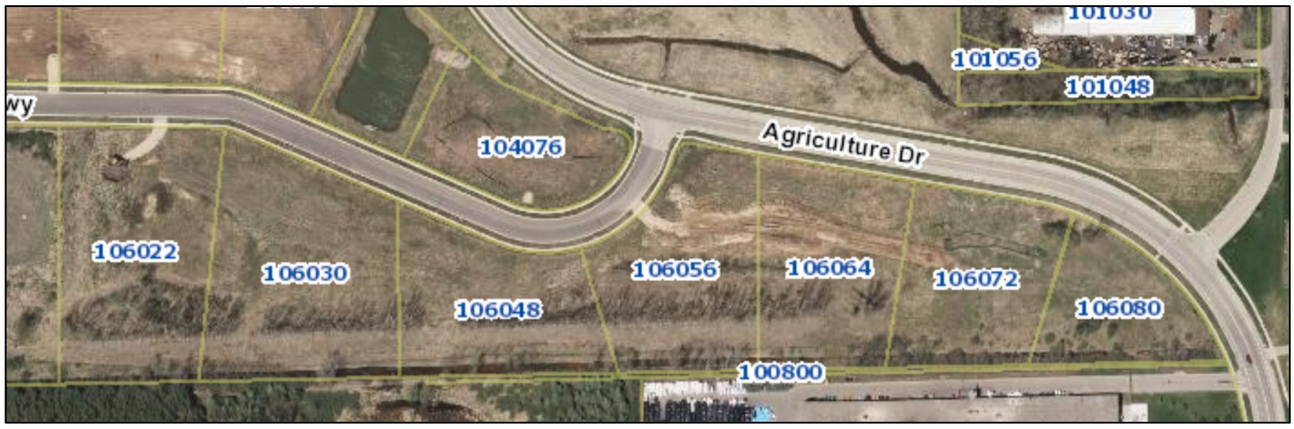
Market Value Appraisals

Of

Eight Vacant Parcels – "As Is"
Located off Tradewinds Parkway and Agricultural Drive
Madison, WI
Property Owner: Dane County



For

Dane County Treasurer
Room 114, City-County Building
210 Martin Luther King Jr. Blvd.
Madison, WI 53703

As of

August 1, 2018

By

Tenny Albert
Wisconsin Certified General Appraiser #154
518 Clemons Avenue #2
Madison, WI 53704

Tenny Albert
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518 Clemons Avenue #2
Madison, WI 53704
608.212.5545 / tennyalbert@gmail.com

August 20, 2018

Dane County Treasurer

210 Martin Luther King Jr Blvd #114
PO Box 1299
Madison, WI 53701-1299
%Adam Gallagher

Dear Mr. Gallagher,

At your request, I have prepared eight appraisal reports that provide an opinion of the market value, as defined within a singular report, for the eight subject properties as of the date of inspection – August 1, 2018. The eight reports have been bundled into a single report.

These appraisals are to provide an opinion of the fee simple market value, as defined below, for a client delineated subject properties as of the date of valuation. The subject property consists of eight individual industrial lots located off Tradewinds Parkway and Agricultural Drive within the City of Madison, Dane County, WI.

The property rights being appraised are the fee simple surface rights of each lot. This valuation will be "as is".

The *client* for this report is the Dane County Treasurer. The *intended user* of this report is the Dane County Treasurer and assigns. *The intended use* of this report is to assist the county is determining the market value of each subject property / larger parcel. A market value estimate will be provided for each lot / parcel.

The concluded values are based on the facts, analysis, and conclusions contained in the attached report(s). It is the appraiser's opinion that the estimated market value of each subject property, as of August 1, 2018, is as stated in the following report(s).

As noted, the appraiser has not stated any hypothetical condition and no extraordinary assumptions.

Sincerely,

Tenny Albert
Wisconsin Certified General Appraiser #154

Statement of Assumptions and Limiting Conditions

- The Appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The Appraiser has not completed a full title search although the client did provide a limited search, thus the property is appraised as free and clear of encumbrances unless otherwise noted. The legal description is assumed to be correct and subject only to the easements / restrictions recorded with the deed to the property. The appraiser has made no extraordinary assumptions and stated no hypothetical conditions.

- The Appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency and has noted in the report whether the subject site is located in an identified Special Flood Hazard Area. Because the Appraiser is not a surveyor, he makes no guarantee, express or implied, regarding this determination.

- The Appraiser will not give testimony or appear in court because the appraiser made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

- The Appraiser obtained information, estimates, and opinions that are expressed in the appraisal report from sources that the appraiser considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

- Opinions and estimated expressed herein represent the opinion of the appraiser and should not be construed as a guarantee or warranty, either expressed or implied, that the property described herein ill actually sell for the market value contained in this opinion. Any actions taken by the client, or others should be based on their own judgment and any judgment should consider many factors other than just value estimate. For this reason, the appraiser’s liability is limited to the amount of the fee paid

- The Appraiser must provide his prior consent before the client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the Appraisers' identity and professional designations, and references to any professional appraisal organizations or the firm with which the Appraiser is associated) to anyone other than those parties given as the intended users of the report The Appraiser's consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media. This consent is subject to any applicable laws concerning public records if the client is subject to such laws.

- Unless otherwise noted, all value conclusions reflect real estate only, excluding person property. All fixtures, furniture, and equipment are excluded.

Certification by the Appraiser

The undersigned do hereby certify that to the best of my knowledge and belief,

- the statements of fact contained in the report are true and correct.

- the reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions and legal instructions, and are the personal, unbiased professional analysis opinions and conclusions of the appraiser. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- the appraiser has no present or prospective interest in the property being appraised and no person interest or bias with respect to the parties involved.

- my engagement in this assignment was not contingent upon developing or reporting predetermined results.

- the compensation for performing this appraisal is not contingent on the appraiser has no present or prospective interest in the property being appraised and no person interest or bias with respect to the parties involved. My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- the appraiser, Tenny Albert, personally inspected the subject property on August 1, 2018. The property owner gave the appraiser permission to inspect the property and accompanied the appraiser on the inspection.

- this appraisal report was made and this report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice (USPAP). This report is considered to be an *appraisal* report.

- no one provided significant professional assistance to the appraiser.

- the appraiser has not undertaken any research or provided any services which involve these properties in the past three years.

- as of the date of the appraisal, Lewis T. (Tenny) Albert has completed the requirements set forth by the State of Wisconsin for continuing education.

In my opinion, the estimated fee simple market value of the subject property, as of the valuation date, August 1, 2018, is as stated in the estimate of value for each parcel.

Lewis T. (Tenny) Albert
Wisconsin Certified General Appraiser #154

Type, Intended User and Use of the Appraisal

This appraisal is to provide an opinion of the fee simple market value, as defined below, for a client delineated subject property as of the date of valuation. The subject property consists of eight individual industrial lots located off Tradewinds Parkway and Agricultural Drive within the City of Madison, Dane County, WI.

The property rights being appraised are the fee simple surface rights of each lot. This valuation will be "as is".

The *client* for this report is the Dane County Treasurer. The *intended user* of this report is the Dane County Treasurer. *The intended use* of this report is to assist the county is determining the market value of the subject property / larger parcel. A market value estimate will be provided for each lot / parcel.

In accordance with the Uniform Standards of Professional Practice (USPAP), fair market value is defined as:

> *Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and 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:*
>
> - Buyer and seller are typically motivated;
> - Both parties are well informed or well advised, and acting in what they consider their best interest;
> - A reasonable time is allowed for exposure in the open market;
> - Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto;
> - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This report to best of the appraiser's knowledge conforms to the Uniform Standard of Profession Appraisal Practice (USPAP).

Definition of Appraisal Problem

The appraiser is to provide an opinion of the fee simple market value for each lot - subject property - as of the date of inspection. The client has requested a value – "as is". There will be no cumulative value.

Scope of the Appraisal

The scope of this appraisal includes collection of data from a variety of sources including, but not limited to: exterior and / or interior inspection of the subject property; exterior inspection of all sales, listings, and other comparable data used in this report; GIS data; the appropriate zoning manuals / ordinances; the South Central Wisconsin MLS Corporation; profiles of the adjacent municipalities including the City of Madison and Dane County publications and information regarding population trends, building permits, etc.; the appraiser's own files; discussions with Realtors, property owners, Dane County, municipal and town planning officials, a review of Dane County zoning, the land use plans for the City of Madison; discussions with other government officials, other appraisers; inspection of transfers at the Dane County Register of Deeds office and/or Wisconsin Dept. of Revenue; and Marshall and Swift Valuation Service. When appropriate, more than one source may be used to confirm data.

The geographical area searched by appraiser was the City of Madison. The time frame for sale data was January 2015 to the date of valuation. The appraiser also reviewed older sales in the immediate neighborhood or older sales which were considered

relevant.

The scope is considered sufficient for the purpose and function of the report and to provide a reliable value estimate for the subject property. However, because of the complex nature of the investigative process, there may be other sales comparables that may be more recent or more similar but which were not discovered, and which were, therefore, not included in the report. No data which was discovered and which was thought to be highly relevant to the value conclusion was omitted from this report.

This appraisal is of eight vacant fee parcels – a valuation of each parcel. Within the scope of the valuation methods, the Cost Approach to value is not included as there are no improvements. The Income Approach is not considered a viable approach for the valuation of the properties as the financial return from a rental of the property would not bring the highest return. The Direct Sales Approach to value is considered the main approach to value in this appraisal report. The appraiser has used this approach to estimate the value of each vacant parcel.

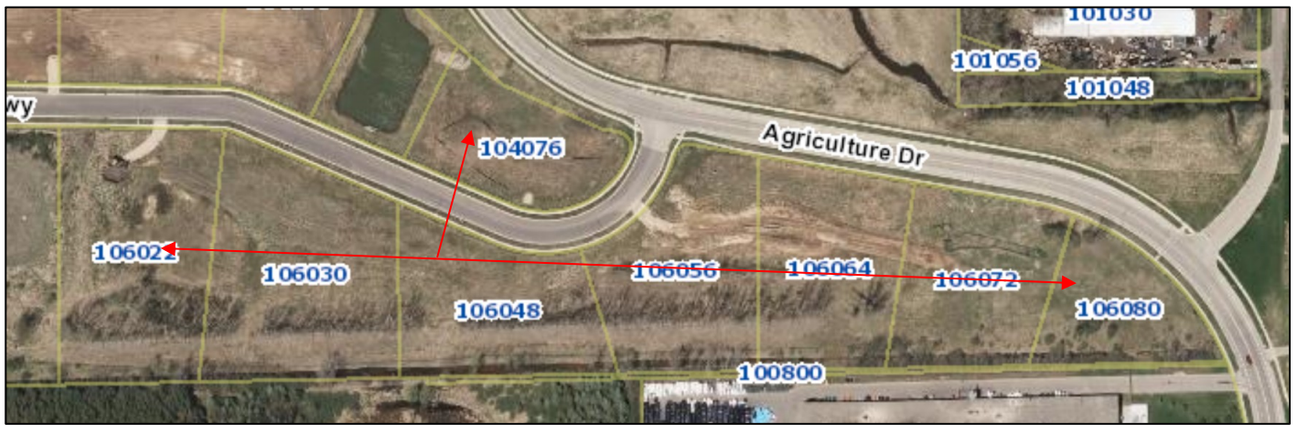
Neighborhood

This is a mixed use neighborhood centered on commercial and light industrial uses along and adjacent the highways, a large natural area and single family housing plats to the south and west (off the highways). Much of the land was - and is - marsh as reflected by the Capital Springs Recreational Area. Industrial development was long established on Highway 51 (Stoughton Road) between Madison and McFarland. The extension of Agricultural Drive over Highway 12/18 has increased development in the immediate subject neighborhood. The subject property is situated just south of Highway 18 - off Agricultural Drive - and east of Highway 51 in an area of mixed commercial and light industrial development. There is a new motel but most uses are business commercial. Some single family uses still exist in the immediate area but are best suited for commercial / light industrial activities in the long term.

Description of the Parcels

History: All the parcels are owned by Dane County. They were transferred to Dane County from Genesis Commons LLC in May of 2018 in a foreclosure.

Until such time they were listed and marketed by Lee and Associates Commercial Real Estate Service. Blake George was the listing agent.



Overall
The eight parcels are contiguous with the exception of one parcel (Lot 15) situated across Tradewinds Parkway from the other seven parcels. They are within a small commercial / light industrial development that has expanded since the extension of Agricultural Drive over the adjacent Highway 12/18 from the north some years ago. The area is now mostly commercial but some residential uses remain.

The area is generally low and level except where Agricultural Drive comes down from the north. There is a drainage ditch that runs along the rear lot line of the seven parcels south of the two streets. A DNR designated Wetland runs up to the rear lot line of Lots 4, 5 and 6. There is a 75 foot set back requirement from wetland and this

would have some impact on these lots. It does appear that some of the lots have received "fill" over the past years as there are numerous irregular mounds.

Almost all the combined area of the parcels is within a flood area. The immediate neighborhood also includes wetlands, marsh and streams. The parcels are either within Zone AE or Zone X Flood Area. The descriptions follow:

- **Zone AE** are areas that have a 1% probability of flooding every year (also known as the "100-year floodplain"), and where predicted flood water elevations above mean sea level have been established. Properties in Zone AE are considered to be at high risk of flooding under the National Flood Insurance Program (NFIP). Flood insurance is *required* for all properties in Zone AE that have federally-backed mortgages. Construction in these areas must meet local floodplain zoning ordinance requirements, including evidence that principle structures are above the Base Flood Elevation (BFE) as shown on the adopted FIRM maps.
- ***Shaded* Zone X** are areas that have a 0.2% probability of flooding every year (also known as the "500-year floodplain"). Properties in Shaded Zone X are considered to be at moderate risk of flooding under the National Flood Insurance Program. Flood insurance is *not* required for properties in Zone X. Local floodplain zoning ordinances do *not* apply to Zone X.

The subject has low average soils that are almost entirely hydric and for the most part classified as very limited for small commercial construction and would likely require some fill. Below is a table of the subject soils.

Map unit symbol	Map unit name	Rating	Component name (percent)	Rating reasons (numeric values)	Acres in AOI	Percent of AOI
HaA	Hayfield silt loam, 0 to 3 percent slopes	Not limited	Hayfield (100%)		0.7	4.1%
Mc	Marshan silt loam	Very limited	Marshan (100%)	Ponding (1.00)	3.5	19.4%
				Flooding (1.00)		
				Depth to saturated zone (1.00)		
Wa	Wacousta silty clay loam, 0 to 2 percent slopes	Very limited	Wacousta (85%)	Ponding (1.00)	13.8	76.5%
				Depth to saturated zone (1.00)		
Totals for Area of Interest					**18.1**	**100.0%**

Rating	Acres in AOI	Percent of AOI
Very limited	17.3	95.9%
Not limited	0.7	4.1%
Totals for Area of Interest	**18.1**	**100.0%**

The eight parcels range in size from 44,243 s.f. to 100,161 s.f. All are zoned IL – General Industrial. They are part of a larger plat – 15 lots – of which a few have sold.

Listed below are the eight subject parcels and the size of each. Please refer to the individual land report for each parcel for a more complete description.

Parcel Number / Address	Lot #	Size / S.F.
1) 0710-271-0407-6 / 5152 Tradewinds Parkway	15	50,496
2) 0710-271-0602-2 / 5027 Tradewinds Parkway	7	96,121
3) 0710-271-0603-0 / 5101 Tradewinds Parkway	6	100,161
4) 0710-271-0604-8 / Tradewinds Parkway	5	68,796
5) 0710-271-0605-6 / 3602 Agricultural Drive	4	76,147
6) 0710-271-0606-4 / 3614 Agricultural Drive	3	70,495
7) 0710-271-0607-2 / 3626 Agricultural Drive	2	64,965
8) 0710-271-0608-0 / 3638 Agricultural Drive	1	44,243

Direct Comparison Sales Approach Commentary

This commentary reflects the adjustments in each of the eight parcel reports.

Five comparable sales are provided in each report and the sales are the same in each report. Four of the sales are within two blocks of the subject parcels and one is within a mile (Sale 3). The sales are listed below.

#	Location	Size / S.F.	Price	$ / S.F.	Date
1	5003 Tradewinds Parkway	153,398	$348,692	$2.41	10/2017
2	4846 Tradewinds Parkway	99,698	$548,339	$5.50	2/2017
3	4414 Femrite Drive	39,320	$115,000	$2.92	8/2017
4	3810 Kipp Street	130,014	$494,054	$3.80	10/2015
5	4019 Marsh Road	144,543	$559,265	$3.87	11/2016

Sales 1 and 2 are adjacent to and just west of the subject parcels on Tradewinds Parkway. Sales 4 and 5 are within two blocks to the east of the subject parcels. Sale 3 is situated within a mile – closer to the city center.

All are relatively recent sales and all are considered market transactions. The sales all have generally level terrain and two of the sales – Sales 1 and 4 are within Zone X flood areas. All of the subject parcels are encumbered with either Zone AE or Zone X flood areas.

The sales range in size from approximately 39,000 s.f. to 153,000 s.f. All have similar access and zoning.

The sales were adjusted for size, floodplain and access / utility on a percentage basis with the bulk of adjustments being for size and floodplain.

The size adjustment reflects the inverse relationship between size and price with small parcels selling at a higher per unit price than larger parcels.

The floodplain adjustment relates to the cost of building on parcels within a designated floodplain area. Two of the sales were within a Zone X flood area (no flood insurance required). As noted, the subject parcels are within Zone AE or X. Being within a Zone X appears to have some impact on price (dependent on percentage of coverage) while being with a Zone AE would have more impact on price. The adjustments also consider the soils – that are hydric – and the likelihood that fill / soil remediation will be required. This is a cost factor.

The sales are adjusted down 30% to 60% for this factor. This adjustment is based on the stated sales, other local sales and also the stated list prices of for a 16 lot industrial plat located two blocks to the east of the subject – off Kipp and Marsh Road. This plat has lots completely within, partially within or not within Zone AE and X flood areas and it is reflected in the list prices. There is a clear price differential between sales / listings with a significant amount land not within a flood area (or mostly Zone X) and sale that are all or mostly with a Zone AE flood area.

The Access / Utility adjustment considers several factors. Access is considered similar for the subject and all the sales. There are utility adjustments for Sale 3 as the shape is very irregular and this could hinder development. Also, some of the subject lots are adjacent to a designated wetland and thus the required 75 foot set-back cuts into the buildable portion of the lot. Adjustments in this category range from 10% to 20%. The 20% adjustment is for the subject parcels that back up to the area of designated wetland and thus requires more setback. All but two of the subject parcels are rated low average in this category. Sale 3 is also rated low average.

In general, the subject lots do provide a development challenge due to the soils and floodplain. The appraiser did speak with the listing Realtor who stated that the subject lots do provide a development challenge.

Summary of Individual Parcel Market Values

It is the appraiser's opinion that the "as is" market values of the eight subject properties, as of the date of inspection, August 1, 2018, are as follows:

1) 0710-271-0407-6 / 5152 Tradewinds Parkway - $76,000

2) 0710-271-0602-2 / 5027 Tradewinds Parkway - $163,000

3) 0710-271-0603-0 / 5101 Tradewinds Parkway - $150,000

4) 0710-271-0604-8 / 5149 Tradewinds Parkway - $89,000

5) 0710-271-0605-6 / 3602 Agricultural Drive - $100,000

6) 0710-271-0606-4 / 3614 Agricultural Drive - $106,000

7) 0710-271-0607-2 / 3626 Agricultural Drive - $130,000

8) 0710-271-0608-0 / 3638 Agricultural Drive - $88,000

Please refer to the individual reports for more detail.

Subject Photos

Eight Subject Parcels

View east of intersection of Tradewinds Parkway and Agricultural Drive

View west along Tradewinds

View along Tradewinds

View along Tradewinds

Interior view of Lot 15

Interior view of Lots 1-7

Interior view of Lots 1-7

View from Tradewinds into Lot 4

View along rear of Lots 1-7

View east from Lot 5

View into lots from Tradewinds

Typical fill found on several lots

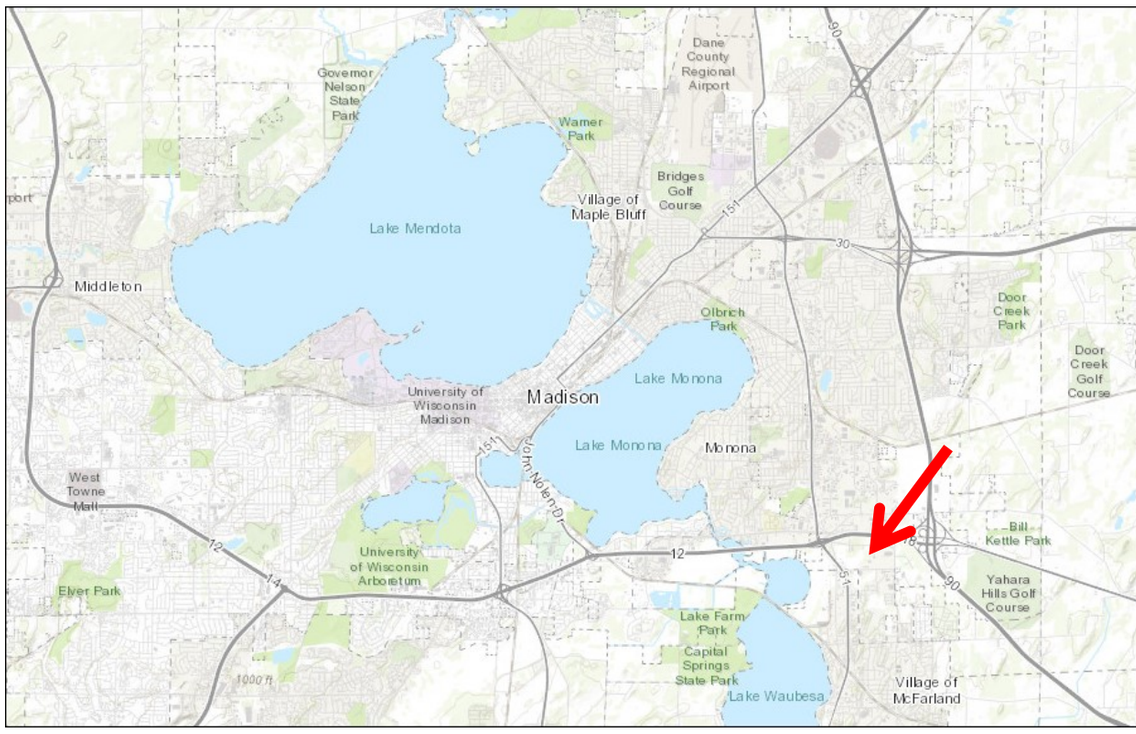
Overgrown fill

View into Lot 15

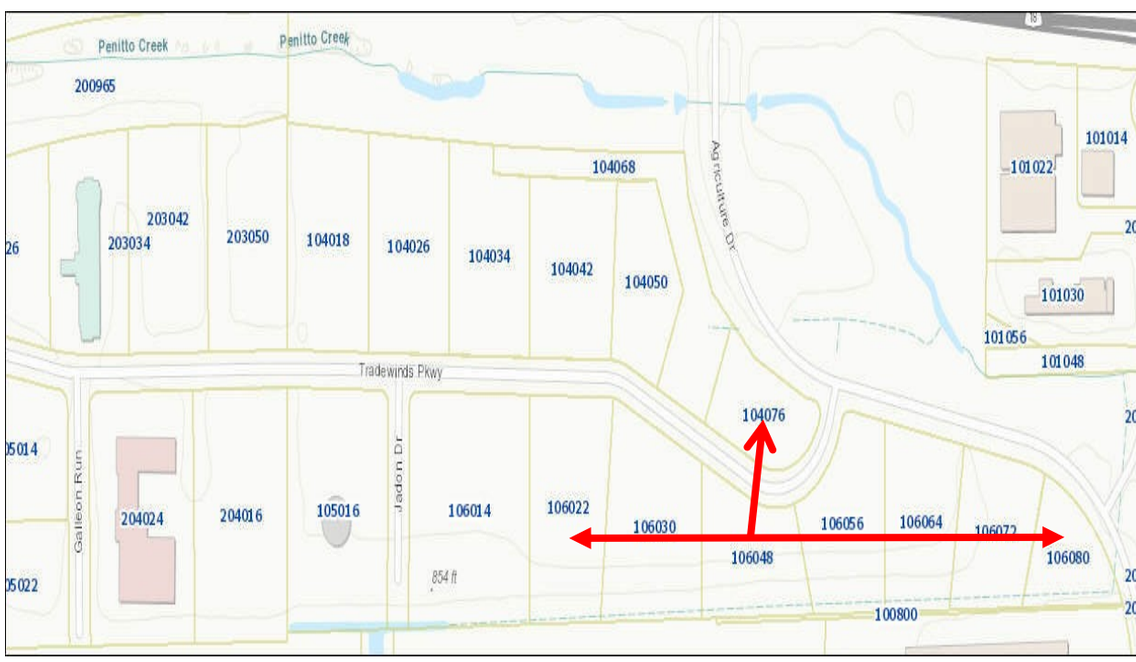
View along Lot 15

Overviews

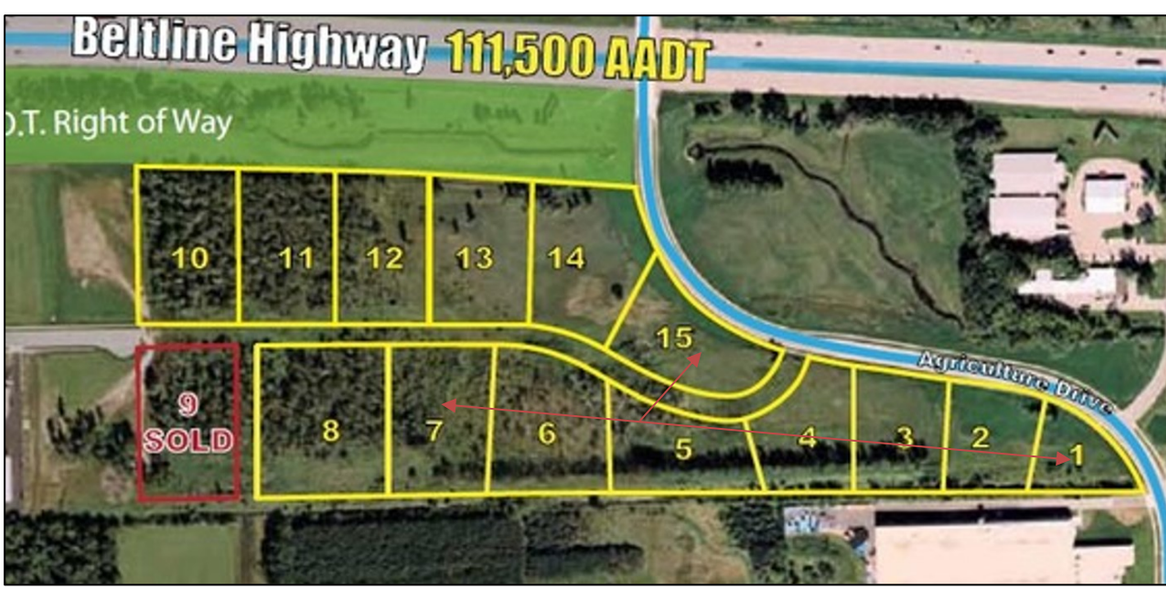
Location



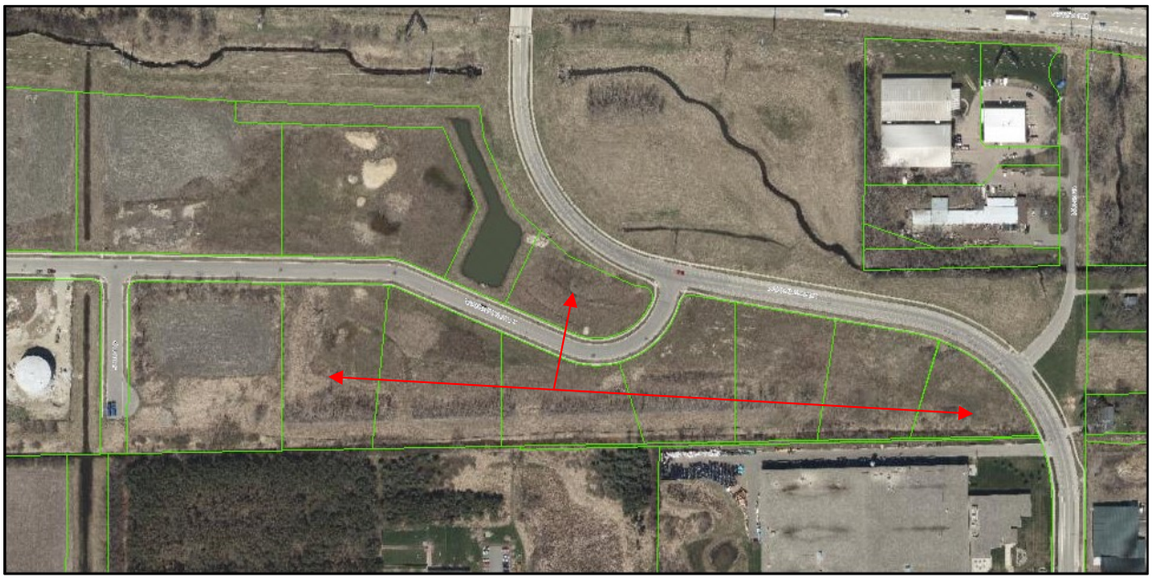
Parcel Map



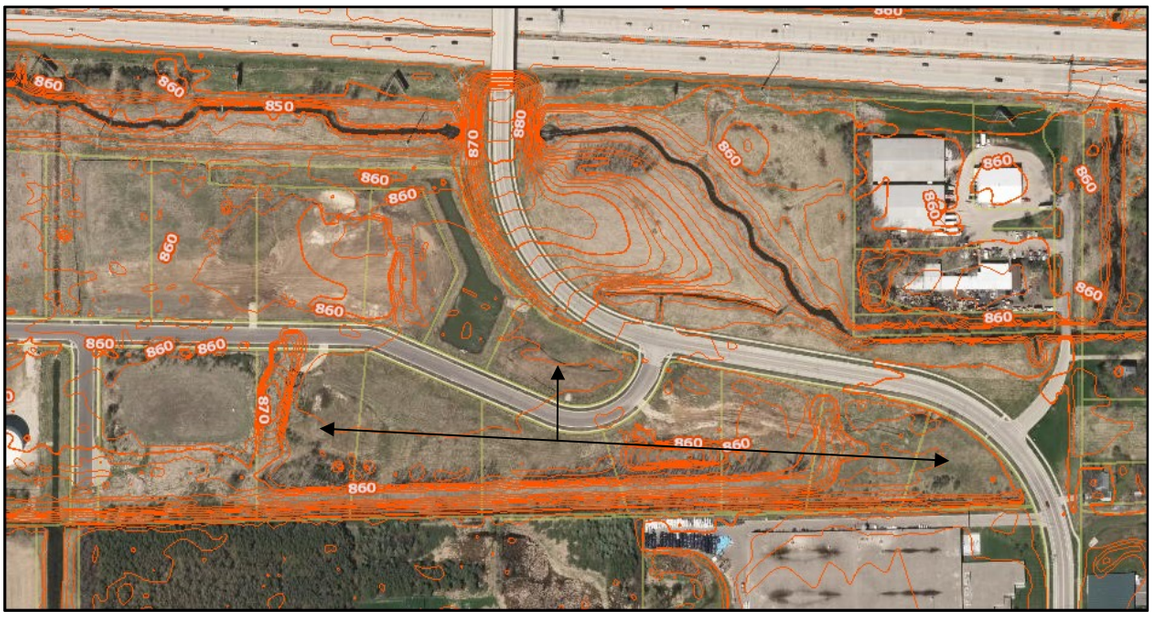
Lot Numbers from Listing



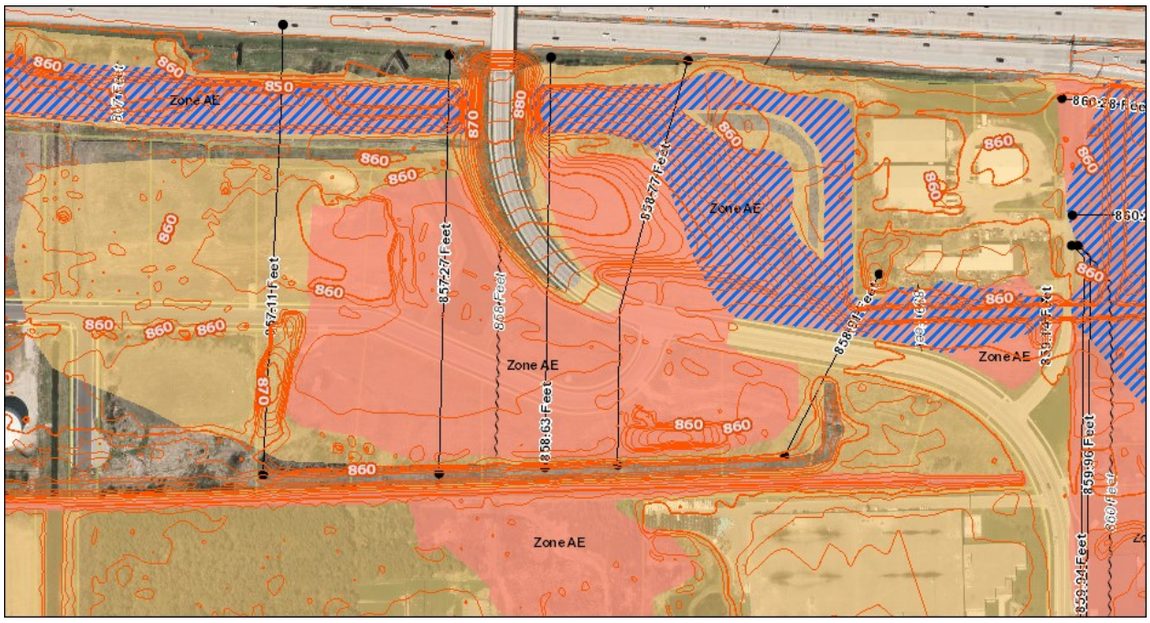
Subject Parcels



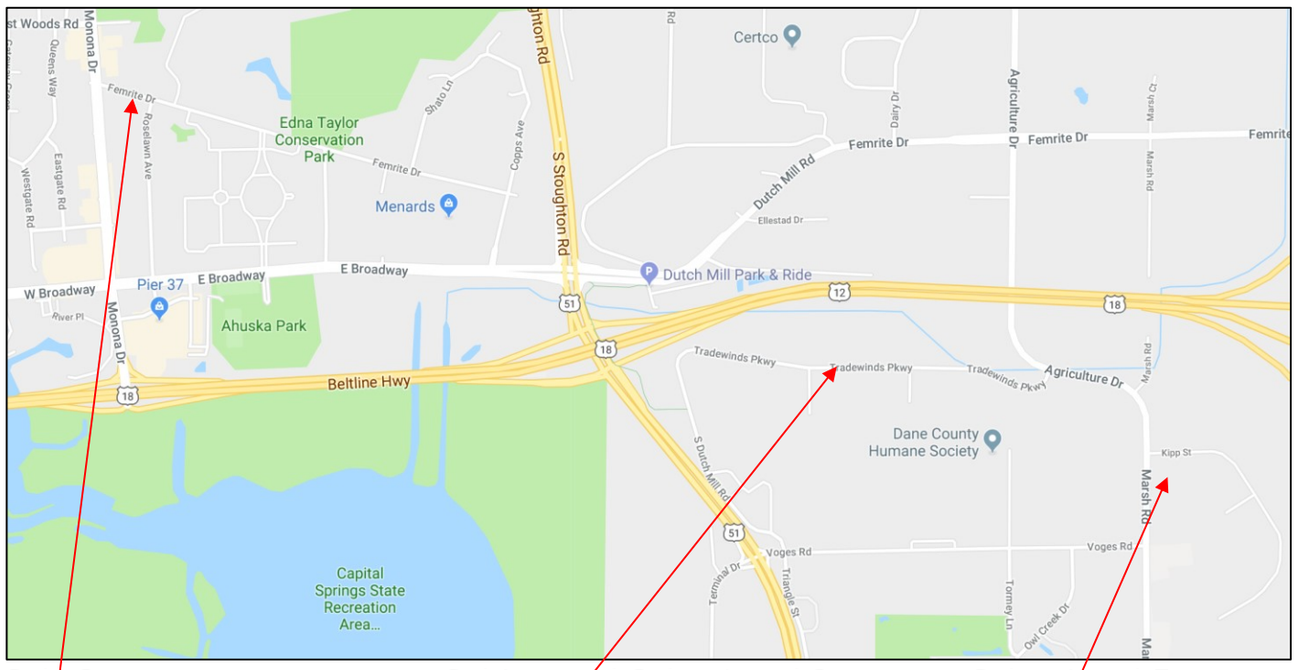
Topography



Flood Zones



Comparable Sales Map



Sale 3 Subject and Sales 1 and 2 Sales 4 and 5

Sale 1

5003 Tradewinds, City of Madison

Buyer: Genesis Commons LLC
Seller: Lions Eye Bank
Document: #53369103
Proximity to Subject: Adjacent / Same Plat
Sale Date: October 2017
Size: 153,398 s.f.
Price: $348,692
Unit Price: $2.41 / s.f.
Floodplain / Wetland: Approximately 60% within flood area Zone X (0.2%)
Utilities: Full
Zoning: IL- Industrial
Features: Frontage on Tradewinds and Jadon Drive. Front portion is within a flood zone area. Property was improved with a one story commercial building.

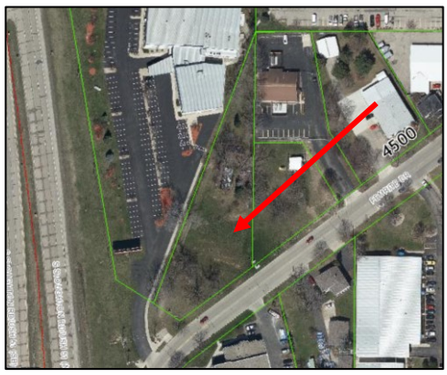
Sale 2

4846 Tradewinds, City of Madison

Buyer: B&B Enterprises of Madison
Seller: Girl Scouts of Madison
Document: #5309069
Proximity to Subject: 1 block
Sale Date: February 2017
Size: 99,698 s.f.
Price: $548,339
Unit Price: $5.50 / s.f.
Floodplain / Wetland: None
Zoning: IL- Industrial
Utilities: Full
Features: Frontage on Tradewinds. There is no floodplain. Terrain is level. Improved with a one story commercial building.

Sale 3

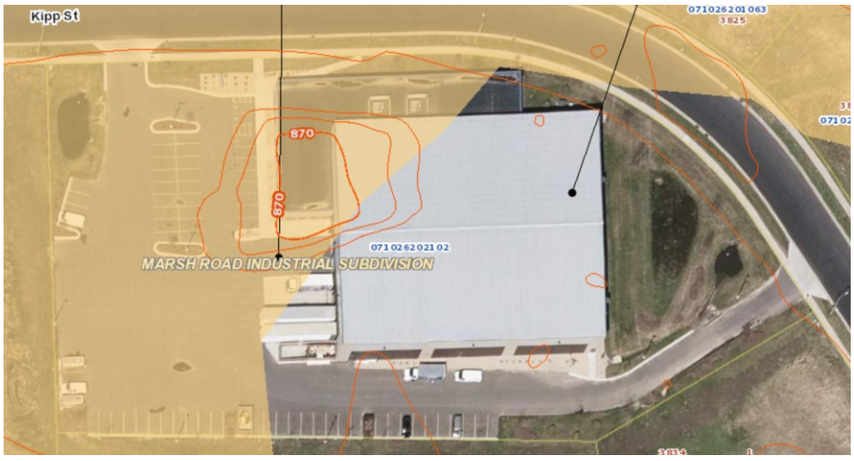
4414 Femrite Drive, City of Madison



Buyer: Ron Anderson
Seller: Brad Acker
Document: #535234
Proximity to Subject: 10 blocks
Sale Date: August 2017
Size: 39,320 s.f.
Price: $115,000
Unit Price: 2.92 / s.f.
Floodplain / Wetland: No floodplain.
Utilities: Full
Zoning: IL - Industrial
Features: Irregularly shaped parcel with narrow rear located on Femrite Drive close to Stoughton Road. This is an area of mixed commercial, light industrial and some destination retail.

Sale 4

3810 Kipp Street, City of Madison



Buyer: Marsh Road LLC
Seller: Lenhart Properties LLC
Document: #5191331
Proximity to Subject: 3 blocks
Sale Date: October 2015
Size: 130,014 s.f.
Price: $494,054
Unit Price: $3.80 / s.f.
Floodplain / Wetland: Approximately 50% within flood area – Zone X (0.2%)
Utilities: Full
Zoning: IL- Industrial
Features: Frontage on Kipp Street. Property is approximately 50% flood area Zone X. Improved with one story commercial building.

Sale 5

4019 Marsh Road, City of Madison

Buyer: Marsh Road Development Corp.
Seller: Applewood Self Storage LLC
Document: #5281984
Proximity to Subject: 3 blocks

Sale Date: November 2016
Size: 144,543 s.f.
Price: $559,265
Unit Price: $3.87/ s.f.
Floodplain / Wetland: No floodplain
Utilities: Full
Zoning: IL- Industrial
Features: Level lot with additional frontage on Tradesmen Drive (not improved).