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## **An appraisal of the Martin service station, Monona, Wisconsin. February 17, 1986**

Landmark Research, Inc.

[s.l.]: [s.n.], February 17, 1986

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AN APPRAISAL OF THE  
MARTIN SERVICE STATION  
MONONA, WISCONSIN

Landmark  
Research  
Inc.

AN APPRAISAL OF THE  
MARTIN SERVICE STATION  
MONONA, WISCONSIN

AS OF  
FEBRUARY 17, 1986

PREPARED FOR  
MARTIN OIL SERVICE, INC.

IN CONNECTION WITH A  
PARTIAL TAKING BY THE  
STATE OF WISCONSIN  
DEPARTMENT OF TRANSPORTATION

PREPARED BY  
LANDMARK RESEARCH, INC.

Landmark  
Research  
Inc.

April 21, 1986

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

Jean B. Davis, M.S.

Mr. Duane G. Meyers, Jr.  
Martin Oil Service, Inc.  
4501 West 127th Street  
Alsip, IL 60658

Dear Mr. Meyers:

This letter transmits our appraisal of the Martin Service Station located at 2605 West Broadway, City of Monona, Wisconsin. The date of valuation for purposes of this appraisal is February 17, 1986.

The appraisal includes a "before" valuation of the property in its highest and best use as a gas station/convenience store. Due to the effects of the Beltline relocation project, the appraiser believes that the highest and best use after the taking is as a vacant development site. The "after" valuation reflects this conclusion. The difference between these two valuations is the taking.

This appraisal assumes that the completed Beltline project will include a median cut allowing northbound traffic on the relocated South Towne Drive to turn left onto Raywood Road and then enter the site from the frontage road. Conversations with Department of Transportation and City of Monona personnel have led us to believe that the median cut will likely be included in final plans. It is not yet a certainty, however. If the median cut is not included, the taking will be greater than determined in this appraisal. The appraisal is also subject to other assumptions and limiting conditions contained throughout the report.

As a result of our analysis, we have established the following conclusions as to fair market value (defined as "market value" within this report) as of February 17, 1986, assuming cash to the seller and no consideration for financing or income tax leverage.

Fair market value of the property before the taking as of February 17, 1986:

TWO HUNDRED EIGHTY THOUSAND DOLLARS

(\$280,000)



Duane G. Meyers, Jr.  
Page Two  
April 21, 1986

Fair market value of the remainder after the taking as of February 17, 1986:

ONE HUNDRED FIVE THOUSAND DOLLARS

(\$105,000)

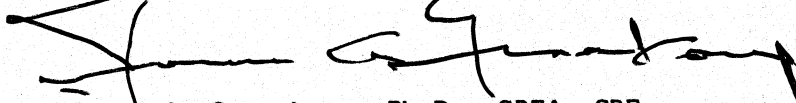
Fair market value of the taking as of February 17, 1986, is therefore:

ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS

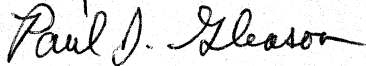
(\$175,000)

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

FOR LANDMARK RESEARCH, INC.



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



Paul J. Gleason  
Real Estate Appraiser/Analyst

Enclosure

elm

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## I. INTRODUCTION

An appraisal is a defensible estimate of the value of a property that is derived from a systematic process in which the problem is defined and the necessary data is gathered, analyzed, and interpreted. The organization of this report parallels this appraisal process and summarizes the appraiser's methodology, data, and conclusions.

### A. The Appraisal Problem

The State of Wisconsin Department of Transportation proposes to acquire a portion of the subject property in connection with the widening and relocation of the South Beltline Highway in the area of the South Towne Shopping Center in Monona, Wisconsin (Project I.D. 1206-02-33). This appraisal has been authorized by Mr. Duane G. Meyers, Jr., Vice President of Planning and Development of Martin Oil Service, Inc., to assist in determining if the State's jurisdictional offer of compensation is reasonable given the loss in value that the property will sustain as a result of the taking. This appraisal will be made in compliance with the requirements for eminent domain appraisals in the State of Wisconsin.

### B. Identification of the Property and the Property Rights Appraised

The subject of this appraisal is a gasoline station/convenience store located at 2605 West Broadway in the City of Monona, Dane County, Wisconsin. The legal description of this property is contained in Appendix A.

This property is also identified as City of Monona tax parcel number 59-01-959.99.59. The 1985 assessed value of the property is as follows:

Land	\$ 81,200
Improvements	<u>43,800</u>
Total	\$125,000
	=====

The property taxes assessed the subject property for 1985 were \$3,355.03.

The property is owned and operated by Martin Oil Marketing, Ltd., a limited partnership. The legal interest appraised is fee simple title to the subject real estate including land, land improvements, and structures. Included are all underground tanks, piping, and pumps necessary to the operation of a gasoline station. Not included are above-ground dispensers, computer consoles, and other personal property.

The analysis and conclusions that follow assume no unusual land use controls beyond municipal zoning, subdivision regulations, and building codes. A search of the title to the subject property was neither made nor provided for use in this appraisal.

#### C. Date of Appraisal

This appraisal is made as of February 17, 1986, the date of the jurisdictional offer to purchase. The analysis and conclusions presented herein are applicable on that date. The appraiser last inspected the property on April 17, 1986.

#### D. Definition of Market Value

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

The most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will



sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Fundamental assumptions and conditions presumed in this definition are:

1. Buyer and seller are motivated by self-interest.
2. Buyer and seller are well informed and are acting prudently.
3. The property is exposed for a reasonable time on the open market.
4. Payment is made in cash, its equivalent, or in specified financing terms.
5. Specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date.
6. The effect, if any, on the amount of market value of atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal report. [1]

E. Statement of General Assumptions  
and Limiting Conditions

This appraisal is made subject to and is conditioned upon the following general assumptions and limiting conditions.

1. Contributions of Other Professionals

- . Information furnished by others in the report, while believed to be reliable, is in no sense guaranteed by the appraisers.
- . The appraiser assumes no responsibility for legal matters.
- . All information furnished regarding property for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.

---

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

## 2. Facts and Forecasts Under Conditions of Uncertainty

- . The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were inspected, it was not possible to inspect interior details of all of them. 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. DESCRIPTION AND ANALYSIS OF THE SUBJECT PROPERTY BEFORE THE TAKING

The subject of this appraisal is the gasoline sales and convenience store facility pictured in Exhibit II-1. Exhibit II-2 is a plan of the subject property.

### A. Location and Linkages of the Subject Property

The subject property is a Martin Service Station located at 2605 West Broadway in Monona, Wisconsin. At the subject site, West Broadway is also a part of the Beltline Highway, the major east-west traffic carrier in the southern part of Madison. West of the subject, the Beltline connects directly with numerous north-south thoroughfares that lead to downtown Madison, the campus area, commercial and affluent residential areas of the western part of Madison, and to the Madison suburbs of Fitchburg and Middleton.

East of the subject, the Beltline provides access to the balance of the City of Monona and to east and northeast portions of Madison. Several miles east of the subject the Beltline intersects Interstate Highway 90 providing access to Chicago and Milwaukee to the east and LaCrosse, Eau Claire, and Minneapolis to the west.

Because of the congestion on the Isthmus between Lakes Mendota and Monona, the Beltline is frequently the fastest route between the east and west sides. It is also a major feeder to and from the downtown employment center. It is, therefore, one of the most heavily traveled routes in the Madison area. Exhibit II-3 is a map showing the location of the subject within the Madison area.

EXHIBIT II-1

PHOTOGRAPHS OF THE SUBJECT PROPERTY



View approaching subject from west on Beltline.  
South Towne Shopping Center is behind sign.



View looking northeast from southwest corner of site.



EXHIBIT II-1 (Continued)



View looking southeast toward diesel pumps and gravel exit to Raywood Road.



Close-up view looking east at pumps, canopy, and building.

EXHIBIT II-1 (Continued)



View looking northwest toward Beltline. Area taken extends from behind building to right through diesel island to upper left corner of photo.



View of rear of building looking northwest.



EXHIBIT II-1 (Continued)



View looking southwest from north corner of subject.



View looking north along Raywood Road and east border of subject.



EXHIBIT II-1 (Continued)



Side view of building and canopy with diesel pumps in left rear.



View of sign looking southwest.

## EXHIBIT II-2

# SITE PLAN

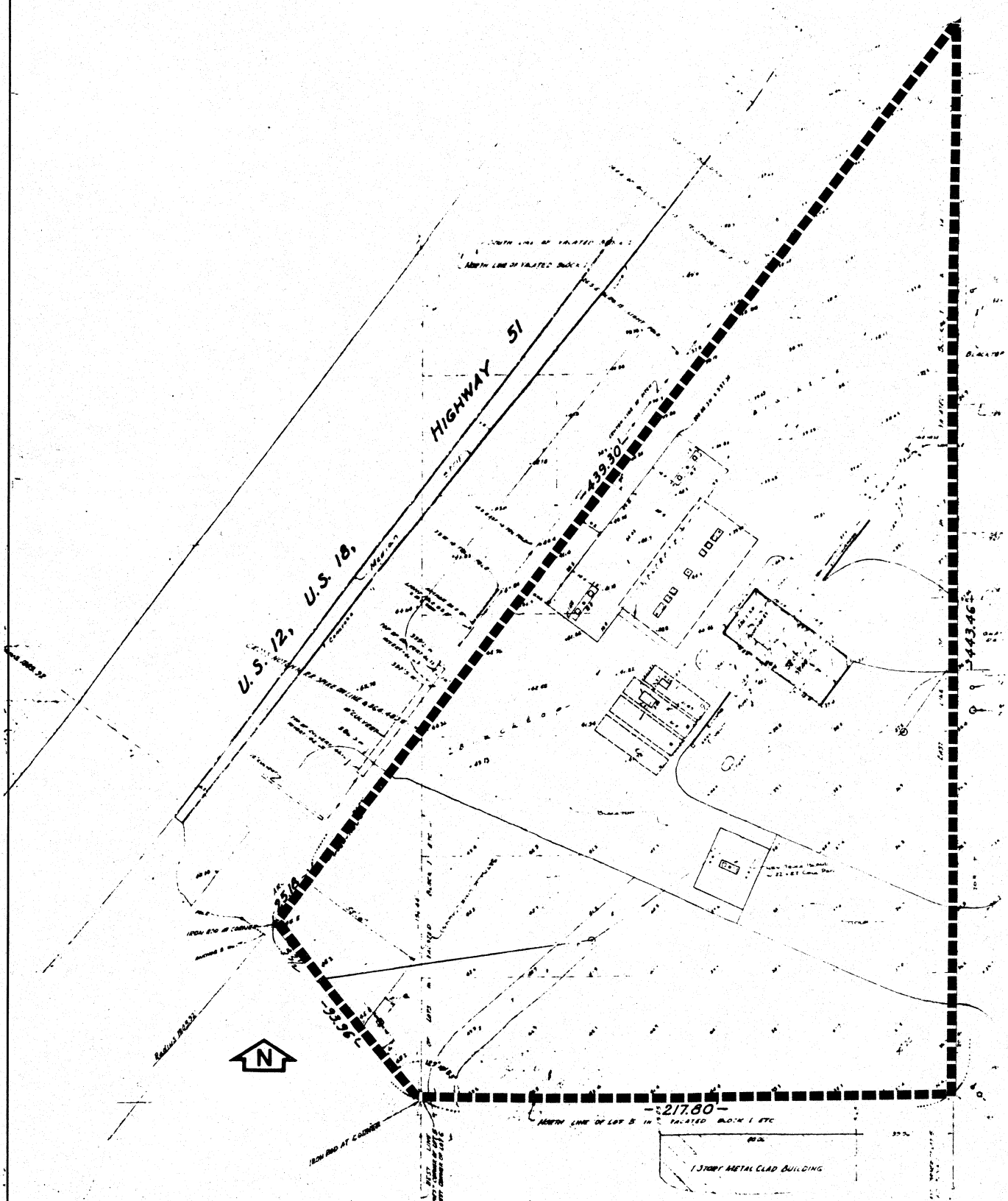
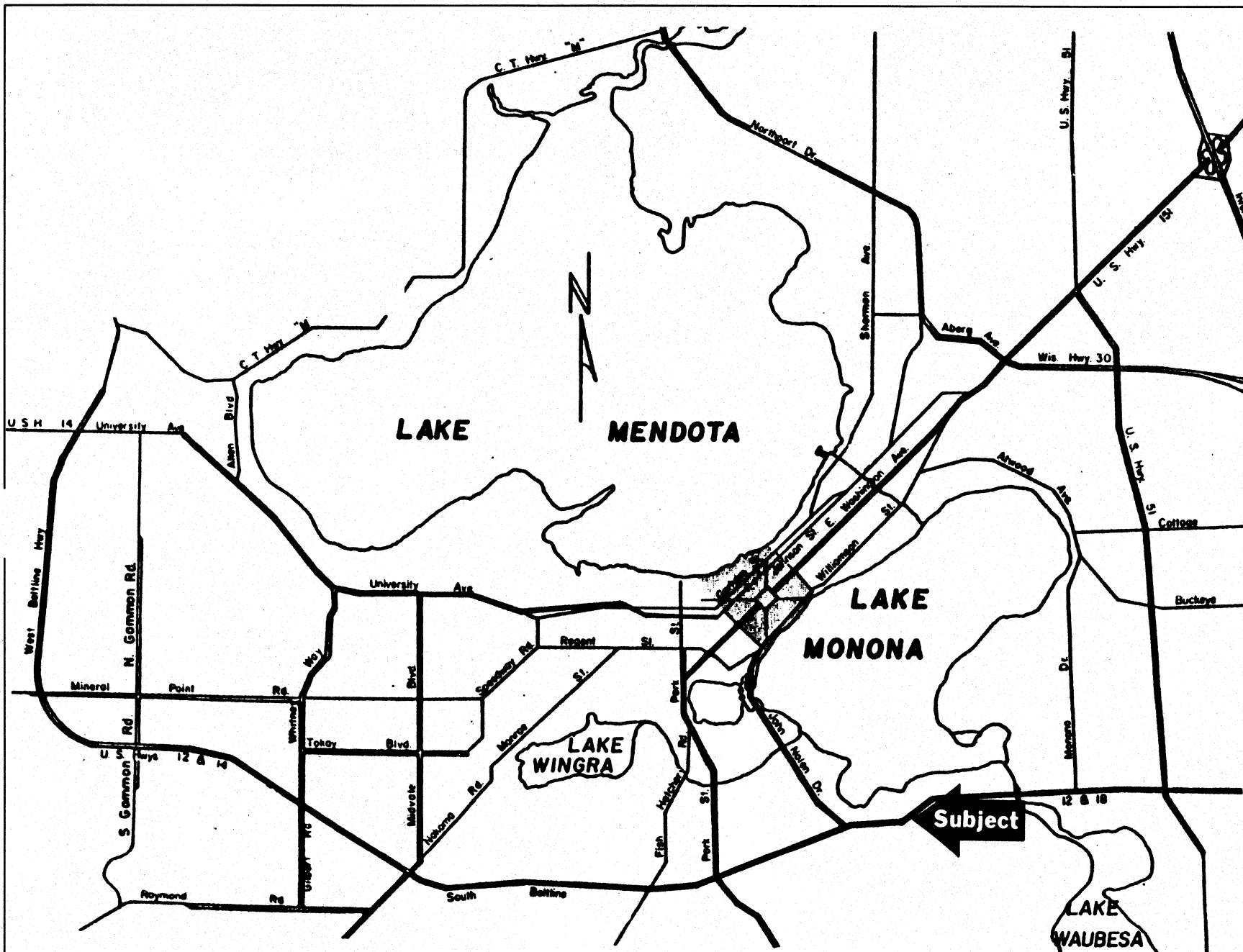


EXHIBIT II-3  
LOCATION MAP



In addition to local traffic, the Beltline carries a large amount of traffic between southeast Wisconsin and Iowa and southwest Wisconsin. U.S. Highways 12 and 18 use the Beltline roadbed in this part of Madison.

The subject site lies on the south side of the Beltline. Just to the east is the developing commercial and office area known as the South Towne area. It contains the South Towne Shopping Center, McDonald's and Bonanza Restaurants, and several completed office buildings. The area south of the subject and South Towne is continuing to develop with industrial and office-warehouse uses. The area across the Beltline to the north contains primarily single-family residential homes behind small commercial uses that face the Beltline.

B. Use and Operation of the Subject Property

The property is owned and operated as a gasoline station and convenience store by Martin Oil Marketing, Ltd., a limited partnership. Mr. Duane Meyers, Jr., of Martin Oil Services, Inc., has stated that this particular station produces higher volume and greater profit than most Martin stations, presumably because of its location on a particularly high-volume traffic route. Nevertheless, the property is for sale as a part of a general company plan to liquidate Wisconsin operations.

The property has no service facilities of any kind. It pumps leaded, unleaded, and premium gasolines as well as diesel fuel. Exhibit II-4 is a schedule of gallons of gasoline and diesel fuel pumped by month from 1982 to 1985. Note that the ratio of diesel volume to total volume increased from 19 percent to 39 percent during that period. When comparing diesel gallons by month to the prior year, a steady upward trend is evident from August 1983 to

VOLUME IN GALLONS - 1982 TO 1985

EXHIBIT II-4

Petroleum Volumes for Station #140  
All Volumes are Stated in Gallons

	1985		1984		1983		1982	
	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel
January	83,352	74,411	92,704	26,306	102,645	19,261	106,701	34,316
February	76,319	62,954	87,986	13,309	90,488	18,484	95,706	29,456
March	85,981	77,143	103,034	25,352	106,656	25,324	111,553	28,189
April	93,717	59,481	103,517	38,187	102,121	24,937	129,000	27,145
May	93,723	63,810	111,565	41,513	112,316	21,082	122,398	26,742
June	90,579	61,356	113,258	29,009	110,446	20,717	111,815	21,387
July	102,452	64,490	110,354	22,915	133,589	21,054	142,165	21,050
August	102,438	60,010	119,124	33,900	128,115	27,331	128,548	23,845
September	74,602	38,475	99,198	53,272	110,927	35,630	111,837	30,019
October	118,402	54,807	104,421	68,521	121,074	45,372	124,793	31,139
November	84,892	50,588	99,718	72,177	105,632	44,998	112,320	25,887
December	80,381	33,597	94,729	69,034	109,605	38,282	117,884	25,590
Total by Product	1,086,838	699,122	1,239,608	493,495	1,333,614	342,472	1,414,720	324,765
Total All Product	1985	1,785,960	1984	1,733,103	1983	1,676,086	1982	1,739,485
Diesel As A Percent of Total Volume	1985	39.15%	1984	28.47%	1983	20.43%	1982	18.67%
Gasoline As A Percent of Total Volume	1985	60.85%	1984	71.53%	1983	79.57%	1982	81.33%

August 1985. Beginning in September 1985, however, monthly diesel gallonage has shown a decrease each month through January 1986, when compared with the prior year.

The subject also contains a small store area selling snacks and convenience items. Exhibit II-5 is a summary of income and expense for fiscal years ending April 30, 1983, 1984, 1985, and 1986 through January. Although the store area is small, its contribution to gross profit ranged from 25 percent to 32 percent of total gross profit for the four years covered.

### C. The Subject Site

The subject site is generally triangular in shape with an area of about 69,333 square feet or 1.59 acres. The southern lot line is 217.80 feet, the eastern 443.46 feet, and the northwestern frontage on West Broadway is 464.48 feet. The southwestern corner of the parcel is cut by a diagonal lot line extending from the south to the northwest lot lines for 93.96 feet. (See Exhibit II-2 for the Site Plan.)

The northwest lot line contains one ingress/egress area accessible to the eastbound lane of West Broadway only. There is no traffic signal or median cut allowing access to westbound traffic. Customers leaving the site have a choice of exiting directly into the eastbound lane of West Broadway or through either of two drives on the east lot line into Raywood Road. They would then go south one block to Royal Avenue, east a short distance to South Towne Drive, and north to a signal-controlled intersection with West Broadway. They could then turn either east or west. Because of a lack of turnaround space, large trucks using the diesel pumps must exit in this manner.



EXHIBIT II-5  
INCOME AND EXPENSE SUMMARY

Income and Expense Statement for Station #140  
Fiscal Year Ending April 30

INCOME		1986 JAN. YTD		1985
Product	Gal / \$	Gross Profit	Gal / \$	Gross Profit
Petroleum	1,279,346	\$91,951.00	1,856,066	\$103,842.00
Resale	\$134,843	31,014.00	\$177,991	40,938.00
Gross Profit		\$122,965.00		\$144,780.00
EXPENSES				
Labor		\$45,523.00		\$59,871.00
Supplies		2,344.00		2,623.00
Electric		4,886.00		6,798.00
Heat		1,110.00		1,501.00
Water		626.00		933.00
Telephone		89.00		81.00
Licenses		60.00		40.00
Taxes RE & PP		2,322.00		4,637.00
Maintenance		2,766.00		4,577.00
Total Expenses		\$59,726.00		\$81,061.00

INCOME		1984	1983
Product	Gal / \$	Gross Profit	Gal / \$ Gross Profit
Petroleum	1,676,565	\$87,284.00	1,667,335 \$108,014.00
Resale	\$177.809	40,896.00	\$168,222 38,691.00
Gross Profit		\$128,180.00	\$146,705.00
EXPENSES			
Labor		\$58,534.00	\$55,071.00
Supplies		2,388.00	1,810.00
Electric		6,218.00	6,412.00
Heat		1,430.00	1,337.00
Water		784.00	553.00
Telephone		202.00	183.00
Licenses		70.00	130.00
Taxes RE & PP		2,979.00	2,345.00
Maintenance		1,337.00	3,957.00
Total Expenses		\$73,942.00	\$71,798.00

The site slopes downward slightly from the west to the east and northeast. The slope is not great enough to offer any particular development problems. Although soil studies were neither made nor provided for use in this appraisal, a physical inspection did not suggest the presence of any conditions that would limit usage. Utility and telephone service is believed to be adequate for normal commercial usage.

The subject site is zoned Commercial-Industrial under the City of Monona Zoning Code and Master Plan. Zoning in Monona is of the performance type. The following is a brief explanation of performance zoning.

Performance zoning substitutes sensible judgement and efficient administration for rigid regulations. The intent of this Performance Zoning Code is to regulate development according to flexible standards, with individual review of each development proposal. Proposed developments are to be judged on the basis of their compatibility with the land, the environment, surrounding uses, the goals of the master plan, general use and site performance standard and specific district performance standards.

Appendix B contains that portion of the Zoning Code and Master Plan dealing with the Commercial-Industrial District. This zoning generally allows retail, service, commercial, office, recreational, warehouse, and light industrial uses. Any change of use however, is subject to approval by the City of Monona.

#### D. The Subject Structure

The subject property is improved with a one-story masonry building. It is 23 feet wide and 50 feet deep for a total of 1,150 square feet. The front portion of the building is accented with brick veneer, a shed roof, and a large glass area; the balance is concrete block and the roof is flat, composed of built-up tar and gravel. The building is on a concrete slab with no basement.



There is a small store area in the front of the building. The balance is occupied by storage, furnace room, employee restroom, and customer restrooms (accessible from the outside). The building was built in 1969 and added to in 1978. Its conditions is fair. Because of the owner's intent to sell, only minimum maintenance has been performed in recent years. Conversion to any other use would probably require considerable renovation.

#### E. Site Improvements

The subject site is fully improved for use as a gasoline and diesel fuel sales facility. Directly in front of the building is a 30-foot by 56-foot metal canopy with built-in lighting covering the two main pump islands. The canopy was installed in 1979 and appears to be in excellent condition. The canopy is supported by three posts.

Two sets of three pumps each are located under the canopy. The outer pump of each set shares a concrete base measuring 32 inches by 6 feet with a canopy support. The other four pumps and the third canopy support each have a separate concrete base that is 32 inches square. Beyond the covered area are two additional pump islands measuring 32 inches by 16 feet. Each contains two pumps with a light pole in the middle having three light fixtures.

To the left of the building in a separate area are two diesel pumps and a third light pole with three fixtures. They sit on a single concrete base measuring 32 inches by eight feet. Additional lighting is provided by a light pole with two fixtures at the West Broadway entrance and two poles with single fixtures, one at each Raywood Road entrance. All the lighting was installed in 1978 and 1979.

There are four underground tanks on the site. Those for regular, unleaded, and diesel fuel are 12,000 gallons each. The premium tank is 10,000 gallons. All tanks were installed in 1969. There are also four submersible pumps. Three were installed in 1978 and one in 1980.

At the west end of the site near the West Broadway entrance is an illuminated price sign on a concrete base. It supports three double-sided plastic sign fixtures, one for the Martin name and one each for the regular and unleaded prices. It also supports two painted signs for the diesel fuel price. The signs were installed in 1981.

The driveway surface is primarily blacktop, resurfaced in 1978. There is a large concrete pad encompassing the pumps and the canopy in front of the building and a smaller concrete pad around the diesel pumps. The driveway from the diesel pumps to Raywood road is gravel. In total, the appraiser estimates that there are about 24,500 square feet of asphalt paving, 6,000 square feet of concrete paving, and 3,600 square feet of gravel.

#### F. Highest and Best Use Before the Taking

As used in this appraisal, the term highest and best use is defined as:

The reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. [2]

The site's relatively difficult access for traffic other than eastbound Beltline traffic limits the potential uses. The high traffic volume however, makes it a profitable location in its current use as a gas station/convenience

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[2] The Appraisal of Real Estate, 8th Edition, American Institute of Real Estate Appraisers, Chicago, 1983, p. 28.

store. Size and shape would eliminate many uses with greater size and parking requirements. The need for approval of any use by the City of Monona is a further restriction on the site.

The current use is profitable and conforms to zoning. The appraiser believes that, given the site attributes, linkages, and restrictions in the site, the current use as a gas station/convenience store is the highest and best use of the subject site.

### III. VALUATION OF THE SUBJECT PROPERTY BEFORE THE TAKING

The appraisal process provides three standard approaches to value. These are (1) the Cost Approach (2) the Sales Comparable Approach, and (3) the Income Approach. Each is based on somewhat different assumptions and, therefore, arrives at a value estimate via a different path. When applied, each approach serves as a check upon the other. If, as is frequently the case, the values derived from each of these approaches differ, the relative strengths and weaknesses of each as applied to the problem at hand, must be considered. The result of this reconciliation process is a final value estimate that best reflects all available information. Application of this valuation process begins with the Cost Approach to Value.

#### A. The Cost Approach to Value

The Cost Approach to Value is an appraisal technique that derives an overall property value estimate from the sum of individual estimates of the subject property's site value and the replacement cost of the subject's improvements less an allowance for accrued depreciation. Application of this approach begins with the derivation of the subject site's market value.

##### 1. Valuation of the Subject Site

The appraiser has chosen five sales of vacant land to be used in valuing the subject site as though vacant. All five are located along and visible from the existing Beltline. All five were put to commercial uses: three restaurants, one office building, and one PDQ gas station/convenience store.

Three are located in the immediate vicinity of the South Towne Shopping Center. The sales are summarized in Exhibit III-1 and their locations shown in Exhibit III-2. Additionally, a brief description of each follows.

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

Comparable Land Sale No. 2 is the site of the Bonanza Restaurant located at 2400 West Broadway. It was sold on October 25, 1985, to K.E.S.P. Restaurant Services for \$280,000 plus \$15,000 in special assessments. It is a near-rectangular parcel containing 47,931 square feet located between the existing Beltline and the West Broadway frontage road. Vehicle access is from the West Broadway frontage road.

Comparable Land Sale No. 3 is the site of the PDQ gas station/convenience store located on the north side of the existing Beltline across from the South Towne Shopping Center. It was purchased on May 8, 1985, for \$140,000. The buyer removed the old service station building at an estimated cost of \$6,500. There is direct access from the westbound lane of the existing Beltline but very difficult access from the eastbound lane. The site is rectangular, measuring 150 feet by 296 feet and containing 44,400 square feet.

Comparable Land Sale No. 4 is the site of the Landmark Place office building located at 2901 West Beltline Highway. It faces the frontage road on

EXHIBIT III-1

COMPARABLE LAND SALES - INFORMATION

COMPARABLE LAND SALE NO. 1



LOCATION:	2051 West Broadway, City of Monona
SALE DATE:	7/15/82
STATED PRICE:	\$211,500
STATED PRICE/SF:	\$6.03
SELLER:	John P. Livesey
BUYER:	McDonald's Corporation
RECORDING DATA:	Vol. 3740, Page 47, 7/30/82, Warranty Deed
SIZE:	Near rectangular parcel measuring approximately 120 feet by 295 feet containing 35,090 square feet
ZONING:	Monona Community Design District
EXPECTED USE:	McDonald's Restaurant
TERMS OF SALE:	Cash
VERIFIED BY:	John P. Livesey, Seller

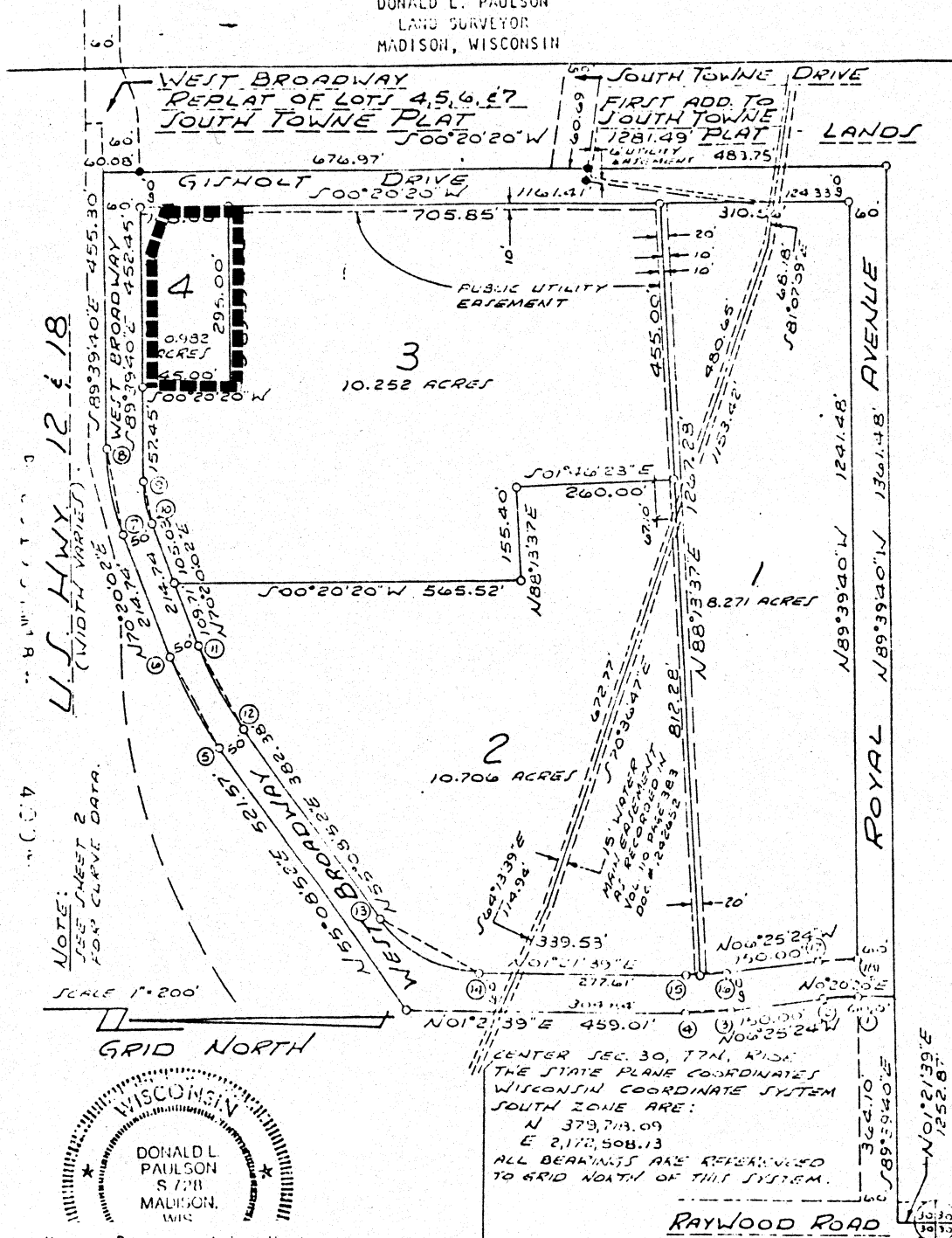


EXHIBIT III-1 (Continued)

COMPARABLE LAND SALE NO. 1 (Continued)

Vol. 2046 PAGE 47

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



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

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

March 6, 1981  
S-8085-7

CERTIFIED SURVEY MAP NUMBER 3658  
DOCUMENT NUMBER 1700196  
Sheet 1 of 3

EXHIBIT III-1 (Continued)

COMPARABLE LAND SALE NO. 2



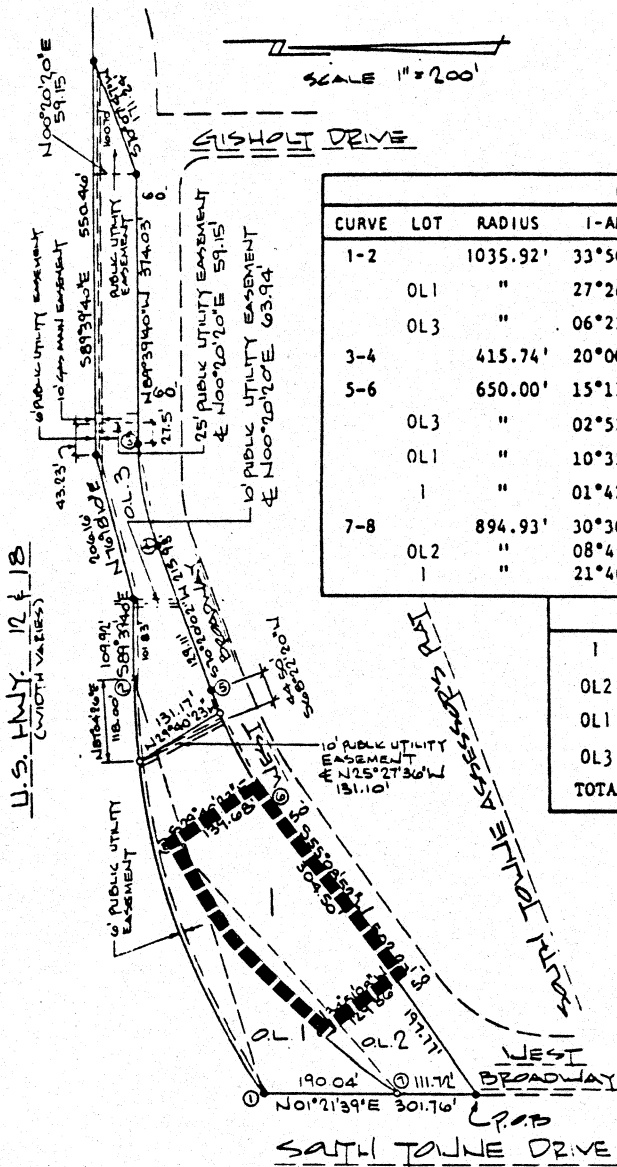
LOCATION:	2400 West Broadway, City of Monona
SALE DATE:	10/25/85
STATED PRICE:	\$280,000
STATED PRICE/SF:	\$5.84
SELLER:	John P. Livesey
BUYER:	K.E.S.P. Restaurant Services
RECORDING DATA:	Vol. 7432, Page 25, 10/29/85, Warranty Deed
SIZE:	47,931 square feet, near rectangular
ZONING:	Monona Community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



EXHIBIT III-1 (Continued)

COMPARABLE LAND SALE NO. 2 (Continued)

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



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

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

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

Conditions of Approval:

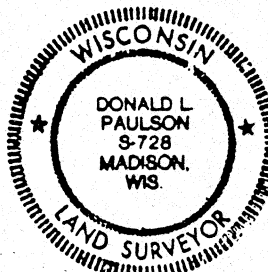
- 1) No access to existing Highway 12 & 18 or to plan Connector Street between West Broadway and Highway 12 & 18.
- 2) Outlots 1, 2 & 3 shall not be developed unless proper zoning approval is obtained from the City of Monona.

Livesey Company  
6515 Grand Teton Plaza  
Madison, Wisconsin 53719

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

September 24, 1985  
85240-C-3

CERTIFIED SURVEY MAP NO. 4795  
DOCUMENT NO. 1905943



LEGEND

- IRON STAKE FOUND
- IRON STAKE PLACED
- 1/4" x 30', 4.30 WFT
- x "x" IN CONCRETE

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

Madison, Wisconsin

Donald L. Paulson S-728

Sheet 1 of 2

EXHIBIT III-1 (Continued)

COMPARABLE LAND SALE NO. 3



LOCATION:	2402 West Broadway, City of Madison
SALE DATE:	5/8/85
STATED PRICE/SF:	\$3.15
STATED PRICE:	\$140,000
SELLER:	Richard Lichtfeld and Anthony Patton
BUYER:	PDQ Food Stores, Inc.
RECORDING DATA:	Vol. 6778, Page 27, 5/8/85, Affidavit of Land Contract
SIZE:	Rectangular parcel measuring 150 feet by 296 feet containing 44,400 square feet
ZONING:	Commercial
EXPECTED USE:	PDQ gas station and convenience store
TERMS OF SALE:	Short-term land contract, market rate interest
VERIFIED BY:	Secretary at Lichtfeld Plumbing

EXHIBIT III-1 (Continued)

COMPARABLE LAND SALE NO. 3 (Continued)

LAKE MONONA

C

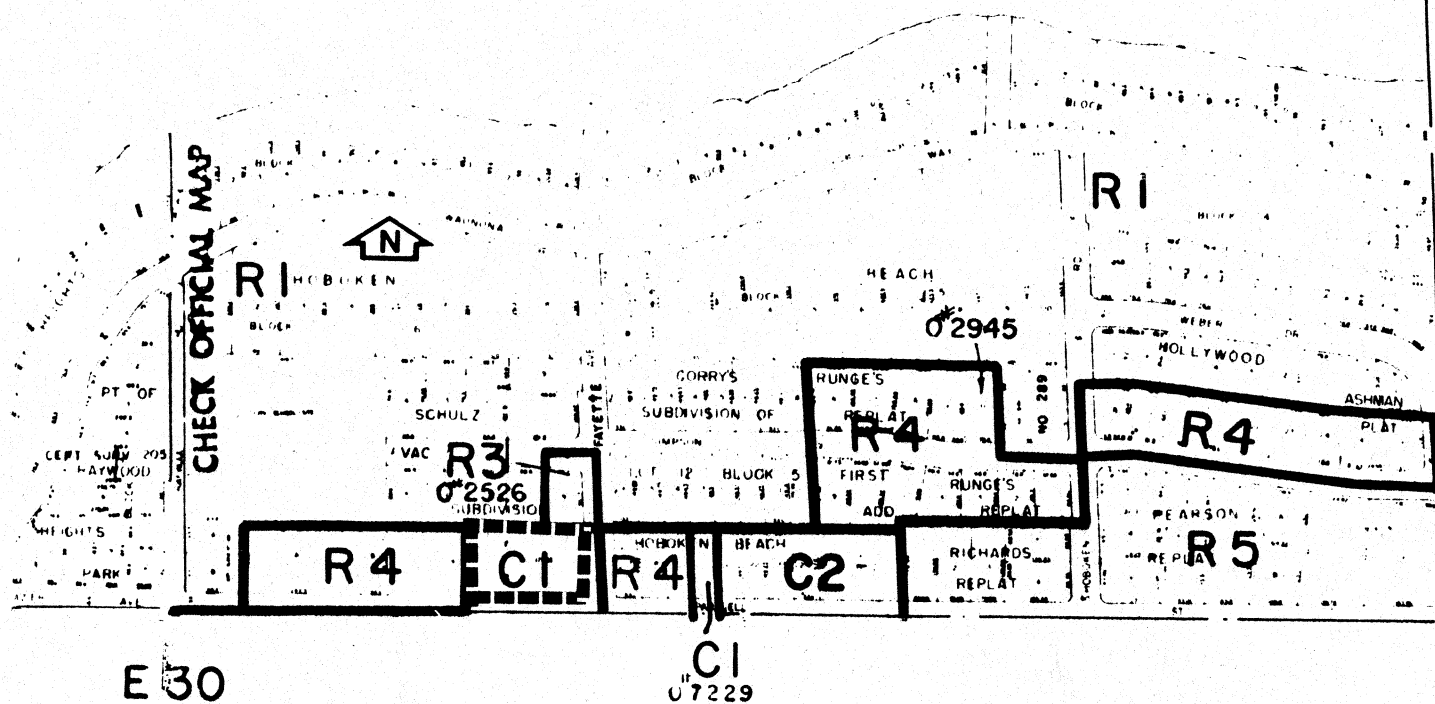


EXHIBIT III-1 (Continued)

COMPARABLE LAND SALE NO. 4



LOCATION:	2901 West Beltline Highway, Town of Madison
SALE DATE:	12/6/84
STATED PRICE:	\$491,500
STATED PRICE/SF:	\$3.23
SELLER:	Skyview Partnership
BUYER:	Madison Office Partners Limited Partnership
RECORDING DATA:	Vol. 6338, Page 5, 12/11/84, Warranty Deed
SIZE:	151,937 square feet, near rectangular
ZONING:	Commercial
EXPECTED USE:	Landmark Place Office Building
TERMS OF SALE:	Cash
VERIFIED BY:	James Martell, Madsen Corporation



EXHIBIT III-1 (Continued)  
COMPARABLE LAND SALE NUMBER 5



LOCATION:	1218 and 1221 Ann Street, City of Madison
SALE DATE:	8/5/85
STATED PRICE:	\$178,000
STATED PRICE/SF:	\$4.25
SELLER:	C.J. Raymond Investments
BUYER:	Hammond Investments
RECORDING DATA:	Vol. 7231, Page 80, 9/8/85, Warranty Deed
SIZE:	Irregularly shaped parcel containing 41,840 square feet
ZONING:	C2 Commercial
EXPECTED USE:	Rax Restaurant
TERMS OF SALE:	Assignment of land contract with satisfaction within one month
VERIFIED BY:	John Allen, Rax Restaurants



## EXHIBIT III-1 (Continued)

COMPARABLE LAND SALE NO. 5 (Continued)

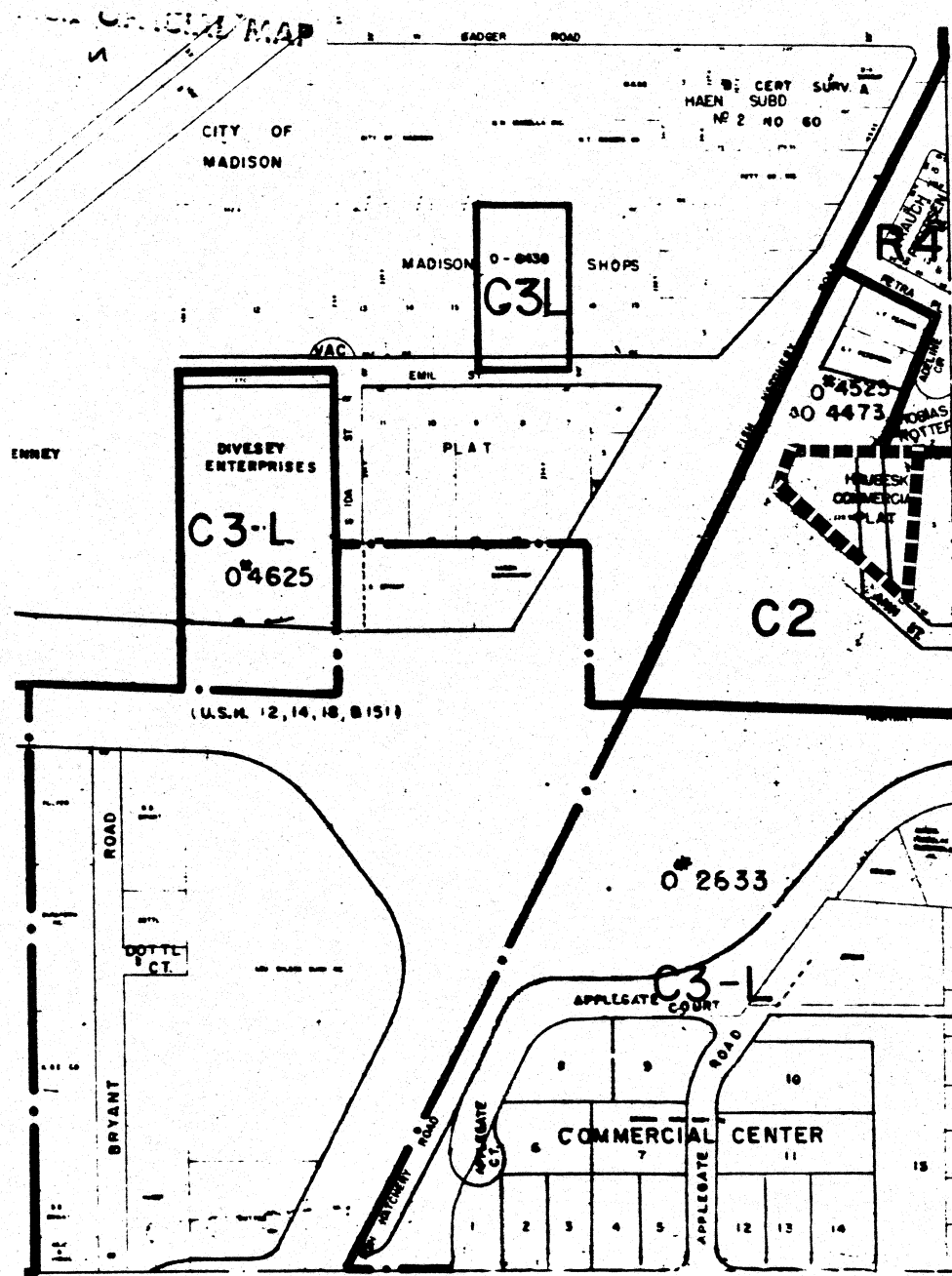
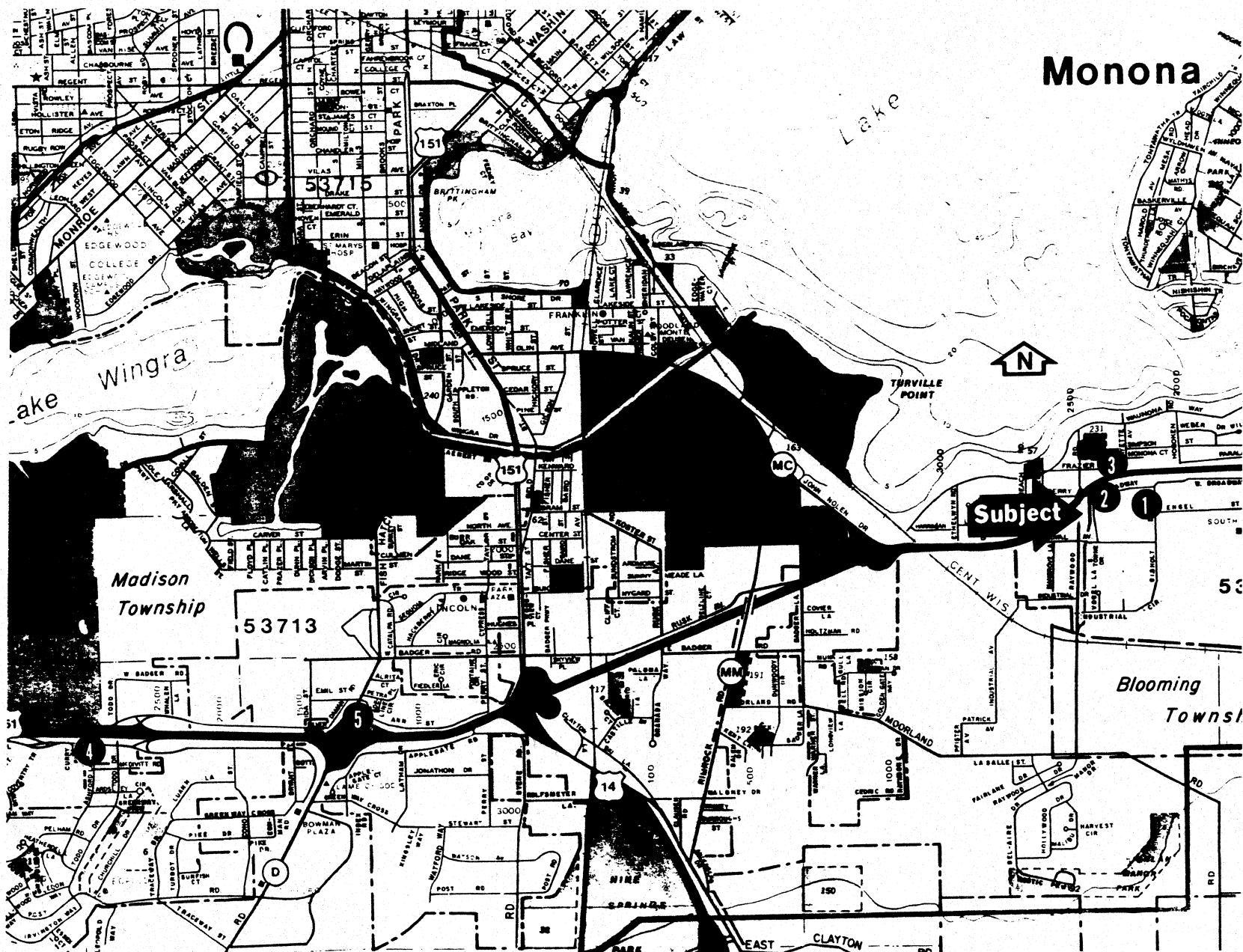


EXHIBIT III-2

COMPARABLE LAND SALES - LOCATION



the south side of the Beltline. The site slopes down from south to north to the elevation of the Beltline. The site is near rectangular containing approximately 151,937 square feet and is in a prominent position overlooking the Beltline. Access is from the nearby interchange of the Beltline with Todd Drive. It was purchased on December 6, 1984, for \$491,500.

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

Exhibit III-3 shows the stated price, adjustments, adjusted price, square feet, and price per square foot of the land comparables. A brief discussion of the adjustment to the stated price follows.

Comparable Nos. 1 and 2 were adjusted upward for special assessments paid by buyer. Comparable No. 1, the McDonald's site, was adjusted upward 20 percent for its time of sale. This adjustment is based on an 8.5 percent increase in the Consumer Price Index for All Urban Consumers for the time span in question and an 11.5 percent adjustment for the general maturation of retail and other development activity in the South Towne area. It sold over three years prior to the date of valuation.

Both Comparable Nos. 1 and 2 include some provision for parking off-site. Because of very limited on-site parking at McDonald's, the provision allowing employees to park off-site is important and the price was adjusted down 15 percent to reflect this. The development plan for the Bonanza site already

EXHIBIT III-3

SIZE AND ADJUSTED PRICE OF LAND COMPARABLES

	LAND COMPARABLE NO. 1	LAND COMPARABLE NO. 2	LAND COMPARABLE NO. 3	LAND COMPARABLE NO. 4	LAND COMPARABLE NO. 5
Stated Price	\$211,500	\$280,000	\$140,000	\$491,500	\$178,000
Special Assessments Assumed	8,500	15,000	0	0	0
Time of Sale	44,000	0	0	0	0
Offsite Parking Included	(33,000)	0	0	0	0
Removal of Improvements	0	0	6,500	0	5,000
Adjusted Price	<u>\$231,000</u> =====	<u>\$295,000</u> =====	<u>\$146,500</u> =====	<u>\$491,500</u> =====	<u>\$183,000</u> =====
Square Feet	35,090	47,931	44,400	151,937	41,840
\$/SF	\$6.58	\$6.15	\$3.30	\$3.23	\$4.37

included 87 parking spaces and the provision allowing up to seven employees to park off-site is considered to have little real value, therefore no adjustment was made.

Comparable Nos. 3 and 5 were both adjusted upward slightly to reflect the cost of removing improvements from the sites. Comparable No. 4 required no adjustments.

After determining the adjusted price of the comparables in Exhibit III-3, some method of analyzing qualitative differences among comparable properties must be constructed. Each property has certain attributes which are observable and significant to the investor. However, the specific unit dollar adjustments for the degree of presence or absence of these attributes cannot be measured by the appraiser. Therefore, it is appropriate to set up an ordinal scoring matrix which can be converted to a weighted average score per unit in order to build a pricing algorithm for the subject property. As price sensitive attributes, the appraiser chose size, visibility to major traffic routes, proximity to other consumer attractions and traffic generators, and linkages to major traffic routes.

Each of the sales was then ranked for relative value of the attributes. The scoring system is detailed in Exhibit III-4. The weights assigned the attributes were generated from a non-parametric statistics formula developed by Gene Dilmore. [3] The total weighted score given each of the properties and the adjusted selling price per square foot per point can be found in Exhibit III-5.

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



EXHIBIT III-4

SCALE FOR SCORING LAND COMPARABLES AND SUBJECT SITE

SIZE:

- 5 = Less than 40,000 square feet
- 3 = 40,000 to 80,000 square feet
- 1 = Greater than 80,000 square feet

VISIBILITY TO MAJOR  
TRAFFIC ROUTES:

- 5 = High visibility to approaching eastbound and westbound traffic
- 3 = Moderate visibility due to shielding by adjacent uses, terrain, or other factors
- 1 = Poor visibility due to terrain and intervening uses

PROXIMITY TO OTHER  
CONSUMER ATTRACTIONS  
AND TRAFFIC GENERATORS:

- 5 = Within easy walking distance
- 3 = Within short distance and relatively easy auto access through controlled intersections
- 1 = Difficult and circuitous auto access from other consumer attractions and traffic generators

LINKAGES TO MAJOR  
TRAFFIC ROUTES:

- 5 = Controlled intersection allows direct access from both lanes of travel
- 3 = Frontage road provides reasonable linkages
- 1 = Mid-block location or difficult left turn through uncontrolled intersection impedes access

## EXHIBIT III-5

## WEIGHTED MATRIX FOR LAND COMPARABLES AND SUBJECT SITE

## EXHIBIT III-5

WEIGHTED MATRIX FOR LAND COMPARABLES AND SUBJECT SITE  
SCORE/WEIGHTED SCORE

ATTRIBUTE	WEIGHT	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	SUBJECT BEFORE	SUBJECT AFTER
Size	20%	5/1.00	3/0.60	3/0.60	1/0.20	3/0.60	3/0.60	3/0.60
Visibility	45%	5/2.25	5/2.25	3/1.35	3/1.35	3/1.35	3/1.35	1/0.45
Proximity	15%	5/0.75	5/0.75	1/0.15	1/0.15	3/0.45	3/0.45	3/0.45
Linkages	20%	3/0.60	3/0.60	1/0.20	3/0.60	3/0.60	1/0.20	1/0.20
TOTAL WEIGHTED SCORE	100%	4.60	4.20	2.30	2.30	3.00	2.60	1.70
Adjusted Price		\$231,000	\$295,000	\$146,500	\$491,500	183,000		
Square Feet		35,090	47,931	44,400	151,937	41,840	69,333	46,682
Adjusted Price/SF		\$6.58	\$6.15	\$3.30	\$3.23	\$4.37		
Price/Point/ Square Foot		\$1.43	\$1.47	\$1.43	\$1.41	\$1.46		

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

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

Having determined the pricing algorithm that predicts the price of the comparable land sales, it is then possible to apply the mean price per point per square foot to the subject site as detailed in Exhibit III-7. Note that the base price per point per square foot is \$1.44 and the standard error of the mean is plus or minus \$0.02.

Assuming a land area of the subject site before the taking of 69,333 square feet and a total weighted point score of 2.6, the value of the subject

## EXHIBIT III-6

## JUSTIFICATION OF PRICE FORMULA FOR COMPARABLE LAND SALES

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

NO.	COMPARABLE PROPERTY	WEIGHTED POINT SCORE	MEAN PRICE PER POINT SCORE	PREDICTED PRICE/ SF	ACTUAL PRICE/ SF	VARIANCE	% OF VARIANCE TO ACTUAL PRICE
1	2051 West Broadway	4.6	\$1.43	\$6.62	\$6.58	\$ 0.04	0.6%
2	2400 West Broadway	4.2	\$1.47	\$6.04	\$6.15	\$-0.11	1.8%
3	2402 West Broadway	2.3	\$1.43	\$3.31	\$3.30	\$ 0.01	0.3%
4	2901 West Beltline Highway	2.3	\$1.41	\$3.31	\$3.23	\$ 0.08	2.5%
5	1218 and 1221 Ann Street	3.0	\$1.46	\$4.31	\$4.37	\$-0.06	1.4%
NET VARIANCE						\$-0.04	
						=====	

EXHIBIT III-7

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

COMPARABLE PROPERTY	SELLING PRICE PER SF	POINT SCORE	PRICE PER SF/ TOTAL WEIGHTED SCORE (X)
1	\$6.58	4.60	\$1.43
2	\$6.15	4.20	\$1.47
3	\$3.30	2.30	\$1.43
4	\$3.23	2.30	\$1.41
5	\$4.37	3.00	\$1.46
TOTAL			\$7.20

Total of Price Per SF = \$7.20

Total Weighted Score

Mean Value ( $\bar{X}$ ) = \$7.20 / 5 = \$1.44

Standard Deviation of the Mean =  $\sqrt{\frac{\sum (X - \bar{X})^2}{n - 1}}$  = \$0.02 where:

X	$\bar{X}$	(X - $\bar{X}$ )	(X - $\bar{X}$ ) <sup>2</sup>	n	n - 1
\$1.43	\$1.44	-\$0.01	0.0001	5	4
\$1.47	\$1.44	\$ 0.03	0.0009		
\$1.43	\$1.44	-\$0.01	0.0001		
\$1.41	\$1.44	-\$0.03	0.0009		
\$1.46	\$1.44	\$ 0.02	0.0004		
			0.0024		

$$\sqrt{\frac{0.0024}{4}} = \sqrt{0.0006} = \$0.02$$



EXHIBIT III-7 (Continued)

Value Range of Price/Point Score:  $\$1.44 \pm \$0.02$

Since area of subject is 69,333 square feet and total weighted point score of subject is 2.6, then:

High  
Estimate:  $\$1.46 \times 2.6 \times 69,333 \text{ SF} = \$263,188 \text{ or } \$263,000$   
( $\$3.80/\text{SF}$ )

Central  
Tendency:  $\$1.44 \times 2.6 \times 69,333 \text{ SF} = \$259,583 \text{ or } \$260,000$   
( $\$3.74/\text{SF}$ )

Low  
Estimate:  $\$1.42 \times 2.6 \times 69,333 \text{ SF} = \$255,977 \text{ or } \$256,000$   
( $\$3.69/\text{SF}$ )

site in the current market using the same standards applied to the comparable sites falls within a range having a high estimate of \$263,000, a low estimate of \$256,000, and a central tendency of \$260,000.

## 2. Replacement Cost of the Subject Improvements

The Marshall Valuation Service was used to estimate the replacement cost of the subject improvements. Exhibit III-8 contains the details and calculations made in arriving at an estimated replacement cost of the structure and site improvements of \$188,000.

## 3. Accrued Depreciation

Accrued depreciation is defined as the difference between replacement cost new of the improvements and the present worth of those improvements. This depreciation is generally categorized as: (1) physical deterioration, (2) functional obsolescence, and/or (3) economic obsolescence. Both physical and functional obsolescence may be further subcategorized as curable or incurable depending on whether or not it is physically possible and financially viable to do so. Economic obsolescence is by definition incurable since it stems from causes which are outside of the boundaries of the subject property.

This depreciation can be estimated using an age life methodology. In this method the building is assumed to have an economic life of 30 years and it has an effective age of 20 years. Using tables provided by the Marshall Valuation Service, the resulting accrued depreciation is estimated to be 53 percent. The land improvements are estimated to have economic lives from 10 to 20 years, and effective ages that vary from 5 to 17 years. Based upon these ages and economic lives, the accrued depreciation for the land improvements range from 27 to 73 percent. The percentage and dollar amount of depreciation for various

EXHIBIT III-8

COST APPROACH BEFORE TAKING - IMPROVEMENTS

COST APPROACH BEFORE TAKING-IMPROVEMENTS

ITEM	UNITS	BASE COST (\$/UNIT)	CURRENT COST MULT. (1/86)	LOCAL COST MULT. (MDSN.)	ARCH. FEE MULT.	ESTIMATED REPLACEMENT COST	ACCRUED DEPR.		ESTIMATED VALUE
							%	\$	
STRUCTURE (Class C, Low Cost)	1150	\$29.86	0.99	1.06	1.067	\$38,450	53%	\$20,378	\$18,071
PUMP ISLANDS	174	\$4.90	1.02	1.06	1.067	\$984	73%	\$718	\$266
PIPING		\$11,100.00	1.02	1.06	1.067	\$12,805	57%	\$7,299	\$5,506
VAPOR CONTROL SYSTEM		\$13,600.00	1.02	1.06	1.067	\$15,690	57%	\$8,943	\$6,746
SUBMERSIBLE PUMPS	4	\$800.00	1.02	1.06	1.067	\$3,692	57%	\$2,104	\$1,587
CANOPY	1680	\$13.75	1.02	1.06	1.067	\$26,649	27%	\$7,195	\$19,454
LIGHTING									
POLES	6	\$420.00	1.02	1.06	1.067	\$2,907	27%	\$785	\$2,122
FIXTURES	13	\$105.00	1.02	1.06	1.067	\$1,575	27%	\$425	\$1,150
TANKS									
12,000 GALLON	1	\$8,050.00	1.04	1.06	1.067	\$9,469	40%	\$3,788	\$5,681
ADDITIONAL 12,000 GALLON	2	\$7,487.00	1.04	1.06	1.067	\$17,613	40%	\$7,045	\$10,568
10,000 GALLON	1	\$6,324.00	1.04	1.06	1.067	\$7,439	40%	\$2,975	\$4,463
SIGNS									
POLE	1	\$1,050.00	1.02	1.06	1.067	\$1,211	27%	\$327	\$884
ILLUMINATED PLASTIC	3	\$780.00	1.02	1.06	1.067	\$2,700	27%	\$729	\$1,971
PAINTED	2	\$300.00	1.02	1.06	1.067	\$692	27%	\$187	\$505
ASPHALT PAVING	24500	\$1.00	1.02	1.06	1.067	\$28,264	73%	\$20,633	\$7,631
CONCRETE PAVING	6000	\$2.25	1.02	1.06	1.067	\$15,574	73%	\$11,369	\$4,205
GRAVEL DRIVE	3600	\$0.50	1.02	1.06	1.067	\$2,077	73%	\$1,516	\$561
TOTALS						\$187,790		\$96,417	\$91,373

Source: Marshall Valuation Service

components of the subject improvements are shown in Exhibit III-8. The total depreciation that has accrued to the subject improvements is \$97,000.

#### 4. Value Indicated by the Cost Approach

Given the estimates of land value, replacement costs, and accrued depreciation derived above, the value of the subject property before the taking by the Cost Approach to Value is as follows:

Land Value		\$260,000
Value of Improvements		
Replacement Cost New	\$188,000	
Less: Accrued Depreciation	<u>97,000</u>	
Total Value of Improvements		<u>91,000</u>
Indicated Value of the Subject Property by the Cost Approach		\$351,000 =====
Round To		\$350,000 =====

#### B. The Sales Comparison Approach

The Sales Comparison Approach is an appraisal technique that derives an estimate of the market value of the subject property by comparing it to other similar properties that have recently sold in arm's length market transactions. Its applicability is, therefore, dependent upon the availability of adequate sales data.

Although many gas station sites have sold in Madison in recent years, most have sold for land value only with destruction of the existing improvements or conversion to another use with substantial renovation and expansion of the existing improvements. The investigation of Madison sales produced four transactions that appeared to be most comparable to the subject. Appendix D

contains a list of other locations reviewed and for various reasons deemed to be not comparable. Exhibit III-9 provides relevant information regarding those transactions. Exhibit III-10 shows the locations of the comparable sales. A brief description of each property follows.

Comparable Sale No. 1 is a September 27, 1982, sale of an existing gas station at 5445 University Avenue. It was improved with a 600 square foot building in fair condition with no service bays. Land area, access, and layout are ample for diesel truck access. After sale, the building was substantially remodeled and enlarged for greater convenience sales. The property is still operated as a gas station/convenience store.

Comparable Sale No. 2 is a September 14, 1984, sale of a facility located at 2102 West Broadway. It contained a 1,309 square foot building in poor condition. All tanks and pumping equipment had been removed. Access is from the westbound lane of the existing Beltline only. This comparable is included because of its proximity to the subject. It now operates as J's Autorama.

Comparable Sale No. 3 is the December 1, 1983, sale of an Open Pantry gas station and food mart at 1412 Pflaum Road. It is on the northwest corner of the intersection of Pflaum Road with North Stoughton Road. This is a controlled intersection allowing good access to the site from all directions. The site is improved with a 2,030 square foot store in good condition.

Comparable Sale No. 4 is the sale of former service station for conversion to an Emergency Care Center. It is located at the corner of East Washington Avenue and Johnson Street. It was substantially renovated and expanded after sale. It was included to represent transactions on the East Washington corridor.



EXHIBIT III-9

COMPARABLE SALES - INFORMATION

COMPARABLE SALE NO. 1



LOCATION:	5445 University Avenue, City of Madison
SALE DATE:	9/27/82
STATED PRICE:	\$140,000
SELLER:	Bulk Petroleum Corporation
BUYER:	Willowbrook, Inc.
RECORDING DATA:	Vol. 3915, Page 92, 10/12/82, Warranty Deed
LOT SIZE:	33,625 square feet, rectangular shape
ZONING:	C1, Madison
ACCESS:	A corner location with two entrance/exits on University Avenue for both east and westbound lanes, and one entrance/exit at Norman Way.
GROSS BUILDING AREA:	600 square foot self-service gas station at the time of sale

EXHIBIT III-9 (Continued)

COMPARABLE SALE NO. 1 (Continued)

CURRENT USE:	Self-service gas pumping station and retail grocery store sales
TERMS OF SALE:	Cash at closing
VERIFIED BY:	Pam Freddenburg on 5/29/84, partially verified
ANALYSIS OF SALE:	<p>This is an older gasoline sales facility without service bays. It is located east of the subject property on University Avenue and is in a superior location. Since the time this property was purchased it has been extensively enlarged and remodeled to house a retail grocery operation. At the time of sale it included only a small customer service area. Tanks included in sale. Good access to diesel pumps.</p>

EXHIBIT III-9 (Continued)

COMPARABLE SALE NO. 2



LOCATION:	2102 West Broadway, City of Madison
SALE DATE:	9/14/84
STATED PRICE:	\$76,500
SELLER:	Wealey and Ann Smithson
BUYER:	Joseph and James Bleifuhs
RECORDING DATA:	Vol. 6115, Page 6, 9/25/84, Warranty Deed
LOT SIZE:	18,000 square feet
ZONING:	C2
ACCESS:	Two entry/exit points into westbound lane of Beltline
GROSS BUILDING AREA:	1,309 square feet

EXHIBIT III-9 (Continued)

COMPARABLE SALE NO. 2 (Continued)

CURRENT USE:

J's Autorama - used car sales

TERMS OF SALE:

Cash to seller

VERIFIED BY:

Joseph Bleifuhs

ANALYSIS OF SALE:

Tanks and pumps had been removed.  
Building and lot surface in poor condition  
when purchased



EXHIBIT III-9 (Continued)

COMPARABLE SALE NO. 3



LOCATION:	1412 Pflaum Road, City of Madison at northwest corner of Pflaum Road and North Stoughton Road
SALE DATE:	12/1/83
STATED PRICE:	\$272,000
SELLER:	Open Pantry Food Marts
BUYER:	O.P. Association c/o Nathan Brand
RECORDING DATA:	Vol. 5247, Page 18, 12/1/83, Warranty Deed
LOT SIZE:	45,638 square feet
ZONING:	C3L
ACCESS:	From Pflaum Road and frontage road on west side of North Stoughton Road
GROSS BUILDING AREA:	2,030 square feet

EXHIBIT III-9 (Continued)

COMPARABLE SALE NO. 3 (Continued)

CURRENT USE:	Open Pantry Food Mart and gas station
TERMS OF SALE:	Cash to seller
VERIFIED BY:	Dean Johnson, Open Pantry
ANALYSIS OF SALE:	Building had been recently remodeled from 3-bay station to convenience store including 1,200 square foot canopy. Tanks included in sale. No diesel service. Large unused space in rear but poor access for large trucks makes installation of diesel facility impractical.



EXHIBIT III-9 (Continued)

COMPARABLE SALE NO. 4



LOCATION:	2810 East Washington Avenue, City of Madison
SALE DATE:	7/13/83
STATED PRICE:	\$190,000
SELLER:	Shell Oil Company
BUYER:	Emergency Care Centers Dr. David A. Goodman
RECORDING DATA:	Vol. 4747, Page 32, 7/13/83, Limited Warranty Deed
LOT SIZE:	21,830 square feet
ZONING:	C2
ACCESS:	East Washington Avenue and Johnson Street
GROSS BUILDING AREA:	2,308 square feet

EXHIBIT III-9 (Continued)

COMPARABLE SALE NO. 4 (Continued)

CURRENT USE:

Emergency Care Center

TERMS OF SALE:

Cash at closing to seller

VERIFIED BY:

Mrs. David A. Goodman

ANALYSIS OF SALE:

Tanks and pumps were removed by seller. Building was basically structurally sound; buyer completely remodeled interior and added 15 feet to the west side in 1983; buyer had been looking for a site along the East Washington Avenue corridor.

EXHIBIT III-10

COMPARABLE SALES - LOCATION

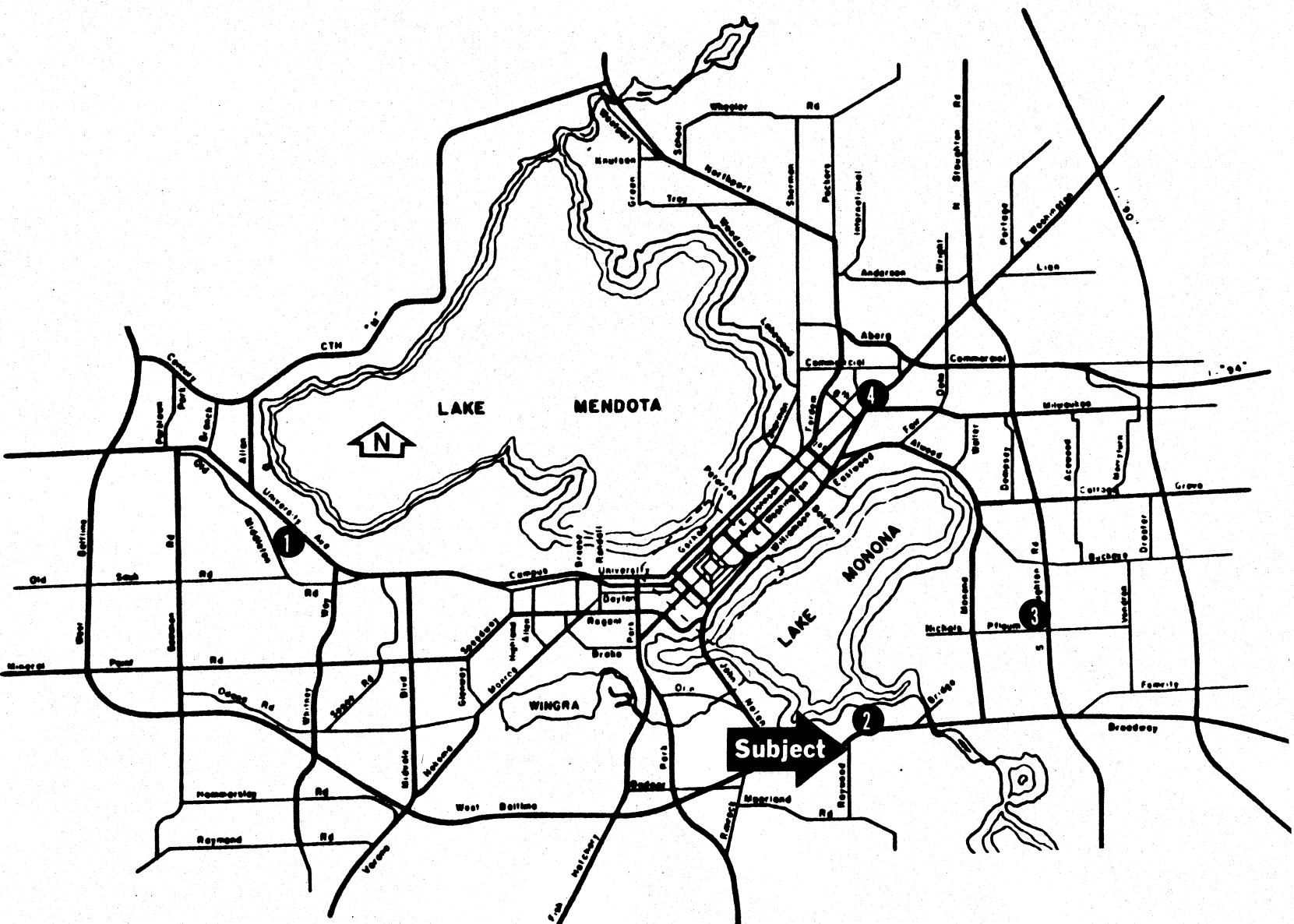


Exhibit III-11 shows the stated price, adjustments, and adjusted price for each of the comparables. A description of the adjustments follows. They were necessary to reflect the value of these items included in the subject appraisal that were not included in the comparables.

All comparables were adjusted upward for the value (depreciated cost basis) of the 1,680 square foot canopy at the subject site. Comparable Nos. 1, 2, and 4 had no canopy and Comparable No. 3 had a smaller one.

Comparable Nos. 2, 3, and 4 did not contain diesel pumping facilities. An addition to stated price of \$7,000 each was made to reflect the approximate depreciated cost basis of underground improvements needed to pump diesel fuel.

Comparable Nos. 2 and 4 had had all tanks, pumps, piping and other improvements removed. An addition to stated price of \$28,000 was made to reflect the approximate depreciated cost basis of these items included in the subject value.

No adjustments to price for terms of financing was needed. All were cash sales. Although the sales range from 1.5 to 3.5 years old, no inflation adjustment was deemed necessary in the current market.

After determining the adjusted price of the comparable sales, the appraiser has applied the same computerized method of analyzing qualitative differences among comparable properties as was used in valuing the subject site in Section III.A.1. The appraiser has chosen land area, building quality, building size, diesel fuel pumping potential, and access as price-sensitive attributes for valuing the improved comparable sales.

The scoring system is detailed in Exhibit III-12. Calculation of the total weighted score for each property and the adjusted selling price per point is found in Exhibit III-13. The justification of the resulting comparable price formula is provided in Exhibit III-14. Appendix E contains the computer

EXHIBIT III-11  
ADJUSTED PRICE OF COMPARABLES

	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	COMPARABLE NO. 4
Stated Price	\$140,000	\$ 76,500	\$272,000	\$190,000
Canopy	19,500	19,500	5,500	19,500
Diesel: Improvements	0	7,000	7,000	7,000
Gasoline: Improvements	<u>0</u>	<u>28,000</u>	<u>0</u>	<u>28,000</u>
ADJUSTED PRICE	<u>\$159,500</u> =====	<u>\$131,000</u> =====	<u>\$284,500</u> =====	<u>\$244,500</u> =====

Source: Adjustments based on Marshall Valuation Service depreciated value.

EXHIBIT III-12

SCALE FOR SCORING COMPARABLES AND SUBJECT

LAND AREA:

- 5 = Greater than 80,000 square feet
- 4 = 60,001 to 80,000 square feet
- 3 = 40,001 to 60,000 square feet
- 2 = 20,001 to 40,000 square feet
- 1 = 20,000 or fewer square feet

BUILDING QUALITY:

- 5 = Good condition and recently remodeled
- 3 = Fair condition but useable as is
- 1 = Poor condition and in need of renovation

BUILDING SIZE:

- 5 = Greater than 1,600 square feet
- 3 = 801 to 1,600 square feet
- 1 = 800 or fewer square feet

DIESEL POTENTIAL:

- 5 = Size and configuration suitable for large trucks and high volume of non-local traffic
- 3 = Size and configuration suitable for large trucks but passing traffic is predominantly local
- 1 = Size or configuration not suitable for large trucks

ACCESS:

- 5 = Located at controlled intersection or good access from both traffic lanes
- 3 = Good access from one lane but marginal through controlled intersection from other lane
- 1 = Good access from one lane but circuitous and difficult from other lane



## EXHIBIT III-13

## WEIGHTED MATRIX FOR COMPARABLES AND SUBJECT

WEIGHTED MATRIX FOR LAND COMPARABLES AND SUBJECT SITE  
SCORE/WEIGHTED SCORE

ATTRIBUTE	WEIGHT	NO. 1	NO. 2	NO. 3	NO. 4	SUBJECT
Area	35%	2/0.70	1/0.35	3/1.05	2/0.70	4/1.40
Building Quality	10%	3/0.30	1/0.10	5/0.50	3/0.30	3/0.30
Building Size	35%	1/0.35	3/1.05	5/1.75	5/1.75	3/1.05
Diesel Potential	15%	3/0.45	1/0.15	1/0.15	1/0.15	5/0.75
Access	5%	5/0.25	1/0.05	5/0.25	5/0.25	3/0.15
TOTAL WEIGHTED SCORE	100%	2.05	1.70	3.70	3.15	3.65
Adjusted Price		\$159,500	\$131,000	\$284,500	\$244,500	
Price/Point		\$77,805	\$77,059	\$76,892	\$77,619	

EXHIBIT III-14

JUSTIFICATION OF PRICE FORMULA FOR COMPARABLES

NO.	COMPARABLE PROPERTY	WEIGHTED POINT SCORE	MEAN PRICE PER POINT SCORE	PREDICTED PRICE	ACTUAL PRICE	VARIANCE	% OF VARIANCE TO ACTUAL PRICE
1	5445 University Avenue	2.05	\$77,805	\$158,555	\$159,500	\$ -945	0.6%
2	2102 West Broadway	1.70	\$77,059	\$131,484	\$131,000	\$ 484	0.4%
3	1412 Pflaum Road	3.70	\$76,892	\$286,172	\$284,500	\$1,672	0.6%
4	2810 East Washington Avenue	3.15	\$77,619	\$243,633	\$244,500	\$ -867	0.4%
						-----	
						NET VARIANCE \$ 344	
						=====	

output of the Dillmore quantitative point weighting program for the improved comparable sales.

Having determined the pricing algorithm that predicts the price of the comparable sales to a reasonable degree, it is then possible to apply the mean price per point to the subject as detailed in Exhibit III-15. Note that the base price per point is \$77,344 and the standard error of the mean is plus or minus \$436. Thus using the total weighted point score of 3.65 for the subject, the value of the subject in the current market by the sales comparison approach using the same standards applied to the comparables is \$282,306, rounded to \$280,000.

#### C. The Income Approach

The purpose of the Income Approach is to simulate an investor's logic in analyzing the income potential of an investment to determine the price the investor will pay. Although market information is scarce in this area, we can apply the Income Approach by using general market criteria.

Exhibit II-5 is the income and expense information supplied by the owner for the years ended April 30, 1983 to 1986 (1986 totals through January). Exhibit III-16 summarizes Exhibit II-5 and annualized information for the year ended April 30, 1986. Net income remaining after deducting expenses is allocable to general station management and real estate.

The appraiser has chosen to allocate 40 percent of net income to management and the balance is assumed to be return on real estate. Average net income for the four year period before the allocation is \$69,296. The 60 percent allocable to real estate is therefore \$41,578 per year. A capitalization rate is then applied to the income to real estate to determine value by the income approach. The appraiser has chosen a factor of 12 percent

## EXHIBIT III-15

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

COMPARABLE PROPERTY	SELLING PRICE	POINT SCORE	PRICE/ TOTAL WEIGHTED SCORE (X)
1	\$159,500	2.05	\$77,805
2	\$131,000	1.70	\$77,059
3	\$284,500	3.70	\$76,892
4	\$244,500	3.15	\$77,619
TOTAL			\$309,375

Total of Price = \$309,375

Total Weighted Score

Mean Value ( $\bar{X}$ ) =  $\$309,375/4 = \$77,344$

Standard Deviation of the Mean =  $\sqrt{\frac{\sum (X - \bar{X})^2}{n - 1}} = \$437$  where:

X	$\bar{X}$	(X - $\bar{X}$ )	(X - $\bar{X}$ ) <sup>2</sup>	n	n - 1
\$77,805	\$77,344	= \$ 461	212,521	4	3
\$77,059	\$77,344	= \$-285	81,225		
\$76,892	\$77,344	= \$-452	204,304		
\$77,619	\$77,344	= \$ 275	75,625		
			573,675		

$$\sqrt{\frac{573,675}{3}} = \sqrt{191,225} = \$437$$

EXHIBIT III-15 (Continued)

Value Range of Price/Point Score:  $\$77,344 \pm \$437$

Since the total weighted point score of subject is 3.65, then:

High  
Estimate:  $\$77,781 \times 3.65 = \$283,901$  or  $\$284,000$

Central  
Tendency:  $\$77,344 \times 3.65 = \$282,306$  or  $\$282,000$

Low  
Estimate:  $\$76,907 \times 3.65 = \$280,711$  or  $\$281,000$

## EXHIBIT III-16

## NET INCOME FOR ALLOCATION TO MANAGEMENT AND REAL ESTATE

	YEAR ENDED APRIL 30				
	1986 (9 MONTHS)	1986 (ANNUALIZED)	1985	1984	1983
GROSS PROFIT	\$122,965	\$163,953	\$144,780	\$128,180	\$146,705
EXPENSES	59,726	79,635	81,061	73,942	71,798
NET INCOME	\$ 63,239	\$ 84,318	\$ 63,719	\$ 54,238	\$ 74,907



to approximate the cost of all-equity financing for this type of development. To this is added a factor for recovery of the investment in depreciable assets. Under the Cost Approach to Value, the depreciable portion was 26 percent of the total value estimate. Assuming recovery over a ten-year period, 2.6 percent of the total value, must be recovered each year for ten years. Thus the built-up rate used in the Income Approach is 14.6 percent. The value by the Income Approach is, therefore, \$284,781, rounded to \$285,000.

D. Reconciliation and Final Value Estimate Before the Taking

The preceding analysis has considered the three standard approaches to value. The value estimates that result are:

Cost Approach to Value	\$350,000
Sales Comparison Approach	\$280,000
Income Approach	\$285,000

The sales comparison approach is considered by the appraiser to be the most reliable of the three approaches. By including two comparables that continued in operation as gas station/convenience stores, the derived value should approximate the sale price of a continuing operation. The Income Approach is given less weight because of the difficulty of estimating investor criteria. The Cost Approach is considered least reliable because of the judgements required to be made in its application.

Based upon the weight given to each approach, the estimated market value of the subject property before the taking, as of February 17, 1986, is:

TWO HUNDRED EIGHTY THOUSAND DOLLARS

(\$280,000)

#### IV. THE TAKING

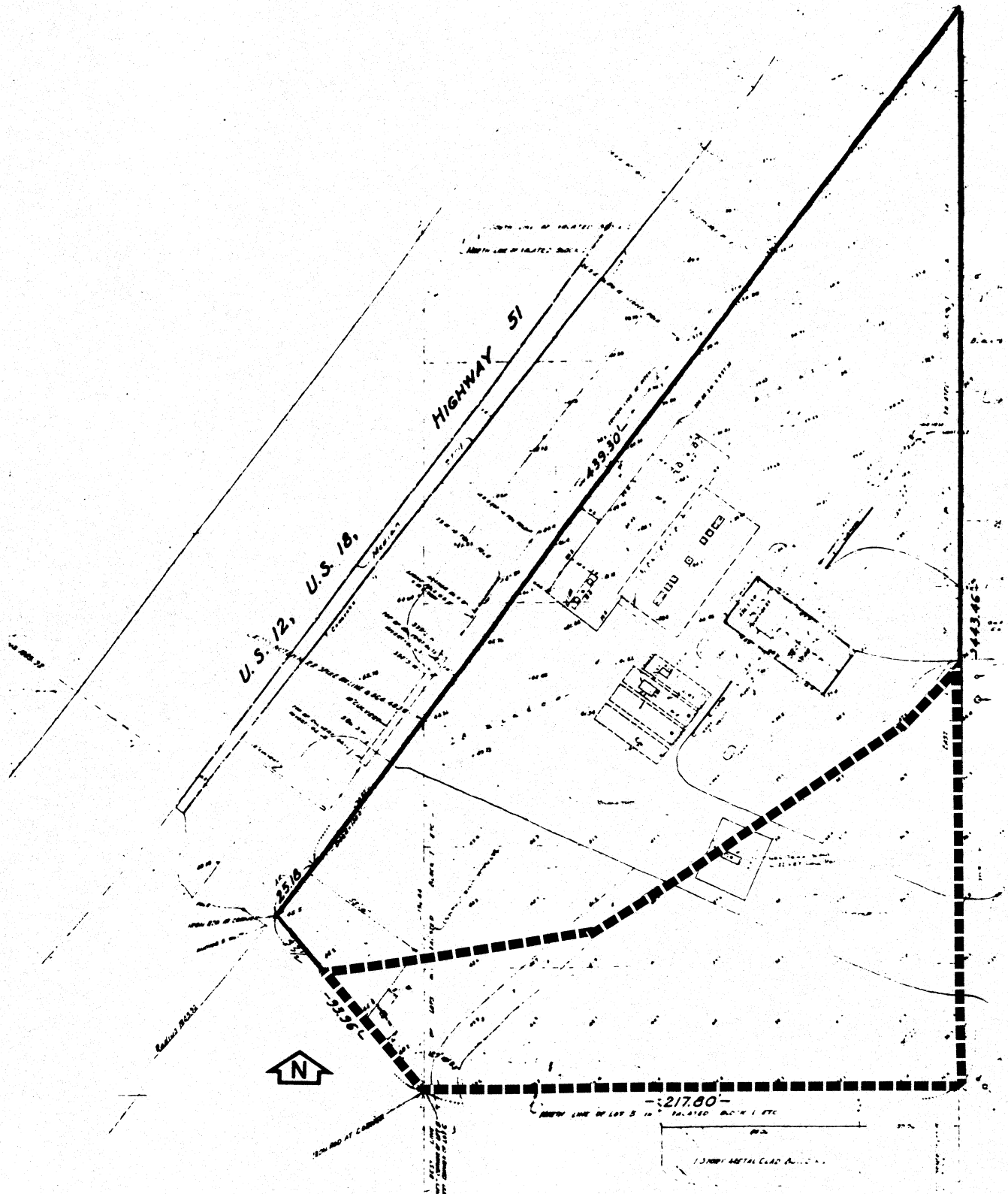
Exhibit IV-1 is a site plan that shows the approximate area of the taking. Appendix F is a legal description of the taking supplied by the State of Wisconsin Department of Transportation.

The taking generally included the southern and southeastern portions of the subject site. It includes approximately 0.52 acres or 22,651 square feet.

Currently located within the area taken is the sign and sign base, one light pole with single fixture, and all of the graveled drive area exiting onto Raywood Road (3,600 square feet). Also taken or destroyed are the diesel pump island (21 square feet) approximately 500 square feet of asphalt paving, and approximately 600 square feet of concrete paving around the diesel pumps.

Property dislocated by the taking includes two light poles and fixtures, sign pole and fixtures, and the diesel pumps. The underground diesel tank, although situated on land retained by the owner, will need to be removed and fill provided.

EXHIBIT IV-1  
SITE PLAN - TAKING



V. DESCRIPTION AND ANALYSIS OF THE SUBJECT  
PROPERTY AFTER THE TAKING

A. Use and Operation of the Subject Property

After the taking, the subject property will no longer be a viable location for pumping diesel fuel. As can be seen in Exhibit IV-1, the land area taken includes the location of the diesel pumps, most of the concrete pad around the pumps, a small portion of the asphalt drive, and all of the gravel drive leading to the diesel pumps from Raywood Road to the east of the site. Size and shape of the subject after the taking is such that it will be difficult to impossible to reconfigure pumping facilities to allow maneuvering of large trucks on the site.

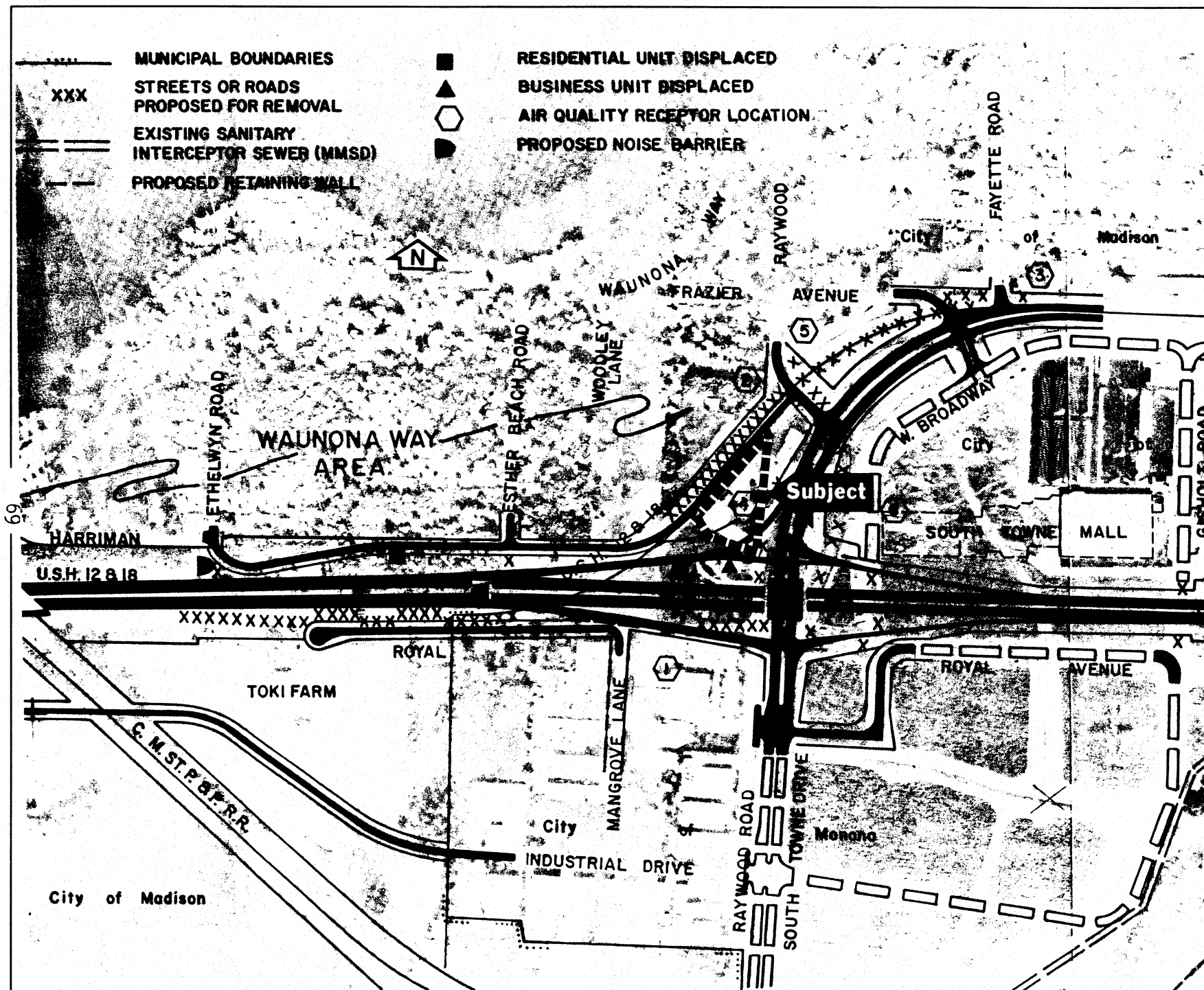
More importantly, the good visibility to the Beltline truck traffic now enjoyed by the site will be gone. A combination of existing structures, terrain, and the South Towne Drive overpass will effectively shield the subject from the view of the travelers on the new Beltline. Exhibit V-1 shows the location of the subject in relation to the new Beltline.

After the taking, the only access to the site is what is currently the entry/exit onto the Beltline. The current Beltline adjacent to the site will become a frontage road that dead-ends into the Waunona Way residential area. A second entry/exit onto this street will not be allowed without permission from the City of Monona.

The current exits onto Raywood Road will no longer exist. After the taking the east and south lot lines of the property will border new South Towne Drive and a westbound entry ramp onto the relocated Beltline.

EXHIBIT V-1

SUBJECT SITE AND RELOCATED BELTLINE





The property, from a physical standpoint, could continue to market gasoline and convenience items after the taking. The building itself is not disrupted nor are the gas pumps and canopy. However, the visibility problem discussed earlier will also have a negative effect on gasoline and convenience goods sales. The site will be visible to South Towne Drive, which will carry mainly local traffic into residential and commercial areas to the east and north, but will not be visible to the higher volume of the new Beltline. For comparison, the Department of Transportation has estimated that in 1990 South Towne Drive will carry 18,270 vehicles per day north of the new Beltline and the Beltline itself will carry 54,685 vehicles per day.

#### B. The Subject Site and Site Improvements

After the taking, the site will contain approximately 46,682 square feet or 1.07 acres as shown in Exhibit IV-1. The site will be deepest in the middle and will narrow toward the existing Beltline at the northeast and southwest ends.

Entry/exit will be on the west end of the site onto a Beltline frontage road leading to residential areas of Madison to the west and Raywood Road to the east. A right turn on Raywood will lead to South Towne Drive from which one can access the new Beltline to the south or South Towne Mall to the northeast. Refer to Exhibit V-1 for location of new roads in relation to the site.

Exhibit V-1 currently shows a median cut allowing northbound traffic on South Towne Drive to make a left turn onto Raywood Road and enter the site. A conversation with Department of Transportation personnel indicates that they intend to recommend the median cut. However, some sources in the City of Madison oppose it and there appears to be a possibility that the final

construction will not include the cut. This appraisal assumes that the median cut will exist upon completion and that Raywood Road will be accessible to both lanes of traffic on South Towne Drive. Elimination of the median cut will result in a lower value after the taking than the value determined in this report.

A second item of uncertainty affecting the property is that, according to City of Monona personnel, the subject site might be swapped to the City of Madison for other property. The appraiser believes that this could result in greater restrictions on the site because of the Madison residential areas immediately northwest of the site. This appraisal assumes that the site will remain a part of the City of Monona.

As was discussed earlier, the building, canopy, gas pumps, and underground equipment will not be physically disrupted by the taking. Two light poles and the sign pole must be removed or relocated. The diesel pumps must be removed. About 24,000 square feet of asphalt and 5,400 square feet of concrete driveway improvements remain. The underground diesel fuel tank will need to be removed because there is not sufficient space remaining to provide diesel service.

#### C. Highest and Best Use After the Taking

The useability of the subject site has been altered drastically by the taking. Diesel fuel has recently accounted for about 39 percent of the volume pumped by the station. The location of the diesel pumps is a part of the taking and there is not sufficient room to relocate them in a manner that will allow maneuvering room for large trucks. Moreover, while the site's primary exposure before the taking was to a major regional traffic route, its primary exposure after the taking will be to a residential area and a local traffic route. The appraiser expects that the sales volume of gasoline and convenience items will drop significantly after the taking.

Due to the smaller size of the remainder site and the drastic reduction in visibility of the site, the appraiser feels that the highest and best use of the site has been altered by the taking. The highest and best use is now as a vacant development site. Most likely uses are for development of a small office building or commercial site. Tenants are likely to be businesses that are a predetermined destination for customers rather than those relying on impulse decisions to stop. Tenants will also value the accessibility, though not the visibility, to the Beltline route.

## VI. VALUATION OF THE SUBJECT PROPERTY AFTER THE TAKING

### A. The Cost Approach to Value

The Cost Approach to value adds the land value by the sales comparison approach to the replacement cost of the improvements less accrued depreciation. It implies that the property valued is an improved property.

We have previously determined that the highest and best use of the subject after the taking is as a vacant development site. Therefore, the Cost Approach is not applicable to the problem of valuing the subject site after the taking.

### B. The Sales Comparison Approach

After the taking the sales comparison approach can be applied to the remaining land as if vacant to determine its value in the after condition. Please refer to Section III.A.1. for the discussion of the methodology used and comparables chosen to value the subject site before the taking. The appraiser feels that the same methodology and comparable sales are applicable to valuing the subject site after the taking.

The site attributes used previously: size, visibility to major traffic routes, proximity to other consumer attractions and traffic generators, and linkages to major traffic routes are still applicable. In the appraiser's judgement, the only attribute that warrants a change in point score from the before state is visibility. The site is considerably less visible to Beltline traffic after the taking than before, therefore, the point score for visibility has been lowered from three to one.

Although the size has obviously been reduced by the taking, we believe the reduction is not sufficient to justify a change in point score. As to proximity, the main consumer attraction nearby, the South Towne Shopping Center, is perhaps slightly more difficult to reach after the taking but we judged that the change does not warrant a reduction in point score. Finally, linkages with westbound traffic improve after the taking but linkages with eastbound traffic decrease resulting in the same point score after the taking as before.

The reader should review Exhibits III-1 through III-7 for the procedure used in valuing the subject site before the taking. It is also applicable in arriving at a value after the taking. The total weighted point score for the subject site after the taking is calculated in Exhibit III-5 as 1.7. In Exhibit III-7 we determined that the value range of price per point is  $\$1.44 \pm \$0.02$ . Given the area after the taking of 46,682 square feet, we can calculate the price range for the subject site after the taking as follows:

High Estimate:  $\$1.46 \times 1.7 \times 46,682 \text{ SF} = \$115,864 \text{ or } \$116,000$   
( $\$2.48/\text{SF}$ )

Central Tendency:  $\$1.44 \times 1.7 \times 46,682 \text{ SF} = \$114,277 \text{ or } \$114,000$   
( $\$2.45/\text{SF}$ )

Low Estimate:  $\$1.42 \times 1.7 \times 46,682 \text{ SF} = \$112,690 \text{ or } \$113,000$   
( $\$2.41/\text{SF}$ )

It is the appraiser's opinion, therefore, that the market value of the subject site after the taking, using the Sales Comparison Approach, is \$114,000, rounded to \$115,000.

#### C. The Income Approach

The Income Approach is generally used in valuing improved, income-producing real estate. It is not applicable here due to the lack of data necessary to make the approach meaningful.



D. Reconciliation and Final Value  
Estimate After the Taking

In valuing the subject after the taking, all three approaches have been considered. The Cost Approach and the Income Approach were found to be not applicable. The Sales Comparison approach resulted in a value of the subject site of \$115,000. This valuation assumes the site is vacant and ready for use.

Several adjustments must be considered in arriving at a value for the subject property after the taking in its current condition. Underground fuel tanks must be removed if not in use. A downward adjustment is needed to reflect the cost of removal and backfilling. An estimate of \$7,500 was obtained from Icke Construction Company for the cost of this work. Salvage value is believed to be zero due to the large number of stations closing and relatively few new operations.

A downward adjustment is also warranted for the cost of destruction and removal of the existing structure. The appraiser has used a minimal estimate of \$3,000 for this cost. Finally, the sign pole, light poles, canopy, and pumps must be removed from the site. The appraiser has assumed that salvage value of these items is equal to cost of removal and no adjustment has been made.

The final value estimate of the subject site after the taking in its current condition is summarized as follows:

Market Value of Land Vacant and Prepared for Development	\$115,000
Tank Removal and Backfilling	(7,500)
Demolition	<u>(3,000)</u>
TOTAL	\$104,500 =====
ROUNDED TO	\$105,000 =====

Therefore the estimated market value of the subject property after the taking as of February 17, 1986, is:

ONE HUNDRED FIVE THOUSAND DOLLARS

(\$105,000)

## VII. ESTIMATE OF LOSS AND DAMAGES AS A RESULT OF THE TAKING

The loss and damages to the subject as a result of the proposed taking are represented by the difference between the estimated value of the subject property before the taking and the estimated value after the taking. The estimated damages as of February 17, 1986, are computed as follows:

Estimated Value - Before the Taking	\$280,000
Estimated Value - After the Taking	<u>105,000</u>
Estimated Loss and Damages	\$175,000 =====

This loss can be allocated between the amount that is a direct result of the taking and severance damages to the remaining parcel. The allocation to the various elements of the taking are as follows:

Direct Taking of Land (\$3.74/SF x 22,651 square feet)	\$ 84,715
Direct Taking of Improvements (Pump island, asphalt, concrete, gravel)	1,170
Severance Damages to the Remainder	<u>89,115</u>
Estimated Loss and Damages	\$175,000 =====

VIII. CERTIFICATE OF APPRAISAL

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 February 17, 1986, is:

TWO HUNDRED EIGHTY THOUSAND DOLLARS

(\$280,000)

The estimated market value of this property after the taking as of February 17, 1986, is:

ONE HUNDRED FIVE THOUSAND DOLLARS

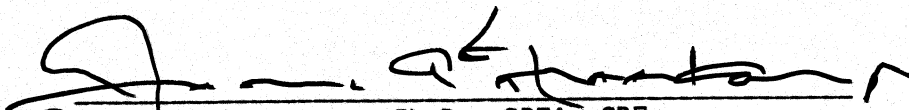
(\$105,000)


The loss and damages accruing as a result of this taking as of February 17, 1986, are then estimated to be:


ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS

(\$175,000)

FOR LANDMARK RESEARCH, INC.

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

  
Paul J. Gleason, Real Estate Appraiser/Analyst

  
Date

APPENDIX A

LEGAL DESCRIPTION OF SUBJECT BEFORE THE TAKING

PARCEL A -- Part of the north east quarter of the north west quarter of Section 30, Township 7 North, Range 10, East, being also a part of vacated Blocks 1 and 2, F. A. Bridge Replat No. 2 of Outlot No. 3 Raywood Heights, in the City of Monona, Dane County, Wisconsin, described as follows: beginning at the south west corner of vacated Block 1 of said replat on the north line of Monona Drive (now known as Royal Street); thence north along the west line of said Block 1, 262.75 feet to the north west corner of Lot 5 of said Block 1 and the point of beginning of this description; thence continue north along the west line of said Block 1 to the south east line of U.S. Highway No. 12 and 18; thence north east along the south east line of said highway to the east line of vacated Block 2 of said replat; thence south along the east line of said Blocks 2 and 1 to the north east corner of Lot 5 of vacated Block 1; thence west along the north line of said Lot 5 to the point of beginning.

PARCEL B -- Part of Block 3 of F. A. Bridge Replat No. 2 of Outlot 3, of Raywood Heights, in the City of Monona, in the south west quarter of Section 19, Township 7 North, Range 10, East, lying south of U.S. Highway 12 and 18, more particularly described as follows: commencing at the south west corner of Lot 6, Block 1, F. A. Bridge Replat No. 2 of Outlot 3, Raywood Heights; thence north along the west boundary of Block 1 to the intersection with the southeasterly line of U.S. Highway 12 and 18; thence southwesterly along the southeasterly line of U.S. Highway 12 and 18, 100 feet; thence southeasterly to the point of beginning.

Source: Plat of Survey prepared by Earl M. Smith & Associates, December 30, 1969

## APPENDIX B

### COMMERCIAL-INDUSTRIAL DISTRICT ZONING CODE

#### COMMERCIAL-INDUSTRIAL DISTRICT

**12.100 CHARACTERISTICS OF DISTRICT.** The Commercial-Industrial District is characterized by retail, service, commercial, office, recreational, warehouse and light industrial uses which are highway-oriented. Typical light industrial uses include manufacturing, fabrication, packing, packaging, assembly, repair, terminals, depots and storage. It is contemplated that multifamily residential development shall be permitted in this district only as part of an approved Planned Community Development.

**12.101 DISTRICT PERFORMANCE STANDARDS.** In addition to the general performance standards, proposed uses in this district shall meet the following additional standards:

- (1) The proposed use shall be related to the general development pattern and the objectives of the Master Plan to provide a balanced local economy and to provide stable employment suitable for residents of Monona and the surrounding area.
- (2) The proposed use shall be compatible with nearby development as built or contemplated for construction in the near future.
- (3) Because of the limited supply of vacant land, any proposed retail or service uses shall not unnecessarily duplicate retail or service uses already existing in the immediate vicinity.

Source: City of Monona, 1980



APPENDIX C

COMPUTER OUTPUT FOR SUBJECT SITE BEFORE THE TAKING

QP

Version 2.3

Program Choices Are:

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

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

Enter your choice: ?

Display Output to Screen

Select output to be displayed:

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

<Return> to quit

Enter your choice:

## APPENDIX C (Continued)

Project title: MARTIN

Unit prices      Search interval = 5

	SIZE	VISIB	PROXI	LINKA	Price
Prel. wts.	20	45	15	20	-
COMP #1	5	5	5	3	\$6.58
COMP #2	3	5	5	3	\$6.15
COMP #3	3	3	1	1	\$3.30
COMP #4	1	3	1	3	\$3.23
COMP #5	3	3	3	3	\$4.37
SITE-BEFORE	3	3	3	1	-

"

Feature/ Attribute	Weighted Matrix				Wtd. score
	SIZE	VISIBILI	PROXIMIT	LINKAGES	
Initial weights	25	25	25	0	100
Final weights	20	45	15	20	100
COMP #1	5/ 1.00	5/ 2.25	5/ 0.75	3/ 0.60	4.60
COMP #2	3/ 0.60	5/ 2.25	5/ 0.75	3/ 0.60	4.20
COMP #3	3/ 0.60	3/ 1.35	1/ 0.15	1/ 0.20	2.30
COMP #4	1/ 0.20	3/ 1.35	1/ 0.15	3/ 0.60	2.30
COMP #5	3/ 0.60	3/ 1.35	3/ 0.45	3/ 0.60	3.00
SITE-BEFORE	3/ 0.60	3/ 1.35	3/ 0.45	1/ 0.20	2.60

## APPENDIX C (Continued)

## Value Range Determination: Mean Price Per Point Method

Mean price per point:	\$1.44
Dispersion About the Mean:	\$0.02
Coefficient of Dispersion:	0.0165

## Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per Unit
Low Estimate	2.60	X	\$1.41	=	\$3.68
Central Tendency	2.60	X	\$1.44	=	\$3.74
High Estimate	2.60	X	\$1.46	=	\$3.80

## Transaction Zone: Mean Price Per Point Method

Number of units in subject property: 69333

Low Estimate	\$254,975	or	\$255,000
Central Tendency	\$259,241	or	\$259,000
High Estimate	\$263,507	or	\$264,000

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

	Predicted Price	Actual price	Error
COMP #1	\$6.62	\$6.58	\$0.04
COMP #2	\$6.04	\$6.15	-\$0.11
COMP #3	\$3.31	\$3.30	\$0.01
COMP #4	\$3.31	\$3.23	\$0.08
COMP #5	\$4.31	\$4.37	-\$0.06

APPENDIX D  
OTHER LOCATIONS REVIEWED

<u>ADDRESS</u>	<u>REASON FOR ELIMINATION</u>
2605 Fish Hatchery Road	Contained 2 service bays and was converted to other use
3859 East Washington Avenue	Contained 3 service bays, currently vacant
3066 East Washington Avenue	Contained 1 service bay, converted to other use, currently vacant
5063 University Avenue	Contained 2 service bays, converted to other use, very small land area
1831 East Washington Avenue	Contains service bays and restaurant operation
2635 University Avenue	Contains 2 service bays, very small land area
3802 Mineral Point Road	Contains 2 service bays, street location not comparable
3401 University Avenue	Contains 3 service bays and operates as service center
4514 Verona Road	Contains 3 service bays and operates as service center
4402 East Buckeye Road	Could not confirm, street location not comparable
4762 Cottage Grove Road	Contained service bays, street location not comparable, converted to other use
1809 North Stoughton Road	Could not confirm

## APPENDIX E

### COMPUTER OUTPUT FOR IMPROVED SUBJECT BEFORE THE TAKING

QP

Version 2.3

Program Choices Are:

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

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

Enter your choice: ?

Display Output to Screen

Select output to be displayed:

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

<Return> to quit

Enter your choice:

## APPENDIX E (Continued)

Project title: MARTIN

Unit prices Search interval = 5

	AREA	QUALI	SIZE	DIESE	ACCES	Price
Prel. wts.	35	10	35	15	5	-
COMP #1	2	3	1	3	5	\$159500
COMP #2	1	1	3	1	1	\$131000
COMP #3	3	5	5	1	5	\$284500
COMP #4	2	3	5	1	5	\$244500
SUBJECT	4	3	3	5	3	-

Feature/ Attribute	Weighted Matrix					Wtd. score
	AREA	QUALITY	SIZE	DIESEL	ACCESS	
Initial weights	20	20	20	20	0	100
Final weights	35	10	35	15	5	100
COMP #1	2/ 0.70	3/ 0.30	1/ 0.35	3/ 0.45	5/ 0.25	2.05
COMP #2	1/ 0.35	1/ 0.10	3/ 1.05	1/ 0.15	1/ 0.05	1.70
COMP #3	3/ 1.05	5/ 0.50	5/ 1.75	1/ 0.15	5/ 0.25	3.70
COMP #4	2/ 0.70	3/ 0.30	5/ 1.75	1/ 0.15	5/ 0.25	3.15
SUBJECT	4/ 1.40	3/ 0.30	3/ 1.05	5/ 0.75	3/ 0.15	3.65



## APPENDIX E (Continued)

## Value Range Determination: Mean Price Per Point Method

Mean price per point: \$77,344  
 Dispersion About the Mean: \$436.42  
 Coefficient of Dispersion: 0.0056

## Value Range Per Unit of Dispersion

	Subject Point Score		Mean (+/- One Standard Deviation)		Price Per Unit
Low Estimate	3.65	X	\$76,907	=	\$280,711
Central Tendency	3.65	X	\$77,344	=	\$282,304
High Estimate	3.65	X	\$77,780	=	\$283,897

"

## Transaction Zone: Mean Price Per Point Method

Number of units in subject property: 1

Low Estimate	\$280,711	or	\$281,000
Central Tendency	\$282,304	or	\$282,000
High Estimate	\$283,897	or	\$284,000

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

	Predicted Price	Actual price	Error
COMP #1	\$138,555	\$159,500	-\$946
COMP #2	\$131,484	\$131,000	\$484
COMP #3	\$286,172	\$284,500	\$1,672
COMP #4	\$243,633	\$244,500	-\$867

APPENDIX F

LEGAL DESCRIPTION OF TAKING

Project: 1206-02-33  
Parcel: 16  
Owner: Martin Oil Marketing, LTD  
Interest Required: Fee

Fee title in and to the following tract of land, being part of Block 3, and Lots 6, 7, 8 and 9, Block 1 of F.A. Bridge Replat No. 2 of Outlot No. 3 of Raywood Heights, in the City of Monona, Dane County, State of Wisconsin, described as a parcel of land in Section 30, T7N, R10E, the NE $\frac{1}{4}$ -NW $\frac{1}{4}$  thereof. Said parcel includes all that land of the owner contained within the following described traverse:

Commencing at the north quarter corner of said Section 30,  
Thence S 1°-21'-10" W, 832.50 feet to the point of beginning of said traverse;  
Thence continuing S 1°-21'-10" W, 399.12 feet;  
Thence S 89°-25'-14" W, 282.04 feet;  
Thence N 0°-34'-46" W, 227.41 feet;  
Thence N 81°-24'-21" E, 108.61 feet;  
Thence N 58°-04'-44" E, 156.05 feet;  
Thence N 35°-26'-53" E, 92.94 feet to the point of beginning of said traverse.

Said parcel contains 0.52 of an acre, more or less.

Also no rights of access shall accrue between the right of way for USH 12 as shown on the Plat of Right of Way Required for Project 1206-02-33, South Madison Beltline, Badger Lane - South Towne Drive, USH 12, Dane County, and all of the abutting remaining property of the owner.

WRITTEN BY MDR  
CHECKED BY 2-6-86

J A M E S   A .   G R A A S K A M P

PROFESSIONAL DESIGNATIONS

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

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

CPCU, Certified Property Casualty Underwriter, College of Property  
Underwriters

EDUCATION

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

ACADEMIC AND PROFESSIONAL HONORS

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

PROFESSIONAL EXPERIENCE

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

PAUL J. GLEASON

EDUCATION

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

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

PROFESSIONAL MEMBERSHIPS

Urban Land Institute

American and Wisconsin Institutes of Certified Public  
Accountants

PROFESSIONAL EXPERIENCE

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

