

**APPRAISAL REPORT**

**Of The**

Library Building

**Located At**

1432 West Forest Home Avenue, Milwaukee, Wisconsin 53204-3228



**Pertinent Dates**

Effective Date	April 18, 2018
Date of the Report	April 25, 2018
Inspection Date	April 18, 2018

**Prepared For**

City of Milwaukee  
809 North Broadway  
Milwaukee, Wisconsin 53202

April 25, 2018

City of Milwaukee  
809 North Broadway  
Milwaukee, Wisconsin 53202

Re: City of Milwaukee  
1432 West Forest Home Avenue, Milwaukee, Wisconsin 53204-3228

As you requested, an appraisal report of the market value of the library building located at 1432 West Forest Home Avenue, Milwaukee, Wisconsin, has been prepared.

The report describes the method of appraisal, contains data gathered in the investigation and explains the analyses used in arriving at the value opinion. It is prepared in conformance with the Scope of Work detailed. Please refer to this section to understand the complexity and important facts affecting the value opinion.

It is hereby certified that the property legally described in the report was inspected.

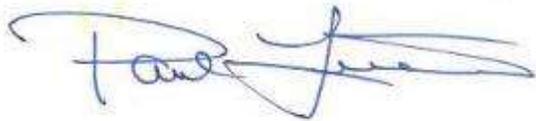
The purpose of the appraisal is to develop a value opinion of the subject, as of the effective date, April 18, 2018 in fee simple interest. It is **Six Hundred Fifty Thousand Dollars (\$650,000)**.

The property is appraised as a whole, owned in fee simple interest, and is subject to the Contingent and Limiting Conditions outlined herein. This appraisal conforms to *Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Guidelines of 1989*, as amended on June 7, 2004, in 12CFR34.44, the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Foundation, and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, as interpreted by the appraisers.

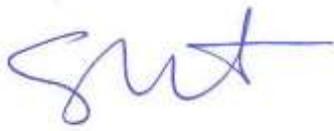
April 25, 2018  
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It is a pleasure to serve you. If you have any questions concerning this report or if we may be of further service, please contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul Lindstrom". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul R. Lindstrom, MAI  
Wisconsin Certified General Appraiser #1858

A handwritten signature in blue ink, appearing to read "S. Lauenstein". The signature is cursive and somewhat stylized.

Stephen C. Lauenstein, MAI, ASA  
Wisconsin Certified General Appraiser #146  
*(Review Appraiser)*

# **REPORT**

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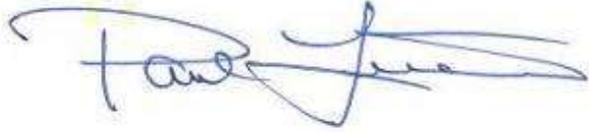
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**CERTIFICATION**

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Stephen C. Lauenstein, MAI, ASA, has completed the requirements of the continuing education program of the Appraisal Institute.
- As of the date of this report, Paul R. Lindstrom, MAI has completed the Standards and Ethics Education Requirement of the Appraisal Institute.
- Paul R. Lindstrom, MAI, has made an interior and exterior inspection of the property that is the subject of this report. Stephen C. Lauenstein, MAI, ASA, has reviewed the report and addenda.
- No one provided significant real property appraisal assistance to the person signing this certification.

Based upon an analysis of the market data, we have developed a value opinion of the subject, as of the effective date, April 18, 2018 in fee simple interest. It is **Six Hundred Fifty Thousand Dollars (\$650,000)**.



April 25, 2018

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Paul R. Lindstrom, MAI  
Wisconsin Certified General Appraiser #1858



April 25, 2018

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Stephen C. Lauenstein, MAI, ASA  
Wisconsin Certified General Appraiser #146  
*(Review Appraiser)*

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

Address	1432 West Forest Home Avenue, Milwaukee, Wisconsin
Client	City of Milwaukee
Intended User	City of Milwaukee
Owner/Seller	City of Milwaukee
Intended Use of Report	To establish an opinion of market value to assist in a possible sale
Property Rights Appraised	Fee Simple Interest
Transfer Data	None
Present Use	Library Building (Vacant)
Site Size	0.963 Acre or 41,948 Square Feet
Zoning	LB2, Local Business District
Highest and Best Use	As Improved
Building Size	14,500 SF
Exposure and Marketing Time	12 to 24 months
Special Conditions	None

Value Opinions

	<b>As Is</b>
Value, Cost Approach	Not Applicable
Value, Sales Comparison Approach	\$650,000
Value, Income Approach (Limited)	Not Applicable
<b>Concluded Market Value</b>	<b>\$650,000</b>

Pertinent Dates	Effective Date	April 18, 2018
	Date of the Report	April 25, 2018
	Inspection Date	April 18, 2018

Appraisers	Paul R. Lindstrom, MAI Wisconsin Certified General Appraiser #1858
	Stephen C. Lauenstein, MAI, ASA Wisconsin Certified General Appraiser #146 <i>(Review Appraiser)</i>

## FIRREA GUIDELINES

In compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Guidelines of 1989, as amended on June 7, 2004, in 12CFR34.44, it is certified that the appraisal report complies with the appraisal standards cited below.

**For federally related transactions, all appraisals shall, at a minimum:**

- (a) Conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation, 1029 Vermont Avenue NW, Washington, DC 20005, unless principles of safe and sound banking require compliance with stricter standards;
- (b) Be written and contain sufficient information and analysis to support the institution's decision to engage in the transaction;
- (c) Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units;
- (d) Be based upon the definition of market value as set forth [below]; and

*Market value* means 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 knowledgeably, 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:

- a. Buyer and seller are typically motivated;
  - b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
  - c. A reasonable time is allowed for exposure in the open market;
  - d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  - e. 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.
- (e) Be performed by State licensed or certified appraisers in accordance with requirements set forth in this subpart.

## **IDENTIFICATION OF THE SUBJECT**

### **Property Identification**

The subject is a library building located at 1432 West Forest Home Avenue, Milwaukee, Wisconsin.

### **Legal Description of the Subject Property**

The legal description of the subject as shown below was obtained from the assessor. It should not be used for legal purposes.

*Tax Key 469-0488-110*

Plat Page 46008 Neighborhood 6278 Burnham, Rogers & Becher's Subd No 2 Of Ne 1/4 & Se 1/4 Sec 6-6-22 Block 14 Lots 8 To 17 Incl, in the city of Milwaukee, county of Milwaukee, and state of Wisconsin.

## **SCOPE OF WORK**

### **Purpose of the Appraisal**

The purpose of the appraisal is to develop a market value opinion of the subject, in fee simple interest, as of the effective date, April 18, 2018.

### **Intended Use of the Appraisal**

The intended use of the appraisal is to establish a market value to assist in a potential sale.

### **Intended User of the Appraisal**

The intended user of the appraisal is the City of Milwaukee. The owner/seller is the city of Milwaukee. It is prepared for the client's intended use only and cannot be copied or disseminated without consent of the appraisers. It is assumed the client is familiar with the market area of the subject.

### **Type of Report**

This appraisal report is presented in narrative format. Some findings and analyses of the appraisers are summarized in this report. However, the basis of these summaries is included in the appraisers' notes.

### **Compliance Standards**

The appraisal conforms to *Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Guidelines of 1989*, as amended on June 7, 2004, in 12CFR34.44, the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Foundation, and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, as interpreted by the appraisers.

### **Property Rights Appraised**

Fee Simple Interest

### **Inclusion of Non-Real Estate Items**

No personal property, trade fixtures, business/going concern value, or other intangible items are included in the value conclusion.

## Market Value Definition

Market value is defined by the Appraisal Institute, in *The Dictionary of Real Estate Appraisal*, Sixth Edition, 2015, published by the Appraisal Institute, as well as in 12CFR34.42(g); 55 FR 34696, August 24, 1990; as amended at 57 FR 12202, April 9, 1992; 59 FR 29499, June 7, 1994, as follows: “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 knowledgeably, 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:

- a. Buyer and seller are typically motivated.
- b. Both parties are well informed or well advised, and acting in what they consider their best interests.
- c. A reasonable time is allowed for exposure in the open market.
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.”

## Additional Terms and Definitions

Pertinent terms and definitions that may be used throughout the report are included in the addenda to this report for the reader’s reference.

## Pertinent Dates

Effective Dates	April 18, 2018
Date of the Report	April 25, 2018
Inspection Date	April 18, 2018

## Competency

In compliance with the requirements of *USPAP*, the appraisers have the knowledge and experience to complete the appraisal assignment as requested. We have appraised a number of properties such as the subject property type in the subject’s geographical area and are qualified to appraise the subject. Please see the Qualifications of the appraisers included in the addenda of this report for additional information.

**Appraisal Process**

- On April 18, 2018, Paul R. Lindstrom, MAI, inspected the interior and exterior of the subject. The surrounding area was also viewed at this time. Stephen C. Lauenstein, MAI, ASA, did not inspect the subject but has reviewed the report.
- Plat and floodplain maps, and public records, including data from the Building, Zoning and Assessor's offices were reviewed and analyzed.
- Comparable improved building sales were researched and analyzed in the surrounding area for the past five years.
- The *PwC Real Estate Investor Survey* and the CoStar database were used in researching capitalization rates and average marketing times of the subject's property type.
- Only the sales comparison approach was fully applicable in the appraisal of the subject. The income approach was considered, but not developed due to the difficulties in establishing a market value for the subject. The cost approach was considered, but not developed due to the difficulties in determining depreciation from all causes.

**Extraordinary Assumptions**

Extraordinary assumption is defined by the *Uniform Standards of Professional Appraisal Practice (USPAP) 2018 – 2019 Edition*, published by the Appraisal Foundation as: “An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, if found to be false, could alter the appraiser’s opinions or conclusions.” Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis.

This analysis uses no extraordinary assumptions.

**Hypothetical Conditions**

Hypothetical condition is defined by the *Uniform Standards of Professional Appraisal Practice (USPAP) 2018 – 2019 Edition*, published by the Appraisal Foundation as: “A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.” Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

This analysis uses no hypothetical conditions.

**Environmental Issues**

No environmental survey was available for review. Inspection of the property revealed no apparent underground tanks, environmental hazards or toxic wastes. It is assumed that the subject site is not contaminated. It is further assumed that the subject is unaffected by lead-based paint hazards. However, the appraisers are not environmental experts. Therefore, it is assumed that no adverse environmental conditions affect the subject.

## TAX AND ASSESSMENT DATA

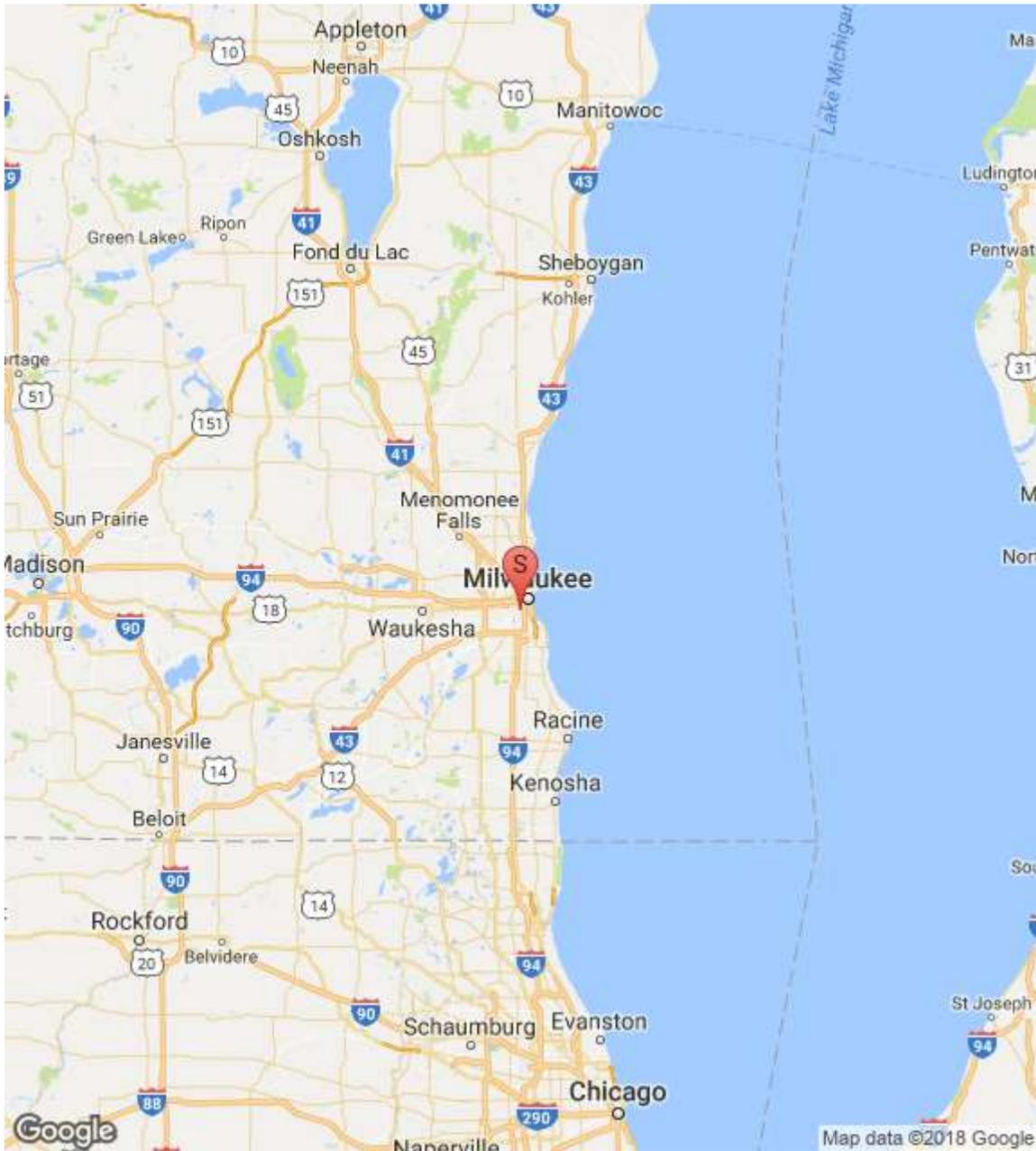
Real Estate Taxes Library Building 1432 West Forest Home Avenue Milwaukee, Wisconsin	
Tax Key Number	469-0488-110
Assessment	2017
Land	Exempt
Improvements	Exempt
Total	Exempt
2017 Equalization Ratio	100.20%
2017 Equalized Value	Exempt
2017 Tax Rate	\$27.303
2017 Real Estate Taxes	\$0.00
2017 Special Assessments	\$0.00
2017 Total Taxes	\$0.00

Real estate taxes are current.

## **HISTORY OF THE SUBJECT**

There are no known sales, listings, offers, contracts, or options affecting the subject at this time or in the past three years.

AREA MAP



**AREA ANALYSIS**

Metropolitan Milwaukee is a regional area reaching into five counties: Milwaukee, Waukesha, Ozaukee, Washington, and Racine. This area is defined by the U.S. Census Bureau as the Milwaukee-Racine-Waukesha Combined Metropolitan Statistical Area (“Milwaukee CMSA” or “the area”). A CMSA is a U.S. Census Bureau designation for a geographical area that has a total population of one million or more, and that consists of a “core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.” The Milwaukee CMSA is situated on the western shore of Lake Michigan in southeastern Wisconsin. It covers an area of approximately 1,800 square miles.

**Population**

The Milwaukee CMSA has a population of approximately 2.05 million based on the 2015 census estimate. The population has increased from 2010 to 2015 at a more rapid rate than the State of Wisconsin and the United States. This table illustrates these trends.

Milwaukee CMSA				
Year	Population	Change	Households	Change
1990	1,607,183		601,458	
2000	1,689,572	5.13%	658,476	9.48%
2010	1,752,754	3.74%	697,738	5.96%
2015 est.	2,046,692	16.77%	Not Available	
State of Wisconsin				
Year	Population	Change	Households	Change
1990	4,891,769		1,824,252	
2000	5,363,675	9.65%	2,084,544	14.27%
2010	5,686,983	6.03%	2,279,768	9.37%
2015 est.	5,771,337	1.48%	Not Available	
United States				
Year	Population	Change	Households	Change
1990	248,709,873		91,947,410	
2000	281,421,906	13.15%	105,480,101	14.72%
2010	308,745,538	9.71%	116,716,292	10.65%
2015 est.	321,418,821	4.10%	Not Available	

**Education**

The Milwaukee CMSA has a strong education system to support the 26.6% of the population enrolled in pre- through post-high school education programs, as of 2015. The largest public school districts in the area are the Milwaukee Public Schools, the Racine Unified School District, the School District of Waukesha, and the West Allis/West Milwaukee School District. Large private high schools include Pius XI High School, Marquette University High School, Wisconsin and Milwaukee Lutheran High Schools in Milwaukee, and Catholic Memorial High School in Waukesha.

The area also has a strong post-high school education system to support the 6.9% of the population enrolled in a college or graduate school. The Milwaukee CMSA has 11 colleges and universities, as well as three technical colleges. One of the colleges in the area is the University of Wisconsin -

Milwaukee, the state’s second largest college. The University of Wisconsin - Milwaukee had a fall 2016 enrollment of 26,037 students.

Forty percent of the area’s population over the age of 25 has some kind of college degree. Another 22.4% of the population over 25 has some college education, but has not completed a degree. Both of these figures are slightly above the state average.

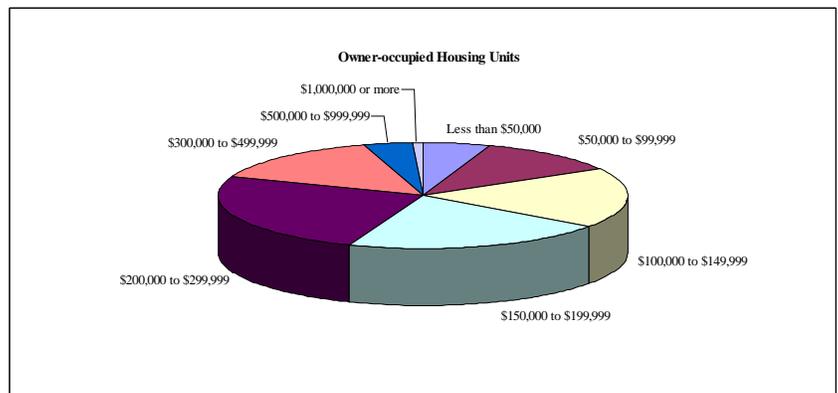
**Housing**

There is a total of 808,466 occupied dwelling units in the Milwaukee CMSA, according to Wisconsin's state estimate for 2015. Of the dwellings not vacant for the 2015 estimate, 61.2% were owner-occupied and 38.8% were renter occupied. Further, the total percentage of vacant housing units in the Milwaukee CMSA is 8.1%.

Households living in owner-occupied dwellings tend to be larger than those living in tenant-occupied dwellings. This is evidenced by the fact that the average household size of an owner-occupied unit is larger than the average household size of a renter-owned unit in all five counties of the Milwaukee CMSA.

Owner-occupied housing values in the area are high as compared to the state as a whole. The median value of owner-occupied homes in the area is about \$190,000. Although home ownership rates are lower than state averages, median home value is approximately 12% higher than the state median.

This chart shows the value of owner-occupied residences in the area. Sixty-eight percent of the homes in the area have mortgages, with a median monthly mortgage payment of \$1,489. The median amount of real estate taxes by county are as follows: Milwaukee County, \$3,877; Waukesha County, \$4,112; Racine County, \$3,433;



Washington County, \$3,509; and Ozaukee County, \$3,958. As a result of the higher property values in the area, both the percentage of dwellings with mortgages and the median monthly mortgage payment are higher for the area than for the state.

### **Employment and Industry**

At the time of the *2015 American Community Survey*, there were approximately 1,083,901 people over the age of 16 in the labor force. Approximately 4.8% of those in the labor force were unemployed and seeking work. The median income in the Milwaukee CMSA for 2015 was \$56,610, higher than the entire state's median household income of \$55,638.

Major companies headquartered in the area include Medical College of Wisconsin, Aurora Health Care, Northwestern Mutual, Johnson Controls, Wheaton Franciscan Healthcare, Roundy's, Quad/Graphics, Inc., Kohl's Corp., and Froedtert & Community Health. These companies and their supporting businesses, as well as the many other large and small companies operating in the area provide for stability as a business community, as well as providing employment for the population. In fact, the largest employment sectors in the Milwaukee CMSA are health and educational services, manufacturing, and retail trade, in that order. Medical College of Wisconsin is the largest employer in this area.

### **Business Outlook Survey**

"Milwaukee area businesses see positive outcomes in business activity in 2017's second quarter, with a growing percentage of those surveyed expecting raising sales and profit levels," said Bret Mayborne, the MMAC's economic research director. "Further, despite the current lackluster job trend, a healthy majority of businesses surveyed expect year-over-year job growth in the second quarter."

The following data was obtained from the *Business Outlook Survey*, conducted by the Metropolitan Milwaukee Association of Commerce (MMAC), in the second quarter of 2017 and outlines the expectations of local companies in Metropolitan Milwaukee.

- 75% of businesses see sales increases in 2017 (vs. 70% in 2016)
- 62% forecast profit gains
- 55% expect employment levels to grow in 2017

Expectations by firm size:

- 73% of small employers (less than 100 employees) anticipated 2017 sales gains
- 78% of large employers anticipated 2017 sales gains

Healthy profits are forecast by metro area businesses:

- 75% of all employers surveyed see profit level increases
- 7% see profit declines
- 17% anticipate no change

The metro area saw an incline in employment levels through 2016. Survey results suggest mixed employment prospects for 2017.

- 55% of businesses surveyed expect job gains
- 6% predict declines
- 39% predict no change

Manufacturing trends are strong:

- 54% of manufacturers predict job growth in 2017
- 56% of non-manufacturers predict job growth

Wage and salary increases on the rise:

- Average change in per person employee wages and salaries is forecast to rise 2.9% over the next twelve months
- This matches the 2.9% annualized increase predicted three months ago

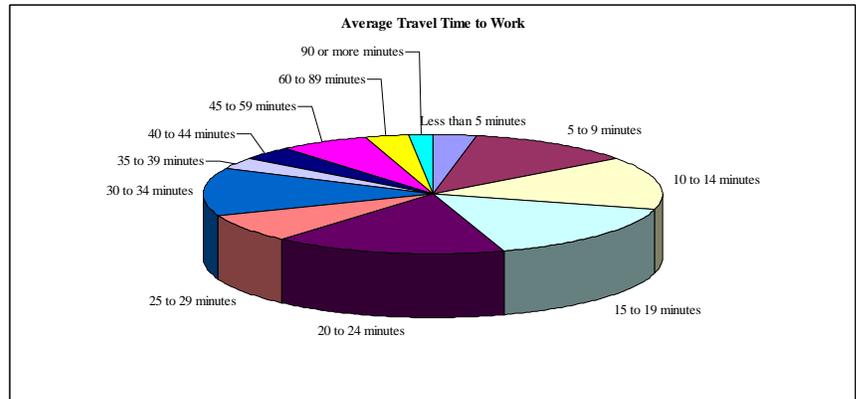
Profit optimism is higher in 2017's second quarter:

- 62% of Milwaukee area businesses see higher profits for the year
- This is the highest level of profit optimism seen in seven quarters

**Transportation**

Travel is considered convenient to and from Milwaukee on land, water and through the air. Seventy-six percent of the population in the workforce drives alone to work, and 9.5% carpool. Although extensive bus lines service most areas of the Milwaukee CMSA, state and country, only 5.1% of the population uses public transportation to travel to work. The remaining workers use other means of transportation, walk, or work at home.

Several major U.S. highways, many state highways, and many major county arterials make travel throughout the area convenient. Utilizing this system during non-peak travel, it is possible to reach



downtown Milwaukee in approximately 20 minutes from any location with a ten-mile radius. This chart illustrates the average amount of time residents spend traveling to work. Despite the low percentage of commuters using public transportation, 68.8% of commuters spend less than 30 minutes traveling to work.

The main flow of air traffic is handled at General Mitchell International Airport, six miles south of the downtown business district, east of Highway I-94. Eight airlines provide non-stop service to 35 cities and easy one-stop connections to 160+ cities worldwide. The 2016 volume was about 6.8 million passengers. Southwest is the airport’s largest carrier by total passengers; followed by Delta and United.

Amtrak, the nation’s rail passenger carrier, serves the area. The Canadian Pacific Railway, Union Pacific Railroad, Wisconsin Central, Ltd, and Wisconsin & Southern Railroad Company provide railway freight service to the metropolitan area. Many truck lines also serve the area.

**Summary**

The population of the area is growing along with a strong presence of national and international companies. Property values are greater than those of the rest of the state, and housing vacancy

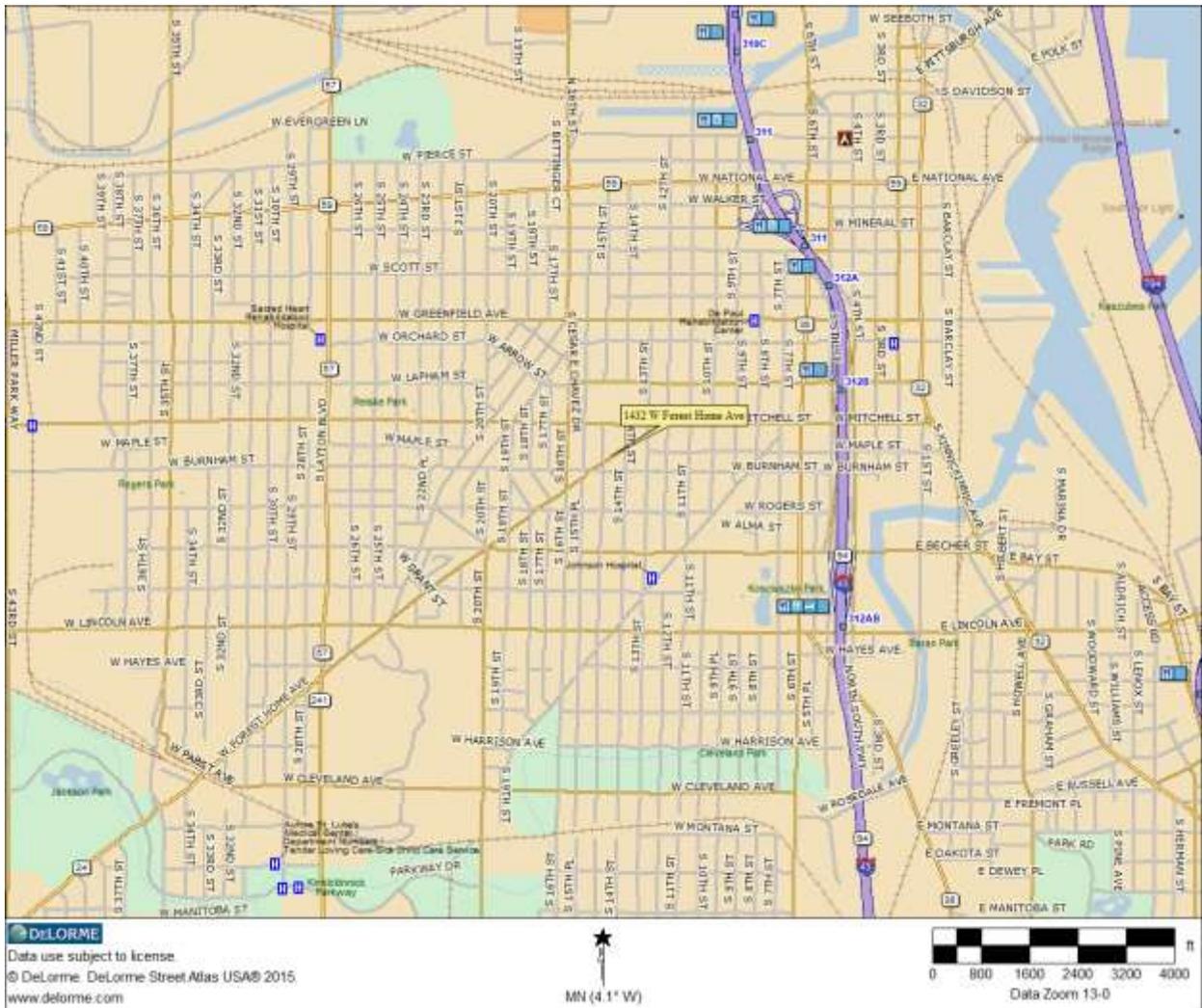
rates are low relative to the rest of the country. New development remains slow. The area's education system is strong, and transportation throughout the area is convenient. The area is considered stable with a good economic base and growing population.

## NEIGHBORHOOD INFLUENCES

### Location

The neighborhood is located in Milwaukee.

### Neighborhood Map



### Boundaries

The map delineates the subject's neighborhood.

### **Land Use**

The subject is located in the city of Milwaukee in a predominately residential area. West Forest Home Avenue is an arterial roadway with a mix of commercial and residential uses. Many of the buildings in the neighborhood are older but in average to good condition.

There is adequate commercial development along arterials throughout the extended neighborhood. In addition, there are numerous apartment projects scattered throughout the extended area with rents depending on the size and condition of the unit, and amenities furnished. Financing in the area is generally conventional for all types of real estate.

A survey of the area shows little residential vacancy and average commercial vacancy. Overall, the general level of commercial, industrial, institutional, and residential success is average.

### **Access and Linkages**

The area has adequate freeway accessibility as well as surface traffic patterns. Interstate 94 is accessible approximately one mile east of the subject. Public transportation serves the area.

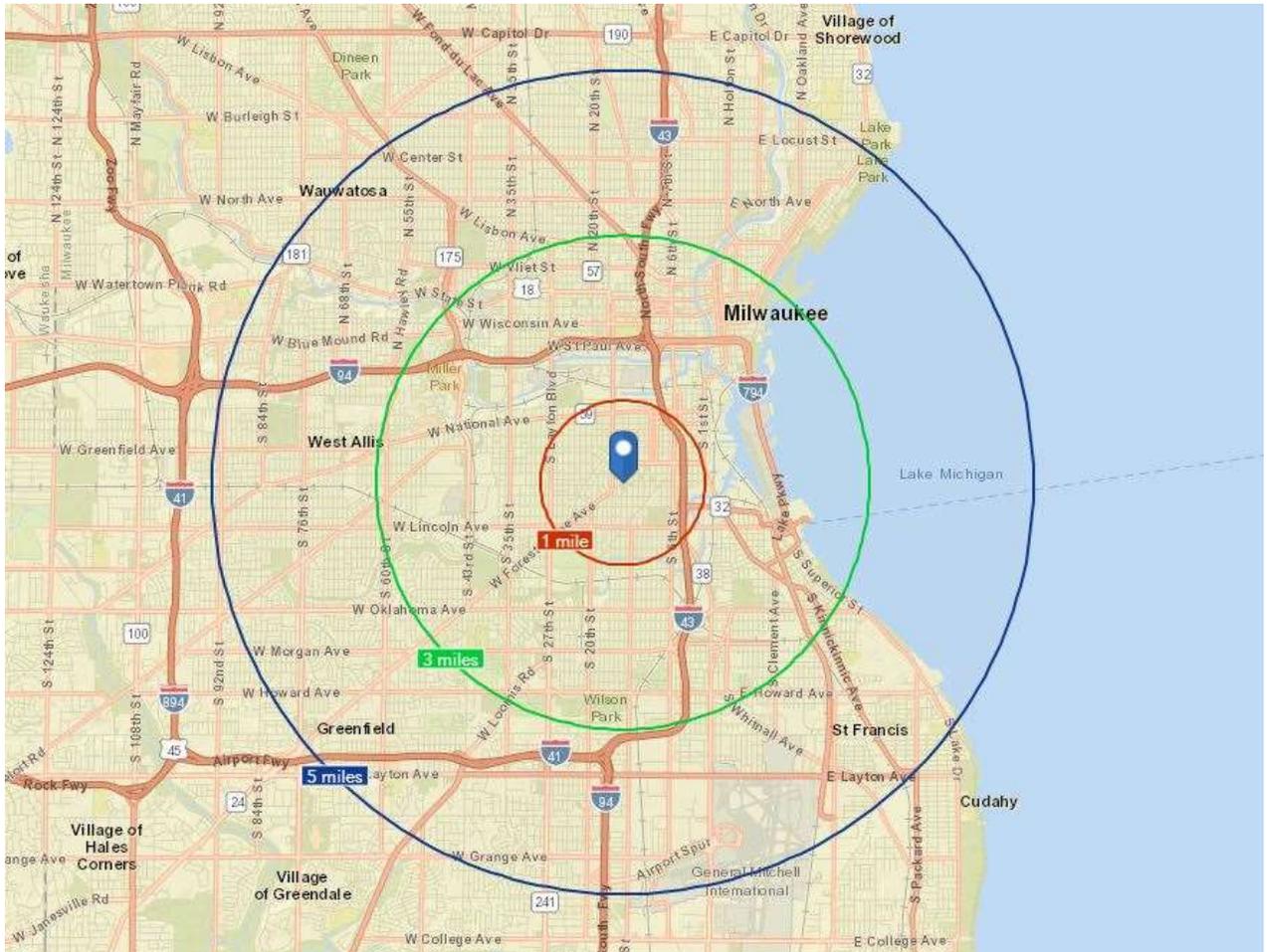
Availability of commercial activity is adequate with neighborhood needs met in the area. There are all types of schools and typical amenities convenient throughout the neighborhood.

### **Summary**

The subject is located in a mixed-use area. Utilities and conveniences as well as employment are adequately served. It is mostly developed; turnover and collection losses are average. Demand is average for both sales and rentals

## DEMOGRAPHICS

The following demographic profile presents data on the one-, three-, and five-mile radii surrounding the subject.





## Demographic and Income Profile

1432 W Forest Home Ave, Milwaukee, Wisconsin, 53204  
 Ring: 1 mile radius

Prepared by Esri  
 Latitude: 43.01073  
 Longitude: -87.93047

Summary	Census 2010	2017	2022
Population	57,683	54,953	54,507
Households	16,579	15,597	15,406
Families	11,853	11,081	10,922
Average Household Size	3.45	3.49	3.51
Owner Occupied Housing Units	4,991	4,170	4,085
Renter Occupied Housing Units	11,588	11,427	11,321
Median Age	26.1	26.6	27.3
Trends: 2017 - 2022 Annual Rate	Area	State	National
Population	-0.16%	0.37%	0.83%
Households	-0.25%	0.40%	0.79%
Families	-0.29%	0.32%	0.71%
Owner HHs	-0.41%	0.37%	0.72%
Median Household Income	1.71%	2.51%	2.12%

Households by Income	2017		2022	
	Number	Percent	Number	Percent
<\$15,000	3,269	21.0%	3,053	19.8%
\$15,000 - \$24,999	3,267	20.9%	3,010	19.5%
\$25,000 - \$34,999	2,473	15.9%	2,191	14.2%
\$35,000 - \$49,999	2,502	16.0%	2,219	14.4%
\$50,000 - \$74,999	2,413	15.5%	2,635	17.1%
\$75,000 - \$99,999	898	5.8%	1,277	8.3%
\$100,000 - \$149,999	556	3.6%	743	4.8%
\$150,000 - \$199,999	140	0.9%	176	1.1%
\$200,000+	77	0.5%	103	0.7%
Median Household Income	\$29,287		\$31,880	
Average Household Income	\$39,602		\$45,784	
Per Capita Income	\$11,402		\$13,107	

Population by Age	Census 2010		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	6,692	11.6%	6,046	11.0%	6,129	11.2%
5 - 9	5,790	10.0%	5,327	9.7%	5,107	9.4%
10 - 14	5,099	8.8%	4,807	8.7%	4,603	8.4%
15 - 19	5,024	8.7%	4,532	8.2%	4,196	7.7%
20 - 24	5,034	8.7%	5,132	9.3%	4,889	9.0%
25 - 34	10,198	17.7%	9,617	17.5%	9,470	17.4%
35 - 44	7,926	13.7%	7,255	13.2%	7,505	13.8%
45 - 54	5,745	10.0%	5,396	9.8%	5,297	9.7%
55 - 64	3,440	6.0%	3,761	6.8%	3,896	7.1%
65 - 74	1,565	2.7%	1,953	3.6%	2,216	4.1%
75 - 84	822	1.4%	779	1.4%	882	1.6%
85+	349	0.6%	349	0.6%	318	0.6%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

April 17, 2018



## Demographic and Income Profile

1432 W Forest Home Ave, Milwaukee, Wisconsin, 53204  
Ring: 3 mile radius

Prepared by Esri  
Latitude: 43.01073  
Longitude: -87.93047

Summary	Census 2010	2017	2022			
Population	199,963	198,241	198,946			
Households	74,278	73,377	73,624			
Families	39,643	38,240	38,013			
Average Household Size	2.56	2.57	2.57			
Owner Occupied Housing Units	28,015	25,232	25,123			
Renter Occupied Housing Units	46,263	48,145	48,501			
Median Age	29.2	30.1	31.0			
Trends: 2017 - 2022 Annual Rate	Area	State	National			
Population	0.07%	0.37%	0.83%			
Households	0.07%	0.40%	0.79%			
Families	-0.12%	0.32%	0.71%			
Owner HHs	-0.09%	0.37%	0.72%			
Median Household Income	2.37%	2.51%	2.12%			
Households by Income	2017		2022			
	Number	Percent	Number	Percent		
<\$15,000	13,879	18.9%	13,255	18.0%		
\$15,000 - \$24,999	11,130	15.2%	10,170	13.8%		
\$25,000 - \$34,999	9,981	13.6%	8,720	11.8%		
\$35,000 - \$49,999	10,916	14.9%	9,405	12.8%		
\$50,000 - \$74,999	12,446	17.0%	12,523	17.0%		
\$75,000 - \$99,999	6,989	9.5%	9,134	12.4%		
\$100,000 - \$149,999	5,332	7.3%	6,946	9.4%		
\$150,000 - \$199,999	1,495	2.0%	1,953	2.7%		
\$200,000+	1,210	1.6%	1,518	2.1%		
Median Household Income	\$36,730		\$41,302			
Average Household Income	\$51,664		\$60,298			
Per Capita Income	\$19,610		\$22,800			
Population by Age	Census 2010		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	17,207	8.6%	15,846	8.0%	15,962	8.0%
5 - 9	14,852	7.4%	14,282	7.2%	13,844	7.0%
10 - 14	13,018	6.5%	12,835	6.5%	12,729	6.4%
15 - 19	16,155	8.1%	15,151	7.6%	14,924	7.5%
20 - 24	22,219	11.1%	21,860	11.0%	20,720	10.4%
25 - 34	36,354	18.2%	35,156	17.7%	34,569	17.4%
35 - 44	25,730	12.9%	25,789	13.0%	26,850	13.5%
45 - 54	22,907	11.5%	21,269	10.7%	20,829	10.5%
55 - 64	16,649	8.3%	18,374	9.3%	18,271	9.2%
65 - 74	7,762	3.9%	10,704	5.4%	12,599	6.3%
75 - 84	4,788	2.4%	4,618	2.3%	5,467	2.7%
85+	2,324	1.2%	2,358	1.2%	2,183	1.1%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

April 17, 2018



## Demographic and Income Profile

1432 W Forest Home Ave, Milwaukee, Wisconsin, 53204  
 Ring: 5 mile radius

Prepared by Esri  
 Latitude: 43.01073  
 Longitude: -87.93047

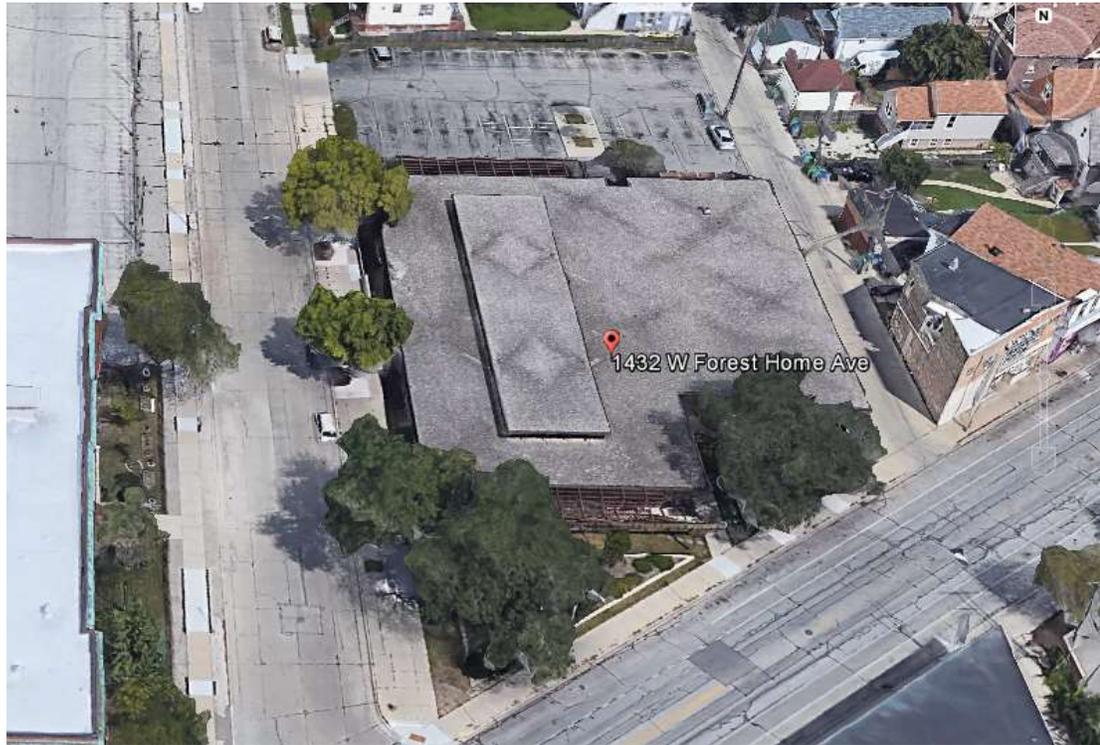
Summary	Census 2010	2017	2022			
Population	459,174	458,824	461,138			
Households	185,061	184,627	185,449			
Families	96,869	94,949	94,683			
Average Household Size	2.40	2.41	2.41			
Owner Occupied Housing Units	79,350	72,822	72,772			
Renter Occupied Housing Units	105,711	111,805	112,677			
Median Age	31.4	32.6	33.4			
Trends: 2017 - 2022 Annual Rate	Area	State	National			
Population	0.10%	0.37%	0.83%			
Households	0.09%	0.40%	0.79%			
Families	-0.06%	0.32%	0.71%			
Owner HHs	-0.01%	0.37%	0.72%			
Median Household Income	3.11%	2.51%	2.12%			
Households by Income	2017		2022			
	Number	Percent	Number	Percent		
<\$15,000	31,352	17.0%	29,660	16.0%		
\$15,000 - \$24,999	25,919	14.0%	23,409	12.6%		
\$25,000 - \$34,999	23,453	12.7%	20,434	11.0%		
\$35,000 - \$49,999	26,586	14.4%	22,745	12.3%		
\$50,000 - \$74,999	33,273	18.0%	32,963	17.8%		
\$75,000 - \$99,999	19,324	10.5%	24,717	13.3%		
\$100,000 - \$149,999	16,300	8.8%	20,919	11.3%		
\$150,000 - \$199,999	4,880	2.6%	6,236	3.4%		
\$200,000+	3,541	1.9%	4,366	2.4%		
Median Household Income	\$40,370		\$47,049			
Average Household Income	\$56,054		\$65,320			
Per Capita Income	\$22,949		\$26,662			
Population by Age	Census 2010		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	35,103	7.6%	32,654	7.1%	32,997	7.2%
5 - 9	30,855	6.7%	30,314	6.6%	29,342	6.4%
10 - 14	29,010	6.3%	27,885	6.1%	27,751	6.0%
15 - 19	33,701	7.3%	30,786	6.7%	30,253	6.6%
20 - 24	46,417	10.1%	46,386	10.1%	43,935	9.5%
25 - 34	80,944	17.6%	78,635	17.1%	78,169	17.0%
35 - 44	57,158	12.4%	58,194	12.7%	60,193	13.1%
45 - 54	56,712	12.4%	51,078	11.1%	49,234	10.7%
55 - 64	43,846	9.5%	49,364	10.8%	48,366	10.5%
65 - 74	21,473	4.7%	29,805	6.5%	35,418	7.7%
75 - 84	15,788	3.4%	14,908	3.2%	17,193	3.7%
85+	8,165	1.8%	8,817	1.9%	8,287	1.8%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

April 17, 2018

AERIAL MAPS





 **MILWAUKEE COUNTY INTERACTIVE MAPPING SERVICE**



Projection  
NAD\_1927\_StatePlane\_Wisconsin\_South\_FIPS  
\_4803

Notes

**DISCLAIMER:** This map is a user generated static output from the Milwaukee County Land Information Office Interactive Mapping Service website. The contents herein are for reference purposes only and may or may not be accurate, current or otherwise reliable. No liability is assumed for the data delineated herein either expressed or implied by Milwaukee County or its employees.



THIS MAP IS NOT TO BE USED FOR NAVIGATION © MCAMLIS

# FLOODPLAIN MAP



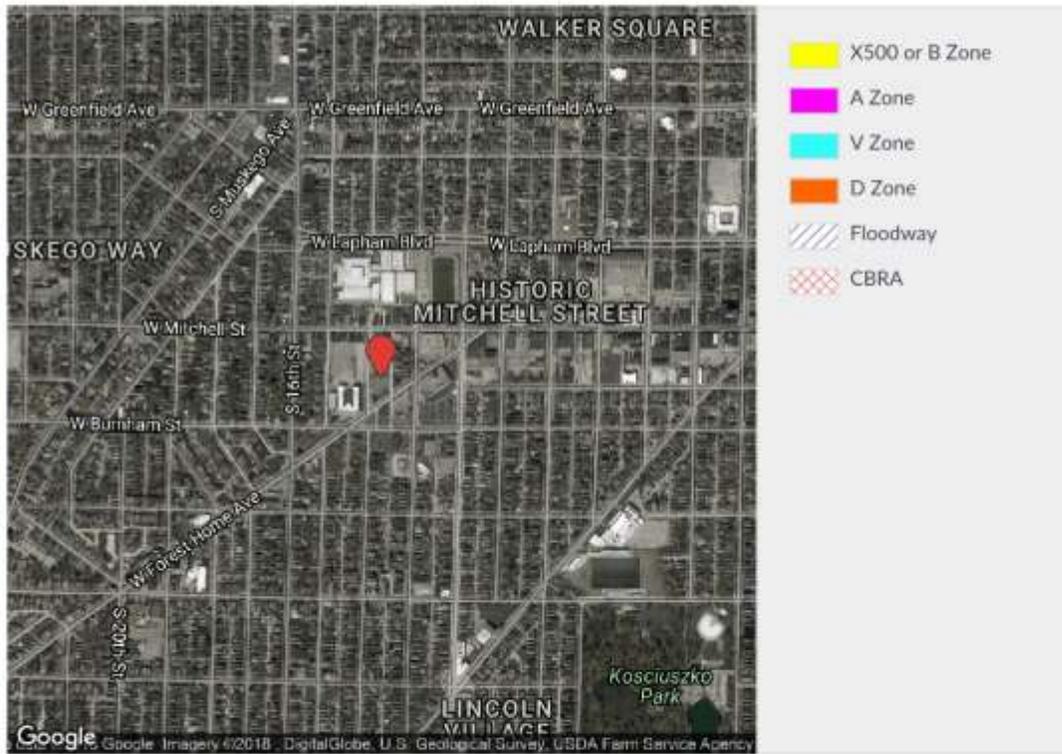
1432 W FOREST HOME AVE MILWAUKEE, WI 53204

LOCATION ACCURACY: Excellent

## Flood Zone Determination Report

Flood Zone Determination: **OUT**

PANEL DATE: September 26, 2008      MAP NUMBER: 550790093E



## **SITE ANALYSIS**

### **Land Area**

The subject contains approximately 41,948 square feet or 0.963 acres.

### **Shape and Frontage**

The subject site is an irregular-shaped parcel located on West Forest Home Avenue. It has frontage on West Forest Home Avenue and South 15<sup>th</sup> Street. West Forest Home Avenue is an arterial, asphalt paved with two lanes of traffic and one parking lane in each direction. South 15<sup>th</sup> Street is a non-arterial, asphalt paved with one lane of traffic and one parking lane in each direction. Both roadways have concrete curbs, gutters, sidewalks, and public streetlights.

### **Topography and Drainage**

The site is mostly level and at grade with the fronting streets and surrounding properties. Drainage appears to be adequate for the subject. The western portion of the subject site appears to be in a flood zone. Please refer to the flood zone and FEMA maps previously included.

### **Soils**

A physical inspection revealed no apparent problems with the soil that would impede development. However, no recent soil analysis was provided to the appraiser.

### **Easements**

There were no apparent adverse easements or encroachments. The appraisal assumes that any easements, restrictions or encroachments that might appear against the title would have no adverse effect on the value of the subject.

### **Covenants, Conditions, and Restrictions**

No private deeds or restricting covenants affecting development, other than zoning, were found to affect the site.

### **Utilities**

Municipal sewer and water as well as gas, electric, and telephone serve the site.

### **Census Tract and Flood Zone**

According to FEMA Map 55079C0093E, dated September 26, 2008, it is in a Zone X (area of minimal flooding) flood zone area.

### **Environmental Issues**

No environmental survey was available for review. Inspection of the property revealed no apparent underground tanks, environmental hazards or toxic wastes. However, the appraisers are not environmental experts. Therefore, it is assumed that no adverse environmental conditions affect the subject.

### **Conclusions**

The subject is in the city of Milwaukee. The immediate surrounding area is a mix of commercial and residential uses. In summary, the subject site is adequately sized, irregular, and in a mixed-use area.

## IMPROVEMENT ANALYSIS

The following is a description of the pertinent physical data concerning the improvements.

### *Current Use*

Vacant library building

### *Building Size (Square footage supplied by the client/owner and verified by GIS)*

14,500 SF

### *Layout*

Reception/book check-out area, large open area for book shelves & tables for library patrons, conference rooms, offices, restrooms

### *Stories*

One story

### *Foundation*

Partial basement, partial concrete slab

### *Exterior Walls*

Masonry

### *Roof*

Flat: assume tar and gravel (not inspected, assumed in average condition)

### *Windows*

Fixed

### *Floors*

Tile, concrete, and carpet

### *Doors*

Wood and metal doors

### *Walls and Ceilings*

Drywall walls, wood

### *Electric*

Assumed adequate

### *Plumbing*

Adequate restrooms

### *Heating and Cooling*

Gas forced air with central air conditioning

**Fire Protection**

The subject is not protected by a sprinkler system. It is assumed that the subject has fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures adequate to meet local requirements.

**Access and Parking**

There are large parking lot for employees and patrons. Access to the parking is via West Forest Home Avenue and South 15<sup>th</sup> Street.

**Landscaping**

The subject improvements occupy most of the site; therefore, there is minimal landscaping. This is typical of similar buildings in the area.

**Other Site Improvements**

Other site improvements are minimal with service walks at the entrances of the building and exterior lighting.

**Building Age**

Remaining Economic Life Library Building 1432 West Forest Home Avenue Milwaukee, Wisconsin	
Year Built	1966
Actual Age	52 Years
Total Economic Life	60 Years
Less: Effective Age	<u>25 Years</u>
Remaining Economic Life	35 Years

The effective age of a property is an age based upon the observed depreciation and obsolescence. The economic life is the period over which the improvements to a property contribute value. Therefore, remaining economic life, the difference between the economic life and the effective age, is an estimate of the period over which the improvements to a property will continue to contribute value.

**Condition and Utility**

The subject is an existing library building. The improvements were estimated to have a build date of 1966. Overall, the subject is in good condition. The utility of the building is average. No external obsolescence is noted.

**Lead-based Paint**

Properties built prior to 1978 could be affected by lead-based paint hazards and is subject to Title X of Federal Law PL 102-550, which mandates providing information and disclosing known lead-based paint hazards in properties built prior to 1978. Therefore, unless stated in the report, it is assumed that none of these hazards either on or off the site affect the subject.

**Americans with Disabilities Act (ADA)**

The property is subject to the Americans with Disabilities Act (ADA). It is not known if it meets all requirements of the ADA. Required changes to meet the ADA could influence the value. The appraisers are not experts in ADA requirements. Therefore, it is assumed that all ADA requirements are met.

## ZONING ANALYSIS

The subject is zoned LB2, Local Business District. The subject’s zoning requirements are summarized in the table below.

<b>Zoning Summary</b> <b>Library Building</b> <b>1432 West Forest Home Avenue</b> <b>Milwaukee, Wisconsin</b>	
Zoning Designation	LB2, Local Business District
Legally Conforming	Yes, Legal Conforming
Permitted Uses	LOCAL BUSINESS DISTRICTS (LB1-LB3). These districts provide a wide range of goods and services to a large consumer population coming from an extensive area. Within these districts, motor-vehicle-related activities are of major significance. Good access by motor vehicle or public transit is important to local business districts, which are often located adjacent to intersections of major thoroughfares and in close proximity to bus transfer locations. The LB1 district is characterized by a more suburban development pattern, with larger lots and deeper setbacks, while the development pattern in the LB2 district tends to be more urban, with smaller lots and smaller setbacks. The LB3 district is the most urban and is characterized by design standards appropriate for neighborhood commercial hubs, centers, corridors and transit-oriented development areas that have a denser level of development and may have taller buildings, all of which promote compact, walkable, sustainable neighborhoods.
Zoning Change	Unlikely
Category	Zoning Requirement
Parking	Off street parking required
Setbacks	None
Minimum Lot Size	None; 800 SF per residential unit
Minimum Lot Width	None
Minimum Height	18 feet
Maximum Height	60 feet

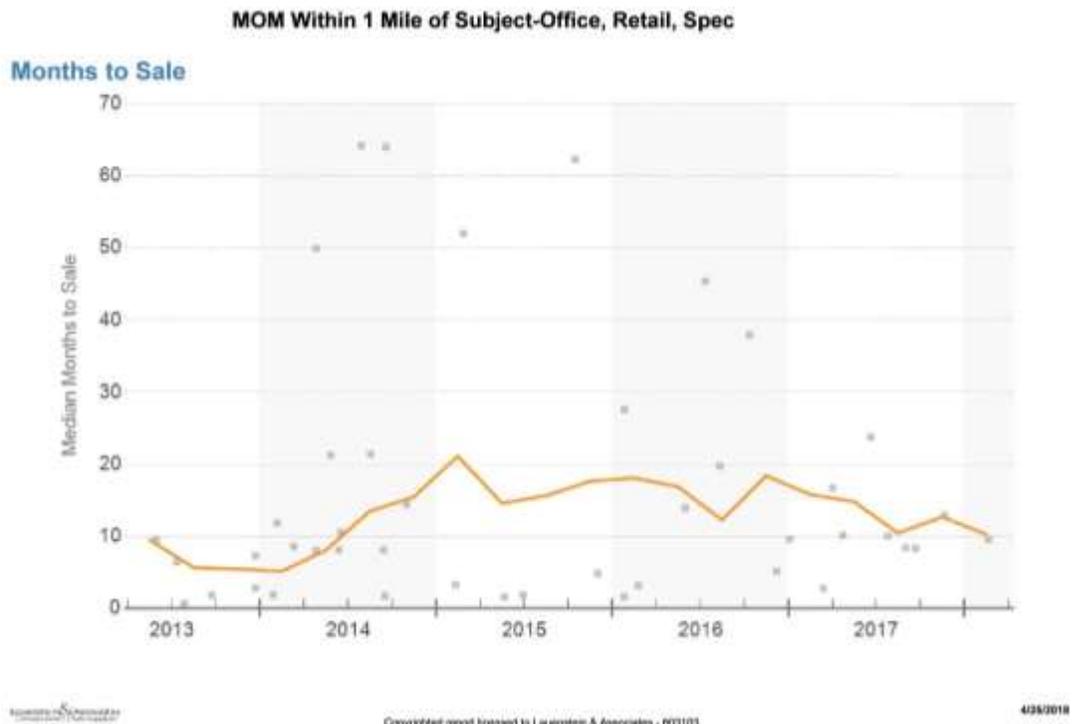
The subject meets the zoning requirements; therefore, the subject appears to be legal conforming use.

## EXPOSURE AND MARKETING TIME

Exposure time defined by the Appraisal Institute, in *The Dictionary of Real Estate Appraisal*, Sixth Edition, 2015, published by the Appraisal Institute, as: “The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.”

Marketing time defined by the Appraisal Institute, in *The Dictionary of Real Estate Appraisal*, Sixth Edition, 2015, published by the Appraisal Institute, as: “An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.”

The following graph from CoStar shows the months on market (MOM) for office, retail, or special use properties within a one-mile radius of the subject area over the past five years.



It is estimated that exposure and marketing time for sale for the subject is 12 to 24 months.

## HIGHEST AND BEST USE

Highest and best use is defined by the Appraisal Institute, in *The Dictionary of Real Estate Appraisal*, Sixth Edition, 2015, published by the Appraisal Institute, as: “1) The reasonably probable use of property, that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. 3) The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.”

As indicated by the above definition, the highest and best use of any parcel of land relates to the needs or demands of potential users. It is a consideration which is made to determine what the maximum desirable potential of the property is or could be. Historical data relative to a site may not reflect the future potential of the property but can act as an aid in analyzing past trends and thus help in determining the present or future usefulness of the property. Determination of the potential or future benefits from property ownership is the objective of most appraisal assignments. After the potential or the highest and best use of the property has been determined, data providing support for the valuation can be reconciled to provide the basis for a logical value conclusion.

This appraisal analysis considers considerations of the economic trends for the subject market area and community, the proximity of amenities, financial capabilities of the typical buyers, etc., and considers limitations of these items. In determining the highest and best use as if vacant, or as improved, there are four basic criteria. The use must be legally permissible, physically possible, financially feasible and maximally productive. Of the financially feasible uses, the maximally productive use is that which will bring the greatest value or return to the land.

### **Highest and Best Use, As Vacant**

As stated above, this use must be legally permissible, physically possible, and financially feasible. The use that maximizes the return to the land under all of these tests will be the maximally productive, and the highest and best use as vacant.

### **Legally Permissible**

The subject is zoned LB2, Local Business District. This zoning district allows a variety of commercial uses. Based upon the current zoning, surrounding land uses and development trends occurring in the area, it is unlikely that a zoning change would occur. A commercial use seems to be the most likely of the permitted uses for the site.

### **Physically Possible**

The subject site is an irregular-shaped parcel with frontage on West Forest Home Avenue and South 15<sup>th</sup> Street. The site includes sufficient frontage, exposure, and accessibility along with adequate ingress/ egress from the adjacent roadways. The size, shape and topographical features are considered sufficient for development of a commercial use.

Municipal water and sewer serve the site along with the other common utilities. The assumed soil conditions do not appear to constrain development potential. Overall, the physical features are considered sufficient to develop the site into the allowable uses under the specific zoning district.

### **Financially Feasible**

Similar buildings in the surrounding area have seen average to good rental rates, similar with other properties. Based on the occupancy rates and rental rates commanded throughout the surrounding areas, a commercial use appears to be a marginally financially feasible venture.

### **Maximally Productive**

Considering a maximally productive use, a commercial use maximizing the development potential of the parcel and based on that which is legally permissible and supported by the market appears reasonable.

### **Conclusion**

Development of the site to a commercial use is considered legally permissible, physically possible, marginally financially feasible and maximally productive. Further, we have concluded that the potential buyer would be an owner/ investor and development could occur as market conditions allow or supported by public or private funds.

**Highest and Best Use, As Improved**

The same tests are applied to the analysis as improved - tests of legal permissibility, physical possibility, and financial feasibility. As above, the use that maximizes the return to the land under all of these tests will be the maximally productive use, and thus, the highest and best use as improved.

**Legally Permissible**

The subject is an existing 14,500 square foot library building. Libraries are an allowed use under the current zoning code. Therefore, it is assumed to be a legal conforming use.

**Physically Possible**

As discussed, the subject site is an irregular-shaped parcel with good frontage on West Forest Home Avenue and South 15<sup>th</sup> Street. The improvements maximally utilize the site. The condition of the building is good. Utility of the building is average. It is unlikely that the building would be used for non-commercial use, without substantial renovation and costs.

**Financially Feasible**

Libraries are not normally rented; therefore, the subject will be financially feasible only with governmental or charitable funding.

Both the short-term and long-term feasibility is average.

**Maximally Productive**

The use that maximizes a property's land value is its maximally productive use. As demonstrated by observed land usage in this area, the subject as a commercial property, is maximally productive.

**Conclusion**

The current improvements of the subject meet the criteria of all four tests above. The value of the improvements is greater than the value of the site, so therefore the existing improvements contribute value to the subject and should not be razed. Therefore, we have concluded that the existing improvements meet the criteria of being the highest and best use, as improved.

## VALUATION METHODOLOGY

The valuation of any parcel of real estate is derived principally through three basic approaches. They are the cost, sales comparison, and income approaches. From the indications of these analyses and the weight that is accorded to each, a value opinion is reached based upon expert judgment within the outline of the appraisal process. The methodology involving the appraisal of the subject includes the following:

### **Cost Approach**

The cost approach is based on the recognition that market participants relate value to cost. The value of a property is the costs to develop a similar property, once the costs are adjusted for all forms of applicable depreciation.

Developing a cost approach involves four major steps.

1. Develop an opinion of the site as though vacant and available for development to its highest and best use.
2. Estimate all costs to replace or reproduce the existing improvements, including direct costs, indirect costs, and entrepreneurial incentive.
3. Estimate all forms of depreciation evident in the improvements.
4. Subtract the total estimated depreciation from the total estimated reproduction or replacement costs and add the site value opinion to derive an indication of value from the cost approach.

### **Sales Comparison Approach**

The sales comparison approach is based upon the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property.

Developing a sales comparison approach involves four major steps.

1. Research the market and find information about comparable property sales.
2. Analyze the comparable sales to derive market-supported adjustments that reflect the significant differences between the sales and the subject.

3. Apply the adjustments to the comparable sale or unit prices.
4. Reconcile the adjusted sale or unit prices into an indication of value for the subject.

### **Income Approach**

The income approach is based on the recognition that the value of a property is related to its income-generating potential. Based on the subject data, a direct capitalization approach is applicable in the valuation of the subject.

Developing an income approach involves four major steps.

1. Determine the potential gross income of a property based upon either contract rental rates or market rental rates, based upon rental rates of comparable properties.
2. Estimate the stabilized vacancy and collection loss based upon market factors and apply it to the subject's potential gross income to yield an effective gross income.
3. Analyze the property's expense and reconcile them with typical expenses of properties in the market. Deduct applicable operating expenses from the effective gross income to arrive at the net operating income of the property.
4. Estimate an appropriate capitalization rate for the subject property based upon market data, surveys, and the band-of-investment method and apply it to the net operating income to arrive at the estimated value of the subject.

### **Summary**

Only the sales comparison approach was applicable in the appraisal of the subject. The income approach was not developed because libraries are rarely leased; therefore, a market lease rate cannot be fully established. The cost to replace/ reproduce a building like the subject, less depreciation from all causes, is not a method used by market participants as a way to establish market value. Therefore, the cost approach is not considered applicable and is not included herein.

## **COST APPROACH**

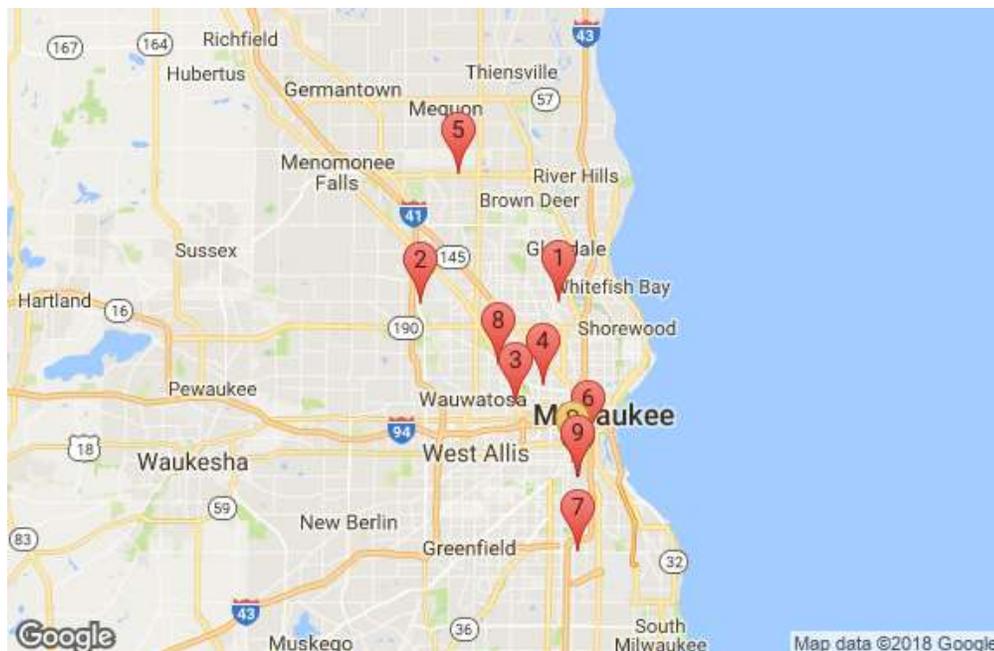
The subject building is 52 years old; thus, replacement cost new would require interpolation, making physical depreciation difficult to accurately estimate. This would require considerable subjective judgment. In addition, the cost to replace/ reproduce a building like the subject, less depreciation from all causes, is not a method used by market participants as a way to establish market value. Therefore, the cost approach is not considered applicable and is not included herein.

It is noted that the remaining economic life of the subject could be extended with a combination of building updates, repairs and /or renovations over its physical life.

## SALES COMPARISON APPROACH

The subject is currently a vacant library owned by the city of Milwaukee that has been deemed surplus and is likely to be sold. It is very unlikely that the next owner will continue its use as a library; therefore, alternative uses need to be examined. The subject's interior has a large open area which could easily function as a sanctuary for a religious group. The rest of the building could be used as religious classrooms and offices. Another alternative would be a school use. This use would be limited because of the size of the building being smaller than the typical school building. But a school use, particularly a specialty school, could use the subject after renovations. A third alternative would be for office/retail use. There is not a strong demand for office space in the subject's area but there is retail demand. Therefore, the subject could be used for a retail purpose or an office purpose with a retail component such as a real estate office or insurance office.

Given the above, comparable sales for churches, schools, and office/retail buildings were researched from the city of Milwaukee. The following sales were analyzed in arriving at the opinion of value for the subject by the sales comparison approach. The search criteria included preferably older school, church, or office/retail buildings that were similar to the subject in location, size, age and condition. The following comparables, two listings (Comps 1 and 4) and seven closed sales, are the best comparables available for analysis.



## Comparable 1



## Transaction

<b>ID</b>	8320	<b>Date</b>	3/14/2018
<b>Address</b>	2429 W Hampton Ave	<b>Price</b>	\$325,000
<b>City</b>	Milwaukee	<b>GBA</b>	8,267
<b>State</b>	WI	<b>Price Per SF</b>	\$39.31
<b>Grantor</b>	Providence Baptist	<b>Grantee</b>	NA
<b>Verification</b>	Assessor, Listing Agent, MLS		

## Site

<b>Acres</b>	0.240	<b>Topography</b>	NA
<b>Land SF</b>	10,454	<b>Zoning</b>	Residential

## Improvements &amp; Financial Data

<b>Source For SF Area</b>	GIS, Listing Agent	<b>Year Built</b>	1977
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## Comments

This church building is currently leased and is being sold with the lease in place. The sanctuary seats 250-300 people. There are classrooms around the exterior walls. The basement has a fellowship/dining area, kitchen, and restrooms. According to the listing agent, the prospective buyer is an arms length transaction. But, the buyer has signed a three-year lease with a balloon payment at the end of the lease. The purchase price is very close to the listing price. The 3-year lease started in June 2017.

## Comparable 2



## Transaction

<b>ID</b>	4499	<b>Date</b>	5/23/2013
<b>Address</b>	4750 N Mayfair Road	<b>Price</b>	\$625,000
<b>City</b>	Wauwatosa	<b>GBA</b>	14,308
<b>State</b>	WI	<b>Price Per SF</b>	\$43.68
<b>Grantor</b>	Unity West Inc	<b>Grantee</b>	Unknown
<b>Verification</b>	CoStar, Assessor, Listing Agent		

## Site

<b>Acres</b>	1.500	<b>Topography</b>	NA
<b>Land SF</b>	65,340	<b>Zoning</b>	Commercial

## Improvements &amp; Financial Data

<b>Source For SF Area</b>	MILW GIS	<b>Year Built</b>	1977
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## Comments

This property located on the border of Wauwatosa and Milwaukee is in very good condition. The sanctuary seats 225 people and it has private offices, restrooms, classrooms. The lower level which is included in the square footage (equal square footage on the first floor and basement) has a fully functional kitchen, fellowship hall, and restrooms. The church has adequate parking.

## Comparable 3



## Transaction

<b>ID</b>	5136	<b>Date</b>	8/20/2013
<b>Address</b>	1147 North 50th St	<b>Price</b>	\$230,000
<b>City</b>	Milwaukee	<b>GBA</b>	4,730
<b>State</b>	WI	<b>Price Per SF</b>	\$48.63
<b>Grantor</b>	Evangelical Lutheran	<b>Grantee</b>	United Christians
<b>Verification</b>	MLS, Assessor, Listing Agent		

## Site

<b>Acres</b>	0.478	<b>Topography</b>	NA
<b>Land SF</b>	20,909	<b>Zoning</b>	Commercial

## Improvements &amp; Financial Data

<b>Source For SF Area</b>	MILW GIS	<b>Year Built</b>	1900
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## Comments

Well maintained mid-century church w/seating for 150-250 in stained glass lined sanctuary with overflow seating in large adjoining fellowship hall. The building includes kitchen narthex pastor's office women's & men's rooms. Three newer furnaces.

## Comparable 4



## Transaction

<b>ID</b>	8345	<b>Date</b>	4/12/2018
<b>Address</b>	2004 North 33rd St	<b>Price</b>	\$675,000
<b>City</b>	Milwaukee	<b>GBA</b>	21,224
<b>State</b>	WI	<b>Price Per SF</b>	\$31.80
<b>Grantor</b>	Nelson Property	<b>Grantee</b>	NA
<b>Verification</b>	Assessor, CoStar, Listing Agent (Jennifer Green) with Commercial Realty		

## Site

<b>Acres</b>	0.940	<b>Topography</b>	Mostly Level
<b>Land SF</b>	40,946	<b>Zoning</b>	Residential

## Improvements &amp; Financial Data

<b>Source For SF Area</b>	GIS Measured, Listing	<b>Year Built</b>	1950
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## Comments

This is a listing of a school building listed by Jennifer Green with Commercial Realty Advisors, LLC. The building has the typical layout with classrooms, offices, and restrooms. There is no gymnasium. The subject had numerous recent updates including a new roof and HVAC.

## Comparable 5



## Transaction

<b>ID</b>	5844	<b>Date</b>	2/14/2014
<b>Address</b>	8920-8922 West Brown	<b>Price</b>	\$750,000
<b>City</b>	Milwaukee	<b>GBA</b>	18,139
<b>State</b>	WI	<b>Price Per SF</b>	\$41.35
<b>Grantor</b>	Gladys LLC	<b>Grantee</b>	Eei R & E Holdings
<b>Verification</b>	CoStar, Assessor, Redi-Net		

## Site

<b>Acres</b>	3.030	<b>Topography</b>	NA
<b>Land SF</b>	131,987	<b>Zoning</b>	Commercial

## Improvements &amp; Financial Data

<b>Source For SF Area</b>	NA	<b>Year Built</b>	1987
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## Comments

This is a sale of a retail building on the northwest side of the city of Milwaukee. The building was purchased with the intent to convert it to a school after the sale. There are 200 surface parking spaces.

## Comparable 6



Transaction			
<b>ID</b>	8362	<b>Date</b>	10/13/2016
<b>Address</b>	625 W National Ave	<b>Price</b>	\$141,000
<b>City</b>	Milwaukee	<b>GBA</b>	3,500
<b>State</b>	WI	<b>Price Per SF</b>	\$40.29
<b>Grantor</b>	Seaway Bank & Trust	<b>Grantee</b>	Second Phase
<b>Verification</b>	Assessor, CoStar, WIDOR, Listing Agent (Michael Olszewski)		
Site			
<b>Acres</b>	0.1	<b>Topography</b>	NA
<b>Land SF</b>	3,500	<b>Zoning</b>	Commercial
Improvements & Financial Data			
<b>Source For SF Area</b>	Assessor	<b>Year Built</b>	1900
Comments			

This property was used as a local restaurant with counter service and places to sit while eating the food. At the time of sale, the property was vacant. The value of the restaurant equipment left behind was minimal. The property was marketed and sold by the REO specialist, Michael Olszewski with Area Wide Realty. According to Mr. Olszewski, the property sold for over its asking price of \$139,900 due to competing bids. The buyer purchased the building as an investment and is trying to resell the building now in 2018 with a list price of \$595,000. The current listing agent did not return my calls.

## Comparable 7



## Transaction

<b>ID</b>	8363	<b>Date</b>	9/27/2017
<b>Address</b>	1204 W Layton Ave	<b>Price</b>	\$625,000
<b>City</b>	Milwaukee	<b>GBA</b>	10,120
<b>State</b>	WI	<b>Price Per SF</b>	\$61.76
<b>Grantor</b>	R.D.H, LLC	<b>Grantee</b>	Playtime Doggy
<b>Verification</b>	Assessor, CoStar, WIDOR, Buyer's Agent (David Glazer with David Glazer		

## Site

<b>Acres</b>	0.8	<b>Topography</b>	NA
<b>Land SF</b>	33,780	<b>Zoning</b>	Commercial

## Improvements &amp; Financial Data

<b>Source For SF Area</b>	Assessor	<b>Year Built</b>	1982
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## Comments

The buyer's agent confirmed this sale was arms length. At the time of sale, the property was used as an office building. The buyer purchased the building with the intention of completely renovating the property and converting it into a doggy daycare. The buyer did convert it into a doggy daycare called 'Playtime Doggy Daycare.'

## Comparable 8



Transaction			
<b>ID</b>	8364	<b>Date</b>	5/12/2016
<b>Address</b>	6210 West Center	<b>Price</b>	\$310,000
<b>City</b>	Milwaukee	<b>GBA</b>	8,070
<b>State</b>	WI	<b>Price Per SF</b>	\$38.41
<b>Grantor</b>	My Home Your Home	<b>Grantee</b>	NISA MD, LLC
<b>Verification</b>	Assessor, CoStar,		
Site			
<b>Acres</b>	0.6	<b>Topography</b>	NA
<b>Land SF</b>	24,259	<b>Zoning</b>	Commercial
Improvements & Financial Data			
<b>Source For SF Area</b>	Assessor	<b>Year Built</b>	1949
Comments			

This property was owned by Daycare Services, a provider of daycares services in Milwaukee. This property was used as their headquarters. When they had financial problems, they decided to sell the building. According to the listing agent, they accepted an offer to purchase for \$320,000 but later reduced the price to \$310,000 because of roofing issues. A few days after the offer was accepted, the property went into receivership. The receiver allowed the offer to purchase to close. The buyer planned on using the building for a holistic medical center.

## Comparable 9



## Transaction

<b>ID</b>	8365	<b>Date</b>	8/1/2016
<b>Address</b>	1125 W Lincoln Ave	<b>Price</b>	\$70,000
<b>City</b>	Milwaukee	<b>GBA</b>	1,686
<b>State</b>	WI	<b>Price Per SF</b>	\$41.52
<b>Grantor</b>	Daniel J & Anne K	<b>Grantee</b>	Amador & Laura De
<b>Verification</b>	Assessor, CoStar,		

## Site

<b>Acres</b>	0.1	<b>Topography</b>	NA
<b>Land SF</b>	3,600	<b>Zoning</b>	Commercial

## Improvements &amp; Financial Data

<b>Source For SF Area</b>	Assessor	<b>Year Built</b>	1890
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## Comments

According to the seller, who owns Steffan's Soccer, they operated the business out of the property. But they needed more room to expand. They purchased 1018 W Lincoln Avenue which had 6,330 square feet, almost four times the space of this building (1,686 square feet). They sold the building to an unrelated buyer (sale was arms length). The buyer converted the building into an Asian grocery store.

Analysis Grid	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8	Comp 9		
Address	1432 West Forest	2429 W Hampton	4750 N Mayfair	1147 North 50th St	2004 North 33rd St	8920-8922 West	625 W National Ave	1204 W Layton Ave	6210 West Center	1125 W Lincoln Ave	
City	Milwaukee	Milwaukee	Wauwatosa	Milwaukee	Milwaukee	Milwaukee	Milwaukee	Milwaukee	Milwaukee	Milwaukee	
State	WI	WI	WI	WI	WI	WI	WI	WI	WI	WI	
Date	4/18/2018	3/14/2018	5/23/2013	8/20/2013	4/12/2018	2/14/2014	10/13/2016	9/27/2017	5/12/2016	8/1/2016	
Price	\$0	\$325,000	\$625,000	\$230,000	\$675,000	\$750,000	\$141,000	\$625,000	\$310,000	\$70,000	
GBA	14,500	8,267	14,308	4,730	21,224	18,139	3,500	10,120	8,070	1,686	
GBA Unit Price	\$0.00	\$39.31	\$43.68	\$48.63	\$31.80	\$41.35	\$40.29	\$61.76	\$38.41	\$41.52	
<b>Transaction Adjustments</b>											
Property Rights	0	0	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Conditions of Sale	Cash	Listing	-10.0%	Arms Length	0.0%	Arms Length	0.0%	Listing	-10.0%	REO	0.0%
Expenditures After Sale	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted GBA Unit Price	<b>\$35.38</b>	<b>\$43.68</b>	<b>\$48.63</b>	<b>\$28.62</b>	<b>\$41.35</b>	<b>\$40.29</b>	<b>\$61.76</b>	<b>\$42.26</b>	<b>\$41.52</b>		
Market Trends Through	4/18/2018	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Adjusted GBA Unit Price	<b>\$35.38</b>	<b>\$43.68</b>	<b>\$48.63</b>	<b>\$28.62</b>	<b>\$41.35</b>	<b>\$40.29</b>	<b>\$61.76</b>	<b>\$42.26</b>	<b>\$41.52</b>		
Location	Average	Similar	Superior	Similar	Similar	Similar	Similar	Superior	Similar	Similar	
% Adjustment	0%	0%	-20%	0%	0%	0%	0%	-20%	0%	0%	
\$ Adjustment	\$0.00	\$0.00	-\$8.74	\$0.00	\$0.00	\$0.00	\$0.00	-\$12.35	\$0.00	\$0.00	
GBA	14,500	8,267	14,308	4,730	21,224	18,139	3,500	10,120	8,070	1,686	
% Adjustment	0%	0%	0%	-10%	5%	5%	-10%	0%	0%	-15%	
\$ Adjustment	\$0.00	\$0.00	\$0.00	-\$4.86	\$1.43	\$2.07	-\$4.03	\$0.00	\$0.00	-\$6.23	
Condition	Good	Inferior	Inferior	Inferior	Inferior	Inferior	Inferior	Inferior	Inferior	Inferior	
% Adjustment	20%	10%	10%	20%	20%	10%	10%	10%	10%	20%	
\$ Adjustment	\$7.08	\$4.37	\$4.37	\$9.73	\$5.72	\$4.13	\$4.03	\$6.18	\$4.23	\$8.30	
Parking Adequacy	Adequate	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
% Adjustment	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
\$ Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Construction	Masonry	Masonry	Wood Frame	Wood Frame	Masonry	Masonry	Masonry	Masonry	Masonry	Masonry	
% Adjustment	0%	0%	10%	10%	0%	0%	0%	0%	0%	0%	
\$ Adjustment	\$0.00	\$0.00	\$4.37	\$4.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Land To Building Ratio	2.89	1.26	4.57	4.42	1.93	7.28	1.00	3.34	3.01	2.14	
% Adjustment	4.1%	-3.8%	-3.1%	-3.1%	3.0%	-10.6%	4.7%	-0.7%	-0.3%	1.8%	
\$ Adjustment	\$1.47	-\$1.67	-\$1.53	-\$0.87	\$0.87	-\$4.38	\$1.89	-\$0.44	-\$0.12	\$0.76	
LL GBA %	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% Adjustment	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
\$ Adjustment	\$0.00	\$10.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Adjusted GBA Unit Price	<b>\$43.92</b>	<b>\$52.93</b>	<b>\$56.82</b>	<b>\$36.65</b>	<b>\$43.17</b>	<b>\$42.18</b>	<b>\$55.14</b>	<b>\$46.36</b>	<b>\$44.35</b>		
Net Adjustments		24.1%	21.2%	16.9%	28.0%	4.4%	4.7%	-10.7%	9.7%	6.8%	
Gross Adjustments		24.1%	68.8%	43.1%	28.0%	25.6%	24.7%	30.7%	10.3%	36.8%	
Net Adjustments		11.7%	21.2%	16.9%	15.2%	4.4%	4.7%	-10.7%	20.7%	6.8%	
Gross Adjustments		31.7%	68.8%	43.1%	35.2%	25.6%	24.7%	30.7%	21.3%	36.8%	

### Quantitative Adjustments

Sufficient data was available to make quantitative adjustments for the following factors.

#### Property Rights

All of the sales are vacant, tenant-occupied, or owner-occupied. Therefore, no adjustments are necessary.

#### Financing Terms

All of the sales were paid for with cash or financed at market terms. Therefore, no adjustments are necessary.

#### Conditions of Sale

Comps 6 and 8 were distressed sales which typically sell below market values and are adjusted upward. All of the other comparables were arms length, therefore no adjustments are necessary. The two listings, Comps 1 and 4 are listings and adjusted downward for the normal market negotiations.

#### Market Conditions/Trends

The market has been relatively stable since 2012; therefore, no adjustments are necessary.

*Location Rating*

The type of property appraised, access to major thoroughfares, ingress and egress to the site, proximity to major population and commercial centers are all considered when making a location adjustment. The subject is located in a residential area in the city of Milwaukee. Comps 2 and 7 have better commercial locations compared to the subject; therefore, they are adjusted downward. All the other comps have similar locations compared to the subject; therefore, they are not adjusted.

*Building Size (Gross Building Area – GBA)*

Larger buildings typically sell for less per square foot than smaller buildings. Comps 3, 6, and 9 are smaller than the subject; therefore, they are adjusted downward. Comps 4 and 5 are larger than the subject; therefore, they are adjusted upward. All the other comps are similar in size compared to the subject; therefore, they are not adjusted.

*Condition*

Properties that are in better condition tend to rent for more and cost less to maintain. All the comparables are inferior in condition compared to the subject; therefore, they are adjusted upward.

*Parking*

The subject has adequate off-street parking space along with street parking. All the comps have similar parking compared to the subject; therefore, they are not adjusted.

*Construction*

The subject has masonry construction. Comps 2 and 3 have wood frame construction which is inferior to the subject; therefore, they are adjusted upward. All of the other comparables are of similar construction so no adjustments are applied.

*Land to Building Ratio*

Properties with higher ratios have more land value contributing to the overall value. The comps are adjusted based on the difference in ratio between the subject and the comp which is applied to the comp's gross building square footage. The resulting land square footage is multiplied by the comparable's estimated surplus land value (\$1.00/SF) and divided into the comp's sale price to determine an adjustment.

*Lower Level SF %*

The subject building does not have any square footage in the basement that is included in the GBA (gross building area). Therefore, the subject's lower level SF is 0%. The comparables have their percentage of basement square footage stated. The basement is considered to have 50% the value of above ground space and an overall adjustment is calculated based on the difference between the subject's % of basement square footage and the comparables % of basement square footage multiplied by 50%.

**Array**

The value indications derived from the sales are summarized below. The concluded value is close to the average and median adjusted values.

<b>Value Ranges &amp; Reconciled Value</b>				
<b>Number of Comps:</b>	<b>9</b>	<b>Unadjusted</b>	<b>Adjusted</b>	<b>% Δ</b>
	<b>Low:</b>	\$31.80	\$36.65	15%
	<b>High:</b>	\$61.76	\$56.82	-8%
	<b>Average:</b>	\$42.97	\$46.83	9%
	<b>Median:</b>	\$41.35	\$44.35	7%
<b>Reconciled Value/Unit Value:</b>			\$45.00	
<b>Subject Size:</b>			14,500	
<b>Indicated Value:</b>			\$652,500	
<b>Reconciled Final Value:</b>			<b>\$650,000</b>	
<b>Six Hundred Fifty Thousand Dollars</b>				

The opinion of value of the subject, via the sales comparison approach, is **Six Hundred Fifty Thousand Dollars (\$650,000)**.

## **INCOME APPROACH**

The subject is a library and is almost always owner-occupied. The alternate uses are churches, schools and possibly an office use. Given the owner's use of a library and two of the three alternate uses being a church or a school, which are typically owner-occupied, there is not enough market support to establish a market lease rate for the subject. Therefore, the income approach is not applicable and not developed.

**RECONCILIATION AND MARKET VALUE OPINION**

In the previous sections of this report, the subject was described and analyzed. A summary of the value indications is as follows:

<b>Reconciliation and Market Value Opinion                      Library Building                      1432 West Forest Home Avenue                      Milwaukee, Wisconsin</b>	
	<b>As Is</b>
Value, Cost Approach	Not Applicable
Value, Sales Comparison Approach	\$650,000
Value, Income Approach (Limited)	Not Applicable
<b>Concluded Market Value</b>	<b>\$650,000</b>

The subject is located in a built-up area with very few recent commercial land sales. The building is 52 years old; thus, replacement cost new would require interpolation, making physical depreciation difficult to accurately estimate. This would require considerable subjective judgment. In addition, the cost to replace/ reproduce a building like the subject, less depreciation from all causes, is not a method used by market participants as a way to establish market value. Therefore, the cost approach is not considered applicable and is not included herein.

The sales comparison approach is a reliable indicator of value. It is based on arms-length transactions that reflect all considerations of the marketplace. The subject’s market is somewhat active and sales of comparables were available. The necessary adjustments are well-supported. Therefore, significant consideration is given the sales comparison approach in arriving at the market value opinion.

Because libraries, churches, and schools are not normally leased; therefore, there is very little market lease data available for analysis. Since a market lease rate cannot be established using market data, the income approach is not applicable but was developed.

Since the sales approach is the only approach developed, it becomes the concluded value. As a result of the analyses and conclusions of the market data, subject to the Certification, Appraisal

Definitions, and Contingent and Limiting Conditions, contained herein, we have developed a value opinion of the subject, as of the effective date, April 18, 2018, in fee simple interest. It is **Six Hundred Fifty Thousand Dollars (\$650,000)**.

**CONTINGENT AND LIMITING CONDITIONS**

The certifications of the appraisers and conclusions of value contained herein are subject to the following conditions and to such other specific and limiting conditions as are set forth by the appraisers in the report.

1. This appraisal report is intended to comply with the general reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). This report contains only a synopsis of the data, opinions and reasoning used by the appraisers in concluding the market value. Additional information is retained within the appraisers' file.
2. The appraisers assume no responsibility for legal matters affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
3. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property.
4. The appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made. Therefore, a fee of \$300.00 per hour per appraiser is to be paid by you for such appearances and the preparation necessitated thereby.
5. Any distribution of valuation in the report between land and improvements applies only under the existing program of utilization.
6. The appraisers assume there are no hidden or unapparent conditions of the property subsoil or structures that would render it more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors.
7. Information, estimates and opinions furnished to the appraisers and contained in the report, were obtained from sources considered reliable and believed true and correct. However, the appraisers assume no responsibility for accuracy of such items furnished.
8. The Appraisal Institute governs disclosure of contents in this appraisal report by by-laws and regulations.
9. Neither all, nor any part, or copy thereof, of the report shall be used for any purposes by anyone, but the client specified, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media without written consent and approval of the appraisers.
10. Neither this report, nor portions of this report, nor any non-public information contained within this report, can be released to or used for any purpose by any persons, organizations or data collection agencies, other than the party to whom it is addressed, without the express written consent of the client and appraisers as stated herein. If such written consent has been obtained, the report may only be used in its entirety (including addenda). Possession of this report does not carry with it the right of publication.

11. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a good workmanlike manner.
12. This report assumes that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
13. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this report.
14. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, private entity or organization have been or can be obtained or renewed for any use on which the value conclusions contained in this report are based.
15. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
16. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous wastes and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. Unless otherwise stated in this report, the appraisers' value conclusion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of a routine observation made during the appraisal process.
17. Unless otherwise stated in this report, the subject is appraised without conducting a specific compliance survey to determine if it is or is not in conformance with the requirements of the Americans with Disabilities Act (ADA). The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
18. For all prospective value opinions, the appraisers cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the appraisal.
19. This appraisal is based upon a limited visual inspection of readily accessible areas. It is not a property inspection, and should not be relied upon to identify non-apparent conditions.

# EXHIBITS

## EXHIBIT A - PHOTOGRAPHS



Front/Side View of the Subject  
The Camera is Facing North



Rear/Side View of the Subject  
The Camera is Facing South



Signage



Parking Lot



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Street View, West Forest Home Avenue  
Camera Facing West



Street View, West Forest Home Avenue  
Camera Facing East

## **EXHIBIT B - DEFINITIONS**

The following terms are defined by the Appraisal Institute, in *The Dictionary of Real Estate Appraisal*, Sixth Edition, 2015, published by the Appraisal Institute.

**As-Is Market Value** - The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines)

**Date of the Report** – The date on which the report is transmitted to the client.

**Discounted Cash Flow (DCF) Analysis** - The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

**Effective Date** - The date on which the appraisal or review opinion applies.

**Fee Simple Estate** - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**Inspection Date** - The date on which an inspection is performed; distinct from, but often the same as, the date of the value opinion.

**Leased Fee Interest** – The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Market Value of Going Concern Value** - The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.

**Prospective Opinion of Value** - A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

**Retrospective Value Opinion** - A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

**Salvage Value** - The price expected for a whole property (e.g., a house) or a part of a property (e.g., a plumbing fixture) that is removed from the premises usually for use elsewhere.

## EXHIBIT C - QUALIFICATIONS AND CERTIFICATION

**Paul R. Lindstrom, MAI**  
**Wisconsin Certified General Appraiser, #1858**

Experience

Lauenstein & Associates <i>Independent Fee Appraiser</i>	2/2010 – present	Milwaukee, WI
Lindstrom & Associates <i>Independent Realtor</i>	2013 – present	Milwaukee, WI
Real Estate & Property Manager	2005 – present	Milwaukee, WI
Situs Appraisal Group, Inc. <i>Independent Fee Appraiser</i>	2008 – 2011	Waukesha, WI
Realty Executives Integrity <i>Independent Realtor</i>	2003 – 2013	Brookfield, WI
Full Time Student <i>Marquette University</i>	9/1999 – 5/2002	Milwaukee, WI
Interstate Trucking Corporation <i>President &amp; 30% Owner</i>	7/1984 – 9/1999	Merrill, WI

Education

**General Courses Taken**

- Fundamentals of Separating Real, Personal Property, and Intangible Business Assets – 2012
- USPAP Update Course – 2015

**MAI Courses**

- Advanced Market and H&BU – 2011
- Advanced Concepts & Case Studies
- Advanced Income Capitalization – 2011

**Courses for Certified General Appraisal License**

- General Report Writing and Case Studies - 2010
- General Appraisal – Sales Comparison, 2010
- General Site Valuation and Cost Approach - 2010
- General Market Analysis and H&BU-2010

**Courses for Certified Residential Appraisal License**

- USPAP Updates – McKissock, 2009
- Real Estate Principles & Procedures, 2004
- USPAP, 2004
- Res Sales Comparisons & Income, 2009
- Res Market Analysis & Highest and Best, 2009
- Advanced Res Applications & Case Studies, 2009
- REO Valuations, Appraisal Institute, 2009
- Apartment Appraisals, Appraisal Institute, 2005
- Real Estate Appraisal, 2004
- Res Report Writing, 2009
- Res Site Valuation & Cost Approach, 2009
- Statistics, Modeling and Finance, 2009
- HUD & FHA Appraisals, Appraisal Institute, 2009
- General Appraisal – Income Approach 1 & 2, 2010

**Non-appraisal education**

	<b>Degree Pursued</b>	<b>Area of Study</b>	<b>Last Year</b>
UW-Madison	Bachelor of Science	Computer Science	1979
UW-Madison	Bachelor of Science	Mathematics	1979
Multnomah Bible School	Graduate Program	Religious Studies	1980
Bob Jones University	Graduate Program	Religious Studies	1982
Marquette University	Bachelor of Science	Bio-Chemistry	2002

Credentials

---

Wisconsin Certified General Appraiser – #1858, Expiration: 12/14/2017

Wisconsin Certified Residential Appraiser, # 1752-9, Expiration: 12/14/2017

Wisconsin Real Estate Broker, # 51839-90, Expiration: 12/14/2016

Memberships:

- Associate Member, Appraisal Institute, MAI Candidate
- National Association of Realtors

Appraisal Skills and Experience

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- |                               |                                 |
|-------------------------------|---------------------------------|
| - FHA Certified               | - Appraisal Review              |
| - Comparative Market Analysis | - Tax Assessment Appraisal      |
| - Listing Appraisals (FSBO)   | - Complex Residential Appraisal |
| - Appraisal Consulting        | - New Construction Appraisal    |
| - Multiple Family Residential | - Vacant Land Appraisal         |
| - Industrial                  | - Mixed Use                     |
| - Office                      | - Retail                        |
| - Gas Stations                | - Storage                       |
| - Churches                    | - Restaurants                   |
| - Bars/Taverns                | - Schools                       |

NO. 1858 - 10

EXPIRES: 12/31/2019

The State of Wisconsin  
Department of Safety and Professional Services

*Hereby certifies that*

PAUL R. LINDSTROM

*was granted a certificate to practice as a*

CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY  
RELATED TRANSACTIONS IS AQB COMPLIANT

*in the State of Wisconsin in accordance with Wisconsin Law  
on the 1st day of June in the year 2012.*

*The authority granted herein must be renewed each biennium by the granting authority.*

*In witness thereof, the State of Wisconsin  
Department of Safety and Professional Services  
has caused this certificate to be issued under  
its official seal.*



*Laura E. Gutierrez*  
Director

*This certificate was printed on the 8th day of December in the year 2017*

STEPHEN C. LAUENSTEIN, MAI, ASA

Lauenstein & Associates  
6373 North Jean Nicolet Road, Suite 100  
Milwaukee, Wisconsin 53217  
Tel 414-732-2880, ext. 111 / Fax 414-732-2890  
[steve@la-appraisal.com](mailto:steve@la-appraisal.com), [www.la-appraisal.com](http://www.la-appraisal.com)

EMPLOYMENT HISTORY

2009-Present. Owner of Lauenstein & Associates, Inc.  
1999-2009. Co-owner of Chudnow-Druck Lauenstein, Inc. & Dennis Russell Appraisal Services, Inc.  
1997-1999. Principal of Metropolitan Appraisal Commercial Group, Inc.  
1991-1999. Principal of Metropolitan Appraisal, Inc.  
1988-1991. Metropolitan Life Real Estate Investments - Senior Appraiser/Asset Manager  
1985-1986. Wells Fargo Realty Advisors - Regional Asset Manager  
1981-1983. Fleet Mortgage Corporation - Mortgage Officer

EDUCATION

Master of Science - Business, Real Estate Appraisal and Investment Analysis - University of Wisconsin - Madison, 1984;  
Bachelor of Science - Business, Miami University-Oxford, Ohio, 1980

Courses & Seminars

Year in Review Symposium  
Chapter Leadership Program  
2011 Appraisal Institute Annual Meeting Days 1, 2, and 3  
Advanced Spreadsheet Modeling for Valuation Applications  
Loss Prevention  
7-hour National USPAP Update Course  
110 Appraisal Principals  
120 Appraisal Procedures  
210 Residential Case Studies  
410 Standards of Professional Practice A  
420 Standards of Professional Practice B  
-- The New Uniform Residential Appraisal Report  
-- FNMA Appraisal Issues  
430 Standards of Professional Appraisal Practice  
500 Advanced Residential Form and Narrative Report Writing  
-- USPAP Uniform Standards of Professional Appraisal Practice (11/97)  
-- Appraisal Review  
510 Advanced Income Capitalization (10/03)  
520 Highest and Best Use & Market Analysis (10/02)  
530 Advanced Sales Comparison & Cost Approaches (10/01)  
-- National USPAP Update Course (7-hour Seminar) (3/03)  
Report Writing & Valuation Analysis (5/04)  
Advanced Applications (1/05)  
710 Condemnation Appraising (7/01)  
-- Comprehensive Exam Review (8/06)

DESIGNATIONS, CERTIFICATIONS AND LICENSES

Wisconsin Certified General Appraiser #146-010  
Member of the Appraisal Institute (MAI)  
Accredited Senior Appraiser (ASA) by the American Society of Appraisers

ASSOCIATION MEMBERSHIPS

University of Wisconsin Real Estate Alumni Association  
University of Wisconsin School of Business Alumni Association  
Sigma Phi Epsilon Fraternity Alumni Association

TYPES OF PROPERTIES APPRAISED

Apartment/Rooming House Properties  
Automotive Garages/Dealerships  
Bar/Tavern/Lounges  
Car Wash Facilities  
Churches/Schools  
Daycare Facilities  
Gasoline Stations/Convenience Stores  
Going Concern Valuations  
Industrial/Warehouse  
Leasehold Estates  
Mixed-use Properties  
Office/Warehouse Facilities  
Partial Interests  
Partial & Complete Acquisitions  
Professional Office Buildings  
Research & Development Facilities  
Residential Subdivisions  
Retail Buildings  
Small Income Properties  
Vacant Land Parcels (Raw)  
Residential Subdivisions  
Condominium Developments

PARTIAL LIST OF CLIENTS

Lending Institutions

Anchor Bank	Associated Bank
Bank Mutual	Bayview Loan Servicing
BMO Harris Bank	Citizens Bank of Mukwonago
Community Bank & Trust	ECCU
Johnson Bank	JP Morgan Chase Bank
North Shore Bank	Park Bank
PNC Bank	Pyramax Bank
RidgeStone Bank	Seaway Bank
TCF Bank	U.S. Bank
WaterStone Bank	Wells Fargo Bank

Government Agencies

City of Brookfield  
City of Milwaukee  
City of Wauwatosa  
City of West Allis  
County of Milwaukee  
County of Waukesha  
Federal Aviation Administration  
Veteran's Administration  
Village of Butler  
Wisconsin DOT  
MMSD (Milwaukee Metropolitan Sewerage District)

NC. 146 - 03

EXPIRES: 12/14/2019

The State of Wisconsin  
Department of Safety and Professional Services

*Hereby certifies that*

STEPHEN C LAUENSTEIN

*was granted a certificate to practice as a*

CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY  
RELATED TRANSACTIONS IS AQB COMPLIANT

*in the State of Wisconsin in accordance with Wisconsin Law*

*on the 19th day of December in the year 1991.*

*The authority granted herein must be renewed each biennium by the granting authority.*

*In witness thereof, the State of Wisconsin*

*Department of Safety and Professional Services*

*has caused this certificate to be issued under*

*its official seal.*



*Laura E. Gutierrez*  
Secretary

*This certificate was printed on the 7th day of December in the year 2017.*

**EXHIBIT D - ENGAGEMENT LETTER**

Date: 4/11/18

Page: 1

# Purchase Order

PO Number: **D21995**

THIS NUMBER MUST APPEAR ON ALL INVOICES/DELIVERY SLIPS

City of Milwaukee  
Department of City Development  
809 North Broadway  
Milwaukee, WI 53202

Vendor: 15979 414-732-2880  
LAUENSTEIN & ASSOCIATES  
3673 N JEAN NICOLET RD  
SUITE 100  
MILWAUKEE, WI 53217

Ship To: (If different address):  
DCD-REAL ESTATE  
809 N BROADWAY 2ND FL  
MILWAUKEE, WI 53202

QTY	UCM	DESCRIPTION	ITEM NO.	ORG	ACCT	CC	UNIT PRICE	TOTAL COST
1.00	SER	<p>APPRAISAL SERVICE for the City of Milwaukee- Department of City Development at the Forest Home Library located at 1432 W. Forest Home Ave., Milwaukee, WI. The purpose of this appraisal is to produce an independent opinion of the market value of the building, to conform to the Uniform Standards of Professional Appraisal Practice (USPAP).</p> <p>Time of Performance: Vendor will provide a narrative appraisal within two (2) weeks from the date of this Purchase Order.</p> <p>Total compensation \$ [REDACTED] per Request for Appraisal Service Pricing #57790 (EXHIBIT 1).</p> <p>Department Contact: Rhonda Szalai, 414-286-5674</p> <p>Vendor contact: Steve Lauenstein, 414-732-2880 or steve@la-appraisal.com</p> <p>For Internal Use Only: 1000-63513-GAR001</p>	1	001000	63513	GAR001	[REDACTED]	[REDACTED]

Total Due [REDACTED]

**SPECIAL INSTRUCTIONS**

Terms and Conditions incorporated herein for this Purchase Order can be located at the following website: [www.city.milwaukee.gov/Forms356.htm](http://www.city.milwaukee.gov/Forms356.htm). Copies of the aforementioned Terms and Conditions will be provided upon request.

Pursuant to Section 77.54(9a) of the Wisconsin Statutes, we are exempt from the Wisconsin Sales and Use Tax Law.

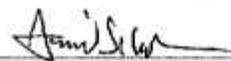
Billing instructions: invoice in duplicate and mail both copies to the City of Milwaukee, Department of City Development, 809 North

Requisition No. 00000

Requested By: \_\_\_\_\_

City of Milwaukee  
Department of City Development

**AUTHORIZED BY**



Purchasing Agent

VERBOD

Date: 4/11/18

Page: 2

# Purchase Order

PO Number: **D21996**

THIS NUMBER MUST APPEAR ON ALL INVOICES/DELIVERY SLIPS

City of Milwaukee  
 Department of City Development  
 809 North Broadway  
 Milwaukee, WI 53202

Vendor: 15979 414-732-2850  
 LAUENSTEIN & ASSOCIATES  
 3673 N JEAN NICOLET RD  
 SUITE 100  
 MILWAUKEE, WI 53217

Ship To: (If different address):  
 DCD-REAL ESTATE  
 809 N BROADWAY 2ND FL  
 MILWAUKEE, WI 53202

QTY.	UCM	DESCRIPTION	ITEM NO	ORG	ACCT	CIC	UNIT PRICE	TOTAL COST
		Terms and Conditions incorporated herein can be located at the following website: <a href="http://city.milwaukee.gov/Purchasing/PPR/TC.htm">http://city.milwaukee.gov/Purchasing/PPR/TC.htm</a> . Copies of the aforementioned Terms and Conditions will be provided upon request.						

**SPECIAL INSTRUCTIONS**

Terms and Conditions incorporated herein for this Purchase Order can be located at the following website: [www.city.milwaukee.gov/Forms356.htm](http://www.city.milwaukee.gov/Forms356.htm). Copies of the aforementioned Terms and Conditions will be provided upon request.

Pursuant to Section 77.54(9a) of the Wisconsin Statutes, we are exempt from the Wisconsin Sales and Use Tax Law.

Billing Instructions: Invoice in duplicate and mail both copies to the City of Milwaukee, Department of City Development, 809 North

Requisition No. **00000**

Requested By: \_\_\_\_\_

Total Due XXXXXXXXXX

**City of Milwaukee**  
 Department of City Development

**AUTHORIZED BY**

\_\_\_\_\_  
 Purchasing Agent

939388

EXHIBIT 1

CITY OF MILWAUKEE- DEPARTMENT OF CITY DEVELOPMENT  
 809 North Broadway  
 Milwaukee, Wisconsin 53202  
 REQUEST FOR APPRAISAL SERVICE PRICING # 57790  
 Today's Date:  
 4/10/18

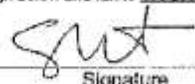
This DOES NOT represent a commitment to buy. Any ACTUAL order resulting from this solicitation will be confirmed by a City of Milwaukee Department of City Development Purchase Order

ALL SERVICES REQUIRE COMMERCIAL AND PUBLIC LIABILITY INSURANCE AND W-9 TO BE ON FILE IN THE REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE'S PURCHASING SECTION BEFORE COMMENCING WITH ANY WORK.

Description (of Service or Commodity)	Total Cost
<p>The undersigned hereby proposes to furnish the appraisal services for the City of Milwaukee Department of City Development (DCD) for the lump sum amount herein, and if successful, hereby agrees to enter into a Purchase Order with DCD in accordance with the terms and conditions referenced.</p> <p>Terms and Conditions incorporated herein for this Informal Purchase Order can be located at the following website:  <a href="http://city.milwaukee.com/Purchasing/PPR/TC.htm#W/SAGE2supp">http://city.milwaukee.com/Purchasing/PPR/TC.htm#W/SAGE2supp</a></p> <p><b>SCOPE OF WORK:</b>                      DCD is requesting the successful bidder to provide the services necessary to produce an independent opinion of the market value of the Forest Home Library, located at 1432 W. Forest Home Avenue, Milwaukee, WI.</p> <p><b>PURCHASE ORDER TERM:</b>                      This is a RUSH appraisal and needs to be submitted to DCD within two (2) weeks or as soon as possible. Once a vendor is chosen, the timeframe for completion will be discussed with the vendor.</p> <p>Request for Service Pricing for services described herein MUST be received at the fax number or email below no later than <b>April 13, 2017, at 12:00 P.M.</b></p> <p>DCD reserves the right to reject any and all bids and all or part of a bid; to waive formalities, technical defects, and minor irregularities in bids received; and to select the bid(s) deemed most advantageous to DCD.</p> <p>IMPORTANT NOTE: If this contract relates to the purchase of food or beverages, the contractor is urged to make Fair Trade products available in accordance with Common Council Resolution Number 070260, declaring the City of Milwaukee a Fair Trade City, effective July 18, 2007.</p>	<p>\$ <u>          </u> Lump Sum</p> <p>completed within two weeks</p>

Contact Person: Nicole Anderson, Phone: 414-286-5893, Nicole.Anderson@milwaukee.gov

Please sign below and fax to 414-286-8891 no later than **April 13, 2017, at 12:00 P.M.**, ATTN: Nicole Anderson

 \_\_\_\_\_ 4/10/18  
 Signature Date

414-732-2880 \_\_\_\_\_ 414-732-2890  
 Phone Fax

Lauenstein & Associates, Inc. 5373 N. Jean Nicolet Rd. Suite 100, Milwaukee, WI 53217

Company Name & Address