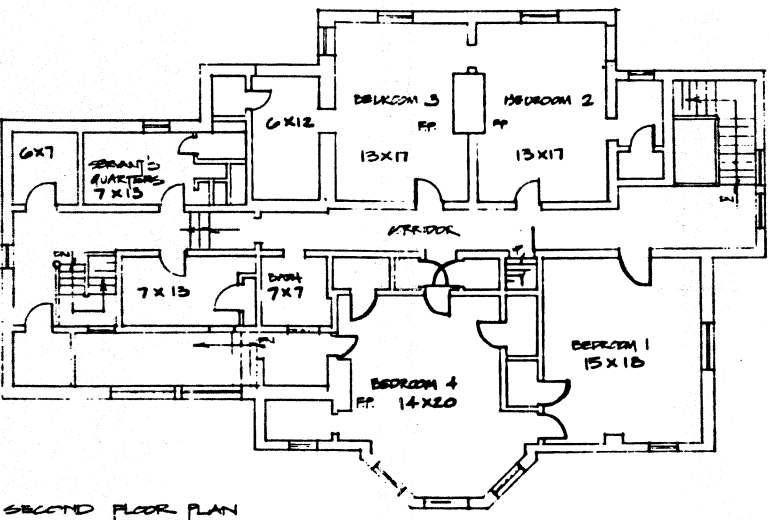
[1] DILHR = Department of Industry, Labor and Human Relations, State of Wisconsin.

EXHIBIT II-8 (Continued)

BASEMENT:		Full basement; rough finish in work areas; concrete floor
HEATING SYSTEM:		Two old boilers; both assumed to be operable; show evidence of leaking
		Gas fired steam system
		Asbestos-lined steam pipes
UTILITIES:	Water & Sewer	- 1" water service to property and 6" city sewer main on North Carroll Street
		Water service adequate for at least four dwelling units
	Electrical	- 200 ampere service - installed in 1966
	Natural Gas	- Yes
ACCESSORY BUILDING:		Described in Appraisal of 415 North Carroll Street--Carriage house assumed to be a part of Jackson House at 415 North Carroll Street

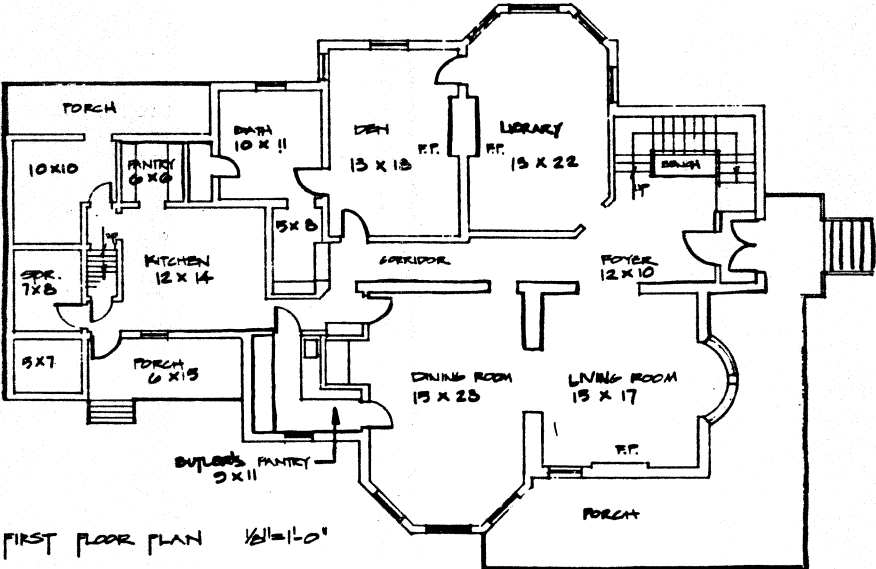
EXHIBIT II-9  
LAYOUT OF EXISTING FLOOR PLANS

ROOM SCHEDULE		AREA
ROOM		
FOYER		120
LIVING ROOM		220
DINING ROOM		210
LIBRARY		210
DEN		230
BATH		110
PANTRY		150
KITCHEN		300
BUTLER'S PANTRY		300
MISC.		300
FIRST FLOOR		1983
BEDROOM	1	270
BEDROOM	2	221
BEDROOM	3	221
BEDROOM	4	280
MISC.		105
SECOND FLOOR		2047
TOTAL		4030



SECOND FLOOR PLAN

WEST GORHAM STREET



FIRST FLOOR PLAN 1/8"=1'-0"

**GENERAL NOTES**  
BREESE J. STEVENS HOUSE  
CONSTRUCTED 1871  
DESIGNATED 6 MARCH 1972  
MADISON LANDMARKS COMMISSION  
CONSTRUCTED FOR DANIEL K. TENNY  
ARCHITECTURAL STYLE: ITALIANE  
EXTERIOR: RED BRICK  
WOODEN PORCHES & TRIM  
INTERIOR FEATURES: NATURAL OAK FLOORS,  
TRIM  
FIRST FLOOR CONTAINS  
EXTENSIVE OAK TRIM  
AND DETAILING, OAK  
AND TILE FIREPLACES  
PRESENT OCCUPANCY: OFFICES

NORTH CARROLL STREET

401 N. CARROLL STREET  
MEAN REPRESENTATION  
PREPARED BY:  
JEROME J. AULLING & ASSOCIATES  
ENGINEERS  
4-5-86

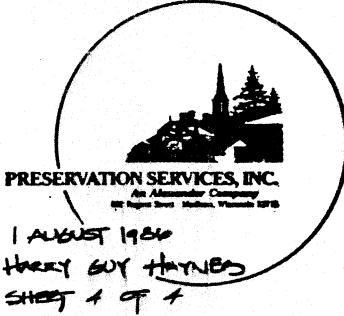




EXHIBIT II-10

PHOTOGRAPHS OF THE EXTERIOR AND INTERIOR OF  
401 NORTH CARROLL STREET



View from corner of  
North Carroll Street  
and West Gorham  
Street. Front entry  
from open porch on  
far left.

View from open  
green space between  
401 and 415 North  
Carroll Street  
houses.





EXHIBIT II-10 (Continued)



View from West  
Gorham Street. Note  
decorative detail  
under eaves. Open  
side porch leads to  
rear of house.

Rear view of 401  
North Carroll  
Street with some of  
the parking stalls  
off driveway in the  
foreground.  
Servants' quarters  
were on second  
floor of this  
section of the  
building.





EXHIBIT II-10 (Continued)



Looking from open side yard to rear section of house, formerly used as servants' quarters on second floor and kitchen and pantry areas on first floor. Entry door behind tree at left leads to small storage area and door at right opens into enclosed unheated porch and then into kitchen. Similar enclosed unheated porch on second floor.

EXHIBIT II-10 (Continued)



The main stairwell at the Carroll Street entry. Note excellent quality of oak finish.

Second floor corridor to stairwell. Large mirror appears to be part of real property. Carpet installed by tenant. Expensive oak woodwork also used on second floor.





EXHIBIT II-10 (Continued)



Former library on first floor. Fluorescent lighting and carpet assumed to belong to tenant. Note marble front on fireplace and wall/ceiling paper.

Fireplace in den on first floor. Note metallic embossed wall finish and ceiling design.





EXHIBIT II-10 (Continued)



Fireplace in former dining room. Carpet, fluorescent lighting, furnishings and sound system assumed to belong to tenant.

Former living room on first floor. Note elaborate mantle over the fireplace. Furnishings, window air conditioner, carpet and hung fluorescent fixtures assumed to belong to tenant.





EXHIBIT II-10 (Continued)



Former kitchen area. Only a few kitchen cabinets remain in place. Fluorescent lighting assumed to belong to tenant as well as all personalty.

Basement workroom complete with hand water pump. Can see portion of porch and rear of house at 415 North Carroll Street through basement window.





EXHIBIT II-10 (Continued)



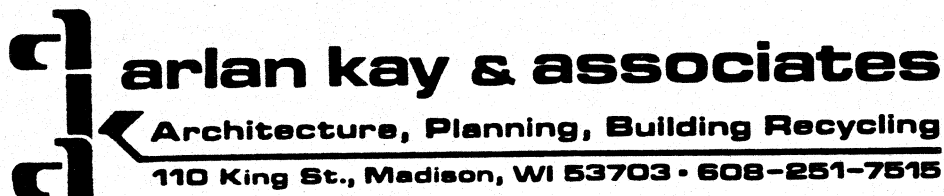
Store room in basement. Note raised wooden flooring and finished ceiling.

One of two old boilers; this one located at northeast end of basement. Note rust which suggests leaking boiler. Asbestos lined steam pipes in upper center of photo.



EXHIBIT II-11

REQUIRED REPAIRS/REPLACEMENTS TO CURE DEFERRED MAINTENANCE OF  
401 NORTH CARROLL STREET



November 10, 1986  
Project No. 86R

401 N. Carroll  
Deferred Maintenance

Sand fill cistern - concrete over	\$ 480
Repair porch floors and stairs	530
Gutters and downspouts	760
Patch holes foundation	300
Soffit repair - 60 ft.	720
Cornice repair - 60 ft.	480
New storm windows	5,100
Roofing porches (2)	290
Skylight - repair (112 SF)	1,380
Remove asbestos - pipes	3,120
Rewrap pipes	910
Boilers (2) - operative but short lived	0
Mechanical rooms (2) code	600
Repair basement windows	280
Remove (Modine) - patch holes	400
Subtotal	\$ 15,350
Contingency - 20%	\$ 3,070
Total	\$ 18,420

the steam pipes if required by law. Apparently, new legislation may force this expenditure.

In general, the beautiful oak woodwork is in relatively good condition as evidenced by the stairwell which is not hidden from view by the tenant's personalty. (See photographs in Exhibit II-10.) The fireplaces of varying designs and materials appear to be well-preserved although it was difficult to view them through the tenant's furnishings and materials. The wall and ceiling coverings are discolored from age, but might be restored by professionals. There has been no budget estimate made for this maintenance detail.

The fluorescent panels suspended from the ceiling throughout the building are not in keeping with the architectural elegance of the interior. The assorted carpeting which hides the natural hardwood floors as well as the general clutter of the tenant's personalty distract from the historical ambiance of a bygone era.

The exterior brick facade appears to be clean and in good condition. There are some repairs needed on the soffits, cornices, and porches, but, in general, the structure is sound and there are no major settling cracks in the walls and the ceilings. (See Exhibit II-11 for an estimate of the cost to cure the deferred maintenance by Arlan Kay and Associates.)

#### H. Identification of the Most Probable Use for the Subject Property

##### 1. Definition of Most Probable Price

For the purpose of this appraisal, the most probable use is defined as the highest and best use and is stated as follows: [1]

---

[1] Byrl N. Boyce, ed., Real Estate Appraisal Terminology, (Cambridge, MA, Ballinger Publishing Company, 1981.), pp. 126-127.

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 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.

## 2. Analysis of the Subject Property

Although the use of the subject property could revert back to a single-family residence, given building and zoning code requirements, its property attributes suggest that most probable use should remain office. The location of the building on the corner of North Carroll Street and heavily-traveled West Gorham Street does not provide the protection afforded the Jackson House, but it does lead to high visibility and easy recognition of the property which are positive attributes for commercial use. The movement of traffic to and from the Quisling Clinic and Bethel Lutheran parking lots adds to the visibility of the corner location. The availability of paid parking stalls on the Bethel Lutheran lot could supply convenient customer parking for the subject site.

The proximity to the Capitol Square, to the State, City and County government centers and to the University are positive linkages for office use.

The distinctive architectural style and the unique interior finishes, if properly maintained and displayed, would add distinction and elegance to certain types of low-customer traffic professional offices. The on-site parking stalls add convenience for both staff and clients.

Therefore, in the opinion of the appraisers, the most fitting and the most probable use of the subject property is to continue as office. The most probable buyer would be an owner-occupant who would utilize all or almost all of the space for his/her own enterprise.



### III. PREDICTION OF PRICE FOR SUBJECT PROPERTY

Recent market sales in a given geographical area can be the most reliable predictors of what the most probable buyer might be willing to pay for a similar property of that type in that area. A large enough number of sales and their similarity to the subject are the keys to the reliability of this method. As an alternative or supplementary predictor of market value to an investor, properties which produce an income can be valued by capitalizing the net income stream. This section will discuss both the Market Comparison Approach and the Income Approach to estimate the most probable selling price of the subject property.

#### A. Selection of Appraisal Methodology for Estimation of Market Value for Single-Family Residence Converted to Office/Apartment Use

The three basic methods of valuation are the Cost Approach, Income Approach, and Market Comparison Approach. The Cost Approach is an appropriate methodology when valuing relatively new improved properties. To estimate the physical depreciation of a 123 year old structure involves guesswork, to say the least; therefore the Cost Approach method is not appropriate for the subject property.

The Income Approach consists of capitalizing the net operating income using an appropriate capitalization rate. The rents are taken from the market and the discount rate used reflects the risk of the investment, the cost of money, and the appreciation in value anticipated in the future. The subject property which is used as an office, is an income property so the method is

most sensitive to unique revenue and operating costs which are difficult to detect in the market comparison approach.

The third approach, the Market Comparison Approach, uses sales of older homes which have been converted to offices or offices and apartments to predict price. Recent sales of similar or comparable properties are located and analyzed; through an orderly process of comparing attributes of the comparable sales properties to the subject property and adjusting for differences, the market value of the property is estimated.

#### B. Market Comparison Approach to Value

##### 1. Selection Criteria for Most Comparable Sales

A search of the downtown Madison market for older residences that had been converted to office use revealed four sales which are listed in Exhibit III-1. Three of the sales are smaller properties which are within four blocks of the Capitol Square and one very recent sale is of a larger home similar in gross building area to the subject property, but which has a two-car enclosed garage and surface parking for 18 other cars. The front lawn is expansive and the property is not within walking distance of the Capitol Square. A map showing the location of each of the comparable sales is found as Exhibit III-2.

The four properties are used to develop a pricing model for the subject property. To adjust for the difference in size between the subject property and the comparables, size is used as a price sensitive attribute and to adjust for differences in proximity to the Square, a locational factor is also used. Descriptions and photographs of the four comparables used to estimate market value of the subject property are found in Exhibits III-3, III-4, III-5, and III-6.

## EXHIBIT III-1

COMPARABLE SALES OF LARGER AND OLDER DOWNTOWN HOMES CONVERTED  
TO OFFICE/APARTMENT USE

PROPERTY ADDRESS	HISTORIC DISTRICT OR DESIGNATION	1986-87 ASSESSMENT	YEAR BUILT	DATE OF SALE	SALE PRICE	GRANTOR/ GRANTEE	ZONING	LOT SIZE	GROSS BUILDING AREA (GBA)	SALE PRICE PER SF OF GBA	PARKING AVAILABLE	COMMENTS
14 South Broom Street	Historic Landmark Designation-1982	L = \$ 29,000 I = 96,000 ----- T = \$125,000	1864	1/25/82	\$97,500 2 yr L.C.	Bodi/ 14 S. Broom Assoc.	R6	3,749	2,059	\$47.35	6 stalls 2 rows of tandem parking	Was 5 bedroom lodging house Buyer remodeled 2 floors 2 offices and 1 efficiency apartment
206 North Pinckney Street	Mansion Hill District	L = \$ 43,500 I = 68,000 ----- T = \$111,500	1874	5/2/83	\$12,000 L.C.-12.5% down variable rate 6 years	Lexington Assoc./ John Laun	C2	6,658	2,258	\$53.14	4-car garage	Buyer changed use from 2 apartments to 1st floor office 2nd floor apartment
403 West Washington Avenue	Historic Landmark Designation-1983	L = \$ 23,000 I = 103,000 ----- T = \$126,000	circa 1890	5/86	\$130,000 nominal price \$126,000 cash equivalent price	Homes Savings & Loan/ James & Kathleen Armstrong	R6	2,722	2,316	\$54.40	1-car garage	Had been taken back by lender and then sold for office use; 2nd floor converted from residential in office--Plan Commission approval in 1983
802 East Gorham Street	Historic Landmark Designation-1980	L = \$ 25,300 I = 169,700 ----- T = \$195,000	circa 1900	8/86	\$250,000	Gorham Associates/ The Hiebing Group	OR in R5 area	16,896	4,455	\$56.12	2-car garage plus 18 surface stalls	Had been law offices, renovated in 1976 Purchased for use as advertising offices
401 North Carroll Street	Historic Landmark Designation-1972	L = \$161,200 I = 30,000 ----- T = \$191,200	1863	N/A	N/A	N/A	R6H	10,560	5,142	N/A	~5 surface stalls	Has been used as office since 1966

EXHIBIT III-2

LOCATION OF COMPARABLE SALES

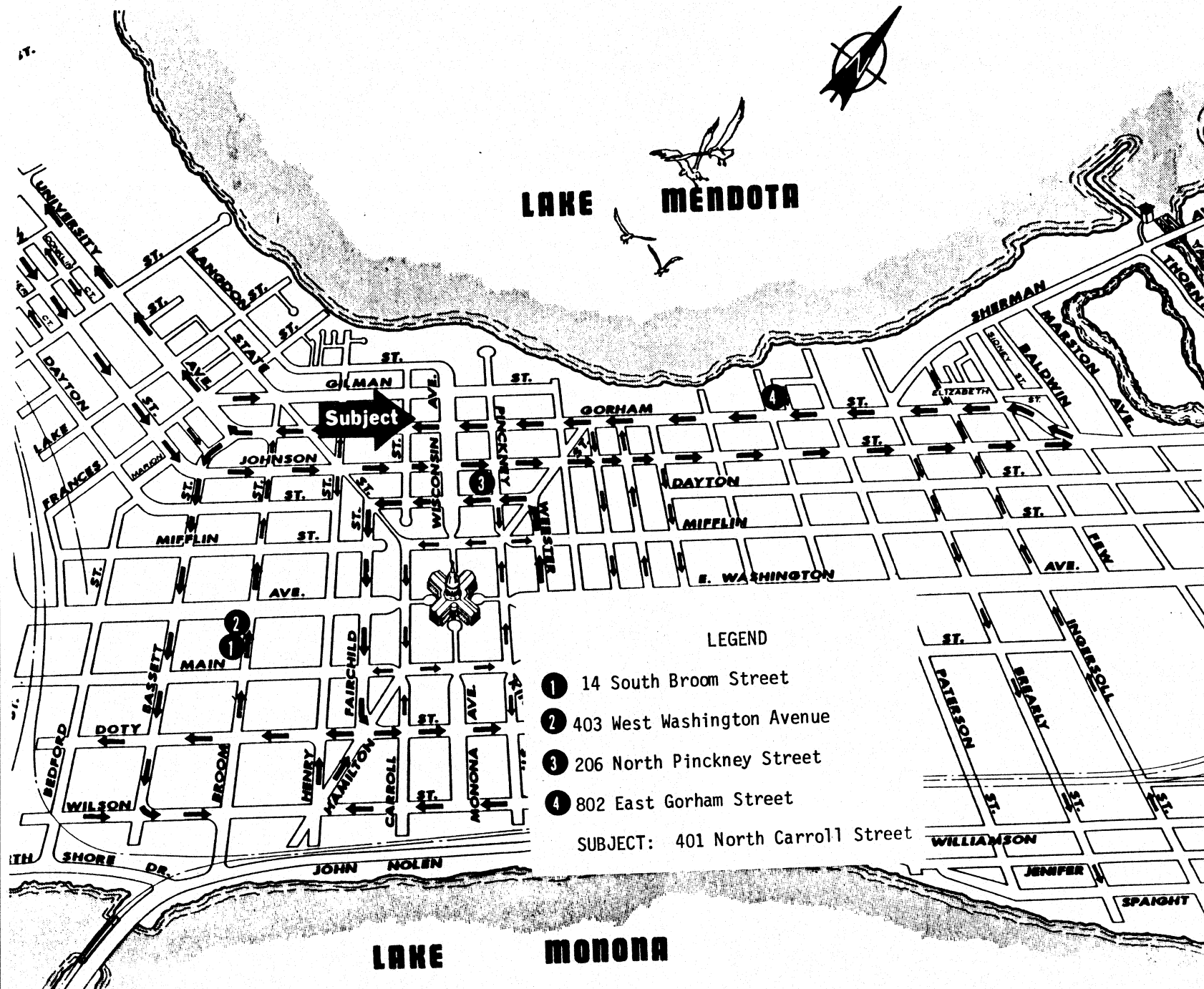


EXHIBIT III-3  
COMPARABLE PROPERTY NO. 1



14 South Broom Street  
Baldwin House

SALE DATE:	January 25, 1982
SALE PRICE:	\$97,500
SALE PRICE PER GBA:	\$47.35/SF
CONVEYANCE:	Land Contract fulfilled by Warranty Deed on April 1984
GRANTOR:	James and Judith Bodi
GRANTEE:	14 South Broom Street Associates
ZONING:	R6
LOT SIZE:	3,749 SF
GROSS BUILDING AREA:	2,059 SF
FIRST FLOOR:	1,186 SF
SECOND FLOOR:	873 SF



EXHIBIT III-3 (Continued)

COMPARABLE PROPERTY NO. 1 (Continued)

YEAR BUILT:	1864
HISTORIC LANDMARK:	Designated by Landmarks Commission 1982
USE AT TIME OF SALE:	5 bedroom lodging house
REMODELING SINCE PURCHASE:	Extensive remodeling after purchase
PRESENT USE:	Owner-occupied offices on first and second floors with one rental apartment unit at rear of first floor
PARKING AVAILABLE ON-SITE:	Two-lane driveway on northwest side of building. Capacity = 2 rows of 3 cars in each row parked in tandem.

EXHIBIT III-4  
COMPARABLE PROPERTY NO. 2



206 North Pinckney Street

SALE DATE:	May 1983
SALE PRICE:	\$120,000
SALE PRICE PER GBA:	\$53.14/SF
CONVEYANCE:	Land Contract at 10% - 12% interest for six years
GRANTOR:	Lexington Associates
GRANTEE:	John Laun
ZONING:	C2
LOT SIZE:	6,658 SF
GROSS BUILDING AREA:	2,258 SF
	FIRST FLOOR: 1,129 SF
	SECOND FLOOR: 1,129 SF

EXHIBIT III-4 (Continued)

COMPARABLE PROPERTY NO. 2 (Continued)

YEAR BUILT:	1874
HISTORIC LANDMARK:	In Mansion Hill Historic District
USE AT TIME OF SALE:	Two flat apartments
REMODELING SINCE PURCHASE:	Minimal for apartment to office conversion
PRESENT USE:	First floor - office Second floor - apartment
PARKING AVAILABLE ON-SITE:	Four-car garage at rear of lot with access through alley



EXHIBIT III-5  
COMPARABLE PROPERTY NO. 3



403 West Washington Avenue

SALE DATE:	May 1986
SALE PRICE:	\$130,000
CASH EQUIVALENT PRICE:	\$126,000
SALE PRICE (CEP) PER SF OF GBA	\$54.40/SF
CONVEYANCE:	Land Contract at 9.5% with \$2,000 down, balance due on April 1, 1991
GRANTOR:	Home Savings and Loan
GRANTEE:	James and Kathleen Armstrong
ZONING:	R6
LOT SIZE:	2,722 SF
GROSS BUILDING AREA:	2,316 SF
	FIRST FLOOR: 1,188 SF
	SECOND FLOOR: 1,128 SF

EXHIBIT III-5 (Continued)

COMPARABLE PROPERTY NO. 3 (Continued)

YEAR BUILT:	Circa 1890
HISTORIC LANDMARK:	Designated by Landmarks Commission in 1983
USE AT TIME OF SALE:	Offices on first and second floors. (Originally had apartment on second floor when renovated in 1980.)
REMODELING SINCE PURCHASE:	Minimal after purchase-complete renovation in 1980
PRESENT USE:	Advertising firm offices
PARKING AVAILABLE ON-SITE:	One-car garage at rear of building

EXHIBIT III-6  
COMPARABLE PROPERTY NO. 4



802 East Gorham Street  
Adolph H. Kayser Home

SALE DATE:	August 1986
SALE PRICE:	\$250,000
SALE PRICE (CEP) PER SF OF GBA	\$56.12/SF
CONVEYANCE:	Warranty Deed
GRANTOR:	Gorham Associates
GRANTEE:	The Hiebing Group
ZONING:	OR in a R5 area
LOT SIZE:	16,896 SF
GROSS BUILDING AREA:	4,455 SF
FIRST FLOOR:	2,227.5 SF
SECOND FLOOR:	2,227.5 SF

EXHIBIT III-6 (Continued)

COMPARABLE PROPERTY NO. 4 (Continued)

YEAR BUILT:	Circa 1900
HISTORIC LANDMARK:	Designated by Landmarks Commission in 1980
USE AT TIME OF SALE:	Law offices
REMODELING SINCE PURCHASE:	Minimal exterior touch-up--complete renovation in 1976
PRESENT USE:	Offices for advertising firm
PARKING AVAILABLE ON-SITE:	Two-car garage plus 18 surface stalls



## 2. Market Comparison Approach to Probable Price for the Subject Property Purchased for Office Use

Each comparable property has certain attributes which are observable, significant to the buyer, and sensitive to price. However, 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 for older homes converted to office/apartment use, the appraisers selected the following:

1. Architectural features-interior and exterior
2. Renovation required to maximize building features for office use
3. Ratio of land area to the first floor gross building area
4. Size of the improvements in terms of gross building area
5. Location--proximity to the Capitol Square.

Each of the sales and the subject property is then ranked for the relative value of architectural features, renovation required, ratio of land to building, the size of the improvements, and the proximity to the Capitol Square based upon the scale for scoring detailed in Exhibit III-7.

The appraisers assign initial weights to each of the attributes and then use a computer program, developed by Gene Dilmore [1] and known as QP, to find that combination of weights which best predicts the sale price of each

---

[1] Gene Dilmore is 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-7

SCALE FOR SCORING COMPARABLE SALES AND THE  
 SUBJECT PROPERTY BASED UPON PRICE SENSITIVE ATTRIBUTES  
 FOR LARGE, OLDER SINGLE-FAMILY RESIDENCES CONVERTED TO OFFICE/APARTMENT USE

<u>FINAL WEIGHT [1]</u>	<u>ATTRIBUTE</u>	<u>SCORE</u>
30%	Architectural Feature	5 = Distinctive exterior style with many interior features 3 = Good exterior style with few to no interior features 1 = Lacks distinctive features
20%	Renovation Required to Maximize Building Features for Office Use	5 = Turnkey--Minimal work required 4 = Touch-up of interior and exterior 3 = Minor interior alteration and some exterior touch-up 2 = Interior refurbishing and some exterior repairs required, but no major structural changes 1 = Change of use--major structural change
20%	Ratio of Land Area/ Gross Building Area	5 = > 5 3 = 3 to 5 1 = < 3
25%	Size of Improvements	5 = < 3,000 SF of GBA 3 = Between 3,000 and 4,000 SF of GBA 1 = >4,000 SF of GBA
5%	Location	5 = Within two blocks of Capitol Square 3 = Within four blocks of Capitol Square 1 = Within one mile of Capitol Square

comparable. In this case the initial equal weights of 20 percent per attribute shifted to final weights of 30 percent for architectural features, 20 percent for renovation required, 20 percent for ratio of land to building, 25 percent for the size of the improvements and 5 percent for location. The sale prices of the comparables are very reliably predicted using these five attributes.

The scores assigned each attribute for each property,, including the subject property, and the weighted matrix, used to solve for the weighted point score for each comparable and the subject property, are displayed in Exhibit III-8. The test of the reliability of the pricing algorithm, calculated by Gene Dilmore's QP program, is its ability to predict the actual sale price of the comparable. The results of this test are shown in Exhibit III-9. The percent error or variance is less than 2 percent in all cases, therefore, reliance can be placed upon the value estimate predicted for the subject property.

Using the mean price per point method, the value range estimates for the subject property are from \$229,000 to \$234,000 with a central tendency of \$231,000. The value range estimate is shown in Exhibit III-10.

THEREFORE, USING THE MARKET COMPARISON APPROACH, THE ESTIMATED MARKET VALUE OF THE SUBJECT PROPERTY, GIVEN ITS MOST PROBABLE AND FITTING USE AS AN OFFICE BUILDING IS \$231,000 OR \$45.00/SF FOR THE PROPERTY AS IS, ON A SITE WITH 80 FEET OF FRONTAGE ON NORTH CARROLL STREET AND 132 FEET OF FRONTAGE ON WEST GORHAM AND UNENCUMBERED BY A LEASE.

#### C. Income Approach to Value

The premise of the Income Approach is that investment value is the sum of the present value of benefits to the owner plus the original balance of the loan since a loan is the present value of all of the interest and principal payments due the lender under the loan. The Income Approach combines three

EXHIBIT III-8

ATTRIBUTE SCORES ASSIGNED COMPARABLE SALES AND SUBJECT  
PROPERTY AND WEIGHTED MATRIX TO SOLVE FOR THE  
WEIGHTED POINT SCORE AND PRICE PER POINT SCORE  
FOR COMPARABLES AND SUBJECT PROPERTY

Project title: 401 NORTH CARROLL STREET

Unit prices Search interval = 5

	ARCHI	RENOV	RATIO	SIZE	LOCAT	Price
Prel. wts.	30	20	20	25	5	-
14 SOUTH BR	3	1	3	5	3	\$47.35
206 NORTH P	1	3	5	5	5	\$53.14
403 WEST WA	3	5	1	5	3	\$54.40
802 EAST GO	5	4	5	1	1	\$56.12
401 NORTH C	5	2	3	1	3	-

Attribute	Weighted Matrix										Price/ Point Score
	ARCHITEC		RENOVATI		RATIO OF		SIZE OF		LOCATION		
-----											
Initial weights	20		20		20		20		20		100
Final weights	30		20		20		25		5		100
-----											
14 SOUTH BROOM	3/ 0.90	1/ 0.20	3/ 0.60	5/ 1.25	3/ 0.15	3.10					15.27
206 NORTH PINC	1/ 0.30	3/ 0.60	5/ 1.00	5/ 1.25	5/ 0.25	3.40					15.63
403 WEST WASHI	3/ 0.90	5/ 1.00	1/ 0.20	5/ 1.25	3/ 0.15	3.50					15.54
802 EAST GORHA	5/ 1.50	4/ 0.80	5/ 1.00	1/ 0.25	1/ 0.05	3.60					15.59
401 NORTH CARR	5/ 1.50	2/ 0.40	3/ 0.60	1/ 0.25	3/ 0.15	2.90					x



EXHIBIT III-9

COMPARISON OF PREDICTED VS. ACTUAL SALE PRICE OF EACH COMPARABLE  
A TEST OF THE PRICING ALGORITHM

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

	Predicted Price	Actual price	Error	% Variance
14 SOUTH BROOM STR	\$48.08	\$47.35	\$0.73	1.5%
206 NORTH PINCKNEY	\$52.73	\$53.14	-\$0.41	0.8%
403 WEST WASHINGTO	\$54.28	\$54.40	-\$0.12	0.2%
802 EAST GORHAM ST	\$55.83	\$56.12	-\$0.29	0.5%

EXHIBIT III-10

RANGE OF MARKET VALUE ESTIMATES USING  
THE MEAN PRICE PER POINT METHODOLOGY

Value Range Determination: Mean Price Per Point Method

Mean price per point:	\$15.51
Dispersion About the Mean:	\$0.16
Coefficient of Variation :	0.01

Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per SQUARE FOOT
Low Estimate	2.90	X	\$15.35	=	\$44.51
Central Tendency	2.90	X	\$15.51	=	\$44.98
High Estimate	2.90	X	\$15.67	=	\$45.44

Transaction Zone: Mean Price Per Point Method

Number of SQUARE FOOT in subject property: 5142

Low Estimate	\$228,873	or	\$229,000
Central Tendency	\$231,265	or	\$231,000 ★
High Estimate	\$233,656	or	\$234,000
	Coefficient of Variation		= 0.01

basic elements following a forecast of net income available for debt service: (1) an acceptable mortgage amount determined by a basic mortgage financing model and justified by an income stream from the subject property, (2) the present value of the cash dividends available after debt service, and (3) the present value of the capital gains from property appreciation to the equity investor.

The revenue and expense sections of the cash flow model require a spreadsheet forecast reflecting market rents and standardized lease terms. The results of a survey of market rents for Class B and C offices in downtown Madison are found in Exhibit III-11. A survey of offices in converted older homes in downtown Madison revealed a wide range of rents which are shown in Exhibit III-12. These net operating income forecasts are shown in Exhibit III-13 and are documented by footnotes. The financing, investor yield, resale price, and income tax assumptions for the Income Approach are found in Exhibit III-14. Using the net operating income forecast for 1987, the revenue justified capital budget (back door) model is used to size the mortgage and the equity required; the sum of these two amounts yield the total justified investment in the project. The back door model is shown in Exhibit III-15. The total justified investment is estimated to be \$252,125 or rounded, \$250,000. After the estimated capital outlays for deferred maintenance and replacement of two old boilers are subtracted, the proceeds available for the purchase of the project are \$223,705 or rounded, \$225,000.

To solve for value using the discounted cash flow methodology, net operating income is input to a computerized investment valuation model known as ATV developed by Valusoft, Inc., & Micro-Matix, Inc., located in Winston-Salem, North Carolina. Using a required investment yield of 15 percent, the after tax

EXHIBIT III-11

SURVEY OF DOWNTOWN MADISON CLASS B AND C  
OFFICE MARKET AS OF MARCH 1985 WITH SELECTED UPDATES  
AS OF NOVEMBER 1986

SURVEY OF CLASS B-C OFFICE MARKET IN DOWNTOWN MADISON AS OF MARCH 1985 WITH SELECTED UPDATES AS OF NOVEMBER 1986										
BUILDING	LOCATION	NET LEASEABLE SQUARE FEET	VACANT SPACE IN SQUARE FEET	PERCENT OF VACANT SPACE	ANNUAL RENTAL RATES PER SQUARE FEET	PARKING	ENCLOSED OR SURFACE PARKING	UTILITIES INCLUDED	JANITORIAL INCLUDED	AMENITIES INCLUDED [1]
			AS OF 3/85:	AS OF 3/85:						
OVDE BUILDING	122 W. Washington Avenue	64,000	3,200	5%	\$10.50	None	---	Heat, no elec.	Yes	8
O ON THE SQUARE	30 West Mifflin Street	62,503	11,502	18%	\$6.50-\$12.50 (Ave. \$9-\$10.50)	None	---	Yes	Yes	8
ATIONAL MUTIAL BENEFIT	119 Monona Avenue	41,500	0	0%	\$9.50-\$10.50 Update: 11/86 - \$10.50	35 stalls @ \$52.50/mo Update: 11/86 - \$52.50/mo	Surface	Yes	Yes	6, 7, 8, 10
ENTRE SEVEN	7 North Pinckney Street	20,533	1,027	5%	\$9.25-\$15.00	None	---	Yes	Some	8
4 WEST MIFFLIN	14 West Mifflin Street	27,000	5,000	18.5%	\$4.50 (lower level) - \$11.77	None	---	Most	Most	8
TRIUM	23 North Pinckney Street	14,968	500	3%	\$9.25-\$15.00	None	---	Some	Some	---
MURCHILL BUILDING	16 North Carroll Street	36,000	14,400	40%	\$9.00	None	---	Heat	Yes	---
25 WEST DOTY STREET	125 West Doty Street	9,300	1,900	20%	\$10.00 Update: 11/86 - \$9.00	10 stalls @ \$43/mo Update: 11/86 - \$48/mo	Surface	Yes	Yes	1, 6, 8
IRE STATION NO. 2	301 North Broom Street	8,400	0	0%	\$8.00-\$13.00 Update: 11/86 - \$12.00	13 stalls @ \$45/month Update: 11/86 - \$55/mo	Surface	Heat, no elec.	Yes	8
AA BUILDING	435 West Washington Avenue	26,500	0	0%	\$6.46	50 spaces @ \$0/mo	Surface	No	No	8
47 SOUTH BUTLER STREET	147 South Butler Street	3,800	1,800 (2nd floor)	47%	\$9.43	None	---	No	Yes	8
03 NORTH HAMILTON STREET	103 North Hamilton Street	1,766	0	0%	\$10.48	4 stalls @ \$40/mo	Surface	Yes	No	8, 10
1) 1 = Shared secretarial services 2 = Word Processing 3 = Shared copy services 4 = Receptionist 5 = Conference room(s) 6 = Kitchen facilities 7 = Window air conditioning 8 = Central air conditioning 9 = Office furniture 10 = Showers 11 = Exercise equipment/health club 12 = Restaurant										

EXHIBIT III-12

RENTAL RATES FOR OFFICES LOCATED IN CONVERTED  
OLDER HOMES NEAR THE CAPITOL SQUARE

RENTAL RATES FOR OFFICES LOCATED IN OLDER HOUSES NEAR THE SQUARE

Address	Zoning	Lot Size (SF)	Year Built	Tenant	Square Feet Rented SF/GBA	Rent/SF	Lease Length	Rent Escalation	Heat	Elec.	R. E. Tax	Janitor
218 N. Pinckney	R6H	3,199	1869	Robert P. Ellis Inv. R.E.	2,204	\$6.00	5 yrs. [1]	None	T	T	0	T
14 S. Broom	R6	3,749	1864	Capitol Square Associates	1,774	\$16.91 [2]	Indefinite	NA	T	T	0	T
122 E. Dayton	C2	4,950	1890	St. of WI Board on Aging & Long Term Care	1,000	\$12.00	3 yr.	None	T	T	0	0
406 N. Pinckney	R6H	4,686	1900	Harmonia Madison Center for Psychotherapy Apt.-basement	2,569 594	\$5.75 [4] NA	3 yr. NA	\$0.25/SF/yr NA	0 NA	0 NA	0 NA	T NA
206 N. Pinckney	C2	6,658	1874	John Gibson, Atty. (John Laun, Atty.-owner uses office on occasion)	1,129	\$7.12	1 yr.	10/85 = 7%	0	0	0	0
401 Wisconsin Ave.	R6H	3,432	1885	Vacant	900 [3]	\$7.50 [4]	Negotiable	\$0.25/SF/yr	0	0	0	T
				The Moon Tree-psychotherapy	1,228 [3]	\$9.25 [4]	3 yr.	\$0.25/SF/yr	0	0	0	T
				Lives Unlimited	1,228 [3]	\$9.25 [4]	10 yr.	\$0.25/SF/yr	0	0	0	T

[1] Lessor indicates lessee is seriously considering purchase as office-personal residence in the future.

[2] This rent is not considered arm's length because the owner is part of the tenant group.

[3] This square footage is based on space occupied only; no halls or bathrooms are included.

[4] Rent, according to owner, is \$7.50/SF for 900 SF of net space (or \$5.00/SF for gross space), and \$9.25/SF for 1228 SF of net space (or \$6.11/SF for gross space). Owner knows rents are less than market, but is comfortable with existing tenants. Property at 406 North Pinckney owned by same landlord.



## EXHIBIT III-13

REVENUE AND EXPENSES FOR 401 NORTH CARROLL STREET  
FOR OFFICE USE AT MARKET RENTS--WITH EXTENSIVE FOOTNOTES

	1986	1987	1988	1989	1990
<b>REVENUE:</b>					
Rent at \$8.25/sf [1] for 5,142 SF	\$42,422	\$43,270	\$44,136	\$45,019	\$45,919
Vacancy at 0% [2]	0	0	0	0	0
Effective Gross Revenue	\$42,422	\$43,270	\$44,136	\$45,019	\$45,919
<b>EXPENSES:</b>					
Management and leasing fee at 8% of EGR [3]	\$3,394	\$3,462	\$3,531	\$3,602	\$3,674
Insurance--all risk [4]	2,250	2,340	2,433	2,531	2,632
Structural maintenance and repairs at \$0.65/SF [5]	3,342	3,476	3,615	3,760	3,910
Real Property Taxes [6]	5,040	5,438	5,656	5,882	6,117
Total Operating Expenses	\$14,026	\$14,716	\$15,235	\$15,775	\$16,333
NET OPERATING INCOME	\$28,396	\$28,554	\$28,901	\$29,244	\$29,586

EXHIBIT III-13 (Continued)

FOOTNOTES TO REVENUE AND EXPENSES  
OFFICE USE--MARKET RENTS FOR 401 NORTH CARROLL STREET

[1] Potential Gross Revenue

- a) Market rent for Class B & C offices in downtown Madison at \$9 to \$12/SF, gross or full service rent, based on net leaseable area (NLA). (See Exhibit III-11.)
- b) Market rent for offices in converted older residences in downtown Madison at \$6 to \$12/SF based on gross building area (GBA); rental rates range from full service rent to a net rent excluding only real estate taxes. (See Exhibit III-12.)
- c) Market rent for 401 North Carroll Street at \$12/SF assuming full service rent and based upon net leaseable area. High end of range selected because property has unique architectural features, basement storage and four parking stalls.
- d) Adjustment of market rent for subject property:

Market rent/SF of NLA--Full service rent	\$12.00 SF
Convert to GBA assuming NLA/GBA = 85%	<u>0.85</u>
Adjusted market rent/SF of GBA--Full service rent	\$10.20 SF

Less tenant payment for: \*

Utilities at \$1.10 SF/GBA	(1.10)
Snow and trash removal at \$0.15/GBA	(0.15)
Janitorial service at \$0.70/GBA	<u>(0.70)</u>

ADJUSTED MARKET RENT/SF OF GBA--Net rent	\$ 8.25 SF
--	------------

\* Taken from 1986 Building Owners and Managers Association (BOMA) expenses for office buildings 50/years and older (See Appendix C)

- e) Market rent is adjusted annually at half of the annual increase in the Consumer Price Index (CPI). The average annual increase is assumed to be 4% during the five year lease term.

- [2] Assume single tenant occupancy; the most probable buyer is an owner-occupant. Therefore, there is no vacancy.

EXHIBIT III-13 (Continued)

- [3] Management fees are at 4% of effective gross revenue (EGR) and a leasing fee at 4% is charged to the property.
- [4] The annual premium for an all-risk insurance policy is estimated to be \$2,250 based on information provided by the Fish and Schulkamp agency. The premium is escalated at 4% per year.
- [5] The charge for structural maintenance and repairs is based upon national average costs for older office buildings (50 years or more) according to the 1986 Building Owners and Managers Association (BOMA) operating data. The expense is increased at 4% annually.
- [6] The 1985 assessment of \$191,200 times the 1985 mill rate of 0.0263591 resulted in a December 1985 tax bill of \$5,039.86, payable in 1986. The 1986 assessment remained the same, but the mill rate increased approximately 7.9% to 0.028442. The 1986 tax bill will be approximately \$5,438.000, payable in 1987. After 1987, real estate taxes are assumed to increase at 4% per year.

EXHIBIT III-14

ASSUMPTIONS USED FOR INCOME APPROACH

FINANCING:

1. Debt cover ratio is 1.3 based on 1987 net operating income (NOI)
2. Interest rate of 10 percent for 25 years

INVESTOR RETURN:

1. Cash on cash required by investor and a minimum of 13 percent for older projects with little appreciation potential
2. Before tax modified internal rate of return between 16 to 20 percent and after tax modified internal rate of return between 14 to 18 percent for this higher risk property

INCOME TAX CONSIDERATIONS:

1. Straight line depreciation for commercial real estate based on 31.5 years of useful life for the improvements
2. Investor tax bracket at 28 percent for ordinary and capital gain income

RESALE PRICE:

1. Net operating income in Year 5 capitalized at 11.4 percent--overall rate for project using NOI in Year 2 of \$28,554 divided by value of \$250,000

REVENUE AND EXPENSES:

1. Rents increased at one-half of annual CPI; average annual CPI assumed to be 4 percent and rents increase at 2 percent per year
2. Expenses increase at 4 percent per year unless noted otherwise
3. Rental rates in Year 1 at \$8.25 per SF of GBA with lessee responsible for utilities, janitorial, ordinary maintenance, and trash and snow removal

EXHIBIT III-15

REVENUE JUSTIFIED CAPITAL BUDGET--DEBT COVER RATIO APPROACH

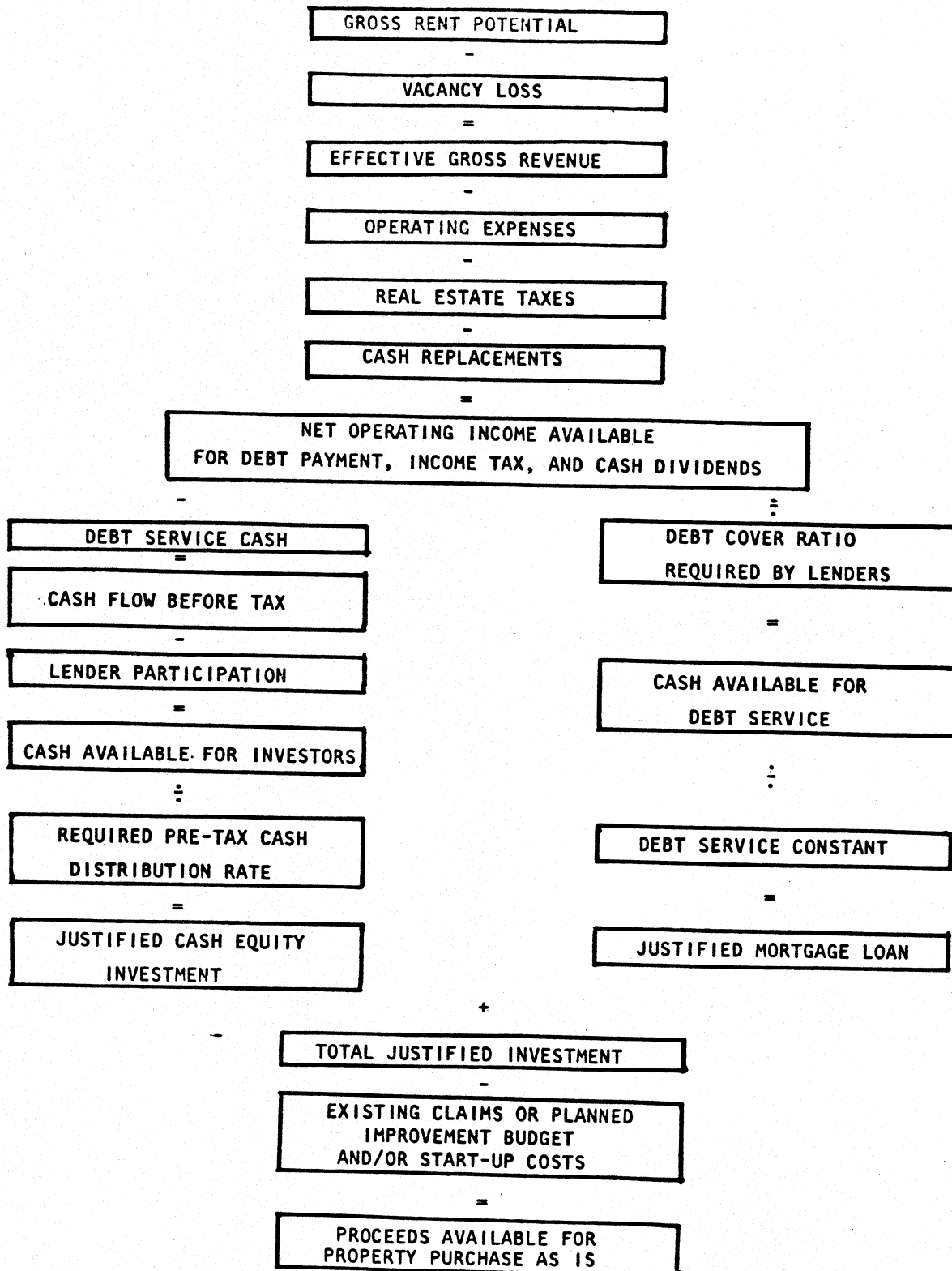




EXHIBIT III-15 (Continued)

GRP	\$43,270
-	
VL	0
=	
EGR	\$43,270
-	
OE	\$ 9,278
-	
RET	\$ 5,438
-	
CR	0

NOI	\$28,554
-----	----------

DS	\$21,965
=	
CTO	\$ 6,589
-	
LP	0
=	
CAI	\$ 6,589
÷	
TCDR	.13
=	
JEI	\$50,685

DCR	1.30
-----	------

DS	\$21,965
----	----------

DSC	0.10904
(Interest @ 10%, 25 year term)	

JML	\$201,440
-----	-----------

TJI	\$252,125
-----	-----------

PIB	\$ 18,420
	\$ 10,000

PPP	\$223,705
-----	-----------

Rounded \$250,000  
Overall Rate = NOI/V = 0.114

To cure deferred maintenance.  
Replacement of boilers..

Rounded \$225,000

investment value is estimated to be \$250,695 or rounded, is \$250,000. The computer output, including the assumptions, are found in Exhibit III-16. When the cost to cure the deferred maintenance of \$18,420 and the replacement cost of one or two boilers of approximately \$5,000 to \$10,000 is subtracted from the estimated value of \$250,695, the investment value of the subject property in its present condition ranges from \$222,000 to \$227,000.

A computerized discounted before and after tax cash flow program, VALTEST, is used to test the reasonableness of the appraised value of \$250,000 after the subject property is repaired. Input assumptions used are shown in Exhibit III-17 and are taken from the Schedule of Revenues and Expenses (Exhibit III-13), from the back door approach (Exhibit III-15) and from the ATV program output (Exhibit III-16) which solved for the justified mortgage, assuming a debt cover ratio of 1.3 based upon the second year NOI of \$28,554 and suggested a market value of \$250,000. The net resale price is assumed to be \$260,000 based upon an overall rate of 11.4 percent applied to the NOI in the fifth year of the holding period.

The resulting modified internal rate of return of 18.03 percent before taxes and 14.21 percent after taxes represents a minimum threshold for equity investors in this higher risk property. The subject property is fully priced at \$250,000, assuming that the deferred maintenance and refurbishing have been completed and therefore the property can command the market rent of \$8.25 per square foot under the lease terms previously described.

THEREFORE, USING THE INCOME APPROACH, THE ESTIMATED MARKET VALUE OF THE SUBJECT PROPERTY, GIVEN IT MOST PROBABLE AND FITTING USE AS AN OFFICE BUILDING IS \$225,000 OR \$43.75 PER SQUARE FOOT, FOR THE PROPERTY AS IS, ON A SITE WITH 80 FEET OF FRONTAGE ON NORTH CARROLL STREET AND 132 FEET OF FRONTAGE ON WEST GORHAM STREET AND UNENCUMBERED BY A LEASE.

EXHIBIT III-16

AFTER TAX VALUATION--DISCOUNTED CASH FLOW METHODOLOGY

BREESE STEVENS HOUSE  
401 NORTH CARROLL STREET  
MADISON , WI 53703

By LANDMARK RESEARCH INC-DAVIS/GRAASKAMP

VALUE	\$250,695.
AFTER TAX YIELD	15.00000
OVERALL RATE	0.11390
MORTGAGE CONSTANT	0.10904
MORTGAGE VALUE	\$201,440.
BUILDING VALUE	\$145,095.
EQUITY VALUE	\$49,255.
EQUITY DIVIDEND	0.13376

CASH FLOW SUMMARY

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NOI	\$28,396.	\$28,554.	\$28,901.	\$29,244.	\$29,586.
DEBT SER#1	-\$21,966.	-\$21,966.	-\$21,966.	-\$21,966.	-\$21,966.
BTCF	\$6,430.	\$6,588.	\$6,935.	\$7,278.	\$7,620.
NOI	\$28,396.	\$28,554.	\$28,901.	\$29,244.	\$29,586.
INTEREST 1	-\$20,058.	-\$19,858.	-\$19,638.	-\$19,394.	-\$19,125.
DEPREC	-\$4,606.	-\$4,606.	-\$4,606.	-\$4,606.	-\$4,606.
TAXABLE	\$3,732.	\$4,089.	\$4,657.	\$5,244.	\$5,855.
TAXES	\$1,045.	\$1,145.	\$1,304.	\$1,468.	\$1,639.
ATCF	\$5,385.	\$5,443.	\$5,631.	\$5,810.	\$5,981.

RESALE PRICE \$260,000.  
LOAN BALANCE # 1 -\$189,684.

RESALE PRICE \$260,000.  
ADJUSTED BASIS -\$227,664.  
TAXABLE GAIN \$32,336.  
LONG TERM GAIN \$32,336.  
ORDINARY TAXES \$0.  
CAPITAL GAINS TAX \$9,054.

BEFORE TAX PROCEEDS \$70,316.  
TAXES -\$9,054.  
AFTER TAX PROCEEDS \$61,262.

EQUITY CASH FLOW SUMMARY

YEAR	CASH FLOW
0	-\$49,255.
1	\$5,385.
2	\$5,443.
3	\$5,631.
4	\$5,810.
5	\$67,243.

## EXHIBIT III-16 (Continued)

## ASSUMPTIONS USED IN ATV DISCOUNTED CASH FLOW

EQUITY YIELD RATE	15.00000	
HOLDING PERIOD	5	
LOAN NUMBER	1	
INTEREST RATE	0.10000	
LOAN TERM	25.00000	
PAYMENTS PER YEAR	12	
LOAN AMOUNT	201,440	
TAX RATE	0.28000	
CAPITAL GAINS TAX RATE	0.28000	
RESALE PRICE	\$260,000.	← Based on 5th year NOI.
LAND VALUE	\$105,600.	capitalized at 11.4%
DEPRECIATION METHOD	SL	Land valued at \$10/SF
COST RECOVERY PERIOD	32	for 10,560 SF
NET OPERATING INCOME	\$28,554.	
CHANGE IN NOI	0.03614	
INCOME ADJUSTMENT FACTOR	YR	

## EXHIBIT III-17

TEST OF THE REASONABLENESS OF THE ESTIMATE OF  
VALUE USING VALTEST COMPUTER PROGRAM

## INPUT ASSUMPTIONS FOR--401 NORTH CARROLL STREET

## BASIC DATA

Project Name	401 NORTH CARROLL STREET
Projection Period	5
Acquisition Cost	250,000
Is Property Subsidized Housing ? Y Or N	N
Is Property Residential? Y Or N	N
Is Owner A Taxable Corporation? Y Or N	N
Effective Ordinary Tax Rate	28.000
Effective Tax Rate In Year Of Sale	70.000
Cap Rate for NOI to Determine Resale Price	11.400
Owner's Reinvestment Rate in %	9.000
Owner's Discount Rate in %	9.000

Program uses 1985 tax law  
with cap gains at 40%.  
Therefore by entering 70%  
program uses 28%.  
Cap rate at 11.4% based  
upon 2nd yr. NOI ÷ \$250,000  
value.

## MORTGAGE DATA

Do You Want To Use Standard Financing? Y Or N	Y
Mortgage Ratio Or Amount	80.576
Interest Rate	10.000
Mortgage Term	25
Payments Per Year	12
Points to be paid	0.000
Prepayment penalty	0.000
Is There Lender Participation? Y Or N	N
Income Cash Throw-Off To Lender In %	0.000
Resale Proceeds To Lender Before Taxes In %	0.000

## COMPONENT DATA

Value or Ratio Of Improvement #1/Total Value	56.898	Land is estimated at
Depreciable Life Of Improvement #1	32	\$10.00/SF or \$105,600.
Depreciation Method, Improvement #1	1	
Is There a Second Improvement	N	
Value or Ratio of Component #2/Total Value	0.000	
Depreciable Life of Component #2	0	
Depreciation Method, Improvement #2	0	
Rehabilitation Tax Credit for Improvement #2	0.000	
Is Structure a Historic Landmark	N	

## INCOME AND EXPENSE SUMMARY

Year	Gr. Inc.	Vac Rate	Var Exp	Fix Exp
1	42,422	0.000	8.000	10,632
2	43,270	0.000	8.000	11,254
3	44,136	0.000	8.000	11,704
4	45,019	0.000	8.000	12,173
5	45,919	0.000	8.000	12,659

See Exhibit III-13.



## EXHIBIT III-17 (Continued)

## CASH FLOW REPORT FOR--401 NORTH CARROLL STREET

Year	Gross Operating Income	Vacancy Loss	Effective Gross Income	Variable Operating Expenses	Fixed Operating Expenses	Net Operating Income
1	42,422	0	42,422	3,394	10,632	28,396
2	43,270	0	43,270	3,462	11,254	28,554
3	44,136	0	44,136	3,531	11,704	28,901
4	45,019	0	45,019	3,602	12,173	29,244
5	45,919	0	45,919	3,674	12,659	29,586
	220,766	0	220,766	17,661	58,422	144,683

Year	Net Operating Income	Less Interest	Less Depreciation	Taxable Income	Less Principal Paid	Plus Depreciation
1	28,396	20,058	4,516	3,822	1,908	4,516
2	28,554	19,858	4,516	4,180	2,107	4,516
3	28,901	19,638	4,516	4,748	2,328	4,516
4	29,244	19,394	4,516	5,335	2,572	4,516
5	29,586	19,125	4,516	5,946	2,841	4,516
	144,683	98,073	22,579	24,031	11,757	22,579

Year	Cash Throw-Off	Income Taxes	Spendable Cash After Taxes	Equity Return Before Taxes	Equity Return After Taxes
1	6,430	1,070	5,360	13.24%	11.04%
2	6,588	1,170	5,418	13.57%	11.16%
3	6,936	1,329	5,607	14.28%	11.55%
4	7,279	1,494	5,785	14.99%	11.91%
5	7,620	1,665	5,955	15.69%	12.26%
	34,853	6,728	28,125	14.35%★	11.58%★

EXHIBIT III-17 (Continued)

MORTGAGE ANALYSIS FOR--401 NORTH CARROLL STREET

Net Mortgage Amount	201,440	Mortgage Term	25
Mortgage Interest Rate	10.000	Mortgage Constant	10.904
Points on Mortgage	0.000	Prepayment Penalty	0.000
Lender Participation	0.000	Reversion	0.000

Year	Interest Paid	Principal Paid	Loan Participation	Debt Service	Mortgage Balance	Debt Coverage Ratio
1	20,058	1,908	0	21,966	199,532	1.2927
2	19,858	2,107	0	21,966	197,425	1.2999 ← Used 1.3 DCR to size mortgage.
3	19,638	2,328	0	21,966	195,097	1.3157
4	19,394	2,572	0	21,966	192,525	1.3314
5	19,125	2,841	0	21,966	189,683	1.3469
Avg:						1.3173

Lenders Participation in Sales Proceeds 0  
 Lenders Prepayment Penalty is 0

Lenders Internal Rate of Return is 10.00 %  
 assumes payments are made 12 times a year  
 at the end of the period and participation  
 is paid at the end of the year.

DEPRECIATION SCHEDULE FOR--401 NORTH CARROLL STREET  
 IMPROVEMENT # 1  
 Straight Line

Year	Depreciation For Tax Purposes	Straight Line Depreciation	Excess Depreciation	Balance
1	4,516	4,516	0	137,729
2	4,516	4,516	0	133,214
3	4,516	4,516	0	128,698
4	4,516	4,516	0	124,182
5	4,516	4,516	0	119,666
TOTAL	22,579	22,579	0	

EXHIBIT III-17 (Continued)

SUMMARY OF FINAL SALE OF PROPERTY FOR--401 NORTH CARROLL STREET

Original Cost	250,000
Original Net Mortgage	201,440
Original Equity	48,560

Resale Price	259,531
Less Mortgage Balance	189,683
Proceeds Before Taxes	69,847
Less Lender's %	0
Prepayment Penalty	0
Net Sales Proceeds Before Taxes	69,847

=====

Resale Price	259,531
Less Lender's %	0
Prepayment Penalty	0
Net Resale Price	259,531
Less Basis	227,421
Total Gain	32,109

Net Sales Proceeds	69,847
Tax On Capital Gain	8,991
Tax On Ordinary Gain	0
Total Taxes on Sale	8,991

Excess Depreciation	0
Excess Dep. Forgiven	0
Capital Gain	32,109
Ordinary Gain	0

Net Sales Proceeds After Tax	60,857
------------------------------	--------

=====

Net Income to Market Value Ratio in Year 1	0.1136
Net Income to Market Value Ratio in Year of Sale	0.1140

The IRR for the project before taxes is	20.02 % ★
The IRR for the project after taxes is	15.23 % ★
Assumes cash flows and tax losses at end of year and a reinvestment rate equal to the calculated IRR.	

The Modified IRR for the project before taxes	18.03 % ★
The Modified IRR for the project after taxes	14.21 % ★
Assumes cash flows and tax losses at end of year and a reinvestment rate of 9.00 %.	

The Net Present Value of the Project Before Taxes Using 9.00% as the Discount Rate is	23,745
---	--------

The Net Present Value of the Project After Taxes Using 9.00% as the Discount Rate is	12,769
--	--------

D. Comparison and Reconciliation of Market Comparison and  
Income Approaches to Value

The Market Comparison Approach, using the QP point score method of adjusting for differences between comparable properties which have recently sold and the subject property, suggests a market value range from \$229,000 to \$234,000 with a central tendency of \$231,000. Each property that sold required different levels of capital outlays to be ready for occupancy at market rate rents. Building permit and assessment records indicated the dates of major capital outlays for renovation. For example, the property at 802 East Gorham Street, which sold in 1986, was completely renovated in 1976 to restore the original elegance to the interior and exterior finish. The property at 403 West Washington Avenue was renovated with many architectural features of the past carefully reinstated in 1980. The property at 206 North Pinckney Street needed only a small capital budget to convert an apartment to an office in 1983 after purchase and the building is not architecturally significant. The building at 14 South Broom Street had been a rooming house. After purchase in 1982, major alterations took place to convert to offices and an apartment was added in the rear of the structure; the purchase was contingent upon a successful application as a designated Madison Landmark.

The subject property was occupied as an office, but it appears there was never a conscious plan executed for conversion to office use prior to occupancy; the use just expanded as needed. Repairs have been done on a "when absolutely necessary" basis; therefore, as of the date of valuation, there is some deferred maintenance that needs to be done. Although the boilers continue to function, there is evidence of leakage and time for replacement is imminent. An investor/buyer would include this cost in the purchase price.

Therefore, in the Market Comparison Approach, the subject property was given a relatively low score for condition to account for the needed repairs and which correspondingly reduced the estimated market value of the subject. The value estimate of \$229,000 to \$234,000 represents an as is value; no further reductions are made for deferred maintenance.

In the Income Approach the rental rates used to solve for net operating income assume the building is in good condition and the distinctive architectural features are shown to their best advantage. Therefore the estimated investment value of \$250,000, using the discounted cash flow methodology, has not been adjusted downward for the estimated capital outlays required to command the top market rents for a building of this type. As concluded in the discussion of the Income Approach, the estimated investment/market value of the subject property in its present condition is \$225,000.

Therefore, with reliance upon the Market Comparison Approach which is supported by the Income Approach, the appraisers have concluded that most probable cash sale price of the subject property as described within this report is estimated to be \$230,000, as is and unencumbered by a lease and is subject to the limiting assumptions and conditions found throughout the appraisal.

In the event the Court expands the 415 North Carroll Street site, as suggested by the appraisers, to assure its marketability as a single-family residence and to maximize the proceeds to the heirs of the estate, that part of the site extending into Lots 9 and 10 of Block 80 will remain subject to the lease encumbering 401 North Carroll Street until December 31, 1990.

E. Valuation of the Leasehold Interest and the Leased Fee Interest

The subject property, located at 401 North Carroll Street and described as Lots 9 and 10, Block 80, City of Madison, is subject to a written lease dated

March 8, 1985 which expires December 31, 1990. The circumstances of the lease are more fully described within this report.

The contract rents, substantially below market rates, have created a leasehold interest in the property. To solve for the value of this leasehold interest, the effective gross revenue from contract rent is subtracted from the effective gross revenue from market rents to determine the amount of revenue lost each year during the remaining term of the lease. The annual rent lost is discounted at 11.4 percent which is the overall rate suggested by the back door method of solving for the total justified purchase budget (See Exhibit III-15.) The present value of the leasehold interest is \$143,500; the calculations are found in Exhibit III-18.

THE ESTIMATED MARKET VALUE AS OF NOVEMBER 1, 1986, IS \$230,000 FOR THE PROPERTY IN ITS PRESENT CONDITION. THE PRESENT VALUE OF REVENUE LOST DUE TO BELOW MARKET RENTS IN PLACE UNTIL DECEMBER 31, 1990, IS \$143,500; THEREFORE, THE VALUE OF THE LEASED FEE INTEREST IS \$86,500.



EXHIBIT III-18  
ESTIMATED VALUE OF LEASEHOLD INTEREST AND  
OF LEASED FEE INTEREST

	1986	1987	1988	1989	1990
Effective Gross Revenue - Market Rents [1]	\$42,422	\$43,270	\$44,136	\$45,019	\$45,919
Effective Gross Revenue - Contract Rents [2]	(4,800)	(4,800)	(4,800)	(4,800)	(4,800)
Loss of Revenue Due to Below Market Rents	\$37,622	\$38,470	\$39,336	\$40,219	\$41,119
Present Value of Leasehold Interest Discounted at an overall rate of 11.4% [3]	\$143,306 - Rounded, \$143,500				
*****					
Total Market Value at Market Rents [4] (less required capital outlays)		\$230,000			
Less Value of Leasehold Interest [5]		(143,500)			
VALUE OF LEASE FEE INTEREST		\$86,500			
		=====			

- [1] See Exhibit III-13 for revenue at market rents.
- [2] See Appendix A for terms of lease on subject property.
- [3] Discount rate used is the overall rate calculated in Exhibit III-15.
- [4] See Exhibits III-10 and III-16 for market value estimates and Exhibit III-17 for test of investor yield at market value.
- [5] The definition of Leasehold Value is taken from the revised edition of Real Estate Appraisal Terminology compiled and edited by Bryl N. Boyce, 1981 and states in part:

LEASEHOLD VALUE - The value of a leasehold interest; the right to the use, enjoyment, and profit existing by virtue of the rights granted under a lease instrument. The value of a leasehold interest is the present (discounted) worth of the rent saving, when contractual rent at the time of appraisal is less than the current market rent.

#### IV. VALUE CONCLUSION

Using the Market Comparison Approach, the estimated value of the subject property located at 401 North Carroll Street as of November 1, 1986, is:

TWO HUNDRED THIRTY ONE THOUSAND DOLLARS

(\$231,000)

assuming the property is sold for cash as an office building, is unencumbered, and has 80 feet of frontage on North Carroll Street and 132 feet of frontage on West Gorham Street.

Using the Income Approach, the estimated value of the subject property located at 401 North Carroll Street as of November 1, 1986, is:

TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS

(\$225,000)

assuming the property is sold for cash as an office building, is unencumbered, and has 80 feet of frontage on North Carroll Street and 132 feet of frontage on West Gorham Street.

THEREFORE, THE ESTIMATED MARKET VALUE OF THE SUBJECT PROPERTY, AS OF NOVEMBER 1, 1986, IS:

TWO HUNDRED THIRTY THOUSAND DOLLARS

(\$230,000)

GIVEN ITS MOST PROBABLE AND FITTING USE AS AN OFFICE BUILDING, AS IS AND UNENCUMBERED BY A LEASE, ON A SITE WITH 80 FEET OF FRONTAGE ON NORTH CARROLL STREET AND 132 FEET OF FRONTAGE ON WEST GORHAM STREET AND ASSUMING THE PROPERTY IS SOLD FOR CASH.

The present value of the leasehold interest as of November 1, 1986 is:

ONE HUNDRED FORTY THREE THOUSAND FIVE HUNDRED DOLLARS

(\$143,500)

discounting the revenue lost due to contract rents substantially below market at an overall rate of 11.4 percent.

THEREFORE VALUE OF THE LEASED FEE INTEREST AS OF NOVEMBER 1, 1986, IS:

EIGHTY SIX THOUSAND FIVE HUNDRED DOLLARS

(\$86,500)

ASSUMING THE SUBJECT PROPERTY IS SOLD FOR CASH.

CERTIFICATION OF VALUE

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

Based on the information and subject to the limiting conditions contained in this report, it is our opinion that the market value as defined herein, of this property as of November 1, 1986, is:

TWO HUNDRED THIRTY THOUSAND DOLLARS

(\$230,000)

given its most probable and fitting use as an office building, as is and unencumbered by a lease, on a site with 80 feet of frontage on North Carroll Street and 132 feet of frontage on West Gorham Street and assuming the property is sold for cash.

The present value of the leasehold interest of the present tenant, as of November 1, 1986, is:

ONE HUNDRED FORTY THREE THOUSAND FIVE HUNDRED DOLLARS

(\$143,500)

assuming a overall rate of 11.4 percent to the end of the lease term.

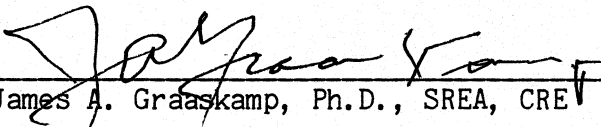
The present value of the leased fee interest of the subject property, as of November 1, 1986, is, therefore,:

EIGHTY SIX THOUSAND FIVE HUNDRED DOLLARS

(\$86,500)

assuming the subject property is sold for cash.

FOR LANDMARK RESEARCH, INC.,

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

  
Jean B. Davis, Real Estate Appraiser/Analyst

December 23, 1986  
Date

## 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)

Larson Teaching Award (1985)

Alfred E. Reiman, Jr. Award - Society of Real Estate Appraisers (1986)

Urban Land Institute Trustee

Research Committee - Pension Real Estate Association (PREA)

Richard T. Ely Real Estate Educator Award from Lambda Alpha

Homer Hoyt Foundation Fellow

### 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, Inc., a subsidiary of First Bank Minneapolis. He is the designer and instructor of the Urban Land Institute (ULI) School of Real Estate Development and the American Bankers Association (ABA) National School of Real Estate Finance. His work includes substantial and varied consulting and valuation assignments such as investment counseling to insurance companies and banks, court testimony as an expert witness and the market/financial analysis of various projects, both nationally and locally, for private and corporate investors and municipalities. Currently is a member of Salomon Brothers Real Estate Advisory Board.

J E A N B. D A V I S

EDUCATION

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

Master of Arts - Elementary Education - Stanford University

Bachelor of Arts - Stanford University (with distinctions)

Additional graduated and undergraduate work at Columbia Teachers College and  
the University of Wisconsin

PROFESSIONAL EDUCATION

Society of Real Estate Appraisers

Appraising Real Property Course 101

Principles of Income Property Appraising Course 201

American Institute of Real Estate Appraisers

Residential Valuation (Formerly Course VIII)

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

PROFESSIONAL EXPERIENCE

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

Her experience includes appraisal of major income properties, rehabilitated older commercial properties, and residential properties.



APPENDIX A

HISTORICAL BACKGROUND OF TITLE TRANSFER,  
OPINION OF TITLE  
AND  
LEASE ON LOTS 9 AND 10, BLOCK 80

APPENDIX A (Continued)

HISTORICAL BACKGROUND OF TITLE TRANSFERS  
FOR PROPERTIES LOCATED AT 401 NORTH CARROLL STREET  
AND 415 NORTH CARROLL STREET

According to the last will and testament of Breese J. Stevens, the homestead property, the concern of this appraisal, was assigned in fee simple absolute to his second wife. His second wife, Mary Elizabeth Stevens and his daughters, Amelia Fuller Stevens and Elizabeth Breese Stevens were his only heirs at law in 1906 when the estate was assigned. The homestead property is described as follows:

The southeast one-half of Lots 1 and 2 and all of Lots 9 and 10 in Block 80 of the City of Madison, County of Dane and State of Wisconsin according to the recorded plat thereof, together with all the house and barn furniture and personal property of every kind and description. (See Exhibit II-1 for the map which defines the homestead property in relationship to the current site of 415 North Carroll Street. Note that the SW 28 feet of the SE 1/2 of Lot 3, Block 80 is not included in this description.)

Shortly after her father's death, Elizabeth Stevens married Reginald Jackson and her mother, Mary Elizabeth Stevens, deeded to Elizabeth one of the three homestead lots (SE 1/2 of Lots 1 and 2 of Block 80) on November 11, 1908; the Hudson Dutch Colonial home was built in 1909 on this site now known as 415 North Carroll Street. The original carriage house, apparently built within the confines of the three homestead lots, then became divided between the properties.

When Mary Elizabeth Jackson died and her will was admitted to probate in 1925, the sole heirs to the remaining homestead property (Lots 9 and 10, Block 80) were her daughters, Amelia and Elizabeth, as tenants in common. An excerpt from the will states:

Having deeded to my daughter Elizabeth one of the three homestead lots on which a separate home for her was built after her marriage,

APPENDIX A (Continued)

and this being completely furnished, it is my wish that my daughter Amelia shall live in the home we have occupied together as long as she shall desire to do so, and while this (401 North Carroll Street) continues to be her home, I give my daughter Amelia the use of said homestead property and household furnishings.

In the final judgement for Mary Elizabeth Stevens' estate, Amelia Fuller Stevens and Elizabeth were each assigned:

An undivided one-half interest in Lots 9 and 10, Block 80, Madison, Wisconsin, subject to right of Amelia Fuller Stevens to the use of the described homestead property so long as she shall desire to live therein and subject to recorded easements and restrictions.

On December 1, 1957, Elizabeth Stevens Jackson, mother of Reginald H. Jackson, Jr., died in Rochester, Minnesota at age 78 years and title to the home located at 415 North Carroll was transferred to her son. This real property is described as follows:

The SE 1/2 of Lots 1 and 2, and the SW 28 feet of the SE 1/2 of Lot 3, Block 80, Madison, Wisconsin, subject to an exception and reservation contained in a deed by M. Elizabeth Stevens as grantor to Elizabeth Breese Stevens Jackson dated November 11, 1908, whereby grantor reserved to herself for life and to Amelia F. Stevens at her pleasure so long as she occupied the family homestead, that part of the described premises used and occupied by grantor for a stable yard, garden connected therewith and a right of ingress and egress over and across said premises necessary for proper convenient use and enjoyment of same. Subject also to recorded easement and restrictions.

Sometime between 1909 and 1957 the Jackson's acquired the SW 28 feet of the SE 1/2 of Lot 3, Block 80 and two additions were made to the carriage house.

Elizabeth Breese Stevens Jackson also left to her son, Reginald H. Jackson, Jr., her interest in the property at 401 North Carroll Street

APPENDIX A (Continued)

previously described.

On June 13, 1961, Amelia Fuller Stevens died in Madison, Wisconsin, at the age of 90 years and left her interest in the property at 401 North Carroll to her nephew, Reginald H. Jackson, Jr. A summary of the chain of title from 1870 to the present is found in Exhibit II-2 within the text of the appraisal.

During the time the two properties located at 415 North Carroll and 401 North Carroll were occupied by members of the Stevens-Jackson families, the yard and carriage house were shared in common; the fact that the carriage house extends across the property lines and the southerly side yard at 415 North Carroll is only approximately two feet wide and the northerly side yard is approximately eight feet wide were of no consequence. But for a buyer of 415 North Carroll as a single-family home, control of the southerly side yard is critical.

APPENDIX A (Continued)

OPINION OF TITLE  
FOR 401 NORTH CARROLL STREET  
LAW OFFICES

ROSS & STEVENS, S. C.

801 FIRST WISCONSIN PLAZA  
ONE SOUTH PINCKNEY STREET  
MADISON, WISCONSIN 53703-2889  
TELEPHONE (608) 257-8353  
TELECOPIER (608) 257-8175

OF COUNSEL  
FRANK A. ROSS  
MYRON STEVENS

CHARLES P. SEIBOLD  
JAMES E. WEBSTER  
THOMAS D. ZILAVY  
JEREMY C. SHEA  
RICHARD C. GLEBNER  
DANIEL W. HILDEBRAND  
PETER R. DOHR  
JOHN RASHKE  
JAMES R. COLE  
PAUL A. CROAKE  
DENIS P. BARTELL  
DAVID F. GRAHS  
WREDE H. SMITH  
ROY L. PRANGE, JR.  
THOMAS P. SOLHEIM  
WILLIAM P. SCHMEISSER  
KIM GRIMMER  
DAVID B. BILLING  
STEVEN J. KIRSCHNER  
CARL E. GULBRANDSEN  
PATIENCE D. ROGGENSACK  
PETER C. CANFIELD  
AMANDA J. KAISER  
CHRISTOPHER D. DANIELS  
PETER A. OPPENEER  
ANNIE T. WALLJASPER  
LYNN A. LUDKE  
WILLIAM R. WEST  
RICHARD L. BOLTON

WEST OFFICE  
FIRST WISCONSIN OF WEST TOWNE BANK BUILDING  
402 GAMMON PLACE, SUITE 230  
MADISON, WISCONSIN 53718  
TELEPHONE (608) 833-2100

WEST OFFICE  
JOHN RASHKE  
WREDE H. SMITH  
ROY L. PRANGE, JR.  
STEVEN J. KIRSCHNER

September 30, 1986

First Wisconsin National  
Bank of Madison  
Personal Representative for the  
Estate of Reginald H. Jackson, Jr.  
1 South Pinckney Street  
Madison, WI 53703

Attention: Mr. R. Christian Davis

Dear Mr. Davis:

At your request, we have examined title to the following described property located in the City of Madison, Dane County, Wisconsin, as shown by an Abstract of Title in one part, the most recent continuation of which was prepared by Badger Abstract and Title Corporation, from government entry to September 2, 1986 at 9:09 a.m.:

Lot Nine (9) and Ten (10), Block Eighty (80),  
in the City of Madison, Dane County, Wisconsin.

From such examination, it is our opinion that as of the date of the last continuation, merchantable title to the above property was in Reginald H. Jackson, Jr., subject to the following matters:

Entry No. 62 of the Abstract reveals a Notice of Designation pursuant to §33.01(3) of the Madison General Ordinances, by the Landmark Commission for the City of Madison designating the premises as a landmark. This Notice of Designation was dated November 14, 1972 and recorded in the office of the Register of Deeds for Dane County on November 14, 1972, in Volume 397 of Records, Page 410, as Document No. 1346996. The Notice of

OCT 15 1986

ORIGINAL DEED, 1986

ABSTRACT

3592

APPENDIX A (Continued)

ROSS & STEVENS, S.C.

First Wisconsin National Bank of Madison  
Re: Estate of Reginald H. Jackson, Jr.  
September 30, 1986  
Page 2

Designation subjects the property to certain restrictions set forth in §33.01(5) of the Madison General Ordinances, which generally requires approval of the Landmark Commission for the altering, reconstruction or demolition of the buildings on the property.

Though not disclosed in the Abstract, you have informed us that the property is subject to a lease to Mr. Jerome Mullins.

The certificate accompanying the Abstract discloses no unsatisfied judgments, state or federal, and no mechanic's liens of record.


Real estate taxes have been paid up to and including those for the year 1985. The parcel number is 0709-144-1207-1.

Since the abstracter has restricted its representations as to municipal special assessments and charges to those that appear on record in the office of the City Clerk of Madison and the current status register as of July 31, 1986, our opinion is also so limited.

Not having been furnished with a survey, we express no opinion as to whether improvements, if any, on the subject premises conform to zoning ordinances and regulations and to matters which might be revealed upon an examination of a survey or upon a physical inspection of the premises.

Sincerely,

ROSS & STEVENS, S.C.

By   
Peter A. Oppeneer

PAO:vlt

ABSTRACT

3592



APPENDIX A (Continued)

LEASE FOR 401 NORTH CARROLL STREET

LEASE

1. THIS LEASE, made and entered into this 8 day of MARCH, 1985, by and between Reginald H. Jackson Jr. whose address is 1610 Lake Mendota Drive, Madison, Wisconsin, his heirs, executors, administrators, successor, and assigns, hereinafter called the lessor, and Jerome J. Mullins, at 844 Prospect Place, Madison, Wisconsin hereinafter called the lessee:

WITNESSETH, The parties hereto for the considerations hereinafter mentioned covenant and agree as follows:

2. The lessor hereby leases to the lessee: the land and improvements known as 401 N. Carroll Street and the carriage house further described as lots 9 and 10 block 80 original Plat, City of Madison (Parcel #0709-144-1207-1) to be used for professional offices and residential use or such other legal use as may be designated by the lessee and approved by the lessor.

3. To have and to hold the said premises with their appurtenances for the term beginning January 1, 1985 and ending December 31, 1990.

4. The lease will automatically renew on a year to year term unless either party shall at least 60 days before the expiration of the demised period or any date in any subsequent one year term, notify the other in writing to the contrary.

5. The lessee shall pay the lessor the premises rent at the following rate: The sum of Forty Eight Hundred Dollars (\$4,800.00) per year in arrears.

6. The lessor agrees to maintain the exterior and interior of the premises in good repair and the lessor will provide heating, plumbing and electrical maintenance and repairs as are required for the convenience of the lessee (except for damage caused by a willful act or negligence of the lessee). The lessor reserves the right at reasonable times to enter and inspect the premises or to make necessary repairs thereto.

7. At the expiration of this lease or any renewal thereof, the lessee will return the premises to the lessor, ordinary wear, damage by the elements of fire excepted. It is mutually agreed, in consideration of the rent to be paid and other conditions of this lease, that the lessee shall not be responsible for damage to the premises by fire, except due to negligent acts of the lessee.

8. The lessee does hereby covenant, promise and agree to pay the rent in the manner hereinbefore specified. The lessee will comply with all laws, ordinances, rules and regulations of proper health officers and will observe such rules and regulations as may be required by any fire insurance company or companies that may insure the premises.

9. In the event of demolition, or condemnation of the premises the lessor shall give the lessee at least one year's notice in writing to terminate the lease.

10. If the said premises be wholly destroyed by fire or other casualty this lease shall immediately terminate. In case of partial destruction of damage so as to render the premises untenable, either party may terminate the lease by giving written notice to the other within fifteen (15) days thereafter, and if so terminated no rent shall accrue to the lessor after such partial destruction of damage.

11. The lessee shall retain ownership to the leasehold improvements made by him and shall have the right to remove such leasehold improvements at the termination of tenancy.

12. The lessor will pay the real estate taxes, and special assessments.

13. The lessee will pay the monthly utility costs for water, gas and electricity, and will pay the heat for the building.

14. Neither party to this contract should be required to maintain insurance for the other.

15. The lessee will mow the lawn at 401 North Carroll Street and clear snow from the street sidewalks in the winter.

16. Should the property be offered for sale the lessee shall have the first right to purchase the property. If the lessee does not agree to the price and or terms the lessee shall then have the first right of refusal to purchase the property at the price and terms of a bona fide written offer made for it. Said right to be exercised by notifying the lessor by certified mail within five days of the lessee's receiving written notice that such a bona fide offer has been made.

17. The covenants contained herein shall bind the parties mutually and their heirs, executors, administrators, legal representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

In presence of:

LESSOR

Carl M. Mullins

R. H. Jackson, Jr.

In presence of:

LESSEE

Carl M. Mullins

Jerome J. Mullins

APPENDIX B

APPLICABLE ZONING CODES,  
LANDMARKS COMMISSION REGULATIONS  
AND  
LANDMARKS NOMINATION FORM FOR THE SUBJECT PROPERTY

APPENDIX B (Continued)

APPLICABLE ZONING CODES  
1966 ZONING CODE AND 1986 ZONING CODE

CHAPTER 28

ZONING CODE AS OF SEPTEMBER 1, 1966  
MADISON, WISCONSIN

ZONING

Sec. 28.08

building and the name of the management thereof, may be displayed, provided that on a corner zoning lot, two such signs, one facing each streets, shall be permitted.

2. For nonresidential buildings, a single identification sign, not exceeding 12 square feet in area and indicating only the name and address of the building and the principal occupant may be displayed, provided that on a corner zoning lot, two such signs, one facing each street, shall be permitted.

(7) R6 General Residence District

(a) Statement of Purpose

The R6 General Residence District is established to stabilize and protect the essential characteristics of certain of the highest density residential areas normally located in the central part of the city, and to promote and encourage, insofar as compatible with the intensity of land uses, a suitable environment for family life consisting mainly of an adult population, and in those central areas located in close proximity to the central campus of the University of Wisconsin, to promote and encourage a suitable environment for student housing facilities. Besides all types of residential uses, and certain institutional uses, certain offices unlikely to develop a concentration of traffic, hotels and motels, and certain retail and personal service shops to serve primarily residents of apartment hotels, multiple-family dwellings, hotels or motels, are permitted in the district.

(b) Permitted Uses

The following uses are permitted in the R6 District:

1. Any use permitted in the R5 District.
2. Offices for professional persons, for insurance or real estate organizations, and for non-profit civic, fraternal, governmental research, labor political, religious, and service organizations, or associations, provided in no case shall the gross total floor area of such offices exceed 15,000 square feet.
3. Photography studios, including the development of films and pictures when conducted as part of the retail business on the premises.

## APPENDIX B (Continued)

## Sec. 28.08(4)(c)3.d.

## ZONING CODE

d. The hours of operation be approved by the Plan Commission and strictly adhered to by the applicant.

(Sec. 28.08(4)(c)3. Cr. by Ord. 6909, 2-29-80)

(d) Lot Area Requirements. In the R3 district, there shall be provided not less than four thousand (4,000) square feet of lot area per dwelling unit.

(e) In the R3 district, the height regulations governing height in the R1 district shall apply to one (1) family and two (2) family detached dwellings. However, as part of a planned residential development where authorized by the Plan Commission because of a superior site plan, a building not exceeding three (3) stories may be permitted. (Am. by Ord. 8076, 7-14-83)

(f) Yard Requirements. In the R3 district, front, side and rear yards shall be provided, each of which shall not be less than the following:

1. Front yard--twenty-five (25) feet.

2. Side Yards.

a. One story buildings--a least side yard of five (5) feet and a combined total of both side yards of twelve (12) feet.

b. Two story buildings--a least side yard of six (6) feet and a combined total of both side yards of fifteen (15) feet.

c. For each foot by which the side walls of a building exceed forty (40) feet (measured parallel to the adjoining side lot line), the required side yard width shall be increased one and one-half (1 1/2) inches. Such increased width shall apply to the entire length of the side yard.

d. Reversed corner lot--twelve and one-half (12 1/2) feet for side yard adjoining street.

3. Rear yard--forty (40) feet.

(g) Usable Open Space Requirements. In the R3 district, there shall be provided a usable open space of not less than seven hundred fifty (750) square feet per dwelling unit.

(h) (R. by Ord. 5831, 5-6-77)

(5) R4 General Residence District.

(a) Statement of Purpose. The R4 general residence district is established to stabilize and protect the essential characteristics of certain medium density residential areas normally located in the outlying as well as some inlying urban parts of the City, and to promote and encourage a suitable environment for family life where children are members of most families. Development in the R4 general residence district is limited primarily to certain residential and institutional uses, such as single-family, two-family and multiple-family dwellings, and convalescent homes, and certain community and recreational facilities to serve residents of the district.

★ (b) Permitted Uses. The following uses are permitted in the R4 district:

1. Any use permitted in the R3 district.

2. (R. by Ord. 4648, 8-2-74)

3. Clubs and lodges, private, provided such buildings shall be located not less than fifty (50) feet from any lot in a residence district.

## ZONING CODE

## APPENDIX B (Continued)

Sec. 28.08(5)(b)4.

4. Convalescent homes and nursing homes, provided such buildings shall be located not less than fifty (50) feet from any lot in a residence district.
5. Hospitals and sanitariums, provided such buildings shall be located not less than fifty (50) feet from any lot in a residence district.
6. Nursery schools.
7. (R. by Ord. 5121, 9-3-75)

★(c) Conditional Uses. The following conditional uses may be allowed in the R4 district subject to the provisions of Section 28.12(10).

1. Any use allowed as a conditional use in the R3 district, unless permitted in (b) above.
2. Planned residential developments--public housing for the elderly, 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) zoning lots separated only by a public right-of-way where authorized by the City Plan Commission.
3. 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 public rights-of-way where authorized by the Plan Commission.
4. Uses listed below and proposed for a zoning lot occupied by a landmark or landmark site designated by the Landmarks Commission providing the owner of said lot agrees to maintain the architectural and historical integrity and significance of said landmark or landmark site during the tenure of such conditional use. Providing such use is not considered by the Plan Commission to be detrimental to the neighborhood in which it is situated; providing that the Landmarks Commission approved such conditional use as being appropriate for the subject structure of site and neighborhood; and providing that the owner of said lot agrees, on behalf of himself, successors and heirs that if and when the landmark designation is removed the conditional use permit becomes null and void:
  - a. Wearing apparel shops employing five (5) persons or less.
  - b. Professional and business offices.
  - c. Art galleries and museums.
  - d. Toy, gift, book and hobby shops.
  - e. Interior decorators and upholsterers.
  - f. Barber and beauty shops employing five (5) persons or less.
  - g. Florist shops employing five (5) persons or less.
  - h. Photography studios.
  - i. Medical and dental facilities.
  - j. Conservatories employing five (5) persons or less.
  - k. Delicatessens employing five (5) persons or less.
  - l. Drugstores.
  - m. Tailor shops.
  - n. Hat and shoe repair shops.
  - o. Restaurants and restaurant-taverns with or without bars. (Am. by Ord. 8043, 5-26-83)
  - p. Antique shops. (Cr. by Ord. 5441, 3-30-76)
- ★ 5. The division of and addition to any single-family, two-family or multiple-family dwelling which results in the creation of additional dwelling units therein. (Am. by Ord. 4624, 7-1-74)
6. Multiple-family detached dwellings provided that there shall be not

APPENDIX B (Continued)

ZONING CODE

Sec. 28.08(5)(g)

(g) Usable Open Space Requirements. In the R4 district, there shall be provided a usable open space of not less than five hundred (500) square feet per dwelling unit.

(h) (R. by Ord. 5831, 5-6-77)

(6) R5 General Residence District.

(a) Statement Of Purpose. The R5 general residence district is established to stabilize and protect the essential characteristics of certain medium density residential areas normally located in the inlying as well as some outlying urban parts of the City, and to promote and encourage a suitable environment for residential occupancy.

★ (b) Permitted Uses. The following uses are permitted in the R5 district:

1. Any use permitted in the R4 district.
2. (R. by Ord. 5907, 7-7-77)
3. Apartment hotels.
4. Fraternity and sorority houses and other similar types of co-operative housing facilities.
5. Lodging houses.
6. Offices for professional persons, provided the zoning lot shall be located not more than one block or six hundred (600) feet, measured by street route, from a heavy traffic route system street, and provided the zoning lot shall be contiguous to a commercial district or across the street from a commercial district, and provided that in no case shall the total area of such offices exceed three thousand (3,000) square feet, and further provided that such offices shall be located in a residential building and shall maintain the general appearance of a residential building on the exterior thereof, and further provided that there shall be displayed only a single identification sign not to exceed six (6) square feet in area and indicating only the name and address of the building and the names of the professional offices therein, except that on a corner zoning lot two (2) such signs, one facing each street, shall be permitted. (Am. by Ord. 5249, 12-24-75)

★ (c) Conditional Uses. The following conditional uses may be allowed in the R5 district subject to the provisions of Section 28.12(10).

1. Any use allowed as a conditional use in the R4 district unless permitted in (b) above. (Am. by Ord. 4650, 8-2-74)
2. Any development of parcels adjacent to landmarks, landmark sites or historic districts designated by the Landmarks Commission, provided that the use of the parcel is either a permitted or conditional use allowed in the R5 District. (Am. by Ord. 7181, 12-29-80)
3. Colleges and universities, but not including business colleges or trade schools.
4. Institutions for the aged and for children.
5. Offices of health, medical and welfare institutions qualifying as nonprofit institutions under the laws of the State of Wisconsin, provided that the activities of such institutions shall be conducted predominantly by mail.
6. Any building built with zero side yards in the R5 zero side yard area described in 28.08(6)(f)2.f., provided that the use of the parcel is either a permitted or conditional use allowed in the R5 General Residence District. (Am. by Ord. 7523, 10-6-81)



## APPENDIX B (Continued)

Sec. 25.08(b)(c)7.

## ZONING CODE

7. Any development of a through lot, provided that the use of the parcel is either a permitted or conditional use allowed in the R5 General Residence District. (Am. by Ord. 7523, 10-6-81)
8. (Reserved For Future Use.)
9. Multiple-family dwellings. (Cr. by Ord. 5907, 7-7-77)
10. Offices for insurance or real estate organizations provided that the zoning lot shall be located on an arterial or collector street with a right-of-way not less than eighty (80) feet and further provided that in no case shall the total floor area exceed three thousand (3,000) square feet, and further provided that the building was designed and intended for nonresidential occupancy. (Cr. by Ord. 5922, 7-29-77)

(d) Lot Area Requirements. In the R5 district, lot areas shall be provided in accordance with the following requirements.

1. Dwelling units.

<u>Minimum Lot Area Per Dwelling Unit</u>	<u>Type of Dwelling Unit</u>
700 square feet	<u>Efficiency</u>
1,000 square feet	One bedroom
1,300 square feet	Two bedroom

plus an additional three hundred (300) square feet of lot area for each additional bedroom in excess of two (2) in a dwelling unit.

2. Lodging rooms--minimum lot area of four hundred (400) square feet per lodging room.

(e) Height Regulations. In the R5 district, no building or structure shall exceed three (3) stories nor forty (40) feet in height.

(f) Yard Requirements.

1. Front Yard. Not less than twenty (20) feet, provided that any building built with zero side yards shall be varied in front setback distance from abutting buildings by not less than five (5) feet.
2. Side Yards. (For zero side yards, see 2.f. below)
  - a. Buildings not exceeding three (3) stories in height:
    - i. One story buildings--a least side yard of five (5) feet and a combined total of both side yards of twelve (12) feet.
    - ii. Two story buildings--a least side yard of six (6) feet and a combined total of both side yards of fifteen (15) feet.
    - iii. Three story buildings--a least side yard of eight (8) feet and a combined total of both side yards of twenty (20) feet.
  - b. Buildings exceeding three stories in height (applies to existing buildings or new residential buildings in commercial districts): Each side yard shall be eleven (11) feet or thirty percent (30%) of the building height, whichever is greater.
  - c. On any zoning lot with a lot width of less than fifty (50) feet, for each foot by which the side walls of a building exceed fifty (50) feet (as projected at right angles to the side lot line), the required side yard width shall be increased one and one-half (1 1/2) inches. Such increased width shall apply to the entire length of the side yard.

## APPENDIX B (Continued)

## Sec. 28.08(6)(i)2.b.

## ZONING CODE

- b. Such screening shall be constructed of the same masonry material as that which is predominant in the front elevation of the building, unless otherwise approved by the City Department of Planning and Development. (Am. by Ord. 6616, Adopted 4-24-79)
- c. Such screening shall be built with at least seventy-five percent (75%) opacity, that is seventy-five percent (75%) opaque surfaces to a maximum twenty-five percent (25%) openings as viewed in elevation.
- d. Such screening shall be built no less than four (4) feet high along all sides of parking areas, except that it shall be reduced to a height of two (2) feet for vision clearance within ten (10) feet of a driveway crossing a lot line.

(Sec. 28.08(6)(i)2. Am. by Ord. 6479, 1-26-79)

(7) R6 General Residence District.

(a) Statement Of Purpose. The R6 general residence district is established to stabilize and protect the essential characteristics of certain of the highest density residential areas normally located in the central part of the City, and to promote and encourage, insofar as compatible with the intensity of land uses, a suitable environment for a predominantly adult population, and in those central areas located in close proximity to the central campus of the University of Wisconsin, to promote and encourage a suitable environment for student housing facilities.

- ★ (b) Permitted Uses. The following uses are permitted in the R6 district:
- 1. Single and two family dwellings.
  - 2. Offices, business and professional, including offices for travel bureaus and transportation ticket offices, in a building where the principal use is residential, provided that in no case shall the total floor area devoted to such use exceed one thousand five hundred (1,500) square feet. (Am. by Ord. 8150, 11-14-83)
  - 3. Community living arrangements provided such facilities meet the conditions of Section 28.08(4)(b)3. (Cr. by Ord. 5636, 11-3-76)
  - 4. Educational, recreational, and offices used as follows, provided such uses are located in school buildings or buildings which are owned by or under the jurisdiction of the Madison Metropolitan School District or the City of Madison and further provided the City Director of the Real Estate Development Unit shall first receive a written report and recommendations from the City Department of Transportation regarding the traffic and parking impact with recommendations for either resolving adverse impacts prior to occupancy or not allowing such occupancy:

APPENDIX B (Continued)

ZONING CODE

Sec. 28.08(7)(b)4.a.

- a. Nursery schools or day care centers.
- b. Elementary and secondary schools.
- c. Business or trade schools.
- d. Colleges and universities.
- e. Other public educational facilities.
- f. Music and dance schools.
- g. Recreational buildings and community centers, nonprofit.
- h. Offices for State, County, City, Village, Town or other taxing municipality.
- i. Offices for health, medical, welfare and other institutions or organizations qualifying as nonprofit under the laws of the State of Wisconsin.

(Sec. 28.08(7)(b)4. Am. by Ord. 8081, 7-29-83)

- 5. Accessory Uses for residential buildings built before August 1, 1971, limited to two (2) open or enclosed off-street vehicle parking stalls and accessory driveway to serve them located in the rear yard or the area between the rear of a dwelling and the rear lot line provided no less than seventy (70) square feet of ground level usable open space for each bedroom in the dwelling is provided. The design and appearance of any structure and the landscape treatment around the driveway, parking stalls or structure shall be approved by the Director of the Department of Planning and Development. (Cr. by Ord. 8118, 10-3-83)

★(c) Conditional Uses. The following conditional uses may be allowed in the R6 District subject to the provisions of Section 28.12(10).

- 1. Any use allowed as permitted or conditional use in the R5 district excepting community parking lots and any use specified as a permitted use in the R6 District in Section 28.08(7)(b)above. (Am. by Ord. 5164, 9-29-75)
- 2. Any development on parcels adjacent to landmarks so designated by the Landmarks Commission, provided that the use of the parcel is either a permitted or conditional use allowed in the R6 District. (Am. by Ord. 7184, 12-29-80)
- 3. Any development of a through lot, provided that the use of the parcel is either a permitted or conditional use allowed in the R6 General Residence District. (Am. by Ord. 7523, 10-6-81)
- 4. Outdoor eating areas of restaurants serving only nonalcoholic beverages and food. (Cr. by Ord. 4300, 8-29-73)
- 5. New multiple-family residential buildings provided said structures conform to the following standards:

## APPENDIX B (Continued)

## Sec. 28.08(7)(c)5.f.

## ZONING CODE

f. Building Height Over Four Stories. In reviewing plans for buildings in excess of four (4) stories, the following standards shall be considered:

- i. The predominant building type which exists within three hundred (300) feet of the proposed structure.
- ii. The future building types in the area based upon existing structural conditions and proposed land use.
- iii. The usable open space and recreational opportunities.
- iv. The type of parking accommodations, if provided.
- v. The traffic generation anticipated.
- vi. The relationship of the building to topography of the area.
- vii. The safety and security designed into the building.
- viii. The architecture of the building's exterior.
- ix. The interference with significant views.
- x. The extent to which usable open space, both private and public, is shadowed by the building.

(Sec. 28.08(7)(c)5.f. Cr. by Ord. 4681, 8-7-74)

6. Offices, business and professional, in a building where the principal use is residential, in excess of one thousand five hundred (1,500) square feet, provided that in no case shall the total floor area devoted to such use exceed three thousand (3,000) square feet. (R. & Recr. by Ord. 5166, 9-29-75)
7. Retail food shops, beauty shops, barber shops, art galleries, photography shops, book shops, gift shops, tailor shops, shoe repair shops, primarily for walk-in trade, located in a building where the principal use is residential, provided that each business establishment shall not exceed three thousand (3,000) square feet of floor area and each business establishment is permitted a single identification sign, not exceeding two (2) square feet in area for all identification signs on each building and indicating only the name and address of the occupant. (Am. by Ord. 6375, 9-29-78)
8. Restaurants, drugstores and valet shops in a multiple-family dwelling, provided these uses shall be accessible to the public only through a lobby and no advertisement or display shall be visible from outside the building, except an identification street graphic which complies with the regulations in Chapter 31 of the Madison General Ordinances and is approved by the Plan Commission at the time the use is approved or by the Director of Planning and Development as provided for in Sec. 28.12(10)(h)2. (Am. by Ord. 7351, 3-6-81)
9. 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

APPENDIX B (Continued)

ZONING CODE

Sec. 28.08(7)(c)9.d.

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. 28.08(7)(c)9. Cr. by Ord. 5906, 7-7-77)

10. Offices, business and professional, provided such uses are located in school buildings or buildings owned by or under the jurisdiction of the Madison Metropolitan School District or the City of Madison. (Cr. by Ord. 6207, 3-29-78)

(d) Lot Area Requirements. In the R6 District, lot area shall be provided in accordance with the following requirements:

1. Dwelling Units.

<u>Minimum Lot Area Per Dwelling Unit</u>	<u>Type of Dwelling Unit</u>
300 square feet	Efficiency
450 square feet	One bedroom
600 square feet	Two bedroom

Plus an additional one hundred fifty (150) square feet of lot area for each additional bedroom in excess of two (2) in a dwelling unit.

2. Lodging Rooms - minimum lot area of two hundred (200) square feet per lodging room.

(e) Floor Area Ratio. In the R6 district, the floor area ratio shall not exceed 2.0 and the lot coverage by building or buildings shall not exceed forty percent (40%) of the lot area.

(f) Yard Requirements.

1. Front Yard. Not less than ten (10) feet, provided that any building not exceeding four (4) stories in height shall be varied in front setback distance from abutting buildings built with zero side yards not less than five (5) feet.

2. Side Yards.

a. For building not exceeding four (4) stories in height a total side yard of five (5) feet shall be provided. The Plan Commission in its consideration of the conditional use application shall determine the specific apportionment of the five (5) feet between the side yards. (R. & Recr. by Ord. 4273, 8-22-73)

b. For buildings exceeding four (4) stories in height:

i. Each side yard shall be not less than ten (10) feet or twenty percent (20%) of the building height, whichever is greater.

ii. On a corner lot the side yard adjoining the street shall be not less than ten (10) feet or twenty percent (20%) of the building height, whichever is greater, but no more than twenty (20) feet shall be required.

iii. For each foot by which the side walls of a five (5) or more story building exceed seventy-five (75) feet (as projected at right angles to the side lot line) the minimum required side yard width shall be increased one and one-half (1 1/2) inches. Such increased width shall apply to the entire length of the side yard.

## ZONING CODE

## APPENDIX B (Continued)

Sec. 28.08(11)(c)8.

8. Offices, business and professional, provided such uses are located in school buildings or buildings owned by or under the jurisdiction of the Madison Metropolitan School District or the City of Madison. (Cr. by Ord. 6207, 3-29-78)
9. Solar heat collection apparatus that:
  - a. In rear yards, are not a permitted obstruction pursuant to Sec. 28.04(6)(e)3.1.;
  - b. In side yards, are not a permitted obstruction pursuant to Sec. 28.04(6)(e)4.e.; or
  - c. In front yards, are not a permitted obstruction pursuant to Sec. 28.04(6)(e)2.e.  
(Cr. by Ord. 7467, 7-30-81)

(d) Lot Area Requirements. In the R4A district, there shall be provided not less than two thousand (2,000) square feet of lot area per dwelling unit.

(e) Height Regulations. In the R4A district the height regulations of the R4 district shall apply.

(f) Yard Requirements. In the R4A district the yard requirements of the R4 district shall apply.

(g) Usable Open Space Requirements. In the R4A district the usable open space requirements of the R4 district shall apply.

(h) (R. by Ord. 5831, 5-6-77)

(12) Reserved For Future Use. (R. by Ord. 5832, 4-26-77)

(13) Reserved For Future Use. (R. by Ord. 5832, 4-26-77)

★ (14) R6H General Residence District.

(a) Statement of Purpose. The R6H district is established for the same purposes as the R6 general residence district, except that in addition its purpose is to limit the height of structures and provide side yards in areas to preserve the historic and architectural character of a neighborhood.

(b) General Requirements, Permitted and Conditional Uses, and Usable Open Space. Development in each historic district governed by this category shall conform to the ordinance for that district. Otherwise, all these provisions shall be governed by the requirements of the R6 general residence district. (Am. by Ord. 5831, 5-6-77)

(c) Lot Area Requirements. In the R6H district, lot area shall be provided in accordance with the following requirements:

1. Dwelling Units.

Minimum Lot Area Per Dwelling Unit	Type of Dwelling Unit
300 square feet	Efficiency
450 square feet	One bedroom
600 square feet	Two bedroom

plus an additional one hundred fifty (150) square feet of lot area for such additional bedroom in excess of two (2) in a dwelling unit.

2. Lodging Rooms - minimum lot area of two hundred (200) square feet per lodging room.

(d) Floor Area Ratio. In the R6H district, the floor area ratio shall not exceed 2.0 and the lot coverage by building or buildings shall not exceed forty percent (40%) of the lot area.



## APPENDIX B (Continued)

## Sec. 28.08(14)(e)

## ZONING CODE

(e) Height Regulations. In the R6H district, no building or structure shall exceed fifty (50) feet in height. For purposes of this subdivision, height shall be the vertical distance measured from the average finished grade at the entire perimeter of the subject building or structure to the highest point of the roof in the case of a flat roof, to the deck line of a mansard roof, or to the mean height level between eaves and ridges of a gable, hip or gambrel roof.

(f) Yard Requirements. In the R6H district, front, side and rear yards shall be provided, each of which shall not be less than the following:

1. Front yard - fifteen (15) feet.

2. Side Yards.

a. One story buildings - each side yard five (5) feet.

b. Two story buildings - a least side yard of five (5) feet and a combined total of both side yards of fourteen (14) feet.

c. Three story buildings - a least side yard of seven and one-half (7 1/2) feet and a combined total of both side yards of eighteen (18) feet.

d. Four or five story buildings - each side yard ten (10) feet.

e. On any zoning lot with a lot width of less than fifty (50) feet, for each foot by which the side walls of a building exceed sixty-six (66) feet, the required side yard shall be increased one and one-half (1 1/2) inches and such width shall apply to the entire length of the side yard.

f. On any zoning lot with a lot width of fifty (50) feet or more, for each foot by which the side walls of a building exceed eighty-five (85) feet, the required side yard width shall be increased by one and one-half (1 1/2) inches and such increased width shall apply to the entire length of the side yard.

g. Reversed corner lot - ten (10) feet.

3. Rear yard - thirty (30) feet.

(g) Off-Street Parking and Loading. Off-street parking and loading shall be in accordance with Sec. 28.11(3)(g) hereof.

(Sec. 28.08(14) Cr. by Ord. 5398, 3-1-76)

APPENDIX B (Continued)

LANDMARKS COMMISSION REGULATIONS

Section

33.01 Landmarks Commission.

33.02 Urban Design Commission.

33.01 LANDMARKS COMMISSION.

- (1) Purpose And Intent. It is hereby declared a matter of public policy that the protection, enhancement, perpetuation and use of improvements of special character or special historical interest or value is a public necessity and is required in the interest of health, prosperity, safety and welfare of the people. The purpose of this section is to:
  - (a) Effect and accomplish the protection, enhancement and perpetuation of such improvements and of districts which represent or reflect elements of the City's cultural, social, economic, political and architectural history.
  - (b) Safeguard the City's historic and cultural heritage, as embodied and reflected in such landmarks and historic districts.
  - (c) Stabilize and improve property values.
  - (d) Foster civic pride in the beauty and noble accomplishments of the past.
  - (e) Protect and enhance the City's attractions to residents, tourists and visitors, and serve as a support and stimulus to business and industry.
  - (f) Strengthen the economy of the City.
  - (g) Promote the use of historic districts and landmarks for the education, pleasure and welfare of the people of the City.
- (2) Definitions. In this section, unless the context clearly requires otherwise:

Commission means the landmarks preservation commission created under this section.

Historic district is an area designated by the commission with the consent of the Common Council which contains one or more landmarks or landmark sites, as well as those abutting improvement parcels which the commission determines should fall under the provisions of this section to assure that their appearance and development is harmonious with such landmarks or landmark sites.

Improvement means any building, structure, place, work of art or other object constituting a physical betterment of real property, or any part of such betterment.

Improvement parcel is the unit of property which includes a physical betterment constituting an improvement and the land embracing the site thereof, and is treated as a single entity for the purpose of levying real estate taxes. Provided, however that the term "improvement parcel" shall also include any unimproved area of land which is treated as a single entity for such tax purposes.

Landmark means any improvement which has a special character or special historic interest or value as part of the development, heritage or cultural characteristics of the City, state or nation and which has been designated as a landmark pursuant to the provisions of this chapter.

Landmark site means any parcel or land of historic significance due to a substantial value in tracing the history of aboriginal man, or upon which an historic event has occurred, and which has been designated as a landmark site under this section, or an improvement parcel, or part thereof, on which is situated a landmark and any abutting improvement parcel, or part thereof, used as and constituting part of the premises on which the landmark is situated.

Visually related area for a corner parcel shall be defined as the area described by a circle drawn on a one thousand (1,000) foot radius, the center being the center of the corner parcel, i.e. the intersection of diagonals from the principal corners of that parcel. (Am. by Ord. 8690, 10-10-85 & 11-14-85)

Visually related area for a parcel within a block (not a corner parcel) shall be defined as the area described by a one thousand (1,000) foot circle drawn from the centerpoint of the streetside (front) lot line. (Am. by Ord. 8690, 10-10-85 & 11-14-85)

Zoned for Manufacturing Use shall be defined as the application of zoning categories M1 and/or M2 to an improvement parcel regardless of current use.

Zoned for Commercial Use shall be defined as the application of zoning categories C1, C2, C3, C3L and/or C4 to an improvement parcel regardless of current use.

Zoned for Residential Use shall be defined as the application of zoning categories R1, R2, R3, R4, R4A, R5, R6, OR, PCD, PUD and/or RS to an improvement parcel regardless of current use.  
(Sec. 33.01(2) Am. by Ord. 6470, 1-9-79)

- (3) Landmarks Commission Composition And Terms. A Landmarks Commission is hereby created, consisting of seven (7) members. Of the membership, one shall be a registered architect; one shall be an historian qualified in the field of historic preservation; one shall be a licensed real estate broker; one shall be an alderman; and three shall be citizen members. Each member shall have, to the highest extent practicable, a known interest in landmarks preservation. The Mayor shall appoint the commissioners subject to confirmation by the Common Council. Of the initial members so appointed, two shall serve a term of one year, two shall serve a term of two years, and three shall serve a term of three years. Thereafter the term for each member shall be three years.

- (4) Landmarks And Landmark Sites Designation Criteria.

(a) For purposes of this ordinance, a landmark or landmark site designation may be placed on any site, natural or improved, including any building, improvement or structure located thereon, or any area of particular historic, architectural or cultural significance to the City of Madison, such as historic structures or sites which:

1. Exemplify or reflect the broad cultural, political, economic or social history of the nation, state or community; or
2. Are identified with historic personages or with important events in national, state or local history; or
3. Embody the distinguishing characteristics of an architectural type specimen, inherently valuable for a study of a period, style, method of construction, or of indigenous materials or craftsmanship or
4. Are representative of the notable work of a master builder, designer or architect whose individual genius influences his age.

## APPENDIX B (Continued)

## COMMISSIONS

Sec. 33.01(4)(b)

- (b) The commission may adopt specific operating guidelines for landmark and landmark site designation providing such are in conformance with the provisions of this paragraph.

(5) Powers And Duties.

- (a) Designation. The commission shall have the power subject to subsection (6) hereunder, to designate landmarks, landmark sites and historic districts within the City limits of Madison. Such designations shall be made based upon subsection (4) hereof. Once designated by the commission, such landmarks, landmark sites and historic districts shall be subject to all the provisions of this ordinance.

(b) Regulation Of Construction, Reconstruction and Exterior Alteration.

1. Any application for a permit from the Director of the Inspection Unit involving the exterior of a designated landmark, landmark site or structure within an Historic District shall be filed with the Landmarks Commission. (Am. by Ord. 8081, 7-29-83)
2. No owner or person in charge of a landmark, landmark site or structure within an Historic District shall reconstruct or alter all or any part of the exterior of such property or construct any improvement upon such designated property or properties within an Historic District or cause or permit any such work to be performed upon such property unless a Certificate of Appropriateness has been granted by the Landmarks Commission or its designee(s) as hereinafter provided. The Landmarks Commission may appoint a designee or designees to approve certain projects that will have little effect on the appearance of the exterior of such properties, provided that the Landmarks Commission shall first adopt a written policy on the types of projects which can be approved by its designee(s). Unless such certificate has been granted by the commission or its designee(s), the Director of the Inspection Unit shall not issue a permit for any such work. (Am. by Ord. 8081, 7-29-83)
3. Upon filing of any application with the Landmarks Commission, the Landmarks Commission shall determine:
  - a. Whether, in the case of a designated landmark or landmark site, the proposed work would detrimentally change, destroy or adversely affect any exterior architectural feature of the improvement upon which said work is to be done; and
  - b. Whether, in the case of the construction of a new improvement upon a landmark site, the exterior of such improvement would adversely affect or not harmonize with the external appearance of other neighboring improvements on such site; and
  - c. Whether, in the case of any property located in an Historic District designated pursuant to the terms of Subsection (6)(d) hereunder, the proposed construction, reconstruction or exterior alteration does not conform to the objectives and design criteria of the historic preservation plan for said district as duly adopted by the Common Council.

APPENDIX B (Continued)

Sec. 33.01(5)(b)4.

COMMISSIONS

4. If the commission determines Subparagraphs a., b. and c. of Paragraph 3. above in the negative, it shall issue the Certificate of Appropriateness. Upon the issuance of such certificate, the building permit shall then be issued by the Director of the Inspection Unit. The commission shall make this decision within thirty (30) days of the filing of the application. Should the commission fail to issue a Certificate of Appropriateness due to the failure of the proposal to conform to the above guidelines, the applicant may appeal such decision to the Common Council. In addition, if the commission fails to issue a Certificate of Appropriateness, the commission shall, at the request of the applicant, cooperate and work with the applicant in an attempt to obtain a Certificate of Appropriateness within the guidelines of this ordinance. (Am. by Ord. 8081, 7-29-83)
  5. In addition to any other penalty provided in this section, should an owner or person in charge of a landmark, landmark site or structure within an Historic District reconstruct or alter all or any part of the exterior of such property or construct any improvement upon such designated property or properties within an Historic District or cause or permit any such work to be performed upon such property without first obtaining a Certificate of Appropriateness from the Landmarks Commission or its designee or should such reconstruction, alteration or other work be performed in violation of the conditions of a lawfully granted Certificate of Appropriateness, the Landmarks Commission, after reviewing such reconstruction, alteration or other work, may order it removed if it does not comply with the requirements of Section 33.01(5)(b)3. above or may order such renovation as is necessary to make it comply with Section 33.01(5)(b)3. (Cr. by Ord. 8231, 1-30-84)
- (c) Regulation of Demolition. No permit to demolish all or part of a landmark, or improvement in an Historic District, shall be granted by the Director of the Inspection Unit except as follows: (Am. by Ord. 8081, 7-29-83)
1. Scope.  
Any application for a permit to demolish or remove all or part of a landmark or improvement in an Historic District shall be filed with the Landmarks Commission. Such application shall be made in all cases, both when demolition or removal is planned as an isolated event and when said demolition or removal is considered in conjunction with a special development plan, a rezoning plan or a conditional use plan. No owner or operator of a landmark, or improvement in an Historic district, shall be granted a permit to demolish or remove such property unless a Certificate of Appropriateness therefor has been granted by the Landmarks Commission. (Am. by Ord. 8117, 10-3-83)

## COMMISSIONS

## APPENDIX B (Continued)

## Sec. 33.01(5)(c)2.

2. Procedure.

The Landmarks Commission shall hold a public hearing on each application for a wrecking or removal permit and shall follow the procedures required for other hearings by Madison General Ordinance Section 28.12(9)(d) and (e). Thereafter, the Landmarks Commission may decide to grant a Certificate of Appropriateness, refuse to grant such Certificate or suspend action on same for a period not to exceed one (1) year from the date of application for said permit. Failure to issue a Certificate of Appropriateness or to issue a written determination to suspend action on the application within thirty (30) days of the application date shall be deemed a refusal to grant a Certificate of Appropriateness for the demolition or removal, provided that the determination period may be extended an additional thirty (30) days by written stipulation of the applicant and the Landmarks Commission. If the Landmarks Commission determines to suspend action on the application, the Commission and the applicant shall undertake serious and continuing discussions for the purpose of finding a mutually agreeable method of saving the subject property. Furthermore, during this time the owner shall take whatever steps are necessary to prevent further deterioration of the building. At the end of the one-year period the Landmarks Commission shall act on the suspended application by either granting or refusing to grant a Certificate of Appropriateness for the proposed demolition or removal. (Am. by Ord. 8117, 10-3-83)

3. Standards.

In determining whether to issue a Certificate of Appropriateness for any demolition, the Landmarks Commission shall consider and may give decisive weight to any or all of the following:

- a. Whether the building or structure is of such architectural or historic significance that its demolition would be detrimental to the public interest and contrary to the general welfare of the people of the City and the State;
- b. Whether the building or structure, although not itself a landmark building, contributes to the distinctive architectural or historic character of the District as a whole and therefore should be preserved for the benefit of the people of the City and the State;
- c. Whether demolition of the subject property would be contrary to the purpose and intent of this chapter as set forth in Sec. 33.01 and to the objectives of the historic preservation plan for the applicable district as duly adopted by the Common Council;
- d. Whether the building or structure is of such old and unusual or uncommon design, texture and/or material that it could not be reproduced or be reproduced only with great difficulty and/or expense;
- e. Whether retention of the building or structure would promote the general welfare of the people of the City and the State by encouraging study of American history, architecture and design or by developing an understanding of American culture and heritage;



APPENDIX B (Continued)

Sec. 33.01(5)(c)3.f.

COMMISSIONS

- f. Whether the building or structure is in such a deteriorated condition that it is not structurally or economically feasible to preserve or restore it, provided that any hardship or difficulty claimed by the owner which is self-created or which is the result of any failure to maintain the property in good repair cannot qualify as a basis for the issuance of a Certificate of Appropriateness;
- g. Whether any new structure proposed to be constructed or change in use proposed to be made is compatible with the buildings and environment of the district in which the subject property is located.

4. Appeal.

An appeal from the decision of the Landmarks Commission to grant or deny a Certificate of Appropriateness, whether this determination is made upon receipt of the application for a demolition permit or at the end of the one-year period in a case where action on the application has been suspended, or to suspend action on a demolition application may be taken to the Common Council by the applicant for the demolition permit or by the Alderman of the district in which the subject building or structure is located. Such appeal shall be initiated by filing a petition to appeal, specifying the grounds therefor, with the City Clerk within ten (10) days of the date the final decision of the Landmarks Commission is made. The City Clerk shall file the petition to appeal with the Common Council. After a public hearing, the Council may by favorable vote of two-thirds (2/3) of its members, reverse or modify the decision of the Landmarks Commission if, after balancing the interest of the public in preserving the subject property and the interest of the owner in using it for his or her own purposes, the Council finds that, owing to special conditions pertaining to the specific piece of property, failure to grant the Certificate of Appropriateness for the proposed demolition will preclude any and all reasonable use of the property and/or will cause serious hardship for the owner, provided that any self-created hardship shall not be a basis for reversal or modification of the Landmark Commission's decision.

(Sec. 33.01(5)(c) Am. by Ord. 7027, 6-27-80)

## APPENDIX B (Continued)

## COMMISSIONS

Sec. 33.01(5)(d)

- (d) Recognition Of Landmarks And Landmark Sites. At such time as a landmark or landmark site has been properly designated in accordance with subsections (4) and (6) hereof, the commission shall cause to be prepared and erected on such property at City expense, a suitable plaque declaring that such property is a landmark or landmark site. Such plaque shall be so placed as to be easily visible to passing pedestrians. In the case of a landmark, the plaque shall state the accepted name of the landmark, the date of its construction, and other information deemed proper by the commission. In the case of a landmark site which is not the site of a landmark building, such plaque shall state the common name of the site, and such other information deemed appropriate by the commission.
- (e) Sale Of Landmarks And Landmark Sites. Any party who is listed as the owner of record of a landmark site at the time of its designation, who can demonstrate to the commission that by virtue of such designation he is unable to find a buyer willing to preserve such landmark or landmark site, even though he has made reasonable attempts in good faith to find and attract such a buyer, may petition the commission for a rescission of its designation. Following the filing of such petition with the secretary of the commission:
1. The owner and the commission shall work together in good faith to locate a buyer for the subject property who is willing to abide by its designation.
  2. If, at the end of a period not exceeding six (6) months from the date of such petition, no such buyer can be found, and if the owner still desires to obtain such rescission, the commission shall rescind its designation of the subject property.
  3. In the event of such rescission, the commission shall notify the City Clerk, Director of the Inspection Unit and the City Assessor of same, and shall cause the same to be recorded, at its own expense, in the office of the Dane County Register of Deeds. (Am. by Ord. 8081, 7-29-83)
  4. Following any such rescission, the commission may not redesignate the subject property a landmark or landmark site for a period of not less than five (5) years following the date of rescission.
- (f) Other Duties. In addition to those duties already specified in this section, the commission shall:
1. Actively work for the passage of enabling legislation which would permit the granting of full or partial tax exemptions to properties it has designated under the provisions of this section in order to encourage landmark owners to assist in carrying out the intent of this ordinance.
  2. Work closely with the State of Wisconsin liaison officer and the Governor's liaison committee for the National Register of Historic Places of the United States National Park Service in attempting to include such properties hereunder designated as landmarks or landmark sites on the Federal Register.
  3. Work for the continuing education of the citizens of Madison about the historic heritage of this City and the landmarks and landmark sites designated under the provisions of this section.

## Sec. 28.04(22)(d)2.

## APPENDIX B (Continued)

## ZONING CODE

2. Wrecking permits not requiring the prior approval referred to in Subdivision (c) above shall be issued, denied or deemed denied by failure to issue within seven (7) business days of the date of application. (Am. by Ord. 8336, 5-15-84)

3. The Common Council, upon recommendation of the Landmarks Commission, may adopt standards under which applications for wrecking permits for certain types of nonresidential buildings or structures which are located in an Historic District but which are neither landmarks nor improvements that contribute to the distinctive architectural or historic character of the District as a whole may be exempted from the public hearing requirements in Section 28.04(22)(e). (Cr. by Ord. 8336, 5-15-84)

- (e) Hearings on Applications for Wrecking Permits. The Plan Commission shall hold a public hearing on each application for a wrecking permit, and shall follow the same procedures required for other hearings by Madison General Ordinance Section 28.12(9)(d) and (e), except that if the applicant for a wrecking permit requests an amendment to the Zoning Code pursuant to Section 28.12(9) or a conditional use permit pursuant to Section 28.12(10) or if said wrecking is a detail of a proposed General Development Plan for a planned development under Section 28.07 of the Madison General Ordinances, the wrecking permit application shall be considered together with said amendment to the Zoning Code, conditional use and/or General Development Plan. In addition, the hearing on the application for said wrecking permit and any appeal thereof of the decision of the Plan Commission shall follow the provisions of Madison General Ordinances Sections 28.12(9), 28.12(10) and/or 28.07(4),(5) and (6) as appropriate, including but not limited to those provisions which relate to the filing of a verified petition and the voting requirements on appeal to the Common Council. In the case of landmarks or improvements located in an Historic District, however, the public hearing on the wrecking permit shall be held only by the Landmarks Commission pursuant to Section 33.01(5)(c); the public hearing on the proposed use of the property should a certificate of appropriateness be issued, shall be held by the Plan Commission pursuant to this subsection.

- (f) Appeals. An appeal from the decision of the City Plan Commission may be taken to the Common Council by the applicant for the wrecking permit or by the Alderperson of the district in which the building proposed to be wrecked is located. Such appeal must specify the grounds thereof in respect to the findings of the City Plan Commission and must be filed with the office of the Zoning Administrator within ten (10) days of the final action of the City Plan Commission. The Zoning Administrator shall transmit such appeal to the City Clerk who shall file the appeal with the Common Council. The Common Council shall fix a reasonable time for the hearing of the appeal, and give public notice thereof as well as due notice to the parties in interest, and decide the same within a reasonable time. The action of the City Plan Commission shall be deemed just and equitable unless the Common Council, by a favorable vote of two-thirds (2/3) of the members of the Common Council voting on the matter, reverses or modifies the action of the City Plan Commission. Provided, however, that if the applicant for a wrecking

## APPENDIX B (Continued)

## LANDMARKS NOMINATION FORM FOR THE SUBJECT PROPERTY

City of Madison Landmarks Commission LANDMARKS AND LANDMARK SITES NOMINATION FORM (1)	
<b>I. Name of Building or Site</b>	
(1) Common Breese Stevens House	(2) Historic (if applicable) Breese Stevens House
<b>II. Location</b>	
(1) Street Address 401 N. Carrol St.	(2) Ward (available @ City Clerk) 4
<b>III. Classification</b>	
(1) Type of Property (building, monument, park, etc.) Building	
(2) Zoning District R - 6	(3) Present Use Office and multiple residence
<b>IV. Current Owner of Property (available at City Assessor's office)</b>	
(1) Name(s) Reginald H. Jackson, Jr.	
(2) Street Address Lake Mendota Dr.	(3) Telephone Number
<b>V. Legal Description (available at City Assessor's office)</b>	
(1) Parcel Number 0709-144-1207	(2) Legal Description
<b>VI. Condition of Property</b>	
(1) Physical Condition (excellent, good, fair, deteriorated, ruins) Good	
(2) Altered or Unaltered? Very minor repair in rear	(3) Moved or Original Site? Original
(4) Wall Construction Brick, with stone lintels and sills	
(5) On a separate sheet of paper, describe the present and original physical construction and appearance (limit 500 words).	

## APPENDIX B (Continued)

**City of Madison Landmarks Commission  
LANDMARKS AND LANDMARK SITES NOMINATION FORM (3)**

**VII. Significance**

(1) Original Owner	(2) Original Use Residence
(3) Architect or Builder	(4) Architectural Style Victorian
(5) Date of Construction c. 1877	(6) Indigenous Materials Used
(7) On a separate sheet of paper, describe the significance of the nominated property and its conformance to the designation criteria of the Landmarks Commission Ordinance (33.01), limit of 500 words.	

**VIII. List of Bibliographical References Used**

1. History of Dane Co: Biographical and Genealogical (Madison: Western Historical Association, 1906), p. 927.
2. Madison Past and Present, 1852-1902 (Madison: Wisconsin State Journal, 1902), p. 75.
3. Sandstone and Buffalo Robes (Madison: City Planning Department, 1969), #18.
4. Merle Curti & Vernon Carstensen, The University of Wisconsin: A History, 1848-1925 (Madison: University of Wisconsin Press, 1949)
5. PP. 523ff.
- 6.
- 7.
- 8.

**IX. Form Prepared By:**

(1) Name and Title

*P. Richard Wagner*

(2) Organization Represented (if any)

*Historic Resource Committee*

(3) Address

*136 E. Gorham St.*

(4) Telephone Number

*257-5270*

(5) Date Nomination Form Was Prepared

*Dec. 17, 1971*

## APPENDIX B (Continued)

City of Madison Landmarks Commission  
LANDMARKS AND LANDMARK SITES NOMINATION FORM (2)

## VI.(5) Describe Present and Original Physical Construction and Appearance:

The Breese Stevens House is a massive late Victorian brick residence in the Italianate style. Brick corner pillars and molded stone lintels distinguish the two and a half central section. A back wing of two stories with plain stone lintels quietly speaks of its secondary role as a service area and probable servants' quarters. Several bays ornament the central section, including a one story angular bay on the southeast side, an angular two story bay on the northwest side, and a front one story round bay with unusual rounded windows.

A multiple gable-ended peaked roof tops the central section and a simple peaked roof tops the back wing. Under the substantial eaves are a dental corbel in brick and a dental cornice in wood. The cornices on the different parts of the building are all in proportion to the size of the section that they adorn. The several brick chimneys carry out the decorative motifs of the pillars and corbels.

Distinctive porches contribute one of the outstanding features of the Breese Stevens House. A long one story, rambling porch with classical style round pillars and urn motif panels meanders from the front to the northwest side of the house. A recessed two story porch on the back wing adds to the detachment of the back portion. Two other one story porches jut out from the back wing.

The extant outbuildings and ample grounds lend a flavor of the Nineteenth Century to the Breese Stevens House that is unique to the mansions still existing in the area. A square, roofed and latticed well cover approximately ten feet high stands near the service wing of the house. A high door to permit an enclosed horse drawn vehicle entry leads into an ample carriage house. Of the existing carriage houses on mansion hill, the Breese Steven's one has a turntable in the floor for reversing the direction of the vehicle after it has been drawn inside.



APPENDIX B (Continued)

City of Madison Landmarks Commission  
LANDMARKS AND LANDMARK SITES NOMINATION FORM (4)

VII.(7) Significance of Nominated Property and Conformance to  
Designation Criteria:

The Breese Steven's House is unique to Madison's Yankee Hill district in that the original building is not crowded by newer structures erected on the original grounds. The building's massiveness allows it to carry the weight of mixed bays and porches that nevertheless blend into a harmonious whole. Except for paint the house is in e cellent condition and would require very little work to make it a showpiece.

For over eighty years the house has been home to the Stevens family. As late as 1960 Amelia F. Stevens resided there on North Carroll Street.

Breese Stevens himself was a figure important to the history of Madison. A prominent corporation lawyer he represented national railroads including the Illinois Central, and was involved in land development in the Madison area. Elected mayor of Madison in 1884 as a Democrat, Stevens was also a curator of the State Historical Society, vestryman of Grace Episcopal Church, and a member of the Reform Clubs of New York and Milwaukee.

A regent of the University of Wisconsin from 1891 to 1904, Breese Stevens helped the school through the crises of the turn of the century. He aided Richard T. Ely's defense of academic freedom and was a member of the board of regents that endorsed "that continual and fearless sifting and winnowing by which alone the truth can be found." The credit for preserving the integrity of the University Fund among the state's finances belongs to Stevens also. He was an outstanding regent who contributed to the greatness of Madison's famous institution. Madison should honor his memory.

APPENDIX C

1986 BOMA REPORT  
INCOME/EXPENSE ANALYSIS FOR OFFICE BUILDINGS  
DATA FOR CALENDAR YEAR 1985

# 1986 BOMA EXPERIENCE EXCHANGE REPORT



Income/Expense Analysis For Office Buildings

**Data For Calendar Year 1985**

Published by  
Building Owners and Managers Association International  
1250 Eye Street, N.W., Washington, D.C. 20005 (202)289-7000

# U.S. PRIVATE SECTOR NATIONAL CROSS-TABULATIONS 1985

APPENDIX C (Continued)

## AGE/SIZE ANALYSES

U.S. PRIVATE SECTOR NATIONAL AGE/SIZE ANALYSIS 50 OR MORE YEARS ALL SIZES										
INCOME	TOTAL BUILDING RENTABLE AREA					TOTAL OFFICE RENTABLE AREA				
	222 BLDs 49,482,275 SQ. FT.					49,960,000 SQ. FT.				
	DOLLARS SQ. FT.		MID RANGE		# BLDs	DOLLAR SQ. FT.		MID RANGE		
	AVG	MEDIAN	LOW	HIGH		AVG	MEDIAN	LOW	HIGH	
	OFFICE AREA	14.56	12.15	7.76	23.85	190	12.28	9.52	7.03	13.70
RETAIL AREA	11.55	4.05	1.57	8.93	124					
OTHER AREA	12.28	9.42	6.86	13.86	205					
TOTAL RENT	.68	.20	.04	7.09	143					
MISCELLANEOUS	12.98	9.95	7.15	14.49	205					
TOTAL INCOME										
EXPENSE										
CLEANING	1.35	.94	.82	1.42	222	1.49	1.02	.89	1.95	
REPAIR-MAINT	1.50	1.07	.72	1.56	222	1.81	1.18	.81	1.70	
UTILITIES	1.88	1.54	1.12	1.96	222	1.98	1.62	1.20	2.04	
PDS GNDS SEC	.30	.24	.11	.38	199	.30	.24	.11	.38	
ADMINISTRATIVE	.67	.60	.40	.90	219	.67	.60	.40	.90	
TOTAL OPER EXP	5.67	4.65	3.48	8.97	222	6.08	5.01	4.08	6.70	
FIXED EXPENSES	1.98	.98	.84	1.98	220	1.98	.98	.84	1.98	
TOTAL OPER+FIXED	7.64	5.92	4.54	7.59	222	8.04	6.41	4.90	8.37	
LEASING EXP	.92	.33	.12	.90	184					
TOTAL PAYROLL	1.83	.95	.52	1.88	198					
TOTAL CONTRACT	1.43	1.25	.77	1.69	177					
AVG SOFT OFC TEN										
AVG SOFT RET TEN										
AVG SOFT OFC WORK										
AVG OFFICE OCCUPANCY										
AVG RETAIL OCCUPANCY										
AVG RATE YR-END RENT										
RENTABLE GROSS SOFT										

U.S. PRIVATE SECTOR NATIONAL AGE/SIZE ANALYSIS 50 OR MORE YEARS LESS THAN 50,000 SQ.FT.										
INCOME	TOTAL BUILDING RENTABLE AREA					TOTAL OFFICE RENTABLE AREA				
	32 BLDs 1,180,523 SQ. FT.					1,021,206 SQ. FT.				
	DOLLARS SQ. FT.		MID RANGE		# BLDs	DOLLAR SQ. FT.		MID RANGE		
	AVG	MEDIAN	LOW	HIGH		AVG	MEDIAN	LOW	HIGH	
	OFFICE AREA	18.17	12.32	8.37	23.00	30	10.48	9.27	6.87	14.90
RETAIL AREA	3.93	5.87	.44	7.97	6					
OTHER AREA	10.45	9.09	5.92	14.11	32					
TOTAL RENT	.38	.12	.04	.49	17					
MISCELLANEOUS	10.66	9.11	5.96	15.36	32					
TOTAL INCOME										
EXPENSE										
CLEANING	.93	.86	.55	1.17	32	1.08	.88	.82	1.38	
REPAIR-MAINT	1.12	.86	.55	1.23	32	1.26	1.03	.82	1.58	
UTILITIES	1.52	1.54	.98	1.83	32	1.63	1.61	1.11	1.93	
RDS GNDS SEC	.27	.16	.02	.40	26	.27	.16	.02	.40	
ADMINISTRATIVE	.69	.58	.44	.80	31	.69	.58	.44	.80	
TOTAL OPER EXP	4.47	3.95	3.03	5.10	32	4.99	4.55	3.39	5.96	
FIXED EXPENSES	1.20	.76	.66	1.27	31	1.20	.76	.66	1.27	
TOTAL OPER+FIXED	5.63	4.66	3.74	6.55	32	6.25	5.35	4.26	7.33	
LEASING EXP	1.03	.39	.26	1.38	25					
TOTAL PAYROLL	.97	.83	.39	1.15	18					
TOTAL CONTRACT	1.51	1.25	.82	2.10	26					

COMPONENT COSTS--TOTAL BUILDING RENTABLE AREA-MEDIAN DOLLARS SQFT					
COMPONENT	MEDIAN	BLDS	COMPONENT	MEDIAN	BLDS
CLEANING TOTAL	.98	180	ADMIN TOTAL	.59	181
PAYROLL	.82	87	PAYROLL	.29	99
CONTRACT	.86	149	MGMT FEES	.39	118
SUP MAT MISC	.05	140	LEGAL FEES	.03	88
TRASH REMOVAL	.04	143	AUDIT FEES	.04	60
REPR MAINT TOTAL	1.18	157	GEN OFC EXP	.04	125
PAYROLL	.52	127	OTHER ADM EXP	.04	108
ELEVATOR	.19	154	FIXED EXP TOTAL	.91	181
HVAC	.10	139	REAL ESTATE TAX	.77	157
ELECTRICAL	.04	138	BUILDING INS	.13	153
STRUCT ROOF	.03	80	PERS PROP TAX	.01	25
PLUMBING	.02	129	OTHER TAXES	.02	50
FIRE LIFE SFTY	.02	85	LEASING EXPENSES	.35	127
OTHER MAINT SUP	.19	155	ADV PROMOTION	.02	82
UTILITIES TOTAL	1.52	180	COMM FEES	.11	98
ELECTRIC	1.13	180	TENANT ALTS	.38	94
GAS	.18	96	BUY-OUTS	.15	8
FUEL OIL	.17	21	TOTAL PAYROLL	1.18	117
PURCH STEAM	.42	68	CLEANING	.84	82
PURCH CH WTR	.26	4	REPAIR MAINT	.51	111
COAL	.04	1	RDS GROUNDS	.04	8
WATER SEWER	.07	156	SECURITY	.19	48
RDS GNDS SEC TOT	.21	147	ADMINISTRATIVE	.29	88
RDS GNDS TOTAL	.02	49	TOTAL CONTRACTS	1.34	127
RDS GNDS PAYRL	.05	9	CLEANING	.81	123
RDS GNDS CONTR	.01	37	REPAIR MAINT	.28	120
RDS GNDS OTHER	.01	22	RDS GROUNDS	.01	35
SECURITY TOTAL	.20	143	SECURITY	.15	108
SEC PAYROLL	.18	80	ADMINISTRATIVE	.37	97
SEC CONTRACTS	.16	116			
SEC OTHER	.01	29			

COMPONENT COSTS--TOTAL BUILDING RENTABLE AREA-MEDIAN DOLLARS SQFT					
COMPONENT	MEDIAN	BLDS	COMPONENT	MEDIAN	BLDS
CLEANING TOTAL	.70	23	ADMIN TOTAL	.58	24
PAYROLL	.48	8	PAYROLL	.46	5
CONTRACT	.80	22	MGMT FEES	.44	19
SUP MAT MISC	.04	21	LEGAL FEES	.09	11
TRASH REMOVAL	.05	21	AUDIT FEES	.08	10
REPR MAINT TOTAL	.81	22	GEN OFC EXP	.04	14
PAYROLL	.45	12	OTHER ADM EXP	.07	16
ELEVATOR	.18	21	FIXED EXP TOTAL	.75	24
HVAC	.08	18	REAL ESTATE TAX	.55	24
ELECTRICAL	.03	10	BUILDING INS	.13	22
STRUCT ROOF	.11	7	PERS PROP TAX	.24	2
PLUMBING	.04	17	OTHER TAXES	.02	8
FIRE LIFE SFTY	.01	9	LEASING EXPENSES	.42	21
OTHER MAINT SUP	.18	22	ADV PROMOTION	.04	8
UTILITIES TOTAL	1.44	24	COMM FEES	.12	17
ELECTRIC	.97	24	TENANT ALTS	.43	14
GAS	.21	15	BUY-OUTS	.70	2
FUEL OIL	.56	8	TOTAL PAYROLL	.78	12
PURCH STEAM	.04	4	CLEANING	.49	4
PURCH CH WTR	.07	24	REPAIR MAINT	.43	12
COAL	.04	1	RDS GROUNDS	.59	1
WATER SEWER	.07	24	SECURITY	.46	5
RDS GNDS SEC TOT	.08	19	ADMINISTRATIVE	.46	5
RDS GNDS TOTAL	.01	7	TOTAL CONTRACTS	1.28	19
RDS GNDS PAYRL	.01	8	CLEANING	.84	18
RDS GNDS CONTR	.01	2	REPAIR MAINT	.20	17
RDS GNDS OTHER	.06	17	RDS GROUNDS	.01	6
SECURITY TOTAL	.33	4	SECURITY	.08	14
SEC PAYROLL	.10	13	ADMINISTRATIVE	.45	15
SEC CONTRACTS	.01	2			
SEC OTHER	.01	2			

