



An appraisal of the McFarland Farm located in the town of Dunn. April 30, 1980

Landmark Research, Inc.

[s.l.]: [s.n.], April 30, 1980

<https://digital.library.wisc.edu/1711.dl/GRMSXM2367VOD8M>

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

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

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

OFFICE COPY

McFARLAND FARM

TOWN OF DUNN - MALOOF ESTATE

Landmark
Research
Inc.

Landmark Research Inc.

AN APPRAISAL

OF

THE MCFARLAND FARM

LOCATED IN

THE TOWN OF DUNN

AS OF

APRIL 30, 1980

PREPARED FOR

THE ESTATE OF GEORGE J. MALOOF

PREPARED BY

LANDMARK RESEARCH, INC.

JAMES A. GRAASKAMP

JEAN B. DAVIS

September 23, 1980

James A. Graaskamp, Ph.D., SREA, CRE
Tim Warner, MS, MAI, SRPA
Jean B. Davis, MS

McFarland
Research
Inc.

R. Christian Davis
Trust Account Manager
First Wisconsin National Bank of Madison
One South Pinckney Street
Madison, Wisconsin 53703

Dear Mr. Davis:

With this letter we are delivering the appraisal of the property known as the McFarland Farm located in Section 14 of the Town of Dunn and further described within this report. The appraisal is requested as a measure of fair market value as of April 30, 1980, for the purpose of settling the estate of George J. Maloof.

My associate, Jean B. Davis, real estate appraiser and analyst, and I have inspected the property on several occasions. Recent buyers of similar properties were interviewed to confirm sale and property information and to compile a buyer profile.

The most probable use of the subject site is for a combination hobby farm and homesite; the most probable buyer is an individual who wants to dabble in agricultural pursuits but whose primary income comes from other sources, and who appreciates the privacy and aesthetics afforded by the large amount of river frontage, marshes, and woods. The buyer will be aware of the constraints imposed by the Town of Dunn Land Use Plan on the possible uses of the land; he knows of his option to divide the site into two parcels for resale of one or both of the parcels, but his primary motivation for purchase is for his own use.

Our estimate is based upon the market comparison approach to value. The appraised value assumes a land contract sale.

The size of the subject property is, for the purpose of the appraisal, 57 acres, more or less; the measure was taken using a May 1976 Agricultural Stabilization and Conservation Service aerial photo and a Lasico Compensating Polar Planimeter. Under instruction from you and Attorney John Gerlach, we have

Mr. Davis
Page Two
September 23, 1980

ignored certain possible recording errors detailed further within this report. The Town of Dunn assessor lists the property on the assessment roll as containing 66.5 acres. This discrepancy has been called to your attention and a certified survey of the property is recommended.

Based upon the assumptions and limiting conditions presented in the attached report, it is the opinion of the appraiser that the highest probable price in dollars and fair market value of the subject property which might be obtained as of April 30, 1980, is the amount of

EIGHTY-THREE THOUSAND DOLLARS
(\$83,000)

assuming a land contract from the seller with 25 percent down, 8-1/2 percent interest for a ten year term.

We are pleased to be of continuing service to you, and Ms. Davis and I remain available to answer any specific questions you may have regarding this report.

FOR LANDMARK RESEARCH, INC.

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

Jean B. Davis
Jean B. Davis, MS

deb

TABLE OF CONTENTS

	Page
LIST OF EXHIBITS	v
I. PROBLEM ASSIGNMENT	1
A. Legal Interest to be Appraised	1
B. Selection of Fair Market Value Appraisal Methodology	4
II. PHYSICAL ANALYSIS OF THE SUBJECT PROPERTY	9
A. Physical Attributes of the Subject Property	9
B. Legal-Political Attributes of the Property	34
C. Linkage Attributes of the Site	41
D. Dynamic Attributes of the Site	41
E. Market Demand for Subject Property Attributes	42
F. Effect of Economic Climate Upon Market Demand for Subject Property Attributes	45
G. Most Probable Use of the Site and Structure	47
III. MARKET COMPARISON APPROACH TO VALUE	48
A. Determination of Most Probable Price and Most Probable Buyer	48
B. Significant Characteristics of Comparable Sales	50
C. Most Probable Buyer	67
D. Most Probable Price	74
E. Test of Most Probable Selling Price	80
IV. VALUE CONCLUSION	82
STATEMENT OF LIMITING CONDITIONS	83
CERTIFICATE OF APPRAISAL	85
QUALIFICATIONS OF APPRAISER	86

EXHIBITS

	Page
1 Location of Subject Property	2
2 Boundaries of Subject Property	11
3 Aerial Photo of Subject Property	12
4 Topographic and Floodplain Maps of Subject Property	15
5 Soil Map of Subject Property	18
6 Soil Characteristics of Subject Property	19
7 Photos of Improvements on Subject Site	23
8 Photos of Subject Site	26
9 Town of Dunn Land Use Plan Summary	36
10 Location of Fourteen Recent Sales of Agricultural Land	51
11 Comparable Sales of Tillable, Acreage With Minimal or No Improvements	54
12 Summary of Comparable Sales With Minimal or No Improvements	58
13 Comparable Sales of Tillable Acreage With Improvements	60
14 Summary of Comparables with Improvements	64
15 Comparable Sales of Mix of Tillable, Marsh, and Woods With and Without Improvements	68
16 Summary of Comparable Sales of Mix of Tillable, Marsh, and Woods	73
17 Scale for Scoring Comparables on Most Probable Buyer Considerations	75
18 Weighted Matrix of Attributes of Comparable Properties and Subject Property	76
19 Graph of Sales Price Per Acre as a Function of Weighted Point Score of Comparables	77
20 Regression Analysis of Sale Price and Property Point Score	79

Submitted By _____

I. PROBLEM ASSIGNMENT

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

This appraisal is requested as a measure of fair market value as of April 30, 1980, of the property known as the McFarland Farm located in Section 14 of the Town of Dunn for the purpose of settling the estate of George J. Maloof.

A. Legal Interest to be Appraised

1. Property Identification

The subject property of this appraisal is agricultural land and improvements located in the meander of the Yahara River at the west end of Alsmo Road, just off of County Trunk AB in Section 14 of the Town of Dunn, Dane County, Wisconsin. The property is bounded by the Yahara River on the east, south, and southwest. (See Exhibit 1).

The tax parcel identification numbers are: 14-37-890, 14-37-891, 14-14-318, 14-14-328, 14-14-329.

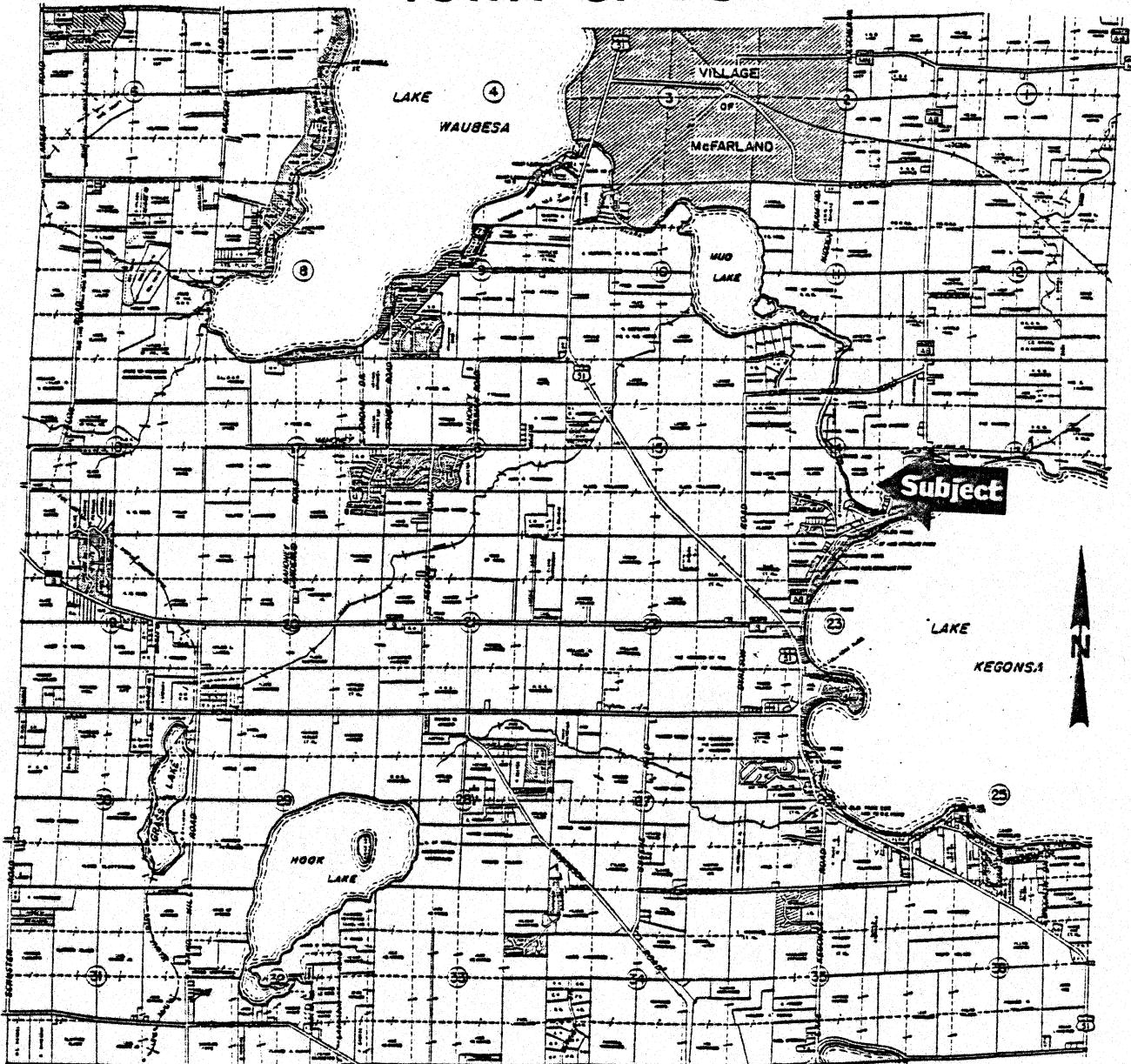
2. Legal Description

The legal description of the subject property as defined by Attorney John G. Gerlach and R. Christian Davis, Trust Account Manager, First Wisconsin National Bank of Madison is:

EXHIBIT 1

LOCATION OF SUBJECT PROPERTY

TOWN OF DUNN



PARCEL A:

Part of Government Lot 1 (being the fractional East 1/2 of the Southeast 1/4); Government Lot 2 (being fractional Southwest 1/4 of Southeast 1/4 and the Northwest 1/4 of the Southeast 1/4 of Section 14, Town 6 North, Range 10 East (Township of Dunn), described as follows: Commencing at a point on the North line of said G. L. 1 distant thereon 336.2 feet West of the Northeast corner thereof; thence South at right angles with said North line 169 feet to South line of a 20 foot right of way; thence 89 degrees 36' West along said right of way 70 feet; thence North 0 degrees 24' West 10 feet to centerline of said right of way; thence South 85 degrees 25' West along said centerline 103.5 feet; thence South 63 degrees 36' West along said centerline 85.4 feet; thence South 0 degrees 24' East 101.4 feet to an iron stake; thence continue South 0 degrees 24' East to centerline of Yahara River; thence Southwesterly, Westerly and Northwesterly along said centerline to Southeast line of Plat of Block 2 Alsmo's Addition to Yahara Park; thence to an iron stake at most Southerly corner of Lot 12 of said Plat; thence North 65 degrees 54' East 154.7 feet to an iron stake at the East corner of said plat; thence North 15 degrees 53' West along Northeasterly line of said plat 275.4 feet to an iron stake; thence North 44 degrees 54' West along Northeasterly line of said plat 245.3 feet to an iron stake on North line of said Northwest 1/4 of Southeast 1/4; thence Easterly along said North line and North line of G. L. 1 to the point of beginning.

PARCEL B:

Plat of Block 2, Alsmo's Addition to Yahara Park.

At the time of this appraisal, an examination of the legal descriptions of the subject property is being done to check for possible recording errors.

3. Qualification of Property to be Appraised

The appraisal is to include only the real estate interests at the above location and will therefore exclude the value of

all seasonal crops and personality belonging to the tenant farmer.

As defined by the attorneys for the estate, the subject property will be assumed to contain 57 acres, more or less, as measured to the May 1976 high water mark.

B. Selection of Fair Market Value Appraisal Methodology

1. Value Definition

The fundamental purpose of an appraisal assignment is most usually to estimate value. Conventionally, the value required is Market Value, defined as:

The most probable price in terms of money which a property is expected to bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeable and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash or its equivalent, if market conditions indicate that cash sales prevail.
5. Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its location.

6. The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.¹

This definition assumes a perfect market where a number of fully informed, reasonably prudent buyers and sellers are acting rationally and logically to maximize their financial well-being. It also assumes payment in cash if cash sales prevail.

In this case it will be shown that monetary and banking conditions as of April 30, 1980, made land sales in rural areas extremely difficult so the predominant terms of sale involved land contracts with a substantial 20 to 30 percent down payment prevailing.

For purposes of this appraisal, the terms fair market value and the most probable selling price will be considered synonymous.

2. Preference for the Market Comparison Approach

The appraisal process prefers to base valuations on actual sales of comparable property where buyer and seller were under no unusual duress and where no special financing, that is, financing not obtainable in the market place was provided by

¹THE REAL ESTATE APPRAISER, Nov. - Dec. 1977, p. 18.

the seller.

Thirteen sales of agricultural property in the Town of Dunn and one sale in the Town of Pleasant Springs occurring since early 1976 were examined to select those bona fide sales most comparable to the subject property and, therefore, benchmarks of value for the subject property.

The sales were divided into three classifications: (1) sales of tillable acreage with no or minimal improvements, (2) sales of tillable acreage with improvements, and (3) sales of a mix of tillable acreage, marshland and woodland with or without improvements.

3. Limitations of the Cost Approach

Land, buildings, and improvements are seldom, if ever, sold separately; instead, most agricultural properties are bought and sold as units. In the appraisal of agricultural real estate, it is conventional to look at and appraise farms as a total unit.²

The cost approach to value is limited to those situations where improvements are new and represent the optimum use of the site in question. In the case of the subject property, the improvements are old and a minimal part of the value of the property; the main value lies in the land. Therefore, the cost

²Suter, Robert, THE APPRAISAL OF FARM REAL ESTATE, The Interstate, p. 329.

approach to value is irrelevant and inappropriate for this appraisal.

4. The Income Approach

The income approach to value is most appropriate for commercial farm units which are purchased primarily for their income purchasing capabilities.

The subject property with only 38 percent of its acreage tillable and the rest in non-income producing woodland and marshland does not qualify as a commercial farm. The only farm income generated by the subject property is currently \$1,035 per year for cropland rent; an additional \$3,000 per year is collected as rent for the house on the subject property.

5. Adjustments for Time and Financing

The adjustment factor for the time of sale ideally is determined by utilizing the same properties being resold within a reasonable time period. The price difference, assuming no changes in the properties' physical attributes would demonstrate the change in selling price attributed to time. In this market no resold sales were observed. Adjustments are based on data published in Farm Real Estate Market Developments, United States Department of Agriculture, May 1980, and from observation of the local market. For Wisconsin, the average increases in farm land values have been as follows:

1976	18.9%
1977	18.4%
1978	16.9%
1979	14.9%
1980	1%/month for the first quarter with a flattening out in the second quarter

Because of the dampening effect of both the moratorium on land division in the Town of Dunn in 1977 and the land use plan in 1979, adjustment factors are softened:

1976	18.9%/yr. or 1.57%/mo.
1977	15%/yr. or 1.25%/mo.
1978	14%/yr. or 1.17%/mo.
1979	12%/yr. or 1%/mo.
1980	1%/mo. for 1st quarter, 0% for 2d quarter

The prevailing method of financing these past four years has been by land contract; the interest rates on all the land contracts observed are below those charged for a cash transaction with a conventional mortgage, but the terms and amortization schedules vary from those requiring a minimum cash outlay in the first 15 years to those requiring the entire balance of the land contract to be paid back in 5 years.

In the market of April 1980, virtually any transaction depended upon provision of credit by the seller; since the terms granted are not more generous than the general market, no equivalency for a cash sale is necessary.

II. PHYSICAL ANALYSIS OF THE SUBJECT PROPERTY

The market value of agricultural property is determined by its physical attributes and improvements which include the productivity of its soils, the size and continuity of its tillable acreage, its topography; the legal attributes constraining use of the property; the linkages of the property to urban areas, sewer districts, and recreational areas; and the dynamic attributes which are determined by how people perceive and behave relative to the property.

A. Physical Attributes of the Subject Property

1. Size

The subject property is bordered by the meandering Yahara River on the west, the south, and the southeast. Woods are located on the northwest boundary and tillable acreage bounds the subject on the northeast. The eastern border consists of tillable acreage, the end of Alsmo's Road, and a plat of six homes which front on the Yahara River.

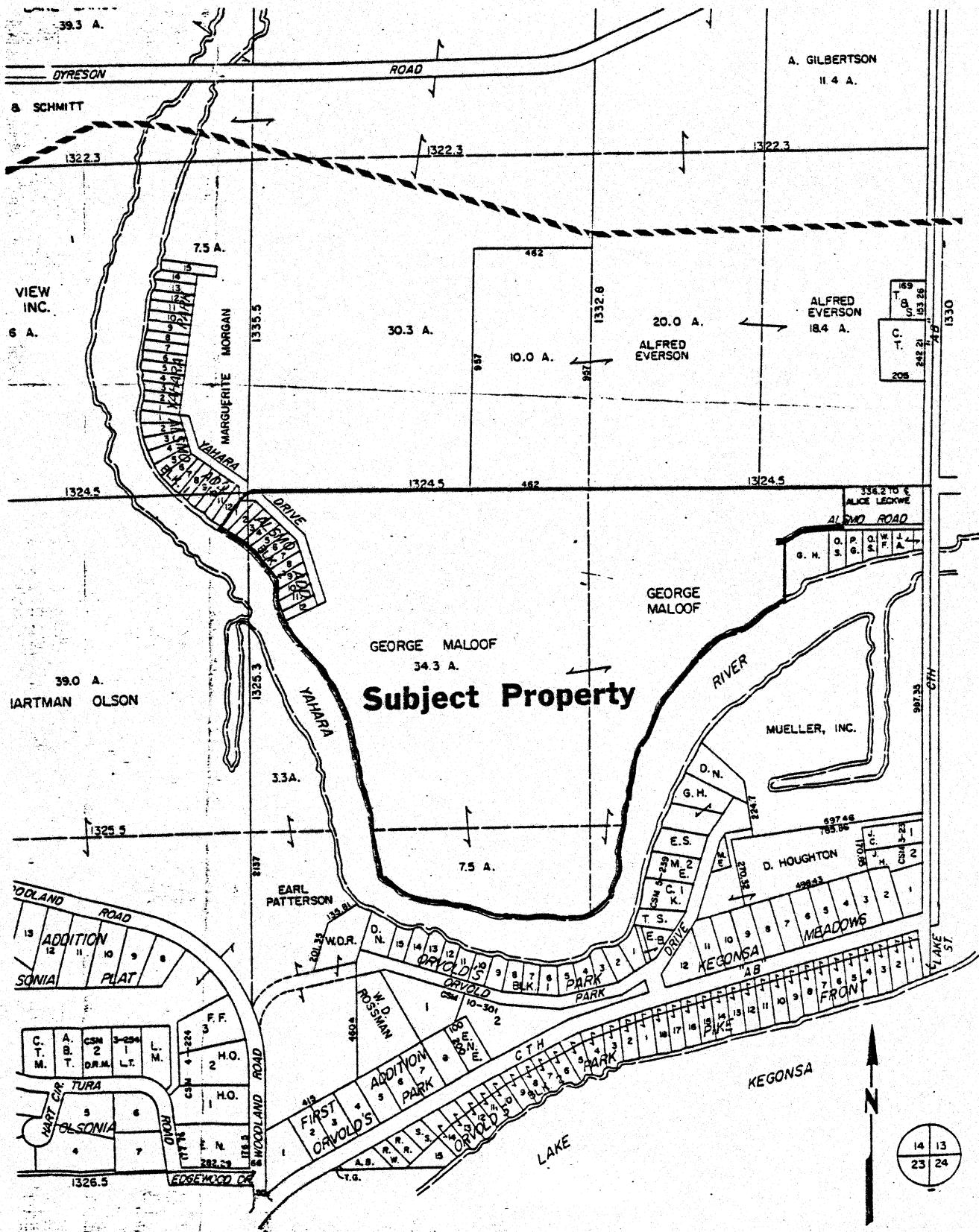
The size of the subject site as determined by the assessor's records is 66.5 acres with each parcel listed as follows:

<u>Parcel No.</u>	<u>Description</u>	<u>Area</u>
14-14-318	Sec. 14-6-10, Govt. Lt. 1, NW of Yahara River	24 acres
14-14-328	Sec. 14-6-10, NW 1/4, SE 1/4	34 acres
14-14-329	Sec. 14-6-10, Gov. Lt. 2, N of River	8.5 acres
14-37-890	First Alsmo's Addition Lts. 1-8, 10-12	--
14-37-891	Alsmo's Addition Block 2, Lt. 9	--
	Total	66.5 acres

The assessor's records appear to erroneously include a 1.3 acre parcel of tillable land at the north corner of Alsmo's Road and County Trunk AB which, according to the legal description and county surveyor's records (Exhibit 2), belongs to Alice Leckwe. Even with this exclusion, the 65.2 remaining acres is greater than the 57 acres, more or less, calculated by the appraiser. Because the legal description of the property reads to the centerline of the Yahara River, it is possible the assessor calculated the area of the property from this boundary. Since the Federal government owns the navigable waters of the Yahara River, and the State of Wisconsin owns the riverbed, the measure should be taken from the high watermark along the bank of the Yahara River.

A recording error in a quit claim deed transferring title

EXHIBIT 2
BOUNDARIES OF SUBJECT PROPERTY



of Alsmo's Addition, Block 2, Lot 1-8, 10-12 to George J. Maloof may have left some cloud on the title of these lots, but for purposes of this appraisal, the attorney stated that all of Block 2, Alsmo's Addition is considered part of the subject property.

For the purposes of this appraisal, a May 1976 aerial photograph of the subject property taken by the Agricultural Stabilization and Conservation Service (scale 1" = 660') is used in conjunction with a Lasico Compensating Polar Planimeter, Model L-10, to measure the subject property; the bounds include the waters' edge of the Yahara River, and fence lines when apparent. All of the Plat of Alsmo's Addition, Block 2, is included in the measure, but parts of Lots 10, 11, and 12 of Block 1, Alsmo's Addition which appear to be located south of the fence line are not included. (See Exhibit 3). The subject property appears to contain 57 acres, more or less.

2. Topography

The Town of Dunn has relatively few extreme differences in elevation. Dunn was at the terminal end of the last Pleistocene glaciation, and the land and water forms reflect this fact. The hills are rounded with few, if any, jutting rock ledges. A number of gravel pits exist, reflecting the debris in the form of small stones left behind by the glacial ice as it receded to the north. The lack of a well-defined dendritic

EXHIBIT 3

AERIAL PHOTO OF SUBJECT PROPERTY



(tree-like) drainage pattern and the extensive lowland areas of wet soils and water also indicate the presence of relatively recent glaciation.³

The subject property, characteristic of the Town's topography, gently slopes from north to south towards the Yahara River along its eastern side. On the west side in the northwest corner a steep slope elevates the property from the River and thereby allows for a view of the River. A gravel pit is located near the center of this elevated area; the ground cover appears to be woods. Another elevated area (approximately 10 feet above the River's edge) lies near the center of the property.⁴

A large portion of the subject property lies in lowlands (floodplain area) with a mean elevation of less than 850 feet above sea level; Lake Kegonsa's elevation is 843 feet above sea level. (See Exhibit 4).

3. Soils

The predominant soils are silty loams and loamy sand. The majority of these soils are classified as wet. A soil map of the subject site, taken from the Soil Survey of Dane County,

³Town of Dunn Land Use Plan, June 1979, p. 17.

⁴United States Department of Interior Geological Survey, Rutland Quadrangle, Wisconsin, Dane County, 7.5 Minute Series (Topographic) 1961 Photorevised in 1969.

EXHIBIT 4

TOPOGRAPHIC MAP OF SUBJECT PROPERTY

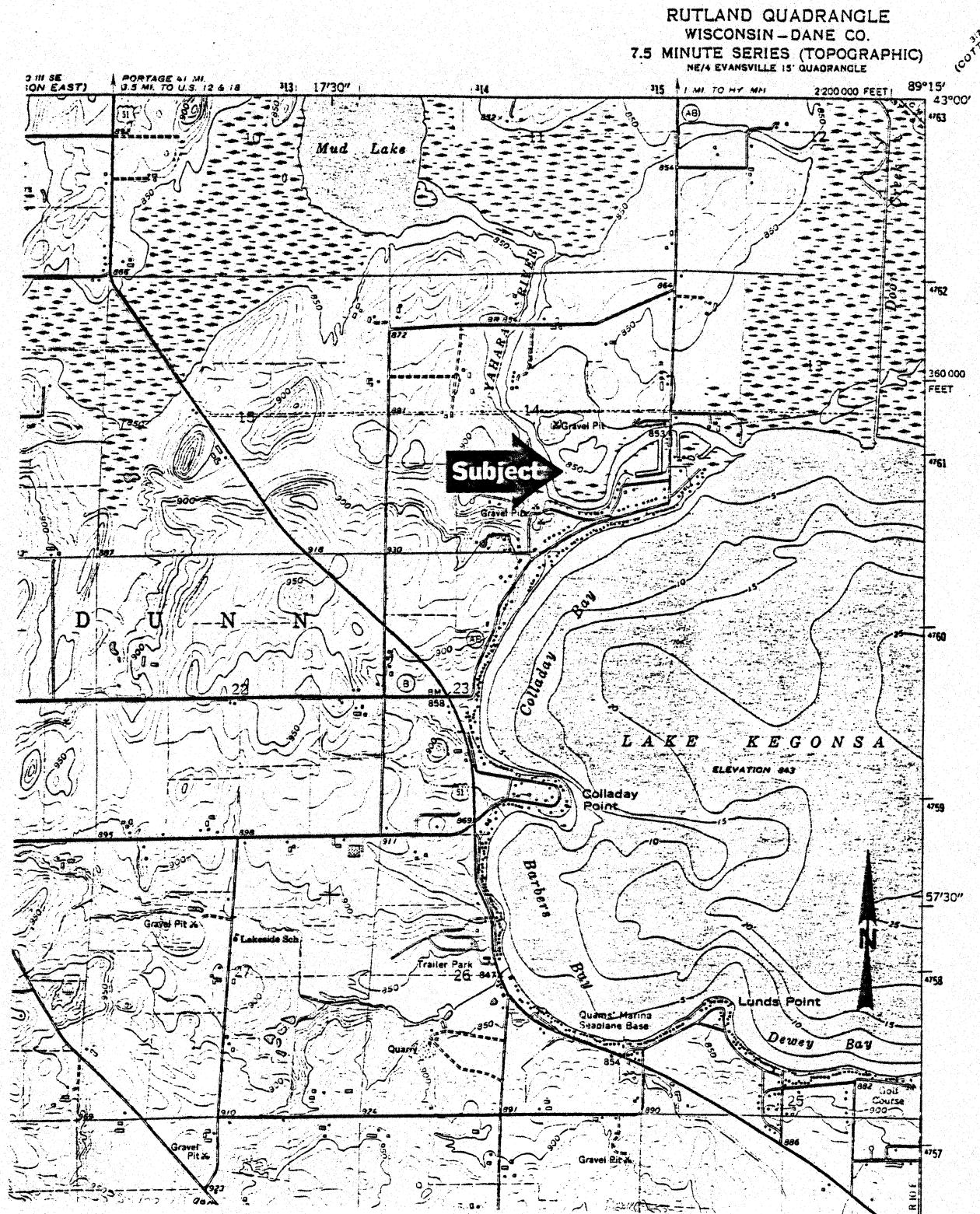
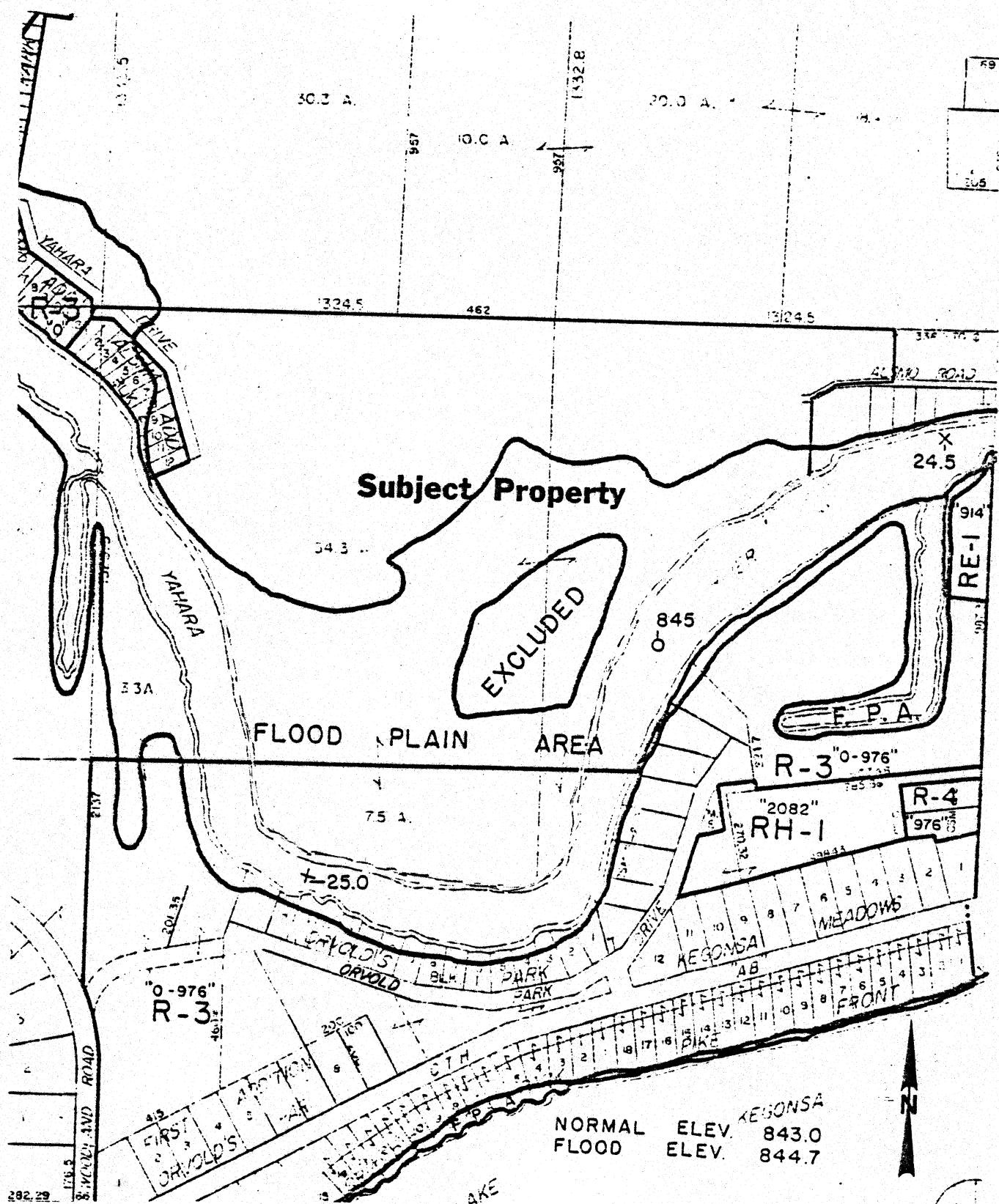


EXHIBIT 4 (continued)

FLOOD PLAIN AREA MAP



Wisconsin, is shown in Exhibit 5. The map symbols, mapping unit, capability units, septic tank absorption field limitations, and average predicted corn yields, abstracted from the Soil Survey of Dane County, Wisconsin, prepared by the United States Department of Agriculture Soil Conservation Service, issued January 1978, are displayed in Exhibit 6.

From these sources it has been determined that 30 percent of the soils comprising the subject property have only slight to moderate septic limitations. The other 70 percent of the soils have severe to very severe septic limitations and generally would not receive approval for septic systems. Sites with soils having slight or moderate limitations for septic systems are approved or denied on the basis of the results of an on-site investigation performed by the county sanitarian or his staff. This investigation consists of a review of the soil tester's site description and evaluation contained in the permit application and the soil borings and perc test report. In the past, an on-site investigation was made only if a site was located in severe or very severe areas. Current policy requires that an investigation be performed at each site.

4. Improvements

The improvements consist of an old frame, two-story house finished with asphalt siding in fair to poor condition, a frame and clay tile garage connected to a workroom in poor condition,

SOIL MAP OF SUBJECT PROPERTY

DANE COUNTY, WISCONSIN — SHEET NUMBER 129

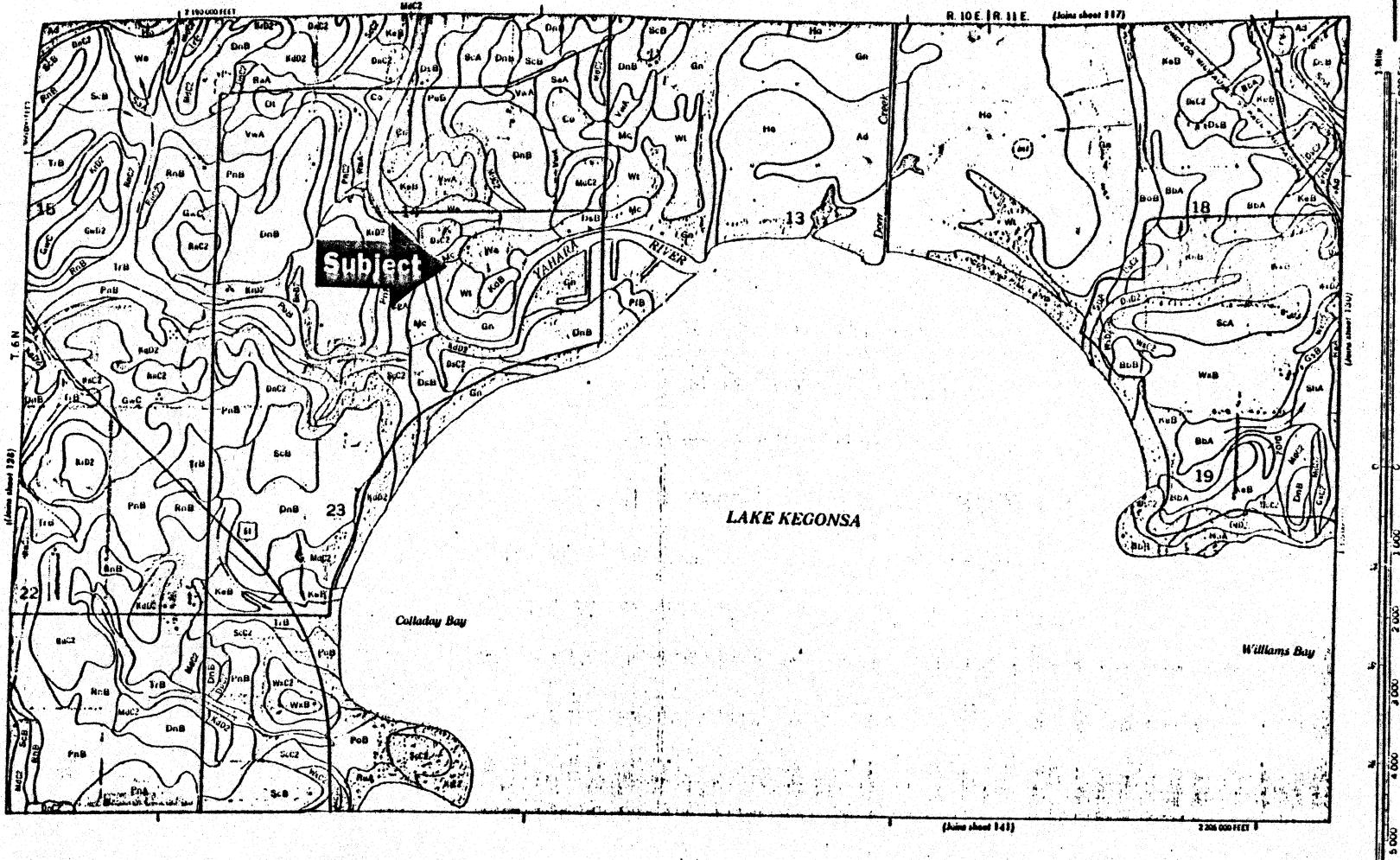


EXHIBIT 5

SOIL CHARACTERISTICS OF SUBJECT PROPERTY

<u>Map Symbol</u>	<u>Mapping Unit</u>	<u>Capability Unit</u>	<u>Septic Limitations</u>	<u>Corn Productivity bu./acre</u>
Wa	Wacousta silty clay loam	IIIw - 3	Very severe; seasonal high water table	105 (when drained)
Gn	Granby loamy sand	IVw - 5	Very severe: seasonal high water table	70 (when drained)
Wt	Watseka loamy sand	IVw - 5	Very severe: seasonal high water table; danger of contaminating ground water	70 (when drained)
DsC ₂	Dresden silt loam 6-12% slopes, eroded	IIIe - 2	Moderate: slope; danger of contaminating ground water	80
DnB	Dodge silt loam 2-6% slopes	IIIe - 1	Slight	115
KdB	Kidder loam 1-6% slopes	IIIe - 1	Slight	Not suitable
DsB	Dresden silt loam 2-6% slopes	IIIe - 2	Moderate; danger of contaminating ground water	85
Mc	Marshan silt loam	IIIw - 5	Very severe: seasonal high water table	90 (when drained)
MdC ₂	McHenry silt loam 6-12% slopes	IIIe - 1	Severe: slope	90

10

EXHIBIT 6

EXHIBIT 6 (Continued)

CAPABILITY CLASSES, the broadest groups, are designated by Roman numerals I through VIII. The numerals indicate progressively greater limitations and narrower choices for practical use, defined as follows:

Class I soils have moderate limitations that restrict their use.

Class II soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices.

Class III soils have severe limitations that reduce the choice of plants, require special conservation practices, or both.

Class IV soils have very severe limitations that reduce the choice of plants, require very careful management, or both.

Class V soils are not likely to erode but have other limitations, impractical to remove, that limit their use largely to pasture, woodland, or wildlife.

Class VI soils have severe limitations that make them generally unsuited to cultivation and limit their use largely to pasture, woodland or wildlife.

Class VII soils have very severe limitations that make them unsuited to cultivation and that restrict their use largely to pasture or woodland or wildlife.

Class VIII soils and landforms have limitations that preclude their use for commercial plants and restrict their use to recreation, wildlife, water supply, or esthetic purposes.

CAPABILITY SUBCLASSES are soil groups within one class; they are designed by adding a small letter, e, w, s, or c, to the class numeral, for example, IIe. The letter e shows that the main limitation is risk of erosion unless close-growing plant cover is maintained; w shows that water in or on the soil interferes with plant growth or cultivation (in some soils the wetness can be partly corrected by artificial drainage); s shows that the soil is limited mainly because it is shallow, droughty, or stony; and c, used in some parts of the United States, but not in Dane County, shows that the chief limitation is climate that is too cold or too dry.

EXHIBIT 6 (Continued)

In class I there are no subclasses, because the soils of this class have few limitations. Class V can contain, at the most, only the subclasses indicated by w, s, and c, because the soils in class V are subject to little or no erosion, though they have other limitations that restrict their use largely to pasture, range, woodland, wildlife, or recreation.

CAPABILITY UNITS are soil groups within the subclasses. The soils in one capability unit are enough alike to be suited to the same crops and pasture plants, to require similar management, and to have similar productivity and other responses to management. Thus, the capability unit is a convenient grouping for making many statements about management of soils. Capability units are generally designated by adding an Arabic numeral to the subclass symbol, for example, IIe-2 or IIIe-6. Thus, in one symbol, the Roman numeral designates the capability class, or degree of limitation; the small letter indicates the subclass, or kind of limitation, as defined in the foregoing paragraph; and the Arabic numeral specifically identifies the capability unit within each subclass.

an old frame barn on a stone foundation with an adjoining concrete room, such as is used in a milking operation, in fair to poor condition. (See Exhibit 7). The house is currently leased to Carl S. and Jan M. Hendrickson until May 31, 1981, for \$250 per month. The other improvements are not actively in use.

The house has a septic system for waste disposal; the absorption field lies on the north side of the residence.

5. Ground Cover

The subject site has a mix of tillable acreage, marshland, and wooded areas. The tillable fields are separated into five parts due to the configuration of woods and marshland. Around the southeastern and southern boundaries, the lowlands of the site are covered with cattails and marsh grasses. Along the western river edge where the shore elevation is greater, woods cover the land. On the uplands of the center and on the northwest corner of the property, wooded areas break the continuity of the cornrows. Though the lack of continuity of the tillable acreage leads to an inefficient farming operation, the mix of woods and marshland lends itself well for use as a combined hobby farm and homesite. (See Exhibits 3 and 8).

6. Utilities

The site receives electricity from Wisconsin Power and Light Company and telephone service from General Telephone Service

EXHIBIT 7

PHOTOS OF IMPROVEMENTS ON SUBJECT
PROPERTY TAKEN AUGUST 1980



Looking east to back entrance of the house. Note neighbor's home in background.



Looking north to the front entrance and screen porch of house. Note high voltage transmission tower in background.

EXHIBIT 7 (Continued)



Looking north at barn on subject site.
House located in wooded area on right
of barn.



Looking east toward Yahara River with dirt
driveway and barn in foreground.

EXHIBIT 7 (Continued)



Workshop

EXHIBIT 8

PHOTOS OF SUBJECT SITE
TAKEN AUGUST 1980

TILLABLE ACREAGE



Looking west southwest of homesite toward one of five cornfields. Note second field just beyond break in tree line near center of photo.



Looking north from homesite to small strip of cornfield.
Note high voltage transmission line just north of
subject property fence line.

EXHIBIT 8 (continued)

Panorama of same cornfield. Trees separate this field from others on site.





Grassy strips separating cornfields from tree lines





Examples of wet spots in
cornfields which reduce
site's corn productivity



EXHIBIT 8 (Continued)

MARSHLAND AND RIVER FRONTAGE



Telephoto taken from south side of Yahara River looking toward north at river frontage, marsh with cornfield and woods in background. Note transmission tower in background.

Telephoto taken from west bank of Yahara River looking toward elevated bank on northwest side of subject site. Note cornfield appearing between break in trees.





Marsh and woodlands predominant along western edge of subject site.



The subject site fits into the curve of the Yahara River at its southern edge. Photo taken from southern bank of river looking north and northwest toward subject.

EXHIBIT 8 (continued)

A panorama view of a large grassy area just southwest of the homesite.





Looking east from the homesite
across marshland toward the Yahara River



From the bridge crossing the Yahara River
on County AB. The subject site appears in the
distance in the center of the photo. Cattails
form the site's edge.

of Sun Prairie. Water comes from a private well on the property.

The site lies outside of both the Madison Metropolitan Sewage District to the north and the proposed Kegonsa Sanitary District to the south which has yet to make the necessary financial arrangements needed to construct a public sewer system.

7. Adverse Influence

A high voltage transmission line runs along the northern boundary of the property. The Department of Natural Resources (DNR) reports that this line has been a detriment to duck hunting in the marshlands to the east of the subject property.

B. Legal-Political Attributes of the Subject Property

1. Town of Dunn Land Use Plan

In May of 1977, the Town of Dunn created a Plan Commission to prepare a land use plan; at that time, the Plan Commission recommended and the Board adopted a moratorium on the division and subdivision of land. That moratorium expired June 14, 1979.

On August 15, 1978, the Plan Commission recommended the Board allow variances to the moratorium ordinance as follows:

A variance will be granted in cases of a requested land division within an already sewered and platted area, provided that the division is compatible with the surrounding neighborhood, meets minimum lot size requirements, and is accompanied by a request to rezone all newly created parcels to R-1 if that is not already the zoning.

A variance will be granted in cases of a requested land division in an unsewered area, provided that the

division created a maximum of one lot per 35 acres owned by the person requesting a variance, each lot is a minimum of 2 acres in size, and the request for variance is accompanied by a request for rezoning the lots from A-1 to RH-1. The right of a land owner to make a land division as set out in this paragraph shall run with the land -- that is, new land divisions creating additional lots per 35 acres owned will not be allowed with each change of ownership. The application of this paragrpah will not be affected by a landowner's obtaining the conditional use permit for agriculture-associated homes as provided for in amendment 2057 of the Dane County Zoning Ordinance. Motion carried.

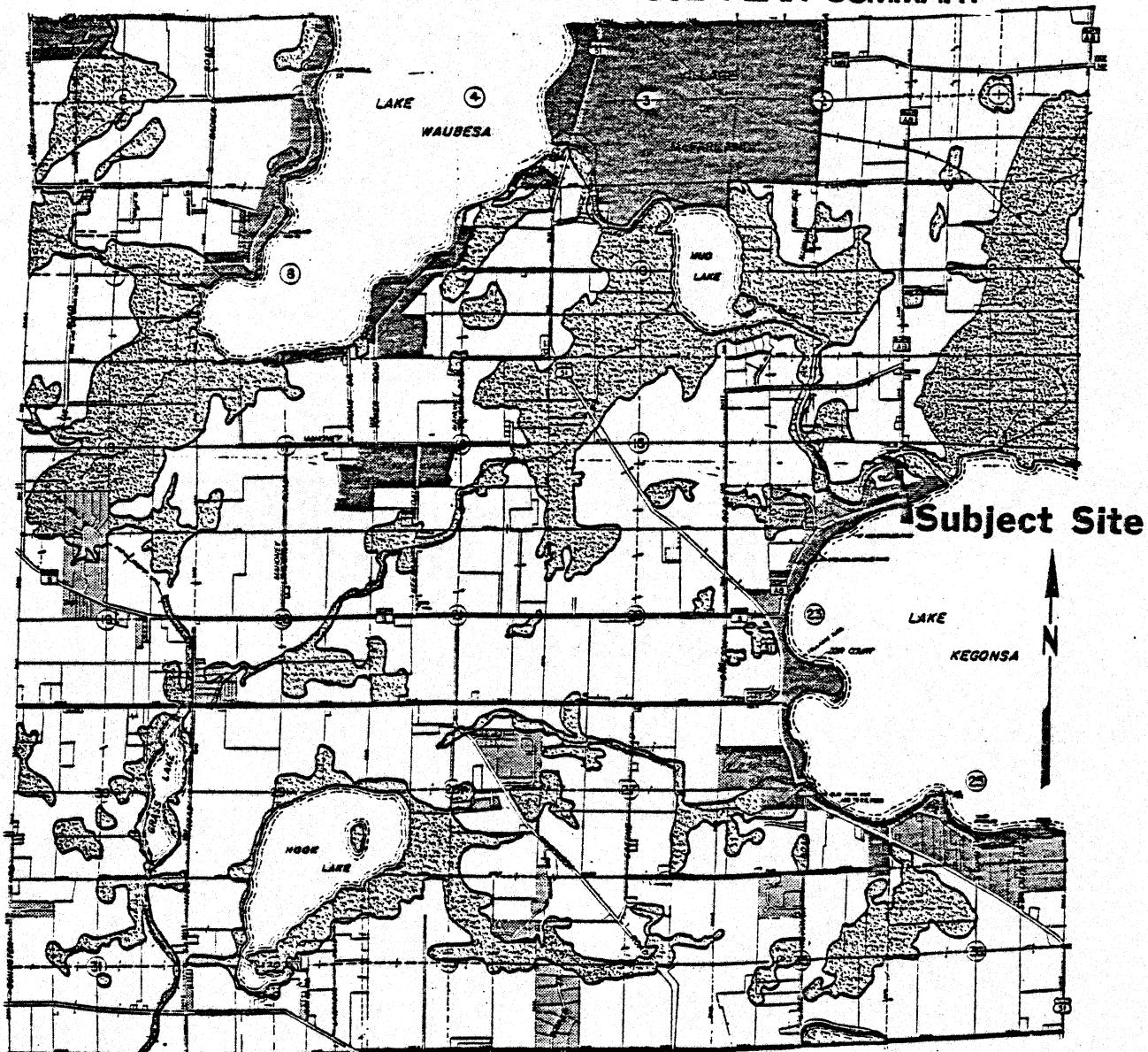
The Town of Dunn adopted the A-1 Agricultural District (Exclusive) of the Dane County Zoning Ordinance effective in 1978, which applies to all lands previously zoned A-1 Agricultural; the subject property is included in this category. Therefore, nearly all land use changes will require rezoning. It is the intent of the Town to utilize the land use plan in the evaluation of and decision on each proposed zoning change.

The land use plan was adopted in June of 1979. (See Exhibit 9). The allowable land division in unsewered areas remains one lot per 35 acres with the minimum size of the lot to be one acre instead of two acres as written in the August 15th minutes. This allowable division goes with the land. Thus, the subject property could be divided into two parcels provided it could first be rezoned from agriculture. If the property, for example, was divided into a 22 acre parcel and a 35 acre parcel by certified survey, the division rights for the whole parcel, as it exists today, would be spent. If the 35 acre parcel was sold,

EXHIBIT 9

TOWN OF DUNN LAND USE
PLAN SUMMARY

TOWN OF DUNN LAND USE PLAN SUMMARY



AGRICULTURAL PRESERVATION

SEWER SERVICE AREAS

POTENTIAL SEWER SERVICE AREAS

TOWN PLAN DISTRICTS

UNSEWERED RESIDENTIAL DEVELOPMENT

OPEN SPACE SYSTEM

EXHIBIT 9 (continued)

PREFACE

The basis for the following land use plan lies in the belief that the people of the Town of Dunn have the ability and the right to guide their own destiny. Our Town is rich in its history, its natural resources, and its agricultural resources. These assets contribute generously to a way of life that has made the Town of Dunn a special place to live. It is essential that the wise use of these resources be planned so that they are preserved for the present and future generations.

PURPOSE OF THE PLAN

The purpose of this Town of Dunn Land Use Plan is twofold. First, it is a document which provides a benchmark for future revision and change as further information is gained. Second, it provides a basis for making decisions for approximately the next 20 years, to the year 2000. The plan sets a course to follow and provides guidelines to assist local officials in maintaining that course.

GOALS & POLICIES

AGRICULTURAL LANDS

Goals for Agricultural Land

- Preserve the productive farmlands in the Town for long-term farm use and maintain agriculture as a major economic activity and way of life.
- Protect farm operations from incompatible adjacent land uses or activities that will adversely affect the long-term agricultural investment in land and improvements.

Policies for Farmland Preservation Areas

- Identify and map those lands which exhibit a commitment to agriculture based upon soil types, ownership patterns, investment, historical use, and other criteria deemed appropriate.
- Cooperate with other agencies and governmental units to establish eligibility for farmers who wish to receive tax credits for participation in Farmland Preservation Act.
- Encourage State statutes which allow assessment policies that are conducive to continued agricultural uses.
- Require agencies and bodies responsible for the location of public improvements such as roadway corridors, pipelines or power lines to recognize and not violate the intent of the agricultural land preservation goals of the Town.
- Restrict new residential development to areas with soils not classified as prime farmland providing the lot is at least one acre or more in size at a ratio of 1 lot per 35 acre tract. The land must be rezoned from agriculture.
- Promote an action program that encourages farming in the Town.
- Encourage farmers to consider ways of preserving farm land for long-term agricultural use.

ENVIRONMENTAL AND OPEN SPACE

Goals for Environmental and Open Space Lands

- Recognize and respect the natural environment as an irreplaceable resource and insure that its use does not impair its value to future generations.
- Protect and upgrade the quality of the surface and groundwaters within the Town.

Policies for Environmental Protection

- Review all development plans in or adjacent to important natural features with the intent of preserving the feature.
- Encourage the preservation of areas needed to support local wildlife.
- Require all resource extraction activities to have a reclamation plan that provides for the activity to be conducted in a way that minimizes their impact on the natural environment.
- Identify disturbed or degraded lakeshore and wetland areas that are important to water quality and to support all levels of government in efforts to restore and improve such areas.
- Preserve the natural landscape features such as woodlands, wetlands, floodplains, streams, lakes, steep slopes and prairies.
- Request rezoning of important wetlands and appropriate buffer areas for conservation and protection.
- Discourage filling or developing of floodplains and areas within 300 feet of them.
- Encourage that the Town support all other levels of government in acquiring natural features, especially those within the identified environmental corridors, for public use and protection consistent with the objectives and policies of the Town.
- Encourage the Town to identify buildings or sites of historic or scenic value and encourage their preservation.
- Require that agencies and bodies responsible for the location of public improvements such as highways, pipelines or power lines recognize and not violate the intent of the goals and policies for open space.

GROWTH AREAS

Goals for Growth and Development

- Preserve and enhance the rural character of the Town.
- Provide for healthy, safe, attractive and environmentally sound housing.
- Promote an orderly development pattern that will be economical and efficient for the provision of public services.
- Manage the development rate of the Town such that the full range of services usually associated with urban areas or municipalities will not be required of the Town.
- Discourage creation of new residential lots when numerous vacant residential lots are available.
- Encourage energy conservation techniques in site planning and construction of new uses.
- Require contractors to use erosion control measures and return lands to a near normal setting after completion of construction.

Policies for Rural Development (Rural Homes Concept)

- Require that all lots created by certified survey outside an urban service area shall be at least one acre or more in size at a ratio of one lot per 35 acre tract. The land must be rezoned from agriculture.
- Prevent any creation of building lots on soils identified as having severe or very severe limitations for septic tank absorption fields.
- Discourage strip development along roadways in order to protect the roadway for moving traffic and to provide a more visually attractive town.
- Prevent unsewered development in areas where the Town has planned future sewer development.
- Disapprove unsewered residential subdivisions within the Town.

Policies for Industrial Development

It is the intent of the Town not to develop additional industrial sites outside of municipally associated Urban Service Areas.

Policies for Urban Service Areas (Municipally Associated)

It is the intent of the Town not to develop any municipally associated urban service areas.

Policies for Urban Service Areas (Lake Associated)

It is the intent of the Town to discourage extensive urban growth around the lakes due to the deteriorating effect of urban runoff on the water quality and neighborhood integrity.

- Provide the same limited range of services for urban service areas that are lake associated (with the exception of sanitary sewer) as for the rural non-farm areas.
- Discourage new development within or additions to sanitary districts adjacent to the lakes, that are inconsistent with the Town Plan.
- Require that new residential lots shall be at a density compatible with the surrounding community, with a minimum lot size of 20,000 square feet.

CHANGING THE PLAN

A land use plan should be a growing, changing, living document. As more information is gathered, and as public values change, a plan should change to reflect current feelings. As a means of assuring this, a formal yearly period for review is included as a part of the plan. Each year from January 1 through January 31, a formal notice will be prominently posted at the Town Hall and two other public places in the Town. Petitions to amend the plan should be submitted to the Plan Commission on or before January 31. These petitions will be placed before the Plan Commission. The Plan Commission will consider all submitted petitions by the end of February. The Plan Commission on its own motion may consider revisions to the plan at any time. The first period for submission of petitions will be January, 1981.

Note: The full plan document including all documentation is available in the Dunn Town Hall.

JUNE, 1979

the new owner would not have the right to divide the parcel further. This would be so stated on the certified survey on file with the Register of Deeds.

If a portion of a parcel is sold to a contiguous neighbor so no new parcels are created, the right to divide is not spent.

According to the land use plan, the Town of Dunn has been seriously overplatted; as of December 1979 there were approximately 390 vacant lots of varying sizes in the Town. Building permits have been issued at the rate of 59 in 1977, 58 in 1978, and 40 in 1979; at this rate it would take almost 8 years to extinguish the inventory.

The subject property is also affected by the land use plans' intent to protect floodplains from filling and development. The marshlands of the subject property are designated as part of the Town's Open Space System.

2. Dane County Zoning

Dane County has a zoning ordinance which is intended to regulate locations, dimensions, and positions of buildings; lot sizes; locations of industry, trades, and residence; and sizes of open spaces and parking spaces. A Dane County Zoning Permit is required before building or an addition to a building is started in the unincorporated areas of Dane County, such as the Town of Dunn. Buildings used exclusively for agricultural purposes do not require permits if setback, floodplain, and

shoreland area requirements are met or a variance is obtained.

Changes in the county ordinance require the approval of the majority of the town boards in the county and if a town board vetoes a zone boundary change within its boundaries, the change cannot be made.

3. Land Division Ordinance

The Town of Dunn Land Division Ordinance spells out the process for creating land divisions by platting, by certified survey, and by comprehensive development plan. Standards are detailed for all site improvements. Where the Town's Ordinances impose greater restrictions than other applicable laws, the greater restrictions shall govern.

4. Urban Services

No communities extend their service areas in the Town of Dunn, and it is the intent of the Town not to develop any municipally associated urban service areas.

5. Assessed Value

In the opinion of the Town of Dunn Assessor, agricultural property in the Town of Dunn is assessed at approximately 70 percent of full market value.

The 1980 assessed values for the several parcels constituting the subject property are:

<u>Parcel No.</u>	<u>Land</u>	<u>Improvements</u>	<u>Total Assessed Value</u>
14-37-890	\$ 3,400	--	\$ 3,400
14-37-891	630	--	630
14-14-318	16,000	\$14,240	30,240
14-14-328	22,180	--	22,180
14-14-329	<u>2,020</u>	--	<u>2,020</u>
	\$44,230	\$14,240	\$58,470

The assessor will reassess all agricultural property for 1981. He noted that the assessed value for the improvements of the subject property appeared to be high compared to similar properties.

The net mill rate for 1979 for Town of Dunn properties falling in the McFarland School District was .01738; the total property taxes due for 1979 on the subject property were \$1,016.

6. Ownership Conflicts

There is an apparent lack of understanding as to the ownership rights on a parcel of land contiguous to the subject property from which the estate of George J. Maloof receives rent, but from which according to the legal description of the Dane County Surveyor's Map belongs to Alice Leckwe, the grantor of the subject property to George J. Maloof by land contract recorded May 25, 1960, in Volume 348 of Miscellaneous, Page 435, Document No. 1002859.

The tenant farmers, Ward and Doris Olson, pay rent for 23 acres which appears to include the 336.2 feet by 169 feet parcel or 1.3 acres owned by Alice Leckwe; this parcel is located at

the northwest corner of the intersection of County AB and Alsmo's Road and is currently planted in corn.

The assessor of the Town of Dunn also appears to include this parcel on the assessment roll as belonging to George J. Maloof. The assessor has unsuccessfully attempted to resolve this question of ownership.

Due to apparent recording errors, there is a question of title to Lot 1-8, 10-12, Block 2, Alsmo's Addition; these title problems have been turned over to the attorneys for the estate.

C. Linkage Attributes of the Subject Site

The subject site is approximately two and a half miles from the Village of McFarland, three miles from the City of Stoughton, four miles from the Village of Oregon, and ten miles from the City of Madison. It is served by County Trunk AB which connects with U.S. Highway 51.

The Department of Natural Resources leases boat facilities to Dane County at a point where the Yahara River joins Lake Kegonsa; this recreational facility is about 2,000 feet east of the subject property. The property also enjoys approximately a mile of river frontage with apparently adequate shoreline to build a boat docking facility.

D. Dynamic Attributes of the Site

The subject site offers the potential for privacy, beauty

and recreational opportunities to the person who values these attributes. The confirmed urban dweller would miss the proximity and regularity of urban services, but the person who wants to dabble in farming, raise horses or a few beef cattle, hunt wild fowl in the marshland and fish in the nearby waters, or just commune with nature would find the site ideal for his purposes.

The six homes built along the south side of Alsmo's Road are of a mixed quality and detract from the attractiveness of the site. The existing improvements on the site are not in keeping with the beauty of the physical attributes of the site. (See Exhibits 7 and 8).

E. Market Demand for Subject Property Attributes

There are three distinct markets for the subject property: (1) for the use as tillable land to increase a nearby farmer's commercial farming operation, (2) for use as a wildlife preserve, fish spawning area, or park area by a public agency such as Dane County Parks Department or the Department of Natural Resources, and (3) for use as a homesite and hobby farm where income production is not the primary reason for purchase.

The small size and discontinuity of the tillable areas of the subject site do not lend themselves to an economical and efficient farm operation. Commercial farmers desire large

parcels of productive land that are as near to 100 percent tillable as possible; the subject site is only 38 percent tillable and has the lowest corn yield potential of any property recently sold. Even an adjacent farmer would hesitate to acquire this property to enhance his income potential.

The Dane County Parks Department is concentrating on acquisition of land for the Environmental Way along the Nine Springs area just south of Madison. The County is also more interested in projects around Lake Waubesa and Lake Kegonsa; there is no expressed interest in the Yahara River at this time according to George Hibner from the County Executive Office.

The DNR would probably accept the subject property as a gift, but it would not be interested in acquisition at this time according to Paul Stone, an area land agent for the DNR. Currently the DNR does not have any wildlife or fish spawning projects near the subject property and there are no projects planned in that area in the near future.

Size appears to be related to the demand for and use of agricultural property. Of the seven comparable sales of commercial farmland, size ranged from 36 acres to 148 acres; of the three properties of commercial farmland less than 70 acres in size, two were sold to adjacent farmers to increase their acreage and the third was sold as a base for a dairy-swine buy

and sell operation. The range in size of the remaining four sales was from 74 to 148 acres. (See Exhibits 12 and 14).

Properties most comparable to the subject property ranged in size from 48.75 acres to 78.5 acres; the smallest property has since been trimmed to approximately 35 acres with sales of 5 and 6 acre parcels to contiguous neighbors. (See Exhibit 16).

Though not studied in depth, the survey of sales of agricultural properties also revealed four purchases for the expressed intent of use as a homesite; the range in size was from 40 acres to 16 acres. The larger parcel of 40 acres which sold for \$2,200 per acre contains an idyllic vacant homesite with a natural spring surrounded by mature trees and grassy slopes. The surrounding tillable land has been leased back to the seller. Two of the remaining parcels have little or no tillable land. The sale prices ranged from \$1,344 per acre for a vacant 16 acre parcel on a grassy knoll with no woods to \$2,986 per acre for 27.8 acres overlooking Lake Waubesa with trees on the upper level, marshland below, and a full complex of farm buildings in fair to good condition. The fourth property contained 18 acres of tillable land with a remodeled farm house and barn that sold for \$4,088 per acre. The latter three parcels are all near McFarland. All of these sales occurred since August of 1978. The value attributed to improvements increases as the

property size decreases. A buyer seeking a homesite appears to be willing to pay a high price for the privacy afforded by size, up to a point, after which there are diminishing returns for the greater size such as is found in the subject property.

Therefore, the strongest market demand for the kind of attributes found in the subject property is with the buyer from the private sector who seeks the recreational potential, the aesthetics, and the privacy in exchange for the limited productivity of the land.

F. Effect of Economic Climate Upon Market Demand for Subject Property Characteristics

The market for all real estate early in 1980 has been thin; high interest rates, a scarcity of mortgage money, and fear of a deepening recession have affected the national real estate market.

The Town of Dunn has experienced a slow down in sales, but the effect has been compounded by the restrictive land use plan which became effective, first with the moratorium on division and subdivision of land in May of 1977 and then with the adoption of the permanent plan in June of 1979. As already mentioned, the inventory of vacant sites was approximately 390 in December of 1979.

Several comparable land sales which occurred around these

points of time were purchased with the intent of dividing and selling several smaller parcels for homesites. Premium prices were paid for these properties; the divisions did not occur. The limited divisions allowed by the land use plan have occurred on a couple of these parcels and the land resold for little or no appreciation.

Though knowledgeable people in the McFarland-Stoughton area believe the fuel cost increases and its potential scarcity have had little effect upon the communities within 10 to 15 miles of Madison, this is a factor to be considered in the future. The opportunity to move from an urban to rural living environment may be open to a smaller subset of potential purchasers of agricultural land.

Farmers, brokers, and an attorney interviewed concur in their estimation of the current market value of agricultural land in the Town of Dunn; tillable land with improvements sells from \$1,800 to \$2,400 an acre. Rents range from \$45 an acre for corn and hay to a high of \$90 an acre with most falling between \$60-\$70 an acre. A combination of tillable acreage, wetlands, and woods sells from \$1,000 to \$3,000 per acre depending upon the intrinsic value of the property to the purchaser.

The Dane County Parks Department has been paying premium prices of \$2,000 to \$3,000 per acre with a high of \$6,000 for uplands and \$750 to \$800 per acre for wetlands for the Nine

Springs Environmental Way just south of Madison. The proximity to Madison and the fact that many landowners can hold out for higher prices make these sale prices the upper limit of prices paid. The Parks Department wants to avoid condemnation if possible. A DNR spokesman reports the current market value for land that is not buildable and is difficult to drain for agricultural purposes to be \$400 to \$600 per acre, but properties on the river sell for more because of the aesthetics and the hunting possibilities. The highest values are paid when the wetlands are contiguous with uplands in the same parcel and border on a river. Wooded land values lie somewhere in between these two sets of values.

Buyers are cautious and most do not want to pay a premium for non-income producing land. The restrictive land use plan for the Town of Dunn limits a purchaser's options in the immediate future for uses of land zoned agricultural.

G. Most Probable Use of Site and Structure

A study of the attributes of the subject property and a review of the market for agricultural properties which have a mix of woods, marshland, and tillable land, leads to the conclusion that the most probable use of the subject property as of April 30, 1980, is as a combined hobby farm and a homesite. The tillable acreage may be farmed as a hobby or secondary source of income, or may be periodically

leased to an area farmer. The improvements will be rented as an interim use until the buyer can build a new home on a site of his choice, given the septic limitations. It is doubtful that a buyer of this property would consider the improvements in a condition suitable for his own use without extensive remodeling.

III. MARKET COMPARISON APPROACH TO VALUE

The preferred method of appraisal is inference of value of the subject property from actual sales of comparable property where neither buyer nor seller were under duress, the property has been exposed on the market for sale for a reasonable time, and both parties were knowledgeable about the property.

Recent market sales in a given area are the most reliable predictors of the most probable buyer and what he might be willing to pay for a comparable property in that area.

A. Determination of Most Probable Price and Most Probable Buyer

There have been several sales of agricultural properties in and near the Town of Dunn in recent years, but there is wide variance in property characteristics and motivation for purchase. Three distinct property groups and sale prices emerge when the sales are stratified according to buyer motivation and property characteristics:

1. Tillable acreage purchased primarily for income production with no improvements,
2. Tillable acreage purchased primarily for income production with improvements,
3. A combination of tillable acreage, marshland, and

woodland with or without improvements purchased for limited income production and as a homesite.

A point scale to rate differences among the subset of sales most comparable to the subject property is developed to reflect those characteristics found to influence buyer behavior. The subject property is also scored. (See Exhibit 17). It is necessary to select those characteristics that are price sensitive. There is a fairly even weight given to those characteristics important for the income-producing potential of the property and those characteristics important for a homesite. Attributes such as quality of improvements and the suitability of the soil for septic systems are price sensitive in both categories.

The differences among the comparables can then be reduced to a common denominator by deriving a weighted point score for each property. The total point score for each comparable sale and the subject property can then be related to one another by means of a simple linear regression line. This statistical process translates supply and demand characteristics into a prediction of price per unit of buyer behavior for the agricultural lands that are a combination of wetlands, tillable acreage, and some woodland. The resulting regression equation provides a predicted price per unit as a central tendency for the subject property.

B. Significant Characteristics of Comparable Sales

Thirteen sales in the Town of Dunn and one sale in the adjacent Town of Pleasant Springs are examined and the location of each is shown in Exhibit 10; those sales that were made under duress, between relatives with no market exposure or independent appraisal, or had other characteristics to disqualify them as bona fide market sales are eliminated from further consideration. The sale price of each property is adjusted both for time and for financing on land contracts. Cash sales, which are in the minority, are adjusted on the basis of the difference in interest and are made equivalent to the predominant land contract sale price.

1. Tillable Acreage with no Improvements

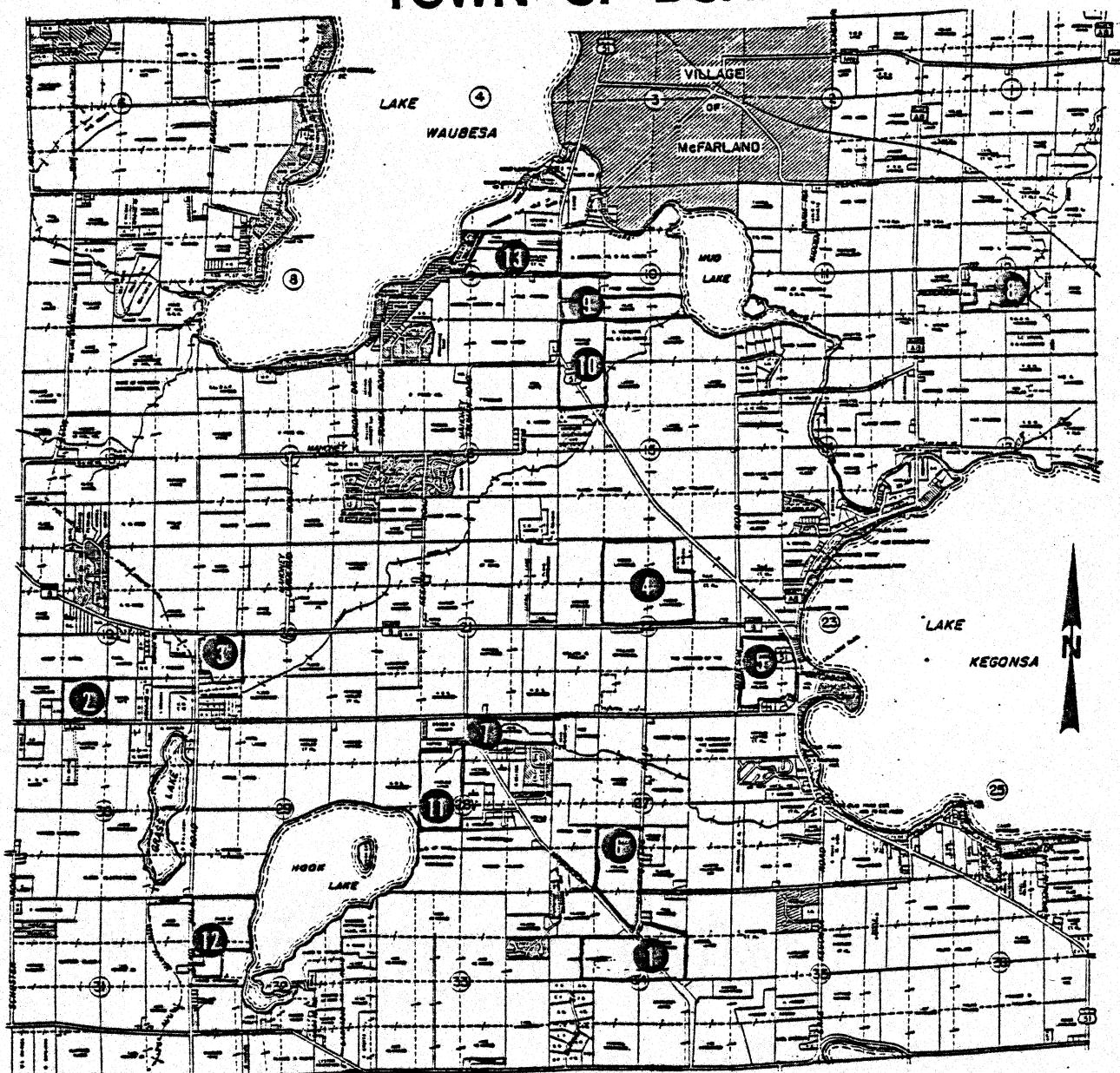
Of the five sales in this category, one does not qualify as a bona fide market transaction. The sale between Charles Woolever and Merlen and Arlene Junck which also involved creditors, Donald and Marie Smith, was eliminated because it was a foreclosure sale made under duress. Its location is shown as Sale No. 11 in Exhibit 10. The property is described as:

A 73-acre farm located in Section 28 of the Town of Dunn sold for \$58,000 or \$795 per acre on July 20, 1976. The time adjusted sales price is \$1,203 per acre. The property is 93 percent tillable with 4 percent wetlands around a pond fed by a natural spring on the north end of the property. Though soils are a mixture of wet and eroded types, with only 15 percent of the soils suitable for septic systems, the wet soils have tile drainage to maximize their productivity. The southern portion

EXHIBIT 10

LOCATION OF FOURTEEN RECENT SALES
OF AGRICULTURAL LAND

TOWN OF DUNN



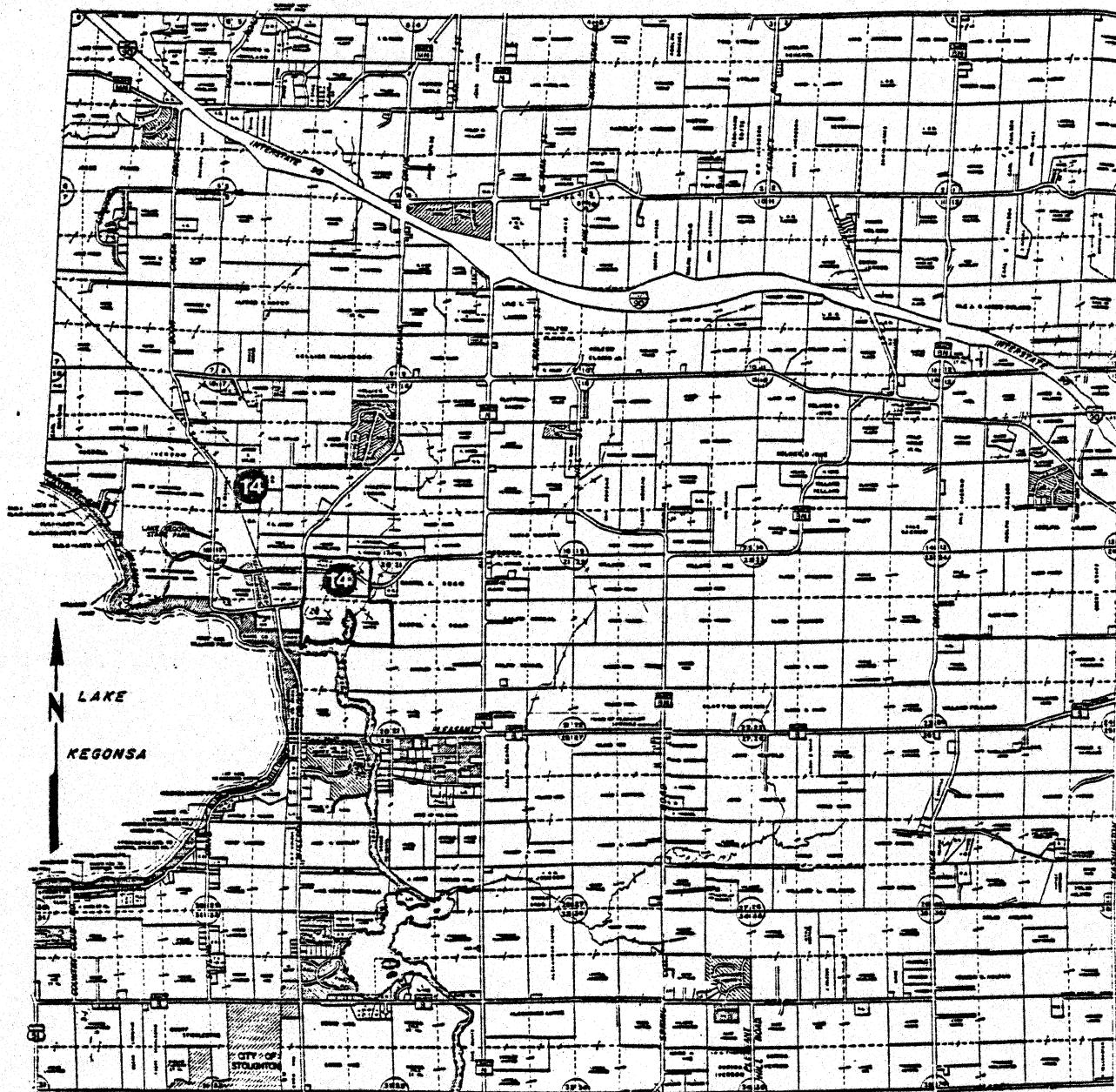
- 1 Anderson to Nelson
- 2 Lease to Shiel
- 3 Ladell to Gustrowsky
- 4 Stenjem to Linnerud
- 5 Felland to Nelson
- 6 Greene to Linnerud
- 7 Lally to Hutchins

- 8 Hendrickson to Aschbrenner
- 9 Browndale to Kiefer
- 10 Edwards to Marsh
- 11 Woolever to Junck
- 12 Bjorke to Kopke
- 13 Derus to Monson
- 14 Bates to Bates

EXHIBIT 10 (Continued)

TOWN OF PLEASANT SPRINGS

T. 6 N. R. 11 E. DANE COUNTY.



of the property is elevated and buildable with only slight septic limitations, but the only point of ingress is at the northern end of the property, and therefore, access is difficult.

The characteristics of the four comparable sales used are detailed in Exhibit 11. Exhibit 12 summarizes the adjustments to the sale price and the property's most salient attributes. Sale No. 1, the most recent sale, requiring no adjustments is in the lower end of the price range, but of all the sales in this category it had the least amount of tillable acreage, the lowest corn productivity, and the least amount of soil suitable for septic systems. Sale No. 3 with the best attributes and the highest price per acre was purchased by an area farmer who already owned contiguous property. Thus, he had a vested interest in inquiring this particular parcel over another comparable property not adjacent to his farm and can be assumed willing to pay in the upper range of current market value. The other two sales are quite comparable to one another and represent the middle range of the current market for income producing farmland which has no improvements in the Town of Dunn.

2. Tillable Acreage with Improvements

As stated earlier in the discussion of the cost approach to value, improvements enhance the value of farmland, but the purchaser views the farm as a unit and does not give full consideration for the replacement costs of the improvements.

EXHIBIT 11

COMPARABLE SALE NO. 1

Date: 3/1/80

Price: \$108,000

Size: 92.5 acres

Price Per Acre: \$1,168

Improvements: Minimal; old tobacco barn

Recorded: Vol. 1717, p. 20

Grantor: Agnes E. Anderson

Grantee: R. Bradley and Marianne Nelson

Terms: Land Contract, 14% down, 8 1/2% interest, 15-year term with annual payments of not less than \$10,000

Location: Section 34, Town of Dunn, near intersection of Hawkinson Road and Greene Road

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
Dodge silt loam	IIe - 1	2 - 6% 115
McHenry silt loam	IIIe - 1	6 - 12% 105
Kidder loam	IIIe - 1	6 - 12% 85
Dodge & Kidder loam	IVe - 1	6 - 20% 85
St. Charles silt loam	IIe - 1	2 - 6% 125
Kidder soils	Vle - 4	10 - 20% 0
Virgil silt loam	IIw - 2	1 - 4% 125 if drained
Orion silt loam	IIIw - 3	-- 0

Septic Suitability: 75% of the soils have only slight to moderate limitations

Ground Cover: 78% tillable (corn)
22% wooded

Topography: Softly rounded, undulating hills with depression near center of property; trees on higher ground

Property in Floodplain: No

Remarks: Buyer has first right of refusal for contiguous 35 acres west of subject; wooded area designated protected Open Space by Town of Dunn; property is divided by Hawkinson Road

EXHIBIT 11 (Continued)

COMPARABLE SALE NO. 2

Date: 9/29/78

Price: \$63,150

Size: 40 acres

Price Per Acre: \$1,579

Improvements: None

Recorded: Vol. 1002, p. 260

Grantor: Frieda M. Lease

Grantee: Richard C. and Donna Jean Shiel

Terms: Land Contract, 24% down, 7% interest, 10-year term with semi-annual payments of not less than \$2,200.

Location: Section 19, Town of Dunn, fronts on Schneider Road

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
Dodge silt loam	IIe - 1	2 - 6%
Kidder loam	IIIe - 1	6 - 12%
Kidder loam	IVe - 1	12 - 20%
Batavia silt loam	I - 3	0 - 2%
St. Charles silt loam	IIe - 1	2 - 6%

Septic Suitability: 97% of the soils suitable with only slight to moderate limitations

Ground Cover: 80% tillable crops; 20% commercial pines

Topography: Sloping from north to south with rounded hill in center north of property where pines are growing with cornfield in plateau enclosed by pines

Property in Floodplain: No

Remarks: The pines grow in the less productive Kidder soils; sale price includes the crop of pines.

EXHIBIT 11 (Continued)

COMPARABLE SALE NO. 3

Date: 2/16/78

Price: \$64,800

Size: 36 acres

Price Per Acre: \$1,800

Improvements: None

Recorded: Vol. 916, p. 521

Grantor: Arlow L. and Lois A. Ladell

Grantee: Floyd H. and Ione P. Gustrowsky

Terms: Land contract, 29% down, 7% interest, 5-year term with monthly payments of not less than \$300. Balloon due at end of term if option to pay no more than \$18,000 in principal per year is not exercised

Location: Section 20, Town of Dunn, on corner of County B and Sandhill Road

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
Dodge silt loam	IIe - 1	2 - 6%
St. Charles silt loam	I - 3	0 - 2%
McHenry silt loam	IIle - 1	6 - 12%
St. Charles silt loam	IIe - 1	2 - 6%
Whalen silt loam	IIe - 2	2 - 6%

Septic Suitability: 99.9% of soils have only slight to moderate limitations

Ground Cover: 100% tillable (corn)

Topography: Gently sloped toward southeast corner

Property in Floodplain: No.

Remarks: Buyer owns contiguous parcels to the east and is assumed willing to pay more to expand holdings

EXHIBIT 11 (Continued)

COMPARABLE SALE NO. 4

Date: 4/1/77

Price: \$177,600

Size: 148 acres

Price Per Acre: \$1,200 or \$1,251 adjacent to land contract 7%, 10-year term

Improvements: None

Recorded: Vol. 907, p. 224

Grantor: George R. and Kathryn L. Stenjem

Grantee: Oscar M. and Shirley A. Linnerud

Terms: Cash

Location: Section 22, Town of Dunn, south side borders on County B

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
Plano silt loam	IIe - 1	2 - 6% 130
Dodge silt loam	IIe - 1	2 - 6% 115
Ringwood silt loam	IIIe - 1	6 - 12% 105
McHenry silt loam	IIIe - 1	6 - 12% 90
Troxel silt loam	IIe - 5	1 - 4% 115
Griswold loam	IIIe - 1	6 - 12% 95
St. Charles silt loam	IIe - 1	2 - 6% 125
Ringwood silt loam	IIe - 1	2 - 6% 110
Kidder loam	IIe - 4	10 - 20% 0

Septic Suitability: 94% of soils have only slight to moderate limitations

Ground Cover: 88% tillable (corn)
12% wooded

Topography: Smooth undulating hills with steeper slopes in wooded area

Property in Floodplain: No

Remarks: Wooded area predominately McHenry silt loam and is part of Town of Dunn Open Space System

SUMMARY OF
COMPARABLE SALES
TILLABLE ACREAGE WITH LITTLE OR NO IMPROVEMENTS

Sale No.	No. 1	No. 2	No. 3	No. 4
Section	34	19	20	22
Grantor-Grantee	Anderson to Nelson	Lease to Shiel	Ladell to Gustrowsky	Stenjem to Linnerud
Date	3/1/80	9/29/78	2/16/78	4/1/77
Price	\$108,000	\$63,150	\$64,800	\$177,600
Size	92 acres	40 acres	36 acres	148 acres
Price per Acre	\$1,174	\$1,579	\$1,800	\$1,200
Time Adjustment	None	18.5%	26.1%	41.3%
59 Adjusted Price per Acre	\$1,174	\$1,871	\$2,270	\$1,696
Terms	Land Contract	Land Contract	Land Contract	Cash
Land Contract Adjusted Price	\$1,174	\$1,887	\$2,270	\$1,768
Amount Tillable	78%	100%	100%	88%
Average Corn Productivity	85-115 bu./acre	80-140 bu./acre	115-135 bu./acre	90-130 bu./acre
Sewer Suitability	75%	97%	99.9%	94%

EXHIBIT 12

Of the four recent sales of tillable acreage with improvements, one sale did not qualify as a bona fide market transaction. This sale occurred on May 28, 1977, between Bjerke, et.al, and Gordon, Merle, and Lorraine Kopke, a sale of 80 acres for \$65,000 or \$813 per acre. The time adjusted price per acre is \$1,128. The seller took back a land contract of a very favorable 8 percent down, 7 percent interest with a 10-year term. The seller retained a possessory life estate in the house with the purchaser having a remainder in fee. The seller had an offer of \$80,000 from a Chicago buyer who wanted to use the property for a salvage yard, but the seller, a long-time resident, preferred to sell to a local farmer who had been renting the land previously and who would continue to farm the property. Therefore, this sale does not qualify as a benchmark for fair market value. Its location is shown as Sale No. 12 in Exhibit 10.

The characteristics of the remaining three recent sales are detailed in Exhibits 13. Exhibit 14 summarizes the adjustments to the sale price and the property's salient attributes.

Sale No. 5 was purchased primarily for commercial farming, but the property located across U.S. Highway 51 from Lake Kegonsa with an excellent view of the lake is believed by the buyer to be a prime possibility for development in the future if the property can be connected to the proposed Kegonsa

EXHIBIT 13

COMPARABLE SALE NO. 5

Date: 11/30/78

Price: \$160,000

Size: 74 acres

Price Per Acre: \$2,162

Improvements: House, 2 garages, 1 machine shed, 2 tobacco sheds in good condition

Recorded: Vol. 1018, p. 486

Grantor: Truman and Harmona Felland

Grantee: Rodger H. and Ellen M. Nelson (65%) and Robert A. and Sharon Nelson (35%)

Terms: Land contract, 25% down, 9% interest, 10-year term with annual principal payments of not less than \$5,000 plus accrued interest

Location: Section 23, Town of Dunn, fronts on Highway 51, Schneider Road and Dyreson Road

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
Plano silt loam	IIe - 1	2 - 6%
St. Charles silt loam	IIIe - 1	6 - 12%
St. Charles silt loam	IIe - 1	2 - 6%
Whalen silt loam	IIIe - 2	6 - 12%
Whalen silt loam	IIe - 2	2 - 6%

Septic Suitability: 64% of soils have only slight to moderate limitations

Ground Cover: 69% tillable
31% woods and homesite

Topography: Undulating with trees and homesite on higher elevations and predominant slope in northeast corner. Property overlooks Lake Kegonsa with its highest point 70 feet above Lake shoreline

Property in Floodplain: No

Remarks: Woods are part of Open Space System as designated by the Town of Dunn; property purchased primarily as farm, but also with the speculation that connection to the proposed Kegonsa Joint Sanitary District will

EXHIBIT 13 (Continued)

COMPARABLE SALE NO. 5 (Continued)

become a reality based upon the assumption that University of Wisconsin to the west and south of the subject property will have the clout to gain access to the District; the intervening land owners will then be able to benefit from the installed sewer main.

The property was platted in 1968 and passed the required percolation tests, but in 1972 the more rigid standards prevented successful perc tests.

EXHIBIT 13 (Continued)

COMPARABLE SALE NO. 6

Date: 2/16/78

Price: \$130,000

Size: 82.5 acres

Price Per Acre: \$1,576

Improvements: House, barn, tobacco shed, machine shed, chicken coop, garage, 2 large metal grain bins in fair to good condition

Recorded: Vol. 989, p. 604

Grantor: Evan E. and Geda Greene

Grantee: Erling and Mary Linnerud

Terms: Land contract, 29% down, 7% interest, 10-year term with annual principal payments of not less than \$5,000

Location: Sections 27 and 34, Town of Dunn, fronts on Greene and Hawkinson Roads

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
St. Charles silt loam	IIe - 1	2 - 6% 125
Batavia silt loam	IIe - 1	2 - 6% 130
Kidder soils	VI - e	10 - 20% 0
McHenry silt loam	IIIe - 1	6 - 12% 90

Septic Suitability: 75% of soils have only slight to moderate limitations

Ground Cover: 85% tillable
15% woods and homesite

Topography: Softly rounded, undulating hills, gravel pit at south elevated tip of property

Property in Floodplain: No

Remarks: Buyer has farmed in area for many years as cash cropper with some beef cattle; he rents seven other farms in area. A drain ditch is located at the north end of the property

EXHIBIT 13 (Continued)

COMPARABLE SALE NO. 7

Date: 3/1/76

Price: \$70,000

Size: 48.9 acres

Price Per Acre: \$1,431

Improvements: House, 2 barns, pig sheds, small shed in fair to good condition

Recorded: Vol. 671, p. 299

Grantor: William C. Lally

Grantee: John Hutchins

Terms: Land contract, 21% down, 8½% interest, 10-year term with monthly payments of \$450

Location: Section 28, Town of Dunn, corner of Schneider and Hawkinson Roads

Predominant Soil Types: (Listed in descending amounts)

Name	Capability Classification & Slope	Corn Productivity (bu./acre)
Plano silt loam	I - 3	0 - 2% 150
Plano silt loam	IIe - 1	2 - 6% 130
Dodge silt loam	IIIe - 1	6 - 12% 100
Military loam	IIIe - 2	6 - 12% 85
Virgil silt loam	IIw - 2	1 - 4% 125
Radford silt loam	IIw - 2	0 - 3% 110 (when drained)
Military loam	Vle - 2	20 - 30% 0 (when drained)

Septic Suitability: 75% of soils have only slight to moderate limitations

Ground Cover: 65% tillable

31% pasture on hillside
4% marsh or homesite

Topography: Gently rolling with homesite at lower level with elevation increasing toward south

Remarks: Creek runs through property with surrounding wooded area designated as part of Dunn's Open Space System. Farm is used as buy-sell-rent dairy cattle and hog operation center.

SUMMARY OF
COMPARABLE SALES
TILLABLE ACREAGE WITH IMPROVEMENTS

Sale No.	No. 5	No. 6	No. 7
Section	23	27 and 34	28
Grantor-Grantee	Felland to Nelson	Greene to Linnerud	Lally to Hutchins
Date	11/30/78	2/16/78	3/1/76
Price	\$160,000	\$130,000	\$70,000
Size	74 acres	82.5 acres	48.9 acres
Price per Acre	\$2,162	\$1,576	\$1,431
Time Adjustment	16.2%	27.3%	59.7%
Adjusted Price per Acre	\$2,512	\$2,006	\$2,286
Terms	Land Contract	Land Contract	Land Contract
Land Contract Adjusted Price	\$2,512	\$2,006	\$2,286
Amount Tillable	69%	85%	96%
Average Corn Productivity	110 - 130 bu./acre	90 - 130 bu./acre	90 - 150 bu./acre
Sewer Suitability	64%	75%	75%
Improvements	Complete complex of buildings in good condition	Complete complex of buildings in good to fair condition	Complete complex of buildings in good to fair condition
Remarks	Farmer who speculates sewer will come to property	Cash crop farmer who rents 7 other farms	Farmer uses property as base for dairy cattle buy-sell operation and a farm

Sanitary District. The buyer speculates that the University of Wisconsin to the west and south will receive sewer service in the future, and therefore, his property will have access to the line. The buyer indicated that the property has been platted, but the Town of Dunn's inventory of vacant sites does not include this property. There are 13 improved lots in an unsewered residential development contiguous to the farm along Schneider Road. Though the buyers are commercial farmers, this farm with its 69 percent tillable acres was also purchased as a speculation in the future, and therefore, the time adjusted price of \$2,512 per acre reflects more than just the current fair market value of farmland.

Sales No. 6 and 7 are more representative of purchases of tillable acreage with the usual complex of buildings which include barns, sheds, a garage, and a house. Both buyers earn their livelihood from the land.

Therefore, it appears that as of April 30, 1980, tillable acreage without improvements in the Town of Dunn has a most probable selling price range of \$1,200 to \$2,300 an acre with a central tendency narrowing to \$1,700 to \$1,900 per acre. The central tendency for fair market value of commercial farmland with improvements is in the range of \$2,000 to \$2,400 per acre.

3. Tillable Acreage, Marshland, and Woods With or Without Improvements

Of the five recent sales examined, one is not considered

comparable to the subject property because of its location in a municipal sewage district and because of the buyer's motivation; the other is not a benchmark of value because the price was engineered between father and sons. These sales are shown as Sales 13 and 14 in Exhibit 10. The details of these sales follow:

The sale from Gerald Derus to Monson Construction Company on August 1, 1977 of 81.5 acres near the Town of McFarland for \$145,000 or \$1,779 per acre (time adjusted \$2,384 per acre) was made for the expressed purpose of subdividing. Though the moratorium on subdivision was in effect at the time of purchase, the buyer believed the location of the property in the Madison Metropolitan Sewer District would enhance the possibility of development on this site even though the property is not currently serviced by a municipal sewer. The final land use plan adopted June 1978 zoned the entire property agricultural (exclusive) and placed 28 acres of its marshland in the Town's Open Space System. The only division allowed by the land use plan is the creation of two new parcels for a total of three. A 27 acre parcel containing the improvements and the woods of the subject property was sold December 1979 for just under \$3,000 per acre. The tillable corn land is currently listed on the market for \$3,000 an acre and the marshland for \$2,000 per acre. These listings have been exposed to the market since December of 1979 with no takers.

The second rejected sale of property with a mix of woods, marsh, and tillable acreage is located in Section 17 and 20 of the Town of Pleasant Springs which does not have as restrictive a land use plan as the Town of Dunn. The date of the sale was July 1976 between Charles and Mary Bates and their two sons and their wives. The sale price of \$120,000 or \$770 per acre (time adjusted \$1,180 per acre) for 156 acres was admittedly below market with financing by land contract at a very favorable 6 percent interest. The buyers, one of whom is closely involved in real estate brokerage in the area, believed the market value at the time of purchase to be between \$950 to \$1,000 per acre. The time adjusted

price per acre would be \$1,460 to \$1,540 per acre. This property, like the subject property, has marshland bordering the Yahara River. The improvements are superior and the soils are more productive with an average corn yield of 140 bushels per acre. Part of the marshland (19.2 acres) is located a few miles from the main property and 33.7 acres of woods and pasture is located across the road from the main property. The 33.7 acres has since been sold for \$70,000 (\$2,077 per acre) on August 23, 1978, to be used as a commercial campground. The remaining 122 acres has been put on the market periodically. In February 1977 the owners turned down a \$180,000 offer (\$1,475 per acre); they were asking \$200,000 (\$1,640 per acre). In May 1980 a verbal offer of \$230,000 (\$1,885 per acre) was received but was refused. The asking price was then \$250,000 (or \$2,050 per acre).

These incomplete transactions can only be used as indicators of current market value of a property located in a town with less restrictive land use plan and a property with superior soil, far better improvements, and enough tillable acreage for commercial farming, but lacking the degree of woodedness and other aesthetic qualities of the subject property.

The characteristics of the three remaining sales of this type of mixed use property are detailed in Exhibit 15. Exhibit 16 summarizes the adjustments to the sale prices and the property's most salient attributes.

C. The Most Probable Buyer

Given the attributes and buyer characteristics of the three most comparable sales, it is assumed that the most probable buyer of the subject property will be a private individual employed elsewhere, will have an affinity for the farm life,

EXHIBIT 15

COMPARABLE SALE No. 8

Date: 5/1/77

Price: \$52,000

Size: 48.75 acres

Price per Acre: \$1,067

Improvements: None

Recorded: Vol. 765, P. 678

Grantor: Allen M. and Inez M. Hendrickson

Grantee: Larry L. and Carol A. Aschbrenner

Terms: Land contract, 19% down, 8½% interest, 5-year term with monthly payments of not less than \$321.11 with a balloon payment at end of term

Location: Section 12, Town of Dunn, at end of Peterson Road off of County AB

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
St. Charles silt loam	IIe - 1	2 - 6% 125
Batavia silt loam	I - 3	2 - 6% 130
McHenry silt loam	IIIe - 1	6 - 12% 105
Granly loamy sand	IVw - 5	- 70 when drained
Adrian muck	IVw - 7	- 90 when drained
Houghton muck	IIIw - 9	- 120 when drained

Septic Suitability: 57% of the soils have only slight to moderate limitations

Ground Cover: 41% tillable
10% scrub brush
47% marsh
2% wooded

Topography: Slightly rolling hills with level marshland

Property in Floodplain: Only a very small portion of property on eastern edge is in floodplain area; borders on a floodplain area

EXHIBIT 15 (Continued)

COMPARABLE SALE NO. 8 (Continued)

Remarks: The buyer had originally intended to create five parcels and keep the marsh for himself, but the Town of Dunn moratorium on land division and subsequent land use plan prevented this action. He appeared fully knowledgeable about the potential limitations to his original intentions. He has since sold off two parcels to contiguous neighbors so the right to divide has not been used. The buyer will try a perc test this fall on the wooded high land with the intention of building a home for his family. He is enthusiastic about the McFarland school system.

The buyer is employed in Monona and he farms his tillable acreage jointly with his neighbors as a secondary activity.

EXHIBIT 15 (Continued)

COMPARABLE SALE NO. 9

Date: 3/8/77

Price: \$83,000

Size: 73.5 acres

Price per Acre: \$1,129

Improvements: 2 large barns, 1 stripping shed, 1 garage, 1 concrete silo and 2-story house in good condition

Recorded: Vol. 788. p. 497

Grantor: Browndale International Ltd.

Grantee: Miles A. and Mildred M. Kiefer

Terms: Land contract, 20% down, 9% interest, 5-year term with monthly payments of not less than \$531.30 with a balloon payment at the end of five years

Location: Section 10, Town of Dunn, on corner of Tower Road and U.S. Highway 51

Predominant Soil Type: (Listed in descending amounts)

Name	Capability Classification & Slope	Corn Productivity (bu./acre)
Houghton muck	IIIw - 9	120 when drained
Dodge Silt loam	IIle - 1	115
Kidder loam	IIle - 1	85
St. Charles silt loam	IIle - 1	125
Marshan silt loam	IIw - 5	90 when drained
Rockton silt loam	IIle - 2	85
Adrian muck	IVw - 7	90 when drained

Septic Suitability: 38% of soils have only slight to moderate limitations

Ground Cover: 45% tillable (30 acres corn, 3 acres tobacco)
53% marsh
2% woods and homesite

Topography: Gently rolling with highest elevation along highway and homesite at lower level in center of property; but has view of Mud Lake. Marshland is level.

Property in Floodplain: Approximately 50% of the property is in the floodplain

EXHIBIT 15 (Continued)
COMPARABLE SALE NO. 9 (Continued)

Remarks: Buyer has no intention of dividing land, but would like to build another house on property for parents. Buyer has another source of employment; he rents land and use of barns for \$50 per acre for corn and \$350 per acre for tobacco. This property is desirable to buyer because of privacy created by marsh, the beauty of the landscape, the source of rental income and the quality of the improvements.

EXHIBIT 15 (Continued)

COMPARABLE SALE NO. 10

Date: 9/30/76

Price: \$50,000

Size: 78.5 acres

Price per Acre: \$637

Improvements: House in fair condition, 2 barns in poor condition

Recorded: Vol. 731, p. 355

Grantor: Alma Edwards, personal representative of the estate of Christian Jensen, deceased

Grantee: Donald D. Marsh and Ruth E. Marsh

Terms: Cash

Location: Sections 10 and 15, Town of Dunn, fronts on U.S. Highway 51 at intersection of Mahoney Road

Predominant Soil Types: (Listed in descending amounts)

<u>Name</u>	<u>Capability Classification & Slope</u>	<u>Corn Productivity (bu./acre)</u>
Houghton muck	IIIw - 9 -	120 when drained
Marshan silt loam	IIw - 5 -	90 when drained
Adrian muck	IVw - 7 -	90 when drained
Dodge silt loam	IIe - 1 2 - 6%	115
Virgil silt loam	IIw - 2 1 - 4%	125 when drained
Whalan silt loam	IIIe - 2 6 - 12%	105

Septic Suitability: 13% of the soils have only slight to moderate limitations

Ground Cover: 23.5% tillable

74 % marsh

2.5% woods and homesite

Topography: Gently rolling with marshland level; homesite on highest elevation

Property in Floodplain: Small NE portion of property in floodplain

Remarks: Donald D. Marsh bought this property for cash and then sold it on land contract to his son with no money down for the same price. Only the first transaction qualifies as a bona fide sale. The property user has employment elsewhere, but enjoys farming, the country life and hunting. He has built a pond on the property and stocked it with trout and is in the process of remodeling the house himself.

**SUMMARY OF
COMPARABLE SALES
MIXED USAGE
TILLABLE, MARSH, WOODS WITH AND WITHOUT IMPROVEMENTS**

Sale No.	No. 8	No. 9	No. 10
Section	12	10	10 & 15
Grantor-Grantee	Hendrickson to Aschbrenner	Browndale to Kiefer	Jensen to Marsh
Date	5/1/77	3/8/77	9/30/76
Price	\$52,000	\$83,000	\$50,000
Size	48.75 acres	73.5 acres	78.5 acres
Price per Acre	\$1,067	\$1,129	\$637
Time Adjustment	39%	41%	49%
Adjusted Price per Acre	\$1,483	\$1,592	\$949
Terms	Land Contract	Land Contract	Cash
Land Contract Adjusted Price	\$1,483	\$1,592	\$998
Amount Tillable	41%	45%	24%
Average Corn Productivity	120 bu./acre	115 bu./acre	100 bu./acre
Sewer Suitability	57%	38%	13%
Improvements	None	Complete complex of buildings in good condition	Minimal service buildings and house in fair to poor condition
Remarks	Buyer works in Monona and plans to build home plus share in farming with neighbors. Likes marsh.	Buyer rents till- able acreage, works elsewhere and enjoys privacy and aesthetics of site.	Buyer farms as hobby and second income. Works in town and enjoys attributes of marsh.

and may or may not cultivate the tillable acreage himself; he may be an active or passive hunter and he treasures the aesthetics and privacy of the country life. He may or may not want to divide his property into the allowable number of parcels, but that is not the primary motivation for purchase, given the large inventory of vacant sites in the Town of Dunn.

D. The Most Probable Price

The buyer of the subject property will want to pay no more than the market value of similar properties. The properties with a mix of tillable acreage, marshland and woods are comparable to the subject property and though the sample of three is small, these properties offer the best benchmark of value of the subject property.

As discussed earlier, a point score rating system and a simple regression are used to solve for the central tendency of the most probable selling price of the subject property as of April 30, 1980. The three comparable properties and the subject property are rated on the basis of characteristics believed to be price sensitive. (See Exhibits 17 and 18). The linear relationship between the selling price and the point scores are shown graphically in Exhibit 19. A regression, using the point scores as the independent variable and the adjusted selling price per acre as the dependent variable is done to solve for the equation needed to calculate the predicted value

EXHIBIT 17

SCALE FOR SCORING COMPARABLES ON MOST PROBABLE BUYER CONSIDERATIONS

Percentage of acreage tillable (15%)	5 = More than 40% 3 = Between 25% to 40% 1 = Less than 25%
Productivity of soils measured in average predicted corn yields of bushel/acre (15%)	5 = More than 100 bu./acre 3 = Between 90 to 100 bu./acre 1 = Less than 90 bu./acre
Quality of improvements as adjuncts to farming operation (20%)	5 = Complete complex of barns, sheds, garage and house in good condition 3 = Complete complex in fair condition 1 = Minimal service buildings and house in fair to poor condition
Percentage of soils suitable for septic systems (10%)	5 = More than 50% 3 = Between 20% to 50% 1 = Less than 20%
Privacy of site (10%)	5 = Set back with water frontage on more than than one side 3 = Homesite set back and/or one site with water frontage on one side 1 = Homesite on highway with no water frontage
View from homesite on property (10%)	5 = Predominantly natural vegetation and water 3 = Predominantly cultivated fields 1 = Predominantly highway and cultivated fields
Woodedness of site (10%)	5 = More than 20% of acreage in mature trees 3 = Between 10% to 20% of acreage in mature trees 1 = Less than 10% of acreage in mature trees
Adverse influence (5%)	5 = None 3 = High voltage transmission line 1 = High traffic near homesite
Buyer's motivation for purchase (5%)	5 = Divide into more than two parcels and use one for homesite 3 = Divide into two parcels and use one for homesite 1 = Homesite only with no division

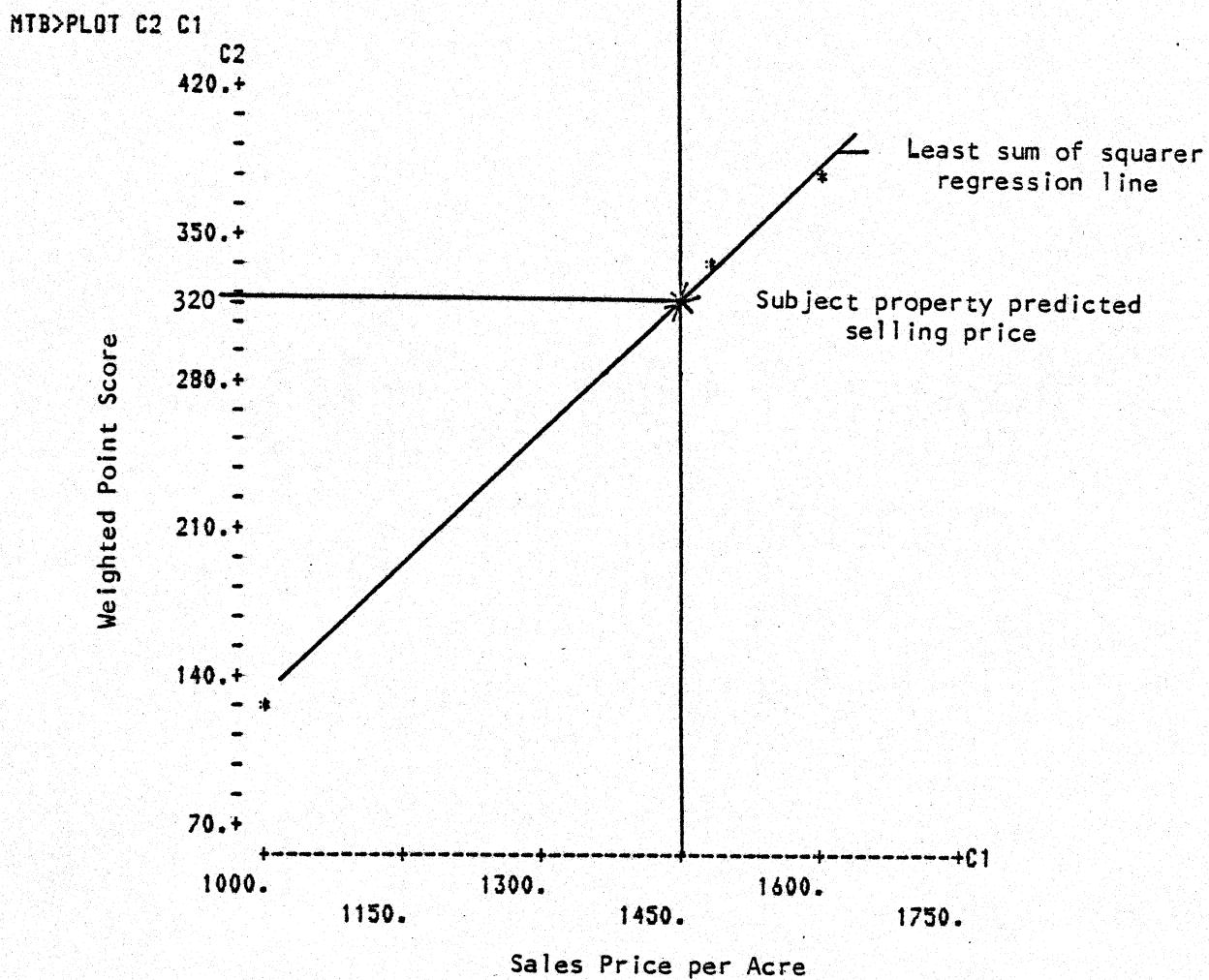
WEIGHTED MATRIX OF ATTRIBUTES OF
COMPARABLE PROPERTIES AND SUBJECT PROPERTY

Attribute	Weight	Rating/Weighted Rating			
		Sale No. 8 Aschbrenner	Sale No. 9 Kiefer	Sale No. 10 Marsh	Subject
Percent of Acreage Tillable	15%	5/75	5/75	1/15	3/45
Productivity of Soils	15%	5/75	5/75	3/45	3/45
Quality of Improvements	20%	0/0	5/100	1/20	1/20
Suitability of Soils for Septic Systems	10%	5/50	3/30	1/10	3/30
Privacy of Site	10%	3/30	3/30	1/10	5/50
View from Property	10%	5/50	3/30	1/10	5/50
Woodedness of Site	10%	1/10	1/10	1/10	5/50
Adverse Influences	5%	5/25	5/25	1/5	3/15
Buyer's Motivation for Purchase	5%	5/25	1/5	1/5	3/15
Total Weighted Score		340	380	130	320
Adjusted Selling Price per Acre		\$1,500	\$1,600	\$1,000	NA

EXHIBIT 18

EXHIBIT 19

GRAPH OF SALES PRICE PER ACRES AS A
FUNCTION OF WEIGHTED POINT SCORE
OF COMPARABLES



of the subject property as shown in Exhibit 20. The regression indicates a 99.8 percent coefficient of determination which expresses the proportion of variation in Y or the dependent variable which is associated with or related to the variation in X, the independent variable.

The predicted value of the subject property is determined by substituting the point score rating of the subject property for the X variable in the regression equation; $Y = a + bx$

where: Y = predicted price of subject property (dependent variable)

a = constant of regression equation

b = coefficient of independent variable

x = point score rating of subject property (independent variable)

or: $Y = 691 + 2.36 (320)$, and therefore

$Y = \$1,446.20$

$\$1,450$ per acre (rounded)

The regression results indicate that the fair market value (most probable selling price) of the subject property as of April 30, 1980, is:

ONE THOUSAND FOUR HUNDRED FIFTY DOLLARS PER ACRE
(\$1,450 per acre)

or

EIGHTY-THREE THOUSAND DOLLARS
\$83,000 (rounded)

EXHIBIT 20

REGRESSION ANALYSIS OF
SALE PRICE AND PROPERTY POINT SCORE

THE REGRESSION EQUATION IS
 $Y = 691. + 2.36 X_1$

COLUMN	COEFFICIENT	ST. DEV. OF COEF.	T-RATIO = COEF/S.D.
--	690.6839	29.1800	23.670
X1	C2	0.0960	24.60

THE ST. DEV. OF Y ABOUT REGRESSION LINE IS
 $S = 18.2$
WITH $(3 - 2) = 1$ DEGREES OF FREEDOM

R-SQUARED = 99.8 PERCENT
R-SQUARED = 99.7 PERCENT, ADJUSTED FOR D.F.

ANALYSIS OF VARIANCE

DUE TO	DF	SS	MS=SS/DF
REGRESSION	1	201267.	201267.
RESIDUAL	1	333.	333.
TOTAL	2	201600.	

ROW	X1 C2	Y C1	PRED. Y VALUE	ST.DEV. PRED. Y	RESIDUAL	ST.RES.
1	130.	1000.	998.	18.	2.	1.00
2	380.	1600.	1588.	14.	12.	1.00
3	340.	1480.	1494.	12.	-14.	-1.00

assuming a land contract with 8-1/2 percent interest and a 10-year term. A cash sale may result in a lower selling price depending upon the trade offs of the amount of the down payment, interest rate, and the term of the mortgage. The more cash required up front translates into a lower selling price.

E. Test of Most Probable Selling Price

Since there have been no separate sales of marshland or woods, the value of the subject property, substantiated by market sales of these distinct property types, cannot solely be determined by a summation of separate values. But a summation of reliable estimates of the separate values can be used as a check of the value determined from current sales of comparable properties.

Several reliable sources have indicated estimates of values for these distinct property types; the DNR and the Dane County Parks Department concur that wetlands contiguous to uplands and along a river will currently sell for between \$600 and \$800 per acre. The market value for tillable acreage has been substantiated by market sales; \$1,700 to \$1,900 per acre is the average price for tillable acreage without improvements, and \$2,000 to \$2,400 per acre is the average price for tillable acreage with improvements. Wooded land is believed to sell for more than wetlands but less than tillable acreage; a range of \$1,000 to \$1,300 per acre is considered reasonable. The most

probable selling price of the subject property with its excellent mix of marsh and woods, but with a high percentage of its soils rated as having low productivity and high septic limitations, and its limited improvements in fair to poor condition is estimated as:

22 acres tillable at \$2,000	=	\$44,000
17 acres marsh at \$ 800	=	13,600
<u>18</u> acres woods at \$1,300	=	<u>23,400</u>
57 acres		\$81,000 (\$1,420 per acre)

Thus, the estimated fair market value of \$83,000 is reasonable when checked against estimates of value of the component parts of the subject property.

IV. VALUE CONCLUSION

The market approach suggests a value of \$1,450 per acre or \$83,000 (rounded).

The cost approach is inappropriate to the subject; the value lies in the land, and the improvements are obsolete with less than optimum fit to the site.

The income approach is not applicable because the subject property is not commercial farmland purchased primarily for its income producing capabilities.

Based upon the assumptions and limiting conditions presented, it is the opinion of the appraiser that the highest probable price in dollars and fair market value of the subject property described herein as of April 30, 1980, is:

EIGHTY-THREE THOUSAND DOLLARS

(\$83,000)

assuming a land contract from the seller with 25 percent down at 8-1/2 percent interest for a 10-year term.

STATEMENT OF LIMITING CONDITIONS

This appraisal is made subject especially to the following conditions and stipulations:

1. Contributions of Other Professionals

- The appraiser assumes no responsibility for matters which are legal in nature nor is any attempt made to render an opinion on the title. The property has been appraised as if title to the subject property were in fee simple, legal ownership with no regard for mortgage loans or other liens or encumbrances.
- A certified survey of the subject site has not been done; the area of the site has been estimated using the legal description, an aerial photo and a compensating polar planimeter as described within the report.
- The computation of the total area of the site is assumed to be incorrect in the Town of Dunn assessment roll and in need of updating.
- The appraiser did not conduct soil analysis of the subject site; reliance was placed upon the Dane County Soil Survey maps prepared by the Soil Conservation Service in cooperation with the University of Wisconsin.
- The maps and drawings in this report are included to assist the reader in visualizing the property. These visual aids are for illustrative purposes only and do not represent an actual survey of the property.

2. Facts and Forecasts Under Conditions of Uncertainty

- Information furnished by others in this report, while believed to be reliable, is in no sense guaranteed by this appraiser.
- All information furnished in this appraisal including property sales and rentals, financing, soil characteristics, land use restrictions and vacant site inventory are 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 conditions, prior sale, lease, financing, or withdrawal without notice.

3. Controls on Use of Appraisal

- Values for various components of the subject parcel and improvements 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 this 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 this 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, or of the firm with which he is connected or any of his associates.
- The authors will not be required to give testimony or to appear in court by reason of this report, with reference to the property in question, unless timely arrangements have been previously made therefore, at prevailing per diem rates.
- Landmark Research, Inc., will expect to be held harmless from any and all claims that might be brought by third parties which might relate in any way to claims for injury or damage suffered as the result of the implementation of any advice we may have given or services we may have rendered in this connection.

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 upon the information and subject to the limiting conditions contained in this report, it is our opinion that the Fair Market Value, as defined herein, of this property as of April 30, 1980, is:

EIGHTY-THREE THOUSAND DOLLARS

(\$83,000)

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

Jean B. Davis
Jean B. Davis, MS

September 23, 1980
Date

JAMES A. GRAASKAMP

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 - Marquette University
Bachelor of Arts - Rollins College

ACADEMIC 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)

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 a member of the Board of Directors of the Wisconsin Housing Finance Agency and 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.

J E A N B. D A V I S

EDUCATION

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

Master of Arts - Elementary Education, Stanford University

Bachelor of Arts - Stanford University (with distinctions)

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

PROFESSIONAL EDUCATION AND MEMBERSHIPS

Society of Real Estate Appraisers

Appraising Real Property Course 101
Appraising Income Producing Property Course 201

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

PROFESSIONAL EXPERIENCE

With a significant background in education, practiced in California,
Hawaii and Wisconsin, Ms. Davis is currently associated with Landmark
Research, Inc. Her experience includes the appraisal and analysis of
commercial and residential properties, significant involvement in
municipal assessment practices and market and survey research to
determine demand potentials.

